

Troilus

	three months ended December 31			year ended December 31			objective 2010
	2009	2008	change	2009	2008	change	
Tonnes of ore milled (000's)	1,500	1,500	-	6,000	5,800	+3%	3,019
Tonnes of ore milled per day	16,300	16,600	-2%	16,400	15,900	+3%	16,700
Strip ratio	-	1.3	-100%	0.13	1.4	-91%	-
Grades							
gold (grams/tonne)	0.61	0.99	-38%	0.83	0.96	-14%	0.49
copper (percent)	0.11	0.14	-21%	0.11	0.10	+10%	0.08
Mill recoveries (percent)							
gold	83	83	-	84	84	-	77
copper	90	94	-4%	92	93	-1%	91
Production							
gold (ounces)	24,200	40,500	-40%	135,200	151,300	-11%	36,400
copper (tonnes)	1,000	2,000	-50%	5,900	5,700	+4%	2,100
Cost per tonne of ore milled (C\$)	\$9	\$15	-40%	\$9	\$15	-40%	\$9

Troilus continues to process stockpiled ore

Troilus continued to process ore from its low-grade stockpile after completing mining the 87 pit in April. This has lowered gold grades and production compared to last year, both in the quarter and for the year, and lowered the cost per tonne of ore milled.

Gold grades were lower than 2008 because we finished mining the main 87 pit in April and began recovering from stockpiles. Copper production was in line with our results in 2008.

We began site restoration early this year to prepare for mine closure in mid-2010. Work included building safety berms around the completed pits, placing and seeding moraine and raising a dyke on the west and south branches of the tailings management facility.

Late in the year, we submitted an updated and detailed site closure plan to the Quebec regulatory authorities, and began the process of disposing of mobile and fixed assets, and recognized an \$8 million increase in asset retirement obligations. At December 31, we had recorded a total asset retirement obligation of \$18 million for Troilus.

2010 outlook for production and costs

We expect to mill slightly over 3.0 million tonnes at an average grade of 0.49 grams per tonne gold and 0.08 percent copper, which should produce 36,400 ounces of gold and 2,100 tonnes of copper during the first half of the year.

We will finish milling the surface stockpiles by the end of June. A small group of employees will remain after that to oversee closure activities.

Financial review

Lower operating costs and higher copper prices improved earnings this quarter

<i>(millions of Canadian dollars unless otherwise stated)</i>	three months ended		2009	year ended		<i>objective 2010</i>
	2009	December 31 2008		December 31 2008		
Sales analysis						
Gold sales (ounces)	26,400	40,000	140,000	149,700	43,700	
Copper sales (tonnes)	1,200	2,000	6,100	5,500	2,200	
Gross gold sales	\$31	\$32	\$157	\$109	\$46	
Gross copper sales	9	4	40	30	15	
Other metal sales	1	-	3	2	1	
Gross sales	41	36	200	141	62	
Smelter processing charges and freight	(3)	(4)	(14)	(11)	(5)	
Net sales	\$38	\$32	\$186	\$130	\$57	
Cost analysis						
Tonnes of ore milled (thousands)	1,500	1,530	6,000	5,800	3,000	
Direct production costs (\$ per tonne)	\$5	\$15	\$9	\$15	\$9	
Direct production costs	\$13	\$23	\$57	\$89	\$27	
Change in inventory	1	1	2	-	9	
Depreciation and other non-cash costs	4	4	22	15	17	
Operating costs	\$18	\$28	\$81	\$104	\$53	
Operating earnings	\$20	\$4	\$105	\$26	\$4	
Operating cash flow	\$25	\$20	\$119	\$41	\$10	

The objective for 2010 uses the assumptions listed on page 15.

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 December 31	year ended December 31
Higher gold price denominated in Canadian dollars	\$10	\$55
Higher copper price denominated in Canadian dollars	7	7
Lower sales volumes	(13)	(10)
Higher smelter processing charges	(2)	(2)
Lower operating costs	17	35
Higher depreciation	(4)	(7)
Other	1	1
Higher operating earnings, compared to 2008	16	79
Changes in working capital	(2)	-
Add back of higher depreciation	4	7
Amortization of cash settled gold hedges in 2008	(7)	-
Settlement of asset retirement obligations	-	(3)
Other	(6)	(5)
Higher operating cash flow, compared to 2008	\$5	\$78