

Troilus

		three months ended March 31			objective
		2009	2008	change	2009
Tonnes of ore milled (000's)		1,500	1,400	+7%	6,200
Tonnes of ore milled per day		16,700	15,400	+7%	16,900
Strip ratio		0.1	1.2	-89%	0.3
Grades	gold (grams/tonne)	1.44	0.93	+55%	0.82
	copper (percent)	0.20	0.07	+186%	0.11
Mill recoveries (percent)	gold	85	84	+1%	81
	copper	95	91	+4%	92
Production	gold (ounces)	58,100	35,000	+66%	132,200
	copper (tonnes)	2,800	900	+211%	6,000
Cost per tonne of ore milled (C\$)		\$13	\$14	-7%	\$10

Record gold production in January and February

Troilus had record production in the first two months of the year because of the high grade of the ore it mined from the main 87 pit.

As we were mining the final benches of the pit, we expected challenges with the stability of the pit walls. By the end of February and into March those concerns caused us to frequently suspend activities, which impacted production. At the end of March, the pit wall had deteriorated to the point where we decided to permanently withdraw from the pit bottom and resulted in a net loss in reserves of about 2,600 ounces.

2009 outlook for production and costs

Stockpile recovery will begin in May, lowering production costs.

We expect mill throughput of 6.2 million tonnes for the year at average grades of 0.8 grams per tonne gold and 0.11 percent copper, which should produce 132,200 ounces of gold and 6,000 tonnes of copper.

Layoffs of mining and maintenance personnel began at the end of March and will continue once the primary reclamation activities and pit clean up are completed.

Financial review

Higher gold prices and higher sales volumes improved earnings

<i>(millions of Canadian dollars unless otherwise stated)</i>	three months ended March 31		revised objective
	2009	2008	2009
Sales analysis			
Gold sales (ounces)	60,100	35,100	132,200
Copper sales (tonnes)	2,800	800	6,000
Gross gold sales	\$70	\$26	\$149
Gross copper sales	16	7	25
Other metal sales	1	1	3
Gross sales	87	34	177
Smelter processing charges and freight	(6)	(2)	(13)
Net sales	\$81	\$32	\$164
Cost analysis			
Tonnes of ore milled (thousands)	1,500	1,400	6,200
Direct production costs (\$ per tonne)	\$13	\$14	\$10
Direct production costs	\$19	\$20	\$62
Change in inventory	3	(1)	1
Depreciation and other non-cash costs	4	4	12
Operating costs	\$26	\$23	\$75
Operating earnings	\$55	\$9	\$89
Operating cash flow	\$49	\$6	\$99

The objective for 2009 uses the assumptions laid out on page 13.

The table below shows what contributed to the change in operating earnings and operating cash flow between 2009 and 2008.

<i>(millions)</i>	three months ended
	March 31
Higher gold price denominated in Canadian dollars	\$26
Lower copper price denominated in Canadian dollars	(12)
Higher sales volumes	31
Higher smelter processing charges	(1)
Lower operating costs	2
Higher operating earnings, compared to 2008	46
Changes in working capital	(5)
Other	2
Higher operating cash flow, compared to 2008	\$43