



KGHM INTERNATIONAL LTD.
Condensed Interim Consolidated Financial Statements
June 30, 2013
(Expressed in millions of U.S. dollars, except where indicated)
(Unaudited)

KGHM International Ltd.

**CONDENSED CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION**

(US Dollars in Millions)
(Unaudited)

	<i>Notes</i>	June 30, 2013	December 31, 2012
ASSETS			
Current			
Cash and cash equivalents		385.9	537.4
Trade and other receivables	7	180.7	306.0
Inventory	6	154.4	140.8
Marketable securities	9	26.1	46.9
Current corporate tax receivables		13.7	22.5
Total Current Assets		760.8	1,053.6
Mineral properties, property, plant and equipment	10	926.4	938.5
Intangible assets	11	379.7	366.9
Sierra Gorda JV- Investment	5(a)	523.3	521.1
Sierra Gorda JV- Subordinated loans	5(b)	779.7	474.2
Notes receivable	23	103.1	101.2
Environmental trust and bonds		106.8	102.9
Other non-current assets	8	39.3	41.3
Deferred income tax assets		77.9	90.7
Total Non-Current Assets		2,936.2	2,636.8
Total Assets		3,697.0	3,690.4
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	12	117.8	139.6
Current provisions	13	3.2	6.6
Other current liabilities		4.0	1.6
Derivative liabilities	17	8.5	10.7
Current portion of deferred revenue	14	9.2	15.9
Current corporate tax liabilities		3.4	9.6
Total Current Liabilities		146.1	184.0
Borrowings and finance lease liabilities	15	496.8	489.5
Deferred revenue	14	163.8	162.7
Provisions	16	97.6	93.4
Derivative liabilities	17	43.0	46.0
Deferred income tax liabilities		213.5	217.4
Total Non-Current Liabilities		1,014.7	1,009.0
Total Liabilities		1,160.8	1,193.0
Shareholders' Equity			
Share capital	18	1,851.5	1,851.5
Contributed surplus		-	-
Accumulated other comprehensive gain (loss)		0.1	(22.2)
Retained earnings		684.6	668.1
Total Shareholders' Equity		2,536.2	2,497.4
Total Liabilities and Shareholders' Equity		3,697.0	3,690.4

Commitments (Note 26), Contingencies (Note 27), Subsequent Events (Note 28)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

KGHM International Ltd.

**CONDENSED CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME**

(US Dollars in Millions)

(Unaudited)

	<i>Notes</i>	Three months ended June 30, 2013	Three months ended June 30, 2012	Six months ended June 30, 2013	Six months ended June 30, 2012
Net revenues	19	314.3	336.9	586.3	649.3
Cost of sales	19	287.4	338.0	495.5	594.2
Income (loss) from mining operations		26.9	(1.1)	90.8	55.1
General and administrative	21	9.0	7.0	26.7	26.6
Finance income	22(a)	(19.5)	(6.2)	(36.1)	(8.8)
Finance expense	22(b)	11.7	10.7	22.7	21.1
Other income	22(c)	(11.4)	(11.4)	(17.8)	(28.3)
Other expense		0.4	2.3	2.5	2.3
Impairment of marketable securities	9	8.3	-	35.1	-
Foreign exchange loss (gain)		15.8	10.4	15.4	(0.2)
Transaction costs for merger and acquisition		-	1.0	-	27.3
Earnings before income taxes		12.6	(14.9)	42.3	15.1
Income tax expense	20	(10.9)	(12.8)	(25.8)	(10.1)
Earnings (loss) for the period		1.7	(27.7)	16.5	5.0
Other comprehensive income (loss)					
Unrealized gain (loss) on marketable securities	9	0.1	(12.3)	(4.5)	(11.0)
Reversal of unrealized gain on marketable securities		-	-	-	(0.1)
Impairment of marketable securities	9	-	-	26.8	-
Total comprehensive income (loss)		1.8	(40.0)	38.8	(6.1)
Earnings (loss) per share					
Basic		\$ 0.01	\$ (0.14)	\$ 0.08	\$ 0.03
Diluted		\$ 0.01	\$ (0.14)	\$ 0.08	\$ 0.03
Weighted average shares outstanding - basic		199.8	199.8	199.8	197.8
Weighted average shares outstanding - diluted		199.8	199.8	199.8	197.8

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

KGHM International Ltd.

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN
SHAREHOLDERS' EQUITY**

(US Dollars in Millions)
(Unaudited)

	<i>Notes</i>	Share capital	Contrib. surplus	Accu. other comp. income	Retained earnings	Total
Balances, January 1, 2013		1,851.5	-	(22.2)	668.1	2,497.4
Unrealized loss on marketable securities		-	-	(4.5)	-	(4.5)
Impairment of marketable securities	9	-	-	26.8	-	26.8
Earnings for the period		-	-	-	16.5	16.5
Balances, June 30, 2013		1,851.5	-	0.1	684.6	2,536.2

	<i>Notes</i>	Share capital	Contrib. surplus	Accu. other comp. income	Retained earnings	Total
Balances, January 1, 2012		1,706.3	35.9	(15.2)	564.3	2,291.3
Stock options exercised		2.9	-	-	-	2.9
Warrants exercised		107.9	-	-	-	107.9
Stock-based compensation		-	(18.2)	-	-	(18.2)
Exercise of converted FNX warrants		-	12.8	-	-	12.8
Transfer to share capital for stock options and warrants exercised		30.5	(30.5)	-	-	-
Reversal of unrealized gain on marketable securities		-	-	(0.1)	-	(0.1)
Unrealized gain on marketable securities	9	-	-	(11.0)	-	(11.0)
Earnings for the period		-	-	-	5.0	5.0
Balances, June 30, 2012		1,847.6	-	(26.3)	569.3	2,390.6

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KGHM International Ltd.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(US Dollars in Millions)

(Unaudited)

	<i>Notes</i>	Three months ended June 30, 2013	Three months ended June 30, 2012	Six months ended June 30, 2013	Six months ended June 30, 2012
OPERATING ACTIVITIES					
Earnings for the period		1.7	(27.7)	16.5	5.0
Adjustment for:					
Stock-based compensation		-	-	-	0.7
Amortization, depletion and depreciation		37.3	37.4	68.5	70.7
Depreciation capitalized to deferred stripping asset		(0.9)	-	(0.9)	-
Inventory writedown		-	26.0	-	26.0
Impairment of marketable securities	9	8.3	-	35.1	-
Gain on derivatives	17	(5.1)	(5.2)	(5.2)	(14.9)
Amortization of deferred revenue	14	(2.5)	(2.0)	(5.6)	(4.6)
Foreign exchange loss (gain)		13.2	6.5	11.8	(3.1)
Income tax expense	20	10.9	12.8	25.8	10.1
Finance income	22(a)	(17.5)	(6.2)	(32.2)	(8.8)
Finance expense		10.6	10.7	20.8	21.1
Other income		(0.3)	0.1	(0.3)	(0.3)
Other expense		1.6	0.9	3.6	1.7
		57.3	53.3	137.9	103.6
Net changes in non-cash working capital	24	91.8	(51.2)	59.3	(63.3)
Interest received		-	0.5	-	1.1
Interest paid		(19.4)	(19.4)	(19.4)	(19.4)
Income taxes paid		(0.9)	(26.9)	(14.3)	(53.9)
Cash provided from (used in) operating activities		128.8	(43.7)	163.5	(31.9)
INVESTING ACTIVITIES					
Additions to mineral properties, plant and equipment		(43.5)	(34.5)	(63.0)	(64.1)
Proceeds from disposal of mineral properties, plant and equipment		0.1	-	0.5	-
Decrease (increase) in other assets		-	0.3	-	(8.3)
Decrease (increase) in restricted cash	8	137.1	0.3	-	(0.3)
Deposits for environmental trust and bonds		(5.5)	(20.0)	(5.4)	(20.4)
Redemptions for environmental trust and bonds		1.1	-	1.1	-
Proceeds from sale of marketable securities	9	7.8	-	7.8	0.3
Increase in Sierra Gorda JV- Subordinated loans	5	(141.6)	(52.2)	(275.2)	(126.5)
Increase in Sierra Gorda JV- Investments		(0.9)	-	(0.9)	-
Notes receivable	23	-	(21.0)	34.6	(131.9)
Receipts from settling derivatives		-	-	-	3.4
Cash used in from investing activities		(45.4)	(127.1)	(300.5)	(347.8)
FINANCING ACTIVITIES					
Finance lease payments		(0.3)	-	(0.3)	-
Payments for issuance cost related to credit facility		(2.4)	-	(2.4)	-
Proceeds from issue of common shares		-	-	-	110.8
Payments for settlement of stock options		-	-	-	(18.8)
Cash (used in) provided from financing activities		(2.7)	-	(2.7)	92.0
Effect of foreign exchange rate changes on cash and cash equivalents		(13.2)	(6.5)	(11.8)	3.1
Net increase (decrease) in cash and cash equivalents during the period		67.5	(177.3)	(151.5)	(284.6)
Cash and cash equivalents, beginning of period		318.4	898.2	537.4	1,005.5
Cash and cash equivalents, end of period		385.9	720.9	385.9	720.9

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

**NOTES TO CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

(US Dollars in Millions)
Six months ended June 30, 2013
(Unaudited)

1. NATURE OF OPERATIONS

KGHM International Ltd. ("KGHMI" or the "Group") (formerly Quadra FNX Mining Ltd) ("Quadra FNX") was incorporated in Canada on May 15, 2002 under the British Columbia Company Act. KGHMI is a subsidiary of KGHM Polska Miedź S.A ("KGHM"), a company based in Poland that operates three mines and two smelter/refineries in Poland. KGHM acquired the Group through a court-approved Plan of Arrangement that closed on March 5, 2012.

The Group is in the business of developing and operating mines, with a focus on base metals, particularly copper. The Group's principal place of business is Canada. KGHMI's head office is located at Suite 500-200 Burrard Street, Vancouver, British Columbia, V6C 3L6. The Group has six operating mines: the Robinson mine in Nevada; the Levack mine, including the Morrison deposit, in Ontario; the Franke mine in Chile; the Carlota mine in Arizona; and the Podolsky and McCreedy West mines in Ontario. On September 14, 2011, the Group formed a joint venture ("Sierra Gorda JV") with Sumitomo Metal Mining Co. Ltd. and Sumitomo Corporation (collectively "Sumitomo") to develop the Sierra Gorda copper-molybdenum project in Chile (Note 5). The Group also owns an advanced exploration project ("Victoria") in Sudbury, Ontario.

The Robinson, Franke and Carlota mines are open pit copper mines, with some byproduct gold and molybdenum at Robinson, and the Levack/Morrison, Podolsky and McCreedy West (collectively "the Sudbury Operations") are underground mines producing copper with byproduct nickel, platinum, palladium and gold. The Sudbury Operations, the Victoria project and a mining services business ("DMC"), were acquired on May 20, 2010, when the Group completed a merger with FNX Mining Company Ltd. ("FNX").

2. BASIS OF PRESENTATION

a) Basis of presentation and measurement

The unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34 Interim financial reporting as issued by the International Accounting Standards Board ("IASB"). The condensed interim consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2012, which have been prepared in accordance with IFRS as issued by the IASB.

These condensed interim consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments and certain financial instruments which are measured at fair value. All financial information in these consolidated financial statements is presented in Millions of United States dollars.

These condensed interim consolidated financial statements were approved for issuance by the board of directors on August 7, 2013.

b) Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Group and its controlled subsidiaries. Control is achieved when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All subsidiaries are wholly-owned. Sierra Gorda JV of which the Group owns 55%, is accounted for using the equity method. The results of subsidiaries acquired or disposed of during the period are included in the Condensed Interim Consolidated Statements of Comprehensive Income from the effective date of acquisition or to the date of disposal. Intergroup balances and transactions are eliminated on consolidation.

**NOTES TO CONDENSED INTERIM CONSOLIDATED
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(US Dollars in Millions)
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c) Use of estimates and judgements

Areas of critical accounting estimates and judgments that have the most significant effect on the amounts recognized in the financial statements are disclosed in Note 2(c) of the Group's consolidated financial statements as at and for the year ended December 31, 2012.

d) New pronouncements

The Group has adopted the following new or amended IFRS pronouncements as at January 1, 2013:

- i) The Group adopted IFRIC-20, Stripping cost in the production phase of a surface mine ("IFRIC 20"). IFRIC 20 provides guidance on the accounting for the costs of stripping activity in the production phase of surface mining when two benefits accrue to the entity: useable ore and improved access to other ore bodies that can be mined in future periods. The Group's accounting policy was in compliance with IFRIC 20 during the comparatives period due to the nature of mining activity conducted during that period.
- ii) The Group adopted IFRS 13- Fair Value Measurement ("IFRS 13") and applied the standard prospectively as required by the transitional provisions. The standard provides a consistent definition of fair value and introduces consistent requirements for disclosures related to fair value measurements. There has been no change to the Group's methodology for determining the fair value for its financial assets and liabilities and, as such, the adoption of IFRS 13 did not result in any measurement adjustment as at January 1, 2013.

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared using the same accounting policies as those disclosed in Note 3 to the Group's annual audited consolidated financial statements for the year ended December 31, 2012.

A number of new standards, amendments to standards, and interpretations are effective for annual periods beginning after January 1, 2014. These new standards and interpretations not yet adopted are disclosed in Note 3 to the Group's annual audited consolidated financial statements for the year ended December 31, 2012.

4. ACQUISITION BY KGHM POLSKA MIEDŹ S.A.

On March 5, 2012 KGHM, through its wholly owned subsidiary 0929260 BC Unlimited Liability Company ("Bidco"), acquired all of the issued and outstanding shares (193,334,154) of the Group for C\$2.9 billion. The transaction was structured as a court-approved Plan of Arrangement. Under the terms of the arrangement, Quadra FNX shareholders received C\$15.00 for each common share of Quadra FNX. All Quadra FNX trading warrants were acquired from warrant holders and exercised for common shares of Quadra FNX for C\$110.0 million. The purchase and exercise of these warrants was financed by a loan from Quadra FNX to Bidco in return of a promissory note with principal amount of \$110.9 bearing interest at 3.75% per annum (Note 23).

On March 12, 2012, Quadra FNX changed its name to KGHM International Ltd., and ceased to be a publicly-traded company on March 29, 2012.

**NOTES TO CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

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(Unaudited)

5. SIERRA GORDA JV

(a) Sierra Gorda JV- Investment

The Group and Sumitomo formed a joint venture on September 14, 2011 to develop the Sierra Gorda copper-molybdenum project in Chile. The joint venture operates through a jointly-controlled entity owned 55% by the Group and 45% by Sumitomo and is being accounted for using the equity method.

On March 8, 2012, the JV signed the \$1.0 billion Senior Project Loan agreement with a group of lenders led by Japan Bank for International Cooperation. The project loans have a 9.5 year term with an interest rate of LIBOR plus a margin. Drawings under the Senior Project Loans have been received amounting to \$920.0 as at June 30, 2013.

The Group's investment in Sierra Gorda at June 30, 2013 is \$523.3 (December 31, 2012 -\$521.1).

(b) Sierra Gorda JV- Subordinated loan

As of June 30, 2013 the Group had funded \$779.7 (December 31, 2012- \$474.2) to Sierra Gorda JV through a subordinated loan agreement. The balance as at June 30, 2013 includes accrued interest of \$48.1 (December 31, 2012- \$17.8) (Note 22(a)). Subject to the subordinated conditions to the Senior Project loans, interest and principal of the subordinated loan are payable on demand. The subordinate loan forms part of the security arrangement under the Senior Project loans.

(c) Contractual Commitments

As of June 30, 2013, the Group's proportionate 55% share of the contractual commitments at Sierra Gorda totaled \$2,044.4 including purchase orders for mining equipment, infrastructure and mine operating commitments after commencement of production. A portion of these commitments are expected to be funded from the \$1.0 billion Senior Project loan.

During the three months ended June 30, 2013, Sierra Gorda entered into lease agreements to lease various mine equipment. The Group's proportionate share of the minimum lease payments totaled \$14.1. These leases are accounted for as finance leases with a term of 84 months and bear an interest rate of 90-day LIBOR plus a spread.

6. INVENTORY

	June 30,	December 31,
	2013	2012
Robinson copper concentrate	5.1	12.0
Carlota leach pad inventory	54.3	49.8
Franke leach pad inventory	16.4	22.7
Copper cathode	16.9	7.4
Supplies	53.4	43.4
Robinson ore stockpile	7.7	5.2
Sudbury crushed ore inventory	0.6	0.3
	154.4	140.8

**NOTES TO CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

(US Dollars in Millions)
Six months ended June 30, 2013
(Unaudited)

7. TRADE AND OTHER RECEIVABLES

	June 30, 2013	December 31, 2012
Trade receivables	154.6	252.0
Receivable from Sierra Gorda JV (Note 23)	8.1	3.5
Receivable from Bidco (Note 23)	-	34.6
Receivable from other related parties	0.2	-
Prepaid expenses and advances to suppliers	14.4	11.2
Other receivables	3.4	4.7
	180.7	306.0

The net carrying value of trade and other receivables approximates fair value. The Group has multiple terms of payment with its customers depending on type of product shipped, and as such, the carrying values are the Group's maximum credit risk associated with each classification of receivables. These receivables are neither collateralized nor secured.

8. OTHER NON-CURRENT ASSETS

	June 30, 2013	December 31, 2012
Security deposits for equipment	1.4	1.8
Prepaid on long term contracts	7.2	7.7
Restricted cash	27.0	28.0
Other	3.7	3.8
	39.3	41.3

Restricted cash relates to various cash backed letters of credit including a letter of credit to BHP Billiton Canada Inc. for the work being performed by DMC Mining Services.

During the three months ended March 31, 2013 the Group provided a cash backed letter of credit amounting to \$137.5 to secure a power purchase agreement for the Sierra Gorda JV. During the three month ended June 30, 2013 the Group entered into a Corporate Facility (Note 15) which secured the \$137.5 letter of credit and the restricted cash was released to the Group.

9. MARKETABLE SECURITIES

As at June 30, 2013, the Group held available for sale securities with an original cost of \$57.5 (December 31, 2012 -\$69.0) and a fair value, based on their quoted market price of \$26.1 (December 31, 2012 -\$46.9). For the six months ended June 30, 2013, the Group recognized an impairment on available for sale marketable securities of \$35.1, of which \$12.8 related to the decline in fair value for the six months ended June 30, 2013. The impairment was recognized due to the fair value of the marketable securities being below cost for a prolonged period. In the three months ended June 30, 2013, the Group received \$7.8 in proceeds from disposal of marketable securities.

**NOTES TO CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

(US Dollars in Millions)
Six months ended June 30, 2013
(Unaudited)

10. MINERAL PROPERTIES, PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Mineral property acquisition and development	Machinery and equipment	Total
At December 31, 2012				
Cost	60.2	1,304.1	609.1	1,973.4
Accumulated depletion, depreciation and amortization	(20.9)	(270.5)	(206.8)	(498.2)
Accumulated impairment	(20.8)	(366.2)	(149.7)	(536.7)
Net book value	18.5	667.4	252.6	938.5

Period ended June 30, 2013

Change in Cost

Additions	0.1	36.4	25.2	61.7
Disposal	-	-	(3.8)	(3.8)
Increase in site closure and reclamation asset	-	0.4	-	0.4
Transfers	-	2.2	(6.2)	(4.0)
Subtotal	0.1	39.0	15.2	54.3

Change in Accumulated Amortization

Reversal of accumulated depletion, depreciation and amortization on disposal	-	-	1.4	1.4
Depletion, depreciation and amortization charge	(1.3)	(38.5)	(28.0)	(67.8)
Subtotal	(1.3)	(38.5)	(26.6)	(66.4)

At June 30, 2013

Cost	60.3	1,343.1	624.3	2,027.7
Accumulated depletion, depreciation and amortization	(22.2)	(309.0)	(233.4)	(564.6)
Accumulated impairment	(20.8)	(366.2)	(149.7)	(536.7)
Net book value	17.3	667.9	241.2	926.4

Additions to machinery and equipment include \$11.8 related to two finance leases agreements entered into in the three months ended June 30, 2013. Finance lease obligations are \$2.7 due within one year, \$5.1 due within one to three years and \$4.4 due after three years.

Additions to mineral property include deferred stripping costs of \$23.4 (Note 19).

**NOTES TO CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

(US Dollars in Millions)
Six months ended June 30, 2013
(Unaudited)

11. INTANGIBLE ASSETS

	Exploration and evaluation assets	Water rights	Other intangible assets	Software	Goodwill	Total
At December 31, 2012						
Cost	124.0	58.0	-	8.5	180.6	371.1
Accumulated depletion, depreciation and amortization	-	-	-	(4.2)	-	(4.2)
Net book value	124.0	58.0	-	4.3	180.6	366.9
Period ended June 30, 2013						
Change in Cost						
Additions	5.2	1.1	2.4	0.9	-	9.6
Transfers	4.0	-	-	-	-	4.0
Subtotal	9.2	1.1	2.4	0.9	-	13.6
Change in Accumulated Amortization						
Depletion, depreciation and amortization charge	-	-	(0.1)	(0.7)	-	(0.8)
Subtotal	-	-	(0.1)	(0.7)	-	(0.8)
At June 30, 2013						
Cost	133.2	59.1	2.4	9.4	180.6	384.7
Accumulated depletion, depreciation and amortization	-	-	(0.1)	(4.9)	-	(5.0)
Net book value	133.2	59.1	2.3	4.5	180.6	379.7

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2013	December 31, 2012
Liabilities from deliveries and services	59.1	65.3
Liabilities from employee taxes and social security	3.3	3.6
Liabilities for wages	1.9	1.9
Other financial liabilities	2.0	2.9
Accrued expenses	51.5	65.9
	117.8	139.6

**NOTES TO CONDENSED INTERIM CONSOLIDATED
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(Unaudited)

13. CURRENT PROVISIONS

	June 30, 2013	December 31, 2012
Site closure and reclamation provision (Note 16)	1.4	5.4
Other	1.8	1.2
	3.2	6.6

14. DEFERRED REVENUE

The Group has recognized, as deferred revenue, a prepayment received previously by FNX from Franco-Nevada Corporation for the delivery of 50% of the contained gold, platinum and palladium in ore mined and shipped from the existing Sudbury Operations.

Balance - December 31, 2012	178.6
Recognized into revenue	(5.6)
Balance - June 30, 2013	173.0
Current	(9.2)
Non-current	163.8

15. BORROWINGS AND FINANCE LEASE LIABILITIES

	June 30, 2013	December 31, 2012
Borrowings	487.7	489.5
Finance lease	9.1	-
	496.8	489.5

Borrowings

	June 30, 2013	December 31, 2012
Senior notes	500.0	500.0
Senior note issue costs	(12.3)	(12.3)
Cumulative amortization of senior note issue costs	2.4	1.8
	490.1	489.5
Syndicated credit facility issue cost	(2.4)	-
	487.7	489.5

During June 2011, the Group issued \$500.0 aggregate principal amount of 7.75% senior unsecured notes ("Notes") due 2019 in a private placement which is carried at amortized cost. The fair market value of the notes at June 30, 2013 is \$504.0 (December 31, 2012 - \$522.0) based on a trading price of 100.8 (December 31, 2012 -104.3) per 100.

**NOTES TO CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

(US Dollars in Millions)
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(Unaudited)

During the three months ended June 30, 2013 the Group entered into a \$200 million senior secured revolving corporate credit facility (“the Corporate Facility”) with a syndicate of banks dated for reference June 19, 2013. The Corporate Facility matures on June 19, 2017 and bear interest at LIBOR plus a margin dependent on the Group’s net indebtedness to rolling EBITDA ratio.

The Corporate Facility is secured against the present and future real property of the Group, excluding assets related to Sierra Gorda and is subject to maintenance of ratios relating to (i) interest coverage (ii) net indebtedness to rolling EBITDA and maintenance of tangible net worth. In addition until certain security interests are perfected, such interests to be completed by June 19, 2014, the Group must maintain a cash balance of \$100 million in North American based accounts. Failure to maintain these and other standard covenants for the facility of this type could result in the termination and repayment of the Corporate Facility.

The Group was in compliance with the covenants of the Corporate Facility during the period ended June 30, 2013.

At June 30, 2013 the Group had issued a letter of credit under the Corporate Facility in the amount of \$137.5 million in connection with its obligations under the Sierra Gorda JV power purchase agreement.

16. PROVISIONS

	June 30,	December 31,
	2013	2012
Site closure and reclamation provision	95.0	90.6
Carlota termination benefits	2.6	2.8
	97.6	93.4

Site closure and reclamation provisions are as under:

Balance at December 31, 2012	96.0
Change in estimated timing and amount of closure cost	4.5
Decrease in provision due to change in discount rate	(4.5)
Reclamation work done to reduce liability	(0.4)
Unwinding of discount	0.8
Balance at June 30, 2013	96.4
Current	1.4
Non Current	95.0

Discount rates used in the estimation of the provision at June 30, 2013 were 1.44% - 2.55% for US operations, 2.30% for Chile operations and 2.44% for Canadian operations (for December 31, 2012 the discount rates used were 1.20 - 1.80%, 2.60% and 1.80% respectively).

The reclamation cost estimates are discounted at a pre-tax risk free rate specific to each liability.

During the three months ended June 30, 2012, the Robinson mine revised its reclamation plan and cost estimates as required by the United States Bureau of Land Management. As a result, an increase in the provision of \$4.5 was recorded.

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The closure cost estimates are subject to change based on amendments to laws and regulations. The Group is not able to determine the impact on its financial position, if any, of environmental laws and regulations that may be enacted in the future.

17. DERIVATIVE INSTRUMENTS

As at June 30, 2013 the Group's derivative instruments comprised of long-term supply contracts as noted in 17(a) below.

The gain on derivatives is comprised of the following and is included in other income (Note 22 (c)):

	Three months ended June 30, 2013	Three months ended June 30, 2012	Six months ended June 30, 2013	Six months ended June 30, 2012
Long-term supply contracts (a)	(5.1)	(5.2)	(5.2)	-
Warrants (b)	-	-	-	(7.6)
Foreign currency forward contracts (c)	-	-	-	(7.4)
Copper put options	-	-	-	0.1
	(5.1)	(5.2)	(5.2)	(14.9)

(a) Long-term supply contracts

The Group has long-term supply contracts for sulphuric acid and water with contracted prices that are subject to adjustment based on the prevailing copper prices. The acid contract has a low base price, but requires an additional \$2.50/tonne to be paid for each \$0.10/lb that the copper price exceeds \$1.10/lb. Similarly, the water contract requires that an additional \$0.08/cubic metre be paid for each \$0.15/lb that copper price exceeds \$1.50/lb. The minimum commitment under the contracts is estimated to be \$4.1 per annum for acid and \$1.1 per annum for water.

These copper price escalation clauses create embedded derivatives in the acid and water supply contracts. As of June 30, 2013, the fair value of the embedded derivative liabilities was determined to be \$51.5, based on the following significant assumptions:

- Copper price of \$2.89/lb to \$3.26/lb for 2013 to 2022.
- Discount rate: 11%

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(b) Warrants

The Group's warrants were accounted for as a derivative financial liability. Although the exercise price of the warrants was fixed in Canadian dollars, the functional currency of the Group is the US dollar. Accordingly, the foreign exchange effect results in the warrants being classified as a derivative financial liability as the Group will report a variable amount of cash in US dollars.

During the six months ended June 30, 2012, 1,055,888 Lender Warrants were exercised for proceeds of C\$9.8 million, resulting in a gain of \$7.6 from the retirement of the warrant derivative liability. The remaining 40,556 Lender Warrants expired unexercised. The Group did not issue any warrants after June 30, 2012.

(c) Foreign currency forward contracts

The Group is required to fund significant amounts of capital asset investment for Sierra Gorda in Chilean Pesos. The Group entered into a number of foreign currency contracts to sell \$200.0 in exchange for 101,150 million Chilean Pesos on various dates.

The foreign currency contracts were recognized at fair value and recorded on the consolidated balance sheet. During the six month period ended June 30, 2012, the Group settled all of the foreign currency contracts and received \$3.4 from the counterparty resulting in a gain of \$7.4. The Group did not enter into any forward currency contracts after June 30, 2012.

18. SHARE CAPITAL

(a) Common Shares

The Group has authorized share capital of 1,000,000,000 common shares ("Shares") with no par value.

	Number of Shares	Amount
Balance at January 1, 2013	199,836,316	1,851.5
Capital stock issued	-	-
Balance at June 30, 2013	199,836,316	1,851.5

(b) Stock Options and Share-Based Payments

The Group's stock option plan, RSU plan and PSU plan were cancelled on March 5, 2012 in connection with the Plan of Arrangement. These plans were replaced with a long term incentive plan with a threshold of 8% growth per year. The expenses related to this plan are included in employee benefit expenses (Note 21).

In accordance with the Plan of Arrangement, holders of stock options, performance share units (PSUs), and restricted share units (RSUs) would receive the cash consideration to which they are entitled pursuant to the terms of the relevant plans. On March 5, 2012, all stock options, PSUs, and RSUs were vested or earned by relevant holders resulting in the Group paying out respective cash considerations. Any remaining "out-of-the-money" stock options and share-base payments not paid were cancelled immediately thereafter.

On March 5, 2012, \$18.8 was paid to settle "in-the-money" stock options with the remaining "out-of-the-money" stock options cancelled immediately thereafter. On March 5, 2012, \$6.2 was paid to settle all 415,189 RSUs outstanding and \$1.5 was paid to settle all 102,155 PSUs outstanding.

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19. SEGMENTED INFORMATION

The Group's reportable operating segments are individual mine operations and development projects, being Robinson, Carlota, Franke, Sudbury Operations, DMC, other mineral properties and Corporate. The corporate segment is responsible for the oversight of the Group's mineral properties and corporate administration. The Sudbury operations of the Group holds the goodwill established during the merger with FNX Mining Ltd. on May 20, 2010.

For the three months ended June 30, 2013

	Robinson (USA) ^(a)	Carlota (USA)	Franke (Chile)	Sudbury Operations (Cda) ^(a)	DMC	Corporate & Other	Total
Copper revenues	132.5	18.1	28.6	32.6	-	-	211.8
Nickel revenues	-	-	-	15.1	-	-	15.1
Other by - product revenues	27.5	-	-	7.7	-	-	35.2
Contract mining revenues	-	-	-	-	71.0	-	71.0
Treatment charges	(9.5)	-	-	(9.3)	-	-	(18.8)
Net revenues	150.5	18.1	28.6	46.1	71.0	-	314.3
Depreciation and amortization	9.3	-	4.4	21.9	1.1	-	36.7
Employee benefits expense	17.7	4.2	6.6	11.0	10.4	-	49.9
Raw materials, other consumables and energy	43.2	9.0	19.3	10.5	0.8	-	82.8
Office expenses	6.3	0.7	1.9	3.1	0.6	-	12.6
External services	4.7	1.3	4.3	7.1	53.1	-	70.5
Royalties and mineral taxes	4.8	0.6	-	-	-	-	5.4
Changes in inventories	36.4	(2.1)	4.3	1.3	-	-	39.9
Distribution costs	10.3	-	0.4	2.3	-	-	13.0
Deferred stripping costs capitalized	(23.4)	-	-	-	-	-	(23.4)
Income (loss) from operations	41.2	4.4	(12.6)	(11.1)	5.0	-	26.9
General and administrative	-	-	-	-	-	9.0	9.0
Finance income	-	-	-	-	-	(19.5)	(19.5)
Finance expense	-	-	-	-	-	11.7	11.7
Other income	-	-	-	-	-	(11.4)	(11.4)
Other expense	-	-	-	-	-	0.4	0.4
Impairment of marketable securities	-	-	-	-	-	8.3	8.3
Foreign exchange loss	-	-	-	-	-	15.8	15.8
Segment earnings (loss) before tax	41.2	4.4	(12.6)	(11.1)	5.0	(14.3)	12.6
Capital expenditures	28.4	-	2.7	9.2	1.8	2.0	44.1
Segment non-current assets as at June 30, 2013	323.6	74.4	127.2	766.0	42.0	1,603.0	2,936.2
Segment assets as at June 30, 2013	521.8	145.9	194.0	862.7	124.6	1,848.0	3,697.0

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	Robinson (USA)	Carlota (USA)	Franke (Chile)	Sudbury Operations (Cda)	DMC	Corporate & Other	Total
Copper revenues	108.5	20.0	41.7	46.6	-	-	216.8
Nickel revenues	-	-	-	16.5	-	-	16.5
Other by-product revenues	19.0	-	-	7.7	-	-	26.7
Contract mining revenues	-	-	-	-	94.9	-	94.9
Treatment charges	(6.9)	-	-	(11.1)	-	-	(18.0)
Net revenues	120.6	20.0	41.7	59.7	94.9	-	336.9
Depreciation and amortization	8.9	-	5.8	21.5	1.2	-	37.4
Employee benefits expense	16.8	4.4	5.8	12.8	9.4	-	49.2
Raw materials, other consumables and energy	42.0	9.7	20.9	11.4	0.1	-	84.1
Office expenses	3.4	1.4	1.8	(1.9)	0.6	-	5.3
External services	5.1	1.1	4.8	10.4	74.7	-	96.1
Royalties and mineral taxes	3.7	1.0	-	-	-	-	4.7
Cost of sales inventory write-off	-	-	26.0	-	-	-	26.0
Changes in inventories	19.1	(1.1)	1.5	(0.8)	-	-	18.7
Distribution costs	11.8	-	1.2	3.5	-	-	16.5
Income (loss) from operations	9.8	3.5	(26.1)	2.8	8.9	-	(1.1)
General and administrative	-	-	-	-	-	7.0	7.0
Finance income	-	-	-	-	-	(6.2)	(6.2)
Finance expense	-	-	-	-	-	10.7	10.7
Other income	-	-	-	-	-	(11.4)	(11.4)
Other expense	-	-	-	-	-	2.3	2.3
Foreign exchange loss	-	-	-	-	-	10.4	10.4
Transaction costs for merger and acquisition	-	-	-	-	-	1.0	1.0
Segment earnings (loss) before tax	9.8	3.5	(26.1)	2.8	8.9	(13.8)	(14.9)
Capital expenditures	3.9	0.1	7.4	7.0	3.8	12.1	34.3
Segment non-current assets as at June 30, 2012	310.6	140.8	134.9	806.9	43.5	940.4	2,377.1
Segment assets as at June 30, 2012	531.8	206.8	199.0	1,111.9	137.1	1,442.5	3,629.1

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	Robinson (USA) ^(a)	Carlota (USA)	Franke (Chile)	Sudbury Operations (Cda) ^(a)	DMC	Corporate & Other	Total
Copper revenues	219.0	38.3	56.1	75.8	-	-	389.2
Nickel revenues	-	-	-	32.8	-	-	32.8
Other by - product revenues	46.7	-	-	18.1	-	-	64.8
Contract mining revenues	-	-	-	-	134.5	-	134.5
Treatment charges	(15.7)	-	-	(19.3)	-	-	(35.0)
Net revenues	250.0	38.3	56.1	107.4	134.5	-	586.3
Depreciation and amortization	17.2	-	9.7	38.5	2.2	-	67.6
Employee benefits expense	35.3	8.5	14.1	22.3	21.7	-	101.9
Raw materials, other consumables and energy	83.8	18.8	37.9	22.1	0.8	-	163.4
Office expenses	9.5	1.5	4.5	5.1	1.2	-	21.8
External services	9.2	2.5	9.1	16.6	94.5	-	131.9
Royalties and mineral taxes	7.8	1.6	-	-	-	-	9.4
Changes in inventories	4.0	(4.7)	(2.9)	(0.2)	-	-	(3.8)
Distribution costs	20.8	-	0.7	5.2	-	-	26.7
Deferred stripping costs capitalized	(23.4)	-	-	-	-	-	(23.4)
Income (loss) from operations	85.8	10.1	(17.0)	(2.2)	14.1	-	90.8
General and administrative	-	-	-	-	-	26.7	26.7
Finance income	-	-	-	-	-	(36.1)	(36.1)
Finance expense	-	-	-	-	-	22.7	22.7
Other income	-	-	-	-	-	(17.8)	(17.8)
Other expense	-	-	-	-	-	2.5	2.5
Impairment of marketable securities	-	-	-	-	-	35.1	35.1
Foreign exchange loss	-	-	-	-	-	15.4	15.4
Segment earnings (loss) before tax	85.8	10.1	(17.0)	(2.2)	14.1	(48.5)	42.3
Capital expenditures	33.0	-	2.0	17.3	2.3	4.0	58.6
Segment non-current assets as at June 30, 2013	323.6	74.4	127.2	766.0	42.0	1,603.0	2,936.2
Segment assets as at June 30, 2013	521.8	145.9	194.0	862.7	124.6	1,848.0	3,697.0

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	Robinson	Carlota	Franke	Sudbury			
	(USA)	(USA)	(Chile)	Operations	DMC	Corporate	Total
				(Cda)		& Other	
Copper revenues	201.2	39.5	77.4	112.2	-	-	430.3
Nickel revenues	-	-	-	39.8	-	-	39.8
Other by - product revenues	30.2	-	-	17.0	-	-	47.2
Contract mining revenues	-	-	-	-	167.3	-	167.3
Treatment charges	(11.0)	-	-	(24.3)	-	-	(35.3)
Net revenues	220.4	39.5	77.4	144.7	167.3	-	649.3
Depreciation and amortization	18.4	-	8.1	41.8	2.1	-	70.4
Employee benefits expense	33.6	9.2	11.7	27.8	17.0	-	99.3
Raw materials, other consumables and energy	85.6	20.2	41.1	23.5	0.1	-	170.5
Office expenses	6.0	2.5	3.9	0.1	1.2	-	13.7
External services	11.2	2.2	8.6	19.8	133.1	-	174.9
Royalties and mineral taxes	6.5	1.9	-	-	-	-	8.4
Cost of sales inventory write-off	-	-	26.0	-	-	-	26.0
Changes in inventories	11.1	(2.3)	(6.2)	(1.0)	-	-	1.6
Distribution costs	20.0	-	2.1	7.3	-	-	29.4
Income (loss) from operations	28.0	5.8	(17.9)	25.4	13.8	-	55.1
General and administrative	-	-	-	-	-	26.6	26.6
Finance income	-	-	-	-	-	(8.8)	(8.8)
Finance expense	-	-	-	-	-	21.1	21.1
Other income	-	-	-	-	-	(28.3)	(28.3)
Other expense	-	-	-	-	-	2.3	2.3
Foreign exchange gain	-	-	-	-	-	(0.2)	(0.2)
Transaction costs for merger and acquisition	-	-	-	-	-	27.3	27.3
Segment earnings (loss) before tax	28.0	5.8	(17.9)	25.4	13.8	(40.0)	15.1
Capital expenditures	10.8	-	10.2	14.9	8.6	18.9	63.4
Segment non-current assets as at June 30, 2012	310.6	140.8	134.9	806.9	43.5	940.4	2,377.1
Segment assets as at June 30, 2012	531.8	206.8	199.0	1,111.9	137.1	1,442.5	3,629.1

- (a) Revenues at Robinson and Sudbury Operations are from concentrate and ore sales are recorded provisionally at the time of sale based on forward prices for the expected date of the final settlement. Subsequent variations in price are recognized as revenue adjustments as they occur until the price is finalized. At June 30, 2013, 31 million pounds of copper have been provisionally valued at an average price of \$3.07 per pound. The final pricing for these provisionally priced sales is expected to occur between July and September 2013.

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20. INCOME TAXES

For the six month period ended June 30, 2013, the Group recognized a current income tax expense of 16.9 (June 30, 2012- \$17.3 current income tax expense) and a deferred income tax expense of 8.9 (June 30, 2012- \$7.2 deferred income tax recovery). The income tax expense for the six months ended June 30, 2013 has been recorded based on a forecasted effective income tax rate of 29% (June 30, 2012-23%). The forecast of the annual effective income tax rate includes assumptions regarding metal prices, mine production and costs.

Management believes that uncertainty exists regarding the realization of certain deferred tax assets and therefore the economic benefit of the available tax deduction has not been recognized. The Group has not recognized the benefit of U.S. Alternative Minimum Tax credits, the tax basis of Carlota in excess of the acquisition price and certain non-capital losses.

The Group has foreign subsidiaries that have undistributed earnings. The Group can control the timing of the repatriation of undistributed earnings, and it is probable that these earnings will not be repatriated in the foreseeable future. Therefore, deferred income taxes have not been provided in respect of these earnings.

21. GENERAL AND ADMINISTRATIVE

	Three months ended June 30, 2013	Three months ended June 30, 2012	Six months ended June 30, 2013	Six months ended June 30, 2012
Employee benefits expenses	6.7	2.8	16.0	18.1
Legal and professional services	(1.4)	2.3	3.3	2.8
Office and communication expenses	3.6	1.7	7.5	5.2
Insurance expenses and property taxes	0.1	0.2	(0.1)	0.5
	9.0	7.0	26.7	26.6

22. FINANCE INCOME AND EXPENSE

(a) Finance Income

Finance income for the six months ended June 30, 2013 of \$36.1 (June 30, 2012 -\$8.8) is primarily related to interest earned on short-term investments of \$3.9 (June 30, 2012 -\$4.2), interest on subordinate loans to Sierra Gorda JV of \$30.3 (June 30, 2012 -\$3.3) and interest on notes receivable of \$1.9 (June 30, 2012 - \$1.3) (Note 23).

(b) Finance Expenses

Finance expense for the six months ended June 30, 2013 of \$22.7 (June 30, 2012-\$21.1) is primarily comprised of \$19.4 interest expense related to senior notes (June 30, 2012-\$19.4) (Note 15).

(c) Other Income

Other Income for the six months ended June 30, 2013 of \$17.8 (June 30, 2012- \$28.3) is primarily comprised of management fees from Sierra Gorda JV of \$12.5 (June 30, 2012 -\$12.5) (Note 23) and gain on derivatives (Note 17).

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23. RELATED PARTY TRANSACTIONS AND BALANCES

Upon formation of the Sierra Gorda JV, the joint venture became a related party with the Group. The amount due from the Sierra Gorda JV is \$8.1 at June 30, 2013 (December 31, 2012 -\$3.5) (Note 7). This amount is repayable in the normal course of business. The Group earned management fees of \$12.5 (June 30, 2012 -\$12.5) from the Sierra Gorda JV during the six months ended June 30, 2013, which were included in other income (Note 22(c)). In July 2013, the Group and Sumitomo agreed to defer 50% of the payment of management fees to the Group until the financial completion of the Sierra Gorda project.

On March 5, 2012, the Group loaned \$110.9 to Bidco for the purchase and exercise of FNX Warrants in conjunction with the Plan of Arrangement. The obligation with respect to the loan is evidenced by a promissory note payable to the Group. In Q1 2013, the maturity date was extended to March 5, 2014. Interest on the outstanding principal is calculated at 3.75% per annum payable in arrears on the maturity date, or on the date which the principal amount is paid by Bidco. Bidco repaid \$13.2 of the above principal and interest on February 28, 2013.

The balance as at June 30, 2013, includes principal of \$98.2 and accrued interest of \$4.9. The remaining principal and interest is not expected to be received during the next twelve months.

In the second quarter of 2012, the Group loaned \$20.7 in the form of a Canadian dollar promissory note to Bidco to fund its capital investment. The note is non-interest bearing and was payable on demand. Bidco repaid the note on February 28, 2013.

24. SUPPLEMENTARY CASH FLOW INFORMATION

Changes in non-cash working capital consisted of the following:

	Three months ended June 30, 2013	Three months ended June 30, 2012	Six months ended June 30, 2013	Six months ended June 30, 2012
(Increase) decrease in receivables	57.4	(72.8)	91.1	(80.4)
(Increase) decrease in inventory	36.1	16.7	(13.6)	(1.1)
Decrease in other non-current asset	0.7	-	1.0	-
Increase (decrease) in accounts payable and accrued liabilities	(2.4)	10.7	(19.2)	18.2
Decrease in provision	-	(5.8)	-	-
	91.8	(51.2)	59.3	(63.3)

Non-cash investing and financing activities:

Increase (decrease) in mineral properties, plant and equipment purchases in accruals	(0.4)	1.7	(4.4)	2.1
Increase in additions to mineral properties, plant and equipment due to finance lease	11.8	-	11.8	-

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25. FINANCIAL INSTRUMENTS

Financial instruments are classified as held for trading, loans and receivables, available for sale or other financial liabilities. Financial instruments carried at fair value on the consolidated balance sheet are classified within a fair value hierarchy that prioritizes the inputs to fair value measurements. The three levels of the fair value hierarchy are:

- Level 1 – Quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

At June 30, 2013 and December 31, 2012, the carrying value of financial instruments were approximately their fair value except for the senior notes with a carrying value of \$489.8 (2011 - \$489.4) and a fair value of \$504.0 (2012 - \$522.) (Note 15). The fair value hierarchy for the Group's financial instruments at June 30, 2012 and December 31, 2012 are as follows:

- Level 1: Marketable securities.
- Level 2: Receivable for provisionally priced metal sales, lender warrants, derivative assets, derivatives and embedded derivatives liabilities

Level 1 – Quoted Prices in Active Markets for Identical assets or liabilities.

Marketable equity securities are valued using quoted market prices in active markets (Note 9). Accordingly, these items are included in Level 1 of the fair value hierarchy.

Level 2 – Significant other observable inputs

Derivative instruments are included in Level 2 of the fair value hierarchy as they are valued using discounted cash flow models. These models require a variety of inputs, including, but not limited to, contractual terms, market prices, forward price curves, long term price estimates. These inputs are obtained from or corroborated with the market where possible. The significant assumptions are described in Note 17(a).

Also included in Level 2 are settlements expected from provisional pricing on concentrate and ore sales because they are valued using quoted market prices.

The Group does not have any level 3 financial instruments.

The Group's activities expose it to a variety of financial risks: currency risk, credit risk, liquidity risk, interest rate risk, commodity price risk and liquidity risk. The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 31 December 2012. These risks are assessed regularly and when appropriate the Group takes steps to mitigate these risks. There have been no changes in the risk management department or in any risk management policies since the year end.

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26. COMMITMENTS

As at June 30, 2013 the commitments of the Group were \$130.5 in relation to capital projects, rent and contractual obligation. Commitments of \$20.2 are due within one year, \$73.3 are due within one to three years and \$37.0 are due after three years.

Commitments that pertain to Sierra Gorda are disclosed in Note 5(c)

27. CONTINGENCIES

- (a) In the normal course of business DMC enters into agreements that contain indemnification commitments and may contain features that meet the expanded definition of guarantees. The terms of these indemnification agreements will vary based on the contract and typically do not provide for a limit on the maximum potential liability. The Group has not made any payments under such indemnifications and no amounts have been accrued in the consolidated financial statements with respect to these indemnification commitments.
- (b) The Group is subject to lawsuits from time to time, existing litigation is not considered to be likely to have a material impact on the financial statements.

28. SUBSEQUENT EVENTS

An agreement was signed on August 1, 2013, between the Group and Vale Canada Limited (Vale), a wholly-owned subsidiary Vale S.A., regarding the development of the Victoria project as well as the ore off-take to Vale's processing facilities in Sudbury, Canada. The Group has obtained the right to build and operate the Victoria project as the sole owner. Furthermore, the agreement finalizes the processing and payable metal terms on the ores that are processed in Vale's facilities from the Group's Sudbury Operations, including the future Victoria mine. The new off-take arrangement is agreed to be effective from January 1, 2013 and retroactive adjustments are expected to be agreed by the parties before the end of 2013. There is no material impact on the condensed interim consolidated financial statements related to the revised terms on ore shipped in prior periods.