lundin mining

Management's Discussion and Analysis
For the three months ended March 31, 2010

This management's discussion and analysis has been prepared as of April 28, 2010 and should be read in conjunction with the Company's interim consolidated financial statements for the three months ended March 31, 2010. Those financial statements are prepared in accordance with Canadian generally accepted accounting principles. The Company's reporting currency is United States dollars. Reference herein of $ is to United States dollars. Reference of C$ is to Canadian dollars, reference to SEK is to Swedish krona and € refers to the Euro.

About Lundin Mining

Lundin Mining Corporation ("Lundin", "Lundin Mining" or the "Company") is a diversified Canadian base metals mining company with operations in Portugal, Sweden, Spain and Ireland, producing copper, zinc, lead and nickel. In addition, Lundin Mining holds a development project pipeline which includes expansion projects at its Zinkgruvan and Neves-Corvo mines along with its equity stake in the world class Tenke Fungurume copper/cobalt mine in the Democratic Republic of Congo.

Cautionary Statement on Forward-Looking Information

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the Ontario Securities Act. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to foreign currency fluctuations; risks inherent in mining including environmental hazards, industrial accidents, unusual or unexpected geological formations, ground control problems and flooding; risks associated with the estimation of mineral resources and reserves and the geology, grade and continuity of mineral deposits; the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; the potential for and effects of labor disputes or other unanticipated difficulties with or shortages of labor or interruptions in production; actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses, commodity price fluctuations; uncertain political and economic environments; changes in laws or policies, foreign taxation, delays or the inability to obtain necessary governmental permits; and other risks and uncertainties, including those described under Risk Factors Relating to the Company's Business in the Company's Annual Information Form and in each management discussion and analysis. Forward-looking information is in addition based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long term price of copper, lead, nickel and zinc; that the Company can access financing, appropriate equipment and sufficient labour and that the political environment where the Company operates will continue to support the development and operation of mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements.

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Highlights

Operational and Financial Highlights

Guidance for the first quarter was released at the time of the release of fourth quarter 2009 results. This drew attention to specific items and events that were expected to affect the quarter's production and earnings. The actual results for the quarter accord with this guidance.

- Production for the quarter was below trend owing to a number of factors including: industrial action at Neves-Corvo; abnormal weather conditions in Europe hampering ore processing; and restrictions at Zinkgruvan owing to a blocked orepass.

  Industrial action at Neves-Corvo is estimated to have reduced production by approximately 7,000 tonnes of copper in the quarter. Mitigating actions taken, or planned, should allow some or all of this lower production in the first quarter to be recovered. However, as notice has been received of further possible action in May 2010, and the impossibility of predicting future events, annual production guidance for Neves-Corvo has been lowered by 5,000 tonnes of copper in total.

  Zinkgruvan was affected by a blocked orepass and weather related milling issues. Zinc production was down by approximately 3,000 tonnes as a result. It is expected that this will be recovered in the remaining three quarters of the year.

  Aguablanca's production of nickel was in-line with original expectations despite record high rainfall resulting in repeated flooding of the open pit restricting access to high-grade ore.

  Total production was as follows:

  ### Production Summary

(tonnes)	**Q1-2010**	FY-2009	Q4-2009	Q3-2009	Q2-2009	Q1-2009
Copper	12,844	93,451	23,868	21,351	23,992	24,240
Zinc	19,618	101,401	20,011	15,151	31,962	34,277
Lead	8,243	43,852	10,393	8,111	12,478	12,870
Nickel	2,156	8,029	2,324	1,784	1,960	1,961
Copper Tenke attributable (24.75%)	7,120	17,325	7,227	6,019	4,079	-

- Operating earnings[1] increased by $26.4 million from $38.2 million in the first quarter of 2009 to $64.6 million in 2010. Favourable price and price adjustments ($71.1 million effect) more than offset the lower sales volumes ($18.6 million effect) and higher costs ($23.0 million) related to lower production and higher closing inventories.

- Sales for the quarter were $141.7 million compared to sales of $123.4 million in the first quarter of 2009. Lower volume from continuing operations ($43.6 million) and the closure of Galmoy ($9.1 million) were offset by metal price improvements and price adjustments related to previous quarters' sales ($70.2 million). Average prices in the first quarter of 2010 were around 100% higher than the same quarter in 2009. As foreshadowed in the guidance given for this quarter, closing inventories were higher than December 31, 2009 levels. The closing levels are considered 'normal'.

- On February 16, 2010, underground mining employees at Neves-Corvo commenced a program of two-hour strikes at the beginning of each shift accounting for approximately 40% – 45% of effective

[1] Operating earnings is a Non-GAAP measure defined as sales, less operating costs, accretion of ARO and other provisions, selling, general and administration costs and stock-based compensation. See page 24 of this MD&A for discussion of Non-GAAP measures.

production time, once transit times and meal breaks are taken into account. This action terminated on April 1, 2010 with a full return to work.

This issue remains unresolved despite the return to work. Subsequent to quarter end the Company has received notice of possible further industrial action (see news release dated April 20, 2010).

A number of employees are seeking increased allowances unrelated to any scheduled contract negotiations. To date, these employees have rejected any proposals related to off-setting productivity improvement in exchange for higher rewards. Management will continue to pursue outcomes consistent with improving the long-term competitiveness of the operation and enhancing value for all stakeholders.

- Cash inflow from operations for the current quarter was $84.9 million, compared to outflows of $63.3 million for the corresponding period in 2009. This increase relates primarily to higher operating earnings in the current quarter; in addition, cash outflows in the first quarter of 2009 included payments to customers of $68.1 million for settlement of provisional sales.

Corporate Highlights

- The Tenke Fungurume mine produced approximately 28,800 tonnes of copper, and approximately 29,800 tonnes were sold at an average realized price of $3.26 per pound. The operation is continuing to address start-up and quality issues in the cobalt circuit and sustained targeted cobalt production rates are expected to be reached during 2010.

  The principal balance resulting from the Excess Over-run Costs facility ("EOC facility") related to the Company's proportionate share of Phase I development at March 31, 2010 was $215.7 million.

- Subsequent to the end of the quarter, on April 14, 2010, the Company completed the sale of the Salave gold project in northern Spain. The Company received €500,000 and 5,296,688 shares of the purchaser (Dagilev Capital Corp). The property was written down at the end of 2009 to equate to estimated proceeds of the sale.

Financial Position and Financing

- Net cash[1] at March 31, 2010 was $10.2 million compared to a net debt position of $49.3 million at December 31, 2009.

  The increase in liquidity during the quarter was attributable to net cash flow from operations and $12.1 million sales proceeds from investments and available for sale securities, offset by investment in mineral properties, plant and equipment of $30.5 million and a contribution to Tenke of $7.6 million to cover 2010 exploration, expansion studies and sustaining capital investment.

- Cash flow from operations was utilized to repay $100.0 million of the Company's revolving credit facility.

- Cash on hand at March 31, 2010 was $98.0 million.

- As at April 26, 2010, net cash[1] is $22.9 million.

[1] Net debt/cash is a Non-GAAP measure defined as available unrestricted cash less financial debt, including capital leases and other debt-related obligations.

Outlook

Measures have been taken in all operations to reduce the annual effect of below trend production in the first quarter. These measures have included, amongst others: bringing forward annual shutdowns for maintenance to the first quarter; treating out-of-sequence lower-grade material, while restrictions prevail, with the ability to access higher-grade sources for the remainder of the year; and increasing short-term capacity during the remainder of the year to make-up the first quarter's shortfalls.

At this stage, production guidance is reaffirmed with the following exceptions or caveats:

- The cash cost per pound of copper at Neves-Corvo is expected to increase as a result of lower metal output and measures to increase production for the remainder of the year. Zinc recovery from the new RC circuit is exceeding expectations and guidance has increased by 3,000 tonnes.
- Nickel guidance at Aguablanca has been increased 5% to 7,900. The cash cost per pound of nickel is expected to increase as a result of the higher nickel price (treatment and refining charges will be higher due to smelter price participation payments) and allowance for additional waste removal to cover partial shortfall of waste from 2009.
- Alternatives are still being examined for the treatment of Galmoy residual ores once the remaining 23,000 tonnes of ore still due under a preliminary contract with an adjacent mine, are delivered.
- An allowance for future industrial action has been made in the Neves-Corvo production outlook. It is an estimate only and will be refined as more clarity on the course of events at Neves-Corvo becomes available.

  Revised guidance for 2010 is as follows:

(contained tonnes)		**Revised 2010 Guidance**		***Previous Guidance***	
		Tonnes	**C1 Cost**	***Tonnes***	***C1 Cost***
Neves-Corvo	*Cu*	77,000	1.25	*82,000*	*1.20*
	Zn	6,000		*3,000*	
Zinkgruvan	*Zn*	75,000	0.30	*75,000*	*0.30*
	Pb	36,000		*36,000*	
	Cu	1,000		*1,000*	
Aguablanca	*Ni*	7,900	6.25	*7,500*	*5.80*
	Cu	7,000		*7,000*	
Galmoy	*Zn*	14,000	0 .30	*14,000*	*0 .30*
(in ore)	*Pb*	4,000		*4,000*	
Total: Wholly-owned operations[1]	*Cu*	85,000		*90,000*	
	Zn	95,000		*92,000*	
	Pb	40,000		*40,000*	
	Ni	7,900		*7,500*	
Tenke: 24.75% attributable share	*Cu*	28,500		*28,500*	

[1] Cash costs are dependent upon exchange rates, assumed as follows: revised guidance- €/US$: 1.40, previous guidance- €/US$: 1.42. Cash cost of nickel assumes the following nickel prices: revised guidance- $7.75/lb, previous guidance- $6.50/lb.

- Zinc production at Neves-Corvo is expected to resume in 2011 at the rate of 50,000 tpa. An earlier start, at a nominal rate of 25,000 tpa, is under evaluation.
- Studies continue on the feasibility of developing the Lombador zinc/copper deposit adjacent to the Neves-Corvo mine with work to date indicating that Lombador is likely to be developed. An

internal assessment is presently being carried out on the accuracy of operating and capital cost estimates as well as conclusions of the study in order to assess what work remains to be done prior to final investment consideration. Broad details will be released once this assessment is complete. A preliminary target of 2013 has been set for commencement of full-scale operations from Lombador.

- The Zinkgruvan copper project is on schedule and budget with initial production expected to commence during the second quarter of 2010.
- Capital expenditure outlook for the year is unchanged with final expenditure expected to be between $190 and $250 million. This includes:
  - Sustaining capital in European operations of $90 million
  - New investment in European operations of $60 million
  - Investment in Tenke of $100 million. The Company estimates this could vary between $40 million and $100 million depending on development plans. Final decisions on capital investment levels are made by the operator.
- Expenditure on exploration and resource acquisition is still expected to be around $20 million of which approximately $10.0 million will be spent on exploration drilling to delineate further resources at Neves-Corvo.
- Inherent risks in the world economy remain large and unpredictable. In our view volatility will remain high in 2010 with an improving outlook thereafter.

Selected Quarterly Financial Information

(USD millions, except per share amounts)	Three months ended March 31	
	2010	2009
Sales	**141.7**	123.4
Operating earnings[1]	**64.6**	38.2
Depletion, depreciation & amortization	**(36.2)**	(43.5)
General exploration and project investigation	**(4.6)**	(5.3)
Other income and expenses	**7.4**	(9.1)
Loss on derivative contracts	**(0.5)**	-
Income (loss) from equity investment in Tenke	**17.2**	(0.9)
Income (loss) from continuing operations before income taxes	**47.9**	(20.6)
Income tax (expense) recovery	**(9.9)**	6.5
Income (loss) from continuing operations	**38.0**	(14.1)
Gain from discontinued operations	**-**	5.6
Net income (loss)	**38.0**	(8.6)
Shareholders' Equity	**2,898.5**	2,580.4
Cash flow from (used in) operations	**84.9**	(63.3)
Capital expenditures (incl. Tenke)	**38.1**	33.6
Total assets	**3,592.1**	3,449.3
Net cash/(debt)[2]	**10.2**	(259.5)
Key Financial Data:		
Shareholders' equity per share[3]	**5.00**	5.29
Basic and diluted income (loss) per share	**0.07**	(0.02)
Dividends	**-**	-
Equity ratio[4]	**81%**	75%
Shares outstanding:		
Basic weighted average	**579,677,485**	487,433,771
Diluted weighted average	**580,168,974**	487,433,771
End of period	**579,776,573**	487,433,771

($ millions, except per share data)	Q1-10	Q4-09	Q3-09	Q2-09	Q1-09	Q4-08	Q3-08	Q2-08
Sales	**141.7**	256.7	171.1	194.8	123.4	43.5	191.9	294.1
Operating earnings	**64.6**	152.2	91.8	91.0	38.2	(65.8)	68.9	137.2
Impairment charges (after tax)[5]	**-**	(37.1)	-	-	-	(651.5)	(201.1)	(152.8)
Income (loss) from continuing operations	**38.0**	35.1	3.7	43.5	(14.1)	(707.7)	(190.2)	96.9
Net income (loss)	**38.0**	35.1	3.7	43.5	(8.6)	(728.5)	(199.0)	(108.4)
Income (loss) per share from continuing operations, basic and diluted	**0.07**	0.06	0.01	0.08	(0.03)	(1.72)	(0.49)	0.25
Income (loss) per share, basic[6] and diluted[6]	**0.07**	0.06	0.01	0.08	(0.02)	(1.77)	(0.51)	(0.28)
Cash flow from (used in) operations	**84.9**	97.0	40.0	63.7	(63.3)	46.5	46.8	118.3
Capital expenditure (incl. Tenke)	**38.1**	39.0	54.7	57.8	33.6	105.7	146.8	164.7
Net cash/(debt)[2]	**10.2**	(49.3)	(132.2)	(110.7)	(259.5)	(145.5)	(194.8)	(95.7)

[1] Operating earnings is a Non-GAAP measure defined as sales, less operating costs, accretion of asset retirement obligation ("ARO") and other provisions, selling, general and administration costs and stock-based compensation.
[2] Net cash/debt is a Non-GAAP measure defined as available unrestricted cash less financial debt, including capital leases and other debt-related obligations.
[3] Shareholders' equity per share is a Non-GAAP measure defined as shareholders' equity divided by total number of shares outstanding at end of period.
[4] Equity ratio is a Non-GAAP measure defined as shareholders' equity divided by total assets at the end of period.
[5] Includes impairment from discontinued operations.
[6] Income (loss) per share is determined for each quarter. As a result of using different weighted average number of shares outstanding, the sum of the quarterly amounts may differ from the year-to-date amount.

Sales Overview

Sales Volumes by Payable Metal

tonnes	Q1 2010	Total 2009	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Copper						
Neves-Corvo	**9,520**	82,747	23,126	17,236	22,277	20,108
Aguablanca	**1,172**	6,295	1,653	1,281	1,798	1,563
	10,692	89,042	24,779	18,517	24,075	21,671
Zinc						
Neves-Corvo	**885**	-	-	-	-	-
Zinkgruvan	**12,738**	63,146	17,187	11,167	18,324	16,468
Galmoy*	**558**	26,035	(88)	1,569	13,283	11,271
	14,181	89,181	17,099	12,736	31,607	27,739
Lead						
Zinkgruvan	**7,953**	33,729	10,357	7,571	9,275	6,526
Galmoy*	**129**	7,541	(9)	805	4,967	1,778
	8,082	41,270	10,348	8,376	14,242	8,304
Nickel						
Aguablanca	**1,702**	7,582	2,155	1,616	1,766	2,045

* payable metal in sales of ore starting in Q3-2009 (50% attributable to Galmoy – see MD&A page 18)

Sales volumes in the current quarter are lower than in the same quarter for 2009 for all metals as a result of: the closure of Galmoy; the below trend production; and an increase in closing inventories.

Sales Revenue by Mine

	Quarters ended March 31		
(US$ millions)	**2010**	2009	**Change**
Neves-Corvo	**60.2**	73.5	(13.3)
Zinkgruvan	**35.6**	20.4	15.2
Aguablanca	**44.7**	19.2	25.5
Galmoy	**1.2**	10.3	(9.1)
	141.7	123.4	18.3

The increase in sales revenue in the current quarter, compared to the first quarter of 2009, is directly attributable to higher metal prices ($70 million), offset by closure of Galmoy ($9 million) and decreased volume ($43 million).

Average realized prices for the first quarter of 2010 were approximately double that of the first quarter 2009, for all metals except nickel; this is consistent with the increase in the LME average prices year over year (see MD&A Page 21). The realized price for nickel was significantly higher than the average LME price for the period as a result of period end price adjustments.

Sales are recorded using the metal price received for sales that settle during the reporting period. For sales that have not been settled, an estimate is used based on the month the sale is expected to settle and the forward price of the metal at the end of the reporting period. The difference between the estimate and the final price received is recognized by adjusting gross sales in the period in which the sale (finalization adjustment) is settled.

The finalization adjustment recorded for these sales depends on the actual price when the sale settles. Settlement dates typically are one to four months after shipment.

Reconciliation of realized prices

2010		**Quarter ended March 31, 2010**			
($ thousands)	**Copper**	**Zinc***	**Nickel**	**Lead***	**Total**
Sales invoiced at shipment date	77,471	30,266	39,500	17,630	164,867
Adjustments for provisionally priced sales settled during the quarter	(6,833)	(304)	(480)	(839)	(8,456)
Period end price adjustments for unfixed sales	1,805	448	12,350	(493)	14,110
Sales before TC/RC	72,443	30,410	51,370	16,298	170,521
Other metal sales					5,466
Less: TC/RC					(34,308)
Total Net Sales					**141,679**
Payable Metal (tonnes)	**10,692**	**13,623**	**1,702**	**7,953**	
Realized prices, $ per pound	**$ 3.07**	**$ 1.01**	**$ 13.69**	**$0.93**	
Realized prices, $ per tonne	**$ 6,755**	**$ 2,232**	**$ 30,182**	**$ 2,049**	

** excludes Galmoy ore sales*

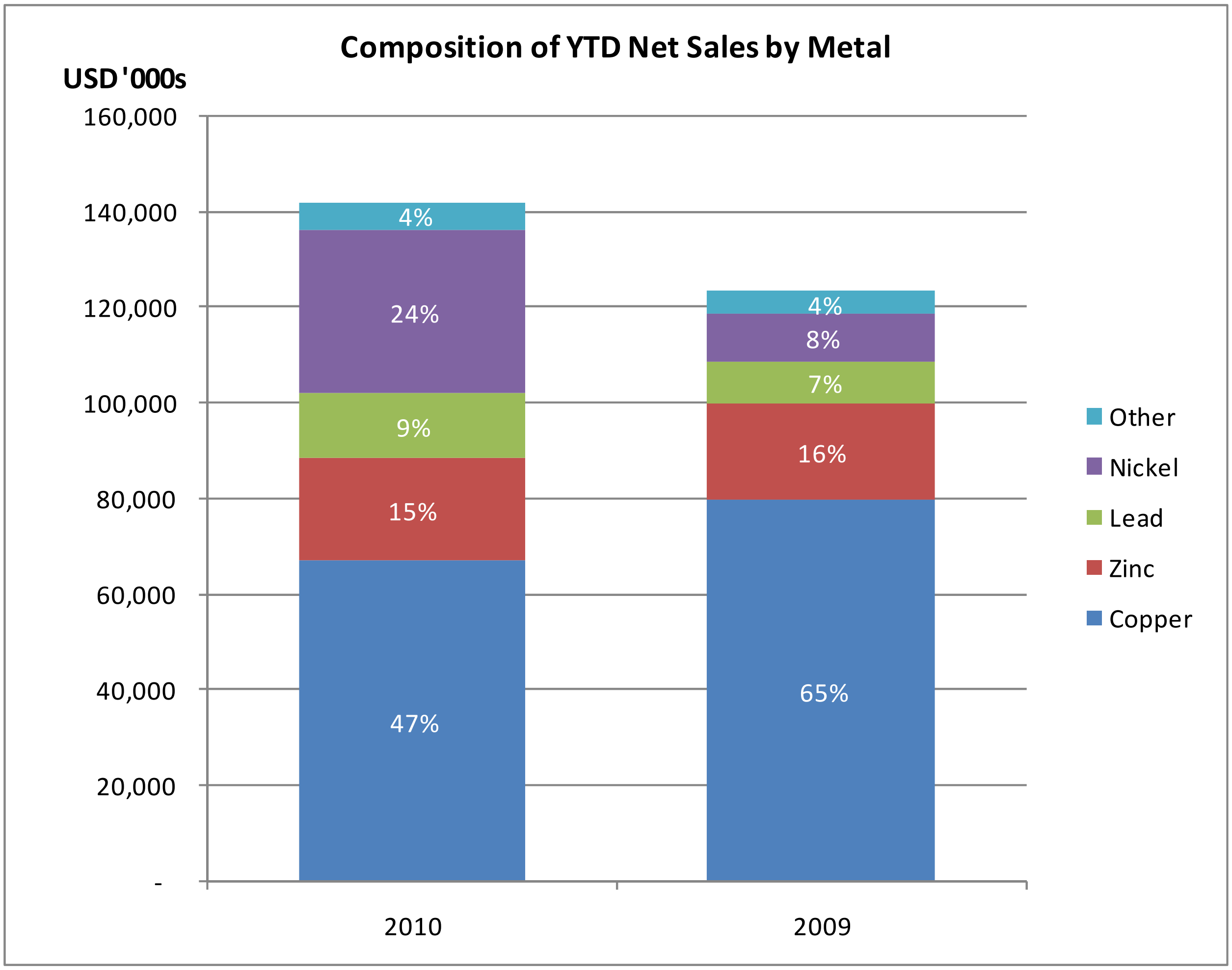
2009		**Quarter ended March 31, 2009**			
($ thousands)	**Copper**	**Zinc**	**Nickel**	**Lead**	**Total**
Sales invoiced at shipment date	74,997	32,765	20,667	10,172	138,601
Adjustments for provisionally priced sales settled during the quarter	991	(459)	(454)	(817)	(739)
Period end price adjustments for unfixed sales	14,250	2,080	(2,487)	1,946	15,789
Sales before TC/RC	90,238	34,386	17,726	11,301	153,651
Other metal sales					4,714
Less: TC/RC					(34,985)
Total Net Sales					**123,380**
Payable Metal (tonnes)	**21,671**	**27,739**	**2,045**	**8,304**	
Realized prices, $ per pound	$ 1.89	$ 0.56	$ 3.93	$ 0.62	
Realized prices, $ per tonne	$ 4,164	$ 1,240	$ 8,668	$1,360	

Outstanding receivables (provisionally valued) as of March 31, 2010

Metal	**Tonnes payable**	**Valued at $ price per lb**	**Valued at $ price per tonne**
Copper	7,630	$3.53	$7,776
Zinc	11,892	$1.06	$2,346
Lead	7,392	$0.97	$2,142
Nickel	2,255	$11.34	$25,005

Sales Value by Metal

Copper revenues of $67.0 million (Q1 2009 - $79.7 million) comprise the largest component of net metal sales. Nickel sales of $34.3 million (Q1 2009 - $9.9 million) were the second highest. Zinc sales were $21.6 million (Q1 2009 - $20.3 million), lead sales $13.4 million (Q1 2009 - $8.8 million) while other metals accounted for $5.5 million (Q1 2009 - $4.7 million).



Operating Results

Operating Costs

Costs of mining operations in the first quarter were $70.3 million compared with $76.8 million for the same period in 2009. The decrease was related to lower variable costs of production at Neves-Corvo and the cessation of concentrate production at Galmoy at the end of the second quarter of 2009 ($8.4 million) also contributed to the lower overall operating costs in 2010. Cost per pound of production was higher at all operations. (See additional commentary under individual mine discussion.)

Depreciation, Depletion and Amortization

Depreciation, depletion and amortization decreased by $7.3 million to $36.2 million in the first quarter of 2010, compared with $43.5 million in the first quarter of 2009. This decrease is primarily attributable to lower production volumes at Neves-Corvo.

	Three months ended March 31		
Depreciation by operation ($ millions)	**2010**	2009	**Change**
Neves-Corvo	**24.0**	33.1	(9.1)
Zinkgruvan	**4.1**	3.9	0.2
Aguablanca	**8.0**	6.1	1.9
Other	**0.1**	0.4	(0.3)
	36.2	43.5	(7.3)

Other Costs

Other costs are as follows:

	Three months ended March 31		
($ millions)	**2010**	2009	Change
Selling, general and administrative	**4.1**	4.6	(0.5)
Stock-based compensation	**0.7**	1.9	(1.2)
Other income	**(1.5)**	(2.1)	0.6
Interest and bank charges	**2.2**	4.0	(1.8)
Foreign exchange (gain) loss	**(7.4)**	7.2	(14.6)
Loss on derivative contracts	**0.5**	-	0.5
Gain on sale of AFS securities	**(0.6)**	-	(0.6)
	(2.0)	15.6	(17.6)

Foreign Exchange (Gain) Loss

The foreign exchange gain relates to US$ denominated debt held in the Canadian and Swedish group entities, offset by revaluation of cash and receivables held in US$ by the European operations. The C$ and SEK strengthened against the US$, while the € weakened during the quarter. Average exchange rate in the first quarter 2010 was $1.38:€1.00 (2009 – $1.30:€1.00) and $1.00:SEK7.19 (2009 – $1.00:SEK8.40).

Loss on Derivative Contracts

During the first quarter, a $0.5 million loss was recorded for loss on derivative contracts. The Company paid $20.4 million to settle contracts representing 10,251 tonnes of copper, compared to $22.1 million accrued in respect of these contracts at December 31, 2009. A mark-to-market loss of $2.2 million was charged in relation to the remaining contracts (representing 12,326 tonnes of copper) for an outstanding liability of $20.7 million at March 31, 2010. All derivative contracts expire by the end of July 2010.

Current and Future Income Taxes

Current tax expense	Three months ended March 31		
($ millions)	**2010**	2009	Change
Neves-Corvo	**-**	2.6	(2.6)
Zinkgruvan	**4.3**	1.3	3.0
Galmoy	**0.1**	0.3	(0.2)
Other	**0.3**	0.1	0.2
Current tax expense	**4.7**	4.3	0.4

The corporate tax rates in the countries where the Company has mining operations range from 25% in Ireland to 30% in Spain. To March 31, 2010, the Company has paid a total of $2.4 million in income taxes, all of which was paid in Sweden.

Future tax expense (recovery)	Three months ended March 31		
($ millions)	**2010**	2009	Change
Neves-Corvo	**(1.9)**	(6.0)	4.1
Zinkgruvan	**(0.3)**	(0.3)	-
Aguablanca	**7.8**	(1.0)	8.8
Other	**(0.4)**	(3.4)	3.0
Future tax expense (recovery)	**5.2**	(10.7)	15.9

Total tax expense for the current quarter was $9.9 million, compared to a recovery of $6.4 million for the first quarter of 2009. The increase in tax expense of $16.3 is related to the increase in earnings.

Mining Operations

Production Overview

(tonnes)	**Q1 2010**	Total 2009	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Copper						
Neves-Corvo	**11,211**	86,462	22,150	19,756	22,189	22,367
Aguablanca	**1,633**	6,989	1,718	1,595	1,803	1,873
	12,844	93,451	23,868	21,351	23,992	24,240
Zinc						
Neves-Corvo	**1,842**	501	293	208	-	-
Zinkgruvan	**17,120**	70,968	19,598	13,439	17,896	20,035
Galmoy*	**656**	29,932	120	1,504	14,066	14,242
	19,618	101,401	20,011	15,151	31,962	34,277
Lead						
Zinkgruvan	**8,107**	36,183	10,289	7,261	8,972	9,661
Galmoy*	**136**	7,669	104	850	3,506	3,209
	8,243	43,852	10,393	8,111	12,478	12,870
Nickel						
Aguablanca	**2,156**	8,029	2,324	1,784	1,960	1,961

* payable metal in sales of ore starting in Q3-2009 (50% attributable to Galmoy – see MD&A page18)

Production was below trend in all operations other than Aguablanca for the reasons given elsewhere in this report.

Cash Cost Overview

	Cash cost / lb (US cents) Three months ended March 31		**Cash cost / lb (local currency) Three months ended March 31**	
	2010	2009	**2010**	2009
Neves-Corvo (Local in € cents)				
Gross cost	**187**	103	**136**	80
By-product **	**(9)**	(2)	**(7)**	(2)
Net Cost – Cu/lb	**178**	101	**129**	78
Zinkgruvan (Local in SEK)				
Gross cost	**88**	54	**626**	448
By-product **	**(55)**	(23)	**(393)**	(190)
Net Cost - Zn/lb	**33**	31	**233**	258
Aguablanca (Local in € cents)				
Gross cost	**957**	569	**694**	436
By-product **	**(277)**	(207)	**(202)**	(159)
Net Cost - Ni/lb	**680**	362	**492**	277

**By-product is after related TC/RC

Commentary on cash cost performance is included under individual mine operational discussion.

Neves-Corvo Mine

Neves-Corvo is an underground mine, 100 km north of Faro, Portugal, in the western part of the Iberian Pyrite Belt. The mine has been a significant producer of copper since 1989 and in 2006 commenced treating zinc ores. The processing of zinc-rich ores was suspended in November 2008 and the zinc facility adapted to also treat copper ore. Expansion of the zinc plant to 50,000 tonnes per annum is currently underway, targeting full ramp up in 2011.

Operating Statistics

	Q1 2010	Total 2009	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Ore mined, copper (tonnes)	**481,300**	2,509,460	633,337	619,567	620,155	636,401
Ore mined, zinc (tonnes)	**17,753**	-	-	-	-	-
Ore milled, copper (tonnes)	**470,797**	2,569,603	632,696	642,605	622,822	671,480
Ore milled , zinc (tonnes)	**42,865**	-	-	-	-	-
Grade per tonne						
Copper (%)	**2.8**	3.9	4.0	3.6	4.3	3.9
Zinc (%)	**4.6**	-	-	-	-	-
Recovery						
Copper (%)	**86**	86	88	84	84	86
Zinc (%)	**66**	-	-	-	-	-
Concentrate grade						
Copper (%)	**24.4**	24.8	24.9	24.5	25.0	24.8
Zinc (%)	**41.9**	-	-	-	-	-
Production- tonnes (metal contained)						
Copper	**11,211**	86,462	22,150	19,756	22,189	22,367
Zinc	**1,842**	501	293	208	-	-
Silver (oz)	**122,889**	722,501	193,345	164,554	168,072	196,530
Sales ($000s)	**60,210**	448,742	163,755	107,757	103,818	73,412
Operating earnings ($000s)[1]	**26,030**	263,361	106,619	66,874	54,645	35,223
Cash cost (€ per pound)[2]	**1.29**	0.81	0.83	0.81	0.80	0.78
Cash cost ($ per pound)[2]	**1.78**	1.14	1.22	1.21	1.10	1.01

Operating Earnings[1]

First quarter 2010 operating earnings of $26.0 million were $9.2 million lower than the corresponding quarter in 2009. Lower sales volume ($12.4 million effect) and higher costs ($14.7 million effect) were partially offset by the higher copper price ($18.5 million effect). The lower sales volume reflects the lower production. Costs were down year on year but up on a unit cost basis owing to the lower volume produced/sold and the effects of fixed costs.

Production

Production for the quarter was approximately 7,000 tonnes of copper lower than expected as a result of industrial action. Mitigating actions during the quarter included: milling of low-grade surface stockpiles (this accounts for the sharp fall in copper head-grade to a reported 2.8%) which contribute to earnings on a marginal basis; and bringing forward the mid-year maintenance shut-down for the mill to March thus avoiding further lost annual production.

Cash Costs

The increase in cash costs per pound of $0.77 relates almost entirely to the lower production. A stronger Euro ($0.11 effect) was partially offset by a higher by-product credit ($0.09 effect).

[1] Operating earnings is a Non-GAAP measure defined as sales, less operating costs, accretion of ARO and other provisions, selling, general and administration costs and stock-based compensation. See page 24 of this MD&A for discussion of Non-GAAP measures.
[2] Cash cost per pound of payable copper sold is the sum of direct cash costs and inventory changes less by-product credits. See Non-GAAP Performance Measures on page 24 of this MD&A.

Neves-Corvo Zinc Expansion Project

The zinc expansion project at Neves-Corvo, designed to produce a minimum of 50,000 tonnes per annum of zinc from existing orebodies, was re-started in the third quarter of 2009 and is advancing on schedule and on budget. Production is expected to build up from early 2011 reaching full production rates during the third quarter 2011. The estimated cost of the project is €43 million.

As part of this expansion, and with a view to the future development of Lombador, the shaft hoisting system is being upgraded in June 2010. Following this upgrade, shaft capacity is expected to be around 4.6 million tonnes per annum (at 75% effective utilization).

Lombador Zinc/Copper/Lead Project

Studies continue on the feasibility of developing the Lombador zinc/copper deposit adjacent to the Neves-Corvo mine with work to date indicating that Lombador is likely to be developed.

An internal assessment is presently being carried out on the accuracy of operating and capital cost estimates as well as conclusions of the study in order to assess what work remains to be completed prior to final investment consideration. A preliminary target of 2013 has been set for commencement of full-scale operations from Lombador.

Zinkgruvan Mine

The Zinkgruvan mine is located approximately 250 km south-west of Stockholm, Sweden. Zinkgruvan has been producing zinc, lead and silver on a continuous basis since 1857. The operation consists of an underground mine and processing facility with associated infrastructure and a present nominal production capacity of 1 million tonnes of ore throughput.

Operating Statistics

	Q1 2010	Total 2009	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Ore mined, zinc (tonnes)	**238,456**	990,655	269,976	205,955	252,971	261,753
Ore mined, copper (tonnes)	**3,228**	-	-	-	-	-
Ore milled, zinc (tonnes)	**226,000**	1,028,234	268,839	225,097	276,747	257,551
Grade per tonne						
Zinc (%)	**8.2**	7.5	8.0	6.5	7.0	8.3
Lead (%)	**4.3**	4.1	4.5	3.8	3.8	4.4
Recovery						
Zinc (%)	**92**	92	91	91	92	93
Lead (%)	**84**	85	84	85	85	86
Concentrate grade						
Zinc (%)	**53.5**	52.6	52.4	52.7	53.0	52.4
Lead (%)	**74.3**	74.4	74.5	72.8	74.9	75.3
Production – tonnes (metal contained)						
Zinc	**17,120**	70,968	19,598	13,439	17,896	20,035
Lead	**8,107**	36,183	10,289	7,261	8,972	9,661
Silver (oz)	**386,990**	1,861,029	505,026	414,555	480,077	461,371
Sales ($000s)	**35,656**	137,281	52,167	29,800	34,925	20,389
Operating earnings ($000s)[1]	**18,967**	74,775	32,502	16,123	17,841	8,309
Cash cost (SEK per pound)[2]	**2.33**	1.97	1.69	1.36	2.05	2.58
Cash cost ($ per pound)[2]	**0.33**	0.26	0.23	0.20	0.26	0.31

Operating Earnings[1]

First quarter 2010 operating earnings of $19.0 million were $10.7 million above the prior year. The increase is attributable to higher metals prices ($17.0 million effect) which were partially offset by: lower volume; an increase in costs; and unfavourable exchange rates ($6.3 million combined effect).

Production

Production was below trend owing to a blocked orepass and very low temperatures above ground, which affected zinc crushing. It is expected that the lost production can be recovered by the end of the year through the combination of: modified blasting methods lifting head-grade; a change in mining sequence to higher grade areas; and additional ore sources becoming available from the development of the ramp from surface which is now well advanced and into the upper reaches of the orebody.

Cash Costs

The combined effect of higher treatment charges ($0.08/lb), higher costs ($0.17/lb) related to climatic and operational issues and a stronger SEK ($0.08/lb) was almost entirely offset by largely offset by higher by-product credits ($0.32/lb).

Copper Project

The copper project remains within budget and is on track for first production in the second quarter of 2010. Design production of 7,000 tonnes per annum of copper is expected to be reached in 2013.

[1] Operating earnings is a Non-GAAP measure defined as sales, less operating costs, accretion of ARO and other provisions, selling, general and administration costs and stock-based compensation. See page 24 of this MD&A for discussion of Non-GAAP measures.

[2] Cash cost per pound of payable zinc sold is the sum of direct cash costs and inventory changes less by-product credits. See Non-GAAP Performance Measures on page 24 of this MD&A.

Aguablanca Mine

The Aguablanca nickel-copper mine is located in the province of Badajoz, 80 km by road to Seville, Spain, and 140 km from a major seaport at Huelva. The operations consist of an open pit mine and an on-site processing facility (milling and flotation) with a present production capacity of 1.9 million tonnes per annum.

Operating Statistics

	Q1 2010	Total 2009	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Ore mined (tonnes)	**397,410**	1,441,903	373,626	361,676	389,364	317,237
Ore milled (tonnes)	**446,891**	1,912,675	463,175	478,474	486,931	484,095
Grade per tonne						
Nickel (%)	**0.6**	0.5	0.6	0.5	0.5	0.5
Copper (%)	**0.4**	0.4	0.4	0.4	0.5	0.4
Recovery						
Nickel (%)	**82**	77	78	75	77	78
Copper (%)	**92**	90	90	91	91	89
Concentrate grade						
Nickel (%)	**7.1**	6.8	7.3	6.7	6.6	6.3
Copper (%)	**5.4**	5.9	5.5	6.0	6.1	6.1
Production-tonnes (metal contained)						
Nickel	**2,156**	8,029	2,324	1,784	1,960	1,961
Copper	**1,633**	6,989	1,718	1,595	1,803	1,873
Sales ($000s)	**44,658**	125,146	41,256	30,281	34,376	19,233
Operating earnings ($000s)[1]	**24,520**	48,854	17,907	11,696	18,468	783
Cash cost (€ per pound)[2]	**4.92**	3.15	2.93	3.49	3.57	2.77
Cash cost ($ per pound)[2]	**6.80**	4.40	4.31	4.99	4.89	3.62

Operating Earnings[1]

First quarter 2010 operating earnings of $24.5 million were $23.7 million above the prior year. This was entirely due to higher metal prices during the period. Price and price adjustments ($35.6 million effect) were partially offset by lower sales volume ($7.2 million effect), owing to an increase in inventory, and higher costs ($4.1 million) mainly related to the significant increase in stripping for 2010, as previously advised. Sales of nickel for the quarter were significantly below production owing to the increase in inventory.

Production

The pit was flooded on three occasions owing to unusually heavy rain with pit bottom access restricted to less than 50% of days from mid-December to the beginning of March. The highest ore grades are at pit bottom and lower-grade, out of sequence, ore was extracted from higher up. High grades during March allowed catch-up on nickel but copper remains below plan.

Mining sequences need to be re-established and waste rescheduled, however it is expected that annual production guidance will be met with a further 5%, or 400 tonnes, of nickel likely.

Cash Costs

Cash cost increased by $3.18/lb owing to: higher treatment charges ($2.82/lb) as a result of price participation by the smelters; higher costs ($0.76/lb) related to higher strip ratios, partially offset by higher sales; and the effect of a stronger Euro ($0.30/lb). These were partially offset by higher by-product credits ($0.70/lb).

[1] Operating earnings is a Non-GAAP measure defined as sales, less operating costs, accretion of ARO and other provisions, selling, general and administration costs and stock-based compensation. See page 24 of this MD&A for discussion of Non-GAAP measures.

[2] Cash cost per pound of payable nickel sold is the sum of direct cash costs and inventory changes less by-product credits. See page 24 of this MD&A for discussion of Non-GAAP measures.

Galmoy Mine

The Galmoy underground zinc mine is located in south-central Ireland in County Kilkenny. Operational mining ceased in May 2009 and milling on-site ceased in June 2009. Mining of remnant high-grade ore has recommenced and ore is being shipped to an adjacent mine for processing. Production tonnage is based on a 50% attributable-share to Lundin Mining.

Operating Statistics

	Q1 2010	Total 2009	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Ore mined (tonnes)	**14,052**	172,903	-	-	68,673	104,230
Ore sold (tonnes)	**7,099**	18,318	-	18,318	-	-
Grade per tonne						
Zinc (%)	**21.52**	17.7	-	-	19.8	16.8
Lead (%)	**6.20**	5.0	-	-	5.5	4.9
Production- tonnes (metal contained)						
Zinc	**-**	28,312	-	4*	14,066	14,242
Lead	**-**	6,715	-	-	3,506	3,209
Silver	**-**	56,044	-	-	24,596	31,448
Zinc from ore sales**	**656**	1,619	119*	1,500	-	-
Lead from ore sales**	**136**	954	104*	850	-	-
Sales ($000s)	**1,155**	34,820	(475)	3,242	21,707	10,346
Operating earnings ($000s)[1]	**(90)**	12,480	373	2,007	9,406	694

* Final production adjustment

** Estimated production on a 50% attributable-share to Lundin Mining from ore treated at an adjacent mine.

Operating Earnings[1]

Selective mining of high-grade areas, and the extraction of high-grade ore for processing at an adjacent mine, continued with only minimal tonnes processed during the quarter for a break-even result.

Production

Production tonnage for the first quarter of 2010 relates to ore sales. Contained metal in sales of ore attributable to Lundin is based on a 50% attributable-share.

Alternatives are still being examined for the treatment of Galmoy residual ores once the remaining 23,000 tonnes of ore still due under a preliminary contract with an adjacent mine are delivered.

Closure Costs

The mine closure at Galmoy is progressing as planned and restricted cash on hand has been assessed to be sufficient to meet these obligations.

[1] Operating earnings is a Non-GAAP measure defined as sales, less operating costs, accretion of ARO and other provisions, selling, general and administration costs and stock-based compensation. See page 24 of this MD&A for discussion of Non-GAAP measures.

Tenke Fungurume

(Lundin 24.75%, FCX 57.75%, Gécamines 17.5%)

Tenke Fungurume ("Tenke") is a major new copper-cobalt operation in its second year of mine operations. Tenke is located in the southern part of Katanga Province, Democratic Republic of Congo ("DRC"). Freeport-McMoRan Copper & Gold Inc. ("FCX" or "Freeport") is the operating partner. La Générale des Carrières et des Mines ("Gécamines"), the Congolese state mining company, holds a 17.5% free carried interest in the project. Owing to Gécamines carried interest, capital funding is provided by FCX and the Company as to 70% and 30%, respectively.

Production Statistics

100% Basis	**Q1 2010**	Total 2009	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Ore mined (tonnes)	**1,701,000**	6,219,344	1,890,765	1,676,156	1,615,400	1,037,023
Ore milled (tonnes)	**869,000**	2,111,067	714,738	730,219	620,915	45,195
Grade per tonne						
Copper (%)	**3.7**	3.7	4.2	3.7	3.4	-
Recovery						
Copper (%)	**92**	92	95	89	92	-
Production – tonnes						
Copper	**28,769**	70,001	29,201	24,317	16,483	-

The first quarter of 2010 saw the end of the first rainy season since full production commenced. In spite of rain-related issues, which affect mining, materials handling and product shipping logistics, Tenke's production of copper cathode was slightly above nameplate capacity. The average price realized for copper sales during the quarter was $3.26 per pound of cathode sold.

During the quarter, the Company contributed $7.6 million to sustaining capital, exploration and expansion initiatives. Capital items funded include mobile equipment replacement, ongoing construction for the first tailings dam raise, installation of a crusher to assist in debottlenecking and other in plant works to support increased plant reliability. Expansion related activities funded included feasibility study work and supporting environmental and social impact assessments.

The expansion feasibility study is expected to be completed by mid-2010 and the capital investment required by Lundin remains uncertain until the results of the feasibility study have been considered and a final decision made on how to proceed. The Company expects its commitment to be in the order of $40 million for exploration, study work and sustaining capital if expansion does not commence in 2010 and as much as $100 million if the expansion progresses according to an aggressive time frame. This figure is dependent upon the results of the feasibility study and could vary materially depending upon the results received.

At March 31, 2010 the amount of principal owing to FCX for contributions made on behalf of the Company through the Excess Overrun Cost facility for the completed Phase I facilities was $215.7 million.

The Company accounts for its investment in Tenke using the equity method. Accordingly, the Company's proportionate share of the earnings and losses are recorded in income as "Income from Equity Investment in Tenke" with a corresponding adjustment to the balance sheet investment. The balance sheet investment is increased when the Company makes advances to Tenke and will be decreased by any cash distributions received.

Exploration Highlights

Portugal

- **Neves-Corvo Mine Exploration (Copper, Zinc)**
  It is planned to complete 31,000 metres of exploration drilling during the year. Drilling during the first quarter totalled 11,489 metres, testing 14 targets focused on three areas: the Neves SW area, the Neves-Lombador Bridge area and the Lombador deposit.

  Drilling in the Neves-Lombador Bridge area further expanded a new copper zone discovered by underground drilling in 2009. Surface drilling has also extended the Lombador East deposit a further 150 metres to the northwest, towards the Lombador Mid target area.

  Plans for Q2 include delineation drilling of the new copper zone within the Neves-Lombador Bridge area, drill-testing the area between the Lombador East deposit and the Lombador Mid target area and step-out drilling of the south-eastern extension of the Lombador East deposit which remains open.

- **Iberian Pyrite Belt Regional Exploration (Copper, Zinc)**
  Ground TEM surveying continued in the first quarter, defining new drill targets for testing later this year. A 2,050 line km airborne ZTEM geophysical survey will commence in early Q2.

Ireland

- **Clare Joint Venture Exploration (Zinc, Lead, Silver)**
  Surface drilling at the Clare JV property in Co. Clare, Ireland continued throughout the first quarter with 4 active drill rigs. A total of 5231 meters was drilled in 12 holes and zinc-lead-silver sulphide mineralization was intersected in 6 of the 12 holes with two of the mineralized holes intercepting high-grade intervals.

  Drilling is outlining a strongly mineralized zone extending over 300 meters to the northwest and over 200 meters to the east of discovery hole 09-3679-04 in the Kilbricken target area. It is anticipated that during the second quarter Lundin will vest its initial 51% interest in the Clare property from partner Belmore Resources. Lundin has the optional right of earning up to a 70% interest in the Clare property.

Metal Prices, LME Inventories and Smelter Treatment and Refining Charges

During the first quarter 2010, the average prices for copper, zinc and nickel increased by 9%, 3% and 14%, respectively, compared to the fourth quarter 2009. During the same period the average price for lead decreased by 3%. The inventory levels of copper, lead and zinc on the London Metal Exchange ("LME") all increased during the first quarter 2010 compared to the fourth quarter 2009.

		Three months ended March 31		
(Average LME Prices)		**2010**	2009	**Change**
Copper	US$/pound	**3.29**	1.56	111%
	US$/tonne	**7,243**	3,435	111%
Zinc	US$/pound	**1.04**	0.53	95%
	US$/tonne	**2,288**	1,174	95%
Lead	US$/pound	**1.01**	0.53	91%
	US$/tonne	**2,219**	1,160	91%
Nickel	US$/pound	**9.11**	4.74	92%
	US$/tonne	**20,078**	10,459	92%

The terms for the annual contracts for copper concentrates were agreed during the first quarter 2010 at a treatment charge (TC) of $46.50 per dmt of concentrates and a refining charge (RC) of $0.0465 per payable lb of copper contained. This represents a considerable improvement over the terms for 2009 which were a TC of $75 per dmt and a RC of $0.075 per payable lb of copper contained. During the quarter the terms in the spot market for copper concentrates have continued to fall from a TC of $10 per dmt and a RC of $0.01 per payable lb of copper contained in January to a TC of $2 per dmt and a RC of $0.002 per payable lb of copper contained at the end of March 2010.

The negotiations of terms for the annual contracts for zinc concentrates continued during the first quarter and terms in Europe settled at a TC of approximately $272.50 per dmt of concentrates based on a zinc price of $2,500 per tonne and with an escalation of 8-9% and a de-escalation of 4-6%. At the zinc price at the end of the first quarter 2010 this represents an improvement of approximately $65 per dmt in favor of the mines compared to the terms of 2009. There has been very limited spot activity for zinc concentrates during the quarter but the spot TC has dropped from $200 per dmt, flat, i.e. without escalators, in January to $175 per dmt, flat, at the end of March.

Since the variation in lead content and the contents of precious metals and impurities vary between different qualities of lead concentrates these concentrates are a less homogenous product than copper and zinc concentrates and there is no general annual benchmark for lead concentrates. There has been very little spot activity in the market during the first quarter and spot TCs have moved from $140 per dmt, flat, in the beginning of the quarter to $125 per dmt, flat, in March 2010.

The Company's nickel concentrates are sold under multi-year contracts at fixed terms. The contracts will expire during the second quarter 2010 and the company has initiated the process of entering into new long term agreements at fixed terms.

Liquidity and Financial Condition

Cash Reserves

Net cash as at March 31, 2010 stood at $10.2 million compared to net debt of $49.3 million at the end of 2009. The Company defines net cash/debt to be available unrestricted cash less financial debt, including capital leases and other debt-related obligations.

Cash and cash equivalents decreased by $43.6 million to $98.0 million as at March 31, 2010 from $141.6 million at December 31, 2009 as a result of paying down debt. Operating cash inflow of $84.9 million, were offset by the following outlays of cash:

- $30.5 million in investment in mineral property, plant and equipment;
- $7.6 million for Tenke funding; and
- $100.0 million for repayment of the revolving credit facility.

The Company also received $12.1 million from the sale of other investments and AFS securities.

Working Capital

At March 31, 2010, working capital was $144.6 million, compared to $245.6 million at the end of 2009. The decrease in working capital is attributable to the repayment of $100.0 million on the outstanding credit facility.

Shareholders' Equity

Shareholders' equity of $2.9 billion at March 31, 2010, is unchanged from December 31, 2009. The reduction of the deficit of $38.0 million is offset by a decrease in accumulated other comprehensive income of $56.0 million. Differences that result from the translation of the Company's Iberian and Swedish net assets into US dollars will result in increases and decreases to the Company's translated net assets, depending on the strength of the US dollar when compared to the Euro or SEK. These variances related to translation are recorded in Other Comprehensive Income. Translation differences resulted in a decrease in other comprehensive income of $71.1 million for the three month period ended March 31, 2010. The change related to the fair value of AFS investments added approximately $15.1 million.

Off-Balance Sheet Financing Arrangements

The Company has certain protection for cost overruns relating to the development of Phase I of the Tenke copper/cobalt project. Costs above a certain level were funded by Freeport (see page 19 of this MD&A for details.)

Changes in Accounting Policies

International Financial Reporting Standards ("IFRS")

The Canadian Accounting Standard Boards (“AcSB”) confirmed in February 2008 that IFRS will replace Canadian GAAP (“GAAP”) for publicly accountable enterprises for financial periods beginning on and after January 1, 2011. The Company’s first mandatory filing under IFRS, which will be the first quarter of 2011, will contain IFRS-compliant financial statements on a comparative basis, as well as reconciliations for that quarter and as at the January 1, 2010 transition date. Although IFRS uses a conceptual framework similar to GAAP, there are significant differences in recognition, measurement and disclosure.

During the first quarter of 2010, the Company continued to make progress in the assessment phase of its IFRS conversion plan. IFRS conversion adjustments at each key operational site were completed and preliminary conclusions, subject to review, were determined for:

- Mineral properties, plant and equipment
- Foreign currency
- Asset retirement obligations
- Certain financial instruments

Key deliverables and milestones for the remainder of the year include:

- Additional transitional adjustments at the corporate level to be being finalized
- IFRS conversion adjustments to be completed by July 2010
- Training for Board of Directors to be provided during Q2 2010
- Draft IFRS compliant financial statements in the third quarter of 2010

Critical Accounting Estimates

The application of certain accounting policies requires the Company to make estimates based on assumptions that may be undertaken at the time the accounting estimate is made. The Company’s accounting policies are described in Note 2 of the annual consolidated financial statements for the year ended December 31, 2009. For a complete discussion of accounting estimates deemed most critical by the Company, refer to the Company’s 2009 annual MD&A dated February 24, 2010.

Managing Risks

Risks and Uncertainties

The operations of Lundin Mining involve certain significant risks, including but not limited to credit risk, foreign exchange risk and derivative risk. For a complete discussion of the risks, refer to the Company’s 2009 Annual Information Form, available on the SEDAR website, www.sedar.com.

Outstanding Share Data

As at April 26, 2010, the Company had 579,822,683 common shares issued and outstanding and 9,003,926 stock options and 135,360 stock appreciation rights outstanding under its stock-based incentive plans.

Non-GAAP Performance Measures

The Company uses certain performance measures in its analysis. These performance measures have no meaning within GAAP and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with Canadian GAAP. The following are Non-GAAP measures that the Company uses as key performance indicators.

- Operating earnings

  "Operating earnings" is a performance measure used by the Company to assess the contribution by mining operations to the Company's net income or loss. Operating earnings is defined as sales, less operating costs, accretion of ARO and other provisions, selling, general and administration costs and stock-based compensation. The operating earnings are shown on the statement of operations as "Income before undernoted".

- Cash cost per pound

  Zinc, copper and nickel cash costs per pound are key performance measures that management uses to monitor performance. Management uses these statistics to assess how well the Company's producing mines are performing compared to plan and to assess overall efficiency and effectiveness of the mining operations.

  Lundin provides cash cost information as it is a key performance indicator required by users of the Company's financial information in order to assess the Company's profit potential and performance relative to its peers. The cash cost figure represents the total of all cash costs directly attributable to the related mining operations after the deduction of credits in respect of by product sales and royalties. Cash cost is not a GAAP measure and, although it is calculated according to accepted industry practice, the Company's disclosed cash costs may not be directly comparable to other base metal producers. By-product credits, are an important factor in determining the cash costs. The cost per pound experienced by the Company will be positively affected by rising prices for by-products and adversely affected when prices for these metals are falling.

Cash costs can be reconciled to the Company's operating costs as follows:

Reconciliation of unit cash costs of payable copper, zinc and nickel metal sold to the consolidated statements of operations

	Quarter ended March 31, 2010				Year ended March 31, 2009			
	Total Tonnes Sold	Pounds (000s)	Cost $/lb	Cash Operating Costs (000s)	Total Tonnes Sold	Pounds (000s)	Cost $/lb	Cash Operating Costs (000s)
Operation								
Neves-Corvo (cu)	9,520	20,988	1.78	37,359	20,108	44,330	1.01	44,773
Zinkgruvan (zn)	12,738	28,022	0.33	9,247	16,468	36,305	0.31	11,255
Aguablanca (ni)	1,702	3,752	6.80	25,514	2,045	4,508	3.62	16,319
Galmoy (zn)	-	-	-	-	11,271	24,848	0.56	13,915
				72,120				86,262
Add: Byproduct credits				27,694				20,861
Treatment costs				(30,095)				(30,788)
Royalties and other				584				428
Total Operating Costs				**70,303**				**76,763**

Management's Report on Internal Controls

Management's Report on Disclosure Controls and Procedures

Disclosure controls and procedures have been designed to provide reasonable assurance that all material information related to the Company is identified and communicated on a timely basis. Management of the Company, under the supervision of the President and Chief Executive Officer and the Chief Financial Officer, is responsible for the design and operations of disclosure controls and internal control over financial reporting. There have been no changes in the Company's disclosure controls and procedures during the three months ended March 31, 2010.

Internal control over financial reporting

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with generally accepted accounting principles ("GAAP"). However, due to inherent limitations, internal control over financial reporting may not prevent or detect all misstatements and fraud.

There have been no changes in the Company's internal control over financial reporting during the three month period ended March 31, 2010 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Other Information

Additional information regarding the Company is included in the Company's Annual Information Form ("AIF"). A copy of the Company's AIF can be obtained from the Canadian Securities Administrators' website at www.sedar.com.

LUNDIN MINING CORPORATION

INTERIM CONSOLIDATED BALANCE SHEETS

(Unaudited - in thousands of US dollars)

		March 31, 2010		December 31, 2009
ASSETS				
Current				
Cash and cash equivalents (Note 2)	$	**97,965**	$	141,575
Accounts receivable (Note 3)		**129,885**		195,370
Inventories		**39,148**		27,519
Prepaid expenses		**4,947**		3,541
		271,945		368,005
Reclamation funds and restricted cash		**60,957**		67,076
Mineral properties, plant and equipment (Note 4)		**1,238,491**		1,310,287
Investment in Tenke Fungurume (Note 5)		**1,658,528**		1,633,740
Investments and other assets (Note 6)		**57,939**		42,508
Future income tax assets		**69,418**		68,707
Goodwill (Note 7)		**234,852**		249,820
	$	**3,592,130**	$	3,740,143
LIABILITIES				
Current				
Accounts payable	$	**59,114**	$	59,473
Accrued liabilities		**52,088**		48,235
Income taxes payable		**16,111**		14,657
Current portion of long-term debt and capital leases (Note 8)		**2,415**		2,536
Current portion of deferred revenue		**5,479**		5,667
Current portion of asset retirement obligations (Note 9)		**4,650**		5,830
Derivative contracts (Note 10)		**20,748**		40,557
		160,605		176,955
Long-term debt and capital leases (Note 8)		**85,369**		188,352
Other long-term liabilities		**11,619**		11,936
Deferred revenue		**69,499**		72,230
Provision for pension obligations		**16,460**		16,385
Asset retirement obligations and other provisions (Note 9)		**115,240**		120,954
Future income tax liabilities		**234,868**		238,089
		693,660		824,901
SHAREHOLDERS' EQUITY				
Share capital		**3,481,405**		3,480,487
Contributed surplus		**30,806**		30,415
Accumulated other comprehensive income		**208,985**		265,051
Deficit		**(822,726)**		(860,711)
		2,898,470		2,915,242
	$	**3,592,130**	$	3,740,143

See accompanying notes to interim consolidated financial statements

APPROVED BY THE BOARD

(Signed) Lukas H. Lundin
Lukas H. Lundin, Director

(Signed) Dale C. Peniuk
Dale C. Peniuk, Director

LUNDIN MINING CORPORATION

INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS

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

	Three months ended March 31,	
	2010	2009
Sales	**$ 141,679**	$ 123,380
Operating costs	**(70,303)**	(76,763)
Accretion of asset retirement obligations and other provisions (Note 9)	**(1,959)**	(1,974)
Selling, general and administration	**(4,122)**	(4,591)
Stock-based compensation (Note 11)	**(662)**	(1,853)
Income from continuing operations before undernoted	**64,633**	38,199
Depreciation, depletion and amortization	**(36,177)**	(43,483)
General exploration and project investigation	**(4,632)**	(5,261)
Interest and bank charges	**(2,211)**	(3,994)
Foreign exchange gain (loss)	**7,356**	(7,203)
Loss on derivative contracts	**(460)**	-
Income (loss) from equity investment in Tenke Fungurume	**17,193**	(895)
Gain on sale of available-for-sale ("AFS") securities	**626**	-
Other income and expenses	**1,549**	2,059
Income (loss) from continuing operations before income taxes	**47,877**	(20,578)
Current income tax expense	**(4,693)**	(4,288)
Future income tax (expense) recovery	**(5,199)**	10,736
Income (loss) from continuing operations	**37,985**	(14,130)
Gain from discontinued operations, net of income taxes (Note 12)	**-**	5,573
Net income (loss)	**$ 37,985**	$ (8,557)
Basic and diluted income (loss) per share from		
Continuing operations	**$ 0.07**	$ (0.03)
Discontinued operations	**-**	0.01
Basic and diluted income (loss) per share	**$ 0.07**	$ (0.02)
Weighted average number of shares outstanding		
Basic	**579,677,485**	487,433,771
Diluted	**580,168,974**	487,433,771

See accompanying notes to interim consolidated financial statements

LUNDIN MINING CORPORATION
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited - in thousands of US dollars)

	Three months ended March 31, **2010**	2009
Net income (loss)	**$ 37,985**	$ (8,557)
Other comprehensive income, net of income taxes		
Changes in the fair value of AFS securities	**15,876**	7,774
Reclassification adjustment of gains included in net income	**(825)**	-
Effects of foreign currency translation	**(71,117)**	(24,347)
	(56,066)	(16,573)
Comprehensive loss	**$ (18,081)**	$ (25,130)

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the three months ended March 31, 2010
(Unaudited - in thousands of US dollars, except share amounts)

	Number of Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Retained Earnings (Deficit)	Total
Balance, December 31, 2009	579,592,464	$ 3,480,487	$ 30,415	$ 265,051	$ (860,711)	$ 2,915,242
Exercise of stock options	184,109	918	(271)	-	-	647
Stock-based compensation	-	-	662	-	-	662
Reclassification adjustment of gains included in net income	-	-	-	(825)	-	(825)
Changes in the fair value of AFS securities	-	-	-	15,876	-	15,876
Net income	-	-	-	-	37,985	37,985
Effects of foreign currency translation	-	-	-	(71,117)	-	(71,117)
Balance, March 31, 2010	579,776,573	$ 3,481,405	$ 30,806	$ 208,985	$ (822,726)	$ 2,898,470

See accompanying notes to interim consolidated financial statements

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

	Three months ended March 31, 2010	2009
Cash provided by (used in)		
Operating activities		
Net income (loss)	**$ 37,986**	$ (8,557)
Items not involving cash		
Accretion of asset retirement obligations	**1,384**	1,194
Stock-based compensation	**662**	1,853
Depreciation, depletion and amortization	**36,177**	43,483
Unrealized foreign exchange (gain) loss	**(8,321)**	5,012
Loss on derivative contracts	**460**	-
(Income) loss from equity investment in Tenke Fungurume	**(17,193)**	895
Future income tax expense (recovery)	**5,199**	(10,736)
Recognition of deferred revenue	**(1,056)**	(663)
Gain on sale of AFS securities	**(626)**	-
Gain from discontinued operations	**-**	(5,573)
Other	**(275)**	2,344
Settlement of derivative contracts	**(20,420)**	-
Changes in restricted cash	**2,035**	-
Reclamation payments and other closure costs	**(2,029)**	(605)
Pension payments	**(213)**	-
Changes in non-cash working capital items	**51,121**	(91,933)
	84,891	(63,286)
Investing activities		
Investment in mineral properties, plant and equipment	**(30,476)**	(33,606)
Investment in Tenke Fungurume	**(7,595)**	-
Proceeds from sale of investments and AFS securities	**12,066**	-
Cash outlay on disposition of discontinued operations (Note 12)	**-**	(20,979)
Other	**-**	(449)
	(26,005)	(55,034)
Financing activities		
Debt repayments	**(100,106)**	(3,262)
Common shares issued	**647**	-
Other	**-**	(32)
	(99,459)	(3,294)
Effect of foreign exchange on cash balances	**(3,037)**	3,261
Decrease in cash and cash equivalents during the period	**(43,610)**	(118,353)
Cash and cash equivalents, beginning of period	**141,575**	169,698
Cash and cash equivalents, end of period	**$ 97,965**	$ 51,345

Supplemental cash flow information (Note 14)
See accompanying notes to interim consolidated financial statements

(Tabular amounts in thousands of US dollars, narrative amounts in US dollars, unless otherwise indicated)

1. BASIS OF PRESENTATION

These unaudited interim consolidated financial statements of Lundin Mining Corporation (the "Company" or "Lundin Mining") are prepared in accordance with Canadian generally accepted accounting principles using the same accounting policies and methods of application as those disclosed in Note 2 of the Company's consolidated financial statements for the year ended December 31, 2009.

These interim consolidated financial statements do not contain all of the information required by Canadian generally accepted accounting principles for annual financial statements and therefore should be read in conjunction with the Company's 2009 audited consolidated financial statements.

These unaudited interim consolidated financial statements reflect all normal and recurring adjustments which are, in the opinion of management, necessary for fair presentation of the respective interim periods presented.

Certain comparative figures have been reclassified to conform to the current period's presentation.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

		March 31, 2010		December 31, 2009
Cash	**$**	**93,921**	$	102,774
Short-term investment		**4,044**		38,801
	$	**97,965**	$	141,575

3. ACCOUNTS RECEIVABLE

Accounts receivable comprise the following:

		March 31, 2010		December 31, 2009
Trade receivable	**$**	**90,469**	$	146,721
VAT and other receivable		**39,416**		48,649
	$	**129,885**	$	195,370

(Tabular amounts in thousands of US dollars, narrative amounts in US dollars, unless otherwise indicated)

4. MINERAL PROPERTIES, PLANT AND EQUIPMENT

Mineral properties, plant and equipment consist of:

	March 31, 2010		
	Cost	Accumulated depreciation, depletion and amortization	**Carrying Value**
Mineral properties	$ 1,428,610	$ 586,559	**$ 842,051**
Plant and equipment	475,724	193,415	**282,309**
Exploration properties	52,268	-	**52,268**
Assets under construction	61,863	-	**61,863**
	$ 2,018,465	$ 779,974	**$ 1,238,491**

	December 31, 2009		
	Cost	Accumulated depreciation, depletion and amortization	Carrying Value
Mineral properties	$ 1,460,737	$ 561,121	$ 899,616
Plant and equipment	489,527	182,676	306,851
Exploration properties	55,573	-	55,573
Assets under construction	48,247	-	48,247
	$ 2,054,084	$ 743,797	$ 1,310,287

5. INVESTMENT IN TENKE FUNGURUME

	March 31, 2010	December 31, 2009
Balance, beginning of period	**$ 1,633,740**	$ 1,576,743
Advances	**7,595**	56,700
Share of equity income	**17,193**	297
Balance, end of period	**$ 1,658,528**	$ 1,633,740

During the quarter ended March 31, 2010, the Company made cash advances of $7.6 million (three month period ended March 31, 2009 - $NIL) to fund its portion of Tenke Fungurume Mining Corp S.A.R.L ("TFM") expenditures. The Company has an off-balance sheet financing arrangement whereby Freeport McMoRan Copper & Gold Inc. ("FCX") was responsible for funding the Company's share of Phase I project development costs that were in excess of agreed budgets ("Excess Overrun Costs"). The amounts were funded through loans from FCX to the project and are non-recourse to the Company.

During the quarter, $18.0 million was repaid to FCX by TFM in respect of Lundin's share of the Excess Overrun Costs to fund the initial Phase I project (remaining principal balance, $215.7 million). The remaining principal balance plus accrued interest will be repaid to FCX on a priority basis from future operating cash flows of TFM.

(Tabular amounts in thousands of US dollars, narrative amounts in US dollars, unless otherwise indicated)

6. INVESTMENTS AND OTHER ASSETS

Investments include the following:

		March 31, 2010		December 31, 2009
AFS securities	**$**	**54,916**	$	39,539
Other assets		**3,023**		2,969
	$	**57,939**	$	42,508

7. GOODWILL

Changes to the carrying value of goodwill are as follows:

	Three months ended March 31, 2010					
		EuroZinc		Rio Narcea		**Total**
Goodwill, beginning of period	$	180,259	$	69,561	**$**	**249,820**
Effect of changes in foreign exchange rates		(10,800)		(4,168)		**(14,968)**
Goodwill, end of period	$	169,459	$	65,393	**$**	**234,852**

	Year ended December 31, 2009					
		EuroZinc		Rio Narcea		Total
Goodwill, beginning of period	$	174,992	$	67,527	$	242,519
Effect of changes in foreign exchange rates		5,267		2,034		7,301
Goodwill, end of period	$	180,259	$	69,561	$	249,820

8. LONG-TERM DEBT AND CAPITAL LEASES

		March 31, 2010		December 31, 2009
Revolving credit facility	**$**	**41,582**	$	141,620
Somincor debt		**36,393**		38,713
Capital lease obligations		**4,295**		4,693
Rio Narcea debt		**5,514**		5,862
		87,784		190,888
Less: current portion due within one year		**2,415**		2,536
	$	**85,369**	$	188,352

(Tabular amounts in thousands of US dollars, narrative amounts in US dollars, unless otherwise indicated)

9. ASSET RETIREMENT OBLIGATIONS AND OTHER PROVISIONS

The asset retirement obligations and other provisions relating to the operations are as follows:

	Asset Retirement Obligations	Other Mine Closure Costs	Total
Balance, December 31, 2009	$ 106,644	$ 20,140	$ 126,784
Accretion	1,384	-	1,384
Accruals for services	-	575	575
Payments	(2,029)	-	(2,029)
Effect of changes in foreign exchange rates	(5,603)	(1,221)	(6,824)
	100,396	19,494	119,890
Less: current portion	4,440	210	4,650
Balance, March 31, 2010	$ 95,956	$ 19,284	$ 115,240

10. DERIVATIVE CONTRACTS

During the quarter ended March 31, 2010, the Company paid $20.4 million to settle 10,251 tonnes of the copper contracts.

As at March 31, 2010, contracts representing 12,326 tonnes of copper remain outstanding. The contracts expire monthly until July 2010. The remaining outstanding contracts have a weighted average floor price of $1.89 per pound of copper and a weighted average maximum price of $2.79 per pound of copper. As at March 31, 2010, the fair value of the contracts is a liability of $20.7 million (December 31, 2009 - $40.6 million).

11. STOCK-BASED COMPENSATION

During the three months ended March 31, 2010, the Company granted 206,667 incentive stock options to employees at a weighted average price of CAD $4.42 per share. The stock options expire on December 31, 2012.

The Company uses the fair value method of accounting to estimate the fair value for all stock-based compensation to employees, directors and officers. During the first quarter of 2010, the fair value of all new stock option grants was $0.5 million (2009 - $1.9 million). The fair value at the date of the grant of the stock options assumes a risk-free interest rate of 1.2 to 1.4%, no dividend yield, expected life of 2.0 years and an expected volatility of 92%.

During the quarter ended March 31, 2010, the Company recorded a stock compensation expense of $0.7 million (for the quarter ended March 31, 2009 - $1.9 million) with a corresponding credit to contributed surplus.

The unrecognized stock compensation expense for unvested stock options at March 31, 2010 was $2.4 million (March 31, 2009 - $7.6 million).

(Tabular amounts in thousands of US dollars, narrative amounts in US dollars, unless otherwise indicated)

The continuity of incentive stock options issued and outstanding is as follows:

	Number of Options	Weighted average exercise price (CAD$)
Outstanding, December 31, 2009	9,171,370	$ 6.93
Issued during the period	206,667	4.42
Cancelled/forfeited during the period	(236,112)	8.53
Exercised during the period	(184,109)	3.58
Outstanding, March 31, 2010	8,957,816	$ 6.94

12. DISCONTINUED OPERATIONS

The Company disposed of a wholly-owned subsidiary in 2009 with a cash outlay of $21.0 million. Gain on disposition of $5.6 million was recorded.

13. SEGMENTED INFORMATION

The Company is engaged in mining, exploration and development of mineral properties, primarily in Portugal, Spain, Sweden, Ireland and the Democratic Republic of Congo ("DRC"). The Company has reportable segments as identified by the individual mining operations at each of its operating mines as well as its significant investment in the Tenke Fungurume mine.

(Tabular amounts in thousands of US dollars, narrative amounts in US dollars, unless otherwise indicated)

Segmented Information - Operational

For the three months ended March 31, 2010

	Neves Corvo	Zinkgruvan	Aguablanca	Galmoy	Tenke Fungurume	Other	Total
Sales	$ 60,210	$ 35,656	$ 44,658	$ 1,155	$ -	$ -	$ 141,679
Income (loss) before undernoted	26,030	18,967	24,540	(90)	-	(4,814)	64,633
Depreciation, depletion and amortization	(23,962)	(4,103)	(7,990)	(20)	-	(102)	(36,177)
General exploration and project investigation	(3,743)	-	(357)	-	-	(532)	(4,632)
Interest and bank charges	(324)	(71)	(52)	-	-	(1,764)	(2,211)
Foreign exchange gain (loss)	6,627	593	(364)	(7)	-	507	7,356
Loss on derivative contracts	(460)	-	-	-	-	-	(460)
Income from equity investment in Tenke Fungurume	-	-	-	-	17,193	-	17,193
Gain on sale of AFS securities	-	-	-	-	-	626	626
Other income and expenses	73	154	249	69	-	1,004	1,549
Income tax recovery (expense)	1,851	(3,998)	(7,799)	(111)	-	165	(9,892)
Net income (loss)	$ 6,092	$ 11,542	$ 8,227	$ (159)	$ 17,193	$ (4,910)	$ 37,985
Capital assets*	$ 978,489	$ 196,164	$ 57,053	$ 5,807	$ 1,658,528	$ 978	$ 2,897,019
Total segment assets	$ 1,313,237	$ 240,637	$ 213,547	$ 36,162	$ 1,658,528	$ 130,019	$ 3,592,130
Capital expenditures	$ 18,741	$ 11,542	$ 145	$ -	$ 7,595	$ 48	$ 38,071

For the three months ended March 31, 2009

	Neves Corvo	Zinkgruvan	Aguablanca	Galmoy	Tenke Fungurume	Other	Total
Sales	$ 73,412	$ 20,389	$ 19,233	$ 10,346	$ -	$ -	$ 123,380
Income (loss) before undernoted	35,223	8,309	783	644	-	(6,760)	38,199
Depreciation, depletion and amortization	(33,124)	(3,934)	(6,184)	(17)	-	(224)	(43,483)
General exploration and project investigation	(4,145)	-	(143)	-	-	(973)	(5,261)
Interest and bank charges	(599)	(72)	(59)	-	-	(3,264)	(3,994)
Foreign exchange (loss) gain	(4,831)	153	1,224	35	-	(3,784)	(7,203)
Loss from equity investment in Tenke Fungurume	-	-	-	-	(895)	-	(895)
Other income and expenses	(42)	97	2,418	212	-	(626)	2,059
Income tax recovery (expense)	3,375	(999)	1,024	(259)	-	3,307	6,448
Net (loss) income from continuing operations	(4,143)	3,554	(937)	615	(895)	(12,324)	(14,130)
Gain from discontinued operations	-	-	-	-	-	5,573	5,573
Net (loss) income	$ (4,143)	$ 3,554	$ (937)	$ 615	$ (895)	$ (6,751)	$ (8,557)
Capital assets*	$ 999,078	$ 152,392	$ 67,171	$ 6,317	$ 1,575,848	$ 51,772	$ 2,852,578
Total segment assets	$ 1,286,791	$ 196,100	$ 180,996	$ 35,547	$ 1,575,848	$ 174,651	$ 3,449,933
Capital expenditures	$ 23,667	$ 5,605	$ 4,205	$ 114	$ -	$ 15	$ 33,606

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

(Tabular amounts in thousands of US dollars, narrative amounts in US dollars, unless otherwise indicated)

Segmented Information - Geographical

For the three months ended March 31, 2010

	Portugal	Sweden	Spain	Ireland	DRC	Other	Total
Sales	$ 60,210	$ 35,656	$ 44,658	$ 1,155	$ -	$ -	$ 141,679
Income (loss) before undernoted	26,030	18,427	24,540	(90)	-	(4,274)	64,633
Depreciation, depletion and amortization	(23,967)	(4,111)	(7,990)	(20)	-	(89)	(36,177)
General exploration and project investigation	(3,503)	-	(357)	(772)	-	-	(4,632)
Interest and bank charges	(326)	(757)	(52)	-	-	(1,076)	(2,211)
Foreign exchange gain (loss)	6,618	190	(364)	(7)	-	919	7,356
Loss on derivative contracts	(460)	-	-	-	-	-	(460)
Income from equity investment in Tenke Fungurume	-	-	-	-	17,193	-	17,193
Gain on sale of AFS securities	-	626	-	-	-	-	626
Other income and expenses	171	(327)	2,309	69	-	(673)	1,549
Income tax recovery (expense)	1,815	(3,543)	(7,799)	(111)	-	(254)	(9,892)
Net income (loss)	$ 6,378	$ 10,505	$ 10,287	$ (931)	$ 17,193	$ (5,447)	$ 37,985
Capital assets*	$ 977,551	$ 197,010	$ 57,053	$ 5,807	$ 1,658,528	$ 1,070	$ 2,897,019
Total segment assets	$ 1,312,444	$ 296,971	$ 213,547	$ 36,162	$ 1,658,528	$ 74,478	$ 3,592,130
Capital expenditures	$ 18,746	$ 11,542	$ 145	$ -	$ 7,595	$ 43	$ 38,071

For the three months ended March 31, 2009	Portugal	Sweden	Spain	Ireland	DRC	Other	Total
Sales	$ 73,412	$ 20,389	$ 19,233	$ 10,346	$ -	$ -	$ 123,380
Income (loss) before undernoted	35,223	7,362	731	644	-	(5,761)	38,199
Depreciation, depletion and amortization	(33,150)	(3,962)	(6,184)	(17)	-	(170)	(43,483)
General exploration and project investigation	(2,879)	(437)	(152)	(1,092)	-	(701)	(5,261)
Interest and bank charges	(596)	(662)	(59)	-	-	(2,677)	(3,994)
Foreign exchange (loss) gain	(4,821)	287	1,224	35	-	(3,928)	(7,203)
Loss from equity investment in Tenke Fungurume	-	-	-	-	(895)	-	(895)
Other income and expenses	(1,161)	207	2,443	213	-	357	2,059
Income tax recovery (expense)	3,177	721	1,024	(259)	-	1,785	6,448
Net (loss) income from continuing operations	(4,207)	3,516	(973)	(476)	(895)	(11,095)	(14,130)
Gain from discontinued operations	5,573	-	-	-	-	-	5,573
Net income (loss)	$ 1,366	$ 3,516	$ (973)	$ (476)	$ (895)	$ (11,095)	$ (8,557)
Capital assets*	$ 998,211	$ 153,373	$ 117,171	$ 6,317	$ 1,575,848	$ 1,658	$ 2,852,578
Total segment assets	$ 1,286,133	$ 285,194	$ 232,555	$ 35,547	$ 1,575,848	$ 34,656	$ 3,449,933
Capital expenditures	$ 23,687	$ 5,600	$ 4,205	$ 114	$ -	$ -	$ 33,606

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

(Tabular amounts in thousands of US dollars, narrative amounts in US dollars, unless otherwise indicated)

14. SUPPLEMENTAL CASH FLOW INFORMATION

	Three months ended March 31,	
	2010	2009
Changes in non-cash working capital items consist of:		
Accounts receivable and other current assets	**$ 42,107**	$ (22,750)
Accounts payable and other current liabilities	**9,014**	(69,183)
	$ 51,121	$ (91,933)
Operating activities included the following cash payments		
Interest paid	**$ 2,150**	$ 1,712
Income taxes paid	**$ 2,372**	$ 2,242

15. SUBSEQUENT EVENT

On April 13, 2010, the Company completed the sale of the Salave gold project in northern Spain for gross proceeds of €0.5 million and 5,296,688 shares of the purchaser.