



FIRST QUANTUM  
MINERALS



# MANAGEMENT'S DISCUSSION AND ANALYSIS

THIRD QUARTER ENDED SEPTEMBER 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 nine months ended September 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](http://www.sedar.com). Information is also available on the Company’s website at [www.first-quantum.com](http://www.first-quantum.com). This MD&A contains forward-looking information that is subject to risk factors, see “*Cautionary statement on forward-looking information*” for further discussion. Information on risks associated with investing in the Company’s securities and technical and scientific information under National Instrument 43-101 – *Standards for Disclosure for Mineral Projects* (“NI 43-101”) concerning the Company’s material properties, including information about mineral resources and mineral reserves, are contained in its most recently filed Annual Information Form. This MD&A has been prepared as of October 26, 2021.

## THIRD QUARTER HIGHLIGHTS AND OVERVIEW

*Another quarter of record copper production at Cobre Panama drove strong operational performance in the quarter and nine months year-to-date. Financial performance in the quarter was driven by an increase in revenue, with higher metal prices, together with strong operational performance resulting in a significant increase in comparative EBITDA<sup>4,5</sup> and net earnings, as well as notable further reduction in net debt<sup>3</sup>.*

- Total copper production for the quarter was 209,859 tonnes, consistent with the third quarter of 2020 and the highest quarterly production for 2021, attributable to the record breaking quarterly production at Cobre Panama.
- Cobre Panama delivered a record 87,242 tonnes of copper production, and achieved further quarterly milestones, including records in tonnes milled.
- Kansanshi produced another consistent quarter, with copper production of 50,987 tonnes. The Kansanshi smelter processed 325,068 dry metric tonnes (“DMT”) of copper concentrate, produced 75,929 tonnes of copper anode and 310,000 tonnes of sulphuric acid, and ramped up on schedule in early July, following scheduled maintenance.
- Sentinel delivered its best quarter of the year, and produced 59,931 tonnes of copper. A record milling rate was achieved in August 2021 and improved ore grades were processed in September 2021. The fourth in-pit crusher at Sentinel is scheduled for commissioning in December 2021, which will enable the plant to ramp up throughput to 62 million tonnes per annum (“Mtpa”) in 2022.
- Total gold production for the quarter was 78,124 ounces, a 7% increase from the same period in 2020, with the increase attributable to another quarter of record production at Cobre Panama of 36,649 ounces.
- Sales volumes in Zambia were impacted by port congestion and a global shortage in container shipping capacity and this is expected to continue into the fourth quarter.
- Gross profit of \$613 million and comparative EBITDA of \$886 million for the third quarter of 2021 were significantly higher (77% and 38%, respectively) than the same period in 2020, attributable to increased sales volumes at Cobre Panama, as well as a 33% increase in the realized copper price. The realized copper price of \$3.68 per lb achieved during the quarter reflected the reduced hedge profile in place.
- Total C1 cash cost of \$1.26 per lb was \$0.19 per lb higher than the comparable third quarter of 2020, impacted by higher fuel costs and freight charges at Cobre Panama, together with lower production at both Zambian operations and cessation of open-pit mining at Las Cruces in August 2020. AISC of \$1.87 per lb was also impacted by higher Zambia royalties due to higher copper prices.

- Financial results include net earnings attributable to shareholders of the Company of \$303 million (\$0.44 earnings per share), and comparative earnings of \$197 million (\$0.29 comparative earnings per share) which represents a significant improvement on the same quarter of 2020. Net earnings include foreign exchange gains of \$180 million, largely unrealized, primarily due to the appreciation of the Zambian Kwacha (“ZMW”) against the US dollar (“USD”) during the quarter.
- Cash flows from operating activities of \$703 million (\$1.02 per share) for the third quarter of 2021 were \$251 million higher than the same period in 2020.
- Net debt decreased by \$449 million during the quarter, with a total reduction of \$1,107 million during the nine months year-to-date, bringing the balance down to \$6,302 million as at September 30, 2021. With the current strength in the copper price, a significant further reduction is expected in the last quarter of this year. On the basis of continued strong operational performance, the Company anticipates continued strong future cash flow and expects to be in a position to continue growth programs, to support Environmental, Social & Governance (“ESG”) initiatives and to support increased dividend payments in 2022.
- In September 2021, for cash consideration of \$240 million, the Company completed the sale of a 30% equity interest in Ravensthorpe to POSCO, one of the world’s leading integrated producer of materials for the electric vehicle (“EV”) sector. The Company retains a 70% interest in Ravensthorpe and continues to be the operator. The proceeds of the transaction were used to pay down the Company’s Revolving Credit Facility.
- Commissioning of Shoemaker Levy at Ravensthorpe was largely completed towards the end of the third quarter, which enabled the successful introduction of first saprolite ore into the plant in September 2021. Completion of construction and commissioning works at the Shoemaker Levy Project and the delivery of limonite ore is the main priority for the fourth quarter of 2021.
- At September 30, 2021, the Company had 12,500 tonnes of unmargined copper forward sales contracts at an average price of \$3.01 per lb outstanding with periods of maturity to December 2021. In addition, the Company had 125,750 tonnes of unmargined zero cost copper collar sales contracts with maturities to June 2022 at weighted average prices of \$3.45 per lb to \$4.35 per lb outstanding. Copper sales in the quarter were 46% hedged. Approximately one sixth 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 \$3.41 per lb and \$4.23 per lb, respectively.
- The Company also had unmargined nickel forward sales contracts for 406 tonnes at an average price of \$7.96 per lb outstanding, with maturities to December 2021. In addition, the Company has zero cost nickel collar unmargined sales contracts for 800 tonnes, at weighted average prices of \$7.71 per lb to \$8.58 per lb outstanding with maturities to May 2022.
- Post quarter end, on October 14, 2021, the Company signed a new \$2.925 billion Term Loan and Revolving Credit Facility (the “Facility”). This new Facility replaces the existing \$2.7 billion Term Loan and Revolving Credit Facility due to mature December 2022. The new \$2.925 billion Facility comprises a \$1.625 billion Term Loan Facility and a \$1.3 billion Revolving Credit Facility, maturing in 2025 and is syndicated to a group of long-standing relationship banks of First Quantum. The Facility will be used to fully prepay and cancel amounts outstanding on the existing facility (\$1.66 billion as at September 30, 2021), to fully prepay and cancel a bilateral bank facility for \$175 million and for general corporate purposes. Repayments on the term loan will commence in December 2022. The Facility has a single Net Debt to EBITDA ratio covenant set at 3.5 times over the Facility term.
- By September 30, 2021, the Cobre Panama operations had reached COVID-19 vaccination levels of 97% in employees and contractors. As a result, post quarter end, on October 11, 2021, Cobre Panama removed the most stringent of health protocols on the site and, in particular, removed limit restrictions on the number of personnel onsite, as well as, removed the requirement for vaccinated staff to undergo preventative site quarantine prior to entering the site. This allows Cobre Panama to return to optimal staffing levels on the site.

## CONSOLIDATED OPERATING HIGHLIGHTS

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Copper production (tonnes) <sup>1</sup>	209,859	211,396	614,612	575,740
Copper sales (tonnes)	194,278	197,533	608,802	547,430
Gold production (ounces)	78,124	72,926	237,547	196,365
Gold sales (ounces) <sup>2</sup>	79,773	78,013	242,455	206,386
Nickel production (contained tonnes)	4,248	5,113	13,433	7,092
Nickel sales (contained tonnes)	4,055	4,986	13,322	6,777

## CONSOLIDATED FINANCIAL HIGHLIGHTS

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Sales revenues	1,802	1,402	5,327	3,598
Gross profit	613	346	1,778	634
Net earnings (loss) attributable to shareholders of the Company	303	29	585	(189)
Basic and diluted earnings (loss) per share	\$0.44	\$0.04	\$0.85	(\$0.27)
Cash flows from operating activities	703	452	2,125	1,080
Net debt <sup>3</sup>	6,302	7,545	6,302	7,545
Comparative EBITDA <sup>4,5</sup>	886	641	2,599	1,427
Comparative earnings (loss) <sup>4</sup>	197	64	520	(99)
Comparative earnings (loss) per share <sup>4</sup>	\$0.29	\$0.09	\$0.76	(\$0.14)
Cash cost of copper production (C1) (per lb) <sup>3</sup>	\$1.26	\$1.07	\$1.26	\$1.19
Total cost of copper production (C3) (per lb) <sup>3</sup>	\$2.22	\$1.97	\$2.18	\$2.08
All-in sustaining cost (AISC) (per lb) <sup>3</sup>	\$1.87	\$1.48	\$1.83	\$1.58
Realized copper price (per lb) <sup>3</sup>	\$3.68	\$2.77	\$3.48	\$2.65
Net earnings (loss) attributable to shareholders of the Company	303	29	585	(189)
Adjustments attributable to shareholders of the Company:				
Adjustment for expected phasing of Zambian value-added tax ("VAT") receipts	4	(16)	18	(75)
Loss on debt instruments	-	-	-	2
Total adjustments to comparative EBITDA excluding depreciation <sup>5</sup>	(177)	61	(137)	198
Tax and minority interest comparative adjustments	67	(10)	54	(35)
Comparative earnings (loss) <sup>4</sup>	197	64	520	(99)

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

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

<sup>3</sup> 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".

<sup>4</sup> 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.

<sup>5</sup> Adjustments to comparative EBITDA in the third quarter of 2021 relate principally to foreign exchange revaluations (foreign exchange revaluations in the third quarter of 2020).

## SUSTAINABILITY

Details of the Company's 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's primary ESG report, the annual Environment, Safety and Social Data Report ("ESSDR"), which set out the Company's 2020 performance in a number of key environmental, safety and social metrics, as well as, the ESG Data Summary and GRI Content Index can be found at:

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

### Climate Change

As noted in prior quarters, the Company has made a number of commitments with respect to climate change.

- Continued progress has been made on the Company's Task Force on Climate-related Financial Disclosures ("TCFD") project and remains on course to commence reporting aligned with the TCFD this year.
- Work on setting greenhouse gas (GHG) emissions targets is progressing, with the focus on addressing the Cobre Panama power station, inherited by the Company upon takeover of the project, which is the most significant source of GHG emissions. In keeping with the Company's intention to base these commitments on actions with a pathway to achievement, addressing this one area of the Company's business will have a substantial impact in reducing overall and intensity of GHG emissions. Targets related to the Company's climate change policy are expected to be provided by the end of the year.
- The Company has established a range of carbon prices and determinant commodity prices that will now be integrated into the evaluation of new projects.

### Health & Safety

The health and safety of the Company's employees and contractors is our top priority and the Company is focused on the continual strengthening and improvement of the safety culture at all of our operations. The Lost Time Injury Frequency Rates ("LTIFR") is an area of continued focus and a key performance metric for the Company. Our rolling 12-month LTIFR is 0.08 per 200,000 hours worked on average over the 12-month period to September 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.

By September 30, 2021, the Cobre Panama operations had reached COVID-19 vaccination levels of 97% in employees and contractors. As a result, post quarter end, on October 11, 2021, Cobre Panama removed the most stringent of health protocols on the site and, in particular, removed limit restrictions on the number of personnel onsite, as well as, removed the requirement for vaccinated staff to undergo preventative site quarantine prior to entering the site. This allows Cobre Panama to return to optimal staffing levels on the site. After a campaign of 18 months in which employees were required to isolate before returning to work, social and sanitary restrictions will continue to remain in place, which are consistent with Government regulation. The

Company continues to support the Ministry of Health of Panama (“MINSAs”) with access and supplies to surrounding communities.

In Zambia, the Company has provided testing and medical equipment and assisted with the construction of isolation facilities for the community. Ongoing support includes the provision of oxygen, consumables, face masks and sanitation stations and transportation of medical supplies. Frequent interaction and sensitization with the surrounding communities is in place. The Company is working with the Ministry of Health in the North Western Province to provide vaccination stations to employees and affiliated contractors in support of the national 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 workplace and protect business continuity have been implemented across all operations.

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.

## LOGISTICS AND SHIPPING

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 this third quarter, the Company has been experiencing cost increases and delays on virtually all capital projects associated with shipping, steel price, fuel costs, and labour; the latter often an impact of COVID-19 constraints. These impacts have also been felt in operating costs, and in increased finished goods inventories. Port congestion and a global shortage of container shipping capacity in particular has led to delays and disruptions impacting sales shipments of Zambian anode, but with bulk shipping of concentrates less affected. A number of planned shipments have been rolled into the fourth quarter. These logistical challenges for Zambian sales are expected to continue throughout the fourth quarter. The Company has also experienced some minor disruptions and additional costs on freight shipments out of Asia. There have been some challenges in labour availability due to COVID-19 related travel restrictions in Western Australia, which continued to affect the Shoemaker Levy Project through the quarter.

## DEVELOPMENT PROJECTS

### Brownfield Projects

#### 100 Mtpa

At Cobre Panama, an expansion of the process plant facilities and related infrastructure is currently in development, which will support a 100 Mtpa throughput operation. Completion of construction works and commencement of commissioning is targeted for the first quarter of 2023 to allow for a ramp up of production over the course of the year to achieve a throughput rate of 100 Mtpa by the end of 2023. The plant expansion includes a new primary crushed ore screening facility, process water upgrades and the addition of an extra ball mill (ball mill 6). The plans also include expanding the fleet by adding a fifth rope shovel, eight additional ultra-class haul trucks, developing the Colina pit and its associated overland conveyor and in-pit crushing facility. Plans for supply of incremental electrical supply for the 100Mtpa expansion are in progress.

#### S3 Expansion

At Kansanshi, the NI 43-101 Technical Report filed on September 14, 2020 includes the plan for a 25 Mtpa expansion of the sulphide ore processing facility, increasing annual throughput to 52 Mtpa (the “S3 Expansion”). The timing of capital expenditure for the S3 Expansion is proposed for 2023-2024 and requires Board approval. The timing of the S3 Expansion could be advanced or delayed depending on capital availability, commodity prices and the Zambian fiscal regime. In addition to the processing plant expansion and upgrades, the Kansanshi smelter is expected to 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 and de-bottlenecking the gas handling circuit including incorporating a new acid plant. Concentrate processing capacity is expected to be further expanded through modifications to the existing high-pressure leach (“HPL”) circuit.

## Enterprise

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 34.7 million tonnes of ore at 0.99% nickel.

The Enterprise pit development project design has been revised and optimized to support an accelerated mine plan, targeting preparatory works and early pre-stripping. A decision to proceed with the full development of Enterprise has not yet been made but is expected by the end of the current year 2021. The key preparatory activities this year are focused on water management facilities and early pre-strip works.

The Enterprise process plant is already built and located adjacent to the Sentinel process plant, and at this stage, initial nickel production is expected by early 2023.

## Las Cruces Underground Project

At Las Cruces, the technical study and work on the polymetallic refinery project and underground mine continues. Environmental permits were received at the end of 2020 and the mine exploitation permit was granted in June 2021. Progress on the water concession permit is expected in an orderly manner.

After completion of the infill drilling campaign, an update of the NI 43-101 Technical Report is currently underway and is expected to be released by early 2022.

## Greenfield Projects

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 the second quarter of 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. 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 the community resettlement process and environmental aspects.

## 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.

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. Some encouraging targets have emerged from a season of reconnaissance work in the district around Las Cruces, with new tenure applications submitted, and drilling planned once relevant permits are received.

During the quarter, pandemic related restrictions eased in most jurisdictions allowing a restart of drilling in regional targets. Elsewhere, drill programmes continued on regional prospects in Papua New Guinea, Turkey and Zambia. A significant summer drilling programme will commence on porphyry prospects in Argentina and Chile in the fourth quarter of 2021.

## OTHER DEVELOPMENTS

### Ravensthorpe-POSCO Transaction

On September 30, 2021, the Company completed the sale of 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 retains a 70% interest in Ravensthorpe and continues to be the operator. The proceeds of the transaction were used to pay down the Company's Revolving Credit Facility.

As part of the transaction, First Quantum and POSCO have also entered into a Memorandum of Understanding ("MoU") to explore a partnership to produce battery cathode precursor materials, likely in the form of nickel sulphate, by utilizing the mixed hydroxide precipitate ("MHP") from Ravensthorpe. First Quantum and POSCO continue to work together to advance this potential partnership.

### Zambian VAT

During the nine months ended September 30, 2021, the Company was granted offsets of \$52 million with respect to VAT receivable balances. In the same period of 2020, offsets of \$85 million were granted and cash recoveries of \$1 million were received. With a strengthening of the Zambian kwacha during the nine month period, an unrealized gain of \$191 million was recognized. 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 remain robust at 8% higher than at the same time last year. The long term strategic forecast predicts that most parts of Zambia are likely to receive normal to above-normal rainfall with the rainy season expected to be established by the end of November.

No power restrictions are expected for the Zambian mining operations.

Commissioning of two 150MW units at the 750MW Kafue Gorge Lower Power Station have been completed. The remaining three 150MW hydro-generation units are expected to be commissioned by the first quarter of 2022.

### Panama Law 9 Update

In July 2021, the Government of Panama announced the appointment of a high-level commission of senior government ministers and officials, chaired by the Minister of Commerce, to discuss the Company's concession contract. During September 2021, the Company and the high-level commission were engaged in formal discussions in Panama. Over the course of the month, the Ministry of Commerce publicly announced the culmination of the high-level formal discussions on two topics being environmental and labour matters. Discussions primarily on financial matters were continuing as at the end of the quarter. The Company welcomes the transparency of the high-level commission process and the opportunity to resolve this matter in the medium term.

## GUIDANCE

Guidance provided below is based on a number of assumptions and estimates as of September 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 has been narrowed to between 800,000 and 835,000 tonnes, with Cobre Panama guidance lower end of the range increasing 10,000 tonnes to 320,000 tonnes, while Kansanshi top end of the guidance range has been reduced 10,000 tonnes to 205,000 tonnes and Sentinel guidance range has been narrowed 5,000 tonnes to between 235,000 and 245,000 tonnes. Other sites guidance remains unchanged.

Total gold production guidance has been increased to between 290,000 and 310,000 ounces, with Cobre Panama guidance range increasing 10,000 ounces to between 135,000 and 145,000 ounces.

Copper C1 cost guidance range has been narrowed \$0.05 per lb to between \$1.25 per lb and \$1.35 per lb. Despite AISC year to date being in the lower end of guidance range, no amendment has been made to the range due to the impact of the royalty expense with movements in metal prices.

Ravensthorpe nickel production has been reduced to between 17,000 and 20,000 contained tonnes. The reduction in guidance has resulted from delays in achieving first ore from 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. Completion

of construction and commissioning works at the Shoemaker Levy Project and the delivery of limonite ore is the main priority for the fourth quarter of 2021. Once complete, ore is expected to be sourced from all three pits with the majority of the Limonite sourced from Shoemaker Levy. Saprolite is expected to be mainly sourced from Hale-Bopp and Halley, in line with the planned transition to Shoemaker Levy. The lower production profile for Ravensthorpe has had a commensurate impact on nickel cash 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 \$7.75 per lb and \$8.50 per lb and AISC range increasing to between \$9.25 per lb and \$10.25 per lb. The update to guidance reflects the lower production guidance, the persistent higher 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 \$10 million, while capitalized stripping guidance decreases \$10 million, reflecting the inflationary pressures on capital expenditure projects with the increase in key input prices, in particular steel, freight, logistics and labour rates in some markets.

## PRODUCTION GUIDANCE

000's	2021 Previous Guidance	2021 Updated Guidance
Copper (tonnes)	785 – 850	800 – 835
Gold (ounces)	280 – 300	290 – 310
Nickel (contained tonnes)	20 – 24	17 – 20

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

Copper production guidance (000's tonnes)	2021 Previous Guidance	2021 Updated Guidance
Cobre Panama	310 – 335	320 – 335
Kansanshi	200 – 215	200 – 205
Sentinel	230 – 250	235 – 245
Other sites	45 – 50	45 – 50
Gold production guidance (000's ounces)		
Cobre Panama	125 – 135	135 – 145
Kansanshi	115 – 125	115 – 125
Other sites	40	40
Nickel production guidance (000's contained tonnes)		
Ravensthorpe	20 – 24	17 – 20

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

## CASH COST AND ALL-IN SUSTAINING COST

Copper	2021 Previous Guidance	2021 Updated Guidance
C1 (per lb)	\$1.20 – \$1.40	\$1.25 – \$1.35
AISC (per lb)	\$1.80 – \$1.95	\$1.80 – \$1.95

<b>Nickel</b>	<b>2021 Previous Guidance</b>	<b>2021 Updated Guidance</b>
C1 (per lb)	\$6.50 – \$7.00	\$7.75 – \$8.50
AISC (per lb)	\$7.50 – \$8.50	\$9.25 – \$10.25

## CAPITAL EXPENDITURE

	<b>2021 Previous Guidance</b>	<b>2021 Updated Guidance</b>
Capitalized stripping	210	200
Sustaining capital and other projects	740	750
Total capital expenditure	950	950

Capital expenditure expectation for the full year 2021 includes spend on secondary screening and ball mill 6 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 September 30, 2021 was \$274 million and for the first nine months of the year was \$718 million.

## Inventory Levels

Port congestion and a global shortage of container shipping capacity in particular has led to delays to sales shipments of Zambian anode and these logistical challenges are expected to continue throughout the fourth quarter, such that a significant reduction in finished goods inventory levels is not expected by the end of the year.

## Interest

Interest expense for the quarter ended September 30, 2021 was \$171 million and for the first nine months of the year was \$544 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 \$725 million and \$750 million, inclusive of approximately \$5 million of interest capitalized (\$2 million for the three months ended September 30, 2021). 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 nine months ended September 30, 2021 was \$189 million and \$450 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 full year 2021 is expected to be approximately 30%, consistent with the effective tax rate for the quarter and nine months ended September 30, 2021.

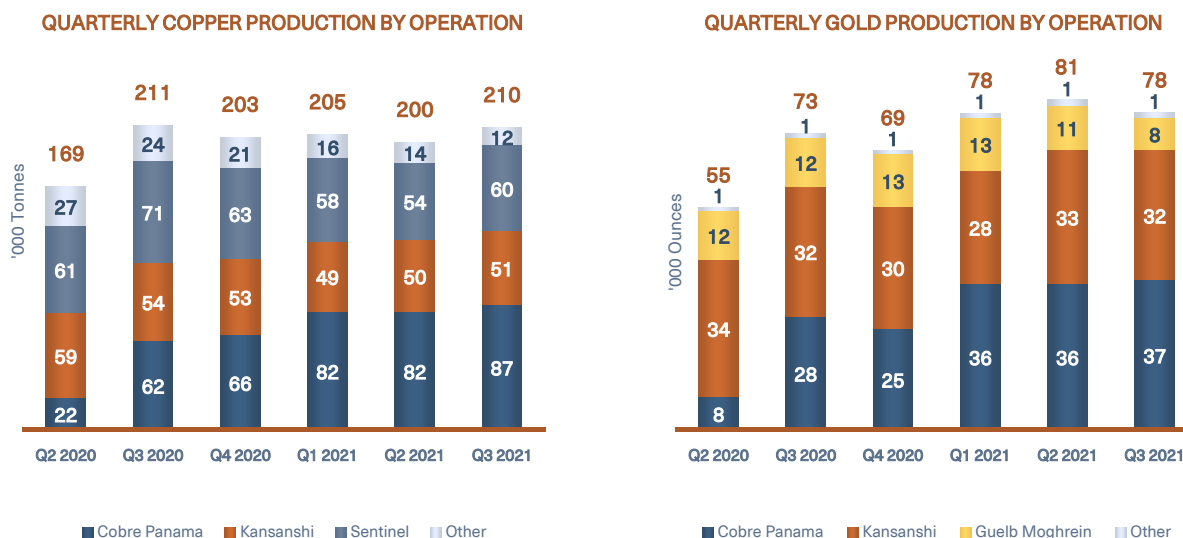
## Depreciation

Depreciation expense for the quarter ended September 30, 2021 was \$288 million and for the first nine months of the year was \$860 million. The full year 2021 depreciation expense is expected to be approximately \$1,150 million.

## SUMMARY OPERATIONAL RESULTS

### Production

#### THIRD QUARTER



Total copper production in the third quarter of 2021 was similar to that of the comparable quarter of 2020, and is at its highest level to date in 2021, mainly attributable to record quarterly production at Cobre Panama, offset by lower production at Sentinel, Kansanshi, and Las Cruces.

Cobre Panama's sustained and strong operational performance continued into the third quarter with record production of 87,242 tonnes, mainly due to increased throughput rates resulting in record tonnes milled during the quarter. In contrast, copper production at Cobre Panama during the third quarter of 2020 was impacted when it transitioned from preservation and safe maintenance following the commencement of COVID-19 restrictions to full operations in August 2020.

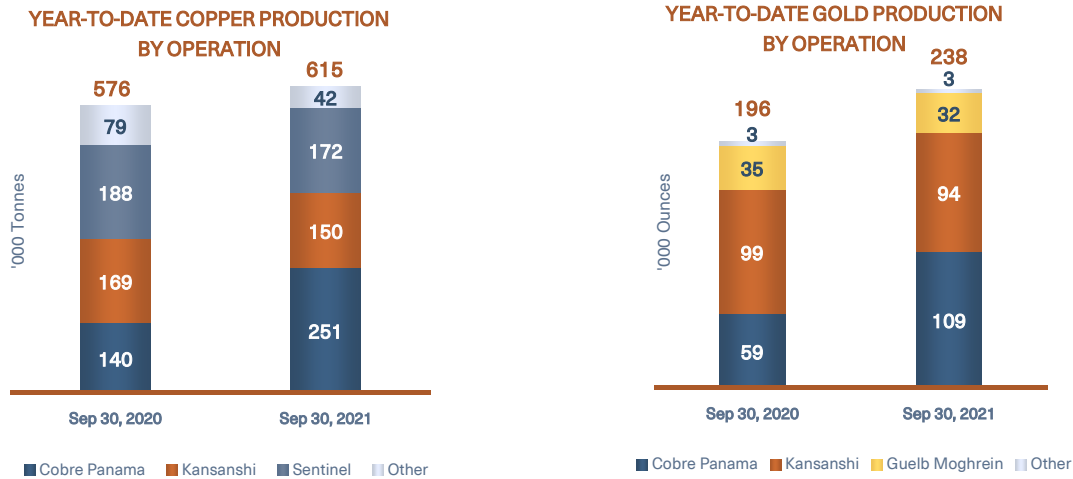
In the third quarter of 2021, Sentinel experienced lower grade, throughput and lower recoveries with production 15% lower than the same quarter in 2020. However, improved grades were seen in September and a record milling rate achieved in August. Kansanshi copper production in the third quarter was 6% lower than the same quarter of 2020, impacted by lower throughput across all circuits.

Copper production at Las Cruces decreased by 74% from the comparable quarter in 2020, mainly due to the cessation of open-pit mining activities in August 2020. The 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 third quarter 2023.

Total gold production of 78,124 ounces performed strongly at 7% higher than the comparable period in 2020. Cobre Panama had record production of 36,649 ounces of gold in the third quarter of 2021, a 29% increase compared to the same quarter of 2020, as a result of increased throughput and the fact that in the third quarter of 2020, the mine transitioned from preservation and safe maintenance to full operations in August 2020. Gold production at Kansanshi remained relatively consistent with prior periods, with an increase of 2% compared to the same period in 2020.

Ravensthorpe produced 4,248 contained tonnes of nickel in the third quarter, a 17% decrease from the comparable quarter of 2020. Third quarter production continued to be impacted by delays in construction of Shoemaker Levy and the slower than planned ramp up in availability of the existing processing plant, both driven primarily by skilled labour shortages due to lockdowns related to outbreaks of COVID-19. However, commissioning of Shoemaker Levy progressed and enabled the successful introduction of first saprolite ore into the plant at the end of the third quarter.

## NINE MONTHS



Copper production in the nine months ended September 30, 2021, was 7% higher than the comparable period of 2020, mainly attributable to the strong operational performance at Cobre Panama. Cobre Panama achieved milestone production of 250,970 tonnes of copper in the first nine months of the year, representing an increase of 79% compared to the same period in 2020. Despite some unplanned downtime of the crushing circuit during the nine-month period, Cobre Panama produced strong operational results due to increased mill availability, throughput rates, and higher ore grade processed during the period. In contrast, the impact of COVID-19 restrictions resulted in lower operational results in the comparable period of 2020, when it was placed on preservation and safe maintenance, and only resumed full operations in August 2020.

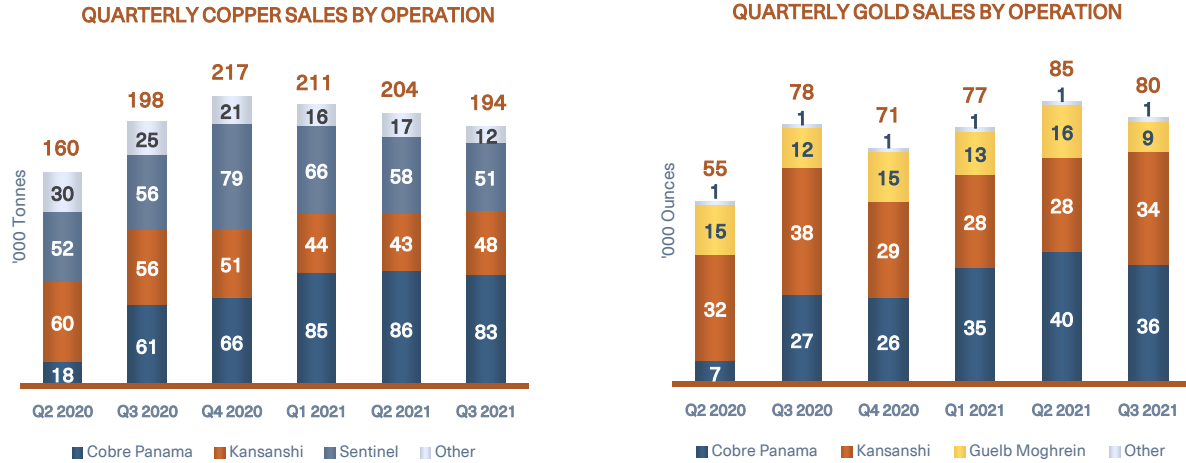
Copper production at Las Cruces decreased significantly from the prior year comparative period due to the cessation of open-pit mining activities in August 2020. Processing of stockpiles were completed in February 2021. Current mine life has been extended through the re-processing of the higher-grade portion of historic tailings which commenced in February 2021 and is expected to continue until the end of third quarter 2023.

Total gold production was 21% higher than the comparable period in 2020, attributable mainly to the continued strong operational performance at Cobre Panama. Cobre Panama produced 108,837 ounces of gold in 2021, an 83% increase from the comparable period in 2020. Gold production at Kansanshi was 5% lower due to lower copper concentrate production and a decline in gravity recoverable gold.

Ravensthorpe nickel production for the period ended September 30, 2021 was 13,433 contained tonnes, a significant increase of 89% compared to the same period of 2020, as Ravensthorpe recommenced operations with the first nickel production in late April 2020.

## Sales Volumes

### THIRD QUARTER



Total copper sales volumes of 194,278 tonnes for the third quarter of 2021 were 2% lower than the comparable period in 2020.

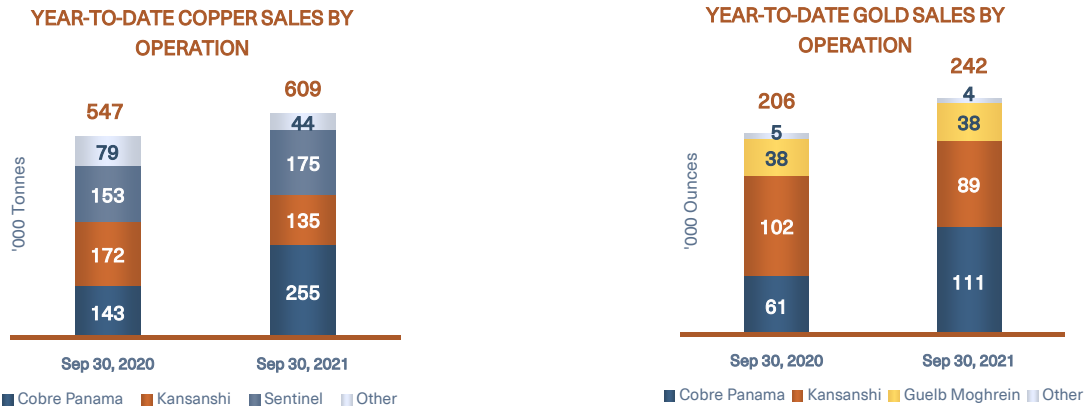
Copper sales volumes at Cobre Panama for the third quarter of 2021 were 36% higher than the comparable quarter in 2020 in line with increased production.

In this third quarter, copper anode shipments in Zambia have been impacted by port congestion as well as from a global shortage of containers. A number of planned shipments have been rolled into the fourth quarter. These logistical challenges for Zambian sales are expected to continue throughout the fourth quarter. Sales volumes at Kansanshi and Sentinel were 14% and 8% lower, respectively, than the comparable quarter in 2020. Sales volumes were also lower at Las Cruces in line with the production profile.

Gold sales volumes of 79,773 ounces for the third quarter of 2021 remained consistent with a marginal 2% increase compared to the same quarter of 2020, mainly due to increased gold production at Cobre Panama.

Nickel sales volumes averaged out at Ravensthorpe, with 4,055 contained tonnes sold for the quarter, a 19% decrease compared to the comparable quarter of 2020, in line with the decrease in production during the quarter.

### NINE MONTHS

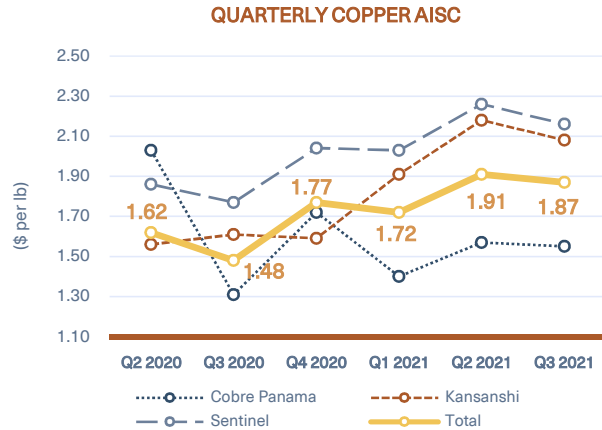
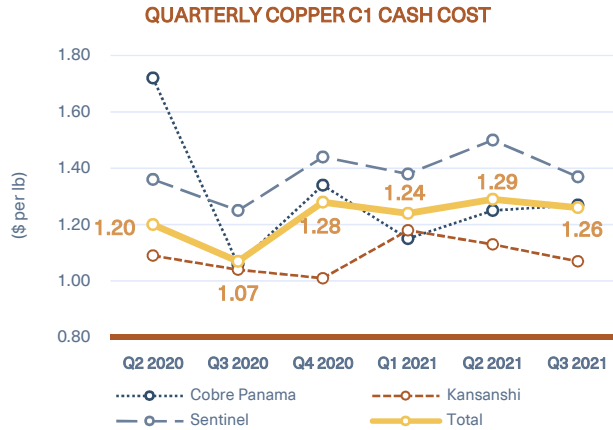


Copper sales in the period were 11% higher compared to the same period in 2020. This reflects the increased contribution from Cobre Panama and Sentinel, which saw a 78% and 14% increase, respectively, offset by lower copper sales at Kansanshi and Las Cruces, with a 21% and 75% decrease, respectively.

Gold sales volumes increased by 17% compared to the same period in 2020, reflecting higher contribution from Cobre Panama.

## Cash Costs

### THIRD QUARTER

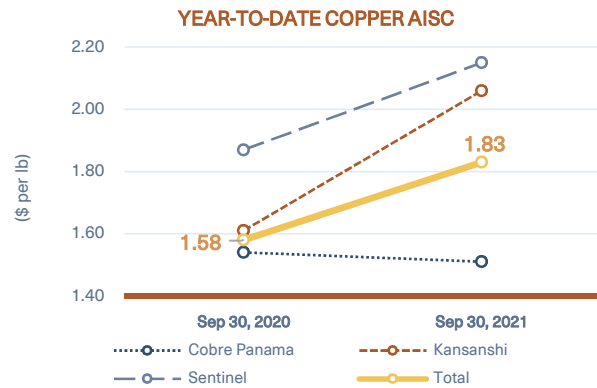
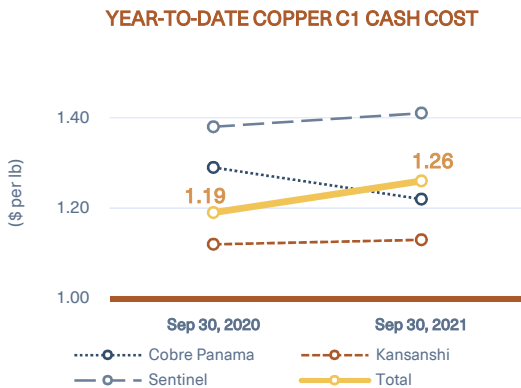


Total copper C1 cash cost of \$1.26 per lb for the quarter was \$0.19 per lb higher than the same quarter of 2020, and was driven by higher fuel costs and freight charges, as well as lower production at Kansanshi, Sentinel, and Las Cruces.

Cobre Panama C1 cash cost of \$1.27 per lb is \$0.21 per lb higher than the comparable quarter of 2020 and reflects higher freight charges and higher fuel costs. However, with the collar structure for coal purchases in place since May 2020, and the ceiling price being exercised from July 2021 onwards, this will prevent exposure to further increases in the coal price until December 2023.

Total copper AISC of \$1.87 per lb was \$0.39 per lb higher than the same quarter of 2020, mainly resulting from higher C1 costs in Zambia, as well as higher copper prices driving an increase in royalty rate and higher capitalized stripping at Kansanshi. Royalty cost was \$0.11 per lb higher than the third quarter of 2020.

### NINE MONTHS



Copper C1 cash cost of \$1.26 per lb for the nine months ended September 30, 2021 increased by \$0.07 per lb from the same period in 2020. C1 cash cost at Cobre Panama decreased \$0.07 per lb due to higher production during the period. However, this was more than offset by the impact of significant production decrease at Las Cruces, the increase in C1 cash costs of \$0.45 per lb at Guelb Moghrein, as well as a slight increase in C1 cash cost at Sentinel.

Total copper AISC of \$1.83 per lb for the nine months ended September 30, 2021 was \$0.25 per lb higher than the comparable period of 2020, mainly resulting from an increase in AISC at Kansanshi and Sentinel due to the higher Zambian royalty rate following the increase in copper prices, as well as increased capitalized stripping at Kansanshi.

Please see the appendices from page 54 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 September 30		Nine months ended September 30	
	2021	2020	2021	2020
Waste mined (000's tonnes)	13,462	8,355	37,184	22,077
Ore mined (000's tonnes)	24,960	13,317	72,183	38,676
Copper ore milled (000's tonnes) <sup>1</sup>	20,819	14,661	60,166	36,760
Copper ore grade processed (%)	0.46	0.47	0.46	0.42
Copper recovery (%)	91	90	91	90
Concentrate grade (%)	26.9	25.6	26.8	24.5
Copper production (tonnes)	87,242	62,055	250,970	140,028
Copper sales (tonnes)	83,261	61,049	254,966	143,017
Gold production (ounces)	36,649	28,346	108,837	59,372
Gold sales (ounces) <sup>2</sup>	35,914	27,182	110,776	61,193
Silver production (ounces)	653,961	501,012	1,886,839	1,094,755
Silver sales (ounces) <sup>2</sup>	636,551	470,989	1,921,860	1,077,879
All-in sustaining cost (AISC) (per lb) <sup>3</sup>	\$1.55	\$1.31	\$1.51	\$1.54
Cash cost (C1) (per lb) <sup>3</sup>	\$1.27	\$1.06	\$1.22	\$1.29
Total cost (C3) (per lb) <sup>3</sup>	\$2.24	\$2.03	\$2.12	\$2.34
Revenues (\$ millions)				
Copper in concentrates	725	362	2,179	770
Gold - mine production	58	46	179	94
Gold - precious metal stream	32	20	101	55
Silver - mine production	12	9	41	18
Silver - precious metal stream	5	3	15	8
Sales revenues	832	440	2,515	945
Gross profit	359	115	1,113	111
Comparative EBITDA <sup>3</sup>	509	230	1,533	399

<sup>1</sup> DMT

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

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

### Third Quarter

During the quarter, Cobre Panama achieved quarterly production records for both copper and gold, as well as record tonnes milled. During the quarter, 20.8 million tonnes of ore with an average head grade of 0.46% were processed resulting in overall copper recovery of 91%. Tonnes milled were impacted by unplanned downtime from the secondary and pebble crushers, for 22 days and 16 days, respectively. Milling rates were also impacted by greater proportion of coarse material and lower fines content

in ore feed. Despite these impacts, third quarter achieved record tonnes milled with 20.8 million tonnes milled, surpassing the previous record of 19.7 million tonnes achieved in the second quarter of 2021. The third quarter saw a record for copper production with 87,242 copper tonnes produced, surpassing the previous quarterly record of 82,042 achieved in the first quarter of 2021.

AISC and C1 cash cost of \$1.55 per lb and \$1.27 per lb, respectively, were \$0.24 per lb and \$0.21 per lb higher than the same period of 2020, mainly as a result of increased fuel costs, freight charges, and contractor costs. However, a collar structure for coal purchases has been in place since May 2020, with the ceiling price being exercised from July 2021 onwards. This will prevent exposure to further increases in the coal price until December 2023.

Sales revenues for the quarter were \$832 million, excluding the impact of the corporate sales hedge program. Revenues during the same quarter of 2020 amounted to \$440 million, which represents an improvement of \$392 million for the current reporting quarter, as Cobre Panama had resumed normal operations and full production levels in August of 2020, when the pandemic-related preservation and safe mode was lifted, in addition to copper prices also being lower.

Gross profit of \$359 million for the quarter was \$244 million higher than the comparable period in 2020, reflecting higher sales revenues.

### Nine Months

Strong operational performance continues to be demonstrated throughout with steadily improving plant availability and mill processing rates. During the nine months ended September 30, 2021, 60.2 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 250,970 tonnes and 108,837 ounces, respectively.

AISC and C1 cash cost of \$1.51 per lb and \$1.22 per lb decreased \$0.03 per lb and \$0.07 per lb, respectively, for the nine months ended September 30, 2021, reflecting the increased production levels, offset by the increased fuel costs. However, as the ceiling price on the coal collar structures have been exercised from July 2021 onwards, this will prevent exposure to further increases in the coal price until December 2023.

A total of 254,966 tonnes of contained copper were sold in this period and sales revenues for the nine months ended September 30, 2021, were \$2,515 million, reflecting higher sales volumes and higher realized metal prices, excluding the impact of corporate sales hedge program. The comparative period sales were significantly affected by COVID-19 related restrictions as operations were functioning on preservation and safe maintenance mode.

Comparative EBITDA was \$1,533 million and gross profit was \$1,113 million for the nine months ended September 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. By September 30, 2021, the Cobre Panama operations had reached COVID-19 vaccination levels of 97% in employees and contractors. As a result, post quarter end, on October 11, 2021, Cobre Panama removed the most stringent of health protocols on the site and, in particular, removed limit restrictions on the number of personnel onsite, as well as, removed the requirement for vaccinated staff to undergo preventative site quarantine prior to entering the site. This allows Cobre Panama to return to optimal staffing levels on the site. The operation continues to work towards improving throughput and finding efficiencies, with a focus on managing costs.

Cobre Panama is expected to achieve annual production of between 320,000 and 335,000 tonnes of copper and between 135,000 and 145,000 ounces of gold in 2021. Throughput is expected to improve in the fourth quarter while grades are expected to be lower than the first nine months of 2021.

At Cobre Panama, an expansion of the process plant facilities and related infrastructure is currently in development, which will support a 100 Mtpa throughput operation. Completion of construction works and commencement of commissioning is targeted for the first quarter of 2023 to allow for a ramp up of production over the course of the year to achieve a throughput rate of 100 Mtpa by the end of 2023. The plant expansion includes a new primary crushed ore screening facility, process water upgrades and the addition of an extra ball mill (ball mill 6). The plans also include expanding the fleet by adding a fifth rope shovel and eight additional ultra-class haul trucks, developing the Colina pit and its associated overland conveyor and in-pit crushing facility. Plans for supply of incremental electrical supply for the 100 Mtpa expansion are in progress.

## Kansanshi

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Waste mined (000's tonnes)	23,572	19,103	55,658	48,491
Ore mined (000's tonnes)	9,344	8,479	24,832	26,202
Sulphide ore milled (000's tonnes) <sup>1</sup>	3,352	3,415	10,045	10,036
Sulphide ore grade processed (%)	0.94	0.85	0.86	0.85
Sulphide copper recovery (%)	91	91	92	93
Sulphide concentrate grade (%)	27.9	22.5	25.0	22.8
Mixed ore milled (000's tonnes) <sup>1</sup>	1,970	2,053	5,735	6,180
Mixed ore grade processed (%)	0.94	1.03	0.96	1.02
Mixed copper recovery (%)	81	79	83	81
Mixed ore concentrate grade (%)	20.2	25.6	21.1	26.6
Oxide ore milled (000's tonnes) <sup>1</sup>	1,792	2,079	5,376	5,786
Oxide ore grade processed (%)	0.69	0.80	0.69	0.90
Oxide copper recovery (%)	65	70	69	76
Oxide concentrate grade (%)	16.2	18.4	17.2	20.3
Copper production (tonnes) <sup>2</sup>	50,987	54,430	150,220	168,857
Copper smelter				
Concentrate processed <sup>1,3</sup>	325,068	362,554	895,825	966,173
Copper anodes produced (tonnes) <sup>3</sup>	75,929	89,090	216,072	236,275
Smelter copper recovery (%)	98	98	98	97
Acid tonnes produced (000's)	310	342	867	921
Copper sales (tonnes) <sup>4</sup>	48,423	56,290	135,455	171,882
Gold production (ounces)	32,249	31,715	93,653	98,894
Gold sales (ounces)	33,961	37,524	89,043	102,227
All-in sustaining cost (AISC) (per lb) <sup>5</sup>	\$2.08	\$1.61	\$2.06	\$1.61
Cash cost (C1) (per lb) <sup>5</sup>	\$1.07	\$1.04	\$1.13	\$1.12
Total cost (C3) (per lb) <sup>5</sup>	\$2.12	\$1.85	\$2.11	\$1.88
Copper	445	352	1,225	948
Gold	60	71	156	174
Other	-	-	-	1
Sales revenues	505	423	1,381	1,123
Gross profit	239	151	632	303
Comparative EBITDA <sup>5</sup>	288	213	771	496

<sup>1</sup> DMT<sup>2</sup> Production presented on a copper concentrate basis, i.e. mine production only. Production does not include output from the smelter.<sup>3</sup> Concentrate processed in smelter and copper anodes produced are disclosed on a 100% basis, inclusive of Sentinel and third-party concentrate processed. Concentrate processed is measured in DMT.<sup>4</sup> Sales include third-party sales of concentrate, cathode and anode attributable to Kansanshi (excluding copper anode sales attributable to Sentinel).<sup>5</sup> AISC, C1 cash cost, and C3 total cost and comparative EBITDA are not recognized under IFRS. See "Regulatory Disclosures" for further information.

### Third Quarter

Kansanshi delivered another consistent quarterly production in 2021. Copper production was 6% lower than the same quarter of 2020, mainly due to lower throughput on all circuits, particularly the oxide circuit. The sulphide circuit was also down for 72 hours for replacement of load cells, liners and cyclone cluster.

Gold production increased marginally at 2% compared to the same quarter of 2020.

AISC of \$2.08 per lb was \$0.47 per lb higher than the comparable period reflecting higher royalties, increased capitalized stripping as well as a slightly higher C1 cash cost. The higher Zambian royalties are due to the higher copper price, which increased AISC by \$0.26 per lb. C1 cash cost was \$0.03 per lb higher compared to the same period in 2020 mainly due to lower copper production and increases in labour and fuel.

Sales revenues of \$505 million were 19% 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 \$239 million is 58% higher than the comparable period in 2020, reflecting the higher sales revenues.

### Nine Months

Copper production during the year to date is 11% lower than the same period in 2020, mainly due to lower grades for the mixed and oxide 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 5% compared to the same period in 2020, due to lower copper concentrate production and a decline in gravity recoverable gold.

AISC was \$0.45 per lb higher than the comparable period in 2020 reflecting higher royalties of \$0.24 per lb and an increase in capitalized stripping costs, combined with marginally higher C1 cash cost. 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.

Sales revenues of \$1,381 million were 23% 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 \$632 million was more than double the comparable period in 2020, reflecting higher sales revenues.

## Kansanshi Copper Smelter

### Third Quarter

The smelter treated 325,068 DMT of concentrate and produced 75,929 tonnes of copper anode and 310,000 tonnes of sulphuric acid. The concentrate grade treated in the quarter was 24%.

### Nine Months

For the year to date 2021, the smelter treated 895,825 DMT of concentrate, representing a 7% decrease from the same period in 2020 due to the shutdown in June, and produced 216,072 tonnes of copper in anode and 867,000 tonnes of sulphuric acid. The smelter commenced the planned shutdown in June, which lasted the entire month and returned to operation on schedule in early July.

### Outlook

Production in 2021 is expected to be between 200,000 and 205,000 tonnes of copper, and between 115,000 and 125,000 ounces of gold. Grades are expected to remain low into the fourth quarter of 2021.

The NI 43-101 Technical Report filed on September 14, 2020 includes the plan for a 25 Mtpa expansion of the sulphide ore processing facility, increasing annual throughput to 52 Mtpa (the "S3 Expansion"). The timing of capital expenditure for the S3 Expansion is proposed for 2023-2024 and requires Board approval. The timing of the S3 Expansion could be advanced or delayed depending on capital availability, commodity prices and the Zambian fiscal regime. In addition to the processing plant expansion and upgrades, the Kansanshi smelter is expected to 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 and de-bottlenecking the gas handling circuit including

incorporating a new acid plant. Concentrate processing capacity is expected to be further expanded through modifications to the existing HPL circuit.

## Sentinel

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Waste mined (000's tonnes)	27,405	24,489	77,821	71,818
Ore mined (000's tonnes)	15,246	15,199	42,517	46,096
Copper ore milled (000's tonnes) <sup>1</sup>	14,319	14,669	41,299	42,773
Copper ore grade processed (%)	0.47	0.53	0.47	0.49
Copper recovery (%)	88	90	88	90
Copper production (tonnes)	59,931	70,829	172,491	188,223
Concentrate grade (%)	27.2	26.8	27.3	26.5
Copper sales (tonnes)	51,092	55,515	174,725	152,756
All-in sustaining cost (AISC) (per lb) <sup>2</sup>	\$2.16	\$1.77	\$2.15	\$1.87
Cash cost (C1) (per lb) <sup>2</sup>	\$1.37	\$1.25	\$1.41	\$1.38
Total cost (C3) (per lb) <sup>2</sup>	\$2.33	\$1.98	\$2.34	\$2.08
Sales revenues – Copper	449	340	1,505	827
Gross profit	200	110	683	169
Comparative EBITDA <sup>2</sup>	261	167	878	337

<sup>1</sup> DMT

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

### Third Quarter

Sentinel delivered its best quarterly production of the year with 59,931 tonnes of copper produced, a record milling rate achieved in August 2021 and improved ore grades processed in September 2021. Despite this, copper production reflects a decrease of 15% compared to the same period in 2020, attributable to lower throughput, grade and recovery. Throughput was 2% below the comparable quarter in 2020 as production was impacted by conveyor belt related downtime in September with planned maintenance brought forward from later in the year. Grade was lower as a result of the delayed mining of higher-grade ore from the north wall of the Stage 2 pit. Recovery was impacted by a higher proportion of transitional ore from the Stage 2 pit. However, grade is expected to continue to improve from the fourth quarter throughout 2022 as higher-grade ore is exposed in both the Stage 1 and Stage 2 pits, in line with the production profile.

C1 cash cost of \$1.37 per lb was \$0.12 per lb higher than the comparable period, reflecting slightly higher consumables, labour and contractor expenditures. However, overall, the C1 cash costs were impacted by lower production levels as a result of the lower-grade ores processed. AISC of \$2.16 per lb was \$0.39 per lb 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 \$0.15 per lb.

Sales revenues of \$449 million were 32% higher than the same period in 2020, due to higher realized copper prices, excluding the impact of the corporate sales hedge program. Sales revenues comprised of both copper concentrate and anode with a higher proportion of revenue realized from copper anode.

Gross profit of \$200 million was 82% higher than the comparable period in 2020, reflecting higher sales revenues.

### Nine Months

Copper production for the nine months ended September 30, 2021, decreased by 8% compared to the same period in 2020, reflecting lower throughput, grade and recovery. 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. Grades were lower due to higher volumes of lower-grade ore feed from the eastern extent of the Stage 2 pit. Recovery was also impacted by the higher proportion of transitional ore feed from the Stage 2 pit.

C1 cash cost of \$1.41 was \$0.03 per lb higher than comparable period of 2020, impacted by lower production levels and higher consumable costs. AISC of \$2.15 per lb was \$0.28 per lb higher than the same period of 2020, reflecting higher C1 Cash costs, royalties and sustaining capital expenditure. The higher Zambian royalties due to the higher copper price increased AISC by \$0.17 per lb.

Sales revenues of \$1,505 million were 82% 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 \$683 million was over 300% higher than the comparable period in 2020, reflecting higher sales revenues.

### Outlook

Copper production in 2021 is expected to be between 235,000 and 245,000 tonnes.

Grade is expected to continue to improve from the fourth quarter throughout 2022 as higher-grade ore is exposed in both the Stage 1 and Stage 2 pits, with the production profile currently on track with guidance. The focus will be on maintaining consistent ore feed as well as final implementation of the wet weather and pit dewatering strategy in order to set the mine up for sustainable operations during the upcoming wet season. The achievement of record tonnes processed in August 2021 provides further comfort that the guidance is realistic and achievable. The commissioning of the fourth in-pit crusher is scheduled for December 2021, and will enable the plant to increase throughput to 62 Mtpa in 2022. Optimization of the third and fourth flotation column cells is ongoing following commissioning of the fourth column cell during April 2021.

## Guelb Moghrein

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Waste mined (000's tonnes)	1,294	2,578	2,290	9,284
Ore mined (000's tonnes)	22	1,150	1,757	3,165
Sulphide ore milled (000's tonnes) <sup>1</sup>	858	889	2,841	2,802
Sulphide ore grade processed (%)	0.54	0.87	0.63	0.86
Sulphide copper recovery (%)	89	86	90	88
Copper production (tonnes)	4,091	6,702	16,257	21,122
Copper sales (tonnes)	4,522	6,715	19,255	22,534
Gold production (ounces)	8,174	11,620	31,879	34,522
Gold sales (ounces)	8,822	11,698	38,472	38,332
Magnetite concentrate production (WMT) <sup>2</sup>	123,604	175,237	319,210	465,444
Magnetite concentrate sales (WMT) <sup>2</sup>	135,780	138,582	316,383	453,697
All-in sustaining cost (AISC) (per lb) <sup>3</sup>	\$1.95	\$0.47	\$1.18	\$0.82
Cash cost (C1) (per lb) <sup>3</sup>	\$1.61	\$0.24	\$0.92	\$0.47
Total cost (C3) (per lb) <sup>3</sup>	\$2.37	\$0.94	\$1.86	\$1.25
Sales revenues	69	71	258	216
Gross profit	20	30	100	65
Comparative EBITDA <sup>3</sup>	26	38	129	94

<sup>1</sup> DMT

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

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

### Three and Nine Months

Copper production for the three and nine months ended September 30, 2021 were 39% and 23% lower, respectively, than the same periods in 2020, as a result of lower-grade ore as the feed transitioned during the quarter from open-pit ore to lower-grade ore stockpiles as open-pit mining concluded at the beginning of July 2021. Subsequent to this, a final cutback of the main pit was approved and pre-stripping commenced in August 2021.

Gold production for the three and nine months ended September 30, 2021 were 30% and 8% lower, respectively, than the same periods in 2020, as a result of lower ore grade.

Magnetite production for the three and nine months ended September 30, 2021 were 29% and 31% lower, respectively, compared to the same periods in 2020 due to lower magnetite feed grade.

C1 cash cost for the three and nine months ended September 30, 2021 were \$1.37 per lb and \$0.45 per lb higher, respectively, than the same periods in 2020 mainly due to higher fuel prices and significantly reduced production. The realized gold price for the three months ended September 30, 2021 was lower than that of the same period in 2020, whereas for the nine months ended September 30, 2021, it was higher than the same period in 2020. AISC for the three and nine months ended September 30, 2021 were \$1.48 and \$0.36 per lb higher, respectively, than the same periods in 2020, mainly due to higher C1 cash costs and higher royalties.

Sales revenues for the three months ended September 30, 2021 were 3% lower than the same period in 2020, driven by lower copper and gold sales volumes during the third quarter and the lower realized gold price, partially offset by a higher realized copper price than for the same period in 2020. Sales revenues for the nine months ended September 30, 2021 were 19% higher

than the same periods in 2020, driven by higher realized copper and gold prices, partially offset by lower copper and magnetite sales volumes. Gross profit for the three months ended September 30, 2021 was \$10 million lower than the comparable period in 2020. Gross profit for the nine months ended September 30, 2021 was \$35 million higher than the comparable period in 2020, attributable to higher sales revenues.

### Outlook

Production in 2021 is expected to be between 19,000 and 20,000 tonnes of copper, 40,000 ounces of gold, and 400,000 WMT of magnetite concentrate.

With the final cutback of the main pit approved during the third quarter of 2021, the project is expected to contribute an additional 3 million tonnes of plant feed over the next years to supplement the feed from lower-grade ore stockpiles and is expected to extend mining operations to the end of 2024. Ore supply from this source will begin in 2023 following a period of waste stripping.

### Ravensthorpe

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Beneficiated ore tonnes processed (000's)	667	769	1,897	1,226
Beneficiated ore grade processed (%)	0.93	1.01	1.02	0.98
Nickel recovery (%)	72	73	75	71
Nickel production (contained tonnes)	4,248	5,113	13,433	7,092
Nickel sales (contained tonnes)	4,055	4,986	13,322	6,777
Nickel production (payable tonnes)	3,531	4,102	11,163	5,681
Nickel sales (payable tonnes)	3,392	4,016	11,138	5,445
All-in sustaining cost (AISC) (per lb) <sup>1</sup>	\$11.66	\$6.53	\$9.55	\$6.75
Cash cost (C1) (per lb) <sup>1</sup>	\$9.58	\$5.88	\$7.99	\$5.99
Total cost (C3) (per lb) <sup>1</sup>	\$11.32	\$7.36	\$9.57	\$7.52
Sales revenues	71	62	217	81
Gross loss	(24)	(8)	(38)	(75)
Comparative EBITDA <sup>1</sup>	(16)	(2)	(13)	(63)

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

### Three and Nine Months

Nickel production in the third quarter of 2021 was 4,248 contained tonnes of nickel, delivering a year-to-date production of 13,433 contained tonnes of nickel in 2021. Third quarter production was impacted by delayed construction of the Shoemaker Levy project and the slower than planned ramp up in availability of the existing Ravensthorpe processing plant, both driven primarily by skilled labour shortages. Delayed Shoemaker Levy completion has resulted in the requirement to continue treating lower grade and difficult to process Hale-Bopp ore. Commissioning of Shoemaker Levy progressed to enable successful introduction of first saprolite ore into the plant at the end of the third quarter.

Over the past few months, large portions of the East coast of Australia have been in lockdown due to outbreaks of COVID-19, resulting in extremely tight state and international border controls. Tight border controls combined with a booming Western Australian mining industry, driven by high commodity prices, has resulted in a major shortage of construction and operating resources, resulting in low construction productivity and slower than planned improvements in plant reliability and operating efficiencies.

Sales revenues in the third quarter were \$71 million, with year-to-date revenues of \$217 million. The impact of lower production and sales in the third quarter of 2021, compared to the same quarter of 2020, was more than offset by higher realized nickel prices, excluding the impact of corporate sales hedge program.

C1 cash cost of \$9.58 per lb for the third quarter reflects lower production, higher sulphur prices, unplanned diesel costs relating to equipment maintenance and adverse movement in foreign exchange. Ravensthorpe incurred a gross loss of \$24 million due to lower sales volumes and higher costs of production. AISC of \$11.66 per lb is driven by a higher C1 cost and primarily higher sustaining capital for the tailings wall raise completed during the quarter.

### Outlook

Production guidance for 2021 has been revised to between 17,000 and 20,000 contained tonnes of nickel. The reduction in guidance has resulted mainly from Shoemaker Levy project delays, and slower than planned ramp up in plant availability.

Commissioning of Shoemaker Levy at Ravensthorpe was largely completed towards the end of the third quarter, which enabled the successful introduction of first saprolite ore into the plant in September 2021. Completion of construction and commissioning works at the Shoemaker Levy Project and the delivery of limonite ore is the main priority for the fourth quarter of 2021. Remaining works include completion of the limonite transfer conveyor, final tie-in for the stacker, completion of the water systems, and highway sealing (which has experienced some weather delays). Once complete, ore is expected to be sourced from all three pits with the majority of the limonite sourced from Shoemaker Levy. Saprolite is expected to be mainly sourced from Hale-Bopp and Halley, in line with the planned transition to Shoemaker Levy.

Mining is focused on optimizing Shoemaker Levy operation with a view of minimizing creation of stockpiles and managing operational risks whilst maintaining a limited operation at Hale-Bopp to continue to feed the plant until the Shoemaker Levy conveyor is fully operational. The focus for the existing plant remains on improved availability. Ravensthorpe continues to be labour-constrained, due to the booming West Australia mining industry and closed borders.

### Las Cruces

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Copper cathode production (tonnes)	3,222	12,259	10,847	44,118
Copper cathode sales (tonnes)	3,234	12,646	11,408	44,937
Cash cost (C1) (per lb) <sup>1</sup>	\$2.46	\$1.12	\$2.32	\$0.93
Sales revenues	30	82	102	262
Gross profit (loss)	12	(6)	30	(2)
Comparative EBITDA <sup>1</sup>	12	52	42	169

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

### Three and Nine Months

Open-pit mining activities ceased in August 2020, with the depletion of ore in Phase VI, and processing of these ore stockpiles was completed in February 2021. Subsequently, the operation has transitioned to the re-processing of high-grade tailings, which has effectively extended the mine life and is expected to continue until at least the end of the third quarter of 2023.

Despite a significant reduction in production, reduction in sales revenues, and associated increase in unit cash costs, gross profit was \$12 million and \$30 million for the three and nine months ended September 30, 2021, an increase of \$18 million and \$32 million from the same periods in 2020, respectively. Comparative EBITDA was lower than periods in 2020 because of reduced sales and production volumes.

### 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 third quarter of 2023.

The technical study and work on the polymetallic refinery project and underground mine continues. Environmental permits were received at the end of 2020 and the mine exploitation permit was granted in June 2021. Progress on the water concession permit is expected in an orderly manner.

After completion of the infill drilling campaign, an update of the NI 43-101 Technical Report is currently underway and is expected to be released by early 2022.

## Çayeli

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Copper production (tonnes)	3,693	4,199	11,267	9,800
Copper sales (tonnes)	2,902	4,451	10,365	8,771
Zinc production (tonnes)	2,095	951	5,178	2,569
Zinc sales (tonnes)	1,690	1,625	3,375	3,482
Cash cost (C1) (per lb) <sup>1</sup>	\$1.15	\$1.07	\$1.10	\$1.32
Sales revenues	24	25	87	46
Gross profit	9	5	40	-
Comparative EBITDA <sup>1</sup>	14	12	54	17

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

### Three and Nine Months

Copper production for the three months ended September 30, 2021, was 12% lower than the same period in 2020 due to lower throughput. For the nine months ended September 30, 2021, Copper production was 15% higher compared to the same period in 2020 due to higher recovery and higher throughput.

Zinc production for the three and nine months ended September 30, 2021 were 120% and 102% higher, respectively, compared to the same periods in 2020 due to higher grade and recoveries.

The C1 cash cost for the three months ended September 30, 2021 increased by \$0.08 per lb compared to the same period in 2020, mainly due to impact of lower copper production and higher operating expenditures. For the nine months ended September 30, 2021, C1 cash cost decreased by \$0.22 per lb compared to the same period in 2020, mainly due to the impact of higher copper production.

Sales revenues for the three months ended September 30, 2021 were \$1 million lower compared to the same period in 2020 due to lower sales volumes as a result of lower production, mitigated by higher realized metal prices. For the nine months ended September 30, 2021, sales revenues were \$41 million higher compared to the same period in 2020, due to higher sales volumes as a result of higher production and higher realized metal prices. Gross profit for the three and nine months ended September 30, 2021 were \$4 million and \$40 million higher, respectively, as compared to the same periods in 2020, due to lower operating costs for both periods and an increase in revenues for the nine month year-to-date period.

### Outlook

Production for 2021 is expected to be between 12,000 and 13,500 tonnes of copper and 6,000 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 and the closure of the shaft at the end of the third quarter, therefore ground stabilization and the main ramp traffic management will continue to be critical to achieving the expected production levels.

## Pyhäsalmi

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Copper production (tonnes)	693	922	2,560	3,592
Copper sales (tonnes)	844	867	2,628	3,533
Pyrite production (tonnes)	99,342	124,913	326,164	329,745
Pyrite sales (tonnes)	99,133	99,386	330,699	341,285
Cash cost (C1) (per lb) <sup>1</sup>	\$1.86	\$1.82	\$1.18	\$1.35
Sales revenues	13	10	40	34
Gross profit	5	1	17	5
Comparative EBITDA <sup>1</sup>	4	2	15	8

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

### Three and Nine Months

Copper production was 25% and 29% lower in three and nine months ended September 30, 2021, respectively, compared to the same periods in 2020 due to lower throughput and copper grade. This reflects the nearly depleted mineral reserve and the constraint on available work areas at this stage of the mine life.

C1 cash cost of \$1.86 per lb for the quarter was \$0.04 per lb higher than comparable period in 2020 due to extended underground production from revised mine plan causing higher operating costs. For the nine months ended September 30, 2021, C1 cash cost of \$1.18 per lb was \$0.17 per lb lower than the comparable period reflecting higher by-product sales.

Despite a significant reduction in production, sales revenues were \$13 million and \$40 million for the three and nine months ended September 30, 2021, an increase of \$3 million and \$6 million from the same periods in 2020, respectively. The increase is attributable to higher realized metal prices.

### Outlook

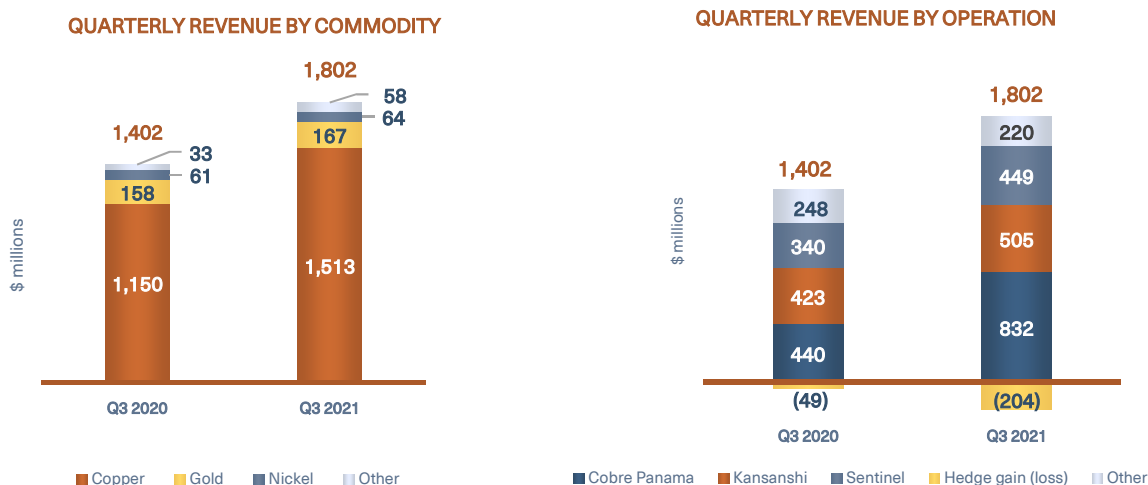
Production in 2021 is expected to be in line with guidance of 3,000 tonnes of copper and 1,000 tonnes of zinc. The operation is also expected to produce 350,000 tonnes of pyrite. Mining is expected to continue into the first quarter of 2022.

## SUMMARY FINANCIAL RESULTS

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Gross profit (loss)				
Cobre Panama	359	115	1,113	111
Kansanshi	239	151	632	303
Sentinel	200	110	683	169
Guelb Moghrein	20	30	100	65
Las Cruces	12	(6)	30	(2)
Çayeli	9	5	40	-
Pyhäsalmi	5	1	17	5
Ravensthorpe	(24)	(8)	(38)	(75)
Corporate	(207)	(52)	(799)	58
<b>Total gross profit</b>	<b>613</b>	<b>346</b>	<b>1,778</b>	<b>634</b>
Exploration	(6)	(3)	(13)	(9)
General and administrative	(31)	(24)	(89)	(70)
Other income (expense)	199	(62)	200	(217)
Net finance expense	(154)	(179)	(495)	(549)
Loss on redemption of senior notes	-	-	-	(2)
Adjustment for expected phasing of Zambian VAT	(4)	16	(18)	75
Income tax expense	(235)	(62)	(573)	(109)
<b>Net earnings (loss)</b>	<b>382</b>	<b>32</b>	<b>790</b>	<b>(247)</b>
Net earnings (loss) attributable to:				
Non-controlling interests	79	3	205	(58)
Shareholders of the Company	303	29	585	(189)
<b>Comparative earnings (loss)</b>	<b>197</b>	<b>64</b>	<b>520</b>	<b>(99)</b>
Earnings (loss) per share				
Basic	\$0.44	\$0.04	\$0.85	(\$0.27)
Diluted	\$0.44	\$0.04	\$0.85	(\$0.27)
Comparative	\$0.29	\$0.09	\$0.76	(\$0.14)
Basic weighted average number of shares (in 000's)	688,852	688,806	688,700	688,342

## Sales Revenues

### THIRD QUARTER



Sales revenues for the third quarter of 2021 of \$1,802 million were 29%, or \$400 million higher than the comparable quarter of 2020, reflecting an increase in copper sales revenues and gold sales revenues of \$363 million and \$9 million, respectively, together reflecting the record production at Cobre Panama as well as higher net realized copper prices.

Copper sales revenues of \$1,513 million were 32%, or \$363 million, higher than the comparable period reflecting the 34% higher net realized copper prices offset by the 2% reduction in sales volumes. Cobre Panama sales volumes were 36% higher than the comparable period in 2020, which was impacted by preservation and maintenance. Zambian sales in the quarter have been impacted by port congestion and a global shortage of containers, with sales volumes 11% lower than the comparable period. Copper sales revenues include a \$203 million loss, \$0.47 per lb, on the copper sales hedge program, compared with a loss of \$51 million, \$0.12 per lb in the comparable period in 2020.

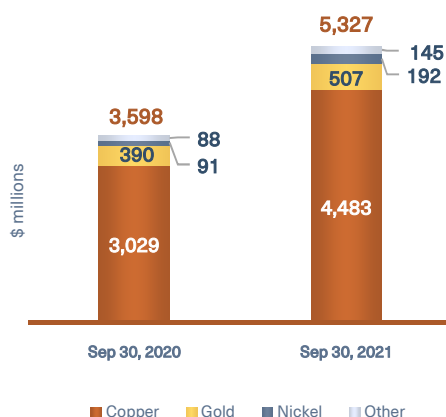
The net realized price for copper of \$3.53 per lb for the third quarter of 2021 was 34% higher than the same period in 2020. This compares to an increase of 44% in the average LME price of copper for the same period, to \$4.25 per lb.

Gold sales revenues were 6%, or \$9 million, higher than the comparable period in 2020, reflecting a 2% increase in gold sales volumes, attributable to Cobre Panama, which contributed \$90 million, an increase of \$24 million compared to the comparable quarter. Cobre Panama gold and silver revenues of \$107 million include \$37 million of gold and silver revenues recognized under the precious metal stream, with an associated \$55 million cost for the purchase of refinery-backed gold and silver credits to satisfy the obligation recognized within cost of sales.

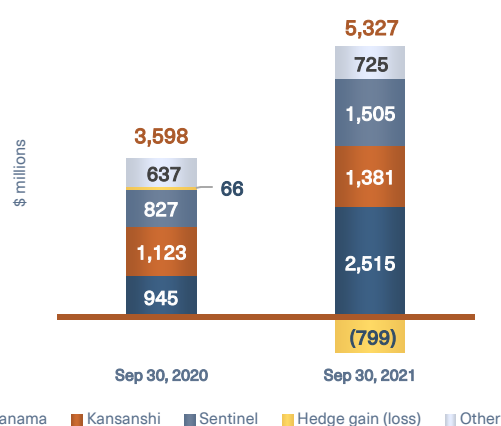
Nickel sales revenues of \$64 million for the third quarter of 2021 include a \$1 million loss on the nickel sales hedge program, \$0.23 per lb compared with a \$2 million gain in the comparative quarter, \$0.25 per lb. Sales in the third quarter continued to be impacted by global shipping congestion.

## NINE MONTHS

YEAR-TO-DATE REVENUE BY COMMODITY



YEAR-TO-DATE REVENUE BY OPERATION



Sales revenues for the nine-month period were \$5,327 million, 48%, or \$1,729 million higher than the comparable period of 2020, reflecting an increase in copper sales revenues and gold sales revenues of \$1,454 million and \$117 million respectively, together with a \$101 million increase in nickel sales revenues as Ravensthorpe ramped up following restart of production in late-April 2020.

Copper sales revenues of \$4,483 million were 48%, or \$1,454 million, higher than the comparable period reflecting higher sales volumes at Cobre Panama and Sentinel, which saw a 78% and 14% increase, respectively, combined with higher net realized prices. Copper sales revenues include a \$790 million loss, \$0.59 per lb, on the copper sales hedge program, compared with a gain of \$52 million, \$0.04 per lb, in the comparable period in 2020.

The net realized price for copper of \$3.34 per lb for the first nine months of 2021 was 33% higher than the same period in 2020. This compares to an increase of 57% in the average LME price of copper for the same period, to \$4.17 per lb.

Gold sales revenues were 30%, or \$117 million, higher than the comparable period in 2020, reflecting a 17% increase in gold sales volumes, attributable to Cobre Panama, which contributed \$280 million, an increase of \$131 million, and higher realized gold prices. Cobre Panama gold and silver revenues of \$336 million include \$116 million of gold and silver revenues recognized under the precious metal stream, with an associated \$176 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 \$192 million have been recognized for the nine months ended September 30, 2021 and include a \$9 million loss on the nickel sales hedge program, \$0.38 per lb compared with a \$14 million gain, \$1.17 per lb, in the comparative period. Sales in the period were impacted by global shipping congestion.

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Copper selling price (per lb)				
Average LME cash price	\$4.25	\$2.96	\$4.17	\$2.65
Realized copper price	\$3.68	\$2.77	\$3.48	\$2.65
Treatment/refining charges ("TC/RC") (per lb)	(\$0.11)	(\$0.10)	(\$0.11)	(\$0.10)
Freight charges (per lb)	(\$0.04)	(\$0.03)	(\$0.03)	(\$0.04)
Net realized copper price	\$3.53	\$2.64	\$3.34	\$2.51

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



	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Gold selling price (per oz)				
Average LBMA cash price	\$1,790	\$1,909	\$1,800	\$1,736
Net realized gold price <sup>1</sup>	\$1,683	\$1,766	\$1,671	\$1,624

<sup>1</sup> Excludes gold revenues recognized under the precious metal stream arrangement

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Nickel selling price (per payable lb)				
Average LME cash price	\$8.67	\$6.45	\$8.18	\$5.93
Net realized nickel price	\$8.50	\$6.88	\$7.81	\$7.58

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 35.

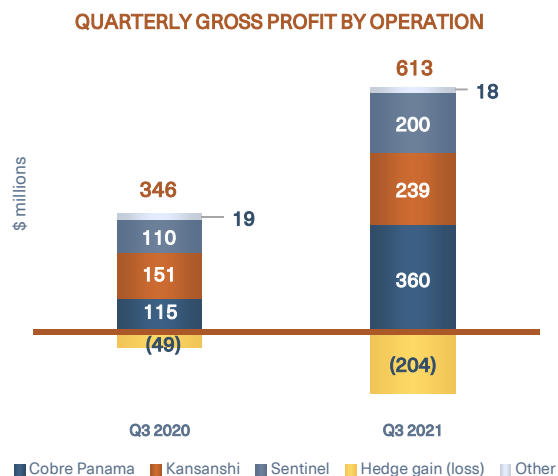
## Gross Profit

### Third Quarter

Gross profit for the quarter of \$613 million was \$267 million higher than the third quarter of 2020, based on higher metal prices and higher contribution from Cobre Panama.

Gross profit in Q3 2020	346
Higher metal prices	560
Movement in hedge program	(155)
Lower sales volumes and change in sales mix	(28)
Higher by-product contribution	3
Higher cash costs	(100)
Higher royalty expense	(47)
Lower depreciation	35
Negative impact of foreign exchange on operating costs	(1)
Gross profit in Q3 2021 <sup>1</sup>	613

<sup>1</sup> Gross profit is reconciled to comparative EBITDA by including exploration costs of \$6 million, general and administrative costs of \$31 million and adding back other expense of \$22 million and depreciation of \$288 million (a reconciliation of comparative EBITDA is included in "Regulatory Disclosures").



Gross profit for the third quarter of 2021 was \$613 million, an increase of \$267 million, or 77%, from the same period in 2020, and was driven by higher net realized prices resulting in increased revenues, offset by the higher royalties, higher fuel, consumables and freight cash costs and lower sales volumes. A loss of \$204 million was recognized in the quarter on the corporate sales hedge program, compared to a loss of \$49 million in the comparative quarter.

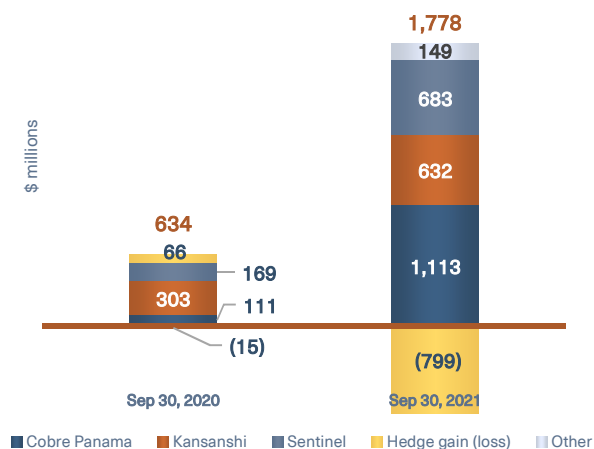
### Nine Months

Gross profit for the first nine months of \$1,778 million was \$1,144 million higher than the comparable period in 2020, based on higher metal prices and contribution from Cobre Panama.

Gross profit first nine months of 2020	634
Higher metal prices	2,021
Movement in hedge program	(865)
Higher sales volumes	90
Higher by-product contribution	56
Higher cash costs	(36)
Higher royalty expense	(171)
Increase in depreciation	31
Positive impact of foreign exchange on operating costs	18
<b>Gross profit first nine months of 2021<sup>1</sup></b>	<b>1,778</b>

<sup>1</sup> Gross profit is reconciled to comparative EBITDA by including exploration costs of \$13 million, general and administrative costs of \$89 million, adding back other expense of \$63 million and depreciation of \$860 million (a reconciliation of comparative EBITDA is included in "Regulatory Disclosures").

### YEAR-TO-DATE GROSS PROFIT BY OPERATION



Gross profit for the first nine months of 2021 of \$1,778 million, a notable increase of \$1,144 million, or 180%, from the same period in 2020, was driven by increased sales volumes at Cobre Panama and Sentinel and higher net realized prices; this was reduced by higher cash costs, principally fuel and royalties. A loss of \$799 million was recognized in the first nine months of the year on the corporate sales hedge program, compared to a \$66 million gain in the comparable period of 2020.

## Net Earnings

### Third Quarter

Net earnings attributable to shareholders of the Company of \$303 million, was \$274 million higher than the same period in 2020. Earnings per share of \$0.44 compares to an earnings per share of \$0.04 in the same quarter of 2020. Net finance expense of \$154 million was \$25 million lower than the third quarter of 2020 as debt levels continued to decrease.

General and administrative costs as well as exploration costs are higher than the comparable period following reduced activities and salary and travel costs in the comparable period subsequent to the initial COVID-19 pandemic and reduced metal prices.

Other income of \$199 million in the period includes foreign exchange gains of \$180 million, principally attributable to foreign exchange gains arising on translating the Zambian VAT receivable, and a \$19 million share of profit in Korea Panama Mining Corporation ("KPMC") has been recognized in the quarter, for which a loss of \$5 million was recognized in the comparable period of 2020.

A \$4 million expense reflecting the expected phasing of the Zambian VAT has been recognized in the period, compared to a credit of \$16 million recognized in the third quarter of 2020, which represented the expected phasing of receipts, and the impact of foreign exchange, using a ZMW risk-free rate.

An income tax expense of \$235 million has been recognized in the third quarter of 2021, compared with a \$62 million expense recognized in the comparable period in 2020, due to an increase of pre-tax earnings at operations and 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 \$204 million realized under the Company's copper and nickel sales hedge program.

### Nine Months

Net earnings attributable to shareholders of the Company of \$585 million for the first nine months was \$774 million higher than the same period in 2020. Earnings per share of \$0.85 compares to a loss per share of \$0.27 in the comparable period of 2020. Net finance expense of \$495 million was \$54 million lower than the comparable period of 2020 as debt levels continued to decrease.

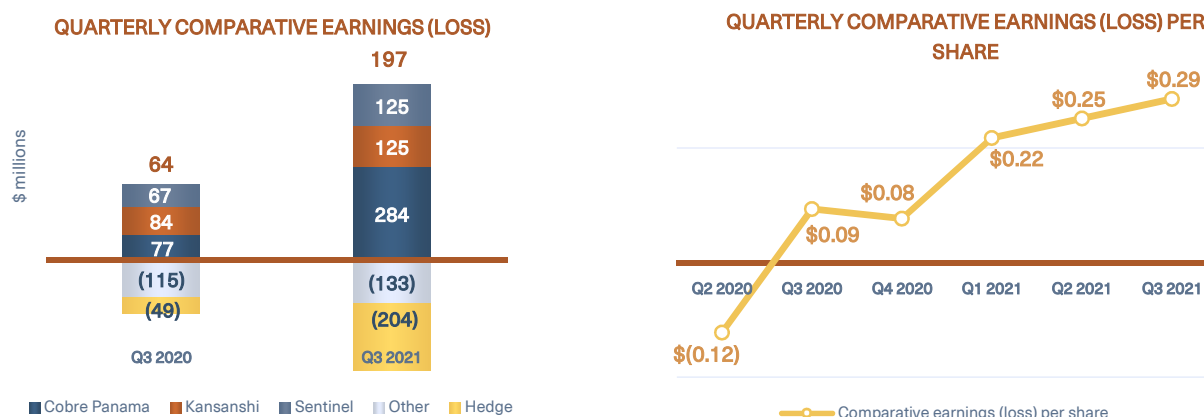
Other income of \$200 million includes foreign exchange gains of \$146 million, principally attributable to foreign exchange gains arising on translating the Zambian VAT receivable, and a \$58 million share of the profit in Korea Panama Mining Corp ("KPMC") has been recognized in the period, for which a loss of \$41 million was recognized in the comparable period of 2020.

An \$18 million expense reflecting the expected phasing of the Zambian VAT has been recognized in the period, compared with a credit of \$75 million recognized in the first nine months of 2020, which represented the expected phasing of receipts, and the impact of foreign exchange, using a ZMW risk-free rate.

An income tax expense of \$573 million has been recognized in the first nine months of 2021, compared with an income tax expense of \$109 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 \$799 million realized under the Company's copper and nickel sales hedge program. The effective tax rate for the nine months to date excluding the impact of interest expense was 30%.

## Comparative Earnings

### THIRD QUARTER



Comparative earnings for the quarter ended September 30, 2021 of \$197 million is an increase of \$133 million from the comparative period in 2020. Comparative earnings per share of \$0.29 compares to comparative earnings per share of \$0.09 in the same period of 2020. A reconciliation of comparative metrics is included in "Regulatory Disclosures".

### NINE MONTHS



Comparative earnings for the first nine months ending September 30, 2021 of \$520 million is an increase from comparative loss of \$99 million in the same period in 2020. Comparative earnings per share of \$0.76 compares to comparative loss per share of \$0.14 in the same period in 2020. A reconciliation of comparative metrics is included in "Regulatory Disclosures".

## LIQUIDITY AND CAPITAL RESOURCES

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Cash flows from operating activities	703	452	2,125	1,080
Cash flows used by investing activities	(277)	(132)	(719)	(428)
Cash flows used by financing activities	(300)	(288)	(402)	(252)
Exchange gains (losses) on cash and cash equivalents	-	1	-	(8)
Net cash inflow	126	33	1,004	392
Cash balance	1,918	915	1,918	915
Total assets	25,200	24,092	25,200	24,092
Total current liabilities	2,059	2,873	2,059	2,873
Total long-term liabilities	11,963	10,943	11,963	10,943
Net debt <sup>1</sup>	6,302	7,545	6,302	7,545
Cash flows from operating activities per share <sup>1</sup>	\$1.02	\$0.66	\$3.09	\$1.57

<sup>1</sup> 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 \$703 million for the third quarter of 2021 were \$251 million higher than the same quarter of 2020, reflecting higher earnings and favourable working capital movements of \$139 million offset by \$10 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 third quarter of 2021 of \$277 million were \$145 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

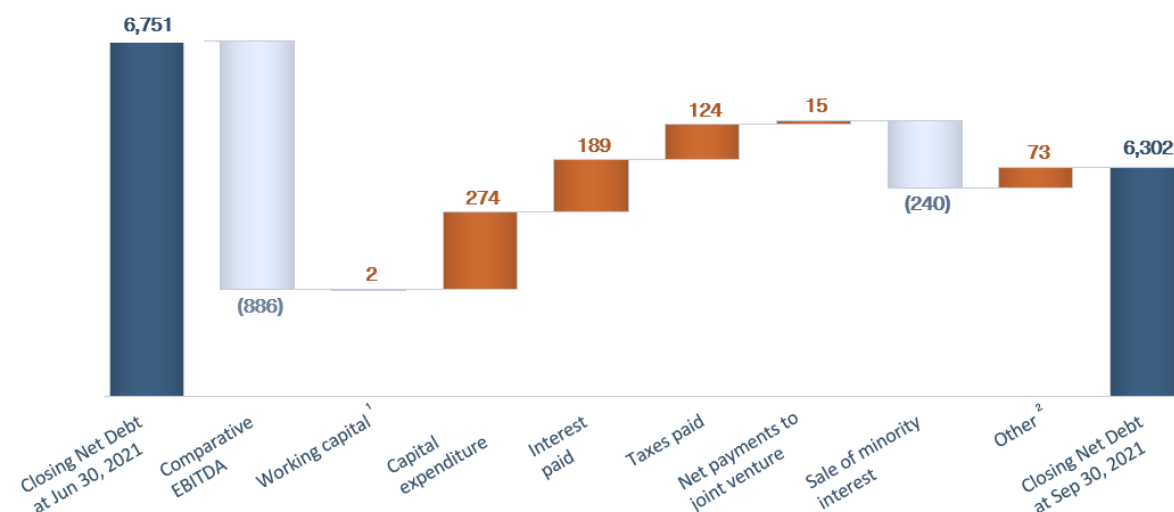
Cash flows from financing activities of \$300 million for the third quarter of 2021 included an inflow of \$240 million after the completion of the minority interest sale to POSCO and \$327 million repayments of debt and trading facilities.

Interest paid of \$189 million is included within cash flows from financing activities in the quarter; \$8 million lower than the \$197 million of interest paid in the third quarter of 2020. In addition, net payments of \$15 million were paid to KPMC, a 50:50 joint venture between the Company and Korea Mine Rehabilitation and Mineral Resources Corporation ("KOMIR").

## Liquidity

### THIRD QUARTER

#### QUARTERLY NET DEBT MOVEMENT



<sup>1</sup> Includes \$10 million outflow related to long-term incentive plans

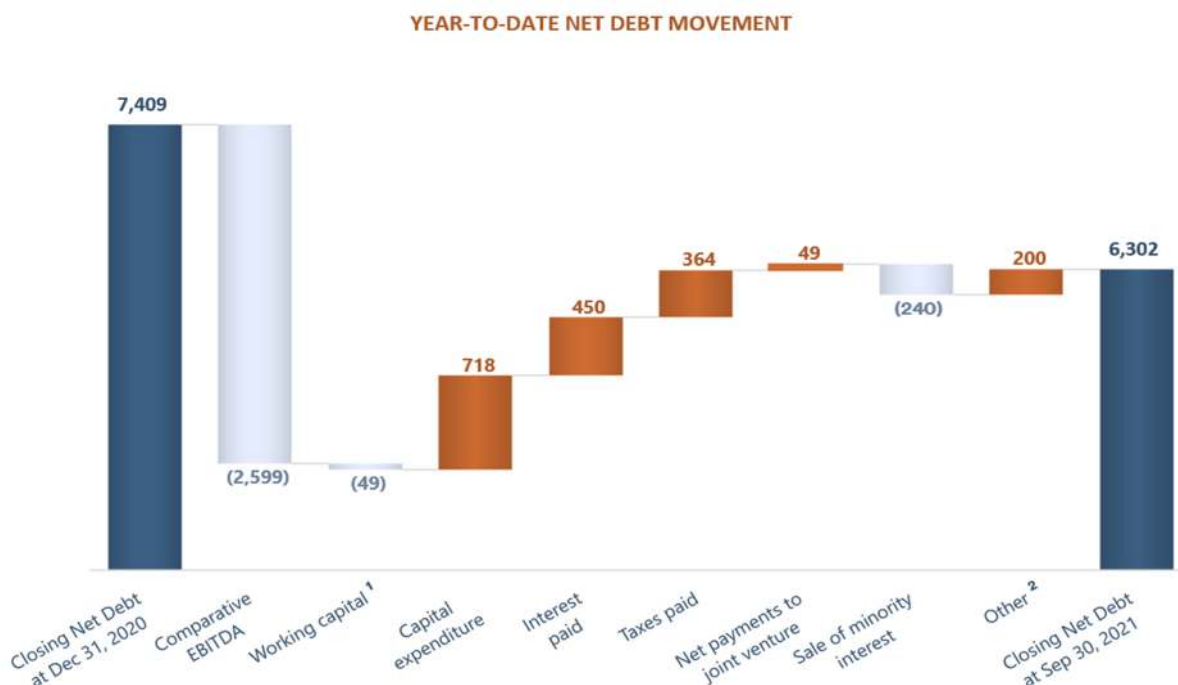
<sup>2</sup> Other includes non-cash adjustments relating to amortization of gold and silver revenue (\$24 million) and share of profit in joint venture (\$19 million).

Net debt decreased by \$449 million during the quarter, to \$6,302 million.

On October 14, 2021, the Company signed a new \$2.925 billion Term Loan and Revolving Credit Facility (the "Facility"). This new Facility replaces the existing \$2.7 billion Term Loan and Revolving Credit Facility due to mature December 2022. The new \$2.925 billion Facility comprises a \$1.625 billion Term Loan Facility and a \$1.3 billion Revolving Credit Facility, maturing in 2025. The Facility is syndicated to a group of long-standing relationship banks of First Quantum. The refinancing extends the debt maturity profile of the business and removes all material debt maturities through to April 2023. In addition, the refinancing provides additional liquidity headroom and continues management's practice of proactively addressing debt maturities, and further demonstrates the Company's access to a diverse range of funding sources.

The refinancing includes improved financial terms and reduced financial covenants, an extended amortization schedule for the Term Loan Facility beginning in December 2022 and improves the financial flexibility of the Company through the added liquidity. The Facility will be used to fully prepay and cancel amounts outstanding on the existing facility (\$1.66 billion as at September 30, 2021), to fully prepay and cancel a bilateral bank facility for \$175 million and for general corporate purposes. Repayments on the term loan will commence in December 2022. The Facility has a single Net Debt to EBITDA ratio covenant set at 3.5 times over the Facility term.

## NINE MONTHS



<sup>1</sup> Includes \$71 million outflow related to long-term incentive plans

<sup>2</sup> Other includes non-cash adjustments relating to amortization of gold and silver revenue (\$74 million) and share of profit in joint venture (\$58 million).

Net debt decreased by \$1,107 million during the first nine months of 2021 to \$6,302 million.

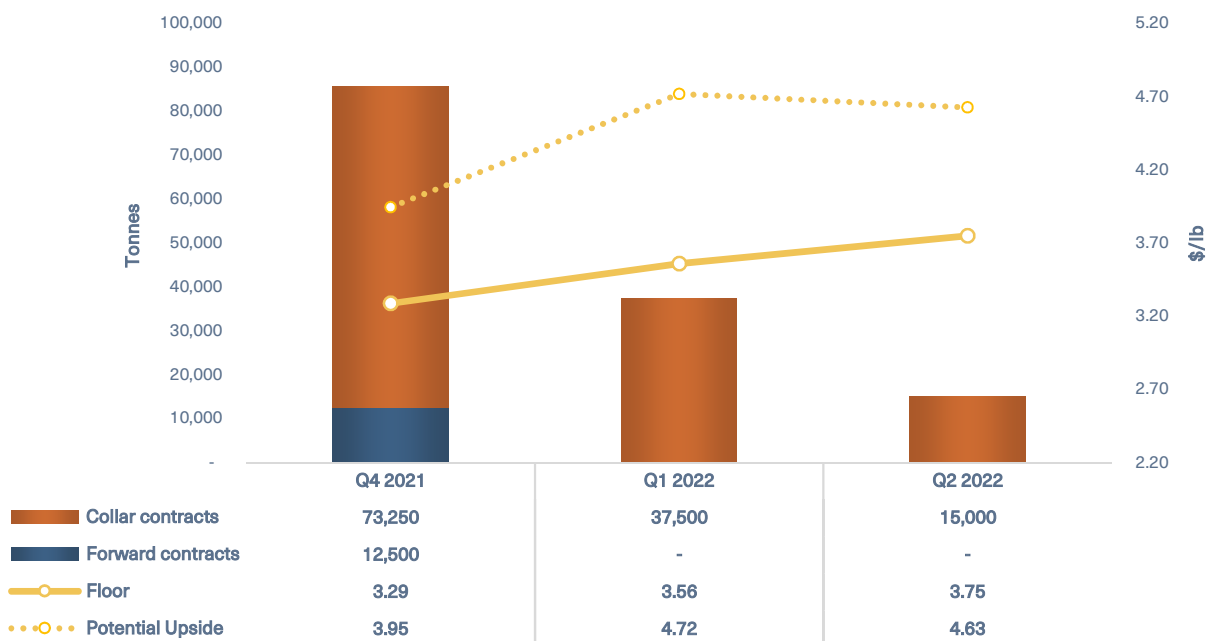
The Company actively manages all capital spending and operating costs while maintaining a high level of safety and productivity. Operating costs at all sites have been and are continuously being reviewed to identify opportunities to further reduce costs.

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

The Company 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 October 26, 2021, the Company had unmargined copper forward sales contracts for 12,500 tonnes at an average price of \$3.01 per lb outstanding with periods of maturity to December 2021. In addition, the Company has zero cost copper collar unmargined sales contracts for 125,750 tonnes at weighted average prices of \$3.45 per lb to \$4.35 per lb outstanding with maturities to June 2022.

At October 26, 2021, the Company also had unmargined nickel forward sales contracts for 406 tonnes at an average price of \$7.96 per lb outstanding with maturities to December 2021. In addition, the Company has zero cost nickel collar unmargined sales contracts for 800 tonnes at weighted average prices of \$7.71 per lb to \$8.58 per lb outstanding with maturities to May 2022.

**COPPER SALES HEDGE PROFILE - OCTOBER 26, 2021**



Approximately one sixth 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 \$3.41 per lb and \$4.23 per lb, respectively. This compares to approximately one quarter at the reporting date of the second quarter of 2021, with an average floor price and average ceiling price of \$3.16 per lb and \$3.70 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 September 30, 2021, and expects to remain in compliance throughout the next 12 months. The Company continues to take action to manage operational and price risks and further strengthen the balance sheet, including through strategic initiatives and use of the copper sales hedge program. The current hedge profile is at a significantly reduced level moving into the final quarter of 2021 as well as the first quarter of 2022.

At September 30, 2021, the Company had total commitments of \$115 million, all of which related to the 12 months following the period end.

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

	Carrying Value	Contractual Cashflows	< 1 year	1 – 3 years	3 – 5 years	Thereafter
Debt – principal repayments	8,182	8,218	708	3,660	2,350	1,500
Debt – finance charges	-	1,689	482	692	360	155
Trading facilities	38	38	38	-	-	-
Trade and other payables	701	701	701	-	-	-
Derivative instruments	84	84	84	-	-	-
Liability to joint venture <sup>1</sup>	1,313	2,272	-	-	-	2,272
Liability to minority interest <sup>2</sup>	150	239	-	-	-	239
Joint venture consideration	99	100	100	-	-	-
Current taxes payable	233	233	233	-	-	-
Deferred payments	41	41	4	8	8	21
Leases	25	27	8	12	5	2
Commitments	-	115	115	-	-	-
Restoration provisions	758	1,147	40	49	48	1,010
	11,624	14,904	2,513	4,421	2,771	5,199

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

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

## Equity

As at September 30, 2021, the Company had 691,039,018 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

	September 30, 2021	December 31, 2020
Asset position	76	8
Liability position	(84)	(452)

	Open Positions (tonnes)	Average Contract price	Closing Market price	Maturities Through
Commodity contracts:				
Copper forward	12,500	\$3.01/lb	\$4.10/lb	December 2021
Copper zero cost collar	125,750	\$3.45-\$4.35/lb	\$4.10/lb	June 2022
Nickel forward	406	\$7.96/lb	\$8.25/lb	December 2021
Nickel zero cost collar	800	\$7.71-\$8.58/lb	\$8.25/lb	May 2022

During the quarter ended September 30, 2021, a loss for settled hedges of \$204 million was realized through sales revenues. Fair value losses on outstanding contracts of \$70 million have been recognized as a net derivative liability at September 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 September 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	123,452	\$4.24/lb	\$4.10/lb	January 2022
Gold	41,052	\$1,806/oz	\$1,743/oz	January 2022
Nickel	1,210	\$8.99/lb	\$8.25/lb	October 2021
Commodity contracts:				
Copper	123,450	\$4.24/lb	\$4.10/lb	January 2022
Gold	41,063	\$1,806/oz	\$1,743/oz	January 2022
Nickel	1,212	\$8.99/lb	\$8.25/lb	October 2021

As at September 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 September 30, 2021, was \$601 million, of which \$276 million relates to Kansanshi.

Offsets of \$52 million against other taxes due have been granted during the nine months ended September 30, 2021. In the nine months ended September 30, 2020, offsets of \$85 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 Company plans to work with the new Government to settle the outstanding VAT claims.

An \$18 million expense adjustment for Zambian VAT receipts was recognized in the nine months ended September 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 gain of \$191 million has been recognized against the receivable in the nine months ended September 30, 2021 as a result of significant appreciation of the Zambia Kwacha during this period with movement of the rate from ZMW 21.17 : \$1 as at December 31, 2020, to a rate of ZMW 16.74 to : \$1 as at September 30, 2021.

## ZAMBIAN VAT

	September 30, 2021	December 31, 2020
Receivable at date of claim <sup>1</sup>	934	855
Impact of depreciation of Zambian Kwacha against U.S. dollar	(188)	(379)
Receivable at the period end exchange rate	746	476
Adjustment for expected phasing for non-current portion	(145)	(127)
<b>Total VAT receivable</b>	<b>601</b>	<b>349</b>
Consisting:		
Current portion, included within trade and other receivables	-	-
Non-current VAT receivable	601	349

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

	< 1 year	1-3 years	3-5 years	5-8 years	> 8 years	Total
Receivable at date of claim <sup>1</sup>	209	337	189	143	56	934
Impact of appreciation (depreciation) of Zambian Kwacha	63	(47)	(81)	(77)	(46)	(188)
Non-current VAT due	272	290	108	66	10	746
Adjustment for expected phasing of Zambian VAT receipts	(51)	(55)	(23)	(10)	(6)	(145)
<b>Total VAT receivable from Zambian operations</b>	<b>221</b>	<b>235</b>	<b>85</b>	<b>56</b>	<b>4</b>	<b>601</b>

<sup>1</sup> The movement in VAT receivable at date of claim is net of offsets and realized foreign exchange loss arising on offsets received in the nine months ended September 30, 2021, of \$52 million and \$38 million, respectively.

### 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. The 2022 Zambian Budget announcement is expected in late October 2021.

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, remained in place during the quarter.

### Pre-February 2015 VAT Receivable

In February 2015, the GRZ implemented a change in the Statutory Instrument regarding VAT on exports from Zambia. Claims totaling ZMW 1,307 million (equivalent to \$78 million as at September 30, 2021) made by Kansanshi prior to this date remain outstanding. This balance has reduced by ZMW 80 million (equivalent to \$5 million as at September 30, 2021) in the nine months to September 30, 2021, (December 31, 2020: \$6 million).

ZMW 357 million (equivalent to \$21 million as at September 30, 2021) 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 nine months to September 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 (equivalent to \$5 million as at September 30, 2021) of offsets received in 2021 were allocated to pre-February 2015 outstanding refunds. Cash and offsets totaling ZMW 4,128 million (equivalent to \$335 million, based on the receivable value at date of receipt) 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 KOMIR and holds a 20% interest in Cobre Panama. The purchase consideration of \$664 million comprised the acquisition consideration of \$635 million and the reimbursement of cash advances of \$29 million with \$179 million paid on closing. The remaining consideration is payable in November 2021 and included within trade and other payables.

A \$601 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 nine-month period ended September 30, 2021, the profit attributable to KPMC was \$116 million (September 30, 2020: loss of \$82 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 \$385 million, shareholder loans receivable from the Company and shareholder loans payable of \$1,313 million due to the Company and its joint venture partner KOMIR.

At September 30, 2021, the Company's subsidiary, MPSA, owed to KPMC \$1,313 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 September 30		Nine months ended September 30	
	2021	2020	2021	2020
Gold and silver revenue – cash	13	8	42	22
Gold and silver revenue – non cash amortization	24	15	74	41
Total gold and silver revenues - precious metal stream	37	23	116	63
Cost of refinery-backed credits for precious metal stream included in cost of sales	(55)	(38)	(176)	(90)

## 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](https://www.twitter.com/MICIPMA/status/1044915730209222657)). In July 2021, the Supreme Court responded to the requests for clarifications submitted by MPSA, ruling them inadmissible. This means that the original ruling that Law 9 is unconstitutional has been upheld, 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, chaired by the Minister of Commerce, to discuss the Company’s concession contract. During September 2021, the Company and the high-level commission were engaged in formal discussions in Panama. Over the course of the month, the Ministry of Commerce publicly announced the culmination of the high-level formal discussions on two topics being environmental and labour matters. Discussions primarily on financial matters were continuing as at the end of the quarter. The Company welcomes the transparency of the high-level commission process and the opportunity to resolve this matter in the 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. The arbitration hearing concluded in July 2021 and the parties now await the Tribunal’s award. 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. 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. On August 11, 2021, ZCCM submitted a new summons for leave to appeal to the Supreme Court. KMP submitted its response on

August 27, 2021, opposing leave to appeal. On October 4, 2021, the Supreme Court dismissed ZCCM's application in its entirety with costs awarded to KMP.

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. The parties have conferred on the table of matters that remain to be determined, which are scheduled to be heard by the Tribunal on November 9, 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. The parties have exchanged requests for production of documents. KMP is scheduled to submit its Reply Memorial on November 26, 2021, in advance of the March 2022 hearing.

## **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 September 30		Nine months ended September 30	
	2021	2020	2021	2020
Purchase and deposits on property, plant and equipment	274	138	718	438
Sustaining capital expenditure and deferred stripping	126	84	336	222
Project capital expenditure	148	54	382	216
Total capital expenditure	274	138	718	438

## Non-GAAP Reconciliations

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

For the three months ended September 30, 2021	Cobre Panama	Kansanshi	Sentinel	Guelb Moghrein	Las Cruces	Çayeli	Pyhäsalmi	Copper	Corporate & other	Ravensthorpe	Total
<b>Cost of sales<sup>1</sup></b>	(473)	(267)	(249)	(49)	(18)	(15)	(8)	(1,079)	(15)	(95)	(1,189)
Adjustments:											
Depreciation	151	54	63	6	-	5	-	279	-	9	288
By-product credits	108	61	-	31	-	2	6	208	-	6	214
Royalties	15	53	45	2	1	3	-	119	-	2	121
Treatment and refining charges	(26)	(7)	(13)	(2)	-	(1)	(1)	(50)	-	-	(50)
Freight costs	(1)	-	(11)	-	-	(1)	-	(13)	-	-	(13)
Finished goods	(11)	(12)	(8)	(3)	-	(2)	1	(35)	-	-	(35)
Other	5	-	4	2	-	-	-	11	15	3	29
<b>Cash cost (C1)</b>	(232)	(118)	(169)	(13)	(17)	(9)	(2)	(560)	-	(75)	(635)
Adjustments:											
Depreciation (excluding depreciation in finished goods)	(157)	(58)	(68)	(5)	-	(4)	-	(292)	-	(9)	(301)
Royalties	(15)	(53)	(45)	(2)	(1)	(3)	-	(119)	-	(2)	(121)
Other	(6)	(1)	(2)	-	-	-	-	(9)	-	(2)	(11)
<b>Total cost (C3)</b>	(410)	(230)	(284)	(20)	(18)	(16)	(2)	(980)	-	(88)	(1,068)
<b>Cash cost (C1)</b>	(232)	(118)	(169)	(13)	(17)	(9)	(2)	(560)	-	(75)	(635)
Adjustments:											
General and administrative expenses	(11)	(5)	(8)	(2)	(1)	-	-	(27)	-	(4)	(31)
Sustaining capital expenditure and deferred stripping	(24)	(50)	(41)	-	-	(2)	-	(117)	-	(9)	(126)
Royalties	(15)	(53)	(45)	(2)	(1)	(3)	-	(119)	-	(2)	(121)
Lease payments	(1)	-	-	-	-	-	-	(1)	-	-	(1)
<b>AISC</b>	(283)	(226)	(263)	(17)	(19)	(14)	(2)	(824)	-	(90)	(914)
AISC (per lb)	\$1.55	\$2.08	\$2.16	\$1.95	\$2.69	\$1.86	\$1.79	\$1.87		\$11.66	
Cash cost – (C1) (per lb)	\$1.27	\$1.07	\$1.37	\$1.61	\$2.46	\$1.15	\$1.86	\$1.26		\$9.58	
Total cost – (C3) (per lb)	\$2.24	\$2.12	\$2.33	\$2.37	\$2.54	\$2.24	\$2.24	\$2.22		\$11.32	

<sup>1</sup> 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 nine months ended September 30, 2021	Cobre Panama	Kansanshi	Sentinel	Guelb Moghrein	Las Cruces	Çayeli	Pyhäsalmi	Copper	Corporate & other	Ravensthorpe	Total
<b>Cost of sales<sup>1</sup></b>	(1,402)	(750)	(822)	(158)	(72)	(47)	(23)	(3,274)	(20)	(255)	(3,549)
Adjustments:											
Depreciation	425	149	200	30	13	15	1	833	1	26	860
By-product credits	336	157	-	97	-	10	17	617	-	16	633
Royalties	45	135	142	8	2	7	-	339	-	9	348
Treatment and refining charges	(82)	(19)	(41)	(8)	-	(4)	(2)	(156)	-	-	(156)
Freight costs	(4)	-	(30)	-	-	(5)	-	(39)	-	-	(39)
Finished goods	15	(43)	21	3	2	(2)	-	(4)	-	2	(2)
Other	21	4	8	4	-	-	1	38	19	5	62
<b>Cash cost (C1)</b>	(646)	(367)	(522)	(24)	(55)	(26)	(6)	(1,646)	-	(197)	(1,843)
Adjustments:											
Depreciation (excluding depreciation in finished goods)	(418)	(164)	(195)	(25)	(10)	(15)	(1)	(828)	-	(26)	(854)
Royalties	(45)	(135)	(142)	(8)	(2)	(7)	-	(339)	-	(9)	(348)
Other	(12)	(6)	(6)	(1)	(1)	-	-	(26)	-	(4)	(30)
<b>Total cost (C3)</b>	(1,121)	(672)	(865)	(58)	(68)	(48)	(7)	(2,839)	-	(236)	(3,075)
<b>Cash cost (C1)</b>	(646)	(367)	(522)	(24)	(55)	(26)	(6)	(1,646)	-	(197)	(1,843)
Adjustments:											
General and administrative expenses	(31)	(17)	(25)	(2)	(3)	(1)	-	(79)	-	(10)	(89)
Sustaining capital expenditure and deferred stripping	(72)	(135)	(106)	(1)	-	(4)	-	(318)	-	(18)	(336)
Royalties	(45)	(135)	(142)	(8)	(2)	(7)	-	(339)	-	(9)	(348)
Lease payments	(3)	-	-	-	(1)	(1)	-	(5)	-	(1)	(6)
<b>AISC</b>	(797)	(654)	(795)	(35)	(61)	(39)	(6)	(2,387)	-	(235)	(2,622)
AISC (per lb)	\$1.51	\$2.06	\$2.15	\$1.18	\$2.54	\$1.66	\$1.24	\$1.83		\$9.55	
Cash cost – (C1) (per lb)	\$1.22	\$1.13	\$1.41	\$0.92	\$2.32	\$1.10	\$1.18	\$1.26		\$7.99	
Total cost – (C3) (per lb)	\$2.12	\$2.11	\$2.34	\$1.86	\$2.84	\$2.08	\$1.40	\$2.18		\$9.57	

<sup>1</sup> 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 September 30, 2020	Cobre Panama	Kansanshi	Sentinel	Guelb Moghrein	Las Cruces	Çayeli	Pyhäsalmi	Copper	Corporate & other	Ravensthorpe	Total
<b>Cost of sales<sup>1</sup></b>	(325)	(272)	(230)	(41)	(88)	(20)	(9)	(985)	(1)	(70)	(1,056)
Adjustments:											
Depreciation	117	64	58	9	56	8	1	313	-	10	323
By-product credits	78	71	-	33	-	3	3	188	-	3	191
Royalties	7	30	32	-	2	1	-	72	-	3	75
Treatment and refining charges	(22)	(8)	(10)	(3)	-	(2)	(1)	(46)	-	-	(46)
Freight costs	(2)	(3)	(6)	-	-	(1)	-	(12)	-	-	(12)
Finished goods	3	(1)	(25)	(5)	-	2	-	(26)	-	(1)	(27)
Other	5	-	1	4	-	-	2	12	1	2 <sup>2</sup>	15
<b>Cash cost (C1)</b>	(139)	(119)	(180)	(3)	(30)	(9)	(4)	(484)	-	(53)	(537)
Adjustments:											
Depreciation (excluding depreciation in finished goods)	(117)	(63)	(69)	(9)	(56)	(7)	(1)	(322)	-	(10)	(332)
Royalties	(7)	(30)	(32)	-	(2)	(1)	-	(72)	-	(3)	(75)
Other	(3)	(2)	(1)	(2)	-	-	-	(8)	-	-	(8)
<b>Total cost (C3)</b>	(266)	(214)	(282)	(14)	(88)	(17)	(5)	(886)	-	(66)	(952)
<b>Cash cost (C1)</b>	(139)	(119)	(180)	(3)	(30)	(9)	(4)	(484)	-	(53)	(537)
Adjustments:											
General and administrative expenses	(7)	(6)	(8)	(1)	(1)	-	-	(23)	-	(2)	(25)
Sustaining capital expenditure and deferred stripping	(18)	(31)	(30)	(3)	-	(1)	-	(83)	-	(1)	(84)
Royalties	(7)	(30)	(32)	-	(2)	(1)	-	(72)	-	(3)	(75)
Lease payments	-	(1)	-	-	-	-	-	(1)	-	-	(1)
Other	-	1	-	-	-	-	-	1	-	-	1
<b>AISC</b>	(171)	(186)	(250)	(7)	(33)	(11)	(4)	(662)	-	(59)	(721)
AISC (per lb)	\$1.31	\$1.61	\$1.77	\$0.47	\$1.22	\$1.29	\$1.90	\$1.48	-	\$6.53	
Cash cost – (C1) (per lb)	\$1.06	\$1.04	\$1.25	\$0.24	\$1.12	\$1.07	\$1.82	\$1.07	-	\$5.88	
Total cost – (C3) (per lb)	\$2.03	\$1.85	\$1.98	\$0.94	\$3.24	\$1.91	\$2.33	\$1.97	-	\$7.36	

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

<sup>2</sup> Includes restart costs at Ravensthorpe.

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

For the nine months ended September 30, 2020	Cobre Panama	Kansanshi	Sentinel	Guelb Moghrein	Las Cruces	Çayeli	Pyhäsalmi	Copper	Corporate & other	Ravensthorpe	Total
<b>Cost of sales<sup>1</sup></b>	(834)	(820)	(658)	(151)	(264)	(46)	(29)	(2,802)	(6)	(156)	(2,964)
Adjustments:											
Depreciation	293	187	171	31	167	19	4	872	3	16	891
By-product credits	175	175	-	102	-	7	15	474	-	4	478
Royalties	15	81	67	5	4	1	-	173	-	4	177
Treatment and refining charges	(55)	(28)	(31)	(10)	-	(4)	(2)	(130)	-	-	(130)
Freight costs	(3)	(11)	(22)	-	(1)	(3)	-	(40)	-	-	(40)
Finished goods	12	14	(44)	1	1	(1)	1	(16)	-	-	(16)
Other	15	2	(12)	4	3	-	-	12	3	57 <sup>2</sup>	72
<b>Cash cost (C1)</b>	(382)	(400)	(529)	(18)	(90)	(27)	(11)	(1,457)	-	(75)	(1,532)
Adjustments:											
Depreciation (excluding depreciation in finished goods)	(290)	(189)	(195)	(29)	(166)	(20)	(4)	(893)	-	(16)	(909)
Royalties	(15)	(81)	(67)	(5)	(4)	(1)	-	(173)	-	(4)	(177)
Other	(7)	(8)	(4)	(2)	(1)	-	1	(21)	-	(1)	(22)
<b>Total cost (C3)</b>	(694)	(678)	(795)	(54)	(261)	(48)	(14)	(2,544)	-	(96)	(2,640)
<b>Cash cost (C1)</b>	(382)	(400)	(529)	(18)	(90)	(27)	(11)	(1,457)	-	(75)	(1,532)
Adjustments:											
General and administrative expenses	(18)	(19)	(24)	(2)	(4)	(1)	-	(68)	-	(3)	(71)
Sustaining capital expenditure and deferred stripping	(39)	(76)	(92)	(9)	-	(3)	-	(219)	-	(3)	(222)
Royalties	(15)	(81)	(67)	(5)	(4)	(1)	-	(173)	-	(4)	(177)
Lease payments	(2)	(3)	(1)	-	(1)	-	-	(7)	-	-	(7)
Other	-	(1)	-	-	-	-	-	(1)	-	-	(1)
<b>AISC</b>	(456)	(580)	(713)	(34)	(99)	(32)	(11)	(1,925)	-	(85)	(2,010)
AISC (per lb)	\$1.54	\$1.61	\$1.87	\$0.82	\$1.02	\$1.57	\$1.40	\$1.58	-	\$6.75	
Cash cost – (C1) (per lb)	\$1.29	\$1.12	\$1.38	\$0.47	\$0.93	\$1.32	\$1.35	\$1.19	-	\$5.99	
Total cost – (C3) (per lb)	\$2.34	\$1.88	\$2.08	\$1.25	\$2.68	\$2.36	\$1.81	\$2.08	-	\$7.52	

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

<sup>2</sup> 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

	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Cash and cash equivalents	1,918	1,792	1,058	950
Bank overdraft	-	-	70	36
Current debt	746	707	724	871
Non current debt	7,474	7,836	7,326	7,452
Net debt	6,302	6,751	7,062	7,409

### COMPARATIVE EBITDA

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Operating profit	775	257	1,876	338
Depreciation	288	323	860	891
Other adjustments:				
Foreign exchange (gain) loss	(180)	60	(146)	193
Other expense	4	1	8	7
Revisions in estimates of restoration provisions at closed sites	(1)	-	1	(2)
Total adjustments excluding depreciation	(177)	61	(137)	198
Comparative EBITDA	886	641	2,599	1,427

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Net earnings (loss) attributable to shareholders of the Company	303	29	585	(189)
Adjustments attributable to shareholders of the Company:				
Adjustment for expected phasing of Zambian VAT	4	(16)	18	(75)
Other, including loss on debt instruments	-	-	-	2
Total adjustments to comparative EBITDA excluding depreciation	(177)	61	(137)	198
Tax and minority interest comparative adjustments	67	(10)	54	(35)
Comparative earnings (loss)	197	64	520	(99)
Earnings (loss) per share as reported	\$0.44	\$0.04	\$0.85	(\$0.27)
Comparative earnings (loss) per share	\$0.29	\$0.09	\$0.76	(\$0.14)

### 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 September 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	Q4 19	2019	Q1 20	Q2 20	Q3 20	Q4 20	2020	Q1 21	Q2 21	Q3 21	2021
<b>Sales revenues</b>											
Copper	1,120	3,603	1,015	864	1,150	1,348	4,377	1,445	1,525	1,513	4,483
Gold	132	342	134	98	158	147	537	161	179	167	507
Nickel	-	-	3	27	61	68	159	29	99	64	192
Other	32	122	30	25	33	38	126	43	44	58	145
<b>Total sales revenues</b>	<b>1,284</b>	<b>4,067</b>	<b>1,182</b>	<b>1,014</b>	<b>1,402</b>	<b>1,601</b>	<b>5,199</b>	<b>1,678</b>	<b>1,847</b>	<b>1,802</b>	<b>5,327</b>
Cobre Panama	314	524	398	107	440	510	1,455	780	903	832	2,515
Kansanshi	495	1,581	349	351	423	416	1,539	418	458	505	1,381
Sentinel	281	1,199	235	252	340	526	1,353	531	525	449	1,505
Guelb Moghrein	50	243	67	78	71	84	300	77	112	69	258
Ravensthorpe	-	-	-	19	62	75	156	39	107	71	217
Sales hedge program gain (loss)	(1)	44	29	86	(49)	(114)	(48)	(257)	(338)	(204)	(799)
Other	145	476	104	121	115	104	444	90	80	80	250
<b>Total sales revenues</b>	<b>1,284</b>	<b>4,067</b>	<b>1,182</b>	<b>1,014</b>	<b>1,402</b>	<b>1,601</b>	<b>5,199</b>	<b>1,678</b>	<b>1,847</b>	<b>1,802</b>	<b>5,327</b>
Gross profit	259	790	147	141	346	443	1,077	540	625	613	1,778
Comparative EBITDA	511	1,609	434	352	641	725	2,152	811	902	886	2,599
Net earnings (loss) attributable to shareholders of the Company	(115)	(57)	(62)	(156)	29	9	(180)	142	140	303	585
Comparative earnings (loss)	35	249	(79)	(84)	64	53	(46)	150	173	197	520
Net debt	7,675	7,675	7,615	7,658	7,545	7,409	7,409	7,062	6,751	6,302	6,302
Basic earnings (loss) per share	(\$0.17)	(\$0.08)	(\$0.09)	(\$0.23)	\$0.04	\$0.01	(\$0.26)	\$0.21	\$0.20	\$0.44	\$0.85
Comparative earnings (loss) per share	\$0.05	\$0.36	(\$0.11)	(\$0.12)	\$0.09	\$0.08	(\$0.07)	\$0.22	\$0.25	\$0.29	\$0.76
Diluted earnings (loss) per share	(\$0.17)	(\$0.08)	(\$0.09)	(\$0.23)	\$0.04	\$0.01	(\$0.26)	\$0.21	\$0.20	\$0.44	\$0.85
Dividends declared per common share (CDN\$ per share)	-	\$0.010	\$0.005	-	\$0.005	-	\$0.010	\$0.005	-	\$0.005	\$0.010
Cash flows per share from operating activities	\$0.58	\$1.29	\$0.69	\$0.23	\$0.66	\$0.77	\$2.34	\$1.08	\$0.99	\$1.02	\$3.09
Basic weighted average shares ('000's) <sup>1</sup>	688,083	687,596	688,093	688,123	688,806	688,939	688,469	688,771	688,457	688,852	688,700
<b>Copper statistics</b>											
Total copper production (tonnes)	204,270	702,148	195,285	169,059	211,396	203,171	778,911	205,064	199,689	209,859	614,612
Total copper sales (tonnes)	205,964	689,386	189,953	159,944	197,533	217,041	764,471	210,734	203,790	194,278	608,802
Realized copper price (per lb)	\$2.62	\$2.70	\$2.56	\$2.60	\$2.77	\$2.97	\$2.74	\$3.25	\$3.55	\$3.68	\$3.48
TC/RC (per lb)	(0.12)	(0.11)	(0.11)	(0.10)	(0.10)	(0.11)	(0.10)	(0.12)	(0.12)	(0.11)	(0.11)
Freight charges (per lb)	(0.03)	(0.04)	(0.03)	(0.05)	(0.03)	(0.04)	(0.04)	(0.02)	(0.04)	(0.04)	(0.03)
Net realized copper price (per lb)	\$2.47	\$2.55	\$2.42	\$2.45	\$2.64	\$2.82	\$2.60	\$3.11	\$3.39	\$3.53	\$3.34
Cash cost – copper (C1) (per lb)	\$1.24	\$1.31	\$1.30	\$1.20	\$1.07	\$1.28	\$1.21	\$1.24	\$1.29	\$1.26	\$1.26
All-in sustaining cost (AISC) (per lb)	\$1.73	\$1.78	\$1.64	\$1.62	\$1.48	\$1.77	\$1.63	\$1.72	\$1.91	\$1.87	\$1.83
Total cost – copper (C3) (per lb)	\$2.07	\$2.16	\$2.19	\$2.08	\$1.97	\$2.20	\$2.11	\$2.10	\$2.21	\$2.22	\$2.18
<b>Gold statistics</b>											
Total gold production (ounces)	77,789	256,913	68,788	54,651	72,926	68,747	265,112	78,048	81,375	78,124	237,547
Total gold sales (ounces) <sup>2</sup>	79,409	254,785	73,782	54,591	78,013	70,905	277,291	77,391	85,291	79,773	242,455
Net realized gold price (per ounce)	\$1,380	\$1,318	\$1,488	\$1,604	\$1,766	\$1,771	\$1,662	\$1,661	\$1,670	\$1,683	\$1,671
<b>Nickel statistics</b>											
Nickel produced (contained tonnes)	-	-	-	1,979	5,113	5,603	12,695	4,642	4,543	4,248	13,433
Nickel produced (payable tonnes)	-	-	-	1,579	4,102	4,534	10,215	3,843	3,789	3,531	11,163
Nickel sales (contained tonnes)	-	-	-	1,791	4,986	5,343	12,120	2,357	6,910	4,055	13,322
Nickel sales (payable tonnes)	-	-	-	1,429	4,016	4,342	9,787	1,969	5,777	3,392	11,138
Net realized price (per payable lb)	-	-	-	\$8.51	\$6.88	\$7.11	\$7.37	\$6.67	\$7.79	\$8.50	\$7.81

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

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

## APPENDICES

### PRODUCTION

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Copper production (tonnes) <sup>1</sup>				
Cobre Panama	87,242	62,055	250,970	140,028
<i>Kansanshi cathode</i>	<i>10,379</i>	<i>12,672</i>	<i>29,099</i>	<i>38,655</i>
<i>Kansanshi concentrate</i>	<i>40,608</i>	<i>41,758</i>	<i>121,121</i>	<i>130,202</i>
Kansanshi total	50,987	54,430	150,220	168,857
Sentinel	59,931	70,829	172,491	188,223
Guelb Moghrein	4,091	6,702	16,257	21,122
Las Cruces	3,222	12,259	10,847	44,118
Çayeli	3,693	4,199	11,267	9,800
Pyhäsalmi	693	922	2,560	3,592
<b>Total copper production (tonnes)</b>	<b>209,859</b>	<b>211,396</b>	<b>614,612</b>	<b>575,740</b>
Gold production (ounces)				
Cobre Panama	36,649	28,346	108,837	59,372
Kansanshi	32,249	31,715	93,653	98,894
Guelb Moghrein	8,174	11,620	31,879	34,522
Other sites <sup>2</sup>	1,052	1,245	3,178	3,577
<b>Total gold production (ounces)</b>	<b>78,124</b>	<b>72,926</b>	<b>237,547</b>	<b>196,365</b>
Nickel production (contained tonnes) – Ravensthorpe	4,248	5,113	13,433	7,092

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

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

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

## SALES

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Copper sales volume (tonnes)				
Cobre Panama	83,261	61,049	254,966	143,017
<i>Kansanshi cathode</i>	<i>8,985</i>	<i>13,854</i>	<i>27,609</i>	<i>36,768</i>
<i>Kansanshi anode</i>	<i>39,438</i>	<i>37,503</i>	<i>107,846</i>	<i>115,095</i>
<i>Kansanshi concentrate</i>	<i>-</i>	<i>4,933</i>	<i>-</i>	<i>20,019</i>
Kansanshi total	48,423	56,290	135,455	171,882
<i>Sentinel anode</i>	<i>30,654</i>	<i>42,936</i>	<i>114,433</i>	<i>109,709</i>
<i>Sentinel concentrate</i>	<i>20,438</i>	<i>12,579</i>	<i>60,292</i>	<i>43,047</i>
Sentinel total	51,092	55,515	174,725	152,756
Guelb Moghrein	4,522	6,715	19,255	22,534
Las Cruces	3,234	12,646	11,408	44,937
Çayeli	2,902	4,451	10,365	8,771
Pyhäsalmi	844	867	2,628	3,533
<b>Total copper sales (tonnes)</b>	<b>194,278</b>	<b>197,533</b>	<b>608,802</b>	<b>547,430</b>
Gold sales volume (ounces)				
Cobre Panama	35,914	27,182	110,776	61,193
Kansanshi	33,961	37,524	89,043	102,227
Guelb Moghrein	8,822	11,698	38,472	38,332
Other sites <sup>1</sup>	1,076	1,609	4,164	4,634
<b>Total gold sales (ounces)<sup>2</sup></b>	<b>79,773</b>	<b>78,013</b>	<b>242,455</b>	<b>206,386</b>
Nickel sales volume (contained tonnes) – Ravensthorpe	4,055	4,986	13,322	6,777

<sup>1</sup> Other sites include Çayeli and Pyhäsalmi.

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

## SALES REVENUES

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Cobre Panama - copper	725	362	2,179	770
- gold	90	66	280	149
- silver	17	12	56	26
Kansanshi - copper cathode	84	88	250	209
- copper anode	361	237	975	646
- copper concentrate	-	27	-	93
- gold	60	71	156	174
- other	-	-	-	1
Sentinel - copper anode	281	275	1,016	629
- copper concentrate	168	65	489	198
Guelb Moghrein - copper	38	38	161	114
- gold	15	21	66	62
- magnetite	16	12	31	40
Las Cruces - copper	30	82	102	262
Çayeli - copper	21	22	77	39
- zinc, gold and silver	3	3	10	7
Pyhäsalmi - copper	8	5	24	17
- zinc	1	-	3	2
- pyrite, gold and silver	4	5	13	15
Ravensthorpe -nickel	65	59	201	77
-cobalt	6	3	16	4
Corporate <sup>1</sup>	(191)	(51)	(778)	64
<b>Sales revenues</b>	<b>1,802</b>	<b>1,402</b>	<b>5,327</b>	<b>3,598</b>
Copper	1,513	1,150	4,483	3,029
Gold	167	158	507	390
Nickel	64	61	192	91
Silver	19	14	61	29
Other	39	19	84	59
	1,802	1,402	5,327	3,598

<sup>1</sup> Corporate sales include sales hedges (see "Hedging Programs" for further discussion).

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

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

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
<b>Cobre Panama</b>				
Mining	\$0.35	\$0.38	\$0.36	\$0.40
Processing	0.60	0.48	0.58	0.58
Site administration	0.29	0.23	0.28	0.29
TC/RC and freight charges	0.32	0.26	0.29	0.29
By-product credits	(0.29)	(0.29)	(0.29)	(0.27)
Cash cost (C1) (per lb)	\$1.27	\$1.06	\$1.22	\$1.29
All-in sustaining cost (AISC) (per lb)	\$1.55	\$1.31	\$1.51	\$1.54
Total cost (C3) (per lb)	\$2.24	\$2.03	\$2.12	\$2.34
<b>Kansanshi</b>				
Mining	\$0.56	\$0.61	\$0.56	\$0.63
Processing	0.65	0.60	0.66	0.54
Site administration	0.10	0.10	0.11	0.09
TC/RC and freight charges	0.15	0.16	0.14	0.17
By-product credits	(0.56)	(0.55)	(0.51)	(0.45)
Total smelter costs	0.17	0.12	0.17	0.14
Cash cost (C1) (per lb)	\$1.07	\$1.04	\$1.13	\$1.12
All-in sustaining cost (AISC) (per lb)	\$2.08	\$1.61	\$2.06	\$1.61
Total cost (C3) (per lb)	\$2.12	\$1.85	\$2.11	\$1.88
<b>Sentinel</b>				
Mining	\$0.46	\$0.38	\$0.45	\$0.41
Processing	0.50	0.51	0.55	0.57
Site administration	0.10	0.07	0.10	0.08
TC/RC and freight charges	0.24	0.20	0.24	0.23
Total smelter costs	0.07	0.09	0.07	0.09
Cash cost (C1) (per lb)	\$1.37	\$1.25	\$1.41	\$1.38
All-in sustaining cost (AISC) (per lb)	\$2.16	\$1.77	\$2.15	\$1.87
Total cost (C3) (per lb)	\$2.33	\$1.98	\$2.34	\$2.08
<b>Ravensthorpe</b>				
Mining	\$2.22	\$1.89	\$2.17	\$2.08
Processing	6.92	3.51	5.43	3.41
Site administration	0.87	0.57	0.74	0.61
TC/RC and freight charges	0.31	0.25	0.31	0.23
By-product credits	(0.74)	(0.34)	(0.66)	(0.34)
Cash cost (C1) (per lb)	\$9.58	\$5.88	\$7.99	\$5.99
All-in sustaining cost (AISC) (per lb)	\$11.66	\$6.53	\$9.55	\$6.75
Total cost (C3) (per lb)	\$11.32	\$7.36	\$9.57	\$7.52
<b>Guelb Moghrein</b>				
Cash cost (C1) (per lb)	\$1.61	\$0.24	\$0.92	\$0.47
All-in sustaining cost (AISC) (per lb)	\$1.95	\$0.47	\$1.18	\$0.82
Total cost (C3) (per lb)	\$2.37	\$0.94	\$1.86	\$1.25
<b>Las Cruces</b>				
Cash cost (C1) (per lb)	\$2.46	\$1.12	\$2.32	\$0.93
<b>Çayeli</b>				
Cash cost (C1) (per lb)	\$1.15	\$1.07	\$1.10	\$1.32
<b>Pyhäsalmi</b>				
Cash cost (C1) (per lb)	\$1.86	\$1.82	\$1.18	\$1.35

<sup>1</sup> 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.