**BOLIDEN LIMITED REPORTS FOURTH QUARTER 2000 RESULTS**
***(All dollar amounts are in United States dollars)***

**Overview**

- Continued improvement in operations, particularly mining operations.

- Rönnskär +200 expansion project continues to ramp-up. Full production expected in March 2001.

- Continued progress with Capital Management Program. After year-end:

  - Agreement of purchase and sale signed to sell 50% interest in Norzink.
  - Letter of intent signed to sell Lomas Bayas and Fortuna de Cobre.
  - Letter of intent signed to sell BCZ copper tubing business.
  - Agreement in principle reached to sell Gusum brass and copper tubing business.

- $418.6 million ($382.6 million net of taxes) write-down and unusual charges related to investments in Lomas Bayas and Fortuna de Cobre and Fabrication business.

- Refinancing discussions initiated with lenders under unsecured long-term debt facilities.

- Thomas Cederborg appointed President and CEO.

**TORONTO, CANADA and STOCKHOLM, SWEDEN (March 13, 2001)** – Boliden Limited today reported its operating results for the fourth quarter of 2000 and for the year ended December 31, 2000.

The Company reported an operating loss of $411.4 million for the quarter and $656.1 million for the year ended December 31, 2000 compared with operating income of $5.5 million for the fourth quarter of 1999 and an operating loss of $59.4 million for the year ended December 31, 1999. The operating loss for the quarter compares with an operating loss of $203.6 million for the third quarter of 2000.

The operating loss for the quarter and for the year ended December 31, 2000 includes $6.8 million in income to reflect reductions in the Company's obligations under its defined benefit plans for its Swedish employees. It also includes $418.6 million ($382.6 million net of taxes) of write-down and unusual charges related to the Company's investments in Lomas Bayas and Fortuna de Cobre and its Fabrication business. The operating loss for the third quarter of 2000 and for the year ended December 31, 2000 includes $2.7 million in income to reflect reductions in the Company's obligations under its defined benefit plans for its Swedish employees. It also includes $210.5 million of write-down and unusual charges related to the

Company's investment in the Los Frailes mine in Spain, the restructuring charge on account of the downsizing at the Company's corporate offices in Toronto and Stockholm and at its mining operations and the financial statement recognition of accrued pension liabilities for Swedish mining employees. The write-down and unusual charges taken by the Company in the third and fourth quarters of 2000 are further steps in the strategic review of the Company's operations initiated earlier in the year and will facilitate the development of a revised long-term plan for the Company during 2001.

Excluding pension income and write-down and unusual charges, the Company reported operating income of $0.4 million for the quarter and an operating loss of $36.5 million for the year ended December 31, 2000 compared with operating income of $5.5 million for the fourth quarter of 1999 and an operating loss of $59.4 million for the year ended December 31, 1999. The principal reasons for the change between the years ended December 31, 2000 and December 31, 1999 are higher metal prices and production. The operating income for the quarter compares with operating income of $4.2 million for the third quarter of 2000, excluding pension income and write-down and unusual charges. The principal reason for the change between the quarters is lower metal prices partially offset by higher metal production.

After accounting for interest expense and income taxes, the Company reported a net loss of $407.5 million or $1.87 per common share for the quarter and $655.6 million or $3.45 per common share for the year ended December 31, 2000 compared with a net loss of $9.9 million or $0.11 per common share for the fourth quarter of 1999 and $68.2 million or $0.68 per common share for the year ended December 31, 1999.

Cash provided by operations before non-cash working capital changes was $6.1 million or $0.03 per common share for the quarter and $25.1 million or $0.13 per common share for the year ended December 31, 2000 compared with cash provided by operations of $24.9 million or $0.23 per common share for the fourth quarter of 1999 and $15.9 million or $0.15 per common share for the year ended December 31, 1999. The cash provided by operations before non-cash working capital changes for the quarter compares with cash provided by operations of $23.5 million or $0.11 per common share for the third quarter of 2000.

## CAPITAL MANAGEMENT PROGRAM

At the beginning of the third quarter of 2000, the Company initiated a Capital Management Program aimed at restoring its financial strength and operating flexibility. The capital management program includes reducing costs, increasing productivity, postponing discretionary expenditures, securing partners for those operations that require non-discretionary expenditures and selling non-strategic assets.

The following is a summary of developments in the Capital Management Program.

*Reducing Costs*

The Company is implementing its previously announced plan to transfer many of the activities carried out in its Toronto office to Sweden and many of the activities carried out at its Stockholm office to its operating units. These changes will be completed by the end of the third quarter of 2001.

During the quarter, the Company established a new management structure for the Swedish mining operations and technology and exploration groups and began the process of downsizing the Boliden Area Operations and the office located in the Town of Boliden. A total of 116 employees will be affected by the downsizing which is expected to reduce costs by $10 million per year beginning in 2001.

*Increasing Productivity*

The Company has introduced new shift procedures at its Aitik and Garpenberg mines that will significantly increase effective worktime at the mines.

*Postponing Discretionary Expenditures*

The Company has deferred consideration of plans to expand the production capacity of the Aitik mine from 18 million to 24 million tonnes per year.

*Securing Partners for Operations that Require Non-Discretionary Expenditures*

The Company is continuing its efforts to secure an industry partner for its Myra Falls operation.

*Selling Assets*

After year-end, the Company's subsidiary, Boliden Mineral AB, and Rio Tinto signed a definitive agreement (implementing a letter of intent signed during the fourth quarter) to sell to Outokumpu Oyj their respective 50% interests in Norzink A/S, the owner and operator of the Norzink zinc smelter and refinery and aluminum floride plant located near Odda on the west coast of southern Norway, for a total cash purchase price of $180 million. Completion of the transaction is subject to usual closing conditions, including receipt of all required regulatory approvals which are expected to be received during the second quarter of 2001.

Also, after year-end, the Company signed a letter of intent to sell its interests in Compañía Minera Lomas Bayas and Compañía Minera Boliden Westmin Chile Limitada, the owners of the Lomas Bayas SX-EW copper project and adjacent Fortuna de Cobre copper deposit located in Chile, to Noranda Inc. and Falconbridge Limited (Purchasers) for a 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 Purchasers exercise their right to retain the Fortuna de Cobre copper deposit before the fifth anniversary of closing.

The transaction is subject to completion of satisfactory due diligence, negotiation and settlement of satisfactory definitive agreements, receipt of all required regulatory and other third party consents and approval of the boards of directors of the Purchasers and the Company.

Also, after year-end, the Company's subsidiary, Boliden Fabrication AB (Fabrication), signed a letter of intent to sell its interest in Boliden Cuivre & Zinc SA, the owner of a copper tubing production facility located in Liège, Belgium, and its marketing and sales subsidiaries (BCZ Group) to an industry participant for a purchase price equal to the consolidated shareholders equity of the BCZ Group (approximately $11 million as at December 31, 2000). As part of the transaction, the BCZ Group will repay the inter-company indebtedness owing by it to the Company and its subsidiaries (approximately $8 million as at December 31, 2000). The transaction is subject to completion of satisfactory due diligence, negotiation and settlement of satisfactory definitive agreements, receipt of all required regulatory and other third party consents and approval of the boards of directors of the purchaser and Fabrication.

Also, after year-end, Fabrication reached an agreement in principle to sell its interest in Boliden Gusum AB (Gusum), the owner of a brass fabrication and copper tubing production facility located in Gusum, Sweden, and its marketing and sales subsidiary through a management buy-out for a purchase price of approximately $0.5 million. As part of the transaction, Gusum will repay the inter-company indebtedness owing by it to the Company and its subsidiaries (approximately $15 million as at December 31, 2000). The transaction is subject to negotiation and settlement of satisfactory definitive agreements and receipt of all required regulatory and other third party consents and approval of the boards of directors of the purchaser and Fabrication.

**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 year ended December 31, 2000 compared with the fourth quarter of 1999 and the year ended December 31, 1999 were as follows:

| **Average LME/LBM Prices** | **Three months ended December 31,** | | **Year ended December 31,** | |
|---|---|---|---|---|
| | **2000** | **1999** | **2000** | **1999** |
| Zinc $/lb | 0.49 | 0.53 | 0.51 | 0.49 |
| Copper $/lb | 0.84 | 0.79 | 0.82 | 0.71 |
| Lead $/lb | 0.21 | 0.22 | 0.21 | 0.23 |
| Gold $/oz | 269 | 296 | 279 | 279 |
| Silver $/oz | 4.72 | 5.24 | 4.95 | 5.22 |

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 was largely unhedged at year-end.

Most of the Company's costs are in Swedish, Canadian and Norwegian currencies. The average rates of exchange for Swedish kronor (SEK), Canadian dollars (C$) and Norwegian kroner (NOK) per United States dollar for the quarter and the year ended December 31, 2000 compared with the fourth quarter of 1999 and the year ended December 31, 1999 were as follows:

| **Average Exchange Rates per US$** | **Three months ended December 31, 2000** | **1999** | **Year ended December 31, 2000** | **1999** |
|---|---|---|---|---|
| SEK | 9.90 | 8.32 | 9.16 | 8.26 |
| C$ | 1.53 | 1.47 | 1.49 | 1.49 |
| NOK | 9.25 | 7.88 | 8.80 | 7.80 |

The Company manages its exposure to changes in foreign exchange rates through the use of forward exchange contracts and put and call options to hedge future transactions and investments denominated in foreign currencies. The Company hedges a portion of its anticipated but not yet committed foreign currency exposures when such transactions are probable and the significant characteristics and expected terms are identified. As at December 31, 2000, the Company had in place a hedging program covering approximately one and one-half years exposure to exchange rate fluctuations. Forward contracts have been used to hedge costs in Swedish, Canadian and Norwegian currencies against the United States dollar at average rates of 8.22, 1.48 and 7.71, respectively. The mark-to-market position of these hedge contracts as at December 31, 2000 was negative $128.3 million of which $20.0 million is provided for in the financial statements.

The Company periodically manages its exposure to changes in interest rates through interest rate swaps. The interest rates on the Company's debt are floating rates and were largely unhedged at year-end.

## OPERATIONS

The operating income (loss) at the Company's operating segments for the quarter and the year ended December 31, 2000 compared with the fourth quarter of 1999 and the year ended December 31, 1999 was as follows:

| **Operating Segment ($ thousands)** | **Three months ended December 31, 2000** | **1999** | **Year ended December 31, 2000** | **1999** |
|---|---|---|---|---|
| Mining (excluding write-down and unusual charges) | $1,436 | $(1,977 | $(48,013 | $(73,324) |
| Smelting | 10,521 | 12,092 | 36,971 | 30,860 |
| Fabrication | 1,822 | 1,740 | 4,031 | 3,516 |
| Corporate and other | (6,647) | (6,379 | (20,053 | (20,483) |
| | $7,132 | $5,476 | $(27,064 | $(59,431) |
| Write-down and unusual charges | (418,561) | – | (629,070 | – |
| **Total** | $(411,429) | $5,476 | $(656,134 | $(59,431) |

**Mining**

The Company's mining operations reported operating income of $1.4 million for the quarter and an operating loss of $48.0 million for the year ended December 31, 2000 (excluding write-down and unusual charges taken in the third and fourth quarters of 2000) compared with an operating loss of $2.0 million for the fourth quarter of 1999 and $73.3 million for the year ended December 31, 1999. The operating income for the quarter compares with an operating loss of $6.1 million for the third quarter of 2000 (excluding write-down and unusual charges taken during that quarter).

The principal reasons for the change between the years ended December 31, 2000 and December 31, 1999 are better operating performance combined with higher metal prices and production. The principal reasons for the change between the third and fourth quarters of 2000 are higher metal production offset by lower metal prices.

If the operating loss at Los Frailes is excluded ($0.5 million for the quarter and $30.4 million for the year ended December 31, 2000), the Company's mining operations would have reported operating income of $1.9 million for the quarter and an operating loss of $17.6 million for the year ended December 31, 2000 (excluding write-down and unusual charges taken in the third and fourth quarters of 2000).

The Company's mines produce primarily copper and zinc, with by-product lead, gold and silver. Contained metal production at each of the Company's mines for the quarter and the year ended December 31, 2000 compared with the fourth quarter of 1999 and the year ended December 31, 1999 was as follows:

| Mine | Three months ended December 31, | | Year ended December 31, | |
|---|---|---|---|---|
| | 2000 | 1999 | 2000 | 1999 |
| **Boliden Area Operations (BAO)**(1) | | | | |
| Zinc (tonnes) | 14,092 | 14,424 | 55,067 | 57,150 |
| Copper (tonnes) | 2,600 | 2,747 | 9,190 | 10,465 |
| Lead (tonnes) | 810 | 615 | 2,963 | 2,838 |
| Gold (ounces) | 18,238 | 13,153 | 54,076 | 56,376 |
| Silver (000s ounces) | 603 | 504 | 2,039 | 1,941 |
| **Garpenberg** | | | | |
| Zinc (tonnes) | 9,231 | 7,917 | 33,333 | 35,349 |
| Copper (tonnes) | 219 | 227 | 842 | 916 |
| Lead (tonnes) | 3,950 | 3,645 | 14,384 | 15,891 |
| Gold (ounces) | 3,090 | 3,270 | 10,787 | 10,941 |
| Silver (000s ounces) | 974 | 765 | 3,409 | 2,991 |
| **Aitik** | | | | |
| Copper (tonnes) | 16,656 | 18,732 | 67,828 | 59,838 |
| Gold (ounces) | 12,976 | 10,718 | 49,563 | 40,520 |
| Silver (000s ounces) | 355 | 693 | 1,820 | 2,042 |
| **Laisvall** | | | | |
| Lead (tonnes) | 15,373 | 18,664 | 63,665 | 74,259 |
| Zinc (tonnes) | 3,343 | 3,814 | 13,010 | 13,841 |
| Silver (000s ounces) | 111 | 138 | 462 | 534 |
| **Los Frailes**(2) | | | | |
| Zinc (tonnes) | 24,020 | 24,776 | 93,598 | 46,248 |
| Copper (tonnes) | 999 | 846 | 3,048 | 1,219 |
| Lead (tonnes) | 10,140 | 9,968 | 40,312 | 17,346 |
| Silver (000s ounces) | 418 | 426 | 1,600 | 743 |
| **Myra Falls**(3) | | | | |
| Zinc (tonnes) | 12,961 | 14,571 | 52,172 | 37,861 |
| Copper (tonnes) | 3,422 | 2,925 | 17,501 | 10,397 |
| Gold (ounces) | 6,817 | 4,895 | 24,257 | 13,563 |
| Silver (000s ounces) | 154 | 102 | 525 | 205 |
| **Lomas Bayas** | | | | |
| Copper (tonnes) | 13,524 | 13,865 | 51,292 | 44,342 |

**Notes:**

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

(2) The Company's Spanish subsidiary, Boliden Apirsa SL (Apirsa), halted mining and milling operations at Los Frailes in April 1998 following the failure of the tailings dam used by Apirsa for the storage of tailings and process water from milling and concentrating operations. Apirsa recommenced mining operations at Los Frailes in April 1999 and milling operations in June 1999. In October 2000, Apirsa decided to complete the current phase of the mine plan for Los Frailes – the mining out of pit 2, but not to proceed with the next phase – the pushback for pit 3. In order to preserve its assets, to pay creditors in an orderly manner and to ensure that operations at Los Frailes continue until the planned completion of pit 2 in October 2001, Apirsa filed a court application for "suspension de pagos" proceedings (similar to Canadian CCAA and United States Chapter 11 proceedings).

(3) Boliden temporarily suspended mining operations at Myra Falls in December 1998 to carry out stope and access route rehabilitation and development and rehabilitation work. Boliden resumed mining operations at Myra Falls in March 1999.

Total contained metal production at the Company’s mining operations for the quarter and the year ended December 31, 2000 compared with the fourth quarter of 1999 and the year ended December 31, 1999 was as follows:

| | Three months ended December 31, | | Year ended December 31, | |
|---|---|---|---|---|
| **Metal** | **2000** | **1999** | **2000** | **1999** |
| Zinc (tonnes) | 63,647 | 65,502 | 247,180 | 190,449 |
| Copper (tonnes) | 37,420 | 39,342 | 149,701 | 127,177 |
| Lead (tonnes) | 30,273 | 32,892 | 121,324 | 110,334 |
| Gold (ounces) | 41,121 | 36,733( | 138,683 | 141,027[1] |
| Silver (000s ounces) | 2,615 | 2,628 | 9,855 | 8,456 |

**Note:**
(1) Includes the Company’s 50% share of production from SCPM. The Company sold its 50% interest in SCPM during the fourth quarter of 1999.

*Copper*

Copper production for the quarter was lower than the fourth quarter of 1999 due principally to lower production at Aitik. Copper production for the year ended December 31, 2000 was higher than the year ended December 31, 1999 due to higher production at Aitik, Myra Falls and Lomas Bayas. Copper production for the quarter was lower than the third quarter of 2000 due to lower production at Aitik and Myra Falls partially offset by higher production at BAO and Lomas Bayas.

*Zinc*

Zinc production for the quarter was lower than the fourth quarter of 1999 due principally to lower production at Myra Falls. Zinc production for the year ended December 31, 2000 was higher than the year ended December 31, 1999 due to higher production at Los Frailes and Myra Falls partially offset by lower production at BAO. Zinc production for the quarter was higher than the third quarter of 2000 due to higher production at BAO, Garpenberg and Laisvall partially offset by lower production at Myra Falls.

**Smelting**

The Company’s smelting operations reported operating income of $10.5 million for the quarter and $37.0 million for the year ended December 31, 2000 compared with operating income of $12.1 million for the fourth quarter of 1999 and $30.9 million for the year ended December 31, 1999. The operating income for the quarter compares with operating income of $14.6 million for the third quarter of 2000.

The principal reasons for the change between the years ended December 31, 2000 and December 31, 1999 are higher metal prices and production, the latter due to the start-up of the Rönnskär +200 expansion project. The principal reason for the change between the third and fourth quarters of 2000 is higher costs associated with the Rönnskär +200 expansion project.

The Company's smelters produce primarily copper, zinc and lead, with significant quantities of gold and silver. Metal production at each of the Company's smelters for the quarter and the year ended December 31, 2000 compared with the fourth quarter of 1999 and the year ended December 31, 1999 was as follows:

| | Three months ended December 31, | | Year ended December 31, | |
|---|---|---|---|---|
| **Smelter** | **2000** | **1999** | **2000** | **1999** |
| **Rönnskär** | | | | |
| Copper (tonnes) | 44,378 | 27,237 | 133,118 | 113,960 |
| Lead (tonnes) | 6,991 | 7,676 | 30,699 | 34,734 |
| Zinc clinker (tonnes)(1) | 8,939 | 8,343 | 31,141 | 35,797 |
| Gold (kilos) | 2,697 | 2,287 | 8,640 | 9,597 |
| Silver (kilos) | 90,290 | 82,551 | 359,535 | 330,492 |
| **Norzink**(2) | | | | |
| Zinc (tonnes) | 17,324 | 17,832 | 69,195 | 71,988 |
| **Bergsöe** | | | | |
| Lead alloys (tonnes) | 12,483 | 10,287 | 47,399 | 44,119 |

**Notes:**
(1) Zinc clinker produced at Rönnskär is sold as feed to Norzink.
(2) Represents the Company's 50% share of production from Norzink.

*Rönnskär*

Production at Rönnskär for the quarter and the year ended December 31, 2000 was higher than the fourth quarter of 1999 and the year ended December 31, 1999 due to the start-up of the Rönnskär +200 expansion project. Production for the quarter was higher than the third quarter of 2000 for the same reason.

Production continues to ramp up at Rönnskär following the successful completion of the project . Full production is expected in March 2001.

*Norzink*

Production at Norzink for the quarter and the year ended December 31, 2000 was lower than the fourth quarter of 1999 and the year ended December 31, 1999 due to shortfalls in deliveries of zinc clinker from Rönnskär. Production for the quarter was the same as the third quarter of 2000.

## Fabrication

The Company's copper tubing and brass fabrication operations reported operating income of $1.8 million for the quarter and $4.0 million for the year ended December 31, 2000 compared with operating income of $1.7 million for the fourth quarter of 1999 and $3.5 million for the year ended December 31, 1999 (including restructuring charges of $1.0 million on account of staffing reductions at the United Kingdom brass facility). The operating income for the quarter compares with operating income of $1.3 million for the third quarter of 2000.

## OTHER MATTERS

### Debt Facilities

*Lomas Bayas Project Loan*

The Company's subsidiary, Compañía Minera Lomas Bayas (CMLB), has been continuing its discussions with the Lomas Bayas project lenders with a view to developing a mutually satisfactory approach to the project going forward. In the second quarter of 2000, as part of its Capital Management Program, the Company commenced a process aimed at securing a purchaser for the project and repaying the project loan.

In February, the Company signed a letter of intent to sell its interest in CMLB to Noranda Inc. and Falconbridge Limited (see Capital Management Program – Selling Assets above). If the transaction proceeds, the project loan will be repaid or restructured. In the meantime, CMLB is continuing to service the project loan in accordance with its terms.

*Bridge Facility*

In December 2000, the Company initiated discussions with the Bridge Facility lenders with a view to increasing the amount available to the Company under the Bridge Facility by $20 million and postponing the date for repayment of Tranche A of the Bridge Facility (then $40 million) from February 1, 2001 to a later date to permit the Company to continue to implement its Capital Management Program.

In January 2001, the Bridge Facility lenders agreed to increase the amount available to the Company under the Bridge Facility and to postpone the date for repayment of Tranche A of the Bridge Facility (now $60 million) to May 1, 2001. As part of these arrangements, the Company has agreed to accelerate the date for repayment of Tranche B of the Bridge Facility (US$50 million) to May 1, 2001.

*Unsecured Long-Term Debt Facilities*

After year-end, the Company initiated discussions with the lenders under its unsecured long-term debt facilities (ie, Bridge Facility, $300 million revolving credit facility, $230 million term loan facility and SEK 250 million medium-term notes) with a view to refinancing its obligations under the facilities. As part of these discussions, the lenders have agreed to waive their rights with respect to any existing or future breaches of the financial covenants contained in the facilities until May 31, 2001.

The Company has met with all the lenders and has support in principle for the refinancing. The Company is working with two lead banks to develop a formal refinancing proposal that will permit the Company to complete the Capital Management Program and move forward on a more stable financial base. The proposal, which will include a rescheduling of the maturity dates of the debt facilities, will be completed and submitted to the lenders in late March 2001 for approval in the second quarter of 2001.

**Spanish Tailings Dam Failure**

In December 2000, the Spanish criminal judge investigating the cause of the failure of the tailings dam owned by the Company's Spanish subsidiary, Boliden Apirsa SL (Apirsa), dismissed the proceedings against all of the implicated parties, including Apirsa.

In her judgment, the judge determined that the tailings dam failed because the design of the dam did not properly take into account two key factors – the brittleness of, and the pore pressures within, the blue marl (clay) formation on which the dam was constructed. The judge also determined that, although the designers of the dam and the consultants subsequently retained by Apirsa to review the stability of the dam failed to take these factors properly into account, that failure did not constitute gross negligence required to lay criminal charges.

In her judgment, the judge noted that Apirsa held all necessary permits and approvals and had operated the tailings dam in accordance with applicable law. She also noted that the experts retained by her to assist in the investigation had concluded that seepage was not a cause of the failure.

The decision of the judge has been appealed by several interested parties. Apirsa has stated that, once the appeal process has been completed, it intends to commence civil proceedings to recover damages from the parties responsible for the tailings dam failure.

**Appointment of President and CEO**

During the quarter, the board of directors of the Company appointed Thomas Cederborg as President and Chief Executive Officer of the Company. Before his appointment, Mr. Cederborg was Executive Vice-President and Chief Operating Officer of the Company.

Mr. Cederborg, a Swedish national, has over 20 years of Swedish and international industrial manufacturing experience. He joined Boliden in 1996 and has had responsibility for the Company's fabrication and smelting operations, including the Rönnskär +200 expansion project.

## DIVIDEND ON CONVERTIBLE PREFERRED SHARES

On December 17, 1999, the Company's board of directors decided to postpone payment of dividends on the Company's convertible preferred shares pending completion of the Rönnskär +200 expansion. The expansion was completed during August 2000. The Company's board of directors has made no decision with respect to the resumption of payment of dividends on the convertible preferred shares.

## UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS TO FOLLOW

**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**
***(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, 1999.

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. Going Concern Basis

The accompanying unaudited consolidated financial statements of the Company are prepared in accordance with Canadian generally accepted accounting principles and on a going concern basis which assume that the Company will be able to discharge its liabilities and realize the carrying value of its assets in the normal course of operations. Accordingly, the accompanying unaudited consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

At December 31, 2000, the Company was not in compliance with, and was operating under temporary waivers of, covenants under certain of its loan agreements. Accordingly, the Company's debt has been classified as current resulting in a working capital deficiency. In addition, in 2000, the Company recorded a significant loss from operations and negative operating cash flow.

The Company is pursuing several initiatives to address these matters, including refinancing its debt, sourcing additional financing and implementing a capital management program (CMP) aimed at reducing costs, increasing productivity, postponing discretionary expenditures, securing partners for those operations (eg, Myra Falls) that require non-discretionary expenditures to maintain continued operations and selling non-strategic assets. After year-end, as part of the CMP, the Company announced the sale of its interest in Norzink A/S and Compañía Minera Lomas Bayas (see note 5).

The Company's ability to discharge its liabilities and realize the carrying value of its assets in the normal course of operations is dependent upon, among other things, achieving satisfactory arrangements with its lenders and successfully implementing the CMP. There can be no assurance that the Company will be successful with those initiatives.

## 3. Write-down of Mining Properties and Unusual Changes

As discussed in note 2, the Company has initiated the CMP and a strategic review of all of its operations. As a result of these initiatives, the Company decided that it was not prepared to make any further investments in its Spanish subsidiary, Boliden Apirsa SL (Apirsa), including financing the next phase of the mine plan for Apirsa's Los Frailes mine. In October 2000, Apirsa decided to complete the current phase of the mine plan for Los Frailes – the mining out of pit 2, but not to proceed with the next phase – the pushback for pit 3. In order to preserve its assets, to pay creditors in an orderly manner and to ensure that operations at Los Frailes continue until the planned completion of pit 2 in October 2001, Apirsa filed a court application for "suspension de pagos" proceedings (similar to Canadian CCAA and United States Chapter 11 proceedings). The Company's investment in Los Frailes has been fully written off. In addition, the Company has written down its investment in Lomas Bayas and Fortuna de Cobre to their estimated net realizable value (see note 5) and provided for certain restructuring costs at its Swedish and Canadian operations.

| | |
|---|---|
| Lomas Bayas | $415,5 |
| Los Frailes | 189,7 |
| Restructuring and other | 23,7 |
| Total | $629,0 |

## 4. Per Share Information

Per share information for the quarter is based on the weighted average number of common shares outstanding during the quarter (218.7 million; 1999 – 107.0 million). Per share information for the year ended December 31, 2000 is based upon the weighted average number of common shares outstanding during the period (192.0 million; 1999 – 107.0 million). On March 30, 2000, the Company completed a common share rights offering pursuant to which it issued 107.1 million common shares. As at December 31, 2000, there were 218.7 million common shares outstanding.

## 5. Subsequent Events

After year-end, the Company announced that it and Rio Tinto had signed definitive agreements (implementing a letter of interest signed during the fourth quarter of 2000) to sell their respective 50% interests in Norzink A/S, the owner and operator of the Norzink zinc smelter and refinery, for a cash purchase price of $180 million. The sale, which is expected to close during the second quarter of 2001, is estimated to result in a net gain before tax of approximately $30 million to the Company based on year-end exchange rates. This gain is not reflected in the consolidated financial statements.

In addition, the Company also announced that it has signed a letter of intent to sell its interests in Compañía Minera Lomas Bayas (Lomas Bayas) and Compañía Minera Boliden Westmin Chile Limitada (Westmin Chile), the owners of the Lomas Bayas SX-EW copper project and adjacent Fortuna de Cobre copper deposit located in Chile, to Noranda Inc. and Falconbridge Limited (Purchasers), as at January 1, 2001, for a 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 Purchasers exercise their right to retain the Fortuna de Cobre copper deposit before the fifth anniversary of closing.

The transaction is subject to completion of satisfactory due diligence, negotiation and settlement of satisfactory definitive agreements, receipt of all required regulatory and other third party consents and approval of the boards of directors of the Purchasers and Boliden. The transaction has resulted in a write-down of approximately $380 million, net of taxes, in the carrying value of Boliden's interests in Lomas Bayas and Fortuna de Cobre which has been recorded in the consolidated financial statements at December 31, 2000.

## 6. 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<br>December 31, 2000 | *Mining* | *Smelting* | *Fabrication* | *Corporate and other* | *Write-down and unusual charges* | *Consolidation adjustment* | *Total* |
|---|---|---|---|---|---|---|---|
| Revenues | 96,805 | 207,492 | 61,799 | 4,226 | – | (49,721) | 320,601 |
| Operating income (loss) | 1,436 | 10,521 | 1,822 | (6,647) | (418,561 | – | (411,429) |
| Depreciation, Depletion | (19,963) | (6,392) | (1,621) | (50) | – | – | (28,026) |
| Capital Expenditures | 22,046 | 18,142 | 519 | 39 | – | – | 40,746 |

| QUARTER ENDED<br>December 31, 1999 | *Mining* | *Smelting* | *Fabrication* | *Corporate and other* | *Write-down and unusual charges* | *Consolidation adjustment* | *Total* |
|---|---|---|---|---|---|---|---|
| Revenues | 116,735 | 150,302 | 70,083 | 5,191 | – | (61,491) | 280,820 |
| Operating income (loss) | (1,977) | 12,092 | 1,740 | (6,379) | – | – | 5,476 |
| Depreciation, Depletion | (25,156) | (5,356) | (1,730) | (300) | – | – | (32,542) |
| Capital Expenditures | 22,776 | 27,951 | 1,845 | 333 | – | – | 52,905 |

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

| **TWELVE MONTHS ENDED**<br><br>**December 31, 2000** | ***Mining*** | ***Smelting*** | ***Fabrication*** | ***Corporate and other*** | ***Write-down and unusual charges*** | ***Consolidation adjustment*** | ***Total*** |
|---|---|---|---|---|---|---|---|
| Revenues | 397,288 | 687,212 | 250,411 | 17,410 | – | (196,722) | 1,155,5 |
| Operating income (loss) | (48,013) | 36,971 | 4,031 | (20,053) | (629,070 | – | (656,134) |
| Depreciation, Depletion | (91,454) | (20,495) | (6,537) | (448) | – | – | (118,934) |
| Capital Expenditures | 60,686 | 99,095 | 3,767 | 217 | – | – | 163,765 |

| **TWELVE MONTHS ENDED**<br><br>**December 31, 1999** | ***Mining*** | ***Smelting*** | ***Fabrication*** | ***Corporate and other*** | ***Write-down and unusual charges*** | ***Consolidation adjustment*** | ***Total*** |
|---|---|---|---|---|---|---|---|
| Revenues | 353,468 | 585,607 | 259,347 | 18,451 | – | (185,869) | 1,031,( |
| Operating income (loss) | (73,324) | 30,860 | 3,516 | (20,483) | – | – | (59,431) |
| Depreciation, Depletion | (90,013) | (20,007) | (6,834) | (817) | – | – | (117,671) |
| Capital Expenditures | 70,501 | 90,172 | 6,660 | 580 | – | – | 167,913 |

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

# BOLIDEN LIMITED

**Consolidated Balance Sheets**

***(In thousands of United States dollars)***

| | | December 31, 2000 | | December 31. 1999 |
|---|---|---|---|---|
| | | (Unaudited) | | (Audited) |
| **Assets** | | | | |
| Current assets: | | | | |
| Cash and short-term investments | $ | 45.211 | $ | 66.463 |
| Accounts and metal settlements receivable | | 153.922 | | 183.022 |
| Inventories | | 231.098 | | 184.591 |
| | | 430,231 | | 434,076 |
| Capital assets | | 803.341 | | 1.366.499 |
| Future income tax assets | | 63.341 | | 39.218 |
| Deferred expenses and other assets | | 30.905 | | 37.110 |
| | $ | 1,327,818 | $ | 1,876,903 |
| **Liabilities and Shareholders' Equity** | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued charges | $ | 327.601 | $ | 276.863 |
| Deferred revenue | | - | | 3.300 |
| Debt, including current portion of long-term debt (Note 2) | | 772.716 | | 89.481 |
| | | 1,100,317 | | 369,644 |
| Long-term debt | | 36.299 | | 723.985 |
| Future income tax liabilities | | 1.904 | | 47.662 |
| Deferred revenue | | - | | 13.200 |
| Provision for reclamation costs | | 63.987 | | 51.145 |
| Other long-term liabilities | | 27.158 | | 18.130 |
| | | 1,229,665 | | 1,223,766 |
| Shareholders' equity | | 98.153 | | 653.137 |
| | $ | 1,327,818 | $ | 1,876,903 |

See accompanying notes to unaudited interim consolidated financial statements.

# BOLIDEN LIMITED

**Consolidated Statements of Operations**

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

| | | Three months ended December 31, | | | | Twelve months ended December 31, | | |
|---|---|---|---|---|---|---|---|---|
| | | 2000 | | 1999 | | 2000 | | 1999 |
| | | (Unaudited) | | (Unaudited) | | (Unaudited) | | (Audited) |
| Revenues | $ | 320,601 | $ | 280,820 | $ | 1,155,599 | $ | 1,031,004 |
| Operating expenses: | | | | | | | | |
| Costs of metal and other product sales | | 265,426 | | 218,374 | | 983,968 | | 884,718 |
| Depreciation, depletion and amortization | | 28,026 | | 32,542 | | 118,934 | | 117,671 |
| Selling, general and administrative | | 16,233 | | 19,451 | | 65,462 | | 71,587 |
| Exploration, research and development | | 3,784 | | 4,977 | | 14,299 | | 16,459 |
| Write down of mining properties and unusual charges (Note 3) | | 418,561 | | - | | 629,070 | | - |
| | | 732,030 | | 275,344 | | 1,811,733 | | 1,090,435 |
| Operating loss | | (411,429) | | 5,476 | | (656,134) | | (59,431) |
| Interest on long-term debt | | (16,062) | | (11,621) | | (50,686) | | (44,591) |
| Interest and other income (expense) | | (12,694) | | (4,332) | | (11,374) | | 2,829 |
| Gain/(loss) on asset dispositions | | 2,643 | | (900) | | 2,643 | | 13,557 |
| | | (26,113) | | (16,853) | | (59,417) | | (28,205) |
| Loss before income taxes | | (437,542) | | (11,377) | | (715,551) | | (87,636) |
| Income taxes expense (recovery) | | (30,041) | | (1,482) | | (59,994) | | (19,421) |
| Net loss | $ | (407,501) | $ | (9,895) | $ | (655,557) | $ | (68,215) |
| Net loss per share | $ | (1.87) | $ | (0.11) | $ | (3.45) | $ | (0.68) |

See accompanying notes to unaudited interim consolidated financial statements.

# BOLIDEN LIMITED

**Consolidated Statements of Cash Flows**

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

| | Three months ended December 31, 2000 | Three months ended December 31, 1999 | Twelve months ended December 31, 2000 | Twelve months ended December 31, 1999 |
|---|---|---|---|---|
| | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| **Cash provided by (used in):** | | | | |
| **Operating Activities:** | | | | |
| Net loss for the period | $ (407,501) | $ (9,895) | $ (655,557) | $ (68,215) |
| Items not affecting cash: | | | | |
| Depreciation, depletion and amortization | 28,026 | 32,542 | 118,934 | 117,671 |
| Future income taxes | (31,654) | (2,793) | (66,007) | (24,140) |
| Write down of mining properties and unusual charges | 418,561 | - | 629,070 | - |
| Loss (gain) on asset dispositions | (2,643) | 900 | (2,643) | (13,557) |
| Other non-cash items | 1,303 | 4,111 | 1,303 | 4,111 |
| **Cash provided by operations before non-cash working capital changes** | 6,092 | 24,865 | 25,100 | 15,870 |
| **Net change in non-cash operating working capital** | (1,972) | 16,328 | (30,436) | 1,051 |
| **Cash provided by (used in) operating activities** | 4,120 | 41,193 | (5,336) | 16,921 |
| **Financing Activities:** | | | | |
| Additions to debt | 19,000 | - | 74,000 | 50,478 |
| Repayment of debt | (7,489) | (8,761) | (64,362) | (12,950) |
| Issuance of common shares, net of issue costs | - | - | 142,600 | - |
| Issuance of convertible preferred shares, net of issue costs | - | - | - | 82,925 |
| Dividends paid on convertible preferred shares | - | - | - | (2,165) |
| Taxes paid on dividends | - | - | (447) | - |
| **Cash provided by (used in) financing activities** | 11,511 | (8,761) | 151,791 | 118,288 |
| **Investing Activities:** | | | | |
| Capital expenditures | (40,746) | (52,905) | (163,765) | (167,913) |
| Proceeds on asset dispositions | 3,111 | 24,597 | 3,111 | 24,866 |
| Other assets | (5,665) | (689) | (7,997) | (3,373) |
| **Cash used in investing activities** | (43,300) | (28,997) | (168,651) | (146,420) |
| **Effect of exchange rate changes on cash balances in foreign currencies** | (686) | 1,407 | 944 | 2,578 |
| **Cash provided (used) during the period** | (28,355) | 4,842 | (21,252) | (8,633) |
| **Cash and short-term investments, beginning of period** | 73,566 | 61,621 | 66,463 | 75,096 |
| **Cash and short-term investments, end of period** | $ 45,211 | $ 66,463 | $ 45,211 | $ 66,463 |
| **Cash provided by operations before non-cash working capital changes, per share** | $ 0.03 | $ 0.23 | $ 0.13 | $ 0.15 |

See accompanying notes to unaudited interim consolidated financial statements.