

Lundin Mining Corporation

CONSOLIDATED BALANCE SHEETS

As at December 31, 2009 and 2008

(Unaudited - in thousands of US dollars)

	2009	2008
ASSETS		
Current		
Cash and cash equivalents	\$ 141,575	\$ 169,698
Accounts receivable	195,370	74,411
Inventories	27,519	40,081
Prepaid expenses	3,541	8,052
	368,005	292,242
Reclamation funds and restricted cash	67,076	58,385
Mineral properties, plant and equipment	1,310,287	1,351,584
Investment in Tenke Fungurume	1,633,740	1,576,743
Investments and other assets	42,508	66,987
Future income tax assets	68,707	52,102
Goodwill	249,820	242,519
Assets of discontinued operations	-	63,940
	\$ 3,740,143	\$ 3,704,502
LIABILITIES		
Current		
Accounts payable	\$ 59,473	\$ 151,087
Accrued liabilities	48,235	44,353
Income taxes payable	14,657	1,648
Current portion of long term debt and capital leases	2,536	306,973
Current portion of asset retirement obligations	5,830	-
Current portion of deferred revenue	5,667	3,465
Derivative contracts	40,557	-
	176,955	507,526
Long-term debt and capital leases	188,352	8,243
Other long-term liabilities	11,936	16,252
Deferred revenue	72,230	75,665
Provision for pension obligations	16,385	14,359
Asset retirement obligations and other provisions	120,954	109,530
Future income tax liabilities	238,089	262,650
Liabilities of discontinued operations	-	106,553
	824,901	1,100,778
SHAREHOLDERS' EQUITY		
Share capital	3,480,487	3,331,309
Contributed surplus	30,415	24,758
Accumulated other comprehensive income	265,051	182,074
Deficit	(860,711)	(934,417)
	2,915,242	2,603,724
	\$ 3,740,143	\$ 3,704,502

LUNDIN MINING CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited - in thousands of US dollars, except for share and per share amounts)

	Three months ended December 31,		Twelve months ended December 31,	
	2009	2008	2009	2008
Sales	\$ 256,703	\$ 43,536	\$ 745,989	\$ 835,294
Operating costs	(98,807)	(84,804)	(340,321)	(436,633)
Accretion of asset retirement obligations and other provisions	(2,377)	(15,882)	(6,918)	(25,931)
Selling, general and administration	(2,454)	(7,465)	(19,960)	(39,556)
Stock-based compensation	(887)	(1,190)	(5,629)	(9,926)
Income (loss) from continuing operations before undernoted	152,178	(65,805)	373,161	323,248
Depreciation, depletion and amortization	(41,449)	(40,067)	(170,004)	(202,317)
General exploration and project investigation	(6,711)	(12,318)	(22,645)	(38,876)
Interest and bank charges	(3,685)	(4,602)	(15,027)	(14,725)
Foreign exchange gain (loss)	5,468	(14,356)	14,430	(14,726)
Loss on derivative contracts	(27,417)	(825)	(61,496)	(91)
Income (loss) from equity investment in Tenke Fungurume	5,613	(2,171)	297	(2,171)
Goodwill and long-lived asset impairment	(53,042)	(540,066)	(53,042)	(760,188)
Impairment of available-for-sale ("AFS") securities	-	(144,077)	-	(144,077)
Gain (loss) on sale of AFS securities	11,951	-	11,951	(1,320)
Loss on sale of investment	-	-	(18,661)	-
Other income and expenses	2,129	725	5,900	4,796
Income (loss) from continuing operations before income taxes	45,035	(823,562)	64,864	(850,447)
Current income tax (expense) recovery	(24,408)	22,063	(51,106)	(29,677)
Future income tax recovery	14,482	93,817	54,375	160,130
Income (loss) from continuing operations	35,109	(707,682)	68,133	(719,994)
(Loss) gain from discontinued operations, net of income taxes	-	(20,774)	5,573	(237,067)
Net income (loss)	\$ 35,109	\$ (728,456)	\$ 73,706	\$ (957,061)
Basic and diluted income (loss) per share				
from continuing operations	\$ 0.06	\$ (1.72)	\$ 0.12	\$ (1.82)
from discontinued operations	-	(0.05)	0.01	(0.60)
Basic and diluted income (loss) per share	\$ 0.06	\$ (1.77)	\$ 0.13	\$ (2.41)
Weighted average number of shares outstanding				
Basic	579,585,417	412,476,706	550,000,833	396,416,414
Diluted	579,969,414	412,476,706	550,045,231	396,416,414

LUNDIN MINING CORPORATION**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

(Unaudited - in thousands of US dollars)

	Three months ended		Twelve months ended	
	December 31,		December 31,	
	2009	2008	2009	2008
Net income (loss)	\$ 35,109	\$ (728,456)	\$ 73,706	\$ (957,061)
Other comprehensive income (loss), net of taxes				
Change in fair value of AFS securities	5,577	(28,702)	38,274	(128,793)
Reclassification adjustment of gains and losses included in net income (loss)	(8,506)	-	(8,506)	(263)
Impairment of AFS securities	-	143,222	-	143,222
Cumulative foreign currency translation adjustment	(30,986)	(46,404)	53,209	(103,393)
	(33,915)	68,116	82,977	(89,227)
Comprehensive income (loss)	\$ 1,194	\$ (660,340)	\$ 156,683	\$ (1,046,288)

LUNDIN MINING CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited - in thousands of US dollars)

	Three months ended December 31,		Twelve months ended December 31,	
	2009	2008	2009	2008
Cash provided by (used in)				
Operating activities				
Net income (loss)	\$ 35,109	\$ (728,456)	\$ 73,706	\$ (957,061)
Items not involving cash				
Accretion of asset retirement obligations and other provisions	3,099	21,195	6,918	25,931
Stock-based compensation	887	1,190	5,629	9,926
Depreciation, depletion and amortization	41,449	40,067	170,004	202,317
Unrealized foreign exchange (gain) loss	(13,786)	24,555	(33,400)	17,815
Unrealized loss on derivative contracts	13,410	2,903	41,059	(10,503)
(Income) loss from equity investment in Tenke Fungurume	(5,613)	2,171	(297)	2,171
Goodwill and long-lived asset impairment	53,042	589,626	53,042	970,660
Impairment of AFS securities	-	144,077	-	144,077
(Gain) loss on sale of AFS securities	(11,951)	-	(11,951)	1,320
Loss on sale of investment	-	-	18,661	-
Future income tax recovery	(14,482)	(121,996)	(54,375)	(134,122)
Gain on disposition of Aljustrel	-	-	(5,573)	-
Provision for pension obligations	1,399	(3,662)	1,615	1,651
Recognition of deferred revenue	(1,769)	(1,572)	(5,689)	(6,796)
Other	3,585	831	1,048	3,668
Reclamation payments	(3,150)	(696)	(20,647)	(3,811)
Reclamation fund contributions	(2,309)	-	(2,309)	(780)
Pension payments	(790)	360	(790)	(785)
Changes in non-cash working capital items	(1,128)	75,859	(99,256)	(50,649)
	97,002	46,452	137,395	215,029
Investing activities				
Investment in mineral properties, plant and equipment	(35,950)	(59,696)	(128,319)	(274,446)
Investments in Tenke Fungurume	(3,000)	(46,000)	(56,700)	(264,100)
Investments in AFS securities	-	-	(2,936)	(4,675)
Proceeds from sale of investments and other assets	19,551	-	23,051	48,904
Cash outlay on disposition of Aljustrel	-	-	(20,979)	-
Other	44	11,717	57	10,024
	(19,355)	(93,979)	(185,826)	(484,293)
Financing activities				
Debt repayments	(44,950)	(2,295)	(164,547)	(136,010)
Proceeds from long-term debt	39,483	90,089	39,483	374,458
Common shares issued	137	111,361	149,258	111,980
Common share buyback	-	-	-	(17,974)
Other	(4,424)	-	(421)	-
	(9,754)	199,155	23,773	332,454
Effect of foreign exchange on cash balances	8,497	(26,678)	(3,465)	(26,105)
Increase (decrease) in cash and cash equivalents during the period	76,390	124,950	(28,123)	37,085
Cash and cash equivalents, beginning of period	65,185	45,342	169,698	133,207
Cash and cash equivalents, discontinued operations	-	(594)	-	(594)
Cash and cash equivalents, end of period	\$ 141,575	\$ 169,698	\$ 141,575	\$ 169,698

LUNDIN MINING CORPORATION

Segmented Information - Operational

For the three months ended December 31, 2009

(Unaudited - in thousands of US dollars)

	Tenke						Total
	Neves Corvo	Zinkgruvan	Aguablanca	Galmoy	Fungurume	Other	
Sales	\$ 163,755	\$ 52,167	\$ 41,256	\$ (475)	\$ -	\$ -	\$ 256,703
Income (loss) before undernoted	106,619	32,502	17,907	373	-	(5,223)	152,178
Depreciation, depletion and amortization	(36,212)	(3,860)	(1,161)	(17)	-	(199)	(41,449)
General exploration and project investigation	(3,760)	(15)	(256)	-	-	(2,680)	(6,711)
Interest and bank charges	(520)	(64)	(764)	-	-	(2,337)	(3,685)
Foreign exchange gain (loss)	3,298	2,153	347	(3)	-	(327)	5,468
Loss on derivative contracts	(27,417)	-	-	-	-	-	(27,417)
Income from equity investment in Tenke Fungurume	-	-	-	-	5,613	-	5,613
Goodwill and long-lived asset impairment	-	-	-	-	-	(53,042)	(53,042)
Gain on sale of AFS securities	-	-	-	-	-	11,951	11,951
Other income and expenses	(2,980)	496	5,002	76	(1,500)	1,035	2,129
Income tax (expense) recovery	(17,316)	4,407	11,860	236	-	(9,113)	(9,926)
Net income (loss)	\$ 21,712	\$ 35,619	\$ 32,935	\$ 665	\$ 4,113	\$ (59,935)	\$ 35,109
Capital assets*	\$ 1,044,360	\$ 190,330	\$ 68,315	\$ 6,243	\$ 1,633,740	\$ 1,039	\$ 2,944,027
Total segment assets	\$ 1,463,122	\$ 321,232	\$ 234,972	\$ 38,614	\$ 1,633,740	\$ 48,463	\$ 3,740,143
Capital expenditures	\$ 25,054	\$ 11,086	\$ (233)	\$ 83	\$ 3,000	\$ (40)	\$ 38,950

For the three months ended December 31, 2008

	Tenke						Total
	Neves Corvo	Zinkgruvan	Aguablanca	Galmoy	Fungurume	Other	
Sales	\$ 15,500	\$ 11,065	\$ 8,917	\$ 7,938	\$ -	\$ 116	\$ 43,536
Loss before undernoted	-	-	-	-	-	-	-
Depreciation, depletion and amortization	(20,226)	(2,136)	(13,927)	(20,347)	-	(9,169)	(65,805)
General exploration and project investigation	(24,151)	(4,896)	(10,742)	(1,658)	-	1,380	(40,067)
Interest and bank charges	(4,512)	4	(6,227)	(503)	-	(1,080)	(12,318)
Interest and bank charges	(838)	(19)	(436)	-	-	(3,309)	(4,602)
Foreign exchange gain (loss)	3,672	2,037	(2,440)	184	-	(17,809)	(14,356)
Loss on derivative contracts	-	(477)	-	-	-	(348)	(825)
Loss from equity investment in Tenke Fungurume	-	-	-	-	(2,171)	-	(2,171)
Impairment charges	(86,888)	-	(367,027)	(51,303)	-	(178,925)	(684,143)
Other income and expenses	5,740	680	(1,246)	421	-	(4,870)	725
Income tax (expense) recovery	(31,100)	9,305	69,842	1,517	-	66,316	115,880
Net (loss) income from continuing operations	\$ (158,303)	\$ 4,498	\$ (332,203)	\$ (71,689)	\$ (2,171)	\$ (147,814)	\$ (707,682)
Loss from discontinued operations	-	-	-	-	-	(20,774)	(20,774)
Net (loss) income	\$ (158,303)	\$ 4,498	\$ (332,203)	\$ (71,689)	\$ (2,171)	\$ (168,588)	\$ (728,456)
Capital assets*	\$ 1,110,874	\$ 158,177	\$ 127,985	\$ 7,327	\$ 1,576,743	\$ 2,380	\$ 2,983,486
Total segment assets	\$ 1,420,353	\$ 280,953	\$ 235,431	\$ 39,568	\$ 1,576,743	\$ 151,454	\$ 3,704,502
Capital expenditures	\$ 29,920	\$ 13,555	\$ 1,869	\$ 739	\$ 46,000	\$ 10,898	\$ 102,981

* Capital assets consist of mineral exploration and development properties, property, plant and equipment, and investments in Tenke Fungurume. Capital assets from discontinued operations are included in the "other" segment.

LUNDIN MINING CORPORATION

Segmented Information - Geographical

For the three months ended December 31, 2009

(Unaudited - in thousands of US dollars)

	Portugal	Sweden	Spain	Ireland	DRC	Other	Total
Sales	\$ 163,755	\$ 52,167	\$ 41,256	\$ (475)	\$ -	\$ -	\$ 256,703
Income (loss) before undernoted	106,619	31,663	17,907	373	-	(4,384)	152,178
Depreciation, depletion and amortization	(36,223)	(3,910)	(1,161)	(17)	-	(138)	(41,449)
General exploration and project investigation	(4,696)	(257)	(281)	(1,433)	-	(44)	(6,711)
Interest and bank charges	(524)	(1,736)	(764)	-	-	(661)	(3,685)
Foreign exchange gain (loss)	3,291	562	347	(3)	-	1,271	5,468
Loss on derivative contracts	(27,417)	-	-	-	-	-	(27,417)
Income from equity investment in Tenke Fungurume	-	-	-	-	5,613	-	5,613
Goodwill and long-lived asset impairment	-	-	(53,042)	-	-	-	(53,042)
Gain on sale of AFS securities	-	315	-	-	-	11,636	11,951
Other income and expenses	(3,122)	(535)	5,002	76	(1,500)	2,208	2,129
Income tax (expense) recovery	(17,112)	(4,485)	11,860	236	-	(425)	(9,926)
Net income (loss)	\$ 20,816	\$ 21,617	\$ (20,132)	\$ (768)	\$ 4,113	\$ 9,463	\$ 35,109
Capital assets*	\$ 1,043,362	\$ 191,257	\$ 68,315	\$ 6,243	\$ 1,633,740	\$ 1,110	\$ 2,944,027
Total segment assets	\$ 1,462,339	\$ 307,791	\$ 234,988	\$ 38,614	\$ 1,633,740	\$ 62,671	\$ 3,740,143
Capital expenditures	\$ 25,056	\$ 11,031	\$ (233)	\$ 83	\$ 3,000	\$ 13	\$ 38,950

For the three months ended December 31, 2008

	Portugal	Sweden	Spain	Ireland	DRC	Other	Total
Sales	\$ 15,500	\$ 11,181	\$ 8,917	\$ 7,938	\$ -	\$ -	\$ 43,536
Loss before undernoted	(18,415)	(3,310)	(14,014)	(20,347)	-	(9,719)	(65,805)
Depreciation, depletion and amortization	(24,179)	(4,961)	(10,742)	(1,658)	25	1,448	(40,067)
General exploration and project investigation	(3,973)	(1,386)	(6,236)	(503)	284	(504)	(12,318)
Interest and bank charges	(848)	(806)	(436)	-	5	(2,517)	(4,602)
Foreign exchange (loss) gain	2,483	(2,440)	(2,440)	184	-	(12,143)	(14,356)
Loss on derivative contracts	-	(825)	-	-	-	-	(825)
Loss from equity investment in Tenke Fungurume	-	-	-	-	(2,171)	-	(2,171)
Goodwill and long-live asset impairment	(89,817)	-	(367,027)	(51,302)	-	(175,997)	(684,143)
Other income and expenses	6,020	2,712	(1,237)	421	-	(7,191)	725
Income tax (expense) recovery	(31,226)	43,051	69,845	1,517	25	32,668	115,880
Net (loss) income from continuing operations	\$ (159,955)	\$ 32,035	\$ (332,287)	\$ (71,688)	\$ (1,832)	\$ (173,955)	\$ (707,682)
Loss from discontinued operations	(20,774)	-	-	-	-	-	(20,774)
Net loss (income)	\$ (180,729)	\$ 32,035	\$ (332,287)	\$ (71,688)	\$ (1,832)	\$ (173,955)	\$ (728,456)
Capital assets*	\$ 1,111,280	\$ 158,556	\$ 127,985	\$ 7,327	\$ 1,576,743	\$ 1,595	\$ 2,983,486
Total segment assets	\$ 1,421,332	\$ 301,582	\$ 235,906	\$ 39,568	\$ 1,576,743	\$ 129,371	\$ 3,704,502
Capital expenditures	\$ 29,890	\$ 13,555	\$ 1,869	\$ 739	\$ 46,000	\$ 10,928	\$ 102,981

* Capital assets consist of mineral exploration and development properties, property, plant and equipment, and investments in Tenke Fungurume. Capital assets from discontinued operations are in Portugal.