

CONSOLIDATED BALANCE SHEETS

As at December 31, 2009 and 2008

(in thousands of Canadian dollars, unaudited)

	December 31, 2009	December 31, 2008
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 32,338	\$ 51,362
Short-term investments	47,081	52,662
Accounts receivable and other assets	29,083	28,605
Inventories	32,159	32,779
Total Current Assets	140,661	165,408
Investments at fair value	36,158	4,532
Restricted cash	9,730	5,852
Other long-term assets	10,633	10,162
Property, plant and equipment	348,090	377,443
Long-term assets held for sale	16,593	-
Future income tax assets	860	5,237
Total Assets	\$ 562,725	\$ 568,634
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 23,575	\$ 34,526
Deferred revenue	-	6,169
Current portion of long-term debt, reclamation and other long-term liabilities	8,611	6,541
Total Current Liabilities	32,186	47,236
Long-term Liabilities		
Long-term debt	13,491	20,392
Reclamation and other long-term liabilities	32,507	24,339
Long-term compensation	1,716	689
Future income tax liabilities	7,732	14,010
Total Long-term Liabilities	55,446	59,430
SHAREHOLDERS' EQUITY		
Share capital	331,802	331,802
Warrants	16,658	16,658
Contributed surplus	12,036	10,948
Retained earnings	110,362	105,315
Accumulated other comprehensive income (loss)	4,235	(2,755)
Total Shareholders' Equity	475,093	461,968
Total Liabilities and Shareholders' Equity	\$ 562,725	\$ 568,634

CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

For the three and twelve months ended December 31, 2009 and 2008

(in thousands of Canadian dollars, except per share amounts, unaudited)

	Three months ended December 31,		Year ended December 31,	
	2009	2008	2009	2008
Mining operations				
Gold/copper/zinc concentrates net revenue	\$ 44,485	\$ 15,868	\$ 154,530	\$ 105,053
Cost of sales	31,181	35,075	109,262	109,620
Gross profit (loss)	13,304	(19,207)	45,268	(4,567)
Investment and other income (expense)				
Interest and other income	345	12	1,621	2,617
Loss on equity accounted investments	-	-	-	(126)
Property impairment provisions	(316)	(48,705)	(4,836)	(48,780)
Net realized gains on sale of investments	-	64	160	28,069
Gain on sale of exploration property	86	-	790	-
Impaired investments written down to market value	-	(6,009)	(1,130)	(7,532)
Investment and other income (expense)	115	(54,638)	(3,395)	(25,752)
Earnings (loss) before undernoted items	13,419	(73,845)	41,873	(30,319)
Expenses				
Administrative and other expenses	4,810	4,315	17,377	19,859
Stock based compensation expense (recovery)	532	(957)	2,172	(939)
Exploration expense	1,379	5,351	5,492	26,811
Amortization of property, plant and equipment	711	466	2,463	2,353
Financing and other costs	294	3,468	1,684	1,680
Foreign exchange loss (gain)	(1,172)	2,266	3,293	3,878
Total expenses - net	6,554	14,909	32,481	53,642
Earnings (loss) before income taxes	6,865	(88,754)	9,392	(83,961)
Provision for (recovery of) income taxes				
Current	1,379	(1,268)	4,026	641
Future	1,756	(7,444)	319	(5,407)
Total provision for (recovery of) income taxes	3,135	(8,712)	4,345	(4,766)
Net earnings (loss) for the year	\$ 3,730	\$(80,042)	\$ 5,047	\$(79,195)
Basic net earnings (loss) per share	\$ 0.04	\$ (1.03)	\$ 0.05	\$ (1.20)
Diluted net earnings (loss) per share	\$ 0.04	\$ (1.03)	\$ 0.05	\$ (1.20)

CONSOLIDATED STATEMENTS OF CASH FLOW

For the three and twelve months ended December 31, 2009 and 2008

(in thousands of Canadian dollars, unaudited)

	Three months ended		Year ended	
	December 31,		December 31,	
	2009	2008	2009	2008
OPERATING ACTIVITIES				
Net earnings (loss) for the period	\$ 3,730	\$(80,042)	\$ 5,047	\$(79,195)
Non-cash charges (credits) to earnings:				
Amortization of property, plant and equipment	6,054	4,968	20,229	16,424
Stock based compensation expense (recovery)	441	(957)	2,081	(939)
Gain on sale of exploration property	(86)	-	(790)	-
Net gains on sale of investments	-	(64)	(160)	(28,069)
Impaired investments written down to market value	-	6,009	1,130	7,532
Unrealized loss (gain) on revaluation of debt	5	2,805	122	(458)
Future income tax expense (recovery)	1,756	(7,444)	319	(5,407)
Accretion expense	432	391	1,658	1,396
Impairment of property, plant and equipment	316	48,705	4,836	48,780
Other non-cash charges (credits)	(603)	3,997	(3,728)	4,818
Changes in non-cash working capital:				
(Increase) decrease in accounts receivable and other assets	3,961	2,008	(1,047)	6,213
(Increase) decrease in inventories	503	4,820	132	(383)
(Increase) decrease in other receivables and advances	(3)	(4,470)	(302)	1,362
Increase (decrease) in accounts payable	2,867	9,555	(10,764)	14,544
Increase (decrease) in deferred revenue	-	(1,379)	(6,169)	6,169
Increase in other liabilities	892	184	4,411	181
Net cash provided by (used in) operating activities	20,265	(10,914)	17,005	(7,032)
INVESTING ACTIVITIES				
Proceeds on sale of exploration property	-	-	7,000	-
Proceeds on sale of investments at fair value	-	1,631	2,612	61,869
Proceeds on sale (purchase) of short-term investments	(8,455)	(52,662)	5,581	(52,662)
Loan advances	-	(3,654)	(4,887)	(3,654)
Purchase of investments at fair value	-	(3,872)	(2,152)	(3,872)
Acquisition of property, plant and equipment	(13,123)	(15,479)	(39,057)	(82,160)
Proceeds on sale of property, plant and equipment	4	18	171	732
Net cash used in investing activities	(21,574)	(74,018)	(30,732)	(79,747)
FINANCING ACTIVITIES				
Net proceeds of equity financing	-	77,175	-	77,175
Proceeds of debt financing	-	-	-	15,821
Repayment of debt	(1,320)	(1,543)	(4,049)	(3,972)
Repayment of leases	(373)	-	(1,219)	-
Redemption of deferred share units	(29)	-	(29)	(58)
Net cash provided by (used in) financing activities	(1,722)	75,632	(5,297)	88,966
Increase (decrease) in cash and cash equivalents	(3,031)	(9,300)	(19,024)	2,187
Cash and cash equivalents at beginning of period	35,369	60,662	51,362	49,175
Cash and cash equivalents at end of period	\$ 32,338	\$ 51,362	\$ 32,338	\$ 51,362