INMET

MINING

Quarterly Report
Three Months Ended March 31, 2013

All amounts in US dollars unless indicated otherwise

Management's Interim Discussion and Analysis

The following is management's interim discussion and analysis of operations and consolidated financial condition and should be read in conjunction with the 2012 annual consolidated audited financial statements and management's discussion and analysis.

Highlights

- **Strong earnings from operations**
  Earnings from operations were $140 million compared to $146 million in the first quarter of 2012. The impact of higher copper sales volumes at Las Cruces resulting from higher production volumes was offset by lower realized metals prices. Additionally, operating earnings in the first quarter of 2012 benefited from the timing of shipments at Çayeli, where copper sales volumes exceeded its production volumes by 3,000 tonnes.

- **First Quantum successfully acquires Inmet**
  On March 22, 2013 FQM (Akubra) Inc., a wholly owned subsidiary of First Quantum Minerals Ltd (First Quantum) acquired 86.6 percent of the issued and outstanding common shares of Inmet, and on April 2, 2013, it acquired a further 7.3 percent. On April 30, 2013, FQM (Akubra) Inc. acquired the remaining common shares of Inmet it did not already own through a compulsory acquisition, and Inmet Mining ceased to be a publicly traded company.

- **Costs associated with First Quantum's takeover reduced net income**
  Inmet incurred $65 million (or $0.94 per share) in connection with First Quantum's acquisition of Inmet, including $35 million related to the accelerated settlement of stock-based compensation plans, as well as costs for financial and legal advisors and termination benefits. Adjusting for these costs, comparative net income this quarter was $1.32 per share, in-line with comparative net income per share of $1.34 in the first quarter of 2012.

Key financial data

(thousands, except per share amounts)	three months ended March 31 **2013**	2012	**change**
FINANCIAL HIGHLIGHTS			
Sales			
Gross sales	**$276,250**	$285,526	-3%
Net income			
Net income	**$26,047**	$93,080	-72%
Net income attributable to Inmet shareholders	**$26,810**	$93,080	-71%
Net income per share	**$0.39**	$1.35	-71%
Comparative net income attributable to Inmet shareholders[3]	**$91,917**	$93,081	-1%
Comparative net income per share[3]	**$1.32**	1.34	-1%
Cash flow			
Cash flow provided by operating activities[3]	**$85,360**	$114,514	-25%
Cash flow provided by operating activities[3] per share [1]	**$1.23**	$1.65	-25%
EBITDA[6]	**$107,499**	$151,756	-29%
Comparative EBITDA[6]	**$172,606**	$151,756	+14%
Capital spending [2]	**$263,070**	$82,608	+218%
OPERATING HIGHLIGHTS			
Production			
Copper (tonnes)	**30,200**	24,800	+22%
Zinc (tonnes)	**16,400**	15,100	+9%
Pyrite (tonnes)	**190,000**	211,300	-10%
Copper cash cost (US $ per pound) [3]	**$0.78**	$1.00	-22%

FINANCIAL CONDITION	**as at March 31 2013**	as at December 31 2012
(US $millions, except ratio)		
Current ratio[7]	**1.4 to 1**	8.4 to 1
Net working capital balance[7]	**$637**	$2,358
Cash balance (including bonds and other securities)	**$3,489**	$3,618
Gross debt[4]	**$1,961**	$1,960
Net debt (net cash)[5]	**($1,528)**	($1,658)
Shareholders' equity attributable to Inmet shareholders	**$3,694**	$3,719

(1) Cash flow provided by operating activities divided by average shares outstanding for the period.
(2) The three months ended March 31, 2013 includes capital spending of $250 million at Cobre Panama. The three months ended March 31, 2012 includes capital spending of $71 million at Cobre Panama.
(3) This is a non-GAAP financial measure – see *Supplementary financial information* on pages 24 to 25.
(4) Gross debt includes long-term debt and the current portion of long-term debt
(5) Net debt (net cash) is a non-GAAP measure defined as long-term debt less cash and short-term investments, including bonds and other securities
(6) Earnings before interest, taxes, depreciation and amortization (EBITDA) is a non-GAAP measure defined as net income before finance costs, income tax expense and depreciation. Comparative EBITDA has been adjusted to remove the effects of costs related to First Quantum's takeover of Inmet.
(7) The decrease in the current ratio and net working capital balance this quarter reflects the reclassification of the senior unsecured notes from long-term debt to current – see note 13 on page 41.

First quarter report

We prepared this report as of May 15, 2013.

In this report, *Inmet* means Inmet Mining Corporation and *we*, *us* and *our* mean Inmet and/or its subsidiaries and joint ventures. *This quarter* refers to the three months ended March 31, 2013.

Caution with respect to forward-looking statements and information

Securities regulators encourage companies to disclose forward-looking information to help investors understand a company's future prospects. This report contains statements about our business, results of operation and future financial condition.

These statements are "forward-looking" because we have used what we know and expect today to make a statement about the future. Forward-looking statements usually include words like may, expect, anticipate, believe or other similar words. Our objectives and outlook have been prepared based on our existing operations, expectations and circumstances. Actual events and results could be substantially different, however, because of the risks and uncertainties associated with our business or events that happen after the date of this interim report.

You should not place undue reliance on forward-looking statements. As a general policy, we do not update forward-looking statements except if there is an offering document or where securities legislation requires us to do so.

Although we have attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Also, many of the factors are beyond the control of Inmet. Accordingly, readers should not place undue reliance on forward-looking statements or information. Inmet undertakes no obligation to update forward-looking statements or information as a result of new information after the date of this interim report except as required by law. All forward-looking statements and information herein are qualified by this cautionary statement.

Where to find it

Our financial results

(thousands, except per share amounts)	2013	three months ended March 31 2012	change
EARNINGS FROM OPERATIONS [1]			
Çayeli	**$31,320**	$66,000	-53%
Las Cruces	**73,885**	51,619	+43%
Pyhäsalmi	**30,535**	26,130	+17%
Other	**4,658**	2,747	+70%
	140,398	146,496	-4%
DEVELOPMENT AND EXPLORATION			
Corporate development and exploration	**(9,223)**	(8,801)	+5%
CORPORATE COSTS			
General and administration	**(13,083)**	(9,745)	+34%
Costs related to takeover by First Quantum	**(65,107)**	-	+100%
Investment and other income	**20,694**	(6,263)	+430%
Finance costs	**(2,872)**	(2,596)	+11%
Income taxes	**(44,760)**	(26,011)	+72%
	(105,128)	(44,615)	+136%
Net income	**26,047**	93,080	-72%
Non-controlling interest	**763**	-	+100%
Net income attributable to Inmet shareholders	**$26,810**	$93,080	-71%
Basic net income per common share	**$0.39**	$1.35	-71%
Weighted average shares outstanding	**69,375**	69,349	-

(1) Gross sales less smelter processing charges and freight, cost of sales including depreciation and provisions for mine reclamation at closed properties.

Key changes in 2013

(millions)	three months ended March 31	see page
EARNINGS FROM OPERATIONS		
Market factors		
Lower copper prices	($9)	8
Lower other metal prices	(3)	8
Operational factors		
Higher copper sales volumes at Las Cruces	31	17
Lower copper sales volumes at Çayeli	(18)	15
Higher operating costs	(3)	10
Higher depreciation	(4)	11
Decrease in operating earnings, compared to 2012	**(6)**	
Higher taxes	(19)	13
Costs related to takeover by First Quantum	(65)	12
Higher general and administrative costs	(3)	
Foreign exchange changes	29	12
Other	(3)	
Lower net income compared to 2012	**(67)**	
Non-controlling interest	1	
Lower net income attributable to Inmet shareholders compared to 2012	**($66)**	

Understanding our performance

Metal prices

The table below shows the average metal prices we realized this quarter and year to date. The prices we realize include finalization adjustments – see *Gross sales* on page 8.

	three months ended March 31		
	2013	2012	**change**
Copper (per pound)	**$3.59**	$3.87	-7%
Zinc (per pound)	**$0.89**	$0.93	-4%

Copper
Copper prices on the London Metals Exchange (LME) averaged $3.60 per pound this quarter, a decrease of 5 percent from the first quarter of 2012 and consistent with the fourth quarter of 2012.

Zinc
LME zinc prices averaged $0.92 per pound this quarter, consistent with the first quarter of 2012 and a 3 percent increase from the fourth quarter of 2012.

Exchange rates

Exchange rates affect our revenue and earnings. The table below shows the average exchange rates we realized this quarter and year to date compared to 2012.

	three months ended March 31		
	2013	2012	**change**
Exchange rates			
1 C$ to US$	**$0.99**	$1.00	-1%
1 euro to US$	**$1.32**	$1.31	+1%
1 US$ to Turkish lira	**TL 1.79**	TL 1.79	-

Compared to the same quarter last year, the value of the US dollar appreciated 1 percent relative to the Canadian dollar, and depreciated 1 percent relative to the euro. The value of the US dollar was flat relative to the Turkish lira compared to the first quarter of 2012.

Our earnings are affected by changes in foreign currency exchange rates when we:
- translate the operating expenses of our euro-based operations from their functional currency to US dollars
- revalue US dollars that we hold in cash at our operations whose functional currency is the euro
- translate Çayeli’s Turkish lira denominated costs into its functional currency (US dollars).

Prior to the change in accounting to adopt the US dollar as Inmet’s functional currency effective June 1, 2012, our earnings were affected by changes in foreign currency exchange rates when we revalued our US dollar denominated cash, bonds and other securities and senior unsecured notes held corporately at Inmet.

Treatment charges for zinc were lower

Treatment charges are one component of smelter processing charges. We also pay smelters for content losses and price participation.

The table below shows the average charges we realized this quarter. Zinc contracts for 2013 and 2012 were not finalized in the first quarter of the respective years and therefore the average charges represent the contract prices from the relevant prior year. Adjustments to contracts will be reflected in the second quarter.

		three months ended March 31	
(US$)	**2013**	2012	**change**
Treatment charges			
Copper (per dry metric tonne of concentrate)	**$57**	$58	-2%
Zinc (per dry metric tonne of concentrate)	**$187**	$207	-10%
Price participation			
Copper (per pound)	**$0.00**	$0.00	-%
Zinc (per pound)	**$0.00**	($0.01)	-100%
Freight charges			
Copper (per dry metric tonne of concentrate)	**$47**	$61	-23%
Zinc (per dry metric tonne of concentrate)	**$22**	$30	-27%

Statutory tax rates

The table below shows the statutory tax rates for each of our taxable operating mines.

	2013	2012	**change**
Statutory tax rates			
Çayeli	**24%**	24%	-
Las Cruces	**30%**	30%	-
Pyhäsalmi	**24.5%**	24.5%	-

Earnings from operations

(thousands)	2013	2012	change
		three months ended March 31	
Gross sales	**$276,250**	$285,526	-3%
Smelter processing charges and freight	**(24,868)**	(29,338)	-15%
Cost of sales:			
Direct production costs	**(81,434)**	(78,172)	+4%
Inventory changes	**2,602**	(5,255)	-150%
Other non-cash expenses	**1,668**	3,802	-56%
Depreciation	**(33,820)**	(30,067)	+12%
Earnings from operations	**140,398**	$146,496	-4%

Gross sales were lower

(thousands)	2013	2012	change
		three months ended March 31	
Gross sales by operation			
Çayeli	**$79,313**	$123,370	-36%
Las Cruces	**139,284**	110,382	+26%
Pyhäsalmi	**57,653**	51,774	+11%
	$276,250	$285,526	-3%
Gross sales by metal			
Copper	**$230,786**	$236,226	-2%
Zinc	**27,619**	28,642	-4%
Other	**17,845**	20,658	-14%
	$276,250	$285,526	-3%

Key components of the change in gross sales: lower realized metals prices, higher sales volumes at Las Cruces, timing of shipments at Çayeli

(millions)	**three months ended March 31**
Lower copper prices	($9)
Lower other metal prices	(3)
Higher copper sales volumes at Las Cruces	31
Lower copper sales volumes at our other mines	(27)
Lower zinc sales volumes	(1)
Lower gross sales, compared to 2012	**($9)**

We record sales that settle during the reporting period using the metal price on the day they settle. For sales that have not settled, we use an estimate based on the month we expect the sale to settle and the forward price of the metal at the end of the reporting period. We recognize the difference between our estimate and the final price by adjusting our gross sales in the period when we settle the sale (finalization adjustment).

This quarter, we recorded $1 million in positive finalization adjustments from fourth quarter shipments.

At the end of this quarter, the following sales had not been settled:

- 17 million pounds of copper provisionally priced at US $3.41 per pound
- 3 million pounds of zinc provisionally priced at US $0.85 per pound.

The finalization adjustment we record for these sales will depend on the actual price we receive when they settle, which can be up to five months from the time we initially record the sales. We expect these sales to settle in the following months:

(millions of pounds)	copper	zinc
April 2013	13	3
June 2013	4	-
Unsettled sales at March 31, 2013	**17**	**3**

Higher copper sales volumes, lower zinc sales volumes this quarter

Our sales volumes are directly affected by the amount of production from our mines and our ability to ship to our customers.

- Copper sales volumes were slightly higher this quarter compared to the same quarter last year, while copper production volumes were significantly higher reflecting higher production volumes at Las Cruces. In the first quarter of 2013, the timing of shipments resulted in copper sales volumes lagging production volumes by a combined 1,000 tonnes. Conversely, in the first quarter of 2012 sales volumes exceeded production volumes by 3,800 tonnes, mainly due to the timing of shipments at Çayeli.
- Zinc production volumes were higher this quarter than the first quarter of 2012 due to higher zinc grades at Pyhäsalmi. Zinc sales volumes lagged production volumes by 2,500 tonnes this quarter, mainly due to the timing of shipments at Çayeli.

Sales volumes

	three months ended March 31		
	2013	2012	**change**
Copper contained in concentrate	**11,800**	15,000	-21%
Copper cathode (tonnes)	**17,400**	13,600	+28%
Total copper (tonnes)	**29,200**	28,600	+2%
Zinc (tonnes)	**13,900**	14,500	-4%
Pyrite (tonnes)	**114,500**	112,300	+2%

Production

	three months ended March 31			
	2013	2012	**change**	***objective 2013***
Copper (tonnes)				
Çayeli	**7,900**	8,100	-2%	***27,800 - 30,900***
Las Cruces	**17,900**	13,300	+35%	***68,500 - 72,000***
Pyhäsalmi	**4,400**	3,400	+29%	***12,000 - 13,400***
	30,200	24,800	+22%	***108,300 - 116,300***
Zinc (tonnes)				
Çayeli	**10,200**	10,500	-3%	***35,900 - 39,900***
Pyhäsalmi	**6,200**	4,600	+35%	***20,300 - 22,500***
	16,400	15,100	+9%	***56,200 - 62,400***
Pyrite (tonnes)				
Pyhäsalmi	**190,000**	211,300	-10%	***820,000***

Lower copper and zinc smelter processing charges

	three months ended March 31		
(thousands)	**2013**	2012	**change**
Smelter processing charges and freight by operation			
Çayeli	**$14,026**	$21,469	-35%
Las Cruces	**751**	295	+155%
Pyhäsalmi	**10,091**	7,574	+33%
	$24,868	$29,338	-15%
Smelter processing charges and freight by metal			
Copper	**$12,180**	$16,441	-26%
Zinc	**10,175**	10,967	-7%
Other	**2,513**	1,930	+30%
	$24,868	$29,338	-15%
Smelter processing charges by type, and freight			
Copper treatment and refining charges	**$4,513**	$5,696	-21%
Zinc treatment charges	**5,102**	5,758	-11%
Zinc price participation	**35**	(251)	+114%
Content losses	**8,664**	10,555	-18%
Freight	**6,378**	7,175	-11%
Other	**176**	405	-57%
	$24,868	$29,338	-15%

Our copper treatment and refining charges were lower this quarter due to lower copper sales volumes at Çayeli.

Zinc treatment charges this quarter were lower. Our zinc smelter and processing charges reflect last year's contract terms, which were favourable compared to the year prior, as contract terms for the current year will be finalized in the second quarter.

Direct production costs were higher

	three months ended March 31		
(thousands)	**2013**	2012	**change**
Direct production costs by operation			
Çayeli	**$24,632**	$23,288	+6%
Las Cruces	**40,655**	39,907	+2%
Pyhäsalmi	**16,147**	14,977	+8%
Total direct production costs	**81,434**	78,172	+4%
Inventory changes	**(2,602)**	5,255	-150%
Charges for mine rehabilitation and other non-cash charges	**(1,668)**	(3,802)	-56%
Total cost of sales (excluding depreciation)	**$77,164**	$79,625	-3%

Direct production costs
Direct production costs were $3 million higher than in the first quarter of 2012, mainly reflecting higher production at Las Cruces.

Inventory changes
Zinc inventories at Çayeli increased at the end of this quarter, while copper inventories decreased at Çayeli at the end of the first quarter of 2012, because of the timing of shipments.

Higher depreciation

	three months ended March 31		
(thousands)	**2013**	2012	**change**
Depreciation by operation			
Çayeli	**$6,348**	$7,262	-13%
Las Cruces	**24,621**	20,468	+20%
Pyhäsalmi	**2,851**	2,337	+22%
	$33,820	$30,067	+12%

Depreciation was higher this quarter than in the first quarter of 2012 mainly because of higher copper sales volumes at Las Cruces.

Corporate costs

Corporate costs include corporate development and exploration, general and administration costs, taxes, interest and other income.

Costs related to takeover by First Quantum

This quarter, we incurred $65 million in connection with First Quantum's acquisition of Inmet Mining, including $35 million related to the accelerated settlement of stock-based compensation plans, as well as costs for financial and legal advisors and termination benefits.

Investment and other income

	three months ended March 31	
(thousands)	**2013**	2012
Interest income	**$3,545**	$4,252
Foreign exchange gain (loss)	**17,204**	(12,070)
Dividend and royalty income	**-**	484
Other	**(55)**	1,071
	$20,694	($6,263)

Foreign exchange gains and losses

We have foreign exchange gains or losses when we revalue certain foreign denominated assets and liabilities.

Our foreign exchange gains and losses were from:

	three months ended March 31	
(thousands)	**2013**	2012
Translation of US dollar cash held in euro-based entities	**$21,914**	($4,392)
Translation of Cdn dollar cash held by Corporate	**(608)**	-
Translation of Cdn dollar bonds and other securities held by Corporate	**(4,499)**	-
Translation of other monetary assets and liabilities	**397**	(2,627)
Translation of US dollar amounts in Corporate prior to the change in functional currency to the US dollar	**-**	(5,051)
	$17,204	($12,070)

Effective June 1, 2012, Inmet's functional currency changed from the Canadian dollar to the US dollar. As of this date, Inmet's US dollar-denominated monetary assets and liabilities were no longer revalued. Instead we began recognizing foreign exchange impacts on the revaluation of Inmet's Canadian dollar denominated monetary assets and liabilities.

We recognized $5 million in foreign exchange losses this quarter on the revaluation of Inmet's Canadian dollar denominated cash, bonds and other securities due to a strengthening of the US dollar relative to the Canadian dollar. In the first quarter of 2012, which preceded the date of Inmet's functional currency change, we recognized foreign exchange losses of $5 million from the revaluation of US dollar denominated cash, bonds and other securities due to a strengthening of the Canadian dollar relative to the US dollar.

We also recognized $22 million in foreign exchange gains this quarter on the revaluation of US denominated cash balances held in our euro functional currency companies due to an appreciation in the US dollar relative to the euro, compared to a $4 million loss in the first quarter of 2012.

Income tax expense

(thousands)	**2013**	2012	**change**
		three months ended March 31	
Çayeli	**$13,975**	$9,479	
Las Cruces	**22,274**	11,213	
Pyhäsalmi	**7,197**	5,183	
Corporate and other	**1,314**	136	
	$44,760	$26,011	
Consolidated effective tax rate	**63%**	22%	+41%

Our tax expense changes as our earnings change.

The consolidated effective tax rate was higher this quarter compared to the same quarter of 2012 mainly because:

- There was no tax recovery in Inmet Mining relating to the costs associated with First Quantum's takeover
- Çayeli's taxes were higher this quarter as it recognized a foreign exchange gain from its US dollar denominated cash (Çayeli's income taxes are denominated in Turkish lira), compared to a significant foreign exchange loss on its US dollar cash in the comparable quarter of 2012.

Results of our operations

Çayeli

		three months ended March 31		
		2013	2012	**change**
Tonnes of ore milled (000's)		**323**	299	+8%
Tonnes of ore milled per day		**3,600**	3,300	+8%
Grades (percent)	copper	**3.2**	3.4	-6%
	zinc	**4.6**	5.4	-15%
Mill recoveries (percent)	copper	**77**	79	-3%
	zinc	**68**	65	+5%
Production (tonnes)	copper	**7,900**	8,100	-2%
	zinc	**10,200**	10,500	-3%
Cost per tonne of ore milled		**$76**	$78	-3%

Higher throughput offset impact of lower copper and zinc grades

Çayeli produced at an annualized rate of 1.29 million tonnes this quarter, an 8 percent increase over the first quarter of 2012, resulting from improved mine planning and logistical control.

Despite higher throughput, copper production this quarter decreased by two percent compared to the first quarter of 2012 due to slightly lower copper grades and recoveries. The deferral of several higher copper grade stopes to later in the year led to the reduced copper grades.

Zinc production decreased by three percent compared to the first quarter of 2012 due to lower zinc grades somewhat offset by higher zinc recoveries and higher throughput. The decrease in zinc grades resulted from lower grade stopes in the areas mined, while optimized blending and controlled throughput increased zinc recoveries.

Due to the timing of shipments, Çayeli's zinc sales volumes lagged production volumes by approximately 3,000 tonnes this quarter. In the first quarter of 2012, Çayeli's earnings benefited from copper sales volumes exceeding production volumes by approximately 3,000 tonnes.

The three-year labour agreement at Çayeli expired in May 2012. The negotiation of a new labour agreement, initially delayed due to changes to government labour regulations, is proceeding and Çayeli will make a strong effort to manage labour cost escalations to retain the operation's cost competitiveness.

Cost per tonne of ore milled this quarter was slightly lower than the same quarter last year because we processed more ore through the mill.

2013 outlook for production

In 2013, the production level should increase from 1.2 million tonnes to 1.25 million tonnes. The mine should benefit from the commissioning of the two new ore passes by the third quarter of 2013, the extension of a shotcrete slickline to the lower levels of the mine, improved lower mine infrastructure and the addition of stope production from a new mining block, all of which should ease pressure on existing production areas. Çayeli's ground conditions require constant monitoring and reinforcement, including the need to minimize any underground void area. Continued progress in meeting the challenges of poor ground conditions and planned operational efficiencies is aimed at reducing the risks associated with achieving our production plan.

Copper recoveries should be lower in 2013, reflecting the increased proportions of metallurgically challenging ore types.

We expect to produce between 27,800 tonnes and 30,900 tonnes of copper and between 35,900 tonnes and 39,900 tonnes of zinc in 2013.

We expect operating costs in 2013 to be slightly higher than 2012 levels primarily due to increased manpower levels, increased electricity costs and increased mine department consumables.

Financial review

Lower earnings due to lower sales volumes and lower realized metals prices this quarter

(millions unless otherwise stated)	**three months ended March 31** **2013**	2012
Sales analysis		
Copper sales (tonnes)	**8,100**	11,100
Zinc sales (tonnes)	**7,200**	10,300
Gross copper sales	**$61**	$94
Gross zinc sales	**14**	20
Other metal sales	**4**	9
Gross sales	**79**	123
Smelter processing charges and freight	**(14)**	(21)
Net sales	**$65**	$102
Cost analysis		
Tonnes of ore milled (thousands)	**323**	299
Direct production costs ($ per tonne)	**$76**	$78
Direct production costs	**$25**	$23
Change in inventory	**-**	5
Depreciation and other non-cash costs	**9**	8
Operating costs	**$34**	$36
Operating earnings	**$31**	$66
Operating cash flow	**$20**	$30

The table below shows what contributed to the change in operating earnings and operating cash flow between 2013 and 2012.

(millions)	**three months ended March 31**
Lower copper prices	($7)
Lower other metal prices	(5)
Lower copper sales volumes	(18)
Lower zinc sales volumes	(3)
Higher operating costs	(2)
Lower operating earnings, compared to 2012	**(35)**
Change in cash taxes	(2)
Changes in working capital (see note 11 on page 39)	27
Lower operating cash flow, compared to 2012	**($10)**

Capital spending

(thousands)	**three months ended March 31** **2013**	2012	**change**	***objective 2013***
Capital spending	**$3,300**	$2,300	+43%	***$18,000***

2013 outlook for capital spending

We expect to spend $18 million on capital in 2013, including $6 million on mine development and $7 million to complete the upgrade of our ore pass system to address deterioration that has accumulated over time from normal abrasion.

Las Cruces

	three months ended March 31		
	2013	2012	**change**
Tonnes of ore processed (000's)	**305**	246	+24%
Copper grades (percent)	**6.7**	6.7	-
Plant recoveries (percent)	**88**	85	+4%
Cathode copper production (tonnes)	**17,900**	13,300	+35%
Cost per pound of cathode produced	**$1.03**	$1.36	-24%

Higher copper production

Las Cruces production was 35 percent higher this quarter than the first quarter of 2012 due to increased throughput and plant recoveries. Production in the first quarter of 2012 was negatively impacted by a nine-day planned maintenance shutdown, a one-day national strike, and the time required for overall process stabilization following each of these stoppages. Improved plant recoveries this quarter reflects the full implementation of the leach feed surge tank with oxygen addition completed during mid-2012.

Cost per pound of copper produced this quarter was significantly lower than the first quarter of 2012 due to higher production volumes.

2013 outlook for production
In early April, a fire occurred in one of the plant's eight leach reactors. All eight reactors were shut down following the fire to allow for a thorough assessment of damages and to investigate the cause of the fire. As of April 23, seven of the eight reactors were re-commissioned and the final reactor is expected to be online by mid-May. The fire and related re-commissioning period could result in up to 3,300 tonnes of lost copper cathode production in the second quarter of 2013; however plans are being assessed to recover some or all of the lost production during the second half of the year.

We therefore continue to expect to produce between 68,500 tonnes and 72,000 tonnes copper cathode in 2013. The plant will be tested at higher ore throughput and lower grade to assess the effects on plant performance before we enter into lower copper grade areas of the mine that we expect in 2014.

In 2013, we will concentrate on reducing recovery losses downstream of the leaching reactors that have increased with the increase in copper cathode production and due to operating with process solutions that contain more copper.

Financial review

Higher sales volumes due to higher production

(millions unless otherwise stated)	**2013**	**three months ended March 31 2012**
Sales analysis		
Copper sales (tonnes)	**17,400**	13,600
Gross copper sales	**$139**	$110
Smelter processing charges and freight	**(1)**	-
Net sales	**$138**	$110
Cost analysis		
Pounds of copper produced (millions)	**40**	29
Direct production costs ($ per pound)	**$1.03**	$1.36
Direct production costs	**$41**	$40
Change in inventory	**(1)**	-
Depreciation and other non-cash costs	**24**	18
Operating costs	**$64**	$58
Operating earnings	**$74**	$52
Operating cash flow	**$119**	$77

The table below shows what contributed to the change in operating earnings and operating cash flow between 2013 and 2012.

(millions)	**three months ended March 31**
Lower copper prices	($2)
Higher copper sales volumes	31
Higher operating costs	(1)
Higher depreciation	(4)
Other	(2)
Higher operating earnings, compared to 2012	**22**
Changes in working capital (see note 11 on page 39)	8
Change in depreciation	4
Foreign exchange gain on US dollar cash	7
Other	1
Higher operating cash flow, compared to 2012	**$42**

Capital spending

(thousands)	**three months ended March 31**			***Objective***
	2013	2012	**change**	***2013***
Capital spending	**$4,500**	$6,000	-25%	***$49,000***

2013 outlook for capital spending
We expect to spend $49 million on capital projects in 2013. The largest expenditures should be for mine development ($22 million), tailings facility expansion ($5 million), debottlenecking ($8 million) and other plant improvement projects.

Pyhäsalmi

				three months ended March 31
		2013	2012	**change**
Tonnes of ore milled (000's)		**346**	342	+1%
Tonnes of ore milled per day		**3,800**	3,800	-
Grades (percent)	copper	**1.3**	1.0	+30%
	zinc	**2.0**	1.5	+33%
	sulphur	**42**	43	-2%
Mill recoveries (percent)	copper	**97**	96	+1%
	zinc	**92**	90	+2%
Production (tonnes)	copper	**4,400**	3,400	+29%
	zinc	**6,200**	4,600	+35%
	pyrite	**190,000**	211,300	-10%
Cost per tonne of ore milled		**$47**	$44	+7%

Higher grades increased copper and zinc production

Pyhäsalmi maintained its strong performance in the first quarter of 2013, processing at an annualized rate in line with its annual objective and achieving copper recoveries of 97 percent and zinc recoveries of 92 percent. Copper production increased by 29 percent in the first quarter of 2013 compared to the same quarter last year due to higher copper grades and recoveries. Zinc production was 35 percent higher than the first quarter of 2012 due to significantly higher zinc grades and the resulting higher recoveries. The copper and zinc grades achieved this quarter were higher than our plan for the year due to areas mined outside of the mine plan. Copper and zinc grades are expected to return to planned levels throughout the remainder of 2013.

Operating costs were slightly higher this quarter mainly due to higher contractor costs.

2013 outlook for production

Pyhäsalmi expects to mine 1.4 million tonnes in 2013, and produce between 12,000 tonnes and 13,400 tonnes of copper and 20,300 tonnes and 22,500 tonnes of zinc. Zinc production should be lower than it was in 2012 as we expect a decrease in zinc grades in 2013.

Pyhäsalmi expects to produce and sell 820,000 tonnes of pyrite in 2013.

Financial review

Higher zinc sales volumes due to higher production

(millions unless otherwise stated)	**three months ended March 31** **2013**	2012
Sales analysis		
Copper sales (tonnes)	**3,700**	3,900
Zinc sales (tonnes)	**6,700**	4,200
Pyrite sales (tonnes)	**114,500**	112,300
Gross copper sales	**$30**	$32
Gross zinc sales	**14**	8
Other metal sales	**14**	12
Gross sales	**$58**	52
Smelter processing charges and freight	**(10)**	(8)
Net sales	**$48**	$44
Cost analysis		
Tonnes of ore milled (thousands)	**346**	342
Direct production costs ($ per tonne)	**$47**	$44
Direct production costs	**$16**	$15
Change in inventory	**(2)**	1
Depreciation and other non-cash costs	**3**	2
Operating costs	**$17**	$18
Operating earnings	**$31**	$26
Operating cash flow	**$29**	$26

The table below shows what contributed to the change in operating earnings and operating cash flow between 2013 and 2012.

(millions)	**three months ended March 31**
Higher zinc sales volumes	$3
Higher other metal sales	2
Higher operating costs	(1)
Other	1
Higher operating earnings, compared to 2012	**5**
Change in tax expense	(2)
Changes in working capital (see note 11 on page 39)	(2)
Other	2
Higher operating cash flow, compared to 2012	**$3**

Capital spending

(thousands)	**2013**	**three months ended March 31** 2012	**change**	***objective 2013***
Capital spending	**$1,900**	$2,400	-21%	***$8,000***

2013 outlook for capital spending
Capital spending of $8 million in 2013 will primarily be to replace underground mobile equipment, upgrade the pyrite flotation cleaner cells and flotation air blower system, and improve the reclaim water system.

Status of our development project

Cobre Panama

Capital expenditures were $250 million for the first quarter of 2013. Project spending for Cobre Panama this quarter was mainly to advance the coastal access road, Llano Grande road extension, preparation of the plant site, development work at the port site and camp construction at the plant and port sites. Advancements were also made to the process plant, including the concentrator and the tailings management facility.

Following its successful acquisition of Inmet, First Quantum has commenced a detailed review of the Cobre Panama project. The objective is to re-establish the project on a more ‘self-perform’ basis to maximize the benefit of First Quantum’s core project development skills. To this end a number of key contracts, including the main engineering, procurement and construction management contract, have been modified or cancelled and a rationalization of the work force is currently under way.

This review is expected to take between two and four months before a revised capital cost estimate and project timetable will be available.

Managing our liquidity

We develop our financing strategy by looking at our long-term capital requirements and deciding on the optimal mix of cash, future operating cash flow, credit facilities and project financing.

Our capital structure includes a liquidity cushion that gives us the flexibility to deal with operational disruptions or general market downturns.

(millions)	three months ended March 31 **2013**	2012
CASH FROM OPERATING ACTIVITIES		
Çayeli	**$20**	$30
Las Cruces	**119**	77
Pyhäsalmi	**29**	26
Costs related to takeover by First Quantum	**(71)**	-
Corporate development and exploration not incurred by operations	**(5)**	(6)
General and administration	**(13)**	(10)
Other	**6**	(2)
	85	115
CASH FROM INVESTING AND FINANCING		
Purchase of property, plant and equipment	**(263)**	(83)
Purchase and maturity of bonds and other securities, net	**33**	46
Funding from non-controlling shareholder	**80**	-
Foreign exchange on cash held in foreign currency	**(23)**	1
Other	**(4)**	(4)
	(177)	(40)
Increase (decrease) in cash	**(92)**	75
Cash and short-term investments		
Beginning of period	**1,541**	1,048
End of period	**$1,449**	$1,123

Our available liquidity also includes $2,040 million of bonds and other securities ($2,077 million at December 31, 2012), providing a total of $3,489 million in available capital.

OPERATING ACTIVITIES

Key components of the change in operating cash flows

(millions)	**three months ended March 31**
Lower earnings from operations (see page 5)	($6)
Add back higher depreciation included in earnings from operations	4
Higher income tax expense	(5)
Costs related to takeover by First Quantum	(71)
Foreign exchange gain on cash	26
Changes in working capital (see note 11 on page 39)	32
Other	(10)
Lower operating cash flow, compared to 2012	**($30)**

Operating cash flow this quarter was lower than the first quarter of 2012 primarily due to costs related to First Quantum's take-over of Inmet Mining. This was partly offset by realized foreign exchange gains on US denominated cash held in our euro-based entities and a decrease in net working capital at Çayeli due to the timing of shipments to and collections from customers.

INVESTING AND FINANCING

Capital spending

(millions)	three months ended March 31 2013	2012
Çayeli	**$3**	$2
Las Cruces	**5**	6
Pyhäsalmi	**2**	2
Cobre Panama	**250**	72
Corporate and other	**3**	1
	$263	$83

Please see *Results of our operations* and *Status of our development project* for a discussion of actual results. Capital spending this quarter was mainly for Cobre Panama.

Purchase and maturing of investments

This quarter $805 million of our bonds and other securities matured, $33 million of which was converted into cash. The remaining $772 million was reinvested in US dollar-denominated bonds and other securities comprising US Treasury bonds, Canadian government and corporate bonds and Supranational bonds with credit ratings of A to AAA. The securities mature between 2013 and 2018 and have a weighted average annual yield to maturity of 0.47 percent. In the first quarter of 2012, $46 million of our bond portfolio matured and was converted into cash.

Financial condition

Our strategy is to make sure we have sufficient liquidity (including cash and committed credit facilities) to finance our operating requirements as well as our growth projects. At March 31, 2013, we had $3,489 million in total funds, including $1,449 million of cash and short-term investments and $2,040 million invested in bonds and other securities.

Cash
At March 31, 2013 our cash and short-term investments of $1,449 million included cash and money market instruments that mature in 90 days or less.

Our policy is to invest excess cash in highly liquid investments of high credit quality, and to limit our exposure to individual counterparties to minimize the risk associated with these investments. We base our decisions about the length of maturities on our cash flow requirements, rates of return and other factors.

At March 31, 2013 we held cash and short-term investments in the following:

- A to AAA rated treasury funds and money market funds managed by leading international fund managers, who are investing in money market and short-term debt securities and fixed income securities issued by leading international financial institutions and their sponsored securitization vehicles.
- Cash, term and overnight deposits with leading Canadian and international financial institutions.

See note 4 on page 36 in the consolidated financial statements for more details about where our cash is invested.

Bonds and other securities
We hold a portfolio of bonds and other securities to provide better yields while minimizing our investment risk. As at March 31, 2013, our portfolio was $2,040 million. The portfolio includes:

- 28 percent US Treasury bonds
- 18 percent Canadian and provincial government bonds
- 50 percent corporate bonds
- 4 percent Supranational bonds.

The securities mature between 2013 and 2018.

Restricted cash
Our restricted cash balance of $80 million as at March 31, 2013 included:

- $19 million in cash collateralized letters of credit for Inmet
- $59 million at Las Cruces related to a reclamation bond, issuing letters of credit to suppliers and the local water authority and for its labour bond to the government
- $2 million for future reclamation at Pyhäsalmi.

Accounting changes

We adopted the following new and amended standards, none of which had a material impact on our consolidated interim financial statements:

- IFRS 10
- IFRS 11
- IFRS 12
- IFRS 13
- amendments to IAS 19
- IFRIC 20.

Supplementary financial information

Page 24 and 25 includes supplementary financial information about comparable net income and cash costs. These measures do not fall into the category of measures acceptable under International Financial Reporting Standards.

Comparative net income has been adjusted to remove the effects of costs related to First Quantum's takeover of Inmet.

We use unit cash cost information as a key performance indicator, both on a segmented and consolidated basis. We have included cash costs as supplementary information because we believe our key stakeholders use these measures as a financial indicator of our profitability and cash flows before the effects of capital investment and financing costs, such as interest.

Since cash costs are not recognized financial measures under International Financial Reporting Standards, they should not be considered in isolation of earnings or cash flows. There is also no standard way to calculate cash costs, so they are not a reliable way to compare us to other companies.

Toronto, Canada
May 15, 2013

Phillip Pascal
Chairman and
Chief Executive Officer

Reconciliation of net income to comparative net income

For the three months ended March 31

(thousands of US dollars, except where otherwise noted)	**2013**	2012
Net income attributable to Inmet shareholders per financial statements	**$26,810**	$93,081
Deduct costs related to takeover by First Quantum	**65,107**	-
Comparative net income	**$91,917**	$93,081
Weighted average shares outstanding	**69,375**	69,349
Comparative net income per share	**$1.32**	$1.34

Reconciliation to cash costs reported by First Quantum

2013 For the three months ended March 31

	per pound of copper		
	ÇAYELI	**LAS CRUCES**	**PYHÄSALMI**
(US dollars)			
Cash cost - Inmet	**$0.83**	**$1.05**	**($0.34)**
Remove royalties	**(0.13)**	**(0.05)**	**-**
Difference in conversion approach[(1)]	**0.23**	**-**	**(0.21)**
Cash cost - First Quantum	**$0.93**	**$1.00**	**($0.55)**

[(1)] Represents a conversion difference in treatment of by product metal credits, smelter processing charges and freight.

INMET MINING CORPORATION
Supplementary financial information continued

Cash costs

2013 For the three months ended March 31

(US dollars)	ÇAYELI	LAS CRUCES	PYHÄSALMI	TOTAL
	per pound of copper			
Direct production costs	**$1.29**	**$0.98**	**$1.66**	**$1.16**
Royalties	**0.13**	**0.05**	**-**	**0.06**
Smelter processing charges and freight	**0.93**	**0.02**	**0.76**	**0.36**
Metal credits	**(1.52)**	**-**	**(2.76)**	**(0.80)**
Cash cost	**$0.83**	**$1.05**	**($0.34)**	**$0.78**

2012 For the three months ended March 31

(US dollars)	ÇAYELI	LAS CRUCES	PYHÄSALMI	TOTAL
	per pound of copper			
Direct production costs	$1.23	$1.34	$2.11	$1.41
Royalties	0.12	0.07	-	0.08
Smelter processing charges and freight	1.03	0.01	0.79	0.45
Metal credits	(1.59)	-	(3.09)	(0.94)
Cash cost	$0.79	$1.42	($0.19)	$1.00

Reconciliation of cash costs to statements of earnings

2013 For the three months ended March 31

(millions of US dollars, except where otherwise noted)	ÇAYELI	LAS CRUCES	PYHÄSALMI	TOTAL
	per pound of copper			
GAAP reference	**page 15**	**page 17**	**page 19**	
Direct production costs	**$25**	**$41**	**$16**	**$82**
Smelter processing charges and freight	**14**	**1**	**10**	**25**
By product sales	**(18)**	**-**	**(28)**	**(46)**
Adjust smelter processing and freight, and sales to production basis	**(7)**	**-**	**(1)**	**(8)**
Operating costs net of metal credits	**$14**	**$42**	**($3)**	**$53**
Inmet's share of production (000's)	**17,400**	**39,500**	**9,600**	**66,500**
Cash cost (US dollars)	**$0.83**	**$1.05**	**($0.34)**	**$0.78**

2012 For the three months ended March 31

(millions of US dollars, except where otherwise noted)	ÇAYELI	LAS CRUCES	PYHÄSALMI	TOTAL
	per pound of copper			
GAAP reference	**page 15**	**page 17**	**page 19**	
Direct production costs	$23	$40	$15	$78
Smelter processing charges and freight	21	-	8	29
By product sales	(29)	-	(20)	(49)
Adjust smelter processing and freight, and sales to production basis	(1)	-	(4)	(5)
Operating costs net of metal credits	$14	$40	($1)	$53
Inmet's share of production (000's)	17,800	29,400	7,500	54,700
Cash cost (US dollars)	$0.79	$1.42	($0.19)	$1.00

INMET MINING CORPORATION
Quarterly review
(unaudited)

Latest Four Quarters

(thousands of US dollars, except per share amounts)	2013 First quarter	2012[1] Fourth quarter	2012 Third quarter	2012 Second quarter
STATEMENTS OF EARNINGS				
Gross sales	$ 276,250	$ 259,868	$ 327,187	$ 251,395
Smelter processing charges and freight	(24,868)	(26,155)	(30,023)	(28,480)
Cost of sales (excluding depreciation)	(77,164)	(91,381)	(91,096)	(84,634)
Depreciation	(33,820)	(30,079)	(37,633)	(29,193)
	140,398	112,253	168,435	109,088
Corporate development and exploration	(9,223)	(8,620)	(7,905)	(10,290)
Costs related to takeover by First Quantum Minerals Ltd	(65,107)	-	-	-
General and administration	(13,083)	(14,972)	(12,982)	(15,899)
Investment and other income	20,694	(16,279)	1,645	45,103
Finance costs	(2,872)	(2,561)	(2,463)	(2,379)
Income tax expense	(44,760)	(31,706)	(42,135)	(31,444)
Net income	$ 26,047	$ 38,115	$ 104,595	$ 94,179
Net income attributable to:				
Inmet equity holders	$ 26,810	$ 38,669	$ 104,897	$ 94,458
Non-controlling interest	(763)	(554)	(302)	(279)
	$ 26,047	$ 38,115	$ 104,595	$ 94,179
Net Income per share				
Basic	$ 0.39	$ 0.56	$ 1.51	$ 1.36
Diluted	$ 0.38	$ 0.56	$ 1.50	$ 1.35

Previous Four Quarters

(thousands of US dollars, except per share amounts)	2012[2] First quarter	2011[2] Fourth quarter	2011[2] Third quarter	2011[2] Second quarter
STATEMENTS OF EARNINGS				
Gross sales	$ 285,527	$ 233,394	$ 253,432	$ 214,894
Smelter processing charges and freight	(29,338)	(27,330)	(35,865)	(32,793)
Cost of sales (excluding depreciation)	(79,624)	(90,177)	(78,563)	(71,302)
Depreciation	(30,067)	(26,835)	(26,452)	(25,802)
	146,498	89,052	112,552	84,997
Corporate development and exploration	(8,801)	(6,333)	(4,539)	(4,417)
General and administration	(9,745)	(7,487)	(9,669)	(7,995)
Investment and other income	(6,263)	(3,883)	34,640	4,581
Finance costs	(2,596)	(2,314)	(2,301)	(2,310)
Income tax expense	(26,012)	(22,491)	(32,696)	(20,588)
Net income	93,081	46,544	97,987	54,268
Net income attributable to:				
Inmet equity holders	$ 93,081	$ 46,544	$ 97,987	$ 54,268
Non-controlling interest	-	-	-	-
	$ 93,081	$ 46,544	$ 97,987	$ 54,268
Net Income per share				
Basic	$ 1.35	$ 0.67	$ 1.41	$ 0.83
Diluted	$ 1.34	$ 0.67	$ 1.41	$ 0.83

(1) Information from 2012 restated in accordance with IAS 19R.

(2) Information restated from previously reported Canadian dollar amounts to US dollar amounts at May 31, 2012 exchange rate of US $0.97 per Canadian dollar.

INMET MINING CORPORATION

Consolidated statements of financial position

(Unaudited)

As at balance sheet date (thousands of US dollars)	Note reference	**March 31, 2013**	December 31, 2012 (note 3)	January 1, 2012 (note 3)
Assets				
Current assets:				
Cash and short term investments	4	**$ 1,448,662**	$ 1,541,219	$1,048,457
Restricted cash		**765**	1,291	784
Accounts receivable		**144,547**	160,387	101,867
Inventories		**87,136**	92,399	87,654
Current portion of bonds and other securities	5	**1,686,392**	883,599	175,921
		3,367,502	2,678,895	1,414,683
Restricted cash		**79,481**	77,050	69,538
Property, plant and equipment		**2,955,030**	2,632,297	1,772,766
Bonds and other securities	5	**354,037**	1,193,088	430,787
Deferred income tax assets		**-**	661	141
Other assets		**500**	240	410
Total assets		**$ 6,756,550**	$ 6,582,231	$ 3,688,325
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities		**$ 373,980**	$ 282,676	$ 138,596
Provisions		**21,444**	20,041	13,087
Current portion of long term debt	13	**1,961,176**	17,870	-
		2,356,600	320,587	151,683
Long-term debt	13	**-**	1,941,989	16,581
Provisions		**231,863**	225,974	169,144
Other liabilities		**17,431**	18,243	17,156
Deferred income tax liabilities		**125,104**	104,099	28,351
Total liabilities		**2,730,998**	2,610,892	382,915
Commitments and contingencies				
Equity				
Share capital		**1,545,635**	1,541,773	1,541,324
Contributed surplus		**64,825**	64,825	64,629
Share based compensation	6	**11,555**	21,896	8,256
Retained earnings		**2,202,850**	2,176,040	1,850,959
Accumulated other comprehensive loss	7	**(131,076)**	(85,721)	(159,758)
Total equity attributable to Inmet equity holders		**3,693,789**	3,718,813	3,305,410
Non-controlling interest		**331,763**	252,526	-
Total equity		**4,025,552**	3,971,339	3,305,410
Total liabilities and equity		**$ 6,756,550**	$ 6,582,231	$ 3,688,325

(See accompanying notes)

INMET MINING CORPORATION

Segmented statements of financial position

(unaudited)

2013 As at March 31	CORPORATE & OTHER	ÇAYELI	LAS CRUCES	PYHÄSALMI	COBRE PANAMA	TOTAL
(thousands of US dollars)		(Turkey)	(Spain)	(Finland)	(Panama)	
Assets						
Cash and short-term investments	**$ 755,335**	**$ 166,231**	**$ 251,671**	**$ 45,007**	**$ 230,418**	**$ 1,448,662**
Other current assets	**1,700,830**	**39,037**	**114,751**	**48,436**	**15,786**	**1,918,840**
Restricted cash	**19,456**	**-**	**58,455**	**1,570**	**-**	**79,481**
Property, plant and equipment	**4,225**	**131,094**	**814,933**	**67,272**	**1,937,506**	**2,955,030**
Bonds and other securities	**252,716**	**101,321**	**-**	**-**	**-**	**354,037**
Other non-current assets	**56**	**165**	**-**	**-**	**279**	**500**
	$ 2,732,618	**$ 437,848**	**$ 1,239,810**	**$ 162,285**	**$ 2,183,989**	**$ 6,756,550**
Liabilities						
Current liabilities	**$ 2,042,879**	**$ 44,948**	**$ 46,491**	**$ 18,782**	**$ 203,500**	**$ 2,356,600**
Long-term debt	**-**	**-**	**-**	**-**	**-**	**-**
Provisions	**73,743**	**21,511**	**69,267**	**34,890**	**32,452**	**231,863**
Other liabilities	**664**	**-**	**16,767**	**-**	**-**	**17,431**
Deferred income tax liabilities	**1,577**	**2,448**	**109,910**	**11,169**	**-**	**125,104**
	$ 2,118,863	**$ 68,907**	**$ 242,435**	**$ 64,841**	**$ 235,952**	**$ 2,730,998**

2012 As at December 31	CORPORATE & OTHER	ÇAYELI	LAS CRUCES	PYHÄSALMI	COBRE PANAMA	TOTAL
(thousands of US dollars)		(Turkey)	(Spain)	(Finland)	(Panama)	
Assets						
Cash and short-term investments	$ 1,128,087	$ 148,678	$ 157,903	$ 22,071	$ 84,480	$ 1,541,219
Other current assets	894,911	41,529	148,250	51,823	1,163	1,137,676
Restricted cash	19,804	-	55,629	1,617	-	77,050
Property, plant and equipment	3,764	134,389	852,955	70,166	1,571,023	2,632,297
Bonds and other securities	1,092,056	101,032	-	-	-	1,193,088
Other non-current assets	63	838	-	-	-	901
	$ 3,138,685	$ 426,466	$ 1,214,737	$ 145,677	$ 1,656,666	$ 6,582,231
Liabilities						
Current liabilities	$ 61,204	$ 54,111	$ 59,288	$ 19,472	$ 126,512	$ 320,587
Long-term debt	1,941,989	-	-	-	-	1,941,989
Provisions	79,809	20,600	69,189	35,800	20,576	225,974
Other liabilities	681	-	17,562	-	-	18,243
Deferred income tax liabilities	889	-	91,594	11,616	-	104,099
	$ 2,084,572	$ 74,711	$ 237,633	$ 66,888	$ 147,088	$ 2,610,892

2012 As at January 1	CORPORATE & OTHER	ÇAYELI	LAS CRUCES	PYHÄSALMI	COBRE PANAMA	TOTAL
(thousands of US dollars)		(Turkey)	(Spain)	(Finland)	(Panama)	
Assets						
Cash and short-term investments	$ 711,427	$ 133,215	$ 131,799	$ 46,109	$ 25,907	1,048,457
Other current assets	183,715	44,728	83,926	51,893	1,964	366,226
Restricted cash	16,306	-	51,667	1,565	-	69,538
Property, plant and equipment	1,196	137,736	869,308	66,103	698,423	1,772,766
Bonds and other securities	351,082	79,705	-	-	-	430,787
Other non-current assets	292	259	-	-	-	551
	$ 1,264,018	$ 395,643	$ 1,136,700	$ 165,670	$ 726,294	$ 3,688,325
Liabilities						
Current liabilities	$ 21,305	$ 41,460	$ 53,152	$ 16,418	$ 19,348	$ 151,683
Long-term debt	16,581	-	-	-	-	16,581
Provisions	68,823	16,569	53,857	29,895	-	169,144
Other liabilities	655	-	16,501	-	-	17,156
Deferred income tax liabilities	-	-	17,095	11,256	-	28,351
	$ 107,364	$ 58,029	$ 140,605	$ 57,569	$ 19,348	$ 382,915

INMET MINING CORPORATION

Consolidated statements of changes in equity

(unaudited)

(thousands of US dollars)	Note reference	Share Capital	Retained earnings	Contributed surplus	Share based compensation	Accumulated other comprehensive income (loss) (note 11)	Total	Non-controlling interest	Total equity
		Attributable to Inmet equity holders							
Balance as at January 1, 2012		$ 1,541,324	$ 1,850,959	$ 64,629	$ 8,256	$ (159,758)	$ 3,305,410	$ -	$ 3,305,410
Comprehensive income		-	93,081	-	-	(6,605)	86,476	-	86,476
Equity settled share-based compensation plans		449	-	48	1,456	-	1,953	-	1,953
Balance as at March 31, 2012		**$ 1,541,773**	**$ 1,944,040**	**$ 64,677**	**$ 9,712**	**$ (166,363)**	**$ 3,393,839**	**$ -**	**$ 3,393,839**
Comprehensive income		-	238,024	-	-	74,869	312,893	4,867	317,760
Equity settled share-based compensation plans		-	-	148	12,184	-	12,332	-	12,332
Dividends		-	(13,616)	-	-	-	(13,616)	-	(13,616)
Equity funding from non-controlling shareholder		-	-	-	-	-	-	100,000	100,000
Sale of 20 percent interest in Cobre Panama		-	7,592	-	-	5,773	13,365	147,659	161,024
Balance as at December 31, 2012		**$ 1,541,773**	**$ 2,176,040**	**$ 64,825**	**$ 21,896**	**$ (85,721)**	**$ 3,718,813**	**$ 252,526**	**$ 3,971,339**
Comprehensive income (loss)		-	26,810	-	-	(45,355)	(18,545)	(763)	(19,308)
Equity funding from non-controlling shareholder		-	-	-	-	-	-	80,000	80,000
Equity settled share-based compensation plans		3,862	-	-	(10,341)	-	(6,479)	-	(6,479)
Balance as at March 31, 2013		**$ 1,545,635**	**$ 2,202,850**	**$ 64,825**	**$ 11,555**	**$ (131,076)**	**$ 3,693,789**	**$ 331,763**	**$ 4,025,552**

INMET MINING CORPORATION
Consolidated statements of earnings

(unaudited)

(thousands of US dollars except per share amounts)	Note reference	Three Months Ended March 31 **2013**	2012
Gross sales		**$ 276,250**	$ 285,527
Smelter processing charges and freight		**(24,868)**	(29,338)
Cost of sales (excluding depreciation)		**(77,164)**	(79,624)
Depreciation		**(33,820)**	(30,067)
Earnings from operations		**140,398**	146,498
Corporate development and exploration		**(9,223)**	(8,801)
Costs related to takeover by First Quantum Minerals Ltd.	6	**(65,107)**	-
General and administration		**(13,083)**	(9,745)
Investment and other income	8	**20,694**	(6,263)
Finance costs		**(2,872)**	(2,596)
Income before taxation		**70,807**	119,093
Income tax expense	9	**(44,760)**	(26,012)
Net income		**$ 26,047**	$ 93,081
Net income (loss) attributable to:			
Inmet equity holders		**$ 26,810**	$ 93,081
Non-controlling interests		**(763)**	-
		$ 26,047	$ 93,081
Earnings per common share	10		
Net income			
Basic		**$0.39**	$1.35
Diluted		**$0.38**	$1.34

(See accompanying notes)

INMET MINING CORPORATION

Segmented statements of earnings

(unaudited)

2013 For the three months ended March 31	**CORPORATE & OTHER**	**ÇAYELI**	**LAS CRUCES**	**PYHÄSALMI**	**COBRE PANAMA**	**TOTAL**
(thousands of US dollars)		(Turkey)	(Spain)	(Finland)	(Panama)	
Gross sales	**$ -**	**$79,313**	**$139,284**	**$57,653**	**$ -**	**$276,250**
Smelter processing charges and freight	**-**	**(14,026)**	**(751)**	**(10,091)**	**-**	**(24,868)**
Cost of sales (excluding depreciation)	**4,658**	**(27,619)**	**(40,027)**	**(14,176)**	**-**	**(77,164)**
Depreciation	**-**	**(6,348)**	**(24,621)**	**(2,851)**	**-**	**(33,820)**
Earnings from operations	**4,658**	**31,320**	**73,885**	**30,535**	**-**	**140,398**
Corporate development and exploration	**(4,786)**	**(454)**	**(467)**	**(845)**	**(2,671)**	**(9,223)**
Costs related to takeover by First Quantum Minerals Ltd	**(65,107)**	**-**	**-**	**-**	**-**	**(65,107)**
General and administration	**(13,083)**	**-**	**-**	**-**	**-**	**(13,083)**
Investment and other income	**10,332**	**995**	**7,652**	**1,614**	**101**	**20,694**
Finance costs	**(881)**	**(239)**	**(1,397)**	**(118)**	**(237)**	**(2,872)**
Income tax expense	**(1,305)**	**(13,975)**	**(22,274)**	**(7,197)**	**(9)**	**(44,760)**
Net income	**$ (70,172)**	**$ 17,647**	**$ 57,399**	**$ 23,989**	**$ (2,816)**	**$ 26,047**

2012 For the three months ended March 31	**CORPORATE & OTHER**	**ÇAYELI**	**LAS CRUCES**	**PYHÄSALMI**	**COBRE PANAMA**	**TOTAL**
(thousands of US dollars)		(Turkey)	(Spain)	(Finland)	(Panama)	
Gross sales	$ -	$ 123,371	$ 110,382	$ 51,774	$ -	$ 285,527
Smelter processing charges and freight	-	(21,469)	(295)	(7,574)	-	(29,338)
Cost of sales (excluding depreciation)	2,747	(28,638)	(38,000)	(15,733)	-	(79,624)
Depreciation	-	(7,262)	(20,468)	(2,337)	-	(30,067)
Earnings from operations	2,747	66,002	51,619	26,130	-	146,498
Corporate development and exploration	(5,521)	(381)	(918)	(775)	(1,206)	(8,801)
General and administration	(9,745)	-	-	-	-	(9,745)
Investment and other income	(4,139)	(1,853)	(108)	(163)	-	(6,263)
Finance costs	(814)	(337)	(1,263)	(182)	-	(2,596)
Income tax expense	(136)	(9,480)	(11,213)	(5,183)	-	(26,012)
Net income	$ (17,608)	$ 53,951	$ 38,117	$ 19,827	$ (1,206)	$ 93,081

INMET MINING CORPORATION
Consolidated statements of comprehensive income
(unaudited)

(thousands of US dollars)	Note reference	Three Months Ended March 31 **2013**	2012
Net income		**$ 26,047**	$93,081
Other comprehensive income (loss) for the period:			
Continuing operations			
Changes in fair value of bonds and other securities		**1,385**	100
Currency translation adjustments		**(46,008)**	(6,707)
Post retirement employee benefits		**(732)**	-
Income tax recovery related to bonds and other securities		**-**	2
		(45,355)	**(6,605)**
Comprehensive income (loss)		**$ (19,308)**	$ 86,476

INMET MINING CORPORATION
Consolidated statements of cash flows

(unaudited)

(thousands of US dollars)	Note reference	Three Months Ended March 31 2013	2012
Cash provided by (used in) operating activities[1]			
Net income from continuing operations		**$ 26,047**	$ 93,081
Add (deduct) items not affecting cash:			
Depreciation		**33,820**	30,067
Deferred income taxes		**25,533**	11,953
Accretion expense on provisions and capital leases		**2,404**	2,163
Change in asset retirement obligations at closed sites		**(4,658)**	(2,747)
Foreign exchange loss (gain)		**3,141**	7,400
Stock based compensation	6	**(10,166)**	1,933
Other		**6,242**	(22)
Settlement of asset retirement obligations		**(1,046)**	(882)
Net change in non-cash working capital	11	**4,043**	(28,434)
		85,360	114,512
Cash provided by (used in) investing activities			
Purchase of property, plant and equipment		**(263,070)**	(82,608)
Acquisition of bonds and other securities		**(771,839)**	(1,124)
Maturity of bonds and other securities		**804,706**	47,376
Sale (purchase) of short-term investments, net		**507,636**	258,459
		277,433	222,103
Cash provided by (used in) financing activities			
Financial assurance payments		**(3,759)**	(4,909)
Funding by non-controlling shareholder		**80,000**	-
Other		**(688)**	(477)
		75,553	(5,386)
Foreign exchange on cash held in foreign currencies		**(23,267)**	1,289
Increase in cash:		**415,079**	**332,518**
Cash:			
Beginning of period		**1,033,583**	789,998
End of period		**$ 1,448,662**	$ 1,122,516
Short term investments		**-**	-
Cash and short-term investments		**$ 1,448,662**	$ 1,122,516

(See accompanying notes)

[1] **Supplementary cash flow information:**

		2013	2012
Cash interest paid		**$ 549**	$ 532
Cash taxes paid		**$ 13,034**	$ 13,327

INMET MINING CORPORATION
Segmented statements of cash flows

(unaudited)

2013 For the three months ended March 31	**CORPORATE & OTHER**	**ÇAYELI**	**LAS CRUCES**	**PYHÄSALMI**	**COBRE PANAMA**	**TOTAL**
(thousands of US dollars)		**(Turkey)**	**(Spain)**	**(Finland)**	**(Panama)**	
Cash provided by (used in) operating activities						
Before net change in non-cash working capital	**$ (76,399)**	**$ 28,178**	**$ 105,068**	**$ 27,043**	**$ (2,573)**	**$ 81,317**
Net change in non-cash working capital	**(3,852)**	**(7,758)**	**13,839**	**1,814**	**-**	**4,043**
	(80,251)	**20,420**	**118,907**	**28,857**	**(2,573)**	**85,360**
Cash provided by (used in) investing activities						
Purchase of property, plant and equipment	**(3,111)**	**(3,312)**	**(4,535)**	**(1,946)**	**(250,166)**	**(263,070)**
Acquisition of bonds and other securities	**(771,838)**	**(1)**	**-**	**-**	**-**	**(771,839)**
Maturity of bonds and other securities	**804,706**	**-**	**-**	**-**	**-**	**804,706**
Sale (purchase) of short-term investments, net	**507,636**	**-**	**-**	**-**	**-**	**507,636**
	537,393	**(3,313)**	**(4,535)**	**(1,946)**	**(250,166)**	**277,433**
Cash provided by (used in) financing activities						
Funding by non-controlling shareholder	**-**	**-**	**-**	**-**	**80,000**	**80,000**
Other	**282**	**-**	**(4,729)**	**-**	**-**	**(4,447)**
	282	**-**	**(4,729)**	**-**	**80,000**	**75,553**
Foreign exchange on cash held in foreign currencies	**(13,450)**	**(58)**	**(8,240)**	**(1,519)**	**-**	**(23,267)**
Intergroup funding (distributions)	**(309,090)**	**504**	**(7,635)**	**(2,456)**	**318,677**	**-**
Increase (decrease) in cash	**134,884**	**17,553**	**93,768**	**22,936**	**145,938**	**415,079**
Cash:						
Beginning of year	**620,451**	**148,678**	**157,903**	**22,071**	**84,480**	**1,033,583**
End of period	**755,335**	**166,231**	**251,671**	**45,007**	**230,418**	**1,448,662**
Short term investments	**-**	**-**	**-**	**-**	**-**	**-**
Cash and short-term investments	**$ 755,335**	**$ 166,231**	**$ 251,671**	**$ 45,007**	**$ 230,418**	**$ 1,448,662**

2012 For the three months ended March 31	**CORPORATE & OTHER**	**ÇAYELI**	**LAS CRUCES**	**PYHÄSALMI**	**COBRE PANAMA**	**TOTAL**
(thousands of US dollars)		(Turkey)	(Spain)	(Finland)	(Panama)	
Cash provided by (used in) operating activities						
Before net change in non-cash working capital	$ (13,392)	$ 65,060	$ 71,306	$ 22,428	$ (2,456)	$ 142,946
Net change in non-cash working capital	(3,058)	(35,216)	6,183	3,657	-	(28,434)
	(16,450)	29,844	77,489	26,085	(2,456)	114,512
Cash provided by (used in) investing activities						
Purchase of property, plant and equipment	(569)	(2,250)	(5,985)	(2,384)	(71,420)	(82,608)
Acquisition of bonds and other securities	(680)	(444)	-	-	-	(1,124)
Maturity of bonds and other securities	47,376	-	-	-	-	47,376
Sale (purchase) of short-term investments, net	258,459	-	-	-	-	258,459
	304,586	(2,694)	(5,985)	(2,384)	(71,420)	222,103
Cash provided by (used in) financing activities	(2,664)	-	(2,722)	-	-	(5,386)
Foreign exchange on cash held in foreign currencies	2,169	(2,379)	670	702	127	1,289
Intergroup funding (distributions)	(3,292)	113	(101,920)	(3,962)	109,061	-
Increase (decrease) in cash	284,349	24,884	(32,468)	20,441	35,312	332,518
Cash:						
Beginning of year	452,968	133,215	131,799	46,109	25,907	789,998
End of period	737,317	158,099	99,331	66,550	61,219	1,122,516
Short term investments	-	-	-	-	-	-
Cash and short-term investments	$ 737,317	$ 158,099	$ 99,331	$ 66,550	$ 61,219	$ 1,122,516

Notes to the consolidated financial statements

1. *Corporate information*

Prior to April 9, 2013, Inmet Mining Corporation was a publicly traded corporation listed on the Toronto stock exchange with a registered and head office at 330 Bay Street, Suite 1000, Toronto Canada. On March 21, 2013 FQM (Akubra) Inc., 2013, a wholly owned subsidiary of First Quantum Minerals Ltd (First Quantum) acquired 86.6 percent of the issued and outstanding common shares of Inmet Mining, and on April 1, 2013, it acquired a further 7.3 percent. On April 9, 2013, FQM (Akubra) Inc. acquired the remaining common shares of Inmet Mining it did not already own through a compulsory acquisition, and Inmet Mining ceased to be a publicly traded company.

Our principal activities are the exploration, development and mining of base metals.

2. *Basis of presentation and statement of compliance*

We prepared these interim consolidated financial statements using the same accounting policies and methods as those described in our consolidated financial statements for the year ended December 31, 2012, except as described in note 3. These interim financial statements are in compliance with International Accounting Standard (IAS) 34, *Interim Financial Reporting* (IAS 34). Accordingly, certain information and disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards have been omitted or condensed. The preparation of financial statements in accordance with IAS 34 requires us to use certain critical accounting estimates and requires us to exercise judgement in applying our accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, have been set out in note 5 to our consolidated financial statements for the year ended December 31, 2012. These interim financial statements should be read in conjunction with our annual consolidated financial statements for the year ended December 31, 2012.

3. *Changes in accounting policies*

Adoption of new and amended standards
We adopted IFRS 10, IFRS 11, IFRS 12, IFRS 13, IFRIC 20 and amendments to IAS 19, which resulted in the following changes to our 2012 financial statements:
- lowered other assets by $1.4 million
- lowered deferred income tax assets by $0.2 million
- lowered provisions by $1.2 million
- lowered comprehensive income by $0.1 million
- increased opening 2012 accumulated other comprehensive loss by $0.2 million
- lowered opening 2012 retained earnings by $0.1 million.

Change in functional and presentation currency
Prior to June 1, 2012, Inmet Mining's functional currency and our presentation currency were the Canadian dollar. The decision to proceed with full scale development of Cobre Panama has significantly increased Inmet Mining's exposure to the US dollar considering:
- Inmet Mining's share of the development costs for the project, the vast majority of which are denominated in US dollars; and
- our issuance of US $1.5 billion of senior unsecured notes

Consequently, effective June 1, 2012, the US dollar was adopted as Inmet Mining's functional currency. Our operating entities continue to measure the items in their financial statements using their functional currencies; Çayeli and Cobre Panama use the US dollar, and Pyhäsalmi and Las Cruces use the euro. IFRS requires a change in functional currency to be accounted for prospectively. We therefore translated Inmet Mining's May 31, 2012 financial statement items from Canadian dollars to US dollars using the May 31, 2012 exchange rate US $0.97 per Canadian dollar (Transition Rate). The resulting translated amounts for non-monetary items are treated as their historical cost.

Following the change in Inmet Mining's functional currency, we elected to change our presentation currency from Canadian dollars to US dollars as we believe that changing the presentation currency to US dollars will provide shareholders with a more accurate reflection of our underlying financial performance and position. The change in presentation currency represents a voluntary change in accounting policy. We have restated all comparative financial statements from previously reported Canadian dollar amounts to US dollars using the Transition Rate.

4. *Cash and short-term investments*

	March 31, 2013	December 31, 2012	January 1, 2012
Cash and cash equivalents:			
Liquidity funds	**$889,251**	$806,269	$375,523
Term deposits	**41,633**	51,243	6,548
Overnight deposits	**68,268**	31,387	70,389
Bankers' acceptances	**10,474**	-	891
Money market funds	**1,951**	14,410	126,336
Corporate	**-**	-	11,593
Bank deposits	**257,014**	130,274	31,722
Federal	**10,300**	-	-
Provincial short-term notes	**50,000**	-	166,996
Asset backed securities[(i)]	**119,771**	-	-
	1,448,662	1,033,583	789,998
Short-term investments:			
Corporate	**-**	-	48,588
Term deposits	**-**	211,536	-
Provincial	**-**	15,079	187,191
Bankers' acceptances	**-**	21,494	22,680
Asset backed securities[(i)]	**-**	259,527	-
	-	507,636	258,459
Total cash and short-term instruments	**$1,448,662**	$1,541,219	$1,048,457

(i) Bank sponsored securitized programs with highest credit quality rating and supported by global liquidity lines.

5. *Bonds and other securities*

The table below provides a breakdown of our bonds and other securities as at the balance sheet date by financial instrument classification.

	March 31, 2013	December 31, 2012	January 1, 2012
Current available for sale securities	**$1,544,231**	$736,387	$ -
Current held to maturity securities	**142,161**	147,212	175,921
	1,686,392	883,599	175,921
Available for sale securities	**-**	824,092	-
Held to maturity securities	**351,869**	366,513	427,727
	351,869	1,190,605	427,727
Other	**2,168**	2,483	3,060
	$2,040,429	$2,076,687	$606,708

6. *Stock-based compensation*

On February 1, 2013, the Board granted 75,102 performance share units (PSUs) to senior executives with a 3 year vesting period from January 1, 2013 to December 31, 2015.

As a result of First Quantum's acquisition of Inmet Mining on March 21, 2013, all unvested stock options, long-term incentive plan (LTIP) units, PSUs, deferred share units (DSUs) and share award plan shares outstanding at that time immediately vested in accordance with change-in-control provisions under each plan. Accordingly, Cdn $2.8 million was paid to settle the 463,084 stock options, Cdn $21.6 million was paid to settle the 312,000 LTIP units, Cdn $20.8 million was paid to settle the 141,170 PSUs and 113,121 Inmet common shares were issued from treasury to settle the 113,121 DSUs such that all stock based compensation awards have been settled.

We recognized the following stock-based compensation expense relating to all awards, including the impact of accelerated vesting:

	three months ended March 31	
	2013	2012
Stock option plan	**$ 4,350**	$1,689
Performance share unit plan	**17,112**	245
Long-term incentive plan	**13,247**	-
Deferred share unit plan	**-**	217
Share award plan	**-**	47
	$34,709	$2,198

An amount of $10.4 million remains in *stock based compensation* for settled stock options representing the amount by which their grant date fair value exceeded their cash settlement value.

7. *Accumulated other comprehensive loss*

Accumulated other comprehensive loss includes:

	March 31, 2013	December 31, 2012	January 1, 2012
Unrealized gains (losses) on bonds and other securities (net of tax of nil) (December 31, 2012 - $91, December 31, 2011 - $91)	**$ 1,806**	$ 421	$ (534)
Actuarial gains (losses) – post retirement employee benefits (net of tax of $51) (December 31, 2012 - $234, December 31 2011 - $176)	**(1,040)**	(308)	(214)
Currency translation adjustment	**(131,842)**	(85,834)	(159,010)
Accumulated other comprehensive loss	**($131,076)**	($85,721)	($159,758)

Currency translation adjustments

The table below is breakdown of our currency translation adjustments.

	March 31, 2013	December 31, 2012	January 1, 2012
Pyhäsalmi (euro functional currency)	**($25,721)**	($18,981)	($27,378)
Las Cruces (euro functional currency)	**(102,591)**	(63,557)	(103,071)
Çayeli (US dollar functional currency)	**(12,237)**	(12,003)	(15,068)
Cobre Panama (US dollar functional currency)	**8,707**	8,707	(13,493)
	($131,842)	($85,834)	($159,010)

8. *Investment and other income*

	three months ended March 31	
	2013	2012
Interest income	**$ 3,545**	$ 4,252

Foreign exchange gain (loss)	**17,204**	(12,070)
Dividend and royalty income	**-**	484
Other	**(55)**	1,071
	$20,694	($6,263)

Foreign exchange gain (loss) is a result of:

	three months ended March 31	
	2013	2012
Translation of US dollar cash held in euro based entities	**$21,914**	($4,392)
Translation of Cdn dollar cash held by Corporate	**(608)**	-
Translation of Cdn dollar bonds and other securities held by Corporate	**(4,499)**	-
Translation of other monetary assets and liabilities	**397**	(2,627)
Translation of US dollar amounts in Corporate prior to the change in functional currency to the US dollar	**-**	(5,051)
	$17,204	($12,070)

9. *Income tax*

For the three months ended March 31, 2013:

	Corporate and other	**Çayeli (Turkey)**	**Las Cruces (Spain)**	**Pyhäsalmi (Finland)**	**Total**
Current income taxes	**$456**	**$10,686**	**$599**	**$7,316**	**$19,057**
Deferred income taxes	**858**	**3,289**	**21,675**	**(119)**	**25,703**
Income tax expense	**$1,314**	**$13,975**	**$22,274**	**$7,197**	**$44,760**

For the three months ended March 31, 2012:

	Corporate and other	Çayeli (Turkey)	Las Cruces (Spain)	Pyhäsalmi (Finland)	Total
Current income taxes	$142	$8,649	$ -	$5,268	$14,059
Deferred income taxes	(6)	831	11,213	(85)	11,953
Income tax expense	$136	$9,480	$11,213	$5,183	$26,012

10. *Net income per share*

(thousands)	three months ended March 31 **2013**	2012
Net income available to common shareholders	**$26,810**	$93,081

(thousands)	three months ended March 31 **2013**	2012
Weighted average common shares outstanding	**69,375**	69,349
Plus incremental shares from assumed conversions:		
DSUs	**100**	92
Stock options	**29**	**-**
LTIP units	**277**	-
Diluted weighted average common shares outstanding	**69,781**	69,441

The table below shows our earnings per common share for the three months ended March 31.

(US dollars per share)	**three months ended March 31 2013 Basic**	**Diluted**	2012 Basic	Diluted
Net income per share	**$0.39**	**$0.38**	$1.35	$1.34

11. *Statements of cash flows*

For the three months ended March 31, 2013:

	Corporate and other	**Çayeli (Turkey)**	**Las Cruces (Spain)**	**Pyhäsalmi (Finland)**	**Total**
Accounts receivable	**($3,599)**	**$1,877**	**$24,363**	**$3,706**	**$26,347**
Inventories	**-**	**(71)**	**608**	**(1,793)**	**($1,256)**
Accounts payable and accrued liabilities	**(421)**	**(15,848)**	**(11,696)**	**(50)**	**(28,015)**
Taxes payable	**168**	**5,476**	**564**	**(45)**	**6,163**
Other	**-**	**808**	**-**	**(4)**	**804**
	($3,852)	**($7,758)**	**$13,839**	**$1,814**	**$4,043**

For the three months ended March 31, 2012:

	Corporate and other	Çayeli (Turkey)	Las Cruces (Spain)	Pyhäsalmi (Finland)	Total
Accounts receivable	$1,103	($34,540)	$5,760	$3,502	($24,175)
Inventories	-	4,322	(1,943)	1,224	3,603
Accounts payable and accrued liabilities	(4,540)	(6,704)	2,366	(353)	(9,231)
Taxes payable	664	1,708	-	(716)	1,656
Other	(285)	(2)	-	-	(287)
	($3,058)	($35,216)	$6,183	$3,657	($28,434)

12. *Fair value of financial instruments*

The table below shows the carrying values and fair values of our financial instruments at the balance sheet date:

	March 31, 2013		December 31, 2012		January 1, 2012	
	Carrying value	**Fair value**	Carrying value	Fair value	Carrying value	Fair value
Financial assets						
Cash and short-term investments	**$1,448,662**	**$1,448,662**	$1,541,219	$1,541,219	$1,048,457	$1,048,457
Restricted cash	**80,246**	**80,246**	78,341	78,341	70,322	70,322
Accounts receivable from metal sales	**64,844**	**64,844**	87,106	87,106	62,012	62,012
Held to maturity bonds and other securities	**494,030**	**489,241**	513,725	521,495	603,648	618,180
Available for sale bonds and other securities	**1,544,231**	**1,544,231**	1,560,479	1,560,479	-	-
Investments in equity securities	**2,168**	**2,168**	2,483	2,483	3,060	3,060
	$3,634,181	**$3,629,392**	$3,783,353	$3,791,123	$1,787,499	$1,802,031
Financial liabilities						
Accounts payable and accrued liabilities	**$347,806**	**$347,806**	$261,812	$261,812	$118,462	$118,462
Long-term debt(i)	**1,961,176**	**2,227,272**	1,959,859	2,175,097	16,581	18,424
	$2,308,982	**$2,575,078**	$2,221,671	$2,436,909	$135,043	$136,886

(i) We calculate the fair value of the senior unsecured notes using period end market yields.

We classify fair value measurements based on a three-level hierarchy that prioritizes the inputs to valuation techniques as follows:

- Level 1 – quoted prices in active markets for the same instrument;
- Level 2 – quoted prices in active markets for similar assets or liabilities or other valuation techniques for which all significant inputs are based on observable market data; and
- Level 3 – valuation techniques for which any significant input is not based on observable market data.

The table below discloses the classification level for financial instruments we measured at fair value in the balance sheet.

	March 31, 2013	**December 31, 2012**	**January 1, 2012**
Financial assets			
Cash and short-term investments	Level 1	Level 1	Level 1
Restricted cash	Level 1	Level 1	Level 1
Accounts receivable from metal sales	Level 2	Level 2	Level 2
Available for sale bonds and other securities	Level 2	Level 2	n/a
Investments in equity securities	Level 1	Level 1	Level 1

13. *Events after the reporting period*

Senior unsecured notes
The acquisition of Inmet by FQM (Akubra) Inc. triggered the change of control clause in the senior unsecured notes' indentures which requires an offer be made to repurchase the notes. Subsequent to the end of the first quarter of 2013, a mandatory offer has been issued to purchase these notes in cash at a price equal to 101 percent of the aggregate principal plus accrued and unpaid interest up to, but not including, the date of purchase. As a result of the requirement to make this repurchase offer these notes have been classified as a current liability. The notes that remain outstanding after the expiry of the mandatory repurchase offer will be reclassified as a non-current liability at that time.

Amalgamation of Inmet Mining and FQM (Akubra) Inc.
On April 30, 2013, FQM (Akubra) Inc. acquired the remaining common shares of Inmet Mining it did not already own through a compulsory acquisition whereby FQM (Akubra) Inc. and Inmet Mining were amalgamated, continuing as FQM (Akubra) Inc.

FQM (Akubra) Inc. entered into a $2,500 million debt arrangement in order to finance its acquisition of Inmet. The minimum facility repayment is the greater of 50 percent of the outstanding debt or $1,000 million on December 31, 2013, with the remainder being due on March 26, 2014. Interest is payable monthly in arrears and calculated at a rate equal to LIBOR plus 2.75 percent. Outstanding debt under facility at March 31, 2013 was $2,116.3 million, net of issue and transaction costs of $22.1 million.