Management's Discussion and Analysis
For the three and six months ended June 30, 2023

This management's discussion and analysis ("MD&A") has been prepared as of August 2, 2023 and should be read in conjunction with the Company's condensed interim consolidated financial statements for the three and six months ended June 30, 2023. Those financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Reporting. The Company's presentation currency is United States ("US") dollars. Reference herein of $ or USD is to United States dollars, ARS is to Argentine pesos, BRL is to Brazilian reais, C$ is to Canadian dollars, CLP is to Chilean pesos, € refers to euros, and SEK is to Swedish kronor.

About Lundin Mining

Lundin Mining Corporation ("Lundin Mining" or the "Company") is a diversified Canadian base metals mining company with projects and operations in Argentina, Brazil, Chile, Portugal, Sweden, and the United States of America, primarily producing copper, zinc, gold and nickel.

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Cautionary Statement on Forward-Looking Information

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of applicable Canadian securities laws. All statements other than statements of historical facts included in this document constitute forward-looking information, including but not limited to statements regarding the Company's plans, prospects and business strategies; the Company's guidance on the timing and amount of future production and its expectations regarding the results of operations; expected costs; permitting requirements and timelines; timing and possible outcome of pending litigation; the results of any Preliminary Economic Assessment, Feasibility Study, or Mineral Resource and Mineral Reserve estimations, life of mine estimates, and mine and mine closure plans; anticipated market prices of metals, currency exchange rates, and interest rates; the development and implementation of the Company's Responsible Mining Management System; the Company's ability to comply with contractual and permitting or other regulatory requirements; anticipated exploration and development activities at the Company's projects; the Company's integration of acquisitions and any anticipated benefits thereof, including the Caserones transaction; and expectations for other economic, business, and/or competitive factors. Words such as "believe", "expect", "anticipate", "contemplate", "target", "plan", "goal", "aim", "intend", "continue", "budget", "estimate", "may", "will", "can", "could", "should", "schedule" and similar expressions identify forward-looking statements.

Forward-looking information is necessarily based upon various estimates and assumptions including, without limitation, the expectations and beliefs of management, including that the Company can access financing, appropriate equipment and sufficient labour; assumed and future price of copper, nickel, zinc, gold and other metals; anticipated costs; ability to achieve goals; the prompt and effective integration of acquisitions; that the political environment in which the Company operates will continue to support the development and operation of mining projects; and assumptions related to the factors set forth below. While these factors and assumptions are considered reasonable by Lundin Mining as at the date of this document in light of management's experience and perception of current conditions and expected developments, these statements are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements and undue reliance should not be placed on such statements and information. Such factors include, but are not limited to: global financial conditions, market volatility and inflation, including pricing and availability of key supplies and services; risks inherent in mining including but not limited to risks to the environment, industrial accidents, catastrophic equipment failures, unusual or unexpected geological formations or unstable ground conditions, and natural phenomena such as earthquakes, flooding or unusually severe weather; uninsurable risks; project financing risks, liquidity risks and limited financial resources; volatility and fluctuations in metal and commodity demand and prices; delays or the inability to obtain, retain or comply with permits; significant reliance on a single asset; reputation risks related to negative publicity with respect to the Company or the mining industry in general; health and safety risks; risks relating to the development of the Josemaria Project; inability to attract and retain highly skilled employees; risks associated with climate change; compliance with environmental, health and safety laws and regulations; unavailable or inaccessible infrastructure, infrastructure failures, and risks related to ageing infrastructure; risks inherent in and/or associated with operating in foreign countries and emerging markets, including with respect to foreign exchange and capital controls; economic, political and social instability and mining regime changes in the Company's operating jurisdictions, including but not limited to those related to permitting and approvals, environmental and tailings management, labour, trade relations, and transportation; risks relating to indebtedness; the inability to effectively compete in the industry; risks associated with acquisitions and related integration efforts, including the ability to achieve anticipated benefits, unanticipated difficulties or expenditures relating to integration and diversion of management time on integration, including with respect to the Caserones transaction; changing taxation regimes; risks related to mine closure activities, reclamation obligations, environmental liabilities and closed and historical sites; reliance on key personnel and reporting and oversight systems, as well as third parties and consultants in foreign jurisdictions; information technology and cybersecurity risks; risks associated with the estimation of Mineral Resources and Mineral Reserves and the geology, grade and continuity of mineral deposits including but not limited to models relating thereto; actual ore mined and/or metal recoveries varying from Mineral Resource and Mineral Reserve estimates, estimates of grade, tonnage, dilution, mine plans and metallurgical and other characteristics; ore processing efficiency; community and stakeholder opposition; financial projections, including estimates of future expenditures and cash costs, and estimates of future production may not be reliable; enforcing legal rights in foreign jurisdictions; environmental and regulatory risks associated with the structural stability of waste rock dumps or tailings storage facilities; activist shareholders and proxy solicitation matters; risks relating to dilution; regulatory investigations, enforcement, sanctions and/or related or other litigation; risks relating to payment of dividends; counterparty and customer concentration risks; the estimation of asset carrying values; risks associated with the use of derivatives; relationships with employees and contractors, and the potential for and effects of labour disputes or other unanticipated difficulties with or shortages of labour or interruptions in production; conflicts of interest; existence of a significant shareholder; exchange rate fluctuations; challenges or defects in title; internal controls; compliance with foreign laws; potential for the allegation of fraud and corruption involving the Company, its customers, suppliers or employees, or the allegation of improper or discriminatory employment practices, or human rights violations; the threat associated with outbreaks of viruses and infectious diseases; risks relating to minor elements contained in concentrate products; and other risks and uncertainties, including but not limited to those described in the "Risk and Uncertainties" section of the Company's Annual Information Form and the "Managing Risks" section of the Company's MD&A for the year ended December 31, 2022, which are available on SEDAR at www.sedar.com under the Company's profile.

All of the forward-looking statements made in this document are qualified by these cautionary statements. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, forecast or intended and readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking information. Accordingly, there can be no assurance that forward-looking information will prove to be accurate and forward-looking information is not a guarantee of future performance. Readers are advised not to place undue reliance on forward-looking information. The forward-looking information contained herein speaks only as of the date of this document. The Company disclaims any intention or obligation to update or revise forward-looking information or to explain any material difference between such and subsequent actual events, except as required by applicable law.

Highlights

For the quarter ended June 30, 2023 the Company generated revenue of $588.5 million (Q2 2022 - $590.2 million), gross profit of $52.8 million (Q2 2022 - $46.0 million) and adjusted EBITDA[1] of $162.2 million (Q2 2022 - $148.6 million).

Overall, the operations performed well during the second quarter of 2023 and the Company remains on track to achieve production guidance.

Operational Performance

Candelaria (80% owned): Candelaria produced 36,952 tonnes of copper, and approximately 21,000 ounces of gold in concentrate on a 100% basis in the quarter. Copper production was lower than the prior year quarter due to grades partially offset by higher throughput. Gold production was lower than the prior year quarter due to recoveries. Current quarter production costs and copper cash cost[1] of $2.14/lb were higher than the prior year quarter largely owing to higher contractor and maintenance costs. Cash cost was further impacted by lower sales volumes.

Chapada (100% owned): Chapada produced 10,697 tonnes of copper and approximately 13,000 ounces of gold in concentrate in the quarter. Copper production was higher than the prior year quarter primarily due to higher recoveries in the quarter. Current quarter production for both metals was better than the first quarter of 2023, due to higher grades and recoveries. In aggregate, production costs were higher than the prior year comparable quarter due to higher sales volumes achieved, while the higher sales volumes also led to improvement on a unit basis with a copper cash cost of $2.69/lb for the quarter.

Eagle (100% owned): During the quarter Eagle produced 4,686 tonnes of nickel and 3,881 tonnes of copper which were lower than the prior year quarter due to lower grades and lower throughput. Production costs were lower than the comparable prior year quarter due to lower consumable costs. Nickel cash cost in the quarter of $1.88/lb was higher than the prior year quarter due primarily to lower by-product copper price and lower sales volumes.

Neves-Corvo (100% owned): Neves-Corvo produced 7,610 tonnes of copper for the quarter and 24,177 tonnes of zinc. Copper production was lower than the prior year comparable quarter, due to lower grades, while zinc production was higher primarily due to increased throughput and recoveries driven by the ramp-up of the Zinc Expansion Project ("ZEP"). Production costs were comparable to the prior year quarter. Copper cash cost of $3.99/lb was higher than the prior year quarter due primarily to lower copper sales volumes.

Zinkgruvan (100% owned): Zinc production of 11,938 tonnes and lead production of 3,816 tonnes were lower than the prior year quarter due to lower throughput due to a shut-down of the mill to perform the planned implementation of the sequential flotation circuit. Copper production of 917 tonnes was higher than the prior year quarter due to higher grades. Production costs were lower than the prior year quarter due to lower mine and mill costs. Zinc cash cost of $0.24/lb was lower than the prior year quarter due to lower production costs.

Total Production[a]

	2023			2022				
(contained metal)	**YTD**	**Q2**	Q1	**Total**	Q4	Q3	Q2	Q1
Copper (t)[b]	**121,519**	**60,057**	61,462	**249,659**	56,552	63,930	64,096	65,081
Zinc (t)	**84,668**	**36,115**	48,553	**158,938**	44,308	40,327	41,912	32,391
Gold (koz)[b]	**70**	**34**	36	**154**	36	45	39	34
Nickel (t)	**8,410**	**4,686**	3,724	**17,475**	4,096	4,379	4,719	4,281

a - Tonnes (t) and thousands of ounces (koz)
b - Candelaria's production is on a 100% basis

[1] This is a non-GAAP measure - see section "Non-GAAP and Other Performance Measures" of this MD&A for discussion.

Corporate Updates

- On July 10, 2023, the Company published its 2022 Sustainability Report.

- On July 13, 2023, the Company announced the closing of the acquisition of 51% of the issued and outstanding equity of SCM Minera Lumina Copper Chile ("Lumina Copper"), which owns the Caserones copper-molybdenum mine ("Caserones") located in Chile. The Company paid an aggregate of approximately $800 million in cash consideration at closing. Remaining deferred cash consideration of $150 million will be payable in installments over the six-year period following the closing date. Lundin Mining also has the right to acquire up to an additional 19% interest in Lumina Copper for $350 million over a five-year period commencing on the first anniversary of the date of closing. A technical report for the Caserones mine titled "Caserones Mining Operation, Chile, NI 43-101 Technical Report on the Caserones Mining Operation" was filed under the Company's profile.

- On July 27, 2023, the Company announced it had obtained a three-year term loan ("Term Loan") in a principal amount of $800 million with an additional $400 million accordion and closing of up to an additional 19% interest in Lumina Copper.

Financial Performance

- Gross profit for the quarter ended June 30, 2023 was $52.8 million, an increase of $6.8 million and largely comparable to the prior year quarter. On a year-to-date basis, gross profit for the period ended June 30, 2023 was $266.2 million and was lower than the prior year period due to lower sales volumes and lower metal prices.

- For the three months ended June 30, 2023, net earnings of $61.3 million were $109.9 million higher than the prior year quarter due primarily to lower general exploration and business development costs and lower income taxes. On a year-to-date basis net earnings of $226.6 million were lower than the prior year period due to lower gross profit resulting from lower realized prices, partially offset by lower taxes.

- Adjusted earnings[1] for the three months ended June 30, 2023, of $16.0 million were $51.3 million higher than the adjusted loss of the prior year quarter due to the same factors as the change in net earnings described above. On a year-to-date basis adjusted earnings of $141.7 million were lower than the prior year period due to lower gross profit partially offset by lower income taxes.

Financial Position and Financing

- Cash and cash equivalents as at June 30, 2023 was $190.2 million. Cash flow from operations of $194.8 million was used to fund investing activities of $283.5 million. Cash from financing activities was $99.9 million which was comprised primarily of the proceeds from debt on a net basis partially offset by dividends paid to shareholders. Cash and cash equivalents remained relatively unchanged during the six months ended June 30, 2023.

- As at June 30, 2023, the Company had a net debt[1] balance of $229.8 million.

- As at August 2, 2023, the Company had cash and net debt balances of approximately $270.0 million and $930.0 million, respectively. The net debt increase was attributable to debt financing of the acquisition of Caserones.

[1] This is a non-GAAP measure - see section "Non-GAAP and Other Performance Measures" of this MD&A for discussion.

Outlook

Overall, the operations performed well during the second quarter of 2023. The Company is currently tracking to the midpoint or higher for copper, gold and nickel guidance and the lower end for zinc. Production continues to be weighted to the second half of the year. Candelaria and Eagle production is forecast to be modestly weighted to the second half of the year, primarily owing to mine sequencing and the resultant grade profiles. Chapada production is forecast to be weighted to the second half of the year due to the first half seasonal operating considerations and forecast grade and recovery profiles.

Expected cash costs remain consistent with reported guidance for Candelaria, Caserones and Neves-Corvo. Chapada's cash cost guidance range has been improved to $2.35 - $2.55/lb of copper, reflecting lower pricing of consumables. Eagle's forecast nickel cash cost guidance has been increased to $2.30 - $2.45/lb of nickel. While Eagle's overall operating costs remain consistent with the Company's previous expectations, nickel cash cost guidance has been increased primarily driven by lower by-product credits, mainly pricing. Zinkgruvan's cash cost guidance has been improved to $0.45 - $0.50/lb of zinc, reflecting greater by-product credits.

A reduction in capital expenditure guidance is expected for the remainder of the year as timing of several projects at Candelaria have been deferred into next year. At Josemaria, foreign exchange, a delay in planned equipment deliveries and reduced activities have lowered capital spend guidance.

2023 Production and Cash Cost Guidance

		Guidance[a]		Revised Guidance	
(contained metal)		**Production**	**Cash Cost ($/lb)[b]**	**Production**	**Cash Cost ($/lb)[b]**
Copper (t)	Candelaria (100%)	145,000 – 155,000	1.80 – 1.95[c]	145,000 – 155,000	1.80 – 1.95[c]
	Caserones (100%)[e]	60,000 – 65,000	2.30 – 2.45	60,000 – 65,000	2.30 – 2.45
	Chapada	43,000 – 48,000	2.55 – 2.75[d]	43,000 – 48,000	**2.35 – 2.55[d]**
	Eagle	12,000 – 15,000		12,000 – 15,000	
	Neves-Corvo	33,000 – 38,000	2.10 – 2.30[c]	33,000 – 38,000	2.10 – 2.30[c]
	Zinkgruvan	3,000 – 4,000		3,000 – 4,000	
	Total	296,000 – 325,000		296,000 – 325,000	
Zinc (t)	Neves-Corvo	100,000 – 110,000		100,000 – 110,000	
	Zinkgruvan	80,000 – 85,000	0.60 – 0.65[c]	80,000 – 85,000	**0.45 – 0.50[c]**
	Total	180,000 – 195,000		180,000 – 195,000	
Molybdenum (t)	Caserones (100%)[e]	1,500 – 2,000		1,500 – 2,000	
Gold (koz)	Candelaria (100%)	85 – 90		85 – 90	
	Chapada	55 – 60		55 – 60	
	Total	140 – 150		140 – 150	
Nickel (t)	Eagle	13,000 – 16,000	1.50 – 1.65	13,000 – 16,000	**2.30 – 2.45**

a. Guidance as outlined in the MD&A for the year ended December 31, 2022 and for Caserones as outlined in the news release "Lundin Mining Announces Closing of the Acquisition of Majority Interest in Caserones Copper-Molybdenum Mine in Chile and Commitments for New $800 Million Term Loan" provided on July 13, 2023.
b. Cash costs are based on various assumptions and estimates, including but not limited to: production volumes, commodity prices (Cu: $3.75/lb, Zn: $1.30/lb, Mo: $20.00/lb Pb: $0.90/lb, Au: $1,850/oz), foreign exchange rates (€/USD:1.00, USD/SEK:10.50, USD/CLP:800, USD/BRL:5.00) and production costs for the remainder of 2023.
c. 68% of Candelaria's total gold and silver production are subject to a streaming agreement and silver production at Zinkgruvan and Neves-Corvo are also subject to streaming agreements. Cash costs are calculated based on receipt of approximately $425/oz gold and $4.25/oz to $4.57/oz silver.
d. Chapada cash cost is calculated on a by-product basis and does not include the effects of its copper stream agreements. Effects of the copper stream agreements are reflected in copper revenue and will impact realized price per pound.
e. Caserones guidance is for the entire second half of 2023.

2023 Capital Expenditure Guidance[b]

($ millions)	Guidance[a]	Revisions	Revised Guidance
Candelaria (100% basis)	400	**(25)**	**375**
Caserones (100% basis)[c]	110	—	110
Chapada	70	—	70
Eagle	20	—	20
Neves-Corvo	130	—	130
Zinkgruvan	70	—	70
Other	10	—	10
Total Sustaining	**810**	**(25)**	**785**
Expansionary - Josemaria	400	**(50)**	**350**
Total Capital Expenditures	**1,210**	**(75)**	**1,135**

a. Guidance as outlined in the MD&A for the year ended December 31, 2022 and for Caserones as outlined in the news release "Lundin Mining Announces Closing of the Acquisition of Majority Interest in Caserones Copper-Molybdenum Mine in Chile and Commitments for New $800 Million Term Loan" provided on July 13, 2023.

b. Sustaining capital expenditure is a supplementary financial measure and expansionary capital expenditure is a non-GAAP measure – see Section "Non-GAAP and Other Performance Measures" of this MD&A for discussion.

c. Caserones guidance is for entire second half of 2023.

2023 Exploration Investment Guidance

Total exploration expenditures are on target to be $45.0 million in 2023, unchanged from previous guidance.

Selected Quarterly Financial Information[1]

($ millions, except share and per share amounts)	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
Revenue	**588.5**	590.2	**1,339.9**	1,581.3
Costs of goods sold:				
Production costs	**(405.2)**	(402.2)	**(823.0)**	(784.6)
Depreciation, depletion and amortization	**(130.5)**	(142.0)	**(250.8)**	(271.9)
Gross profit	**52.8**	46.0	**266.2**	524.8
Net earnings (loss) attributable to:				
Lundin Mining shareholders	**59.1**	(52.6)	**205.7**	292.5
Non-controlling interests	**2.2**	4.0	**20.9**	37.0
Net earnings (loss)	**61.3**	(48.6)	**226.6**	329.5
Adjusted earnings (loss)[3]	**16.0**	(35.3)	**141.7**	260.3
Adjusted EBITDA[3]	**162.2**	148.6	**499.1**	736.4
Cash flow from operations	**194.8**	366.4	**406.7**	683.7
Adjusted operating cash flow[3]	**110.6**	49.7	**345.7**	522.6
Free cash flow from operations	**20.7**	266.3	**91.8**	461.1
Free cash flow[3]	**(84.6)**	149.1	**(118.8)**	321.5
Capital expenditures[4]	**279.9**	217.3	**526.0**	362.2
Per share amounts:				
Basic and diluted earnings (loss) per share ("EPS") attributable to shareholders	**0.08**	(0.07)	**0.27**	0.39
Adjusted EPS	**0.02**	(0.05)	**0.18**	0.35
Adjusted operating cash flow per share[3]	**0.14**	0.06	**0.45**	0.70
Dividends declared (C$/share)	**0.09**	0.09	**0.18**	0.29

	June 30, 2023	December 31, 2022
Total assets	**8,441.8**	8,172.8
Total debt and lease liabilities	**415.0**	197.3
Net debt[3]	**(229.8)**	(10.9)

Summary of Quarterly Results[1,2,5]

($ millions, except per share data)	Q2-23	Q1-23	Q4-22	Q3-22	Q2-22	Q1-22	Q4-21	Q3-21
Revenue	588.5	751.3	811.4	648.5	590.2	991.1	1,018.6	756.4
Gross profit	52.8	213.3	155.2	82.5	46.0	478.8	433.2	303.9
Net earnings (loss)	61.3	165.3	145.3	(11.2)	(48.6)	378.1	266.1	190.6
- attributable to shareholders	59.1	146.6	145.6	(11.2)	(52.6)	345.1	228.8	173.7
Adjusted earnings (loss)[3]	16.0	125.7	191.5	30.9	(35.3)	295.6	281.5	168.4
Adjusted EBITDA[3]	162.2	336.9	353.7	202.4	148.6	587.8	623.0	411.3
EPS - Basic and Diluted	0.08	0.19	0.19	(0.01)	(0.07)	0.47	0.31	0.24
Adjusted EPS[3]	0.02	0.16	0.25	0.04	(0.05)	0.40	0.38	0.23
Cash flow from operations	194.8	211.9	156.9	36.3	366.4	317.3	384.2	523.1
Adjusted operating cash flow per share[3]	0.14	0.30	0.38	0.23	0.06	0.64	0.65	0.40
Capital expenditures[4]	279.9	246.1	281.2	199.5	217.3	144.9	153.9	133.8

1 Except where otherwise noted, financial data has been prepared in accordance with IFRS as issued by the IASB.
2 The sum of quarterly amounts may differ from year-to-date results due to rounding.
3 This is a non-GAAP measure - see the "Non-GAAP and Other Performance Measures" section of this MD&A for discussion.
4 Capital expenditures are reported on a cash basis, as presented in the consolidated statement of cash flows.
5 Variability in revenues and net earnings is largely driven by metal prices and sales volumes. In recent quarters, net earnings has also been impacted by inflation factors. For further metal price trending discussion, refer to page 21 of this MD&A.

Revenue Overview

Sales Volumes by Payable Metal

(Contained metal)	2023			2022				
	YTD	**Q2**	Q1	Total	Q4	Q3	Q2	Q1
Copper (t)								
Candelaria (100%)	**71,917**	**36,347**	35,570	147,251	33,561	35,587	39,655	38,448
Chapada	**19,236**	**10,164**	9,072	45,563	12,037	12,817	7,905	12,804
Eagle	**5,736**	**2,951**	2,785	14,060	2,672	3,721	4,159	3,508
Neves-Corvo	**14,201**	**6,170**	8,031	31,592	6,351	8,574	8,183	8,484
Zinkgruvan	**1,870**	**1,001**	869	4,428	886	1,570	337	1,635
	112,960	**56,633**	56,327	242,894	55,507	62,269	60,239	64,879
Zinc (t)								
Neves-Corvo	**43,667**	**20,125**	23,542	66,966	20,205	18,770	16,289	11,702
Zinkgruvan	**25,986**	**9,374**	16,612	65,684	17,635	13,722	18,525	15,802
	69,653	**29,499**	40,154	132,650	37,840	32,492	34,814	27,504
Gold (koz)								
Candelaria (100%)	**45**	**23**	22	83	20	20	22	21
Chapada	**22**	**11**	11	65	17	23	10	15
	67	**34**	33	148	37	43	32	36
Nickel (t)								
Eagle	**6,594**	**3,859**	2,735	14,427	3,239	3,715	4,206	3,267
Lead (t)								
Neves-Corvo	**1,920**	**881**	1,039	2,908	673	654	818	763
Zinkgruvan	**10,422**	**4,944**	5,478	30,163	7,654	7,502	10,163	4,844
	12,342	**5,825**	6,517	33,071	8,327	8,156	10,981	5,607
Silver (koz)								
Candelaria (100%)	**628**	**333**	295	1,442	278	305	412	447
Chapada	**60**	**29**	31	156	50	32	26	48
Eagle	**10**	**4**	6	34	9	9	9	7
Neves-Corvo	**329**	**158**	171	552	92	117	152	191
Zinkgruvan	**730**	**331**	399	2,088	551	532	650	355
	1,757	**855**	902	4,272	980	995	1,249	1,048

Revenue Analysis

by Mine	Three months ended June 30, 2023		2022		Change	Six months ended June 30, 2023		2022		Change
($ thousands)	$	%	$	%	$	$	%	$	%	$
Candelaria (100%)	**290,426**	50	261,999	44	28,427	**670,831**	50	719,545	46	(48,714)
Chapada	**94,721**	16	57,260	10	37,461	**205,839**	15	216,865	14	(11,026)
Eagle	**105,250**	18	106,828	18	(1,578)	**174,670**	13	256,697	16	(82,027)
Neves-Corvo	**68,614**	12	93,538	16	(24,924)	**198,017**	15	228,105	14	(30,088)
Zinkgruvan	**29,520**	5	70,596	12	(41,076)	**90,518**	7	160,088	10	(69,570)
	588,531		590,221		(1,690)	**1,339,875**		1,581,300		(241,425)

by Metal	Three months ended June 30, 2023		2022		Change	Six months ended June 30, 2023		2022		Change
($ thousands)	$	%	$	%	$	$	%	$	%	$
Copper	**390,953**	66	350,911	59	40,042	**920,634**	69	1,029,986	65	(109,352)
Zinc	**34,801**	6	87,693	15	(52,892)	**133,952**	10	195,308	12	(61,356)
Gold	**51,007**	9	43,072	7	7,935	**108,075**	8	102,789	7	5,286
Nickel	**80,302**	14	70,876	12	9,426	**122,261**	9	177,666	11	(55,405)
Lead	**11,049**	2	17,383	3	(6,334)	**22,508**	2	29,220	2	(6,712)
Silver	**9,652**	2	10,003	2	(351)	**18,888**	1	23,901	2	(5,013)
Other	**10,767**	1	10,283	2	484	**13,557**	1	22,430	1	(8,873)
	588,531		590,221		(1,690)	**1,339,875**		1,581,300		(241,425)

Revenue for the quarter ended June 30, 2023 amounted to $588.5 million which was comparable to the prior year quarter. On a year-to-date basis revenue was lower than the prior year period primarily as a result of lower sales volumes ($126.6 million) and realized metal prices ($88.9 million).

Revenue from gold and silver for the three and six months ended June 30, 2023 includes the partial recognition of an upfront purchase price on the sale of precious metals streams for Candelaria, Neves-Corvo, and Zinkgruvan as well as the cash proceeds which amount to approximately $425/oz for gold and between $4.25/oz and $4.57/oz for silver.

Chapada's copper revenue includes the recognition of deferred revenue from copper streams acquired with the Chapada mine, as well as the cash proceeds of 30% of the market price of the copper sold under the streams.

Revenue is recorded using the metal price received for sales that settle during the reporting period. For sales that have not been settled, an estimate is used based on the expected month of settlement and the forward price of the metal at the end of the reporting period. The difference between the estimate and the final price received is recognized by adjusting revenue in the period in which the sale is settled. Settlement dates can range from one to six months after shipment.

Provisionally Valued Revenue as of June 30, 2023

Metal	Payable metal	Valued at
Copper	82,405 t	$3.77 /lb
Zinc	27,637 t	$1.08 /lb
Gold	35 koz	$1,929 /oz
Nickel	1,668 t	$9.25 /lb

Quarterly Reconciliation of Realized Prices

	Three months ended June 30, 2023				
($ thousands)	Copper	Zinc	Gold	Nickel	Total
Current period sales[1]	473,543	74,219	65,401	78,486	691,649
Prior period price adjustments	(53,338)	(20,341)	(2,949)	2,039	(74,589)
	420,205	53,878	62,452	80,525	617,060
Other metal sales					46,124
Copper stream cash effect					(4,253)
Gold stream cash effect					(20,923)
Less: Treatment & refining charges					(49,477)
Total Revenue					**588,531**
Payable Metal	**56,633 t**	**29,499 t**	**34 koz**	**3,859 t**	
Current period sales[1,2]	$3.79	$1.14	$1,929	$9.23	
Prior period adjustments[2]	(0.42)	(0.31)	(87)	0.24	
Realized prices[2, 3]	$3.37 /lb	$0.83 /lb	$1,842 /oz	$9.47 /lb	

	Three months ended June 30, 2022				
	Copper	Zinc	Gold	Nickel	Total
Current period sales[1]	502,541	111,814	58,808	102,349	775,512
Prior period price adjustments	(127,376)	(6,432)	(5,652)	(31,525)	(170,985)
	375,165	105,382	53,156	70,824	604,527
Other metal sales					56,114
Copper stream cash effect					(5,244)
Gold stream cash effect					(20,181)
Less: Treatment & refining charges					(44,995)
Total Revenue					**590,221**
Payable Metal	60,239 t	34,814 t	32 koz	4,206 t	
Current period sales[1,2]	$3.78	$1.46	$1,825	$11.04	
Prior period adjustments[2]	(0.96)	(0.09)	(176)	(3.40)	
Realized prices[2, 3]	$2.82 /lb	$1.37 /lb	$1,649 /oz	$7.64 /lb	

1. Includes provisional price adjustments on current period sales.

2. This is a non-GAAP measure – see the "Non-GAAP and Other Performance Measures" section of this MD&A for discussion.

3. The realized price for copper inclusive of the impact of streaming agreements for the three months ended June 30, 2023 is $3.34/lb (2022: $2.78/lb). The realized price for gold inclusive of the impact of streaming agreements for the three months ended June 30, 2023 is $1,225/oz (2022: $1,023/oz).

Year-to-Date Reconciliation of Realized Prices

	Six months ended June 30, 2023				
($ thousands)	**Copper**	**Zinc**	**Gold**	**Nickel**	**Total**
Current period sales[1]	949,919	176,090	128,960	143,244	1,398,213
Prior period price adjustments	28,168	1,160	1,145	(18,322)	12,151
	978,087	177,250	130,105	124,922	1,410,364
Other metal sales					87,177
Copper stream cash effect					(10,763)
Gold stream cash effect					(41,519)
Less: Treatment & refining charges					(105,384)
Total Revenue					**1,339,875**
Payable Metal	**112,960 t**	**69,653 t**	**66 koz**	**6,594 t**	
Current period sales[1,2]	$3.81	$1.15	$1,939	$9.85	
Prior period adjustments[2]	0.12	0.00	17	(1.26)	
Realized prices[2, 3]	$3.93 /lb	$1.15 /lb	$1,956 /oz	$8.59 /lb	

	Six months ended June 30, 2022				
	Copper	**Zinc**	**Gold**	**Nickel**	**Total**
Current period sales[1]	1,068,409	218,906	126,088	191,851	1,605,254
Prior period price adjustments	13,057	5,611	(1,670)	(11,754)	5,244
	1,081,466	224,517	124,418	180,097	1,610,498
Other metal sales					111,649
Copper stream cash effect					(12,384)
Gold stream cash effect					(41,289)
Less: Treatment & refining charges					(87,174)
Total Revenue					**1,581,300**
Payable Metal	**125,118 t**	**62,318 t**	**68 koz**	**7,473 t**	
Current period sales[1,2]	$3.87	$1.59	$1,854	$11.64	
Prior period adjustments[2]	0.05	0.04	(24)	(0.71)	
Realized prices[2, 3]	$3.92 /lb	$1.63 /lb	$1,830 /oz	$10.93 /lb	

1. Includes provisional price adjustments on current period sales.
2. This is a non-GAAP measure - see the "Non-GAAP and Other Performance Measures" section of this MD&A for discussion.
3. The realized price for copper inclusive of the impact of streaming agreements for 2023 is $3.89/lb (2022: $3.88/lb). The realized price for gold inclusive of the impact of streaming agreements for 2023 is $1,332/oz (2022: $1,212/oz).

Financial Results

Production Costs

Production costs for the quarter ended June 30, 2023 were $405.2 million and were largely comparable to the prior year quarter. On a year-to-date basis, production costs of $823.0 million was an increase of $38.3 million over the prior year comparable period primarily due to increased contractor and maintenance costs at Candelaria.

Depreciation, Depletion and Amortization

For the three and six months ended June 30, 2023 depreciation, depletion and amortization expense decreased compared to the prior year comparative periods, primarily attributable to an extended life of mine at Eagle and reduced Candelaria deferred stripping amortization.

Depreciation, depletion & amortization	**Three months ended June 30,**			**Six months ended June 30,**		
($ thousands)	**2023**	2022	Change	**2023**	2022	Change
Candelaria	**69,696**	75,911	(6,215)	**128,071**	144,020	(15,949)
Chapada	**14,989**	8,473	6,516	**27,070**	19,590	7,480
Eagle	**12,670**	21,904	(9,234)	**23,821**	38,753	(14,932)
Josemaria	**—**	288	(288)	**38**	—	38
Neves-Corvo	**27,719**	23,979	3,740	**57,799**	44,824	12,975
Zinkgruvan	**4,913**	11,030	(6,117)	**13,000**	23,509	(10,509)
Other	**518**	457	61	**953**	895	58
	130,505	142,042	(11,537)	**250,752**	271,591	(20,839)

General Exploration and Business Development

Total general exploration and business development expenses for the quarter and the six months ended June 30, 2023 were lower than the comparable prior year periods due mainly to project investigation costs incurred in 2022 related to the Josemaria Project.

During the current quarter, exploration costs were spent primarily on in-mine and near-mine targets at the Company's operations. Geophysical surveys were conducted at Chapada, Eagle and Zinkgruvan. Drilling at Candelaria was divided between Ojos district and Candelaria Underground with six rigs. Exploration drilling at Neves-Corvo and Zinkgruvan was primarily focused along near-mine mineralized trends; Drilling at Chapada has primarily focused on Saúva and the Chapada District with four drill rigs operating during the quarter. Drilling at Eagle commenced during the second quarter with geophysical targeting support which will continue into the third quarter.

Other Income

Net other income for the quarter and six months ended June 30, 2023 increased compared to the prior year comparable periods due to foreign exchange, trading gains on debt and equity investments and gains on foreign currency contracts. This was partially offset by Ojos del Salado sinkhole expenses and a comparatively lower gain on disposal in the current year related to a subsidiary sold in a prior period.

Foreign exchange gains and losses recorded in other income primarily resulted from foreign exchange revaluation of working capital denominated in foreign currencies. Period end exchange rates having a meaningful impact on foreign exchange recorded at June 30, 2023 were:

	June 30, 2023	March 31, 2023	December 31, 2022
Brazilian Real (USD:BRL)	**4.82**	5.08	5.22
Chilean Peso (USD:CLP)	**803**	789	860
Euro (USD:€)	**0.92**	0.92	0.94
Swedish Kronor (USD:SEK)	**10.85**	10.35	10.44
Argentine Peso (USD:ARS)	**256**	209	177

Income Taxes

Income tax (recovery) expense	Three months ended June 30,			Six months ended June 30,		
($ thousands)	**2023**	2022	Change	**2023**	2022	Change
Candelaria	**3,732**	5,421	(1,689)	**46,279**	78,390	(32,111)
Chapada	**(15,864)**	27,265	(43,129)	**(21,213)**	(416)	(20,797)
Eagle	**3,539**	2,396	1,143	**3,546**	16,158	(12,612)
Josemaria	**678**	982	(304)	**678**	982	(304)
Neves-Corvo	**(10,617)**	(2,405)	(8,212)	**(9,345)**	4,706	(14,051)
Zinkgruvan	**2,286**	11,986	(9,700)	**6,265**	23,251	(16,986)
Other	**(3,355)**	3,358	(6,713)	**2,882**	3,138	(256)
	(19,601)	49,003	(68,604)	**29,092**	126,209	(97,117)

Income taxes by classification	Three months ended June 30,			Six months ended June 30,		
($ thousands)	**2023**	2022	Change	**2023**	2022	Change
Current income tax	**27,213**	75,649	(48,436)	**86,714**	171,187	(84,473)
Deferred income tax recovery	**(46,814)**	(26,646)	(20,168)	**(57,622)**	(44,978)	(12,644)
	(19,601)	49,003	(68,604)	**29,092**	126,209	(97,117)

Income tax (recovery) expense for the three and six months ended June 30, 2023 was lower than the prior year comparable periods due primarily to lower taxable earnings. Included in Chapada's income taxes for the current quarter was a $16.0 million recovery and $22.0 million recovery on a year-to-date basis recorded for deferred tax on revaluation of non-monetary assets and translation of deferred taxes (Q2 2022 – $23.1 million expense, YTD 2022 - $11.9 million recovery).

Mining Operations

Production Overview

(Contained metal in concentrate)	2023			2022				
	YTD	**Q2**	Q1	Total	Q4	Q3	Q2	Q1
Copper (t)								
Candelaria (100%)	**76,119**	**36,952**	39,167	152,042	34,398	37,192	40,949	39,503
Chapada	**20,561**	**10,697**	9,864	45,739	11,306	13,988	10,345	10,100
Eagle	**7,021**	**3,881**	3,140	15,895	3,081	3,994	4,400	4,420
Neves-Corvo	**15,184**	**7,610**	7,574	31,906	7,160	7,019	7,867	9,860
Zinkgruvan	**2,634**	**917**	1,717	4,077	607	1,737	535	1,198
	121,519	**60,057**	61,462	249,659	56,552	63,930	64,096	65,081
Zinc (t)								
Neves-Corvo	**51,970**	**24,177**	27,793	82,435	24,523	22,514	20,647	14,751
Zinkgruvan	**32,698**	**11,938**	20,760	76,503	19,785	17,813	21,265	17,640
	84,668	**36,115**	48,553	158,938	44,308	40,327	41,912	32,391
Gold (koz)								
Candelaria (100%)	**45**	**21**	24	86	20	21	23	22
Chapada	**25**	**13**	12	68	16	24	16	12
	70	**34**	36	154	36	45	39	34
Nickel (t)								
Eagle	**8,410**	**4,686**	3,724	17,475	4,096	4,379	4,719	4,281
Lead (t)								
Neves-Corvo	**2,123**	**951**	1,172	3,306	845	743	925	793
Zinkgruvan	**11,223**	**3,816**	7,407	30,517	7,619	7,046	9,124	6,728
	13,346	**4,767**	8,579	33,823	8,464	7,789	10,049	7,521
Silver (koz)								
Candelaria (100%)	**713**	**366**	347	1,595	306	337	457	495
Chapada	**118**	**62**	56	258	65	75	60	58
Eagle	**28**	**11**	17	93	20	20	26	27
Neves-Corvo	**843**	**407**	436	1,383	370	323	346	344
Zinkgruvan	**1,006**	**374**	632	2,621	663	642	739	577
	2,708	**1,220**	1,488	5,950	1,424	1,397	1,628	1,501

Production Cost and Cash Cost Overview ($ thousand, $/lb)

	Three months ended June 30,		Six months ended June 30,	
($ thousands)	**2023**	2022	**2023**	2022
Candelaria				
Production costs	**$184,958**	$168,164	**$372,937**	$320,973
Gross cost	**2.51**	2.08	**2.54**	2.02
By-product[1]	**(0.37)**	(0.22)	**(0.36)**	(0.30)
Cash Cost (Cu, $/lb)	**2.14**	1.86	**2.18**	1.72
AISC (Cu, $/lb)[2]	**3.76**	2.89	**3.60**	2.75
Chapada				
Production costs	**$80,113**	$71,507	**$148,747**	$151,184
Gross cost	**3.72**	4.12	**3.63**	3.33
By-product	**(1.03)**	(1.14)	**(1.09)**	(1.07)
Cash Cost (Cu, $/lb)	**2.69**	2.98	**2.54**	2.26
AISC (Cu, $/lb)	**3.80**	5.00	**3.62**	3.49
Eagle				
Production cost	**$45,735**	$55,128	**$91,184**	$94,686
Gross cost	**4.81**	4.78	**5.71**	4.76
By-product	**(2.93)**	(3.88)	**(3.60)**	(4.80)
Cash Cost (Ni, $/lb)	**1.88**	0.90	**2.11**	(0.04)
AISC (Ni, $/lb)	**3.34**	2.93	**4.09**	2.17
Neves-Corvo				
Production costs	**$76,080**	$77,788	**$161,806**	$156,258
Gross cost	**5.96**	4.61	**5.45**	4.47
By-product	**(1.97)**	(2.22)	**(2.76)**	(2.43)
Cash Cost (Cu, $/lb)	**3.99**	2.39	**2.69**	2.04
AISC (Cu, $/lb)	**5.73**	3.14	**4.35**	3.03
Zinkgruvan				
Production costs	**$17,786**	$29,066	**$46,691**	$60,254
Gross cost	**1.13**	0.93	**1.07**	0.99
By-product	**(0.89)**	(0.49)	**(0.64)**	(0.63)
Cash Cost (Zn, $/lb)	**0.24**	0.44	**0.43**	0.36
AISC (Zn, $/lb)	**1.06**	0.82	**1.00**	0.70

1. By-product is after related treatment and refining charges.

2. All-in Sustaining Cost ("AISC") is a non-GAAP measure, see the "Non-GAAP and Other Performance Measures" section of this MD&A for discussion.

Capital Expenditures[1]

	Three months ended June 30,							
	2023				2022			
($ thousands)	Sustaining	Expansionary	Capitalized Interest	**Total**	Sustaining	Expansionary	Capitalized Interest	Total
Candelaria	123,417	—	—	**123,417**	86,107	—	—	86,107
Chapada	19,690	—	—	**19,690**	29,760	—	—	29,760
Eagle	3,562	—	—	**3,562**	2,923	—	—	2,923
Josemaria	—	91,650	443	**92,093**	—	54,934	—	54,934
Neves-Corvo	22,133	—	—	**22,133**	13,760	10,669	—	24,429
Zinkgruvan	15,994	—	—	**15,994**	14,083	—	—	14,083
Other	3,024	—	—	**3,024**	5,032	—	—	5,032
	187,820	91,650	443	**279,913**	151,665	65,603	—	217,268

	Six months ended June 30,							
	2023				2022			
($ thousands)	Sustaining	Expansionary	Capitalized Interest	**Total**	Sustaining	Expansionary	Capitalized Interest	Total
Candelaria	214,103	—	—	**214,103**	169,071	—	—	169,071
Chapada	35,717	—	—	**35,717**	44,215	—	—	44,215
Eagle	10,664	—	—	**10,664**	7,383	—	—	7,383
Josemaria	—	182,169	479	**182,648**	—	54,934	—	54,934
Neves-Corvo	47,194	—	—	**47,194**	33,276	24,823	—	58,099
Zinkgruvan	30,462	—	—	**30,462**	23,122	—	—	23,122
Other	5,244	—	—	**5,244**	5,356	—	—	5,356
	343,384	182,169	479	**526,032**	282,423	79,757	—	362,180

1. Capital expenditures are reported on a cash basis, as presented in the condensed interim consolidated statement of cash flows. Sustaining capital expenditure is supplementary financial measure and expansionary capital expenditure is a non-GAAP measure – see the "Non-GAAP and Other Performance Measures" section of this MD&A for discussion.

Candelaria (Chile)

Operating Statistics

	2023			2022				
(100% Basis)	**YTD**	**Q2**	Q1	Total	Q4	Q3	Q2	Q1
Ore mined (000s tonnes)	**12,796**	**6,194**	6,602	22,666	4,993	6,239	6,362	5,072
Ore milled (000s tonnes)	**14,126**	**6,924**	7,202	26,725	6,593	6,642	6,847	6,643
Grade								
Copper (%)	**0.59**	**0.59**	0.59	0.62	0.57	0.60	0.64	0.65
Gold (g/t)	**0.14**	**0.14**	0.15	0.14	0.13	0.14	0.14	0.14
Recovery								
Copper (%)	**91.9**	**91.1**	92.6	92.7	92.7	93.3	93.0	91.9
Gold (%)	**69.6**	**68.8**	70.3	73.9	74.0	74.6	73.8	73.0
Production (contained metal)								
Copper (tonnes)	**76,119**	**36,952**	39,167	152,042	34,398	37,192	40,949	39,503
Gold (000 oz)	**45**	**21**	24	86	20	21	23	22
Silver (000 oz)	**713**	**366**	347	1,595	306	337	457	495
Revenue ($000s)	**670,831**	**290,426**	380,405	1,317,223	342,348	255,330	261,999	457,546
Production costs ($000s)	**372,937**	**184,958**	187,979	697,171	207,596	168,602	168,164	152,809
Gross profit ($000s)	**169,823**	**35,772**	134,051	335,793	69,285	11,956	17,924	236,628
Cash cost ($ per pound copper)	**2.18**	**2.14**	2.21	1.96	2.52	1.97	1.86	1.58
AISC ($ per pound copper)	**3.60**	**3.76**	3.44	3.22	4.19	3.34	2.89	2.61

Gross Profit

Gross profit for the three months ended June 30, 2023 was higher than the prior year quarter, primarily due to higher net price adjustments for both copper and gold, partially offset by higher production costs. Year-to-date, gross profit was lower than the prior year period due to higher production costs and lower sales volumes.

Production

Copper production for the three and six months ended June 30, 2023 was lower than the prior year quarter and year-to-date period due to lower grades from the open pit, partially offset by higher throughput. Gold production in the current quarter was below the prior year quarter, due to lower recoveries and on a year-to-date basis, gold production was comparable to the prior year period. Annual copper and gold production are on track to achieve guidance.

Production Costs and Cash Cost

Production costs and copper cash cost for the three and six months ended June 30, 2023 were higher than the prior year quarter, mainly due to higher contractor services and higher maintenance costs partially mitigated by contracted lower energy costs. Cash cost was further impacted by lower copper sales volumes. Annual copper cash cost guidance has remained unchanged from previous guidance. AISC for the three and six months ended June 30, 2023 were higher than the prior year periods due to higher cash cost and higher sustaining capital expenditures.

For the six months ended June 30, 2023, approximately 29,000 oz of gold and 426,000 oz of silver were subject to terms of a streaming agreement from which approximately $425/oz of gold and $4.25/oz of silver will be received.

Chapada (Brazil)

Operating Statistics

	2023			2022				
(100% Basis)	**YTD**	**Q2**	Q1	Total	Q4	Q3	Q2	Q1
Ore mined (000s tonnes)	**13,643**	**7,522**	6,121	26,319	7,801	7,404	4,875	6,239
Ore milled (000s tonnes)	**11,183**	**5,207**	5,976	22,752	5,296	6,345	5,670	5,441
Grade								
Copper (%)	**0.24**	**0.26**	0.23	0.26	0.25	0.28	0.25	0.23
Gold (g/t)	**0.14**	**0.14**	0.13	0.16	0.16	0.19	0.17	0.13
Recovery								
Copper (%)	**76.8**	**80.3**	73.3	78.6	83.4	78.8	72.9	79.6
Gold (%)	**50.9**	**54.1**	48.0	56.0	59.5	58.3	50.6	55.3
Production (contained metal)								
Copper (tonnes)	**20,561**	**10,697**	9,864	45,739	11,306	13,988	10,345	10,100
Gold (000 oz)	**25**	**13**	12	68	16	24	16	12
Silver (000 oz)	**118**	**62**	56	258	65	75	60	58
Revenue ($000s)	**205,839**	**94,721**	111,118	477,927	142,328	118,734	57,260	159,605
Production costs ($000s)	**148,747**	**80,113**	68,634	324,096	84,247	88,665	71,507	79,677
Gross (loss) profit ($000s)	**30,022**	**(381)**	30,403	41,420	(22,522)	17,851	(22,720)	68,811
Cash cost ($ per pound copper)	**2.54**	**2.69**	2.37	2.08	1.95	1.92	2.98	1.82
AISC ($ per pound copper)	**3.62**	**3.80**	3.42	3.36	3.73	2.80	5.00	2.56

Gross (Loss) Profit

Gross loss in the second quarter improved over the prior year quarter, largely due to higher copper price and price adjustments, partially offset by lower sales volumes and higher production costs. Year-to-date, gross profit was lower than the prior year period, due to higher depreciation expense.

Production

Copper production for the three and six months ended June 30, 2023 was higher than the prior year periods due to higher recoveries in the second quarter of 2023. Gold production in the quarter and year-to-date was lower than the prior year periods due to lower grades. Production of both metals in the current quarter were higher than production in the first quarter. Both metals are on track to meet annual production guidance.

Production Costs and Cash Cost

Current quarter production costs were higher than the prior year quarter due primarily to higher volumes sold. Year-to-date, production costs are comparable to the prior year period.

Copper cash cost in the second quarter was better than the prior year quarter due to higher sales volumes. Year-to-date, cash cost was higher than 2022 due to lower sales volumes. Annual cash cost guidance has improved from $2.55 - $2.75/lb to $2.35 - $2.55/lb of copper due lower pricing of consumables. AISC was lower in the current quarter and higher year-to-date, attributable to cash cost movements described above.

Projects

The Company is continuing to evaluate options for long-term mine and plant expansion. Study work is being conducted following comprehensive exploration efforts focused on near-mine targets since acquisition. The results will be incorporated in any future expansionary or optimization plans. During the second quarter, approximately 12,700 metres of exploration drilling were completed, primarily on Saúva area targets.

Eagle (USA)

Operating Statistics

	2023			2022				
(100% Basis)	**YTD**	**Q2**	Q1	Total	Q4	Q3	Q2	Q1
Ore mined (000s tonnes)	**345**	**189**	156	718	165	190	181	182
Ore milled (000s tonnes)	**342**	**181**	161	718	170	187	182	179
Grade								
Nickel (%)	**2.8**	**2.9**	2.6	2.8	2.7	2.7	3.0	2.8
Copper (%)	**2.1**	**2.2**	2.0	2.3	1.9	2.2	2.5	2.5
Recovery								
Nickel (%)	**88.7**	**88.8**	88.5	86.6	88.6	85.5	87.3	85.3
Copper (%)	**97.1**	**97.0**	97.2	97.2	96.8	96.5	97.7	97.6
Production (contained metal)								
Nickel (tonnes)	**8,410**	**4,686**	3,724	17,475	4,096	4,379	4,719	4,281
Copper (tonnes)	**7,021**	**3,881**	3,140	15,895	3,081	3,994	4,400	4,420
Revenue ($000s)	**174,670**	**105,250**	69,420	520,472	157,060	106,715	106,828	149,869
Production costs ($000s)	**91,184**	**45,735**	45,449	193,003	50,581	47,736	55,128	39,558
Gross profit ($000s)	**59,665**	**46,845**	12,820	247,946	87,359	37,329	29,796	93,462
Cash cost ($ per pound nickel)	**2.11**	**1.88**	2.43	0.79	2.40	1.05	0.90	(1.25)
AISC ($ per pound nickel)	**4.09**	**3.34**	5.16	3.01	5.23	2.77	2.93	1.19

Gross Profit

Gross profit for the quarter ended June 30, 2023 was higher than the prior year quarter, primarily due to positive nickel price adjustments as well as lower depreciation expense. Year-to-date, gross profit was lower than the comparable period in 2022, as a result of lower nickel prices and price adjustments and sales volumes.

Production

Nickel and copper production in the current quarter and year-to-date were lower than the prior year comparable periods, due to lower grades and throughput. Production of both metals is trending higher in the current quarter over the first quarter of 2023 and on a year-to-date basis in accordance with expectations. Both metals are on track to meet full year production guidance.

Production Costs and Cash Cost

Production costs in the second quarter and year-to-date were lower than the prior year periods due to lower costs for consumables and royalties. Nickel cash cost in the quarter and year-to-date was higher than the prior year periods due to lower sales volumes and lower copper by-products. Annual cash cost guidance has increased from $1.50 - $1.65/lb to $2.30 - $2.45/lb of nickel due mainly to lower by-product credits. AISC in the second quarter and year-to-date were higher than the prior year periods, due to higher cash cost.

Neves-Corvo (Portugal)

Operating Statistics

	2023			2022				
(100% Basis)	**YTD**	**Q2**	Q1	Total	Q4	Q3	Q2	Q1
Ore mined, copper (000s tonnes)	**1,225**	**622**	603	2,501	611	598	610	682
Ore mined, zinc (000s tonnes)	**981**	**470**	511	1,632	462	447	426	297
Ore milled, copper (000s tonnes)	**1,232**	**628**	604	2,499	607	596	606	690
Ore milled, zinc (000s tonnes)	**975**	**465**	510	1,633	465	449	420	299
Grade								
Copper (%)	**1.6**	**1.6**	1.6	1.7	1.6	1.6	1.7	1.8
Zinc (%)	**6.7**	**6.6**	6.7	6.9	6.9	6.9	6.9	7.0
Recovery								
Copper (%)	**77.4**	**77.0**	77.7	76.1	75.1	73.0	77.0	78.7
Zinc (%)	**77.8**	**76.8**	78.7	70.2	74.3	70.3	68.4	66.1
Production (contained metal)								
Copper (tonnes)	**15,184**	**7,610**	7,574	31,906	7,160	7,019	7,867	9,860
Zinc (tonnes)	**51,970**	**24,177**	27,793	82,435	24,523	22,514	20,647	14,751
Lead (tonnes)	**2,123**	**951**	1,172	3,306	845	743	925	793
Silver (000 oz)	**843**	**407**	436	1,383	370	323	346	344
Revenue ($000s)	**198,017**	**68,614**	129,403	433,486	102,516	102,865	93,538	134,567
Production costs ($000s)	**161,806**	**76,080**	85,726	329,232	78,402	94,572	77,788	78,470
Gross (loss) profit ($000s)	**(21,588)**	**(35,185)**	13,597	2,447	(7,570)	(17,006)	(8,229)	35,252
Cash cost ($ per pound copper)	**2.69**	**3.99**	1.69	2.27	2.32	2.69	2.39	1.70
AISC ($ per pound copper)	**4.35**	**5.73**	3.29	3.40	4.22	3.51	3.14	2.92

Gross (Loss) Profit

Gross loss was higher on a quarter and year-to-date basis compared to 2022, due to lower net zinc prices.

Production

Copper production for the three and six months ended June 30, 2023, was lower than the prior year comparable periods due to lower grades. Zinc production in the quarter and year-to-date was higher than the prior year periods, attributable to higher throughput and better recoveries from the ZEP ramp up. Both metals are expected to achieve annual guidance and are as planned.

Production Costs and Cash Cost

Production costs for the three months ended June 30, 2023, were comparable to the prior year quarter. Year-to-date, production costs were higher than the six months ended June 30, 2022 primarily due to higher zinc sales volumes.

Copper cash cost for the three and six months were higher than the prior year comparable periods due to lower copper sales volumes and higher treatment and refining charges and lower zinc by-product credits in the current quarter. Annual copper cash cost guidance remains unchanged. AISC for the three and six months ended June 30, 2023 were higher than the prior year quarter due to higher cash cost and higher sustaining capital expenditures from mine development.

Zinkgruvan (Sweden)

Operating Statistics

	2023			2022				
(100% Basis)	**YTD**	**Q2**	Q1	Total	Q4	Q3	Q2	Q1
Ore mined, zinc (000s tonnes)	**578**	**268**	310	1,209	325	260	298	326
Ore mined, copper (000s tonnes)	**106**	**51**	55	192	48	61	38	45
Ore milled, zinc (000s tonnes)	**526**	**211**	315	1,234	309	293	327	305
Ore milled, copper (000s tonnes)	**112**	**34**	78	225	26	84	27	88
Grade								
Zinc (%)	**7.1**	**6.6**	7.4	7.0	7.3	6.9	7.3	6.5
Lead (%)	**2.7**	**2.4**	2.9	3.0	3.0	2.9	3.3	2.7
Copper (%)	**2.6**	**3.1**	2.4	2.1	2.6	2.4	2.3	1.6
Recovery								
Zinc (%)	**87.8**	**86.3**	88.7	88.4	88.3	87.5	89.1	88.7
Lead (%)	**80.0**	**76.2**	82.1	82.4	82.2	82.5	83.1	81.7
Copper (%)	**88.9**	**86.1**	90.5	87.1	89.0	86.1	87.7	87.3
Production (contained metal)								
Zinc (tonnes)	**32,698**	**11,938**	20,760	76,503	19,785	17,813	21,265	17,640
Lead (tonnes)	**11,223**	**3,816**	7,407	30,517	7,619	7,046	9,124	6,728
Copper (tonnes)	**2,634**	**917**	1,717	4,077	607	1,737	535	1,198
Silver (000 oz)	**1,006**	**374**	632	2,621	663	642	739	577
Revenue ($000s)	**90,518**	**29,520**	60,998	292,120	67,178	64,854	70,596	89,492
Production costs ($000s)	**46,691**	**17,786**	28,905	115,553	29,590	25,709	29,066	31,188
Gross profit ($000s)	**30,827**	**6,821**	24,006	139,828	29,800	33,703	30,500	45,825
Cash cost ($ per pound)	**0.43**	**0.24**	0.54	0.32	0.32	0.18	0.44	0.27
AISC ($ per pound)	**1.00**	**1.06**	0.97	0.68	0.77	0.50	0.82	0.57

Gross Profit

Gross profit for the three and six months ended June 30, 2023, was lower than the prior year periods due to lower net zinc price combined with lower sales volumes.

Production

Production of zinc and lead in the three and six months ended June 30, 2023 was below the prior year periods, impacted by lower throughput as a result of a shut-down of the mill to perform the planned implementation of the sequential flotation system. In the current quarter, zinc and lead production were also impacted by lower grades and recoveries. Copper production in the current quarter and year-to-date was higher than the prior year periods, due to higher grades. Annual zinc and copper production guidance remains unchanged.

Production Costs and Cash Cost

Production costs for the quarter were lower than the prior year comparable periods due to mainly to lower sales volumes. Year-to-date production costs also benefitted from foreign exchange. Zinc cash cost was lower than the prior year quarter due to lower mine and mill costs. On a year-to-date basis cash cost was higher due to lower sales volumes partially offset by lower production costs and favourable foreign exchange. Full year cash cost guidance has improved from $0.60 - $0.65/lb to $0.45 - $0.50/lb of zinc due to higher by-product credits. AISC for the quarter and year-to-date were higher than the prior year periods due to higher sustaining capital expenditures.

Josemaria Project (Argentina)

Project Development

The Josemaria Project continues to advance in several areas of pre-construction in reducing risks and enhancing the project, for example by advancing government agreements, evaluating inflation and currency devaluation impacts, enhancing mining and production plans and further water, geotechnical and exploration drilling planned for the remainder of 2023.

At Josemaria, the construction of the Phase 1 camp is substantially complete with the exception of the installation of the power supply system and subsequent commissioning of the kitchen. Internal roadwork has also been completed. Site work is now focused on drilling for additional water resources and after the winter in the fourth quarter exploration drilling will commence. The long lead grinding mills started to arrive in Argentina and are scheduled to be moved to San Juan in July with deliveries continuing throughout the remainder of 2023 and into 2024.

Negotiation continues on the San Juan infrastructure agreements for the royalty offset funding of the access road and the power line capital costs with signing of these agreements scheduled after the change in provincial governor determined by the recent July 2nd election. Agreements for the Guandacol access road bypass and road maintenance agreements are nearing completion and work will be proceeding imminently.

Additionally, a work plan was prepared for the remainder of 2023 focusing on de-risking the project and adding value to Josemaria as well as advancing project financing and execution readiness activities. This work involves eight work streams in the categories of mine optimization, throughput and concentrator recovery, concentrate shipping, infrastructure optimization, commercial reviews and project financing, execution readiness and project permitting and government agreements.

During the current quarter, the Company spent $50.6 million, inclusive of foreign exchange and trading gains on debt and equity investments of $30.7 million (Q2 2022 - $29.1 million). Capital expenditures during the current quarter were $91.7 million (Q2 2022 - $54.9 million). On a year-to-date basis the Company spent $141.1 million in project development costs.

Annual capital guidance has been reduced from $400.0 million to $350.0 million to reflect foreign exchange, a delay in planned equipment deliveries and reduced activities.

Josemaria Mineral Resources and Mineral Reserves remain unchanged since the 2020 estimates.

Metal Prices, LME Inventories and Smelter Treatment and Refining Charges

Overall, the average metal prices for quarter and the year-to-date 2023 were lower than the respective comparative periods with the exception of gold. The average metal prices for copper, zinc and nickel for the second quarter of 2023 were all lower than the average prices for the first quarter of 2023 by; 5% copper, 19% zinc and 14% nickel while the average price for gold for the second quarter of 2023 was 5% higher compared to the first quarter.

		Three months ended June 30,			Six months ended June 30,		
(Average LME Price)		**2023**	2022	Change	**2023**	2022	Change
Copper	US$/pound	**3.84**	4.31	-11%	**3.95**	4.43	-11%
	US$/tonne	**8,464**	9,513		**8,703**	9,761	
Zinc	US$/pound	**1.15**	1.78	-35%	**1.29**	1.74	-26%
	US$/tonne	**2,526**	3,915		**2,835**	3,832	
Gold	US$/ounce	**1,976**	1,871	6%	**1,932**	1,874	3%
Nickel	US$/pound	**10.12**	13.13	-23%	**10.98**	12.54	-12%
	US$/tonne	**22,308**	28,940		**24,205**	27,636	

LME inventories for copper and zinc increased by 13% and 79%, respectively, during the second quarter of 2023 while the LME inventories of nickel decreased by 12%.

During the second quarter of 2023 the treatment charges (“TC”) and refining charges (“RC”) in the spot market for copper concentrates between miners and commodity traders increased from an average spot TC during April of $71 per dmt of concentrate and a spot RC of $0.071 per lb of payable copper to a spot TC of $84 per dmt of concentrate and a spot RC of $0.084 per lb of payable copper during June. Also, the spot terms at which Chinese copper smelters were prepared to buy increased through the quarter from a TC of $83 per dmt of concentrate and a RC of $0.083 per payable lb of copper over April to a TC of $91 per dmt of concentrate and a RC of $0.091 per payable lb of copper in June. The terms for annual contracts for copper concentrates for 2023 were reached in December 2022 at a TC of $88 per dmt with a RC of $0.088 per payable lb of copper.

The spot TC, delivered China, for zinc concentrates during the second quarter of 2023 decreased from $225 per dmt, flat, in April to $200 per dmt, flat, in June. The 2023 annual terms for zinc concentrates were settled at $274 per dmt of concentrate, with an upscale price escalator of 6% from a price basis of $3,000 per dmt zinc without de-escalator.

The Company’s nickel concentrate production from Eagle is sold under several long-term contracts at terms in-line with market conditions. Gold production from Chapada and Candelaria is sold at terms in-line with market conditions for copper concentrates.

Liquidity and Capital Resources

As at June 30, 2023, the Company had cash and cash equivalents of $190.2 million and a net debt balance of $229.8 million.

Cash flow from operations for the three months ended June 30, 2023 amounted to $194.8 million and was $171.6 million lower than the prior year quarter due mainly to a lower comparative change in non-cash working capital, partially offset by lower income tax and higher foreign exchange and trading gains on debt and equity investments. On a year-to-date basis, cash flow from operations was $406.7 million and was $276.9 million lower than the prior year comparable period as a result of lower gross profit before depreciation partially offset by lower income taxes.

Cash flow used in investing activities for the three and six months ended June 30, 2023 amounted to $283.5 million and $523.5 million respectively. Cash flow used in investing activities during the current quarter was lower than the prior year quarter due to higher expansionary capex in the current period partially offset by the Josemaria acquisition costs and bridge loan payments. On a year-to-date basis cash flow used in investing activities was comparable to the prior year period.

During the current quarter, the Company used $99.9 million for financing activities which was lower than the amount used in the prior year quarter due primarily to the payment of a performance dividend in 2022. On a year-to-date basis, there was cash flow of $119.4 million from financing activities compared to $259.5 million used in the prior year comparable period. This change was due to higher net proceeds from debt partially offset with lower dividends paid in the current period.

Capital Resources

The Company continues to expect to be able to fund all its contractual commitments with its operating cash flow, cash on hand and available capital resources.

As at June 30, 2023, the Company had $386.5 million of debt and $28.5 million of lease liabilities outstanding.

As at June 30, 2023, the Company has a revolving Credit Facility of $1,750.0 million with $176.0 million outstanding (December 31, 2022 - $13.7 million). The Credit Facility bears interest on drawn funds at rates of Term Secured Overnight Financing Rate ("Term SOFR") + Credit Spread Adjustment ("CSA") + 1.45% to Term SOFR + CSA + 2.50% depending on the Company’s net leverage ratio. The Credit Facility is subject to customary covenants. On April 26, 2023, the Credit Facility was amended extending the term to April 2028 and reducing the CSA to 0.10%.

The Company also has equipment financing with an outstanding balance of $1.2 million as at June 30, 2023 (December 31, 2022 - $2.4 million) and a commercial paper program of $27.2 million (€25.0 million) which matures in May 2025. In June the Company entered into an additional commercial paper program of $54.3 million (€50.0 million) which matures in June 2028. The amounts outstanding related to both commercial paper programs as at June 30, 2023 was $65.2 million (€60.0 million) (December 31, 2022 - $26.7 million). As at June 30, 2023, the Company had outstanding short-term unsecured term loans of $149.1 million (December 31, 2022 - $127.4 million).

In July 2023, the Company entered into a third commercial paper program ("Commercial Paper Program 3") which matures in July 2028. The $43.5 million (€40.0 million) program bears interest on drawn funds at EURIBOR+0.30%. In July 2023, the Company drew down €30.0 million on Commercial Paper Program 3 and €10.0 million under the second commercial paper program.

On July 27, 2023, the Company announced that it had received a new term loan in a principal amount of $800 million, which the Company will use to refinance the drawdown under the Company’s existing $1.750.0 million revolving credit facility which was used to fund the upfront cash consideration of the Caserones Acquisition. The term loan has a term of three years and provides for an additional $400 million non-committed accordion, which would become available upon receipt of additional binding commitments and closing of up to an additional nineteen percent (19%) interest in Caserones. The term loan bears interest on US dollar denominated drawn funds at an annual rate equal to Term SOFR+CSA+1.60% to 2.65%, depending on the Company’s net leverage ratio. The term loan is unsecured, save and except for a charge over certain assets in the USA, and has similar covenants to the Company’s existing $1,750.0 million revolving credit facility.

During the three and six months ended June 30, 2023, no shares were purchased under the Company's Normal Course Issuer Bid (Q2 2022 and YTD 2022 - 1,189,200 shares, $8.1 million consideration).

Contractual Obligations, Commitments and Contingencies

The Company has contractual obligations and capital commitments as described in Note 19 “Commitments and Contingencies” in the Company’s Condensed Interim Consolidated Financial Statements. From time to time, the Company may also be involved in legal proceedings that arise in the ordinary course of its business.

Financial Instruments

The Company has entered into derivative contracts consisting of foreign currency forward and option contracts as well as diesel swap forward contracts. The option contracts consist of put and call contracts in a collar structure. The Company does not currently utilize financial instruments in hedging metal price or interest rate exposure.

For a detailed discussion of the Company’s financial instruments refer to Note 18 of the Company’s Condensed Interim Consolidated Financial Statements.

Sensitivities

Revenue, cost of goods sold and capital expenditures are affected by certain external factors including fluctuations in metal prices and changes in exchange rates between the €, the SEK, the CLP, the BRL, the ARS and the $. Foreign exchange changes may be limited by the cash flow hedges previously described.

Market and Liquidity Risks and Sensitivities

Revenue and cost of goods sold are affected by certain external factors including fluctuations in metal prices and changes in exchange rates between the €, the SEK, the CLP, the BRL and the $.

Metal Prices

The following table illustrates the sensitivity of the Company's risk on final settlement of its provisionally priced revenues:

Metal	Payable Metal	Provisional price on June 30, 2023	Change	Effect on Revenue ($millions)
Copper	82,405 t	$3.77/lb	+/- 10%	+/- $68.5
Zinc	27,637 t	$1.08/lb	+/- 10%	+/- $6.6
Gold	35 koz	$1,929/oz	+/- 10%	+/- $6.8
Nickel	1,668 t	$9.25/lb	+/- 10%	+/- $3.4

Related Party Transactions

The Company enters into related party transactions that are in the normal course of business and on an arm’s length basis. Related party disclosures can be found in Note 21 of the Company’s June 30, 2023 Condensed Interim Consolidated Financial Statements.

Changes in Accounting Policies and Critical Accounting Estimates and Judgments

The Company describes its significant accounting policies as well as any changes in accounting policies in Note 2 “Basis of Presentation and Summary of Significant Accounting Policies” of the June 30, 2023 Condensed Interim Consolidated Financial Statements.

Non-GAAP and Other Performance Measures

The Company uses certain performance measures in its analysis. These performance measures have no meaning within generally accepted accounting principles under IFRS and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The following are non-GAAP measures that the Company uses as key performance indicators.

Net Debt

Net debt is a performance measure used by the Company to assess its financial position. Management believes that in addition to conventional performance measures prepared in accordance with IFRS, net debt is a useful indicator to some investors to evaluate the Company's financial position. Net debt is defined as cash and cash equivalents, less debt and lease liabilities, excluding deferred financing fees and can be reconciled as follows:

($thousands)	**June 30, 2023**	December 31, 2022
Cash and cash equivalents	**190,182**	191,387
Current portion of total debt and lease liabilities	**(284,656)**	(170,149)
Debt and lease liabilities	**(130,359)**	(27,179)
	(415,015)	(197,328)
Deferred financing fees (netted in above)	**(4,998)**	(4,926)
	(420,013)	(202,254)
Net debt	**(229,831)**	(10,867)

Adjusted Operating Cash Flow and Adjusted Operating Cash Flow per Share

Adjusted operating cash flow per share is a performance measure used by the Company to assess its ability to generate cash from its operations. Adjusted operating cash flow is defined as cash provided by operating activities, excluding changes in non-cash working capital items. The Company believes adjusted operating cash flow per share is a relevant measure to some investors, as it removes the impact of working capital, which can experience variability period-to-period. Adjusted operating cash flow per share can be reconciled to the Company's cash provided by operating activities as follows:

	Three months ended June 30,		**Six months ended June 30,**	
($thousands, except share and per share amounts)	**2023**	2022	**2023**	2022
Cash provided by operating activities	**194,844**	366,411	**406,719**	683,668
Changes in non-cash working capital items	**(84,207)**	(316,665)	**(61,015)**	(161,117)
Adjusted operating cash flow	**110,637**	49,746	**345,704**	522,551
Basic weighted average number of shares outstanding	**772,255,656**	766,775,032	**771,739,532**	751,676,764
Adjusted operating cash flow per share	**0.14**	0.06	**0.45**	0.70

Free Cash Flow from Operations and Free Cash Flow

The Company believes free cash flow from operations and free cash flow are relevant measures for investors. Free cash flow from operations is indicative of the Company's ability to generate cash from operations, after consideration of required sustaining capital expenditures necessary to maintain operations. Free cash flow is a relevant measure for some investors, as it is indicative of the Company's available cash generated.

Free cash flow from operations is defined as cash flow provided by operating activities, excluding exploration and project investigation costs and less sustaining capital expenditures. Free cash flow is defined as free cash flow from operations less expansionary capex and exploration and project investigation costs.

The Company has redefined free cash flow so that it encompasses all capital expenditures, including both sustaining and expansionary, to more fully represent available cash generation. Free cash flow from operations and free cash flow can be reconciled as follows:

	Three months ended June 30,		**Six months ended June 30,**	
($thousands)	**2023**	2022	**2023**	2022
Cash provided by operating activities	**194,844**	366,411	**406,719**	683,668
General exploration and business development	**13,693**	51,531	**28,458**	59,813
Sustaining capital expenditures	**(187,820)**	(151,665)	**(343,384)**	(282,423)
Free cash flow from operations	**20,717**	266,277	**91,793**	461,058
General exploration and business development	**(13,693)**	(51,531)	**(28,458)**	(59,813)
Expansionary capital expenditures	**(91,650)**	(65,603)	**(182,169)**	(79,757)
Free cash flow	**(84,626)**	149,143	**(118,834)**	321,488

Adjusted EBITDA, Adjusted Earnings and Adjusted EPS

Adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA"), adjusted earnings and adjusted EPS are non-GAAP measures. These measures are presented to provide additional information to investors and other stakeholders on the Company's underlying operational performance. The Company believes certain investors find this information useful to evaluate the Company's ability to generate cash flow from the Company's core operations. Certain items have been excluded from adjusted EBITDA and adjusted earnings such as unrealized foreign exchange and revaluation gains and losses, impairment charges and reversals, gain or loss on debt settlement, interest on tax refunds and assessments, litigations, settlements and other items that do not represent the Company's current and on-going operations and are not necessarily indicative of future operating results.

Adjusted EBITDA can be reconciled to the Company's Condensed Interim Consolidated Statement of Earnings as follows:

	Three months ended June 30,		**Six months ended June 30,**	
($thousands)	**2023**	2022	**2023**	2022
Net earnings (loss)	**61,302**	(48,626)	**226,613**	329,483
Add back:				
Depreciation, depletion and amortization	**130,505**	142,042	**250,752**	271,879
Finance income and costs	**15,897**	17,309	**31,596**	32,281
Income taxes	**(19,601)**	49,003	**29,092**	126,209
	188,103	159,728	**538,053**	759,852
Unrealized foreign exchange	**(19,285)**	2,721	**(10,641)**	10,574
Revaluation gain on derivatives	**(14,783)**	(19,593)	**(34,033)**	(16,300)
Sinkhole costs	**11,900**	—	**16,482**	—
Revaluation gain on marketable securities	**(3,464)**	1,626	**(3,902)**	(2,266)
Gain on disposal of subsidiary	**—**	—	**(5,718)**	(16,828)
Other	**(283)**	4,161	**(1,110)**	1,385
Total adjustments - EBITDA	**(25,915)**	(11,085)	**(38,922)**	(23,435)
Adjusted EBITDA	**162,188**	148,643	**499,131**	736,417

Adjusted earnings and adjusted EPS can be reconciled to the Company's Condensed Interim Consolidated Statement of Earnings as follows:

	Three months ended June 30,		Six months ended June 30,	
($thousands, except share and per share amounts)	**2023**	2022	**2023**	2022
Net earnings (loss) attributable to Lundin Mining shareholders	**59,109**	(52,577)	**205,729**	292,501
Add back:				
Total adjustments - EBITDA	**(25,915)**	(11,085)	**(38,922)**	(23,435)
Tax effect on adjustments	**(554)**	5,035	**(3,180)**	3,001
Deferred tax arising from foreign exchange translation	**(15,989)**	23,091	**(21,996)**	(11,863)
Other	**(634)**	260	**69**	128
Total adjustments	**(43,092)**	17,301	**(64,029)**	(32,169)
Adjusted earnings	**16,017**	(35,276)	**141,700**	260,332
Basic weighted average number of shares outstanding	**772,255,656**	766,775,032	**771,739,532**	751,676,764
Net earnings (loss) attributable to Lundin Mining shareholders	**0.08**	(0.07)	**0.27**	0.39
Total adjustments	**(0.06)**	0.02	**(0.09)**	(0.04)
Adjusted EPS	**0.02**	(0.05)	**0.18**	0.35

Realized Price per Pound

Realized price per pound and price per ounce are non-GAAP ratios that are calculated using the non-GAAP financial measures of current period sales and prior period adjustments. Realized prices exclude the effects of the stream cash effects as well as TC/RCs. Management believes that measuring these prices enables investors to better understand performance based on the realized metal sales in the current and prior periods.

Capital Expenditures

Identifying capital expenditures, on a cash basis, using a sustaining or expansionary classification provides investors with a better understanding of costs required to maintain existing operations, and costs required for future growth of existing or new assets.

- **Sustaining capital expenditures –** Expenditures which maintain existing operations and sustain production levels.

- **Expansionary capital expenditures –** Expenditures which increase current or future production capacity, cash flow or earnings potential.

Where an expenditure both maintains and expands current operations, classification would be based on the primary decision for which the expenditure is being made. Expansionary capital expenditures are reported excluding capitalized interest and therefore is a non-GAAP measure. Sustaining capital expenditure is a supplementary financial measure.

Cash Cost per Pound

Copper, zinc and nickel cash costs per pound are key performance measures that management uses to monitor performance. Management uses these statistics to assess how well the Company's producing mines are performing and to assess overall efficiency and effectiveness of the mining operations. Cash cost is a non-GAAP measure and, although it is calculated according to accepted industry practice, the Company's disclosed cash costs may not be directly comparable to other base metal producers.

- **Cash cost per pound, gross –** Total cash costs directly attributable to mining operations, excluding any allocation of upfront streaming proceeds or capital expenditures for deferred stripping, are divided by the sales volume of the primary metal to arrive at gross cash cost per pound. As this measure is not impacted by fluctuations in sales of by-product metals, it is generally more consistent across periods.

- **Cash cost per pound, net of by-products –** Credits for by-products sales are deducted from total cash costs directly attributable to mining operations. By-product revenue is adjusted for the terms of streaming agreements, but excludes any deferred revenue from the allocation of upfront cash received. The net cash costs are divided by the sales volume of the primary metal to arrive at net cash cost per pound. The inclusion of by-product credits provides a broader economic measurement, incorporating the benefit of other metals extracted in the production of the primary metal.

All-in Sustaining Cost ("AISC") per Pound

AISC per pound is an extension of the cash cost per pound measure discussed above and is also a key performance measure that management uses to monitor performance. Management uses this measure to analyze margins achieved on existing assets while sustaining and maintaining production at current levels. Expansionary capital and certain exploration costs are excluded from this definition as these are costs typically incurred to extend mine life or materially increase the productive capacity of existing assets, or for new operations. Corporate general and administrative expenses have also been excluded from the all-in sustaining cost measure, as any attribution of these costs to an operating site would not necessarily be reflective of costs directly attributable to the administration of the site.

Cash and All-in Sustaining Costs can be reconciled to the Company's production costs as follows:

Three months ended June 30, 2023						
Operations	**Candelaria**	**Chapada**	**Eagle**	**Neves-Corvo**	**Zinkgruvan**	
($000s, unless otherwise noted)	**(Cu)**	**(Cu)**	**(Ni)**	**(Cu)**	**(Zn)**	**Total**
Sales volumes (Contained metal in concentrate):						
Tonnes	36,347	10,164	3,859	6,170	9,374	
Pounds (000s)	80,132	22,408	8,507	13,603	20,666	
Production costs						405,198
Less: Royalties and other						(7,969)
						397,229
Deduct: By-product credits						(122,636)
Add: Treatment and refining charges						32,514
Cash cost	171,520	60,351	15,990	54,271	4,975	307,107
Cash cost per pound ($/lb)	**2.14**	**2.69**	**1.88**	**3.99**	**0.24**	
Add: Sustaining capital expenditure	123,417	19,690	3,562	22,133	15,994	
Royalties	—	2,029	4,920	83	—	
Reclamation and other closure accretion and depreciation	2,444	1,847	3,011	1,296	739	
Leases and other	3,654	1,171	897	148	100	
All-in sustaining cost	301,035	85,088	28,380	77,931	21,808	
AISC per pound ($/lb)	**3.76**	**3.80**	**3.34**	**5.73**	**1.06**	
($000s, unless otherwise noted)			**2023 Guidance**			
Cash cost	620,000	260,000	90,000	180,000	90,000	
Cash cost per pound($/lb)	1.80 – 1.95	2.35 – 2.55	2.30 – 2.45	2.10 – 2.30	0.45 – 0.50	

Three months ended June 30, 2022						
Operations	**Candelaria**	**Chapada**	**Eagle**	**Neves-Corvo**	**Zinkgruvan**	
($000s, unless otherwise noted)	**(Cu)**	**(Cu)**	**(Ni)**	**(Cu)**	**(Zn)**	**Total**
Sales volumes (Contained metal in concentrate):						
Tonnes	39,655	7,905	4,206	8,183	18,525	
Pounds (000s)	87,424	17,427	9,273	18,040	40,841	
Production costs						402,190
Less: Royalties and other						(13,657)
						388,533
Deduct: By-product credits						(134,728)
Add: Treatment and refining charges						29,960
Cash cost	162,240	51,872	8,341	43,198	18,114	283,765
Cash cost per pound ($/lb)	**1.86**	**2.98**	**0.90**	**2.39**	**0.44**	
Add: Sustaining capital expenditure	86,107	29,760	2,923	13,760	14,083	
Royalties	—	2,442	10,633	(616)	—	
Reclamation and other closure accretion and depreciation	2,082	1,865	4,683	120	956	
Leases and other	2,658	1,110	631	194	160	
All-in sustaining cost	253,087	87,048	27,211	56,656	33,313	
AISC per pound ($/lb)	**2.89**	**5.00**	**2.93**	**3.14**	**0.82**	

Six months ended June 30, 2023						
Operations	**Candelaria**	**Chapada**	**Eagle**	**Neves-Corvo**	**Zinkgruvan**	
($000s, unless otherwise noted)	**(Cu)**	**(Cu)**	**(Ni)**	**(Cu)**	**(Zn)**	**Total**
Sales volumes (Contained metal in concentrate):						
Tonnes	71,917	19,236	6,594	14,201	25,986	
Pounds (000s)	158,550	42,408	14,537	31,308	57,289	
Production costs						822,962
Less: Royalties and other						(20,055)
						802,907
Deduct: By-product credits						(279,601)
Add: Treatment and refining charges						69,129
Cash cost	345,212	107,669	30,630	84,163	24,761	592,435
Cash cost per pound ($/lb)	**2.18**	**2.54**	**2.11**	**2.69**	**0.43**	
Add: Sustaining capital expenditure	214,103	35,717	10,664	47,194	30,462	
Royalties	—	4,252	10,606	1,813	—	
Reclamation and other closure accretion and depreciation	4,751	3,648	5,969	2,620	1,800	
Leases and other	6,797	2,137	1,644	306	202	
All-in sustaining cost	570,863	153,423	59,513	136,096	57,225	
AISC per pound ($/lb)	**3.60**	**3.62**	**4.09**	**4.35**	**1.00**	

Six months ended June 30, 2022						
Operations	**Candelaria**	**Chapada**	**Eagle**	**Neves-Corvo**	**Zinkgruvan**	
($000s, unless otherwise noted)	**(Cu)**	**(Cu)**	**(Ni)**	**(Cu)**	**(Zn)**	**Total**
Sales volumes (Contained metal in concentrate):						
Tonnes	78,103	20,709	7,473	16,667	34,327	
Pounds (000s)	172,187	45,655	16,475	36,744	75,678	
Production costs						784,617
Less: Royalties and other						(29,528)
						755,089
Deduct: By-product credits						(315,735)
Add: Treatment and refining charges						62,115
Cash cost	296,225	103,309	(638)	75,001	27,572	501,469
Cash cost per pound ($/lb)	**1.72**	**2.26**	**(0.04)**	**2.04**	**0.36**	
Add: Sustaining capital expenditure	169,071	44,215	7,383	33,276	23,122	
Royalties	—	6,106	18,424	2,197	—	
Reclamation and other closure accretion and depreciation	4,051	3,749	9,300	451	2,073	
Leases and other	4,626	2,039	1,282	396	398	
All-in sustaining cost	473,973	159,417	35,751	111,321	53,165	
AISC per pound ($/lb)	**2.75**	**3.49**	**2.17**	**3.03**	**0.70**	

Managing Risks

Risks and Uncertainties

The Company's business activities are subject to a variety and wide range of inherent risks and uncertainties. Any of these risks could have an adverse effect on the Company, its business and prospects, and could cause actual outcomes and results to differ materially from those described in forward-looking statements relating to the Company.

For additional discussion on Lundin Mining's risks, refer to the "Risks and Uncertainties" section of the Company's Annual Information Form ("AIF") for the year ended December 31, 2022 and the "Cautionary Statement on Forward-Looking Information" of this MD&A.

Management's Report on Internal Controls

Disclosure controls and procedures ("DCP")

DCP have been designed to provide reasonable assurance that all material information related to the Company is identified and communicated on a timely basis. Management of the Company, under the supervision of the Chief Executive Officer and the Chief Financial Officer, is responsible for the design and operation of DCP.

Internal control over financial reporting ("ICFR")

The Company's ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with IFRS. However, due to inherent limitations ICFR may not prevent or detect all misstatements and fraud. Management will continue to monitor the effectiveness of its ICFR and may make modifications from time to time as considered necessary.

Control Framework

Management assesses the effectiveness of the Company's ICFR using the Internal Control – Integrated Framework (2013 Framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Changes in ICFR

There have been no changes in the Company's ICFR during the quarter ended June 30, 2023 that have materially affected, or are reasonably likely to materially affect, the Company's financial reporting.

Outstanding Share Data

As at August 2, 2023, the Company has 773,066,071 common shares issued and outstanding, and 6,932,668 stock options and 1,896,028 share units outstanding under the Company's plans.

Other Information

Additional information regarding the Company is included in the Company's AIF which is filed with the Canadian securities regulators. A copy of the Company's AIF can be obtained on SEDAR (www.sedar.com) or on the Company's website (www.lundinmining.com).

Condensed Interim Consolidated Financial Statements of

Lundin Mining Corporation

June 30, 2023
(Unaudited)

LUNDIN MINING CORPORATION

CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS

(Unaudited - in thousands of US dollars)

	As at			
		June 30, 2023		December 31, 2022
ASSETS				
Cash and cash equivalents (Note 3)	**$**	**190,182**	$	191,387
Trade and other receivables (Note 4)		**508,347**		576,178
Income taxes receivable		**63,448**		72,402
Inventories (Note 5)		**352,480**		296,710
Current portion of derivative assets (Note 18)		**52,794**		43,521
Other current assets		**25,573**		38,571
Total current assets		**1,192,824**		1,218,769
Restricted funds		**55,301**		50,195
Long-term inventory (Note 5)		**681,536**		641,877
Derivative assets (Note 18)		**20,147**		25,111
Other non-current assets		**25,790**		20,035
Mineral properties, plant and equipment (Note 6)		**6,222,740**		5,975,686
Deferred tax assets		**4,447**		3,837
Goodwill		**239,023**		237,294
		7,248,984		6,954,035
Total assets	**$**	**8,441,808**	$	8,172,804
LIABILITIES				
Trade and other payables (Note 7)	**$**	**575,631**	$	612,965
Income taxes payable		**39,810**		45,000
Current portion of derivative liabilities (Note 18)		**26,967**		24,423
Current portion of debt and lease liabilities (Note 8)		**284,656**		170,149
Current portion of deferred revenue (Note 9)		**78,170**		74,061
Current portion of reclamation and other closure provisions (Note 10)		**21,452**		23,550
Total current liabilities		**1,026,686**		950,148
Derivative liabilities (Note 18)		**24,792**		27,876
Debt and lease liabilities (Note 8)		**130,359**		27,179
Deferred revenue (Note 9)		**556,903**		580,045
Reclamation and other closure provisions (Note 10)		**460,568**		422,298
Other long-term liabilities		**21,830**		24,922
Provision for pension obligations		**5,077**		5,613
Deferred tax liabilities		**651,316**		709,602
		1,850,845		1,797,535
Total liabilities		**2,877,531**		2,747,683
SHAREHOLDERS' EQUITY				
Share capital (Note 11)		**4,568,943**		4,555,125
Contributed surplus		**53,714**		55,769
Accumulated other comprehensive loss		**(339,047)**		(342,287)
Retained earnings		**695,803**		592,425
Equity attributable to Lundin Mining Corporation shareholders		**4,979,413**		4,861,032
Non-controlling interests		**584,864**		564,089
Total shareholders' equity		**5,564,277**		5,425,121
Total liabilities and shareholders' equity	**$**	**8,441,808**	$	8,172,804

Commitments and contingencies (Note 19)

Subsequent event (Note 23)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

LUNDIN MINING CORPORATION

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

(Unaudited - in thousands of US dollars, except for shares and per share amounts)

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	**2023**	2022
Revenue (Note 12)	**$ 588,531**	$ 590,221	**$ 1,339,875**	$ 1,581,300
Cost of goods sold				
Production costs (Note 13)	**(405,198)**	(402,190)	**(822,962)**	(784,617)
Depreciation, depletion and amortization	**(130,505)**	(142,042)	**(250,752)**	(271,879)
Gross profit	**52,828**	45,989	**266,161**	524,804
General and administrative expenses	**(14,898)**	(11,168)	**(30,008)**	(22,670)
General exploration and business development (Note 15)	**(13,693)**	(51,531)	**(28,458)**	(59,813)
Finance income (Note 16)	**1,572**	883	**3,336**	1,484
Finance costs (Note 16)	**(17,469)**	(18,192)	**(34,932)**	(33,765)
Other income (Note 17)	**33,361**	34,396	**79,606**	45,652
Earnings before income taxes	**41,701**	377	**255,705**	455,692
Current tax expense	**(27,213)**	(75,649)	**(86,714)**	(171,187)
Deferred tax recovery	**46,814**	26,646	**57,622**	44,978
Net earnings (loss)	**$ 61,302**	$ (48,626)	**$ 226,613**	$ 329,483
Net earnings (loss) attributable to:				
Lundin Mining Corporation shareholders	**$ 59,109**	$ (52,577)	**$ 205,729**	$ 292,501
Non-controlling interests	**2,193**	3,951	**20,884**	36,982
Net earnings (loss)	**$ 61,302**	$ (48,626)	**$ 226,613**	$ 329,483
Basic and diluted earnings (loss) per share attributable to Lundin Mining Corporation shareholders:	**$ 0.08**	$ (0.07)	**$ 0.27**	$ 0.39
Weighted average number of shares outstanding (Note 11)				
Basic	**772,255,656**	766,775,032	**771,739,532**	751,676,764
Diluted	**773,189,884**	766,775,032	**772,427,392**	753,106,879

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

LUNDIN MINING CORPORATION

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Unaudited - in thousands of US dollars)

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	**2023**	2022
Net earnings (loss)	**$ 61,302**	$ (48,626)	**$ 226,613**	$ 329,483
Other comprehensive (loss) income, net of taxes				
Item that will not be reclassified to net earnings:				
Remeasurements for post-employment benefit plans	**(308)**	302	**(566)**	(561)
Item that may be reclassified subsequently to net earnings:				
Effects of foreign exchange	**(15,756)**	(84,594)	**3,697**	(108,417)
Other comprehensive (loss) income	**(16,064)**	(84,292)	**3,131**	(108,978)
Total comprehensive income (loss)	**$ 45,238**	$ (132,918)	**$ 229,744**	$ 220,505
Comprehensive income (loss) attributable to:				
Lundin Mining Corporation shareholders	**$ 43,097**	$ (136,929)	**$ 208,969**	$ 183,634
Non-controlling interests	**2,141**	4,011	**20,775**	36,871
Total comprehensive income (loss)	**$ 45,238**	$ (132,918)	**$ 229,744**	$ 220,505

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

LUNDIN MINING CORPORATION

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited - in thousands of US dollars, except for shares)

	Number of shares	Share capital	Contributed surplus	Accumulated other comprehensive loss	Retained earnings	Non-controlling interests	Total
Balance, December 31, 2022	770,746,531	$ 4,555,125	$ 55,769	$ (342,287)	$ 592,425	$ 564,089	$ 5,425,121
Exercise of share-based awards	2,091,707	13,818	(6,260)	—	—	—	7,558
Share-based compensation	—	—	4,205	—	—	—	4,205
Dividends declared (Note 11(c))	—	—	—	—	(102,351)	—	(102,351)
Net earnings	—	—	—	—	205,729	20,884	226,613
Other comprehensive income (loss)	—	—	—	3,240	—	(109)	3,131
Total comprehensive income	—	—	—	3,240	205,729	20,775	229,744
Balance, June 30, 2023	**772,838,238**	**$ 4,568,943**	**$ 53,714**	**$ (339,047)**	**$ 695,803**	**$ 584,864**	**$ 5,564,277**
Balance, December 31, 2021	734,987,154	$ 4,199,756	$ 58,166	$ (249,929)	$ 437,160	$ 547,580	$ 4,992,733
Distributions	—	—	—	—	—	(20,000)	(20,000)
Josemaria acquisition	40,031,936	369,175	13,436	—	—	—	382,611
Exercise of share-based awards	4,922,141	36,869	(16,408)	—	—	—	20,461
Share-based compensation	—	—	5,535	—	—	—	5,535
Dividends declared	—	—	—	—	(170,941)	—	(170,941)
Shares purchased	(1,189,200)	(7,016)	—	—	(1,034)	—	(8,050)
Accrued liability for automatic share purchase plan commitment	—	(10,431)	—	—	—	—	(10,431)
Net earnings	—	—	—	—	292,501	36,982	329,483
Other comprehensive loss	—	—	—	(108,867)	—	(111)	(108,978)
Total comprehensive (loss) income	—	—	—	(108,867)	292,501	36,871	220,505
Balance, June 30, 2022	778,752,031	$ 4,588,353	$ 60,729	$ (358,796)	$ 557,686	$ 564,451	$ 5,412,423

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

LUNDIN MINING CORPORATION

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited - in thousands of US dollars)

	Three months ended June 30,		Six months ended June 30,	
Cash provided by (used in)	**2023**	2022	**2023**	2022
Operating activities				
Net earnings (loss)	**$ 61,302**	$ (48,626)	**$ 226,613**	$ 329,483
Items not involving cash and other adjustments				
Depreciation, depletion and amortization	**130,505**	142,042	**250,752**	271,879
Share-based compensation	**1,755**	2,339	**4,021**	5,535
Foreign exchange (gain) loss	**(19,285)**	2,721	**(10,641)**	10,574
Unrealized foreign exchange and trading gains on equity investments	**—**	(18,848)	**—**	(18,848)
Finance costs, net (Note 16)	**15,897**	17,309	**31,596**	32,281
Recognition of deferred revenue (Note 9)	**(16,919)**	(19,395)	**(36,019)**	(40,100)
Deferred tax recovery	**(46,814)**	(26,646)	**(57,622)**	(44,978)
Revaluation of marketable securities (Note 17)	**(3,464)**	1,626	**(3,902)**	(2,266)
Revaluation of foreign currency and diesel derivatives (Note 18)	**128**	—	**(34,115)**	—
Other	**5,382**	(6,251)	**13,445**	(22,726)
Reclamation payments (Note 10)	**(2,548)**	(2,160)	**(5,129)**	(3,907)
Other payments	**(411)**	(474)	**(989)**	(1,025)
Changes in long-term inventory	**(14,891)**	6,109	**(32,306)**	6,649
Changes in non-cash working capital items (Note 22)	**84,207**	316,665	**61,015**	161,117
	194,844	366,411	**406,719**	683,668
Investing activities				
Investment in mineral properties, plant and equipment	**(279,913)**	(217,268)	**(526,032)**	(362,180)
Acquisition of Josemaria, net of cash acquired	**—**	(126,381)	**—**	(126,381)
Cash received from disposal of subsidiary (Note 17)	**—**	—	**5,718**	16,828
Interest received	**1,290**	1,175	**2,168**	1,405
Josemaria bridge loan	**—**	(13,600)	**—**	(54,100)
Distributions from associate, net	**—**	18,000	**—**	18,000
Other	**(4,845)**	5,027	**(5,388)**	897
	(283,468)	(333,047)	**(523,534)**	(505,531)
Financing activities				
Proceeds from debt (Note 8)	**282,119**	—	**430,949**	—
Interest paid	**(5,972)**	(2,066)	**(10,667)**	(3,525)
Principal payments of lease liabilities	**(6,062)**	(4,872)	**(11,280)**	(8,936)
Principal repayments of debt (Note 8)	**(84,022)**	(615)	**(214,502)**	(1,267)
Payment of Josemaria debentures	**—**	(47,000)	**—**	(47,000)
Dividends paid to shareholders	**(104,021)**	(171,232)	**(104,021)**	(171,232)
Shares purchased (Note 11)	**—**	(8,050)	**—**	(8,050)
Proceeds from common shares issued	**5,473**	9,569	**7,558**	20,461
Distributions paid to non-controlling interests	**—**	(20,000)	**—**	(35,000)
Net proceeds from settlement of foreign currency and diesel derivatives	**13,331**	—	**24,400**	—
Other	**(924)**	(4,954)	**(3,009)**	(4,954)
	99,922	(249,220)	**119,428**	(259,503)
Effect of foreign exchange on cash balances	**(5,355)**	(19,777)	**(3,818)**	(14,460)
Increase (decrease) in cash and cash equivalents during the period	**5,943**	(235,633)	**(1,205)**	(95,826)
Cash and cash equivalents, beginning of period	**184,239**	733,876	**191,387**	594,069
Cash and cash equivalents, end of period	**$ 190,182**	$ 498,243	**$ 190,182**	$ 498,243

Supplemental cash flow information (Note 22)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. NATURE OF OPERATIONS

Lundin Mining Corporation is a diversified Canadian base metals mining company primarily producing copper, zinc, gold and nickel. The Company owns 80% of the Candelaria and Ojos del Salado mining complex ("Candelaria") located in Chile. The Company's wholly-owned operating assets include the Chapada mine located in Brazil, the Eagle mine located in the United States of America ("USA"), the Neves-Corvo mine located in Portugal, and the Zinkgruvan mine located in Sweden. In addition, the Company owns the large scale copper-gold Josemaria project ("Josemaria Project"), located in Argentina. On July 13, 2023, the Company announced the closing of the acquisition of a fifty-one percent (51%) controlling interest in the Caserones copper-molybdenum mine ("Caserones") located in Chile (Note 23).

The Company's common shares are listed on the Toronto Stock Exchange ("TSX") in Canada and the Nasdaq Stockholm Exchange in Sweden. The Company is incorporated under the Canada Business Corporations Act. The Company is domiciled in Canada and its registered address is 150 King Street West, Toronto, Ontario, Canada.

2. BASIS OF PRESENTATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES

(i) Basis of presentation and measurement

The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the CPA Canada Handbook - Accounting including IAS 34 Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2022.

The consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which have been measured at fair value.

The Company's presentation currency is United States ("US") dollars. Reference herein to $ or USD is to US dollars, C$ or CAD is to Canadian dollars, SEK is to Swedish krona, € refers to the Euro, CLP refers to the Chilean peso, BRL refers to the Brazilian real, and ARS refers to the Argentine peso.

Balance sheet items are classified as current if receipt or payment is due within twelve months. Otherwise, they are presented as non-current.

These condensed interim consolidated financial statements were approved by the Board of Directors for issue on August 2, 2023.

(ii) Material accounting policies

The accounting policies followed in these condensed interim consolidated financial statements are consistent with those disclosed in Note 2 of the Company's consolidated financial statements for the year ended December 31, 2022, except as discussed below.

(iii) New standards and interpretations adopted

In May 2021, the IASB issued amendments to IAS 12, Income Taxes. The amendments to IAS 12 narrow the scope of the initial recognition exemption so that it no longer applies to transactions which give rise to equal amounts of taxable and deductible temporary differences. The amendments require recognition of a deferred tax asset and deferred tax liability for temporary differences arising on initial recognition for certain transactions, including leases and reclamation provisions. The amendments to IAS 12 are effective for annual reporting periods beginning on or after January 1, 2023, with early adoption permitted. The Company adopted the amendments effective January 1, 2023, with no material impact to the consolidated financial statements for 2023 or the comparative period.

(Unaudited - Tabular amounts in thousands of US dollars, except for shares and per share amounts)

In May 2023, the IASB issued amendments to IAS 12, Income Taxes. The amendments provide an exception to the requirements regarding the recognition of deferred tax assets and liabilities related to the Pillar Two global minimum tax rules. The Company has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes whilst it evaluates the impact of these income taxes on its consolidated financial statements.

(iv) Critical accounting estimates and judgments in applying the entity's accounting policies

Areas of judgment that have the most significant effect on the amounts recognized in the financial statements are disclosed in Note 2 of the Company's consolidated financial statements for the year ended December 31, 2022.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of the following:

		June 30, 2023		December 31, 2022
Cash	**$**	**150,954**	$	158,153
Short-term deposits		**39,228**		33,234
	$	**190,182**	$	191,387

4. TRADE AND OTHER RECEIVABLES

Trade and other receivables are comprised of the following:

		June 30, 2023		December 31, 2022
Trade receivables	**$**	**339,648**	$	430,734
Prepaid expenses		**87,859**		53,767
Value added tax		**58,574**		65,028
Other receivables		**22,266**		26,649
	$	**508,347**	$	576,178

5. INVENTORIES

Inventories are comprised of the following:

		June 30, 2023		December 31, 2022
Ore stockpiles	**$**	**67,157**	$	69,781
Concentrate stockpiles		**61,285**		42,209
Materials and supplies		**224,038**		184,720
	$	**352,480**	$	296,710

Long-term inventory is comprised of ore stockpiles. As at June 30, 2023, the Company had $410.5 million (December 31, 2022 - $394.2 million) and $271.0 million (December 31, 2022 - $247.7 million) of long-term ore stockpiles at Candelaria and Chapada, respectively.

(Unaudited - Tabular amounts in thousands of US dollars, except for shares and per share amounts)

6. MINERAL PROPERTIES, PLANT AND EQUIPMENT

Mineral properties, plant and equipment are comprised of the following:

Cost	Mineral properties	Plant and equipment	Assets under construction[1]	Development project[2]	Software intangible assets	Total
As at December 31, 2021	$ 5,279,143	$ 3,441,171	$ 342,592	$ 6,631	$ 14,678	$ 9,084,215
Josemaria acquisition	—	22,233	—	646,605	—	668,838
Additions	131,361	31,952	127,287	64,777	903	356,280
Disposals and transfers	51,727	139,293	(195,239)	(7,022)	4,530	(6,711)
Effects of foreign exchange	(169,007)	(84,926)	(13,355)	—	(360)	(267,648)
As at June 30, 2022	5,293,224	3,549,723	261,285	710,991	19,751	9,834,974
Additions	191,104	60,697	149,962	163,685	13,367	578,815
Disposals and transfers	41,378	120,137	(174,448)	1,743	(489)	(11,679)
Effects of foreign exchange	21,217	21,620	(743)	—	(3)	42,091
As at December 31, 2022	5,546,923	3,752,177	236,056	876,419	32,626	10,444,201
Additions	153,973	27,214	175,503	147,431	42	504,163
Disposals and transfers	44,937	31,289	(87,431)	—	2,464	(8,741)
Effects of foreign exchange	3,091	9,037	(343)	—	(39)	11,746
As at June 30, 2023	**$ 5,748,924**	**$ 3,819,717**	**$ 323,785**	**$ 1,023,850**	**$ 35,093**	**$ 10,951,369**

Accumulated depreciation, depletion and amortization	Mineral properties	Plant and equipment	Assets under construction[1]	Development project[2]	Software intangible assets	Total
As at December 31, 2021	$ 2,620,196	$ 1,405,084	$ —	$ —	$ 8,036	$ 4,033,316
Depreciation	163,615	117,149	—	—	1,147	281,911
Disposals and transfers	(79)	(2,904)	—	—	—	(2,983)
Effects of foreign exchange	(105,266)	(38,381)	—	—	(103)	(143,750)
As at June 30, 2022	2,678,466	1,480,948	—	—	9,080	4,168,494
Depreciation	145,216	134,854	—	—	2,682	282,752
Disposals and transfers	—	(2,557)	—	—	(119)	(2,676)
Effects of foreign exchange	11,749	8,194	—	—	2	19,945
As at December 31, 2022	2,835,431	1,621,439	—	—	11,645	4,468,515
Depreciation	146,614	118,343	—	—	2,232	267,189
Disposals and transfers	—	(8,579)	—	—	—	(8,579)
Effects of foreign exchange	(564)	2,101	—	—	(33)	1,504
As at June 30, 2023	**$ 2,981,481**	**$ 1,733,304**	**$ —**	**$ —**	**$ 13,844**	**$ 4,728,629**

Net book value	Mineral properties	Plant and equipment	Assets under construction[1]	Development project[2]	Software intangible assets	Total
As at December 31, 2022	$ 2,711,492	$ 2,130,738	$ 236,056	$ 876,419	$ 20,981	$ 5,975,686
As at June 30, 2023	**$ 2,767,443**	**$ 2,086,413**	**$ 323,785**	**$ 1,023,850**	**$ 21,249**	**$ 6,222,740**

[1] Represent assets under construction at the Company's operating mine sites which are currently non-depreciable.

[2] Assets relate to the Josemaria Project which are currently non-depreciable.

(Unaudited - Tabular amounts in thousands of US dollars, except for shares and per share amounts)

During the second quarter of 2022, the Company completed the Josemaria Resources Inc. acquisition acquiring $668.8 million of mineral properties, plant and equipment related to the Josemaria Project. During the fourth quarter of 2022, the Company began to capitalize the Josemaria Project development costs.

During the three and six months ended June 30, 2023, the Company capitalized $4.5 million and $7.8 million, respectively, of finance costs to the Josemaria Project at a weighted average interest rate of 5.5%. During the three and six months ended June 30, 2022, the Company capitalized $0.7 million and $1.8 million, respectively, of finance costs to assets under construction at a weighted average interest rate of 5.5%.

During the three and six months ended June 30, 2023, the Company capitalized $54.5 million (second quarter ("Q2") 2022 - $63.1 million) and $95.8 million (year-to-date ("YTD") Q2 2022 - $122.0 million), respectively, of deferred stripping costs to mineral properties. The depreciation expense related to deferred stripping for the three and six months ended June 30, 2023, was $26.8 million (Q2 2022 - $38.4 million) and $52.4 million (YTD Q2 2022 - $66.3 million), respectively. Included in the mineral properties balance at June 30, 2023 is $211.7 million (December 31, 2022 - $681.7 million) related to deferred stripping at Candelaria, which is currently non-depreciable.

The Company leases various assets including buildings, rail cars, vehicles, machinery and equipment. The following table summarizes the changes in right-of-use assets within plant and equipment:

		Net book value
As at December 31, 2021	$	27,597
Josemaria acquisition		32
Additions		8,878
Depreciation		(10,089)
Effects of foreign exchange		(400)
As at June 30, 2022		26,018
Additions		13,193
Depreciation		(11,199)
Disposals		(75)
Effects of foreign exchange		(14)
As at December 31, 2022		27,923
Additions		11,843
Depreciation		(11,755)
Effects of foreign exchange		278
As at June 30, 2023	**$**	**28,289**

(Unaudited - Tabular amounts in thousands of US dollars, except for shares and per share amounts)

7. TRADE AND OTHER PAYABLES

Trade and other payables are comprised of the following:

		June 30, 2023		December 31, 2022
Trade payables	**$**	**254,798**	$	315,948
Unbilled goods and services		**128,341**		122,390
Employee benefits payable		**90,226**		88,086
Pricing provisions on concentrate sales		**36,549**		8,484
Sinkhole provision		**31,030**		38,000
Royalties payable		**15,470**		16,283
Other		**19,217**		23,774
	$	**575,631**	$	612,965

The sinkhole provision relates to expected remediation costs and potential fines directly related to the sinkhole near the Company's Ojos del Salado operations.

Included in pricing provisions on concentrate sales are balances owing to customers and provisions arising from forward market price adjustments.

(Unaudited - Tabular amounts in thousands of US dollars, except for shares and per share amounts)

8. DEBT AND LEASE LIABILITIES

Debt and lease liabilities are comprised of the following:

		June 30, 2023		December 31, 2022
Revolving credit facility (a) (Note 23)	**$**	**171,002**	$	13,730
Term loans (b)		**149,080**		127,400
Lease liabilities (c)		**28,538**		27,166
Commercial paper (d)		**65,196**		26,665
Line of credit (e)		**1,199**		2,367
Debt and lease liabilities		**415,015**		197,328
Less: current portion		**284,656**		170,149
Long-term portion	**$**	**130,359**	$	27,179

The changes in debt and lease liabilities are comprised of the following:

		Leases		Debt		Total
As at December 31, 2021	$	25,878	$	5,125	$	31,003
Josemaria acquisition		38		47,000		47,038
Additions		8,876		—		8,876
Payments		(9,620)		(48,267)		(57,887)
Interest		684		—		684
Effects of foreign exchange		(1,059)		(352)		(1,411)
As at June 30, 2022		24,797		3,506		28,303
Additions		12,322		282,938		295,260
Payments		(12,031)		(112,557)		(124,588)
Disposals		(26)		—		(26)
Interest		750		—		750
Financing fee amortization		—		656		656
Financing fee reclassification		—		(4,926)		(4,926)
Effects of foreign exchange		1,354		545		1,899
As at December 31, 2022		27,166		170,162		197,328
Additions		11,774		430,949		442,723
Payments		(12,013)		(214,502)		(226,515)
Interest		733		—		733
Financing fee amortization		—		430		430
Deferred financing fee		—		(1,158)		(1,158)
Effects of foreign exchange		878		596		1,474
As at June 30, 2023		28,538		386,477		415,015
Less: current portion		14,181		270,475		284,656
Long-term portion	**$**	**14,357**	**$**	**116,002**	**$**	**130,359**

a) The Company has a secured revolving credit facility of $1,750.0 million. On April 26, 2023, the credit facility was amended, extending the term by one year to April 2028 and bearing interest on drawn funds at rates of Term Secured Overnight Financing Rate ("Term SOFR") + Credit Spread Adjustment ("CSA") of 0.10% + 1.45% to Term SOFR+0.10%+2.50%, depending on the Company's net leverage ratio. The revolving credit facility is subject to customary covenants. During the first quarter of 2023, the Company drew down $25.0 million and subsequently repaid $13.0 million. During the second quarter of 2023, the Company drew down an additional $146.0 million. As at June 30, 2023, the balance outstanding was $176.0 million (December 31, 2022 - $18.0 million) with deferred financing fees of $5.0 million (December 31, 2022 - $4.3 million) netted against borrowings.

In July 2023, the Company repaid $55.0 million on the revolving credit facility.

b) During 2022, Candelaria obtained an unsecured fixed term loan in the amount of $50.0 million which remains outstanding as at June 30, 2023 (December 31, 2022 - $50.0 million). The loan matures on December 20, 2023 and accrues interest at a rate of 6.13% per annum, with interest payable upon maturity.

Mineração Maracá Indústria e Comércio S/A ("Chapada"), a subsidiary of the Company which owns the Chapada mine, obtained a series of unsecured fixed term loans totalling $59.5 million and $71.1 million during the first and second quarter of 2023, respectively. Chapada subsequently repaid $47.1 million and $61.8 million of the outstanding term loans during the first and second quarter of 2023, respectively.

During 2022, Chapada obtained a series of unsecured fixed term loans totalling $101.4 million. Term loans totalling $24.0 million were repaid in full upon their respective maturity dates in 2022.

As at June 30, 2023, there were twenty-one term loans outstanding at Chapada totalling $99.1 million (December 31, 2022 - nine term loans totalling $77.4 million). These outstanding term loans accrue interest at rates ranging from 6.19% to 7.27% per annum with interest payable upon maturity. The maturity dates range from August 9 to October 27, 2023.

c) Lease liabilities relate to leases on buildings, rail cars, vehicles, machinery and equipment which have remaining lease terms of one to twelve years and interest rates of 0.8% - 8.0% over the terms of the leases. Additionally, the Company acts as lessee in certain leases that contain variable lease payment terms that are primarily based on usage of the right-of-use assets.

d) Sociedade Mineira de Neves-Corvo, S.A. ("Somincor"), a subsidiary of the Company which owns the Neves-Corvo mine, has a commercial paper program ("Commercial Paper Program 1") which matures in May 2025. The $27.2 million (€25.0 million) program bears interest on drawn funds at EURIBOR+0.50%. As at December 31, 2022, the Commercial Paper Program 1 was fully drawn at $26.7 million (€25.0 million). During 2023, Somincor made several repayments totalling $91.1 million (€85.0 million) and made several drawdowns totalling $86.1 million (€80.0 million) on the program. In June 2023, Somincor entered into an additional commercial paper program ("Commercial Paper Program 2") which matures in June 2028. The $54.3 million (€50.0 million) program bears interest on drawn funds at EURIBOR+0.50%. During the second quarter of 2023, Somincor drew down $43.3 million (€40.0 million) from the program. As at June 30, 2023, Commercial Paper Program 1 and Commercial Paper Program 2 remain drawn at $21.7 million (€20.0 million) and $43.5 million (€40.0 million), respectively.

In July 2023, Somincor entered into a third commercial paper program ("Commercial Paper Program 3") which matures in July 2028. The $43.5 million (€40.0 million) program bears interest on drawn funds at EURIBOR+0.30%. In July 2023, Somincor drew down €30.0 million on Commercial Paper Program 3 and €10.0 million on Commercial Paper Program 2.

e) As at June 30, 2023, the balance outstanding for Somincor equipment financing was $1.2 million (€1.1 million) (December 31, 2022 - $2.4 million). Interest rates vary from a fixed rate of 0.88% to EURIBOR+0.84%, dependent on the piece of equipment, with the debt maturing throughout 2023 and 2024.

(Unaudited - Tabular amounts in thousands of US dollars, except for shares and per share amounts)

The schedule of undiscounted lease payment and debt obligations is as follows:

		Leases		Debt		Total
Less than one year	$	15,327	$	270,475	$	285,802
One to five years		14,286		121,000		135,286
More than five years		2,622		—		2,622
Total undiscounted obligations as at June 30, 2023	**$**	**32,235**	**$**	**391,475**	**$**	**423,710**

9. DEFERRED REVENUE

The following table summarizes the changes in deferred revenue:

As at December 31, 2021	$	693,467
Recognition of revenue		(40,100)
Finance costs		18,898
Effects of foreign exchange		(6,690)
As at June 30, 2022		665,575
Recognition of revenue		(33,633)
Variable consideration adjustment		3,492
Finance costs		18,723
Effects of foreign exchange		(51)
As at December 31, 2022		654,106
Recognition of revenue		(36,019)
Finance costs		18,004
Effects of foreign exchange		(1,018)
As at June 30, 2023		635,073
Less: current portion		78,170
Long-term portion	**$**	**556,903**

Consideration received under the Company's gold, silver and copper streaming agreements is deemed to be variable and can be subject to cumulative adjustments when the contractual volume to be delivered changes. In 2022, as a result of changes to the Company's Mineral Resources and Mineral Reserves estimates, an adjustment was made to the deferred revenue liability which was recognized through revenue and finance costs.

(Unaudited - Tabular amounts in thousands of US dollars, except for shares and per share amounts)

10. RECLAMATION AND OTHER CLOSURE PROVISIONS

Reclamation and other closure provisions relating to the Company's mining operations are as follows:

	Reclamation provisions	Other closure provisions	Total
Balance, December 31, 2021	$ 406,966	$ 39,089	$ 446,055
Accretion	7,138	—	7,138
Changes in estimate	18,487	5,780	24,267
Changes in discount rate	(41,896)	—	(41,896)
Payments	(1,494)	(2,413)	(3,907)
Effects of foreign exchange	(11,767)	(4,070)	(15,837)
Balance, June 30, 2022	377,434	38,386	415,820
Accretion	7,206	—	7,206
Changes in estimate	27,279	5,594	32,873
Changes in discount rate	(1,771)	—	(1,771)
Payments	(9,681)	(2,315)	(11,996)
Effects of foreign exchange	553	3,163	3,716
Balance, December 31, 2022	401,020	44,828	445,848
Accretion	10,477	—	10,477
Changes in estimate	5,766	8,794	14,560
Changes in discount rate	13,846	—	13,846
Payments	(3,649)	(1,480)	(5,129)
Effects of foreign exchange	(256)	2,674	2,418
Balance, June 30, 2023	427,204	54,816	482,020
Less: current portion	15,511	5,941	21,452
Long-term portion	**$ 411,693**	**$ 48,875**	**$ 460,568**

The Company expects these liabilities to be settled between 2023 and 2062. The reclamation provisions are discounted using current market pre-tax discount rates which range from 2.6% to 11.1% (December 31, 2022 - 2.0% to 13.5%).

(Unaudited - Tabular amounts in thousands of US dollars, except for shares and per share amounts)

11. SHARE CAPITAL

a) Basic and diluted weighted average number of shares outstanding

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	**2023**	2022
Basic weighted average number of shares outstanding	**772,255,656**	766,775,032	**771,739,532**	751,676,764
Effect of dilutive securities (i)	**934,228**	—	**687,860**	1,430,115
Diluted weighted average number of shares outstanding	**773,189,884**	766,775,032	**772,427,392**	753,106,879
Antidilutive securities	**23,175**	101,100	**1,267,078**	574,829

(i) As a result of the Company's net loss position for the three months ended June 30, 2022, 1,152,354 shares that would have been dilutive had the Company been in a net earnings position were excluded from diluted weighted average number of shares outstanding.

The effect of dilutive securities relates to in-the-money outstanding stock options and share units ("SUs").

Upon closing the Josemaria Resources Inc. acquisition in April 2022, the Company issued 40,031,936 common shares to the former shareholders of Josemaria Resources Inc. with a fair value of $369.2 million.

b) Stock options and SUs granted/issued

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	**2023**	2022
Stock options	**18,230**	—	**1,880,663**	1,753,520
Replacement Options	**—**	2,513,866	**—**	2,513,866
SUs	**13,930**	—	**1,261,503**	480,429

In April 2022, the Company issued 2,513,866 Replacement Options upon the acquisition of Josemaria Resources Inc.

c) Dividends

During the three and six months ended June 30, 2023, the Company declared dividends in the amount of $51.1 million (Q2 2022 - $54.7 million) or C$0.09 per share (Q2 2022 - C$0.09), and $102.4 million (YTD Q2 2022 - $170.9 million) or C$0.18 per share (YTD Q2 2022 - C$0.29), respectively.

d) Normal course issuer bid

For the three and six months ended June 30, 2023, no common shares were purchased by the Company's broker under the automatic share purchase plan ("ASPP") or at management's discretion pursuant to its normal course issuer bid ("NCIB").

For the three and six months ended June 30, 2022, 1,189,200 shares were purchased by the Company's broker under the ASPP pursuant to its NCIB at an average price of C$8.67 per share for total consideration of $8.1 million. All common shares purchased were cancelled. As at June 30, 2022, the Company had recorded an accrual of $10.4 million in trade and other payables representing the contractual maximum share purchases remaining under the ASPP.

(Unaudited - Tabular amounts in thousands of US dollars, except for shares and per share amounts)

12. REVENUE

The Company's analysis of revenue from contracts with customers, segmented by product, is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	**2023**	2022
Revenue from contracts with customers:				
Copper	**$ 440,162**	$ 512,870	**$ 921,142**	$ 1,136,655
Nickel	**97,482**	108,535	**161,112**	193,267
Zinc	**50,832**	102,136	**149,321**	202,344
Gold	**50,008**	46,188	**103,351**	103,614
Lead	**10,463**	19,499	**23,303**	30,952
Silver	**9,835**	11,125	**19,101**	25,021
Other	**11,860**	12,467	**16,315**	23,526
	670,642	812,820	**1,393,645**	1,715,379
Provisional pricing adjustments on concentrate sales	**(82,111)**	(222,599)	**(53,770)**	(134,079)
Revenue	**$ 588,531**	$ 590,221	**$ 1,339,875**	$ 1,581,300

The Company's geographical analysis of revenue from contracts with customers, segmented based on the destination of product, is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	**2023**	2022
Revenue from contracts with customers:				
Japan	**$ 133,408**	$ 158,916	**$ 327,746**	$ 484,160
Spain	**128,149**	129,793	**260,717**	195,600
Canada	**124,714**	154,085	**215,830**	278,877
China	**54,717**	53,228	**195,282**	116,181
Finland	**40,605**	46,828	**107,657**	150,078
Germany	**45,926**	51,172	**73,714**	131,270
Other	**143,123**	218,798	**212,699**	359,213
	670,642	812,820	**1,393,645**	1,715,379
Provisional pricing adjustments on concentrate sales	**(82,111)**	(222,599)	**(53,770)**	(134,079)
Revenue	**$ 588,531**	$ 590,221	**$ 1,339,875**	$ 1,581,300

(Unaudited - Tabular amounts in thousands of US dollars, except for shares and per share amounts)

13. PRODUCTION COSTS

The Company's production costs are comprised of the following:

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	**2023**	2022
Direct mine and mill costs	**$ 373,519**	$ 357,521	**$ 751,162**	$ 696,881
Transportation	**24,647**	32,210	**55,129**	61,009
Royalties	**7,032**	12,459	**16,671**	26,727
Total production costs	**$ 405,198**	$ 402,190	**$ 822,962**	$ 784,617

14. EMPLOYEE BENEFITS

The Company's employee benefits recognized in the consolidated statement of earnings are comprised of the following:

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	**2023**	2022
Production costs				
Wages and benefits	**$ 78,546**	$ 69,457	**$ 158,308**	$ 145,190
Retirement benefits	**485**	417	**1,061**	837
Share-based compensation	**438**	542	**980**	1,272
	79,469	70,416	**160,349**	147,299
General and administrative expenses				
Wages and benefits	**5,994**	5,215	**11,567**	11,057
Retirement benefits	**199**	252	**601**	452
Share-based compensation	**1,203**	1,723	**2,843**	4,059
Termination benefits	**1,349**	—	**3,198**	—
	8,745	7,190	**18,209**	15,568
General exploration and business development				
Wages and benefits	**1,242**	3,170	**2,900**	4,413
Retirement benefits	**11**	7	**23**	13
Share-based compensation	**114**	74	**198**	204
Termination benefits	**313**	—	**313**	—
	1,680	3,251	**3,434**	4,630
Total employee benefits	**$ 89,894**	$ 80,857	**$ 181,992**	$ 167,497

(Unaudited - Tabular amounts in thousands of US dollars, except for shares and per share amounts)

15. GENERAL EXPLORATION AND BUSINESS DEVELOPMENT

The Company's general exploration and business development costs are comprised of the following:

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	**2023**	2022
General exploration	**$ 11,752**	$ 10,200	**$ 20,955**	$ 17,260
Corporate development	**165**	—	**5,191**	—
Project development	**1,776**	41,331	**2,312**	42,553
Total general exploration and business development	**$ 13,693**	$ 51,531	**$ 28,458**	$ 59,813

For the three and six months ended June 30, 2023, corporate development expenses include $0.2 million and $5.0 million, respectively, in transaction costs incurred related to the acquisition of Caserones (Note 23).

Project development expenses include study costs related to potential expansion projects at the Company's operating sites. During the fourth quarter of 2022, the Company began to capitalize the Josemaria Project development costs.

16. FINANCE INCOME AND COSTS

The Company's finance income and costs are comprised of the following:

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	**2023**	2022
Interest income	**$ 1,289**	$ 883	**$ 2,172**	$ 1,484
Interest expense and bank fees	**(6,988)**	(2,759)	**(13,197)**	(4,069)
Deferred revenue finance costs	**(4,852)**	(8,701)	**(10,525)**	(17,116)
Accretion expense on reclamation provisions	**(5,268)**	(3,525)	**(10,477)**	(7,138)
Lease liability interest	**(361)**	(367)	**(733)**	(684)
Other	**283**	(2,840)	**1,164**	(4,758)
Total finance costs, net	**$ (15,897)**	$ (17,309)	**$ (31,596)**	$ (32,281)
Finance income	**$ 1,572**	$ 883	**$ 3,336**	$ 1,484
Finance costs	**(17,469)**	(18,192)	**(34,932)**	(33,765)
Total finance costs, net	**$ (15,897)**	$ (17,309)	**$ (31,596)**	$ (32,281)

(Unaudited - Tabular amounts in thousands of US dollars, except for shares and per share amounts)

17. OTHER INCOME AND EXPENSE

The Company's other income and expense are comprised of the following:

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	**2023**	2022
Foreign exchange and trading gains on debt and equity investments (a)	**$ 30,667**	$ 29,093	**$ 52,745**	$ 29,093
Realized gains on derivative contracts (Note 18)	**14,275**	—	**27,852**	—
Unrealized (losses) gains on derivative contracts (Note 18)	**(14,403)**	—	**6,263**	—
Gain on disposal of subsidiary (b)	**—**	—	**5,718**	16,828
Revaluation of marketable securities	**3,464**	(1,626)	**3,902**	2,266
Foreign exchange gain (loss)	**12,390**	10,155	**2,445**	(629)
Ojos del Salado sinkhole expenses (c)	**(11,900)**	—	**(16,482)**	—
Revaluation of Chapada derivative liability	**(380)**	745	**(1,796)**	(2,548)
(Loss) income from equity investment in associate	**—**	(1,321)	**(54)**	3,375
Other expense	**(752)**	(2,650)	**(987)**	(2,733)
Total other income, net	**$ 33,361**	$ 34,396	**$ 79,606**	$ 45,652

a) Foreign exchange and trading gains on debt and equity investments include the changes in fair value of debt and equity instruments supporting capital funding for the Josemaria Project.

b) Pursuant to the terms of the original sale agreement of Rio Narcea Recursos, S.A. in 2016, the Company received a $16.8 million payment during the first quarter of 2022, and a further $5.7 million payment in the first quarter of 2023, which were contingent on historical tax assessments which have now been closed.

c) Ojos del Salado sinkhole expenses include idle costs, maintenance, and remediation work related to the sinkhole near the Company's Ojos del Salado operations.

(Unaudited - Tabular amounts in thousands of US dollars, except for shares and per share amounts)

18. FINANCIAL INSTRUMENTS

Derivative instruments

From time to time, the Company uses derivative contracts as part of its risk management strategy to mitigate exposure to foreign currencies and commodities.

During 2022, the Company entered into EUR, BRL, CLP, SEK and CAD foreign currency options and forward contracts intended to limit the foreign exchange exposure of its forecasted foreign currency denominated after-tax attributable operating and capital expenditures. The foreign exchange contracts have not been designated as hedges for purposes of hedge accounting and are measured at fair value with changes in fair value recognized in the consolidated statement of earnings. The following table shows the remaining contract positions and their expiry dates:

	Expired in	Expiring throughout:	
Foreign currency forward contracts	**2023**	**remainder of 2023**	**2024**
EUR/USD forwards			
Average contract price	1.01	1.01	1.02
Position (EUR millions)	125	124	155
USD/SEK forwards			
Average contract price	11.1	11.1	10.9
Position (SEK millions)	618	618	900

	Expired in	Expiring throughout:	
Foreign currency zero cost collar contracts	**2023**	**remainder of 2023**	**2024**
USD/BRL collars			
Average contract price	5.00/6.40	5.00/6.40	5.00/6.40
Position (BRL millions)	571	571	974
USD/CLP collars			
Average contract price	900/1,050	900/1,050	900/1,050
Position (CLP millions)	123,256	123,257	143,426
USD/CAD collars			
Average contract price	1.34/1.38	1.33/1.38	1.30/1.40
Position (CAD millions)	18	18	19

Subsequent to June 30, 2023, the Company entered into SEK 66 million of SEK forward contracts at a price of USD:SEK 10.83 expiring over the remainder of 2023, and SEK 396 million of zero cost collar contracts with a collar range of SEK 10.35 to SEK 11.15 expiring throughout 2024.

In April 2023, the Company entered into forward swap contracts intended to limit exposure to changes in the price of diesel fuel purchases at Candelaria. Positions taken represent approximately 75% and 50% of Candelaria's forecasted attributable diesel fuel purchases for the remainder of 2023 and 2024, respectively.

	Expired in	Expiring throughout:	
Diesel forward swap contracts	**2023**	**remainder of 2023**	**2024**
Average contract price ($/L)	0.691	0.690	0.667
Position (USD millions)	8	19	27

(Unaudited - Tabular amounts in thousands of US dollars, except for shares and per share amounts)

The Company's net unrealized and realized (loss)/gain on foreign currency and diesel derivative contracts are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	**2023**	2022
Unrealized (loss)/gain on derivative financial instruments:				
Foreign currency contracts	**$ (11,215)**	$ —	**$ 9,451**	$ —
Diesel forward swap contracts	**(3,188)**	—	**(3,188)**	—
	(14,403)	—	**6,263**	—
Realized gain/(loss) on derivative financial instruments:				
Foreign currency contracts	**14,908**	—	**28,485**	—
Diesel forward swap contracts	**(633)**	—	**(633)**	—
	14,275	—	**27,852**	—
Total unrealized and realized (loss)/gain on derivative contracts:	**$ (128)**	$ —	**$ 34,115**	$ —

A summary of the fair values of unsettled derivative contracts recorded on the consolidated balance sheet is as follows:

	June 30, 2023	December 31, 2022
Foreign currency contracts:		
Current asset position	**$ 52,794**	$ 43,521
Non-current asset position	**20,147**	25,111
Current liability position	**—**	—
Non-current liability position	**—**	5,524
Diesel forward swap contracts:		
Current liability position	**1,967**	—
Non-current liability position	**1,221**	—
Other contracts:		
Chapada derivative current liability	**25,000**	24,423
Chapada derivative non-current liability	**23,571**	22,352

(Unaudited - Tabular amounts in thousands of US dollars, except for shares and per share amounts)

Fair values of financial instruments

The Company's financial assets and financial liabilities have been classified into categories that determine their basis of measurement. The following table shows the carrying values, fair values and fair value hierarchy of the Company's financial instruments as at June 30, 2023 and December 31, 2022:

		June 30, 2023		December 31, 2022	
	Level	**Carrying value**	**Fair value**	Carrying value	Fair value
Financial assets					
Fair value through profit or loss					
Restricted funds	1	**$ 55,301**	**$ 55,301**	$ 50,195	$ 50,195
Trade receivables (provisional)	2	**326,595**	**326,595**	403,300	403,300
Marketable securities, and debt & equity investments	1	**16,305**	**16,305**	12,075	12,075
Foreign currency contracts	2	**72,941**	**72,941**	68,632	68,632
		$ 471,142	**$ 471,142**	$ 534,202	$ 534,202
Financial liabilities					
Amortized cost					
Debt	3	**$ 386,477**	**$ 386,477**	$ 170,162	$ 170,162
Fair value through profit or loss					
Pricing provisions on concentrate sales	2	**$ 17,438**	**$ 17,438**	$ 5,006	$ 5,006
Chapada derivative liability	2	**48,571**	**48,571**	46,775	46,775
Foreign currency contracts	2	**—**	**—**	5,524	5,524
Diesel forward swap contracts	2	**3,188**	**3,188**	—	—
		$ 69,197	**$ 69,197**	$ 57,305	$ 57,305

Fair values of financial instruments are determined by valuation methods depending on hierarchy levels as defined below:

Level 1 – Quoted market price in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted market prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. observed prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities are not based on observable market data.

The Company calculates fair values based on the following methods of valuation and assumptions:

Marketable securities/debt and equity investments/restricted funds – The fair value of investments in shares and bonds is determined based on the quoted market price.

Trade receivables/pricing provisions on concentrate sales – The fair value of trade receivables that contain provisional pricing sales arrangements are valued using quoted forward market prices. The Company recognized negative pricing adjustments of $82.1 million in revenue during the three months ended June 30, 2023 (Q2 2022 - $222.6 million negative pricing adjustments) and negative pricing adjustments of $53.8 million in revenue during the six months ended June 30, 2023 (YTD Q2 2022 - $134.1 million negative pricing adjustments).

Foreign currency and diesel forward swap contracts – The fair value of these derivatives are determined by the counterparties to the contracts and are assessed by Management using pricing models based on active market prices.

Chapada derivative liability – The fair value of this derivative is determined using a valuation model that incorporates such factors as metal prices, metal price volatility, expiry date, and risk-free interest rate.

Debt – The fair values approximate carrying values as the interest rates are comparable to current market rates.

The carrying values of certain financial instruments maturing in the short-term approximate their fair values. These financial instruments include cash and cash equivalents, trade and other receivables other than those provisionally priced, and trade and other payables other than those provisionally priced, which are classified as amortized cost.

19. COMMITMENTS AND CONTINGENCIES

a) The Company has capital commitments of $531.3 million on various initiatives, of which $218.6 million is expected to be paid during 2023.

b) The Company may be involved in legal proceedings arising in the ordinary course of business, including the action described below. The potential amount of the liability with respect to such legal proceedings is not expected to materially affect the Company's financial position.

c) Significant changes to commitments and contingencies, since those reported at December 31, 2022, are described below:

   i) With respect to the Ontario class action, the Ontario Court of Appeal overturned the decision of the Ontario Superior Court of Justice on May 24, 2023, and allowed the plaintiff’s appeal and granted the leave application. The Company is preparing an application for leave to appeal to the Supreme Court of Canada which it expects to file in August 2023.

20. SEGMENTED INFORMATION

The Company is engaged in mining, exploration and development of mineral properties, primarily in Chile, Brazil, USA, Argentina, Portugal and Sweden. Operating segments are reported in a manner consistent with the internal reporting provided to executive management who act as the chief operating decision-maker. Executive management are responsible for allocating resources and assessing performance of the operating segments.

(Unaudited - Tabular amounts in thousands of US dollars, except for shares and per share amounts)

For the three months ended June 30, 2023

	Candelaria Chile	Chapada Brazil	Eagle USA	Josemaria Argentina	Neves-Corvo Portugal	Zinkgruvan Sweden	Other	Total
Revenue	$ 290,426	$ 94,721	$ 105,250	$ —	$ 68,614	$ 29,520	$ —	$ 588,531
Cost of goods sold								
Production costs	(184,958)	(80,113)	(45,735)	—	(76,080)	(17,786)	(526)	(405,198)
Depreciation, depletion and amortization	(69,696)	(14,989)	(12,670)	—	(27,719)	(4,913)	(518)	(130,505)
Gross profit (loss)	35,772	(381)	46,845	—	(35,185)	6,821	(1,044)	52,828
General and administrative expenses	—	—	—	—	—	—	(14,898)	(14,898)
General exploration and business development	(5,112)	(3,067)	(1,443)	—	(2,197)	(354)	(1,520)	(13,693)
Finance (costs) income	(8,295)	(5,682)	(1,086)	3,995	(1,148)	(1,084)	(2,597)	(15,897)
Other (expense) income	(16,108)	10,296	(821)	36,219	384	(5,207)	8,598	33,361
Income tax (expense) recovery	(3,732)	15,864	(3,539)	(678)	10,617	(2,286)	3,355	19,601
Net earnings (loss)	**$ 2,525**	**$ 17,030**	**$ 39,956**	**$ 39,536**	**$ (27,529)**	**$ (2,110)**	**$ (8,106)**	**$ 61,302**
Capital expenditures	**$ 123,417**	**$ 19,690**	**$ 3,562**	**$ 92,093**	**$ 22,133**	**$ 15,994**	**$ 3,024**	**$ 279,913**

For the six months ended June 30, 2023

	Candelaria Chile	Chapada Brazil	Eagle USA	Josemaria Argentina	Neves-Corvo Portugal	Zinkgruvan Sweden	Other	Total
Revenue	$ 670,831	$ 205,839	$ 174,670	$ —	$ 198,017	$ 90,518	$ —	$ 1,339,875
Cost of goods sold								
Production costs	(372,937)	(148,747)	(91,184)	—	(161,806)	(46,691)	(1,597)	(822,962)
Depreciation, depletion and amortization	(128,071)	(27,070)	(23,821)	(38)	(57,799)	(13,000)	(953)	(250,752)
Gross profit (loss)	169,823	30,022	59,665	(38)	(21,588)	30,827	(2,550)	266,161
General and administrative expenses	—	—	—	—	—	—	(30,008)	(30,008)
General exploration and business development	(8,952)	(4,571)	(2,029)	—	(3,333)	(1,974)	(7,599)	(28,458)
Finance (costs) income	(16,296)	(11,716)	(2,170)	6,805	(1,713)	(2,187)	(4,319)	(31,596)
Other (expense) income	(2,797)	16,664	(1,003)	51,532	2,953	(5,455)	17,712	79,606
Income tax (expense) recovery	(46,279)	21,213	(3,546)	(678)	9,345	(6,265)	(2,882)	(29,092)
Net earnings (loss)	**$ 95,499**	**$ 51,612**	**$ 50,917**	**$ 57,621**	**$ (14,336)**	**$ 14,946**	**$ (29,646)**	**$ 226,613**
Capital expenditures	**$ 214,103**	**$ 35,717**	**$ 10,664**	**$ 182,648**	**$ 47,194**	**$ 30,462**	**$ 5,244**	**$ 526,032**

(Unaudited - Tabular amounts in thousands of US dollars, except for shares and per share amounts)

For the three months ended June 30, 2022

	Candelaria Chile	Chapada Brazil	Eagle USA	Josemaria Argentina	Neves-Corvo Portugal	Zinkgruvan Sweden	Other	Total
Revenue	$ 261,999	$ 57,260	$ 106,828	$ —	$ 93,538	$ 70,596	$ —	$ 590,221
Cost of goods sold								
Production costs	(168,164)	(71,507)	(55,128)	—	(77,788)	(29,066)	(537)	(402,190)
Depreciation, depletion and amortization	(75,911)	(8,473)	(21,904)	(288)	(23,979)	(11,030)	(457)	(142,042)
Gross profit (loss)	17,924	(22,720)	29,796	(288)	(8,229)	30,500	(994)	45,989
General and administrative expenses	—	—	—	—	—	—	(11,168)	(11,168)
General exploration and business development	(3,696)	(2,909)	(679)	(40,278)	(2,248)	(761)	(960)	(51,531)
Finance costs	(6,892)	(4,516)	(471)	(165)	(2,604)	(839)	(1,822)	(17,309)
Other income (expense)	5,799	7,110	330	24,269	2,284	7,223	(12,619)	34,396
Income tax (expense) recovery	(5,421)	(27,265)	(2,396)	(982)	2,405	(11,986)	(3,358)	(49,003)
Net earnings (loss)	$ 7,714	$ (50,300)	$ 26,580	$ (17,444)	$ (8,392)	$ 24,137	$ (30,921)	$ (48,626)
Capital expenditures	$ 86,107	$ 29,760	$ 2,923	$ 54,934	$ 24,429	$ 14,083	$ 5,032	$ 217,268

For the six months ended June 30, 2022

	Candelaria Chile	Chapada Brazil	Eagle USA	Josemaria Argentina	Neves-Corvo Portugal	Zinkgruvan Sweden	Other	Total
Revenue	$ 719,545	$ 216,865	$ 256,697	$ —	$ 228,105	$ 160,088	$ —	$ 1,581,300
Cost of goods sold								
Production costs	(320,973)	(151,184)	(94,686)	—	(156,258)	(60,254)	(1,262)	(784,617)
Depreciation, depletion and amortization	(144,020)	(19,590)	(38,753)	(288)	(44,824)	(23,509)	(895)	(271,879)
Gross profit (loss)	254,552	46,091	123,258	(288)	27,023	76,325	(2,157)	524,804
General and administrative expenses	—	—	—	—	—	—	(22,670)	(22,670)
General exploration and business development	(6,281)	(4,785)	(924)	(40,278)	(3,804)	(1,720)	(2,021)	(59,813)
Finance costs	(13,895)	(9,098)	(941)	(165)	(4,150)	(1,743)	(2,289)	(32,281)
Other income (expense)	1,582	(3,966)	10	24,269	2,134	7,366	14,257	45,652
Income tax (expense) recovery	(78,390)	416	(16,158)	(982)	(4,706)	(23,251)	(3,138)	(126,209)
Net earnings (loss)	$ 157,568	$ 28,658	$ 105,245	$ (17,444)	$ 16,497	$ 56,977	$ (18,018)	$ 329,483
Capital expenditures	$ 169,071	$ 44,215	$ 7,383	$ 54,934	$ 58,099	$ 23,122	$ 5,356	$ 362,180

(Unaudited - Tabular amounts in thousands of US dollars, except for shares and per share amounts)

21. RELATED PARTY TRANSACTIONS

a) **Transactions with associates** - The Company may enter into transactions related to its investment in associate. These transactions are entered into in the normal course of business and on an arm's length basis.

b) **Key management personnel** - The Company has identified its directors and senior officers as its key management personnel. Employee benefits for key management personnel are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	**2023**	2022
Wages and salaries	**$ 2,127**	$ 1,893	**$ 3,421**	$ 3,259
Pension benefits	**33**	46	**77**	87
Share-based compensation	**723**	902	**1,466**	2,137
Termination benefits	**388**	—	**1,794**	—
	$ 3,271	$ 2,841	**$ 6,758**	$ 5,483

c) **Other related parties** - For the three and six months ended June 30, 2023, the Company incurred $0.4 million (Q2 2022 - $nil) and $0.7 million (YTD Q2 2022 – $nil), respectively, for services provided by a company owned by a member of key management personnel.

22. SUPPLEMENTARY CASH FLOW INFORMATION

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	**2023**	2022
Changes in non-cash working capital items consist of:				
Trade and income taxes receivable, inventories, and other current assets	**$ 71,878**	$ 336,880	**$ 57,709**	$ 163,008
Trade and income taxes payable, and other current liabilities	**12,329**	(20,215)	**3,306**	(1,891)
	$ 84,207	$ 316,665	**$ 61,015**	$ 161,117
Operating activities included the following cash payments:				
Income taxes paid	**$ 33,083**	$ 132,228	**$ 72,940**	$ 213,337

23. SUBSEQUENT EVENT

On July 13, 2023, the Company announced the closing of the acquisition of fifty-one percent (51%) of the issued and outstanding equity of SCM Minera Lumina Copper Chile ("Lumina Copper"), which owns the Caserones copper-molybdenum mine located in Chile, from JX Metals Corporation and certain of its subsidiaries, as previously announced on March 27, 2023.

The Company paid an aggregate of approximately $800 million in cash consideration at closing, drawing down the Company's existing $1,750.0 million revolving credit facility. Remaining deferred cash consideration of $150 million will be payable in installments over the six-year period following the closing date. Lundin Mining also has the right to acquire up to an additional 19% interest in Lumina Copper for $350.0 million over a five-year period commencing on the first anniversary of the date of closing.

As the transaction closed in July 2023, the initial allocation of the purchase price to the assets and liabilities acquired has not been prepared. The Company's preliminary purchase price allocation will be completed in the third quarter of 2023. The Company will account for the acquisition as a business combination with the Company as the acquirer.

In addition, the Company announced the closing of a three-year term loan in a principal amount of $800.0 million on July 27, 2023. The term loan has an additional $400.0 million accordion becoming available upon receipt of additional binding commitments and closing of up to an additional nineteen percent (19%) interest in Caserones and satisfaction of relevant conditions precedent. The Company has used the term loan to refinance the drawdown under the existing $1,750.0 million revolving credit facility used to fund the Caserones acquisition.

The term loan bears interest on US dollar denominated drawn funds at an annual rate equal to Term SOFR+CSA+1.60% to 2.65%, depending on the Company's net leverage ratio. The term loan is unsecured, save and except for a charge over certain assets in the USA, and has similar covenants to the Company's existing $1,750.0 million revolving credit facility.

lundin mining

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