

DAYTON

DAYTON MINING CORPORATION Consolidated Balance Sheets

in thousands of US dollars
(unaudited)

	<u>Dec 31</u> <u>2001</u>	<u>Dec 31</u> <u>2000</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 1,537	\$ 4,396
Investments in marketable securities	76	175
Other receivables	234	196
Inventories	<u>9,011</u>	<u>7,676</u>
	10,858	12,443
Property, plant and equipment	10,465	13,341
Closure Fund	3,217	2,769
Other	<u>-</u>	<u>10</u>
	<u>\$ 24,540</u>	<u>\$ 28,563</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 2,066	\$ 2,578
Accrued closure costs - current portion	<u>1,109</u>	<u>-</u>
	3,175	2,578
Loans Payable to a Related Party	1,849	1,849
Accrued closure costs	<u>2,518</u>	<u>3,767</u>
	4,367	5,616
	<u>7,542</u>	<u>8,194</u>
Shareholders' Equity		
Share capital	53,810	53,810
Deficit	<u>(36,812)</u>	<u>(33,441)</u>
	16,998	20,369
	<u>\$ 24,540</u>	<u>\$ 28,563</u>

DAYTON

DAYTON MINING CORPORATION Consolidated Income Statements

in thousands of US dollars, except per share data
(unaudited)

	Three Months Ended December 31		Twelve Months Ended December 31	
	2001	2000	2001	2000
Revenues	\$ 3,709	\$ 6,142	\$ 14,913	\$ 34,926
Cost of sales				
Operating costs	3,002	5,789	13,545	33,720
Depreciation, depletion and amortization	713	1,121	2,980	6,479
	<u>3,715</u>	<u>6,910</u>	<u>16,525</u>	<u>40,199</u>
	<u>(6)</u>	<u>(768)</u>	<u>(1,612)</u>	<u>(5,273)</u>
Expenses				
Exploration	131	95	700	1,766
Foreign exchange loss(gain)	21	(117)	66	(324)
General and administrative	419	358	1,131	1,546
Interest expense	24	280	15	930
Interest income	(63)	(188)	(223)	(525)
Writedown of marketable securities	70	-	70	-
	<u>602</u>	<u>428</u>	<u>1,759</u>	<u>3,393</u>
Net (loss) before unusual item	(608)	(1,196)	(3,371)	(8,666)
Unusual item(Andacollo write-off)	<u>-</u>	<u>(22,722)</u>	<u>-</u>	<u>(22,722)</u>
Net (loss) for the period	\$ (608)	\$ (23,918)	\$ (3,371)	\$ (31,388)
Per share:				
Net (loss) per share	<u>\$ (0.02)</u>	<u>\$ (0.77)</u>	<u>\$ (0.11)</u>	<u>\$ (1.17)</u>
Average shares outstanding	31,123,974	31,123,974	31,123,974	26,715,402

DAYTON

DAYTON MINING CORPORATION

Consolidated Statements of Cash Flow

in thousands of US dollars

(unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31		December 31	
	2001	2000	2001	2000
Net (loss for the period)	(608)	(23,918)	(3,371)	(31,388)
Depletion, depreciation and amortization	713	1,121	2,980	6,479
Accrued closure costs	(22)	330	(22)	567
Foreign exchange loss(gain)	14	125	59	(82)
Net interest earned on sinking fund	(76)	(40)	(153)	(40)
Adjustment of Sinking Fund value	57	-	57	-
Amortization of other assets	-	30	-	30
Writedown of investment in subsidiary	-	22,722	-	22,722
Administrative expenses settled by issuance of capital stock	-	-	-	21
Writedown of marketable securities	70	-	70	-
Cash flow from operations	148	370	(380)	(1,691)
Bullion settlements receivable	-	(257)	-	1,143
Other receivables	(168)	498	(28)	705
Inventories	(951)	2,070	(1,335)	72
Accounts payable	242	(2,411)	(512)	(1,203)
Closure cost expenditures	(24)	(1,149)	(118)	(1,149)
Cash lost on deconsolidation	-	(103)	-	(103)
Cash flow provided by operating activities	(753)	(982)	(2,373)	(2,226)
INVESTING ACTIVITIES				
Purchases of property, plant and equipment	(14)	(7)	(104)	(390)
Deferred stripping	-	-	-	(750)
Reclamation sinking fund contributions	(137)	(164)	(352)	(470)
Capitalized acquisition costs	-	(617)	-	(617)
Cash flow used for investing activities	(151)	(788)	(456)	(2,227)
FINANCING ACTIVITIES				
Sale of marketable securities	29	-	29	-
Restricted cash released	-	-	-	1,667
Operating line of credit	-	(201)	-	399
Principal repayments of bank loan	-	-	-	(1,667)
Capital lease obligation repayments	-	-	-	(1,122)
Issuance of share capital	-	-	-	5,821
Cash flow provided by (used for) financing activities	29	(201)	29	5,098
FOREIGN EXCHANGE	(14)	(125)	(59)	82
Net decrease in cash	(889)	(2,096)	(2,859)	727
Cash and cash equivalents, beginning of period	2,426	6,492	4,396	3,669
Cash and cash equivalents, end of period	1,537	4,396	1,537	4,396

DAYTON

DAYTON MINING CORPORATION

Notes to the Interim Consolidated Financial Statements

at December 31, 2001

all financial figures stated in thousands of US Dollars

1. Nature of Operations and Basis of Presentation

The Company is involved in the exploration, development and operation of gold properties.

Operating figures for the twelve months ended December 31, 2001 present results only for the Company's 49% joint venture interest in the Denton-Rawhide Mine. Operating figures for the twelve months ended December 31, 2000 present the Company's 49% joint venture interest in nine months of operating results for the Denton-Rawhide Mine acquired on April 1, 2000 and eleven months of operating results for the Andacollo Gold Mine which was permanently closed and deconsolidated on December 1, 2000.

Basis of Presentation

The accompanying interim consolidated financial statements have been prepared following the same accounting policies and their method of application as those used for the Company's December 31, 2001 annual audited financial statements with the following exception:

Disclosure: Full and complete disclosure of accounting policies and their method of application are not included in these notes. For full disclosure reference should be made to the Company's December 31, 2001 audited consolidated financial statements.

2. Loss per Share

Prior year per share figures have been restated for comparative purposes to conform to post consolidated shares outstanding.

3. Closure Fund

The value of the closure trust fund held as collateral for future estimated reclamation and severance obligations is recorded at the lower of cost or net realizable value.

4. Segmented Information

The Company operates in one business segment, namely; gold mining with its sole producing asset being a 49% joint venture interest in a gold mine in Nevada, USA (acquired April 1, 2000), exploration activities in El Salvador (commencing April 6, 2000) and administrative offices in Canada.

There has been no material change in segmented assets from those disclosed in the Company's annual consolidated financial statements contained in the Company's December 31, 2000 annual report.

	Three months ended		Twelve months ended	
	December 31		December 31	
	2001	2000	2001	2000
Revenue, excluding interest income - US\$(000)				
USA	\$ 3,709	2,740	14,913	11,159
El Salvador	-	-	-	-
Canada	-	258	-	674
Chile	-	3,144	-	23,093
Total	<u>3,709</u>	<u>6,142</u>	<u>14,913</u>	<u>34,926</u>
Net (loss) for the period - US\$(000)				
USA	(35)	(1,274)	(1,770)	(1,493)
El Salvador	(112)	(336)	(580)	(959)
Canada	(461)	130	(1,021)	(607)
Chile	-	(22,438)	-	(28,329)
Total	<u>\$ (608)</u>	<u>(23,918)</u>	<u>(3,371)</u>	<u>(31,388)</u>

5. Management Discussion and Analysis of Financial Condition and Results of Operations

Management's discussion and analysis of the Company's results as reported in the attached interim financial statements are contained in the Company's February 22, 2002 press release reporting on the results for the quarter and year ending December 31, 2001.