

CONSOLIDATED BALANCE SHEETS

As at March 31, 2009 and December 31, 2008

(in thousands of Canadian dollars, unaudited)

| | March 31, 2009 | December 31, 2008 |
|--|-------------------|----------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 22,343 | \$ 51,362 |
| Short-term investments | 58,220 | 52,662 |
| Accounts receivable and other assets | 32,144 | 28,605 |
| Inventories | 33,470 | 32,779 |
| Current assets held for sale | 584 | - |
| Total current assets | 146,761 | 165,408 |
| Portfolio investments at market value | 1,636 | 4,532 |
| Other long-term assets | 21,292 | 16,014 |
| Property, plant and equipment | 347,977 | 377,443 |
| Future income tax assets | 5,980 | 5,237 |
| Long-term assets held for sale | 33,711 | - |
| Total assets | \$ 557,357 | \$ 568,634 |
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts payable and accrued liabilities | \$ 25,264 | \$ 34,526 |
| Deferred revenue | 8,451 | 6,169 |
| Current portion of long-term debt and reclamation and other long-term liabilities | 6,071 | 6,541 |
| Current liabilities relating to assets held for sale | 235 | - |
| Total current liabilities | 40,021 | 47,236 |
| Long-term Liabilities | | |
| Long-term debt | 21,020 | 20,392 |
| Reclamation and other long-term liabilities | 24,786 | 24,339 |
| Long-term compensation | 642 | 689 |
| Future income tax liabilities | 8,045 | 14,010 |
| Long-term liabilities relating to assets held for sale | 6,006 | - |
| Total long-term liabilities | 60,499 | 59,430 |
| SHAREHOLDERS' EQUITY | | |
| Share capital | 331,802 | 331,802 |
| Warrants | 16,658 | 16,658 |
| Contributed surplus | 11,332 | 10,948 |
| Retained earnings | 99,215 | 105,315 |
| Accumulated other comprehensive loss | (2,170) | (2,755) |
| Total shareholders' equity | 456,837 | 461,968 |
| Total liabilities and shareholders' equity | \$ 557,357 | \$ 568,634 |

CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

For the three months ended March 31, 2009 and March 31, 2008

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

| | Three months ended March 31, | |
|---|---------------------------------|-----------------|
| | 2009 | 2008 |
| Mining operations | | |
| Gold/copper/zinc concentrates net revenue | \$ 27,047 | \$ 39,752 |
| Cost of sales | 23,448 | 21,916 |
| Gross profit | 3,599 | 17,836 |
| Investment and other income (expense) | | |
| Dividends, interest and other income | 604 | 678 |
| Loss on equity accounted investments | - | (21) |
| Property impairment provisions | (309) | (13) |
| Net realized gains (losses) on sale of investments | (47) | 1,785 |
| Impaired investments written down to market value | (1,130) | - |
| Investment and other income (expense) | (882) | 2,429 |
| Earnings before undernoted items | 2,717 | 20,265 |
| Expenses | | |
| Administrative and other expenses | 4,030 | 4,938 |
| Stock based compensation expense | 314 | 138 |
| Exploration expense | 1,576 | 5,040 |
| Amortization of property, plant and equipment | 550 | 649 |
| Financing and other costs | 325 | 806 |
| Foreign exchange loss (gain) | 2,700 | (491) |
| Total expenses - net | 9,495 | 11,080 |
| Earnings (loss) before income taxes | (6,778) | 9,185 |
| Provision for (recovery of) income taxes | | |
| Current | 337 | 1,768 |
| Future | (1,015) | (1,011) |
| Total provision for (recovery of) income taxes | (678) | 757 |
| Net earnings (loss) for the period | \$ (6,100) | \$ 8,428 |
| Basic net earnings (loss) per share | \$ (0.06) | \$ 0.14 |
| Diluted net earnings (loss) per share | \$ (0.06) | \$ 0.14 |

CONSOLIDATED STATEMENTS OF CASH FLOW

For the three months ended March 31, 2009 and March 31, 2008

(in thousands of Canadian dollars, unaudited)

| | Three months ended March 31, | |
|---|---------------------------------|------------------|
| | 2009 | 2008 |
| OPERATING ACTIVITIES | | |
| Net earnings (loss) for the period | \$ (6,100) | \$ 8,428 |
| Non-cash charges (credits) to earnings: | | |
| Amortization of property, plant and equipment | 4,568 | 3,529 |
| Stock based compensation expense | 314 | 138 |
| Net losses (gains) on sale of investments | 47 | (1,785) |
| Impaired investments written down to market value | 1,130 | - |
| Unrealized (gain) loss on revaluation of debt | (164) | 209 |
| Future income taxes recovery | (1,015) | (1,011) |
| Unrealized loss on copper derivatives | 1,324 | - |
| Accretion expense | 395 | 331 |
| Impairment of property, plant and equipment | 309 | 13 |
| Other non-cash charges | 893 | 544 |
| Changes in non-cash working capital: | | |
| Increase in accounts receivable and other assets | (3,608) | (16,090) |
| Increase in inventories | (1,179) | (2,839) |
| Increase in other receivables and advances | (1,256) | (1,061) |
| (Decrease) increase in accounts payable | (10,845) | 2,232 |
| Increase in deferred revenue | 2,282 | - |
| Increase in other liabilities | 201 | 14 |
| Net cash used in operating activities | (12,704) | (7,348) |
| INVESTING ACTIVITIES | | |
| Proceeds on sale of portfolio investments | 2,304 | 2,977 |
| Purchase of short-term investments | (5,558) | - |
| Loan advances | (3,767) | - |
| Acquisition of property, plant and equipment | (8,470) | (19,723) |
| Proceeds on sale of property, plant and equipment | 94 | - |
| Net cash used in investing activities | (15,397) | (16,746) |
| FINANCING ACTIVITIES | | |
| Redemption of deferred share units | - | (58) |
| Repayment of debt | (711) | (563) |
| Repayment of lease | (207) | - |
| Net cash used in financing activities | (918) | (621) |
| Decrease in cash and cash equivalents | (29,019) | (24,715) |
| Cash and cash equivalents at beginning of period | 51,362 | 49,175 |
| Cash and cash equivalents at end of period | \$ 22,343 | \$ 24,460 |