ORVANA
MINERALS CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2013

UNAUDITED

(EXPRESSED IN UNITED STATES DOLLARS)

ORVANA MINERALS CORP.

Condensed Interim Consolidated Balance Sheets

Unaudited

(In thousands of United States dollars)

	As at June 30, 2013	As at September 30, 2012
Assets		
Current assets		
Cash and cash equivalents (note 3)	$ 11,484	$ 13,200
Restricted cash (note 4)	14,473	16,783
Concentrate and doré sales receivables (note 5)	675	10,052
Value-added taxes and other receivables and prepaid expenses	11,848	13,035
Inventory (note 6)	16,040	14,896
Current portion of financial instruments (note 13)	7,781	-
	62,301	67,966
Long term value-added taxes and other receivables	8,733	7,554
Long-term restricted cash (note 4)	1,831	1,616
Reclamation bonds (note 4)	9,759	9,647
Long-term inventory stockpile (note 6)	1,299	1,508
Property, plant and equipment (note 7)	184,138	197,843
Financial instruments (note 13)	13,040	-
	$ 281,101	$ 286,134
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 9)	$ 27,957	$ 34,873
Income taxes payable (note 22)	1,001	5,244
Bank debt (note 10)	6,899	7,581
Short-term debt (note 10)	3,731	4,171
Current portion of long-term debt (note 10)	13,567	11,917
Current portion of obligations under finance leases (note 11)	877	1,486
Current portion of financial instruments (note 13)	-	9,482
	54,032	74,754
Long-term debt (note 10)	35,094	44,706
Obligations under finance leases (note 11)	-	558
Decommissioning liabilities (note 12)	8,109	7,851
Financial instruments (note 13)	-	23,847
Provision for statutory labour obligations (note 14)	2,787	2,832
Deferred income tax liability (note 22)	22,531	5,432
Other long-term liabilities	795	-
Long-term compensation (note 17(b))	164	173
Long-term warrants (note 15(c))	42	167
	123,554	160,320
Shareholders' equity		
Share capital (note 15)	116,206	116,148
Contributed surplus	3,179	2,953
Retained earnings	38,162	6,713
	157,547	125,814
	$ 281,101	$ 286,134

Commitments and contingencies (note 24)

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

ORVANA MINERALS CORP.

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
Unaudited
(In thousands of United States dollars except per share amounts)

	Three months ended June 30,		Nine months ended June 30,	
	2013	**2012**	**2013**	**2012**
Revenue	$ 35,414	$ 43,691	$ 113,743	$ 90,309
Cost of sales				
Mining costs (note 18)	26,153	27,857	70,939	58,836
Depreciation and amortization	7,226	4,803	17,686	11,059
Impairment charge (note 8)	6,423	-	6,423	-
	39,802	32,660	95,048	69,895
Gross margin	(4,388)	11,031	18,695	20,414
Expenses				
General and administrative (note 19)	1,365	1,389	7,822	5,239
Exploration	35	7	80	153
Community relations	90	90	435	258
Other (income) expense (note 20)	6,692	(18)	6,694	92
Finance costs (note 21)	1,571	1,147	4,817	3,349
Expenses before financial instruments (gain) loss	9,753	2,615	19,848	9,091
Financial instruments net (gain) loss (note 13)	(33,700)	(10,621)	(51,993)	8,602
Income before income taxes	19,559	19,037	50,840	2,721
Provision for income taxes				
Current income taxes (note 22)	(754)	2,096	2,338	2,249
Deferred income taxes (note 22)	8,998	4,823	17,053	818
	8,244	6,919	19,391	3,067
Net income (loss) and comprehensive income (loss)	$ 11,315	$ 12,118	31,449	$ (346)
Earnings per share (note 23)				
Basic	$ 0.08	$ 0.09	$ 0.23	$ 0.00
Diluted	$ 0.08	$ 0.09	$ 0.23	$ 0.00

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

ORVANA MINERALS CORP.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

Unaudited

(In thousands of United States dollars)

	Share Capital	Contributed Surplus	Retained Earnings	Total
Balance, September 30, 2011	$ 115,930	$ 2,466	$ 9,066	$ 127,462
Exercise of stock options	218	(71)	-	147
Stock-based compensation	-	515	-	515
Net loss	-	-	(346)	(346)
Balance June 30, 2012	$ 116,148	$ 2,910	$ 8,720	$ 127,778

	Share Capital	Contributed Surplus	Retained Earnings	Total
Balance, September 30, 2012	$ 116,148	$ 2,953	$ 6,713	$ 125,814
Exercise of stock options	58	(22)	-	36
Stock-based compensation	-	248	-	248
Net income	-	-	31,449	31,449
Balance June 30, 2013	$ 116,206	$ 3,179	$ 38,162	$ 157,547

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

ORVANA MINERALS CORP.

Condensed Interim Consolidated Statements of Cash Flows

Unaudited

(In thousands of United States dollars)

	Three months ended June 30, 2013	Three months ended June 30, 2012	Nine months ended June 30, 2013	Nine months ended June 30, 2012
Operating activities				
Net income (loss)	$ 11,315	$ 12,118	$ 31,449	$ (346)
Adjustments for:				
Depreciation and amortization	7,285	4,860	17,862	11,205
Impairment charge (note 8)	6,423	-	6,423	-
De-recognition of assets (note 20)	3,500	-	3,500	-
Loss on disposal of assets	252	-	456	-
Accretion	86	79	258	238
Amortization of deferred financing fees	200	261	566	791
Stock-based compensation	19	167	248	515
Warrants	(145)	-	(124)	-
Long-term compensation	(185)	152	197	(48)
Deferred income taxes (recovery)	8,998	4,823	17,053	818
Provision for statutory labour obligations	(41)	155	(45)	199
Foreign exchange	(201)	466	(275)	459
Financial instruments unrealized (gain) loss (note 13)	(32,902)	(12,152)	(54,148)	4,992
	4,604	10,929	23,420	18,823
Changes in non-cash working capital				
Concentrate and doré sales receivables	5,785	(1,563)	9,377	(4,741)
Value-added taxes and other receivables and prepaids	(509)	1,202	8	1,812
Inventory	1,865	(244)	(816)	(10,347)
Accounts payable and accrued liabilities	900	46	(2,836)	4,566
Income taxes payable	(1,800)	1,996	(4,243)	1,975
Cash provided by operating activities	10,845	12,366	24,910	12,088
Financing activities				
(Decrease) increase in bank debt	(2,957)	1,418	(682)	1,961
Proceeds from short-term debt (note 10)	-	-	2,000	6,500
Proceeds from long-term debt(note 10)	-	-	-	13,000
Repayment of short and long-term debt (note 10)	(3,756)	(600)	(11,785)	(1,054)
Payment of financing fees	-	-	-	(373)
Repayment of finance leases (note 11)	(338)	(480)	(1,231)	(1,460)
Exercise of stock options (note 15(b))	-	-	36	147
Cash (used in) provided by financing activities	(7,051)	338	(11,662)	18,721
Investing activities				
Capital expenditures	(4,283)	(4,941)	(17,265)	(17,304)
Restricted cash	(2,360)	(3,991)	2,310	(14,626)
Cash used in investing activities	(6,643)	(8,932)	(14,955)	(31,930)
Change in cash	(2,849)	3,772	(1,707)	(1,121)
Cash, beginning of the period	14,346	7,431	13,200	12,244
Effect of exchange rate change on cash held in foreign currencies	(13)	(109)	(9)	(29)
Cash, end of period	$ 11,484	$ 11,094	$ 11,484	$ 11,094
Income taxes paid	$ 1,881	$ 72	$ 7,422	$ 155
Interest paid	$ 928	$ 791	$ 2,970	$ 2,421

Amounts paid for interest and income taxes are included in cash flows from operating activities in the condensed interim consolidated statement of cash flows.

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

1. Nature of operations and corporate information

Orvana Minerals Corp. (the "Company" or "Orvana") is a Canadian mining and exploration company involved in the evaluation, development and mining of precious and base metal deposits. The Company owns and operates the El Valle-Boinás/Carlés Mine (the "EVBC Mine") in Spain, which is held indirectly through its wholly-owned subsidiary Kinbauri España S.L.U. ("Kinbauri") and the Don Mario Upper Mineralized Zone Mine (the "UMZ Mine") in eastern Bolivia, which is held indirectly through its wholly-owned subsidiary, Empresa Minera Paititi S.A. ("EMIPA"). In addition, the Company holds mineral leases in the state of Michigan, USA, referred to as the Copperwood Project, which is held indirectly through its wholly-owned subsidiary, Orvana Resources US Corp. ("Orvana Resources").

The Company is controlled by Fabulosa Mines Limited ("Fabulosa") which holds 51.9% of the Company's common shares. The Company's ultimate controlling party is the Oslo Trust, which controls Fabulosa.

The Company's principal place of business is 181 University Avenue, Suite 1901, Toronto, Ontario, Canada. The Company is incorporated under the laws of Ontario, Canada and its common shares are listed on the Toronto Stock Exchange ("TSX") under the symbol TSX:ORV.

2. Basis of preparation

The Company has prepared its unaudited condensed interim consolidated financial statements in accordance with IAS 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"), which do not include all of the information required for full annual consolidated financial statements. Accordingly, certain information and disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), have been omitted or condensed and these unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended September 30, 2012.

The accounting policies applied in preparation of these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's consolidated financial statements for the year ended September 30, 2012.

The preparation of these unaudited condensed interim consolidated financial statements requires the use of certain significant accounting estimates and judgments by management in applying the Company's accounting policies. The areas involving significant judgments and estimates have been set out in Note 4 of the Company's audited consolidated financial statements for the year ended September 30, 2012. Certain comparative amounts have been reclassified to conform to the current year's presentation.

The condensed interim consolidated interim financial statements of Orvana have been prepared in compliance with IFRS and were approved by the Board of Directors of the Company upon recommendation of the Audit Committee on August 9, 2013.

3. Cash and cash equivalents

Cash and cash equivalents at June 30, 2013 were $11,484 (September 30, 2012 - $13,200). The terms of a loan agreement (the "EVBC Loan") with a third-party lender (the "EVBC Lender") require the deposit of certain cash generated from operating activities of Kinbauri into restricted cash accounts and restricts the distribution of cash outside of Kinbauri in certain circumstances. Refer to note 4 – Restricted Cash.

(In thousands of United States Dollars unless otherwise noted)

4. Restricted cash and reclamation bonds

Restricted cash

Restricted cash as at June 30, 2013 was $14,473 (September 30, 2012 – $16,783), and included restricted cash on deposit with (i) the EVBC Lender for approximately $6,857 (September 30, 2012 - $8,806) for a debt service reserve for future principal and interest loan payments; a potential future reclamation bond payment of €5,000,000 or approximately $6,543 (September 30, 2012 - $6,465); and a reserve for future royalty payments of $32 (September 30, 2012 - $884) (ii) a local Bolivian bank for approximately $1,041 related to labour claims currently under appeal.

Long-term restricted cash represents approximately $1,831 (September 30, 2012 - $1,616) on deposit with a local bank in favour of the Bolivian government pending the appeal of a value-added taxes ("VAT") audit. The VAT audit relates to an audit by the Bolivia National Tax Service, for which EMIPA filed a tax lawsuit in January 2011 before the Bolivian Supreme Court. As of the date of these statements, the matter remains unresolved.

Reclamation bonds

At June 30, 2013 cash backing reclamation bonds held in a Spanish financial institution totalled $9,759 (September 30, 2012 - $9,647) and is expected to be released after all reclamation work has been completed. Prior to its acquisition by Kinbauri, the EVBC Mine had been shut down by its then owner and remediation measures required were completed. On Kinbauri's acquisition of the EVBC Mine a reclamation bond of €894,684 was deposited, as required by Spanish mining regulations. In fiscal 2010 and 2011, additional reclamation bonds in the amounts of €1,521,960 and €5,000,000, respectively were deposited by Kinbauri relating to its new tailings facility, with an additional €5,000,000 which may have to be deposited by Kinbauri and which is available for this purpose under restricted cash.

5. Concentrate and doré sales receivables

	June 30, 2013	September 30, 2012
Concentrate and doré sales receivables	$ 675	$ 10,052
	$ 675	$ 10,052

(In thousands of United States Dollars unless otherwise noted)

6. Inventory

		June 30, 2013		September 30, 2012
Ore in stockpiles	$	375	$	643
In-process		265		37
Gold doré		2,159		145
Concentrate		5,150		2,657
Materials and supplies		8,091		11,414
	$	16,040	$	14,896
Ore in stockpiles – included in long-term (to be used in more than a year)	$	1,299	$	1,508
	$	17,339	$	16,404

7. Property, plant and equipment

	Land	Plant and equipment	Furniture and equipment	Equipment under finance lease	Mineral properties in production	Mineral properties in exploration and evaluation	Total
Net book value, September 30, 2012	$3,629	$68,728	$1,608	$7,021	$100,432	$16,425	$197,843
Additions	-	2,511	88	-	9,141	2,632	14,372
Capitalized finance fees	-	-	-	-	276	-	276
Capitalized depreciation	-	-	-	-	-	33	33
Disposals(1)	-	(8,649)	-	-	(162)	-	(8,811)
Depreciation(2)	-	(6,702)	(193)	(637)	(12,043)	-	(19,575)
Net book value June 30, 2013	$3,629	$55,888	$1,503	$6,384	$97,644	$19,090	$184,138

	Land	Plant and equipment	Furniture and equipment	Equipment under finance lease	Mineral properties in production	Mineral properties in exploration and evaluation	Total
Total cost	$3,629	$100,991	$2,096	$8,515	$119,783	$19,090	$254,104
Total accumulated depreciation	-	(45,103)	(593)	(2,131)	(22,139)	-	(69,966)
Net book value, June 30, 2013	$3,629	$55,888	$1,503	$6,384	$97,644	$19,090	$184,138

(1) Disposals include the impairment charge of $4,715 as disclosed below in note 8, the de-recognition of a portion of the hoist in EVBC of $3,500 as disclosed in note 20 and the write-off of miscellaneous assets of $456 from EVBC and EMIPA.

(2) Depreciation expense includes amounts allocated to inventory.

8. Impairment

During the quarter ended June 30, 2013, the Company recorded an impairment charge of $6,423. The impairment charge resulted from the suspension of the operations of EMIPA's Leach-Precipitation-Flotation ("LPF") plant at its

(In thousands of United States Dollars unless otherwise noted)

UMZ Mine in Bolivia. The impairment charge included $4,715 related to property plant and equipment, $1,558 related to consumable inventory and $150 related to costs associated with mothballing the LPF plant.

9. Accounts payable and accrued liabilities

For the periods ended:		June 30, 2013		September 30, 2012
Accounts payable	$	19,947	$	23,591
Provision for debenture conversion (note 24)		-		3,132
Accrued liabilities		8,010		8,150
	$	27,957	$	34,873

10. Bank debt, Short-term and Long-term debt

Bank debt

EMIPA has short-term credit facilities with certain Bolivian banks for up to approximately $10,000 payable 60-180 days from the date of advance with annual interest rates ranging from 6.5% to 7.5%. Certain of EMIPA's assets are pledged as security against these loans. As at June 30, 2013, approximately $6,899 (September 30, 2012 - $7,581) was drawn under these facilities. Subsequent to June 30, 2013, the Company drew down an additional $2,964 against these facilities.

In addition, at June 30, 2013, EMIPA provided bank guarantees to a Bolivian bank amounting to approximately $465 (September 30, 2012 - $633), related to refunded amounts of VAT and natural gas and chemical purchases. The bank guarantees on the VAT credit notes expire after 120 days and are pending the final approval and audit of these credit notes by the Bolivian government. EMIPA also has provided guarantees for the purchase of natural gas from government suppliers that are for one year and are renewed annually and would only be enforceable by the government suppliers if EMIPA failed to pay the invoices related to these purchases.

Short-term debt

The Company has a secured loan facility (the "Fabulosa Loan") with Fabulosa Mines Limited, the Company's 51.9% shareholder, in the amount of $11,500. The Company has used proceeds drawn under the Fabulosa Loan for working capital purposes. Interest on the outstanding principal is calculated at a rate per annum of 12% and is payable monthly and the Company pays withholding taxes imposed by applicable taxing authorities. During the second quarter of fiscal 2013, the repayment terms were amended and principal amounts outstanding under the Fabulosa Loan are required to be repaid in the minimum amount of $1,000 per month commencing on June 1, 2013. The Fabulosa Loan also contains covenants that, among other things, require principal repayment in the event of the sale of certain assets. The Fabulosa Loan is available for draw down until August 31, 2013 and matures on December 31, 2013. The balance outstanding at the end of June 30, 2013 was $3,731 (September 30, 2012 - $4,171). The Company repaid $2,000 of the outstanding principal of this loan in June, representing its June and July principal repayments. Subsequent to the end of the quarter, the Company also repaid $1,000 of the outstanding principal representing the August payment.

The Fabulosa Loan was amended subsequent to the end of the third quarter of fiscal 2013. The availability period was extended from August 31, 2013 and the maturity period was extended from December 31, 2013 until September 30, 2014. Principal amounts outstanding under the Fabulosa Loan are now required to be repaid in the minimum amount of $500 per month commencing on April 1, 2014, compared to $1,000 per month prior to this amendment, provided that the entire principal and interest will be repaid by the new maturity date. In connection with such extension and amendment, the Company agreed to issue warrants to purchase 500,000 common shares of the Company, exercisable for five years at an exercise price equal to an average of current market trading prices, subject to the approval of the TSX.

The Fabulosa Loan is secured by, among other things, a general security assignment over present and future assets of Orvana excluding all amounts owing by Kinbauri to the Company. The Company has entered into an agreement with Fabulosa pursuant to which, for so long as it owns at least 10% of the outstanding Common Shares, Fabulosa has the right to designate, at any shareholders' meeting at which directors are to be elected, that number of management's nominees for election as directors of the Company that is the same proportion as its ownership interest of the Common Shares.

Long-term debt

In October 2010, Kinbauri entered into the $50,000 five-year term EVBC Loan. The funds were primarily used to complete the construction of the EVBC Mine. In February 2012, the EVBC Loan was extended by one year to September 30, 2016 and increased by $13,844 including $6,500 (€5,000,000) to fund an environmental bond which may be required to be posted with governmental authorities in Spain. To the extent that the environmental bond is less than $6,500, these funds may be used for general corporate purposes.

The EVBC Loan contains covenants that restrict, among other things, Orvana's ability to incur additional indebtedness and make distributions in certain circumstances, to sell material assets or to carry on business other than one related to the mining business. During the first quarter of fiscal 2013, the Company obtained a waiver in respect of compliance with a specific reporting requirement until February 28, 2013. During the second quarter of fiscal 2013, the Company obtained a waiver with respect of: i) one of its financial covenants, and ii) compliance with certain environmental non-compliance matters to December 31, 2013. During the third quarter of fiscal 2013, the Company obtained a waiver with respect of one of its financial covenants. The Company is currently negotiating certain amendments to the EVBC Loan.

The EVBC Loan required gold, copper and Euro/US dollar financial instruments which have already been put in place. Refer to note 13 - Financial Instruments. Orvana is required to maintain certain financial ratios, which calculations exclude the unrealized adjustments resulting from the mark-to-market of the metals and currency financial instruments required under the terms thereof. The security for the EVBC Loan includes a fixed and floating charge over the assets of Kinbauri and a pledge by Orvana of all of the shares of Kinbauri. Kinbauri's obligations under the EVBC Loan are guaranteed by Orvana. The interest on the EVBC Loan is Libor plus 4% per annum and management expects the cost of the EVBC Loan, including fees but excluding the costs associated with the required financial instruments, to average approximately 5% to 6% per annum, based on current interest rates.

The balance outstanding at June 30, 2013 was $51,234 (September 30, 2012 - $60,438). Prior to the end of June 30, 2013, the Company increased its restricted cash by $3,400 for a debt service reserve for future principal and interest loan payments, in compliance with a covenant under the EVBC Loan. Subsequent to the end of the period, on July 2, 2013, the Company repaid $3,268 in principal and interest under the EVBC Loan from the amount included in restricted cash at June 30, 2013 and reduced the principal loan balance to $48,521. The total annual principal repayment required in each fiscal year ending September 30, expressed as a percentage of the total amount of the EVBC Loan are: 2013 - 18.7%; 2014 - 23.3%; 2015 - 27.6%; and 2016 - 25.1%.

(In thousands of United States Dollars unless otherwise noted)

Minimum long-term debt repayments are as follows:

Debt repayments at:		**June 30, 2013**		**September 30, 2012**
2013	$	2,713	$	11,917
2014		14,843		14,843
2015		17,637		17,637
2016		16,041		16,041
		51,234		60,438
Less: current portion		(13,567)		(11,917)
Total – long-term debt		37,667		48,521
Financing fees		(2,573)		(3,815)
Total	$	35,094	$	44,706

11. Obligations under finance leases

During fiscal 2010 and fiscal 2011, the Company entered into leases with three-year terms to purchase certain mining equipment at a total cost of approximately $8,515 including deposits of $2,255 paid at the time of purchase. The leases are repayable in quarterly instalments at annual interest rates of 5.5% to 6.6%. At June 30, 2013, the obligation outstanding was $877 (September 30, 2012 - $2,044). During the three and nine months ended June 30, 2013, the Company made lease payments of approximately $338 and $1,231 respectively (three and nine months June 30, 2012 - $517 and $1,598). Each lease contract contains a bargain purchase option of €10 per contract.

The following is a schedule of future minimum lease payments under these finance leases which expire in June 2014:

			June 30, 2013		**September 30, 2012**
Fiscal	2013	$	279	$	1,550
	2014		615		565
			894		2,115
Amount representing interest at 5.95%			(17)		(71)
			877		2,044
Less: current portion			(877)		(1,486)
		$	-	$	558

The equipment under finance leases is being amortized over the estimated useful life of the assets.

12. Decommissioning liabilities

Decommissioning liabilities relate to the dismantling of the mine facilities and environmental reclamation of the areas affected by mining operations. Mine facilities include structures and the tailings dam. Environmental reclamation requirements include mine water treatment, reforestation and dealing with soil contamination. It is possible that the Company's estimates of the ultimate amounts required to decommission its mines could change as a result of changes in regulations, the extent of environmental remediation required, the means of reclamation, cost estimates or the estimated remaining ore reserves.

(In thousands of United States Dollars unless otherwise noted)

The following table summarizes the changes in decommissioning liabilities during the periods presented:

		As at June 30, 2013		**As at September 30, 2012**
Balance, beginning of period	$	7,851	$	7,900
Revision in estimated cash flows, timing of payments and discount rates				
– EVBC Mine		-		(1,383)
– UMZ Mine		-		730
		7,851		7,247
Accretion expense		258		604
	$	8,109	$	7,851

Balance consists of:		**As at June 30, 2013**		**As at September 30, 2012**
EVBC Mine	$	3,856	$	3,691
UMZ Mine		4,253		4,160
	$	8,109	$	7,851

For the EVBC Mine, revisions in estimated cash flows at September 30, 2012, includes the impact of the change in discount rate, the delay of the timing of the payments in line with the longer mine life and the impact of the foreign exchange rate of Euros versus the US dollar.

For the UMZ Mine, revisions in estimated cash flows at September 30, 2012, includes the impact of the change in discount rate and additional expected remediation costs related to the expansion of the tailings dam.

Cash held in a Spanish financial institution backing reclamation bonds totaled approximately $9,759 at June 30, 2013 (September 30, 2012 - $9,647) and is expected to be released after all reclamation work has been completed (refer to note 4).

At June 30, 2013		**Undiscounted Cash Flows Required to Settle Decommissioning Liabilities**	**Discount Rate**		**Discounted Cash Flows Required to Settle Decommissioning Liabilities**
EVBC Mine [(1)]	$	5,918	5.7%	$	3,856
UMZ Mine [(1)]		5,556	2.8%		4,253
Total	$	11,474		$	8,109

(1) Accretion expense is recorded using the discount interest rates set out above. It is expected that these amounts will be incurred in 2019 through 2022 in respect of the UMZ Mine and the EVBC Mine, respectively.

(In thousands of United States Dollars unless otherwise noted)

13. Financial instruments

Pursuant to the terms of the EVBC Loan, the Company entered into a number of gold, copper, and Euro/US dollar forward contracts (economic hedges) relating to a portion of the expected gold and copper production from the EVBC Mine and relating to operating costs of Kinbauri incurred in Euros, while revenue is earned in US dollars.

Changes in the fair value of financial instruments are recognized through earnings. The mark-to-market fair value of all contracts is based on independently provided market rates and determined using standard valuation techniques, including the impact of counterparty risk.

The gain resulting from the mark-to-market fair valuation of these contracts was $32,902 and $54,148 for the three and nine months ended June 30, 2013 (three and nine months ended June 30, 2012 a gain of $12,152 and loss of $4,992 respectively). The related deferred income tax expense on the unrealized gains for the three and nine months ended June 30, 2013 were $9,871 and $16,244 respectively (three and nine months ended June 30, 2012 of tax expense of $3,646 and tax recovery of $1,498 respectively).

The Company realized cash settlement for contracts that matured during the three and nine months ended June 30, 2013, of gains of $798 and losses of $2,155, respectively (realized gains for three and nine months ended June 30, 2012 of $1,531 and $3,610 respectively). The related deferred income tax expense and recovery on the realized gains and losses for the three and nine months ended June 30, 2013 were $239 and $647, respectively (related deferred tax recovery for the three and nine months ended June 30, 2012 of $459 and $1,083, respectively).

For the three months ended:		**June 30, 2013**		**June 30, 2012**
Change in unrealized fair value during the period (gain) loss	$	(32,902)	$	(12,152)
Realized (gain) loss on cash settlements of financial instruments		(798)		1,531
Financial instruments (gain) loss	$	(33,700)	$	(10,621)

For the nine months ended:		**June 30, 2013**		**June 30, 2012**
Change in unrealized fair value during the period (gain) loss	$	(54,148)	$	4,992
Realized (gain) loss on cash settlements of financial instruments		2,155		3,610
Financial instruments (gain) loss	$	(51,993)		8,602

Financial instruments included in the balance sheet are comprised of:

As at June 30, 2013:	**Contract Rate/Price**	**Avg. Forward Rate/Price**	**Fair Value Asset (liability)**
Fair value of currency contracts – US/Euro	$1.38	$1.30	$(3,027)
Fair value of copper forwards per tonne	$7,260.00	$6,818.00	3,230
Fair value of gold forwards per ounce	$1,333.70	$1,231.00	2,410
Fair value of gold collars	-	-	18,208
Total fair value of financial instruments at June 30, 2013			$20,821
Less: current portion			7,781
Total non-current financial instruments			$13,040

The following table summarizes the gold, copper and foreign exchange forward contracts:

	As at June 30, 2013	**As at September 30, 2012**
Gold forwards:		
Ounces	23,438	30,468.75
Price per ounce	$1,333.70	$1,333.70
Copper forwards:		
Tonnes	7,227	9,825.75
Price per tonne	7,260.00	7,260.00
Price per pound	$3.29	$3.29
US dollar/Euro forwards:		
Amount in US ($ 000's)	50,000	65,000
Contracted Average Euro/US dollar exchange rate	$1.38	$1.38

The following table summarizes the gold puts and call contracts outstanding:

	As at June 30, 2013	**As at September 30, 2012**
Gold puts (July 2013 to September 2015):		
Ounces	43,200	57,600
Price per ounce	$1,550.00	$1,550.00
Gold calls (July 2013 to September 2015):		
Ounces	43,200	57,600
Price per ounce	$1,855.00	$1,855.00
Gold puts (October 2015 to September 2016):		
Ounces	19,200	19,200
Price per ounce	$1,250.00	$1,250.00
Gold calls (October 2015 to September 2016):		
Ounces	19,200	19,200
Price per ounce	$2,270.00	$2,270.00

(In thousands of United States Dollars unless otherwise noted)

14. Statutory labour obligations

Under Bolivian law, EMIPA has an obligation to make payments to employees in the amount of one month's wages for each year of service. The employee can elect to receive payment after five years of service in the amount of five months of wages while continuing employment with EMIPA. At June 30, 2013, the obligation outstanding for these payments was $2,787 (September 30, 2012 - $2,832). In accordance with IFRS, this obligation was fair valued using an actuarial valuation to determine the present value of the future payments on this obligation, taking into consideration employee turnover, historical record of employees cashing out, salary increases and the local inflation rate projected at 5%. These amounts were discounted at 4% to the present valued based on the mine life of the UMZ Mine.

15. Share capital

(a) Authorized - unlimited number of common shares.

(b) Common shares issued:

	Number of common shares		Stated Value
Balance, September 30, 2011	136,323,171	$	115,930
Exercise of stock options	250,000		147
Fair value assigned to exercise of stock options	-		71
Balance, September 30, 2012	136,573,171	$	116,148
Exercise of stock options	50,000		36
Fair value assigned to exercise of stock options	-		22
Balance, June 30, 2013	136,623,171	$	116,206

(c) Warrants

The Company issued to Fabulosa five-year warrants to purchase up to 2,725,000 common shares. The warrants will be exercisable only upon the issuance of, and in numbers equal to the number of common shares issuable upon the exercise of any of Orvana's outstanding stock options as of May 16, 2011. On September 6, 2011 the Company issued the first tranche of 1,300,000 warrants with an exercise price of C$1.90 with the second tranche of 1,425,000 warrants issued on March 5, 2012 with an exercise price of C$0.97. At June 30, 2013, 450,000 warrants were exercisable as a result of 450,000 stock options being exercised since commencement of the arrangement on May 16, 2011. The warrants have a Canadian dollar exercise price which differs from the Company's functional currency. As a result, these warrants are treated as a liability and measured at fair value with changes in fair value recognized through earnings. The liability for these warrants are valued using the Black-Scholes model and was $42 at June 30, 2013 (September 30, 2012 – $167).

16. Compensation of key management

Key management includes directors (executive and non-executive) and senior management of the Company and its affiliates. The compensation paid or payable to key management and directors for services is shown below:

(In thousands of United States Dollars unless otherwise noted)

Three months ended	June 30, 2013	June 30, 2012
Salaries and short term employee benefits	$ 457	$ 404
Share-based payments[1]	(163)	319
Termination benefits[2]	369	-
Total compensation of key management	$ 663	$ 723

Nine months ended	June 30, 2013	June 30, 2012
Salaries and short term employee benefits	$ 1,372	$ 1,291
Share-based payments[1]	445	467
Termination benefits[2]	541	320
Total compensation of key management	$ 2,358	$ 2,078

(1) Share-based payments include the mark-to-market adjustments on RSUs and DSUs.

(2) Termination benefits include contractual severance payments to certain former employees of the Company'.

17. Share based payments

(a) Stock options

A summary of the stock option transactions is as follows:

	Stock options	Weighted Average Exercise Price C$
Balance, September 30, 2011	2,575,000	$1.97
Granted	1,641,667	0.93
Exercised	(250,000)	0.60
Expired	(25,000)	0.69
Forfeited	(489,998)	1.50
Balance, September 30, 2012	3,451,669	$1.66
Granted	550,000	$1.01
Exercised	(50,000)	0.75
Expired	(771,668)	1.30
Forfeited	(199,998)	0.94
Balance, June 30, 2013	2,980,003	$1.67

Stock options have been expensed as follows:

	Cumulative expense to June 30, 2013	Remainder to be expensed	Total Stock-based compensation
Stock-based compensation expense	$ 3,685	$ 184	$ 3,869

As at June 30, 2013, outstanding and exercisable stock options were as follows:

Grant Date		Fair value US$000's	Number of unvested options	Weighted average contractual life (in years)	Number of vested options		Exercise price C$	Expiry date
March 5, 2009	$	40	-	0.68	150,000	$	0.64	March 4, 2014
October 23, 2009		65	-	1.31	150,000		0.88	October 23, 2014
February 26, 2010		61	-	1.66	125,000		1.01	February 26, 2015
May 17, 2010		12	-	1.88	20,000		1.31	May 17, 2015
August 13, 2010		56	-	0.09	66,667		1.57	August 3, 2013
December 10, 2010		1,218	-	2.44	710,000		3.65	December 10, 2015
April 1, 2011		163	33,333	2.75	66,667		3.01	April 1, 2016
December 20, 2011		240	41,667	3.47	416,667		1.03	December 20, 2016
March 28, 2012		129	83,334	3.74	208,333		0.88	March 28, 2017
June 1, 2012		142	199,998	3.92	116,669		0.86	June 1, 2017
August 30, 2012		4	-	4.17	8,334		0.92	August 30, 2017
September 1, 2012		16	-	0.50	33,334		0.86	September 1, 2017
October 2, 2012		46	66,666	4.26	33,334		0.93	October 2, 2017
March 7, 2013		141	166,666	4.69	83,334		1.02	March 7, 2018
March 29, 2013		107	133,334	4.75	66,666		1.05	March 29, 2018
	$	2,440	724,998	3.05	2,255,005			
Total vested and unvested stock options					2,980,003			

The Company uses the fair value method of accounting for stock options and, during the three and nine months ended June 30, 2013, recognized stock-based compensation expense of $19 and $248 respectively (three and nine months June 30, 2012 - $167 and $515 respectively).

The fair value of the options granted during the nine months ended June 30, 2013 was estimated using the Black-Scholes model with the following assumptions:

Grant date:	March 29, 2013	March 7, 2013	October 2, 2012
Options granted:	200,000	250,000	100,000
Exercise price (C$ per share)	$1.05	$1.02	$0.93
Risk-free interest rate:	1.21%	1.25%	1.22%
Expected life in years:	5.00	5.00	5.00
Expected volatility:	59.6%	59.4%	59.4%
Expected dividend yield:	Nil	Nil	Nil
Expected forfeiture rate:	10%	10%	10%
Fair value per option granted C$:	$0.54	$0.58	$0.45
Weighted average grant date fair value US$000's:	$107	$141	$46

The compensation expense associated with the stock options for the three months ended June 30, 2013 includes an estimated forfeiture rate of 10% based on the average rate of forfeitures over the last three years (2012 - 10%).

The weighted-average grant date fair value of the options granted is expensed over the vesting periods of the option being 24 months from the grant dates.

As at June 30, 2013, the fair value associated with unvested options is $399 (June 30, 2012 - $952).

(In thousands of United States Dollars unless otherwise noted)

(b) Long-term compensation

(i) DSU plan

The Company established a DSU plan, effectively a phantom stock plan, for directors, effective October 1, 2008. The initial fair value of units issued is expensed and is included in long-term compensation expense under general and administrative expenses in the consolidated statement of loss. The fair value of the DSUs are marked to the quoted market price of the Company's common shares at each reporting date and changes in their fair value are recorded under general and administrative expenses. Payouts are settled in cash within a specified period following a director's departure.

	Number of DSUs		Fair Value
Balance, September 30, 2011	216,586	$	317
Issued	66,710		103
Redeemed	(56,897)		(50)
Gain on redemptions	-		(37)
Mark-to-market adjustment	-		(128)
Less: current portion	(130,807)		(118)
Balance, September 30, 2012	95,592	$	87
Issued	59,480		54
Redeemed	(56,897)		(51)
Mark-to-market adjustment	-		(59)
Changes in current portion	14,465		33
Balance, June 30, 2013	112,640	$	64

(ii) RSU plan

The Company established a RSU plan, effectively a phantom stock plan, for designated executives, effective October 1, 2008, with awards made as determined by the Board of Directors of the Company. RSUs are settled in cash and are valued using the market value of the underlying common shares of the Company at the grant date. The fair value of the RSUs is marked to the quoted market price of the Company's common shares at each reporting date and changes in their fair value are recorded in long-term compensation expense under general and administrative expenses.

	Number of RSUs		Fair Value
Balance, September 30, 2011	476,372	$	733
Issued	200,984		324
Redeemed	(323,684)		(380)
Gain on redemptions	-		(109)
Forfeited	(43,627)		(67)
Mark-to-market adjustment	-		(220)
Less: current portion	(215,251)		(195)
Balance, September 30, 2012	94,794	$	86
Issued	314,485		284
Redeemed	(53,481)		(48)
Forfeited	(147,433)		(132)
Mark-to-market adjustment	-		(85)
Changes in current portion	(12,679)		(5)
Balance, June 30, 2013	195,686	$	100

Balance, June 30, 2013 – Long-term compensation ((i) DSUs and (ii) RSUs)	$	164

(In thousands of United States Dollars unless otherwise noted)

18. Mining costs

Mining costs include mine production costs, transport costs, royalty expenses, site administration costs, applicable stripping costs and other related costs, but not the primary mine development costs, incurred at the EVBC Mine, which are capitalized and depreciated over the specific useful life or reserves related to that development. The mining costs for the three and months ended June 30, 2013 relate to the EVBC and UMZ Mines. The UMZ Mine went into commercial production in January of 2012 and the mining costs for the nine months ended June 30, 2012, reflects only six months of production compared to nine months of production in fiscal 2013.

Three months ended June 30:		**2013**		**2012**
Direct mining costs	$	23,526	$	24,354
Royalties and mining rights		1,275		1,339
Mining royalty taxes		1,352		2,164
Total mining costs	$	26,153	$	27,857

Nine months ended June 30:		**2013**		**2012**
Direct mining costs	$	63,019	$	53,085
Royalties and mining rights		3,721		2,812
Mining royalty taxes		4,199		2,939
Total mining costs	$	70,939	$	58,836

19. General and administrative expenses

Three months ended June 30:		**2013**		**2012**
Salaries, directors fees and office administration and other	$	2,022	$	1,123
Depreciation		59		57
Stock-based compensation expense		19		167
Warrants		(145)		-
Long-term compensation		(185)		152
Foreign exchange		(405)		(110)
Total general and administrative expenses	$	1,365	$	1,389

Nine months ended June 30:		**2013**		**2012**
Salaries, directors fees and office administration and other	$	7,213	$	4,493
Depreciation		176		146
Stock-based compensation expense		248		515
Warrants		(124)		-
Long-term compensation		197		(48)
Foreign exchange		112		133
Total general and administrative expenses	$	7,822	$	5,239

20. Other income and expense

Three months ended June 30:		**2013**		**2012**
Loss on disposal of fixed assets	$	252	$	-
Provision for union payments – EMIPA(1)		1,384		-
Provision for uncollectible VAT – EMIPA(2)		1,387		-
De-recognition of assets(3)		3,500		-
Miscellaneous other income and expense		169		(18)
Total other income and expense	$	6,692	$	(18)

(In thousands of United States Dollars unless otherwise noted)

Nine months ended June 30:		**2013**		**2012**
Loss on disposal of fixed assets	$	456	$	-
Provision for union payments – EMIPA(1)		1,384		-
Provision for uncollectible VAT – EMIPA(2)		1,387		-
Proceeds on sale of inventory		(178)		-
De-recognition of assets(3)		3,500		-
Miscellaneous other income and expense		145		92
Total other income and expense	$	6,694	$	92

(1) During the quarter ended June 30, 2013, the Company settled with union employees at the UMZ Mine in Bolivia for certain payments in respect of two periods between 2002 and 2012. Payments of $670 and $714 were made in June and July, respectively.

(2) As a result of recently completed audits conducted by the Bolivian National Tax Services with respect to VAT claims, the Company recognized a provision of $1,387 for amounts of VAT claimed and received and amounts of VAT not yet claimed or received recorded as VAT receivables.

(3) An incident occurred at the EBVC Mine resulting in material damage to the hoist/shaft system. A fully loaded skip overran the safety interlocks in the head frame, the hoisting rope broke, and the skip dropped to the shaft bottom damaging the loading pocket. The Company has de-recognized a portion of the asset for the estimated cost to repair the damaged components. The repair costs will be capitalized to property, plant and equipment when incurred and any future insurance proceeds will be recorded in other income once received.

21. Finance costs

Three months ended June 30:		**2013**		**2012**
Interest on credit facilities	$	718	$	1,068
Other interest expense(1)		543		-
Financing fees		224		-
Accretion		86		79
Total finance costs	$	1,571	$	1,147

Nine months ended June 30:		**2013**		**2012**
Interest on credit facilities	$	2,246	$	3,111
Other interest (income) expense(1)		1,669		-
Financing fees		644		-
Accretion		258		238
Total finance costs	$	4,817	$	3,349

(1) Includes interest on advance payments from EMIPA's off-take arrangements and EVBC's royalty conversion payments and prepayments

22. Income tax

Income tax expense comprises current and deferred tax. Current income taxes represent income taxes expected to be paid on the taxable income for the year using tax rates substantially enacted at the period end and any adjustment to income taxes payable in respect of previous years. Deferred tax assets and liabilities are recognized where the carrying amount for reporting purposes of an asset or liability differs from its tax base.

The Company estimates the effective tax rate, including the impact of changes in exchange rates for foreign currency, expected to be applicable for the full year and uses that rate to calculate the income tax expense for the interim reporting periods. The most significant balances affecting the net deferred tax assets and liabilities are related to changes in the unrealized fair value of financial instruments. The deferred taxes on the unrealized gains and losses on the mark-to market adjustments related to the financial instruments for the three and nine months ended June 30, 2013, the deferred tax expense related to these balances was $9,871 and $16,244, respectively (three and nine months ended June 30, 2012, a tax recovery of $3,646 and deferred tax recovery of $1,498. respectively).

(In thousands of United States Dollars unless otherwise noted)

Three months ended June 30		**2013**		**2012**
Current tax:				
Current tax on income for the year	$	(754)	$	2,096
Adjustment in respect of prior years		-		-
Total current tax		(754)		2,096
Deferred tax:				
Origination and reversal of timing differences		8,998		4,823
Total deferred tax		8,998		4,823
Income tax expense	$	8,244	$	6,919

Nine months ended June 30		**2013**		**2012**
Current tax:				
Current tax on income for the year	$	2,338	$	2,249
Adjustment in respect of prior years		-		-
Total current tax		2,338		2,249
Deferred tax:				
Origination and reversal of timing differences		17,053		818
Total deferred tax		17,053		818
Income tax expense	$	19,391	$	3,067

23. Earnings (Loss) per share

Three months ended June 30:		**2013**		**2012**
Earnings (loss) per share				
Basic and diluted	$	0.08	$	0.09
Weighted average number of common shares outstanding – basic		136,610,740		136,573,171
Dilutive effect of stock options		761		66,877
Dilutive effect of warrants		-		-
Weighted average number of common shares outstanding – diluted		136,611,501		136,640,048

Nine months ended June 30:		**2013**		**2012**
Earnings (loss) per share				
Basic and diluted	$	0.23	$	0.00
Weighted average number of common shares outstanding – basic		136,598,079		136,504,740
Dilutive effect of stock options		34,949		287,234
Dilutive effect of warrants				79,850
Weighted average number of common shares outstanding – diluted		136,633,028		136,871,824

As a result of the net loss attributable to shareholders for the nine months ended June 30, 2012, the impact of antidilutive equity instruments were excluded from diluted loss per share calculation.

24. Commitments and contingent liabilities

(a) The Company's mining and exploration activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations may change and are generally becoming more restrictive. The Company records provisions for decommissioning liabilities based on management's estimate of such costs. These estimates are, however, subject to changes in laws and regulations.

(b) The Company is subject to certain risks, including currency fluctuations and possible political or economic instability, which may result in the impairment or loss of mineral concessions or other mineral rights. Any changes in laws or regulations in the jurisdictions in which the Company operates, or shifts in political attitudes are beyond the control of the Company and may adversely affect its business.

(c) On June 27, 2011, as a condition of obtaining an environmental permit on that date, the Government of the Principality of Asturias, required the Company to commit to post an additional reclamation bond in the amount of €10,000,000 (approximately $13,086). The Company deposited €5,000,000 (approximately $6,543) in September 2011 with a local bank in favour of the Spanish regulatory authorities and may have to deposit another instalment of €5,000,000 (approximately $6,543) which the Company is challenging based on technical considerations. The Company has such funds available as restricted cash in the event that it has to meet this potential obligation.

(d) Production from the EVBC Mine is subject to a 3% net smelter return royalty ("NSR"), referred to herein as the EVBC Royalty, payable quarterly. The EVBC Royalty rate decreases to 2.5% for any quarter in which the average price of gold is below $1,100 per ounce. In consideration for the EVBC Royalty, the royalty holder advanced C$7,500,000. The debenture was settled through payments calculated in the same manner as the EVBC Royalty as sales are made.

As the rate of production from the EVBC Mine was less than a specified amount within the 2012 calendar year, the royalty holder exercised its conversion right under the debenture in respect of the outstanding principal amount of the debenture at December 31, 2012. The royalty holder converted the debenture resulting in the "EVBC Debenture Conversion Amount" of $3,105 (accrued at September 30, 2012 at $3,132). The Company is financing the EVBC Debenture Conversion Amount at a rate of 12% over six equal installments commencing on January 31, 2013 and ending on June 30, 2013. As of June 30, 2013, this amount had been repaid.

In addition, the aggregate amount paid as at December 31, 2012 under the EVBC Royalty was less than C$7,500,000 and as a result the royalty holder required a pre-payment of future EVBC Royalty payments. The prepayment amount is based on the C$7,500,000 less the royalty payments made to December 31, 2012. This pre-payment right is being financed until January 1, 2014 at a rate of 12%, with all royalty payments made between January 1, 2013 and December 31, 2013 serving to reduce such amount. To the extent that any pre-payment is due and paid on January 1, 2014, it will serve to reduce future royalty payments. Royalty expense under this NSR was $829 and $2,303 for the three and nine months ended June 30, 2013 ($586 and $1,647 for the three and nine months ended June 30, 2012).

(e) On November 22, 2011, the Company reported that an employee at the EVBC Mine was fatally injured when he was caught between two pieces of equipment at the EVBC Mine. The Company has cooperated fully with the authorities in their investigation of the accident. Currently, certain proceedings are ongoing to determine whether any standards have been breached that may give rise to criminal charges. In addition, the Company has been notified by the applicable mining regulatory authorities that, following the completion of the current proceedings, there will be an administrative investigation pursuant to which the Company may be fined. At this time, the Company cannot predict the outcome of any of these proceedings.

(In thousands of United States Dollars unless otherwise noted)

(f) Production from the UMZ Mine is subject to a 3% NSR royalty payable to a third party quarterly. Royalty expense under this NSR was $389 and $1,256 for the three and nine months ended June 30, 2013 ($705 and $1,013 for the three and nine months ended June 30, 2012). The Bolivian government collects a mining royalty tax on the revenue generated from copper, gold and silver sales from the UMZ Mine at rates of 5%, 7% and 6%, respectively. The amounts under these mining royalty taxes totalled $1,352 and $4,199 for the three and nine months ended June 30, 2013 ($2,164 and $2,939 for the three and nine months ended June 30, 2012).

(g) Minerals leases entered into by Orvana Resources, pertaining to the Copperwood Project, are subject a 2% to 4% NSR royalty payable on copper production determined quarterly on a sliding scale based on inflation-adjusted copper prices. The mineral leases may be terminated by Orvana Resources on 60 days' notice.

25. Related party - Fabulosa

Refer to Short-term and Long-term debt note 10 and Share Capital note 15 (c) Warrants.

26. Segmented information

The Company primarily operates in the gold and copper mining industry and its major products are gold doré and gold and copper concentrates. Its activities include gold and copper concentrate production and exploration and development of gold and copper properties. The Company's primary mining operations are EMIPA in Bolivia, Kinbauri in Spain and the Copperwood project in the United States. The reported segments are those operations whose operating results are reviewed by the Chief Executive Officer and that pass certain quantitative measures. Operations whose revenue, earnings or losses or assets exceed 10% of the total consolidated revenues, earnings or losses, or assets are reportable segments. The Company has administrative offices in Toronto, Canada; Stockholm, Sweden; and Nicosia, Cyprus. The following tables set forth the information by segment:

As at June 30, 2013:

	Cash and cash equivalents	Property, plant and equipment	Reclamation bonds and restricted cash	Other assets[(1)]	Total assets
EMIPA	$ 1,643	$ 24,479	$ 2,872	$ 18,741	$ 47,735
Kinbauri[(1)]	6,497	138,104	23,191	40,375	208,167
Copperwood	119	21,168	-	16	21,303
Canada and other	3,225	387	-	284	3,896
	$ 11,484	$ 184,138	$ 26,063	$ 59,416	$ 281,101

(1) Kinbauri's other assets includes $20,821 for the receivable on the unrealized value of the financial instruments.

(In thousands of United States Dollars unless otherwise noted)

As at September 30, 2012:

	Cash and cash equivalents	Property, plant and equipment	Reclamation bonds and restricted cash	Other assets	Total assets
EMIPA	$ 3,146	$ 32,659	$ 1,616	$ 30,410	$ 67,831
Kinbauri	3,952	146,102	26,430	16,281	192,765
Copperwood	75	18,521	-	-	18,596
Canada and other	6,027	561	-	354	6,942
	$ 13,200	$ 197,843	$ 28,046	$ 47,045	$ 286,134

For the three months ended June 30, 2013:

	Revenue	Mining costs(1)	Depreciation Amortization(2)	Derivative (gain) loss	Other costs(3)	Income (loss) before taxes
EMIPA	$ 10,172	$ 8,790	$ 1,669	$	$ 10,063	$ (10,350)
Kinbauri	25,242	17,363	5,557	(33,700)	5,128	30,894
Copperwood					(379)	379
Canada and other			59		1,305	(1,364)
	$ 35,414	$ 26,153	$ 7,285	$ (33,700)	$ 16,117	$ 19,559

For the three months ended June 30, 2012:

	Revenue	Mining costs(1)	Depreciation Amortization(2)	Derivative (gain) loss	Other costs	Income (loss) before taxes
EMIPA	$ 22,846	$ 14,193	$ 2,073	$ -	$ 265	$ 6,315
Kinbauri	20,845	13,664	2,730	(10,621)	(27)	15,100
Copperwood	-	-	-	-	178	(178)
Canada and other	-	-	57	-	2,143	(2,200)
	$ 43,691	$ 27,857	$ 4,860	$ (10,621)	$ 2,559	$ 19,037

(1) Mining costs includes royalties, mining rights and mining taxes. Refer to note 18.

(2) Depreciation is included under General and Administrative expenses for non-operating companies.

(3) Other costs include: (i) under EMIPA, the provision for union payments of $1,384; the provision for uncollectible VAT of $1,387: and the impairment charge of $6,423; and (ii) under Kinbauri the de-recognition of assets related to the damaged hoist of $3,500. Refer to notes 8 and 20.

For the nine months ended June 30, 2013:

	Revenue	Mining costs(1)	Depreciation Amortization(2)	Derivative (gain) loss	Other costs	Income (loss) before taxes
EMIPA	$ 40,043	$ 26,794	$ 4,704	$ -	$ 12,463	$ (3,918)
Kinbauri	73,700	44,145	12,982	(51,993)	6,302	62,264
Copperwood					79	(79)
Canada and other			176		7,251	(7,427)
	$ 113,743	$ 70,939	$ 17,862	$ (51,993)	$ 26,095	$ 50,840

(In thousands of United States Dollars unless otherwise noted)

For the nine months ended June 30, 2012:

	Revenue	Mining costs(1)	Depreciation amortization	Derivative (gain) loss	Other costs	Income (loss) before taxes
EMIPA	$ 33,788	$ 24,376	$ 3,276	$ -	$ 1,192	$ 4,944
Kinbauri	56,521	34,460	7,783	8,602	2,221	3,455
Copperwood	-	-	-	-	465	(465)
Canada and other)	-	-	146	-	5,067	(5,213)
	$ 90,309	$ 58,836	$ 11,205	$ 8,602	$ 8,945	$ 2,721

(1) Mining costs includes royalties, mining rights and mining taxes (refer to note 18).

(2) Depreciation is included under General and Administrative expenses for non-operating companies.

(3) Other costs include: (i) under EMIPA, the provision for union payments of $1,384; the provision for uncollectible VAT of $1,387: and the impairment charge of $6,423; and (ii) under Kinbauri the de-recognition of assets related to the damaged hoist of $3,500. Refer to notes 8 and 20.

27. Financial instruments and fair values

Fair value is the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. There is no substantial difference between the carrying amounts and the fair value amounts of the Company's financial assets and liabilities with the exception of long-term debt. At June 30, 2013 the carrying amount for long-term debt was $48,661 (September 30, 2012 - $56,623) and the fair value was $51,234 (September 30, 2012 - $60,438) with the difference of $2,573 representing deferred financing fees.