

## Production and Cost Guidance 2012 to 2014

	2012	2012 C1 Cash Costs <sup>a,b</sup>	2013	2014	2011 Guidance + C1 Cash Costs
<b>Copper:</b>	Tonnes	/lb	Tonnes	Tonnes	Tonnes @ /lb
Neves-Corvo	52,500 – 57,000	\$1.80	50,000 – 57,000	50,000 – 57,000	70,000 @ \$1.80
Zinkgruvan	2,000 – 3,000		5,000 – 6,000	5,000 – 6,000	1,500
Aguablanca	500 – 1000		5,000 – 7,000	6,000 – 7,000	not guided
Copper wholly-owned operations	55,000 – 61,000		60,000 – 70,000	61,000 – 70,000	71,500
Tenke1 24%	32,600	\$1.13	~47,000	~47,000	30,400 @ \$1.03
<b>Total Attributable Copper</b>	<b>87,600 – 93,600</b>		<b>107,000 – 117,000</b>	<b>108,000 – 117,000</b>	
<b>Zinc:</b>					
Neves-Corvo	30,000 – 40,000		50,000 – 55,000	60,000 – 65,000	4,500
Zinkgruvan	75,000 – 81,000	\$0.25	75,000 – 80,000	85,000 – 90,000	76,000 @ \$0.32
Galmoy (50%)	7,000 – 8,000		-	-	31,000
<b>Total Zinc</b>	<b>112,000 – 129,000</b>		<b>125,000 – 135,000</b>	<b>145,000 – 155,000</b>	<b>111,500</b>
<b>Lead:</b>					
Zinkgruvan	34,000 – 39,000		32,000 – 35,000	32,000 – 35,000	34,000
Galmoy (50%)	1,500 – 2,000		-	-	8,000
<b>Total Lead</b>	<b>35,500 – 41,000</b>		<b>32,000 – 35,000</b>	<b>32,000 – 35,000</b>	<b>42,000</b>
<b>Nickel:</b>					
Aguablanca	500 – 1,000	TBA	5,000 – 7,000	6,000 – 7,000	not guided
<b>Total Nickel</b>	<b>500 – 1,000</b>		<b>5,000 – 7,000</b>	<b>6,000 – 7,000</b>	

a) Cash costs remain dependent on exchange rates (€/USD: 1.35, USD/SEK: 6.50) and metal prices (Cu: \$3.50, Zn: \$0.95).

b) Cash cost is a non-GAAP measure reflecting the sum of direct costs less by-product credits.

- **Neves-Corvo - Copper:** For the next few years copper production is expected to remain similar to 2012 levels. The copper plant is expected to have excess milling capacity next year, thereby providing the operation with flexibility to process additional copper from lower-grade stopes, should economics warrant it.
- **Neves-Corvo - Zinc:** The new zinc plant is expected to operate at full capacity processing approximately 1.0 million tonnes per annum ("Mtpa") in 2013 and 2014 (up from 0.5Mtpa in 2012). The production forecasts assume that the zinc plant will be used exclusively to process zinc ore over the next three years. This plant has been already proven to have the flexibility to

process either zinc or copper ores and therefore the plan may be adjusted going forward in order to optimize the profitability of the operation depending on relative zinc and copper prices, and concentrate customer commitments.

- **Zinkgruvan:** Zinc production is expected to increase from 2012 due to debottlenecking initiatives and as higher grade material becomes available due to the mine sequencing of the various ore bodies. Copper production increases in 2013 as the copper plant reaches its full throughput capacity of 300ktpa.
- **Aguablanca:** Production from Aguablanca is expected to resume in late-2012. The current production plan is based solely from the open pit and does not include any production from the potential development of higher grade underground mineralization.
- **Galmoy:** High grade mining is expected to conclude in the first half of 2012, however sales are expected to continue into early-2013 as stockpiled ore will continue to be milled at a third party processing facility.
- **Tenke Fungurume:** Revised guidance from Freeport-McMoRan Copper & Gold Inc. ("Freeport") on Tenke's copper sales, from 131,500 to 136,000 tonnes, has been reflected and is based on the assumption that production volume will approximate sales.

## 2012 Cash Costs

- At Neves-Corvo, estimated C1 cash costs are expected to approximate \$1.80/lb after zinc by-product credits in 2012. Improvement on this estimated unit cost could occur if zinc prices are higher than 2012 budget assumptions and as a result of operating cost-cutting initiatives in progress.
- At Zinkgruvan, estimated C1 cash costs are expected to approximate \$0.25/lb after copper and lead by-product credits. Zinkgruvan is expected to remain as one of the lower cost zinc producers for the foreseeable future.
- Guidance on Aguablanca C1 cash cost estimates will be provided closer to the timing of plant start-up.
- At Tenke, cash cost guidance will be provided by Freeport in due course.

The 2012 cash cost estimates were calculated using the following metals prices and exchange rates (royalties included where applicable).

Budget Assumptions	2012
Copper	\$3.50
Zinc	\$0.95
Lead	\$0.98
€/USD	1.35
US\$/SEK	6.50