

LUNDIN MINING CORPORATION

CONSOLIDATED BALANCE SHEETS

As at December 31, 2010

(Unaudited - in thousands of US dollars)	2010	2009
ASSETS		
Current		
Cash and cash equivalents	\$ 198,909	\$ 141,575
Accounts receivable	233,820	195,370
Inventories	31,688	27,519
Prepaid expenses	5,038	3,541
	469,455	368,005
Reclamation funds and restricted cash	61,559	67,076
Mineral properties, plant and equipment	1,254,434	1,310,287
Investment in Tenke Fungurume	1,742,875	1,633,740
Investments and other assets	32,411	42,508
Future income tax assets	39,841	68,707
Goodwill	232,813	249,820
	\$ 3,833,388	\$ 3,740,143
LIABILITIES		
Current		
Accounts payable	\$ 70,976	\$ 59,473
Accrued liabilities	64,307	48,235
Income taxes payable	43,743	14,657
Current portion of long-term debt and capital leases	2,512	2,536
Current portion of asset retirement obligations and other provisions	5,985	5,830
Current portion of deferred revenue	6,087	5,667
Derivative contracts	-	40,557
	193,610	176,955
Long-term debt and capital leases	37,152	188,352
Other long-term liabilities	10,881	11,936
Deferred revenue	67,957	72,230
Provision for pension obligations	18,816	16,385
Asset retirement obligations and other provisions	107,684	120,954
Future income tax liabilities	229,177	238,089
	665,277	824,901
SHAREHOLDERS' EQUITY		
Share capital	3,485,814	3,480,487
Contributed surplus	30,895	30,415
Accumulated other comprehensive income	194,989	265,051
Deficit	(543,587)	(860,711)
	3,168,111	2,915,242
	\$ 3,833,388	\$ 3,740,143

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,	
	2010	2009	2010	2009
Sales	\$ 309,267	\$ 256,703	\$ 849,223	\$ 745,989
Operating costs	(115,249)	(98,807)	(368,020)	(340,321)
Accretion of asset retirement obligations and other provisions	2,211	(2,377)	(3,539)	(6,918)
General and administration	(4,878)	(2,454)	(18,761)	(19,960)
Stock-based compensation	(393)	(887)	(2,333)	(5,629)
Income from continuing operations before undernoted	190,958	152,178	456,570	373,161
Depreciation, depletion and amortization	(23,649)	(41,449)	(123,390)	(170,004)
General exploration and project investigation	(7,032)	(6,711)	(23,624)	(22,645)
Interest and bank charges	(1,610)	(3,685)	(8,763)	(15,027)
Foreign exchange (loss) gain	(6,560)	5,468	(5,084)	14,430
(Loss) gain on derivative contracts	-	(27,417)	10,223	(61,496)
Income from equity investment in Tenke Fungurume	35,609	5,613	78,614	297
Long-lived asset impairment	-	(53,042)	-	(53,042)
Gain (loss) on sale of AFS securities and investments	10,441	11,951	43,460	(6,710)
Other income and expenses	(3,412)	2,129	2,266	5,900
Income from continuing operations before income taxes	194,745	45,035	430,272	64,864
Current income tax expense	(55,595)	(24,408)	(85,193)	(51,106)
Future income tax recovery (expense)	5,457	14,482	(27,955)	54,375
Income from continuing operations	144,607	35,109	317,124	68,133
Gain from discontinued operations, net of income taxes	-	-	-	5,573
Net income	\$ 144,607	\$ 35,109	\$ 317,124	\$ 73,706
Basic and diluted income (loss) per share				
from continuing operations	\$ 0.25	\$ 0.06	\$ 0.55	\$ 0.12
from discontinued operations	-	-	-	0.01
Basic and diluted income (loss) per share	\$ 0.25	\$ 0.06	\$ 0.55	\$ 0.13
Weighted average number of shares outstanding				
Basic	580,250,226	579,585,417	579,924,538	550,000,833
Diluted	581,924,630	579,969,414	580,539,367	550,045,231

LUNDIN MINING CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited - in thousands of US dollars)

	Three months ended		Twelve months ended	
	December 31,		December 31,	
	2010	2009	2010	2009
Net income	\$ 144,607	\$ 35,109	\$ 317,124	\$ 73,706
Other comprehensive income (loss), net of taxes				
Change in fair value of AFS securities	13,510	5,577	36,793	38,274
Reclassification adjustment of gains included in net income	(10,241)	(8,506)	(43,460)	(8,506)
Cumulative foreign currency translation adjustment	(21,482)	(30,986)	(63,395)	53,209
	(18,213)	(33,915)	(70,062)	82,977
Comprehensive income	\$ 126,394	\$ 1,194	\$ 247,062	\$ 156,683

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

	Three months ended December 31,		Twelve months ended December 31,	
	2010	2009	2010	2009
Cash provided by (used in)				
Operating activities				
Net income	\$ 144,607	\$ 35,109	\$ 317,124	\$ 73,706
Items not involving cash				
Accretion of asset retirement obligations and other provisions	(2,211)	3,099	3,539	6,918
Stock-based compensation	393	887	2,333	5,629
Depreciation, depletion and amortization	23,649	41,449	123,390	170,004
Unrealized foreign exchange loss (gain)	3,908	(13,786)	1,702	(33,400)
Loss (gain) on derivative contracts	-	27,417	(10,223)	61,496
Income from equity investment in Tenke Fungurume	(35,609)	(5,613)	(78,614)	(297)
Long-lived asset impairment	-	53,042	-	53,042
(Gain) loss on sale of AFS securities and investments	(10,441)	(11,951)	(43,460)	6,710
Future income tax (recovery) expense	(5,457)	(14,482)	27,955	(54,375)
Gain on disposition of Aljustrel	-	-	-	(5,573)
Provision for pension obligations	1,290	1,399	1,290	1,615
Recognition of deferred revenue	(1,745)	(1,769)	(5,688)	(5,689)
Other	2,480	3,585	(716)	1,048
Settlement of derivative contracts	-	(14,007)	(30,591)	(20,437)
Reclamation payments and other closure costs	(1,580)	(3,150)	(5,882)	(20,647)
Reclamation fund contributions	-	(2,309)	(1,321)	(2,309)
Pension payments	(253)	(790)	(858)	(790)
Changes in non-cash working capital items	(50,148)	(1,128)	(22,704)	(99,256)
	68,883	97,002	277,276	137,395
Investing activities				
Investment in mineral properties, plant and equipment	(35,181)	(35,950)	(129,770)	(128,319)
Investment in Tenke Fungurume	(7,670)	(3,000)	(30,521)	(56,700)
Investments in AFS securities	(2,962)	-	(2,962)	(2,936)
Proceeds from sale of AFS Securities and investments	11,838	17,344	83,780	20,844
Cash outlay on disposition of Aljustrel	-	-	-	(20,979)
Other	(1,770)	2,251	4,197	2,264
	(35,745)	(19,355)	(75,276)	(185,826)
Financing activities				
Debt and capital lease repayments	(11,369)	(44,950)	(157,637)	(164,547)
Proceeds from long-term debt	-	39,483	-	39,483
Common shares issued	2,333	137	3,474	149,258
Other	-	(4,424)	(1,684)	(421)
	(9,036)	(9,754)	(155,847)	23,773
Effect of foreign exchange on cash balances	2,023	8,497	11,181	(3,465)
Increase (decrease) in cash and cash equivalents during the period	26,125	76,390	57,334	(28,123)
Cash and cash equivalents, beginning of period	172,784	65,185	141,575	169,698
Cash and cash equivalents, end of period	\$ 198,909	\$ 141,575	\$ 198,909	\$ 141,575

LUNDIN MINING CORPORATION

Segmented Information - Operational

For the three months ended December 31, 2010

(Unaudited - in thousands of US dollars)

	Tenke						Total
	Neves Corvo	Zinkgruvan	Aguablanca	Galmoy	Fungurume	Other	
Sales	\$ 224,964	\$ 48,421	\$ 31,848	\$ 4,034	\$ -	\$ -	\$ 309,267
Income (loss) before undernoted	154,736	31,764	6,651	3,011	-	(5,204)	190,958
Depreciation, depletion and amortization	(17,021)	(5,350)	(1,159)	(18)	-	(101)	(23,649)
General exploration and project investigation	(3,950)	-	(391)	-	-	(2,691)	(7,032)
Interest and bank charges	(426)	(79)	(183)	-	-	(922)	(1,610)
Foreign exchange gain (loss)	1,850	(1,228)	(7,219)	(2)	-	39	(6,560)
Income from equity investment in Tenke Fungurume	-	-	-	-	35,609	-	35,609
Gain on sale of AFS securities	-	-	-	-	-	10,441	10,441
Other income and expenses	(3,345)	230	481	1,515	-	(2,293)	(3,412)
Income tax (expense) recovery	(47,636)	(6,494)	(2,560)	(116)	-	6,668	(50,138)
Net income (loss)	\$ 84,208	\$ 18,843	\$ (4,380)	\$ 4,390	\$ 35,609	\$ 5,937	\$ 144,607
Capital assets*	\$ 976,361	\$ 224,367	\$ 44,517	\$ 6,812	\$ 1,742,875	\$ 2,377	\$ 2,997,309
Total segment assets	\$ 1,450,384	\$ 306,205	\$ 195,910	\$ 42,469	\$ 1,742,875	\$ 95,545	\$ 3,833,388
Capital expenditures	\$ 23,357	\$ 10,388	\$ 1,335	\$ -	\$ 7,670	\$ 101	\$ 42,851

For the three months ended December 31, 2009

	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
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)	(8,144)	11,860	236	-	3,438	(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	\$ 246,786	\$ 234,972	\$ 38,614	\$ 1,633,740	\$ 122,909	\$ 3,740,143
Capital expenditures	\$ 25,054	\$ 11,086	\$ (233)	\$ 83	\$ 3,000	\$ (40)	\$ 38,950

* Capital assets consist of mineral exploration and development properties, property, plant and equipment, and investments in Tenke Fungurume.

LUNDIN MINING CORPORATION

Segmented Information - Geographical

For the three months ended December 31, 2010

(Unaudited - in thousands of US dollars)

	Portugal	Sweden	Spain	Ireland	DRC	Other	Total
Sales	\$ 224,964	\$ 48,421	\$ 31,848	\$ 4,034	\$ -	\$ -	\$ 309,267
Income (loss) before undernoted	154,737	31,131	6,651	3,011	-	(4,572)	190,958
Depreciation, depletion and amortization	(17,005)	(5,354)	(1,159)	(18)	-	(113)	(23,649)
General exploration and project investigation	(4,118)	-	(391)	(1,174)	-	(1,349)	(7,032)
Interest and bank charges	(430)	(518)	(183)	-	-	(479)	(1,610)
Foreign exchange gain (loss)	1,878	(737)	(7,219)	(2)	-	(480)	(6,560)
Income from equity investment in Tenke Fungurume	-	-	-	-	35,609	-	35,609
Gain on sale of AFS securities	-	-	-	-	-	10,441	10,441
Other income and expenses	(3,625)	561	(648)	447	-	(147)	(3,412)
Income tax (expense) recovery	(47,661)	(5,084)	(2,560)	(116)	-	5,283	(50,138)
Net income (loss)	\$ 83,776	\$ 19,999	\$ (5,509)	\$ 2,148	\$ 35,609	\$ 8,584	\$ 144,607
Capital assets*	\$ 976,485	\$ 224,452	\$ 44,517	\$ 6,812	\$ 1,742,875	\$ 2,168	\$ 2,997,309
Total segment assets	\$ 1,450,765	\$ 316,258	\$ 195,910	\$ 42,469	\$ 1,742,875	\$ 85,111	\$ 3,833,388
Capital expenditures	\$ 23,402	\$ 10,388	\$ 1,335	\$ -	\$ 7,670	\$ 56	\$ 42,851

For the three months ended December 31, 2009

	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
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	\$ 233,345	\$ 234,988	\$ 38,614	\$ 1,633,740	\$ 137,117	\$ 3,740,143
Capital expenditures	\$ 25,056	\$ 11,031	\$ (233)	\$ 83	\$ 3,000	\$ 13	\$ 38,950

* Capital assets consist of mineral exploration and development properties, property, plant and equipment, and investments in Tenke Fungurume.