

CONSOLIDATED BALANCE SHEETS

As at June 30, 2009 and December 31, 2008

(in thousands of Canadian dollars, unaudited)

	June 30, 2009	December 31, 2008
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 51,419	\$ 51,362
Short-term investments	23,525	52,662
Accounts receivable and other assets	35,983	28,605
Inventories	37,477	32,779
Total Current Assets	148,404	165,408
Investments at fair value	25,809	4,532
Restricted cash	10,653	5,852
Other long-term assets	10,555	10,162
Property, plant and equipment	351,181	377,443
Future income tax assets	775	5,237
Total Assets	\$ 547,377	\$ 568,634
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 22,900	\$ 34,526
Deferred revenue	7,872	6,169
Current portion of long-term debt, reclamation and other long-term liabilities	5,154	6,541
Total Current Liabilities	35,926	47,236
Long-term Liabilities		
Long-term debt	18,682	20,392
Reclamation and other long-term liabilities	27,450	24,339
Long-term compensation	831	689
Future income tax liabilities	7,971	14,010
Total Long-term Liabilities	54,934	59,430
SHAREHOLDERS' EQUITY		
Share capital	331,802	331,802
Warrants	16,658	16,658
Contributed surplus	11,473	10,948
Retained earnings	102,531	105,315
Accumulated other comprehensive loss	(5,947)	(2,755)
Total Shareholders' Equity	456,517	461,968
Total Liabilities and Shareholders' Equity	\$ 547,377	\$ 568,634

CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

For the three and six months ended June 30, 2009 and June 30, 2008

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

	Three months ended		Six months ended	
	June 30,		June 30,	
	2009	2008	2009	2008
Mining operations				
Gold/copper/zinc concentrates net revenue	\$ 32,690	\$ 32,719	\$ 59,737	\$ 72,471
Cost of sales	23,130	28,800	46,578	50,716
Gross profit	9,560	3,919	13,159	21,755
Investment and other income (expense)				
Dividends, interest and other income	378	912	982	1,590
Loss on equity accounted investments	-	(105)	-	(126)
Property impairment provisions	-	-	(309)	(13)
Net realized gains (losses) on sale of investments	-	(1,289)	(47)	496
Gain on sale of exploration property	704	-	704	-
Impaired investments written down to market value	-	(951)	(1,130)	(951)
Investment and other income (expense)	1,082	(1,433)	200	996
Earnings before undernoted items	10,642	2,486	13,359	22,751
Expenses				
Administrative and other expenses	3,937	5,126	7,967	10,064
Stock based compensation expense	310	483	624	621
Exploration expense	1,208	8,936	2,784	13,976
Amortization of property, plant and equipment	578	589	1,128	1,238
Financing and other costs	632	379	957	1,185
Foreign exchange loss	276	1,177	2,976	686
Total expenses - net	6,941	16,690	16,436	27,770
Earnings (loss) before income taxes	3,701	(14,204)	(3,077)	(5,019)
Provision for (recovery of) income taxes				
Current	844	797	1,181	2,565
Future	(459)	(883)	(1,474)	(1,894)
Total provision for (recovery of) income taxes	385	(86)	(293)	671
Net earnings (loss) for the period	\$ 3,316	\$ (14,118)	\$ (2,784)	\$ (5,690)
Basic net earnings (loss) per share	\$ 0.03	\$ (0.23)	\$ (0.03)	\$ (0.09)
Diluted net earnings (loss) per share	\$ 0.03	\$ (0.23)	\$ (0.03)	\$ (0.09)

CONSOLIDATED STATEMENTS OF CASH FLOW

For the three and six months ended June 30, 2009 and June 30, 2008

(in thousands of Canadian dollars, unaudited)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2009	2008	2009	2008
OPERATING ACTIVITIES				
Net earnings (loss) for the period	\$ 3,316	\$(14,118)	\$ (2,784)	\$ (5,690)
Non-cash charges (credits) to earnings:				
Amortization of property, plant and equipment	4,749	3,613	9,317	7,142
Stock based compensation expense	310	483	624	621
Gain on sale of exploration property	(704)	-	(704)	-
Net losses (gains) on sale of investments	-	1,289	47	(496)
Impaired investments written down to market value	-	951	1,130	951
Unrealized loss on revaluation of debt	176	68	12	277
Future income tax recovery	(459)	(883)	(1,474)	(1,894)
Losses on copper derivatives	523	-	1,847	-
Accretion expense	408	343	803	674
Impairment of property, plant and equipment	-	-	309	13
Other non-cash charges (credits)	(2,169)	(300)	(1,276)	244
Changes in non-cash working capital:				
(Increase) decrease in accounts receivable and other assets	(3,917)	12,531	(7,525)	(3,559)
(Increase) decrease in inventories	(4,007)	708	(5,186)	(2,131)
(Increase) decrease in other receivables and advances	715	4,203	(541)	3,142
Increase (decrease) in accounts payable	(3,478)	3,227	(14,323)	5,459
Increase (decrease) in deferred revenue	(579)	9,562	1,703	9,562
Increase (decrease) in other liabilities	2,890	(6)	3,091	8
Net cash provided by (used in) operating activities	(2,226)	21,671	(14,930)	14,323
INVESTING ACTIVITIES				
Proceeds on sale of exploration property	7,000	-	7,000	-
Proceeds on sale of investments at fair value	-	16,214	2,304	19,191
Proceeds on sale of short-term investments	34,695	-	29,137	-
Loan advances	(1,120)	-	(4,887)	-
Acquisition of property, plant and equipment	(7,698)	(27,637)	(16,168)	(47,360)
Proceeds on sale of property, plant and equipment	43	709	137	709
Net cash provided by (used in) investing activities	32,920	(10,714)	17,523	(27,460)
FINANCING ACTIVITIES				
Redemption of deferred share units	-	-	-	(58)
Repayment of debt	(1,409)	(1,271)	(2,120)	(1,834)
Repayment of lease	(209)	-	(416)	-
Net cash used in financing activities	(1,618)	(1,271)	(2,536)	(1,892)
Increase (decrease) in cash and cash equivalents	29,076	9,686	57	(15,029)
Cash and cash equivalents at beginning of period	22,343	24,460	51,362	49,175
Cash and cash equivalents at end of period	\$ 51,419	\$ 34,146	\$ 51,419	\$ 34,146