



Press Release  
October 10, 2008  
Symbols: TSXV: UME; AIM: UGY

## Uruguay Mineral Exploration Inc. Announces Results for the First Quarter of Fiscal Year 2009

**Uruguay Mineral Exploration Inc.** (UME), a South American gold production and exploration company, today reported results for the first fiscal 2009 quarter ended August 31, 2008.

David Fowler, Chief Executive Officer commented: *“During the quarter we produced 16,439 ounces of gold at an average cash cost of \$US 792 per ounce. Production was slightly below our 17,000 ounce expectation as a result of a delay in permitting the new Polvorín pit. While costs were high for the quarter due to additional mining costs and lower production they were in accordance with plan and we continue to forecast annual production of 80,000 ounces for fiscal 2009 at a projected cash cost target of \$US 575 per ounce.”*

Commenting on exploration, Mr. Fowler noted: *“Our key corporate objective is to build our production profile at San Gregorio. Solid exploration progress has been made during the quarter against this objective including:*

- 1. Definition of higher grade open pit vein resources to increase production at San Gregorio over the next three years. Progress includes success at Castrillon and Polvorin, from which we are now producing, and the development of new targets including Peru, Esperanza and Areicua which will be drill tested in coming months.*
- 2. Defining underground resources down dip of existing deposits to contribute to the mine plan within 3 years. Drilling at Arenal Deeps in the down plunge zone have outlined a mineralized area, open in several directions, of about 15,000 square meters by 2 to 20 meters thick ranging in grade from 2 to 5 g/t. Additional drilling is scheduled for the second quarter and an independent resource estimate is planned to be completed by the end of the third quarter with engineering and feasibility studies anticipated to follow. First pass drilling at the Nueva Australia prospect, interpreted to be the western structural offset of the main San Gregorio structure, also generated encouraging results during the quarter. One of the three widely spaced holes completed to-date intercepted 4.65 m at 8.57 g/t Au and demonstrates the potential of the trend to host additional significant gold resource. Follow-up drilling is expected to be completed by December 2008.*
- 3. Establishing new bulk open pit resources that can contribute to mine production within 2 years. At the Los Castillos sector (“The Gap”), surface mapping and sampling have defined a structural trend that is over 800 meters in strike length and is interpreted to be the offset of the eastern extension of the Arenal structure. Consistent rock chip results confirm the potential of the Los Castillos sector with samples of up to 48 g/t Au collected. Drilling is planned for late 2008 or early 2009 depending on permitting. Additional targets are also expected to be developed further along this structural trend in the second quarter”*

*“Away from the mine, our strategy focuses on defining stand-alone deposits or smaller high grade deposits which can be transported to the mine. Progress during the quarter includes:*

*1. At Presidente Terra, results of a first drill pass program of 51 holes over 6.6 kilometres demonstrate that gold mineralization is continuous. Follow up exploration during the rest of 2008 will use these results to target higher-grade areas and bulk targets to try to define a resource.*

*2. The discovery of significant mineralization at Paso de Lugo in the Arroyo Grande Belt which is in the central west area of Uruguay. This is a vein/shear system of at least a kilometre in length and 100 meters wide at surface defined by significant rock chip anomalies ranging from 0.5 g/t to 8.0 g/ Au.. We will continue to further refine targets for drill testing early in 2009, though drilling could start as soon as permits are acquired.*

*3. Grant of permits and completion of land access agreements for the Madre con Hijos tenement in the Crucera/Casupa district where our ground work has produced some very encouraging results. Target drilling is planned to commence in the second quarter.*

*4. Definition of a new vein system at the Texas project that has returned significant high grade rock chip results of up to 64 g/t Au.*

*“Three holes have been drilled at the Lascano project with a fourth hole in progress. Holes LASDDH008 and LASDDH009 the third and fourth holes of the current program, have encountered significant hydrothermal alteration and pyrite mineralization and continue to demonstrate the potential for the Lascano project to deliver a significant discovery. Assays are pending. Our objective remains to discover a major iron oxide-copper/gold or porphyry copper deposit.”*

*“We closed the quarter with a cash position of \$US 12.4 million. This was after paying down \$US2.1 million in debt, buying back shares for \$US 0.4 million and investing \$1.7 million in plant and equipment and \$ 3.1 million in exploration. Towards the end of the quarter we hedged approximately 70 percent of our production for the remainder of the financial year to underwrite the cashflow required for exploration in 2009. We expect to close the current financial year with a cash position in the range of \$US10 million to \$US12 million, after investing \$11 million in exploration during 2009, closed Mr. Fowler.”*

Summary of Results <sup>1</sup>	Three-months ended August 31,		
	Q1 2009	Q1 2008	
<b>Operating Results</b>			
Gold produced	Ounces	16,439	18,987
Average cash cost	US\$/oz	792	425
Average price received	US\$/oz	895	661
<b>Financial Results</b>			
Revenue	\$US '000s	17,721	13,253
Net income for the period	\$US '000s	(2,854)	1,407
Cash flow from operations <sup>3</sup>	\$US '000s	1,729	4,110
Basic earnings per share	\$US	(0.06)	0.03
Cash at the end of the period	\$US '000s	12,351	11,631
Total debt at the end of the period	\$US '000s	166	2,300

<sup>1</sup> Results are based on Canadian GAAP and expressed in U.S. dollars.

<sup>2</sup> Includes \$US 1.582 million in non hedge derivatives losses

<sup>3</sup> Before non-cash working capital movements.

## REVIEW FOR THE FIRST QUARTER ENDED AUGUST 31 2008

### Production and Costs

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Gold production for the first quarter of fiscal 2009 was 16,439 ounces, slightly below expectations of 17,000 ounces for the period. Ore was sourced primarily from the Arenal open pit with lower grades than anticipated, but was compensated for by better grades than expected from Veta Sur and San Gregorio East. Veta Sur was exhausted early in the quarter and Polvorín commenced later than anticipated due to delays in permitting. Plant feed for the quarter was 335,832 tonnes at an average gold grade of 1.67 g/t with recovery of 91.4%.

Stockpiled, low grade ore stocks continued to build during the quarter with a balance of 670,000 tonnes at 0.92 g/t produced.

Cash costs for the quarter were \$US 792 per ounce. Cash costs for the quarter were below those budgeted for the quarter and the Company remains on track to achieve full year cash costs of \$US 575 forecast for the year. The two significant factors that explain the increase in the current quarter are higher mining volumes in quarter one compared to the remainder of the financial year and the higher grades expected to be processed for the remainder of the financial year. A reconciliation of the cash cost per ounce for the first quarter and the forecast at the beginning of the financial year is shown below.

	<b>\$US per ounce Produced</b>
Average cash costs forecast for the 2008/09 financial year	575
Difference due to lower production for the three months (assuming 80,000 full year)	172
Budget higher mining costs quarter 1 due to volumes mined	45
<b>Actual Cash costs for the three-month period ended August 31, 2008</b>	<b>792</b>

The production forecast for the 2009 financial year remains unchanged at 80,000 ounces with a cash cost of \$US 575 per ounce. Subsequent to the end of the quarter oil prices have fallen below budget levels of \$US 122 per barrel and the Uruguayan peso has devaluated to 21.5 from budget levels of 19.5.

### Financial Performance

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UME reported a net loss after tax of \$US 2.9 million for the quarter, compared with a net profit after tax of \$US 1.2 million in the corresponding quarter last year. The average gold sales price for the quarter was \$US 895 per ounce against a cash cost of \$US 792 per ounce. Cash flow generated by operations was \$US 1.7 million before working capital items.

Capital expenditure for the quarter was \$US 3.9 million invested in property, plant and equipment and \$US 3.1 million in exploration. Investment in plant and equipment included \$US 2.1 million for the final deferred payment of the net profit interest convertible note, a new PC1250 excavator, final construction work at the tailings dam and pre stripping activities at the San Gregorio East pit. Investment in exploration included \$US 1.8 million in exploration activities near the mine and in the Isla Cristalina belt and, \$US 1.0 million in other gold projects in the Florida and Dom Feliciano Belts and \$US 0.3 million on Lascano.

Cash on hand at the end of the quarter totaled \$US 12.4 million, down from \$US 18.6 million at the beginning of the year. During the quarter UME paid down \$US 2.1 million of convertible notes eliminating debt and bought back shares for a total of \$US 0.4 million.

At the end of August UME had hedged approximately 70 percent of its forecasted production for the remainder of the financial year at a forward price of \$US 796.25 per ounce.

## **Exploration and Development**

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UME's exploration activity during the quarter continued to be focused on three main objectives. The first, finding high grade resources near the San Gregorio operation in the Isla Cristalina Belt to be blended with lower grade resources; second, finding one or more stand-alone ore bodies in the Isla Cristalina, Don Feliciano or Florida belts to enable either the development of a second gold operation or transportation to the San Gregorio plant; and the third, making a significant discovery at Lascano. Good progress continued to be made on all fronts.

## **Summary of Exploration Results**

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### **Isla Cristalina Belt: San Gregorio Near Mine Exploration Program**

The Company's near mine exploration strategy focuses on:

- Deep drilling of existing resources such as Arenal with the objective of finding a bulk resource, which, within three years, can be producing 40,000 to 50,000 ounces per annum.
- Testing targets along strike to the east and west of the San Gregorio mine looking for bulk resource targets at depth, such as Nueva Australia, and at surface as illustrated by the Los Castillos sector.
- Defining higher grade vein targets, such as Polvorín which incrementally add to production.

During the quarter, the drilling campaign continued to deliver significant intercepts from Arenal Deepes and Nueva Australia, and in the former, expanding the area of higher grade mineralization encountered in previous drill campaigns. As of August 31, 2008, five holes had been drilled at Arenal and three holes at Nueva Australia.

At Arenal, drilling continued to test the deep portion of the Arenal deposit with significant intercepts being reported from four of the five holes completed. The best results reported to date are from drill hole ALDD090 with two intercepts of 19.25 m @ 4.68 g/t Au and 21.75 m @ 2.34 g/t Au. Drilling to-date has defined an open area of approximately 15,000 square meters by 2 to 20 meters thick ranging in grade from 2 to 5 g/t. An independent resource estimate is planned in this area once drilling is completed by the end of the third quarter. It is expected that the resource will be converted into an underground reserve.

The Nueva Australia trend, 1.2 kilometres north of Santa Teresa, is interpreted to be the structural offset of the main San Gregorio structure. Anomalous surface mineralization defines the Nueva Australia structure for over three kilometres and three core holes were completed this quarter to test the structure at depth. One of the three holes, NADD003, was mineralized and it reported 4.65 m at 8.57 g/t Au at a vertical depth of 400 meters. This intercept was some 400 meters from the nearest hole and it demonstrated the potential of the greater San Gregorio System to host additional gold resources. An first stage program of three offset drill holes is planned for the next quarter to test the extent of the mineralization along the strike and on dip.

The small Polvorín deposit has been put into production to add higher grade feed to the mill and it is expected to provide supplementary feed during the 2009 financial year.

At Santa Teresa, resource drilling continues down dip and along strike to help support a resource model up-date by the end of the third fiscal quarter. This drill campaign commenced in late August 2008 and assays are pending on the first holes completed.

Surface exploration work continues in the 30 square kilometre area east of Arenal to define targets and is focused on the Los Castillos sector where mapping and sampling have defined a structural trend that is over 800 meters in strike length and interpreted to be the offset extension of the Arenal structure. Rock chips assaying up to 48 g/t have been collected from this trend. Drilling is planned for late 2008 or early 2009 and the timing is dependent on permits.

Mapping and sampling continued in other sectors along the 10 kilometre trend of anomalous mineralization east of San Gregorio, including the historic mine sites of Peru, Esperanza and Areicua. Rock chip results received in the last quarter range from 0.5 g/t to 44 g/t. and it is expected that several drill targets will be generated and tested late in 2008 once drill permits are received.

### **Isla Cristalina Belt: Zapucay District Exploration Program**

Exploration drilling during the quarter focused on a number of prospects, including the structural corridor between Zapucay and Argentinita and areas around the Zapucay deposit, and will continue next quarter in the Zabala, and Tito Lopez prospects.

Drilling has commenced in an area between the Zapucay and Argentinita deposits which had not been drilled previously due to access restrictions. No significant intercepts have been reported as yet. Drilling around the Zapucay deposit has re-commenced and the program is designed to define and hopefully expand the remnant resource around the old mine site leading to an independently revised resource estimate by March 2009.

Exploration permits have been received for Tito Lopez and Zabala and drilling commenced in September 2008. Results from this program will be reported in the next quarterly report.

### **Isla Cristalina Belt: Regional Exploration Program**

At Castrillón, on the western Isla Cristalina Belt, definition drilling was completed last quarter and an independent resource estimate is expected to be reported by the end of the third quarter of the fiscal year. Castrillon is a higher grade, veta-like gold system extending over a strike length of approximately 300 meters and engineering has commenced to develop this project to feed the San Gregorio plant.

At the Eastern half of the Isla Cristalina Belt, the focus has transitioned from prospecting to completing the generation of specific targets, including Vaca Muerta, Vichadero, Curtume, Cerro Chato and Cerrillada. These prospects will be drill tested after all higher priority targets are drilled nearer the mine site.

### **Southern Uruguay Exploration Program**

Presidente Terra sits on a regional north-west shear structure within the Don Feliciano Belt. Anomalous gold mineralisation which extends over 10 kilometres is found along a sheared contact between granite and metasediments and also in quartz veining within the granites. Drilling commenced in April of 2008 and has tested two of the three exploration tenements, the southern and the northern tenements, which cover an area of 12 square kilometres. Some 45 reverse circulation drill holes and six core drill holes have been completed for a total of 7,457 meters. Drilling concentrated on gold bearing vein/shear sets in granitic host rock and to date has tested a combined 6.6 kilometres of strike length of the vein system. Results to-date are encouraging with over 45% of the drill holes reporting two meter or greater intercepts of more than 1.0 g/t Au. Results have been received for all reverse circulation drill holes and are pending on three core holes. Exploration permits for the central tenement have been received, and targets in this area are expected to be drilled over the next six months

Targets on the newly acquired Madre con Hijos tenement at the Crucera/Casupa district are expected to be drilled in the second quarter of the fiscal year.

In the Arroyo Grande Belt, significant gold mineralization has been discovered this year and has outlined an east-west trending vein/shear system in the Paso de Lugo tenement that is at least 1 kilometre in length and approximately 100 meters wide at surface. This trend is defined by significant rock chip anomalies of which 80% range from 0.5 g/t to 8.0 g/t. From airborne geophysical surveys in conjunction with historic sampling, an interpretation has been made that this structural/mineralized system could have a strike length of greater than 3 kilometres. Management believes this is turning into one of the better exploration targets outside of the Isla Cristalina Belt. Target definition work continues and drilling will commence as soon as permits are granted, hopefully in December, this year.

The Texas project has also returned significant high grade rock chip results associated with a vein system. Interesting new drill targets are expected to be generated in this long held project with testing getting underway as soon as permits are obtained.

At Nueva Helvecia, a five-hole drill program has been completed and only weak mineralization was encountered. No further work is planned for this target.

### **Exploration Permits and Drilling**

Twenty four permits were granted during the quarter including Tito Lopez, Zaballa, Vaca Muerta, Curtume, Zapucay Sur, Madre con Hijos, Mirta, Presidente Terra Central, Crucera and four additional drill sites in Lascano. Drilling permits on prospecting licenses were also received for Vichadero and Curtume. A number of prospects, however, including the area around the Los Castillos project and Paso de Lugo, still await either exploration permits or land owner access to be granted.

### **Lascano Project Exploration Program**

A second round of drilling of 13 holes for 8,000 meters of diamond drilling commenced in April 2008. Three holes have been completed in the central anomaly and have been sent for analytical analysis. Drilling at a fourth hole is in progress and is expected to be completed by the end of October. All drill holes are placed as large step out drill holes of 300 to greater than 800 meters around LASDDH002. Hole LASDDH008 and the present hole LASDDH009 have encountered significant hydrothermal alteration and pyrite mineralization affecting several lithologies. Alteration minerals include quartz, sericite, pyrite and secondary biotite and minor fluorite. Assay results for these holes are pending. This drilling demonstrates the extensive nature of alteration on the Lascano system and enhances its potential to produce a major ore body. The objective of the drill program is to discover a major iron oxide-copper/gold or porphyry copper deposit.

For more information on UME's exploration activities for the quarter, please refer to the Exploration Report for the Quarter ended August 31, 2008.

### **Qualified Person's Statement**

The technical information presented in this press release has been reviewed and verified by Mr. John Sadek, Vice President Operations and a Mining Engineer, and Mr. George Schroer Vice President Exploration and a Certified Professional Geologist. Mr. Sadek and Mr. Schroer are the Qualified Persons for the purposes of the AIM Guidance Note on Mining, Oil and Gas Companies dated March 2006. Mr. Sadek has a Bachelor of Engineering (Mining) from the University of Sydney and is a member of the AusIMM and SME. He has over 20 years of international experience in mining. Mr. Schroer has a Masters of Science in Geology from Colorado State University and is a member of SEG and AIPG. He has over 20 years of international experience in exploration.

### **Forward Looking Statements**

All statements, other than statements of historical fact, contained or incorporated by reference in this news release, including any information as to the future financial or operating performance of UME, constitute "forward-looking statements" within the meaning of certain securities laws, including the "safe harbour" provisions of the Securities Act (Ontario) and the United States Private Securities Litigation Reform Act of 1995 and are based on expectations estimates and projections as of the date of this news release. There can be no assurance that such statements will prove to be accurate, such statements are subject to significant risks and uncertainties, and actual results and future events could

differ materially from those anticipated in such statements. Forward-looking statements include, without limitation success of exploration activities; permitting time lines; the failure of plant; equipment or processes to operate as anticipated; accidents; labour disputes; requirements for additional capital title disputes or claims and limitations on insurance coverage. UME disclaims any intention or obligation to update or revise any forward looking statements whether as a result of new information, future events and such forward-looking statements, except to the extent required by applicable law.

## **ENDS**

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.

### **About Uruguay Mineral Exploration Inc.**

Uruguay Mineral Exploration Inc. (UME) is a gold production and exploration company that identifies and develops mineral opportunities in South America. UME is a fully integrated mining company, possessing the skills necessary to explore and develop its discoveries. UME operates San Gregorio, the only producing gold mine in Uruguay, and is the leading mineral exploration company in Uruguay with an exploration portfolio of gold, diamonds and base metal prospects, including copper, nickel, lead, and zinc.

Uruguay Mineral Exploration Inc. is quoted in Canada (TSXV) and London (AIM) and RBC Capital Markets is its Nominated Adviser and Broker. More information can be found at [www.uruguayminerals.com](http://www.uruguayminerals.com)

For further information, please contact

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**Financial Statements Follow**

**Uruguay Mineral Exploration Inc.**  
**Consolidated Balance Sheets**  
**(Unaudited)**

(Thousands of United States Dollars, except where indicated)

	As at	
	August 31, 2008	May 31, 2008
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash	12,351	18,601
Accounts receivable	3,034	2,810
Inventories (Note 2)	16,017	16,749
Prepaid expenses	1,674	1,004
	33,076	39,164
Property plant and equipment and mineral properties (Note 3)	28,452	29,681
Deferred exploration (Note 4)	12,029	8,948
Future income tax assets	5,400	5,375
Restricted cash	198	191
<b>Total assets</b>	<b>79,155</b>	<b>83,359</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	8,401	8,816
Fair value of derivatives (Note 9)	1,528	0
Current portion of long term debt (Note 5)	150	2,275
	10,079	11,091
Long term tax payable	2,414	2,414
Long term debt (Note 5)	16	25
Asset retirement obligation	2,904	2,869
<b>Total liabilities</b>	<b>15,413</b>	<b>16,399</b>
Capital stock (Note 6)	34,642	35,043
Warrants and convertible notes (Note 6)	12	12
Contributed surplus	3,919	3,882
Accumulated other comprehensive income	(19)	(19)
Retained earnings	25,188	28,042
<b>Total shareholders' equity</b>	<b>63,742</b>	<b>66,960</b>
<b>Total liabilities and shareholders' equity</b>	<b>79,155</b>	<b>83,359</b>

**Uruguay Mineral Exploration Inc.**  
**Consolidated Statements of Income, other comprehensive income and Retained Earnings**  
**(Unaudited)**

(Thousands of United States Dollars, except for earnings per share and weighted average number of shares outstanding)

	Three months ended	
	August 31 2008	August 31 2007
	\$	\$
<b>Net Sales</b>	17,721	13,253
Operating expenses	(14,803)	(7,870)
Amortization and depreciation	(3,000)	(2,865)
<b>Operating expenses</b>	<b>(17,803)</b>	<b>(10,735)</b>
<b>Sub-total</b>	<b>(82)</b>	<b>2,518</b>
<b>Other income (expenses)</b>		
Stock based compensation expense	(37)	(192)
General and administrative expense	(1,197)	(1,011)
Non-hedged derivative loss	(1,528)	0
Interest expense, debt accretion and financing fees	(75)	(62)
Foreign exchange	152	(42)
Interest earned and other income	192	196
	<b>(2,797)</b>	<b>(1,111)</b>
<b>Income (loss) before taxes</b>	<b>(2,879)</b>	<b>1,407</b>
Current income taxes provision	0	(434)
Future income taxes recovery	25	251
<b>Net and comprehensive income (loss) for the period</b>	<b>(2,854)</b>	<b>1,224</b>
<b>Retained earnings, beginning of period</b>	<b>28,042</b>	<b>22,986</b>
<b>Provision for dividends</b>	<b>0</b>	<b>(1,625)</b>
<b>Retained earnings, end of period</b>	<b>25,188</b>	<b>22,585</b>
<b>Earnings (loss) per common share</b>		
<b>Basic (Note 10)</b>	<b>(0.06)</b>	<b>0.03</b>
<b>Diluted (Note 10)</b>	<b>(0.06)</b>	<b>0.03</b>
<b>Weighted average shares outstanding</b>		
<b>Basic</b>	<b>48,684,535</b>	<b>48,926,268</b>
<b>Diluted</b>	<b>48,684,535</b>	<b>49,893,268</b>

**Uruguay Mineral Exploration Inc.**  
**Consolidated Statements of Cash Flows**  
**(Unaudited)**

(Thousands of United States Dollars, except where indicated)

	<b>Three months ended</b>	
	<b>August 31</b>	<b>August 31</b>
	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>Operating activities</b>		
Net income for the period	(2,854)	1,224
Adjustments for:		
Amortization and depletion	3,000	2,865
Fair value of derivatives	1,528	0
Accretion of debt	47	43
Future Income taxes	(25)	(251)
Stock based compensation	37	192
Other	(4)	37
	<u>1,729</u>	<u>4,110</u>
Net change in non-cash working capital balances (Note 8)	(577)	51
	<u>1,152</u>	<u>4,161</u>
<b>Financing activities</b>		
Proceeds from the issue of share capital	0	593
Share repurchase (Note 6)	(401)	0
Payments of finance lease net of draw downs	(47)	(46)
	<u>(448)</u>	<u>547</u>
<b>Investing activities</b>		
Purchase of property, plant and equipment and development costs	(3,873)	(4,747)
Exploration expenditure	(3,081)	(2,308)
	<u>(6,954)</u>	<u>(7,055)</u>
<b>Decrease in cash</b>	<b>(6,250)</b>	<b>(2,347)</b>
Cash at the beginning of period	<u>18,601</u>	<u>13,978</u>
<b>Cash at the end of period</b>	<b>12,351</b>	<b>11,631</b>

**Uruguay Mineral Exploration Inc.**  
**Consolidated Statements of Changes in Shareholders' Equity**  
**(Unaudited)**  
(Thousands of United States Dollars, except where indicated)

	As at August 31, 2008		As at May 31, 2008	
	Number (000's)	Amount	Number (000's)	Amount
<b>Common shares</b>				
Balance at beginning of period	48,811	\$ 35,043	48,531	\$ 34,592
Exercise of stock options	0	0	410	857
Share repurchases	(144)	(401)	(130)	(406)
Balance at end of period	<u>48,667</u>	<u>\$ 34,642</u>	<u>48,811</u>	<u>\$ 35,043</u>
<b>Warrants and Convertible notes (Note 6)</b>				
Balance at beginning of period	270	\$ 12	520	\$ 12
Expired warrants and convertible notes	(250)	0	(250)	0
Balance at end of period	<u>20</u>	<u>\$ 12</u>	<u>270</u>	<u>\$ 12</u>
<b>Contributed surplus</b>				
Balance at beginning of period		\$ 3,882		\$ 3,297
Employee stock based compensation recognized		37		792
Transfer to common shares				(207)
Balance at end of period		<u>\$ 3,919</u>		<u>\$ 3,882</u>
<b>Accumulated other comprehensive income</b>				
Balance at beginning of period		\$ (19)		\$ (19)
Movement for the period		0		0
Balance at end of period		<u>\$ (19)</u>		<u>\$ (19)</u>
<b>Retained earnings</b>				
Balance at beginning of period		\$ 28,042		\$ 22,986
Net income for the period		(2,854)		7,798
Dividends		0		(2,742)
Balance at end of period		<u>\$ 25,188</u>		<u>\$ 28,042</u>
Shareholders' equity at end of period		<u>\$ 63,742</u>		<u>\$ 66,960</u>