

Orosur Mining Inc.
(formerly Uruguay Mineral Exploration Inc.)
Consolidated Interim Financial Statements
For the three and six month periods ended November 30, 2009
(Unaudited)

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the period ended November 30 2009.

Contents

Consolidated Interim Financial Statements

Consolidated Balance Sheets	2
Consolidated Statements of Income, Comprehensive Income and Retained Earnings	3
Consolidated Statements of Cash Flows	4
Consolidated Statements of Changes in Shareholders' Equity	5
Notes to Consolidated Financial Statements	6 – 15

Orosur Mining Inc.
Consolidated Balance Sheets
(Unaudited)

(Thousands of United States Dollars, except where indicated)

	As at	
	November 30, 2009	May 31, 2009
	\$	\$
Assets		
Current assets		
Cash	9,391	9,496
Accounts receivable (Note 3)	3,923	2,899
Inventories (Note 4)	16,375	17,642
Convertible debenture (Note 2)	234	0
Prepaid expenses	974	915
Total current assets	30,897	30,952
Property plant and equipment and mineral properties (Note 5)	14,406	16,953
Deferred exploration (Note 6)	15,185	12,437
Future income tax assets	4,374	3,001
Restricted cash	182	173
Total non current assets	34,147	32,564
Total assets	65,044	63,516
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	10,648	7,354
Fair value of derivatives	0	464
Restructure plan	78	250
Debt	7	37
Total current liabilities	10,733	8,105
Asset retirement obligation	2,940	2,862
Total non current liabilities	2,940	2,862
Total liabilities	13,673	10,967
Capital stock	34,642	34,642
Contributed surplus	4,543	4,239
Accumulated other comprehensive income	(19)	
Retained earnings	12,205	13,687
Total shareholders' equity	51,371	52,549
Total liabilities and shareholders' equity	65,044	63,516

Approved by the Board of Directors

"Ignacio Salazar" Director

"David Fowler" Director

The accompanying notes are an integral part of these interim consolidated financial statements.

Orosur Mining 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 November 30		Six months ended November 30	
	2009	2008	2009	2008
	\$	\$	\$	\$
Net Sales	14,811	11,659	27,309	29,380
Operating expenses	(12,355)	(12,351)	(24,216)	(27,154)
Depreciation	(3,044)	(5,971)	(5,637)	(8,971)
Operating expenses and depreciation	(15,399)	(18,322)	(29,853)	(36,125)
Sub-total	(588)	(6,663)	(2,544)	(6,745)
Other income (expenses)				
Stock based compensation expense	(210)	(249)	(304)	(286)
General and administrative expense	(864)	(1,066)	(1,608)	(2,263)
Non-hedged derivative gain (loss)	0	733	464	(795)
Exploration expenses written off	(371)	0	(371)	0
Net interest loss and debt accretion	(76)	(19)	(147)	(24)
Foreign exchange gain (loss)	6	176	(11)	24
Other income	1,199	41	1,451	163
	(316)	(384)	(526)	(3,181)
Loss before taxes	(904)	(7,047)	(3,070)	(9,926)
Current income taxes recovery	215	1,110	215	1,110
Future income taxes provision	1,365	(1,970)	1,373	(1,945)
Net and comprehensive income (loss) for the period	676	(7,907)	(1,482)	(10,761)
Retained earnings, beginning of period	11,529	25,188	13,687	28,042
Retained earnings, end of period	12,205	17,281	12,205	17,281
Basic and diluted Earnings (loss) per common share (note 10)	0.014	(0.162)	(0.030)	(0.220)
Weighted average shares outstanding				
Basic	48,667,068	48,667,068	48,667,068	48,675,801
Diluted	48,667,068	48,728,268	48,667,068	48,841,801

The accompanying notes are an integral part of these interim consolidated financial statements.

Orosur Mining Inc.
Consolidated Statements of Cash Flows
(Unaudited)

(Thousands of United States Dollars, except where indicated)

	Three months ended November 30		Six months ended November 30	
	2009	2008	2009	2008
	\$	\$	\$	\$
Operating activities				
Net income (loss) for the period	676	(7,907)	(1,482)	(10,761)
Adjustments for:				
Amortization and depletion	3,044	5,971	5,637	8,971
Fair value of derivatives	0	(733)	(464)	795
Accretion of debt	46	35	78	82
Future income taxes	(1,365)	1,970	(1,373)	1,945
Stock based compensation	210	249	304	286
Asset sales	(1,131)	0	(1,343)	0
Exploration expenses written off	371	0	371	0
Other	(91)	499	62	495
	<u>1,760</u>	<u>84</u>	<u>1,790</u>	<u>1,813</u>
Net change in non-cash working capital balances (Note 9)	365	(2,038)	2,994	(2,615)
	<u>2,125</u>	<u>(1,954)</u>	<u>4,784</u>	<u>(802)</u>
Financing activities				
Payments of finance lease net of draw downs	(9)	(47)	(30)	(94)
Share repurchase	0	0	0	(401)
	<u>(9)</u>	<u>(47)</u>	<u>(30)</u>	<u>(495)</u>
Investing activities				
Purchase of property, plant and equipment and development costs	(1,489)	(584)	(4,049)	(4,457)
Assets sales	2,300	0	2,564	0
Exploration expenditure	(1,694)	(3,327)	(3,374)	(6,408)
	<u>(883)</u>	<u>(3,911)</u>	<u>(4,859)</u>	<u>(10,865)</u>
Increase (Decrease) in cash	1,233	(5,912)	(105)	(12,162)
Cash at the beginning of period	8,158	12,351	9,496	18,601
Cash at the end of period	9,391	6,439	9,391	6,439

The accompanying notes are an integral part of these interim consolidated financial statements.

Orosur Mining Inc.
Consolidated Statements of Changes in Shareholders' Equity
(Unaudited)

(Thousands of United States Dollars, except where indicated)

	Three months ended November 2009		Six month ended November 2009	
	Number (000's)	Amount (\$)	Number (000's)	Amount (\$)
Common shares				
Balance at beginning of period	48,667	34,642	48,667	34,642
Movement for the period		0		0
Balance at end of period	48,667	34,642	48,667	34,642
Contributed surplus				
Balance at beginning of period		4,333		4,239
Employee stock based compensation recognized		210		304
Balance at end of period		4,543		4,543
Accumulated other comprehensive income				
Balance at beginning of period		(19)		(19)
Movement for the period		0		0
Balance at end of period		(19)		(19)
Retained earnings				
Balance at beginning of period		11,529		13,687
Net loss for the period		676		(1,482)
Balance at end of period		12,205		12,205
Shareholders' equity at end of period		51,371		51,371

The accompanying notes are an integral part of these interim consolidated financial statements.

Orosur Mining Inc.
Notes to Consolidated Interim Financial Statements
(Unaudited)

(Thousands of United States Dollars, except where indicated)

November 30, 2009

1. Basis of presentation

These consolidated unaudited interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The preparation of the financial statements is based on accounting policies and practices consistent with those used in the preparation of the audited annual consolidated financial statements. The accompanying unaudited interim consolidated financial statements should be read in conjunction with the notes to the Company's audited consolidated financial statements for the year ended May 31, 2009, since they do not contain all disclosures required by GAAP annual financial statements. The unaudited interim consolidated financial statements reflect all normal and recurring adjustments which are, in the opinion of management, necessary for a fair presentation of the respective interim periods presented. Actual results could differ from those estimates. The reference to "the Company" in these consolidated financial statements includes the parents and all of its subsidiaries. All inter-company transactions and balances have been eliminated.

2. Subsequent events

(A) Acquisition of Fortune Valley

On November 8, 2009 the Company executed an Arrangement Agreement with Fortune Valley Resources Inc.(Fortune Valley), a Canadian public corporation listed on Toronto's TSX Venture Exchange, to acquire all of its issued and outstanding common shares.

According to the Plan of Arrangement, the acquisition is satisfied through the issue of common shares of the Company at a proposed share exchange ratio of 0.4534 common shares of the Company for each Fortune Valley share, plus an additional CDN\$ 0.001 in cash for each Fortune Valley share.

Additionally, each Fortune Valley option outstanding is exchanged for an option to acquire a Company's share at the same share exchange ratio. The original options terms and conditions are maintained, and the new exercise price is equal to the quotient of the Fortune Valley option price and the share exchange ratio, adjusted to the extent, if any, required to ensure that the converted in the money amount after the exchange is equal to the Fortune Valley option previous in the money amount. Pursuant to the Arrangement, the Company acquired 34,772,025 issued and outstanding common shares of Fortune Valley in consideration for the issuance of 15,765,638 common shares in the Company and cash consideration in the aggregate amount of CDN\$ 34,772. In addition, holders of Fortune Valley options are entitled to receive 1,008,815 common shares on exercise of 2,225,000 Fortune Valley options.

On October 5, 2009, at the time a letter of intent was signed, the Company provided interim financing to Fortune Valley in the form of a convertible debenture of CDN\$ 250,000 issued by Fortune Valley to allow it to complete the acquisition of the option on the Pantanillo property in the Maricunga Belt in Chile from a subsidiary of Anglo American PLC. The convertible debenture bears no interest. The option to convert into shares was not exercised as part of the conditions of the transaction.

The Company agreed to loan to Fortune Valley sufficient funds to pay for certain significant expenses arising during the course of the Agreement, including fees and expenses of legal, financial and other advisors, that Fortune Valley has incurred to date and expects to incur in connection therewith, as Fortune Valley does not have sufficient funds available. As at November 30, 2009 CDN\$ 147,505 has been loaned to Fortune Valley and secured by promissory notes.

The accompanying notes are an integral part of these consolidated interim financial statements

Orosur Mining Inc.
Notes to Consolidated Interim Financial Statements
Unaudited

(Thousands of United States Dollars, except where indicated)

November 30, 2009

2. Subsequent events – continued

The primary assets acquired are signed option agreements to acquire 100% interest in the Pantanillo property and 65% interest in the Anillo property, and an additional 100% ownership rights on the Incahuasi property, all located in Chile.

Total consideration for the acquisition has been estimated to be \$ 8,200 including the value of the Company's shares and options being issued, cash advanced under loan agreements and transaction costs. The transaction was completed on January 7, 2010. These financial statements are as at November 30, 2009 and do not consolidate Fortune Valley's assets and liabilities acquired.

(B) Change of name

On October 13, 2009, the annual shareholder meeting approved to amend the Articles of Uruguay Mineral Exploration Inc. to change its name to Orosur Mining Inc. Effective January 7, 2010 the name was changed.

(C) Options granted to Gladiator resources

On January 8, 2010 the Company entered into an Option Agreement with Gladiator Resources Limited (Gladiator), an Australian mineral exploration and development company, which provides Gladiator the right to earn up to an 80% interest in the iron ore, manganese ore and base metal potential in the Company's projects located in Uruguay's Isla Cristalina Belt.

During the option period Gladiator is committed to spend \$ 150 on evaluation work and produce a report covering the iron ore and manganese resource potential of the area together with a conceptual development plan. Gladiator must complete its report and may exercise the option to proceed on or before April 30, 2010 by entering into a definitive agreement by which Gladiator will issue to the Company the equivalent of \$AUD 100,000 in fully paid shares in Gladiator at market value.

Following this initial payment, Gladiator will be entitled to earn a 20% interest by spending \$1,000 on work programs. Gladiator may, at its option, earn a further 31% by spending a further \$4,000 taking its total interest to 51%. Gladiator may then elect to earn a further 29% taking its interest to 80% by producing a bankable feasibility study on or before December 31, 2014.

3. Accounts receivable

	November 30,	May 31,
	2009 (\$)	2009 (\$)
Tax receivables (a)	3,407	2,826
Fortune Valley promissory notes (b)	138	0
Assets sales receivables (c)	323	0
Other receivables	55	73
	3,923	2,899

Orosur Mining Inc.
Notes to Consolidated Interim Financial Statements
Unaudited

(Thousands of United States Dollars, except where indicated)

November 30, 2009

3. Accounts receivable – continued

(a) Tax receivables consist of refunds for Canadian GST, Uruguayan Value Added Tax refunds and Uruguayan export tax refunds. Uruguayan export tax refunds have been granted as a 2% of FOB value of the export of dore. This benefit has been eliminated for exports shipped after October 1, 2009.

(b) The Company has entered into a proposed transaction to acquire all of the issued and outstanding shares of Fortune Valley as stated in Note 2. The Company has advanced Fortune Valley CDN\$ 147,505 secured by promissory notes to cover expenses for the completion of the proposed business combination.

(c) Relates to the head office building sale as stated in note 5 (c).

4. Inventories

	November 30, 2009 (\$)	May 31, 2009 (\$)
Finished metals	648	802
Ore in stockpiles	4,800	6,121
Gold in circuit	1,019	862
Materials and supplies	9,908	9,857
	16,375	17,642

5. Property, Plant and Equipment and Mineral Properties

	November 30, 2009		
	Cost	Accumulated Amortization and Depletion	Net Book Value
Land and lease rights	1,455	0	1,455
Plant and equipment	32,963	24,211	8,752
Mineral properties	32,318	28,119	4,199
	66,736	52,330	14,406

Orosur Mining Inc.
Notes to Consolidated Interim Financial Statements
Unaudited

(Thousands of United States Dollars, except where indicated)

November 30, 2009

5. Property, Plant and Equipment and Mineral Properties – continued

	May 31, 2009		
	Cost	Accumulated Amortization and Depletion	Net Book Value
Land and lease rights	2,088	0	2,088
Plant and equipment	31,035	22,091	8,944
Mineral properties	31,075	25,154	5,921
	64,198	47,245	16,953

- (a) The plant is located on leased land. The lease expires in 2026. No further payments are due on the lease.
- (b) Included in plant and equipment is \$ 1,282 (May 2009 - \$ 1,262) of major spare parts that are amortized over a period of two to four years. These major spare parts are maintained to ensure the uninterrupted operation of the production equipment before an unexpected breakdown or equipment failure.
- (c) During November, the Company sold the head office buildings located in Montevideo for a total consideration of \$ 2,300.

6. Deferred Exploration

Movements on deferred exploration are shown hereinafter:

	November 30, 2009 (\$)	May 31, 2009 (\$)
Balance at beginning	12,437	8,948
Payments for exploration expenditure	3,374	10,106
Reclassification to Mine properties	(255)	(3,923)
Exploration expenses written off	(371)	(2,694)
Balance at end of the period	15,185	12,437

(a) Farm-in agreements and acquisitions: Farm-in agreements and acquisitions rights and obligations are disclosed in the notes to the Company's audited annual Financial Statements for the year ended May 31, 2009. No new agreements or acquisition have been made during the period.

(b) Exploration performance bonds: The Uruguay Mining legislation requires all mining titles to be supported by guarantees for any environmental rehabilitation requirements resulting from exploration activities. The Company has facility agreements with Uruguayan local insurance companies and banks to support the required guarantees. The total guarantees provided at November 30, 2009 to support exploration activities on tenements granted were \$ 3,668 (May 2009 - \$ 3,445).

Orosur Mining Inc.
Notes to Consolidated Interim Financial Statements
Unaudited

(Thousands of United States Dollars, except where indicated)

November 30, 2009

7. Equity Instruments

- (a) Capital authorized: Unlimited number of Common Shares
- (b) Employee stock options: The Company has an option Plan for its officers, directors, employees and consultants of the Company and its subsidiaries. Options under the plan are typically granted in such numbers as reflects the responsibility of the particular optionee and his or her contribution to the business and activities of the Company. Options granted under the plan have a term of up to 5 years. Except in specified circumstances, options are not assignable and terminate on the optionee ceasing to be employed by or associated with the Company. The terms of the Plan further provide that the price at which shares may be issued under the Plan cannot be less than the market price (net of permissible discounts) of the shares when the relevant options were granted. One third of options granted vest on the date of grant, one third on the first anniversary from granted and one third on the second anniversary from granted.

For the quarter and six month period ending November 30, 2009 an amount of 791,000 options were granted at a weighted average exercise price of CDN\$ 0.61 per option. During the quarter and six month period ended November 30, 2009, \$ 210 and \$ 304 of compensation expense was recorded respectively (November 30, 2008 \$ 249 and \$ \$ 286). At November 30, 2009 the aggregate unamortized value of unvested stock options amounted to \$ 309 (May 31, 2009 - \$ 292).

The weighted average fair values of all stock options granted for the six months ended November 30 2009 were CDN\$ 0.97 (May 31, 2009 – CDN\$ 0.83), estimated as of the date of grant using the Black-Scholes option pricing model with the following average assumptions:

	Six months ended November 2009	Financial year ended May 2009
Expected option life (years)	2.3	Range of 2.2 to 3.1
Volatility	105%	Range of 55% to 95%
Risk-free interest rate	1.30%	Range of 1.10% to 3.12%
Dividend yield	Nil	Nil

The following table summarizes information regarding the Company's outstanding options as at November 30, 2009:

	Number of Shares (000's)	Option Price per Share Range CDN \$	Weighted Average Exercise Price CDN \$
Balance at May 31, 2009	3,172	\$0.38 - \$5.50	\$2.98
Options – granted	791	\$0.61	\$0.61
Exercised, cancelled and forfeited	(432)	\$0.60 - \$5.40	\$ 3.91
Balance at November 30, 2009	<u>3,531</u>		

Orosur Mining Inc.
Notes to Consolidated Interim Financial Statements
Unaudited

(Thousands of United States Dollars, except where indicated)

November 30, 2009

7. Equity Instruments – continued

Outstanding				Exercisable	
Options 000s	Range of option price CDN \$	Weighted average Exercise Price CDN \$	Weighted average remaining contractual life Years	Options 000s	Weighted average Exercise Price CDN \$
1,636	0.00 – 3.00	0.60	4.37	804	0.60
1,462	3.01 – 4.00	3.58	2.44	1,165	3.63
433	4.01 – 5.50	4.67	0.95	433	4.67
<u>3,531</u>		2.33	3.15	<u>2,402</u>	2.81

At November 30, 2009 there were 3,531,500 options outstanding, of which 2,401,667 are exercisable. The weighted average exercise price of the options outstanding at November 30, 2009 is CDN\$ 2.33 (May 31, 2009 CDN\$ 2.98).

8. Segment Information

The Company has three reportable segments: gold, exploration and corporate. The corporate segment is responsible for corporate financing and other business development activities for the Company. The gold segment operates the San Gregorio gold mine and the exploration segment is devoted to the acquisition and exploration of mineral properties. The gold and exploration segments operate solely in Uruguay. Precious metals are refined and sold in Europe through one refinery.

	Gold	Exploration	Corporate	Total
For six months ended November 30, 2009				
Net Sales	27,309	0	0	27,309
Depreciation	(5,393)	(244)	0	(5,637)
Net interest loss	(147)	0	0	(147)
Income tax recovery	1,588	0	0	1,588
Net income (loss)	569	(1,275)	(776)	(1,482)
Capital Expenditure	4,049	3,374	0	7,423

Orosur Mining Inc.
Notes to Consolidated Interim Financial Statements
Unaudited

(Thousands of United States Dollars, except where indicated)

November 30, 2009

8. Segment Information – continued

	Gold	Exploration	Corporate	Total
For three months ended November 30, 2009				
Net Sales	14,811	0	0	14,811
Depreciation	(2,923)	(121)	0	(3,044)
Net interest loss	(76)	0	0	(76)
Income tax recovery	1,580	0	0	1,580
Net income (loss)	1,698	(598)	(424)	676
Capital Expenditure	1,489	1,694	0	3,183

As at 30 November 2009

Property, plant and equipment and mineral properties	13,628	778	0	14,406
Deferred exploration	0	15,185	0	15,185

Gold	Exploration	Corporate	Total
------	-------------	-----------	-------

For six months ended November 30, 2008

Net Sales	29,380	0	0	29,380
Depreciation	(8,605)	(366)	0	(8,971)
Net interest loss	(24)	0	0	(24)
Income tax provision	(835)	0	0	(835)
Net loss	(8,450)	(1,210)	(1,101)	(10,761)
Capital Expenditure	4,457	6,408	0	10,865

For three months ended November 30, 2008

Net Sales	21,180	0	0	21,180
Depreciation	(5,788)	(183)	0	(5,971)
Net interest loss	(19)	0	0	(19)
Income tax provision	(860)	0	0	(860)
Net loss	(6,871)	(626)	(410)	(7,907)
Capital Expenditure	584	3,327	0	3,911

As at 31 May 2009

Property, plant and equipment and mineral properties	14,696	1,022	1,235	16,953
Deferred exploration	0	12,437	0	12,437

Orosur Mining Inc.
Notes to Consolidated Interim Financial Statements
Unaudited

(Thousands of United States Dollars, except where indicated)

November 30, 2009

9. Statements of Cash Flows

(a) The net change in working capital items is as follows:

	Three months ended November 30		Six months ended November 30	
	2009 (\$)	2008 (\$)	2009 (\$)	2008 (\$)
Prepaid expenses and other	(155)	601	(59)	(69)
Accounts receivable and convertible notes	(871)	(1,400)	(1,258)	(1,624)
Accounts payable and accrued liabilities	1,530	421	3,294	6
Inventory	(139)	(1,660)	1,267	(928)
Restructure plan payments	0	0	(250)	0
Net change in non-cash working capital balances	<u>365</u>	<u>(2,038)</u>	<u>2,994</u>	<u>(2,615)</u>

(b) Other information

	Three months ended November 30		Six months ended November 30	
	2009 (\$)	2008 (\$)	2009 (\$)	2008 (\$)
Cash interest paid	25	3	27	9
Cash taxes paid	0	0	0	0

10. Financial Instruments

The Company's activity exposes it to a variety of financial risks, mainly to commodity price risk and currency risk. The Company overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company financial performance.

- (a) Commodity Price Risk: The Company occasionally and discretionally uses financial derivatives to mitigate the risk of gold price fluctuations. As at November 30, 2009 no financial derivatives are outstanding.
- (b) Currency risk: The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to its functional currency, the US dollar. Foreign exchange risks arise from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

November 30, 2009

10. Financial Instruments – continued

Cash balances are held principally in US dollars, while its expenses are incurred in Uruguay pesos as well as US dollars and other currencies. The Company reports its results in United States dollars. There would be an adverse impact on the reported results if the following situations arise:

- (i) The Uruguay inflationary impact on the peso expenses increases at more than the depreciation of the Uruguay peso against the United States dollar. This would result in an increase of the peso-based expenses.
- (ii) The United States dollar depreciates against the Uruguay peso. This would reduce the available cash resources and increase the related expense.

A significant portion of the Company's operations are located in Uruguay, and are subject to fluctuations in exchange rates. The Company manages its currency rate risk by denominating its contracts and commitments, where possible, in US dollars

- (c) Fair value: The Company's financial instruments include cash and cash equivalents, receivables, accounts payable, accrued liabilities and debt. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.
- (d) Credit risk: The Company is exposed to credit risk with respect to managing its cash position. This risk, from deposit granting institutions and/or commercial paper issuers, is mitigated by using well capitalized financial institutions. Credit risk relating to accounts receivable arises from the possibility that any counterparty to an instrument may fail to perform. The Company currently transacts with highly-rated counterparties for the sale of gold.
- (e) Capital management: The Company manages its capital to ensure that the Company and its subsidiaries will be able to continue as a going concern while attempting to maximize the return to shareholders through the optimization of a reasonable debt and equity balance commensurate with current operating requirements. The strategy remains unchanged from 2007. The Company will raise capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure.
- (f) Insurance

The Company purchases limited discretionary insurance to cover catastrophic property damage, business interruption and liability risk.

Orosur Mining Inc.
Notes to Consolidated Interim Financial Statements
Unaudited

(Thousands of United States Dollars, except where indicated)

November 30, 2009

10. Basic & Diluted earnings (loss) per share

The reconciliation of basic and diluted earnings per share where relevant are as follows:

	Three months ended		Six months ended	
	November 30,		November 30,	
	2009	2008	2009	2008
Basic earnings per share				
Numerator				
Net earnings (loss) available to shareholders	676	(7,907)	(1,482)	(10,761)
Denominator				
Weighted average shares outstanding	48,667,068	48,667,068	48,667,068	48,675,801
Basic earnings (loss) per share (cents per share)	0.014	(0.162)	(0.030)	(0.220)
Diluted earnings per share				
Numerator				
Net earnings (loss) available to shareholders	676	(7,907)	(1,482)	(10,761)
Denominator				
Weighted average shares outstanding	48,667,068	48,667,068	48,667,068	48,675,801
Potential net incremental issue of shares from stock options	0	61,000	0	166,000
Shares outstanding plus assumed conversions	48,667,068	48,728,068	48,667,068	48,841,801
Diluted earnings (loss) per share (cents per share)	0.014	(0.162)	(0.030)	(0.220)

Basic earnings per common share ("EPS") have been calculated using the weighted-average number of shares outstanding during the period. The calculation of diluted earnings per common share has been computed using the treasury stock method which assumes that options and warrants with an exercise price lower than the average quoted market price were exercised at the beginning of the period, or at time of issue. In applying the treasury stock method, options and warrants with an exercise price greater than the average quoted market price of the common shares are not included in the calculation of diluted earnings per common share as the effect is anti-dilutive. The average quoted market price of the common shares during the six month and three month periods ended November 30, 2009 were CDN\$0.45 and CDN\$ 0.54 respectively (Year end May 2009 - CDN\$0.84).