NON-GAAP MEASURES

The Company has included certain non-GAAP measures including *"Co-product cash costs per gold equivalent ounce"*, *"Co-product cash costs per pound of copper"*, *"By-product cash costs per gold equivalent ounce"*, *"Adjusted Earnings or Loss and Adjusted Earnings or Loss per share*" to supplement its Condensed Consolidated Interim Financial Statements, which are presented in accordance with International Financial Reporting Standards ("IFRS"). The term IFRS and generally accepted accounting principles ("GAAP") are used interchangeably throughout this MD&A.

The Company believes that these measures, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Company. Non-GAAP measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

CASH COSTS

The Company discloses "cash costs" because it understands that certain investors use this information to determine the Company's ability to generate earnings and cash flows for use in investing and other activities. The Company believes that conventional measures of performance prepared in accordance with IFRS do not fully illustrate the ability of its operating mines to generate cash flows. The measures, as determined under IFRS, are not necessarily indicative of operating profit or cash flows from operations. Cash costs figures are calculated in accordance with a standard developed by The Gold Institute, which was a worldwide association of suppliers of gold and gold products and included leading North American gold producers. The Gold Institute ceased operations in 2002, but the standard remains the generally accepted standard of reporting cash costs of production in North America. Adoption of the standard is voluntary and the cost measures presented herein may not be comparable to other similarly titled measures of other companies. Cash costs include mine site operating costs such as mining, processing, administration, royalties and production taxes, but are exclusive of amortization, reclamation, capital, development and exploration costs. Cash costs are computed on a **co-product and by-product** basis.

Cash costs per gold equivalent ounce on a by-product basis is calculated by applying zinc and copper net revenue as a credit to the cost of gold production and as such the by-product gold equivalent ounce cash costs are impacted by realized zinc and copper prices. These costs are then divided by gold equivalent ounces produced. Gold equivalent ounces are determined by converting silver production to its gold equivalent using relative gold/silver metal prices at an assumed ratio and adding the converted silver production expressed in gold ounces to the ounces of gold production.

Cash costs on a co-product basis are computed by allocating operating cash costs to metals, mainly gold and copper, based on an estimated or assumed ratio. These costs are then divided by gold equivalent ounces produced and pounds of copper produced to arrive at the cash costs of production per gold equivalent ounce and per pound of copper, respectively. Production of zinc is not considered a core business of the Company; therefore, the net revenue of zinc is always treated as a credit to the costs of gold production.

Effective 2013, the Company is adopting an all-in sustaining cash costs measure, which seeks to represent total sustaining expenditures of producing gold equivalent ounces from current operations, including by-product cash costs, mine sustaining capital expenditures, corporate general and administrative expense excluding stock-based compensation and exploration and evaluation expense. As such, it does not include capital expenditures attributable to projects or mine expansions, exploration and evaluation costs attributable to growth projects, income tax payments, financing costs and dividend payments. Consequently, this measure is not representative of all of the Company's cash expenditures. In addition, our calculation of all-in sustaining cash costs does not include depletion, depreciation and amortization expense as it does not reflect the impact of expenditures incurred in prior periods. This performance measure has no standard meaning and is intended to provide additional information and should not be considered in isolation or as a substitute for measures prepared in accordance with GAAP.

Cash costs per gold equivalent ounce and per pound of copper are calculated on a weighted average basis.

The measure of cash costs, along with revenue from sales, is considered to be a key indicator of a company's ability to generate operating earnings and cash flow from its mining operations. This data is furnished to provide additional information and is a non-GAAP measure. It should not be considered in isolation as a substitute for measures of performance prepared in accordance with IFRS and is not necessarily indicative of operating costs, operating profit or cash flows presented under IFRS.

Per Gold Equivalent Ounce ("GEO")

The following tables provide a reconciliation of cost of sales per the consolidated financial statements to (i) Co-product cash costs per GEO, (ii) Co-product cash costs per pound of copper, and (iii) By-product cash costs per GEO.

Reconciliation of cost of sales per the consolidated financial statements to co-product cash costs per GEO:

GEO	In thousands of United States Dollars		United States Dollars per gold equivalent ounc	
For the three months ended December 31,	**2012**	**2011**	**2012**	**2011**
Cost of sales *(i) (iii)*	**$ 207,228**	$ 178,384	**$ 666**	$ 684
Adjustments:				
Copper contained in concentrate related cash costs *(excluding related TCRC's) (ii)*	**(48,222)**	(47,214)	**(154)**	(181)
Treatment and refining costs ("TCRC") related to Chapada gold	**1,279**	1,259	**4**	5
Inventory movements and adjustments	**10,375**	2,506	**33**	10
Commercial selling costs	**(8,305)**	(7,982)	**(27)**	(31)
Total GEO co-product cash costs (excluding Alumbrera)	**$ 162,355**	$ 126,953	**$ 522**	$ 487
Minera Alumbrera (12.5% interest) GEO cash costs	**3,695**	3,482	**343**	450
Total GEO co-product cash costs *(iii)*	**$ 166,050**	$ 130,435	**$ 516**	$ 486
GEO produced excluding Alumbrera	**310,947**	260,734		
GEO produced including Alumbrera	**321,716**	268,480		

GEO	In thousands of United States Dollars		United States Dollars per gold equivalent ounc e	
For the years ended December 31,	**2012**	**2011**	**2012**	**2011**
Cost of sales *(i) (iii)*	**$ 831,754**	$ 716,692	**$ 728**	$ 683
Adjustments:				
Copper contained in concentrate related cash costs *(excluding related TCRC's) (ii)*	**(184,362)**	(188,570)	**(161)**	(179)
Treatment and refining costs ("TCRC") related to Chapada gold	**4,650**	4,682	**4**	4
Inventory movements and adjustments	**(13,976)**	(7,056)	**(12)**	(7)
Commercial selling costs	**(28,856)**	(31,764)	**(25)**	(30)
Total GEO co-product cash costs (excluding Alumbrera)	**$ 609,210**	$ 493,984	**$ 534**	$ 471
Minera Alumbrera (12.5% interest) GEO cash costs	**14,178**	12,587	**308**	283
Total GEO co-product cash costs *(iii)*	**$ 623,388**	$ 506,571	**$ 524**	$ 463
GEO produced excluding Alumbrera	**1,142,839**	1,049,356		
GEO produced including Alumbrera	**1,188,917**	1,093,858		

(i) Cost of sales includes non-cash items including the impact of the movement in inventory.

(ii) Costs directly attributed to a specific metal are allocated to that metal. Costs not directly attributed to a specific metal are allocated based on relative value. As a rule of thumb, the relative value has been 80/75% copper and 20/25% gold. TCRC's are defined as treatment and refining charges.

(iii) Depletion, depreciation and amortization are excluded from both total cash costs and cost of sales.

Reconciliation of cost of sales per the consolidated financial statements to co-product cash costs per pound of copper:

Copper	In thousands of United States Dollars		United States Dollars per pound of copper	
For the three months ended December 31,	**2012**	**2011**	**2012**	**2011**
Cost of sales *(i) (iii)*	**$ 207,228**	$ 178,384	**$ 5.12**	$ 3.92
Adjustments:				
GEO related cash costs *(excluding related TCRC's) (ii)*	**(161,076)**	(125,694)	**(3.99)**	(2.77)
Treatment and refining costs ("TCRC") related to Chapada copper	**7,634**	7,517	**0.19**	0.17
Inventory movements and adjustments	**10,375**	2,506	**0.27**	0.06
Commercial selling costs	**(8,305)**	(7,982)	**(0.21)**	(0.18)
Total copper co-product cash costs (excluding Alumbrera)	**$ 55,856**	$ 54,731	**$ 1.38**	$ 1.20
Minera Alumbrera (12.5% interest) copper cash costs	**18,220**	15,984	**2.15**	2.59
Total copper co-product cash costs *(iii)*	**$ 74,076**	$ 70,715	**$ 1.51**	$ 1.37
Copper produced excluding Alumbrera (millions of lbs)	**40,489,272**	45.4		
Copper produced including Alumbrera (millions of lbs)	**48,946,776**	51.6		

Copper	In thousands of United States Dollars		United States Dollars per pound of copper	
For the years ended December 31,	**2012**	**2011**	**2012**	**2011**
Cost of sales *(i) (iii)*	**$ 831,754**	$ 716,692	**$ 5.52**	$ 4.31
Adjustments:				
GEO related cash costs *(excluding related TCRC's) (ii)*	**(604,560)**	(489,302)	**(4.01)**	(2.95)
Treatment and refining costs ("TCRC") related to Chapada copper	**25,461**	26,440	**0.17**	0.16
Inventory movements and adjustments	**(13,976)**	(7,057)	**(0.09)**	(0.04)
Commercial selling costs	**(28,856)**	(31,764)	**(0.19)**	(0.19)
Total copper co-product cash costs (excluding Alumbrera)	**$ 209,823**	$ 215,009	**$ 1.40**	$ 1.29
Minera Alumbrera (12.5% interest) copper cash costs	**67,837**	58,534	**1.81**	1.82
Total copper co-product cash costs *(iii)*	**$ 277,660**	$ 273,543	**$ 1.48**	$ 1.38
Copper produced excluding Alumbrera (millions of lbs)	**150,575,345**	166.1		
Copper produced including Alumbrera (millions of lbs)	**187,982,524**	198.3		

(i) Cost of sales includes non-cash items including the impact of the movement in inventory.

(ii) Costs directly attributed to a specific metal are allocated to that metal. Costs not directly attributed to a specific metal are allocated based on relative value. As a rule of thumb, the relative value has been 80/75% copper and 20/25% gold. TCRC's are defined as treatment and refining charges.

(iii) Depletion, depreciation and amortization are excluded from both total cash costs and cost of sales.

Reconciliation of Cost of Sales per the consolidated financial statements to by-product cash costs per GEO:

GEO	In thousands of United States Dollars		United States Dollars per gold equivalent ounce	
For the three months ended December 31,	**2012**	**2011**	**2012**	**2011**
Cost of sales *(i)*	**$ 207,228**	$ 178,384	**$ 666**	$ 684
Adjustments:				
Chapada treatment and refining costs related to gold and copper	**8,913**	8,776	**29**	34
Inventory movements and adjustments	**10,375**	2,506	**33**	10
Commercial selling costs	**(8,305)**	(7,982)	**(27)**	(30)
Chapada copper revenue including copper pricing adjustment	**(132,877)**	(124,560)	**(426)**	(479)
Total GEO by-product cash costs (excluding Alumbrera)	**$ 85,334**	$ 57,124	**$ 275**	$ 219
Minera Alumbrera (12.5% interest) by-product cash costs	**(21,666)**	(10,466)	**(2,012)**	(1,351)
Total GEO by-product cash costs *(i)*	**$ 63,668**	$ 46,658	**$ 198**	$ 174
GEO produced excluding Alumbrera	**310,947**	260,734		
GEO produced including Alumbrera	**321,716**	268,480		

GEO	In thousands of United States Dollars		United States Dollars per gold equivalent ounce	
For the years ended December 31,	**2012**	**2011**	**2012**	**2011**
Cost of sales *(i)*	**$ 831,754**	$ 716,692	**728**	$ 683
Adjustments:				
Chapada treatment and refining costs related to gold and copper	**30,111**	31,122	**26**	30
Inventory movements and adjustments	**(13,976)**	(7,057)	**(12)**	(7)
Commercial selling costs	**(28,856)**	(31,764)	**(25)**	(30)
Chapada copper revenue including copper pricing adjustment	**(491,638)**	(590,354)	**(430)**	(563)
Total GEO by-product cash costs (excluding Alumbrera)	**$ 327,395**	$ 118,639	**287**	$ 113
Minera Alumbrera (12.5% interest) by-product cash costs	**(53,815)**	(64,434)	**(1,168)**	(1,448)
Total GEO by-product cash costs *(i)*	**$ 273,580**	$ 54,205	**230**	$ 50
GEO produced excluding Alumbrera	**1,142,838**	1,049,356		
GEO produced including Alumbrera	**1,188,915**	1,093,858		

(i) Depletion, depreciation and amortization are excluded from both total cash costs and cost of sales.

ADJUSTED EARNINGS OR LOSS AND ADJUSTED EARNINGS OR LOSS PER SHARE

The Company uses the financial measures "Adjusted Earnings or Loss" and "Adjusted Earnings or Loss per share" to supplement information in its consolidated financial statements. The Company believes that in addition to conventional measures prepared in accordance with IFRS, the Company and certain investors and analysts use this information to evaluate the Company's performance. The presentation of adjusted measures are not meant to be a substitute for net earnings or loss or net earnings or loss per share presented in accordance with IFRS, but rather should be evaluated in conjunction with such IFRS measures. Adjusted Earnings or Loss and Adjusted Earnings or Loss per share are calculated as net earnings excluding (a) share-based payments and other compensation, (b) unrealized foreign exchange (gains) losses related to revaluation of deferred income tax asset and liability on non-monetary items, (c) unrealized foreign exchange (gains) losses related to other items, (d) unrealized (gains) losses on commodity derivatives, (e) impairment losses and reversals, (f) deferred income tax expense (recovery) on the translation of foreign currency inter-corporate debt, (g) mark-to-market (gains) losses on share-purchase warrants, (h) write-down of investments and other assets and any other non-recurring adjustments. Non-recurring adjustments from unusual events or circumstances are reviewed from time to time based on materiality and the nature of the event or circumstance. Earnings adjustments for the comparative period reflect both continuing and discontinued operations.

The terms “Adjusted Earnings (Loss)” and “Adjusted Earnings (Loss) per share” do not have a standardized meaning prescribed by IFRS, and therefore the Company’s definitions are unlikely to be comparable to similar measures presented by other companies. Management believes that the presentation of Adjusted Earnings or Loss and Adjusted Earnings or Loss per share provide useful information to investors because they exclude non-cash and other charges and are a better indication of the Company’s profitability from operations. The items excluded from the computation of Adjusted Earnings or Loss and Adjusted Earnings or Loss per share, which are otherwise included in the determination of net earnings or loss and net earnings or loss per share prepared in accordance with IFRS, are items that the Company does not consider to be meaningful in evaluating the Company’s past financial performance or the future prospects and may hinder a comparison of its period-to-period profitability. Reconciliations of Adjusted Earnings to net earnings are provided in *Section 5, Overview of Annual Results* and *Section 6, Overview of Quarterly Results* for both the yearly and quarterly reconciliations, respectively.

ADDITIONAL MEASURES

The Company uses other financial measures the presentation of which is not meant to be a substitute for other subtotals or totals presented in accordance with IFRS, but rather should be evaluated in conjunction with such IFRS measures. The following other financial measures are used:

- *Gross margin* - represents the amount of revenues in excess of cost of sales excluding depletion, depreciation and amortization.
- *Mine operating earnings* - represents the amount of revenues in excess of cost of sales excluding depletion, depreciation and amortization and depletion, depreciation and amortization.
- *Operating earnings* - represents the amount of earnings before net finance income/expense and income tax expense.
- *Cash flows generated from operations before changes in non-cash working capital* — excludes the non-cash movement from period-to-period in working capital items including trade and other receivables, other assets, inventories, trade and other payables.

The terms described above do not have a standardized meaning prescribed by IFRS, and therefore the Company’s definitions are unlikely to be comparable to similar measures presented by other companies. The Company’s management believes that their presentation provides useful information to investors because gross margin excludes the non-cash operating cost item (i.e. depreciation, depletion and amortization), Cash flows generated from operations before changes in non-cash working capital excludes the non-cash movement in working capital items, mine operating earnings excludes expenses not directly associate with commercial production and operating earnings excludes finance and tax related expenses and income/recoveries. These, in management’s view, provide useful information of the Company’s cash flows from operations and are considered to be meaningful in evaluating the Company’s past financial performance or the future prospects.