

RUSORO MINING LTD.
(Formerly Newton Ventures Inc.)
(a Development Stage enterprise)
Consolidated Financial Statements
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005 AS RESTATED
(Expressed in U.S. Dollars)

Auditors' Report

To the Shareholders of
Rusoro Mining Ltd. (formerly Newton Ventures Inc.)

We have audited the consolidated balance sheet of Rusoro Mining Ltd. (a development stage enterprise) (formerly Newton Ventures Inc.) as at December 31, 2006 and the consolidated statements of operations and deficit accumulated during the development stage and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The consolidated financial statements as at December 31, 2005 and for the year then ended, prior to restatement for the accounting for foreign currency translation as described in Note 3, were audited by other auditors who expressed an opinion without reservation on those statements in their report dated June 26th, 2006 (except as to note 21, which was as of July 27, 2006). We have examined the adjustments as described in note 3 and in our opinion, such adjustments in all material respects, are appropriate and have been properly applied.

Our previous audit report dated April 25, 2007 has been withdrawn and the consolidated financial statements have been restated as disclosed in Note 3.

Grant Thornton LLP

Vancouver, Canada
April 25, 2007 except as to Notes 3 and 21(c)
which are as at November 28, 2007

Chartered Accountants

RUSORO MINING LTD.
(Formerly Newton Ventures Inc.)
(A Development Stage Enterprise)
CONSOLIDATED BALANCE SHEETS
AS AT DECEMBER 31, 2006 AND 2005
(Expressed in U.S. Dollars)

	2006	2005
	(Restated - Note 3)	(Restated - Note 3)
CURRENT ASSETS		
Cash	\$ 11,121,109	\$ 75,660
Loans and other receivables (Note 4)	339,673	630,266
Prepaid expenses and deposits	3,647	61,245
Advances to related companies (Note 5)	446,571	544,184
Inventories (Note 6)	96,515	100,502
	12,007,515	1,411,857
Plant & equipment (Note 7)	3,696,951	3,893,512
Mineral properties (Note 8)	26,822,013	29,685,327
	\$ 42,526,479	\$ 34,990,696
 CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 9)	\$ 4,065,110	\$ 1,232,808
Surface taxes	172,345	168,579
Due to related parties (Note 13)	71,568	-
	4,309,023	1,401,387
Due to shareholders (Note 10)	-	53,369,527
Long term payable (Note 14)	2,500,000	-
Asset retirement obligation (Note 12)	462,609	541,708
	2,962,609	53,911,235
Non-controlling interest	1,933,583	760,808
 SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 11)	89,161,949	10,500
CONTRIBUTED SURPLUS (Note 11)	7,198,983	4,449,500
	96,360,932	4,460,000
DEFICIT ACCUMULATED DURING THE DEVELOPMENT STAGE	(63,039,668)	(25,542,734)
	33,321,264	(21,082,734)
	\$ 42,526,479	\$ 34,990,696

Nature & continuance of operations - Note 1
Contingencies - Note 19

(See accompanying Notes)

APPROVED BY THE DIRECTORS:

"George Salamis", Director
George Salamis

"Gordon Keep", Director
Gordon Keep

RUSORO MINING LTD.**(Formerly Newton Ventures Inc.)****(A Development Stage Enterprise)****CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT ACCUMULATED DURING THE DEVELOPMENT
STAGE****FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005****(Expressed in U.S. Dollars)**

	2006	2005
	(Restated - Note 3)	(Restated - Note 3)
EXPENSES		
Administration expenses (Note 13)	\$ 3,731,467	\$ 2,757,533
Impairments of mineral properties	10,293,409	-
Consulting (Note 13)	155,494	-
Professional fees	1,030,858	630,948
Salaries (Notes 11(d) & 13)	182,791	100,540
Transfer agent and filing fees	41,954	-
Travel and entertainment expenses	823,570	519,764
	<hr/>	<hr/>
Net loss before undernoted	(16,259,543)	(4,008,785)
	<hr/>	<hr/>
OTHER EXPENSES		
Asset retirement costs (Note 12)	(37,462)	-
Foreign exchange loss	(4,032,987)	(124,560)
Interest (Note 10)	(8,236,982)	(9,034,510)
Stock based compensation on acquisition transaction (Note 11(d))	(7,825,924)	-
Loss on disposal of assets	(3,695)	-
	<hr/>	<hr/>
	(20,137,050)	(9,159,070)
	<hr/>	<hr/>
LOSS BEFORE OTHER INCOME, TAX AND DISCONTINUED OPERATIONS	(36,396,593)	(13,167,855)
	<hr/>	<hr/>
Other income, net	407,085	1,116,818
	<hr/>	<hr/>
LOSS BEFORE INCOME TAX AND BUSINESS ASSETS TAX AND DISCONTINUED OPERATIONS	(35,989,508)	(12,051,037)
	<hr/>	<hr/>
Income tax (Note 15)	-	-
Discontinued operations (Note 16)	(1,507,426)	(594,462)
	<hr/>	<hr/>
NET LOSS	(37,496,934)	(12,605,499)
	<hr/>	<hr/>
DEFICIT ACCUMULATED DURING THE DEVELOPMENT STAGE, Beginning of year	(25,542,734)	(12,897,235)
	<hr/>	<hr/>
DEFICIT ACCUMULATED DURING THE DEVELOPMENT STAGE, End of year	\$ (63,039,668)	\$ (25,542,734)
	<hr/>	<hr/>
BASIC AND DILUTED LOSS PER SHARE	\$ (2.01)	\$ (113,868)
	<hr/>	<hr/>
WEIGHTED AVERAGE NUMBER OF SHARES	18,609,760	105
	<hr/>	<hr/>

(See accompanying Notes)

RUSORO MINING LTD.
(Formerly Newton Ventures Inc.)
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005
(Expressed in U.S. Dollars)

	2006	2005
	(Restated - Note 3)	(Restated - Note 3)
OPERATING ACTIVITIES		
Net loss for the period	\$ (35,989,508)	\$ (12,051,037)
Item not involving cash		
Asset retirement costs	37,462	39,962
Impairment on mineral properties (Note 8)	10,293,409	-
Non-cash compensation (Note 11(d))	7,825,924	-
Loss on disposal of assets	3,695	-
	(17,829,018)	(12,011,075)
Changes in non-cash working capital items		
Inventories	3,987	1,186,696
Receivables	290,593	1,468,465
Prepays	57,598	1,485,964
Accounts payables	3,039,786	(1,303,901)
	(14,437,054)	(9,173,851)
Cash used in discontinued operations	(1,193,964)	896,605
	(15,631,018)	(8,277,246)
FINANCING ACTIVITIES		
Advances from shareholders	12,744,539	15,438,019
Proceeds from Private Placement	35,000,000	-
Cancellation of shares	(10,000,000)	-
Share issue costs	(2,475,427)	-
Loan (Note 14)	(2,500,000)	(159,353)
Due to related party	71,568	-
	32,840,680	15,278,666
INVESTING ACTIVITIES		
Mineral property costs	(6,112,954)	(4,773,511)
Purchase of property plant and equipment	(148,872)	(2,714,713)
Advances from (to) related parties (Note 4)	97,613	(239,782)
	(6,164,213)	(7,728,006)
INCREASE (DECREASE) IN CASH	11,045,449	(726,586)
Cash - beginning of period	75,660	802,246
CASH - END OF PERIOD	\$ 11,121,109	\$ 75,660
Supplemental cash flow information		
Cash interest paid	\$ 8,236,982	\$ 9,034,510
Cash taxes paid	\$ -	\$ -
Non-cash transactions (Note 15)		

(See accompanying Notes)

RUSORO MINING LTD.
(Formerly Newton Ventures Inc.)
(a Development Stage company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2006 and 2005 as Restated
(Expressed in U.S. Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated under the laws of the Province of British Columbia on March 1, 2000 under the name "Hollingfield Capital Corporation". The Corporation changed its name to "PKI Innovations (Canada) Inc." on August 10, 2001. During the year ended December 31, 2005, the Company changed its name to Newton Ventures Inc. and consolidated its share capital on a 7 for 1 basis. On September 30, 2006, the Company changed its name to Rusoro Mining Ltd. ("Rusoro") and consolidated its share capital on a 1 to 0.6 basis. Prior to September 30, 2006, the Company had no business activities, but since then has entered into a transaction whereby its business has become the exploration and development of mineral properties in Venezuela.

On November 7, 2006, the Company acquired all of the issued and outstanding securities of Grupo Agapov Corp. ("Grupo Agapov") in consideration for the issuance of 108,333,334 Rusoro shares to the shareholders of Grupo Agapov. Rusoro also issued 5,833,336 share purchase warrants in exchange for 5,833,336 share purchase warrants of Grupo Agapov upon the transaction. As part of the acquisition Rusoro also issued 10,000,000 performance warrants, 1,200,000 Rusoro shares as a finders fee and 210,000 Rusoro shares in settlement of debt (Note 10) of approximately \$512,811. Also upon the close of the transaction, stock options were granted entitling directors, officers, employees and consultants of Rusoro to purchase up to 7,105,000 Rusoro shares. These options were accounted for at fair value using the black-scholes model. The options have a life of 10 years and vest over periods ranging from 6 months to 2 years. The total value of these options has been calculated as \$7,825,924.

As a result of this acquisition, the shareholders of Grupo Agapov became the owners of the majority amount of the issued and outstanding common shares of the Company. Since effective control of the Company was acquired by the principals of Grupo Agapov, the acquisition was accounted for as a reverse takeover transaction that does not constitute a business combination. In accordance with EIC-10, "Reverse takeover" accounting, Grupo Agapov was considered the acquiring company for accounting purposes and the transaction was accounted for as an issuance of shares by Grupo Agapov with a recapitalization of the consolidated entity. As a result, these comparative financial statements are that of Grupo Agapov.

The net assets of the Company at the acquisition date were as follows:

Cash	\$ 151,138
Other current assets	5,843
Liabilities	<u>(56,001)</u>
	\$ <u>100,980</u>

In conjunction with the Company's acquisition of Grupo Agapov, Grupo Agapov changed its name to Rusoro Mining (Panama) Inc., and completed a \$35,000,000 equity financing and issued a total of 11,666,667 common shares at a price of US\$3.00 per share. Each unit consisted of one share of Rusoro Mining (Panama) Inc. and one-half a share purchase warrant, with each whole warrant entitling the holder to purchase one share of Rusoro Mining (Panama) Inc. for a two year period at a price of \$3.55 per share. Of the proceeds \$10,000,000 was used to purchase 3,333,333 shares from existing shareholders. The remaining shares were exchanged into shares of the Company on a one-for-one basis.

RUSORO MINING LTD.
(formerly Newton Ventures Inc.)
(A Development Stage Company)
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2006 and 2005 as Restated
Expressed in US\$

1. NATURE AND CONTINUANCE OF OPERATIONS (cont'd)

These consolidated financial statements have been prepared using Canadian generally accepted accounting principles ("GAAP") that are applicable to a going concern, which assumes the realization of assets and liquidation of liabilities in the normal course of business. The continued application of the going concern assumption is dependent upon the Company's ability to obtain additional financing and to attain profitable operations. The Company has been unable to generate profits from operations since inception, and at December 31, 2006 has working capital of \$7,698,492

The Venezuelan subsidiaries of the Company have received mining concessions for the exploration, development and exploitation of alluvial and vein gold and diamonds. The concessions have been granted by the Ministry of Energy and Mines or by Corporación Venezolana de Guayana, maturing in 20 to 25 years, with some concessions extendable for subsequent periods of 10 years.

The details of the concessions and areas subject to the various contracts held by each of the Venezuelan subsidiaries of the Company are as follows:

Venezuelan subsidiary	Concession	Phase
Minería MS, C.A.	Emilia	Exploitation
	Emilia II	Exploitation
	Ceiba II	Exploration
	Urupagua	Exploration
Lamin Laboreos Mineros, C.A.	San Rafael	Exploration
Corporación 80.000, C.A.	El Placer	Exploration
Inversora Técnica de Minas, C.A.	Belkis I	Exploration
Inversora Maryate, C.A.	Virginia I & II	Exploration
Corporacion Minera Sor Teresita, CA	Sor Teresita I,II,III,IV	Exploration
	Sor Teresita V	Exploration
Inversiones Vipago CA	Unin	Exploration
Inversiones Yuruan, CA	Yuruan	Exploration
Minera Tapaya, CA	Libertad I & II	Exploration
	Tapaya I & II	Exploration
Representaciones Carson Gold Int. SA	Bloque A & Bloque C	Exploration
Inversiones Fitzcarraldo, C.A.	Torre 3	Exploration
Mineral Ecological Technology de Venezuela, C.A.	La Coromoto	Exploration
	Guaicamacuare	Exploration
Corporación Cabellos Galvez, C.A.	Atlántida	Exploration
Kryos Mining, S.A.	Valle Hondo	Exploration
	Valle Hondo I to V	Exploration
	Valle Hondo 89	Exploration
	Valle Hondo 90	Exploration
	Valle Hondo 91	Exploration
General Mining de Guayana, C.A.	Increíble 6	Exploration
	Valle Hondo 92	Exploration
	Valle Hondo 93	Exploration
	Valle Hondo 94	Exploration
Corporación Minera 410879, C.A.	Anaconda	Exploration
Corporación Minera 11-90, C.A.	Anacoco 6 Subzona 1	Exploration

RUSORO MINING LTD.
(formerly Newton Ventures Inc.)
(A Development Stage Company)
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2006 and 2005 as Restated
Expressed in US\$

1. NATURE AND CONTINUANCE OF OPERATIONS (cont'd)

The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain reserves that are economically recoverable. Accordingly, the recoverability of capitalized costs is dependant upon the existence of economically recoverable reserves, continuation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary exploitation permits on mining properties and financing to complete their development and upon future profitable production or disposition thereof.

Local and international political and economic conditions, such as variations in the price of gold, inflation, fluctuations in the exchange rate or the exchange control, exploitation controls and local political-economic developments can have a significant effect on the financial results of the Company's operations.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Consolidation

These consolidated financial statements are prepared in accordance with GAAP in Canada. Summarized below are those policies considered particularly significant to the Company. References to the Company included herein are inclusive of the accounts of the parent company and its consolidated subsidiaries. All intercompany transactions and balances have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions which affect the recorded amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses incurred during the periods. Specific areas requiring the use of estimates include the determination of amortization provisions for equipment and the input variables used to calculate stock-based compensation, future tax asset valuation allowance, and impairment on mining properties. Actual results could differ from these estimates.

Translation of financial statements into United States of America Dollars:

The functional currency of the Company and its subsidiaries is the United States of America Dollar as operations are denominated in US currency. As a result, the foreign currency denominated assets and liabilities have been translated into United States dollars using the temporal method. The conversion of the monetary assets and liabilities is based on the exchange rate in effect at the end of the fiscal year, for the non-monetary assets and liabilities the exchange rate in effect at the date of the transaction is used. The income and expenses are converted using the average monthly exchange rates. Foreign exchange gains and losses are recognized in income.

Plant and Equipment and Amortization

Plant and equipment are recorded at cost and amortized on a straight line basis over their estimated useful lives as follows:

Facilities	20-25 years
Machinery	5 years
Furniture and equipment	5 years
Vehicles	5 years

RUSORO MINING LTD.
(formerly Newton Ventures Inc.)
(A Development Stage Company)
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2006 and 2005 as Restated
Expressed in US\$

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Mineral Properties

The Company defers the cost of acquiring, maintaining its interest, exploring and developing mineral properties until such time as the properties are placed into production, abandoned, sold or considered to be impaired in value. Costs of producing properties will be amortized on a unit of production basis and costs of abandoned properties are written-off. Proceeds received on the sale of interests in mineral properties are credited to the carrying value of the mineral properties, with any excess included in operations. Write-downs due to impairment in value are charged to operations.

The Company is in the process of exploring and developing its mineral properties and has not yet determined the amount of reserves available. Management reviews the carrying value of mineral properties on a periodic basis and will recognize impairment in value based upon current exploration results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the property. Amounts shown for properties represent costs incurred net of write-downs and recoveries, and are not intended to represent present or future values.

Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations and which do not contribute to current or future revenue generation are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable, and the costs can be reasonably estimated. Generally, the timing of these accruals coincides with the earlier of completion of a feasibility study or the Company's commitment to a plan of action based on the then known facts.

In order for production to occur on mining properties under development, the Company must first obtain an exploitation permit on such properties. Exploitation permits are subject to the approval of the Venezuelan Government and Government Controlled entities. There can be no assurance that such permits will be obtained on properties under development.

Inventories

The inventory of gold is valued at cost and is intended for sale.

Allowance for doubtful accounts

The Company establishes an allowance for doubtful accounts on a specific account basis.

RUSORO MINING LTD.
(formerly Newton Ventures Inc.)
(A Development Stage Company)
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2006 and 2005 as Restated
Expressed in US\$

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Accumulation for Termination Benefits

The Venezuelan subsidiaries accumulate liabilities for their workers' termination benefits, which arise when the working relationship between the employer and an employee comes to a close. Termination benefits are an acquired right of the worker based on the provisions of the Organic Labor Law (OLL) and the collective bargaining agreement currently in effect. The OLL and the collective bargaining agreement also call for additional benefits that are applicable under certain circumstances and the Company, based on its experience, has recorded an additional accrual for such liabilities.

Future Income Taxes

Income taxes are accounted for under the asset and liability method. Future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Future tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Future tax assets are reduced by a valuation allowance to the extent that the recoverability of the asset is not considered to be more likely than not.

The Company's subsidiaries are located in Venezuela and are therefore subject to the laws and regulations of that country with respect to income taxation matters. These laws and regulations differ from those in Canada.

Revenue Recognition

During the year, revenue from gold sales was recognized at the date of shipment to the client. During the period from May 6, 2004 to February 14, 2005, export sales were made by the Company insofar as they were permitted by the Venezuelan government. During 2005 and 2006, 100% of the Company's revenue was derived from two customers.

Asset Retirement Obligation

The Company recognizes the estimated liability associated with an asset retirement obligation (ARO) in the financial statements at the time the asset is acquired and the liability is incurred. The estimated present value of the ARO liability is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset. The capitalized amount is over the useful life of the asset. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. The ARO is also adjusted for changes in the estimates of timing of cash flows or changes in the original estimated undiscounted cost. Actual costs incurred upon settlement of the ARO are charged against the ARO to the extent of the liability recorded.

Impairment of Long-lived Assets

The Company assesses the recoverability of its long-lived assets by determining whether the carrying value of the long-lived assets can be recovered over their remaining lives through undiscounted future operating cash flows. The amount of impairment, if any, is measured based on projected discounted future operating cash flows using a discount rate reflecting the company's average cost of funds. The assessment of the recoverability will be impacted if estimated future operating cash flows are not achieved. If the undiscounted value of the future cash flows is less than the carrying amount of the asset, impairment is recognized.

RUSORO MINING LTD.
(formerly Newton Ventures Inc.)
(A Development Stage Company)
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2006 and 2005 as Restated
Expressed in US\$

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Share Capital

Capital stock issued for other than cash is valued at the price at which the stock traded on the principal stock exchange on which the stock trades at the time the agreement to issue the stock is made or, if such issuance is at the option of the Company, at the time the Company determines to issue such stock.

Stock-based Compensation

The Company records stock option-based compensation for consultants and employees using a fair value-based method. Consideration received on the exercise of stock options and compensation options and warrants is recorded as share capital and the related contributed surplus originally recognized when the options were vested, is transferred to share capital.

Loss per share

When there is a loss for the period, basic loss per share ("LPS") is calculated by dividing the net loss applicable to common shareholders by the weighted average number of common shares outstanding for the year. Potentially dilutive securities are excluded from the calculation of diluted LPS, as they are anti-dilutive.

3. RESTATEMENT OF FINANCIAL STATEMENTS

a) Foreign Currency Translation

During the third quarter of 2007 the Company determined that it had incorrectly translated the accounts of its fully integrated Venezuelan subsidiaries and that the Company translated these subsidiaries' accounts from Venezuelan Bolivars to US dollars using the official exchange rate rather than by using the parallel exchange rate.

Since the Company's Venezuelan subsidiaries do not have the necessary registrations in Venezuela they are unable to access the official rate and are, therefore, only able to convert Bolivars into US dollars using the parallel market rate. As a result, management has determined that amendments should be reflected in the previously issued financial statements for the two years ended December 31, 2006 and 2005 and for the three and six month interim periods ended March 31, 2007 and June 30, 2007(with comparatives) respectively, to account for financial statement items at the parallel exchange rate prevailing at the applicable dates.

b) Stock Based Compensation

Also, during the third quarter of 2007 the Company determined that corrections were required in the amounts previously recorded in connection with the granting of options to officers, employees, consultants and directors. The corrections adjust for previously incorrect vesting schedules for certain options and also to correct the characterisation of certain stock options from employee stock options to non-employee stock options.

RUSORO MINING LTD.
(formerly Newton Ventures Inc.)
(A Development Stage Company)
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2006 and 2005 as Restated
Expressed in US\$

3. RESTATEMENT OF FINANCIAL STATEMENTS (Cont'd)

The effects of the foregoing restatement can be summarized as follows:-

For the years ended December 31, 2006 and 2005:

As at December 31, 2006	As previously reported \$	Increase (Decrease)		As restated \$
		(a) Foreign currency translation \$	(b) Stock based compensation \$	
Balance Sheet				
Current assets				
Cash	11,624,538	(503,429)	-	11,121,109
Loan & other receivables	362,076	(22,403)	-	339,673
Prepaid expense & deposits	5,706	(2,059)	-	3,647
Advances to associated companies	698,745	(252,174)	-	446,571
Non-current assets				
Property, plant & equipment	4,213,321	(516,370)	-	3,696,951
Mineral properties	31,239,315	(4,417,302)	-	26,822,013
Current liabilities				
Accounts payable & accrued liabilities	5,141,280	(1,076,170)	-	4,065,110
Surface taxes	269,667	(97,322)	-	172,345
Long term liabilities				
Asset retirement obligation	723,839	(261,230)	-	462,609
Shareholders equity				
Foreign currency translation adjustments	1,285,655	(1,285,655)	-	-
Contributed surplus	8,155,108	-	(956,125)	7,198,983
Deficit	61,002,433	2,993,360	(956,125)	63,039,668

For the year ending December 31, 2006	As previously reported \$	Increase (Decrease)		As restated \$
		(a) Foreign currency translation \$	(b) Stock based compensation \$	
Statements of Operations				
Administration	4,386,583	(655,116)	-	3,731,467
Impairment of mineral properties	13,882,104	(3,588,695)	-	10,293,409
Professional fees	1,047,546	(16,688)	-	1,030,858
Salaries	258,229	74,064	(74,751)	257,542
Asset retirement obligation	56,152	(18,690)	-	37,462
Foreign exchange loss	11,146	4,021,841	-	4,032,987
Stock based compensation	8,707,298	-	(881,374)	7,825,924
Loss on disposal of assets	5,538	(1,843)	-	3,695
Other income	452,203	(45,118)	-	407,085
Discontinued operations	2,199,303	(691,877)	-	1,507,426
Net Loss	(39,359,696)	906,637	956,125	(37,496,934)
Deficit, beginning of period	(21,642,737)	(3,899,997)	-	(25,542,734)
Deficit, end of period	(61,002,433)	(2,993,360)	956,125	(63,039,668)

RUSORO MINING LTD.
(formerly Newton Ventures Inc.)
(A Development Stage Company)
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2006 and 2005 as Restated
Expressed in US\$

3. RESTATEMENT OF FINANCIAL STATEMENTS (Cont'd)

For the year ending December 31, 2006	As previously reported \$	Increase (Decrease)		As restated \$
		(a) Foreign currency translation \$	(b) Stock based compensation \$	
Cash Flow Statement				
Net loss for the year	(37,160,393)	1,170,885	-	(35,989,508)
Operating activities				
Asset retirement obligation	56,152	(18,690)	-	37,462
Amounts written off mineral properties	13,882,104	(3,588,695)	-	10,293,409
Loss on disposal of assets	5,538	(1,843)	-	3,695
Non cash compensation	8,782,049		(956,125)	7,825,924
Changes in non-cash working capital				
Receivables	285,290	5,303	-	290,593
Prepays	56,040	1,558	-	57,598
Accounts payable	5,825,490	(2,785,704)	-	3,039,786
Cash provided by discontinued operations	(1,729,452)	(535,488)	-	(1,193,964)
Investing activities				
Mineral property costs	(11,088,509)	5,050,306	-	(6,038,203)
Purchase of property, plant and equipment	(185,399)	36,527		(148,872)
Due to related parties	(28,006)	125,619		97,613
Cash, beginning of period	82,954	(7,294)	-	75,660
Cash, end of period	11,624,538	(503,429)	-	11,121,109

As at December 31, 2005	As previously reported \$	(a) Foreign currency translation \$	(b) Stock based compensation \$	As restated \$
Balance Sheet				
Current assets				
Cash	82,954	(7,294)	-	75,660
Loan & other receivables	647,366	(17,100)	-	630,266
Prepaid expense & deposits	61,746	(501)	-	61,245
Advances to associated companies	670,739	(126,555)	-	544,184
Fixed assets				
Property, plant & equipment	4,499,324	(605,812)	-	3,893,512
Mineral properties	34,565,600	(4,880,273)	-	29,685,327
Current liabilities				
Accounts payable & accrued liabilities	1,519,507	(286,699)	-	1,232,808
Surface taxes	207,784	(39,205)	-	168,579
Long term liabilities				
Asset retirement obligation	667,687	(125,979)	-	541,708
Shareholders equity				
Foreign currency translation adjustments	1,285,655	(1,285,655)	-	-
Deficit	21,642,737	3,899,997	-	25,542,734

RUSORO MINING LTD.
(formerly Newton Ventures Inc.)
(A Development Stage Company)
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2006 and 2005 as Restated
Expressed in US\$

3. RESTATEMENT OF FINANCIAL STATEMENTS (Cont'd)

For the year ending December 31, 2005	Increase (Decrease)		As restated \$
	As previously reported \$	(a) Foreign currency translation \$	
Income Statement			
Administration	3,372,901	(615,368)	2,757,533
Professional fees	771,750	(140,802)	630,948
Salaries	122,976	(22,436)	100,540
Foreign exchange loss (Gain)	4,915	119,645	124,560
Other income	1,366,045	(249,227)	1,116,818
Discontinued operations	727,121	(132,659)	594,462
Net Loss	(13,187,892)	542,393	(12,645,499)
Deficit, beginning of period	(8,454,845)	(4,442,390)	(12,897,235)
Deficit, end of period	(21,642,737)	(3,899,997)	(25,542,734)

For the year ending December 31, 2005	Increase (Decrease)		As restated \$
	As previously reported \$	Foreign currency translation \$	
Cash Flow Statement			
Net loss for the year	(12,460,771)	409,734	(12,051,037)
Operating activities			
Asset retirement obligation	-	39,962	39,962
Foreign exchange gain	596,294	(596,294)	-
Changes in non-cash working capital			
Inventories	-	1,186,696	1,186,696
Receivables	1,722,274	(253,809)	1,468,465
Prepays	71,288	1,414,676	1,485,964
Accounts payable	(521,011)	(782,890)	1,303,901
Cash provided by discontinued operations	1,096,690	(200,085)	896,605
Financing activities			
Loan	(1,181,210)	1,021,857	(159,353)
Investing activities			
Mineral property costs	(1,701,602)	(3,071,909)	(4,773,511)
Purchase of property, plant & equipment	(3,534,046)	819,333	(2,714,713)
Due to related parties	(265,662)	25,880	(239,782)
Cash, begining of period	822,693	(20,447)	802,246
Cash, end of period	82,954	(7,294)	75,660

RUSORO MINING LTD.
(formerly Newton Ventures Inc.)
(A Development Stage Company)
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2006 and 2005 as Restated
Expressed in US\$

4. LOANS AND OTHER RECEIVABLES

Included in loans and other receivables is \$300,000 advanced during the year to an unrelated party as collateral for a loan of BVSS\$900,000,000 (\$419,000) which was advanced to Minería from Minera Hecla Venezuela, until the Company's financing was complete. This short-term loan bears no interest and is unsecured. Subsequent to year end, the Company received a repayment of the \$300,000 on February 15, 2007.

5. ADVANCES TO RELATED COMPANIES

Accounts receivables from companies sharing common ownership, management and/or administrative operations ("Related Companies") are comprised of the following:

	December 31, 2006 Restated	December 31, 2005 Restated
Urupagua, R.L	\$ 38,621	\$ 41,319
Pequeña Minería	31,575	37,442
Inversiones Andros, C.A.	4,198	5,329
Prospecciones Mineras, C.A. (PROMINCA)	8,035	8,078
Proyecto Caolin	60,519	76,223
Procesadora de minerales	11,253	6,881
Comunidad Andina Canaima	23,713	2,642
Minex	137,472	65,012
Inversiones Vargas Gonzalez	105,144	132,662
Matrioshka, C.A.	-	38,943
Others	<u>26,041</u>	<u>129,653</u>
	<u>\$ 446,571</u>	<u>\$ 544,184</u>

These expenditures were measured by the exchange amount which is the amount agreed upon by the transacting parties. The amounts are unsecured, non-interest bearing and will be collected in the normal course of business, within the next 12 months.

The Company has also entered into other business arrangements with related companies. (see Note 8)

6. INVENTORIES

The inventories are comprised of the following:

	December 31, 2006	December 31, 2005
Gold bars	\$ 56,129	\$ 78,212
Gold in process	<u>40,386</u>	<u>22,290</u>
	<u>\$ 96,515</u>	<u>\$ 100,502</u>

Gold is valued at cost and is intended for sale.

RUSORO MINING LTD.
(formerly Newton Ventures Inc.)
(A Development Stage Company)
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2006 and 2005 as Restated
Expressed in US\$

7. PLANT AND EQUIPMENT

	December 31, 2006			December 31, 2005		
	Restated			Restated		
	Cost	Amortization	Net	Cost	Amortization	Net
Facilities	\$ 4,057,659	\$ (1,165,621)	\$ 2,892,038	\$ 3,879,194	\$ (966,567)	\$ 2,912,627
Machinery	914,139	(680,093)	234,046	943,732	(563,953)	379,779
Furniture & Equipment	36,612	(31,253)	5,359	36,612	(25,916)	10,696
Vehicles	207,289	(145,823)	61,466	207,289	(120,921)	86,368
Construction in progress	504,042	-	504,042	504,042	-	504,042
	<u>\$ 5,719,741</u>	<u>\$ (2,022,790)</u>	<u>\$ 3,696,951</u>	<u>\$ 5,570,869</u>	<u>\$ (1,677,357)</u>	<u>\$ 3,893,512</u>

Construction in progress

The Company has commenced construction of a production facility to process gold material. Construction in progress includes the cost of materials, construction labour, machinery and equipment. Upon completion, such costs will be amortized over the plant's estimated useful life.

8. MINERAL PROPERTIES

	El Dorado							
	Emilia	San Rafael/Placer	CEIBA II	Valle Hondo	Incredible 6	Atlantida	Other properties	TOTAL
Balance, December 31, 2004 (Restated)	\$ 942,001	\$ 8,483,119	\$ 1,096,783	\$ 764,989	\$ 1,036,349	\$ 9,534,229	\$ 2,320,214	\$ 24,177,684
Acquisition and holding costs	-	-	-	-	-	-	-	-
Exploration costs	-	-	-	-	-	-	-	-
Non-controlling interest	-	-	-	-	-	-	-	-
Camp, equipment and geological fees	63,508	722,275	63,508	63,508	1,321,913	635,084	484,385	3,354,182
Drilling & Assays	-	1,932,304	-	-	221,157	-	-	2,153,461
	<u>63,508</u>	<u>2,654,579</u>	<u>63,508</u>	<u>63,508</u>	<u>1,543,071</u>	<u>635,084</u>	<u>484,385</u>	<u>5,507,643</u>
Balance, December 31, 2005	1,005,509	11,137,698	1,160,291	828,497	2,579,420	10,169,313	2,804,599	29,685,327
Acquisition and holding costs	-	-	-	-	-	-	232,652	232,652
Exploration costs	-	-	-	-	-	-	-	-
Non-controlling interest	-	-	-	-	-	-	-	-
Camp, equipment and geological fees	933,274	-	-	145,770	978,018	7,943	158,238	2,223,243
Drilling & Assays	1,167,435	1,177,908	-	-	2,628,856	-	-	4,974,199
	<u>2,100,709</u>	<u>1,177,908</u>	<u>-</u>	<u>145,770</u>	<u>3,606,875</u>	<u>7,943</u>	<u>390,890</u>	<u>7,430,094</u>
Writedown of mineral property costs	(10,544)	-	-	-	-	(10,177,256)	(105,609)	(10,293,409)
Balance, December 31, 2006 (Restated)	<u>\$ 3,095,674</u>	<u>\$ 12,315,606</u>	<u>\$ 1,160,291</u>	<u>\$ 974,267</u>	<u>\$ 6,186,295</u>	<u>\$ -</u>	<u>\$ 3,089,880</u>	<u>\$ 26,822,013</u>

RUSORO MINING LTD.
(formerly Newton Ventures Inc.)
(A Development Stage Company)
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2006 and 2005 as Restated
Expressed in US\$

8. MINERAL PROPERTIES (Cont'd)

El Dorado

The Company owns 100% interest in a series of mineral titles in the El Dorado District. Mineral titles include Emilia, Emilia II, El Placer, San Rafael, Ceiba, and others. This block of claims has a history of past gold production and also contains the Emilia Mill. The existing Emilia Mill, which has been on care and maintenance since September 2006, is located in the central portion of the Project. Detailed plans are currently being prepared to upgrade and expand the existing 350 tonne per day capacity of the mill during 2007. Additionally, preliminary engineering studies are being prepared for the completion of an underground ramp which will provide access to the main ore bodies at San Rafael and El Placer. Work in 2006 included metallurgical testing. This testing supports the initial design work for the expansion and updating of the existing plant. Additional optimization work is on-going.

Asociación Cooperativa Mixta Chicanan (the "Cooperativa"), the owner of the contract for the exploitation of alluvial gold and its sale in an area named CEIBA II, has granted to the Company's subsidiary, Minería M.S., the rights to the exploration, exploitation and refining operations for the raw material. In return, Minería M.S. has agreed to advance the necessary cash to fund the operations, and will receive 70% of the profits therefrom. The Cooperativa will receive 30% of the gold extracted. The operations are not yet profitable.

The Company's subsidiary, Lamin Laboreos Mineros, C.A. ("Lamin"), is the owner of a contract for the exploitation of gold for sale from the San Rafael concession. Lamin has entered into a contract with Asociacion Agrominera La Camorra ("Agrominca"), pursuant to which the companies have agreed to cooperate in the performance of the mining activities in the San Rafael parcel, and agreed that all the material extracted will be sent for processing, grinding and gold recovery exclusively to the plant located in the Emilia concession, owned by another subsidiary of the Company, Minería M.S. C.A. Lamin advances to Agrominca 50% of the necessary cash to fund the operations and in turn will receive 50% of the profits therefrom. The operations are not yet profitable.

Valle Hondo

The 13,000 hectare Valle Hondo Project is located 40 kilometres east of the Emilia Mill. Previous exploration at Valle Hondo consisted of more than 6.0 kilometres of trenching and 13,000 metres of diamond drilling. In mid 2006, a detailed geological interpretation was incorporated into an updated block model for the Valle Hondo Project.

Increible 6

At December 31, 2006, the Company owns a 76% interest in Balandria Limited, which owns four companies holding exploration stage mineral properties. The Increible 6 Project is located in the El Callao Gold District, 100 kilometres north of Emilia. Previous work at Increible 6, including geochemistry, geophysics and trenching, has outlined a series of gold targets.

Oro 88

During 2006, the Company acquired the Oro88 concessions from corporations controlled by a significant shareholder and a director (Note 14). The acquisition of these concessions has been recorded at their cost to the related party transferor (\$232,652). The Company has agreed to pay \$5,000,000 for the Oro 88 concessions and as such, the \$232,652 cost of the concessions has been recorded as other acquisition costs with the balance of \$4,767,348 recorded as a reduction to contributed surplus.

At December 31, 2006, \$2,500,000 of this \$5,000,000 remained unpaid (Note 14).

RUSORO MINING LTD.
(formerly Newton Ventures Inc.)
(A Development Stage Company)
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2006 and 2005 as Restated
Expressed in US\$

8. MINERAL PROPERTIES (Cont'd)

Impairment of mineral properties

During the year, the Company determined that it no longer would pursue mineral exploration on certain of its mineral properties. As a result, an impairment allowance was taken on these properties.

The following table discloses a breakdown of the exploration expenses presented in the statements of operations for the periods ended:

	December 31, 2006 (Restated)	December 31, 2005
Costs incurred in prior years	\$ 10,270,189	\$ -
Costs incurred in current year	<u>23,220</u>	<u>-</u>
	<u>\$ 10,293,409</u>	<u>\$ -</u>

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2006 (Restated)	December 31, 2005 (Restated)
Accounts payable	\$ 1,972,104	\$ 326,849
Accrued liabilities	1,520,272	423,355
Accumulation for labour indemnities	572,734	482,604
	<u>\$ 4,065,110</u>	<u>\$ 1,232,808</u>

10. DUE TO SHAREHOLDERS

The breakdown of the amounts due to shareholders is as follows:

	December 31, 2006	December 31, 2005
Due to Wagner & Partners / Agapov family	Nil	\$53,369,527

The amounts due were made up of cash advances made by the shareholders to cover operational costs and investments in exploration properties. Advances bore interest at a rate of 30% annually. Interest on these loans was \$8,236,982 (2005 - \$9,034,510).

In July 2006, balances owing to shareholders were settled by the issuance of shares (Note 11).

RUSORO MINING LTD.
(formerly Newton Ventures Inc.)
(A Development Stage Company)
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2006 and 2005 as Restated
Expressed in US\$

11. SHARE CAPITAL

On June 20, 2006, Grupo Agapov increased the authorized capital to five million dollars (\$5,000,000), legal currency of United States of America, divided into five hundred million (500,000,000) shares with a stated value of one cent (\$ 0.01) each.

On July 17, 2006, Grupo Agapov increased the authorized capital to US\$50,000,000, divided into 100,000,000 shares with a stated value of \$0.50 each.

On July 19, 2006, Grupo Agapov altered its authorized capital of \$50,000,000 so that it is divided into 500,000,000 shares with a stated value of \$0.10 each.

Subsequently, Grupo Agapov replaced the 105 outstanding shares with 105,000 shares with a nominal value of \$0.10 per share, and issued 99,895,000 shares to settle \$52,574,093 of the debt owing to shareholders. The shareholders settled the balance of the debt owing in July 2006.

As a result of the foregoing changes, the issued capital of Grupo Agapov was 100,000,000 shares with a stated value of \$0.10 each.

On November 7, 2006 Rusoro Mining completed its business combination with Grupo Agapov together with a share consolidation on the basis of 0.6 post-consolidation common share for every one pre-consolidation common share. There were 1,200,000 shares issued for a finders fee which has been recorded as a charge to operations, 210,000 shares issued to settle debt on amount owing to New Dawn Ltd. (a former shareholder of Rusoro Mining) and there were 108,333,334 post consolidation common shares in exchange for all of the issued and outstanding shares of Rusoro Mining (Panama) Inc. Share capital has been retroactively restated to reflect the share consolidation.

RUSORO MINING LTD.
(formerly Newton Ventures Inc.)
(A Development Stage Company)
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2006 and 2005 as Restated
Expressed in US\$

11. SHARE CAPITAL (cont'd)

a) Authorized Share Capital of Rusoro

Unlimited number of common shares without par value

b) Issued Capital

Authorized:			
Unlimited number of common shares without par value			
Issued:		Number of Shares	Amount \$
i) Issued for Rusoro pre RTO			
Balance , beginning of the year		1,692,529	1,921,344
Private placement		420,000	115,500
Balance, December 31, 2005		2,112,529	2,036,844
Warrant exercise		420,000	154,000
Consolidation 0.6 for 1		(845,012)	
Balance, pre Grupo Agapov acquisition		1,687,517	2,190,844
ii) Issued for Grupo Agapov pre RTO			
Balance, December 31, 2004 and 2005		105	10,500
Debt settlement (Note 10)		99,895,000	66,114,065
Share split		104,895	-
Private Placement		11,666,667	35,000,000
Shares repurchased		(3,333,333)	(10,000,000)
Share issue costs			(2,324,289)
		108,333,334	88,800,276
iii) Issued Common shares on acquisition			
Opening balance		1,687,517	88,800,276
Finders fee		1,200,000	-
For debt		210,000	512,811
For acquisition		108,333,334	-
Share issue costs post acquisition		-	(151,138)
Balance, pre acquisition		111,430,851	\$ 89,161,949

RUSORO MINING LTD.
(formerly Newton Ventures Inc.)
(A Development Stage Company)
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2006 and 2005 as Restated
Expressed in US\$

11. SHARE CAPITAL (cont'd)

c) Contributed Surplus

	2006 Amount (Restated)	2005 Amount (Restated)
Balance , beginning of the year	\$ 4,449,500	\$ 4,449,500
Elimination of equity on acquisition	(309,094)	-
Oro88 acquisition (Note 7)	(4,767,347)	-
Options granted to employees, consultants, directors	7,825,924	-
	<u>\$ 7,198,983</u>	<u>\$ 4,449,500</u>

d) Stock Options

The Company has a stock option plan for its directors, officers, consultants and key employees under which the Company may grant options to acquire a maximum number of common shares equal to 10% of the total issued and outstanding common shares of the Company. Options are non-transferable and may have a term of up to 10 years from the date of issue. Vesting terms, conditions and exercise price (market price at time of grant) are determined by the board of directors at the time of grant.

The Company issued stock options in 2006. 22,372 options outstanding in the Company prior to the acquisition were forfeited during 2006. There were no outstanding stock options in Grupo Agapov in 2005. The following stock options were outstanding at December 31, 2006:

Number	Exercise Price \$	Expiry Date	Options Exercisable
350,000	3.05	Nov 14, 2008	-
7,105,000	3.00	Nov 7, 2016	2,556,671
7,455,000	3.00		2,556,671

RUSORO MINING LTD.
(formerly Newton Ventures Inc.)
(A Development Stage Company)
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2006 and 2005 as Restated
Expressed in US\$

11. SHARE CAPITAL (cont'd)

d) Stock Options (cont'd)

Stock option transactions are summarized as follows:

	Period Ended		Year Ended	
	December 31, 2006		December 31, 2005	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	22,372	\$0.75	78,086	\$0.40
Cancelled	-	-	(55,714)	3.25
Issued	7,455,000	3.00	-	-
Forfeited	(22,372)	0.75	-	-
Outstanding, end of period	7,455,000	\$3.00	22,372	\$0.75

The Company uses the fair value based method of accounting for share options granted to consultants, directors, officers and employees. The non-cash compensation charge of \$7,718,528 recognized for the twelve months ended December 31, 2006 is associated with the granting of 7,105,000 options to a consultant, directors and employees on the acquisition of Grupo Agapov (note 1). These compensation charges have been determined under the fair value method using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	4.05%
Expected stock price volatility	61%
Expected term in years	2 - 10
Expected dividend yield	0.0%
Grant date fair value per option	\$2.44

After the acquisition, an additional 350,000 stock options were issued with a life of 2 years and an exercise price of \$3.55. These options vest over a period of 1.5 years. The fair value of these options expensed during the year ended December 31, 2006 was \$107,396 and has been included in stockbased compensation.

RUSORO MINING LTD.
(formerly Newton Ventures Inc.)
(A Development Stage Company)
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2006 and 2005 as Restated
Expressed in US\$

11. SHARE CAPITAL (cont'd)

e) Warrants

Share purchase warrant transactions are summarized as follows:

	Period Ended		Year Ended	
	December 31, 2006		December 31, 2005	
	Number of Warrants	Exercise Price	Number of Warrants	Exercise Price
Outstanding, beginning of year	700,000	\$ 0.22	-	\$ -
Expired	(700,000)	0.22		
Issued	420,000	0.59		
Issued	10,000,000	0.05	700,000	0.22
Issued	5,833,336	3.35	-	-
Exercised	(420,000)	0.59	-	-
Outstanding, end of year	15,833,336	\$ 1.28	700,000	\$ 0.22

There were no outstanding warrants in Grupo Agapov in 2005. In 2006 the issued warrants were accounted for using the residual method and as such no value has been attributable to these warrants. The 700,000 warrants outstanding at December 31, 2005 expired unexercised.

12. ASSET RETIREMENT OBLIGATION

The asset retirement obligation is calculated based on costs associated with the retirement of long-lived assets that result from the acquisition, construction, development and normal use of the asset. The calculation has been done with a ten year period. The costs that are required to be incurred are the following:

Expected cash flow before inflation adjustment	\$ 596,000
Inflation factor (10% per year for 10 years)	<u>2.5937</u>
Expected cash flow adjusted for inflation	1,545,871
Market risk premium (5%)	<u>79,954</u>
Expected cash flow adjusted for market premium	<u>\$ 1,623,164</u>
Present value using credit-adjusted risk-free rate of 8.4% per year	<u>\$ 462,609</u>

Accretion charged on the asset retirement obligation for the year totals \$37,462.

In view of the uncertainties concerning future asset retirement and progressive reclamation costs, the ultimate costs to the Company could differ materially from the amounts estimated. The estimate for the future liability is subject to change based on possible amendments to applicable laws and legislation, the nature of ongoing operations and technological innovations. Future changes, if any, due to their nature and unpredictability, could have a significant impact and would be reflected prospectively, as a change in an accounting estimate.

RUSORO MINING LTD.
(formerly Newton Ventures Inc.)
(A Development Stage Company)
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2006 and 2005 as Restated
Expressed in US\$

13. RELATED PARTY TRANSACTIONS

In addition to the related party transactions disclosed elsewhere in the consolidated financial statements, during the year, the Company accrued management fees, salaries and consulting fees of \$148,297 (2005 – Nil) to directors, officers and a company related to an officer. At December 31, 2006, \$71,568 of this amount is payable to these parties (2005 - \$nil)

14. LONG-TERM PAYABLE

In December 2006 the Company acquired a group of Corporacion Venezolona de Guayana contracts and concessions granted by the Venezuelan Ministry of Energy and Mines known as Oro 88 (Note 8). The contracts and concessions are held by corporations which were owned beneficially by a director. The purchase price was \$5,000,000 of which \$2,500,000 was paid on signing of the acquisition agreement, with the balance owing to companies owned by a director and to be paid on or before November 30, 2008.

15. SUPPLEMENTARY DISCLOSURE OF NON-CASH TRANSACTIONS

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows.

The following non-cash investing and financing transactions have been excluded from the cashflow and not disclosed elsewhere include:

	2006	2005
Shares issued for finders fee on acquisition of Grupo Agapov	\$ 3,600,000	\$ -
Shares issued for settlement of debt to New Dawn	\$ 512,811	\$ -
Shares issued for settlement of debt due to shareholder (note 10)	\$ 66,114,066	\$ -
Accounts payable - mineral property expenditures	\$ 1,063,343	\$ -

RUSORO MINING LTD.
(formerly Newton Ventures Inc.)
(A Development Stage Company)
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2006 and 2005 as Restated
Expressed in US\$

16. DISCONTINUED OPERATIONS

During the year ended December 31, 2006, the Company ceased to purchase raw materials for processing into gold for resale. The Company does not plan to resume this practice of purchasing raw materials for gold production in the foreseeable future as the Company focuses its efforts on the development of its mineral properties. However, the Company plans to use gold production facilities in the future to process gold extracted from the Company's mining resources once the Company enters the phase of mineral exploitation in neighboring mining properties which is expected to occur within the next 1-2 years. As a result, the Company does not believe the value of these facilities has been impaired and no provision has been made.

The operations of this unit relating to the purchase and processing of raw materials into gold for sale have been reclassified and are presented in the consolidated financial statements as discontinued operations. A summary of such discontinued operations of the formulation business is as follows:

<u>Year Ended</u>	<u>Dec 31, 2006 (Restated)</u>	<u>Dec 31, 2005 (Restated)</u>
Net sales	\$2,228,721	\$5,009,717
Cost of sales	<u>(3,380,908)</u>	<u>(4,561,616)</u>
Gross profit (loss)	(1,152,187)	448,101
Operating and other expenses	<u>(355,239)</u>	<u>(1,042,563)</u>
Loss before taxes	(1,507,426)	(594,462)
Income tax expense	-	-
Loss from discontinued operations	<u>(\$1,507,426)</u>	<u>(\$594,462)</u>

RUSORO MINING LTD.
(formerly Newton Ventures Inc.)
(A Development Stage Company)
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2006 and 2005 as Restated
Expressed in US\$

17. INCOME TAXES

The Company's tax provision is based on Venezuelan and Canadian taxation rates and rules. The income tax provision shown on the statements of operations differs from the amounts obtained by applying statutory rates to the net loss before taxes as follows:

	<u>2006 (Restated)</u>	<u>2005 (Restated)</u>
Net loss	\$ (37,496,934)	\$ (11,956,138)
Effective tax rate	34.0%	34.0%
Expected tax recovery	(12,748,958)	(4,065,087)
Non-deductible items	10,649,692	2,509,028
Change in valuation allowance	1,236,300	935,645
Other	(37,789)	-
Change in commodity tax credit	900,755	620,413
	<u>\$ -</u>	<u>\$ -</u>

Future income tax assets are calculated as follows:

	<u>2006 (Restated)</u>	<u>2005 (Restated)</u>
Net operating loss carry-forwards	\$ 1,771,198	\$ 1,962,715
Commodity tax credit	1,518,009	1,159,954
Future income tax asset	3,289,207	3,122,669
Valuation allowance	(3,289,207)	(3,122,669)
	<u>\$ -</u>	<u>\$ -</u>

As at December 31, 2006, the company had net operating loss carry forwards of \$7,974,000 available to reduce income otherwise taxable in future years. These losses if not used will expire as follows:

	<u>Canada</u>	<u>Venezuela</u>
December 31, 2007	\$ -	\$1,492,943
December 31, 2008	\$ -	\$1,645,432
December 31, 2009	\$ -	\$1,986,096
December 31, 2016	\$328,686	

RUSORO MINING LTD.
(formerly Newton Ventures Inc.)
(A Development Stage Company)
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2006 and 2005 as Restated
Expressed in US\$

18. SEGMENT DISCLOSURE

The Company has one operating segment which is mineral exploitation and exploration and all mining properties and capital assets of the Company are located in Venezuela. 100% of revenues included in discontinued operations are generated in Venezuela in both 2005 and 2006.

19. CONTINGENCIES

The Company has been named as a defendant in two legal matters outstanding in relationship to the disputed ownership of shares of Corporacion Cabello Galvez. The plaintiff expresses rights that would effectively give that party full ownership of the mining property held by the Company. The Company denies these ownership rights and asserts full ownership of Corporacion Cabello Galvez. The outcome of this matter can not be estimated at this time and no accrual for any provisions has been made. Corporacion Cabello Galvez's single asset is the mineral property concession of Atlantida which has a carrying value of \$nil at December 31, 2006. (2005 - \$10,169,313)

In addition, Corporacion Cabello Galvez's term of incorporation elapsed under Venezuelan law on February 1, 1997. This subsidiary remains in wind-up stage unless shareholders resolve to reactivate it pursuant to Venezuelan law.

In the normal course of business, the Company has been named as a defendant in nine matters before the courts and a mediator within Venezuela. Total claims on these matters is \$729,765. The outcome of these matters cannot be determined at this time and the Company has not accrued for any losses on these matters.

20. RISKS

Financial Instruments and Risks

The carrying value of the Company's financial instruments, consisting of cash, loans and other receivables, advances to related companies, accounts payable and accrued liabilities and amounts due to related parties approximate their fair value due to the short-term maturity of such instruments. The carrying value of the long-term payable approximates to its fair value. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate risk arising from these financial instruments.

Title risk

Title to mineral properties and mining rights involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mining properties. Although the Company has investigated title to all of its mineral properties for which it holds concessions or other mineral leases or licenses, the Company cannot give any assurance that title to such properties will not be challenged or impugned and cannot be certain that it will have valid title to its mining properties. The Company relies on title opinions by legal counsel who base such opinions on the laws of countries in which the Company operates. The Company's principal mineral properties and mining rights are located in Venezuela. In 2005 the Government of Venezuela announced that it would be changing the mining title regime from a system where title was granted in the form of either concessions or operating contracts to a system where all new titles would be granted in the form of operating contracts. In order to effect this change, the Government advised that it would need to create a national mining company which would be the nation's contracting party covering the entire country of Venezuela. The Government also indicated that, given this change in title regime, it would also be appropriate to review all existing mining companies in a single comprehensive exercise to ensure that only companies found to be in compliance with their existing title terms and conditions would qualify for the new title.

RUSORO MINING LTD.
(formerly Newton Ventures Inc.)
(A Development Stage Company)
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2006 and 2005 as Restated
Expressed in US\$

20. RISKS (Cont'd)

Country Risk

The Company's mineral exploration and exploitation activities may be adversely affected by political instability and legal and economic uncertainty in the countries where the Company has operations. The risks associated with the Company's foreign operations may include political unrest, labour disputes, invalidation of governmental orders and permits, corruption, war, civil disturbances and terrorist actions, arbitrary changes in laws, regulation and policies, taxation, price controls, exchange controls, delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental or other nongovernmental organizations, limitations on foreign ownership, limitations on the repatriation of earnings, limitations on mineral exports and increased financing costs. These risks may limit or disrupt the Company's projects or operations, restrict the movement of funds or result in the deprivation of contractual rights or the taking of property by nationalization, expropriation or other means without fair compensation. The Company's mineral properties and mining rights are located in Venezuela and as such the Company may be affected by political or economic instabilities.

Currency Risk

The Company is exposed to currency risk as certain of its assets are denominated in foreign currencies. Unfavourable changes in the applicable exchange rate may result in a decrease or increase in foreign exchange gains or losses. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

The Company's Venezuelan operations and cash holdings are currently subject to currency and exchange controls. These government imposed controls may adversely affect the Company as such controls restrict the Company's ability to flow U.S. dollars out of the country.

As at December 31, 2006, the Company holds cash of \$1,384,420 (2005- \$38,690) in Venezuelan Bolivars.

21. SUBSEQUENT EVENTS

(a) Mena Acquisition

Effective March 5, 2007, the Company acquired all of the issued and outstanding securities of Mena Resources Inc. ("Mena") in consideration of issuing a total of 31,424,255 common shares to the Mena shareholders, every one common share of the Company issued for every 1.7 issued and outstanding Mena common shares. In addition, share purchase warrants and incentive stock options which were outstanding in Mena were converted to 364,119 warrants and 744,118 options in the Company. Mena holds properties in Venezuela, Honduras and Chile. As a result of the transaction, Mena became a wholly-owned subsidiary of the Company and Mena's shares were de-listed from the TSX Venture Exchange.

Immediately prior to the closing of the Mena Acquisition, Mena completed a brokered private placement which provided net proceeds of CDN \$67,750,810. Share purchase warrants issued by Mena under this placement were converted to 9,216,793 warrants in the Company.

(b) Share Issuances

Subsequent to December 31, 2006, the Company has issued a total of 5,090,553 common shares pursuant to the exercise of warrants and stock options, providing total proceeds of CDN\$114,686 and US\$250,000.

RUSORO MINING LTD.
(formerly Newton Ventures Inc.)
(A Development Stage Company)
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2006 and 2005 as Restated
Expressed in US\$

21. SUBSEQUENT EVENTS (Cont'd)

(c) Goldfields Acquisition

On October 11, 2007, the Company entered into a combination agreement with Gold Fields Netherlands Services BV ("GF Netherlands") a company existing under the law of Netherlands and a wholly-owned subsidiary of Gold Fields Limited ("Gold Fields"). Pursuant to the combination agreement, Rusoro Mining (BVI) Ltd. ("Rusoro BVI") a wholly owned subsidiary of the Company will merge into Venezuela Holdings (BVI) Ltd. ("VHL") a wholly owned subsidiary of GF Netherlands. On Closing, the merged entity will be a wholly-owned subsidiary of the Company and will own, directly or indirectly, 100% of the Venezuelan interests currently held by Gold Fields, including the producing Choco 10 mine situated in the El Callao district of Bolivar State, Venezuela.

Pursuant to the Acquisition, GF Netherlands (i) will subscribe for and will be issued 140,000,000 common shares of the Company for an aggregate subscription price in U.S. dollars equal to the aggregate fair market value of all of the companies being acquired by the Company at the time of closing less US\$180,000,000, which the Company anticipates will result in an effective subscription prices of US\$2.36 per common share, and (ii) in addition, will in effect be paid the sum of US\$180,000,000 in cash. The US\$180,000,000 cash portion of the transaction consideration will not be paid to GF Netherlands directly by the Company or any subsidiary nor will the company receive cash consideration for the shares issued to GF Netherlands." Instead, the closing steps contemplated by the Combination Agreement will involve two short term loans being made by a financial institution or other lender to each of the company and VHL and certain other transactions an payments between the parties, which will in effect result in GF Netherlands receiving upon closing the US\$180,000,000 cash amount. Both short term loans will be repaid in their entirety as part of the closing of the Acquisition.

To finance the cash portion of the Acquisition, on October 12th, 2007, in connection with the acquisition, the Company entered into an underwriting agreement with a syndicate of underwriters co-led by Canaccord Adams Limited and GMP Securities and including PI Financial (the "Financing"). Pursuant to the Underwriting Agreement, 93,750,000 Subscription Receipts were sold at a price of CDN\$2.40 per Subscription Receipt for gross proceeds of CDN\$225,000,000. Ultimately, each Subscription Receipt will be exchanged for one Unit consisting of one common share of the Company and one share purchase warrant of the Company. Each warrant will entitle the holder to purchase one common share of the Company at a price of \$4.00 per common share for five years following the effective date of the Acquisition.

The Financing closed into escrow for C\$225 million on October 31, 2007 and the net proceeds will be released from escrow, together with accrued interest, to Rusoro BVI for closing of the Acquisition and upon satisfaction of certain release conditions.

On closing of the Acquisition, Gold Fields will hold approximately 36.7% of the Company's shares. Gold Fields has agreed that it will not sell any of its shares for the period of 8 months after closing and has agreed to restrictions on resales after that time in order to maintain an orderly market. Subject to Gold Fields maintaining certain shareholder thresholds, Gold Fields will be entitled to nominate up to 2 board members to the Company's board of directors.

22. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform to the current year's presentation.