



FIRST QUANTUM  
MINERALS



# MANAGEMENT'S DISCUSSION AND ANALYSIS

FIRST QUARTER ENDED MARCH 31, 2022

(In United States dollars, tabular amounts in millions, except where noted)

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First Quantum Minerals Ltd. (“First Quantum” or “the Company”) is engaged in the production of copper, nickel, gold and silver, and related activities including exploration and development. The Company has operating mines located in Zambia, Panama, Finland, Turkey, Spain, Australia and Mauritania, and a development project in Zambia. The Company is progressing the Taca Taca copper-gold-molybdenum project in Argentina and is exploring the Haquira copper deposit in Peru.

The Company’s shares are publicly listed for trading on the Toronto Stock Exchange. The Company has depository receipts listed on the Lusaka Stock Exchange and is in the process of terminating the facility. The termination of the depository receipts will be effective on May 2, 2022.

This Management’s Discussion and Analysis (“MD&A”) should be read in conjunction with the unaudited consolidated financial statements of First Quantum for the three months ended March 31, 2022. The Company’s results have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to interim reporting, IAS 34 Interim Financial Reporting, and are presented in United States dollars, tabular amounts in millions, except where noted.

For further information on First Quantum, reference should be made to its public filings (including its most recently filed Annual Information Form) which are available on SEDAR at [www.sedar.com](http://www.sedar.com). Information is also available on the Company’s website at [www.first-quantum.com](http://www.first-quantum.com). This MD&A contains forward-looking information that is subject to risk factors, see “*Cautionary statement on forward-looking information*” for further discussion. Information on risks associated with investing in the Company’s securities and technical and scientific information under National Instrument 43-101 – *Standards for Disclosure for Mineral Projects* (“NI 43-101”) concerning the Company’s material properties, including information about mineral resources and mineral reserves, are contained in its most recently filed Annual Information Form. This MD&A was prepared as of April 26, 2022.

## FIRST QUARTER HIGHLIGHTS

*With strong financial performance during the quarter, the Company reported significant increases in gross profit, EBITDA<sup>1</sup>, net earnings attributable to shareholders, and adjusted earnings<sup>1</sup>. Despite lower copper and gold sales volumes and the inflationary pressures on costs, the first quarter benefitted from higher realized metal prices<sup>2</sup> as copper hedge positions continued to decline.*

- **Gross profit** of \$908 million and EBITDA<sup>1</sup> of \$1,180 million for the first quarter were both a record and significantly higher (68% and 45%, respectively) than the comparable quarter in 2021, attributable to higher metal prices and reduced hedge profile, with a realized copper price<sup>2</sup> of \$4.45 per lb achieved during the quarter.
- **Total copper production** for the first quarter was 182kt, an 11% decrease from the comparative prior year quarter. Different factors at each of the main operating mines contributed, to varying degrees, to a reduction in grade, from the first quarter of 2021. Grades at both Cobre Panama and Sentinel are expected to return to planned levels over the coming months, while Kansanshi’s full year grades are expected to be lower than last year.
- **Cobre Panama** delivered copper production of 78kt for the quarter, and achieved a record mill throughput of 7.6 million tonnes in March. Lower head grade compared to the same period in the prior year accounted for 5% lower copper production, but full year grades are expected to be consistent with full year 2021.
- **Kansanshi’s** copper production of 42kt for the quarter was 7kt lower than same quarter of 2021. Production was impacted by a reduction in grades and this is likely to continue for the remainder of the year, with full year grades lower than last year.
- **Sentinel’s** copper production of 52kt for the quarter was 6kt lower than the same quarter of 2021 due to wet underfoot ground conditions with an extended rain season, which constrained the planned waste stripping and delayed access to high grade ore. Grades are expected to improve in the second half of 2022. The fourth in-pit crusher was successfully fully commissioned during the quarter.
- **Total copper sales volumes** of 197kt were 14kt higher than first quarter production, with lower closing inventory levels at Zambian operations in particular, although volumes continue to be affected by shipping challenges and inland logistics.
- **Ravensthorpe** nickel production of 5kt contained tonnes was a 10% increase from the comparable quarter of 2021. An updated technical report was filed in March 2022.

<sup>1</sup> EBITDA and adjusted earnings are non-GAAP financial measures. These measures do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. Adjusted earnings and EBITDA were previously named comparative earnings (loss) and comparative EBITDA, respectively, and the composition remains the same. See “Regulatory Disclosures”.

<sup>2</sup> Realized metal price is non-GAAP ratio which does not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See “Regulatory Disclosures”.

- **Total gold production** for the quarter was 70koz, a 10% decrease from the prior year, due to decreases at the Cobre Panama and Guelb Moghrein operations, offset by increased gold production at Kansanshi.
- **Production Guidance** has been lowered for total copper production from a range of 810,000 to 880,000 tonnes to between 790,000 and 855,000 tonnes, to reflect lower grades experienced at Zambian operations. Guidance for gold and nickel production remains unchanged.
- **Financial results** for the first quarter includes net earnings attributable to the shareholders of the Company of \$385 million (\$0.56 net earnings per share) and record adjusted earnings<sup>1</sup> of \$480 million (\$0.70 adjusted earnings per share<sup>2</sup>), showing significant improvements over the comparable quarter in 2021 which had net earnings attributable to shareholders of the Company of \$142 million (\$0.21 net earnings per share) and adjusted earnings<sup>1</sup> of \$150 million (\$0.22 adjusted earnings per share<sup>2</sup>). Net earnings in the first quarter of 2022 includes foreign exchange losses of \$56 million, largely unrealized, primarily due to the depreciation of the Zambian Kwacha (“ZMW”) against the U.S. dollar (“USD”) during the quarter. Net earnings also includes a charge of \$40 million for non-recurring costs in connection with previously sold assets.
- **The conflict in Ukraine** and the associated wide-reaching sanctions imposed upon Russia has led to sustained higher energy and commodity prices. These increases have further contributed to the global inflationary environment since the Company provided three-year guidance in January 2022. For the Company, various inputs and operational costs have increased and may increase further. These include costs for fuel, explosives, sulphur, freight, reagents and steel. Such inflationary pressures have currently added approximately \$0.10 per lb to monthly copper C1 cash costs<sup>2</sup> and approximately \$0.50 per lb to monthly nickel C1 cash costs<sup>2</sup>.
- **Copper C1 cash cost<sup>2</sup>** of \$1.61 per lb for the first quarter of 2022 was \$0.37 per lb higher than the comparable quarter in 2021, attributable to inflationary pressures and lower production. In addition, Cobre Panama experienced higher power costs in January due to its power plant maintenance, which was completed late January. Copper AISC<sup>2</sup> of \$2.27 per lb for the quarter was also impacted by higher royalties on production at the Company’s Zambian operations due to higher copper prices.
- **Guidance** range for copper C1 cost<sup>2</sup> has been increased to between \$1.45 per lb and \$1.60 per lb, as a result of global cost inflationary pressures. The increase in copper all-in sustaining cost (AISC)<sup>2</sup> cost guidance to between \$2.15 per lb and \$2.30 per lb also reflects the impact of the increased royalty expense following rises in metal prices. Guidance for nickel cash costs<sup>2</sup> has been increased, with C1 cost<sup>2</sup> range increasing to between \$6.25 per lb and \$7.00 per lb and AISC<sup>2</sup> range increasing to between \$7.50 per lb and \$8.50 per lb.
- **Cash flows** from operating activities of \$666 million (\$0.97 per share<sup>2</sup>) for the quarter were \$77 million lower than the same quarter of 2021, due to high receivables working capital balance at the end of the quarter, principally due to higher metal prices.
- **Debt reduction:** Net debt<sup>1</sup> decreased by \$238 million during the quarter, bringing the net debt<sup>1</sup> balance down to \$5,815 million as at March 31, 2022 with the debt reduction program on track. As at March 31, 2022, total debt was \$7,763 million (December 31, 2021: \$7,912 million).
- **Note redemption:** On April 5, 2022, the Company redeemed at par \$500 million of aggregate principal amount of the \$1 billion senior unsecured notes due in 2023.
- **Increasing cash returns to shareholders:** Given the outlook for strong ongoing earnings from the business, the Board intends to commence a cautious increase in shareholder dividends. The Board has adopted the Dividend policy, pursuant to which the Company intends to pay, on a semi-annual basis, a Performance Dividend that represents, in the aggregate, 15% of available cash flows generated after planned capital spending and distributions to non-controlling interests. It is expected that a minimum Annual Base Dividend of CDN\$0.10 per share, consisting of semi-annual dividends of CDN\$0.05 per share, will be part of the Performance Dividend. Dividend payments remain at the discretion of the Board.
- **Copper price hedge:** The hedge profile is significantly reduced and the quarter benefitted from high market prices. At April 26, 2022, the Company had 15,000 tonnes of unmarginated zero cost copper collar sales contracts with maturities to June 2022 at weighted average prices of \$3.75 per lb to \$4.63 per lb outstanding. Copper sales in the first quarter were 19% hedged. Approximately 2% of expected copper sales for the next 12 months are hedged to unmarginated zero cost collar sales contracts.

<sup>1</sup> EBITDA and adjusted earnings are non-GAAP financial measures and net debt is a supplementary financial measure. These measures do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. Adjusted earnings and EBITDA were previously named comparative earnings (loss) and comparative EBITDA, respectively, and the composition remains the same. See “Regulatory Disclosures”.

<sup>2</sup> Adjusted earnings per share, realized metal prices, C1 cash cost (C1), and all-in sustaining cost (AISC) are non-GAAP ratios, and do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See “Regulatory Disclosures”.

## CONSOLIDATED OPERATING HIGHLIGHTS

	QUARTERLY		
	Q1 2022	Q4 2021	Q1 2021
Copper production (tonnes) <sup>1</sup>	182,210	201,823	205,064
Copper sales (tonnes)	196,702	213,087	210,734
Gold production (ounces)	70,357	74,945	78,048
Gold sales (ounces) <sup>2</sup>	76,195	79,403	77,391
Nickel production (contained tonnes)	5,122	3,385	4,642
Nickel sales (contained tonnes)	4,350	3,756	2,357

## CONSOLIDATED FINANCIAL HIGHLIGHTS

	QUARTERLY		
	Q1 2022	Q4 2021	Q1 2021
Sales revenues <sup>3</sup>	2,163	2,061	1,622
Gross profit	908	784	540
Net earnings attributable to shareholders of the Company	385	247	142
Basic earnings per share	\$0.56	\$0.36	\$0.21
Diluted earnings per share	\$0.56	\$0.36	\$0.21
Cash flows from operating activities	666	760	743
Net debt <sup>6</sup>	5,815	6,053	7,062
EBITDA <sup>4,5</sup>	1,180	1,085	811
Adjusted earnings <sup>4</sup>	480	306	150
Adjusted earnings per share <sup>7</sup>	\$0.70	\$0.44	\$0.22
Cash cost of copper production (C1) (per lb) <sup>7</sup>	\$1.61	\$1.39	\$1.24
Total cost of copper production (C3) (per lb) <sup>7</sup>	\$2.65	\$2.39	\$2.10
Copper all-in sustaining cost (AISC) (per lb) <sup>7</sup>	\$2.27	\$2.05	\$1.72
Realized copper price (per lb) <sup>7</sup>	\$4.45	\$4.08	\$3.25
Net earnings attributable to shareholders of the Company	385	247	142
Adjustments attributable to shareholders of the Company:			
Adjustment for expected phasing of Zambian value-added tax ("VAT") receipts	22	(2)	(8)
Loss on redemption of debt	-	21	-
Total adjustments to EBITDA <sup>4</sup> excluding depreciation <sup>5</sup>	103	49	12
Tax and minority interest adjustments	(30)	(9)	4
Adjusted earnings <sup>4</sup>	480	306	150

<sup>1</sup> Production is presented on a contained basis, and is presented prior to processing through the Kansanshi smelter.

<sup>2</sup> Excludes refinery-backed gold credits purchased and delivered under the precious metal streaming arrangement (see "Precious Metal Stream Arrangement").

<sup>3</sup> Delivery of non-financial items (refinery-backed gold and silver credits) into the Company's precious metal stream arrangement have been netted within sales revenues rather than included in cost of sales. The quarter ended March 31, 2021 has been revised to reflect this change. Sales revenues and cost of sales for the quarter ended March 31, 2021 have been reduced by \$56 million compared to the Q1 2021 reported values (see "Precious Metal Stream Arrangement").

<sup>4</sup> EBITDA and adjusted earnings are non-GAAP financial measures, which do not have a standardized meaning under IFRS and might not be comparable to similar financial measures disclosed by other issuers. Adjusted earnings and EBITDA were previously named comparative earnings and comparative EBITDA, respectively, and the composition remains the same. Adjusted earnings have been adjusted to exclude items from the corresponding IFRS measure, net earnings attributable to shareholders of the Company, which are not considered by management to be reflective of underlying performance. The Company has disclosed these measures to assist with the understanding of results and to provide further financial information about the results to investors and may not be comparable to similar financial measures disclosed by other issuers. The use of adjusted earnings and EBITDA represents the Company's adjusted earnings metrics. See "Regulatory Disclosures".

<sup>5</sup> Adjustments to EBITDA in 2022 relate principally to foreign exchange revaluations and non-recurring costs relating to previously sold assets (2021 - foreign exchange revaluations).

<sup>6</sup> Net debt is a supplementary financial measure, which does not have a standardized meaning under IFRS, and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

<sup>7</sup> Adjusted earnings per share, realized metal prices, copper all-in sustaining cost (copper AISC), copper C1 cash cost (copper C1), and total cost of copper (copper C3) are non-GAAP ratios which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

## ENVIRONMENT, SOCIAL AND GOVERNANCE

### Governance

In its proxy statement published in March 2022, the Company announced the recommendation of Alison Beckett to the Board of Directors. If approved at the AGM, her appointment will continue the process of the Board renewal with five new directors being appointed in the past four years, 60% of whom are women. This would bring the Company's female board representation to 30%, a significant step towards the objective of having one third of the Company's board positions held by women.

The Company continues to focus on inclusion and diversity across the business and actively runs training and development programs designed to improve diversity and local workforce representation and advancement.

### Reporting

Details of the Company's Environment, Social and Governance ("ESG") reporting, including the Company's primary ESG report, the annual Environment, Safety and Social Data Report, policies and related programs, including the Taskforce on Climate-related Financial Disclosure ("TCFD")-aligned Climate Change Report, policies and data can be found at: <https://www.first-quantum.com/English/sustainability/default.aspx>

### Greenhouse gas reduction actions

The Company published its TCFD-aligned Climate Change Report in January 2022, which outlined targets for greenhouse gas ("GHG") emissions reductions. First Quantum aims to reduce absolute Scope 1 and Scope 2 emissions by 30% by 2025 and the absolute and intensity of Scope 1 and 2 emissions by 50% by 2030. These targets are based on commercially available solutions and projects with an identified pathway to achievement.

In March 2022, the Company announced work on a 430MW wind and solar project in Zambia that is expected to allow the Kansanshi and Trident operations to increase the renewable power above the current level of 80%, which is predominantly hydroelectric power. First Quantum will work with Total Eren and Chariot Transitional Power, who plan to develop, finance, build and operate the project. It is expected that power will be provided by a 230 MW solar photovoltaic plant and a 200 MW wind farm. Total Eren is a leading renewable energy Independent Power Producer and Chariot Transitional Power is an African-focused transitional energy group.

First Quantum will also continue to prioritize the innovation and development of new mining technologies for optimizing productivity, profitability and reducing environmental impact.

### Investment in people

The Company has reiterated its commitment to the workforce with the approval of further investments to enhance social infrastructure. At Trident, the Company has approved the construction of an additional 800 rooms in Kalumbila Town, which will serve both our workforce and the local community. At Cobre Panama, the Company continues to invest in the workforce following the pandemic, and has approved the construction of an additional 11 permanent accommodation blocks, adding to the 14 that have recently been completed or are close to completion.

### Health & Safety

The health and safety of the Company's employees and contractors is our top priority and the Company is focused on the continual strengthening and improvement of the safety culture at all of our operations. The Lost Time Injury Frequency Rates

("LTIFR") is an area of continued focus and a key performance metric for the Company. Our rolling 12-month LTIFR is 0.04 per 200,000 hours worked as of March 31, 2022 (2021: 0.08).

## COVID-19

In the first quarter of 2022, there has been a marked drop in COVID-19 cases across our sites globally, with the exception of our Australian sites who are feeling the effects of the Western Australia border reopening in March. The surge in COVID-19 cases in Western Australia has resulted in additional labour shortages in Ravensthorpe. Overall, operations are still experiencing a backlog on truck maintenance following previous restrictions on labour and resources during the COVID-19 pandemic and this may take several months to resolve. The Company's priority remains the health and safety of the workforce and surrounding communities. The Company's focus this quarter has been to promote third vaccination booster shots, reinforce antigen and antibody testing and continue to inform workers and the community of COVID-19 prevention measures.

Based on government health authority recommendations, site restrictions are being lifted and international travel has become easier.

## LOGISTICS AND SHIPPING

The Company managed various logistical challenges that presented during the quarter, including those related to the worldwide constraints that the container shipping sector experienced over the majority of 2021, and have continued, albeit at a lesser level, into 2022, as well as specific challenges relating to bottlenecks and other delays at border crossings and ports. Given the current events with the Ukraine conflict and COVID-19 restrictions in China, and most recently the flooding in Durban, the shipping environment and inland logistics remain challenging and continue to impact sales volumes.

Port congestion at the South African ports and the tight availability of containers led to some delays and disruptions, impacting the sales and shipments of Zambian anode. This, coupled with increases in fuel prices resulted in higher freight costs overall. In comparison, the bulk shipping sector has been less affected, although the increases in fuel prices has translated into higher freight costs. These increases have been partially offset by a slight improvement in vessel availability. Concentrates from Cobre Panama, Guelb Moghrein and Çayeli are shipped in bulk. The Company has also experienced some minor disruptions and additional costs on freight shipments out of Asia.

The Company has been able to adequately manage road haulage in the regions where significant inputs and products are hauled by road, although road haulage costs were up in this first quarter, due to higher fuel prices.

## COST INFLATION

The conflict in Ukraine and the associated wide-reaching sanctions imposed upon Russia has led to sustained higher energy and commodity prices. These increases have further contributed to the global inflationary environment since the Company provided three-year guidance in January 2022. For the Company, various inputs and operational costs have increased and may increase further. These include costs for fuel, explosives, sulphur, freight, reagents and steel. Such inflationary pressures have currently added approximately \$0.10 per lb to monthly copper C1 cash costs<sup>1</sup> and approximately \$0.50 per lb to monthly nickel C1 cash costs<sup>1</sup>.

## DEVELOPMENT PROJECTS

### Brownfield Projects

#### CP100 Expansion

The CP100 Expansion to 100 million tonne per annum ("Mtpa"), including the addition of a sixth ball mill and other process plant facilities and infrastructure upgrades, is well underway. In the first quarter of 2022, the Company took delivery of 6 out of 8 additional ultra-class haul trucks with the remaining two to be delivered during the second quarter of 2022. These units will

<sup>1</sup> C1 cash cost (C1) is a non-GAAP ratio, and does not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

support an additional rope shovel, which is expected to become operational during the second half of 2022. As part of the expansion plan, pre-strip work for the Colina pit and earthworks for the associated overland conveyor and in-pit crushing facility have commenced and are expected to continue throughout 2022 and 2023. Completion of construction works and commencement of commissioning is targeted for 2023 to allow for a ramp up of production over the course of the year and achieve a throughput rate of 100 Mtpa at the end of 2023. Negotiations for the third party supply of 60-80MW of renewable electricity for the CP100 Expansion continue.

### S3 Expansion

The S3 Expansion is awaiting Board approval. As the Kansanshi pits expand, the volume of near-surface high-grade oxide ore continues to decrease, whilst the proportion of primary sulphide ores increases with depth. The S3 Expansion is expected to transition Kansanshi away from the current, more selective high-grade medium scale operation to a medium-grade, much larger scale mining operation. The NI 43-101 Technical Report filed on September 14, 2020 includes the plan for a 25 Mtpa expansion of the sulphide ore processing facility, increasing annual throughput to 53 Mtpa. The S3 Expansion would also involve a new larger mining fleet, and combined with the standalone 25 Mtpa processing plant, is expected to create efficiencies and economies of scale. The majority of the capital spend on the S3 Expansion is proposed for 2023-2024.

In parallel with the expansion of the mine and processing facilities, the Company plans to increase throughput capacity of the Kansanshi smelter to 1.65 Mtpa from the current capacity level of 1.38 Mtpa. The capacity increase would be achieved partly through enhancing copper concentrate grades by lowering the carbon and pyrite content of the Kansanshi and Sentinel concentrate feeds and de-bottlenecking the gas handling circuit, including incorporating a new acid plant. Concentrate processing capacity is expected to be further expanded through modifications to the existing high-pressure leach ("HPL") circuit. In addition to increased capacity, the smelter expansion is expected to create greater flexibility should smelter capacity constraints in the Zambian Copperbelt arise, as well as reduce downstream Scope 3 GHG emissions from the transport and refining of copper concentrate at third party smelters.

The S3 Expansion remains subject to Board approval and discussions with the Zambian government to implement the appropriate measures to support the S3 Expansions are ongoing.

### Enterprise

The Enterprise project is awaiting Board approval. Enterprise is a nickel deposit located 12 kilometres away from Sentinel in the North Western Province of Zambia, with Proven and Probable Mineral Reserves amounting to 34.7 million tonnes (including 9.6 million tonnes of Proven Mineral Reserves and 25.1 million tonnes of Probable Reserves) at 0.99% nickel. It is expected to be a low-cost, high-grade nickel sulphide project. Due to the proximity of the project to Sentinel, the project benefits from shared existing infrastructure and a skilled workforce already in place at Sentinel.

Several key preparatory activities were completed in 2021, being focused on water management facilities and early pre-strip works. A reverse circulation drilling campaign which targeted the improvement of the upper parts of the geological model was completed and provided samples for further confirmatory geometallurgical test work. Surface water control dams, installation of the water treatment facilities, in-pit water pumping and pipelines, and a power line extension from Sentinel to Enterprise were also completed in 2021.

Subject to Board approval, the main workstream to bring Enterprise online, the pre-strip of the mine, is expected to take 12 months. In parallel, mine facilities would be installed including the satellite administration office, workshop, fuel storage and other facilities. The ROM pad will be constructed and the haul road upgraded. Plant refurbishment, completion and commissioning would also be undertaken during this period. These works are estimated to cost \$60 million, which has been included in guidance.

Assuming Board approval is obtained, initial nickel production from Enterprise is expected within six months of first ore.

### Las Cruces Underground Project

The Las Cruces project is awaiting Board approval, which is not expected until early 2023.

Las Cruces successfully operated its open-pit mine and hydrometallurgical plant over the last 12 years. Although the mine has depleted the secondary sulphide resources and reserves from the previously published NI 43-101 Technical Report dated June 2015, the Company has recently published an updated technical report dated January 17, 2022 with an updated Mineral Resource estimate of 41.2 million tonnes of Measured and Indicated Mineral Resources, which includes 5.02 million tonnes of Indicated Mineral Resources tabled as stockpiles. There is an additional 7.1 million tonnes of Inferred Mineral Resources. Further detailed

technical work is being conducted to convert Mineral Resources to Mineral Reserves as part of the Las Cruces Underground Project.

In 2021, the Las Cruces mine transitioned from open-pit mining to the re-processing of high-grade tailings, which is expected to continue until 2023. This retreatment project produces low-cost copper as work on the Las Cruces Underground Project advances. The proposed underground project involves supplementing the existing copper facilities at Las Cruces with new processing capacity for zinc, silver and lead. These new facilities are required, as the underground project will mine the Polymetallic Primary Sulfide (“PPS”) ore body, which is below the mined-out secondary copper sulphide ore body.

Work in 2022 is planned to focus on advancing the design of the underground mine and plant, obtaining the water concession and release of an initial reserve. Given the work still required, the project is not included in guidance, however, management is planning for completion of all technical and permitting work in 2022.

## Greenfield Projects

### Taca Taca

Taca Taca, located in the Salta province of Argentina, is the more advanced of the two greenfield projects and is one of the largest, highest quality copper projects globally. It will consist of a large open-pit copper mine and ore processing plant to produce up to 275,000 tonnes per year of copper along with gold and molybdenum by-products. With an initial mine life of 32 years, a large resource base, and C1 cash costs<sup>1</sup> of less than \$1.40 per lb, Taca Taca is projected to be both long-life and low-cost.

In addition to the mining and processing facilities, the project incorporates waste rock and tailings storage facilities, a new electrical transmission line of 125 kilometres, and planned water supply from regional borefields that are hydrologically separate from community water sources. Project infrastructure also includes new access roads and rehabilitation and upgrades to existing railway line. Power supply options are available to source up to 100 percent of the project’s electricity needs from renewable or from a combination of renewable and Argentinian natural gas. GHG emissions could be further reduced through application of the Company’s industry-leading electric trolley assist for haul trucks.

The Company is continuing with the project pre-development and feasibility activities. The primary Environmental and Social Impact Assessment (“ESIA”) for the project, which covers the principal proposed project sites, was submitted to the Secretariat of Mining of Salta Province in 2019 and approval of the ESIA is anticipated in late 2022. Two additional environmental permits were filed with the relevant authorities during the second quarter of 2021, including one for the transmission line to connect the project to the national electrical grid, and another for the proposed bypass and access road construction for the project. These are expected along a similar timeline to the primary mine site ESIA.

The project will also require approval of a concession for borefield water supply and is completing additional water supply studies and pump tests in 2022 in advance of the permit application.

A Board decision to advance the Taca Taca project is not expected before 2024 or 2025.

### Haquira

Haquira is located in the Apurímac region of Peru, and is a longer-dated greenfield project for the Company. Following a period of establishing environmental baseline monitoring processes, a program of 35,000 metres of diamond drilling is planned to commence in 2022, subject to signing land access agreements with communities, and is expected to continue for about two years. The program is intended to upgrade resource confidence and assist with mine planning and scheduling. In parallel with the drill planning, a dialogue with community leaders at Haquira has been underway for several months and will continue as drilling progresses.

## EXPLORATION

The Company’s global exploration program is focused on identifying high-quality porphyry and sediment-hosted copper deposits in prospective belts around the world.

<sup>1</sup> C1 cash cost (C1) is a non-GAAP ratio, and does not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See “Regulatory Disclosures”.

The Company is engaged in the assessment and early stage exploration of a number of properties around the world, particularly focused on the Andean porphyry belt of Argentina, Chile, Peru, Ecuador and Colombia, as well as specific targets in other jurisdictions including Finland and Australia. Near-mine exploration programs are restricted to Las Cruces in Spain, Çayeli in Turkey, as well as on satellite targets around Kansanshi in Zambia. Some encouraging targets are emerging from reconnaissance surveys around Las Cruces and Çayeli with follow-up drill testing planned during the year.

During the quarter, reconnaissance surveys were conducted on greenfield targets in Peru, Chile, and Zambia as well as early phase drilling on targets in northern Finland. More substantial drill programs are active on a copper-gold porphyry prospect in Argentina and a zinc project in Turkey.

## OTHER DEVELOPMENTS

### Zambian Tax Regime

The 2022 National Budget, presented on October 29, 2021, reintroduced the corporate tax deductibility of mineral royalties in Zambia. These measures were enacted into law, effective January 1, 2022.

Royalty rates remain unchanged.

It was also announced in the 2022 National Budget that the Government of the Republic of Zambia (“GRZ”) intends that mineral royalty tax determination will be amended to be on an incremental basis in the medium term. No further information is currently available on the details or timing of this proposed change.

### Zambian VAT

During the quarter ended March 31, 2022, the Company was granted offsets of \$20 million with respect to VAT receivable balances. In the same period of 2021, offsets of \$17 million were granted. With a weakening of the Zambian Kwacha (“ZMW”) during the year, an unrealized foreign exchange loss of \$61 million was recognized. For a detailed summary of the VAT receivable balance due to the Company’s Zambian operations please see “*Zambian VAT*” on page 35.

### Zambian Power Supply

Water levels at the Kariba Dam have been oscillating between 20-24% of useable storage since December 2021, with lower than average rainfall experienced during the rainy season. No power restrictions are expected for the Zambian mining operations.

### Panama Law 9 Update

In July 2021, the Government of Panama (“GOP”) announced the appointment of a high-level commission of senior government ministers and officials, chaired by the Minister of Commerce, to discuss the Company’s concession contract. In September 2021, the Supreme Court upheld its ruling in respect of the clarification motions presented by the Company to the Court in relation to its Law 9 decision announced in September 2018 and the ruling was gazetted in the fourth quarter. We understand that the upholding of the unconstitutionality ruling against Law 9 of 1997 does not have retroactive effects, pursuant to article 2573 of the Code of Judicial Proceedings of Panama, therefore the approval of the mining concession contract which occurred in 1997 with the enactment of Law 9, remains unaltered, providing operational continuity as per status quo. In September 2021, the Ministry of Commerce publicly announced the culmination of the high-level formal discussions on two topics being environmental and labour matters. Subsequently, discussion on the economic and tax aspects was ensued and GOP presented proposals which were unacceptable to Company. On December 22, 2021, the unconstitutionality ruling was gazetted, after the requests for clarification submitted by MPSA had been deemed inadmissible in July 2021.

During January 2022, the GOP tabled a new proposal and the commission reached an agreement in principle on certain items, namely that the GOP should receive \$375 million in benefits per year from Cobre Panama and that the existing revenue royalty will be replaced by a gross profit royalty. The parties continue to finalize the details behind these principles, including the appropriate mechanics that would achieve the desired outcome, the necessary protections to the Company’s business for downside copper price and production scenarios and ensuring that the new contract and legislation are both durable and sustainable.

Once an agreement is concluded and the full contract is documented, it is expected that the newly drafted legislation would be put to the Panamanian National Assembly. The Company welcomes the transparency of the robust ministerial commission process and is hopeful that this matter can be concluded shortly.

## GUIDANCE

Guidance provided below is based on a number of assumptions and estimates as of March 31, 2022, including among other things, assumptions about metal prices and anticipated costs and expenditures. Guidance involves estimates of known and unknown risks, uncertainties and other factors, which may cause the actual results to be materially different. The challenges presented by COVID-19 pose some additional risk to the accuracy of forward looking information. Production guidance and cost guidance includes current assumptions on the impact of COVID-19 on operations as well as inflationary pressures and constraints arising from the Ukraine conflict.

Different factors at each of the main operating mines contributed, to varying degrees, to a reduction in grade, from the first quarter of 2021. Grades at both Cobre Panama and Sentinel are expected to return to planned levels over the coming months, resulting in improved production levels over the course of the year. Whilst grade was lower at Cobre Panama due to quarterly variations, full year grades are expected to be consistent with full year 2021. Cobre Panama and Sentinel's mine production of ore and waste was also behind the budgeted schedule in the first quarter of 2022, largely due to truck availability and a backlog of truck maintenance. This was a direct impact of labour restrictions and resources during the COVID-19 pandemic, which is now subsiding. The catch up on truck maintenance may take several months to resolve. Sentinel's copper production was also impacted by wet underfoot ground conditions with an extended rain season, which constrained the planned waste stripping and delayed access to high grade ore. Grades at Sentinel are expected to improve in the second half of 2022. Kansanshi's production was impacted by a reduction in grades and this is likely to continue for the remainder of the year, with full year grades lower than last year.

Total copper production guidance has been lowered to between 790,000 and 855,000 tonnes, with Kansanshi's range decreasing from between 190,000 and 210,000 tonnes to between 175,000 and 195,000 tonnes, and Sentinel's range decreasing from a range of between 260,000 and 280,000 tonnes to a range of between 250,000 and 265,000 tonnes. Other sites guidance have been increased by 5,000 to 35,000 tonnes.

Total gold production guidance remains unchanged.

Copper C1 cash cost<sup>1</sup> guidance range has been increased to between \$1.45 per lb and \$1.60 per lb. This is the result of global cost inflationary pressures experienced, particularly across explosives, fuel, freight, reagents and steel prices. AISC<sup>1</sup> cost guidance has been increased to between \$2.15 per lb and \$2.30 per lb, reflecting the C1<sup>1</sup> cost pressures and the impact of the increased Zambian royalty expense following rises in metal prices.

Ravensthorpe nickel production remains unchanged while nickel C1 cash cost<sup>1</sup> guidance has been increased to between \$6.25 per lb and \$7.00 per lb and AISC<sup>1</sup> guidance has increased to between \$7.50 per lb and \$8.50 per lb. The increase accounts for the higher sulphur price environment and higher nickel price impact on royalties.

Guidance for total capital expenditure remains unchanged at \$1,250 million.

## PRODUCTION GUIDANCE

000's	2022 Previous Guidance	2022 Updated Guidance
Copper (tonnes)	810 – 880	790 – 855
Gold (ounces)	285 – 310	285 – 310
Nickel (contained tonnes)	25 – 30	25 – 30

<sup>1</sup> C1 cash cost (C1), and all-in sustaining cost (AISC) are non-GAAP ratios, and do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

(in United States dollars, tabular amounts in millions, except where noted)

## PRODUCTION GUIDANCE BY OPERATION<sup>1</sup>

	2022 Previous Guidance	2022 Updated Guidance
<b>Copper production guidance (000's tonnes)</b>		
Cobre Panama	330 – 360	330 – 360
Kansanshi	190 – 210	175 – 195
Sentinel	260 – 280	250 – 265
Other sites	30	35
<b>Gold production guidance (000's ounces)</b>		
Cobre Panama	135 – 150	135 – 150
Kansanshi	120 – 130	120 – 130
Other sites	30	30
<b>Nickel production guidance (000's contained tonnes)</b>		
Ravensthorpe	25 – 30	25 – 30

## CASH COST<sup>2</sup> AND ALL-IN SUSTAINING COST<sup>2</sup>

<b>Copper</b>	2022 Previous Guidance	2022 Updated Guidance
C1 <sup>2</sup> (per lb)	\$1.30 – \$1.50	\$1.45 – \$1.60
AISC <sup>2</sup> (per lb)	\$1.90 – \$2.05	\$2.15 – \$2.30
<b>Nickel</b>		
C1 <sup>2</sup> (per lb)	\$5.75 – \$6.50	\$6.25 – \$7.00
AISC <sup>2</sup> (per lb)	\$7.00 – \$7.75	\$7.50 – \$8.50

At this stage, guidance assumes no change in royalties in Panama.

<sup>1</sup> Production is stated on a 100% basis as the Company consolidates all operations.

<sup>2</sup> C1 cash cost (C1), and all-in sustaining cost (AISC) are non-GAAP ratios, and do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

## PURCHASE AND DEPOSITS ON PROPERTY, PLANT & EQUIPMENT

	2022 Previous Guidance	2022 Updated Guidance
Capitalized stripping <sup>1</sup>	250	250
Sustaining capital <sup>1</sup>	310	310
Project capital <sup>1</sup>	690	690
Total capital expenditure	1,250	1,250

Expected capital expenditure for the full year 2022 includes spend on the CP100 Expansion, which includes a sixth ball mill, secondary screening, process water works and crusher relocation as well as a fifth rope shovel, mining fleet expansion at Sentinel, and a dewatering shaft at Kansanshi. Sustaining capital expenditure<sup>1</sup> is expected to be approximately \$310 million.

Capital expenditure for the quarter ended March 31, 2022 was \$279 million.

### Interest

Interest expense on debt for the quarter ended March 31, 2022 was \$121 million. Interest expense on debt for the full year 2022 is expected to be approximately \$450 million, with the guidance lowered by \$20 million following the partial redemption of 2023 Notes in April. Interest expense on debt excludes interest accrued on related party loans to Cobre Panama and Ravensthorpe, a finance cost accreted on the precious metal streaming arrangement, capitalized interest expense and accretion on asset retirement obligation ("ARO").

In addition to interest expense on debt, finance costs in the income statement include interest accrued on related party loans to Cobre Panama and Ravensthorpe, a finance cost accreted on the precious metal streaming arrangement and ARO expense.

Cash outflow on interest paid for the three months ended March 31, 2022 was \$153 million, and is expected to be approximately \$450 million for the full year 2022. This figure excludes interest paid on related party loans to Cobre Panama and Ravensthorpe and capitalized interest paid.

Capitalized interest for the quarter ended March 31, 2022 was \$4 million and is expected to be approximately \$20 million for the full year 2022.

A significant proportion of the Company's interest expense is incurred in jurisdictions where no tax credit is recognized.

### Tax

The effective tax rate, on an adjusted basis, for the quarter ended March 31, 2022 was 25%, which included the current Law 9 legislation.

The effective tax rate for the full year 2022, including interest expense, is expected to be range between 20% - 25%, based on the current Law 9 legislation.

Discussions with the GOP continued throughout the quarter, namely that the GOP should receive \$375 million in benefits per year from Cobre Panama and that the existing revenue royalty will be replaced by a gross profit royalty. The parties continue to finalize the detail behind these principles.

### Depreciation

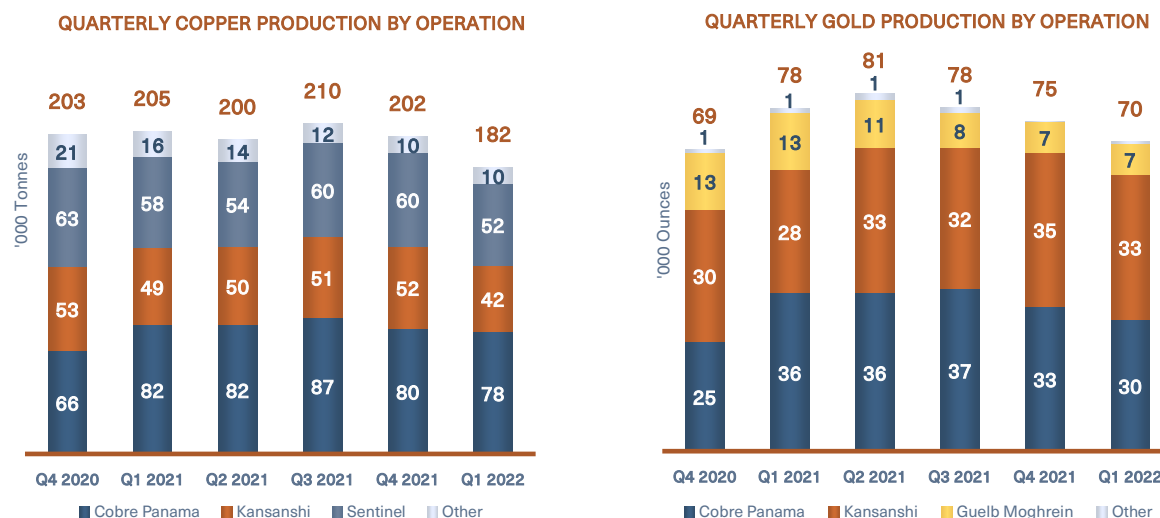
Depreciation expense for the quarter ended March 31, 2022 was \$295 million. The full year 2022 depreciation expense is expected to be between \$1,200 million to \$1,250 million.

<sup>1</sup> Capitalized stripping, sustaining capital and project capital are non-GAAP financial measures which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

## SUMMARY OPERATIONAL RESULTS

### Production

#### FIRST QUARTER



Total copper production in the first quarter of 2022 decreased by 11% to 182,210 tonnes, compared to the first quarter of 2021. The decrease in total copper production was mainly attributable to lower grades across Cobre Panama, Sentinel and Kansanshi operations despite higher throughput levels, as well as expected decreases at shorter life operations, in particular Las Cruces and Guelb Moghrein. Grades and production were also impacted at Cobre Panama and Sentinel as mine production of ore and waste was behind the budgeted schedule in the first quarter of 2022, largely due to truck availability and a backlog of truck maintenance. This was a direct impact of labour restrictions and resources during the COVID-19 pandemic, which is now subsiding. The catch up on truck maintenance may take several months to resolve.

Cobre Panama achieved record milling throughput in March 2022, at 7.6 million tonnes, offsetting the impact of lower grades in the quarter for an overall reduction in copper production of 3,705 tonnes, or 5%, when compared to the same quarter of 2021.

Kansanshi's lower grades on the oxide and mixed circuits had a further impact on recoveries, resulting in copper production being down by 14% compared to the first quarter of 2021.

Sentinel's copper production of 52,475 tonnes was 10% lower than the comparable quarter in 2021, as the wet season constrained the planned waste stripping and delayed access to higher grade ore. Improved grades are expected in the second half of 2022.

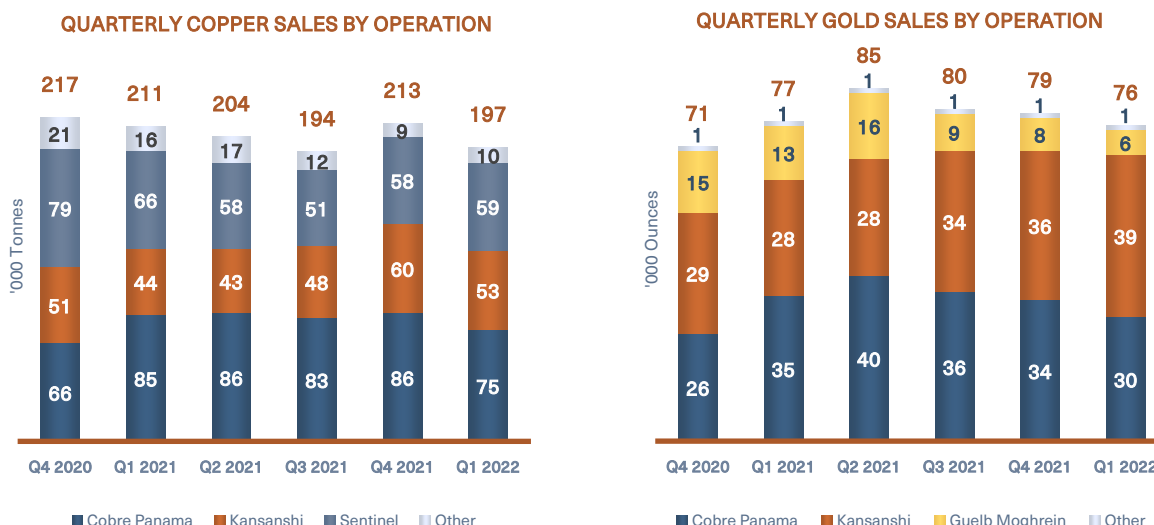
Decreases in copper production at other site operations were in line with expectations and were principally at Guelb Moghrein and Las Cruces, which saw reductions in copper production from the comparable quarter in 2021 of 3,019 tonnes and 2,448 tonnes, respectively. The Las Cruces operations has transitioned to re-processing of high-grade tailings, which have a lower grade than fresh ore and are not capable of comparable levels of recoveries.

Gold production was 10% lower than the same quarter of 2021, due to lower production at Cobre Panama and Guelb Moghrein operations. This was offset by an increase in production at Kansanshi, attributable to the operational improvements.

Ravensthorpe produced 5,122 contained tonnes of nickel, a 10% increase from the comparable quarter of 2021, despite production being limited in early January by a plant shutdown between mid-December 2021 and mid-January 2022.

## Sales Volumes

### FIRST QUARTER



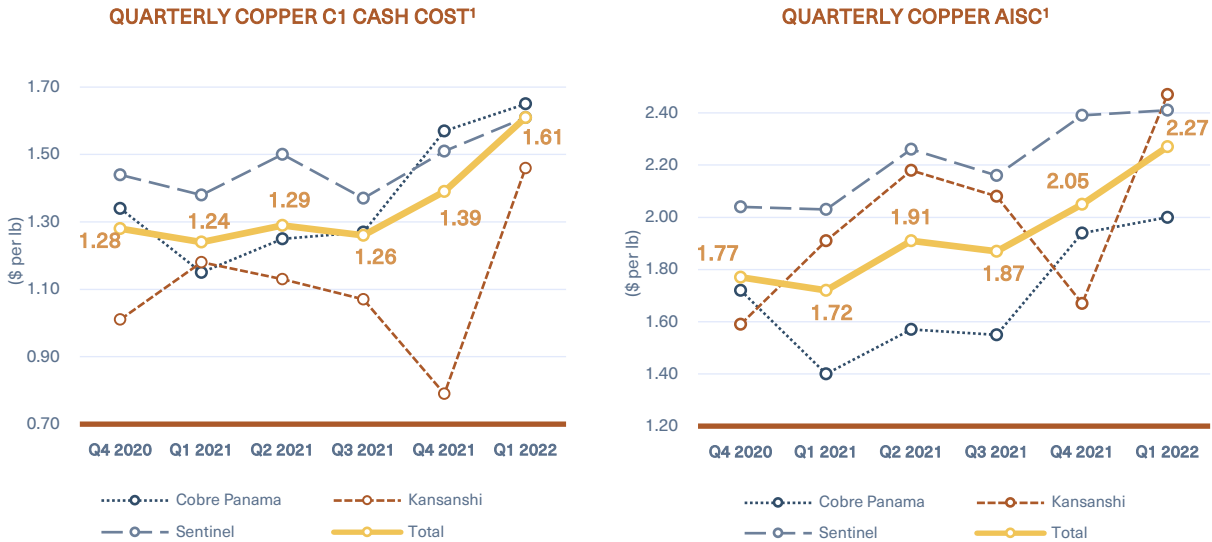
Total copper sales volumes of 196,702 tonnes for the first quarter of 2022 were 7% lower than the same period in 2021, due to prevailing shipping challenges (see *“Logistics and Shipping”*). Despite these constraints, sales exceeded production levels by 14,492 tonnes, with lower closing inventory levels at Zambian operations in particular. Çayeli, which had a shipment from the fourth quarter of 2021 deferred to the first quarter of 2022, and Kansanshi, have increased copper sales from the same quarter last year. Sales volumes for other operations were lower, reflecting timing of shipments as well as lower production.

Gold sales volumes of 76,195 ounces for the first quarter of 2022 were comparable to the first quarter of 2021 despite the lower production, as increased sales of Kansanshi’s copper anodes led to higher gold in anode sales, accompanied by higher doré sales.

Nickel sales volumes were relatively high during the quarter at Ravensthorpe with 4,350 contained tonnes sold for the quarter, an 85% increase compared to the same quarter of 2021, which was impacted by shipping congestion. This challenge continues and was further impacted by severe flood events in Australia in the first quarter of 2022.

## Cash Costs<sup>1</sup>

### FIRST QUARTER



Total copper C1 cash cost<sup>1</sup> of \$1.61 per lb for the first quarter of 2022 was \$0.37 per lb higher than the same quarter of 2021, driven in particular by higher fuel, freight, steel and explosives costs, together with the impact of higher power costs at Cobre Panama in January and Las Cruces for the quarter, as well as the impact of the lower overall production.

For these reasons, Kansanshi's copper C1 cash cost<sup>1</sup> of \$1.46 per lb increased by \$0.28 per lb compared to the same quarter in 2021, whilst Sentinel's was \$0.23 per lb higher at \$1.61 per lb.

Cobre Panama's copper C1 cash cost<sup>1</sup> of \$1.65 per lb was \$0.50 per lb higher than the comparable quarter of 2021, were further impacted by the purchase of electricity during the maintenance of its power plant in January 2022, which was completed late January 2022. During the period of maintenance, electricity was purchased from the grid at spot rates, which were elevated due to relatively low rainfall during the period. A collar structure for coal purchases is currently in place with the ceiling price already exercised for July 2021 onwards, thereby limiting exposure to further increases in the coal price until the end of 2023.

Guidance for full year C1 cash cost<sup>1</sup> has been increased to a range of \$1.45 per lb to \$1.60 per lb to reflect global inflationary pressures on fuel, freight, steel, electricity, and explosive costs.

Total copper AISC<sup>1</sup> of \$2.27 per lb was \$0.55 per lb higher than the same quarter of 2021, resulting from the higher copper C1 cash costs<sup>1</sup> and higher royalty costs arising from higher copper prices. Capitalized stripping costs<sup>2</sup> and sustaining capital expenditure<sup>2</sup> were also higher than the comparable quarter end in 2021.

Guidance for full year AISC<sup>1</sup> has been increased to a range of \$2.15 per lb to \$2.30 per lb to reflect higher royalty costs arising from higher copper prices as well as higher C1 cash costs<sup>1</sup>.

*Please see the appendices from page 47 onwards for further details on production and sales volumes by operation as well as sales revenues and cash costs.*

<sup>1</sup> Copper C1 cash cost (copper C1), and copper all-in sustaining costs (copper AISC) are non-GAAP ratios which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

<sup>2</sup> Sustaining capital expenditure and capitalized stripping are non-GAAP financial measures, which do not have standardized meanings prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

## OPERATIONS REVIEW

### Cobre Panama

	QUARTERLY		
	Q1 2022	Q4 2021	Q1 2021
Waste mined (000's tonnes)	13,105	12,504	12,674
Ore mined (000's tonnes)	25,050	24,243	24,817
Copper ore milled (000's tonnes) <sup>1</sup>	20,655	20,672	19,628
Copper ore grade processed (%)	0.42	0.42	0.46
Copper recovery (%)	91	92	90
Concentrate grade (%)	27.0	27.5	26.8
Copper production (tonnes)	78,337	80,030	82,042
Copper sales (tonnes)	74,885	86,112	85,288
Gold production (ounces)	29,947	32,800	35,898
Gold sales (ounces) <sup>2</sup>	30,168	34,409	35,198
Silver production (ounces)	630,628	634,396	623,451
Silver sales (ounces) <sup>2</sup>	609,193	675,450	647,422
Copper all-in sustaining cost (AISC) (per lb) <sup>3</sup>	\$2.00	\$1.94	\$1.40
Copper cash cost (C1) (per lb) <sup>3</sup>	\$1.65	\$1.57	\$1.15
Total copper cost (C3) (per lb) <sup>3</sup>	\$2.66	\$2.55	\$1.97
Financial Results (\$ millions)			
Copper in concentrates	697	773	672
Gold – precious metal stream ongoing cash payments	11	13	12
Gold – other cash	4	3	8
Silver – precious metal stream ongoing cash payments	2	2	3
Silver – other cash	5	5	6
Gold and silver - non cash amortization	22	25	23
Total sales revenues <sup>4</sup>	741	821	724
Gross profit	301	336	332
EBITDA <sup>5</sup>	441	488	464

<sup>1</sup> Measured in dry metric tonnes ("DMT").

<sup>2</sup> Excludes refinery-backed gold and silver credits purchased and delivered under the precious metal streaming arrangement (see "*Precious Metal Stream Arrangement*").

<sup>3</sup> Copper all-in sustaining costs (copper AISC), copper C1 cash cost (copper C1), and total copper cost (copper C3) are non-GAAP ratios, and do not have standardized meanings under IFRS and might not be comparable to similar measures disclosed by other issuers. See "*Regulatory Disclosures*" for further information.

<sup>4</sup> Sales revenues and cost of sales for the quarter ended March 31, 2021 have been reduced by \$56 million from Q1 2021 reported values as refinery-backed gold and silver credits on the Company's precious metal stream arrangement are now netted within sales revenues rather than included in cost of sales (see "*Precious Metal Stream Arrangement*").

<sup>5</sup> EBITDA is a non-GAAP financial measure, and does not have standardized meanings under IFRS and might not be comparable to similar measures disclosed by other issuers. See "*Regulatory Disclosures*" for further information.

## First Quarter

During the quarter, 20.7 million tonnes of ore with an average head grade of 0.42% were processed, achieving recoveries of 91%. In March, a record mill throughput of 7.6 million tonnes was achieved, driven by fine blasting fragmentation and steady performance across all three milling circuits. The lower head grade compared to the same period in the previous year accounted for the 5% lower copper production. Grades were also impacted by truck availability and a backlog of truck maintenance, following previous restrictions on labour and resources due to the COVID-19 pandemic. Restrictions are now subsiding but it may take several months to catch up on the maintenance program. Mined tonnes remain consistent with last year's production level, with 2.3 million tonnes of waste mined from the Colina pit (Q1 2021: nil).

Copper AISC<sup>1</sup> and copper C1 cash cost<sup>1</sup> of \$2.00 per lb and \$1.65 per lb, respectively, were \$0.60 per lb and \$0.50 per lb higher than the same quarter in 2021. The main drivers of the increase were electricity purchasing costs in January during the power plant shutdown, along with price increases for key consumables including fuel, steel for grinding media and liners, and explosives costs, and higher freight costs. During the period of maintenance to the power plant, electricity was purchased from the grid at spot rates, which were elevated due to relatively low rainfall during the period and high spot prices for diesel and bunker fuel generators, which impacted the copper C1 cash cost<sup>1</sup>. The power plant maintenance was completed in late January 2022. A collar structure for coal purchases is currently in place with the ceiling price already exercised for July 2021 onwards, thereby limiting exposure to further increases in the coal price until the end of 2023.

Sales revenues for the quarter were \$741 million, compared to \$724 million during the same quarter of 2021, which represents an improvement of \$17 million, or 2%, for the current reporting quarter as a result of the favorable copper price, partially offset by lower sales volumes.

Gross profit of \$301 million for the quarter was \$31 million, or 9%, lower than the comparable period in 2021, reflecting lower sales volumes and higher operating costs.

## Outlook

For 2022, Cobre Panama is expected to achieve between 85 million and 90 million tonnes of mill throughput and annual production of between 330,000 and 360,000 tonnes of copper and between 135,000 and 150,000 ounces of gold. Full year 2022 grades and recoveries are expected to be consistent with 2021, with some fluctuation from quarter to quarter.

The operation continues to work towards improving throughput and finding efficiencies, with a focus on managing costs. In addition, Cobre Panama has committed to invest in new facilities and accommodation upgrades to allow more staff to be accommodated on site in improved conditions.

<sup>1</sup> Copper C1 cash cost (copper C1), and copper all-in sustaining costs (copper AISC) are non-GAAP ratios which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

## Kansanshi

	QUARTERLY		
	Q1 2022	Q4 2021	Q1 2021
Waste mined (000's tonnes)	16,592	14,100	12,511
Ore mined (000's tonnes)	8,009	10,309	7,519
Sulphide ore milled (000's tonnes) <sup>1</sup>	3,423	3,341	3,276
Sulphide ore grade processed (%)	0.85	0.95	0.82
Sulphide copper recovery (%)	91	90	93
Sulphide concentrate grade (%)	22.7	23.3	23.2
Mixed ore milled (000's tonnes) <sup>1</sup>	1,649	1,866	1,893
Mixed ore grade processed (%)	0.67	0.93	0.92
Mixed copper recovery (%)	79	81	87
Mixed ore concentrate grade (%)	19.9	22.0	23.0
Oxide ore milled (000's tonnes) <sup>1</sup>	1,852	1,788	1,672
Oxide ore grade processed (%)	0.61	0.80	0.71
Oxide copper recovery (%)	66	68	76
Oxide concentrate grade (%)	13.9	16.9	19.5
Copper production (tonnes) <sup>2</sup>	41,899	51,939	48,893
Copper smelter			
Concentrate processed <sup>3</sup>	337,352	364,031	329,862
Copper anodes produced (tonnes) <sup>3</sup>	77,314	85,484	81,685
Smelter copper recovery (%)	96	97	98
Acid tonnes produced (000's)	328	350	328
Copper sales (tonnes) <sup>4</sup>	53,240	59,872	44,274
Gold production (ounces)	32,640	34,546	28,462
Gold sales (ounces)	38,828	36,295	27,510
Copper all-in sustaining cost (AISC) (per lb) <sup>5</sup>	\$2.47	\$1.67	\$1.91
Copper cash cost (C1) (per lb) <sup>5</sup>	\$1.46	\$0.79	\$1.18
Total copper cost (C3) (per lb) <sup>5</sup>	\$2.55	\$1.78	\$2.13
Financial Results (\$ millions)			
Copper	524	569	370
Gold	71	63	48
Other	1	1	-
Total sales revenues	596	633	418
Gross profit	278	337	174
EBITDA <sup>5</sup>	334	407	221

<sup>1</sup> Measured in dry metric tonnes ("DMT").

<sup>2</sup> Production presented on a copper concentrate basis, i.e. mine production only. Production does not include output from the smelter.

<sup>3</sup> Concentrate processed in smelter and copper anodes produced are disclosed on a 100% basis, inclusive of Sentinel and third-party concentrate processed. Concentrate processed is measured in DMT.

<sup>4</sup> Sales include third-party sales of concentrate, cathode and anode attributable to Kansanshi (excluding copper anode sales attributable to Sentinel).

<sup>5</sup> Copper all-in sustaining costs (copper AISC), copper C1 cash cost (copper C1), and total copper cost (copper C3) are non-GAAP ratios, and EBITDA is a non-GAAP financial measure, and do not have standardized meanings under IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

## First Quarter

Kansanshi experienced a relatively low production quarter, producing 41,889 tonnes of copper. Copper production was 14% lower than the same quarter of 2021, due to lower mixed and oxide grades and the resulting impacts on recovery. Gold production increased 15% compared to the same quarter of 2021 mainly as a result of operational improvements.

Copper C1 cash cost<sup>1</sup> was \$0.28 per lb higher than the comparable quarter in 2021, mainly due to lower production and underlying cost increases from higher freight, fuel and explosive prices. Copper AISC<sup>1</sup> of \$2.47 per lb was \$0.56 per lb higher than the comparable quarter in 2021, due to higher copper prices driving an increase in the royalty rate, higher capitalized stripping<sup>2</sup>, and higher copper C1 cash costs<sup>1</sup> in the quarter.

Sales revenues of \$596 million were 43% higher than the same quarter of 2021, excluding the impact of the corporate sales hedge program, reflecting higher realized copper prices<sup>1</sup> and a 20% increase in copper sales volumes during the quarter, from the sell down of inventory.

Gross profit of \$278 million was 60% higher than the comparable period in 2021, reflecting these higher sales revenues.

## Kansanshi Copper Smelter

The smelter treated 337,352 DMT of concentrate during the quarter and produced 77,314 tonnes of copper anode and 328,000 tonnes of sulphuric acid. The concentrate grade treated in the quarter was 24%.

## Outlook

Production in 2022 is expected to be between 175,000 and 195,000 tonnes of copper, and between 120,000 and 130,000 ounces of gold. Full year grades for copper are expected to be lower than the previous year.

<sup>1</sup> Copper all-in sustaining costs (copper AISC), Copper C1 cash cost (copper C1), and realized metal prices are non-GAAP ratios, do not have standardized meanings under IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

<sup>2</sup> Capitalized stripping is a non-GAAP financial measure which does not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

## Sentinel

	QUARTERLY		
	Q1 2022	Q4 2021	Q1 2021
Waste mined (000's tonnes)	23,571	24,624	24,318
Ore mined (000's tonnes)	13,893	14,863	12,960
Copper ore milled (000's tonnes) <sup>1</sup>	13,620	15,030	12,930
Copper ore grade processed (%)	0.43	0.45	0.51
Copper recovery (%)	90	89	89
Copper production (tonnes)	52,475	60,197	58,252
Concentrate grade (%)	28.4	28.0	27.4
Copper sales (tonnes)	58,550	58,087	65,682
Copper all-in sustaining cost (AISC) (per lb) <sup>2</sup>	\$2.41	\$2.39	\$2.03
Copper cash cost (C1) (per lb) <sup>2</sup>	\$1.61	\$1.51	\$1.38
Total copper cost (C3) (per lb) <sup>2</sup>	\$2.67	\$2.59	\$2.21
<b>Financial Results (\$ millions)</b>			
Sales revenues – Copper	555	527	531
Gross profit	241	233	237
EBITDA <sup>2</sup>	315	300	304

<sup>1</sup> Measured in dry metric tonnes ("DMT")

<sup>2</sup> Copper all-in sustaining costs (copper AISC), copper C1 cash cost (copper C1), and total copper cost (copper C3) are non-GAAP ratios, and EBITDA is a non-GAAP financial measure, and do not have standardized meanings under IFRS and might not be comparable to similar measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

## First Quarter

Copper production of 52,475 tonnes for the first quarter of 2022 was 10% lower than the comparable period in 2021, despite a 5% increase in throughput, as grade was 16% lower. Feed grade was impacted by a delay in the Stage 2 North-wall stripping due to wet underfoot ground conditions with an extended rain season, which has delayed access to high grade ore, with ore feed substituted with mineralized waste. Grade was also impacted by truck availability and a backlog of truck maintenance due to previous labour and resource restrictions following the COVID-19 pandemic and it may be a few months before the backlog is cleared. Commissioning of the fourth in-pit crusher was completed during the quarter.

Copper AISC<sup>1</sup> of \$2.41 per lb was \$0.38 per lb higher than the same period of 2021 due to higher stripping costs and royalties associated with the higher copper prices, as well as lower copper production. C1 cash cost<sup>1</sup> was \$0.23 per lb higher than the comparable period of 2021 reflecting lower copper production and higher freight, fuel, explosives, and mill balls costs.

Sales revenues of \$555 million were \$24 million higher than the same period in 2021 driven by higher realized copper prices<sup>1</sup> but impacted by lower copper sales volumes. Sales revenues comprise sales of both concentrate and anode, with a higher proportion of revenue realized from copper anodes.

Gross profit of \$241 million was \$4 million higher than the comparable period in 2021 reflecting higher revenues which were offset by higher freight, fuel, explosives and mill balls costs.

<sup>1</sup> Copper all-in sustaining costs (copper AISC), copper C1 cash cost (copper C1), and realized metal prices are non-GAAP ratios, do not have standardized meanings under IFRS and might not be comparable to similar financial measures or measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

## Outlook

Copper production in 2022 is expected to be between 250,000 and 265,000 tonnes.

Grade is expected to improve in the second half of 2022, as the delayed stripping of the Stage 2 North-wall is expected to have been completed, providing access to high grade ore. The successful commissioning of the fourth in-pit crusher during the quarter is expected to stabilize mine ore feed at 62 Mtpa and allow for commencement of moving in-pit crusher 2 during the fourth quarter of 2022.

## Ravensthorpe

	QUARTERLY		
	Q1 2022	Q4 2021	Q1 2021
Beneficiated ore tonnes processed (000's)	635	544	632
Beneficiated ore grade processed (%)	1.15	0.98	1.06
Nickel recovery (%)	77	74	76
Nickel production (contained tonnes)	5,122	3,385	4,642
Nickel sales (contained tonnes)	4,350	3,756	2,357
Nickel production (payable tonnes)	4,743	2,855	3,843
Nickel sales (payable tonnes)	4,037	3,175	1,969
Nickel all-in sustaining cost (AISC) (per lb) <sup>1</sup>	\$8.55	\$11.15	\$7.53
Nickel cash cost (C1) (per lb) <sup>1</sup>	\$6.78	\$10.93	\$6.39
Total nickel cost (C3) (per lb) <sup>1</sup>	\$8.45	\$12.87	\$7.94
<b>Financial Results (\$ millions)</b>			
Sales revenues	132	69	39
Gross profit (loss)	53	(25)	(5)
EBITDA <sup>1</sup>	61	(16)	-

<sup>1</sup> Nickel all-in sustaining cost (nickel AISC), nickel C1 cash cost (nickel C1), total nickel cost (nickel C3) are non-GAAP ratios, and EBITDA is a non-GAAP financial measure. These measures do not have standardized meanings under IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

## First Quarter

Nickel production in the first quarter of 2022 was 5,122 contained tonnes of nickel. Production this quarter was mainly impacted by damage to the power plant high pressure steam header on December 18, 2021, which resulted in a plant shutdown for just over three weeks. Design changes were implemented to prevent reoccurrence. Repairs were completed successfully and production resumed on January 9, 2022.

The border opened to Western Australia at the start of March for both interstate and international arrivals, however, the shortage of mining labour continues. Western Australia has felt the impact of increasing COVID-19 case numbers. The surge in COVID-19 cases has resulted in additional labour shortages due to employees and contractors completing mandatory quarantine requirements.

After a 13-month campaign, Autoclave 2 was descaled during March. The shutdown was completed successfully with lower than expected levels of scaling, but the duration was slightly longer than planned due to contract labour shortages.

Sales revenues in the first quarter of 2022 were \$132 million. The increase in revenue compared to the first quarter of 2021 was due to a 105% increase in the volume of payable nickel tonnes sold and higher net realized nickel prices<sup>1</sup>. The increase in payable nickel tonnes sold is due to an increase in production and also an improved nickel payability in 2022 sales contracts. Nickel sales during the quarter were impacted by congested shipping schedules exacerbated by severe flood events in Queensland and New South Wales.

Gross profit of \$53 million in the first quarter of 2022 was \$58 million higher than the comparable quarter, reflecting higher payable sales volumes and realized prices.

The net realized nickel price<sup>1</sup> was \$13.52 per lb for the first quarter of 2022, a 103% increase from \$6.67 per lb in the comparable period in 2021. The price rose significantly in March when trading of nickel on the LME was suspended for six business days. The nickel price averaged \$14.45 per lb during March, a 32% increase in the average price for the month of February.

Nickel C1 cash cost<sup>1</sup> of \$6.78 per lb for the first quarter of 2022 is higher than the comparable period in 2021, reflecting higher processing costs. AISC<sup>1</sup> of \$8.55 per lb for the first quarter of 2022 is higher than the same period in 2021 due to higher nickel C1 cash costs, royalties and sustaining capital expenditures<sup>2</sup>, offset by lower deferred stripping<sup>2</sup>.

## Outlook

Production guidance for 2022 remains between 25,000 and 30,000 contained tonnes of nickel.

Mining continues to be focused on optimizing the Shoemaker Levy operation. The focus for the plant remains on improving availability and operating efficiencies. Remaining major autoclave descale shutdowns in 2022 are scheduled for August and November. Ravensthorpe continues to face labour constraints due to the booming Western Australia mining industry and in the near term COVID-19 impacts.

In March 2022, the Company filed an updated NI 43-101 Technical Report for Ravensthorpe.

<sup>1</sup> Nickel all-in sustaining cost (nickel AISC), nickel C1 cash cost (nickel C1), and realized metal prices are non-GAAP ratios, and do not have standardized meanings under IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

<sup>2</sup> Sustaining capital expenditure and deferred stripping are non-GAAP financial measures which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

## Guelb Moghrein

	QUARTERLY		
	Q1 2022	Q4 2021	Q1 2021
Waste mined (000's tonnes)	1,888	2,871	549
Ore mined (000's tonnes)	27	-	1,007
Sulphide ore milled (000's tonnes) <sup>1</sup>	714	585	937
Sulphide ore grade processed (%)	0.50	0.58	0.73
Sulphide copper recovery (%)	91	76	91
Copper production (tonnes)	3,232	2,588	6,251
Copper sales (tonnes)	2,158	4,359	6,435
Gold production (ounces)	6,912	6,552	12,587
Gold sales (ounces)	5,523	8,189	13,378
Magnetite concentrate production (WMT) <sup>2</sup>	152,993	56,058	101,620
Magnetite concentrate sales (WMT) <sup>2</sup>	141,519	45,700	44,888
Copper all-in sustaining cost (AISC) (per lb) <sup>3</sup>	\$1.58	\$4.57	\$0.93
Copper cash cost (C1) (per lb) <sup>3</sup>	\$1.13	\$4.11	\$0.62
<b>Financial Results (\$ millions)</b>			
Sales revenues	46	55	77
Gross profit	10	5	32
EBITDA <sup>3</sup>	11	11	42

<sup>1</sup> Measured in dry metric tonnes ("DMT")

<sup>2</sup> Magnetite concentrate production and sales volumes are measured in wet metric tonnes ("WMT").

<sup>3</sup> Copper all-in sustaining costs (copper AISC), copper C1 cash cost (copper C1), are non-GAAP ratios, and EBITDA is a non-GAAP financial measure, and do not have standardized meanings under IFRS and might not be comparable to similar measures disclosed by other issuers. See "Regulatory Disclosures" for further information

## First Quarter

Copper production decreased by 48% compared to the same quarter of 2021, as a result of 32% lower ore grade and 24% lower plant throughput during the period.

Gold production was 45% lower than the first quarter of 2021, resulting from lower throughput and grade during the quarter.

The magnetite plant produced 152,993 WMT in the quarter, a 51% increase from the same quarter of 2021, due to higher magnetite feed grade.

AISC<sup>1</sup> for the first quarter of 2022 was \$0.65 per lb higher than the same period in 2021. C1 copper cash cost<sup>1</sup> was \$0.51 per lb higher than the first quarter of 2021, due to lower production.

Sales revenues were 40% lower than the first quarter of 2021, resulting from lower copper and gold sales volumes, partially offset by higher magnetite sales volumes for the period, as well as higher realized metal prices<sup>1</sup>. Gross profit of \$10 million was \$22 million lower than the comparable period in 2021, attributable to lower sales revenues and higher costs from increased fuel prices, freight rates and higher maintenance costs.

## Outlook

Production in 2022 is expected to be between 12,000 to 13,000 tonnes of copper, 30,000 ounces of gold, and 400,000 WMT of magnetite concentrate.

With Cutback 4 of the main pit approved during the third quarter of 2021, the project is expected to contribute an additional 3 million tonnes of plant feed over the next two to three years to supplement the feed from lower-grade ore stockpiles and is expected to extend mining operations to the end of 2025. Ore supply from this source is expected to commence in 2023 following a period of waste stripping. The operations at Cutback 2 project are ongoing and are expected to recover 639kt of ore during 2022, with the end of the project anticipated in December 2022.

Production forecast includes approximately 600 hours of planned plant shutdowns in 2022, relating to SAG mill reline, ball mill girth gear change out, and monthly planned maintenance.

<sup>1</sup> Copper all-in sustaining costs (copper AISC), Copper C1 cash cost (copper C1), and realized metal prices are non-GAAP ratios, do not have standardized meanings under IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

## Las Cruces

	QUARTERLY		
	Q1 2022	Q4 2021	Q1 2021
Copper cathode production (tonnes)	2,278	2,805	4,726
Copper cathode sales (tonnes)	1,921	2,914	5,281
Copper cash cost (C1) (per lb) <sup>1</sup>	\$4.38	\$4.01	\$2.01
<b>Financial Results (\$ millions)</b>			
Sales revenues	19	29	44
Gross profit (loss)	(5)	3	8
EBITDA <sup>1</sup>	(6)	5	20

<sup>1</sup> Copper C1 cash cost (copper C1) is a non-GAAP ratio, and EBITDA is a non-GAAP financial measure, and do not have standardized meanings under IFRS and might not be comparable to similar measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

## First Quarter

After depletion of secondary ore reserves and the processing of ore stockpiles completed in February 2021, the operation has transitioned to the re-processing of high-grade tailings, which has extended the mine life and is expected to continue until the third quarter of 2023.

Copper production decreased by 52% compared with the same period of 2021, due to lower grade of ore feed and recoveries from tailings compared to fresh ore.

Copper C1 cash cost<sup>1</sup> of \$4.38 per lb for the quarter was \$2.37 per lb higher than the comparable period in 2021, reflecting the impact of lower copper production and record high electricity prices. This was mitigated by decreases in other operating costs.

Sales revenues of \$19 million in the first quarter of 2022 were 57% lower compared to the same period in 2021, due to lower volumes sold, partially offset by higher realized copper prices<sup>1</sup>.

<sup>1</sup> Copper C1 cash cost (copper C1) and realized metal prices are non-GAAP ratios, do not have standardized meanings under IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

## Outlook

Copper production guidance for 2022 is 10,000 tonnes.

The technical and study work on the polymetallic refinery project is expected to continue, as well as work to obtain permits required to carry out the project. Environmental permits were received at the end of 2020 and mine exploitation permit has been granted in June 2021. The only outstanding licence, the water concession, is expected to be granted in the third quarter of 2022. An update of the NI 43-101 Technical Report was published in January 2022, with an updated Mineral Resources upgrade to 41.2 million tonnes of PPS, Measured and Indicated Mineral Resources, including 5 million tonnes of Indicated Mineral Resources as stockpile. Further detailed technical work is being conducted to convert Mineral Resources to Mineral Reserves as part of the Las Cruces underground project. The Company is also in the process of exploring commercial agreements with other mines in the region to further enhance the value of the project.

## Çayeli

	QUARTERLY		
	Q1 2022	Q4 2021	Q1 2021
Copper production (tonnes)	3,169	3,532	3,947
Copper sales (tonnes)	5,284	978	2,786
Zinc production (tonnes)	834	1,576	1,747
Zinc sales (tonnes)	2,192	1,941	1,685
Copper cash cost (C1) (per lb) <sup>1</sup>	\$0.99	(\$0.44)	\$0.75
<b>Financial Results (\$ millions)</b>			
Sales revenues	53	12	24
Gross profit	31	2	10
EBITDA <sup>1</sup>	37	5	14

<sup>1</sup> Copper C1 cash cost (copper C1) is a non-GAAP ratio, and EBITDA is a non-GAAP financial measure, and do not have standardized meanings under IFRS and might not be comparable to similar measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

## First Quarter

Copper production for the first quarter of 2022 was 20% lower than the same period in 2021 due to production from lower grade areas, as well as lower throughput as the mine approaches the end of its mine life.

Zinc production for the first quarter of 2022 was 52% lower than the same period in 2021 due to lower throughput, grade and recovery.

Despite high by-product credits, C1 cash cost<sup>1</sup> for the quarter increased by \$0.24 per lb, compared to the same quarter of 2021, mainly due to the impact of lower copper production and freight costs.

The first quarter of 2022 generated a gross profit of \$31 million attributable to increased sales revenues with higher sales volumes and higher realized metal prices<sup>1</sup>.

## Outlook

Production for 2022 is expected to be 11,500 tonnes of copper and 3,000 tonnes of zinc, reflecting a declining number of work areas as the mine approaches reserve depletion in 2025.

<sup>1</sup> Copper C1 cash cost (copper C1) and realized metal prices are non-GAAP ratios, do not have standardized meanings under IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

## Pyhäsalmi

	QUARTERLY		
	Q1 2022	Q4 2021	Q1 2021
Copper production (tonnes)	820	732	953
Copper sales (tonnes)	664	765	988
Pyrite production (tonnes)	104,278	107,984	127,361
Pyrite sales (tonnes)	108,964	106,701	122,046
Copper cash cost (C1) (per lb) <sup>1</sup>	\$0.54	\$2.81	\$1.56
Financial Results (\$ millions)			
Sales revenues	12	12	13
Gross profit	5	4	5
EBITDA <sup>1</sup>	4	5	5

<sup>1</sup> Copper C1 cash cost (copper C1) is a non-GAAP ratio, and EBITDA is a non-GAAP financial measure. These do not have standardized meanings under IFRS and might not be comparable to similar measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

## First Quarter

Copper production was lower in the first quarter of 2022 compared to the same quarter of 2021, due to lower grade and lower throughput. This reflects the nearly depleted mineral reserve and the constraint on available work areas at this stage of the mine life. Gross profit for the quarter was \$5 million, comparable to the same quarter in 2021.

## Outlook

Production guidance for 2022 is 1,000 tonnes of copper. The operation is expected to produce approximately 300,000 tonnes of pyrite. Mining is expected to continue into the second quarter of 2022.

## SUMMARY FINANCIAL RESULTS

	QUARTERLY		
	Q1 2022	Q4 2021	Q1 2021
Sales revenues <sup>1</sup>	2,163	2,061	1,622
Gross profit (loss)			
Cobre Panama	301	336	332
Kansanshi	278	337	174
Sentinel	241	233	237
Guelb Moghrein	10	5	32
Las Cruces	(5)	3	8
Çayeli	31	2	10
Pyhäsalmi	5	4	5
Ravensthorpe	53	(25)	(5)
Corporate	(6)	(111)	(253)
Total gross profit	908	784	540
Exploration	(4)	(7)	(3)
General and administrative	(32)	(29)	(27)
Impairment expense	-	(44)	-
Other income (expense)	(90)	18	3
Net finance expense <sup>2</sup>	(153)	(165)	(171)
Loss on redemption of debt	-	(21)	-
Adjustment for expected phasing of Zambian VAT	(22)	2	8
Income tax expense	(155)	(239)	(156)
Net earnings	452	299	194
Net earnings attributable to:			
Non-controlling interests	67	52	52
Shareholders of the Company	385	247	142
Adjusted earnings <sup>3</sup>	480	306	150
Earnings per share			
Basic	\$0.56	\$0.36	\$0.21
Diluted	\$0.56	\$0.36	\$0.21
Adjusted <sup>3</sup>	\$0.70	\$0.44	\$0.22
Basic weighted average number of shares (in 000's)	690,130	688,691	688,771

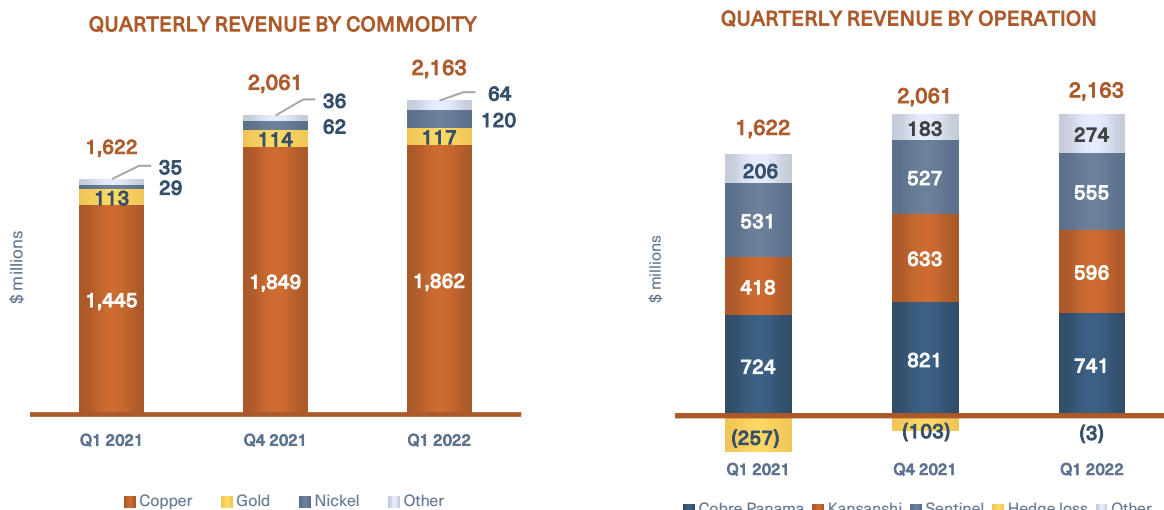
<sup>1</sup> Delivery of non-financial items (refinery-backed gold and silver credits) into the Company's precious metal stream arrangement have been netted within sales revenues rather than included in cost of sales. The three months ended March 31, 2021 has been revised for this change. Sales revenues and cost of sales for the three months ended March 31, 2021 have been reduced by \$56 million compared to the previous reported values (see "Precious Metal Stream Arrangement").

<sup>2</sup> Net finance expense comprises finance income and finance costs.

<sup>3</sup> Adjusted earnings is a non-GAAP financial measure and Adjusted earnings per share is a non-GAAP ratio. Such measures do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. Adjusted earnings was previously named comparative earnings, the composition remains the same. See "Regulatory Disclosures".

## Sales Revenues

### FIRST QUARTER



Sales revenues for the first quarter of 2022 of \$2,163 million were 33%, or \$541 million, higher than the first quarter of 2021, reflecting the increases in copper and nickel sales revenues of \$417 million and \$91 million, respectively, as a result of higher realized copper and nickel prices<sup>1</sup> and the continued ramp up of Ravensthorpe.

Copper sales revenues for the first quarter of 2022 of \$1,862 million were 29%, or \$417 million, higher than the comparable period in 2021 reflecting the 38% higher net realized copper price<sup>1</sup> offset by lower copper sales volumes. Copper sales revenues included a \$1 million loss on the copper sales hedge program, compared with a loss of \$250 million, or \$0.54 per lb, in the comparable period in 2021. Total copper sales volumes for the first quarter of 2022 were 7% lower than the same period in 2021 mainly attributable to Cobre Panama and Sentinel, partially offset by higher sales volumes at Kansanshi.

The net realized price<sup>1</sup> for copper of \$4.29 per lb for the first quarter of 2022 was 38% higher than the same period in 2021 and benefitted from a reduced hedge profile. This compares to an increase of 17% in the average LME price of copper for the same period to \$4.53 per lb.

Nickel sales revenues of \$120 million for the first quarter of 2022 were 314%, or \$91 million higher, reflecting increased sales volumes and higher realized metal prices<sup>1</sup>. Nickel sales volumes were 4,350 contained tonnes for the quarter, an 85% increase compared to the same quarter of 2021, attributable to the increased production during the quarter as the ramp up at Ravensthorpe continues. Nickel sales revenues include a \$2 million loss on the nickel sales hedge program, or \$0.24 per lb, compared with a \$7 million loss in the comparative quarter, or \$1.52 per lb.

The net realized price<sup>1</sup> for nickel of \$13.52 per lb for the first quarter of 2022 was more than double that for the same period in 2021 and for the month of March averaged \$14.30 per lb.

Gold sales revenues for the first quarter of 2022 of \$117 million were 4%, or \$4 million, higher than the comparable period in 2021, reflecting higher realized metal prices<sup>1</sup>. Kansanshi gold sales revenues increased by \$23 million, attributable to higher sales volumes as well as higher prices; this was offset by lower revenues in Cobre Panama and Guelb Moghrein arising from lower sales volumes. The cost for the purchase of refinery-backed gold and silver credits recognized within revenues was \$54 million, \$2 million lower than the comparable period in 2021.

<sup>1</sup> Realized metal prices are non-GAAP ratios, do not have standardized meanings under IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

	QUARTERLY		
	Q1 2022	Q4 2021	Q1 2021
Copper selling price (per lb)			
Average LME cash price	\$4.53	\$4.40	\$3.86
Realized copper price	\$4.45	\$4.08	\$3.25
Treatment/refining charges ("TC/RC") (per lb)	(\$0.12)	(\$0.11)	(\$0.12)
Freight charges (per lb)	(\$0.04)	(\$0.03)	(\$0.02)
Net realized copper price <sup>1</sup>	\$4.29	\$3.94	\$3.11

	QUARTERLY		
	Q1 2022	Q4 2021	Q1 2021
Gold selling price (per oz)			
Average LBMA cash price	\$1,877	\$1,795	\$1,796
Net realized gold price <sup>1,2</sup>	\$1,772	\$1,677	\$1,661

	QUARTERLY		
	Q1 2022	Q4 2021	Q1 2021
Nickel selling price (per payable lb)			
Average LME cash price	\$11.97	\$8.99	\$7.97
Net realized nickel price <sup>1</sup>	\$13.52	\$8.88	\$6.67

<sup>1</sup> Realized metal prices are a non-GAAP ratio, do not have standardized meanings under IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures" for further information

<sup>2</sup> Excludes gold revenues recognized under the precious metal stream arrangement.

Given the volatility in commodity prices, significant variances can arise between average market price and net realized prices due to the timing of sales during the period.

Details of the Company's hedging program and the contracts held are included on page 33.

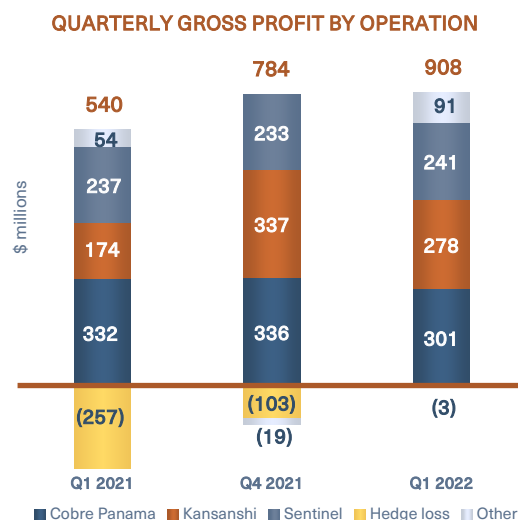
## Gross Profit

### First Quarter

Gross profit for the quarter of \$908 million was \$368 million higher than the first quarter of 2021, due to higher metal prices.

Gross profit in Q1 2021	540
Higher metal prices	358
Movement in hedge program	254
Lower sales volumes and change in sales mix	(69)
Higher by-product contribution	9
Higher cash costs	(151)
Higher royalty expense	(24)
Higher depreciation	(9)
Gross profit in Q1 2022 <sup>1</sup>	908

<sup>1</sup> Gross profit is reconciled to EBITDA by including exploration costs of \$4 million, general and administrative costs of \$32 million, share of profit in joint venture of \$14 million, and adding back depreciation of \$295 million and revisions in estimates of restoration provisions at closed sites of \$1 million (a reconciliation of EBITDA is included in "Regulatory Disclosures").



Gross profit for the first quarter of 2022 was \$908 million, an increase of \$368 million, or 68%, from the same period in 2021, and was driven by higher net realized prices<sup>1</sup> resulting in increased revenues, offset by higher royalties, higher prices for fuel, electricity, explosives, consumables and freight and lower sales volumes. The copper hedge profile has been significantly reduced and a loss of \$3 million was recognized in the quarter on the corporate sales hedge program, compared to a loss of \$257 million in the comparative quarter.

## Net Earnings

### First Quarter

Net earnings attributable to shareholders of the Company for the first quarter of 2022 were \$385 million, \$243 million higher than the same period in 2021. Basic earnings per share was \$0.56 during the quarter compared to \$0.21 per share in the same quarter of 2021. Net finance expense of \$153 million was \$18 million lower than the first quarter of 2021 as debt levels continued to decrease. Net finance expense consists of interest on debt of \$121 million, interest on related party debt of \$29 million, accretion of deferred revenue and restoration provision of \$16 million and \$3 million, respectively, and other interest expense of \$4 million, offset by interest capitalized of \$4 million.

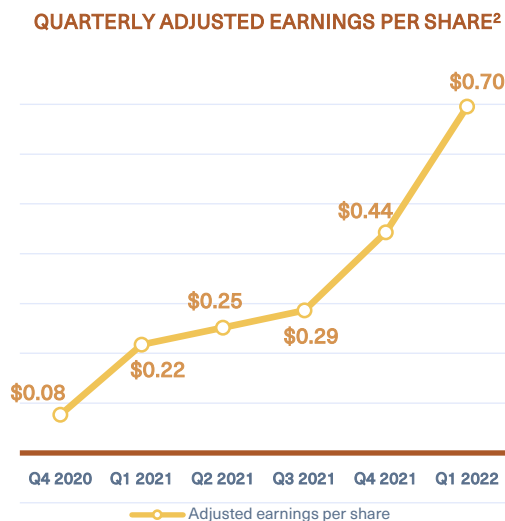
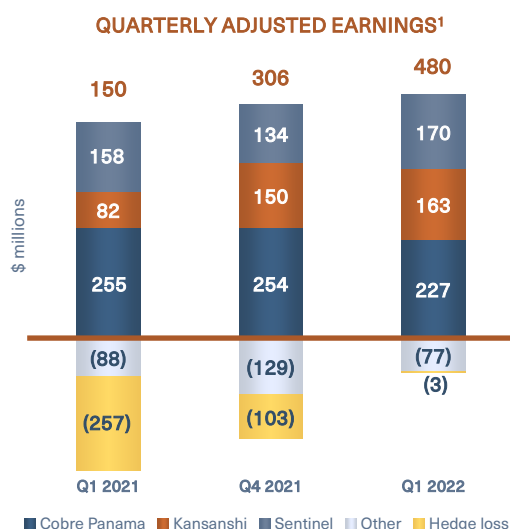
Other expenses of \$90 million are \$93 million higher than the comparable period in 2021. Foreign exchange losses of \$56 million were \$45 million higher, of which the majority were unrealized and related to losses arising on translating the Zambian VAT receivable. Other expenses includes a charge of \$40 million for non-recurring costs in connection with previously sold assets. A \$14 million share of profit in Korea Panama Mining Corporation ("KPMC") was recognized in the quarter, compared to \$14 million recognized in the comparable period of 2021.

An income tax expense of \$155 million was recognized in the first quarter of 2022, compared with a \$156 million expense recognized in the comparable period in 2021, as an increase of pre-tax earnings at operations was offset by the deductibility of Zambian royalties from January 1, 2022, and reflecting applicable statutory tax rates, which range from 20% to 30% for the Company's operations. The effective tax rate for the quarter was 26%, which included the current Law 9 legislation.

<sup>1</sup> Realized metal prices are non-GAAP ratios, do not have standardized meanings under IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

## Adjusted Earnings<sup>1</sup>

### FIRST QUARTER



Adjusted earnings<sup>1</sup> for the quarter ended March 31, 2022 of \$480 million is an increase of \$330 million from the comparative period in 2021. Adjusted earnings per share<sup>2</sup> of \$0.70 in the first quarter compares to adjusted earnings per share<sup>2</sup> of \$0.22 in the same period of 2021. The principal items not included in adjusted earnings<sup>1</sup> in the quarter are foreign exchange losses of \$56 million and a charge of \$40 million for non-recurring costs in connection with previously sold assets. The effective tax rate, on an adjusted basis, for the quarter ended March 31, 2022 was 25%, which included the current Law 9 legislation. A reconciliation of adjusted metrics is included in *“Regulatory Disclosures”*.

<sup>1</sup>Adjusted earnings is a non-GAAP financial measure, does not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. Adjusted earnings was previously named comparative earnings, the composition remains the same. See *“Regulatory Disclosures”*.

<sup>2</sup>Adjusted earnings per share is a non-GAAP ratio, do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See *“Regulatory Disclosures”*.

## LIQUIDITY AND CAPITAL RESOURCES

	QUARTERLY		
	Q1 2022	Q4 2021	Q1 2021
Cash flows from operating activities	666	760	743
Cash flows used by investing activities	(283)	(379)	(163)
Cash flows used by financing activities	(294)	(439)	(506)
Exchange losses on cash and cash equivalents	-	(1)	-
Net cash inflow (outflow)	89	(59)	74
Cash balance	1,948	1,859	988
Total assets	25,544	25,270	24,265
Total current liabilities	1,836	1,678	2,525
Total long-term liabilities	11,787	12,098	11,623
Net debt <sup>1</sup>	5,815	6,053	7,062
Cash flows from operating activities per share <sup>2</sup>	\$0.97	\$1.10	\$1.08

### Cash Flows from Operating Activities

Cash flows from operating activities for the first quarter were \$77 million lower than the same period in 2021, attributable to a higher receivables balance, higher taxes paid and lower payables offset by higher EBITDA<sup>1</sup>.

### Cash Flows Used by Investing Activities

Investing activities mostly comprise capital expenditures of \$279 million which were \$99 million higher than the same quarter of 2021, reflecting increased expenditure in Cobre Panama on the mining fleet and CP100 Expansion, and Kansanshi with higher deferred stripping<sup>1</sup>.

### Cash Flows from Financing Activities

Cash flows used by financing activities of \$294 million for the first quarter of 2022 included a net outflow of \$153 million on gross debt and trading facilities.

\$36 million has been reclassified in the quarter from restricted cash, offset by a dividend paid of \$16 million to non-controlling interests.

Interest paid of \$153 million is included within cash flows used by financing activities which excludes \$4 million of capitalized interest, and is \$40 million lower than \$193 million paid in the first quarter of 2021, reflecting a lower gross debt position. Net payments of \$11 million were paid to KPMC, a 50:50 joint venture between the Company and Korea Mine Rehabilitation and Mineral Resources Corporation ("KOMIR").

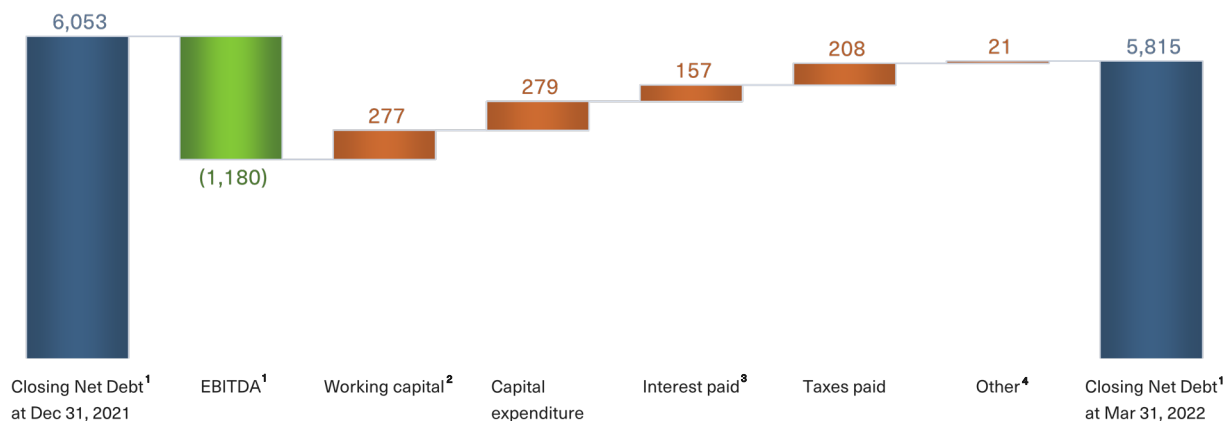
<sup>1</sup> EBITDA and deferred stripping are non-GAAP financial measures and net debt is a supplementary financial measure. These measures do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

<sup>2</sup> Cash flows from operating activities per share is a non-GAAP ratio, and does not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

## Liquidity

### FIRST QUARTER

#### QUARTERLY NET DEBT<sup>1</sup> MOVEMENT



<sup>1</sup> EBITDA is a non-GAAP financial measure and net debt is a supplementary financial measure. These measures do not have standardized meanings under IFRS and might not be comparable to similar measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

<sup>2</sup> Includes \$25 million outflow related to long-term incentive plans.

<sup>3</sup> Interest paid includes \$4 million of interest capitalized to property plant and equipment.

<sup>4</sup> Other includes dividends paid to non-controlling interest of \$16 million, net payments to joint venture of \$11 million offset by restricted cash reduction of \$36 million, non-cash adjustments relating to amortization of gold and silver revenue of \$22 million and share of profit in joint venture ("JV") of \$14 million.

Net debt<sup>1</sup> decreased by \$238 million during the quarter to \$5,815 million. At March 31, 2022, gross debt was \$7,763 million.

On April 5, 2022, the Company redeemed at par \$500 million of aggregate principal amount of the \$1 billion senior unsecured notes due in 2023.

Following the upgrades by S&P Global Ratings ("S&P") and Fitch Ratings ("Fitch") in February to a B+ credit rating, the Company outlook has remained stable at S&P and has been upgraded from stable to positive at Fitch. Copper prices and demand continue to be robust. National policies and infrastructure plans supporting green energy across the world are expected to be passed, which are projected to drive the demand for copper, an essential component of both the transition to a low carbon economy and of the socioeconomic development of emerging economies.

The Company had previously entered into derivative contracts to ensure that the exposure to the price of copper on future sales was managed to ensure stability of cash flows until an appropriate level of de-leveraging had been achieved. At April 26, 2022, the Company has zero cost copper collar unmargined sales contracts for 15,000 tonnes at weighted average prices of \$3.75 per lb to \$4.63 per lb outstanding with maturities to June 2022.

At April 26, 2022, the Company has zero cost nickel collar unmargined sales contracts for 200 tonnes at weighted average prices of \$7.71 per lb to \$8.58 per lb outstanding with maturities to May 2022.

<sup>1</sup> Net debt is a supplementary financial measure. These measures do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

Approximately 2% of expected copper sales for the next 12 months are hedged to zero cost collar sales contracts at an average floor price and average ceiling price of \$3.75 per lb and \$4.63 per lb, respectively. This compares to approximately 5% at the reporting date of the fourth quarter of 2021 with an average floor price and average ceiling price of \$3.63 per lb and \$4.68 per lb, respectively.

These, together with expected future cash flows, support the Company's belief in its ability to meet current obligations as they become due and to have sufficient liquidity through the next 12 months to carry out its operating and capital expenditure plans. The Company was in full compliance with all its financial covenants at March 31, 2022, and expects to remain in compliance throughout the next 12 months. The Company continues to take action to manage operational and price risks and further strengthen the balance sheet, including through strategic initiatives. The current hedge profile is at a significantly reduced level.

At March 31, 2022, the Company had total commitments of \$100 million, all of which is related to the 12 months following the period end.

Contractual and other obligations as at March 31, 2022 are as follows:

	Carrying Value	Contractual Cash flows	< 1 year	1 – 3 years	3 – 5 years	Thereafter
Debt – principal repayments	7,555	7,596	283	2,760	3,053	1,500
Debt – finance charges	-	1,556	468	691	294	103
Trading facilities	208	208	208	-	-	-
Trade and other payables	674	674	674	-	-	-
Derivative instruments	162	162	162	-	-	-
Liability to joint venture <sup>1</sup>	1,294	2,151	-	-	-	2,151
Other loans owed to non-controlling interest <sup>2</sup>	184	268	29	-	-	239
Current taxes payable	288	288	288	-	-	-
Deferred payments	40	40	4	8	8	20
Leases	26	29	9	14	5	1
Commitments	-	100	100	-	-	-
Restoration provisions	738	1,144	3	47	57	1,037
	11,169	14,216	2,228	3,520	3,417	5,051

<sup>1</sup>Refers to distributions to KPMC, a joint venture that holds a 20% non-controlling interest in Minera Panama SA ("MP SA"), of which the Company has joint control, and not scheduled repayments.

<sup>2</sup>Refers to liability with POSCO, an entity that holds a 30% non-controlling interest in FQM Australia Holdings Pty Ltd ("Ravensthorpe"), of which the Company has full control.

## Equity

As at March 31, 2022, the Company had 691,782,591 common shares outstanding.

## Hedging Programs

The Company has hedging programs in respect of future copper and nickel sales and provisionally priced sales contracts. The current hedge profile is at a significantly reduced level. Below is a summary of the fair values of unsettled derivative financial instruments for commodity contracts recorded on the consolidated balance sheet.

## COMMODITY CONTRACTS

	March 31, 2022	December 31, 2021
Asset position	-	38
Liability position	(162)	(57)

	Open Positions (tonnes)	Average Contract price	Closing Market price	Maturities Through
<b>Commodity contracts:</b>				
Copper zero cost collar	15,000	\$3.75-\$4.63/lb	\$4.69/lb	June 2022
Nickel zero cost collar	200	\$7.71-\$8.58/lb	\$15.15/lb	May 2022

During the quarter ended March 31, 2022, a loss for settled hedges of \$3 million was realized through sales revenues.

## Provisional Pricing and Derivative Contracts

A portion of the Company's metal sales is sold on a provisional pricing basis whereby sales are recognized at prevailing metal prices when title transfers to the customer and final pricing is not determined until a subsequent date, typically two months later. The difference between final price and provisional invoice price is recognized in net earnings. In order to mitigate the impact of these adjustments on net earnings, the Company enters into derivative contracts to directly offset the pricing exposure on the provisionally priced contracts. The provisional pricing gains or losses and offsetting derivative gains or losses are both recognized as a component of cost of sales. Derivative assets are presented in other assets and derivative liabilities are presented in other liabilities with the exception of copper and gold embedded derivatives, which are included within accounts receivable.

As at March 31, 2022, the following derivative positions in provisionally priced sales and commodity contracts not designated as hedged instruments were outstanding:

	Open Positions (tonnes/oz)	Average Contract price	Closing Market price	Maturities Through
Embedded derivatives in provisionally priced sales contracts:				
Copper	189,013	\$4.42/lb	\$4.69/lb	August 2022
Gold	50,590	\$1,929/oz	\$1,942/oz	June 2022
Nickel	3,452	\$14.45/lb	\$15.15/lb	April 2022
Commodity contracts:				
Copper	189,025	\$4.42/lb	\$4.69/lb	August 2022
Gold	50,658	\$1,929/oz	\$1,942/oz	June 2022

As at March 31, 2022, substantially all of the Company's metal sales contracts subject to pricing adjustments were hedged by offsetting derivative contracts.

## Foreign Exchange

Foreign exchange risk arises from transactions denominated in currencies other than the U.S. Dollar ("USD"). The USD/ZMW exchange rate has had the greatest impact on the Company's cost of sales, as measured in USD. A 10% movement in the USD/ZMW exchange rate would impact the Company's cost of sales by approximately \$25 million per year. Movements in the USD/ZMW exchange rate would also result in the revaluation of balance sheet items, including the VAT receivable by the Company's Zambian operations.

## ZAMBIAN VAT

The total VAT receivable accrued by the Company's Zambian operations at March 31, 2022, was \$598 million, of which \$255 million relates to Kansanshi, \$306 million relates to Sentinel, with the balance of \$37 million attributable to other Zambian subsidiaries providing supporting services.

Offsets of \$20 million against other taxes due have been granted during the quarter ended March 31, 2022. In the quarter ended March 31, 2021, offsets of \$17 million were granted. Future recoveries of Zambian VAT receivable balances due to the Company may be received in cash, offset of other tax liabilities or similar forms.

The Company considers that the outstanding VAT claims are fully recoverable and has classified all VAT balances due to the Zambian operations as non-current. The Company plans to work with the GRZ to settle the outstanding VAT claims.

A \$22 million expense adjustment for Zambian VAT receipts was recognized in the quarter ended March 31, 2022, representing the expected phasing of receipts, and the impact of foreign exchange, using a ZMW risk-free rate. A credit of \$8 million had previously been recognized in the quarter ended March 31, 2021. An unrealized foreign exchange loss of \$61 million was recognized against the receivable in the quarter ended March 31, 2022 as a result of depreciation of the ZMW during this period with movement of the rate from ZMW 16.66 : \$1 as at December 31, 2021, to a rate of ZMW 18.05: \$1 as at March 31, 2022.

### ZAMBIAN VAT

	March 31, 2022	December 31, 2021
Receivable at date of claim <sup>1</sup>	1,012	975
Impact of depreciation of Zambian Kwacha against U.S. dollar	(249)	(188)
Receivable at the period end exchange rate	763	787
Adjustment for expected phasing for non-current portion	(165)	(143)
<b>Total VAT receivable</b>	<b>598</b>	<b>644</b>
Consisting:		
Current portion, included within trade and other receivables	-	-
Non-current VAT receivable	598	644

### AGING ANALYSIS OF VAT RECEIVABLE FOR THE COMPANY'S ZAMBIAN OPERATIONS

	< 1 year	1-3 years	3-5 years	5-8 years	> 8 years	Total
Receivable at date of claim <sup>1</sup>	259	401	143	73	136	1,012
Impact of appreciation (depreciation) of Zambian Kwacha	18	(74)	(62)	(43)	(88)	(249)
<b>Non-current VAT due</b>	<b>277</b>	<b>327</b>	<b>81</b>	<b>30</b>	<b>48</b>	<b>763</b>
Adjustment for expected phasing of Zambian VAT receipts	(60)	(71)	(18)	(6)	(10)	(165)
<b>Total VAT receivable from Zambian operations</b>	<b>217</b>	<b>256</b>	<b>63</b>	<b>24</b>	<b>38</b>	<b>598</b>

<sup>1</sup> The movement in VAT receivable at date of claim is net of offsets and realized foreign exchange loss arising on offsets received in the quarter ended March 31, 2022 of \$20 million and \$2 million, respectively.

## Changes to Zambian VAT Regime

There were no material changes to the Zambian VAT regime announced in the 2022 Budget.

A zero rating order for VAT on petrol and diesel and a suspension on the excise duty on petrol and diesel announced in January 2021, remained in place during the quarter.

## Pre-February 2015 VAT Receivable

In February 2015, the GRZ implemented a change in the statutory instrument regarding VAT on exports from Zambia. Claims totaling ZMW 1,307 million (equivalent to \$72 million as at March 31, 2022) made by Kansanshi prior to this date remain outstanding. This balance reduced by ZMW 80 million (equivalent to \$5 million as at December 31, 2021) in the year to December 31, 2021, (December 31, 2020: \$6 million).

ZMW 357 million (equivalent to \$20 million as at March 31, 2022) of the VAT refunds for this period remain under dispute, stemming from the application of discretionary rules established and applied by the Zambia Revenue Authority, however offsets for months under dispute have been received in recent years with ZMW 80 million of offsets received in 2021 being allocated to pre-February 2015 outstanding refunds. Cash and offsets totaling ZMW 4,671 million (equivalent to \$366 million, based on the receivable value at date of receipt) have been received to date for claims subsequent to February 2015 by Kansanshi. The Company is in regular discussions with the relevant government authorities and continues to consider that the outstanding claims are fully recoverable.

## JOINT VENTURE

On November 8, 2017, the Company completed the purchase of a 50% interest in KPMC from LS-Nikko Copper Inc. KPMC is jointly owned and controlled with Korea Mine Rehabilitation and Mineral Resources Corporation ("KOMIR") and holds a 20% interest in Cobre Panama. The purchase consideration of \$664 million comprised the acquisition consideration of \$635 million and the reimbursement of cash advances of \$29 million with \$179 million paid on closing. The final consideration of \$100 million was paid in November 2021.

A \$633 million investment in the joint venture representing the discounted consideration value and the Company's proportionate share of the profit or loss in KPMC to date. For the quarter ended March 31, 2022, the profit attributable to KPMC was \$28 million (March 31, 2021: \$28 million). The profit in KPMC relates to the 20% equity accounted share of profit reported by Minera Panama S.A. ("MPSA"), a subsidiary of the Company. The material assets and liabilities of KPMC are an investment in MPSA of \$446 million, shareholder loans receivable from the Company and shareholder loans payable of \$1,294 million due to the Company and its joint venture partner KOMIR.

At March 31, 2022, the Company's subsidiary, MPSA, owed to KPMC \$1,294 million (December 31, 2021: \$1,310 million and December 31, 2020: \$1,327 million). Interest is accrued at an annual interest rate of 9%; unpaid interest is capitalized to the outstanding loan on a semi-annual basis. The loan matures on June 30, 2029.

## PRECIOUS METAL STREAM ARRANGEMENT

### Arrangement Overview

The Company, through MPSA, has a precious metal streaming arrangement with Franco-Nevada Corporation ("Franco-Nevada"). The arrangement comprises two tranches. Under the first phase of deliveries under the first tranche ("Tranche 1") Cobre Panama is obliged to supply Franco-Nevada 120 ounces of gold and 1,376 ounces of silver for each 1 million pounds of copper produced, deliverable within 5 days of eligible copper concentrate sales. Under the first phase of deliveries under the second tranche ("Tranche 2") Cobre Panama is obliged to supply Franco-Nevada a further 30 ounces of gold and 344 ounces of silver for each 1 million pounds of copper produced, deliverable within 5 days of eligible copper concentrate sales.

Tranche 1 was amended and restated on October 5, 2015, which provided for \$1 billion of funding to the Cobre Panama project. Under the terms of Tranche 1, Franco-Nevada, through a wholly owned subsidiary, agreed to provide a \$1 billion deposit to be funded on a pro-rata basis of 1:3 with the Company's 80% share of the capital costs of Cobre Panama in excess of \$1 billion. The full Tranche 1 deposit amount has been fully funded to MPSA. Tranche 2 was finalized on March 16, 2018, and \$356 million was received on completion. Proceeds received under the terms of the precious metals streaming arrangement are accounted for as deferred revenue.

In all cases, the amount paid is not to exceed the prevailing market price per ounce of gold and silver.

The Company commenced the recognition of delivery obligations under the terms of the arrangement in September 2019 following the first sale of copper concentrate. Deferred revenue will continue to be recognized as revenue over the life of the mine, which is expected to be 33 years. The amount of precious metals deliverable under both tranches is indexed to total copper-in-concentrate sold by Cobre Panama.

## GOLD STREAM

	TRANCHE 1	TRANCHE 2
Delivered (oz)	0 to 808,000	0 to 202,000
Delivery terms	120 oz of gold per one million pounds of copper	30 oz of gold per one million pounds of copper
Threshold	First 1,341,000 oz	First 604,000 oz
Ongoing cash payment	\$443.93/oz (+1.5% inflation)	20% market price

## SILVER STREAM

	TRANCHE 1	TRANCHE 2
Delivered (oz)	0 to 9,842,000	0 to 2,460,500
Delivery terms	1,376 oz of silver per one million pounds of copper	344 oz of silver per one million pounds of copper
Threshold	First 21,510,000 oz	First 9,618,000 oz
Ongoing cash payment	\$6.66/oz (+1.5% inflation)	20% market price

Under the first threshold of deliveries, the above Tranche 1 ongoing cash payment terms are for approximately the first 20 years of expected deliveries, thereafter the greater of \$443.93 per oz for gold and \$6.66 per oz for silver, subject to an adjustment for inflation, and one half of the then prevailing market price. Under the first threshold of deliveries, the above Tranche 2 ongoing cash payment terms are for approximately the first 25 years of production, and thereafter the ongoing cash payment per ounce rises to 50% of the spot price of gold and silver.

## Accounting

Gold and silver produced by the mine, either contained in copper concentrate or in doré form, are sold to off-takers and revenue recognized accordingly. Cobre Panama gold and silver revenues consist of revenues derived from the sale of metals produced by the mine, as well as revenues recognized from the amortization of the precious metal stream arrangement.

Gold and silver revenues recognized under the terms of the precious metal streaming arrangement are indexed to copper sold from the Cobre Panama mine, and not gold or silver production. Gold and silver revenues recognized in relation to the precious metal streaming arrangement comprise two principal elements:

- the non-cash amortization of the deferred revenue balance.
- the ongoing cash payments received, as outlined in the above section.

Obligations under the precious metal streaming arrangement are satisfied with the purchase of refinery-backed gold and silver credits, the cost of which is recognized within revenues. Refinery-backed credits purchased and delivered are excluded from the gold and silver sales volumes disclosed and realized price calculations.

C1<sup>1</sup> and AISC<sup>1</sup> include the impact of by-product credits, which include both gold and silver revenues earned under the precious metal stream arrangement and revenues earned on the sales of mine production of gold and silver. Also included is the cost of refinery-backed gold and silver credits, purchased at market price, to give a net gold and silver by-product credit.

<sup>1</sup> Copper C1 cash cost (copper C1) and copper all-in sustaining costs (copper AISC) are non-GAAP ratios, do not have standardized meanings under IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

The Company has amended its accounting in respect of the delivery of non-financial items (refinery-backed gold and silver credits) into its precious metal stream arrangement, from presenting as a cost of sale to net within sales revenues. The years ended December 31, 2021 and December 31, 2020, were revised for this change. Sales revenues and cost of sales have both reduced by \$56 million for the quarter ended March 31, 2021 compared to the previous reported values.

	QUARTERLY		
	Q1 2022	Q4 2021	Q1 2021
Gold and silver revenue – ongoing cash payments	13	15	15
Gold and silver revenue – non cash amortization	22	25	23
Total gold and silver revenues - precious metal stream	35	40	38
Cost of refinery-backed credits for precious metal stream included in revenue	(54)	(61)	(56)

## MATERIAL LEGAL PROCEEDINGS

### Panama Constitutional Proceedings

In February 1996, the Republic of Panama and MPSA, now a subsidiary of the Company, entered into a mining concession contract in respect of the Cobre Panama project (“Concession Contract”).

On February 26, 1997, Contract-Law No. 9 (“Law 9”) was passed by the Panamanian National Assembly. Law 9 granted the status of national law to the Concession Contract, establishing a statutory legal and fiscal regime for the development of the Cobre Panama project. On December 30, 2016, the Government of Panama signed and issued Resolution No. 128 by which it extended the Concession Contract held by MPSA for a second 20-year term commencing March 1, 2017 up to February 28, 2037. The Company remains eligible for consideration of a third 20-year term of the Concession Contract commencing March 1, 2037.

In September 2018, the Company became aware of a ruling of the Supreme Court of Panama (“Supreme Court”) in relation to the constitutionality of Law 9. The Company understands that the ruling of the Supreme Court with respect to the constitutionality of Law 9 relates to the enactment of Law 9 and does not affect the legality of the Concession Contract itself, which remains in effect, and allows continuation of the development and operation of the Cobre Panama project by MPSA.

In respect of the Supreme Court ruling on Law 9, the Company notes the following:

- The Supreme Court decision was in respect of ongoing legal filings made since 2009 with regard to specific environmental petitions.
- In reviewing the process of approval of Law 9 of 1997, the Supreme Court found that the National Assembly had failed to consider whether Law 9 complied with applicable legislation at the time, namely Cabinet Decree 267 of 1969.
- The applicable Cabinet Decree of 1969, which was repealed in 1997 by Law 9, required the Ministry of Commerce and Industry (“MICI”) to issue a request for proposals before awarding the Law 9 mining concession.
- The Attorney General of Panama provided two formal opinions favourable to the constitutionality of Law 9 as required in this type of proceedings by Panamanian law.
- The Supreme Court ruling did not make a declaration as to the annulment of the MPSA Concession Contract.

In 2018, MPSA submitted filings to the Supreme Court for ruling, prior to the ruling in relation to the constitutionality of Law 9 taking effect. On September 26, 2018, the Government of Panama issued a news release affirming support for Cobre Panama. The release confirmed that MICI considers that the MPSA Mining Concession contract, and its extension, remains in effect in all its parts (The MICI release is available at [www.twitter.com/MICIPMA/status/1044915730209222657](https://www.twitter.com/MICIPMA/status/1044915730209222657)). In July 2021, the Supreme Court responded to the requests for clarifications submitted by MPSA, ruling them inadmissible. This means that the original ruling that Law 9 is unconstitutional has been upheld. The unconstitutionality ruling was published in the Official Gazette on December 22, 2021. The Company understands that the ruling’s effects are non-retrospective, pursuant to the Code of Judicial

Proceedings, which means that the enactment of the contract in 1997 and its extension in 2017 granted until the year 2037, remain unaffected. As of the date of this report, the Cobre Panama project continues steady and uninterrupted operations.

The current Government of Panama (“GOP”), inaugurated on July 1, 2019, established a multidisciplinary commission including the Minister of Commerce and Industries (mining regulator), Minister of Environment, and Minister of Employment to discuss the Law 9 matter and seek resolution. In July 2021, the GOP announced the appointment of a high-level commission of senior government ministers and officials, chaired by the Minister of Commerce, to discuss the Company’s concession contract. In September 2021, the Ministry of Commerce publicly announced the culmination of the high-level formal discussions on two topics being environmental and labour matters.

During January 2022, the Government of Panama tabled a new proposal, namely that the GOP should receive \$375 million in benefits per year from Cobre Panama and that the existing revenue royalty will be replaced by a gross profit royalty. The parties continue to finalize the detail behind these principles, including the appropriate mechanics that would achieve the desired outcome, the necessary protections to the Company’s business for downside copper price and production scenarios and ensuring that the new contract and legislation are both durable and sustainable.

Once an agreement is concluded and the full contract is documented, it is expected that newly drafted legislation would be put to the National Assembly. The Company welcomes the transparency of the robust ministerial commission process and it is hopeful that this matter can be concluded shortly.

### **Kansanshi Development Agreement**

On May 19, 2020, KMP filed a Request for Arbitration against the GRZ with the International Centre for Settlement of International Disputes (“ICSID”). This arbitration is confidential. KMP’s claims concern breaches of certain contractual provisions of a development agreement between GRZ and KMP (the “Development Agreement”) and international law. The amount in dispute is to be quantified at a later stage, however it is believed to be material. The Tribunal is now fully constituted and has held its first Case Management Conference. KMP submitted its Memorial and corresponding documents on January 25, 2021. GRZ filed its Memorial on Jurisdiction and Counter-Memorial of Defence and Counterclaim on July 9, 2021. The parties have exchanged requests for production of documents. The parties produced documents ordered by the Tribunal on November 1, 2021. KMP submitted its Reply Memorial on February 11, 2022. The hearing in this matter is scheduled for January 2023.

## **REGULATORY DISCLOSURES**

### **Seasonality**

The Company’s results as discussed in this MD&A are subject to seasonal aspects, in particular the wet season in Zambia. The wet season in Zambia generally starts in November and continues through to April, with the heaviest rainfall normally experienced in the months of December, January, February and March. As a result of the wet season, pit access and the ability to mine ore is lower in the first quarter of the year than other quarters and the cost of mining is higher.

### **Off-Balance Sheet Arrangements**

The Company had no off-balance sheet arrangements as of the date of this report.

### **Non-GAAP Financial Measures and Ratios**

This document refers to cash cost (C1), all-in sustaining cost (AISC) and total cost (C3) per unit of payable production, operating cash flow per share, realized metal prices, EBITDA, net debt and adjusted earnings, which are not measures recognized under IFRS, do not have a standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other issuers. These measures are used internally by management in measuring the performance of the Company’s operations and serve to provide additional information which should not be considered in isolation to measures prepared under IFRS.

C1, AISC and C3 are non-GAAP financial measures based on production and sales volumes for which there is no directly comparable measure under IFRS, though a reconciliation from the cost of sales, as stated in the Company’s financial statements, and which should be read in conjunction with this Management’s Discussion and Analysis, to C1, AISC and C3 can be found on the following pages. These reconciliations set out the components of each of these measures in relation to the cost of sales for the Company as per the consolidated financial statements.

The calculation of these measures is described below, and may differ from those used by other issuers. The Company discloses these measures in order to provide assistance in understanding the results of the operations and to provide additional information to investors.

### Calculation of Cash Cost, All-In Sustaining Cost, Total Cost, Sustaining Capital Expenditure and Deferred Stripping Costs Capitalized

The consolidated cash cost (C1), all-in sustaining cost (AISC) and total cost (C3) presented by the Company are measures that are prepared on a basis consistent with the industry standard definitions by the World Gold Council and Brook Hunt cost guidelines but are not measures recognized under IFRS. In calculating the C1 cash cost, AISC and C3, total cost for each segment, the costs are measured on the same basis as the segmented financial information that is contained in the financial statements.

C1 cash cost includes all mining and processing costs less any profits from by-products such as gold, silver, zinc, pyrite, cobalt, sulphuric acid, or iron magnetite and is used by management to evaluate operating performance. TC/RC and freight deductions on metal sales, which are typically recognized as a component of sales revenues, are added to C1 cash cost to arrive at an approximate cost of finished metal.

AISC is defined as cash cost (C1) plus general and administrative expenses, sustaining capital expenditure, deferred stripping, royalties and lease payments and is used by management to evaluate performance inclusive of sustaining expenditure required to maintain current production levels.

C3 total cost is defined as AISC less sustaining capital expenditure, deferred stripping and general and administrative expenses net of insurance, plus depreciation and exploration. This metric is used by management to evaluate the operating performance inclusive of costs not classified as sustaining in nature such as exploration and depreciation.

Sustaining capital expenditure is defined as capital expenditure during the production phase, incurred to sustain and maintain the existing assets to achieve constant planned levels of production, from which future economic benefits will be derived. This includes expenditure for assets to retain their existing productive capacity, and to enhance assets to minimum reliability, environmental and safety standards.

Deferred stripping costs capitalized are defined as waste material stripping costs in excess of the strip ratio, for the production phase, and from which future economic benefits will be derived from future access to ore. Deferred stripping costs are capitalized to the mineral property, and will be depreciated on a units-of-production basis.

	QUARTERLY		
	Q1 2022	Q4 2021	Q1 2021
Purchase and deposits on property, plant and equipment	279	277	180
Sustaining capital expenditure and deferred stripping	116	121	85
Project capital expenditure	163	156	95
Total capital expenditure	279	277	180

## Non-GAAP Reconciliations

The following tables provide a reconciliation of C1<sup>2</sup>, C3<sup>2</sup> and AISC<sup>2</sup> to the consolidated financial statements:

For the quarter ended March 31, 2022	Cobre Panama	Kansanshi	Sentinel	Guelb Moghrein	Las Cruces	Çayeli	Pyhäsalmi	Copper	Corporate & other	Ravensthorpe	Total
<b>Cost of sales<sup>1</sup></b>	(440)	(318)	(314)	(36)	(24)	(22)	(7)	(1,161)	(15)	(79)	(1,255)
Adjustments:											
Depreciation	142	59	77	2	-	6	1	287	-	8	295
By-product credits	44	72	-	26	-	10	6	158	-	10	168
Royalties	15	54	56	1	-	2	-	128	-	5	133
Treatment and refining charges	(28)	(7)	(13)	(1)	-	(3)	(1)	(53)	-	-	(53)
Freight costs	-	(1)	(10)	-	-	(4)	-	(15)	-	-	(15)
Finished goods	(10)	14	15	(8)	(3)	5	(1)	12	-	(16)	(4)
Other	6	3	4	2	5	1	-	21	15	-	36
<b>Cash cost (C1)<sup>2</sup></b>	(271)	(124)	(185)	(14)	(22)	(5)	(2)	(623)	-	(72)	(695)
Adjustments:									-		
Depreciation (excluding depreciation in finished goods)	(146)	(54)	(67)	(3)	-	(5)	(1)	(276)	-	(11)	(287)
Royalties	(15)	(54)	(56)	(1)	-	(2)	-	(128)	-	(5)	(133)
Other	(4)	(2)	(2)	-	(1)	-	-	(9)	-	(1)	(10)
<b>Total cost (C3)<sup>2</sup></b>	(436)	(234)	(310)	(18)	(23)	(12)	(3)	(1,036)	-	(89)	(1,125)
<b>Cash cost (C1)<sup>2</sup></b>	(271)	(124)	(185)	(14)	(22)	(5)	(2)	(623)	-	(72)	(695)
Adjustments:									-		
General and administrative expenses	(12)	(6)	(8)	(1)	(1)	-	-	(28)	-	(4)	(32)
Sustaining capital expenditure and deferred stripping <sup>3</sup>	(30)	(43)	(32)	(1)	-	(1)	-	(107)	-	(9)	(116)
Royalties	(15)	(54)	(56)	(1)	-	(2)	-	(128)	-	(5)	(133)
Lease payments	(1)	-	-	-	(1)	-	-	(2)	-	-	(2)
<b>AISC<sup>2</sup></b>	(329)	(227)	(281)	(17)	(24)	(8)	(2)	(888)	-	(90)	(978)
AISC (per lb) <sup>2</sup>	\$2.00	\$2.47	\$2.41	\$1.58	\$4.73	\$1.40	\$0.68	\$2.27	-	\$8.55	
Cash cost – (C1) (per lb) <sup>2</sup>	\$1.65	\$1.46	\$1.61	\$1.13	\$4.38	\$0.99	\$0.54	\$1.61	-	\$6.78	
Total cost – (C3) (per lb) <sup>2</sup>	\$2.66	\$2.55	\$2.67	\$1.85	\$4.49	\$1.92	\$1.07	\$2.65	-	\$8.45	

<sup>1</sup> Total cost of sales per the Consolidated Statement of Earnings (Loss) in the Company's unaudited condensed interim consolidated financial statements.

<sup>2</sup> C1 cash cost (C1), total costs (C3), and all-in sustaining costs (AISC) are non-GAAP ratios which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

<sup>3</sup> Sustaining capital and deferred stripping are non-GAAP financial measures which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".



(in United States dollars, tabular amounts in millions, except where noted)

For the quarter ended March 31, 2021	Cobre Panama	Kansanshi	Sentinel	Guelb Moghrein	Las Cruces	Çayeli	Pyhäsalmi	Copper	Corporate & other	Ravensthorpe	Total
<b>Cost of sales<sup>1,2</sup></b>	(392)	(244)	(294)	(45)	(36)	(14)	(8)	(1,033)	(5)	(44)	(1,082)
Adjustments:											
Depreciation	134	49	69	10	13	5	-	280	1	5	286
By-product credits <sup>2</sup>	52	48	-	27	-	5	4	136	-	3	139
Royalties	13	40	46	3	1	2	-	105	-	2	107
Treatment and refining charges	(29)	(6)	(14)	(3)	-	(1)	(1)	(54)	-	-	(54)
Freight costs	(1)	-	(7)	-	-	(1)	-	(9)	-	-	(9)
Finished goods	18	(14)	22	(3)	1	(2)	1	23	-	(23)	-
Other	6	2	1	3	-	(1)	1	12	4	1	17
<b>Cash cost (C1)<sup>3</sup></b>	(199)	(125)	(177)	(8)	(21)	(7)	(3)	(540)	-	(56)	(596)
Adjustments:									-		
Depreciation (excluding depreciation in finished goods)	(127)	(53)	(61)	(10)	(10)	(5)	-	(266)	-	(9)	(275)
Royalties	(13)	(40)	(46)	(3)	(1)	(2)	-	(105)	-	(2)	(107)
Other	(4)	(2)	(2)	-	-	-	-	(8)	-	(1)	(9)
<b>Total cost (C3)<sup>3</sup></b>	(343)	(220)	(286)	(21)	(32)	(14)	(3)	(919)	-	(68)	(987)
<b>Cash cost (C1)<sup>3</sup></b>	(199)	(125)	(177)	(8)	(21)	(7)	(3)	(540)	-	(56)	(596)
Adjustments:									-		
General and administrative expenses	(9)	(6)	(8)	-	(1)	-	-	(24)	-	(3)	(27)
Sustaining capital expenditure and deferred stripping <sup>4</sup>	(22)	(26)	(33)	-	-	(1)	-	(82)	-	(3)	(85)
Royalties	(13)	(40)	(46)	(3)	(1)	(2)	-	(105)	-	(2)	(107)
Lease payments	(1)	-	-	-	-	-	-	(1)	-	-	(1)
Other	-	-	-	-	-	-	-	-	-	-	-
<b>AISC<sup>3</sup></b>	(244)	(197)	(264)	(11)	(23)	(10)	(3)	(752)	-	(64)	(816)
AISC (per lb) <sup>3</sup>	\$1.40	\$1.91	\$2.03	\$0.93	\$2.19	\$1.21	\$1.66	\$1.72	-	\$7.53	
Cash cost – (C1) (per lb) <sup>3</sup>	\$1.15	\$1.18	\$1.38	\$0.62	\$2.01	\$0.75	\$1.56	\$1.24	-	\$6.39	
Total cost – (C3) (per lb) <sup>3</sup>	\$1.97	\$2.13	\$2.21	\$1.63	\$3.06	\$1.68	\$1.57	\$2.10	-	\$7.94	

<sup>1</sup> Total cost of sales per the Consolidated Statement of Earnings (Loss) in the Company's unaudited condensed interim consolidated financial statements.

<sup>2</sup> Delivery of non-financial items (refinery-backed gold and silver credits) into the Company's precious metal stream arrangement have been netted within sales revenues rather than included in cost of sales. The year ended December 31, 2021 has been revised for this change. Sales revenues and cost of sales for the first quarter of 2021 have been reduced by \$56 million compared to the previous reported values (see "Precious Metal Stream Arrangement").

<sup>3</sup> C1 cash cost (C1), total costs (C3) and all-in sustaining costs (AISC) are non-GAAP ratios which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

<sup>4</sup> Sustaining capital and deferred stripping are non-GAAP financial measures which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

## Realized Metal Prices

Realized metal prices are used by the Company to enable management to better evaluate sales revenues in each reporting period. Realized metal prices are calculated as gross metal sales revenues divided by the volume of metal sold in lbs. Net realized metal price is inclusive of the treatment and refining charges (TC/RC) and freight charges per lb.

## EBITDA and Adjusted Earnings

EBITDA and adjusted earnings, which are non-GAAP financial measures, and adjusted earnings per share, which is a non-GAAP ratio, are the Company's adjusted earnings metrics, and are used to evaluate operating performance by management. These measures do not have a standardized meaning under IFRS and might not be comparable to similar measures disclosed by other issuers. The Company believes that the adjusted metrics presented are useful measures of the Company's underlying operational performance as they exclude certain impacts which the Company believes are not reflective of the Company's underlying performance for the reporting period. These include impairment and related charges, foreign exchange revaluation gains and losses, gains and losses on disposal of assets and liabilities, one-time costs related to acquisitions, dispositions, restructuring and other transactions, revisions in estimates of restoration provisions at closed sites, debt extinguishment and modification gains and losses, the tax effect on unrealized movements in the fair value of derivatives designated as hedged instruments, and adjustments for expected phasing of Zambian VAT receipts.

## Calculation of Operating Cash Flow per Share and Net Debt

Cash flows from operating activities per share is a non-GAAP ratio and is calculated by dividing the operating cash flow calculated in accordance with IFRS by the basic weighted average common shares outstanding for the respective period.

Net debt is comprised of bank overdrafts and total debt less unrestricted cash and cash equivalents.

### NET DEBT

	Q1 2022	Q4 2021	Q1 2021
Cash and cash equivalents	1,948	1,859	1,058
Bank overdraft	-	-	70
Current debt	491	313	724
Non current debt	7,272	7,599	7,326
Net debt	5,815	6,053	7,062

### EBITDA

	QUARTERLY		
	Q1 2022	Q4 2021	Q1 2021
Operating profit	782	722	513
Depreciation	295	314	286
Other adjustments:			
Foreign exchange (gain) loss	56	(13)	11
Impairment expense	-	44	-
Other expense <sup>1</sup>	46	12	-
Revisions in estimates of restoration provisions at closed sites	1	6	1
Total adjustments excluding depreciation	103	49	12
EBITDA	1,180	1,085	811

<sup>1</sup>Other expenses includes a charge of \$40 million for non-recurring costs in connection with previously sold assets.

	Q1 2022	Q4 2021	Q1 2021
Net earnings attributable to shareholders of the Company	385	247	142
Adjustments attributable to shareholders of the Company:			
Adjustment for expected phasing of Zambian VAT	22	(2)	(8)
Loss on redemption of debt	-	21	-
Total adjustments to EBITDA excluding depreciation	103	49	12
Tax and minority interest adjustments	(30)	(9)	4
Adjusted earnings	480	306	150
Basic earnings per share as reported	\$0.56	\$0.36	\$0.21
Adjusted earnings per share	\$0.70	\$0.44	\$0.22

### Significant Judgments, Estimates and Assumptions

Many of the amounts disclosed in the financial statements involve the use of judgments, estimates and assumptions. These judgments and estimates are based on management's knowledge of the relevant facts and circumstances at the time, having regard to prior experience, and are continually evaluated. The significant judgements, estimates and assumptions applied in the preparation of the Company's interim financial statements are consistent with those disclosed in the Company's annual MD&A for the year ended December 31, 2021.

### Financial instruments risk exposure

The Company's activities expose it to a variety of risks arising from financial instruments. These risks, and management's objectives, policies and procedures for managing these risks in the interim period are consistent with those disclosed in the Company's annual MD&A for the year ended December 31, 2021.

### Market risks

The Company is subject to commodity price risk from fluctuations in the market prices of copper, gold, nickel, zinc and other elements, interest rate risk and foreign exchange risk. These market risks are consistent with those disclosed in the Company's annual MD&A for the year ended December 31, 2021.

### Disclosure Controls and Procedures

The Company's disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is communicated to senior management, to allow timely decisions regarding required disclosure.

An evaluation of the effectiveness of the Company's disclosure controls and procedures, as defined under the rules of the Canadian Securities Administrators, was conducted as of December 31, 2021, under the supervision of the Company's Audit Committee and with the participation of management. Based on the results of the evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report in providing reasonable assurance that the information required to be disclosed in the Company's annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported in accordance with the securities legislation.

The Company's controls and procedures remain consistent with those disclosed in the Company's annual MD&A for the year ended December 31, 2021.

### Internal Control Over Financial Reporting ("ICFR")

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements in compliance with IFRS. The Company's internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that accurately and fairly reflect the transactions of the Company;

- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS;
- ensure the Company's receipts and expenditures are made only in accordance with authorization of management and the Company's directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized transactions that could have a material effect on the annual or interim financial statements.

An evaluation of the effectiveness of the Company's internal control over financial reporting was conducted as of December 31, 2021 by the Company's management, including the Chief Executive Officer and Chief Financial Officer, based on the Control - Integrated Framework (2013) established by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. Based on this evaluation, management has concluded that the Company's internal controls over financial reporting were effective.

The Company's transactions with its related parties are disclosed in note 16 of the Company's annual financial statements for the year ended December 31, 2021.

There were no changes in the Company's business activities during the interim period ended March 31, 2022, that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

### Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable and not absolute assurance that the objectives of the control system are met. Further, the design of a control system reflects the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

## SUMMARY QUARTERLY INFORMATION

The following unaudited tables set out a summary of certain quarterly and annual results for the Company:

Consolidated operations	Q2 20	Q3 20	Q4 20	2020	Q1 21	Q2 21	Q3 21	Q4 21	2021	Q1 22
<b>Sales revenues<sup>1</sup></b>										
Copper	864	1,150	1,348	4,377	1,445	1,525	1,513	1,849	6,332	1,862
Gold	85	124	114	424	113	123	120	114	470	117
Nickel	27	61	68	159	29	99	64	62	254	120
Other	23	29	32	110	35	35	50	36	156	64
<b>Total sales revenues</b>	<b>999</b>	<b>1,364</b>	<b>1,562</b>	<b>5,070</b>	<b>1,622</b>	<b>1,782</b>	<b>1,747</b>	<b>2,061</b>	<b>7,212</b>	<b>2,163</b>
Cobre Panama <sup>1</sup>	92	402	471	1,326	724	838	777	821	3,160	741
Kansanshi	351	423	416	1,539	418	458	505	633	2,014	596
Sentinel	252	340	526	1,353	531	525	449	527	2,032	555
Guelb Moghrein	78	71	84	300	77	112	69	55	313	46
Ravensthorpe	19	62	75	156	39	107	71	69	286	132
Sales hedge program gain (loss)	86	(49)	(114)	(48)	(257)	(338)	(204)	(103)	(902)	(3)
Other	121	115	104	444	90	80	80	59	309	96
<b>Total sales revenues</b>	<b>999</b>	<b>1,364</b>	<b>1,562</b>	<b>5,070</b>	<b>1,622</b>	<b>1,782</b>	<b>1,747</b>	<b>2,061</b>	<b>7,212</b>	<b>2,163</b>
Gross profit	141	346	443	1,077	540	625	613	784	2,562	908
EBITDA <sup>4</sup>	352	641	725	2,152	811	902	886	1,085	3,684	1,180
Net earnings (loss) attributable to shareholders of the Company	(156)	29	9	(180)	142	140	303	247	832	385
Adjusted earnings (loss) <sup>4</sup>	(84)	64	53	(46)	150	173	197	306	826	480
Net debt <sup>4</sup>	7,658	7,545	7,409	7,409	7,062	6,751	6,302	6,053	6,053	5,815
Basic earnings (loss) per share	(\$0.23)	\$0.04	\$0.01	(\$0.26)	\$0.21	\$0.20	\$0.44	\$0.36	\$1.21	\$0.56
Adjusted earnings (loss) per share <sup>5</sup>	(\$0.12)	\$0.09	\$0.08	(\$0.07)	\$0.22	\$0.25	\$0.29	\$0.44	\$1.20	\$0.70
Diluted earnings (loss) per share	(\$0.23)	\$0.04	\$0.01	(\$0.26)	\$0.21	\$0.20	\$0.44	\$0.36	\$1.20	\$0.56
Dividends declared per common share (CDN\$ per share)	-	\$0.005	-	\$0.010	\$0.005	-	\$0.005	-	\$0.010	\$0.005
Cash flows per share from operating activities <sup>5</sup>	\$0.23	\$0.66	\$0.77	\$2.34	\$1.08	\$0.99	\$1.02	\$1.10	\$4.19	\$0.97
Basic weighted average shares (000's) <sup>3</sup>	688,123	688,806	688,939	688,469	688,771	688,457	688,852	688,691	688,674	690,130
<b>Copper statistics</b>										
Total copper production (tonnes)	169,059	211,396	203,171	778,911	205,064	199,689	209,859	201,823	816,435	182,210
Total copper sales (tonnes)	159,944	197,533	217,041	764,471	210,734	203,790	194,278	213,087	821,889	196,702
Realized copper price (per lb) <sup>5</sup>	\$2.60	\$2.77	\$2.97	\$2.74	\$3.25	\$3.55	\$3.68	\$4.08	\$3.64	\$4.45
TC/RC (per lb)	(0.10)	(0.10)	(0.11)	(0.10)	(0.12)	(0.12)	(0.11)	(0.11)	(0.12)	(0.12)
Freight charges (per lb)	(0.05)	(0.03)	(0.04)	(0.04)	(0.02)	(0.04)	(0.04)	(0.03)	(0.03)	(0.04)
Net realized copper price (per lb) <sup>5</sup>	\$2.45	\$2.64	\$2.82	\$2.60	\$3.11	\$3.39	\$3.53	\$3.94	\$3.49	\$4.29
Cash cost – copper (C1) (per lb) <sup>5</sup>	\$1.20	\$1.07	\$1.28	\$1.21	\$1.24	\$1.29	\$1.26	\$1.39	\$1.30	\$1.61
All-in sustaining cost (AISC) (per lb) <sup>5</sup>	\$1.62	\$1.48	\$1.77	\$1.63	\$1.72	\$1.91	\$1.87	\$2.05	\$1.88	\$2.27
Total cost – copper (C3) (per lb) <sup>5</sup>	\$2.08	\$1.97	\$2.20	\$2.11	\$2.10	\$2.21	\$2.22	\$2.39	\$2.23	\$2.65
<b>Gold statistics</b>										
Total gold production (ounces)	54,651	72,926	68,747	265,112	78,048	81,375	78,124	74,945	312,492	70,357
Total gold sales (ounces) <sup>2</sup>	54,591	78,013	70,905	277,291	77,391	85,291	79,773	79,403	321,858	76,195
Net realized gold price (per ounce) <sup>5</sup>	\$1,604	\$1,766	\$1,771	\$1,662	\$1,661	\$1,670	\$1,683	\$1,677	\$1,673	\$1,772
<b>Nickel statistics</b>										
Nickel produced (contained tonnes)	1,979	5,113	5,603	12,695	4,642	4,543	4,248	3,385	16,818	5,122
Nickel produced (payable tonnes)	1,579	4,102	4,534	10,215	3,843	3,789	3,531	2,855	14,018	4,743
Nickel sales (contained tonnes)	1,791	4,986	5,343	12,120	2,357	6,910	4,055	3,756	17,078	4,350
Nickel sales (payable tonnes)	1,429	4,016	4,342	9,787	1,969	5,777	3,392	3,175	14,313	4,037
Net realized price (per payable lb) <sup>5</sup>	\$8.51	\$6.88	\$7.11	\$7.37	\$6.67	\$7.79	\$8.50	\$8.88	\$8.05	\$13.52

<sup>1</sup> Delivery of non-financial items (refinery-backed gold and silver credits) into the Company's precious metal stream arrangement have been netted within sales revenues rather than included in cost of sales. The three months ended March 31, 2021 has been revised for this change. Sales revenues and cost of sales for the three months ended March 31, 2021 have been reduced by \$56 million compared to the previous reported values (see "Precious Metal Stream Arrangement").

<sup>2</sup> Excludes refinery-backed gold credits purchased and delivered under the precious metal streaming arrangement. See "Precious Metal Stream Arrangement".

(in United States dollars, tabular amounts in millions, except where noted)

<sup>3</sup> Fluctuations in average weighted shares between quarters reflects shares issued and changes in levels of treasury shares held for performance share units.

<sup>4</sup> EBITDA and adjusted earnings (loss) are non-GAAP financial measures and net debt is a supplementary financial measure. These measures do not have standardized meanings under IFRS and might not be comparable to similar measures disclosed by other issuers. See “Regulatory Disclosures” for further information.

<sup>5</sup> All-in sustaining costs (AISC), copper C1 cash cost (copper C1), and total copper cost (C3), realized metal prices, adjusted earnings (loss) per share and cash flows from operating activities per share are non-GAAP ratios. These measures do not have standardized meanings under IFRS and might not be comparable to similar measures disclosed by other issuers. See “Regulatory Disclosures” for further information.

## APPENDICES

### PRODUCTION

	QUARTERLY		
	Q1 2022	Q4 2021	Q1 2021
Copper production (tonnes) <sup>1</sup>			
Cobre Panama	78,337	80,030	82,042
<i>Kansanshi cathode</i>	<i>8,643</i>	<i>10,071</i>	<i>9,907</i>
<i>Kansanshi concentrate</i>	<i>33,256</i>	<i>41,868</i>	<i>38,986</i>
Kansanshi total	41,899	51,939	48,893
Sentinel	52,475	60,197	58,252
Guelb Moghrein	3,232	2,588	6,251
Las Cruces	2,278	2,805	4,726
Çayeli	3,169	3,532	3,947
Pyhäsalmi	820	732	953
Total copper production (tonnes)	182,210	201,823	205,064
Gold production (ounces)			
Cobre Panama	29,947	32,800	35,898
Kansanshi	32,640	34,546	28,462
Guelb Moghrein	6,912	6,552	12,587
Other sites <sup>2</sup>	858	1,047	1,101
Total gold production (ounces)	70,357	74,945	78,048
Nickel production (contained tonnes) – Ravensthorpe	5,122	3,385	4,642

<sup>1</sup> Production is presented on a contained basis, and is presented prior to processing through the Kansanshi smelter.

<sup>2</sup> Other sites include Çayeli and Pyhäsalmi.

## SALES

	QUARTERLY		
	Q1 2022	Q4 2021	Q1 2021
Copper sales volume (tonnes)			
Cobre Panama	74,885	86,112	85,288
<i>Kansanshi cathode</i>	<i>10,640</i>	<i>11,122</i>	<i>9,259</i>
<i>Kansanshi anode</i>	<i>42,600</i>	<i>48,750</i>	<i>35,015</i>
Kansanshi total	53,240	59,872	44,274
<i>Sentinel anode</i>	<i>43,140</i>	<i>34,061</i>	<i>50,680</i>
<i>Sentinel concentrate</i>	<i>15,410</i>	<i>24,026</i>	<i>15,002</i>
Sentinel total	58,550	58,087	65,682
Guelb Moghrein	2,158	4,359	6,435
Las Cruces	1,921	2,914	5,281
Çayeli	5,284	978	2,786
Pyhäsalmi	664	765	988
Total copper sales (tonnes)	196,702	213,087	210,734
Gold sales volume (ounces)			
Cobre Panama	30,168	34,409	35,198
Kansanshi	38,828	36,295	27,510
Guelb Moghrein	5,523	8,189	13,378
Other sites <sup>1</sup>	1,676	510	1,305
Total gold sales (ounces) <sup>2</sup>	76,195	79,403	77,391
Nickel sales volume (contained tonnes) – Ravensthorpe	4,350	3,756	2,357

<sup>1</sup> Other sites include Çayeli and Pyhäsalmi.<sup>2</sup> Excludes refinery-backed gold credits purchased and delivered under precious metal streaming arrangement.

## SALES REVENUES

		QUARTERLY		
		Q1 2022	Q4 2021	Q1 2021
Cobre Panama <sup>1</sup>	- copper	697	773	672
	- gold	34	37	41
	- silver	10	11	11
Kansanshi	- copper cathode	106	106	78
	- copper anode	418	463	292
	- gold	71	63	48
	- other	1	1	-
Sentinel	- copper anode	422	323	420
	- copper concentrate	133	204	111
Guelb Moghrein	- copper	20	38	50
	- gold	10	13	23
	- magnetite	16	4	4
Las Cruces	- copper	19	29	44
Çayeli	- copper	42	8	19
	- zinc, gold and silver	11	4	5
Pyhäsalmi	- copper	6	7	9
	- zinc, pyrite, gold and silver	6	5	4
Ravensthorpe	-nickel	122	63	36
	-cobalt	10	6	3
Corporate <sup>2</sup>		9	(97)	(248)
Sales revenues <sup>1</sup>		2,163	2,061	1,622
	Copper	1,862	1,849	1,445
	Gold	117	114	113
	Nickel	120	62	29
	Silver	13	11	12
	Other	51	25	23
		2,163	2,061	1,622

<sup>1</sup> Delivery of non-financial items (refinery-backed gold and silver credits) into the Company's precious metal stream arrangement have been netted within sales revenues rather than included in cost of sales. The three months ended March 31, 2021 has been revised for this change. Sales revenues and cost of sales for the three months ended 2021 have been reduced by \$56 million compared to the previous reported values (see "Precious Metal Stream Arrangement").

<sup>2</sup> Corporate sales include sales hedges (see "Hedging Programs" for further discussion).

UNIT CASH COSTS (PER LB)<sup>1</sup>

	QUARTERLY		
	Q1 2022	Q4 2021	Q1 2021
<b>Cobre Panama</b>			
Mining	\$0.43	\$0.40	\$0.36
Processing	1.06	1.00	0.75
Site administration	0.07	0.07	0.05
TC/RC and freight charges	0.35	0.35	0.27
By-product credits	(0.26)	(0.25)	(0.28)
Copper cash cost (C1) (per lb)	\$1.65	\$1.57	\$1.15
Copper all-in sustaining cost (AISC) (per lb)	\$2.00	\$1.94	\$1.40
Total copper cost (C3) (per lb)	\$2.66	\$2.55	\$1.97
<b>Kansanshi</b>			
Mining	\$0.82	\$0.53	\$0.64
Processing	0.83	0.73	0.59
Site administration	0.10	(0.30)	0.10
TC/RC and freight charges	0.16	0.14	0.15
By-product credits	(0.61)	(0.48)	(0.48)
Total smelter costs	0.16	0.17	0.18
Copper cash cost (C1) (per lb)	\$1.46	\$0.79	\$1.18
Copper all-in sustaining cost (AISC) (per lb)	\$2.47	\$1.67	\$1.91
Total copper cost (C3) (per lb)	\$2.55	\$1.78	\$2.13
<b>Sentinel</b>			
Mining	\$0.52	\$0.47	\$0.43
Processing	0.64	0.59	0.56
Site administration	0.12	0.13	0.09
TC/RC and freight charges	0.25	0.26	0.22
Total smelter costs	0.08	0.06	0.08
Copper cash cost (C1) (per lb)	\$1.61	\$1.51	\$1.38
Copper all-in sustaining cost (AISC) (per lb)	\$2.41	\$2.39	\$2.03
Total copper cost (C3) (per lb)	\$2.67	\$2.59	\$2.21
<b>Ravensthorpe</b>			
Mining	\$1.49	\$2.51	\$2.27
Processing	5.47	7.86	4.01
Site administration	0.64	1.09	0.61
TC/RC and freight charges	0.26	0.32	0.28
By-product credits	(1.08)	(0.85)	(0.78)
Nickel cash cost (C1) (per lb)	\$6.78	\$10.93	\$6.39
Nickel all-in sustaining cost (AISC) (per lb)	\$8.55	\$11.15	\$7.53
Total nickel cost (C3) (per lb)	\$8.45	\$12.87	\$7.94
<b>Guelb Moghrein</b>			
Copper cash cost (C1) (per lb)	\$1.13	\$4.11	\$0.62
Copper all-in sustaining cost (AISC) (per lb)	\$1.58	\$4.57	\$0.93
Total copper cost (C3) (per lb)	\$1.85	\$5.01	\$1.63
<b>Las Cruces</b>			
Copper cash cost (C1) (per lb)	\$4.38	\$4.01	\$2.01
<b>Çayeli</b>			
Copper cash cost (C1) (per lb)	\$0.99	\$(0.44)	\$0.75
<b>Pyhäsalmi</b>			
Copper cash cost (C1) (per lb)	\$0.54	\$2.81	\$1.56

<sup>1</sup> All-in sustaining costs (AISC), C1 cash cost (C1), C3 total cost (C3) are non-GAAP ratios, and do not have standardized meaning prescribed by IFRS and might not be comparable to similar measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

## CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

Certain statements and information herein, including all statements that are not historical facts, contain forward-looking statements and forward-looking information within the meaning of applicable securities laws. The forward-looking statements include estimates, forecasts and statements as to the Company's expectations of production and sales volumes, and expected timing of completion of project development at Enterprise and post-completion construction activity at Cobre Panama and are subject to the impact of ore grades on future production, the potential of production disruptions, potential production, operational, labour or marketing disruptions as a result of the COVID-19 global pandemic, capital expenditure and mine production costs, the outcome of mine permitting, other required permitting, the outcome of legal proceedings which involve the Company, information with respect to the future price of copper, gold, nickel, silver, iron, cobalt, pyrite, zinc and sulphuric acid, estimated mineral reserves and mineral resources, First Quantum's exploration and development program, estimated future expenses, exploration and development capital requirements, the Company's hedging policy, and goals and strategies. Often, but not always, forward-looking statements or information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

With respect to forward-looking statements and information contained herein, the Company has made numerous assumptions including among other things, assumptions about continuing production at all operating facilities, the price of copper, gold, nickel, silver, iron, cobalt, pyrite, zinc and sulphuric acid, anticipated costs and expenditures and the ability to achieve the Company's goals. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. These factors include, but are not limited to, future production volumes and costs, the temporary or permanent closure of uneconomic operations, costs for inputs such as oil, power and sulphur, political stability in Panama, Zambia, Peru, Mauritania, Finland, Spain, Turkey, Argentina and Australia, adverse weather conditions in Panama, Zambia, Finland, Spain, Turkey, Mauritania, and Australia, labour disruptions, potential social and environmental challenges (including the impact of climate change), power supply, mechanical failures, water supply, procurement and delivery of parts and supplies to the operations, the production of off-spec material and events generally impacting global economic, political and social stability. For mineral resource and mineral reserve figures appearing or referred to herein, varying cut-off grades have been used depending on the mine, method of extraction and type of ore contained in the orebody.

See the Company's Annual Information Form for additional information on risks, uncertainties and other factors relating to the forward-looking statements and information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actual results, performances, achievements or events not as anticipated, estimated or intended. Also, many of these factors are beyond First Quantum's control. Accordingly, readers should not place undue reliance on forward-looking statements or information. The Company undertakes no obligation to reissue or update forward-looking statements or information as a result of new information or events after the date hereof except as may be required by law. All forward-looking statements made and information contained herein are qualified by this cautionary statement.