

CONSOLIDATED BALANCE SHEETS
As at December 31, 2007 and December 31, 2006
(in thousands of Canadian dollars, unaudited)

	2007	2006
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 49,175	\$ 31,993
Accounts receivable and other assets	39,274	33,082
Inventories	32,396	17,097
Total current assets	120,845	82,172
Portfolio investments <i>(market value-\$34,567; December 2006-\$151,887)</i>	34,567	79,603
Equity accounted investments <i>(market value-\$31,457; December 2006-\$37,639)</i>	13,665	29,752
Other long-term assets	9,570	6,443
Property, plant & equipment	354,549	251,962
Future income tax asset	5,272	4,922
Total assets	\$ 538,468	\$ 454,854
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 24,114	\$ 35,129
Deferred revenue	-	6,246
Current portion of long-term debt and other long-term liabilities	3,604	4,246
Total current liabilities	27,718	45,621
Long-term Liabilities		
Long-term debt	6,114	12,672
Reclamation and other long-term liabilities	13,643	12,567
Long-term compensation	3,233	5,034
Future income tax liability	16,380	11,647
Total long-term liabilities	39,370	41,920
SHAREHOLDERS' EQUITY		
Share capital	268,669	193,307
Warrants	4,758	-
Contributed surplus	9,081	7,019
Retained earnings	184,510	166,987
Accumulated other comprehensive earnings	4,362	-
Total shareholders' equity	471,380	367,313
Total liabilities and shareholders' equity	\$ 538,468	\$ 454,854

CONSOLIDATED STATEMENTS OF EARNINGS

For the three and twelve months ended December 31, 2007 and December 31, 2006

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

	Three months ended		Year ended	
	2007	2006	2007	2006
Mining operations				
Gold/copper/zinc concentrate net revenue	\$ 22,246	\$ 32,858	\$122,417	\$110,935
Cost of sales	26,346	21,177	81,483	51,445
Gross profit (loss)	(4,100)	11,681	40,934	59,490
Investment income / (expense)				
Dividends, interest and other income (loss)	1,357	(355)	2,211	1,395
Gain (loss) on equity accounted investments	1,717	(415)	(51)	(916)
Net realized gains on sale of investments	18,811	23,102	53,733	68,682
Loss (gain) on copper put options	(14)	475	(3,192)	(4,229)
Impaired investments written down to market value	(13,022)	-	(13,022)	(73)
Investment income	8,849	22,807	39,679	64,859
Earnings before undernoted items	4,749	34,488	80,613	124,349
Expenses				
Administrative and other expenses	5,885	4,254	21,916	14,359
Stock based compensation expense (credit)	(455)	1,904	193	5,395
Exploration expense	7,219	6,037	29,232	14,864
Amortization of property, plant and equipment	725	1,448	2,061	2,329
Financing and other costs	1,194	199	3,992	2,869
Foreign exchange loss (gain)	(1,472)	(1,106)	1,957	793
Total expenses	13,096	12,736	59,351	40,609
Earnings (loss) before non-controlling interest and income taxes	(8,347)	21,752	21,262	83,740
Non-controlling interest	-	(120)	-	-
Earnings (loss) before income taxes	(8,347)	21,872	21,262	83,740
Provision for (recovery of) income taxes				
Current	1,381	(27)	4,967	11,292
Future	(234)	3,516	920	2,716
Total provision for income taxes	1,147	3,489	5,887	14,008
Net earnings (loss) for the period	\$ (9,494)	\$ 18,383	\$ 15,375	\$ 69,732
Basic net earnings (loss) per share	\$ (0.15)	\$ 0.34	\$ 0.27	\$ 1.29
Diluted net earnings (loss) per share	\$ (0.15)	\$ 0.33	\$ 0.26	\$ 1.26

CONSOLIDATED STATEMENTS OF CASH FLOW

For the three and twelve months ended December 31, 2007 and December 31, 2006

(in thousands of Canadian dollars, unaudited)

	Three months ended		Year ended	
	2007	2006	2007	2006
OPERATING ACTIVITIES				
Net earnings (loss) for the period	\$ (9,494)	\$ 18,383	\$ 15,375	\$ 69,732
Non-cash charges (credits) to earnings				
Amortization of property, plant and equipment	3,229	3,207	12,512	9,127
Stock based compensation expense (credit)	(455)	1,904	193	5,395
Repurchase of stock options	-	(950)	-	(950)
Net gains on sale of investments	(18,811)	(23,102)	(53,733)	(68,682)
Impaired investments written down to market value	13,022	-	13,022	73
Unrealized loss on revaluation of debt	499	-	715	-
Future income taxes	(234)	3,516	920	2,716
Loss (gain) on copper put options	14	(475)	3,192	4,229
Other non-cash charges (credits)	(430)	2,040	448	1,800
Changes in non-cash working capital				
Decrease (increase) in accounts receivable and other assets	3,261	(843)	(9,367)	(17,934)
Decrease (increase) in inventories	(6,902)	2,026	(15,299)	(2,982)
Decrease (increase) in other long-term assets	1,202	(4,303)	(3,353)	(5,239)
Increase (decrease) in accounts payable	(5,727)	(7,472)	(17,261)	26,056
Increase (decrease) in other liabilities	(275)	(8)	29	(202)
Net cash provided by (used in) operating activities	(21,101)	(6,077)	(52,607)	23,139
INVESTING ACTIVITIES				
Purchase of investments	(1,250)	(47,446)	(18,046)	(61,313)
Proceeds on sale of investments	51,324	38,151	125,069	111,118
Acquisition of company, net of cash of \$523	-	(75)	-	(24,950)
Purchase of additional interest in company, net of share issue of \$2,464	(2,199)	-	(2,199)	-
Acquisition of mineral properties	-	-	-	(8,950)
Exploration and development costs capitalized	(10,209)	(4,528)	(59,504)	(44,758)
Purchase of plant and equipment	(4,177)	(12,722)	(50,705)	(41,714)
Proceeds on sale of plant and equipment	273	-	273	-
Net cash provided by (used in) investing activities	33,762	(26,620)	(5,112)	(70,567)
FINANCING ACTIVITIES				
Issue of common shares	140	413	1,380	1,880
Net proceeds of equity financing	-	-	77,474	-
Redemption of deferred share units	(112)	-	(112)	-
Repayment of debt	(1,263)	-	(3,841)	-
Net cash provided by (used in) financing activities	(1,235)	413	74,901	1,880
Increase (decrease) in cash and equivalents	11,426	(32,284)	17,182	(45,548)
Cash and equivalents at beginning of period	37,749	64,277	31,993	77,541
Cash and equivalents at end of period	\$ 49,175	\$ 31,993	\$ 49,175	\$ 31,993