
IBERIAN MINERALS CORP.

Consolidated Financial Statements

(Unaudited - prepared by Management)

Nine months ended September 30, 2008

(Expressed in Thousands of Canadian Dollars)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim consolidated financial statements of Iberian Minerals Corp. were prepared by management in accordance with Canadian generally accepted accounting principles. Management acknowledges responsibility for the preparation and presentation of the unaudited interim consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited interim consolidated financial statements and (ii) the unaudited interim consolidated financial statements fairly present in all material respects the financial position, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Notice to Reader

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim consolidated financial statements, they must be accompanied by a notice indicating that the consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

"Signed D. Vanin"
President and Chief Executive Officer

"Signed H. McKenzie"
Chief Financial Officer

IBERIAN MINERALS CORP.
Interim Consolidated Balance Sheets
(Expressed in thousands of Canadian dollars)
(Unaudited)

	September 30, 2008	December 31, 2007
Assets		
<i>Current Assets</i>		
Cash and cash equivalents	\$ 27,639	\$ 9,772
Restricted cash (Note 6)	22,539	–
Trade and other receivables (Note 8 (b))	39,432	10,444
Prepays and deposits	2,913	1,868
Inventories, net	3,974	–
Forward contracts	531	–
Current portion of derivative instruments (Note 13)	18,378	–
	115,406	22,084
Restricted cash (Note 6)	18,155	1,707
Long-term investment	427	998
Property, plant and equipment (Note 7)	653,929	143,408
Other assets	9,772	–
Prepaid acquisition costs	–	1,862
Derivative instruments (Note 13)	39,798	–
	\$ 837,487	\$ 170,059
Liabilities		
<i>Current Liabilities</i>		
Trade payables and accrued liabilities (Note 8 (a))	\$ 62,954	\$ 30,046
Derivative payable – CMC	22,972	–
Current portion of long-term debt (Note 9)	35,968	1,535
Current portion of derivative instruments (Note 13)	53,023	–
	174,917	31,581
Long-term debt (Note 9)	157,727	1,363
Convertible debenture (Note 10)	33,657	23,592
Asset retirement obligation (Note 12)	6,153	2,309
Derivative instruments (Note 13)	88,872	–
Future income tax liability	127,699	–
	589,025	58,845
Shareholder's Equity		
Share capital (Note 14)	215,335	130,721
Equity portion of convertible debenture (Note 10)	2,730	1,879
Contributed surplus	7,469	6,547
Warrants (Note 16)	1,715	1,715
Accumulated income (deficit)	35,517	(29,506)
Accumulated other comprehensive loss	(14,304)	(142)
	248,462	111,214
	\$ 837,487	\$ 170,059

See accompanying notes to interim consolidated financial statements.
Nature of operations and going concern (Note 1).

IBERIAN MINERALS CORP.**Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)***(Expressed in thousands of Canadian dollars)**(Unaudited)*

	Three months ended		Nine months ended	
	September 30		September 30	
	2008	2007	2008	2007
Revenues				
Sales - copper operations	\$ 27,501	\$ -	\$ 75,467	\$ -
<i>Costs and expenses of mining operations</i>				
Cost of sales - copper operations	13,918	-	34,641	-
Depreciation and amortization	1,860	-	5,346	-
Asset retirement obligation accretion and Amortization - CMC	385	-	696	-
Mining royalty	974	-	2,056	-
Administrative expenses	1,902	-	4,497	-
	19,039	-	47,236	-
	8,462	-	28,231	-
Expenses (other income)				
Stock option compensation (Note 15)	146	984	387	2,504
Administrative expenses (Note 19)	1,049	814	3,545	1,879
Finance charges	877	-	1,667	-
Convertible debenture interest and accretion (Note 10)	512	469	1,434	1,367
Foreign exchange loss / (gain)	(5,757)	(40)	(708)	111
Unrealized (gain) on derivative financial instruments	(225,932)	-	(106,483)	-
Unrealized (gain) on cash flow derivatives	(531)	-	(531)	-
Depreciation and amortization	12,241	-	32,641	-
Interest income	(476)	(374)	(798)	(1,927)
Asset retirement obligation accretion - MATSA	50	-	148	-
CMC employee legal profit participation future benefits	686	-	2,290	-
	(217,135)	1,853	(66,408)	3,934
<i>Net income (loss) before the following:</i>	225,597	(1,853)	94,639	(3,934)
Income tax (expense)	(2,364)	-	(7,900)	-
Future income tax (expense)	(28,086)	-	(21,716)	-
Net income (loss)	\$ 195,147	\$ (1,853)	\$ 65,023	\$ (3,934)
Basic income (loss) per share	\$ 0.76	\$ (0.01)	\$ 0.26	\$ (0.02)
Diluted income (loss) per share	\$ 0.69	\$ (0.01)	\$ 0.24	\$ (0.02)
Weighted average number of shares outstanding - basic	255,253,423	176,463,233	247,114,602	169,091,001
Weighted average number of shares outstanding - diluted (Note 23)	283,886,707	176,463,233	271,192,291	169,091,001

See accompanying notes to interim consolidated financial statements.

	Three months ended		Nine months ended	
	September 30		September 30	
	2008	2007	2008	2007
Net income (loss) for the period	\$ 195,147	\$ (1,853)	\$ 65,023	\$ (3,934)
Increase in unrealized loss on long-term investment	(114)	(29)	(570)	(256)
Unrealized foreign currency translation	(8,099)	-	(13,592)	-
Comprehensive income (loss) for the period	(8,213)	(29)	(14,162)	(256)
	\$ 186,934	\$ (1,882)	\$ 50,861	\$ (4,190)

See accompanying notes to interim consolidated financial statements.

IBERIAN MINERALS CORP.**Interim Consolidated Statements of Changes in Shareholders' Equity***(Expressed in thousands of Canadian dollars)**(Unaudited)*

	Three months ended September 30		Nine months ended September 30	
	2008	2007	2008	2007
Share Capital				
Balance at beginning of period	\$ 214,492	\$ 107,008	\$ 130,721	\$ 102,042
Exercise of warrants	–	363	–	3,504
Fair value of exercise of warrants	–	108	–	1,164
Exercise of stock options	80	471	245	484
Fair value of exercise of stock options	17	341	137	341
Acquisition of CMC	–	–	82,730	–
Convertible debenture interest	746	744	1,502	1,500
Common shares issued on conversion of special warrants	–	20,031	–	20,031
Balance at the end of period	\$ 215,335	\$ 129,066	\$ 215,335	\$ 129,066
Shares to be issued				
Balance at beginning of period	\$ –	\$ 17,365	\$ –	\$ 17,365
Transfer to share capital	–	(17,365)	–	(17,365)
Balance at the end of period	\$ –	\$ –	\$ –	\$ –
Equity portion of convertible debentures				
Balance at beginning of period	\$ 2,730	\$ 1,879	\$ 1,879	\$ 1,879
Issue of convertible debentures	–	–	851	–
Balance at the end of period	\$ 2,730	\$ 1,879	\$ 2,730	\$ 1,879
Contributed surplus				
Balance at beginning of period	\$ 7,309	\$ 4,810	\$ 6,547	\$ 2,629
Stock option compensation (Note 15)	160	1,740	1,157	3,914
Stock options issued	17	(341)	65	(341)
Stock options exercised	(17)	–	(137)	–
Fair value of exercise of stock options	–	–	(163)	–
Expiry of warrants	–	–	–	7
Balance at the end of period	\$ 7,469	\$ 6,209	\$ 7,469	\$ 6,209
Warrants				
Balance at beginning of period	\$ 1,715	\$ 108	\$ 1,715	\$ 1,171
Fair value of warrants issued	–	1,715	–	1,715
Fair value of warrants exercised	–	(108)	–	(1,164)
Warrants expired	–	–	–	(7)
Balance at the end of period	\$ 1,715	\$ 1,715	\$ 1,715	\$ 1,715
Special Warrants				
Balance at beginning of period	\$ –	\$ 4,428	\$ –	\$ 4,428
Conversion of special warrants	–	(4,428)	–	(4,428)
Balance at the end of period	\$ –	\$ –	\$ –	\$ –
Deficit				
Balance at beginning of period	\$ (159,630)	\$ (25,645)	\$ (29,506)	\$ (23,564)
Income (loss) for the period	195,147	(1,853)	65,023	(3,934)
Balance at the end of period	\$ 35,517	\$ (27,498)	\$ 35,517	\$ (27,498)
Accumulated other comprehensive loss				
Balance at beginning of period	\$ (6,091)	\$ (142)	\$ (142)	\$ –
Increase in unrealized loss on long-term investment	(114)	(114)	(570)	(256)
Change in unrealized foreign currency translation (loss) gain	(8,099)	–	(13,592)	–
Balance at the end of period	\$ (14,304)	(256)	\$ (14,304)	\$ (256)
Total	\$ 248,462	\$ 111,115	\$ 248,462	\$ 111,115

See accompanying notes to interim consolidated financial statements.

IBERIAN MINERALS CORP.
Interim Consolidated Statements of Cash Flows
(Expressed in thousands of Canadian dollars)
(Unaudited)

	Three months ended		Nine months ended	
	September 30		September 30	
	2008	2007	2008	2007
Cash provided by (used in)				
Operations				
Net income (loss) for the period	\$ 195,147	\$ (1,853)	\$ 65,023	\$ (3,934)
Items not involving cash:				
Stock option compensation <i>(Note 15)</i>	164	1,087	493	2,607
Convertible debenture accretion <i>(Note 10)</i>	137	86	311	244
Shares issued for convertible debenture interest <i>(Note 14 (1))</i>	746	744	1,502	1,500
Asset retirement obligation accretion	434	–	843	–
Asset retirement obligation	(7)	–	265	–
Depreciation and amortization	14,106	4	38,002	4
Unrealized gain from derivative financial instruments	(225,932)	–	(106,483)	–
Unrealized gain from cash flow derivatives	(531)	–	(531)	–
Future income tax expense	28,086	–	21,716	–
	12,350	68	21,141	421
Trade receivables, other receivables, prepayments and deposits	19,850	(2,860)	(2,258)	(6,218)
Inventory	(670)	–	(1,524)	–
Long-term receivables	193	–	192	–
Other assets	(108)	–	(8,841)	–
Derivative payable	(13,900)	–	21,754	–
Trade payables and accrued liabilities	(18,490)	6,313	16,337	18,438
Cash deposits held as security - CMC	(1,681)	–	(22,540)	–
	(2,456)	3,521	24,261	12,641
Investing				
Capital expenditures	(60,454)	(24,513)	(178,736)	(62,106)
Cash deposits held as security - MATSA	(15,767)	(1,517)	(16,448)	(1,517)
Pre-acquisition costs of CMC	–	(1,698)	(972)	(1,698)
Capitalized operating expenses	309	–	309	–
	(75,912)	(27,728)	(195,847)	(65,321)
Financing				
Funds held in trust	–	477	–	–
Shares issued for cash, net of issue costs	–	22,581	–	25,733
Issue of convertible debenture	–	–	10,197	–
Operating loan advance	–	–	71,798	–
Operating loan repayment	(12,261)	–	(71,798)	–
Cash received on the exercise of stock options	80	–	245	–
Proceeds of long and short-term	73,915	1,608	194,565	1,019
Short-term loan repayment	(6,758)	–	(6,758)	–
	54,976	24,666	198,249	26,752
	(23,392)	459	26,663	(25,928)
Effect of exchange rate changes on cash held in foreign currencies	(4,028)	(57)	(8,796)	(809)
Net change in cash and cash equivalents	(27,420)	402	17,867	(26,737)
Cash and cash equivalents, beginning of period	55,059	34,813	9,772	61,952
Cash and cash equivalents, end of period	\$ 27,639	\$ 35,215	\$ 27,639	\$ 35,215

See accompanying notes to interim consolidated financial statements.

IBERIAN MINERALS CORP.**Notes to Interim Consolidated Financial Statements**

(Expressed in thousands of Canadian dollars)

(Unaudited)

Nine months ended September 30, 2008

1. NATURE OF OPERATIONS AND GOING CONCERN

Iberian Minerals Corp. (the "Company" or "Iberian") is a company involved in the evaluation, development and mining of base metal deposits in Spain and the mining and production in Perú.

The Company is currently proceeding with Aguas Teñidas copper and zinc project ("Aguas Teñidas Project") located in the region of Andalucía province of Huelva in south western Spain. A feasibility study was completed in January 2006, which demonstrated the technical feasibility and economic viability of the project. Aguas Teñidas Project has sufficient reserves for a twelve year operating life with a production rate of 1.70 million tonnes annually. In November 2007 the Company filed a technical report on the Aguas Teñidas Project in compliance with National Instrument 43-101 guidelines ("the 43-101 Report").

The acquisition of Compania Minera Condestable S.A. ("Condestable" or "CMC") was completed on January 31, 2008 (Note 5). CMC is a Peruvian company incorporated in 1962. Iberian currently holds 91.87% of the shares of CMC, the owner and operator of the Condestable mine and lessee of the Raúl mine (collectively the "Condestable Mine") located in Lima, Perú. Condestable's principal business is the mining, processing and sale of copper concentrates. It sells its concentrates to Consorcio Minero S.A. ("Cormin"), a subsidiary of Trafigura Beheer B.V. ("Trafigura"), a company which controls approximately 42% of the outstanding shares of Iberian. In October 2007 the Company filed a 43-101 Report on the Condestable Mine.

The Company has also signed a long-term off take agreement with the Trafigura group for the sale of all its concentrates from Aguas Teñidas Project. In addition, CMC has signed an off take agreement with Cormin starting from January 1, 2008 for a period of ten years for the production of CMC's concentrate. The Company is listed on Tier 2 of the Toronto Stock Venture Exchange ("TSXV") under the symbol "IZN".

In addition to the Aguas Teñidas project, the Company, through Minas de Aguas Teñidas SAU ("MATSA"), holds an extensive land position of exploration properties within the Iberian Pyrite Belt in Spain.

The recoverability of amounts shown as property, plant and equipment is dependent upon a number of factors including environmental risks, legal and political risks, the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying assets, the ability of the Company to obtain necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

These unaudited interim consolidated financial statements have been prepared using Canadian generally accepted accounting principles ("GAAP") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. For the nine months ended September 30, 2008, the Company reported an income of \$65,023 and an accumulated income of \$35,517 at September 30, 2008. In addition to its working capital requirements, the Company must secure sufficient funding to meet its spending obligations with respect to its Aguas Teñidas Project in order to take the mine into production. These circumstances lend substantial doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

In recognition of these circumstances, the Company has \$27,639 in cash and cash equivalents available for use as at September 30, 2008 to fund its Aguas Teñidas Project, the operation of the Condestable Mine and working capital requirements. The Company's financing efforts to date, while substantial, are not sufficient in and of themselves to enable the Company to fund all aspects of its operations and, accordingly, management is pursuing other financing alternatives to fund the Company's operations so it can continue as a going concern.

IBERIAN MINERALS CORP.**Notes to Interim Consolidated Financial Statements**

(Expressed in thousands of Canadian dollars)

(Unaudited)

Nine months ended September 30, 2008

1. NATURE OF OPERATIONS AND GOING CONCERN (continued)

The Company's ability to continue as a going concern is dependent upon its ability to fund its working capital, Aguas Teñidas Project requirements and eventually to generate positive cash flows, from MATSA. These unaudited interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

2. BASIS OF PRESENTATION AND NEW ACCOUNTING POLICIES**(a) Basis of presentation**

The unaudited interim consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles ("GAAP"). 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 except as noted below. The accompanying unaudited interim 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, 2007, since they do not contain all disclosures required by GAAP for annual financial statements. These unaudited interim consolidated 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.

(b) New accounting policies

On December 1, 2006, the Canadian Institute of Chartered Accountants ("CICA") issued three new accounting standards: Capital Disclosures (Handbook Section 1535), Financial Instruments – Disclosures (Handbook Section 3862), and Financial Instruments – Presentation (Handbook Section 3863). These new standards became effective for the Company on January 1, 2008.

Capital Disclosures

Handbook Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. The Company has included disclosures recommended by the new Handbook section in *Note 3* to these interim consolidated financial statements.

Financial Instruments

Handbook Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. The Company has included disclosures recommended by the new Handbook sections in *Note 4* to these interim consolidated financial statements.

Goodwill

In October 2007, the CICA approved Handbook Section 3064, "Goodwill and Intangible Assets" which replaces the existing Handbook Sections 3062, "Goodwill and Other Intangible Assets" and 3450 "Research and Development Costs". This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. This standard is effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008, with earlier application encouraged. The Company is currently assessing the impact of this new accounting standard on its financial statements.

IBERIAN MINERALS CORP.**Notes to Interim Consolidated Financial Statements***(Expressed in thousands of Canadian dollars)**(Unaudited)*Nine months ended September 30, 2008

2. BASIS OF PRESENTATION AND NEW ACCOUNTING POLICIES (continued)***International Financial Reporting Standards ("IFRS")***

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian enterprises with public accountability. The current conversion timetable calls for financial reporting under IFRS for interim and annual financial statements relating to accounting periods commencing on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010, reconciliation from equity under Canadian GAAP to IFRS at the date of transition (January 1, 2010) and reconciliation from profit and loss under Canadian GAAP to IFRS for the prior year comparable quarter and year to date for 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

(c) Significant accounting policies resulting from CMC acquisition***Basis of consolidation***

These consolidated financial statements include the assets, liabilities, revenues and expenses of the following subsidiaries:

Operating companies

	<i>Ownership interest</i>
Minas de Aguas Teñidas SAU ("MATSA")	100%
Compania Minera Condestable S.A. ("CMC" or "Condestable")	approximately 91.87%

Non-operating companies

Iberian Minerals Holdings B.V.	100%
Iberian Minerals Holdings Coöperatief U.A.	100%
Iberian Minerals Holdings SA	100%

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. The cost of work in progress and finished goods (copper inventories) is based on cost of production and excludes borrowing costs.

For this purpose, the costs of production include:

- Costs, materials and contractor expenses which are directly attributable to the extraction and processing of ore;
- Depreciation of property, plant and equipment used in the extraction and processing of ore; and
- Related production overheads (based on normal operating capacity).

Net realisable value is the estimated selling price in the ordinary course of business, less applicable selling expenses.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost comprises its purchase price and any costs directly attributable to bringing it into working condition for its intended use. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

IBERIAN MINERALS CORP.**Notes to Interim Consolidated Financial Statements***(Expressed in thousands of Canadian dollars)**(Unaudited)*Nine months ended September 30, 2008

2. BASIS OF PRESENTATION AND NEW ACCOUNTING POLICIES *(continued)***(c) Significant accounting policies resulting from CMC acquisition** *(continued)*

The cost less its residual value of each item of property, plant and equipment is depreciated over its useful lives. Depreciation is charged to cost of production during the estimated useful lives of the individual assets using the straight-line method. Depreciation commences when assets are available for use. Land is not depreciated. The useful lives of the assets and methods of depreciation are reviewed and adjusted if appropriate, at each fiscal year end.

The assets are depreciated based on the following estimated useful lives:

Buildings and other constructions	Between 7 and 10
Machinery and equipment	5
Vehicles	5
Furniture and fixtures and computer equipment	Between 7 and 10
Various equipments	Between 7 and 10

At CMC, borrowing costs are expensed as incurred.

Construction in progress

Assets in the course of construction are capitalized as a separate component of property, plant and equipment. Upon completion, the cost of construction is transferred to the appropriate category.

During the construction of the facilities at MATSA, third party borrowing costs are capitalized as incurred. When the plant goes into commercial production borrowing costs will be expensed as incurred. Construction in progress is not depreciated.

Mine development costs

Development costs incurred in the areas of interest are recognized as assets on the date on which it is demonstrated that they will generate the expected benefits through a successful future development, and amortized based on proven and probable reserves. Similar costs related to the mining units presently in development affect operating costs and expenses.

A periodic review is carried out in each area of interest to determine whether it is appropriate to continue with the capitalization of the costs incurred. Should it be decided that the area of interest is not economically viable the accumulated costs related to that area are charged to results of the operations.

Revenue recognition

The Company is involved in production and sale of concentrates. Concentrates are sold directly to a related party. Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue associated with the sale of concentrates is recognized in the income statement when all significant risks and rewards of ownership are transferred to the customer. Revenue excludes any applicable sales taxes.

IBERIAN MINERALS CORP.**Notes to Interim Consolidated Financial Statements**

(Expressed in thousands of Canadian dollars)

(Unaudited)

Nine months ended September 30, 2008

2. BASIS OF PRESENTATION AND NEW ACCOUNTING POLICIES (continued)**(c) Significant accounting policies resulting from CMC acquisition (continued)****Revenue recognition (continued)**

The revenue is subject to adjustment based on inspection of the product by the customer. Revenue is initially recognized on a provisional basis using the Company's best estimate of the copper grade. Any subsequent adjustments to the initial estimate of metal content are recorded in revenue once they have been determined.

Income from services provided to related parties is recognized in income when services are provided.

Workers' profit sharing and other employee benefits

In accordance with Peruvian Legislation, companies in Perú must provide for workers' profit sharing equivalent to 8% of taxable income of each year and capped at maximum 18 months of salary per worker. This amount is charged to the income statement within personnel expenses in cost of sales and administrative expenses and is considered deductible for income tax purposes. The Company has no pension or retirement benefit schemes.

Hedges

Handbook Section 3865 specifies the criteria that must be satisfied in order for hedge accounting to be applied and the accounting for each of the permitted hedging strategies: fair value hedges; cash flow hedges; and hedges of foreign currency exposures of net investments in self-sustaining foreign operations. Hedge accounting is discontinued prospectively when the derivative no longer qualifies as an effective hedge, or the derivative is terminated or sold, or upon the sale or early termination of the hedged item.

In a fair value hedging relationship, the carrying value of the hedged item is adjusted for unrealized gains or losses attributable to the hedged risk and recognized in net income. Changes in the fair value of the hedged item, to the extent that the hedging relationship is effective, are offset by changes in the fair value of the hedging derivative, which is also recorded in shareholders' equity. When hedge accounting is discontinued, the carrying value of the hedged item is no longer adjusted and the cumulative fair value adjustments to the carrying value of the hedged item are amortized to net income over the remaining term of the original hedging relationship.

In a cash flow hedging relationship, the effective portion of the change in the fair value of the hedging derivative is recognized in other comprehensive income (loss) ("OCI") while the ineffective portion is recognized in net income. When hedge accounting is discontinued, the amounts previously recognized in accumulated other comprehensive income (loss) ("AOCI") are reclassified to net income during the periods when the variability in the cash flows of the hedged item affects net income. Gains and losses on derivatives are reclassified immediately to net income when the hedged item is sold or early terminated.

In hedging a foreign currency exposure of a net investment in a self-sustaining foreign operation, the effective portion of foreign exchange gains and losses on the hedging instruments is recognized in OCI and the ineffective portion is recognized in net income. The amounts previously recognized in AOCI are recognized in net income when there is a reduction in the hedged net investment as a result of a dilution or sale of the net investment; or reduction in equity of the foreign operation as a result of dividend distributions.

Iberian has opted not to use hedge accounting in its consolidated results. As a result, the aggregate gains or losses on the mark to market on derivative financial instruments recorded in the consolidated entity will be recognized in net income.

IBERIAN MINERALS CORP.**Notes to Interim Consolidated Financial Statements***(Expressed in thousands of Canadian dollars)**(Unaudited)*Nine months ended September 30, 2008

2. BASIS OF PRESENTATION AND NEW ACCOUNTING POLICIES (continued)**(c) Significant accounting policies resulting from CMC acquisition (continued)*****Foreign currency translation***

The accounts of the Company's self-sustaining foreign subsidiary, Condestable, are translated using the current rate method using quarter end exchange rates, with revenues and expenses translated at the average exchange rate. Gains and losses arising from these translations are recorded in accumulated other comprehensive income as a foreign currency translation adjustment until they are realized by a reduction in the investment.

3. CAPITAL MANAGEMENT

The Company's objective when managing its capital is to maintain adequate levels of funding to support development of MATSA and CMC, and to maintain corporate and administrative functions. The Company includes derivative instruments, long-term debt and equity, consisting of the issued common shares, convertible debentures, stock options, warrants and accumulated income (deficit) in the definition of capital. The Company manages its capital structure in a manner that provides sufficient funding for mine development and operational activities. Funds are primarily secured through a combination of equity capital raised by way of private placements and external debt. There can be no assurances that the Company will be able to continue raising equity capital and external debt in this manner.

The Company invests all capital that is surplus to its immediate needs in short-term, liquid and highly rated financial instruments, such as cash and other short-term deposits, all held with major financial institutions.

4. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks, market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company. The Company's subsidiaries use derivative financial instruments such as forward contracts to hedge certain risk exposures. The Company does not use derivatives to engage in any trading or other speculative activities.

(a) Market risk**(i) Foreign exchange risk**

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the Company's functional currency. The Company's risk management policy is to review its exposure to non-Canadian dollar forecast operating costs on a case-by-case basis. Revenue from forecast sales is denominated in United States ("US") dollars. The Company's forecast operating costs are in Canadian dollars, CMC is in US dollars and Peruvian new soles and the construction and operating costs at MATSA are primarily in Euros. The risk is measured using sensitivity analysis and cash flow forecasting. The Canadian dollar carrying amounts of the Company's foreign currency denominated monetary assets and liabilities as at September 30, 2008 are as follows:

Canadian \$ equivalent	Assets	Liabilities
Euros	\$ 38,240	\$ 38,590
US dollars	212,343	193,302
New soles	577	19,372

IBERIAN MINERALS CORP.**Notes to Interim Consolidated Financial Statements**

(Expressed in thousands of Canadian dollars)

(Unaudited)

Nine months ended September 30, 2008

4. FINANCIAL RISK MANAGEMENT (continued)**(a) Market risk (continued)****(i) Foreign exchange risk (continued)**Sensitivity

Based on the financial instruments held at September 30, 2008, had the US dollar, Euro and Peruvian new soles weakened/strengthened by 10% against the Canadian dollar with all other variables held constant, the Company's post-tax income for the nine months would have been \$7 higher/lower as a result of foreign exchange gains/losses on translation of non-Canadian dollar denominated financial instruments as detailed above.

(ii) Price riskCommodity price risk

Commodity price risk is the risk of financial loss resulting from movements in the price of the Company's commodity inputs and outputs. The Company is exposed to commodity price risk arising from revenue derived from forecast future sales. As explained in *Note 13*, commodity risk is managed through the use of derivative instruments such as forward contracts to hedge a proportion of its forecasted hedgable production. CMC has hedged a substantial amount of its future hedgable production with forward contracts and MATSA as required under the terms of its loan facilities has hedged between 65% and 70% of its future hedgable production as detailed in *Note 13*.

Sensitivity

For CMC, Perú: At September 30, 2008, if the spot price of copper, silver and gold had been 10% higher/lower while all other variables were held constant the pre-tax income for the nine months would increase/decrease by \$41.74 million as a result of the changes in the fair value of the derivative instruments.

For MATSA, Spain: At September 30, 2008, if the spot price of copper, silver and zinc had been 10% higher/lower while all other variables were held constant the pre-tax income for the nine months would increase/decrease by \$52.70 million as a result of the changes in the fair value of the derivative instruments.

Other price risk

The Company is exposed to equity price risks arising from an equity investment. The equity investment is held for strategic rather than trading purposes. The Company does not actively trade these investments.

(iii) Interest rate risk

The Company is exposed to interest rate risk with regard to the operating loan at CMC, Perú, the credit facility at MATSA, Spain and the bridge financing loan from Trafigura (*Note 11*). The bridge loan bears interest at a rate of Libor plus 1.00%; the CMC loan with an interest rate of Libor plus 2.25% and the MATSA credit facility based on Libor plus varying percentages from 1.90% to 3.00% (*Note 9*). If Libor had increased/decreased by 10% in basis points, the post-tax income for the nine months would increase/decrease approximately \$343.

IBERIAN MINERALS CORP.**Notes to Interim Consolidated Financial Statements**

(Expressed in thousands of Canadian dollars)

(Unaudited)

Nine months ended September 30, 2008

4. FINANCIAL RISK MANAGEMENT (continued)**(b) Credit risk**

Credit risk refers to the risk of the counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions as well as credit exposures to outstanding receivables. The Company's practice is to ensure that sales of products are made to customers with an appropriate credit rating and where necessary credit risk is effectively eliminated or substantially reduced by using bank instruments to secure payment. The carrying amount of financial assets recorded in the financial statements is adjusted for any impairment and represents the Company's maximum exposure to credit risk.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining at all times sufficient cash, liquid investments and committed credit facilities to meet the Company's commitments as they arise. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. To the extent the Company has liabilities on its cash flow hedge positions, the Company expects to produce sufficient concentrates to deliver into its committed derivative forward contracts.

As at September 30, 2008 the Company's undrawn facilities relating to MATSA were as follows: a term facility of US\$ 70,092; and a cost overrun facility of US\$ 30,000.

5. BUSINESS COMBINATION

Effective January 31, 2008 the Company completed the acquisition of 92% of the issued and outstanding shares of Condestable from Trafigura, a related party as they are a significant shareholder of the Company.

The closing of this transaction gives the Company ownership of approximately 92% of CMC, the owner and operator of the Condestable Mine located south of Lima, Perú. The Condestable Mine has been in continuous production since 1998.

The business combination is accounted for as a purchase transaction, with the Company as the acquirer of Condestable. In consideration for the acquisition of Condestable, a total of 65,990,833 of the Company's common shares were issued to Trafigura. The fair value measurement of the consideration given up by the Company was based on the market prices of the Company's common shares over a two day period before and after the announcement of this transaction valued at \$82.73 million. Accordingly, the Company's management estimates the fair value of the Company's common shares at \$1.25 per share.

As part of the agreement for this transaction, Trafigura has been granted a 46% net operating profit ("NPI") of CMC for a term of four years commencing January 1, 2011 payable in cash or, at the option of Trafigura and subject to regulatory approval including the approval of the TSXV, in common shares. The Company shall have the right until June 30, 2011 to purchase the NPI for US\$ 60.00 million.

The terms of the agreement for the acquisition of CMC entitle the Company to a proportionate share (approximately 92%) of the after tax profits of CMC starting October 1, 2007.

The cost of the acquisition included a CAD\$ 1.00 million payment made to Macquarie Capital Markets Ltd. as a transaction success fee on February 19, 2008.

IBERIAN MINERALS CORP.**Notes to Interim Consolidated Financial Statements***(Expressed in thousands of Canadian dollars)**(Unaudited)*

Nine months ended September 30, 2008

5. BUSINESS COMBINATION (continued)

On August 28, 2008, the Company filed an offer of purchase in Peru to acquire the remaining 3,474,288 shares of CMC at a price of New soles 9.67 (approximately \$3.17) per share, in accordance with the requirements of the Lima Stock Exchange and the Peruvian securities authorities. The offer price was determined by an independent valuator appointed in Perú as required by applicable Peruvian regulatory requirements. The offer to purchase the CMC shares will take place through the Lima Stock Exchange over a period of 40 days commencing August 14, 2008 and ending October 30, 2008. All CMC shares tendered to the offer will be purchased by the Company at a closing scheduled for November 5, 2008. Upon closing of the offer, the shares of CMC will be delisted from the Lima Stock Exchange, taking CMC private.

The allocation of the purchase price related to the acquisition of CMC is preliminary and will be refined as information relating to the valuation of the fair value of net assets and the determination of certain tax values of those are finalized. The preliminary fair values of the assets and liabilities and the preliminary allocation of the purchase consideration are as follows:

	As at January 31, 2008
Purchase price	
Common shares issued	\$ 82,730
Acquisition costs	3,017
	\$ 85,747
Preliminary fair value of net assets acquired	
Current assets	\$ 23,300
Other receivables	193
Property and equipment, net	369,577
Other assets	931
	394,001
Less: current liabilities	(19,419)
Less: current portion of derivative instruments	(53,423)
Less: long-term liabilities	(6,084)
Less: long-term portion of derivative instruments	(127,733)
Less: future tax liabilities	(101,595)
	\$ 85,747

- (a) Pursuant to the terms of the acquisition, Trafigura retains a 46% NPI commencing January 1, 2011 and ending December 31, 2014. An independent valuation commissioned by the Company, the 43-101 Report, with respect to the acquisition has preliminarily indicated a mine life of four years (ending on December 31, 2010) based solely on proven and probable reserves. Accordingly, the Company has not assigned any value to the NPI for the purpose of the preliminary purchase price allocation.
- (b) Additional depreciation and future income tax recovery have been recorded with respect to the fair value increment to the acquired mineral assets and the reversal of the taxable basis differences resulting from the purchase price allocation.
- (c) The Company has not allocated any amount to minority interest as the acquired business is in a net liability position.

IBERIAN MINERALS CORP.**Notes to Interim Consolidated Financial Statements***(Expressed in thousands of Canadian dollars)**(Unaudited)*

Nine months ended September 30, 2008

6. RESTRICTED CASH

	September 30, 2008	December 31, 2007
Spain (long-term) (a)	\$ 18,155	\$ 1,707
Peru (current) (b)	22,539	–
Cash deposits held as security	\$ 40,694	\$ 1,707

(a) As of September 30, 2008, the cash deposit held as security in Spain is comprised of three parts:

- €1,499 (CAD\$ 2,237) in relation to a permit for the ore processing plant.
- €6,000 (CAD\$ 8,954) for expenses or actions, as required by the Mining Authority, according to the Mining regulations, that MATSA is bound to perform in the event of an “unexpected and sudden” abandonment of the MATSA plant. This also covers the negative social impact that such abandonment causes.
- €4,667 (CAD\$ 6,964) for restoration of the tailing facility.

(b) The cash deposit in Perú in the amount of US\$ 21,179 (CAD\$ 22,539) is held to pay pending derivative settlements.

7. PROPERTY, PLANT AND EQUIPMENT

	December 31, 2007	Additions 2008	Accumulated amortization	September 30, 2008
Spain				
Mining interests	\$ 19,018	\$ 25,567	\$ –	\$ 44,585
Construction in progress (Note 9)	121,572	141,293	–	262,865
Equipment	2,708	961	–	3,669
	143,298	167,821	–	311,119
Canada				
Office furniture, fixtures and equipment	110	26	(15)	121
Mining interests	–	338,650	(32,641)	306,009
	110	338,676	(32,656)	306,130
Peru				
Land	–	89	–	89
Building and other constructions	–	5,923	(503)	5,420
Machinery and equipment (finance leases Note 9(f))	–	27,103	(4,588)	22,515
Vehicles	–	580	(29)	551
Office furniture, fixtures and equipment	–	478	(70)	408
Asset retirement obligation (Note 12)	–	2,441	(357)	2,084
Construction in progress	–	4,887	–	4,887
Mining interests	–	726	–	726
	–	42,227	(5,547)	36,680
	\$ 143,408	\$ 548,724	\$ (38,203)	\$ 653,929
<hr/>				
	December 31, 2006	Additions 2007	Accumulated amortization	December 31, 2007
Spain				
Mining interests	\$ 14,711	\$ 4,307	\$ –	\$ 19,018
Construction in progress	32,304	89,268	–	121,572
Equipment	1,034	1,674	–	2,708
	48,049	95,249	–	143,298
Canada				
Office furniture, fixtures and equipment	–	114	(4)	110
	\$ 48,049	\$ 95,363	\$ (4)	\$ 143,408

IBERIAN MINERALS CORP.**Notes to Interim Consolidated Financial Statements***(Expressed in thousands of Canadian dollars)**(Unaudited)*

Nine months ended September 30, 2008

8. TRADE PAYABLES AND TRADE AND OTHER RECEIVABLES

(a) Trade payables and accrued liabilities

	September 30, 2008	December 31, 2007
Accounts payable suppliers	\$ 33,128	\$ 27,353
Deposits received	2,073	955
Taxes and social security	937	430
Other	39	29
Total MATSA payables	36,177	28,767
Accounts payable suppliers	6,719	-
Taxes and social security	18,444	-
Interest payable	556	-
Total CMC payables	25,719	-
Debenture interest	270	649
Accounts payable	216	357
Accrued liabilities	572	273
Total head office payables	1,058	1,279
Total trade payables and accrued liabilities	\$ 62,954	\$ 30,046

(b) Trade and other receivables

	September 30, 2008	December 31, 2007
VAT receivable	\$ 16,059	\$ 8,619
Deposits with suppliers	2,549	1,037
Other	20	701
Total MATSA receivables	18,628	10,357
Trade receivables	20,361	-
Other	402	-
Total CMC receivables	20,763	-
GST receivable	38	56
Interest	3	31
Total head office receivables	41	87
Total trade and other receivables	\$ 39,432	\$ 10,444

IBERIAN MINERALS CORP.**Notes to Interim Consolidated Financial Statements***(Expressed in thousands of Canadian dollars)**(Unaudited)*

Nine months ended September 30, 2008

9. LONG-TERM DEBT

	September 30, 2008	December 31, 2007
Spain		
Payments due arising from general creditors agreement	\$ 10	\$ 10
Fixed asset loan	670	678
Project finance loan (d)	98,039	—
Loan facility (a), (b) and (c)	1,422	2,210
Environmental loan (e)	15,918	—
	116,059	2,898
Peru		
Finance leases (f)	9,914	—
Syndicated loans (g)	67,722	—
	77,636	2,898
Total long-term debt	193,695	2,898
Amounts payable within twelve months	(35,968)	(1,535)
	\$ 157,727	\$ 1,363

The loan facility in MATSA is comprised of loans as follows:

- (a) Loan facility, issued by an unrelated third party, has a three year term, expiring in 2010. The principal outstanding is €1.02 million. Under the terms of the loan facility, the repayment of principal and interest will be as follows: interest in thirteen instalments until September 2008, the first instalment of €3,083 commenced in September 2007; and interest and principal in twenty four instalments until September 2010, the first instalment of the principal and interest of €45 to commence October 2008. The effective interest rate is fixed at 5.50% per annum. Interest on the loan facility for the nine months ended September 30, 2008 was €42 (\$65).
- (b) The second loan facility, issued by a third party, has a one year term, expiring December 31, 2008, at which time both the principal and interest are due. The effective interest rate is fixed at 5.50% per annum. The interest on this loan for the nine months ended September 30, 2008 was €16 (\$24) and the principal outstanding is €382.
- (c) The third loan is a VAT facility of €5.95 million, issued by a third party, and has a one year term, expiring January 1, 2009. Under the terms of the loan facility, the repayment of principal and interest will be due on December 31, 2008. The effective interest rate is fixed at 5.60% per annum. Interest on the loan facility for the nine months ended September 30, 2008 was €250 (\$387). This loan has been fully paid on September 30, 2008.
- (d) On June 24, 2008 the Company completed a US\$ 210.00 million Project Finance Facility (the "Facility") to fund the MATSA project. The lead lenders were Investec Bank (UK) PLC, BNP Paribas and Societe Generale. As part of this Facility, the Company is required to hedge the forecasted future metals production until the Facility matures in June 2013. The Facility requires MATSA to hedge 70% of the forecast copper production and 65% of the zinc and silver production (see Note 13). This Facility comprises of three parts:
- A term facility in the amount of US\$ 170.00 million.
 - A convertible loan in the amount of US\$ 10.00 million.
 - A cost overrun facility in the amount of US\$ 30.00 million.

In respect of each of the term advance and convertible advance, the interest margin on Libor will be 2.25% per annum from the date of the credit agreement to the completion date and 1.90% per annum following the completion date as defined in the Facility.

IBERIAN MINERALS CORP.**Notes to Interim Consolidated Financial Statements***(Expressed in thousands of Canadian dollars)**(Unaudited)*

Nine months ended September 30, 2008

9. LONG-TERM DEBT (continued)

In respect of the cost overrun advance, the interest margin on Libor will be 3.00% per annum from the date of the credit agreement to the completion date and 2.50% per annum following the completion date, as defined in the Facility.

Project finance facility at MATSA	US\$
Term facility	\$ 170,000
Convertible loan	10,000
Cost overrun facility	30,000
Total facility	\$ 210,000
Less: Drawn facility	
(i) 1 st Drawdown in June 2008	\$ 45,329
(ii) 2 nd drawdown in July 2008	18,441
(iii) 3 rd drawdown in August 2008	26,891
(iv) 4 th drawdown in September 2008	19,247
Total drawdown as at September 30, 2008	\$ 109,908

Note: US\$10 Million convertible loan is included in the 1st drawdown noted above.

Interest on the loan facility for the nine months ended September 30, 2008 was US\$ 635 (\$ 646).

The repayment terms of the principal of all three portions of the Facility are as follows:

Repayment date	Repayment installment		
	Term loan in US\$	Cost overrun loan	Convertible loan in US\$
		(i)	
December 31, 2009	21,250	12.50%	1,250
June 30, 2010	13,600	8.00%	800
December 31, 2010	15,300	9.00%	900
June 30, 2011	26,350	15.50%	1,550
December 31, 2011	28,900	17.00%	1,700
June 30, 2012	18,700	11.00%	1,100
December 31, 2012	17,000	10.00%	1,000
June 30, 2013	28,900	17.00%	1,700

(i) Cost overrun repayments are based on percentage of the final loan amount.

- (e) The fourth loan is an advance from Trafigura to MATSA in the amount of €10,667 (CAD\$ 15,918) to cover various environmental remediation guarantees as detailed in *Note 6*. This loan has a ten year term with an effective interest rate fixed at Libor plus 4.00%.

The loan facility in Condestable is comprised of loans as follows:

- (f) Pursuant to the acquisition of Condestable, the Company and Condestable arranged a US\$ 70.00 million syndicated loan with Societe Generale as the lead lender. This loan was fully advanced on May 21, 2008. The loan is repayable quarterly in equal amounts of US\$ 6,364. The first payment was made on August 29, 2008 and the loan will be fully repaid on February 28, 2011. The loan bears interest at Libor plus 2.25%. The interest is payable quarterly with the principal repayment. The first interest payment of US\$ 980 was made on August 29, 2008.
- (g) The finance leases in Condestable are on mining equipment with various unrelated third parties. These leases have various maturity dates up to February 2010 and are based on annual interest rates between 6.75% and 8.65%.

IBERIAN MINERALS CORP.**Notes to Interim Consolidated Financial Statements**

(Expressed in thousands of Canadian dollars)

(Unaudited)

Nine months ended September 30, 2008

10. CONVERTIBLE DEBENTURE

In fiscal 2006, the Company received \$25.00 million of financing from Dundee Resources Limited ("Dundee Resources"). The financing is a \$25.00 million subordinated convertible debenture (the "Debenture") issued at par. The Debenture bears interest at the rate of 6.00% per annum, payable semi-annually and due on July 26, 2011. The outstanding principal amount of the Debenture will be convertible at Dundee Resources' option at any time, in whole or in part, into units of the Company ("Units (i)") at a conversion price of \$1.25 per Unit (i) (the "Conversion Price"). Each Unit (i) will be comprised of one Common Share and one-half of a warrant ("Warrant"), with each Warrant being exercisable into one common share at an exercise price of \$2.00 for a period of two years after the date of issue of the warrants. At any time, after three years from the closing date of the financing, which is on July 20, 2006, the Company will be entitled to accelerate the conversion of the Debenture by giving 30 days notice, if the common shares have a closing price above \$2.00 for a period of 20 consecutive trading days. Dundee Resources is a private Canadian company and is the resource merchant banking arm of the Toronto Stock Exchange listed Dundee Corporation.

As the Debenture is considered to be a compound financial instrument, the liability component and the equity components (the conversion right) are presented separately, as determined at July 26, 2006 (date of issue), using the relative fair value of the components. The liability component of \$23,121 was determined by discounting the future stream of interest and principal payments at the prevailing market rate at 8% for a comparative liability that does not have an associated equity component. The balance of \$1,879 was allocated to the conversion option and is included in Shareholders' Equity in the Consolidated Balance Sheet.

The debenture will be accreted to its face value at maturity over the term of the debt by way of a charge to interest expense. The actual interest from July 26, 2007 to July 26, 2008 was \$1,502 (comparative period - \$1,500) and was repaid by issuing 1,532,504 common shares (comparative period - 937,684, common shares). The interest accrued for the nine months ended September 30, 2008 was \$1,122 (comparative period - \$1,122). The accretion attributable to the convertible debenture for the nine months ended September 30, 2008 was \$265 (comparative period - \$244) for a total interest expense on the consolidated statements of \$1,387 (comparative period - \$1,367).

As indicated in *Note 9 (d)*, on June 24, 2008, the Company and its subsidiary MATSA completed a US\$ 210.00 million Facility for the Company's Aguas Teñidas Project in Spain. US\$ 10.00 million of this Facility is a convertible loan. In connection with this loan, the Company issued and have outstanding 7,640,353 warrants in the Company ("Loan Warrants"), exercisable to acquire common shares of the Company at a price of US\$ 1.30884 per share (the equivalent price in Canadian dollars at the time of the grant was \$1.30) until June 30, 2013. These Loan Warrants are exercisable first to reduce the outstanding loan balance. This loan was fully advanced on June 24, 2008. In computing the amount attributable to this, the Company assumed that the warrants are merely an instrument for facilitating the conversion of the loan and as such calculated the equity portion attributable to this transaction as if it was a pure convertible loan.

As the loan is considered to be a compound financial instrument, the liability component and the equity components (the conversion right) are presented separately, as determined at June 24, 2008 (date of issue), using the relative fair value of the components. The liability component of \$9,754 (US\$ 9,165) was determined by discounting the future stream of interest and principal payments at the prevailing market rate at 8% for a comparative liability that does not have an associated equity component. The balance of \$851 (US\$ 835) was allocated to the conversion option and is included in Shareholders' Equity in the Consolidated Balance Sheet.

The debenture will be accreted to its face value at maturity over the term of the debt by way of a charge to interest expense. The actual interest for the nine months ended September 30, 2008 was \$93 (comparative period - \$Nil). The accretion attributable to the convertible debenture for the nine months ended September 30, 2008 was \$47 (comparative period - \$Nil) for a total interest expense on the consolidated statements of \$140 (comparative period - \$Nil).

IBERIAN MINERALS CORP.**Notes to Interim Consolidated Financial Statements***(Expressed in thousands of Canadian dollars)**(Unaudited)*

Nine months ended September 30, 2008

10. CONVERTIBLE DEBENTURE (continued)

The following is a summary of the above transactions:

	September 30, 2008	December 31, 2007
Convertible debentures – Dundee Resources Ltd		
Fair value of liability component	\$ 23,121	\$ 23,121
Add: accretion charges to date	735	471
	\$ 23,856	\$ 23,592
Equity portion of convertible debenture	\$ 1,879	\$ 1,879
Convertible debentures – MATSA		
Fair value of liability component	\$ 9,754	\$ –
Add: accretion charges to date	47	–
	\$ 9,801	\$ –
Equity portion of convertible debenture	\$ 851	\$ –
Total convertible debentures		
Fair value of liability component	\$ 32,875	\$ 23,121
Add: accretion charges to date	782	471
	\$ 33,657	\$ 23,592
Equity portion of convertible debentures	\$ 2,730	\$ 1,879

11. OPERATING LOAN

As part of the acquisition of Condestable, Trafigura had agreed to provide bridge financing until the Company is able to complete the loan at Condestable in the amount of US\$ 70.00 million and the MATSA loan from the lead lenders, Investec Bank (UK) PLC, BNP Paribas and Societe Generale in the amount of US\$ 210.00 million. During the nine months to September 30, 2008 Trafigura had advanced approximately \$59.54 million (US\$ 58.97 million) at a rate of Libor plus 1.00%. This loan was used to fund the construction at MATSA. This loan was repaid in May 2008 from the CMC loan of US\$ 70.00 million (*Note 9*). After the loan facility was repaid the loan facility was withdrawn.

In addition, in the three months ended September 30, 2008, Trafigura advanced a further sum of approximately \$12.40 million (US\$ 12.00 million). This advance was used to fund the construction at MATSA while the US\$ 210.00 million Facility was being completed. This advance was repaid in early July 2008 after the first drawdown of approximately US\$ 45.30 million was made on the US\$ 210.00 million Facility (*Note 9*). After this transaction was repaid this loan facility was withdrawn

12. ASSET RETIREMENT OBLIGATION

The Company's asset retirement obligation arises from its obligations to undertake site reclamation and remediation in connection with its mining activities. The following table summarizes the movements in the asset retirement obligation:

	September 30, 2008	December 31, 2007
Balance, beginning of year	\$ 2,309	\$ –
Recognition of new obligation	3,359	2,264
Accretion expense	485	45
Total	\$ 6,153	\$ 2,309

IBERIAN MINERALS CORP.**Notes to Interim Consolidated Financial Statements***(Expressed in thousands of Canadian dollars)**(Unaudited)*Nine months ended September 30, 2008

12. ASSET RETIREMENT OBLIGATION *(continued)*

As at September 30, 2008, management estimates that the total undiscounted amount of the estimated cash flows required for the asset retirement obligation of the Company's subsidiaries is approximately \$9,851. This is comprised of approximately \$5,700 for MATSA and \$4,151 for the Condestable. It is expected that this amount will be incurred in approximately equal amounts over years 2009 to 2021 for MATSA and years 2008 to 2013 for the Condestable mine and to 2017 for the Raúl mine at CMC. Using the credit adjusted rate of 8.00%, the asset retirement obligation is \$5,623 (MATSA - \$2,264 and Condestable - \$3,359). As part of the licence to build and operate the mine at MATSA the Junta de Andalucía (local authority) has required MATSA to post bonds to cover restoration costs for the plant and tailing facilities in an amount of approximately €6.17 million (Note 6).

13. DERIVATIVE INSTRUMENTS

As part of the US\$ 210.00 million Facility for Iberian's Aguas Teñidas Project to be provided by Investec Bank (UK) PLC, BNP Paribas and Societe Generale, Iberian is required to hedge the forecasted future metals production until the facility matures in June 2013. The Facility requires Iberian to hedge 70% of the forecast copper production and 65% of the forecast zinc and silver production. The hedges were completed on June 24, 2008 and the table below shows the details of the copper, zinc and silver hedges with contracts which expire on varying dates through June 30, 2013.

As at September 30, 2008, the MATSA derivative instruments were in a net gain position and recorded as a receivable as follows:

	September 30, 2008
	(US\$)
Current portion	\$ 17,270
Long-term portion	37,397
	\$ 54,667
	(CAD\$)
Current portion	\$ 18,378
Long-term portion	39,798
	\$ 58,176

Market values have been used to determine the fair value of forward contracts. The fair values have been calculated by discounting the future cash flows of the hedge price inclusive of all credit margins.

IBERIAN MINERALS CORP.**Notes to Interim Consolidated Financial Statements***(Expressed in thousands of Canadian dollars)**(Unaudited)*

Nine months ended September 30, 2008

13. DERIVATIVE INSTRUMENTS (continued)

As of September 30, 2008, the forward contracts in force at MATSA were as follows:

(a) Copper

Period	FMT (Fine metric tons)	Fixed price US\$/FMT
January 2009 – June 2009	5,150	6,968
July 2009 – December 2009	6,625	6,784
January 2010 – June 2010	5,600	6,581
July 2010 – December 2010	5,600	6,390
January 2011 – June 2011	7,800	6,208
July 2011 – December 2011	7,625	6,208
January 2012 – June 2012	7,775	6,058
July 2012 – December 2012	7,950	6,058
January 2013 – June 2013	7,500	6,058

(b) Zinc

Period	FMT (Fine metric tons)	Fixed price US\$/FMT
January 2009 – June 2009	9,175	2,474
July 2009 – December 2009	9,600	2,463
January 2010 – June 2010	10,050	2,433
July 2010 – December 2010	10,050	2,433
January 2011 – June 2011	10,200	2,244
July 2011 – December 2011	10,200	2,244

(c) Silver

Period	FOZ (Fine ounces)	Fixed price US\$/FOZ
January 2009 – June 2009	278,646	18.10
July 2009 – December 2009	358,956	18.00
January 2010 – June 2010	313,056	18.10
July 2010 – December 2010	313,056	18.00
January 2011 – June 2011	573,696	18.10
July 2011 – December 2011	573,696	18.00
January 2012 – June 2012	523,368	17.90
July 2012 – December 2012	523,368	17.80
January 2013 – June 2013	556,908	17.80

As at September 30, 2008, the CMC derivative instruments were in a net loss position and recorded as a liability as follows:

	September 30, 2008 (US\$)	
Current portion	\$	49,824
Long-term portion		83,510
	\$	133,334
		(CAD \$)
Current portion	\$	53,023
Long-term portion		88,872
	\$	141,895

IBERIAN MINERALS CORP.**Notes to Interim Consolidated Financial Statements***(Expressed in thousands of Canadian dollars)**(Unaudited)*

Nine months ended September 30, 2008

13. DERIVATIVE INSTRUMENTS (continued)

From time to time, the Company's subsidiary, MATSA will enter into arrangements to fix the exchange rate on certain of its US dollar denominated cash flows.

As of September 30, 2008, MATSA has US\$ 30.00 million in foreign exchange contracts outstanding as a fair value hedge against certain US dollar-denominated liabilities. These contracts have varying maturity dates ending in the fourth quarter of 2008. As at September 30, 2008, MATSA has an unrealized gain of \$0.53 million on these contracts.

The Company's recently acquired subsidiary, CMC had entered into derivative forward contracts with Natixis, an unrelated third party. These contracts expire on varying dates through December 31, 2011 (see table below).

Market values have been used to determine the fair value of forward contracts. The fair values have been calculated by discounting the future cash flows of the hedge price inclusive of all credit margins.

As of September 30, 2008 the forward contracts in force at CMC are as follows:

(a) Copper

Period	FMT (Fine metric tons)	Fixed price US\$/FMT
October 2008 – December 2008	11,225	4,320.17
January 2009 – December 2009	19,900	4,410.00
January 2010 – December 2010	20,525	4,410.00
January 2011 – December 2011	20,625	3,400.00

(b) Gold

Period	FOZ (Fine ounces)	Fixed price US\$/FOZ
October 2008 – December 2008	600	741.50
January 2009 – December 2009	2,400	741.50
January 2010 – December 2010	2,400	741.50
January 2011 – December 2011	2,400	741.50

(c) Silver

Period	FOZ (Fine ounces)	Fixed price US\$/FOZ
October 2008 – December 2008	115,000	13.41

IBERIAN MINERALS CORP.**Notes to Interim Consolidated Financial Statements***(Expressed in thousands of Canadian dollars)**(Unaudited)*

Nine months ended September 30, 2008

14. SHARE CAPITAL

The number of authorized common shares is unlimited.

Issued common shares:

	Number of shares	Amount
Balance, December 31, 2007	187,635,426	\$ 130,721
Acquisition of Condestable <i>(Note 5)</i>	65,990,833	82,730
Convertible debenture interest <i>(1) and (3)</i>	1,532,504	1,502
Exercise of options <i>(2) and (4)</i>	400,000	245
Fair value of exercise of options <i>(2) and (4)</i>	–	137
Balance, September 30, 2008	255,558,763	\$ 215,335

- (1) On January 26, 2008, the Company issued an aggregate of 675,146 common shares in satisfaction of the January 26, 2008 interest payment of \$756 in accordance with the terms of the convertible debenture.
- (2) In June 2008, 250,000 options were exercised for a total cash consideration of \$165. As a result of the exercise of these options, \$120 was reallocated from contributed surplus to share capital, with an aggregate of \$285.
- (3) On July 26, 2008, the Company issued an aggregate of 857,358 common shares in satisfaction of the July 26, 2008 interest payment of \$746 in accordance with the terms of the convertible debenture as disclosed in *Note 10*.
- (4) In August 2008, 150,000 options were exercised for a total cash consideration of \$80. As a result of the exercise of these options, \$17 was reallocated from contributed surplus to share capital, with an aggregate of \$97.

15. STOCK OPTIONS

The following table reflects the continuity of stock options for the nine months ended September 30, 2008:

	Number of stock options	Weighted average exercise price
Balance, December 31, 2007	13,490,000	\$ 1.14
Granted <i>(1)</i>	1,000,000	1.14
Granted <i>(2)</i>	250,000	1.01
Granted <i>(3)</i>	200,000	0.90
Granted <i>(4)</i>	50,000	0.86
Granted <i>(5)</i>	5,000	0.91
Granted <i>(6)</i>	100,000	0.80
Exercised	(450,000)	(0.54)
Cancelled/expired	(425,000)	(1.36)
Balance, September 30, 2008	14,220,000	\$ 1.14

IBERIAN MINERALS CORP.**Notes to Interim Consolidated Financial Statements***(Expressed in thousands of Canadian dollars)**(Unaudited)*

Nine months ended September 30, 2008

15. STOCK OPTIONS (continued)

The fair value of stock options granted during the year are estimated at the date of the grant using the Black-Scholes Option Pricing Model with the following assumptions:

Black Scholes assumptions

Expected volatility	78% - 84%
Expected dividend	0.00%
Risk – Free interest rate	2.88% - 3.33%
Expected option life in years	4 years

	Fair market value (\$)	Exercise price (\$)	Market price on day of grant (\$)
Fair value of stock options granted on April 16, 2008	0.69	1.14	1.14
Fair value of stock options granted on June 12, 2008	0.67	1.01	1.01
Fair value of stock options granted on September 2, 2008	0.59	0.90	0.90
Fair value of stock options granted on September 2, 2008	0.60	0.86	0.86
Fair value of stock options granted on September 2, 2008	0.59	0.91	0.91
Fair value of stock options granted on September 29, 2008	0.52	0.80	0.80

The following table reflects the actual stock options issued and outstanding as of September 30, 2008:

Expiry date	Weighted average exercise price (\$)	Weighted average contractual life (years)	Fair value per option (\$)	Number of options outstanding	Number of options vested	Number of options unvested
October 10, 2008	0.60	0.03	0.09	375,000	375,000	–
February 11, 2009	0.80	0.36	0.61	1,235,000	1,235,000	–
April 14, 2009	0.86	0.54	0.66	100,000	100,000	–
October 12, 2009	0.50	1.03	0.39	1,600,000	1,600,000	–
February 1, 2011	0.70	2.33	0.40	370,000	370,000	–
June 27, 2011	1.20	2.74	0.40	3,755,000	3,755,000	–
September 19, 2009	1.50	0.97	0.48	300,000	300,000	–
September 19, 2011	1.50	2.97	0.47	180,000	180,000	–
April 6, 2011	0.70	2.51	0.27	75,000	75,000	–
December 15, 2011	1.50	3.21	0.87	250,000	166,000	84,000
June 27, 2012	1.50	3.74	0.99	4,175,000	4,135,000	40,000
June 27, 2012	1.65	3.74	0.96	100,000	100,000	–
July 18, 2012	1.66	3.80	1.22	100,000	60,000	40,000
April 16, 2013	1.14	4.54	0.69	1,000,000	333,333	666,667
June 12, 2013	1.01	4.70	0.67	250,000	–	250,000
September 2, 2013	0.90	4.92	0.59	200,000	66,666	133,334
September 2, 2013	0.86	4.92	0.60	50,000	16,666	33,334
September 2, 2013	0.91	4.92	0.59	5,000	1,667	3,333
September 29, 2013	0.80	4.99	0.52	100,000	33,333	66,667
		2.99		14,220,000	12,902,665	1,317,335

IBERIAN MINERALS CORP.**Notes to Interim Consolidated Financial Statements***(Expressed in thousands of Canadian dollars)**(Unaudited)*

Nine months ended September 30, 2008

15. STOCK OPTIONS *(continued)*

The following table summarizes the amount and category that stock option compensation was charged to in the given periods:

	Three months ended September 30		Nine months ended September 30	
	2008	2007	2008	2007
Property, plant and equipment	\$ 14	\$ 654	\$ 566	\$ 1,306
Stock option compensation	146	984	550	2,504
Advertising, promotion and public relations	–	50	19	50
Office expenses	18	52	88	52
Amount expensed	\$ 178	\$ 1,740	\$ 1,223	\$ 3,912
Recovery on cancelled stock options	–	–	(163)	–
Total	\$ 178	\$ 1,740	\$ 1,060	\$ 3,912

16. WARRANTS

The following table sets out the warrant activity during the nine months ended September 30, 2008:

	Number of warrants	Value
Balance, December 31, 2007	8,382,126	\$ 1,715
Issued to satisfy the MATSA convertible debt June 27, 2008	7,640,353	N/A
Balance, September 30, 2008	16,022,479	\$ 1,715

The following table reflects the actual warrants outstanding as of September 30, 2008:

Expiry date	Number of warrants	Exercise price (\$)	Fair value
August 16, 2009	3,479,525	2.20	\$ 798
August 16, 2009	3,479,525	2.60	632
August 31, 2009	711,538	2.20	159
August 31, 2009	711,538	2.60	126
	8,382,126		\$ 1,715
June 30, 2013 <i>(Note 10) (1)</i>	7,640,353	1.30	N/A
	16,022,479		\$ 1,715

(1) These warrants represent Loan warrants as described in *Note 10* regarding the MATSA convertible loan.

IBERIAN MINERALS CORP.**Notes to Interim Consolidated Financial Statements**

(Expressed in thousands of Canadian dollars)

(Unaudited)

Nine months ended September 30, 2008

17. RELATED PARTY TRANSACTIONS

The Company has a management agreement with two directors whereby each receives annual fees of \$240 (2007 - \$240). For the three and nine months ended September 30, 2008, one of the directors received \$120 (2007 - \$60) and \$240 (2007 - \$180) respectively; other director received \$60 (2007 - \$60) and \$180 (2007 - \$180) respectively. One of these directors did not stand for re-election for the Board of Iberian but remains as a director of its subsidiary MATSA.

In addition, for the three and nine months ended September 30, 2008, consulting fees of \$70 (2007 - \$30) and \$130 (2007 - \$90) respectively were paid to another officer of the Company.

For the three and nine months period September 30, 2008, nil (2007 - \$15) and \$nil (2007 - \$45) respectively were paid to a company owned by a director for services. In 2008 this director resigned from the Company. Over the above amounts, for the three and nine months period ended September 30, 2008, a total of \$86 (2007 - \$48) and \$182 (2007 - \$144) respectively were expensed as professional and consulting fees and \$164 (2007 - \$117) and \$368 (2007 - \$351) respectively were included in property, plant and equipment.

In addition, for the three and nine months ended September 30, 2008, \$8 (2007 - \$5) and \$17 (2007 - \$14) respectively were paid to a third party on behalf of the above directors for travel related expenses.

For the nine months ended September 30, 2008 no directors' fees were paid, however, the Company accrued \$77 (2007 - \$42) for directors' fees for the nine months ended September 30, 2008.

Directors and related companies were also reimbursed for out of pocket expenses that occurred in the normal course of business.

The Trafigura group provides management, operational, mining and administrative services to CMC. The amount charged for the period February 1, 2008 to September 30, 2008 is of US\$ 608.

As at September 30, 2008, Trafigura has lent the Company bridge loan totalling \$71.80 million (US\$ 70.97 million) at an interest rate of Libor plus 1.00%. All of these proceeds were used to fund the construction at the facilities at MATSA. Of this amount, \$59.54 million (US\$ 58.97 million) was repaid on May 23, 2008 from the proceeds of the Condestable loan and the balance of \$12.26 million (US\$ 12.00 million) was repaid in July 2008. To September 30, 2008 interest on the bridge loan, interest on the margin of hedges being negotiated and fees associated with these amount to \$1.27 million.

As at September 30, 2008, Trafigura lent MATSA €10,667 (CAD\$ 15,918) to cover various social and environmental remediation guarantees as detailed in *Note 6*.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Company completed the acquisition of CMC effective January 31, 2008. The consideration for the acquisition was satisfied by the issuance of 65,990,833 common shares of the Company valued at \$82,730 to Trafigura, which previously held approximately 21% of the issued share capital of Iberian. Trafigura now holds approximately 42% of the issued and outstanding common shares of Iberian.

18. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

IBERIAN MINERALS CORP.**Notes to Interim Consolidated Financial Statements***(Expressed in thousands of Canadian dollars)**(Unaudited)*

Nine months ended September 30, 2008

19. ADMINISTRATIVE EXPENSES

Canada	Three months ended September 30		Nine months ended September 30	
	2008	2007	2008	2007
Accounting and corporate services	\$ 5	\$ 24	\$ 55	\$ 68
Head office expenses	530	259	1,176	327
Professional and consulting fees	458	244	1,709	765
Transfer agent, listing and filing fees	9	—	87	53
Shareholders' information	16	13	91	32
Travel	29	114	246	243
Advertising, promotion and public relations	53	50	102	65
Occupancy costs	73	35	126	77
Directors' fees	60	18	77	42
Capital tax	(190)	53	(139)	203
Amortization	6	4	15	4
	\$ 1,049	\$ 814	\$ 3,545	\$ 1,879

20. SEGMENTED INFORMATION

	Canada	Spain	Peru	Consolidated
	Three months ended September 30, 2008			
Sales	\$ —	\$ —	\$ 27,501	\$ 27,501
Net income (loss)	\$ (13,229)	\$ 100,518	\$ 107,858	\$ 195,147
	Nine months ended September 30, 2008			
Sales	\$ —	\$ —	\$ 75,467	\$ 75,467
Net income (loss)	\$ (18,736)	\$ 33,676	\$ 50,083	\$ 65,023
	As at September 30, 2008			
Current assets	\$ 3,191	\$ 57,081	\$ 55,134	\$ 115,406
Long-term assets	306,557	369,072	46,452	722,081
	\$ 309,748	\$ 426,153	\$ 101,586	\$ 837,487
	December 31, 2007			
	Canada	Spain	Peru	Consolidated
Current assets	\$ 6,383	\$ 15,701	\$ —	\$ 22,084
Long-term assets	4,815	143,160	—	147,975
	\$ 11,198	\$ 158,861	\$ —	\$ 170,059

21. COMMITMENTS

The Company and its subsidiaries have entered into various leases for premises and equipment.

At September 30, 2008 the Company and its subsidiaries were committed to future minimum lease payments as follows:

	Spain	Peru	Canada	Total
2008	\$ 33	\$ 1,226	\$ 120	\$ 1,379
2009	56	3,917	483	4,456
2010	42	591	494	1,127
2011	4	124	502	630
2012	—	—	423	423
2013	—	—	431	431
	\$ 135	\$ 5,858	\$ 2,453	\$ 8,446

IBERIAN MINERALS CORP.**Notes to Interim Consolidated Financial Statements***(Expressed in thousands of Canadian dollars)**(Unaudited)*

Nine months ended September 30, 2008

22. SUPPLEMENTAL CASH FLOW INFORMATION

The Company and its subsidiaries paid the following during the period:

	Three months ended September 30		Nine months ended September 30	
	2008	2007	2008	2007
Spain				
Interest	\$ 151	\$ 5	\$ 204	\$ 5
Taxes (1)	-	-	-	-
Peru				
Interest	1,753	-	2,022	-
Taxes (1)	9,695	-	28,340	-
Head office				
Interest	9	-	823	-
Taxes (1)	-	157	(20)	157
Total interest	\$ 1,913	\$ 5	\$ 3,049	\$ 5
Total taxes (1)	\$ 9,695	\$ 157	\$ 28,320	\$ 157

(1) Cash taxes paid is net of any income taxes recovered.

23. EARNINGS PER SHARE

Earnings per share ("EPS") is computed by dividing the net income by the weighted average number of common shares outstanding and diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted into common stock or resulted in the issuance of share capital.

The following table sets forth the computation of basic and diluted earnings per share:

	Three months ended September 30, 2008	Nine months ended September 30, 2008
Net income	\$ 195,147	\$ 65,023
Interest and accretion on convertible debentures – Dundee	467	1,387
Interest and accretion on convertible debentures – MATSA	128	140
Tax effect on above	(215)	(551)
	\$ 195,527	\$ 65,999
Weighted average number of shares outstanding – basic	255,253,423	247,114,602
Incremental shares from "in the money" options	992,931	1,530,905
Pursuant to convertible debenture – Dundee	20,000,000	20,000,000
Pursuant to convertible debenture – MATSA	7,640,353	2,546,784
Weighted average number of shares outstanding – diluted	283,886,707	271,192,291
Basic EPS	\$ 0.76	\$ 0.26
Diluted EPS	\$ 0.69	\$ 0.24

24. SUBSEQUENT EVENTS

On November 5, 2008, pursuant to a tender offer made to the minority shareholders of CMC, the Company paid approximately US\$ 9.19 million for 2,927,723 shares of CMC at a price of New soles 9.67 (approximately US\$ 3.13) per share. This price was established in accordance with the requirements of the Lima Stock Exchange and the Peruvian securities authorities. Trafigura provided a bridge loan to facilitate the completion of this transaction. As a result of this acquisition the Company now owns 42,404,752 shares of CMC (98.73%) with 546,565 outstanding as minority shares. On November 6, 2008, the shares of CMC were delisted from the Lima Stock exchange, resulting in CMC becoming a private company.