

For personal use only

EQUINOX MINERALS LIMITED

Consolidated Interim Financial Statements

First Quarter – March 31, 2010

Unaudited

Expressed in thousands of US dollars, except where indicated

EQUINOX MINERALS LIMITED

CONSOLIDATED BALANCE SHEETS
As at March 31, 2010 and December 31, 2009
(unaudited)

	Notes	2010	2009
		\$000	\$000
ASSETS			
Current assets			
Cash and cash equivalents		120,112	109,130
Accounts receivable	5	152,787	134,193
Prepayments		12,333	16,080
Inventories	6	66,830	67,428
		352,062	326,831
Restricted cash	7	26,167	26,164
Property, plant and equipment	8	1,100,652	1,102,773
Other financial assets	9	2,067	1,906
		1,480,948	1,457,674
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		69,177	62,504
Current portion of long term debt	11	113,363	113,229
Current portion of finance leases	17	7,545	9,339
Current portion of derivative instruments	10	102,691	85,179
Current other liabilities		270	160
		293,046	270,411
Long term debt	11	371,934	405,423
Finance leases	17	14,811	16,762
Income tax liability	4	6,727	6,727
Future income tax liability	4	22,912	5,938
Asset retirement obligation	12	7,632	7,504
Long term compensation	13	2,780	2,469
Derivative instruments	10	-	22,131
Other payables	14	47,270	39,737
		767,112	777,102
SHAREHOLDERS' EQUITY			
Share capital	15	738,582	737,838
Retained deficit		(42,193)	(74,720)
Contributed surplus		15,956	15,966
Accumulated other comprehensive income		1,491	1,488
		713,836	680,572
		1,480,948	1,457,674
Contingencies	16		
Commitments for expenditure	17		

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

EQUINOX MINERALS LIMITED

CONSOLIDATED STATEMENTS OF INCOME
For the three months ended March 31, 2010 and 2009
(unaudited)

	Notes	2010	2009
		\$000	\$000
Copper sales revenue		200,686	-
Smelter treatment charges		(20,823)	-
Net sales revenue		179,863	-
Direct and indirect mining costs		78,052	-
Amortization and depreciation		14,226	-
Royalties		5,443	-
Cost of sales		97,721	-
		82,142	-
Expenses			
Derivative loss		15,758	98,103
Exploration costs		901	1,065
Other operating costs		1,738	118
General and administration		3,131	1,558
Financing costs		8,859	533
Long term compensation expense		356	982
Other expense	3	1,897	897
		32,640	103,256
Income/(loss) before income tax		49,502	(103,256)
Income tax (expense)/benefit	4	(16,975)	42,665
Net income/(loss) for the period		32,527	(60,591)
Basic earnings/(loss) per share		\$0.05	(\$0.10)
Diluted earnings/(loss) per share		\$0.05	-
Weighted average number of shares outstanding (000's)		707,434	596,933
Diluted average number of shares outstanding (000's)		719,733	-

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three months ended March 31, 2010 and 2009
(unaudited)

	2010	2009
	\$'000	\$'000
Income/(loss) for the period	32,527	(60,591)
Other comprehensive income/(losses)		
Net unrealized gains on available-for-sale securities	3	88
Total comprehensive income/(loss)	32,530	(60,503)

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

EQUINOX MINERALS LIMITED

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the three months ended March 31, 2010 and 2009
(unaudited)

	Three months ended March 31	
	2010	2009
	\$'000	\$'000
Share capital		
Balance at start of period	737,838	581,477
Conversion of stock options	744	-
Balance at end of period	738,582	581,477
Retained (deficit)/earnings		
Balance at start of period	(74,720)	108,343
Profit/(loss) for the period	32,527	(60,591)
Balance at end of period	(42,193)	47,752
Contributed surplus		
Balance at start of period	15,966	20,400
Stock based compensation	571	828
Transferred to share capital on exercise of stock options	(581)	-
Balance at end of period	15,956	21,228
Accumulated other comprehensive income		
Balance at start of period	1,488	(12)
Net unrealized gain on available-for-sale securities	3	88
Balance at end of period	1,491	76

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

EQUINOX MINERALS LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months ended March 31, 2010 and 2009
(unaudited)

	Three months ended March 31	
	2010	2009
Cash flows (used in)/provided by operating activities		
Income/(loss) for the period	32,527	(60,591)
Items not affecting cash:		
Amortization and depreciation	15,553	53
Unrealised foreign exchange loss	116	105
Long term compensation expense	356	1,132
Income tax (benefit)/expense	16,975	(42,665)
Net financing costs	(334)	(13,339)
Mark-to-market changes in derivative instruments	15,758	98,103
(Payments)/proceeds from settlement of derivative instruments	(20,378)	34,235
Accretion expense	128	-
Deferred payments	9,012	-
Changes in non-cash working capital		
Decrease/(increase) in inventories	598	(7,293)
Increase/(decrease) in accounts payable and accrued liabilities	6,673	(4,015)
Increase in accounts receivable and prepayments	(14,846)	(14,108)
	62,138	(8,383)
Cash flows (used in)/provided by financing activities		
Issue of share capital	487	-
Payment of loan origination costs	(13,888)	-
Proceeds from borrowings	275,701	4,044
Repayment of borrowings	(295,261)	(615)
Finance lease principal repayments	(3,745)	(269)
	(36,706)	3,160
Cash flows (used in)/provided by investing activities		
Decrease/(increase) in restricted cash	(3)	22
Payments for property, plant and equipment	(14,609)	(1,362)
	(14,612)	(1,340)
Net increase/(decrease) in cash and cash equivalents	11,096	(6,563)
Cash and cash equivalents – start of period	109,130	51,327
Exchange rate changes on cash held in foreign currencies	(114)	(590)
Cash and cash equivalents – end of period	120,112	44,174

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2010 and 2009
(unaudited)

1. BASIS OF PREPARATION

The preparation of the financial statements is based on accounting policies and practices consistent with those used in the preparation of the audited annual consolidated financial statements, unless otherwise stated. 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, 2009, since they do not contain all disclosures required by Canadian generally accepted accounting principles ("Canadian GAAP") for annual financial statements. These unaudited consolidated interim financial statements reflect all normal and recurring adjustments, which are, in the opinion of management, necessary for a fair presentation of the respective interim periods presented.

2. FUTURE ACCOUNTING CHANGES

Business Combinations

In October 2008, the CICA issued Handbook Section 1582, "Business Combinations", which establishes new standards for accounting for business combinations. This is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Should the Company engage in a future business combination, it would consider early adoption to coincide with the adoption of IFRS.

Non-controlling Interests

Also in October 2008, the CICA issued Handbook Section 1602, "Non-controlling Interests", to provide guidance on accounting for non-controlling interests subsequent to a business combination. This is effective for fiscal years beginning on or after January 2011.

Financial instruments

The CICA issued Handbook Section 3855, "Financial Instruments", which clarifies when an embedded prepayment option is separated from its host debt instrument for accounting purposes. This is effective for fiscal years beginning on or after January 2011.

3. OTHER EXPENSE

	Three months ended March 31	
	2010	2009
	\$'000	\$'000
Foreign exchange loss	880	941
Interest income	(77)	(67)
Town costs ¹	1,239	-
Other	(145)	23
	1,897	897

¹ Town costs include the costs of housing employees at Lumwana.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2010 and 2009
(unaudited)

4. INCOME TAXES

Zambian tax legislation

The Government of the Republic of Zambia ("GRZ") enacted a number of changes to the Zambian tax regime, particularly in relation to mining companies on April 1, 2008. This includes changes to the tax treatment that would increase corporate tax from 25% to 30%, the mining royalty from 0.6% to 3%, and a number of other proposed additional imposts including a "variable profit tax", a "windfall tax" and, treatment of hedging income as separate source income.

On January 30, 2009, the Minister of Finance of the GRZ announced changes to the 2009 budget which included the abolition of a number of changes enacted in 2008, including the removal of the windfall tax and the hedging activity quarantine provisions.

In 2005 the Company entered into a Development Agreement with the GRZ for its Lumwana Mine which provides LMC with a 10 year stability period in the regulatory environment, including taxation, and rights of independent arbitration in the event of any dispute. Following local and international legal advice, the Company believes that the Development Agreement overrides the changes to the Zambian tax regime enacted on April 1, 2008. Until it has resolved the uncertainty surrounding the application of the Development Agreement, the company has measured in the current year its taxation balances on the basis of the enacted legislation but defers these balances in accordance with the terms of the Development Agreement.

If the Company had calculated its taxation related balance based on the terms of the Development Agreement the royalty expense for the three months ended March 31, 2010 would have reduced by an estimated \$4.4 million and the income tax expense for the three months ended March 31, 2010 would have decreased by an estimated \$1.7 million. The accumulated impact on the retained earnings loss position at March 31, 2009 is estimated to be a \$17.3 million reduction.

The Company continues to hold discussions with the GRZ to ratify the terms of the Development Agreement.

5. ACCOUNTS RECEIVABLE

	March 31	December 31
	2010	2009
	\$000	\$000
Trade accounts receivable	144,897	127,957
VAT receivable	4,795	3,765
Other receivables	3,095	2,471
Total accounts receivable	152,787	134,193

6. INVENTORIES

	March 31	December 31
	2010	2009
	\$000	\$000
Consumable stores	44,878	51,695
Ore and copper concentrate stockpiles	21,952	15,733
Total inventories	66,830	67,428

For personal use only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2010 and 2009
(unaudited)

7. RESTRICTED CASH

	March 31 2010	December 31 2009
	\$000	\$000
Cash deposits held as security	26,167	26,164

As at March 31, 2010, \$25.3 million (2009: \$25.3 million) plus accumulated interest is deposited in a demobilisation cost reserve account as required under the terms of the Lumwana mining fleet finance agreement and will remain for the duration of the debt facility. In addition, cash deposits were held as security in relation to office premises and exploration tenements.

8. PROPERTY, PLANT AND EQUIPMENT

	March 31 2010	December 31 2009
	\$000	\$000
Buildings		
Buildings - at cost	112,558	107,221
Less: accumulated depreciation	(10,985)	(8,866)
	101,573	98,355
Plant & equipment		
Plant & equipment - at cost	673,049	674,573
Less: accumulated depreciation	(82,321)	(72,671)
	590,728	601,902
Construction in progress - at cost	42,671	37,191
Mine development		
Mine development - at cost	382,752	378,708
Less: accumulated amortisation	(17,072)	(13,383)
	365,680	365,325
Total property, plant and equipment	1,100,652	1,102,773

Leased Assets

Plant and Equipment includes the following amounts where the Company is a lessee under a finance lease:

	March 31 2010	December 31 2009
	\$000	\$000
Leased equipment		
Plant & equipment - at cost	27,713	30,492
Less: accumulated depreciation	(2,513)	(3,721)
Total leased plant and equipment	25,200	26,771

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2010 and 2009
(unaudited)

9. AVAILABLE-FOR-SALE INVESTMENTS

	March 31 2010	December 31 2009
	\$000	\$000
Balance - start of period	1,906	406
Additional investment	158	-
Mark-to-market fair value adjustments	3	1,500
Balance - end of period - available-for-sale securities at fair value	2,067	1,906

10. DERIVATIVE INSTRUMENTS

As at March 31, 2010 the Company has entered into a number of copper put options and forward contracts relating to a proportion of its expected copper production at the Lumwana mine designed to provide protection from exposure to fluctuations in the copper price.

Upon entering into the copper put option contracts, the Company incurred a premium of \$86.5 million, to be due and payable on expiry of the underlying contracts. For the remaining put options, expiring between April 2010 and March 2011, the fair value of the premium payable is \$30.0 million. There is no premium or cost associated with the copper forward contracts.

The mark-to-market fair value of all contracts is based on independently provided market rates and determined using standard valuation techniques. These techniques include the impact of counterparty credit risk.

Changes in the fair value of derivatives are recognised in the income statement.

A mark-to-market loss of \$15.8 million on the put options and forward contracts has been recorded in the income statement in the current period. The spot price of copper at March 31, 2010 used for the mark-to-market valuations was \$3.55 per pound (December 31, 2009; \$3.33 per pound).

The following table summarizes the copper hedges in place:

	2010	2011	Total
Copper put options:			
Tonnes	18,000	5,000	23,000
Average price (\$/tonne)	\$5,665	\$5,364	\$5,600
Average price (\$/lb)	\$2.57	\$2.43	\$2.54
Copper forwards:			
Tonnes	25,185	8,280	33,465
Average price (\$/tonne)	\$5,668	\$5,367	\$5,594
Average price (\$/lb)	\$2.57	\$2.43	\$2.54

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2010 and 2009
(unaudited)

Derivative instruments included in the balance sheet comprise:

	March 31 2010	December 31 2009
	\$'000	\$'000
Fair value of derivative instruments – start of period	(107,310)	256,679
Copper contracts matured during period resulting in cash payment/(receipt)	20,378	(34,163)
Mark-to-market fair value loss during period	(15,759)	(329,826)
Fair value of derivative instruments – end of period	(102,691)	(107,310)
Less: current portion	102,691	85,179
Total non-current derivative instruments	-	(22,131)

11. LONG TERM DEBT

The following table summarizes the Company's long term debt:

	March 31 2010	December 31 2009
	\$000	\$000
EIB €7 million unsecured loan (a)	-	9,561
Lumwana project finance facility (b)	101,221	509,091
Corporate finance facility (c)	384,076	-
Balance - end of period	485,297	518,652
Less: current portion	(113,363)	(113,229)
Total non-current long term debt	371,934	405,423

(a) EIB loan - unsecured

On March 10, 2010 this loan was repaid in full from the proceeds of the Corporate Facility detailed below.

Interest on the EIB facility for the quarter ended March 31, 2010 was \$0.1 million (March 31, 2009: \$nil) with interest paid of \$0.1 million (March 31, 2009: \$nil).

(b) Lumwana project financing facility

In December 2006, Equinox signed a US\$582.7 million senior and subordinated Project finance facility for the completion of development and construction of the Lumwana Project located in the North Western Province of the Republic of Zambia. The facility comprised three tranches, \$54.0 million subordinated debt facility, \$364.0 million senior debt facility and \$164.7 million asset backed facility. In response to the delay in commencement of commercial production caused by the fire incident at the Lumwana Project, the Company signed an \$80.0 million extension to the above senior debt facility in September 2008.

On March 10, 2010 all tranches, except the asset backed facility, were either repaid in full from the proceeds of the Corporate Facility or rolled into the Corporate Facility as detailed below. Equinox incurred certain break fees of \$18.9 million under the project debt facilities as a result of the refinancing.

The remaining asset back tranche of the Project debt facility carries interest rates of LIBOR plus a margin range of between 300 – 400 basis points. The asset backed debt facilities have tenure of 5 years from the date of equipment delivery, with scheduled repayments that commenced in December 2007. The security for the debt facilities includes a fixed charge over the related mining fleet equipment of Lumwana Mining Company Limited.

Interest on the Lumwana Project facility for the quarter ended March 31, 2010 was \$5.5 million (March 31, 2009: \$13.1 million) with interest paid of \$10.7 million (March 31, 2009: \$13.3 million).

For personal use only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2010 and 2009
(unaudited)

(c) Corporate finance facility

On February 24, 2010, the Company signed a \$400 million corporate loan facility (the "Corporate Facility") with four leading commercial banks. The Corporate Facility affords Equinox greater flexibility than the existing Lumwana Project debt facilities therefore the Company utilized the Corporate Facility to repay its existing senior and subordinated portions of the Lumwana Project debt facilities as well as the unsecured EIB loan.

The two tranches of the Corporate Facility are:

- Term facility of US\$220 million with a tenure of 3 years, an interest rate of LIBOR plus a margin of 400 basis points for the life of the loan and quarterly principal and interest repayments; and
- Revolving credit facility of \$180 million with a tenure of 5 years that the Company is allowed full repayment and/or full redraw of, up to the facility limit, over the term. The revolving facility carries an interest rate of LIBOR plus a margin of 475 basis points for the first 24 months, then 400 basis points for the duration of the loan.

The security for the Corporate Facility includes a fixed and floating charge over the assets of Lumwana Mining Company Limited plus financial guarantees from Equinox Minerals Limited and certain subsidiaries.

Interest on the Corporate facility for the quarter ended March 31, 2010 was \$1.1 million (March 31, 2009: \$nil) with interest paid of \$1.1 million (March 31, 2009: \$nil).

12. ASSET RETIREMENT OBLIGATION

The Company has restoration and remediation obligations associated with its Lumwana mine. The following table summarizes the movements in the asset retirement obligation:

	March 31 2010	December 31 2008
	\$000	\$000
Balance - start of period	7,504	5,358
Recognition of new obligation	-	1,774
Accretion expense	128	372
Balance - end of period	7,632	7,504

The asset retirement obligations have been recorded as a liability at fair value at inception based on the estimated future cash flows required to settle the liability discounted at the Company's credit adjusted risk free interest rate. The fair value has been calculated assuming a credit adjusted risk free discount rate of between 6.95% and 7.11% and an inflation factor of 2.5%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2010 and 2009
(unaudited)

13. LONG TERM COMPENSATION

a) Deferred Share Unit

The Company established a Deferred Share Unit ("DSU") Plan for its directors with each DSU having the same value as one Equinox common share.

Under the DSU Plan, effective July 1, 2007, directors can elect to receive a portion of their annual compensation in the form of DSU's. The DSU's vest immediately and are redeemable in cash on the date the director ceases to be a director of the Company. During the quarter, 50,749 DSU's were granted under the DSU Plan and \$0.2 million was recognized as directors' fees within general and administrative costs. Outstanding DSU's were marked-to-market at March 31, 2010, and as a result of the decrease in the market value of the Company's shares \$0.1 million was expensed (note 3).

	Year ended March 31, 2010		Year ended December 31, 2009	
	Number	\$000	Number	\$000
Deferred Share Units				
Balance - start of period	633,230	2,469	241,291	269
Issued during the period	50,749	202	391,939	715
Mark-to-market fair value adjustments	-	(100)	-	1,485
Balance - end of period	683,979	2,571	633,230	2,469

b) Restricted Share Units

The Company established a Restricted Share Unit ("RSU") Plan for its employees with each RSU having the same value as one Equinox common share.

The RSU's vest on the third anniversary of the grant date and are redeemable in cash immediately on vesting. On December 28, 2009 the Company granted 661,610 RSU's under the RSU Plan relating to 2010 compensation packages.

As at March 31, 2010 the aggregate fair value of unvested RSU's granted and to be charged to income in future periods amounted to \$2.4 million (March 31, 2009: nil).

	Year ended March 31, 2010		Year ended December 31, 2009	
	Number	\$000	Number	\$000
Deferred Share Units				
Balance - start of period	661,610	-	-	-
Issued during the period	-	-	661,610	-
Expense recognised during the period	-	215	-	-
Mark-to-market fair value adjustments	-	(6)	-	-
Balance - end of period	661,610	209	661,610	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2010 and 2009
(unaudited)

14. OTHER PAYABLES

	March 31 2010 \$'000	December 31 2009 \$'000
Deferred royalty	23,331	18,233
Deferred withholding tax	3,555	3,566
Deferred customs duty	18,693	16,461
Other provisions	1,691	1,477
Balance - end of period	47,270	39,737

As set out in note 4, there is uncertainty surrounding the application of the Development Agreement with the GRZ. Under the terms of the Development Agreement certain amounts, including royalties, withholding taxes and import duties are deferred until the Lumwana debt is eliminated. Until this uncertainty has been resolved the Company will measure its taxes in accordance with the enacted legislation, but will continue to present the associated liabilities as non-current in accordance with the terms of the Development Agreement.

15. SHARE CAPITAL

(a) Authorized capital

The number of authorized ordinary shares of the Company is unlimited.

(b) Movement in ordinary share capital

Date	Details	No. of Shares	US\$'000
	Balance at December 31, 2009	706,878,212	737,838
January 2010	Stock options exercised	633,333	744
	Balance at March 31, 2010	707,511,545	738,582

(c) Stock options

Equinox established an employee Incentive Plan in June 2004 (the "Plan"). Options may be granted under the Plan to such directors, officers, employees or service providers of Equinox and its subsidiaries as the Compensation Committee of the Board of Directors may from time to time designate. The exercise price of any options granted under the Plan shall be not less than the average market price over the five trading days immediately preceding the date of grant. The Plan provides that the total number of Equinox common shares which may be issued pursuant to the Plan shall not exceed a number of common shares equal to 10% of the estimated number of issued and outstanding shares. The number of Equinox common shares which may be reserved for issuance pursuant to the Plan (or any other employee-related plan or options for services) must not exceed 10% of the total number of issued shares in the same class at the time of offer and must not exceed 5%, to any one person, of the Equinox common shares issued and outstanding on a non-diluted basis from time to time.

All options granted prior to December 2008 vest in three tranches, one third of any options granted may be exercised immediately, another third during the period commencing 12 months after the date of grant, and the final third after 24 months from the date of grant. Options granted from December 2008 vest in three tranches, one third of any options granted may be exercised 12 months after the date of grant, another third during the period commencing 24 months after the date of grant, and the final third after 36 months from the date of grant. Options granted from December 2009 cliff vest after three years if the performance hurdles set have been achieved. The performance hurdles and vesting conditions are based on total shareholder return and the company's performance compared to a peer group. Options granted under the Plan are not transferable or assignable other than by the prior written consent of the Board of Directors of Equinox and subject to the rules of the relevant stock exchange.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2010 and 2009
(unaudited)

The following table summarizes the stock options outstanding and exercisable at March 31, 2010:

	Outstanding Options			Exercisable Options	
	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number of Options	Weighted Average Exercise Price
Outstanding at December 31, 2009	17,058,327	C\$2.00	7.0	13,279,998	C\$1.80
Options exercised	(633,333)	C\$0.79	-	(633,333)	C\$0.79
Options vested	(418,908)	C\$2.73	-	(348,334)	C\$2.50
Outstanding at March 31, 2010	16,006,086	C\$2.03	6.8	12,298,331	C\$1.83

Available for grant at March 31, 2010 54,745,068

Stock-based compensation charged to earnings amounted to \$0.6 million for the quarter ended March 31, 2010 (March 31, 2009: \$0.8 million). As at March 31, 2010 the aggregate fair value of unvested stock options granted and to be charged to income in future periods amounted to \$3.6 million (March 31, 2009: \$1.7 million).

16. CONTINGENCIES

(a) Contingent liabilities

	March 31 2010	December 31 2009
	\$'000	\$'000
The Company has contingent liabilities as follows:		
Bank guarantees and letters of credit in respect of Leased premises – secured by cash deposits	86	86
Total contingent liability	86	86

The Company previously announced that it had a dispute with ZESCO Limited (“ZESCO”), Zambia’s national power supply utility, over electricity charges believed by ZESCO to have been incurred by the Company between 2007 and 2008. The Company settled this claim during the quarter and an additional \$4.0 million was paid to ZESCO. This amount has been capitalized into mine development as it relates to charges incurred during the construction phase of the Lumwana mine.

17. COMMITMENTS FOR EXPENDITURE

(a) Lumwana Mine capital commitments

The outstanding capital commitments of the Company relating to the construction of the Lumwana town and Lumwana Mine ongoing commitments at March 31, 2010 are:

	March 31 2010	December 31 2009
	\$'000	\$'000
Within 1 year	16,191	12,339
Total commitments	16,191	12,339

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2010 and 2009
(unaudited)

(b) Lease commitments

	March 31	December 31
	2010	2009
	\$'000	\$'000
<i>Operating leases</i>		
Commitments for minimum lease payments in relation to non cancellable operating leases are payable:		
Within 1 year	134	135
Within 1 to 2 years	430	434
Within 2 to 3 years	253	256
Total commitments	817	825

These operating leases are for office premises and office equipment and expire between 2010 and 2012.

Finance Leases

The Company leases various plant and equipment with a carrying amount of the leases being \$22.4 million (December 31, 2009: \$26.1 million) under finance leases expiring between 2 and 14 years.

	March 31	December 31
	2010	2009
	\$'000	\$'000
<i>Finance leases</i>		
Commitments for minimum lease payments in relation to non cancellable finance leases are payable:		
Within 1 year	9,653	11,660
Within 1 to 2 years	9,585	9,585
Within 2 to 3 years	3,877	6,165
Within 3 to 4 years	434	434
Within 4 to 5 years	434	434
5+ years	3,727	3,836
Total commitments	27,710	32,114
Future Finance Charges	(5,354)	(6,013)
Recognized as a liability	22,356	26,101
Representing lease liabilities classified as:		
Current	7,545	9,339
Non-current	14,811	16,762
	22,356	26,101

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2010 and 2009
(unaudited)

18. SEGMENT INFORMATION

The Company's reportable operating segments are based on strategic business units that are managed separately.

Lumwana

Construction of the Lumwana Copper Plant and other associated infrastructure was completed in November 2008. Production commenced early in December 2008 and Equinox Minerals Limited achieved commercial production at the Lumwana mine on April 1, 2009.

Exploration

The Company is exploring for copper and uranium resources in the North West of Zambia and on the Zambian Copperbelt.

Corporate

The corporate segment is responsible for regulatory reporting and corporate administration.

For the three months ended March 31, 2010 segment information is presented as follows:

	Lumwana	Exploration	Corporate	Total
	\$000	\$000	\$000	\$000
Net sales revenue	179,863	-	-	179,863
Cost of sales	(97,721)	-	-	(97,721)
Interest received	-	-	77	77
Derivative instrument loss	(15,758)	-	-	(15,758)
Other (expense)/income	(964)	(342)	(669)	(1,975)
Financing costs	(8,332)	-	(527)	(8,859)
Other expenses	(2,030)	(125)	(3,970)	(6,125)
Segment profit/(loss) before income tax	55,058	(467)	(5,089)	49,502
Income taxes	(16,975)	-	-	(16,975)
Segment profit/(loss)	38,083	(467)	(5,089)	32,527
Property, plant and equipment	1,010,639	636	89,377	1,100,652
Total assets	1,410,610	989	69,349	1,480,948

For the three months ended March 31, 2009 segment information is presented as follows:

	Lumwana	Exploration	Corporate	Total
	\$000	\$000	\$000	\$000
Interest received	22	1	45	68
Derivative instrument loss	(98,103)	-	-	(98,103)
Other (expense)/income	(800)	4,038	(4,289)	(1,051)
Other expenses	(616)	(3,216)	(338)	(4,170)
Segment (loss)/profit before income tax	(99,497)	823	(4,582)	(103,256)
Income taxes	42,665	-	-	42,665
Segment (loss)/profit	(56,832)	823	(4,582)	(60,591)
Property, plant and equipment	1,085,427	623	1,225	1,087,275
Total assets	1,353,033	1,032	19,042	1,373,107

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2010 and 2009
(unaudited)

Geographical Reporting

The Company's Lumwana Project and active exploration programs are both located in Zambia. The Canadian segment is entirely corporate whilst the Australian segment carries out corporate activities and manages engineering studies.

The total assets located by geographical areas are as follows:

Geographical Reporting

	March 31 2010	December 31 2009
	\$'000	\$'000
Zambia	1,411,600	1,359,749
Australia	8,878	38,342
Canada	60,470	59,583
	1,480,948	1,457,674

For personal use only