



FIRST QUANTUM
MINERALS



MANAGEMENT'S DISCUSSION AND ANALYSIS

SECOND QUARTER ENDED JUNE 30, 2021

(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 and the Company has depository receipts listed on the Lusaka Stock Exchange.

This Management’s Discussion and Analysis (“MD&A”) should be read in conjunction with the unaudited consolidated financial statements of First Quantum Minerals Ltd. (“First Quantum” or “the Company”) for the three and six months ended June 30, 2021. 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. Information is also available on the Company’s website at 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 has been prepared as of July 27, 2021.

SECOND QUARTER HIGHLIGHTS AND OVERVIEW

Another quarter of strong copper production at Cobre Panama drove strong operational performance in the quarter and first half of the year. Financial performance in the quarter was driven by strong sales, with increased metal prices, resulting in a significant increase in comparative EBITDA^{4,5} and net earnings, as well as further notable reduction in net debt³.

- Total copper production for the quarter was 199,689 tonnes, 18% higher than the same period in 2020, with the increase attributable to near record quarterly production at Cobre Panama.
- Cobre Panama delivered another strong quarterly result with a near record 81,686 tonnes of copper produced, and achieved further quarterly milestones such as records in crushed tonnes, milled tonnes, mill availability and contained copper in concentrate shipped. Production was 276% higher than the same period in 2020, which was impacted by a COVID-19 related reduction in production.
- Kansanshi had another consistent quarter, with copper production of 50,340 tonnes. Performance was impacted by lower oxide ore grades and lower oxide copper recoveries. The Kansanshi smelter processed 240,895 dry metric tonnes (“DMT”) of copper concentrate, produced 58,458 tonnes of copper anode and 229,000 tonnes of sulphuric acid with higher than normal recoveries of 99%, in advance of planned maintenance throughout June.
- As previously guided, Sentinel experienced lower grades during the quarter, and delivered 54,308 tonnes of copper. Grades are expected to improve during the third quarter as higher-grade ore is exposed. For the third consecutive quarter, sales volumes at Sentinel exceeded production and were 11% higher than the same period in 2020.
- The fourth in-pit crusher at Sentinel has been installed in position, and remaining works will be completed to enable the plant to ramp up throughput to 62 million tonnes per annum (“Mtpa”) in 2022.
- Total gold production for the quarter was 81,375 ounces, a 49% increase from the same period in 2020, attributable to record production at Cobre Panama of 36,290 ounces and consistent delivery from Kansanshi of 32,942 ounces.
- Gross profit of \$625 million and comparative EBITDA of \$902 million for the second quarter of 2021 were significantly higher (343% and 156%, respectively) than the same period in 2020, attributable to increased sales volumes at Cobre Panama, as well as a 37% increase in the realized copper price. C1 cash cost of \$1.29 per lb was \$0.09/lb higher than the second quarter of 2020, impacted by lower production at both Zambian operations and cessation of open-pit mining at Las Cruces in August 2020. The realized copper price of \$3.55/lb achieved during the quarter reflected the hedge profile in place.
- Financial results include net earnings attributable to shareholders of the Company of \$140 million (\$0.20 earnings per share) and comparative earnings of \$173 million (\$0.25 comparative earnings per share) and represents a significant improvement on the same quarter of 2020.

- Cash flows from operating activities of \$679 million (\$0.99 per share) for the second quarter of 2021 were \$524 million higher than the same period in 2020.
- Net debt decreased during the six-month period by \$658 million to \$6,751 million as at June 30, 2021, including a \$311 million reduction in the second quarter. With the current strength in the copper price, a significant further reduction is expected in the second half of this year. On the basis of ongoing strong operational performance, the Company anticipates continued strong future cash flow and expects to be in a position to support increased dividend payments by the end of next year.
- At June 30, 2021, the Company had 44,125 tonnes of unmargined copper forward sales contracts at an average price of \$2.96 per lb outstanding with periods of maturity to December 2021. In addition, the Company had 152,125 tonnes of unmargined zero cost copper collar sales contracts with maturities to March 2022 at weighted average prices of \$3.21 per lb to \$3.92 per lb outstanding. Copper sales in the quarter were 52% hedged. Approximately one quarter of expected copper sales for the next 12 months are hedged to unmargined forward and zero cost collar sales contracts, at an average floor price and average ceiling price of \$3.16 per lb and \$3.70 per lb, respectively.
- The Company also had unmargined nickel forward sales contracts for 1,110 tonnes at an average price of \$7.74 per lb outstanding, with maturities to December 2021. In addition, the Company has zero cost nickel collar unmargined sales contracts for 1,299 tonnes at weighted average prices of \$7.68 per lb to \$8.58 per lb outstanding with maturities to May 2022.
- Construction of Shoemaker Levy progressed during the second quarter and is now predominantly complete. Mine pre-strip is advanced with the first mining area cleared and ready for first ore delivery which is expected to be delivered to existing plant in the third quarter of 2021. The resulting improved ore characteristics are expected to assist with the process plant performance.
- In May 2021, the Company announced that it has entered into a binding agreement to sell a 30% equity interest in Ravensthorpe for cash consideration of \$240 million to POSCO, one of the world's leading integrated producer of materials for the electric vehicle ("EV") sector. The Company will retain a 70% interest in Ravensthorpe and continue to be the operator. The transaction is expected to complete in the third quarter of 2021.
- On July 27, 2021, the Company declared an interim dividend of CDN\$0.005 per share, in respect of the financial year ended December 31, 2021 (July 28, 2020: CDN\$0.005 per share), to be paid on September 21, 2021 to shareholders of record on August 30, 2021.

CONSOLIDATED OPERATING HIGHLIGHTS

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Copper production (tonnes) ¹	199,689	169,059	404,753	364,344
Copper sales (tonnes)	203,790	159,944	414,524	349,897
Gold production (ounces)	81,375	54,651	159,423	123,439
Gold sales (ounces) ²	85,291	54,591	162,682	128,373
Nickel production (contained tonnes)	4,543	1,979	9,185	1,979
Nickel sales (contained tonnes)	6,910	1,791	9,267	1,791

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

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

CONSOLIDATED FINANCIAL HIGHLIGHTS

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Sales revenues	1,847	1,014	3,525	2,196
Gross profit	625	141	1,165	288
Net earnings (loss) attributable to shareholders of the Company	140	(156)	282	(218)
Basic and diluted earnings (loss) per share	\$0.20	(\$0.23)	\$0.41	(\$0.32)
Cash flows from operating activities	679	155	1,422	628
Net debt ³	6,751	7,658	6,751	7,658
Comparative EBITDA ^{4, 5}	902	352	1,713	786
Comparative earnings (loss) ⁴	173	(84)	323	(163)
Comparative earnings (loss) per share ⁴	\$0.25	(\$0.12)	\$0.47	(\$0.24)
Cash cost of copper production (C1) (per lb) ³	\$1.29	\$1.20	\$1.26	\$1.25
Total cost of copper production (C3) (per lb) ³	\$2.21	\$2.08	\$2.15	\$2.14
All-in sustaining cost (AISC) (per lb) ³	\$1.91	\$1.62	\$1.81	\$1.63
Realized copper price (per lb) ³	\$3.55	\$2.60	\$3.39	\$2.58
Net earnings (loss) attributable to shareholders of the Company	140	(156)	282	(218)
Adjustments attributable to shareholders of the Company:				
Adjustment for expected phasing of Zambian value-added tax ("VAT") receipts	22	(22)	14	(59)
Loss on debt instruments	-	-	-	2
Total adjustments to comparative EBITDA excluding depreciation ⁵	28	18	40	137
Reversal of tax effect of unrealized hedge position recognized in other comprehensive income	-	67	-	-
Tax and minority interest comparative adjustments	(17)	9	(13)	(25)
Comparative earnings (loss)	173	(84)	323	(163)

³ These figures are non-GAAP financial measures and not recognized under IFRS. These measures are disclosed as they reflect those used by the Company's management in reviewing operational performance. The definition and reconciliation of these non-GAAP financial measures is included within "Regulatory Disclosures".

⁴ Comparative earnings (loss) have been adjusted to exclude items from the corresponding IFRS measure, net earnings (loss) attributable to shareholders of the Company, which are not considered by management to be reflective of underlying performance. Comparative earnings (loss), comparative earnings (loss) per share, comparative EBITDA and cash flows per share are not measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS. The Company has disclosed these measures to assist with the understanding of results and to provide further financial information about the results to investors. See "Regulatory Disclosures" for a reconciliation of comparative EBITDA and comparative earnings (loss) to the IFRS measures. The use of comparative earnings (loss) and comparative EBITDA represents the Company's adjusted earnings (loss) metrics.

⁵ Adjustments to comparative EBITDA in the second quarter of 2021 relate principally to foreign exchange revaluations (foreign exchange revaluations in the second quarter of 2020).

SUSTAINABILITY

Details of the Company's Environmental, Social & Governance ("ESG") reporting, policies and related programs, including approach and commitments to climate change, policies and data can be found at:

<https://www.first-quantum.com/English/sustainability/default.aspx>.

Reporting

The Company recently published its primary ESG report, the annual Environment, Safety and Social Data Report ("ESSDR"), and ESG Data Summary, which set out the Company's 2020 performance in a number of key environmental, safety and social metrics.

With operational excellence at the core of the First Quantum approach, for the first time, the ESSDR outlines the significant CO₂ emissions savings realized by some of the Company's innovative mining and processing technology in areas such as on-site smelting, trolley-assist and in-pit crushing and conveying. Furthermore, in recognition of the Company's impact on the local, regional and global environment, the scope of the report has been expanded to reflect the Company's downstream Scope 3 CO₂ emissions within the CO₂ emissions intensity metrics of the copper operations.

The Company strongly supports transparency initiatives which provide clear information on the substantial economic contributions that are made by First Quantum each year. The Company has published the fifth Tax Transparency Report which sets out the almost \$1.1 billion in direct tax and economic contributions made to the countries in which First Quantum's operations are located in 2020.

Climate Change

As noted in the first quarter, the Company has made a number of commitments with respect to climate change. The first phase of the Company's Task Force on Climate-related Financial Disclosures ("TCFD") project has been completed and remains on course to commence reporting aligned with the TCFD this year. Work on setting CO₂ emissions targets is progressing and in keeping with the Company's intention to base these commitments on actions with a pathway to achievement, an update on decarbonization efforts will be provided later in the year.

Biodiversity

In 2014, the Company and the Zambia Wildlife Authority (ZAWA, now the Zambian Department of National Parks and Wildlife) developed a Memorandum of Understanding to guide the implementation and execution of the West Lunga Conservation Project ("WLCP") to provide logistical, technical, and managerial support for the West Lunga area. Funding is provided by First Quantum, the Worldwide Fund for Nature ("WWF") and The Nature Conservancy ("TNC"). During the quarter, the Global Environment Facility ("GEF") awarded, through United Nations Environment Programme ("UNEP"), \$5.3 million to TNC to implement, in conjunction with the Zambian Forestry Department, a five-year community forest stewardship and livelihood development programme in the North Western Province, including in and around West Lunga. Since 2014, First Quantum has invested more than \$4 million to support conservation and wildlife activities in West Lunga.

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. Tragically, despite this, there was a fatal road traffic accident at Kansanshi in June of this year. This fatality is subject to internal and external investigation, as well as Board review. The unfortunate incident is being thoroughly analyzed and the Company is committed to learning from the findings and taking appropriate actions. 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 0.08 per 200,000 hours worked on average over the 12-month period to June 30, 2021 (2020: 0.06).

COVID-19

The Company continues to maintain health and sanitary protocols and to support the government health authorities in each jurisdiction to combat the spread of COVID-19. These measures continue to be reviewed and adjusted as needed.

In Panama, the Company has continued to partner with the Government in providing support for testing, equipment, contact tracing and food parcels across the country, particularly in our related communities of Cocle and Colon. During the quarter, the Company expanded its contribution to support the Government of Panama's COVID-19 vaccination program, in particular,

through funding to the Club Activo 20-30 effort for vaccination logistics in the Colon and Cocolé Provinces. Strict protocols and sanitary control measures remain in place at Cobre Panama with isolation prior to site entry an important cornerstone in the continuity of operations, together with contact tracing and control testing regimes.

In Zambia, the Company has provided testing and medical equipment and assisted with the construction of isolation facilities for the community. On-going support includes the provision of oxygen, consumables, face mask and sanitation stations and transportation of medical supplies. Frequent interaction and sensitization with the surrounding communities is achieved via multiple communication platforms. The Company is also supporting the Government of Zambia's COVID-19 vaccination program.

In addition, to increased medical facility resilience initiatives at the mine clinics in Mauritania, Zambia and Panama, COVID-19 protective measures to minimize person-to-person transmission in the work place and protect business continuity have been implemented across all operations.

The Company has worked to manage the logistical challenges presented by the global pandemic on the closure of, or bottlenecks at border crossings and ports by using alternative routes where feasible. In the fourth quarter of 2020, some sales shipments were delayed due to COVID-19 related port restrictions, and similar delays have been experienced to date in 2021. The Company has also experienced some minor disruptions and additional costs on freight shipments out of Asia. The Company has not experienced any other major disruptions to supply chains and product shipments since the onset of the pandemic and has no immediate expectation of further disruptions other than the port delays and potential for additional shipping costs as noted above. There have been some challenges in labour availability due to COVID-19 related travel restrictions in Western Australia; however, the impact was limited to the Shoemaker Levy Project in the quarter.

As cases are identified amongst the workforce, they are contained and isolated according to the established protocols and in coordination with local health authorities, with limited impact to operations. The Company continues to employ measures to ensure minimal spread of the contagion, and the health and well-being of our workforce continues to be a priority.

DEVELOPMENT PROJECT

The Enterprise is a nickel deposit located 12km away from our Sentinel copper mine in the North Western Province of Zambia, with proven and probable reserves amounting to 34.7Mt of ore at 0.99% nickel. The Enterprise pit development project design has been revised and optimized to support an accelerated mine plan targeting early pre-stripping in the second half of 2021 and beginning of continuous pit production. The key infrastructure to be built this year are the water diversion dam upstream of the pit, the water management facilities to ensure environmental compliance, pit dewatering boreholes and pumps, power reticulation and general production support. Initial mine production is expected to ramp up in capacity in the dry season of May 2023 with a focus on pre-stripping and generation of aggregates material for the Sentinel pit.

Additional diamond drill holes and RC drilling continues to enhance the geological model covering Phase 1 of the pit, along with further geometallurgical testwork and modelling.

OTHER DEVELOPMENTS

Ravensthorpe-POSCO Transaction

In May 2021, the Company announced that it has entered into a binding agreement to sell a 30% equity interest in Ravensthorpe for cash consideration of \$240 million to POSCO, one of the world's leading integrated producer of materials for the electric vehicle ("EV") sector. The Company will retain a 70% interest in Ravensthorpe and continue to be the operator. The proceeds of the transaction will be used to reduce the Company's debt. The transaction is expected to complete in the third quarter of 2021.

Zambian VAT

During the six months ended June 30, 2021, the Company was granted offsets of \$33 million with respect to VAT receivable balances. In the same period of 2020, offsets of \$50 million were granted and cash recoveries of \$1 million were received. For a detailed summary of the VAT receivable balance due to the Company's Zambian operations please see "*Zambian VAT*".

Zambian Power Supply

Kariba Dam water levels topped out in June at 53% (compared to 42% in the previous year). Dam water levels are now adequate across the Country. No power restrictions are expected for the Zambian mining operations.

Commissioning of the first 150MW unit at the 750MW Kafue Gorge Lower Power Station was completed on Friday 23 July, 2021, and is now feeding additional power into the national grid. Commissioning of the remaining four 150MW hydro-generation units is still ongoing. These subsequent units are scheduled to come online at four week intervals.

Panama Law 9 Update

Earlier this month, the Government of Panama announced the appointment of a high-level commission of senior government ministers and officials to discuss the contract. The public acknowledgement of these ongoing discussions between the Government and the Company, ensures transparency in the outcome of the process. The Ministers of Commerce, Finance, Labour and Environment are the confirmed representatives on the commission. The Company welcomes the appointment and public acknowledgement of the commission and the opportunity for all stakeholders to resolve this matter in the medium term. Also this month the Supreme Court ruled on the clarification motions presented by the Company to the Court in relation to its law 9 decision announced in September 2018, which have not yet come into effect. The Supreme Court upheld its ruling and the Company understands the decision will be enacted once published in the Gazette of the Supreme Court in the near future. While Cobre Panama continues operating steadily the Company is reviewing these developments and expects the Government announced process to result in a mutually agreed new legal framework to be presented to and approved by the National Assembly.

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. This program includes work at advanced stage exploration projects at Taca Taca in Argentina and Haquira in Peru.

At Taca Taca, located in the Salta province of Argentina, 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 assessment by the authorities continues. Separate ESIA's for project support infrastructure were also submitted to the relevant authorities during Q2 2021. On November 30, 2020, the Company filed an updated NI 43-101 Technical Report for the Taca Taca Project, including an updated Mineral Resource statement and a maiden Mineral Reserve for the project. This increases the Company's total Mineral Reserves to over 29 million tonnes of contained copper which is one of the largest copper Mineral Reserve base, globally, and substantially increases the geographic diversification of the Company's copper reserves. On March 29, 2021, the Company filed an amended and restated NI 43-101 Technical Report for Taca Taca. The restated Technical Report now includes an after-tax cash flow model, although underlying pre-tax cash flow assumptions remain unchanged from the November 2020, and now superseded, report.

At the Haquira project, located in the Apurímac region of Peru, the focus remains on community resettlement process and environmental aspects.

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 Australia and Papua New Guinea. Near-mine exploration programs are restricted to Las Cruces, in Spain, as well as on satellite targets around Kansanshi, in Zambia.

During the quarter, the escalating COVID-19 situation in Peru meant that all high risk activities such as drilling had to be suspended due to pressure on the local health system and inability to provide adequate medical care to our employees and contractors in case of emergency. Chile and Argentina are also battling a resurgence of infections; however, a full summer season of drilling was successfully completed before suspension for the southern winter in May. Drill programmes are continuing in Papua New Guinea and Zambia. Reconnaissance exploration in Australia continues relatively unaffected by the pandemic.

GUIDANCE

Guidance provided below is based on a number of assumptions and estimates as of June 30, 2021, 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 unprecedented 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.

Total copper production guidance remains unchanged, with Cobre Panama guidance range increasing 10,000 and 5,000 tonnes to between 310,000 and 335,000 tonnes, respectively, while Kansanshi guidance range has been reduced 10,000 tonnes to between 200,000 and 215,000 tonnes. Other sites guidance incorporates a range with the upper level increasing 5,000 tonnes to between 45,000 tonnes and 50,000 tonnes.

Total gold production guidance remains unchanged, with Cobre Panama guidance range increasing 5,000 ounces to between 125,000 and 135,000 ounces, while Kansanshi guidance range has been reduced 5,000 ounces to between 115,000 to 125,000 ounces.

Whilst copper C1 costs for the second quarter and for the first six months of the year have been in the middle of the guidance range, AISC has been rising, particularly in the second quarter, from higher Zambian royalty rates due to higher copper prices. Accordingly, AISC guidance for the 2021 year has been increased by 10 cents to allow for higher royalty expense, which for the quarter has exceeded prior year levels by 12 cents.

Ravensthorpe nickel production has been reduced to between 20,000 and 24,000 contained tonnes. The reduction in guidance has resulted from delays experienced for supply of key components for the Shoemaker Levy crushing and conveyor project, which has resulted in an extended period of ore feed from the Hale Bopp and Halley's pit, as opposed to higher value Shoemaker Levy ore feed.

Based on actual equipment delivery dates achieved, the delivery of first ore from Shoemaker Levy into the Ravensthorpe process plant is now expected to be in the third quarter of 2021. The reduced proportion of Shoemaker Levy ore volumes across the 2021 production profile for Ravensthorpe has had a commensurate impact on nickel production and costs for the year, alongside inflation in key input prices and exchange rates.

Cash costs guidance for nickel has therefore been increased, with C1 cost range increasing to between \$6.50 per lb and \$7.00 per lb and AISC range increasing to between \$7.75 per lb and \$8.50 per lb. The update to guidance reflects the lower production guidance, the appreciation of the Australian dollar against the US dollar since the beginning of the year, the increase in market price of sulphur, and higher freight charges due to global shipping congestion.

Guidance for total capital expenditure is unchanged at \$950 million. Other projects capital expenditure guidance increases \$40 million, while capitalized stripping guidance decreases \$40 million, with some reallocation of pre-strip expenditures at Cobre Panama.

PRODUCTION GUIDANCE

000's	2021 Previous Guidance	2021 Updated Guidance
Copper (tonnes)	785 – 850	785 – 850
Gold (ounces)	280 – 300	280 – 300
Nickel (contained tonnes)	23 – 27	20 – 24

PRODUCTION GUIDANCE BY OPERATION ¹

Copper production guidance (000's tonnes)	2021 Previous Guidance	2021 Updated Guidance
Cobre Panama	300 – 330	310 – 335
Kansanshi	210 – 225	200 – 215
Sentinel	230 – 250	230 – 250
Other sites	45	45 – 50

	2021 Previous Guidance	2021 Updated Guidance
Gold production guidance (000's ounces)		
Cobre Panama	120 – 130	125 – 135
Kansanshi	120 – 130	115 – 125
Other sites	40	40
Nickel production guidance (000's contained tonnes)		
Ravensthorpe	23 – 27	20 – 24

¹ Production is stated on a 100% basis as the Company consolidates all operations

CASH COST AND ALL-IN SUSTAINING COST

	2021 Previous Guidance	2021 Updated Guidance
Copper		
C1 (per lb)	\$1.20 – \$1.40	\$1.20 – \$1.40
AISC (per lb)	\$1.70 – \$1.85	\$1.80 – \$1.95
Nickel		
C1 (per lb)	\$5.00 – \$5.50	\$6.50 – \$7.00
AISC (per lb)	\$5.50 – \$6.00	\$7.75 – \$8.50

CAPITAL EXPENDITURE

	2021 Previous Guidance	2021 Updated Guidance
Capitalized stripping	250	210
Sustaining capital and other projects	700	740
Total capital expenditure	950	950

Capital expenditure expectation for the full year 2021 includes spend on secondary screening at Cobre Panama, concentrate grade upgrade project at Kansanshi, Shoemaker Levy development at Ravensthorpe and the fourth crusher at Sentinel. Sustaining capital expenditure is expected to be approximately \$290 million including planned maintenance at the Kansanshi smelter.

Capital expenditure for the quarter ended June 30, 2021 was \$264 million and for the first six months of the year was \$444 million.

Interest

Interest expense for the quarter ended June 30, 2021 was \$186 million and for the first six months of the year was \$373 million. A significant proportion of the Company's interest expense is incurred in jurisdictions where no tax credit is recognized. Interest expense for the full year 2021 is expected to range between \$740 million and \$780 million. This includes interest accrued on related party loans to Cobre Panama and a finance cost accreted on the precious metal streaming arrangement.

Cash outflow on interest paid for the three and six months ended June 30, 2021 was \$68 million and \$261 million, respectively, and is expected to be approximately \$525 million for the full year 2021. This figure excludes interest paid on related party loans to Cobre Panama.

Tax

Excluding the impact of interest expense, the effective tax rate for the quarter ended June 30, 2021 was 31%, and for the first six months of the year was 30%. Excluding the impact of interest expense, the effective tax rate for the full year 2021 is expected to be approximately 30%.

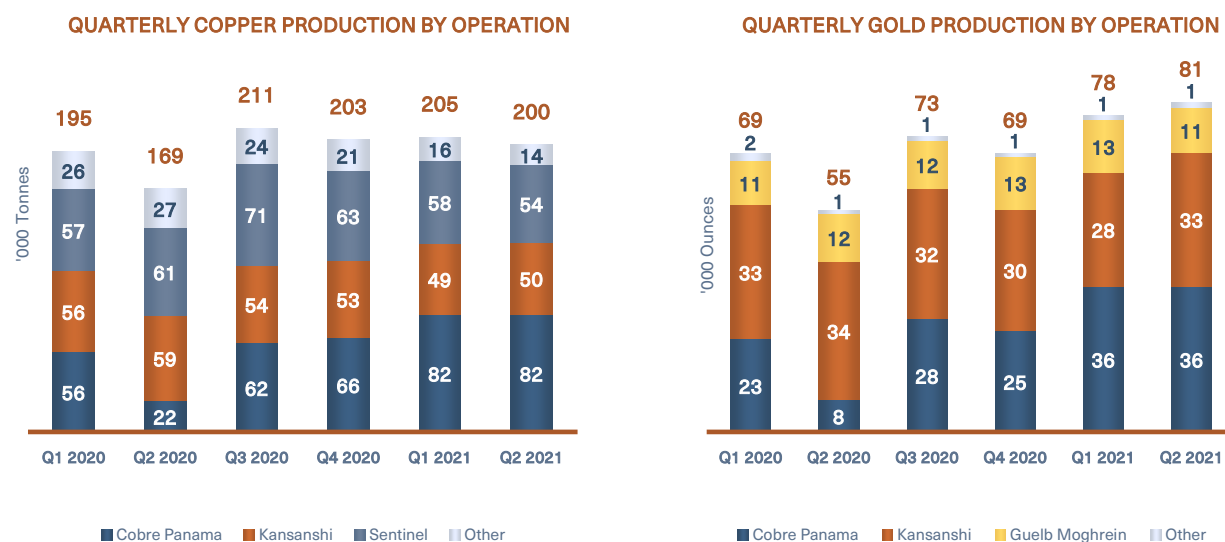
Depreciation

Depreciation expense for the quarter ended June 30, 2021 was \$286 million and for the first six months of the year was \$572 million. The full year 2021 depreciation expense is expected to be between \$1,125 million and \$1,150 million.

SUMMARY OPERATIONAL RESULTS

Production

SECOND QUARTER



Copper production in the second quarter of 2021 was 18% higher than the same period in 2020, attributable to the strong quarterly production at Cobre Panama. Cobre Panama's sustained and strong operational performance continued into the second quarter with near record production of 81,686 tonnes, due to increased mill availability and throughput rates. In contrast, copper production at Cobre Panama during the second quarter of 2020 was impacted when it was placed on preservation and safe maintenance following the commencement of COVID-19 restrictions, resulting in a 276% increase in production for the second quarter as compared to the same quarter in 2020.

As expected, in the second quarter of 2021, Sentinel experienced lower grades from the eastern extent of the Stage 2 pit and lower recoveries with production 11% lower than the same quarter in 2020. Throughput was higher and was assisted by softer ore and high availabilities of the mills, secondary and pebble crushers. Record milling rates were achieved during May and an improvement in ore grade is expected for the third quarter.

Kansanshi copper production in the quarter was 14% lower than the second quarter of 2020, impacted by lower ore grades on the oxide circuits and subsequent lower recoveries. The decline in the oxide ore grade was due to the depletion of higher-grade areas, and low-grade ore from stockpiles.

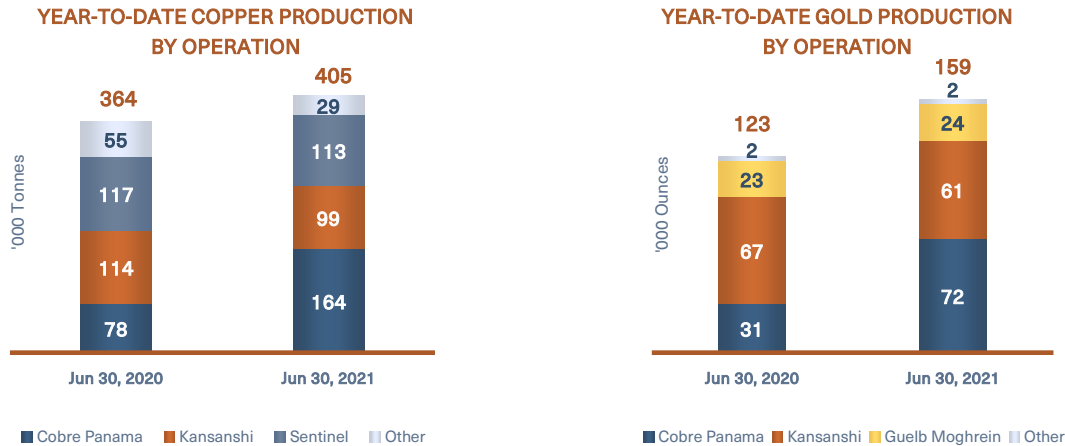
Copper production at Las Cruces decreased by 83% from the comparable quarter in 2020, mainly due to the cessation of Phase VI open-pit mining activities in August 2020. The current mine life is being extended through the re-processing of high-grade tailings which commenced in February 2021 and is expected to continue until the end of 2022.

Total gold production of 81,375 ounces was 49% higher than the comparable period in 2020. Cobre Panama produced 36,290 ounces of gold in the second quarter of 2021, a 366% increase compared to the same quarter of 2020, as a result of increased

throughput and the fact that in the second quarter of 2020, the operations was placed in preservation and safe maintenance. Gold production at Kansanshi decreased by 4% compared to the same period in 2020 due to lower copper concentrate production and a decline in gravity recoverable gold.

Ravensthorpe produced 4,543 contained tonnes of nickel in the second quarter of 2021. Second quarter production was mostly affected by low leach tonnes caused by difficult to treat limonite ore as well as some unplanned autoclave downtime. There was an extended period of ore feed from the Hale Bopp and Halley's pit, in advance of moving to higher value Shoemaker Levy ore feed, which is expected during the third quarter.

SIX MONTHS



Copper production in the six months ended June 30, 2021, was 11% higher than the comparable period of 2020, mainly due to the strong operational performance at Cobre Panama. Cobre Panama achieved milestone production of 163,728 tonnes of copper in the first half of the year, representing an increase of 110% compared to the same period in 2020. Despite some unplanned downtime of a stockpile conveyor line in April, Cobre Panama produced strong operational results due to increased mill availability, throughput rates, and higher ore grade processed during the period. The impact of COVID-19 restrictions impacted operational results in the second quarter of 2020, when it was placed on preservation and safe maintenance.

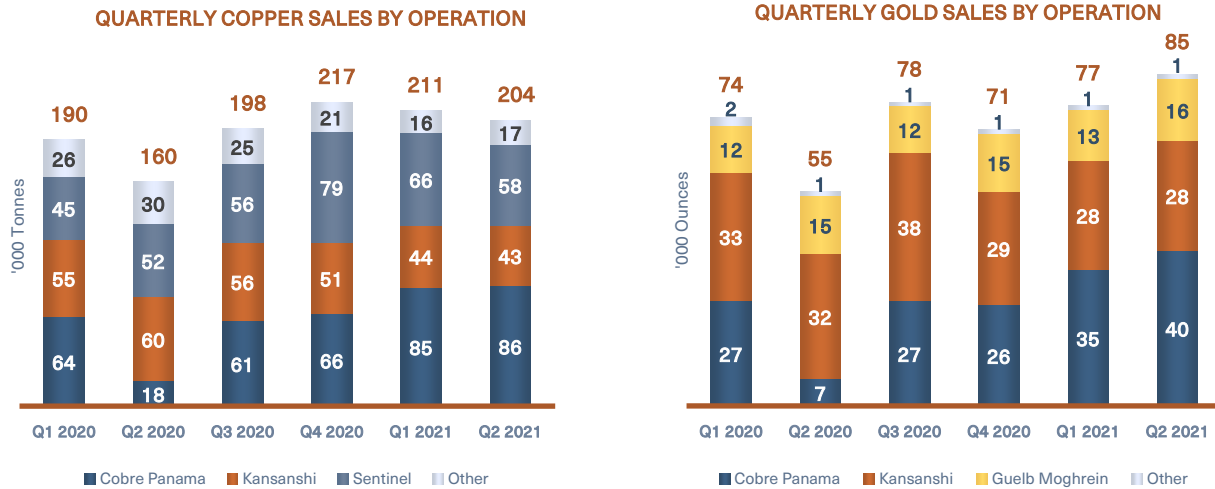
Copper production at Las Cruces decreased significantly from the prior year comparative period due to the cessation of open-pit mining activities in August 2020. Processing of stockpiles were completed in February 2021. Current mine life is being extended through the re-processing of high-grade tailings which commenced in February 2021 and is expected to continue until the end of 2022.

Total gold production was 29% higher than the comparable period in 2020, attributable mainly to the continued strong operational performance at Cobre Panama. Cobre Panama produced 72,188 ounces of gold in 2021, which more than doubled the production of gold in the comparable period of 2020 at 31,026 ounces. Gold production at Kansanshi was 9% lower due to lower copper concentrate production and a decline in gravity recoverable gold.

Ravensthorpe recommenced operations with the first nickel production in late April of 2020. As a result, nickel production for the period to June 30, 2021, was 9,185 contained tonnes, a significant increase as compared to 1,979 tonnes in the same period of 2020.

Sales Volumes

SECOND QUARTER



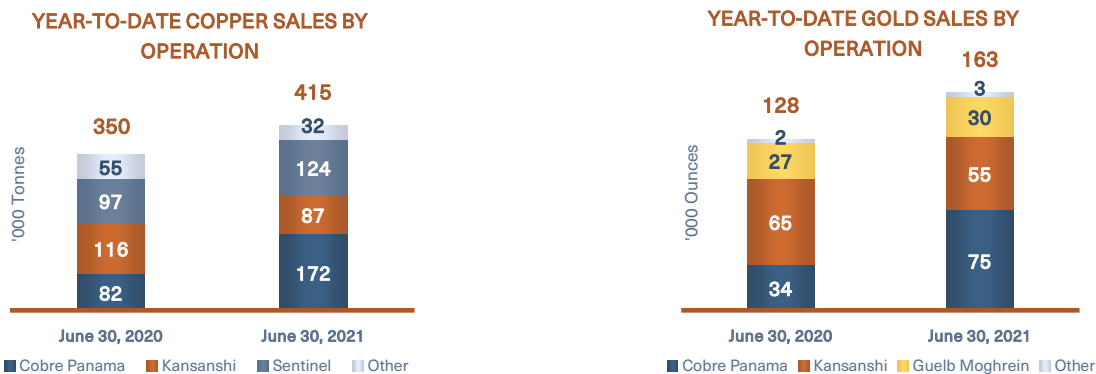
Total copper sales volumes of 203,790 tonnes for the second quarter of 2021 were 27% higher than the comparable period in 2020, due to increased copper sales volumes at Cobre Panama and Sentinel.

Copper sales volumes at Cobre Panama for the second quarter of 2021 were 385% higher than the comparable period in 2020 in line with increased production. For the third consecutive quarter, sales at Sentinel exceeded production and were 11% higher than the second quarter of 2020.

Gold sales volumes of 85,291 ounces for the second quarter of 2021 were 56% higher, compared to the same quarter of 2020, mainly due to increased gold production at Cobre Panama.

Nickel sales volumes improved at Ravensthorpe from the first to the second quarter of 2021, with 6,910 contained tonnes sold for the quarter compared to 2,357 tonnes in the prior quarter. Global shipping congestion due to the COVID-19 pandemic impacted the timing of nickel sales in the first quarter of 2021, with some sales shipments delayed until April. Nickel sales volumes in the second quarter were significantly more than the same period of 2020 due to Ravensthorpe recommencing production in late April of 2020.

SIX MONTHS

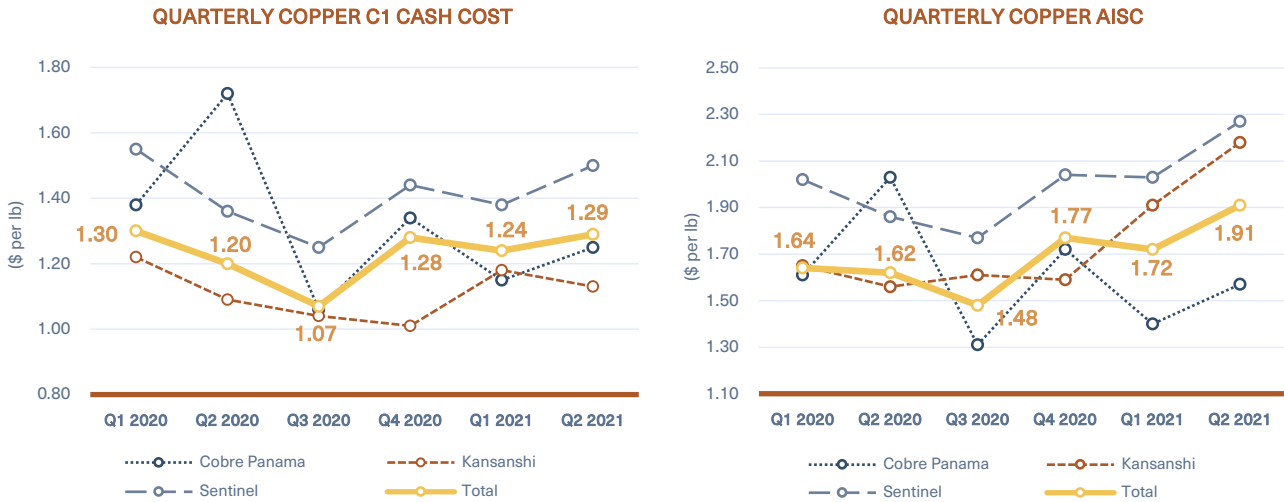


Copper sales in the period were 18% higher compared to the same period in 2020. This reflects the increased contribution from Cobre Panama and Sentinel, offset by lower copper sales at Kansanshi and Las Cruces.

Gold sales volumes increased by 27% compared to the same period in 2020, reflecting the contribution from Cobre Panama.

Cash Costs

SECOND QUARTER

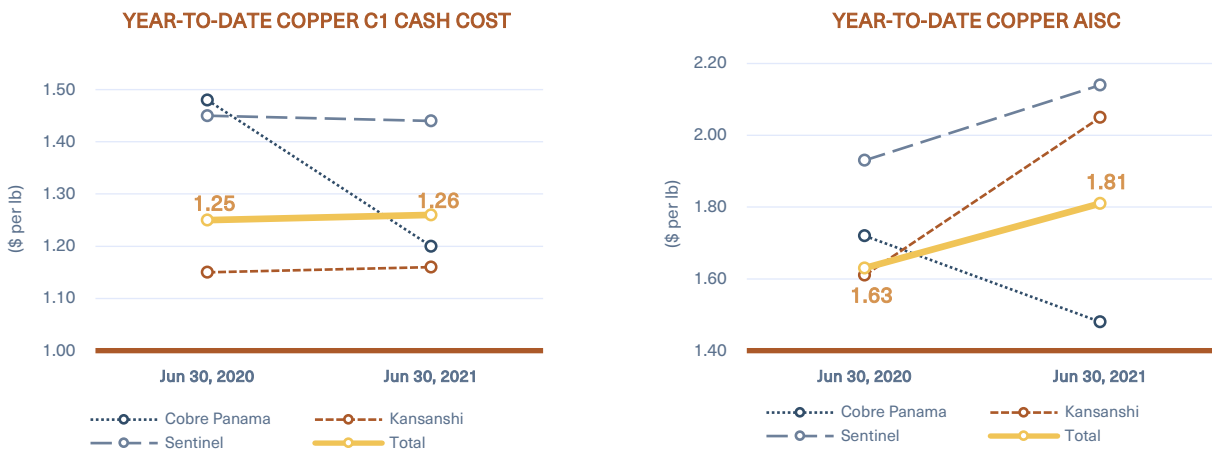


Total copper C1 cash cost of \$1.29 per lb for the quarter was \$0.09 per lb higher than the same quarter of 2020, and was impacted by lower production and higher consumable costs at both Zambian operations as well as the cessation of open-pit mining at Las Cruces in August 2020.

Cobre Panama C1 cash cost of \$1.25 per lb is significantly lower than the second quarter of 2020 and reflects increased production. The operation has also experienced some increases in consumable prices including fuel and coal. However, a collar structure is now in place and will prevent exposure to further material increases in the coal price until December 2023.

Total copper AISC of \$1.91 per lb is \$0.29 per lb higher than the second quarter of 2020, mainly resulting from a \$0.40 per lb increase at Sentinel and \$0.62 per lb increase at Kansanshi, offset by a \$0.46 per lb decrease at Cobre Panama. Overall, AISC was impacted in particular by the higher Zambian royalty rate following increase in copper prices as well as higher sustaining capital expenditure including the smelter planned maintenance shutdown at Kansanshi. Royalty cost was \$0.12/lb higher than the second quarter of 2020.

SIX MONTHS



Copper C1 cash cost of \$1.26 per lb for the six months ended June 30, 2021 remained relatively consistent with the same period in 2020. C1 cash cost at Cobre Panama decreased \$0.28 per lb due to higher production during the period, which positively impacted total C1 cash cost, however, this was offset by the impact of reduced production at Las Cruces. Sentinel and

Kansanshi's C1 cash costs for the period benefited from depreciation of the Zambian kwacha ("ZMW"), which largely offset the impact of lower production. Kansanshi also benefited from a higher by-product credit due to increased gold prices.

Total copper AISC of \$1.81 per lb for the six months ended June 30, 2021 was \$0.18 per lb higher than the comparable period of 2020 mainly resulting from a \$0.21 per lb increase at Sentinel and \$0.44 per lb increase at Kansanshi, offset by a \$0.24 per lb decrease at Cobre Panama. AISC was impacted by the higher Zambian royalty rate following increase in copper prices as well as higher sustaining capital expenditure.

Please see the appendices from page 51 for further detail on production and sales volumes by operation as well as sales revenues and cash costs.

OPERATIONS REVIEW

Cobre Panama

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Waste mined (000's tonnes)	11,048	1,467	23,722	13,722
Ore mined (000's tonnes)	22,406	6,426	47,223	25,359
Copper ore milled (000's tonnes) ¹	19,719	6,157	39,347	22,099
Copper ore grade processed (%)	0.45	0.41	0.46	0.39
Copper recovery (%)	91	86	91	90
Concentrate grade (%)	26.7	22.9	26.7	23.6
Copper production (tonnes)	81,686	21,733	163,728	77,973
Copper sales (tonnes)	86,417	17,832	171,705	81,968
Gold production (ounces)	36,290	7,794	72,188	31,026
Gold sales (ounces) ²	39,664	6,674	74,862	34,011
Silver production (ounces)	609,427	164,449	1,232,878	593,743
Silver sales (ounces) ²	637,887	126,366	1,285,309	606,890
All-in sustaining cost (AISC) (per lb) ³	\$1.57	\$2.03	\$1.48	\$1.72
Cash cost (C1) (per lb) ³	\$1.25	\$1.72	\$1.20	\$1.48
Total cost (C3) (per lb) ³	\$2.14	\$2.99	\$2.05	\$2.59
Revenues (\$ millions)				
Copper in concentrates	782	84	1,454	408
Gold - mine production	65	8	121	48
Gold - precious metal stream	36	11	69	35
Silver - mine production	15	3	29	9
Silver - precious metal stream	5	1	10	5
Sales revenues	903	107	1,683	505
Gross profit (loss)	422	(37)	754	(4)
Comparative EBITDA ³	560	12	1,024	169

¹ DMT

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

³ AISC, C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. See "Regulatory Disclosures" for further information.

Second Quarter

During the quarter, 19.7 million tonnes of ore with an average head grade of 0.45% were processed with recoveries of 91%. Despite unplanned downtime of the stockpile conveyor line in April, increased mill availability and throughput rates generated near record copper production of 81,686 tonnes and record gold production of 36,290 ounces in the quarter. Due to increased plant stability and continuous improvement projects, Cobre Panama achieved quarterly milestones such as records in crushed tonnes (19.7Mt), milled tonnes (19.7Mt), mill availability (96.2%) and contained copper in concentrate shipped (86.4kt). Furthermore, record daily copper production and milled tonnes were achieved on May 1st (1,473t) and June 19th (294kt), respectively.

AISC and C1 cash cost of \$1.57 per lb and \$1.25 per lb, respectively, are lower than the second quarter of 2020, reflecting the increased production levels. Included within C1 cash costs and AISC are \$8.5 million in increased operating costs associated with the health and safety protocols in place in response to COVID-19. This includes \$0.4 million out of a total commitment of \$1.0 million to contribute to the Panamanian Club Activo 20-30 COVID-19 vaccination program.

Sales revenues for the quarter were \$903 million, an increase of \$796 million from the same quarter of 2020, reflecting higher production, higher sales volumes and higher realized metal prices, excluding the impact of corporate sales hedge program. The comparative period sales were more significantly affected by COVID-19 related restrictions as the operations were functioning on preservation and safe maintenance mode.

Gross profit of \$422 million for the quarter was \$459 million higher than the comparable period in 2020, reflecting higher sales revenues and lower unit costs.

Six Months

Strong operational performance continues to be demonstrated throughout with steadily improving plant availability and mill processing rates. During the six months ended June 30, 2021, approximately 39.3 million tonnes of ore with an average grade of 0.46% have been processed, with recoveries of 91% achieved. This has resulted in copper and gold production of 163,728 tonnes and 72,188 ounces, respectively.

AISC and C1 cash cost were \$1.48 per lb and \$1.20 per lb, respectively, for the six months ended June 30, 2021, reflecting the increased production levels.

Sales revenues for the six months ended June 30, 2021, were \$1,683 million and a total of 171,705 tonnes of contained copper were sold in this period, reflecting higher production, higher sales volumes and higher realized metal prices, excluding the impact of corporate sales hedge program. The comparative period sales were more significantly affected by COVID-19 related restrictions as operations were functioning on preservation and safe maintenance mode.

Comparative EBITDA was \$1,024 million and gross profit was \$754 million for the six months ended June 30, 2021, reflecting higher sales revenues and lower unit costs.

Outlook

The priority for Cobre Panama remains the health and safety of the workforce and surrounding communities. The operation continues to work towards improving throughput and finding efficiencies, with a focus on managing costs.

Cobre Panama is expected to achieve 85 million tonnes of mill throughput and annual production of between 310,000 and 335,000 tonnes of copper and between 125,000 and 135,000 ounces of gold in 2021. Grade during the second half of 2021 is expected to be slightly lower (approximately 10%) than during the first half of 2021. However, higher throughput is also expected, which will offset the lower grade.

An expansion of the process plant facilities is currently in development, which will support 100 Mtpa operation. Completion is forecast for the first quarter of 2023. This expansion is comprised of three elements, improvements to the primary screening facility, ball mill 6 addition to train 3, and improvement in process water supply to the processing plant.

Kansanshi

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Waste mined (000's tonnes)	19,575	16,897	32,086	29,388
Ore mined (000's tonnes)	7,969	10,303	15,488	17,723
Sulphide ore milled (000's tonnes) ¹	3,417	3,300	6,693	6,621
Sulphide ore grade processed (%)	0.83	0.80	0.82	0.84
Sulphide copper recovery (%)	92	93	92	93
Sulphide concentrate grade (%)	24.0	22.4	23.6	22.9
Mixed ore milled (000's tonnes) ¹	1,872	2,160	3,765	4,127
Mixed ore grade processed (%)	1.03	1.03	0.98	1.01
Mixed copper recovery (%)	81	82	84	82
Mixed ore concentrate grade (%)	20.3	28.0	21.6	27.2
Oxide ore milled (000's tonnes) ¹	1,912	2,010	3,584	3,707
Oxide ore grade processed (%)	0.69	0.96	0.70	0.96
Oxide copper recovery (%)	67	84	71	79
Oxide concentrate grade (%)	16.1	19.8	17.8	21.2
Copper production (tonnes) ²	50,340	58,815	99,233	114,427
Copper smelter				
Concentrate processed ^{1, 3}	240,895	273,673	570,757	603,619
Copper anodes produced (tonnes) ³	58,458	66,905	140,143	147,185
Smelter copper recovery (%)	99	97	98	97
Acid tonnes produced (000's)	229	264	557	579
Copper sales (tonnes) ⁴	42,758	60,262	87,032	115,592
Gold production (ounces)	32,942	34,177	61,404	67,179
Gold sales (ounces)	27,572	32,009	55,082	64,703
All-in sustaining cost (AISC) (per lb) ⁵	\$2.18	\$1.56	\$2.05	\$1.61
Cash cost (C1) (per lb) ⁵	\$1.13	\$1.09	\$1.16	\$1.15
Total cost (C3) (per lb) ⁵	\$2.09	\$1.82	\$2.11	\$1.89
Copper	410	298	780	596
Gold	48	53	96	103
Other	-	-	-	1
Sales revenues	458	351	876	700
Gross profit	219	73	393	152
Comparative EBITDA ⁵	262	132	483	283

¹ DMT² Production presented on a copper concentrate basis, i.e. mine production only. Production does not include output from the smelter.³ 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.⁴ Sales include third-party sales of concentrate, cathode and anode attributable to Kansanshi (excluding copper anode sales attributable to Sentinel).⁵ AISC, C1 cash cost, and C3 total cost and comparative EBITDA are not recognized under IFRS. See "Regulatory Disclosures" for further information.

Second Quarter

Copper production was 14% lower than the same quarter of 2020, mainly due to lower grades on the oxide circuit and the resulting lower recoveries. The decline in the oxide ore grade was due to the depletion of higher-grade areas, and replaced with low-grade ore from stockpiles.

The second autoclave at the high-pressure leach (“HPL”) unit was restarted in the quarter.

Gold production decreased by 4% compared to the same period in 2020, due to lower copper concentrate production and a decline in gravity recoverable gold.

AISC was \$0.62 per lb higher than the comparable period reflecting higher royalties of \$0.24 per lb, as well as an increase in capitalized stripping, sustaining capital expenditure, and the impact of lower production. C1 cash cost was \$0.04 per lb higher compared to the same period in 2020 mainly due to lower copper production.

Sales revenues of \$458 million were 30% higher than the same quarter of 2020, reflecting higher realized copper and gold prices, excluding the impact of the corporate sales hedge program, offset by lower sales volumes.

Gross profit of \$219 million was more than double the comparable period in 2020, reflecting the higher sales revenues and lower operating expenditures.

Six Months

Copper production during the first half of the year was 13% lower than the same period in 2020, mainly due to lower grades for all three circuits and higher than usual rainfall. The decline in the oxide ore grade was due to the depletion of higher-grade areas, and low-grade ore from stockpiles and tarnished sulphides were processed through the oxide and mixed circuits, respectively.

Gold production decreased by 9% compared to the same period in 2020, due to lower copper concentrate production and a decline in gravity recoverable gold.

AISC was \$0.44 per lb higher than the comparable period in 2020 reflecting higher royalties of \$0.23 per lb and an increase in capitalized stripping costs, combined with the impact of lower production. C1 cash cost was \$0.01 per lb higher compared to the same period in 2020 resulting from lower production offset by a higher by-product credit due to increased gold prices, combined with the continued depreciation of the Zambian kwacha (“ZMW”).

Sales revenues of \$876 million were 25% higher than the same period in 2020, reflecting higher realized copper and gold prices, excluding the impact of the corporate sales hedge program, offset by lower sales volumes.

Gross profit of \$393 million was more than double the comparable period in 2020, reflecting the higher sales revenues.

Kansanshi Copper Smelter

Second Quarter

The smelter treated 240,895 DMT of concentrate and produced 58,458 tonnes of copper anode and 229,000 tonnes of sulphuric acid. The concentrate grade treated in the quarter was 24.7%. The smelter commenced the planned shutdown in June, which lasted the entire month and returned to operation in early July.

Six Months

In the first six months of 2021, the smelter treated 570,757 DMT of concentrate, representing a 5% decrease from the first half of 2020 due to the shutdown in June, and produced 140,143 tonnes of copper in anode and 557,000 tonnes of sulphuric acid.

Outlook

Production in 2021 is expected to be between 200,000 and 215,000 tonnes of copper, and between 115,000 and 125,000 ounces of gold.

The NI 43-101 Technical Report filed on September 14, 2020 includes the plan for a 25 million tonnes per annum expansion of the sulphide ore processing facility and associated increase in mining capacity, increasing annual throughput to 52 Mtpa (the “S3 Expansion”). The timing of capital expenditure for the S3 Expansion is proposed for 2023-2024 and requires board approval. In addition to the processing plant expansion and upgrades, the Kansanshi smelter will be increased to 1.65 Mtpa capacity, an increase from current capacity level of 1.38 Mtpa. The capacity increase will be achieved partly through enhancing copper

concentrate grades by lowering the carbon and pyrite content of the Kansanshi and Sentinel concentrate feeds. Concentrate processing capacity will be further expanded through modifications to the existing HPL circuit.

Sentinel

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Waste mined (000's tonnes)	26,098	22,480	50,416	47,329
Ore mined (000's tonnes)	14,311	15,230	27,271	30,897
Copper ore milled (000's tonnes) ¹	14,050	13,997	26,980	28,104
Copper ore grade processed (%)	0.44	0.49	0.47	0.47
Copper recovery (%)	88	89	88	89
Copper production (tonnes)	54,308	60,761	112,560	117,394
Concentrate grade (%)	27.4	26.5	27.4	26.3
Copper sales (tonnes)	57,951	52,058	123,633	97,241
All-in sustaining cost (AISC) (per lb) ²	\$2.26	\$1.86	\$2.14	\$1.93
Cash cost (C1) (per lb) ²	\$1.50	\$1.36	\$1.44	\$1.45
Total cost (C3) (per lb) ²	\$2.50	\$2.02	\$2.35	\$2.14
Sales revenues – Copper	525	252	1,056	487
Gross profit	246	38	483	59
Comparative EBITDA ²	313	93	617	170

¹ DMT

² AISC, C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. See "Regulatory Disclosures" for further information.

Second Quarter

Copper production for the second quarter of 2021 was 54,308 tonnes, a decrease of 11% compared to the same period in 2020, attributable to lower grades and recoveries. Grades were lower due to higher volumes of lower grade ore feed from the eastern extent of the Stage 2 pit. Recoveries were also marginally impacted by a higher proportion of transitional ore feed from the Stage 2 pit. Throughput was higher and assisted by softer ore and high availabilities on the mills, secondary and pebble crushers. Record milling rates were achieved during May.

AISC and C1 cash costs for the second quarter were \$2.26 per lb and \$1.50 per lb, respectively. AISC was \$0.41 higher than the comparable period due to higher C1 cash costs, royalties and sustaining capital expenditure. The higher Zambian royalties due to the higher copper price increased AISC by \$0.25 per lb. C1 cash costs increased by \$0.14 per lb from the comparable period in 2020, reflecting lower production levels and impacted by higher consumable costs.

Sales revenues of \$525 million were \$273 million higher than the same period in 2020, due to increased sales volumes combined with higher realized copper prices, excluding the impact of the corporate sales hedge program. Sales revenue comprised sales of both concentrate and anode with a higher proportion of revenue realized from copper anode.

Gross profit of \$246 million was \$208 million higher than the comparable period in 2020, reflecting higher sales revenues.

Six Months

Copper production for the six months ended June 30, 2021, decreased by 4% compared to the same period in 2020, reflecting lower throughput and recoveries. Throughput was limited as a result of Train 1 ball mill trunnion repairs during February, which required the SAG mill to operate in a closed circuit at reduced rates for most of the month. Recoveries were marginally impacted by the higher proportion of transitional ore feed from the Stage 2 pit.

AISC of \$2.14 per lb was \$0.21 per lb higher than the same period of 2020, reflecting higher royalties and sustaining capital expenditure. C1 cash cost of \$1.44 remained consistent with the comparable period of 2020, where lower production levels were

assisted by the depreciation of the ZMW and lower fuel costs. The higher Zambian royalties due to the higher copper price increased AISC by \$0.19 per lb.

Sales revenues of \$1,056 million were \$569 higher than the same period in 2020 due to both higher sales volumes and realized copper prices, excluding the impact of the corporate sales hedge program. Sales revenues comprised sales of both concentrate and anode, with a higher proportion of revenue realized from copper anode.

Gross profit of \$483 million was \$424 million higher than the comparable period in 2020, reflecting higher sales revenues.

Copper Production Outlook

Copper production in 2021 is expected to be between 230,000 and 250,000 tonnes.

Grades are expected to improve during the third quarter as higher-grade ore is exposed in both the Stage 1 and Stage 2 pits. The focus will be on maintaining consistent ore feed as well as the construction of the fourth in-pit crusher following the completion of the pocket in June. The fourth in-pit crusher at Sentinel has been installed in position, and remaining works will be completed to enable the plant to ramp up throughput to 62 Mtpa in 2022. Optimization of the third and fourth flotation column cells is ongoing following the commissioning of the fourth column cell in April. A planned 5-day annual maintenance shutdown of the plant will take place in July.

Guelb Moghrein

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Waste mined (000's tonnes)	447	3,502	996	6,706
Ore mined (000's tonnes)	728	1,079	1,735	2,015
Sulphide ore milled (000's tonnes) ¹	1,046	1,015	1,983	1,913
Sulphide ore grade processed (%)	0.62	0.83	0.67	0.85
Sulphide copper recovery (%)	91	88	91	89
Copper production (tonnes)	5,915	7,392	12,166	14,420
Copper sales (tonnes)	8,298	8,170	14,733	15,819
Gold production (ounces)	11,118	11,665	23,705	22,902
Gold sales (ounces)	16,272	14,528	29,650	26,634
Magnetite concentrate production (WMT) ²	93,986	160,434	195,606	290,207
Magnetite concentrate sales (WMT) ²	135,715	180,107	180,603	315,115
All-in sustaining cost (AISC) (per lb) ³	\$0.95	\$0.87	\$0.93	\$0.96
Cash cost (C1) (per lb) ³	\$0.77	\$0.48	\$0.69	\$0.57
Total cost (C3) (per lb) ³	\$1.77	\$1.34	\$1.69	\$1.38
Sales revenues	112	78	189	145
Gross profit	48	14	80	35
Comparative EBITDA ³	61	26	103	56

¹ DMT

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

³ AISC, C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. See "Regulatory Disclosures" for further information.

Three and Six Months

Copper production for the three and six months ended June 30, 2021 were 20% and 16% lower, respectively, than the same periods in 2020, as a result of lower ore grade.

Gold production for the quarter was 5% lower than the same period in 2020 as result of lower grade. Gold production for the six months ended June 30, 2021, was 4% higher than the same period in 2020, as a result of improved recoveries.

Magnetite production for the three and six months ended June 30, 2021 were 41% and 33% lower, respectively, compared to the same periods in 2020 due to lower magnetite feed grade.

C1 cash cost for the three and six months ended June 30, 2021 were \$0.77 and \$0.69 per lb, respectively, \$0.29 and \$0.12 per lb higher than the same periods in 2020 due to higher fuel and contractor costs, offset by higher realized gold prices. AISC for the three months ended June 30, 2021 increased by \$0.08 per lb compared to the same period in 2020, mainly due to higher C1 cash costs. AISC for the six months ended June 30, 2021 decreased by \$0.03 per lb compared to the same period in 2020, due to higher realized gold prices and lower sustaining capital expenditure, offset by higher C1 cash costs.

Sales revenues for the three and six months ended June 30, 2021 were 44% and 30% higher than the same periods in 2020, driven by higher realized copper and gold prices, as well as an increase in sales volumes during the second quarter. Gross profit for the three and six months ended June 30, 2021 were \$34 million and \$45 million higher than the comparable periods in 2020, attributable to higher sales revenues.

Outlook

Production in 2021 is expected to be approximately 20,000 tonnes of copper, 40,000 ounces of gold, and 400,000 WMT of magnetite concentrate.

Open pit mining concluded at the beginning of July 2021, and the operation has transitioned to treatment of lower grade ore stockpiles. Major cost saving initiatives over the past year have improved the cost profile of the site to maintain profitable operations despite the reduction in plant feed grades that will accompany the transition to stockpile treatment.

Ravensthorpe

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Beneficiated ore tonnes processed (000's)	598	457	1,230	457
Beneficiated ore grade processed (%)	1.07	0.93	1.06	0.93
Nickel recovery (%)	75	68	76	68
Nickel production (contained tonnes)	4,543	1,979	9,185	1,979
Nickel sales (contained tonnes)	6,910	1,791	9,267	1,791
Nickel production (payable tonnes)	3,789	1,579	7,632	1,579
Nickel sales (payable tonnes)	5,777	1,429	7,746	1,429
All-in sustaining cost (AISC) (per lb) ¹	\$9.52	\$7.30	\$8.57	\$7.30
Cash cost (C1) (per lb) ¹	\$8.01	\$6.26	\$7.26	\$6.26
Total cost (C3) (per lb) ¹	\$9.48	\$7.93	\$8.76	\$7.93
Sales revenues	107	19	146	19
Gross profit (loss)	(9)	(29)	(14)	(67)
Comparative EBITDA ¹	3	(25)	3	(61)

¹ AISC, C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. See "Regulatory Disclosures" for further information.

Three and Six Months

Ravensthorpe recommenced operations in the first quarter of 2020 with the first nickel production in late April 2020.

Nickel production in the second quarter of 2021 was 4,543 contained tonnes of nickel, delivering a first half year of 9,185 contained tonnes of nickel in 2021. First quarter production was impacted by shutdowns of the autoclaves. Second quarter production was mostly affected by low leach tonnes, unplanned autoclave downtime and beneficiation area reliability issues. As

a result of delays in Shoemaker Levy (detailed below), Hale Bopp remains the only source of limonite ore which is proving challenging to treat and has resulted in plant instability and constrained throughput. In comparison, production in the comparative periods was significantly lower, at 1,979 contained tonnes of nickel, as nickel production recommenced in the second quarter of 2020.

Sales revenues in the second quarter were \$107 million, contributing to sales in the first half of the year totaling \$146 million. The higher sales revenues of the second quarter of 2021, compared to the same quarter of 2020, were improved by higher realized nickel prices and payable percentage, excluding the impact of corporate sales hedge program.

C1 cash cost of \$8.01 per lb for the second quarter increased by \$1.75 per lb from the same period in 2020 due to higher sulphur prices, unplanned diesel costs, increased freight costs, and adverse movement in foreign exchange. Ravensthorpe incurred a gross loss of \$9 million for the quarter, which was a \$20 million positive improvement from the same period in 2020, resulting from a ramp up in production, increased sales volumes, and higher realized nickel prices. AISC of \$9.52 for the quarter, which increased by \$2.22 per lb from the same period in 2020, was driven by a higher C1 cost and higher capital expenditure.

Construction of the Shoemaker Levy Project progressed during the period with the conveyor highway overpass erected late in the first quarter, completing 9km of the conveyor. The mining fleet maintenance workshop and administration facilities were completed in the first quarter and commissioned in April. The main electrical distribution network is now powered and the control system functional. Progress has been impacted by challenges in labour availability due to COVID-19 related travel restrictions in Western Australia. Despite the labour challenges, mine pre-strip is advanced with the first mining area cleared and ready for ore delivery expected in the third quarter of 2021.

Mining operations at Shoemaker Levy continued to focus on pit development work with commencement of waste stripping in the north and run-of-mine pad establishment works. Ore is already exposed and ready for commissioning in the south.

Outlook

Production guidance for 2021 has been revised to between 20,000 and 24,000 contained tonnes of nickel. The reduction in guidance has resulted from delays experienced for supply of key components for the Shoemaker Levy crushing and conveyor project, which has resulted in an extended period of ore feed from the Hale Bopp and Halley's pit, as opposed to higher value Shoemaker Levy ore feed.

Mining focus areas for the next quarter includes ongoing optimization of the mine plans based on Shoemaker Levy delays, with a view of minimizing costs and managing operational risks; integrating conceptualized backfill strategy into operational plans to drive lower waste haulage costs at Shoemaker Levy; minimizing Hale Bopp development by utilizing limonite stockpiles as much as possible, while maintaining stable plant operation.

The focus for the plant remains on improved availability, stability and recoveries. The planned transition to Shoemaker Levy is progressing. No load commissioning of the overland conveyor was completed in July 2021 and we will continue to progress commissioning of the remaining plant. Improved ore characteristics at Shoemaker Levy are expected to assist with the process plant performance. Completion of construction and commissioning works at the Shoemaker Levy Project is the priority for the third quarter of 2021. First ore from Shoemaker Levy is expected to be delivered to the plant in the third quarter of 2021.

Las Cruces

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Copper cathode production (tonnes)	2,899	16,566	7,625	31,859
Copper cathode sales (tonnes)	2,893	17,818	8,174	32,291
Cash cost (C1) (per lb) ¹	\$2.68	\$0.84	\$2.26	\$0.86
Sales revenues	28	97	72	180
Gross profit (loss)	10	(1)	18	4
Comparative EBITDA ¹	10	63	30	117

¹ C1 cash cost and comparative EBITDA are not recognized under IFRS. See "Regulatory Disclosures" for further information.

Three and Six Months

After 12 years of operations, mining activities ended in August 2020 with the depletion of ore in Phase VI, and processing of ore stockpiles completed in February 2021. However, current mine life has been extended through the re-processing of high-grade tailings which commenced in February 2021 and is expected to continue until the end of 2022.

Despite significant reduction in production, reduction in sales revenues, and associated increase in unit cash costs, gross profit was \$10 million and \$18 million for the three and six months ended June 30, 2021, an increase of \$11 million and \$14 million from the same periods in 2020, respectively.

Outlook

Copper production guidance for 2021 is between 12,000 and 14,000 tonnes. Cost optimization and adaptation of process to re-process high-grade tailings will be the focus in 2021, with the intention to extend current re-processing of high-grade tailings beyond 2022.

The technical study and work on the polymetallic refinery project continues, as well as the work to obtain permits required to carry out the project. Environmental permits were received at the end of 2020 and the mine exploitation permit was granted in June 2021. The license for water concession is expected to be granted in the fourth quarter of this year.

Assessment of the primary sulphide mineral resource that would provide feed for the project continued during the second quarter. Delineation drilling targeting various inferred zones of mineralization has been completed and the formal mineral resource update is underway and expected to be finalized during the third quarter. An update of the NI 43-101 Technical Report, relating to this primary sulphide mineral resource, is currently being planned for filing in the fourth quarter of 2021. Further confirmatory metallurgical testwork also continues in conjunction with the overall scoping of the potential underground mining operations which will focus on likely production profiles.

Çayeli

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Copper production (tonnes)	3,627	2,611	7,574	5,601
Copper sales (tonnes)	4,677	2,544	7,463	4,320
Zinc production (tonnes)	1,336	853	3,083	1,618
Zinc sales (tonnes)	-	-	1,685	1,857
Cash cost (C1) (per lb) ¹	\$1.28	\$1.39	\$1.08	\$1.51
Sales revenues	39	12	63	21
Gross profit (loss)	21	(1)	31	(5)
Comparative EBITDA ¹	26	4	40	5

¹ C1 cash cost and comparative EBITDA are not recognized under IFRS. See "Regulatory Disclosures" for further information.

Three and Six Months

Copper production for the three and six months ended June 30, 2021 were 39% and 35% higher, respectively, compared to the same periods in 2020 due to higher recovery and higher throughput as a result of better selectivity of ore production.

Zinc production for the three and six months ended June 30, 2021 were 57% and 91% higher respectively, compared to the same periods in 2020 due to higher throughput and recoveries.

The C1 cash cost for the three and six months ended June 30, 2021 decreased by \$0.11 per lb and \$0.43 per lb, respectively, compared to the same periods in 2020, mainly due to the impact of higher copper production and higher precious metal revenues related to higher prices.

Sales revenues for the three and six months ended June 30, 2021 were \$27 million and \$42 million higher, respectively, compared to the same periods in 2020 due to higher sales volumes as a result of higher production and higher realized metal prices. Gross

profit for the three and six months ended June 30, 2021 were \$22 million and \$36 million higher, respectively compared to the same periods in 2020 due to increase in revenues during those periods.

Outlook

Production for 2021 is expected to be between 11,000 and 12,000 tonnes of copper and 4,000 tonnes of zinc, reflecting a declining number of work areas as the mine approaches reserve depletion in 2024.

Production is expected to be challenging due to poor ground conditions in the areas planned to be mined, therefore ground stabilization will continue to be critical to achieving the expected production levels.

Pyhäsalmi

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Copper production (tonnes)	915	1,181	1,868	2,670
Copper sales (tonnes)	796	1,260	1,784	2,666
Pyrite production (tonnes)	99,461	108,329	226,822	204,832
Pyrite sales (tonnes)	109,520	117,759	231,566	241,899
Cash cost (C1) (per lb) ¹	\$0.17	\$1.55	\$0.95	\$1.18
Sales revenues	14	11	27	24
Gross profit	7	1	12	4
Comparative EBITDA ¹	6	2	11	6

¹ C1 cash cost and comparative EBITDA are not recognized under IFRS. See "Regulatory Disclosures" for further information.

Three and Six Months

Copper production was 23% and 30% lower in three and six months ended June 30, 2021, respectively, compared to the same periods in 2020 due to lower copper grade and throughput. This reflects the nearly depleted mineral reserve and the constraint on available work areas at this stage of the mine life.

Despite a significant reduction in production, gross profit was \$7 million and \$12 million for the three and six months ended June 30, 2021, an increase of \$6 million and \$8 million from the same periods in 2020, respectively. The increase is attributable to higher realized metal prices.

Outlook

Production in 2021 is expected to be in line with guidance of 3,000 tonnes of copper, 1,500 ounces of gold and 1,000 tonnes of zinc. The operation is also expected to produce 350,000 tonnes of pyrite. Mining is expected to continue into the fourth quarter of 2021.

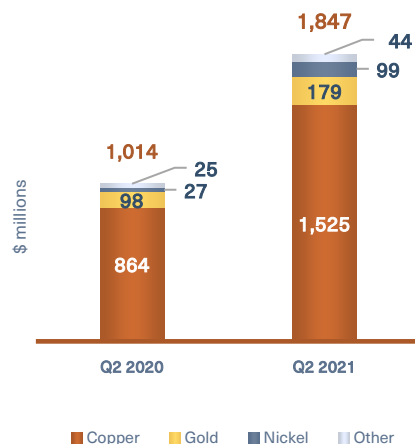
SUMMARY FINANCIAL RESULTS

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Gross profit (loss)				
Cobre Panama	422	(37)	754	(4)
Kansanshi	219	73	393	152
Sentinel	246	38	483	59
Guelb Moghrein	48	14	80	35
Las Cruces	10	(1)	18	4
Çayeli	21	(1)	31	(5)
Pyhäsalmi	7	1	12	4
Ravensthorpe	(9)	(29)	(14)	(67)
Corporate	(339)	83	(592)	110
Total gross profit	625	141	1,165	288
Exploration	(4)	(3)	(7)	(6)
General and administrative	(31)	(24)	(58)	(46)
Share of profit (loss) in joint venture	25	(20)	39	(36)
Other expense	(27)	(17)	(38)	(119)
Net finance expense	(170)	(186)	(341)	(370)
Loss on redemption of senior notes	-	-	-	(2)
Movement in Zambian VAT discount	(22)	22	(14)	59
Income tax expense	(182)	(97)	(338)	(47)
Net earnings (loss)	214	(184)	408	(279)
Net earnings (loss) attributable to:				
Non-controlling interests	74	(28)	126	(61)
Shareholders of the Company	140	(156)	282	(218)
Comparative earnings (loss)	173	(84)	323	(163)
Earnings (loss) per share				
Basic	\$0.20	(\$0.23)	\$0.41	(\$0.32)
Diluted	\$0.20	(\$0.23)	\$0.41	(\$0.32)
Comparative	\$0.25	(\$0.12)	\$0.47	(\$0.24)
Basic weighted average number of shares (in 000's)	688,457	688,123	688,622	688,108

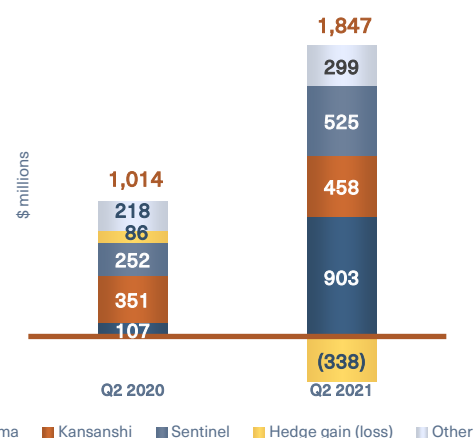
Sales Revenues

SECOND QUARTER

QUARTERLY REVENUE BY COMMODITY



QUARTERLY REVENUE BY OPERATION



Sales revenues for the second quarter of 2021 of \$1,847 million were 82%, or \$833 million higher than the comparable quarter of 2020, reflecting an increase in copper sales revenues and gold sales revenues of \$661 million and \$81 million respectively, together with a \$72 million increase in nickel sales revenues reflecting increased production at Cobre Panama and the ramp up of Ravensthorpe.

Copper sales revenues of \$1,525 million were 77%, or \$661 million, higher than the comparable period attributable to increased sales volumes at Cobre Panama reflecting a strong operational performance as well as the impact of being placed in preservation and safe maintenance in the comparable quarter, and a 38% higher net realized copper price. Copper sales revenues include a \$337 million loss, \$0.75 per lb, on the copper sales hedge program, compared with a gain of \$77 million, \$0.22 per lb, in the comparable period in 2020.

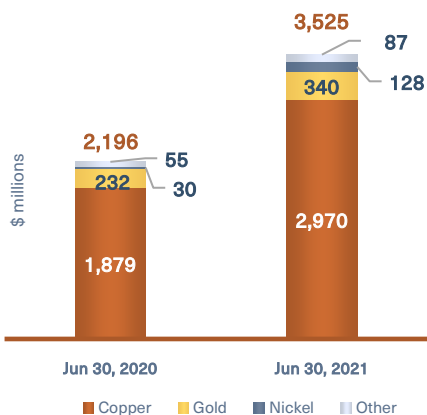
The net realized price for copper of \$3.39 per lb for the second quarter of 2021 was 33% higher than the same period in 2020. This compares to an increase of 81% in the average LME price of copper for the same period, to \$4.40 per lb.

Gold sales revenues were 83%, or \$81 million, higher than the comparable period in 2020, reflecting a 56% increase in gold sales volumes, attributable to Cobre Panama which contributed \$101 million, an increase of \$82 million compared to the previous quarter and higher realized gold prices. Cobre Panama gold and silver revenues of \$121 million include \$41 million of gold and silver revenues recognized under the precious metal stream, with an associated \$65 million cost for the purchase of refinery-backed gold and silver credits to satisfy the obligation recognized within cost of sales.

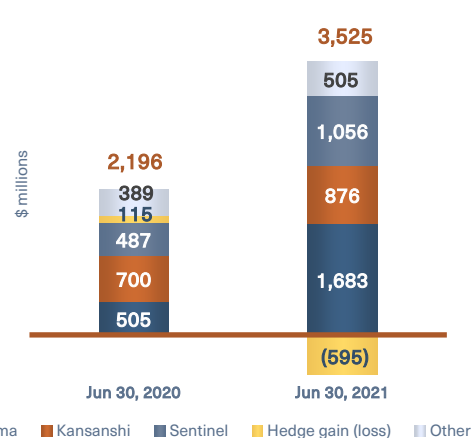
Nickel sales revenues of \$99 million for the second quarter include a \$1 million loss on the nickel sales hedge program, \$0.08/lb. Sales in the quarter continued to be impacted by global shipping congestion.

SIX MONTHS

YEAR-TO-DATE REVENUE BY COMMODITY



YEAR-TO-DATE REVENUE BY OPERATION



Sales revenues for the six-month period were \$3,525 million, 61%, or \$1,329 million higher than the comparable period of 2020, reflecting an increase in copper sales revenues and gold sales revenues of \$1,091 million and \$108 million respectively together with a \$98 million increase in nickel sales revenues as Ravensthorpe ramped up following restart of production in late-April 2020.

Copper sales revenues of \$2,970 million were 58%, or \$1,091 million, higher than the comparable period reflecting a significant increase in sales volumes at Cobre Panama and 33% higher net realized copper price. Copper sales revenues include a \$587 million loss, \$0.64 per lb, on the copper sales hedge program, compared with a gain of \$103 million, \$0.13 per lb, in the comparable period in 2020.

The net realized price for copper of \$3.25 per lb for the first six months of 2021 was 39% higher than the same period in 2020. This compares to an increase of 65% in the average LME price of copper for the same period, to \$4.12 per lb.

Gold sales revenues were 47%, or \$108 million, higher than comparable period in 2020, reflecting a 27% increase in gold sales volumes, attributable to Cobre Panama, which contributed \$190 million, an increase of \$107 million, and higher realized gold prices. Cobre Panama gold and silver revenues of \$229 million include \$79 million of gold and silver revenues recognized under the precious metal stream, with an associated \$121 million cost for the purchase of refinery-backed gold and silver credits to satisfy the obligation recognized within cost of sales.

Nickel sales revenues of \$128 million for the period 2021 include an \$8 million loss on the nickel sales hedge program, \$0.45/lb compared with a \$9 million gain in the comparative period. Sales in the period were impacted by global shipping congestion.

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Copper selling price (per lb)				
Average LME cash price	\$4.40	\$2.43	\$4.12	\$2.49
Realized copper price	\$3.55	\$2.60	\$3.39	\$2.58
Treatment/refining charges ("TC/RC") (per lb)	(\$0.12)	(\$0.10)	(\$0.12)	(\$0.10)
Freight charges (per lb)	(\$0.04)	(\$0.05)	(\$0.02)	(\$0.04)
Net realized copper price	\$3.39	\$2.45	\$3.25	\$2.44

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Gold selling price (per oz)				
Average LBMA cash price	\$1,815	\$1,711	\$1,806	\$1,646
Net realized gold price ¹	\$1,670	\$1,604	\$1,666	\$1,537

¹ Excludes gold revenues recognized under the precious metal stream arrangement

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Nickel selling price (per payable lb)				
Average LME cash price	\$7.87	\$5.54	\$7.92	\$5.66
Net realized nickel price	\$7.79	\$8.51	\$7.50	\$9.53

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. Realized metal prices are not measures recognized under IFRS. Refer to "Regulatory Disclosures".

Details of the Company's hedging program and the contracts held are included on page 34.

Gross Profit

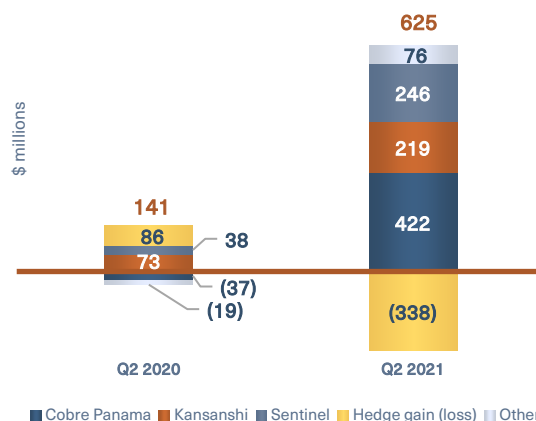
Second Quarter

Gross profit for the quarter of \$625 million was \$484 million higher than the second quarter of 2020, based on higher metal prices and higher contribution from Cobre Panama.

Gross profit in Q2 2020	141
Higher metal prices	910
Movement in hedge program	(424)
Higher sales volumes	35
Higher by-product contribution	48
Higher cash costs	12
Higher royalty expense	(70)
Increase in depreciation	(29)
Positive impact of foreign exchange on operating costs	2
Gross profit in Q2 2021¹	625

¹ Gross profit is reconciled to comparative EBITDA by including exploration costs of \$4 million, general and administrative costs of \$31 million, adding back other expense of \$3 million, depreciation of \$286 million, foreign exchange loss of \$23 million (a reconciliation of comparative EBITDA is included in "Regulatory Disclosures").

QUARTERLY GROSS PROFIT BY OPERATION



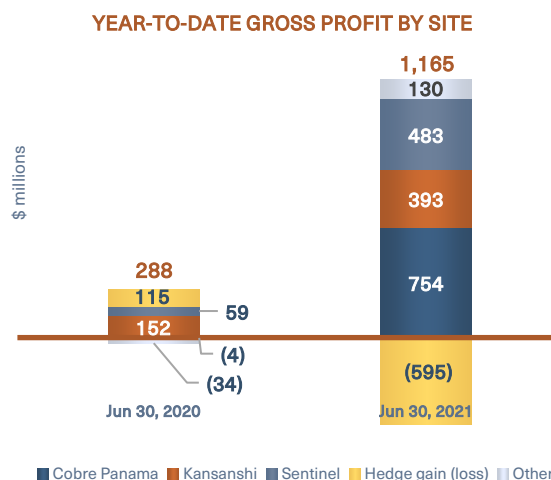
All copper operations reported an increase in gross profit. Gross profit for the second quarter of 2021 of \$625 million, an increase of \$484 million, or 343%, from the same period in 2020, was driven by higher sales volumes and realized prices and the impact of Cobre Panama being placed on preservation and safe maintenance in the comparative period. Gross profit included \$422 million from Cobre Panama, compared with a \$37 million loss for the comparable period in 2020, reflecting increased sales volumes and realized prices. A loss of \$338 million was recognized in the quarter on the corporate sales hedge program, compared to an \$86 million gain in the second quarter of 2020.

Six Months

Gross profit for the first six months of \$1,165 million was \$877 million higher than the comparable period in 2020, based on higher metal prices and contribution from Cobre Panama.

Gross profit first six months of 2020	288
Higher metal prices	1,517
Movement in hedge program	(710)
Higher sales volumes	63
Higher by-product contribution	52
Lower cash costs	54
Higher royalty expense	(117)
Increase in depreciation	(4)
Positive impact of foreign exchange on operating costs	22
Gross profit first six months of 2021 ¹	1,165

¹ Gross profit is reconciled to comparative EBITDA by including exploration costs of \$7 million, general and administrative costs of \$58 million, adding back other expense of \$7 million, depreciation of \$572 million, foreign exchange loss of \$34 million (a reconciliation of comparative EBITDA is included in "Regulatory Disclosures").



Gross profit for the first six months of 2021 of \$1,165 million, a notable increase of \$877 million, or 305%, from the same period in 2020, is driven by an increase in sales volumes in particular at Cobre Panama, and realized prices. Gross profit included \$754 million from Cobre Panama, compared with a loss of \$4 million for the comparable period in 2020. A loss of \$595 million was recognized in the first six months of the year on the corporate sales hedge program, compared to a \$115 million gain in the comparable period of 2020.

Net Earnings

Second Quarter

Net earnings attributable to shareholders of the Company of \$140 million, was \$296 million higher than the same period in 2020. Earnings per share of \$0.20 compares to a loss per share of \$0.23 in the same quarter of 2020. Net finance expense of \$170 million was \$16 million lower than the second quarter of 2020 as debt levels continued to decrease.

A \$22 million expense reflecting the expected phasing of the Zambian VAT has been recognized, compared with a credit of \$22 million recognized in the second quarter of 2020, which represented the expected phasing of receipts, and the impact of foreign exchange, using a ZMW risk-free rate. Other expense of \$27 million is principally attributable to foreign exchange losses arising on translating the Zambian VAT receivable. A \$25 million share of the profit in Korea Panama Mining Corporation ("KPMC") has been recognized in the period, for which a loss of \$20 million was recognized in the comparable period in 2020.

An income tax expense of \$182 million has been recognized in the second quarter of 2021, compared with a \$97 million expense recognized in the comparable period in 2020, reflecting applicable statutory tax rates, which range from 20% to 35% for the Company's operations. No tax credits have been recognized with respect to losses of \$338 million realized under the Company's copper and nickel sales hedge program.

Six Months

Net earnings attributable to shareholders of the Company of \$282 million for the first six months was \$500 million higher than the same period in 2020. Earnings per share of \$0.41 compares to a loss per share of \$0.32 in the same period of 2020. Net finance expense of \$341 million was \$29 million lower than the comparable period of 2020 as debt levels continued to decrease.

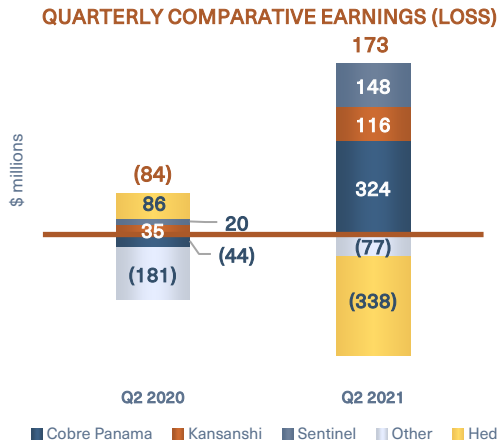
A \$14 million expense reflecting the expected phasing of the Zambian VAT has been recognized, compared with a credit of \$59 million recognized in the first six months of 2020, which represented the expected phasing of receipts, and the impact of foreign exchange, using a ZMW risk-free rate. Other expense of \$38 million is principally attributable to foreign exchange losses arising on translating the Zambian VAT receivable. A \$39 million share of the profit in Korea Panama Mining Corp ("KPMC") has been recognized in the period, for which a loss of \$36 million was recognized in the comparable period in 2020.

An income tax expense of \$338 million has been recognized in the first six months of 2021, compared with an income tax expense of \$47 million recognized in the comparable period in 2020, reflecting applicable statutory tax rates, which range from 20% to 35% for the Company's operations. No tax credits have been recognized with respect to losses of \$595 million realized under the

Company's copper and nickel sales hedge program. The effective tax rate for the six months to date excluding the impact of interest expense was 31%.

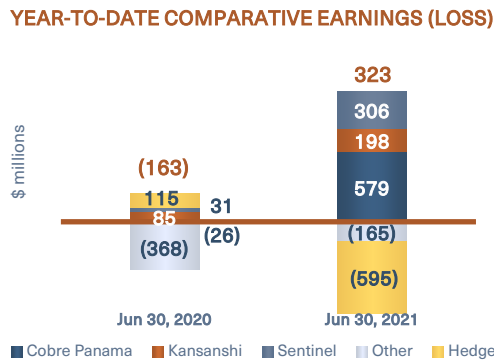
Comparative Earnings

SECOND QUARTER



Comparative earnings for the quarter ended June 30, 2021 of \$173 million is an increase from comparative loss of \$84 million in the same period in 2020. Comparative earnings per share of \$0.25 compares to comparative loss per share of \$0.12 in the same period in 2020. A reconciliation of comparative metrics is included in "Regulatory Disclosures".

SIX MONTHS



Comparative earnings for the first six months ending June 30, 2021 of \$323 million is an increase from comparative loss of \$163 million in the same period in 2020. Comparative earnings per share of \$0.47 compares to comparative loss per share of \$0.24 in the same period in 2020. A reconciliation of comparative metrics is included in "Regulatory Disclosures".

LIQUIDITY AND CAPITAL RESOURCES

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Cash flows from operating activities	679	155	1,422	628
Cash flows from (used by) investing activities	(263)	(128)	(442)	(296)
Cash flows from (used by) financing activities	388	(286)	(102)	36
Exchange losses on cash and cash equivalents	-	(4)	-	(9)
Net cash inflow (outflow)	804	(263)	878	359
Cash balance	1,792	882	1,792	882
Total assets	24,905	24,154	24,905	24,154
Total current liabilities	2,280	1,919	2,280	1,919
Total long-term liabilities	12,152	11,861	12,152	11,861
Net debt ²	6,751	7,658	6,751	7,658
Cash flows from operating activities per share ²	\$0.99	\$0.23	\$2.06	\$0.91

¹ Gross profit is reconciled to comparative EBITDA by including exploration costs of \$7 million, general and administrative costs of \$58 million adding back other expense of \$7 million, depreciation of \$572 million, foreign exchange loss of \$34 million (a reconciliation of comparative EBITDA is included in "Regulatory Disclosures").

² Cash flows per share and Net debt are not recognized under IFRS. See "Regulatory Disclosures" for further information.

Cash Flows from Operating Activities

Cash flows from operating activities of \$679 million for the second quarter of 2021 were \$524 million higher than the same quarter of 2020, reflecting higher earnings and favourable working capital movements of \$20 million offset by \$21 million related to the purchase of treasury shares to satisfy long-term incentive plans.

Cash Flows Used by Investing Activities

Cash flows used by investing activities in the second quarter of 2021 of \$263 million were \$135 million higher than the same period in 2020. Cash flows mainly related to purchase and deposits on property, plant and equipment.

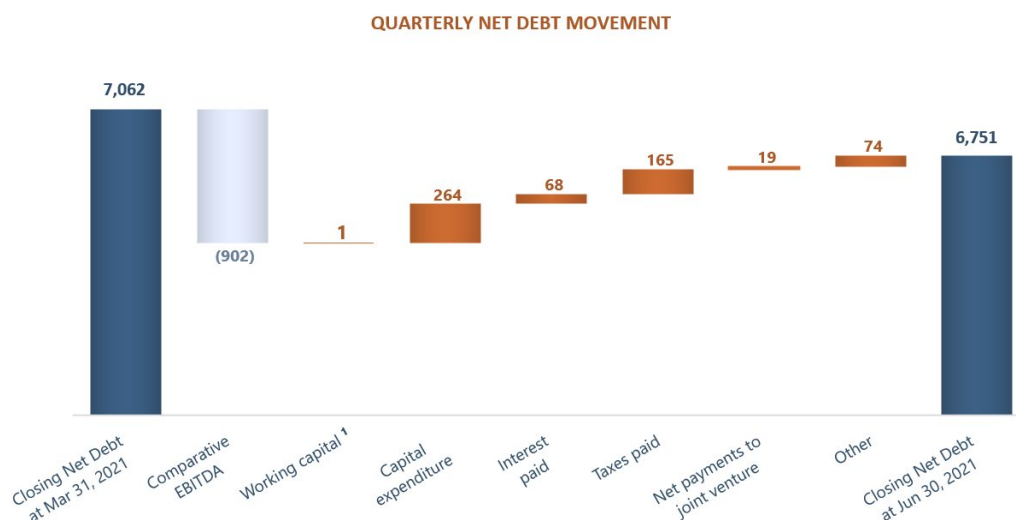
Cash Flows from Financing Activities

Cash flows from financing activities of \$388 million for the second quarter of 2021 included \$964 million proceeds of debt and \$476 million repayments of debt and trading facilities.

Interest paid of \$68 million is included within cash flows from financing activities in the quarter, comparable to the \$66 million of interest paid in the second quarter of 2020. In addition, net payments of \$19 million was paid to KPMC, a 50:50 joint venture between the Company and Korea Resources Corporation ("KORES").

Liquidity

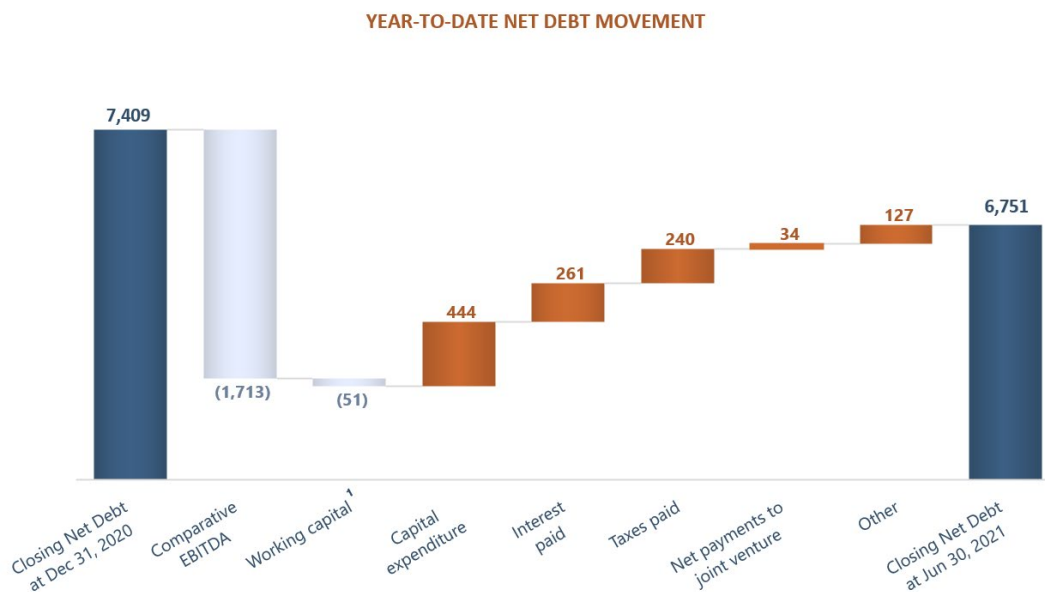
SECOND QUARTER



¹ Includes \$21 million outflow related to long-term incentive plans.

Net debt decreased by \$311 million during the quarter, to \$6,751 million. The Company signed a bilateral borrowing facility for \$175 million on April 15, 2021, available for 12 months from the date of signing.

SIX MONTHS



¹ Includes \$61 million outflow related to long-term incentive plans.

Net debt decreased by \$658 million during the first six months of 2021 to \$6,751 million.

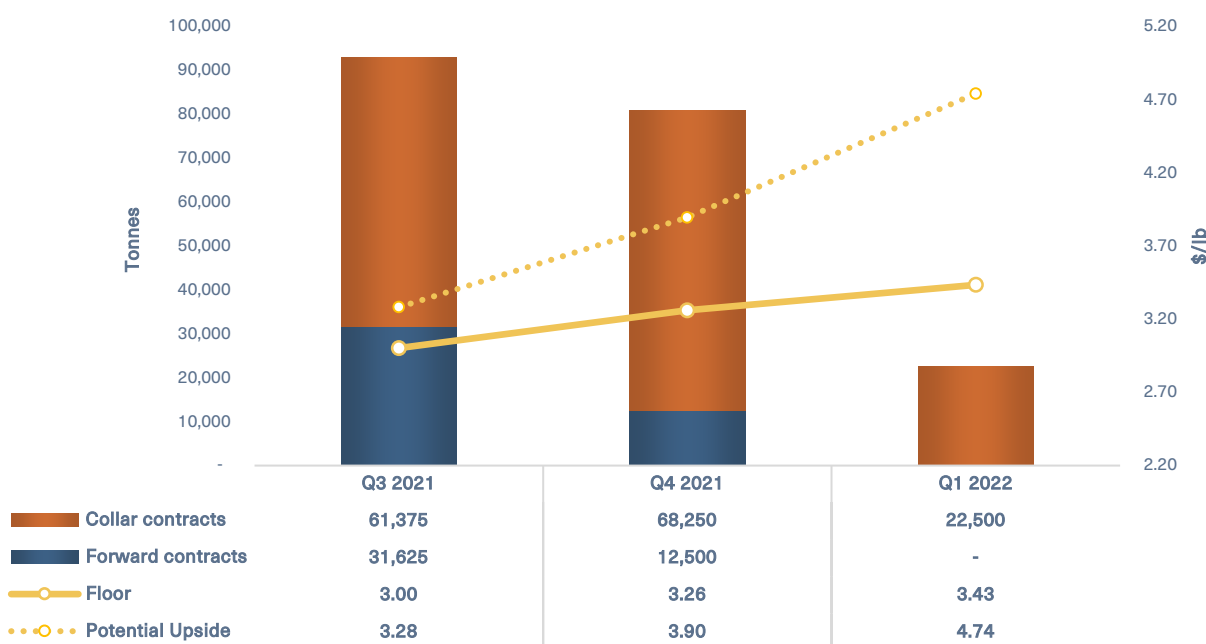
The Company actively manages all capital spending and operating costs while maintaining a high level of safety and productivity. Operating costs at all sites have been and are continuously being reviewed to identify opportunities to further reduce costs.

Following the upgrades by S&P Global Ratings (“S&P”) and Fitch Ratings (“Fitch”) in April to a B credit rating, the Company outlook remains stable. Copper prices and demand continue to be robust.

The Company has entered into derivative contracts to ensure that the exposure to the price of copper on future sales is managed to ensure stability of cash flows. At July 27, 2021, the Company had unmargined copper forward sales contracts for 44,125 tonnes at an average price of \$2.96 per lb outstanding with periods of maturity to December 2021. In addition, the Company has zero cost copper collar unmargined sales contracts for 152,125 tonnes at weighted average prices of \$3.21 per lb to \$3.92 per lb outstanding with maturities to March 2022.

At July 27, 2021, the Company also had unmargined nickel forward sales contracts for 1,110 tonnes at an average price of \$7.74 per lb outstanding with maturities to December 2021. In addition, the Company has zero cost nickel collar unmargined sales contracts for 1,299 tonnes at weighted average prices of \$7.68 per lb to \$8.58 per lb outstanding with maturities to May 2022.

COPPER SALES HEDGE PROFILE - JULY 27, 2021



Approximately one quarter of expected copper sales for the next 12 months are hedged to unmargined forward and zero cost collar sales contracts, at an average floor price and average ceiling price of \$3.16 per lb and \$3.70 per lb, respectively. This compares to approximately 35% at the reporting date of the first quarter of 2021, with an average floor price and average ceiling price of \$3.04 per lb and \$3.44 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 June 30, 2021, and expects to remain in compliance throughout the next 12 months. The Company continues to take action to manage operational and price risk and further strengthen the balance sheet, including through strategic initiatives and use of the copper sales hedge program.

At June 30, 2021, the Company had total commitments of \$117 million, all of which related to the 12 months following the period end.

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

Contractual and other obligations as at June 30, 2021 are as follows:

	Carrying Value	Contractual Cashflows	< 1 year	1 – 3 years	3 – 5 years	Thereafter
Debt – principal repayments	8,542	8,583	708	4,025	2,350	1,500
Debt – finance charges	-	1,893	512	781	445	155
Trade and other payables	807	807	807	-	-	-
Derivative instruments	311	311	311	-	-	-
Liability to joint venture ¹	1,315	2,276	-	-	-	2,276
Joint venture consideration	98	100	100	-	-	-
Current taxes payable	215	215	215	-	-	-
Deferred payments	41	41	4	8	8	21
Leases	27	30	8	13	6	3
Commitments	-	117	117	-	-	-
Restoration provisions	810	1,147	40	49	48	1,010
	12,166	15,520	2,822	4,876	2,857	4,965

¹ Refers to distributions to KPMC, a joint venture that holds a 20% non-controlling interest in Minera Panama SA (“MPMSA”), of which the Company has joint control, and not scheduled repayments.

Equity

As at June 30, 2021, the Company had 690,986,720 shares outstanding.

Hedging Programs

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

COMMODITY CONTRACTS

	June 30, 2021	December 31, 2020
Asset position	125	8
Liability position	(311)	(452)

	Open Positions (tonnes)	Average Contract price	Closing Market price	Maturities Through
Commodity contracts:				
Copper forward	44,125	\$2.96/lb	\$4.26/lb	December 2021
Copper zero cost collar	152,125	\$3.21 - \$3.92/lb	\$4.26/lb	March 2022
Nickel forward	1,110	\$7.74/lb	\$8.37/lb	December 2021
Nickel zero cost collar	1,299	\$7.68 - \$8.58/lb	\$8.37/lb	May 2022

During the quarter ended June 30, 2021, a loss for settled hedges of \$338 million was realized through sales revenues. Fair value losses on outstanding contracts of \$308 million have been recognized as a net derivative liability at June 30, 2021.

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 June 30, 2021, 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	176,451	\$4.47/lb	\$4.26/lb	October 2021
Gold	55,639	\$1,881/oz	\$1,763/oz	October 2021
Nickel	1,978	\$8.16/lb	\$8.37/lb	July 2021
Commodity contracts:				
Copper	176,446	\$4.47/lb	\$4,26/lb	October 2021
Gold	55,639	\$1,881/oz	\$1,763/oz	October 2021
Nickel	1,978	\$8.16/lb	\$8.37/lb	July 2021

As at June 30, 2021, 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 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 \$20 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 June 30, 2021, was \$384 million, of which \$177 million relates to Kansanshi.

Offsets of \$33 million against other taxes due have been granted during the six months ended June 30, 2021. In the six months ended June 30, 2020, offsets of \$50 million were granted and cash recoveries of \$1 million were received. 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 Minister of Finance has reaffirmed that the Government of the Republic of Zambia ("GRZ") remains committed to settling outstanding VAT claims and the Company continues to engage in regular discussions with the relevant government authorities.

A \$14 million expense adjustment for Zambian VAT receipts was recognized in the six months ended June 30, 2021, representing the expected phasing of receipts, and the impact of foreign exchange, using a ZMW risk-free rate. A credit of \$80 million had previously been recognized in the twelve months ended December 31, 2020. An unrealized foreign exchange loss of \$6 million has been recognized against the receivable in the six months ended June 30, 2021.

ZAMBIAN VAT

	June 30, 2021	December 31, 2020
Receivable at date of claim	910	855
Impact of depreciation of Zambian Kwacha against U.S. dollar	(385)	(379)
Receivable at the period end exchange rate	525	476
Adjustment for expected phasing for non-current portion	(141)	(127)
Total VAT receivable	384	349
Consisting:		
Current portion, included within trade and other receivables	-	-
Non-current VAT receivable	384	349

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

	< 1 year	1-3 years	3-5 years	5-8 years	Total
Receivable at date of claim ¹	206	354	152	198	910
Impact of depreciation of Zambian Kwacha against U.S. dollar	(16)	(141)	(88)	(140)	(385)
Non-current VAT due	190	213	64	58	525
Adjustment for expected phasing of Zambian VAT receipts	(48)	(60)	(17)	(16)	(141)
Total VAT receivable from Zambian operations	142	153	47	42	384

¹ The movement in VAT receivable at date of claim is net of offsets received in six months ended June 30, 2021, of \$33 million.

Changes to Zambian VAT Regime

There were no material changes to the mining tax and royalty regimes announced in the quarter. Mineral royalties continue to be non-deductible for tax, and tax rates remain unchanged.

A zero rating order for VAT on petrol and diesel and a suspension (until October 1, 2021) on the excise duty on petrol and diesel announced in January 2021, remain in place.

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 (currently equivalent to \$57 million) made by Kansanshi prior to this date remain outstanding, this balance has reduced by ZMW 80m (currently equivalent to \$3.5m) in the six months to June 30, 2021 (2020: \$6m). ZMW 357 million (currently equivalent to \$16 million) 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 the six months to June 30, 2021. The Company is in regular discussions with the relevant government authorities and continues to consider that the outstanding claims are fully recoverable. ZMW 80 million (currently equivalent to \$3.5 million) of offsets received in 2021 were allocated to pre-February 2015 outstanding refunds. Cash and offsets totaling ZMW 3,909 million (equivalent to \$323 million, based on the receivable value at date of claim) have been received to date for claims subsequent to February 2015 by Kansanshi.

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 KORES 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 remaining consideration is payable in November 2021 and included within trade and other payables.

A \$582 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 six-month period ended June 30, 2021, the profit attributable to KPMC was \$78 million (June 30, 2020: loss of \$72 million). The profit in KPMC relates to the 20% equity accounted share of profit reported by MPSA, a subsidiary of the Company. The material assets and liabilities of KPMC are an investment in MPSA of \$347 million, shareholder loans receivable from the Company and shareholder loans payable of \$1,315 million due to the Company and its joint venture partner KORES.

At June 30, 2021, the Company's subsidiary, Minera Panama SA., owed to KPMC \$1,315 million (December 31, 2020: \$1,327 million and December 31, 2019: \$1,238 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 its subsidiary, MPSA, has a precious metal streaming arrangement with Franco-Nevada. The arrangement comprises two tranches. Under the first phase of deliveries under the first tranche ("Tranche 1") Cobre Panama will 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 will 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 34 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	\$437.37/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	\$6.56/ 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 \$437.37 per oz for gold and \$6.56 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, and also 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 cost of sales. Refinery-backed credits purchased and delivered are excluded from the gold and silver sales volumes disclosed and realized price calculations.

C1 and AISC 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.

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Gold and silver revenue – cash	14	5	29	14
Gold and silver revenue – non cash amortization	27	7	50	26
Total gold and silver revenues - precious metal stream	41	12	79	40
Cost of refinery-backed credits for precious metal stream included in cost of sales	(65)	(15)	(121)	(52)

MATERIAL LEGAL PROCEEDINGS

Panama Constitutional Proceedings

In February 1996, the Republic of Panama and MPSA, now a Panamanian 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). 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, and the ruling will come into effect after it has been published in the Official Gazette in Panama. No reference is made in the Supreme Court ruling to the Concession Contract. The effect of the ruling is that Law 9 is no longer valid. The Company is advised that the Concession Contract remains valid and is not affected by the ruling.

The current Government of Panama, 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 Government of Panama announced the appointment of a high-level commission of senior government ministers and officials seeking to renegotiate the Concession Contract. MPSA has released a statement acknowledging the government’s announcement and noting that the negotiations must be based on respect for legal security and the rule of law for both the country and the company. The Company retains the support of the Government of Panama, the Chamber of Commerce and Industries of Panama, the Panamanian Mining Chamber and other Panamanian business and industry chambers. The Company welcomes the appointment of the high-level commission and the opportunity for all stakeholders to resolve this matter in the near-medium term.

Zambian Power

In June 2018, without any warning, ZESCO reduced power supply to the Kansanshi operation. The reduction was due to Kansanshi and Sentinel’s rejection of ZESCO’s demand for payment of higher tariffs, contrary to the existing contractual agreements between the parties.

On June 26, 2018, Kansanshi sought an injunction against ZESCO before the English courts, as the contracts on tariff are governed by English law. On June 28, 2018, ZESCO resisted the application and requested an extension to respond. On July 6, 2018, the Court awarded Kansanshi’s request by way of a sanctioned consent order (“Order”) which requires ZESCO to restore the full capacity as demanded by Kansanshi. In turn, Kansanshi is required to deposit the difference between the contractual tariff and the disputed higher tariff into a segregated account until an arbitration between Kansanshi and ZESCO on these facts are concluded. The Order continues to apply as ZESCO is restrained from making any reductions without incurring further sanction from the Court.

On August 22, 2018, Kansanshi served on ZESCO a Notice of Arbitration in respect of these facts. A procedural timetable of the arbitration has been agreed, with the merits hearing set for June 2020. Pursuant to the Procedural Order, Kansanshi has submitted its Statement of Claim and ZESCO has submitted its response and the parties have exchanged evidence. Following exchange of

documents, witness statements were submitted on January 31, 2020. Due to the COVID-19 global pandemic the hearing, originally scheduled for the week of June 15, 2020 was rescheduled and took place the week of July 12, 2021. Kansanshi continues to be supported by the English Court Order against reductions in power supply until the arbitration dispute is resolved.

Despite this dispute, the Company's operations generally maintain a constructive relationship with ZESCO, particularly with regards to the management of technical and supply issues. Operational and technical dialogue between the parties is expected to continue in the normal course.

Kansanshi Minority Partner

In October 2016, the Company, through its subsidiary Kansanshi Holdings Limited, received a Notice of Arbitration from ZCCM International Holdings PLC ("ZCCM") under the Kansanshi Mining PLC ("KMP") Shareholders Agreement. ZCCM is a 20% shareholder in KMP and filed the Notice of Arbitration against Kansanshi Holdings Limited ("KHL"), the 80% shareholder, and against KMP. The Company also received a Statement of Claim filed in the Lusaka High Court naming additional defendants, including the Company, and certain directors and an executive of the named corporate defendants. Aside from the parties, the allegations made in the Notice of Arbitration and the High Court for Zambia were the same. The Company is firmly of the view that the allegations are in their nature inflammatory, vexatious and untrue.

The dispute was stated as a request for a derivative action, requiring ZCCM to obtain permission to proceed in each forum of the Arbitration and the Lusaka High Court. The dispute arose from facts originating in 2007, and concerned the rate of interest paid on select deposits by KMP with the Company. The deposits were primarily retained for planned investment by KMP in Zambia. In particular, KMP deposits were used to fund a major investment program at Kansanshi, including the successful construction and commissioning of the Kansanshi smelter and expansion of the processing plant and mining operations. The entirety of the deposit sums has been paid down from the Company to KMP, with interest. The interest was based on an assessment of an arm's length fair market rate, which is supported by independent third-party analysis. ZCCM disputed that interest rate paid to KMP on the deposits was sufficient.

In July 2019, the Arbitral Tribunal issued a final award in favour of KMP (the "Arbitral Award"). The parties have reached an agreement on costs, in total exceeding US\$1 million payable by ZCCM, bringing this particular matter to an end.

In parallel, several preliminary procedural applications to dismiss the High Court Action were lodged on behalf of the Company, and other defendants, in the Lusaka High Court. By a decision dated January 25, 2018, the Lusaka High Court used its discretion to rectify ZCCM's procedural errors. The Court granted leave to the Company, FQM Finance, a wholly-owned subsidiary of the Company, and the individual defendants to appeal against this decision and the litigants have agreed to a stay pending the appeal. The appeal hearing took place on November 21, 2018, with submissions made by all parties. The Court of Appeal delivered judgment on January 11, 2019, dismissing the appeal. An appeal to the Supreme Court of Zambia was heard on April 24, 2019, and has been dismissed. The High Court was scheduled to resume hearing two further procedural applications, including whether ZCCM is allowed to maintain the derivative action. However, before these hearings could take place the defendants brought an application requesting dismissal of the case on grounds of abuse of process/ res judicata, on the basis that the action cannot be allowed to continue for risk of producing conflicting judgment from the London arbitration, which has already adjudicated the facts of this particular complaint. ZCCM objected to the defendants' application. ZCCM also tried to bring an application to set aside the registration of the Arbitral Award in Zambia. The defendants' resisted this application. Both applications had an oral hearing in October 2019.

However, after the October 2019 hearing, ZCCM pursued a challenge to the registration of the Arbitral Award on grounds that it was not enforceable because it had complied with the costs payment order of the Arbitral Award. KMP opposed ZCCM's challenge and made submissions to the Registrar that an Arbitration Award is eligible for registration despite compliance with costs orders. On February 13, 2020, the Registrar accepted KMP's position and dismissed ZCCM's challenge to the registration of the Arbitration Award. Accordingly, the Lusaka High Court proceeded to rule on the abuse of process application. By way of a ruling dated March 23, 2020, the Lusaka High Court agreed with KMP's application that the process, if it were to be allowed to continue before it, would risk conflicting judgements and would be res judicata. Accordingly, ZCCM's derivative action case was dismissed, with costs awarded to KMP against ZCCM. On April 6, 2020, ZCCM sought permission to appeal to the Court of Appeal on grounds that the High Court judge erred in fact and in law. KMP objects to the appeal, and the matter remains pending. The Court of Appeal has delivered its judgment on January 13, 2021, dismissing all grounds of appeal with the exception of one ground raised by the ZCCM and awarded costs to the Defendants. With regards to the remaining ground, the Court of Appeal held that the determination of this ground of appeal would be inconsequential as the matter should have been determined earlier than now and is therefore now moot. On January 27, 2021, ZCCM filed a notice of motion for leave to appeal to the Supreme Court. ZCCM

filed skeleton arguments in respect of the motion for leave to appeal to Supreme Court in reply to those of KMP on April 23, 2021, and the remaining defendants on April 26, 2021. A hearing on the matter was held on April 29, 2021, and judgement was reserved.

In addition, on November 11, 2019, Kansanshi Holding Ltd (KHL) filed a UNCITRAL Rules based Request for Arbitration against ZCCM and KMP (as Nominal Respondent) in connection with a Cash Management Services Agreement dated August 19, 2019. KHL seeks a declaration that the CMSA is an arm's length contract. The CMSA provides for cash management services whereby KMP would deposit with the Group's treasury subsidiary certain of its cash balances for management by FQML's treasury function. All cash managed and deposited is callable on demand by KMP and attracts commercial interest rates. Under the shareholder agreement between the Group and ZCCM, related party transactions are required to be on arms' length basis. This arbitration was held virtually in a hearing between October 19 to 23, 2020. The parties are now awaiting the Final Award in the arbitration. The Partial Final Award was issued in the first quarter of 2021. The arbitral panel held a Case Management Conference on June 25, 2021, with a focus on the legal issues expressly identified in the Partial Final Award for resolution and relief in a Final Award. Both ZCCM and KHL are scheduled to make submissions on such legal issues in the course of July 2021.

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, setting the hearing date for the adjudication of the merits for March 14 to 18, 2022. 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. KMP filed a request for provisional measures on July 13, 2021, which remains to be determined.

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 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

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, comparative EBITDA, net debt and comparative 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 and should not be considered in isolation to measures prepared under IFRS.

C1, AISC and C3 are 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.

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Purchase and deposits on property, plant and equipment	264	130	444	300
Sustaining capital expenditure and deferred stripping	125	75	210	138
Project capital expenditure	139	55	234	162
Total capital expenditure	264	130	444	300

Non-GAAP Reconciliation

The following tables provide a reconciliation of C1, C3 and AISC to the consolidated financial statements:

For the three months ended June 30, 2021	Cobre Panama	Kansanshi	Sentinel	Guelb Moghrein	Las Cruces	Çayeli	Pyhäsalmi	Copper	Corporate & other	Ravensthorpe	Total
Cost of sales¹	(481)	(239)	(279)	(64)	(18)	(18)	(7)	(1,106)	-	(116)	(1,222)
Adjustments:											
Depreciation	140	46	68	14	-	5	1	274	-	12	286
By-product credits	120	48	-	39	-	3	7	217	-	7	224
Royalties	17	42	51	3	-	2	-	115	-	5	120
Treatment and refining charges	(27)	(6)	(14)	(3)	-	(2)	-	(52)	-	-	(52)
Freight costs	(2)	-	(12)	-	-	(3)	-	(17)	-	-	(17)
Finished goods	8	(17)	7	9	1	2	(2)	8	-	25	33
Other	10	2	3	(1)	-	1	-	15	-	1	16
Cash cost (C1)	(215)	(124)	(176)	(3)	(17)	(10)	(1)	(546)	-	(66)	(612)
Adjustments:											
Depreciation (excluding depreciation in finished goods)	(134)	(53)	(66)	(10)	-	(6)	(1)	(270)	-	(8)	(278)
Royalties	(17)	(42)	(51)	(3)	-	(2)	-	(115)	-	(5)	(120)
Other	(2)	(3)	(2)	(1)	(1)	-	-	(9)	-	(1)	(10)
Total cost (C3)	(368)	(222)	(295)	(17)	(18)	(18)	(2)	(940)	-	(80)	(1,020)
Cash cost (C1)	(215)	(124)	(176)	(3)	(17)	(10)	(1)	(546)	-	(66)	(612)
Adjustments:											
General and administrative expenses	(11)	(6)	(9)	-	(1)	(1)	-	(28)	-	(3)	(31)
Sustaining capital expenditure and deferred stripping	(26)	(59)	(32)	(1)	-	(1)	-	(119)	-	(6)	(125)
Royalties	(17)	(42)	(51)	(3)	-	(2)	-	(115)	-	(5)	(120)
Lease payments	(1)	-	-	-	(1)	(1)	-	(3)	-	(1)	(4)
AISC	(270)	(231)	(268)	(7)	(19)	(15)	(1)	(811)	-	(81)	(892)
AISC (per lb)	\$1.57	\$2.18	\$2.26	\$0.95	\$2.94	\$1.82	\$0.27	\$1.91	-	\$9.52	
Cash cost – (C1) (per lb)	\$1.25	\$1.13	\$1.50	\$0.77	\$2.68	\$1.28	\$0.17	\$1.29	-	\$8.01	
Total cost – (C3) (per lb)	\$2.14	\$2.09	\$2.50	\$1.77	\$2.80	\$2.22	\$0.47	\$2.21	-	\$9.48	

¹ Total cost of sales per the interim Consolidated Statement of Earnings (Loss) in the Company's unaudited condensed interim Consolidated Financial Statements.

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

For the three months ended June 30, 2020	Cobre Panama	Kansanshi	Sentinel	Guelb Moghrein	Las Cruces	Çayeli	Pyhäsalmi	Copper	Corporate & other	Ravensthorpe	Total
Cost of sales¹	(144)	(278)	(214)	(64)	(98)	(13)	(10)	(821)	(4)	(48)	(873)
Adjustments:											
Depreciation	51	62	57	12	62	5	2	251	2	4	257
By-product credits	23	53	-	39	-	1	5	121	-	1	122
Royalties	2	27	16	3	1	-	-	49	-	1	50
Treatment and refining charges	(6)	(11)	(12)	(3)	-	(1)	-	(33)	-	-	(33)
Freight costs	-	(6)	(10)	-	(1)	(1)	-	(18)	-	-	(18)
Finished goods	(10)	17	(1)	9	3	-	1	19	-	1	20
Other	6	-	(6)	(2)	2	1	(2)	(1)	2	19 ²	20
Cash cost (C1)	(78)	(136)	(170)	(6)	(31)	(8)	(4)	(433)	-	(22)	(455)
Adjustments:											
Depreciation (excluding depreciation in finished goods)	(56)	(65)	(64)	(11)	(59)	(6)	(2)	(263)	-	(4)	(267)
Royalties	(2)	(27)	(16)	(3)	(1)	-	-	(49)	-	(1)	(50)
Other	-	(2)	(2)	-	-	-	1	(3)	-	(1)	(4)
Total cost (C3)	(136)	(230)	(252)	(20)	(91)	(14)	(5)	(748)	-	(28)	(776)
Cash cost (C1)	(78)	(136)	(170)	(6)	(31)	(8)	(4)	(433)	-	(22)	(455)
Adjustments:											
General and administrative expenses	(4)	(7)	(9)	(1)	(1)	(1)	-	(23)	-	(1)	(24)
Sustaining capital expenditure and deferred stripping	(7)	(27)	(37)	(2)	-	(1)	-	(74)	-	(1)	(75)
Royalties	(2)	(27)	(16)	(3)	(1)	-	-	(49)	-	(1)	(50)
Lease payments	(1)	(1)	-	-	(1)	-	-	(3)	-	-	(3)
Other	-	-	-	-	-	1	-	1	-	-	1
AISC	(92)	(198)	(232)	(12)	(34)	(9)	(4)	(581)	-	(25)	(606)
AISC (per lb)	\$2.03	\$1.56	\$1.86	\$0.87	\$0.93	\$1.61	\$1.62	\$1.62	-	\$7.30	
Cash cost – (C1) (per lb)	\$1.72	\$1.09	\$1.36	\$0.48	\$0.84	\$1.39	\$1.55	\$1.20	-	\$6.26	
Total cost – (C3) (per lb)	\$2.99	\$1.82	\$2.02	\$1.34	\$2.50	\$2.60	\$2.30	\$2.08	-	\$7.93	

¹ Total cost of sales per the Consolidated Statement of Earnings (Loss) in the Company's annual audited financial statements.

² Includes restart costs at Ravensthorpe



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

For the six months ended June 30, 2021	Cobre Panama	Kansanshi	Sentinel	Guelb Moghrein	Las Cruces	Çayeli	Pyhäsalmi	Copper	Corporate & other	Ravensthorpe	Total
Cost of sales¹	(929)	(483)	(573)	(109)	(54)	(32)	(15)	(2,195)	(5)	(160)	(2,360)
Adjustments:											
Depreciation	274	95	137	24	13	10	1	554	1	17	572
By-product credits	228	96	-	66	-	8	11	409	-	10	419
Royalties	30	82	97	6	1	4	-	220	-	7	227
Treatment and refining charges	(56)	(12)	(28)	(6)	-	(3)	(1)	(106)	-	-	(106)
Freight costs	(3)	-	(19)	-	-	(4)	-	(26)	-	-	(26)
Finished goods	26	(31)	29	6	2	-	(1)	31	-	2	33
Other	16	4	4	2	-	-	1	27	4	2	33
Cash cost (C1)	(414)	(249)	(353)	(11)	(38)	(17)	(4)	(1,086)	-	(122)	(1,208)
Adjustments:											
Depreciation (excluding depreciation in finished goods)	(261)	(106)	(127)	(20)	(10)	(11)	(1)	(536)	-	(17)	(553)
Royalties	(30)	(82)	(97)	(6)	(1)	(4)	-	(220)	-	(7)	(227)
Other	(6)	(5)	(4)	(1)	(1)	-	-	(17)	-	(2)	(19)
Total cost (C3)	(711)	(442)	(581)	(38)	(50)	(32)	(5)	(1,859)	-	(148)	(2,007)
Cash cost (C1)	(414)	(249)	(353)	(11)	(38)	(17)	(4)	(1,086)	-	(122)	(1,208)
Adjustments:											
General and administrative expenses	(20)	(12)	(17)	-	(2)	(1)	-	(52)	-	(6)	(58)
Sustaining capital expenditure and deferred stripping	(48)	(85)	(65)	(1)	-	(2)	-	(201)	-	(9)	(210)
Royalties	(30)	(82)	(97)	(6)	(1)	(4)	-	(220)	-	(7)	(227)
Lease payments	(2)	-	-	-	(1)	(1)	-	(4)	-	(1)	(5)
AISC	(514)	(428)	(532)	(18)	(42)	(25)	(4)	(1,563)	-	(145)	(1,708)
AISC (per lb)	\$1.48	\$2.05	\$2.14	\$0.93	\$2.48	\$1.57	\$1.05	\$1.81	-	\$8.57	
Cash cost – (C1) (per lb)	\$1.20	\$1.16	\$1.44	\$0.69	\$2.26	\$1.08	\$0.95	\$1.26	-	\$7.26	
Total cost – (C3) (per lb)	\$2.05	\$2.11	\$2.35	\$1.69	\$2.96	\$2.01	\$1.10	\$2.15	-	\$8.76	

¹ Total cost of sales per the interim Consolidated Statement of Earnings (Loss) in the Company's unaudited condensed interim Consolidated Financial Statements.



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

For the six months ended June 30, 2020	Cobre Panama	Kansanshi	Sentinel	Guelb Moghrein	Las Cruces	Çayeli	Pyhäsalmi	Copper	Corporate & other	Ravensthorpe	Total
Cost of sales¹	(509)	(548)	(428)	(110)	(176)	(26)	(20)	(1,817)	(5)	(86)	(1,908)
Adjustments:											
Depreciation	176	123	113	22	111	11	3	559	3	6	568
By-product credits	97	104	-	69	-	4	12	286	-	1	287
Royalties	8	51	35	5	2	-	-	101	-	1	102
Treatment and refining charges	(33)	(20)	(21)	(7)	-	(2)	(1)	(84)	-	-	(84)
Freight costs	(1)	(8)	(16)	-	(1)	(2)	-	(28)	-	-	(28)
Finished goods	9	15	(19)	6	1	(3)	1	10	-	1	11
Other	10	2	(13)	-	3	-	(2)	-	2	55 ²	57
Cash cost (C1)	(243)	(281)	(349)	(15)	(60)	(18)	(7)	(973)	-	(22)	(995)
Adjustments:											
Depreciation (excluding depreciation in finished goods)	(173)	(126)	(126)	(20)	(110)	(13)	(3)	(571)	-	(6)	(577)
Royalties	(8)	(51)	(35)	(5)	(2)	-	-	(101)	-	(1)	(102)
Other	(4)	(6)	(3)	-	(1)	-	1	(13)	-	(1)	(14)
Total cost (C3)	(428)	(464)	(513)	(40)	(173)	(31)	(9)	(1,658)	-	(30)	(1,688)
Cash cost (C1)	(243)	(281)	(349)	(15)	(60)	(18)	(7)	(973)	-	(22)	(995)
Adjustments:											
General and administrative expenses	(11)	(13)	(16)	(1)	(3)	(1)	-	(45)	-	(1)	(46)
Sustaining capital expenditure and deferred stripping	(21)	(45)	(62)	(6)	-	(2)	-	(136)	-	(2)	(138)
Royalties	(8)	(51)	(35)	(5)	(2)	-	-	(101)	-	(1)	(102)
Lease payments	(2)	(2)	(1)	-	(1)	-	-	(6)	-	-	(6)
Other	-	(2)	-	-	-	-	-	(2)	-	-	(2)
AISC	(285)	(394)	(463)	(27)	(66)	(21)	(7)	(1,263)	-	(26)	(1,289)
AISC (per lb)	\$1.72	\$1.61	\$1.93	\$0.96	\$0.94	\$1.78	\$1.22	\$1.63	-	\$7.30	
Cash cost – (C1) (per lb)	\$1.48	\$1.15	\$1.45	\$0.57	\$0.86	\$1.51	\$1.18	\$1.25	-	\$6.26	
Total cost – (C3) (per lb)	\$2.59	\$1.89	\$2.14	\$1.38	\$2.46	\$2.69	\$1.63	\$2.14	-	\$7.93	

¹ Total cost of sales per the Consolidated Statement of Earnings (Loss) in the Company's annual audited financial statements.

² Includes restart costs at Ravensthorpe

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.

Comparative EBITDA and Comparative Earnings

Comparative EBITDA and comparative earnings are the Company's adjusted earnings metrics, and are used to evaluate operating performance by management. The Company believes that the comparative metrics presented are useful as the adjusted items do not reflect the underlying operating performance of its current business and are not necessarily indicative of future operating results.

Calculation of Operating Cash Flow per Share, Net Debt, Comparative EBITDA and Comparative Earnings

In calculating the operating cash flow per share, the operating cash flow calculated for IFRS purposes is divided by the basic weighted average common shares outstanding for the respective period.

Net debt comprises unrestricted cash and cash equivalents, bank overdrafts and total debt. Comparative EBITDA, comparative earnings and comparative earnings per share are non-GAAP measures which measure the performance of the Company. Comparative EBITDA, comparative earnings and comparative earnings per share 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.

NET DEBT

	Q2 2021	Q1 2021	Q4 2020	Q2 2020
Cash and cash equivalents	1,792	1,058	950	919
Bank overdraft	-	70	36	37
Current debt	707	724	871	910
Debt	7,836	7,326	7,452	7,630
Net debt	6,751	7,062	7,409	7,658

COMPARATIVE EBITDA

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Operating profit	588	77	1,101	81
Depreciation	286	257	572	568
Other adjustments:				
Foreign exchange loss	23	10	34	133
Other expense	4	4	4	6
Revisions in estimates of restoration provisions at closed sites	1	4	2	(2)
Total adjustments excluding depreciation	28	18	40	137
Comparative EBITDA	902	352	1,713	786

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Net earnings (loss) attributable to shareholders of the Company	140	(156)	282	(218)
Adjustments attributable to shareholders of the Company:				
Adjustment for expected phasing of Zambian VAT	22	(22)	14	(59)
Other, including loss on debt instruments	-	-	-	2
Total adjustments to comparative EBITDA excluding depreciation	28	18	40	137
Reversal of tax effect of unrealized hedge position recognized in other comprehensive income	-	67	-	-
Tax and minority interest comparative adjustments	(17)	9	(13)	(25)
Comparative earnings (loss)	173	(84)	323	(163)
Earnings (loss) per share as reported	\$0.20	(\$0.23)	\$0.41	(\$0.32)
Comparative earnings (loss) per share	\$0.25	(\$0.12)	\$0.47	(\$0.24)

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, 2020.

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, 2020.

Market Risks

The Company is subject to commodity price risk from fluctuations in the market prices of copper, nickel, gold, silver 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, 2020.

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, 2020, 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, 2020.

Internal Control Over Financial Reporting

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, 2020 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, 2020.

There were no changes in the Company's business activities during the interim period ended June 30, 2021, 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 quarterly and annual results for the Company:

Consolidated operations	Q3 19	Q4 19	2019	Q1 20	Q2 20	Q3 20	Q4 20	2020	Q1 21	Q2 21	2021
Sales revenues											
Copper	877	1,120	3,603	1,015	864	1,150	1,348	4,377	1,445	1,525	2,970
Gold	86	132	342	134	98	158	147	537	161	179	340
Nickel	-	-	-	3	27	61	68	159	29	99	128
Other	24	32	122	30	25	33	38	126	43	44	87
Total sales revenues	987	1,284	4,067	1,182	1,014	1,402	1,601	5,199	1,678	1,847	3,525
Cobre Panama	210	314	524	398	107	440	510	1,455	780	903	1,683
Kansanshi	314	495	1,581	349	351	423	416	1,539	418	458	876
Sentinel	303	281	1,199	235	252	340	526	1,353	531	525	1,056
Guelb Moghrein	52	50	243	67	78	71	84	300	77	112	189
Ravensthorpe	-	-	-	-	19	62	75	156	39	107	146
Sales hedge program gain (loss)	18	(1)	44	29	86	(49)	(114)	(48)	(257)	(338)	(595)
Other	90	145	476	104	121	115	104	444	90	80	170
Total sales revenues	987	1,284	4,067	1,182	1,014	1,402	1,601	5,199	1,678	1,847	3,525
Gross profit	150	259	790	147	141	346	443	1,077	540	625	1,165
Comparative EBITDA	354	511	1,609	434	352	641	725	2,152	811	902	1,713
Net earnings (loss) attributable to shareholders of the Company	(73)	(115)	(57)	(62)	(156)	29	9	(180)	142	140	282
Comparative earnings (loss)	32	35	249	(79)	(84)	64	53	(46)	150	173	323
Net debt	7,579	7,675	7,675	7,615	7,658	7,545	7,409	7,409	7,062	6,751	6,751
Basic earnings (loss) per share	(\$0.11)	(\$0.17)	(\$0.08)	(\$0.09)	(\$0.23)	\$0.04	\$0.01	(\$0.26)	\$0.21	\$0.20	\$0.41
Comparative earnings (loss) per share	\$0.05	\$0.05	\$0.36	(\$0.11)	(\$0.12)	\$0.09	\$0.08	(\$0.07)	\$0.22	\$0.25	\$0.47
Diluted earnings (loss) per share	(\$0.11)	(\$0.17)	(\$0.08)	(\$0.09)	(\$0.23)	\$0.04	\$0.01	(\$0.26)	\$0.21	\$0.20	\$0.41
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	\$0.22	\$0.58	\$1.29	\$0.69	\$0.23	\$0.66	\$0.77	\$2.34	\$1.08	\$0.99	\$2.06
Basic weighted average shares ('000's) ¹	688,425	688,083	687,596	688,093	688,123	688,806	688,939	688,469	688,771	688,457	688,622
Copper statistics											
Total copper production (tonnes)	192,510	204,270	702,148	195,285	169,059	211,396	203,171	778,911	205,064	199,689	404,753
Total copper sales (tonnes)	203,827	205,964	689,386	189,953	159,944	197,533	217,041	764,471	210,734	203,790	414,524
Realized copper price (per lb)	\$2.62	\$2.62	\$2.70	\$2.56	\$2.60	\$2.77	\$2.97	\$2.74	\$3.25	\$3.55	\$3.39
TC/RC (per lb)	(0.12)	(0.12)	(0.11)	(0.11)	(0.10)	(0.10)	(0.11)	(0.10)	(0.12)	(0.12)	(0.12)
Freight charges (per lb)	(0.04)	(0.03)	(0.04)	(0.03)	(0.05)	(0.03)	(0.04)	(0.04)	(0.02)	(0.04)	(0.02)
Net realized copper price (per lb)	\$2.46	\$2.47	\$2.55	\$2.42	\$2.45	\$2.64	\$2.82	\$2.60	\$3.11	\$3.39	\$3.25
Cash cost – copper (C1) (per lb)	\$1.36	\$1.24	\$1.31	\$1.30	\$1.20	\$1.07	\$1.28	\$1.21	\$1.24	\$1.29	\$1.26
All-in sustaining cost (AISC) (per lb)	\$1.86	\$1.73	\$1.78	\$1.64	\$1.62	\$1.48	\$1.77	\$1.63	\$1.72	\$1.91	\$1.81
Total cost – copper (C3) (per lb)	\$2.20	\$2.07	\$2.16	\$2.19	\$2.08	\$1.97	\$2.20	\$2.11	\$2.10	\$2.21	\$2.15
Gold statistics											
Total gold production (ounces)	70,120	77,789	256,913	68,788	54,651	72,926	68,747	265,112	78,048	81,375	159,423
Total gold sales (ounces) ²	71,664	79,409	254,785	73,782	54,591	78,013	70,905	277,291	77,391	85,291	162,682
Net realized gold price (per ounce)	\$1,388	\$1,380	\$1,318	\$1,488	\$1,604	\$1,766	\$1,771	\$1,662	\$1,661	\$1,670	\$1,666
Nickel statistics											
Nickel produced (contained tonnes)	-	-	-	-	1,979	5,113	5,603	12,695	4,642	4,543	9,185
Nickel produced (payable tonnes)	-	-	-	-	1,579	4,102	4,534	10,215	3,843	3,789	7,632
Nickel sales (contained tonnes)	-	-	-	-	1,791	4,986	5,343	12,120	2,357	6,910	9,267
Nickel sales (payable tonnes)	-	-	-	-	1,429	4,016	4,342	9,787	1,969	5,777	7,746
Net realized price (per payable lb)	-	-	-	-	\$8.51	\$6.88	\$7.11	\$7.37	\$6.67	\$7.79	\$7.50

¹ Fluctuations in average weighted shares between quarters reflects shares issued and changes in levels of treasury shares held for performance share units.

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

APPENDIX

PRODUCTION

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Copper production (tonnes)¹				
Cobre Panama	81,686	21,733	163,728	77,973
Kansanshi cathode	8,813	16,007	18,720	25,983
Kansanshi concentrate	41,527	42,808	80,513	88,444
Sentinel	54,308	60,761	112,560	117,394
Guelb Moghrein	5,915	7,392	12,166	14,420
Las Cruces	2,899	16,566	7,625	31,859
Çayeli	3,627	2,611	7,574	5,601
Pyhäsalmi	914	1,181	1,867	2,670
Total copper production (tonnes)	199,689	169,059	404,753	364,344
Gold production (ounces)				
Cobre Panama	36,290	7,794	72,188	31,026
Kansanshi	32,942	34,177	61,404	67,179
Guelb Moghrein	11,118	11,665	23,705	22,902
Other sites ²	1,025	1,015	2,126	2,332
Total gold production (ounces)	81,375	54,651	159,423	123,439
Nickel production (contained tonnes) – Ravensthorpe	4,543	1,979	9,185	1,979

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

² Other sites include Çayeli and Pyhäsalmi.

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

SALES

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Copper sales volume (tonnes)				
Cobre Panama	86,417	17,832	171,705	81,968
Kansanshi	42,758	60,262	87,032	115,592
Sentinel	57,951	52,058	123,633	97,241
Guelb Moghrein	8,298	8,170	14,733	15,819
Las Cruces	2,893	17,818	8,174	32,291
Çayeli	4,677	2,544	7,463	4,320
Pyhäsalmi	796	1,260	1,784	2,666
Total copper sales (tonnes)	203,790	159,944	414,524	349,897
Gold sales volume (ounces)				
Cobre Panama	39,664	6,674	74,862	34,011
Kansanshi	27,572	32,009	55,082	64,703
Guelb Moghrein	16,272	14,528	29,650	26,634
Other sites ¹	1,783	1,380	3,088	3,025
Total gold sales (ounces)²	85,291	54,591	162,682	128,373
Nickel sales volume (contained tonnes) – Ravensthorpe	6,910	1,791	9,267	1,791

¹ Other sites include Çayeli and Pyhäsalmi.

² Excludes refinery-backed gold credits purchased and delivered under precious metal streaming arrangement.

SALES REVENUES

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Cobre Panama - copper	782	84	1,454	408
- gold	101	19	190	83
- other	20	4	39	14
Kansanshi - copper	410	298	780	596
- gold	48	53	96	103
- acid	-	-	-	1
Sentinel - copper	525	252	1,056	487
Guelb Moghrein - copper	73	39	123	76
- gold	28	23	51	41
- magnetite	11	16	15	28
Las Cruces - copper	28	97	72	180
Çayeli - copper	37	11	56	17
- zinc, gold and silver	2	1	7	4
Pyhäsalmi - copper	7	6	16	12
- zinc	2	1	2	2
- pyrite, gold and silver	5	4	9	10
Ravensthorpe -nickel	100	18	136	18
-cobalt	7	1	10	1
Corporate ¹	(339)	87	(587)	115
Sales revenues	1,847	1,014	3,525	2,196
Copper	1,525	864	2,970	1,879
Gold	179	98	340	232
Nickel	99	27	128	30
Other	44	25	87	55
	1,847	1,014	3,525	2,196

¹ Corporate sales include sales hedges (see "Hedging Programs" for further discussion).

UNIT CASH COSTS (PER LB)¹

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Cobre Panama				
Mining	\$0.36	\$0.44	\$0.36	\$0.42
Processing	0.61	0.73	0.57	0.67
Site administration	0.29	0.46	0.28	0.34
TC/RC and freight charges	0.29	0.30	0.28	0.31
By-product credits	(0.30)	(0.21)	(0.29)	(0.26)
Cash cost (C1) (per lb)	\$1.25	\$1.72	\$1.20	\$1.48
All-in sustaining cost (AISC) (per lb)	\$1.57	\$2.03	\$1.48	\$1.72
Total cost (C3) (per lb)	\$2.14	\$2.99	\$2.05	\$2.59
Kansanshi				
Mining	\$0.49	\$0.57	\$0.57	\$0.64
Processing	0.72	0.50	0.66	0.50
Site administration	0.12	0.09	0.11	0.09
TC/RC and freight charges	0.14	0.19	0.14	0.17
By-product credits	(0.50)	(0.39)	(0.49)	(0.40)
Total smelter costs	0.16	0.13	0.17	0.15
Cash cost (C1) (per lb)	\$1.13	\$1.09	\$1.16	\$1.15
All-in sustaining cost (AISC) (per lb)	\$2.18	\$1.56	\$2.05	\$1.61
Total cost (C3) (per lb)	\$2.09	\$1.82	\$2.11	\$1.89
Sentinel				
Mining	\$0.47	\$0.42	\$0.45	\$0.43
Processing	0.60	0.59	0.58	0.60
Site administration	0.12	0.01	0.10	0.09
TC/RC and freight charges	0.25	0.25	0.24	0.24
Total smelter costs	0.06	0.09	0.07	0.09
Cash cost (C1) (per lb)	\$1.50	\$1.36	\$1.44	\$1.45
All-in sustaining cost (AISC) (per lb)	\$2.26	\$1.86	\$2.14	\$1.93
Total cost (C3) (per lb)	\$2.50	\$2.02	\$2.35	\$2.14
Ravensthorpe				
Mining	\$2.00	\$2.57	\$2.14	\$2.57
Processing	5.48	3.13	4.74	3.13
Site administration	0.77	0.71	0.69	0.71
TC/RC and freight charges	0.32	0.20	0.31	0.20
By-product credits	(0.56)	(0.35)	(0.62)	(0.35)
Cash cost (C1) (per lb)	\$8.01	\$6.26	\$7.26	\$6.26
All-in sustaining cost (AISC) (per lb)	\$9.52	\$7.30	\$8.57	\$7.30
Total cost (C3) (per lb)	\$9.48	\$7.93	\$8.76	\$7.93
Guelb Moghrein				
Cash cost (C1) (per lb)	\$0.77	\$0.48	\$0.69	\$0.57
All-in sustaining cost (AISC) (per lb)	\$0.95	\$0.87	\$0.93	\$0.96
Total cost (C3) (per lb)	\$1.77	\$1.34	\$1.69	\$1.38
Las Cruces				
Cash cost (C1) (per lb)	\$2.68	\$0.84	\$2.26	\$0.86
Çayeli				
Cash cost (C1) (per lb)	\$1.28	\$1.39	\$1.08	\$1.51
Pyhäsalmi				
Cash cost (C1) (per lb)	\$0.17	\$1.55	\$0.95	\$1.18

¹ AISC, C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. 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 (including but not limited to the temporary suspension of labour activities at Cobre Panama implemented in April 2020), 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.