

CONSOLIDATED BALANCE SHEETS

As at September 30, 2009 and December 31, 2008

(in thousands of Canadian dollars, unaudited)

	September 30, 2009	December 31, 2008
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 35,369	\$ 51,362
Short-term investments	38,626	52,662
Accounts receivable and other assets	33,466	28,605
Inventories	32,662	32,779
Total Current Assets	140,123	165,408
Investments at fair value	26,333	4,532
Restricted cash	9,897	5,852
Other long-term assets	10,510	10,162
Property, plant and equipment	353,597	377,443
Future income tax assets	863	5,237
Total Assets	\$ 541,323	\$ 568,634
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 21,807	\$ 34,526
Deferred revenue	-	6,169
Current portion of long-term debt, reclamation and other long-term liabilities	5,361	6,541
Total Current Liabilities	27,168	47,236
Long-term Liabilities		
Long-term debt	16,659	20,392
Reclamation and other long-term liabilities	28,633	24,339
Long-term compensation	1,649	689
Future income tax liabilities	7,903	14,010
Total Long-term Liabilities	54,844	59,430
SHAREHOLDERS' EQUITY		
Share capital	331,802	331,802
Warrants	16,658	16,658
Contributed surplus	11,693	10,948
Retained earnings	106,632	105,315
Accumulated other comprehensive loss	(7,474)	(2,755)
Total Shareholders' Equity	459,311	461,968
Total Liabilities and Shareholders' Equity	\$ 541,323	\$ 568,634

CONSOLIDATED STATEMENTS OF EARNINGS

For the three and nine months ended September 30, 2009 and September 30, 2008

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

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2009	2008	2009	2008
Mining operations				
Gold/copper/zinc concentrates net revenue	\$ 50,308	\$ 16,714	\$ 110,045	\$ 89,185
Cost of sales	31,503	23,829	78,081	74,545
Gross profit (loss)	18,805	(7,115)	31,964	14,640
Investment and other income (expense)				
Dividends, interest and other income	294	1,015	1,276	2,605
Loss on equity accounted investments	-	-	-	(126)
Property impairment provisions	(4,211)	(62)	(4,520)	(75)
Net realized gains on sale of investments	207	27,509	160	28,005
Gain on sale of exploration property	-	-	704	-
Impaired investments written down to market value	-	(572)	(1,130)	(1,523)
Investment and other income (expense)	(3,710)	27,890	(3,510)	28,886
Earnings before undernoted items	15,095	20,775	28,454	43,526
Expenses				
Administrative and other expenses	4,600	5,480	12,567	15,544
Stock based compensation expense (recovery)	1,016	(603)	1,640	18
Exploration expense	1,329	7,484	4,113	21,460
Amortization of property, plant and equipment	624	649	1,752	1,887
Financing and other costs (income)	433	(2,973)	1,390	(1,788)
Foreign exchange loss	1,489	926	4,465	1,612
Total expenses - net	9,491	10,963	25,927	38,733
Earnings before income taxes	5,604	9,812	2,527	4,793
Provision for (recovery of) income taxes				
Current	1,466	(656)	2,647	1,909
Future	37	3,931	(1,437)	2,037
Total provision for income taxes	1,503	3,275	1,210	3,946
Net earnings for the period	\$ 4,101	\$ 6,537	\$ 1,317	\$ 847
Basic net earnings per share	\$ 0.04	\$ 0.11	\$ 0.01	\$ 0.01
Diluted net earnings per share	\$ 0.04	\$ 0.11	\$ 0.01	\$ 0.01

CONSOLIDATED STATEMENTS OF CASH FLOW

For the three and nine months ended September 30, 2009 and September 30, 2008

(in thousands of Canadian dollars, unaudited)

	Three months ended		Nine months ended	
	September 30, 2009	2008	September 30, 2009	2008
OPERATING ACTIVITIES				
Net earnings for the period	\$ 4,101	\$ 6,537	\$ 1,317	\$ 847
Non-cash charges (credits) to earnings:				
Amortization of property, plant and equipment	4,858	4,314	14,175	11,456
Stock based compensation expense (recovery)	1,016	(603)	1,640	18
Gain on sale of exploration property	-	-	(704)	-
Net gains on sale of investments	(207)	(27,509)	(160)	(28,005)
Impaired investments written down to market value	-	572	1,130	1,523
Unrealized loss (gain) on revaluation of debt	105	(3,540)	117	(3,263)
Future income tax expense (recovery)	37	3,931	(1,437)	2,037
Accretion expense	423	331	1,226	1,005
Impairment of property, plant and equipment	4,211	62	4,520	75
Other non-cash charges (credits)	(1,849)	577	(3,125)	821
Changes in non-cash working capital:				
(Increase) decrease in accounts receivable and other assets	2,517	7,764	(5,008)	4,205
(Increase) decrease in inventories	4,815	(3,072)	(371)	(5,203)
(Increase) decrease in other receivables and advances	242	2,690	(299)	5,832
Increase (decrease) in accounts payable	(1,155)	(470)	(13,631)	4,989
Increase (decrease) in deferred revenue	(7,872)	(2,014)	(6,169)	7,548
Increase (decrease) in other liabilities	428	(11)	3,519	(3)
Net cash provided by (used in) operating activities	11,670	(10,441)	(3,260)	3,882
INVESTING ACTIVITIES				
Proceeds on sale of exploration property	-	-	7,000	-
Proceeds on sale of investments at fair value	308	41,047	2,612	60,238
Proceeds on sale (purchase) of short-term investments	(15,101)	-	14,036	-
Loan advances	-	-	(4,887)	-
Purchase of investments at fair value	(2,152)	-	(2,152)	-
Acquisition of property, plant and equipment	(9,766)	(19,321)	(25,934)	(66,681)
Proceeds on sale of property, plant and equipment	30	5	167	714
Net cash provided by (used in) investing activities	(26,681)	21,731	(9,158)	(5,729)
FINANCING ACTIVITIES				
Redemption of deferred share units	-	-	-	(58)
Proceeds of debt financing	-	15,821	-	15,821
Repayment of debt	(609)	(595)	(2,729)	(2,429)
Repayment of leases	(430)	-	(846)	-
Net cash provided by (used in) financing activities	(1,039)	15,226	(3,575)	13,334
Increase (decrease) in cash and cash equivalents	(16,050)	26,516	(15,993)	11,487
Cash and cash equivalents at beginning of period	51,419	34,146	51,362	49,175
Cash and cash equivalents at end of period	\$ 35,369	\$ 60,662	\$ 35,369	\$ 60,662