BOLIDEN LIMITED REPORTS THIRD QUARTER 2001 RESULTS AND RECENT CORPORATE DEVELOPMENTS
(All dollar amounts are in United States dollars)

Overview

- Continued lower metal prices and TCs/RCs combined with the negative effects of foreign currency hedging result in operating loss of $40.5 million for the quarter.

- Myra Falls partnership process reactivated and expanded to include possible sale. Carrying value of capital assets reduced by $110 million as a result.

- $243 million of equity offerings completed.

- Refinancing and restructuring of credit facilities and foreign currency hedge program completed.

- Special meeting of shareholders to be held on November 29, 2001 to approve redomiciliation to Sweden.

STOCKHOLM, SWEDEN and TORONTO, CANADA (October 25, 2001) – Boliden Limited today reported its operating results for the third quarter and the first nine months of 2001.

The Company reported an operating loss of $40.5 million for the quarter and $60.4 million for the nine months ended September 30, 2001 (in both cases after excluding $110 million of write-off) compared with operating income of $6.9 million for the third quarter of 2000 and an operating loss of $34.2 million for the nine months ended September 30, 2000 (in both cases after excluding $210.5 million write-off and unusual charges). The principal reasons for the change are significantly lower metal prices and lower treatment and refining charges (TCs/RCs). The operating loss for the quarter compares with an operating loss of $11.0 million for the second quarter of 2001.

Foreign currency hedging under the Company's former hedge program negatively affected the Company's operating results by $24.6 million for the quarter and $65.0 million for the nine months ended September 30, 2001, $16.6 million for the third quarter of 2000 and $42.6 million for the nine months ended September 30, 2000 and $22.4 million for the second quarter of 2001.

After accounting for interest expense and income taxes, the Company reported a net loss of $161.3 million or $0.24 per common share for the quarter and $174.3 million or $0.48 per common share for the nine months ended September 30, 2001 compared with a net loss of $195.3 million or $0.90 per common share for the third quarter of 2000 and $248.1 million or $1.38 per common share for the nine months ended September 30, 2000.

Cash used in operations before non-cash working capital changes was $6.9 million or $0.01 per common share for the quarter and cash provided by operations was $8.0 million or $0.02 per common share for the nine months ended September 30, 2001 compared with cash provided by operations of $23.5 million or $0.11 per common share for the third quarter of 2000 and $19.0 million or $0.10 per common share for the nine months ended September 30, 2000. Cash used in operations before non-cash working capital changes for the quarter compares with cash provided by operations of $2.9 million or $0.01 per common share for the second quarter of 2001.

CORPORATE DEVELOPMENTS

Operating Matters

Chilean Assets

In July 2001, the Company completed the sale, with effect from January 1, 2001, of its interests in the Lomas Bayas SX-EW copper project and adjacent Fortuna de Cobre copper deposit (Chilean Assets) for a total purchase price of:

(a) $175 million, plus cash balances ($2.1 million) less outstanding third party debt obligations ($112.7 million); plus

(b) $15 million, if the purchaser exercises its right to retain the Fortuna de Cobre copper deposit before the fifth anniversary of closing.

Myra Falls

During the quarter, the Company reactivated the process, begun in 2000 as part of its capital management program, of seeking a trade or other partner to provide financing for part of the capital investments required at its Myra Falls Operations (MFO) over the next few years. After the end of the quarter, the board of directors of the Company decided that this partnership process should also include the sale of MFO if a purchaser can be secured at an acceptable price. As a result of the board's decision, the Company has written down the carrying value of its capital assets by approximately $110 million to reflect the estimated realizable value of MFO in the current market.

After the end of the quarter, the Company decided to temporarily halt production at MFO due to the current very low metal prices.

Apirsa

In September 2001, the Company's subsidiary, Boliden Apirsa SL (Apirsa), ceased production at its Los Frailes operations. Apirsa has commenced discussions with its creditors, the unions representing its employees and the Government of Andalucia with a view to reaching agreements that would involve Apirsa compromising and paying creditor claims, settling and paying employee severance claims and settling closure obligations. Apirsa does not have adequate financial resources to satisfy these obligations and is exploring ways to monetize its assets, including selling assets to other Boliden companies.

Equity Offerings

In August 2001, the Company completed $243 million of equity offerings. The offerings consisted of a $105 million common share rights offering to existing shareholders fully secured by subscription and standby commitments and a $138 million common share offering directed to existing shareholders, certain Swedish investors and the Company's lenders fully secured by subscription commitments. Existing shareholders subscribed for approximately 70% of the common shares available under the rights offering. The Company's lenders subscribed for approximately 58% of the common shares available under the directed offering. The balance of the common shares offered pursuant to the equity offerings were purchased by existing shareholders and Swedish financial institutions, companies, unions, associations and funds pursuant to standby and subscription commitments.

The Company realized net proceeds of approximately $234 million from the equity offerings. $134 million of the net proceeds were used to repay amounts outstanding under the term and revolving credit facility (described below) and the medium term notes.

Term and Revolving Credit Facility

In August 2001, the Company completed the refinancing of certain of its credit facilities and the losses incurred on the maturity or closing out of the foreign currency hedge contracts that were outstanding on March 31, 2001 under its former hedge program by drawing down all of the following amounts available to it under a new term and revolving credit facility provided to the Company by certain of its lenders and hedge contract counterparties:

(a) *Tranche A* – a $380 million term tranche, repayable on June 30, 2006;

(b) *Tranche B* – a $150 million revolving tranche (including up to $20 million by way of letters of credit), repayable on June 30, 2006;

(c) *Tranche C* – a $118.4 million tranche, repayable on June 30, 2003; and

(d) *Tranche D* – a SEK 1.4 billion tranche, repayable as to 50% on June 30, 2003 and as to the balance in six semi-annual instalments commencing on December 31, 2003.

Upon completion of the refinancing, the Company used $129 million of the net proceeds of the equity offerings, the $85 million net proceeds of sale of the Company's interest in Norzink (sold in April 2001) and $25 million of the net proceeds of sale of the Chilean Assets (described below) to repay:

(a) $40.4 million of the amount outstanding under Tranche A;

(b) $14 million of the amount outstanding under Tranche B and permanently reduce the amount available under Tranche B to $136 million;

(c) all ($118.4 million) of the amount outstanding under Tranche C; and

(d) SEK 776.1 million of the amount outstanding under Tranche D.

The rate of interest payable by the Company under the credit facility is LIBOR plus a margin of 100 basis points. The credit facility is secured, *pari passu* with the medium term notes, by charges over the Company's assets.

Commencing on June 30, 2002, the Company is required to complete a semi-annual calculation of cash flow available for debt reduction and to use such cash flow for debt reduction.

The Company is required to meet quarterly interest coverage and debt to EBITDA tests.

Hedging

Close-out of Former Program

In August 2001, the Company completed the close-out of its former hedge program. The losses incurred by the Company under the foreign currency hedge contracts that were outstanding on March 31, 2001 under the program were refinanced under the term and revolving credit facility (described above).

Establishment of New Hedge Program

In July 2001, the Company established a new hedge program covering through forward contracts 60%, and through put options 25%, of three years exposure to changes in the SEK/US$ exchange rate. The Company financed the purchase of the put options through a term credit facility of SEK 61.2 million repayable in 11 quarterly instalments commencing on February 21, 2002.

Board of Directors

In September 2001, the board of directors of the Company was increased from six to eight and five of the members of the Advisory Committee appointed by the board of directors in June 2001 were elected directors. The board of directors of the Company is now comprised of:

Carl Bennet (Västra Frölunda, Sweden)	–	Chairman of the board of directors of Getinge Industrier AB (publ)
Göran Collert (Djursholm, Sweden)	–	Chairman of the board of directors of FöreningsSparbanken AB (publ)
Jan Johansson (Bromma, Sweden)	–	President and Chief Executive Officer, Boliden Limited
Robert McDermott (Toronto, Canada)	–	Partner, McMillan Binch
Kjell Nilsson (Mölnlycke, Sweden)	–	Corporate Director
Robert Stone (Vancouver, Canada)	–	Corporate Director and Consultant
Anders Sundström (Piteå, Sweden)	–	Chairman of the board of directors of Sparbanken
Frederick Telmer (Burlington, Canada)	–	Corporate Director

In addition to being elected as directors, Carl Bennet and Anders Sundström have been appointed Chairman and Deputy Chairman, respectively, of the board of directors of the Company.

Also, in September 2001, the board of directors of the Company appointed a new audit committee composed of Carl Bennet, Göran Collert, Robert Stone (Chair) and Frederick Telmer.

Change of Auditor

In September 2001, KPMG LLP resigned as auditor of the Company and Arthur Andersen LLP was appointed as auditor of the Company. There were no reportable events between the Company and the former auditors.

Redomiciliation

The Company has convened a special meeting of shareholders to be held on November 29, 2001 to consider a special resolution approving an arrangement involving the Company and its wholly-owned subsidiary, Boliden AB (BAB). If approved by shareholders at the special meeting and implemented, the arrangement will result in:

(a) *conversion* – the conversion of the outstanding preferred shares of the Company into common shares of the Company on the basis of 37.75 common shares for each preferred share;

(b) *consolidation* – the consolidation of the common shares of the Company outstanding after the conversion into a smaller number of common shares on a 20 for one basis; and

(c) *exchange* – the exchange of the common shares of the Company outstanding after the consolidation for ordinary shares of BAB on the basis of one ordinary share for each common share.

The primary purpose of the arrangement is to change the public company parent of the Boliden group of companies from a Canadian public company to a Swedish public company. This “redomiciliation” is intended to align the domicile of the public company parent of the Boliden group with the primary trading market for its shares, the country of residence of a significant majority of its shareholders and the location of a majority of its operations.

Upon completion of the arrangement, the shareholders of the Company will be shareholders of BAB, the Company will be a wholly-owned subsidiary of BAB and will no longer be a public company and BAB will be the parent company of the Boliden group and a public company. The arrangement will not result in any other change in the business, assets and liabilities or operating management of the Boliden group.

Shareholders of BAB will receive annual reports and other shareholder information prepared in accordance with Swedish requirements and consolidated financial statements reported in SEK rather than US$ and prepared in accordance with Swedish GAAP rather than Canadian GAAP.

Swedish GAAP differs from Canadian GAAP in several respects, including the treatment of hedging gains and losses and of carrying value of assets. Under Canadian GAAP, if a foreign currency hedge contract is closed out before its maturity, any gain or loss is deferred to the period that it was originally intended to hedge. Under Swedish GAAP, any gain or loss is recognized in the period in which the contract is closed out. Under Canadian GAAP, the carrying value of assets is the lower of cost and estimated net recoverable amount (ie, undiscounted cash flow from expected future use). Under Swedish GAAP, beginning in 2002, the carrying value of assets is considered impaired if it is greater than the higher of net realizable value and discounted cash flow from expected future use.

Swedish GAAP also permits the carrying value of assets to be increased in certain circumstances. The Company believes that certain of its assets may be undervalued on its books by an amount at least equal to the writedown taken during the quarter in respect of Myra Falls. BAB is currently examining the possibility of an increase in the carrying value of assets at the end of 2001 after completion of the arrangement.

Upon completion of the arrangement, BAB will have outstanding approximately 85.8 million ordinary shares, approximately 10% of which will be held by the Company's former preferred shareholders.

The arrangement will be implemented by way of plan of arrangement under the *Canada Business Corporations Act*. The details of the arrangement will be described in a management information circular that will be mailed to shareholders.

METAL PRICES, CURRENCIES AND INTEREST RATES

Prices for the metals produced by the Company as reported by the London Metal Exchange (LME) and the London Bullion Market Association (LBM) for the quarter and the nine months ended September 30, 2001 compared with the third quarter of 2000 and the nine months ended September 30, 2000 were as follows:

Average LME/LBM Prices	**Three months ended September 30,**		**Nine months ended September 30,**	
	2001	**2000**	**2001**	**2000**
Zinc $/lb	0.37	0.53	0.42	0.52
Copper $/lb	0.67	0.85	0.74	0.82
Lead $/lb	0.21	0.21	0.22	0.20
Gold $/oz	275	277	269	282
Silver $/oz	4.27	4.91	4.40	5.03

The Company periodically manages its exposure to changes in prices for the metals that it produces through hedge transactions, including forward sales contracts and put and call options. The Company's exposure to changes in metal prices is unhedged.

Most of the Company's costs are in Swedish kronor. The average rates of exchange for Swedish kronor (SEK) and Canadian dollars (C$) per United States dollar (US$) for the quarter and the nine months ended September 30, 2001 compared with the third quarter of 2000 and the nine months ended September 30, 2000 were as follows:

Average Exchange Rates per US$	**Three months ended September 30, 2001**	**2000**	**Nine months ended September 30, 2001**	**2000**
SEK	10.53	9.29	10.24	8.92
C$	1.54	1.48	1.54	1.47

At September 30, 2001, the Company had in place a new hedging program covering part of its exposure to changes in the SEK/US$ exchange rate. The Company held forward contracts covering 60%, and put options covering 25%, of three years exposure to the Swedish krona.

The interest rates on the Company's long-term debt are floating rates and are unhedged.

OPERATIONS

The operating income (loss) at the Company's operating segments for the quarter and the nine months ended September 30, 2001 compared with the third quarter of 2000 and the nine months ended September 30, 2000 was as follows:

Operating Segment ($ thousands)	**Three months ended September 30, 2001**	**2000**	**Nine months ended September 30, 2001**	**2000**
Mining (excluding write-off and unusual charges)	$(26,512)	$(6,113)	$(40,919)	$(49,449)
Smelting	(9,269)	14,602	(7,343)	26,450
Fabrication	(235)	1,270	780	2,209
Corporate and other	(4,475)	(2,853)	(12,869)	(13,406)
	$(40,491)	$6,906	$(60,351)	$(34,196)
Write-off and unusual charges	(110,000)	(210,509)	(110,000)	(210,509)
Total	$(150,491)	$(203,603)	$(170,351)	$(244,705)

Mining

The Company's mining operations reported an operating loss of $26.5 million for the quarter and $40.9 million for the nine months ended September 30, 2001 (in both cases after excluding write-off) compared with an operating loss of $6.1 million for the third quarter of 2000 and $49.4 million for the nine months ended September 30, 2000 (in both cases after excluding write-off and unusual charges). The principal reasons for the change is significantly lower metal prices. The operating loss for the quarter compares with an operating loss of $6.0 million for the second quarter of 2001.

Foreign currency hedging under the Company's former hedge program negatively affected the Company's results from mining operations by $15.9 million for the quarter and $39.6 million for the nine months ended September 30, 2001, $12.5 million for the third quarter of 2000 and $35.7 million for the nine months ended September 30, 2000 and $13.5 million for the second quarter of 2000.

The Company's mines produce primarily zinc and copper, with by-product lead, gold and silver. Contained metal production at each of the Company's mines for the quarter and the nine months ended September 30, 2001 compared with the third quarter of 2000 and the nine months ended September 30, 2000 was as follows:

	Three months ended September 30,		**Nine months ended September 30,**	
Mine	**2001**	**2000**	**2001**	**2000**
Boliden Area Operations (BAO)[(1)]				
Zinc (tonnes)	12,394	13,873	38,030	40,975
Copper (tonnes)	1,996	2,258	6,690	6,590
Lead (tonnes)	985	745	2,815	2,153
Gold (ounces)	19,982	11,011	56,974	35,838
Silver (000s ounces)	499	533	1,612	1,436
Garpenberg				
Zinc (tonnes)	8,422	7,725	25,848	24,102
Copper (tonnes)	162	231	581	623
Lead (tonnes)	3,458	3,383	10,880	10,434
Gold (ounces)	2,370	2,730	7,295	7,697
Silver (000s ounces)	927	829	2,650	2,435
Aitik				
Copper (tonnes)	16,730	17,118	49,223	51,172
Gold (ounces)	13,015	12,934	40,690	36,587
Silver (000s ounces)	379	408	1,204	1,465
Laisvall				
Lead (tonnes)	10,286	13,427	38,708	48,292
Zinc (tonnes)	2,244	2,681	9,461	9,667
Silver (000s ounces)	80	97	297	351
Los Frailes				
Zinc (tonnes)	18,014	24,752	58,992	69,578
Copper (tonnes)	371	780	1,517	2,049
Lead (tonnes)	6,796	9,464	24,566	30,172
Silver (000s ounces)	277	445	1,141	1,182
Myra Falls				
Zinc (tonnes)	17,139	13,334	48,046	39,211
Copper (tonnes)	3,729	4,634	11,325	14,079
Gold (ounces)	5,746	6,441	16,890	17,440
Silver (000s ounces)	104	130	323	371

Note:
(1) BAO comprises four underground mines, one open pit mine and one mill.

Total contained metal production at the Company's mining operations for the quarter and the nine months ended September 30, 2001 compared with the third quarter of 2000 and the nine months ended September 30, 2000 was as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2001	**2000**	**2001**	**2000**
Zinc (tonnes)	58,213	62,365	180,377	183,533
Copper (tonnes)(1)	22,988	25,021	69,336	74,513
Lead (tonnes)	21,525	27,019	76,969	91,051
Gold (ounces)	41,113	33,116	121,849	97,562
Silver (000s ounces)	2,266	2,442	7,227	7,240

Note:
(1) Excludes production from Lomas Bayas. In July 2001, the Company sold its interest in Compañia Minera Lomas Bayas, the owner of Lomas Bayas, effective January 1, 2001.

Zinc

Contained zinc production for the quarter and the nine months ended September 30, 2001 was lower than the third quarter of 2000 and the nine months ended September 30, 2000 due to lower production at Los Frailes.

Copper

Contained copper production (excluding production from Lomas Bayas) for the quarter and the nine months ended September 30, 2001 was lower than the third quarter of 2000 and the nine months ended September 30, 2000 due to lower production at Aitik and Myra Falls. Production at Aitik fluctuates with the grades encountered in mining operations.

Smelting

The Company's smelting operations reported operating loss of $9.3 million for the quarter and $7.3 million for the nine months ended September 30, 2001 compared with operating income of $14.6 million for the third quarter of 2000 and $26.5 million for the nine months ended September 30, 2000. The principal reasons for the change are significantly lower metal prices, lower treatment and refining charges (TCs/RCs) and the scheduled maintenance shutdown taken during the quarter at the Rönnskär smelter. The operating loss for the quarter compares with an operating loss of $0.4 million for the second quarter of 2001.

Foreign currency hedging under the Company's former hedge program negatively affected the Company's results from smelting operations by $8.7 million for the quarter and $25.4 million for the nine months ended September 30, 2001, $4.1 million for the third quarter of 2000 and $6.9 million for the nine months ended September 30, 2000 and $8.9 million for the second quarter of 2001.

The Company's smelters produce primarily copper, zinc clinker and lead, with significant quantities of gold and silver. Metal production at each of the Company's smelters for the quarter and the nine months ended September 30, 2001 compared with the third quarter of 2000 and the nine months ended September 30, 2000 was as follows:

	Three months ended September 30,		Nine months ended September 30,	
Smelter	**2001**	**2000**	**2001**	**2000**
Rönnskär				
Copper (tonnes)	53,417	35,340	158,869	88,740
Lead (tonnes)	3,742	4,746	22,391	23,708
Zinc clinker (tonnes)	9,189	7,430	26,759	22,202
Gold (kilos)	3,091	2,122	9,358	5,943
Silver (kilos)	62,125	94,713	233,687	269,245
Bergsöe				
Lead alloys (tonnes)	7,316	10,180	31,707	34,916

Rönnskär

Production at Rönnskär for the quarter and the nine months ended September 30, 2001 was higher than the third quarter of 2000 and the nine months ended September 30, 2000 due to the increase in production capacity as a result of the completion of the Rönnskär +200 expansion project. Production for the quarter was affected by the scheduled maintenance shutdown taken during the quarter.

Fabrication

The Company's copper tubing and brass fabrication operations reported operating loss of $0.2 million for the quarter and an operating income of $0.8 million for the nine months ended September 30, 2001 compared with operating income of $1.3 million for the third quarter of 2000 and $2.2 million for the nine months ended September 30, 2000. The operating loss for the quarter compares with operating income of $0.2 million for the second quarter of 2001.

OTHER MATTERS

Dividend on Preferred Shares

On December 17, 1999, the Company's board of directors decided to postpone payment of dividends on the Company's preferred shares. The Company's board of directors has made no decision with respect to the resumption of payment of dividends on the preferred shares.

The Company has not paid dividends on its preferred shares for eight consecutive quarters. As a result, holders of preferred shares are entitled to attend and vote at all meetings of shareholders until such time as the Company pays dividends on its preferred shares for four consecutive quarters. Holders of preferred shares are entitled to 11 votes per share.

At September 30, 2001, there were 1,540,689,675 common shares and 4,650,148 preferred shares outstanding.

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS TO FOLLOW

BOLIDEN LIMITED

Consolidated Balance Sheets
(In thousands of United States dollars)

		September 30, 2001		December 31, 2000
		(Unaudited)		(Audited)
Assets				
Current assets:				
Cash and short-term investments	$	35,402	$	45,211
Accounts and metal settlements receivable		106,259		153,922
Inventories		164,803		231,098
		306,464		430,231
Capital assets		454,892		803,341
Future income tax assets		66,888		63,341
Deferred expenses and other assets		130,546		30,905
	$	958,790	$	1,327,818
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable and accrued charges	$	228,795	$	327,601
Debt		3,480		772,716
		232,275		1,100,317
Long-term debt		514,346		36,299
Future income tax liabilities		1,904		1,904
Provision for reclamation costs		57,759		63,987
Other long-term liabilities		13,024		27,158
		819,308		1,229,665
Shareholders' equity:				
Common shares		1,025,219		790,878
Preferred shares		79,515		78,872
Retained deficit		(937,573)		(762,317)
Foreign currency translation account		(27,679)		(9,280)
		139,482		98,153
	$	958,790	$	1,327,818

See accompanying notes to unaudited consolidated financial statements.

BOLIDEN LIMITED

Consolidated Statements of Operations

(In thousands of United States dollars, except per share data)

	Three months ended September 30, 2001	Three months ended September 30, 2000	Nine months ended September 30, 2001	Nine months ended September 30, 2000
	(Unaudited)		(Unaudited)	
Revenues	$ 181,094	$ 283,603	$ 752,558	$ 834,998
Operating expenses:				
Costs of metal and other product sales	187,542	229,480	701,629	718,542
Depreciation, depletion and amortization	19,497	30,040	63,333	90,908
Selling, general and administrative	12,320	15,051	40,582	49,229
Exploration, research and development	2,226	2,126	7,365	10,515
Write down of mining properties and unusual charges	110,000	210,509	110,000	210,509
	331,585	487,206	922,909	1,079,703
Operating loss	(150,491)	(203,603)	(170,351)	(244,705)
Interest and other expense (Note 3)	(10,735)	(12,052)	(41,602)	(33,304)
Net gain (loss) on asset dispositions	(281)	-	29,886	-
	(11,016)	(12,052)	(11,716)	(33,304)
Loss before income taxes	(161,507)	(215,655)	(182,067)	(278,009)
Income taxes recovery	(159)	(20,339)	(7,795)	(29,953)
Net loss	$ (161,348)	$ (195,316)	$ (174,272)	$ (248,056)
Basic loss per share	$ (0.24)	$ (0.90)	$ (0.48)	$ (1.38)
Diluted loss per share	$ (0.24)	$ (0.90)	$ (0.48)	$ (1.38)
Retained deficit				
Balance, beginning of year	$ (775,897)	$ (158,844)	$ (762,317)	$ (105,448)
Net loss for the period	(161,348)	(195,316)	(174,272)	(248,056)
Accretion on convertible preferred shares	(328)	(328)	(984)	(984)
Balance, for the period	$ (937,573)	$ (354,488)	$ (937,573)	$ (354,488)

See accompanying notes to unaudited consolidated financial statements.

BOLIDEN LIMITED

Consolidated Statements of Cash Flows

(In thousands of United States dollars, except per share data)

	Three months ended September 30, 2001	Three months ended September 30, 2000	Nine months ended September 30, 2001	Nine months ended September 30, 2000
	(Unaudited)		(Unaudited)	
Cash provided by (used in):				
Operating Activities:				
Net loss for the period	$ (161,348)	$ (195,316)	$ (174,272)	$ (248,056)
Items not affecting cash:				
Depreciation, depletion and amortization	19,497	30,040	63,333	90,908
Net gain (loss) on asset dispositions	281	-	(29,886)	-
Future income taxes	(839)	(21,749)	(9,314)	(34,353)
Write down of mining properties and unusual charges	110,000	210,509	110,000	210,509
Other non-cash items	25,500	-	48,100	-
Cash provided by (used in) operations before non-cash working capital changes	(6,909)	23,484	7,961	19,008
Net change in non-cash operating working capital	(25,696)	11,829	(55,413)	(28,911)
Cash provided by (used in) operating activities	(32,605)	35,313	(47,452)	(9,903)
Financing Activities:				
Additions to debt, net of hedging activities	7,000	20,167	31,001	55,477
Payments of debt	(449,700)	-	(460,700)	(57,350)
Issuance of common shares, net of issue costs	234,000	-	234,000	142,600
Cash provided by (used in) financing activities	(208,700)	20,167	(195,699)	140,727
Investing Activities:				
Capital expenditures	(19,650)	(30,465)	(49,267)	(123,019)
Proceeds on asset dispositions	175,066	-	282,404	-
Other assets	-	(2,332)	-	(2,332)
Cash provided by (used in) investing activities	155,416	(32,797)	233,137	(125,351)
Effect of exchange rate changes on cash balances in foreign currencies	(535)	1,098	205	1,630
Cash provided (used) during the period	(86,424)	23,781	(9,809)	7,103
Cash and short-term investments, beginning of period	121,826	49,785	45,211	66,463
Cash and short-term investments, end of period	$ 35,402	$ 73,566	$ 35,402	$ 73,566
Cash provided by (used in) operations before non-cash working capital changes, per share	$ (0.01)	$ 0.11	$ 0.02	$ 0.10

See accompanying notes to unaudited consolidated financial statements.

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
(Unless otherwise noted, all tabular amounts are in thousands of United States dollars)

1. General

The accompanying unaudited consolidated financial statements should be read in conjunction with the notes to the Company's audited consolidated financial statements for the year ended December 31, 2000.

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

2. Recent Events

In July, the Company completed the sale, effective January 1, 2001, of its interests in the Lomas Bayas SX-EW copper project and adjacent Fortuna de Cobre copper deposit (Chilean Assets) for a total purchase price of:

(a) $175 million, plus cash balances ($2.1 million) less outstanding third party debt obligations ($112.7 million); plus

(b) $15 million, if the purchaser exercises its right to retain the Fortuna de Cobre copper deposit before the fifth anniversary of closing.

During the fourth quarter of 2000, the Company wrote down the carrying value of its interests in the Chilean Assets to the purchase price.

In August 2001, the Company completed $243 million of equity offerings, consisting of a $105 million common share rights offering and a $138 million common share directed offering, realizing net proceeds of $234 million. $134 million of the net proceeds were used to repay amounts outstanding under the new term and revolving credit facility and the medium term notes of the Company.

In August 2001, the Company completed the refinancing of $648.4 million principal amount outstanding under certain of its credit facilities and losses of SEK 1.4 billion incurred on the maturity or closing out of the foreign currency hedge contracts that were outstanding on March 31, 2001 under its former hedge program under a new term and revolving credit facility provided by certain of the Company's lenders and hedge contract counterparties. The Company used $129 million of the net proceeds of the equity offerings, the $85 million net proceeds of the sale of the Company's interest in Norzink A/S (sold in April 2001) and $25 million of the net proceeds of sale of the Chilean Assets to repay and permanently reduce the amounts outstanding and available to it under the credit facility.

In September 2001, the Company established a new hedge program covering through forward contracts 60%, and through put options 25%, of three years exposure to changes in the Swedish krona/United States dollar exchange rate. The Company financed the purchase of the put options through a new term credit facility.

3. Debt, Letters of Credit, Hedges and Interest

At September 30, 2001, the Company's debt position was as follows:

Term and revolving credit facility		
Tranche A *(term)*	$339.6	
Tranche B *(revolving; available: $136 million, including up to $20 million letters of credit)*	52.2	
Tranche D *(term)*	57.8	$449.6
Medium term notes		19.1
Hedge credit facility		5.7
Other		43.4
Total debt		517.8
Less amounts classified as current		(3.5)
Total long-term debt		$514.3

At September 30, 2001, the Company had $11.4 million letters of credit outstanding under Tranche B of the term and revolving credit facility.

At September 30, 2001, the Company's principal foreign currency hedge positions were as follows:

Maturing in		**2001**		**2002**
	$ Million	Rate	$ Million	Rate
Swedish kronor:				
Forward sales	54	10.54	216	10.55
Put options bought	–	–	90	9.00

Maturing in		**2003**		**2004**
	$ Million	Rate	$ Million	Rate
Swedish kronor:				
Forward sales	216	10.53	162.0	10.54
Put options bought	90	9.00	67.5	9.00

At September 30, 2001, the fair value of the forward sales contracts was an unrealized loss of $16.5 million and the fair value of the bought put options was an unrealized loss of $2.2 million.

During the quarter, the Company incurred interest expense of $9.1 million (2000 – $10.6 million) on long-term debt.

4. Per Share Information

Per share information for the quarter is based on the weighted average number of common shares outstanding during the quarter (669.7 million; 2000 – 218.3 million). At September 30, 2001, there were 1,540.7 million common shares outstanding.

5. Segmented Data

The Company operates principally in three operating segments: mining, smelting and fabrication.

The Company's operating income (loss) at each of these operating segments was as follows:

QUARTER ENDED September 30, 2001	Mining	Smelting	Fabrication	Corporate and other	Write-off and unusual charges	Consolidation adjustment	Total
Revenues	62,887	100,407	51,418	5,188	–	(38,806)	181,094
Operating income (loss)	(26,512)	(9,269)	(235)	(4,475)	(110,000)	–	(150,491)
Depreciation, Depletion	(12,007)	(6,188)	(1,247)	(55)	–	–	(19,497)
Capital Expenditures	15,464	3,699	466	21	–	–	19,650

QUARTER ENDED September 30, 2000	Mining	Smelting	Fabrication	Corporate and other	Write-off and unusual charges	Consolidation adjustment	Total
Revenues	101,358	165,858	57,072	4,454	–	(45,139)	283,603
Operating income (loss)	(6,113)	14,602	1,270	(2,853)	(210,509)	–	(203,603)
Depreciation, Depletion	(23,459)	(4,957)	(1,523)	(101)	–	–	(30,040)
Capital Expenditures	8,486	20,473	1,467	39	–	–	30,465

NINE MONTHS ENDED September 30, 2001	Mining	Smelting	Fabrication	Corporate and other	Write-off and unusual charges	Consolidation adjustment	Total
Revenues	218,474	487,840	178,187	14,345	–	(146,288)	752,558
Operating income (loss)	(40,919)	(7,343)	780	(12,869)	(110,000)	–	(170,351)
Depreciation, Depletion	(40,541)	(18,262)	(4,279)	(251)	–	–	(63,333)
Capital Expenditures	35,167	12,298	1,701	101	–	–	49,267

NINE MONTHS ENDED September 30, 2000	Mining	Smelting	Fabrication	Corporate and other	Write-off and unusual charges	Consolidation adjustment	Total
Revenues	300,483	479,720	188,612	13,184	–	(147,001)	834,998
Operating income (loss)	(49,449)	26,450	2,209	(13,406)	(210,509)	–	(244,705)
Depreciation, Depletion	(71,491)	(14,103)	(4,916)	(398)	–	–	(90,908)
Capital Expenditures	38,640	80,953	3,248	178	–	–	123,019

Intersegment revenues are principally sales from the Company's mines to its smelters, which are recorded at fair market value.