

CONSOLIDATED BALANCE SHEETS
As at September 30, 2008 and December 31, 2007
(in thousands of Canadian dollars, unaudited)

	September 30, 2008	December 31, 2007
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 60,662	\$ 49,175
Accounts receivable and other assets	35,069	39,274
Inventories	37,599	32,396
Total current assets	133,330	120,845
Portfolio investments at market value	3,235	34,567
Equity accounted investments <i>(market value-nil; December 2007-\$31,457)</i>	-	13,665
Other long-term assets	3,738	9,570
Property, plant & equipment	413,837	354,549
Future income tax asset	6,310	5,272
Total assets	\$ 560,450	\$ 538,468
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 29,129	\$ 24,140
Deferred revenue	7,548	-
Current portion of long-term debt and reclamation and other long-term liabilities	5,055	3,604
Total current liabilities	41,732	27,744
Long-term Liabilities		
Long-term debt	15,855	6,114
Reclamation and other long-term liabilities	18,720	13,617
Long-term compensation	1,964	3,233
Future income tax liability	21,196	16,380
Total long-term liabilities	57,735	39,344
SHAREHOLDERS' EQUITY		
Share capital	265,197	268,669
Warrants	4,758	4,758
Contributed surplus	10,560	9,081
Retained earnings	185,357	184,510
Accumulated other comprehensive earnings (loss)	(4,889)	4,362
Total shareholders' equity	460,983	471,380
Total liabilities and shareholders' equity	\$ 560,450	\$ 538,468

CONSOLIDATED STATEMENTS OF EARNINGS

For the three and nine months ended September 30, 2008 and 2007

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

	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
Mining operations				
Gold/copper/zinc concentrates net revenue	\$ 16,714	\$ 26,801	\$ 89,185	\$100,171
Cost of sales	23,829	17,832	74,545	56,895
Gross profit (loss)	(7,115)	8,969	14,640	43,276
Investment and other income (expense)				
Dividends, interest and other income	953	867	2,530	1,383
Loss on equity accounted investments	-	(838)	(126)	(1,768)
Net realized gains (losses) on sale of investments	27,509	(1,921)	28,005	34,922
Loss on copper put options	-	(44)	-	(3,178)
Impaired investments written down to market value	(572)	-	(1,523)	-
Investment and other income (expense)	27,890	(1,936)	28,886	31,359
Earnings before undernoted items	20,775	7,033	43,526	74,635
Expenses				
Administrative and other expenses	5,480	5,685	15,544	16,031
Stock based compensation expense (recovery)	(603)	124	18	648
Exploration expense	7,484	9,467	21,460	21,487
Amortization of property, plant and equipment	649	482	1,887	1,336
Financing and other costs (gains)	(2,973)	637	(1,788)	2,095
Foreign exchange loss	926	1,413	1,612	3,429
Total expenses - net	10,963	17,808	38,733	45,026
Earnings (loss) before income taxes	9,812	(10,775)	4,793	29,609
Provision for (recovery of) income taxes				
Current	(656)	(533)	1,909	3,586
Future	3,931	(589)	2,037	1,154
Total provision for (recovery of) income taxes	3,275	(1,122)	3,946	4,740
Net earnings (loss) for the period	\$ 6,537	\$ (9,653)	\$ 847	\$ 24,869
Basic net earnings (loss) per share	\$ 0.11	\$ (0.16)	\$ 0.01	\$ 0.44
Diluted net earnings (loss) per share	\$ 0.11	\$ (0.16)	\$ 0.01	\$ 0.43

CONSOLIDATED STATEMENTS OF CASH FLOW

For the three and nine months ended September 30, 2008 and 2007

(in thousands of Canadian dollars, unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
OPERATING ACTIVITIES				
Net earnings (loss) for the period	\$ 6,537	\$ (9,653)	\$ 847	\$24,869
Non-cash charges (credits) to earnings:				
Amortization of property, plant and equipment	4,314	3,381	11,456	9,283
Stock based compensation expense (recovery)	(603)	124	18	648
Net losses (gains) on sale of investments	(27,509)	1,922	(28,005)	(34,922)
Impaired investments written down to market value	572	-	1,523	-
Unrealized loss (gain) on revaluation of debt	(3,540)	85	(3,263)	216
Future income taxes	3,931	(488)	2,037	1,255
Loss on copper put options	-	44	-	3,178
Other non-cash charges	970	1,611	1,901	878
Changes in non-cash working capital:				
Decrease (increase) in accounts receivable and other assets	7,764	(134)	4,205	(16,472)
Increase in inventories	(3,072)	(3,986)	(5,203)	(8,397)
Decrease (increase) in other long-term assets	2,690	(349)	5,832	(812)
Increase (decrease) in accounts payable	(470)	(663)	4,989	(5,158)
Increase (decrease) in deferred revenue	(2,014)	-	7,548	(6,246)
Increase (decrease) in other liabilities	(11)	(257)	(3)	174
Net cash provided by (used in) operating activities	(10,441)	(8,363)	3,882	(31,506)
INVESTING ACTIVITIES				
Purchase of investments	-	(5,000)	-	(16,796)
Proceeds on sale of investments	41,047	8,121	60,238	73,745
Acquisition of property, plant and equipment	(19,321)	(42,478)	(66,681)	(95,823)
Proceeds on sale of plant and equipment	5	-	714	-
Net cash provided by (used in) investing activities	21,731	(39,357)	(5,729)	(38,874)
FINANCING ACTIVITIES				
Issue of common shares	-	532	-	1,240
Net proceeds of equity financing	-	7,028	-	77,474
Redemption of deferred share units	-	-	(58)	-
Proceeds of debt financing	15,821	-	15,821	-
Repayment of debt	(595)	(376)	(2,429)	(2,578)
Net cash provided by financing activities	15,226	7,184	13,334	76,136
Increase (decrease) in cash and equivalents	26,516	(40,536)	11,487	5,756
Cash and equivalents at beginning of period	34,146	78,285	49,175	31,993
Cash and equivalents at end of period	\$ 60,662	\$37,749	\$ 60,662	\$37,749