

**LUNDIN MINING CORPORATION**

## CONSOLIDATED BALANCE SHEETS

	December 31, 2012	December 31, 2011
(Unaudited - in thousands of US dollars)		
<b>ASSETS</b>		
Current		
Cash and cash equivalents	\$ 275,104	\$ 265,400
Trade and other receivables	110,808	120,066
Income taxes receivable	6,494	6,869
Inventories	48,740	41,203
	<b>441,146</b>	433,538
Non-Current		
Reclamation funds	51,617	54,392
Marketable securities and other assets	39,052	19,515
Mineral properties, plant and equipment	1,270,813	1,242,126
Investment in Tenke Fungurume	2,003,053	1,886,537
Deferred tax assets	18,893	37,848
Goodwill	165,877	190,369
	<b>3,549,305</b>	3,430,787
	<b>\$ 3,990,451</b>	<b>\$ 3,864,325</b>
<b>LIABILITIES</b>		
Current		
Trade and other payables	\$ 119,714	\$ 121,733
Income taxes payable	5,726	5,211
Current portion of deferred revenue	17,683	12,523
Current portion of long-term debt and finance leases	3,037	21,740
Current portion of reclamation and other closure provisions	6,486	6,581
	<b>152,646</b>	167,788
Non-Current		
Deferred revenue	59,979	68,514
Long-term debt and finance leases	6,985	7,606
Reclamation and other closure provisions	124,244	103,046
Other long-term liabilities	3,625	5,745
Provision for pension obligations	19,131	18,525
Deferred tax liabilities	148,677	195,245
	<b>362,641</b>	398,681
	<b>515,287</b>	566,469
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	3,505,398	3,497,006
Contributed surplus	34,140	29,450
Accumulated other comprehensive loss	(75,128)	(116,174)
Retained earnings (deficit)	10,754	(112,426)
	<b>3,475,164</b>	3,297,856
	<b>\$ 3,990,451</b>	<b>\$ 3,864,325</b>

**LUNDIN MINING CORPORATION**

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF EARNINGS

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

	Three months ended		Twelve months ended	
	December 31		December 31	
	2012	2011	2012	2011
Sales	\$ 176,459	\$ 242,130	\$ 721,106	\$ 783,786
Operating costs	(117,305)	(112,264)	(384,997)	(382,020)
Depreciation, depletion and amortization	(36,281)	(46,428)	(122,379)	(153,796)
General and administrative expenses	(7,379)	(5,588)	(27,445)	(19,881)
General exploration and business development	(13,869)	(10,007)	(66,064)	(50,702)
Income from equity investment in Tenke Fungurume	25,785	20,561	101,516	94,681
Finance income	1,641	782	2,983	3,602
Finance costs	(238)	(1,251)	(10,441)	(16,741)
Other income	7,579	6,121	9,311	16,845
Other expenses	(6,582)	3,387	(9,708)	(5,238)
Asset impairment	(67,252)	(35,726)	(67,252)	(35,726)
Earnings before income taxes	(37,442)	61,717	146,630	234,810
Current tax recovery (expense)	4,565	(25,553)	(51,983)	(77,841)
Deferred tax recovery (expense)	15,737	(26)	28,533	26,796
Net (loss) earnings	\$ (17,140)	\$ 36,138	\$ 123,180	\$ 183,765
Basic earnings (loss) per share	\$ (0.03)	\$ 0.06	\$ 0.21	\$ 0.32
Diluted earnings (loss) per share	\$ (0.03)	\$ 0.06	\$ 0.21	\$ 0.32
Weighted average number of shares outstanding				
Basic	583,614,280	582,475,287	582,942,459	582,074,865
Diluted	583,614,280	582,605,648	584,013,588	582,964,608

**LUNDIN MINING CORPORATION**

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Unaudited - in thousands of US dollars)

	Three months ended		Twelve months ended	
	December 31		December 31	
	2012	2011	2012	2011
Net (loss) earnings	\$ (17,140)	\$ 36,138	\$ 123,180	\$ 183,765
Other comprehensive income (loss), net of taxes				
Revaluation gain on marketable securities	3,952	-	3,952	-
Effects of foreign currency translation	24,218	(49,608)	37,094	(49,825)
Comprehensive income (loss)	\$ 11,030	\$ (13,470)	\$ 164,226	\$ 133,940

# LUNDIN MINING CORPORATION

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited - in thousands of US dollars)

	Three months ended		Twelve months ended	
	December 31		December 31	
	2012	2011	2012	2011
<b>Cash provided by (used in)</b>				
<b>Operating activities</b>				
Net (loss) earnings	\$ (17,140)	\$ 36,138	\$ 123,180	\$ 183,765
Items not involving cash				
Finance income and costs	1,411	465	5,979	8,784
Share-based compensation	2,141	836	7,739	2,124
Depreciation, depletion and amortization	36,281	46,428	122,379	153,796
Foreign exchange loss (gain)	1,574	(733)	(581)	(5,370)
Income from equity investment in Tenke Fungurume	(25,785)	(20,561)	(101,516)	(94,681)
Deferred tax recovery	(15,737)	26	(28,533)	(26,796)
Recognition of deferred revenue	(3,289)	(3,096)	(22,020)	(24,529)
Reclamation and other closure provisions	794	(3,802)	5,027	(3,168)
Asset impairment	67,252	35,726	67,252	35,726
Other	(132)	(1,046)	2,467	(2,427)
Reclamation payments	(2,013)	(178)	(3,221)	(2,700)
Pension payments	(273)	(141)	(1,186)	(1,095)
Prepayments received	2,695	7,901	14,514	30,443
Changes in non-cash working capital items	1,641	15,948	2,568	54,791
	<b>49,420</b>	<b>113,911</b>	<b>194,048</b>	<b>308,663</b>
<b>Investing activities</b>				
Investment in mineral properties, plant and equipment	(28,932)	(49,912)	(159,371)	(188,631)
Investment in Tenke Fungurume	-	(34,500)	(15,000)	(64,508)
Cash distribution from Tenke Fungurume	-	-	-	7,800
Reclamation funds withdrawn, net	(1,593)	2,766	5,534	5,563
(Acquisition of) proceeds from sale of marketable securities	(15,875)	-	(18,379)	7,972
Other	80	768	153	934
	<b>(46,320)</b>	<b>(80,878)</b>	<b>(187,063)</b>	<b>(230,870)</b>
<b>Financing activities</b>				
Common shares issued	3,231	-	5,847	8,206
Long-term debt repayments	(485)	(16,909)	(21,644)	(28,106)
Proceeds from long-term debt	-	-	-	17,592
Proceeds from government grants	15,107	-	15,107	-
Repayments of government grants	(3,006)	(333)	(3,220)	(335)
Other	(1,731)	-	(1,731)	-
	<b>13,116</b>	<b>(17,242)</b>	<b>(5,641)</b>	<b>(2,643)</b>
Effect of foreign exchange on cash balances	2,939	(6,609)	8,360	(8,659)
Increase in cash and cash equivalents during the period	19,155	9,182	9,704	66,491
Cash and cash equivalents, beginning of period	255,949	256,218	265,400	198,909
Cash and cash equivalents, end of period	\$ 275,104	\$ 265,400	\$ 275,104	\$ 265,400

**Segmented information**  
**(Unaudited - in thousands of US dollars)**

**For the three months ended December 31, 2012**

	Neves-Corvo	Zinkgruvan	Aguablanca	Galmoy	Tenke		Other	Total
					Portugal	Sweden		
Sales	\$ 108,349	\$ 52,946	\$ 11,582	\$ 3,582	\$ -	\$ -	\$ -	\$ 176,459
Operating costs	(74,644)	(25,382)	(14,745)	(1,668)	-	(866)		(117,305)
General and administrative expenses	-	-	-	-	-	(7,379)		(7,379)
Operating earnings (loss) *	33,705	27,564	(3,163)	1,914	-	(8,245)		51,775
Depreciation, depletion and amortization	(21,253)	(4,907)	(9,982)	-	-	(139)		(36,281)
General exploration and business development	(7,945)	(904)	(267)	-	-	(4,753)		(13,869)
Income from equity investment in Tenke Fungurume	-	-	-	-	25,785	-		25,785
Finance income and costs	84	(123)	1,405	23	-	14		1,403
Asset impairment	-	-	(67,252)	-	-	-		(67,252)
Other income and expenses	(2,941)	(2,033)	7,994	(636)	-	(1,387)		997
Income tax recovery (expense)	6,991	(1,682)	12,893	(84)	-	2,184		20,302
Net earnings (loss)	\$ 8,641	\$ 17,915	\$ (58,372)	\$ 1,217	\$ 25,785	\$ (12,326)		\$ (17,140)
Capital expenditures	\$ 17,001	\$ 9,439	\$ 2,436	\$ -	\$ -	\$ 56		\$ 28,932

**For the twelve months ended December 31, 2012**

	Neves-Corvo	Zinkgruvan	Aguablanca	Galmoy	Tenke		Other	Total
					Portugal	Sweden		
Sales	\$ 466,174	\$ 209,621	\$ 22,167	\$ 23,144	\$ -	\$ -		\$ 721,106
Operating costs	(247,610)	(93,478)	(33,046)	(8,122)	-	(2,741)		(384,997)
General and administrative expenses	-	-	-	-	-	(27,445)		(27,445)
Operating earnings (loss) *	218,564	116,143	(10,879)	15,022	-	(30,186)		308,664
Depreciation, depletion and amortization	(83,245)	(26,335)	(12,285)	-	-	(514)		(122,379)
General exploration and business development	(40,452)	(3,120)	(1,018)	-	-	(21,474)		(66,064)
Income from equity investment in Tenke Fungurume	-	-	-	-	101,516	-		101,516
Finance income and costs	672	(2,478)	(391)	180	-	(5,441)		(7,458)
Asset impairment	-	-	(67,252)	-	-	-		(67,252)
Other income and expenses	102	(4,496)	8,631	(1,340)	-	(3,294)		(397)
Income tax (expense) recovery	(20,444)	(16,816)	11,145	(412)	-	3,077		(23,450)
Net earnings (loss)	\$ 75,197	\$ 62,898	\$ (72,049)	\$ 13,450	\$ 101,516	\$ (57,832)		\$ 123,180
Capital expenditures	\$ 88,278	\$ 30,517	\$ 40,121	\$ 24	\$ 15,000	\$ 431		\$ 174,371

\* Operating earnings (loss) is a non-GAAP measure

**Segmented information**  
**(Unaudited - in thousands of US dollars)**

**For the three months ended December 31, 2011**

	Neves-Corvo	Zinkgruvan	Aguablanca	Galmoy	Tenke Fungurume	Other	Total
	Portugal	Sweden	Spain	Ireland	DRC		
Sales	\$ 193,768	\$ 42,240	\$ -	\$ 6,122	\$ -	\$ -	\$ 242,130
Operating costs	(75,009)	(27,111)	(4,643)	(5,122)	-	(379)	(112,264)
General and administrative expenses	-	-	-	-	-	(5,588)	(5,588)
Operating earnings (loss) *	118,759	15,129	(4,643)	1,000	-	(5,967)	124,278
Depreciation, depletion and amortization	(34,012)	(11,570)	(706)	72	-	(212)	(46,428)
General exploration and business development	(7,082)	(94)	(426)	-	-	(2,405)	(10,007)
Income from equity investment in Tenke Fungurume	-	-	-	-	20,561	-	20,561
Finance income and costs	(124)	(121)	(385)	101	-	60	(469)
Asset impairment	-	-	(35,726)	-	-	-	(35,726)
Other income and expenses	5,445	626	1,689	1,624	-	124	9,508
Income tax (expense) recovery	(21,786)	(872)	(3,530)	(156)	-	765	(25,579)
Net earnings (loss)	\$ 61,200	\$ 3,098	\$ (43,727)	\$ 2,641	\$ 20,561	\$ (7,635)	\$ 36,138
Capital expenditures	\$ 28,288	\$ 11,447	\$ 10,026	\$ -	\$ 34,500	\$ 151	\$ 84,412

**For the twelve months ended December 31, 2011**

	Neves-Corvo	Zinkgruvan	Aguablanca	Galmoy	Tenke Fungurume	Other	Total
	Portugal	Sweden	Spain	Ireland	DRC		
Sales	\$ 558,044	\$ 188,566	\$ (1,897)	\$ 39,073	\$ -	\$ -	\$ 783,786
Operating costs	(258,991)	(94,978)	(14,820)	(12,570)	-	(661)	(382,020)
General and administrative expenses	-	-	-	-	-	(19,881)	(19,881)
Operating earnings (loss) *	299,053	93,588	(16,717)	26,503	-	(20,542)	381,885
Depreciation, depletion and amortization	(119,418)	(30,876)	(3,067)	-	-	(435)	(153,796)
General exploration and business development	(29,590)	(651)	(1,404)	-	-	(19,057)	(50,702)
Income from equity investment in Tenke Fungurume	-	-	-	-	94,681	-	94,681
Finance income and costs	(2,117)	(562)	(3,901)	460	-	(7,019)	(13,139)
Asset impairment	-	-	(35,726)	-	-	-	(35,726)
Other income and expenses	(3,834)	2,019	1,863	1,014	-	10,545	11,607
Income tax (expense) recovery	(37,498)	(15,615)	(819)	(549)	-	3,436	(51,045)
Net earnings (loss)	\$ 106,596	\$ 47,903	\$ (59,771)	\$ 27,428	\$ 94,681	\$ (33,072)	\$ 183,765
Capital expenditures	\$ 117,727	\$ 41,506	\$ 19,321	\$ 34	\$ 64,508	\$ 10,043	\$ 253,139

\* Operating earnings (loss) is a non-GAAP measure