lundin mining

Management's Discussion and Analysis
For the three and nine months ended September 30, 2023

This management's discussion and analysis ("MD&A") has been prepared as of November 1, 2023 and should be read in conjunction with the Company's condensed interim consolidated financial statements for the three and nine months ended September 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, molybdenum, 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 significant growth potential to the Company’s portfolio of assets and expected synergies and potential for cost savings; the potential to unlock additional upside; expectations regarding the world shifting to a lower carbon future; the Company’s expectations regarding liquidity; the anticipated development of Josemaria and other growth projects; the Company’s guidance on the timing and amount of future production and its expectations regarding the potential production and results of operations; expected cash costs and capital expenditures; 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 achieve certain synergies, 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; 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.sedarplus.ca 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 September 30, 2023 the Company generated revenue of $992.2 million (Q3 2022 - $648.5 million), gross profit of $197.3 million (Q3 2022 - $82.5 million) and adjusted EBITDA[1] of $415.1 million (Q3 2022 - $202.4 million). Financial results include the contribution from the acquisition of the Caserones copper-molybdenum mine ("Caserones") located in Chile, which closed on July 13, 2023.

Overall, the operations performed well during the third quarter of 2023 with 89,942 tonnes of copper and 49,774 tonnes of zinc produced, both record volumes for the Company. The Company remains on track to achieve annual production guidance.

Operational Performance

Candelaria (80% owned): Candelaria produced 34,275 tonnes of copper and approximately 20,000 ounces of gold in concentrate on a 100% basis in the quarter. Copper production was lower than the prior year quarter primarily due to lower grades partially offset by higher throughput. Gold production was lower than the prior year quarter due to lower grades and recoveries. Current quarter production costs and copper cash cost[1] of $2.19/lb were higher than the prior year quarter largely owing to higher contractor and maintenance costs and unfavourable foreign exchange. Cash cost was further impacted by lower sales volumes.

Caserones (51% owned): In the three months ended September 30, 2023 Caserones produced 34,427 tonnes of copper and 1,321 tonnes of molybdenum on a 100% basis, of which 29,821 tonnes of copper and 1,096 tonnes of molybdenum were produced from the acquisition closing date of July 13. Copper and molybdenum production were higher than planned due to increased throughput and recoveries. Production costs in the quarter were negatively impacted by the recognition of fair market value adjustments to inventory due to the acquisition. Copper cash cost of $1.60/lb benefited from higher than planned production and by-product credits.

Chapada (100% owned): Chapada produced 12,286 tonnes of copper and approximately 15,000 ounces of gold in concentrate in the quarter. Copper and gold production was lower than the prior year quarter primarily due to lower throughput and grades. Production costs were lower than the prior year quarter due to lower sales volumes. Copper cash cost of $2.28/lb for the quarter increased from the prior year quarter due to lower sales volumes, unfavorable foreign exchange variances, and lower by-product credits and production.

Eagle (100% owned): During the quarter Eagle produced 4,290 tonnes of nickel and 3,245 tonnes of copper which were lower than the prior year quarter due to lower planned grades. Production costs were higher than the comparable prior year quarter due to inflationary contractual cost increases. Nickel cash cost in the quarter of $2.07/lb was higher than the prior year quarter primarily due to lower by-product credits and higher production costs.

Neves-Corvo (100% owned): Neves-Corvo produced 9,016 tonnes of copper and 25,807 tonnes of zinc in the quarter. Copper production was higher than in the prior year quarter due to higher throughput, grades and recoveries. Zinc production was higher than in the prior year quarter primarily due to increased grades and recoveries driven by the Zinc Expansion Project ("ZEP"). Production costs during the quarter were lower than the prior year quarter despite higher sales, primarily due to reduced electricity costs. Current quarter copper cash cost per pound of $2.27/lb was lower than prior year quarter primarily as a result of lower input costs, and benefited from higher production and sales.

Zinkgruvan (100% owned): Zinc production of 23,967 tonnes and lead production of 8,643 tonnes were higher than the prior year quarter primarily due to higher throughput and grades. Copper production of 1,299 tonnes was lower than the prior year quarter due to lower throughput. Production costs were higher than the prior year quarter primarily due to higher sales volumes. Zinc cash cost per pound of $0.28/lb during the quarter was higher than the prior year quarter primarily as a result of lower by-product costs per pound and higher treatment and refining charges.

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

Total Production[a]

	2023				2022				
	YTD	**Q3**	Q2	Q1	**Total**	Q4	Q3	Q2	Q1
Copper (t)[b]	**211,461**	**89,942**	60,057	61,462	**249,659**	56,552	63,930	64,096	65,081
Zinc (t)	**134,442**	**49,774**	36,115	48,553	**158,938**	44,308	40,327	41,912	32,391
Molybdenum (t)[b]	**1,096**	**1,096**	—	—	**—**	—	—	—	—
Gold (koz)[b]	**105**	**35**	34	36	**154**	36	45	39	34
Nickel (t)	**12,700**	**4,290**	4,686	3,724	**17,475**	4,096	4,379	4,719	4,281

a - Tonnes(t) and thousands of ounces (koz).

b - Candelaria and Caserones production are on a 100% basis. Caserones results are from July 13, 2023.

Corporate Updates

- 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 located in Chile. Net cash paid at closing was $648.6 million, consisting of $796.6 million upfront cash consideration after adjustments, net of $148.0 million cash and cash equivalents held by Lumina Copper at closing on a 100% basis. Excluding the 49% of cash and cash equivalents held by Lumina Copper at closing that are not attributable to the Company, net cash paid at closing was $721.1 million for the Company's 51% share. Remaining deferred cash consideration of $150 million will be payable in installments as follows: $50 million to be paid in five installments of $10 million on the anniversary of the transaction closing date in each of 2024, 2025, 2026, 2027, and 2028; and $100 million shall be paid on the anniversary of the closing date in 2029. 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 SEDAR+.

- On July 27, 2023, the Company announced it had obtained a three-year term loan ("Term Loan") of a principal amount of $800.0 million with an additional $400.0 million accordion option, maturing July 2026. The $400 million accordion becomes available upon closing of up to an additional 19% interest in Lumina Copper.

- On September 11, 2023, the Company announced that the Environmental Impact Assessment ("EIA") for the extension of operations and mine life for its Candelaria Copper Mine in Chile was approved by the Regional Environmental Commission of Atacama on September 8, 2023. Approval of the EIA will allow for the extension of Candelaria's mine life to 2040 and include various measures that will support sustainable social, economic, and environmental development in the Atacama Region.

- On October 2, 2023, the Company announced that its Chief Executive Officer, Peter Rockandel, will be stepping down as of December 31, 2023. The role of President and Chief Executive Officer will be assumed by Jack Lundin, current President and former Director of the Company, who will rejoin the Board of Directors as of January 1, 2024.

Financial Performance

- Gross profit for the quarter ended September 30, 2023 was $197.3 million, an increase of $114.8 million over the prior year quarter due to the acquisition of the Caserones mine as well as higher realized copper price. On a year-to-date basis, gross profit for the period ended September 30, 2023 was $463.5 million which was lower than the prior year period. The decrease was primarily due to higher input costs at Candelaria combined with higher treatment and refining charges, offset by the inclusion of Caserones gross profit.

- For the three months ended September 30, 2023, net earnings of $21.9 million were $33.1 million higher than the prior year quarter. The increase was primarily due to higher gross profit and lower project development costs, and partially offset by increased interest costs, unrealized losses on derivative contracts, the fair market value adjustment on inventory and higher tax expenses due primarily to the change in mining royalty in Chile. On a year-to-date basis, net

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

earnings of $248.5 million were lower than the prior year period due to lower gross profit partially offset by lower project development costs and taxes.

- Adjusted earnings[1] for the three months ended September 30, 2023 of $85.6 million were $54.7 million higher than the prior year quarter primarily due to the same factors as the change in net earnings described above. On a year-to-date basis adjusted earnings of $256.9 million were lower than the prior year period due to lower gross profit partially offset by lower income taxes.

- Free cash flow[1] for the three months ended September 30, 2023 of $71.1 million was $234.3 million higher than the prior year comparable period and benefited from the inclusion of production from Caserones, combined with higher realized copper prices and higher overall changes in working capital.

Financial Position and Financing

- Cash and cash equivalents as at September 30, 2023 was $357.3 million. Cash generated from operations of $303.8 million in the three months ended September 30, 2023 was used to fund investing activities of $908.8 million. Investing activities in the third quarter included $648.6 million net cash paid at closing for the acquisition of Caserones, consisting of $796.6 million upfront cash consideration after adjustments, net of $148 million cash and cash equivalents held by Lumina Copper at closing on a 100% basis. Cash generated from financing activities was $773.2 million, which was comprised primarily of the proceeds from the Term Loan to finance the Caserones acquisition.

- As at September 30, 2023, the Company had a net debt[1] balance of $1,158.9 million.

- As at November 1, 2023, the Company had cash and net debt balances of approximately $368.6 million and $1,137.6 million, respectively.

[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 third quarter of 2023 and production and cash cost guidance for 2023 has been updated from that disclosed in the Company's Management's Discussion and Analysis for the three and six months ended June 30, 2023.

Most production guidance ranges have been tightened and improved, with the lower end of the range being increased for copper, nickel and gold. Cash cost guidance has been lowered for Caserones and Eagle driven by higher production volumes and by-product credits, and increased for Candelaria, reflecting higher operating costs. Production continues to be weighted to the second half of the year, notably at Chapada due to the first half seasonal operating conditions and forecast grade and recovery profiles.

As a result of re-phasing several projects at Neves-Corvo and Zinkgruvan, capital expenditure guidance has been reduced for 2023. As disclosed in the Company's Management's Discussion and Analysis for the three and six months ended June 30, 2023, capital spend guidance at Josemaria was previously lowered to $350 million for 2023 due to foreign exchange, a delay in planned equipment deliveries and reduced activities.

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]	**147,000 – 153,000**	**2.00 – 2.20[c]**
	Caserones (100%)[e]	60,000 – 65,000	2.30 – 2.45	**65,000 – 69,000**	**2.00 – 2.20**
	Chapada	43,000 – 48,000	2.35 – 2.55[d]	**45,000 – 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 – 36,000**	2.10 – 2.30[c]
	Zinkgruvan	3,000 – 4,000		3,000 – 4,000	
	Total	296,000 – 325,000		**305,000 – 325,000**	
Zinc (t)	Neves-Corvo	100,000 – 110,000		**103,000 – 110,000**	
	Zinkgruvan	80,000 – 85,000	0.45 – 0.50[c]	**78,000 – 82,000**	0.45 – 0.50[c]
	Total	180,000 – 195,000		**181,000 – 192,000**	
Molybdenum (t)	Caserones (100%)[e]	1,500 – 2,000		1,500 – 2,000	
Gold (koz)	Candelaria (100%)	85 – 90		**87 – 92**	
	Chapada	55 – 60		55 – 60	
	Total	140 – 150		**142 – 152**	
Nickel (t)	Eagle	13,000 – 16,000	2.30 – 2.45	**15,000 – 17,000**	**2.00 – 2.20**

a. Guidance as outlined in the MD&A for the three and six months June 30, 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: $1.10/lb, Mo: $20.00/lb, Pb: $0.90/lb, Au: $1,850/oz), foreign exchange rates (€/USD:1.05, 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's 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)	375	—	375
Caserones (100% basis)[c]	110	—	110
Chapada	70	—	70
Eagle	20	—	20
Neves-Corvo	130	**(25)**	**105**
Zinkgruvan	70	**(5)**	**65**
Other	10	—	10
Total Sustaining	**785**	**(30)**	**755**
Expansionary - Josemaria	350	—	350
Total Capital Expenditures	**1,135**	**(30)**	**1,105**

a. Guidance as outlined in the MD&A for the three and six months ended June 30, 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 September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Revenue	**992.2**	648.5	**2,332.1**	2,229.8
Costs of goods sold:				
Production costs	**(615.1)**	(425.8)	**(1,438.1)**	(1,210.4)
Depreciation, depletion and amortization	**(179.8)**	(140.2)	**(430.5)**	(412.0)
Gross profit	**197.3**	82.5	**463.5**	607.3
Net earnings (loss) attributable to:				
Lundin Mining shareholders	**(3.0)**	(11.2)	**202.8**	281.3
Non-controlling interests	**24.8**	—	**45.7**	36.9
Net earnings (loss)	**21.9**	(11.2)	**248.5**	318.2
Adjusted earnings[3]	**85.6**	30.9	**256.9**	288.9
Adjusted EBITDA[3]	**415.1**	202.4	**943.8**	938.8
Cash provided by operating activities	**303.8**	36.3	**710.5**	720.0
Adjusted operating cash flow[3]	**316.5**	181.3	**662.2**	703.9
Free cash flow from (used in) operations	**136.5**	(43.9)	**228.3**	417.1
Free cash flow[3]	**71.1**	(163.2)	**(47.7)**	158.3
Capital expenditures[4]	**243.2**	199.5	**769.2**	561.7
Per share amounts:				
Basic and diluted (loss) earnings per share ("EPS") attributable to shareholders	**—**	(0.01)	**0.26**	0.37
Adjusted EPS	**0.11**	0.04	**0.33**	0.38
Adjusted operating cash flow per share[3]	**0.41**	0.23	**0.86**	0.93
Dividends declared (C$/share)	**0.09**	0.09	**0.27**	0.38

	September 30, 2023	December 31, 2022
Total assets	**10,696.2**	8,172.8
Total debt and lease liabilities	**1,511.4**	197.3
Net debt[3]	**(1,158.9)**	(10.9)

Summary of Quarterly Results[1,2,5]

($ millions, except per share data)	Q3-23	Q2-23	Q1-23	Q4-22	Q3-22	Q2-22	Q1-22	Q4-21
Revenue	992.2	588.5	751.3	811.4	648.5	590.2	991.1	1,018.6
Gross profit	197.3	52.8	213.3	155.2	82.5	46.0	478.8	433.2
Net earnings (loss)	21.9	61.3	165.3	145.3	(11.2)	(48.6)	378.1	266.1
- attributable to shareholders	(3.0)	59.1	146.6	145.6	(11.2)	(52.6)	345.1	228.8
Adjusted earnings (loss)[6,3]	85.6	45.6	125.7	191.5	30.9	(35.3)	295.6	281.5
Adjusted EBITDA[3,6]	415.1	191.8	336.9	353.7	202.4	148.6	587.8	623.0
EPS - Basic and Diluted	—	0.08	0.19	0.19	(0.01)	(0.07)	0.47	0.31
Adjusted EPS[3,6]	0.11	0.06	0.16	0.25	0.04	(0.05)	0.40	0.38
Cash flow from operations	303.8	194.8	211.9	156.9	36.3	366.4	317.3	384.2
Adjusted operating cash flow per share[3]	0.41	0.14	0.30	0.38	0.23	0.06	0.64	0.65
Capital expenditures[4]	243.2	279.9	246.1	281.2	199.5	217.3	144.9	153.9

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 22 of this MD&A

6 Q2 2023 amounts have been adjusted from those presented in the Company's MD&A for the three and six months ended June 30, 2023.

Revenue Overview

Sales Volumes by Payable Metal

	2023				2022				
	YTD	**Q3**	Q2	Q1	Total	Q4	Q3	Q2	Q1
Copper (t)									
Candelaria (100%)	**105,585**	**33,668**	36,347	35,570	147,251	33,561	35,587	39,655	38,448
Caserones (100%)[1]	**30,385**	**30,385**	—	—	—	—	—	—	—
Chapada	**30,681**	**11,445**	10,164	9,072	45,563	12,037	12,817	7,905	12,804
Eagle	**8,913**	**3,177**	2,951	2,785	14,060	2,672	3,721	4,159	3,508
Neves-Corvo	**23,000**	**8,799**	6,170	8,031	31,592	6,351	8,574	8,183	8,484
Zinkgruvan	**3,628**	**1,758**	1,001	869	4,428	886	1,570	337	1,635
	202,192	**89,232**	56,633	56,327	242,894	55,507	62,269	60,239	64,879
Zinc (t)									
Neves-Corvo	**65,624**	**21,957**	20,125	23,542	66,966	20,205	18,770	16,289	11,702
Zinkgruvan	**48,028**	**22,042**	9,374	16,612	65,684	17,635	13,722	18,525	15,802
	113,652	**43,999**	29,499	40,154	132,650	37,840	32,492	34,814	27,504
Molybdenum (t)									
Caserones (100%)[1]	**1,041**	**1,041**	—	—	—	—	—	—	—
Gold (koz)									
Candelaria (100%)	**64**	**19**	23	22	83	20	20	22	21
Chapada	**35**	**13**	11	11	65	17	23	10	15
	99	**32**	34	33	148	37	43	32	36
Nickel (t)									
Eagle	**10,234**	**3,640**	3,859	2,735	14,427	3,239	3,715	4,206	3,267
Lead (t)									
Neves-Corvo	**3,140**	**1,220**	881	1,039	2,908	673	654	818	763
Zinkgruvan	**19,813**	**9,391**	4,944	5,478	30,163	7,654	7,502	10,163	4,844
	22,953	**10,611**	5,825	6,517	33,071	8,327	8,156	10,981	5,607
Silver (koz)									
Candelaria (100%)	**907**	**279**	333	295	1,442	278	305	412	447
Chapada	**92**	**32**	29	31	156	50	32	26	48
Eagle	**16**	**6**	4	6	34	9	9	9	7
Neves-Corvo	**556**	**227**	158	171	552	92	117	152	191
Zinkgruvan	**1,443**	**713**	331	399	2,088	551	532	650	355
	3,014	**1,257**	855	902	4,272	980	995	1,249	1,048

[1] Caserones results are from July 13, 2023.

Revenue Analysis[1]

by Mine	Three months ended September 30, 2023		2022		Change	Nine months ended September 30, 2023		2022		Change
($ thousands)	$	%	$	%	$	$	%	$	%	$
Candelaria (100%)	**299,745**	31	255,330	40	44,415	**970,576**	42	974,875	44	(4,299)
Caserones (100%)	**284,556**	29	—	—	284,556	**284,556**	12	—	—	284,556
Chapada	**111,897**	11	118,734	18	(6,837)	**317,736**	14	335,599	15	(17,863)
Eagle	**102,505**	10	106,715	16	(4,210)	**277,175**	12	363,412	16	(86,237)
Neves-Corvo	**111,202**	11	102,865	16	8,337	**309,219**	13	330,970	15	(21,751)
Zinkgruvan	**82,290**	8	64,854	10	17,436	**172,808**	7	224,942	10	(52,134)
	992,195		648,498		343,697	**2,332,070**		2,229,798		102,272

by Metal	Three months ended September 30, 2023		2022		Change	Nine months ended September 30, 2023		2022		Change
($ thousands)	$	%	$	%	$	$	%	$	%	$
Copper	**643,992**	65	388,882	60	255,110	**1,564,626**	67	1,418,868	64	145,758
Zinc	**86,901**	9	85,251	13	1,650	**220,853**	9	280,559	13	(59,706)
Molybdenum	**48,698**	5	—	—	48,698	**48,698**	2	—	—	48,698
Gold	**53,684**	5	63,243	10	(9,559)	**161,759**	7	166,032	7	(4,273)
Nickel	**73,188**	7	73,511	11	(323)	**195,449**	8	251,177	11	(55,728)
Lead	**22,328**	2	13,868	2	8,460	**44,836**	2	43,088	2	1,748
Silver	**13,670**	1	9,450	1	4,220	**32,558**	1	33,351	1	(793)
Other	**49,734**	6	14,293	3	35,441	**63,291**	4	36,723	2	26,568
	992,195		648,498		343,697	**2,332,070**		2,229,798		102,272

1. Caserones results are from July 13, 2023.

Revenue for the quarter ended September 30, 2023 amounted to $992.2 million which was higher than the prior year quarter as a result of the inclusion of Caserones copper and molybdenum revenues as well as a higher realized copper price. On a year-to-date basis revenue was higher than the prior year period primarily as a result of the Caserones acquisition, and partially offset by lower sales at the existing operations as a result of sales volumes ($135 million) and higher treatment and refining charges ($35 million).

Revenue from gold and silver for the three and nine months ended September 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 September 30, 2023

Metal	Payable metal	Valued at
Copper	120,071 t	$3.75 /lb
Zinc	30,946 t	$1.20 /lb
Molybdenum	1,150 t	$20.27 /lb
Gold	27 koz	$1,856 /oz
Nickel	1,404 t	$8.40 /lb

Quarterly Reconciliation of Realized Prices

	Three months ended September 30, 2023					
($ thousands)	Copper	Zinc	Molybdenum	Gold	Nickel	Total
Current period sales[1]	731,635	120,356	46,971	61,238	73,318	1,033,518
Prior period price adjustments	(2,744)	(4,521)	1,727	(1,468)	908	(6,098)
	728,891	115,835	48,698	59,770	74,226	1,027,420
Other metal sales						66,137
Copper stream cash effect						(3,889)
Gold stream cash effect						(19,336)
Less: Treatment & refining charges						(78,137)
Total Revenue						**992,195**
Payable Metal	**89,232 t**	**43,999 t**	**1,041 t**	**32 koz**	**3,640 t**	
Current period sales[1,2]	$3.72	$1.24	$20.47	$1,907	$9.14	
Prior period adjustments[2]	(0.01)	(0.05)	0.75	(45.00)	0.11	
Realized prices[2, 3]	$3.71 /lb	$1.19 /lb	$21.22 /lb	$1,862 /oz	$9.25 /lb	

	Three months ended September 30, 2022				
	Copper	Zinc	Gold	Nickel	Total
Current period sales[1]	478,775	98,529	71,497	78,425	727,226
Prior period price adjustments	(62,926)	3,961	(771)	(4,954)	(64,690)
	415,849	102,490	70,726	73,471	662,536
Other metal sales					54,356
Copper stream cash effect					(5,990)
Gold stream cash effect					(17,261)
Less: Treatment & refining charges					(45,143)
Total Revenue					**648,498**
Payable Metal	62,269 t	32,492 t	42 koz	3,715 t	
Current period sales[1,2]	$3.49	$1.38	$1,690	$9.58	
Prior period adjustments[2]	(0.46)	0.05	(18.00)	(0.61)	
Realized prices[2, 3]	$3.03 /lb	$1.43 /lb	$1,672 /oz	$8.97 /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 September 30, 2023 is $3.69/lb (2022: $2.99/lb). The realized price for gold inclusive of the impact of streaming agreements for the three months ended September 30, 2023 is $1,259/oz (2022: $1,264/oz).

Year-to-Date Reconciliation of Realized Prices

	Nine months ended September 30, 2023					
($ thousands)	**Copper**	**Zinc**	**Molybdenum**	**Gold**	**Nickel**	**Total**
Current period sales[1]	1,679,402	292,262	46,971	188,632	216,648	2,423,915
Prior period price adjustments	27,576	823	1,727	1,243	(17,501)	13,868
	1,706,978	293,085	48,698	189,875	199,147	2,437,783
Other metal sales						153,315
						(14,652)
Copper stream cash effect						
Gold stream cash effect						(60,855)
Less: Treatment & refining charges						(183,521)
Total Revenue						**2,332,070**
Payable Metal	**202,192 t**	**113,652 t**	**1,041 koz**	**98 koz**	**10,234 t**	
Current period sales[1,2]	$3.77	$1.17	$20.47	$1,913	$9.60	
Prior period adjustments[2]	0.06	—	0.75	12	(0.77)	
Realized prices[2, 3]	$3.83 /lb	$1.17 /lb	$21.22 /oz	$1,925 /oz	$8.83 /lb	

	Nine months ended September 30, 2022				
	Copper	**Zinc**	**Gold**	**Nickel**	**Total**
Current period sales[1]	1,481,873	313,191	193,771	255,078	2,243,913
Prior period price adjustments	15,442	13,815	1,374	(1,510)	29,121
	1,497,315	327,006	195,145	253,568	2,273,034
Other metal sales					166,005
Copper stream cash effect					(18,374)
Gold stream cash effect					(58,550)
Less: Treatment & refining charges					(132,317)
Total Revenue					**2,229,798**
Payable Metal	**187,387 t**	**94,810 t**	**110 koz**	**11,188 t**	
Current period sales[1,2]	$3.59	$1.50	$1,762	$10.34	
Prior period adjustments[2]	0.03	0.06	12	(0.06)	
Realized prices[2, 3]	$3.62 /lb	$1.56 /lb	$1,774 /oz	$10.28 /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 $3.80/lb (2022: $3.58/lb). The realized price for gold inclusive of the impact of streaming agreements for 2023 is $1,308/oz (2022: $1,232/oz).

Financial Results

Production Costs

Production costs for the quarter ended September 30, 2023 were $615.1 million and were higher than the prior year quarter due to the acquisition of Caserones, including $32.2 million fair value adjustments recorded to re-value concentrate and in-process inventory on hand at the acquisition date, and subsequently recognized in production costs as the inventory was sold in the third quarter. On a year-to-date basis, production costs of $1,438.1 million increased by $227.6 million over the prior year comparable period primarily due to the acquisition of Caserones as well as higher maintenance costs at Candelaria.

Depreciation, Depletion and Amortization

For the three and nine months ended September 30, 2023 depreciation, depletion and amortization expense increased compared to the prior year comparative periods, primarily attributable to the acquisition of Caserones, partially offset by decreased amortization related to extended life of mine at Eagle.

Depreciation, depletion & amortization	**Three months ended September 30,**			**Nine months ended September 30,**		
($ thousands)	**2023**	2022	Change	**2023**	2022	Change
Candelaria	**70,368**	74,772	(4,404)	**198,439**	218,792	(20,353)
Caserones	**38,307**	—	38,307	**38,307**	—	38,307
Chapada	**12,813**	12,218	595	**39,883**	31,808	8,075
Eagle	**14,326**	21,650	(7,324)	**38,147**	60,403	(22,256)
Josemaria	—	335	(335)	**38**	623	(585)
Neves-Corvo	**31,353**	25,299	6,054	**89,152**	70,123	19,029
Zinkgruvan	**12,380**	5,442	6,938	**25,380**	28,951	(3,571)
Other	**241**	445	(204)	**1,194**	1,340	(146)
	179,788	140,161	39,627	**430,540**	412,040	18,500

General Exploration and Business Development

Total general exploration and business development expenses for the quarter and the nine months ended September 30, 2023 were lower than 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 and at Eagle where underground down-hole geophysical surveys continue at Eagle East. Drilling at Candelaria was divided between Ojos district and Candelaria near-mine. Exploration drilling at Neves-Corvo and Zinkgruvan was primarily focused along potential near-mine trends; Drilling at Chapada was focused between near-mine and the Chapada district. Tender processes for drilling and geophysical surveys were advanced at both the Caserones and the Josemaria Project, where in both instances, drilling and geophysical surveys are planned to commence during the fourth quarter.

Finance Income and Costs

Net finance costs in the current quarter and year-to-date period were higher than the prior year comparable periods primarily due to higher interest expense related to higher outstanding debt through the year, higher interest rates and combined with increased lease liability interest following the acquisition of Caserones.

Other Income and Expense

Net other expense of $22.1 million for the quarter ended September 30, 2023 compared to net other income of $19.5 million for the prior year quarter was negatively impacted by unrealized losses on derivative contracts and foreign exchange and lower trading gains on debt and equity investments recorded in the current quarter. Net other income was lower for the nine months ended September 30, 2023 compared to the prior year period due to sinkhole costs and a comparatively lower gain on disposal than that recognized in the prior year.

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 September 30, 2023 were:

	September 30, 2023	June 30, 2023	December 31, 2022
Brazilian Real (USD:BRL)	**5.01**	4.82	5.22
Chilean Peso (USD:CLP)	**907**	803	860
Euro (USD:€)	**0.94**	0.92	0.94
Swedish Kronor (USD:SEK)	**10.84**	10.85	10.44
Argentine Peso (USD:ARS)	**350**	256	177

Income Taxes

Income tax expense (recovery)	**Three months ended September 30,**			**Nine months ended September 30,**		
($ thousands)	**2023**	2022	Change	**2023**	2022	Change
Candelaria	**39,727**	(379)	40,106	**86,006**	78,011	7,995
Caserones	**30,122**	—	30,122	**30,122**	—	30,122
Chapada	**11,380**	7,565	3,815	**(9,833)**	7,149	(16,982)
Eagle	**569**	1,461	(892)	**4,115**	17,619	(13,504)
Josemaria	**—**	(1,181)	1,181	**678**	(199)	877
Neves-Corvo	**(2,295)**	(8,150)	5,855	**(11,640)**	(3,444)	(8,196)
Zinkgruvan	**6,850**	11,408	(4,558)	**13,115**	34,659	(21,544)
Other	**(1,462)**	42	(1,504)	**1,420**	3,180	(1,760)
	84,891	10,766	74,125	**113,983**	136,975	(22,992)

Income taxes by classification	**Three months ended September 30,**			**Nine months ended September 30,**		
($ thousands)	**2023**	2022	Change	**2023**	2022	Change
Current income tax expense (recovery)	**40,115**	(9,994)	50,109	**126,829**	161,193	(34,364)
Deferred income tax expense (recovery)	**44,776**	20,760	24,016	**(12,846)**	(24,218)	11,372
	84,891	10,766	74,125	**113,983**	136,975	(22,992)

Income tax expense in the quarter ended September 30, 2023 was higher than the prior year quarter due to higher taxable earnings, and included $25.7 million deferred tax expense recognized in the quarter following the enactment of a new mining royalty law in Chile that is applicable to Candelaria, and does not apply to Caserones as a result of a tax stability agreement until 2028. The mining royalty law is effective from January 1, 2024 and increases the Company's expected tax rates on future net mining income. Income tax expense in the nine months ended September 30, 2023 was lower than the prior year comparable period due primarily to lower taxable earnings year-to-date. Included in Chapada's income taxes for the current quarter was a $9.7 million expense and a $12.3 million recovery on a year-to-date basis recorded for deferred tax on revaluation of non-monetary assets and translation of deferred taxes which are denominated in BRL (Q3 2022 – $5.6 million expense, YTD 2022 - $6.3 million recovery).

Mining Operations

Production Overview

	2023				2022				
	YTD	**Q3**	Q2	Q1	Total	Q4	Q3	Q2	Q1
Copper (t)									
Candelaria (100%)	**110,394**	**34,275**	36,952	39,167	152,042	34,398	37,192	40,949	39,503
Caserones (100%)[1]	**29,821**	**29,821**	—	—	—	—	—	—	—
Chapada	**32,847**	**12,286**	10,697	9,864	45,739	11,306	13,988	10,345	10,100
Eagle	**10,266**	**3,245**	3,881	3,140	15,895	3,081	3,994	4,400	4,420
Neves-Corvo	**24,200**	**9,016**	7,610	7,574	31,906	7,160	7,019	7,867	9,860
Zinkgruvan	**3,933**	**1,299**	917	1,717	4,077	607	1,737	535	1,198
	211,461	**89,942**	60,057	61,462	249,659	56,552	63,930	64,096	65,081
Zinc (t)									
Neves-Corvo	**77,777**	**25,807**	24,177	27,793	82,435	24,523	22,514	20,647	14,751
Zinkgruvan	**56,665**	**23,967**	11,938	20,760	76,503	19,785	17,813	21,265	17,640
	134,442	**49,774**	36,115	48,553	158,938	44,308	40,327	41,912	32,391
Molybdenum (t)									
Caserones (100%)[1]	**1,096**	**1,096**	—	—	—	—	—	—	—
Gold (koz)									
Candelaria (100%)	**65**	**20**	21	24	86	20	21	23	22
Chapada	**40**	**15**	13	12	68	16	24	16	12
	105	**35**	34	36	154	36	45	39	34
Nickel (t)									
Eagle	**12,700**	**4,290**	4,686	3,724	17,475	4,096	4,379	4,719	4,281
Lead (t)									
Neves-Corvo	**3,570**	**1,447**	951	1,172	3,306	845	743	925	793
Zinkgruvan	**19,866**	**8,643**	3,816	7,407	30,517	7,619	7,046	9,124	6,728
	23,436	**10,090**	4,767	8,579	33,823	8,464	7,789	10,049	7,521
Silver (koz)									
Candelaria (100%)	**1,019**	**306**	366	347	1,595	306	337	457	495
Chapada	**185**	**67**	62	56	258	65	75	60	58
Eagle	**47**	**19**	11	17	93	20	20	26	27
Neves-Corvo	**1,329**	**486**	407	436	1,383	370	323	346	344
Zinkgruvan	**1,791**	**785**	374	632	2,621	663	642	739	577
	4,371	**1,663**	1,220	1,488	5,950	1,424	1,397	1,628	1,501

[1] Caserones results are from July 13, 2023.

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

	Three months ended September 30,		Nine months ended September 30,	
($ thousands)	**2023**	2022	**2023**	2022
Candelaria				
Production costs	**$175,468**	$168,602	**$548,405**	$489,575
Gross cost	**2.54**	2.31	**2.54**	2.11
By-product[1]	**(0.35)**	(0.34)	**(0.36)**	(0.31)
Cash Cost (Cu, $/lb)	**2.19**	1.97	**2.18**	1.80
AISC (Cu, $/lb)[2]	**3.43**	3.34	**3.55**	2.94
Caserones[3]				
Production costs	**$188,982**	—	**$188,982**	—
Gross cost	**2.42**	—	**2.42**	—
By-product	**(0.82)**	—	**(0.82)**	—
Cash Cost (Cu, $/lb)	**1.60**	—	**1.60**	—
AISC (Cu, $/lb)	**2.33**	—	**2.33**	—
Chapada				
Production costs	**$78,854**	$88,665	**$227,601**	$239,849
Gross cost	**3.25**	3.23	**3.49**	3.30
By-product	**(0.97)**	(1.31)	**(1.05)**	(1.17)
Cash Cost (Cu, $/lb)	**2.28**	1.92	**2.44**	2.13
AISC (Cu, $/lb)	**3.15**	2.80	**3.44**	3.23
Eagle				
Production cost	**$52,497**	$47,736	**$143,681**	$142,422
Gross cost	**5.72**	5.11	**5.72**	4.87
By-product	**(3.65)**	(4.06)	**(3.63)**	(4.55)
Cash Cost (Ni, $/lb)	**2.07**	1.05	**2.09**	0.32
AISC (Ni, $/lb)	**4.05**	2.77	**4.08**	2.37
Neves-Corvo				
Production costs	**$82,137**	$94,572	**$243,943**	$250,830
Gross cost	**4.62**	5.29	**5.13**	4.75
By-product	**(2.35)**	(2.60)	**(2.60)**	(2.49)
Cash Cost (Cu, $/lb)	**2.27**	2.69	**2.53**	2.26
AISC (Cu, $/lb)	**3.82**	3.51	**4.14**	3.19
Zinkgruvan				
Production costs	**$37,183**	$25,709	**$83,874**	$85,963
Gross cost	**1.02**	1.04	**1.04**	1.00
By-product	**(0.74)**	(0.86)	**(0.68)**	(0.69)
Cash Cost (Zn, $/lb)	**0.28**	0.18	**0.36**	0.31
AISC (Zn, $/lb)	**0.56**	0.50	**0.80**	0.64

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.
3. Caserones results are from July 13, 2023.

Capital Expenditures[1]

($ thousands)	2023 Sustaining	2023 Expansionary	2023 Capitalized Interest	2023 Total	2022 Sustaining	2022 Expansionary	2022 Total
	Three months ended September 30,						
Candelaria	86,693	—	—	**86,693**	103,486	—	103,486
Caserones	28,849	—	—	**28,849**	—	—	—
Chapada	16,716	—	—	**16,716**	19,197	—	19,197
Eagle	4,989	—	—	**4,989**	3,062	—	3,062
Josemaria	—	52,662	10,532	**63,194**	—	43,264	43,264
Neves-Corvo	27,357	—	—	**27,357**	15,860	3,502	19,362
Zinkgruvan	12,350	—	—	**12,350**	8,415	—	8,415
Other	3,059	—	—	**3,059**	2,702	—	2,702
	180,013	52,662	10,532	**243,207**	152,722	46,766	199,488

($ thousands)	2023 Sustaining	2023 Expansionary	2023 Capitalized Interest	2023 Total	2022 Sustaining	2022 Expansionary	2022 Total
	Nine months ended September 30,						
Candelaria	300,796	—	—	**300,796**	272,557	—	272,557
Caserones	28,849	—	—	**28,849**	—	—	—
Chapada	52,433	—	—	**52,433**	63,412	—	63,412
Eagle	15,653	—	—	**15,653**	10,445	—	10,445
Josemaria	—	234,831	11,011	**245,842**	—	98,198	98,198
Neves-Corvo	74,551	—	—	**74,551**	49,136	28,325	77,461
Zinkgruvan	42,812	—	—	**42,812**	31,537	—	31,537
Other	8,303	—	—	**8,303**	8,058	—	8,058
	523,397	234,831	11,011	**769,239**	435,145	126,523	561,668

1. Capital expenditures are reported on a cash basis, as presented in the condensed interim consolidated statement of cash flows. Sustaining capital expenditure is a 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**	**Q3**	Q2	Q1	Total	Q4	Q3	Q2	Q1
Ore mined (000s tonnes)	**18,146**	**5,350**	6,194	6,602	22,666	4,993	6,239	6,362	5,072
Ore milled (000s tonnes)	**21,294**	**7,168**	6,924	7,202	26,725	6,593	6,642	6,847	6,643
Grade									
Copper (%)	**0.57**	**0.52**	0.59	0.59	0.62	0.57	0.60	0.64	0.65
Gold (g/t)	**0.14**	**0.12**	0.14	0.15	0.14	0.13	0.14	0.14	0.14
Recovery									
Copper (%)	**91.6**	**91.0**	91.1	92.6	92.7	92.7	93.3	93.0	91.9
Gold (%)	**69.9**	**70.6**	68.8	70.3	73.9	74.0	74.6	73.8	73.0
Production (contained metal)									
Copper (tonnes)	**110,394**	**34,275**	36,952	39,167	152,042	34,398	37,192	40,949	39,503
Gold (000 oz)	**65**	**20**	21	24	86	20	21	23	22
Silver (000 oz)	**1,019**	**306**	366	347	1,595	306	337	457	495
Revenue ($000s)	**970,576**	**299,745**	290,426	380,405	1,317,223	342,348	255,330	261,999	457,546
Production costs ($000s)	**548,405**	**175,468**	184,958	187,979	697,171	207,596	168,602	168,164	152,809
Gross profit ($000s)	**223,732**	**53,909**	35,772	134,051	335,793	69,285	11,956	17,924	236,628
Cash cost ($ per pound copper)	**2.18**	**2.19**	2.14	2.21	1.96	2.52	1.97	1.86	1.58
AISC ($ per pound copper)	**3.55**	**3.43**	3.76	3.44	3.22	4.19	3.34	2.89	2.61

Gross Profit
Gross profit for the three months ended September 30, 2023 was higher than the prior year quarter, primarily due to higher copper prices partially offset by higher production costs and unfavorable foreign exchange variance. Year-to-date, gross profit was lower than the prior year period due to higher production costs, lower sales volumes and unfavorable foreign exchange being partially offset by higher copper prices.

Production
Copper production for the three and nine months ended September 30, 2023 was lower than the prior year quarter and year-to-date period due to lower grades partially offset by higher throughput. Gold production in the current quarter and year-to-date was below the prior year periods, due to lower grades and recoveries, offset partially by higher throughput. Annual copper and gold production guidance ranges for both metals have been revised to 147,000 – 153,000 tonnes of copper and 87,000 - 92,000 ounces of gold.

Production Costs and Cash Cost
Production costs for the three and nine months ended September 30, 2023 were higher than the prior year quarter, mainly due to higher contractor and maintenance costs and unfavorable foreign exchange. Cash cost per pound for the three and nine months ended September 30, 2023 was impacted by lower sales volumes and unfavorable foreign exchange. Year-to-date cash cost was also impacted by higher contractor and maintenance costs. Annual copper cash cost guidance has increased to $2.00 - $2.20 /lb . All-in sustaining cost ("AISC") for the three months ended September 30, 2023 was higher than the prior year period due to increased cash cost but partially offset by lower sustaining capital spend. The year-to-date AISC was higher due to increased cash cost and higher sustaining capital expenditures.

For the nine months ended September 30, 2023, approximately 43,000 oz of gold and 659,000 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.

Caserones (Chile)

Operating Statistics

	2023	
(100% Basis)	YTD	Q3
Ore mined (000s tonnes)	8,099	8,099
Ore milled (000s tonnes)	7,162	7,162
Ore placed on leach	2,307	2,307
Grade		
Copper (%)	0.44	0.44
Molybdenum (%)	0.218	0.218
Recovery		
Copper (%)	83.9	83.9
Molybdenum (%)	70.9	70.9
Production (tonnes)		
Copper in concentrate	25,695	25,695
Copper cathode	4,126	4,126
Total copper	29,821	29,821
Molybdenum	1,096	1,096
Revenue ($000s)	284,556	284,556
Production costs ($000s)	188,982	188,982
Gross profit ($000s)	57,267	57,267
Cash cost ($ per pound copper)	1.60	1.60
AISC ($ per pound copper)	2.33	2.33

[1] Caserones results are from July 13, 2023.

Caserones is an open pit copper-molybdenum mine which produces high-quality copper concentrate, copper cathode and molybdenum concentrate. Lundin Mining is the operator after acquiring a 51% interest in Minera Lumina Copper Chile on July 13, 2023, with JX Metals Corporation holding the remaining 49% interest. Results presented are from July 13, 2023.

Following the acquisition, a process is underway to identify and realize synergies between the Caserones and Candelaria operations. Cost savings resulting from synergies are estimated to be between $20 million to $30 million annually, in areas including supply chain, logistics and support services.

Production

In the three months ended September 30, 2023 Caserones produced 34,427 tonnes of copper and 1,321 tonnes of molybdenum on a 100% basis, of which 29,821 tonnes of copper and 1,096 tonnes of molybdenum were produced from the acquisition closing date of July 13. Copper and molybdenum production were higher than planned due to increased throughput and recoveries. The guidance range for copper has increased to 65,000 – 69,000 tonnes for the second half of 2023. The molybdenum remains unchanged from the Company's Management Discussion and Analysis for the three and six months ended June 30, 2023.

Production Costs and Cash Cost

Production cost was negatively impacted by $32.2 million fair value adjustments related to inventory. The fair value adjustments were recorded to re-value concentrate and in-process inventory on hand at the acquisition date, and were subsequently recognized in production costs as the inventory was sold in the quarter. Copper cash costs in the quarter were better than plan and has resulted in a reduction of the cash cost per pound guidance range to $2.00 - $2.20 /lb driven by higher than anticipated production. Cash cost per pound and AISC benefited from higher by-product credits and higher volume sold.

Chapada (Brazil)

Operating Statistics

	2023				2022				
(100% Basis)	**YTD**	**Q3**	Q2	Q1	Total	Q4	Q3	Q2	Q1
Ore mined (000s tonnes)	**21,705**	**8,062**	7,522	6,121	26,319	7,801	7,404	4,875	6,239
Ore milled (000s tonnes)	**17,015**	**5,832**	5,207	5,976	22,752	5,296	6,345	5,670	5,441
Grade									
Copper (%)	**0.25**	**0.26**	0.26	0.23	0.26	0.25	0.28	0.25	0.23
Gold (g/t)	**0.14**	**0.15**	0.14	0.13	0.16	0.16	0.19	0.17	0.13
Recovery									
Copper (%)	**78.2**	**80.8**	80.3	73.3	78.6	83.4	78.8	72.9	79.6
Gold (%)	**52.5**	**55.3**	54.1	48.0	56.0	59.5	58.3	50.6	55.3
Production (contained metal)									
Copper (tonnes)	**32,847**	**12,286**	10,697	9,864	45,739	11,306	13,988	10,345	10,100
Gold (000 oz)	**40**	**15**	13	12	68	16	24	16	12
Silver (000 oz)	**185**	**67**	62	56	258	65	75	60	58
Revenue ($000s)	**317,736**	**111,897**	94,721	111,118	477,927	142,328	118,734	57,260	159,605
Production costs ($000s)	**227,601**	**78,854**	80,113	68,634	324,096	84,247	88,665	71,507	79,677
Gross profit (loss) ($000s)	**50,252**	**20,230**	(381)	30,403	41,420	(22,522)	17,851	(22,720)	68,811
Cash cost ($ per pound copper)	**2.44**	**2.28**	2.69	2.37	2.08	1.95	1.92	2.98	1.82
AISC ($ per pound copper)	**3.44**	**3.15**	3.80	3.42	3.36	3.73	2.80	5.00	2.56

Gross Profit

Gross profit in the current quarter improved over the prior year quarter, largely due to higher copper and gold prices, partially offset by lower sales volumes. Year-to-date, gross profit was lower than the prior year period, due to lower sales volume, higher depreciation expense and higher treatment and refining charges, partially offset by higher copper and gold prices.

Production

Copper and gold production for the three and nine months ended September 30, 2023 was lower than the prior year comparable periods due to lower throughput and head grades. Annual production guidance for copper has increased to 45,000 – 48,000 tonnes of copper. Gold production guidance remains unchanged.

Production Costs and Cash Cost

Production costs for the three and nine months ended September 30, 2023 were lower than the prior year comparable periods due primarily to lower production and sales volumes, offset partially by inflationary cost increases in production.

Copper cash cost in the current quarter and year-to-date was higher than the prior year comparable periods due to lower by-product credits, lower volume sold, and unfavorable FX variances. Annual copper cash cost guidance remains unchanged. AISC for the three and nine months ended September 30, 2023 were higher than the prior year comparable periods due to higher cash cost, partially offset by lower sustaining capital expenditure.

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 third quarter, approximately 11,713 metres of exploration drilling were completed, primarily on Saúva and near-mine area targets.

Eagle (USA)

Operating Statistics

(100% Basis)	2023 YTD	2023 Q3	2023 Q2	2023 Q1	2022 Total	2022 Q4	2022 Q3	2022 Q2	2022 Q1
Ore mined (000s tonnes)	**537**	**192**	189	156	718	165	190	181	182
Ore milled (000s tonnes)	**532**	**190**	181	161	718	170	187	182	179
Grade									
Nickel (%)	**2.7**	**2.6**	2.9	2.6	2.8	2.7	2.7	3.0	2.8
Copper (%)	**2.0**	**1.8**	2.2	2.0	2.3	1.9	2.2	2.5	2.5
Recovery									
Nickel (%)	**87.8**	**86.2**	88.8	88.5	86.6	88.6	85.5	87.3	85.3
Copper (%)	**96.9**	**96.4**	97.0	97.2	97.2	96.8	96.5	97.7	97.6
Production (contained metal)									
Nickel (tonnes)	**12,700**	**4,290**	4,686	3,724	17,475	4,096	4,379	4,719	4,281
Copper (tonnes)	**10,266**	**3,245**	3,881	3,140	15,895	3,081	3,994	4,400	4,420
Revenue ($000s)	**277,175**	**102,505**	105,250	69,420	520,472	157,060	106,715	106,828	149,869
Production costs ($000s)	**143,681**	**52,497**	45,735	45,449	193,003	50,581	47,736	55,128	39,558
Gross profit ($000s)	**95,347**	**35,682**	46,845	12,820	247,946	87,359	37,329	29,796	93,462
Cash cost ($ per pound nickel)	**2.09**	**2.07**	1.88	2.43	0.79	2.40	1.05	0.90	(1.25)
AISC ($ per pound nickel)	**4.08**	**4.05**	3.34	5.16	3.01	5.23	2.77	2.93	1.19

Gross Profit

Gross profit for the three and nine months ended September 30, 2023 was lower than the prior year comparable periods as a result of higher production costs. The year-to-date period was also impacted by decreases in nickel prices and lower 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. Year-to-date zinc and copper productions were also impacted by lower throughput. Annual production guidance for nickel has increased to 15,000 – 17,000 tonnes of nickel. Copper guidance remains unchanged. An extension of the mine life to mid-2029 is currently planned.

Production Costs and Cash Cost

Production costs in the three and nine months ended September 30, 2023 were higher than the prior year comparable periods attributed mainly to increased costs resulting from inflationary contractual increases. Nickel cash cost in the quarter and year-to-date was higher than the prior year periods due to lower copper by-product credits, and higher mine and mill costs. The year-to-date cash cost was also impacted by lower sales volumes. Annual cash cost guidance has been reduced to $2.00 - $2.20/lb of nickel. AISC in the third quarter and year-to-date were higher than the prior year periods, due to higher cash cost and higher sustaining capital expenditures.

Neves-Corvo (Portugal)

Operating Statistics

	2023				2022				
(100% Basis)	**YTD**	**Q3**	Q2	Q1	Total	Q4	Q3	Q2	Q1
Ore mined, copper (000s tonnes)	**1,914**	**689**	622	603	2,501	611	598	610	682
Ore mined, zinc (000s tonnes)	**1,440**	**459**	470	511	1,632	462	447	426	297
Ore milled, copper (000s tonnes)	**1,906**	**674**	628	604	2,499	607	596	606	690
Ore milled, zinc (000s tonnes)	**1,416**	**441**	465	510	1,633	465	449	420	299
Grade									
Copper (%)	**1.7**	**1.8**	1.6	1.6	1.7	1.6	1.6	1.7	1.8
Zinc (%)	**6.9**	**7.4**	6.6	6.7	6.9	6.9	6.9	6.9	7.0
Recovery									
Copper (%)	**76.9**	**76.1**	77.0	77.7	76.1	75.1	73.0	77.0	78.7
Zinc (%)	**77.2**	**76.1**	76.8	78.7	70.2	74.3	70.3	68.4	66.1
Production (contained metal)									
Copper (tonnes)	**24,200**	**9,016**	7,610	7,574	31,906	7,160	7,019	7,867	9,860
Zinc (tonnes)	**77,777**	**25,807**	24,177	27,793	82,435	24,523	22,514	20,647	14,751
Lead (tonnes)	**3,570**	**1,447**	951	1,172	3,306	845	743	925	793
Silver (000 oz)	**1,329**	**486**	407	436	1,383	370	323	346	344
Revenue ($000s)	**309,219**	**111,202**	68,614	129,403	433,486	102,516	102,865	93,538	134,567
Production costs ($000s)	**243,943**	**82,137**	76,080	85,726	329,232	78,402	94,572	77,788	78,470
Gross (loss) profit ($000s)	**(23,876)**	**(2,288)**	(35,185)	13,597	2,447	(7,570)	(17,006)	(8,229)	35,252
Cash cost ($ per pound copper)	**2.53**	**2.27**	3.99	1.69	2.27	2.32	2.69	2.39	1.70
AISC ($ per pound copper)	**4.14**	**3.82**	5.73	3.29	3.40	4.22	3.51	3.14	2.92

Gross (Loss) Profit

Gross loss in the quarter improved from the prior year quarter due to lower production costs. Year-to-date, gross loss was 23.9 million compared to the prior year period gross profit of $10.0 million, as a result of lower realized zinc prices and higher treatment and refining charges, partially offset by lower production costs.

Production

Copper production for the quarter ended September 30, 2023, was higher than the prior year comparable period due to higher throughput, grades and recoveries. Copper production in the nine months ended September 30, 2023 was consistent with the prior year period. Zinc production in the quarter was higher than the prior year period, attributable to improved recoveries and grades. Year-to-date zinc production benefitted from higher throughput and higher recoveries. Annual production guidance for copper has been lowered slightly to 33,000 – 36,000 tonnes and zinc has been increased to 103,000 – 110,000 tonnes.

Production Costs and Cash Cost

Production costs for the three and nine months ended September 30, 2023, were lower than the prior year periods due to lower input costs, in particular electricity rates, partially offset by unfavourable foreign exchange as well as higher sales volumes.

Copper cash cost per pound in the current quarter improved from the prior year comparable period due to lower input costs, partially offset by lower zinc by-product credits and unfavourable foreign exchange. Year-to-date, cash cost per pound was higher than the prior year period due to lower copper sales volumes and unfavorable foreign exchange, partially offset by lower input costs.

Annual copper cash cost guidance remains unchanged. AISC for the three and nine months ended September 30, 2023 were higher than the prior year quarter due to higher sustaining capital expenditures. However, capital expenditure for the year remains within plan.

Zinkgruvan (Sweden)

Operating Statistics

	2023				2022				
(100% Basis)	**YTD**	**Q3**	Q2	Q1	Total	Q4	Q3	Q2	Q1
Ore mined, zinc (000s tonnes)	**865**	**287**	268	310	1,209	325	260	298	326
Ore mined, copper (000s tonnes)	**171**	**65**	51	55	192	48	61	38	45
Ore milled, zinc (000s tonnes)	**852**	**326**	211	315	1,234	309	293	327	305
Ore milled, copper (000s tonnes)	**170**	**58**	34	78	225	26	84	27	88
Grade									
Zinc (%)	**7.5**	**8.2**	6.6	7.4	7.0	7.3	6.9	7.3	6.5
Lead (%)	**3.0**	**3.5**	2.4	2.9	3.0	3.0	2.9	3.3	2.7
Copper (%)	**2.6**	**2.5**	3.1	2.4	2.1	2.6	2.4	2.3	1.6
Recovery									
Zinc (%)	**88.7**	**90.0**	86.3	88.7	88.4	88.3	87.5	89.1	88.7
Lead (%)	**78.1**	**75.7**	76.2	82.1	82.4	82.2	82.5	83.1	81.7
Copper (%)	**88.8**	**88.7**	86.1	90.5	87.1	89.0	86.1	87.7	87.3
Production (contained metal)									
Zinc (tonnes)	**56,665**	**23,967**	11,938	20,760	76,503	19,785	17,813	21,265	17,640
Lead (tonnes)	**19,866**	**8,643**	3,816	7,407	30,517	7,619	7,046	9,124	6,728
Copper (tonnes)	**3,933**	**1,299**	917	1,717	4,077	607	1,737	535	1,198
Silver (000 oz)	**1,791**	**785**	374	632	2,621	663	642	739	577
Revenue ($000s)	**172,808**	**82,290**	29,520	60,998	292,120	67,178	64,854	70,596	89,492
Production costs ($000s)	**83,874**	**37,183**	17,786	28,905	115,553	29,590	25,709	29,066	31,188
Gross profit ($000s)	**63,554**	**32,727**	6,821	24,006	139,828	29,800	33,703	30,500	45,825
Cash cost ($ per pound)	**0.36**	**0.28**	0.24	0.54	0.32	0.32	0.18	0.44	0.27
AISC ($ per pound)	**0.80**	**0.56**	1.06	0.97	0.68	0.77	0.50	0.82	0.57

Gross Profit

Gross profit in the current quarter was comparable to the prior year period. Gross profit for the nine months ended September 30, 2023 was lower than the prior year periods due to lower realized zinc prices.

Production

Production of zinc and lead in the quarter ended September 30, 2023 was higher than the prior year period primarily due to higher throughput and grades. Zinc production in the nine months ended September 30, 2023 was consistent with the prior year comparative period. Year- to- date, lead production was lower than the prior year period primarily due to lower throughput as a result of the installation of a zinc sequential flotation system during the second quarter which limited mill availability, as well as lower recoveries. Copper production in the current quarter was lower than the prior year period due to lower throughput from the mill shut down. Year-to-date copper production was higher than the prior year period primarily due to higher grades. Annual zinc production guidance has been revised to 78,000 – 82,000 tonnes. Copper guidance remains unchanged.

Production Costs and Cash Cost

Production costs for the quarter were higher than the prior year comparable period primarily due to higher sales volumes. Year-to-date production costs were consistent with the prior year comparative period. Zinc cash cost per pound for the quarter was higher than the prior year period mainly due to lower by-product credits and higher treatment and refining charges. On a year-to-date basis, zinc cash cost was higher than the prior year mainly due to higher treatment and refining charges. Annual cash cost guidance remains unchanged. AISC for the three and nine months ended September 30, 2023 were higher than the prior year due to higher cash cost and higher sustaining capital expenditures.

Josemaria Project (Argentina)

Project Development

The Company continues to de-risk the Josemaria Project in several areas including evaluating inflation and currency devaluation impacts, developing optimization studies to enhance mining and production plans, plant throughput, concentrate transportation, infrastructure, further water drilling, modeling and studies, and recommencement of exploration drilling.

At Josemaria, a water program is currently ongoing to confirm and identify water sources, providing data to update models and incorporate into sectoral permits. Exploration drilling commenced in late October on several targets near the Josemaria orebody. The grinding mills and gearless mill drives ("GMDs") started to arrive in Argentina in July and are being moved to a San Juan storage facility for care and maintenance. Deliveries will continue through the remainder of 2023 and into the first quarter of 2024.

Work continues on permitting with the technical review of the tailings dam design, preparation of access road and powerline EIA's as well as minor permits and EIA's for road maintenance. Discussions began with the newly elected San Juan province governor on the infrastructure agreements for the royalty offset funding of the access road and the power line capital costs. These agreements are expected to be signed after the change in the provincial government which will occur on December 10, 2023.

Additionally, the project team is performing a series of studies to continue de-risking the project and adding value to Josemaria as well as advancing financing and execution readiness activities. Some of these studies will culminate during the fourth quarter of 2023 and the remainder will be done in 2024 covering mine optimization, increasing plant throughput, concentrate shipping infrastructure review, execution plan update and commercial strategies.

During the current quarter, the Company spent $37.7 million , inclusive of foreign exchange and trading gains on debt and equity investments of $15.0 million (Q3 2022 - $67.7 million). Capital expenditures during the current quarter were $52.7 million (Q3 2022 - $43.3 million). On a year-to-date basis the Company spent $178.8 million in project development costs.

Annual capital guidance of $350.0 million for 2023 remains unchanged from previously reported.

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

Metal Prices, LME Inventories and Smelter Treatment and Refining Charges

Overall, copper, molybdenum and gold prices have increased in the current quarter compared to the prior year quarter. On a year-to-date basis metal prices for all metals except for molybdenum and gold decreased over the prior year comparative period. The average metal prices for copper, zinc, gold, and nickel over the third quarter of 2023 were all lower than the average prices for the second quarter by 1%, 4%, 2% and 9% respectively. The average metal price for molybdenum over the third quarter was 12% higher than the average metal price in the second quarter of 2023.

		Three months ended September 30,			Nine months ended September 30,		
(Average LME Price)		**2023**	2022	Change	**2023**	2022	Change
Copper	US$/pound	**3.79**	3.51	8%	**3.89**	4.11	-5%
	US$/tonne	**8,356**	7,745		**8,585**	9,064	
Zinc	US$/pound	**1.10**	1.48	-26%	**1.22**	1.65	-26%
	US$/tonne	**2,428**	3,271		**2,696**	3,638	
Molybdenum	US$/pound	**23.76**	16.10	48%	**26.05**	17.83	46%
	US$/tonne	**52,392**	35,497		**57,437**	39,318	
Gold	US$/ounce	**1,928**	1,729	12%	**1,930**	1,824	6%
Nickel	US$/pound	**9.23**	10.01	-8%	**10.38**	11.66	-11%
	US$/tonne	**20,344**	22,063		**22,890**	25,709	

LME inventories for copper, zinc and nickel all increased during the third quarter of 2023 by 130%, 27% and 9% respectively.

During the third quarter of 2023 the treatment charges ("TC") and refining charges ("RC") in the spot market for copper concentrates between miners and commodity traders decreased slightly from an average spot TC during July of $83 per dmt of concentrate and a spot RC of $0.083 per lb of payable copper to a spot TC of $80 per dmt of concentrate and a spot RC of $0.080 per lb of payable copper during September. Also, the spot terms at which Chinese copper smelters were prepared to buy also decreased through the quarter from a TC of $93 per dmt of concentrate and a RC of $0.093 per payable lb of copper over July to a TC of $91 per dmt of concentrate and a RC of $0.091 per payable lb of copper in September. 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 third quarter of 2023 decreased from $200 per dmt, flat, in September to $138 per dmt, flat, in September. 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 September 30, 2023, the Company had cash and cash equivalents of $357.3 million and a net debt balance of $1,158.9 million.

Cash generated from operations for the three months ended September 30, 2023 amounted to $303.8 million and was $267.5 million higher than the prior year quarter primarily due to higher gross profit before depreciation mainly attributable to the acquisition of Caserones, lower general exploration and business development costs and higher non-cash working capital, partially offset by higher income taxes and finance costs. On a year-to-date basis, cash generated from operations was $710.5 million and was $9.5 million lower than the prior year comparable period primarily as a result of lower gross profit before depreciation partially offset by lower income taxes.

Cash used in investing activities for the three and nine months ended September 30, 2023 amounted to $908.8 million and $1,432.3 million respectively. Cash used in investing activities during these periods were higher than the prior year primarily due to the acquisition of Caserones and investments in mineral properties, plant and equipment.

During the current quarter, the Company generated cash from financing activities of $773.2 million compared to cash used in financing activities in the prior year quarter. On a year-to-date basis, there was cash of $892.6 million from financing activities compared to $339.4 million of cash used in the prior year comparable period. Changes for the quarter and year-to-date compared to the prior year periods were driven by proceeds from the Term Loan related to financing for the Caserones mine.

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 September 30, 2023, the Company had $1,233.4 million of debt and $278.0 million of lease liabilities outstanding.

As at September 30, 2023, the Company has a revolving Credit Facility of $1,750.0 million with $164.0 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") of 0.10%+ 1.45% to Term SOFR + 0.10% + 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 by one year to April 2028.

In July 2023, the Company obtained a term loan of a principal amount of $800.0 million with an additional $400.0 million accordion option maturing in July 2026. The term loan bears interest at an annual rate equal to Term SOFR + CSA + an applicable margin of 1.60% to 2.65%, depending on the Company’s net leverage ratio. Principal is payable at maturity. 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. The Company used proceeds from the Term Loan to refinance the drawdown under the Company’s revolving credit facility which was used to fund the upfront cash consideration of the Caserones acquisition.

As at September 30, 2023, the Company also has commercial paper programs of which $106.0 million (€115.0 million) (December 31, 2022 - $26.7 million) were drawn. As at September 30, 2023, certain of the Company's subsidiaries had outstanding unsecured term loans totalling $169.3 million (December 31, 2022 - $127.4 million).

During the three and nine months ended September 30, 2023, no shares were purchased under the Company's Normal Course Issuer Bid (Q3 2022 -7.7 million shares, $42.1 million consideration and YTD 2022 - 8.9 million shares, $50.2 million consideration).

Contractual Obligations, Commitments and Contingencies

The Company has contractual obligations and capital commitments as described in Note 22 “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 21 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 September 30, 2023	Change	Effect on Revenue ($millions)
Copper	120,071 t	$3.75/lb	+/- 10%	+/- $99.3
Zinc	30,946 t	$1.20/lb	+/- 10%	+/- $8.2
Molybdenum	1,150 t	$20.27/lb	+/- 10%	+/- $5.1
Gold	27 koz	$1,856/oz	+/- 10%	+/- $5.0
Nickel	1,404 t	$8.40/lb	+/- 10%	+/- $2.6

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 24 of the Company's September 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, including amended policies as a result of the Caserones acquisition, in Note 2 "Basis of Presentation and Summary of Significant Accounting Policies" of the September 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 debt and lease liabilities, excluding deferred financing fees, net of cash and cash equivalents and can be reconciled as follows:

($thousands)	**September 30, 2023**	December 31, 2022
Debt and lease liabilities	**(1,130,754)**	(27,179)
Current portion of total debt and lease liabilities	**(380,645)**	(170,149)
Less deferred financing fees (netted in above)	**(4,810)**	(4,926)
	(1,516,209)	(202,254)
Cash and cash equivalents	**357,337**	191,387
Net debt	**(1,158,872)**	(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 September 30,		**Nine months ended September 30,**	
($thousands, except share and per share amounts)	**2023**	2022	**2023**	2022
Cash provided by operating activities	**303,812**	36,331	**710,531**	719,999
Changes in non-cash working capital items	**12,655**	145,006	**(48,360)**	(16,111)
Adjusted operating cash flow	**316,467**	181,337	**662,171**	703,888
Basic weighted average number of shares outstanding	**773,147,920**	775,563,527	**772,214,160**	759,726,506
Adjusted operating cash flow per share	**0.41**	0.23	**0.86**	0.93

Free Cash Flow from Operations and Free Cash Flow

The Company believes free cash flow from operations and free cash flow are relevant measures of the Company's financial performance. 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:

($thousands)	Three months ended September 30, 2023	2022	Nine months ended September 30, 2023	2022
Cash provided by operating activities	**303,812**	36,331	**710,531**	719,999
General exploration and business development	**12,734**	72,446	**41,192**	132,259
Sustaining capital expenditures	**(180,013)**	(152,722)	**(523,397)**	(435,145)
Free cash flow from operations	**136,533**	(43,945)	**228,326**	417,113
General exploration and business development	**(12,734)**	(72,446)	**(41,192)**	(132,259)
Expansionary capital expenditures	**(52,662)**	(46,766)	**(234,831)**	(126,523)
Free cash flow	**71,137**	(163,157)	**(47,697)**	158,331

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:

($thousands)	Three months ended September 30, 2023	2022	Nine months ended September 30, 2023	2022
Net earnings (loss)	**21,883**	(11,245)	**248,496**	318,238
Add back:				
Depreciation, depletion and amortization	**179,788**	140,161	**430,540**	412,040
Finance income and costs	**36,212**	15,240	**67,808**	47,521
Income taxes	**84,891**	10,766	**113,983**	136,975
	322,774	154,922	**860,827**	914,774
Unrealized foreign exchange	**9,096**	14,426	**(1,545)**	25,000
Revaluation loss on derivatives[1]	**47,874**	—	**43,407**	—
Sinkhole costs	**(1,247)**	7,789	**15,235**	7,789
Revaluation loss (gain) on marketable securities	**3,449**	(554)	**(453)**	1,712
Caserones inventory fair value adjustment	**32,185**	—	**32,185**	—
Unrealized foreign exchange and trading loss on equity investments	**—**	18,848	**—**	—
Write-down of fixed assets	**—**	3,617	**—**	3,619
Gain on disposal of subsidiary	**—**	—	**(5,718)**	(16,828)
Other	**990**	3,325	**(120)**	2,724
Total adjustments - EBITDA	**92,347**	47,451	**82,991**	24,016
Adjusted EBITDA[1]	**415,121**	202,373	**943,818**	938,790

[1] Q2 2023 amounts have been adjusted from those presented in the Company's MD&A for the three and six months ended June 30, 2023.

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

	Three months ended September 30,		Nine months ended September 30,	
($thousands, except share and per share amounts)	**2023**	2022	**2023**	2022
Net (loss) earnings attributable to Lundin Mining shareholders	**(2,964)**	(11,212)	**202,765**	281,289
Add back:				
Total adjustments - EBITDA	**92,347**	47,451	**82,991**	24,016
Tax effect on adjustments	**(20,114)**	(12,012)	**(23,295)**	(11,323)
Deferred tax expense due to change in tax rate	**25,700**	—	**25,700**	—
Deferred tax arising from foreign exchange translation	**9,669**	5,599	**(12,327)**	(6,264)
Non-controlling interest on adjustments	**(19,049)**	1,070	**(18,980)**	1,197
Total adjustments	**88,552**	42,108	**54,089**	7,626
Adjusted earnings[1]	**85,588**	30,896	**256,854**	288,915
Basic weighted average number of shares outstanding	**773,147,920**	775,563,527	**772,214,160**	759,726,506
Net (loss) earnings attributable to Lundin Mining shareholders	**—**	(0.01)	**0.26**	0.37
Total adjustments	**0.11**	0.05	**0.07**	0.01
Adjusted EPS[1]	**0.11**	0.04	**0.33**	0.38

[1] Q2 2023 amounts have been adjusted from those presented in the Company's MD&A for the three and six months ended June 30, 2023.

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 September 30, 2023							
Operations	**Candelaria**	**Caserones**	**Chapada**	**Eagle**	**Neves-Corvo**	**Zinkgruvan**	
($000s, unless otherwise noted)	**(Cu)**	**(Cu)**	**(Cu)**	**(Ni)**	**(Cu)**	**(Zn)**	**Total**
Sales volumes:							
Tonnes	33,668	30,385	11,445	3,640	8,799	22,042	
Pounds (000s)	74,225	66,987	25,232	8,025	19,398	48,594	
Production costs							615,109
Less: Royalties and other							(21,662)
Inventory fair value adjustment[1]							(32,185)
							561,262
Deduct: By-product credits							(216,150)
Add: Treatment and refining charges							56,261
Cash cost	162,672	106,866	57,501	16,598	44,043	13,693	401,373
Cash cost per pound ($/lb)	**2.19**	**1.60**	**2.28**	**2.07**	**2.27**	**0.28**	
Add: Sustaining capital expenditure	86,693	28,849	16,716	4,989	27,357	12,350	
Royalties	—	7,550	2,142	7,385	1,055	—	
Reclamation and other closure accretion and depreciation	2,349	1,133	2,141	2,742	1,462	1,011	
Leases and other	2,841	11,531	865	797	131	86	
All-in sustaining cost	254,555	155,929	79,365	32,511	74,048	27,140	
AISC per pound ($/lb)	**3.43**	**2.33**	**3.15**	**4.05**	**3.82**	**0.56**	
($000s, unless otherwise noted)	**2023 Annual Guidance**						
Cash cost	670,000	290,000	240,000	60,000	160,000	70,000	
Cash cost per pound($/lb)	2.00 – 2.20	2.00 – 2.20	2.35 – 2.55	2.00 – 2.20	2.10 – 2.30	0.45 – 0.50	

Three months ended September 30, 2022						
Operations	**Candelaria**	**Chapada**	**Eagle**	**Neves-Corvo**	**Zinkgruvan**	
($000s, unless otherwise noted)	**(Cu)**	**(Cu)**	**(Ni)**	**(Cu)**	**(Zn)**	**Total**
Sales volumes:						
Tonnes	35,587	12,817	3,715	8,574	13,722	
Pounds (000s)	78,456	28,257	8,190	18,903	30,252	
Production costs						425,814
Less: Royalties and other						(8,593)
						417,221
Deduct: By-product credits						(172,179)
Add: Treatment and refining charges						28,829
Cash cost	154,633	54,147	8,637	50,888	5,566	273,871
Cash cost per pound ($/lb)	**1.97**	**1.92**	**1.05**	**2.69**	**0.18**	
Add: Sustaining capital expenditure	103,486	19,197	3,062	15,860	8,415	
Royalties	—	3,055	5,705	(1,213)	—	
Reclamation and other closure accretion and depreciation	1,951	1,784	4,809	630	962	
Leases and other	2,327	1,017	484	173	149	
All-in sustaining cost	262,397	79,201	22,697	66,338	15,092	
AISC per pound ($/lb)	**3.34**	**2.80**	**2.77**	**3.51**	**0.50**	

[1]Production cost at Caserones in Q3 2023 was negatively impacted by $32.2 million fair value adjustments related to inventory. The fair value adjustments were recorded to re-value concentrate and in-process inventory on hand at the acquisition date, and were subsequently recognized in production costs as the inventory was sold in the quarter.

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

Nine months ended September 30, 2023							
Operations	**Candelaria**	**Caserones**	**Chapada**	**Eagle**	**Neves-Corvo**	**Zinkgruvan**	
($000s, unless otherwise noted)	**(Cu)**	**(Cu)**	**(Cu)**	**(Ni)**	**(Cu)**	**(Zn)**	**Total**
Sales volumes:							
Tonnes	105,585	30,385	30,681	10,234	23,000	48,028	
Pounds (000s)	232,775	66,987	67,640	22,562	50,706	105,883	
Production costs							1,438,071
Less: Royalties and other							(41,717)
Inventory fair value adjustment[1]							(32,185)
							1,364,169
Deduct: By-product credits							(495,751)
Add: Treatment and refining charges							125,390
Cash cost	507,884	106,866	165,170	47,228	128,206	38,454	993,808
Cash cost per pound ($/lb)	**2.18**	**1.60**	**2.44**	**2.09**	**2.53**	**0.36**	
Add: Sustaining capital expenditure	300,796	28,849	52,433	15,653	74,551	42,812	
Royalties	—	7,550	6,394	17,991	2,868	—	
Reclamation and other closure accretion and depreciation	7,100	1,133	5,789	8,711	4,082	2,811	
Leases and other	9,638	11,531	3,002	2,441	437	288	
All-in sustaining cost	825,418	155,929	232,788	92,024	210,144	84,365	
AISC per pound ($/lb)	**3.55**	**2.33**	**3.44**	**4.08**	**4.14**	**0.80**	

Nine months ended September 30, 2022						
Operations	**Candelaria**	**Chapada**	**Eagle**	**Neves-Corvo**	**Zinkgruvan**	
($000s, unless otherwise noted)	**(Cu)**	**(Cu)**	**(Ni)**	**(Cu)**	**(Zn)**	**Total**
Sales volumes:						
Tonnes	113,690	33,526	11,188	25,241	48,049	
Pounds (000s)	250,643	73,912	24,665	55,647	105,930	
Production costs						1,210,431
Less: Royalties and other						(38,121)
						1,172,310
Deduct: By-product credits						(487,914)
Add: Treatment and refining charges						90,944
Cash cost	450,858	157,456	7,999	125,889	33,138	775,340
Cash cost per pound ($/lb)	**1.80**	**2.13**	**0.32**	**2.26**	**0.31**	
Add: Sustaining capital expenditure	272,557	63,412	10,445	49,136	31,537	
Royalties	—	9,161	24,129	984	—	
Reclamation and other closure accretion and depreciation	6,002	5,533	14,109	1,081	3,035	
Leases and other	6,953	3,056	1,766	569	547	
All-in sustaining cost	736,370	238,618	58,448	177,659	68,257	
AISC per pound ($/lb)	**2.94**	**3.23**	**2.37**	**3.19**	**0.64**	

[1]Production cost at Caserones in Q3 2023 was negatively impacted by $32.2 million fair value adjustments related to inventory. The fair value adjustments were recorded to re-value concentrate and in-process inventory on hand at the acquisition date, and were subsequently recognized in production costs as the inventory was sold in the quarter.

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").

Limitations on scope of design

On July 13, 2023, the Company acquired 51% of the issued and outstanding equity of Lumina Copper. However, the Company has not had sufficient time during the third quarter of 2023 to fully assess the design of DCP and ICFR inherent in the organization and accordingly has limited the scope of the above assessment on the design of DCP and ICFR to exclude this entity, which holds the Caserones mine.

Changes in ICFR

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

Outstanding Share Data

As at November 1, 2023, the Company has 773,418,445 common shares issued and outstanding, and 6,569,234 stock options and 1,824,378 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.sedarplus.ca) or on the Company's website (www.lundinmining.com).

Condensed Interim Consolidated Financial Statements of

Lundin Mining Corporation

September 30, 2023
(Unaudited)

LUNDIN MINING CORPORATION

CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS
(Unaudited - in thousands of US dollars)

	As at	
	September 30, 2023	December 31, 2022
ASSETS		
Cash and cash equivalents (Note 4)	**$ 357,337**	$ 191,387
Trade and other receivables (Note 5)	**680,658**	576,178
Income taxes receivable	**64,398**	72,402
Inventories (Note 6)	**618,858**	296,710
Current portion of derivative assets (Note 21)	**23,081**	43,521
Other current assets	**26,418**	38,571
Total current assets	**1,770,750**	1,218,769
Restricted funds	**52,103**	50,195
Long-term inventory (Note 6)	**798,199**	641,877
Derivative assets (Note 21)	**6,372**	25,111
Other non-current assets	**67,731**	20,035
Mineral properties, plant and equipment (Note 7)	**7,369,884**	5,975,686
Deferred tax assets (Note 20)	**394,484**	3,837
Goodwill	**236,670**	237,294
	8,925,443	6,954,035
Total assets	**$ 10,696,193**	$ 8,172,804
LIABILITIES		
Trade and other payables (Note 8)	**$ 742,043**	$ 612,965
Income taxes payable	**61,145**	45,000
Current portion of derivative liabilities (Note 21)	**25,958**	24,423
Current portion of debt and lease liabilities (Note 9)	**380,645**	170,149
Current portion of deferred revenue (Note 10)	**85,862**	74,061
Current portion of reclamation and other closure provisions (Note 11)	**15,364**	23,550
Total current liabilities	**1,311,017**	950,148
Derivative liabilities (Note 21)	**5,603**	27,876
Debt and lease liabilities (Note 9)	**1,130,754**	27,179
Deferred revenue (Note 10)	**540,893**	580,045
Reclamation and other closure provisions (Note 11)	**496,511**	422,298
Deferred consideration and other long-term liabilities (Note 3)	**126,532**	24,922
Provision for pension obligations	**6,800**	5,613
Deferred tax liabilities (Note 20)	**673,970**	709,602
	2,981,063	1,797,535
Total liabilities	**4,292,080**	2,747,683
SHAREHOLDERS' EQUITY		
Share capital (Note 12)	**4,572,954**	4,555,125
Contributed surplus	**54,323**	55,769
Accumulated other comprehensive loss	**(343,319)**	(342,287)
Retained earnings	**640,646**	592,425
Equity attributable to Lundin Mining Corporation shareholders	**4,924,604**	4,861,032
Non-controlling interests (Note 13)	**1,479,509**	564,089
Total shareholders' equity	**6,404,113**	5,425,121
Total liabilities and shareholders' equity	**$ 10,696,193**	$ 8,172,804

Commitments and contingencies (Note 22)

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 September 30,		Nine months ended September 30,	
	2023	2022	**2023**	2022
Revenue (Note 14)	**$ 992,195**	$ 648,498	**$ 2,332,070**	$ 2,229,798
Cost of goods sold				
Production costs (Note 15)	**(615,109)**	(425,814)	**(1,438,071)**	(1,210,431)
Depreciation, depletion and amortization	**(179,788)**	(140,161)	**(430,540)**	(412,040)
Gross profit	**197,298**	82,523	**463,459**	607,327
General and administrative expenses	**(19,444)**	(14,772)	**(49,452)**	(37,442)
General exploration and business development (Note 17)	**(12,734)**	(72,446)	**(41,192)**	(132,259)
Finance income (Note 18)	**3,767**	1,112	**5,939**	2,596
Finance costs (Note 18)	**(39,979)**	(16,352)	**(73,747)**	(50,117)
Other (expense) income (Note 19)	**(22,134)**	19,456	**57,472**	65,108
Earnings (loss) before income taxes	**106,774**	(479)	**362,479**	455,213
Current tax (expense) recovery (Note 20)	**(40,115)**	9,994	**(126,829)**	(161,193)
Deferred tax (expense) recovery (Note 20)	**(44,776)**	(20,760)	**12,846**	24,218
Net earnings (loss)	**$ 21,883**	$ (11,245)	**$ 248,496**	$ 318,238
Net earnings (loss) attributable to:				
Lundin Mining Corporation shareholders	**$ (2,964)**	$ (11,212)	**$ 202,765**	$ 281,289
Non-controlling interests	**24,847**	(33)	**45,731**	36,949
Net earnings (loss)	**$ 21,883**	$ (11,245)	**$ 248,496**	$ 318,238
Basic and diluted (loss) earnings per share attributable to Lundin Mining Corporation shareholders:	**$ 0.00**	$ (0.01)	**$ 0.26**	$ 0.37
Weighted average number of shares outstanding (Note 12)				
Basic	**773,147,920**	775,563,527	**772,214,160**	759,726,506
Diluted	**773,147,920**	775,563,527	**772,918,648**	760,909,648

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 September 30,		Nine months ended September 30,	
	2023	2022	**2023**	2022
Net earnings (loss)	**$ 21,883**	$ (11,245)	**$ 248,496**	$ 318,238
Other comprehensive loss, net of taxes				
Item that will not be reclassified to net earnings:				
Remeasurements for post-employment benefit plans	**145**	553	**(421)**	(8)
Item that may be reclassified subsequently to net earnings:				
Effects of foreign exchange	**(4,386)**	(71,285)	**(689)**	(179,702)
Other comprehensive loss	**(4,241)**	(70,732)	**(1,110)**	(179,710)
Total comprehensive income (loss)	**$ 17,642**	$ (81,977)	**$ 247,386**	$ 138,528
Comprehensive income (loss) attributable to:				
Lundin Mining Corporation shareholders	**$ (7,236)**	$ (82,050)	**$ 201,733**	$ 101,584
Non-controlling interests	**24,878**	73	**45,653**	36,944
Total comprehensive income (loss)	**$ 17,642**	$ (81,977)	**$ 247,386**	$ 138,528

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
Distributions	—	—	—	—	—	(4,000)	(4,000)
Caserones Acquisition (Note 3)	—	—	—	—	—	873,767	873,767
Exercise of share-based awards	2,653,604	17,829	(7,765)	—	—	—	10,064
Share-based compensation	—	—	6,319	—	—	—	6,319
Dividends declared (Note 12(c))	—	—	—	—	(154,544)	—	(154,544)
Net earnings	—	—	—	—	202,765	45,731	248,496
Other comprehensive loss	—	—	—	(1,032)	—	(78)	(1,110)
Total comprehensive (loss) income	—	—	—	(1,032)	202,765	45,653	247,386
Balance, September 30, 2023	**773,400,135**	**$ 4,572,954**	**$ 54,323**	**$ (343,319)**	**$ 640,646**	**$ 1,479,509**	**$ 6,404,113**
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	5,715,046	43,750	(20,636)	—	—	—	23,114
Share-based compensation	—	—	6,431	—	—	—	6,431
Dividends declared	—	—	—	—	(224,940)	—	(224,940)
Shares purchased	(8,900,100)	(52,516)	—	—	2,345	—	(50,171)
Accrued liability for automatic share purchase plan commitment	—	(9,189)	—	—	—	—	(9,189)
Net earnings	—	—	—	—	281,289	36,949	318,238
Other comprehensive loss	—	—	—	(179,705)	—	(5)	(179,710)
Total comprehensive (loss) income	—	—	—	(179,705)	281,289	36,944	138,528
Balance, September 30, 2022	771,834,036	$ 4,550,976	$ 57,397	$ (429,634)	$ 495,854	$ 564,524	$ 5,239,117

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 September 30,		Nine months ended September 30,	
Cash provided by (used in)	**2023**	2022	**2023**	2022
Operating activities				
Net earnings (loss)	**$ 21,883**	$ (11,245)	**$ 248,496**	$ 318,238
Items not involving cash and other adjustments				
Depreciation, depletion and amortization	**179,788**	140,161	**430,540**	412,040
Share-based compensation	**1,974**	896	**5,995**	6,431
Unrealized foreign exchange loss (gain)	**9,096**	14,426	**(1,545)**	25,000
Finance costs, net (Note 18)	**36,212**	15,240	**67,808**	47,521
Recognition of deferred revenue (Note 10)	**(16,671)**	(17,296)	**(52,690)**	(57,396)
Deferred tax expense (recovery)	**44,776**	20,760	**(12,846)**	(24,218)
Revaluation of marketable securities (Note 19)	**3,449**	554	**(453)**	(1,712)
Revaluation of foreign currency and diesel derivatives (Note 21)	**34,653**	—	**538**	—
Reversal of fair value adjustment on acquired inventory (Note 3)	**32,185**	—	**32,185**	—
Other	**8,871**	30,491	**22,316**	(11,083)
Reclamation payments (Note 11)	**(3,052)**	(8,712)	**(8,181)**	(12,619)
Other payments	**(5,685)**	(400)	**(6,674)**	(1,425)
Changes in long-term inventory	**(31,012)**	(3,538)	**(63,318)**	3,111
Changes in non-cash working capital items (Note 25)	**(12,655)**	(145,006)	**48,360**	16,111
	303,812	36,331	**710,531**	719,999
Investing activities				
Investment in mineral properties, plant and equipment	**(243,207)**	(199,488)	**(769,239)**	(561,668)
Acquisition of Caserones, net of cash acquired (Note 3)	**(648,569)**	—	**(648,569)**	—
Acquisition of Josemaria, net of cash acquired	—	—	—	(126,381)
Cash received from disposal of subsidiary (Note 19)	**—**	—	**5,718**	16,828
Payment of Chapada derivative liability (Note 22)	**(25,000)**	(25,000)	**(25,000)**	(25,000)
Interest received	**3,541**	1,078	**5,709**	2,483
Josemaria bridge loan	**—**	—	**—**	(54,100)
Distributions from associate, net	**—**	—	**—**	18,000
Other	**4,479**	(4,149)	**(909)**	(3,252)
	(908,756)	(227,559)	**(1,432,290)**	(733,090)
Financing activities				
Proceeds from debt (Note 9)	**1,772,531**	34,663	**2,203,480**	34,663
Interest paid	**(14,975)**	(2,629)	**(25,642)**	(6,154)
Principal payments of lease liabilities	**(22,954)**	(4,256)	**(34,234)**	(13,192)
Principal repayments of debt (Note 9)	**(920,677)**	(15,149)	**(1,135,179)**	(16,416)
Payment of Josemaria debentures	**—**	—	**—**	(47,000)
Dividends paid to shareholders	**(51,328)**	(53,019)	**(155,349)**	(224,251)
Shares purchased (Note 12)	**—**	(42,121)	**—**	(50,171)
Proceeds from common shares issued	**2,506**	2,653	**10,064**	23,114
Distributions paid to non-controlling interests	**(4,000)**	—	**(4,000)**	(35,000)
Net proceeds from settlement of foreign currency and diesel derivatives	**13,848**	—	**38,248**	—
Other	**(1,761)**	—	**(4,770)**	(4,954)
	773,190	(79,858)	**892,618**	(339,361)
Effect of foreign exchange on cash balances	**(1,091)**	(208)	**(4,909)**	(14,668)
Increase (decrease) in cash and cash equivalents during the period	**167,155**	(271,294)	**165,950**	(367,120)
Cash and cash equivalents, beginning of period	**190,182**	498,243	**191,387**	594,069
Cash and cash equivalents, end of period	**$ 357,337**	$ 226,949	**$ 357,337**	$ 226,949

Supplemental cash flow information (Note 25)

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, nickel and molybdenum. The Company owns 80% of the Candelaria and Ojos del Salado mining complex ("Candelaria") and 51% of the Caserones copper-molybdenum mine (“Caserones”), each of which are 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.

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 principal place of business is 885 West Georgia Street, Suite 2000, Vancouver, British Columbia, 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 November 1, 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.

a. As a result of the Caserones acquisition (Note 3), the Company has amended its revenue policy to include sales of copper cathodes. The Company satisfies its performance obligations for its concentrate and copper cathode sales per specified contract terms which are generally upon shipment or delivery. Revenue from concentrate and copper cathode sales is recorded based upon forward market prices of the expected final sales price date. The Company typically receives payment shortly after vessel arrival at its destination port. All remaining policy elements of revenue recognition remain unchanged from the year ended December 31, 2022.

b. As a result of the Caserones acquisition (Note 3), the Company has amended its inventories policy to include the valuation of inventory work in progress for the leaching process. Dump leach pad inventory represents ore that has been mined and placed on leach pads where a solution is applied to the surface of the heap to dissolve the gold and by-products. The resulting solution is further processed in a plant to recover the copper. The cost of leach pad inventory is derived from current mining and leaching costs and is removed at the weighted average cost per recoverable lb of copper on the leach pads as lbs of copper are recovered. Estimates of recoverable copper in the leach pads are calculated based on the quantities of ore placed on the leach pads (measured tonnes added to the leach pads), the grade of ore placed on the leach pads (based on assay data), and an estimated recovery percentage (based on estimated recovery assumptions from the block model). The nature of the leaching process inherently limits the ability to precisely monitor inventory levels. As a result, estimates are refined based on actual results and engineering studies over time. The final recovery of copper from leach pads will not be known until the leaching process is concluded at the end of the mine life. Ore on leach pads that is not expected to be recovered within the next twelve months is classified as non-current. All remaining policy elements of inventories remain unchanged from the year ended December 31, 2022.

(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.

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, except for those noted below.

The Company's acquisition of fifty-one percent (51%) of the issued and outstanding equity of SCM Minera Lumina Copper Chile ("Lumina Copper") (Note 3), which owns Caserones, requires each identified asset and liability to be measured at its acquisition date fair value. The excess, if any, of the fair value of consideration over the fair value of the identifiable net assets acquired and liabilities assumed is recognized in goodwill. The determination of fair values requires management to make assumptions and estimates about future events and judgements such as production profile, production and capital expenditures, metal prices and discount rates. Changes in these assumptions or estimates could affect the fair values assigned to assets acquired, liabilities assumed, and goodwill in the purchase price allocation.

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

3. BUSINESS COMBINATION

On July 13, 2023, the Company completed the acquisition of fifty-one percent (51%) of the issued and outstanding equity of Lumina Copper, which owns the Caserones copper-molybdenum mine located in Chile, from JX Metals Corporation and certain of its subsidiaries ("Caserones Acquisition").

The total cash consideration paid after adjustments was $796.6 million, which was funded by the Company's revolving credit facility. Remaining deferred cash consideration of $150.0 million will be payable in installments as follows: $50.0 million to be paid in five installments of $10.0 million on the anniversary of the transaction closing date in each of 2024, 2025, 2026, 2027, and 2028; and $100 million shall be paid on the anniversary of the closing date in 2029. The Company 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 ("Caserones Purchase Option").

The purchase price is as follows:

Cash consideration	$	796,580
Fair value of additional deferred consideration		112,851
Total consideration for 51% of Caserones	**$**	**909,431**

The fair value of the deferred consideration was calculated by discounting the required future payments using a credit adjusted risk free rate that appropriately reflects the credit risk associated with the future payments. The current portion of this liability has been recorded in Trade and Other Payables and the non-current portion has been recorded in Deferred consideration and other long-term liabilities.

Preliminary fair values of assets acquired and liabilities assumed:

Cash and cash equivalents	$	148,011
Trade and other receivables		253,769
Inventories		324,565
Restricted funds		4,196
Long-term inventory		84,705
Other non-current assets (a)		46,994
Mineral properties, plant and equipment		1,117,672
Deferred tax assets (b)		411,503
Total assets	$	2,391,415
Trade and other payables	$	256,161
Lease liability		257,655
Reclamation and other closure provisions		92,440
Other		1,961
Total liabilities	$	608,217
Total assets acquired and liabilities assumed, net	$	1,783,198
Less: Non-controlling interests	$	873,767
Lundin Mining Corporation's 51% share of Caserones	**$**	**909,431**

a. The Company has assigned a fair value of $47.0 million to its right to acquire up to an additional 19% interest in Lumina Copper for $350.0 million. The fair value of the Caserones purchase option was determined using the arithmetic average approximation methodology which assumes a risk-free interest rate of 3.93%, expected copper price volatility of 22.8%, and a term of 5 years.

b. The Company acquired approximately $4.3 billion in total tax loss carryforward balances associated with Caserones. The Company has recognized deferred tax assets to the extent that the Company expects to realize sufficient taxable profit in the foreseeable future.

For the purpose of these financial statements, the preliminary fair value of assets acquired and liabilities assumed is based on management's best estimates and taking into consideration all currently available information at the time of acquisition. There may be adjustments to the estimated fair values as the valuation work is finalized, which is expected to be completed by the end of 2023.

Management primarily used a discounted cash flow model (net present value of expected future cash flows) to determine the fair value of the mine assets. Management used significant future assumptions in the model such as metal prices, production based on estimated quantities of Mineral Reserves and Resources, production and capital expenditures, and discount rate. Average copper price assumptions between 2023 and 2027 used in the valuation was $3.80 per pound of copper with $3.58 per pound being used as the long-term assumption. In determining the fair value of plant and equipment, management primarily used the depreciated replacement cost approach and used the sales comparison approach for certain mobile plant items where secondary market evidence was available.

Short-term inventory was valued based on assumed market price less cost to complete and a reasonable profit margin. Long-term inventory was valued on the same basis, but also considers a multi-year recovery period for the estimated payable metal contained in the dump leach.

The Company used the proportionate method in measuring non-controlling interests at the acquisition date. No goodwill has been recognized on the transaction.

Acquisition related costs of $5.2 million are recorded in the consolidated statement of earnings as a business development cost (Note 17).

Revenue and net earnings contributed by Caserones since acquisition and included in the consolidated statement of earnings were $284.6 million and $38.0 million, respectively. For the three months ended September 30, 2023, $32.2 million of metal inventories acquired at fair value were included in Cost of goods sold (production costs).

If Caserones had been consolidated from January 1, 2023, the consolidated statement of earnings for the nine months ended September 30, 2023 would show pro forma revenue of approximately $3,108.5 million and net earnings of approximately $453.9 million.

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

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of the following:

		September 30, 2023		December 31, 2022
Cash	**$**	**259,355**	$	158,153
Short-term deposits		**97,982**		33,234
	$	**357,337**	$	191,387

5. TRADE AND OTHER RECEIVABLES

Trade and other receivables are comprised of the following:

		September 30, 2023		December 31, 2022
Trade receivables	**$**	**521,760**	$	430,734
Prepaid expenses		**59,898**		53,767
Value added tax		**66,755**		65,028
Other receivables		**32,245**		26,649
	$	**680,658**	$	576,178

6. INVENTORIES

Inventories are comprised of the following:

		September 30, 2023		December 31, 2022
Materials and supplies	**$**	**329,038**	$	184,720
Ore stockpiles and dump leach		**200,465**		69,781
Finished goods - concentrate stockpiles		**77,940**		42,209
Finished goods - copper cathode		**11,415**		—
	$	**618,858**	$	296,710

Long-term inventories are comprised of the following:

		September 30, 2023		December 31, 2022
Ore stockpiles at Candelaria	**$**	**430,577**	$	394,240
Ore stockpiles at Chapada		**277,367**		247,637
Dump leach at Caserones		**90,255**		—
	$	**798,199**	$	641,877

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

7. 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	192,923	64,007	192,775	117,927	1,265	568,897
Disposals and transfers	55,596	191,145	(258,989)	(5,279)	4,418	(13,109)
Effects of foreign exchange	(281,682)	(145,453)	(19,486)	—	(744)	(447,365)
As at September 30, 2022	5,245,980	3,573,103	256,892	765,884	19,617	9,861,476
Additions	129,542	28,642	84,474	110,535	13,005	366,198
Disposals and transfers	37,509	68,285	(110,698)	—	(377)	(5,281)
Effects of foreign exchange	133,892	82,147	5,388	—	381	221,808
As at December 31, 2022	5,546,923	3,752,177	236,056	876,419	32,626	10,444,201
Caserones Acquisition (Note 3)	—	1,105,187	12,485	—	—	1,117,672
Additions	178,643	70,718	287,441	214,036	61	750,899
Disposals and transfers	84,818	18,983	(174,413)	—	2,798	(67,814)
Effects of foreign exchange	(28,844)	(11,943)	(2,086)	—	(134)	(43,007)
As at September 30, 2023	**$ 5,781,540**	**$ 4,935,122**	**$ 359,483**	**$ 1,090,455**	**$ 35,351**	**$ 12,201,951**

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	243,467	182,890	—	—	1,798	428,155
Disposals and transfers	(79)	(4,547)	—	—	(119)	(4,745)
Effects of foreign exchange	(175,965)	(65,063)	—	—	(284)	(241,312)
As at September 30, 2022	2,687,619	1,518,364	—	—	9,431	4,215,414
Depreciation	65,364	69,113	—	—	2,031	136,508
Disposals and transfers	—	(914)	—	—	—	(914)
Effects of foreign exchange	82,448	34,876	—	—	183	117,507
As at December 31, 2022	2,835,431	1,621,439	—	—	11,645	4,468,515
Depreciation	225,325	219,863	—	—	3,684	448,872
Disposals and transfers	—	(58,596)	—	—	—	(58,596)
Effects of foreign exchange	(19,469)	(7,196)	—	—	(59)	(26,724)
As at September 30, 2023	**$ 3,041,287**	**$ 1,775,510**	**$ —**	**$ —**	**$ 15,270**	**$ 4,832,067**

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 September 30, 2023	**$ 2,740,253**	**$ 3,159,612**	**$ 359,483**	**$ 1,090,455**	**$ 20,081**	**$ 7,369,884**

[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.

During the quarter ended September 30, 2023, the Company completed the Caserones acquisition (Note 3) acquiring $1,117.7 million of plant and equipment and assets under construction.

(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 nine months ended September 30, 2023, the Company capitalized $5.8 million and $13.6 million, respectively, of finance costs to the Josemaria Project at a weighted average interest rate of 5.9%. During the three and nine months ended September 30, 2022, the Company capitalized $0.3 million and $2.1 million, respectively, of finance costs to assets under construction at a weighted average interest rate of 5.5%.

During the three and nine months ended September 30, 2023, the Company capitalized $65.0 million (third quarter ("Q3") 2022 - $56.6 million) and $160.8 million (year-to-date ("YTD") Q3 2022 - $178.6 million), respectively, of deferred stripping costs to mineral properties. The depreciation expense related to deferred stripping for the three and nine months ended September 30, 2023, was $23.4 million (Q3 2022 - $37.9 million) and $75.8 million (YTD Q3 2022 - $104.2 million), respectively. Included in the mineral properties balance at September 30, 2023 is $235.4 million (December 31, 2022 - $681.7 million) related to deferred stripping at Candelaria and Caserones, which is currently non-depreciable.

The Company leases various assets including power line infrastructure, buildings and storage facilities, 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		16,625
Depreciation		(15,454)
Effects of foreign exchange		(618)
As at September 30, 2022		28,182
Additions		5,446
Depreciation		(5,834)
Disposals		(75)
Effects of foreign exchange		204
As at December 31, 2022		27,923
Caserones Acquisition (Note 3)		257,655
Additions		38,284
Depreciation		(31,355)
Disposals		(5,363)
Effects of foreign exchange		254
As at September 30, 2023	**$**	**287,398**

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

8. TRADE AND OTHER PAYABLES

Trade and other payables are comprised of the following:

		September 30, 2023		December 31, 2022
Trade payables	$	**353,461**	$	315,948
Unbilled goods and services		**173,442**		122,390
Employee benefits payable		**104,557**		88,086
Pricing provisions on concentrate sales		**21,099**		8,484
Sinkhole provision		**30,658**		38,000
Royalties payable		**25,305**		16,283
Deferred consideration, current portion (Note 3)		**10,000**		—
Other		**23,521**		23,774
	$	**742,043**	$	612,965

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

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

The deferred consideration relates to the current portion of the remaining deferred cash consideration arising from the Caserones Acquisition (Note 3), payable in installments over the next six years. The long-term portion of $104.5 million has been reported in Other Long-Term Liabilities.

9. DEBT AND LEASE LIABILITIES

Debt and lease liabilities are comprised of the following:

		September 30, 2023		December 31, 2022
Revolving credit facility (a)	$	**159,190**	$	13,730
Term loan (b)		**798,396**		—
Candelaria and Chapada term loans (c)		**169,298**		127,400
Lease liabilities (d)		**277,982**		27,166
Commercial paper (e)		**105,973**		26,665
Line of credit		**560**		2,367
Debt and lease liabilities		**1,511,399**		197,328
Less: current portion		**380,645**		170,149
Long-term portion	$	**1,130,754**	$	27,179

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

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	16,625	34,663	51,288
Payments	(14,239)	(63,416)	(77,655)
Disposals	(2)	—	(2)
Interest	1,047	—	1,047
Effects of foreign exchange	(2,191)	(1,148)	(3,339)
As at September 30, 2022	27,156	22,224	49,380
Additions	4,573	248,275	252,848
Payments	(7,412)	(97,408)	(104,820)
Disposals	(24)	—	(24)
Interest	387	—	387
Financing fee amortization	—	656	656
Financing fee reclassification	—	(4,926)	(4,926)
Effects of foreign exchange	2,486	1,341	3,827
As at December 31, 2022	27,166	170,162	197,328
Caserones Acquisition (Note 3)	257,655	—	257,655
Additions	38,217	2,203,480	2,241,697
Payments	(34,234)	(1,135,179)	(1,169,413)
Disposals	(6,221)	—	(6,221)
Interest	6,609	—	6,609
Financing fee amortization	—	764	764
Deferred financing fee	—	(2,908)	(2,908)
Effects of foreign exchange	(11,210)	(2,902)	(14,112)
As at September 30, 2023	277,982	1,233,417	1,511,399
Less: current portion	51,873	328,772	380,645
Long-term portion	**$ 226,109**	**$ 904,645**	**$ 1,130,754**

a) The Company has a 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 three and nine months ended September 30, 2023, the Company drew down $873.0 million (Q3 2022 - $nil) and $1.044 billion (YTD Q3 2022 - $nil), respectively, and repaid $885.0 million and $898.0 million, respectively (September 30, 2022 - $nil and $nil). Amounts drawn down from the revolving credit facility in the three months ended September 30, 2023 were used to fund the upfront cash consideration for the Caserones Acquisition (Note 3). As at September 30, 2023, a principal balance of $164.0 million (December 31, 2022 - $18.0 million) was outstanding, with unamortized deferred financing fees of $4.8 million (December 31, 2022 - $4.3 million) netted against borrowings.

(b) In July 2023, the Company obtained a term loan of a principal amount of $800.0 million with an additional $400.0 million accordion option, maturing July 2026. The term loan bears interest at an annual rate equal to Term SOFR + CSA + an applicable margin of 1.60% to 2.65%, depending on the Company’s net leverage ratio. Principal is payable at maturity. 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. The Company used the term loan to refinance the drawdown under the existing $1,750.0 million revolving credit facility used to fund the upfront cash consideration of $796.6 million for the Caserones acquisition (Note 3). As at September 30, 2023, a principal balance of $800 million was outstanding, with unamortized deferred financing fees of $1.6 million netted against borrowings.

c) During 2022, Candelaria obtained an unsecured fixed term loan in the amount of $50.0 million which remains outstanding as at September 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 $55.3 million (Q3 2022 - $nil) and $185.8 million (YTD Q3 2022 - $nil) during the three and nine months ended September 30, 2023, respectively. Chapada repaid $35.1 million (Q3 2022 - $nil) and $143.9 million (YTD Q3 2022 - $nil) of the outstanding term loans during the three and nine months ended September 30, 2023, respectively.

As at September 30, 2023, there were twenty-eight term loans outstanding at Chapada totalling $119.3 million (December 31, 2022 - nine term loans totalling $77.4 million). These outstanding term loans accrue interest at rates ranging from 6.67% to 7.24% per annum with interest payable upon maturity. The maturity dates range from October 2023 to March 2024.

d) Lease liabilities relate to leases on power line infrastructure, buildings and storage facilities, rail cars, vehicles, machinery and equipment which have remaining lease terms of one to fourteen years and interest rates of 0.8% - 10.4% 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.

e) 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 $26.5 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). In June and July 2023, Somincor entered into a second and third commercial paper program ("Commercial Paper Program 2") and ("Commercial Paper Program 3"), respectively. Commercial Paper Program 2 has a borrowing capacity of $53.0 million (€50.0 million), matures in June 2028, and bears interest on drawn funds at EURIBOR+0.50%. Commercial Program 3 has a borrowing capacity of $42.4 million (€40.0 million), matures in July 2028, and bears interest on drawn funds at EURIBOR+0.30%.

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

During the three and nine months ended September 30, 2023 and 2022, Somincor made the following withdrawals and payments from the respective programs:

	Three months ended September 30,		**Nine months ended September 30,**	
	2023	2022	**2023**	2022
Commercial Paper Program 1				
Withdrawals	—	$34,663 (€35 million)	**$86,060 (€80 million)**	$34,663 (€35 million)
Payments	—	$14,856 (€15 million)	**$ 91,444 (€85 million)**	$14,856 (€15 million)
Commercial Paper Program 2				
Withdrawals	**$11,058 (€10 million)**	—	**$54,417 (€50 million)**	—
Payments	—	—	—	—
Commercial Paper Program 3				
Withdrawals	**$33,174 (€30 million)**	—	**$33,174 (€30 million)**	—
Payments	—	—	—	—

As at September 30, 2023, Commercial Paper Program 1, Commercial Paper Program 2, and Commercial Paper Program 3 remain drawn at $21.2 million (€20 million), $53.0 million (€50.0 million), and $31.8 million (€30.0 million), respectively.

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

		Leases		Debt		Total
Less than one year	$	68,699	$	328,772	$	397,471
One to five years		163,413		911,059		1,074,472
More than five years		158,983		—		158,983
Total undiscounted obligations as at September 30, 2023	**$**	**391,095**	**$**	**1,239,831**	**$**	**1,630,926**

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

10. DEFERRED REVENUE

The following table summarizes the changes in deferred revenue:

As at December 31, 2021	$	693,467
Recognition of revenue		(57,396)
Finance costs		28,224
Effects of foreign exchange		(10,922)
As at September 30, 2022		653,373
Recognition of revenue		(16,337)
Variable consideration adjustment		3,492
Finance costs		9,397
Effects of foreign exchange		4,181
As at December 31, 2022		654,106
Recognition of revenue		(52,690)
Finance costs		26,967
Effects of foreign exchange		(1,628)
As at September 30, 2023		626,755
Less: current portion		85,862
Long-term portion	**$**	**540,893**

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)

11. 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	10,679	—	10,679
Changes in estimate	12,766	8,675	21,441
Changes in discount rate	(44,822)	—	(44,822)
Payments	(8,892)	(3,727)	(12,619)
Effects of foreign exchange	(18,773)	(5,494)	(24,267)
Balance, September 30, 2022	357,924	38,543	396,467
Accretion	3,665	—	3,665
Changes in estimate	33,000	2,699	35,699
Changes in discount rate	1,155	—	1,155
Payments	(2,283)	(1,001)	(3,284)
Effects of foreign exchange	7,559	4,587	12,146
Balance, December 31, 2022	401,020	44,828	445,848
Acquisition of Caserones (Note 3)	92,440	—	92,440
Accretion	16,791	—	16,791
Changes in estimate	(23,309)	7,639	(15,670)
Changes in discount rate	(14,314)	—	(14,314)
Payments	(6,436)	(1,745)	(8,181)
Effects of foreign exchange	(2,183)	(2,856)	(5,039)
Balance, September 30, 2023	464,009	47,866	511,875
Less: current portion	10,206	5,158	15,364
Long-term portion	**$ 453,803**	**$ 42,708**	**$ 496,511**

The Company expects these liabilities to be settled between 2023 and 2065. The reclamation provisions are discounted using current market pre-tax discount rates which range from 3.0% to 11.4% (December 31, 2022 - 2.0% to 13.5%).

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

12. SHARE CAPITAL

a) Basic and diluted weighted average number of shares outstanding

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	**2023**	2022
Basic weighted average number of shares outstanding	**773,147,920**	775,563,527	**772,214,160**	759,726,506
Effect of dilutive securities (i)	**—**	—	**704,488**	1,183,142
Diluted weighted average number of shares outstanding	**773,147,920**	775,563,527	**772,918,648**	760,909,648
Antidilutive securities	**45,300**	751,450	**77,475**	472,000

(i) As a result of the Company's net loss position for the three months ended September 30, 2023, 1,013,385 shares (Q3 2022 - 675,079 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 September 30,		Nine months ended September 30,	
	2023	2022	**2023**	2022
Stock options	**38,100**	76,500	**1,918,763**	1,830,020
Replacement Options	**—**	—	**—**	2,513,866
SUs	**45,300**	27,150	**1,306,803**	507,579

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

c) Dividends

During the three and nine months ended September 30, 2023, the Company declared dividends in the amount of $52.2 million (Q3 2022 - $54.0 million) or C$0.09 per share (Q3 2022 - C$0.09), and $154.5 million (YTD Q3 2022 - $224.9 million) or C$0.27 per share (YTD Q3 2022 - C$0.38), respectively.

d) Normal course issuer bid

For the three and nine months ended September 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 nine months ended September 30, 2022, 7,710,900 and 8,900,100 shares were purchased by the Company's broker under the ASPP or at management's discretion pursuant to its NCIB at an average price of C$7.09 and C$7.30 per share for total consideration of $42.1 million and $50.2 million, respectively. All common shares purchased were cancelled. As at September 30, 2022, the Company had recorded an accrual of $9.2 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)

13. NON-CONTROLLING INTERESTS

The continuity of the Company's non-wholly owned subsidiaries with material non-controlling interest ("NCI") is as follows:

	Candelaria mine	Ojos mine	Caserones mine	Total
NCI in subsidiary at September 30, 2023	20%	20%	49 %	
As at December 31, 2021	$ 511,326	$ 36,254	$ —	$ 547,580
Share of net comprehensive income (loss)	31,713	5,231	—	36,944
Distributions	(10,000)	(10,000)	—	(20,000)
As at September 30, 2022	533,039	31,485	—	564,524
Share of net comprehensive income (loss)	6,312	(6,747)	—	(435)
Distributions	—	—	—	—
As at December 31, 2022	539,351	24,738	—	564,089
Caserones Acquisition (Note 3)	—	—	873,767	873,767
Share of net comprehensive income (loss)	26,274	455	18,924	45,653
Distributions	(4,000)	—	—	(4,000)
As at September 30, 2023	$ 561,625	$ 25,193	$ 892,691	$ 1,479,509

Summarized financial information for the Company's non-wholly owned subsidiaries on a 100% basis, before inter-company eliminations is as follows:

Summarized Balance Sheets

	Candelaria mine		Ojos mine		Caserones	
	As at Sep. 30, 2023	As at Dec. 31, 2022	**As at Sep. 30, 2023**	As at Dec. 31, 2022	**As at Sep. 30, 2023**	As at Dec. 31, 2022
Total current assets	**$ 441,686**	$ 557,565	**$ 76,279**	$ 77,177	**$ 741,552**	$ —
Total non-current assets	**$ 2,964,039**	$ 2,818,053	**$ 168,884**	$ 169,985	**$ 1,624,846**	$ —
Total current liabilities	**$ 258,699**	$ 299,605	**$ 72,943**	$ 83,083	**$ 268,794**	$ —
Total non-current liabilities	**$ 575,373**	$ 564,228	**$ 40,596**	$ 39,463	**$ 276,526**	$ —

Summarized Statements of Earnings and Comprehensive Income (Loss)

	Candelaria mine		Ojos mine		Caserones	
For the nine months ended September 30,	**2023**	2022	**2023**	2022	**2023**	2022
Total revenue	**$ 1,010,419**	$ 1,012,242	**$ 106,290**	$ 143,795	**$ 284,556**	$ —
Net earnings (loss)	**$ 104,932**	$ 152,110	**$ 7,008**	$ 26,155	**$ 37,801**	$ —
Net comprehensive income (loss)	**$ 104,854**	$ 152,105	**$ 7,008**	$ 26,155	**$ 37,801**	$ —

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

14. REVENUE

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

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	**2023**	2022
Revenue from contracts with customers:				
Copper	**$ 707,347**	$ 452,223	**$ 1,628,489**	$ 1,588,878
Nickel	**75,701**	73,770	**236,813**	267,037
Zinc	**85,292**	87,780	**234,613**	290,124
Gold	**53,602**	63,450	**156,953**	167,064
Molybdenum	**48,142**	—	**48,142**	—
Lead	**21,863**	13,554	**45,166**	44,506
Silver	**13,983**	7,745	**33,084**	32,766
Other	**10,832**	14,142	**27,147**	37,668
	1,016,762	712,664	**2,410,407**	2,428,043
Provisional pricing adjustments on concentrate sales	**(24,567)**	(64,166)	**(78,337)**	(198,245)
Revenue	**$ 992,195**	$ 648,498	**$ 2,332,070**	$ 2,229,798

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

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	**2023**	2022
Revenue from contracts with customers:				
China	**$ 315,910**	$ 49,992	**$ 511,192**	$ 166,173
Spain	**188,542**	125,503	**449,259**	321,103
Japan	**100,830**	145,536	**428,576**	629,696
Canada	**105,759**	108,400	**321,589**	387,277
Finland	**81,907**	90,792	**189,564**	240,870
Sweden	**48,518**	35,935	**117,510**	130,754
Germany	**37,299**	68,688	**111,013**	199,958
Other	**137,997**	87,818	**281,704**	352,212
	1,016,762	712,664	**2,410,407**	2,428,043
Provisional pricing adjustments on concentrate sales	**(24,567)**	(64,166)	**(78,337)**	(198,245)
Revenue	**$ 992,195**	$ 648,498	**$ 2,332,070**	$ 2,229,798

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

15. PRODUCTION COSTS

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

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	**2023**	2022
Direct mine and mill costs	**$ 559,989**	$ 387,806	**$ 1,311,151**	$ 1,084,687
Transportation	**36,988**	30,461	**92,117**	91,470
Royalties	**18,132**	7,547	**34,803**	34,274
Total production costs	**$ 615,109**	$ 425,814	**$ 1,438,071**	$ 1,210,431

16. EMPLOYEE BENEFITS

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

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	**2023**	2022
Production costs				
Wages and benefits	**$ 97,307**	$ 65,904	**$ 255,615**	$ 211,094
Retirement benefits	**468**	407	**1,529**	1,244
Share-based compensation	**441**	517	**1,421**	1,789
	98,216	66,828	**258,565**	214,127
General and administrative expenses				
Wages and benefits	**7,641**	4,991	**19,208**	16,048
Retirement benefits	**192**	228	**793**	680
Share-based compensation	**1,508**	307	**4,351**	4,366
Termination benefits	**3,813**	1,891	**7,011**	1,891
	13,154	7,417	**31,363**	22,985
General exploration and business development				
Wages and benefits	**1,033**	2,442	**3,933**	6,855
Retirement benefits	**6**	12	**29**	25
Share-based compensation	**15**	72	**213**	276
Termination benefits	**—**	—	**313**	—
	1,054	2,526	**4,488**	7,156
Total employee benefits	**$ 112,424**	$ 76,771	**$ 294,416**	$ 244,268

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

17. GENERAL EXPLORATION AND BUSINESS DEVELOPMENT

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

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	**2023**	2022
General exploration	**$ 11,613**	$ 9,080	**$ 32,568**	$ 26,340
Corporate development	**37**	36	**5,228**	36
Project development	**1,084**	63,330	**3,396**	105,883
Total general exploration and business development	**$ 12,734**	$ 72,446	**$ 41,192**	$ 132,259

For the three and nine months ended September 30, 2023, corporate development expenses include $nil and $5.2 million, respectively, in transaction costs incurred related to the Caserones Acquisition (Note 3).

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.

18. FINANCE INCOME AND COSTS

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

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	**2023**	2022
Interest income	**$ 3,767**	$ 1,112	**$ 5,939**	$ 2,596
Interest expense and bank fees	**(18,142)**	(2,525)	**(31,339)**	(6,594)
Deferred revenue finance costs	**(6,983)**	(9,030)	**(17,508)**	(26,146)
Accretion expense on reclamation provisions	**(6,314)**	(3,541)	**(16,791)**	(10,679)
Lease liability interest	**(5,876)**	(363)	**(6,609)**	(1,047)
Other	**(2,664)**	(893)	**(1,500)**	(5,651)
Total finance costs, net	**$ (36,212)**	$ (15,240)	**$ (67,808)**	$ (47,521)

Finance income	**$ 3,767**	$ 1,112	**$ 5,939**	$ 2,596
Finance costs	**(39,979)**	(16,352)	**(73,747)**	(50,117)
Total finance costs, net	**$ (36,212)**	$ (15,240)	**$ (67,808)**	$ (47,521)

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

19. OTHER INCOME AND EXPENSE

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

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	**2023**	2022
Foreign exchange and trading gains on debt and equity investments (a)	**$ 14,963**	$ 38,602	**$ 67,708**	$ 67,695
Realized gains on derivative contracts (Note 21)	**12,851**	—	**40,703**	—
Foreign exchange gain (loss)	**7,943**	(4,297)	**10,388**	(4,926)
Gain on disposal of subsidiary (b)	**—**	—	**5,718**	16,828
Revaluation of marketable securities	**(3,449)**	(554)	**453**	1,712
Unrealized losses on derivative contracts (Note 21)	**(47,504)**	—	**(41,241)**	—
Ojos del Salado sinkhole expenses (c)	**1,247**	(11,405)	**(15,235)**	(11,405)
Revaluation of Chapada derivative liability	**(370)**	1,558	**(2,166)**	(990)
(Loss) income from equity investment in associate	**(6)**	(78)	**(60)**	3,297
Other expense	**(7,809)**	(4,370)	**(8,796)**	(7,103)
Total other (expense) income, net	**$ (22,134)**	$ 19,456	**$ 57,472**	$ 65,108

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. For the three and nine months ended September 30, 2022, sinkhole expenses included a $3.6 million write-down of mineral properties, plant and equipment.

20. INCOME TAXES

The new mining royalty law in Chile, which includes a 1% ad-valorem tax on sales, was enacted in the third quarter of 2023 and will become effective January 1, 2024 for Candelaria and January 1, 2028 for Caserones when their respective tax invariability agreements expire.

In addition to the ad-valorem tax, both operations in Chile are expected to pay mining tax of approximately 8% - 15% on net mining income (currently approximately 5%). The deferred mining tax liability has been revalued using the enacted rates, resulting in additional deferred mining tax expense of $25.7 million.

Caserones has approximately $4.3 billion in net operating losses which can be applied to future taxable income over the mine life. A deferred tax asset has been recognized to the extent that the Company expects to realize sufficient taxable profit in the foreseeable future.

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

21. 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.

During the third quarter of 2023, the Company entered into SEK forward contracts in the total amount of SEK 845.7 million at prices ranging from USD:SEK 10.76 to USD:SEK 10.92, expiring in the remainder of 2023 through 2025. Additionally, the Company entered into zero cost collar contracts in the total amounts of SEK 396 million, CLP 303 billion and BRL 206 million with collar ranges of SEK 10.35 to SEK 11.15, CLP 800 to CLP 1,035, and BRL 5.00 to BRL 6.00, respectively. The contracts expire throughout 2023 to 2025. The following table shows the foreign exchange contract positions and their expiry dates:

	Expired in	Expiring throughout:		
Foreign currency forward contracts	**2023**	**remainder of 2023**	**2024**	**2025**
EUR/USD forwards				
Average contract price	1.01	1.01	1.02	—
Position (EUR millions)	187	62	155	—
USD/SEK forwards				
Average contract price	11.1	11.0	10.9	10.8
Position (SEK millions)	960	342	922	758

	Expired in	Expiring throughout:		
Foreign currency zero cost collar contracts	**2023**	**remainder of 2023**	**2024**	**2025**
USD/BRL collars				
Average contract price	5.00/6.40	5.00/6.40	5.00/6.40	5.00/6.00
Position (BRL millions)	857	286	974	206
USD/CLP collars				
Average contract price	895/1,043	865/1,016	859/1,016	808/969
Position (CLP millions)	193,743	92,244	253,947	152,584
USD/CAD collars				
Average contract price	1.34/1.38	1.33/1.38	1.30/1.40	—
Position (CAD millions)	27	9	19	—
USD/SEK collars				
Average contract price	—	—	10.35/11.15	—
Position (SEK millions)	—	—	396	—

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

Subsequent to September 30, 2023, the Company entered into BRL 185 million of BRL zero cost collar contracts with a collar range of BRL 5.10 to BRL 6.12 expiring throughout 2025.

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.

Diesel forward swap contracts	Expired in 2023	Expiring throughout: remainder of 2023	Expiring throughout: 2024
Average contract price ($/L)	0.690	0.690	0.667
Position (USD millions)	18	10	27

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

	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Unrealized (loss)/gain on derivative financial instruments:				
Foreign currency contracts	**$ (55,425)**	$ —	**$ (45,974)**	$ —
Diesel forward swap contracts	**7,921**	—	**4,733**	—
	(47,504)	—	**(41,241)**	—
Realized gain on derivative financial instruments:				
Foreign currency contracts	**11,310**	—	**39,795**	—
Diesel forward swap contracts	**1,541**	—	**908**	—
	12,851	—	**40,703**	—
Total unrealized and realized (loss)/gain on derivative contracts:	**$ (34,653)**	$ —	**$ (538)**	$ —

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

	September 30, 2023	December 31, 2022
Foreign currency contracts:		
Current asset position	**$ 18,809**	$ 43,521
Non-current asset position	**5,911**	25,111
Current liability position	**2,017**	—
Non-current liability position	**5,603**	5,524
Diesel forward swap contracts:		
Current asset position	**4,272**	—
Non-current asset position	**461**	—
Other contracts:		
Chapada derivative current liability	**23,941**	24,423
Chapada derivative non-current liability	**—**	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 September 30, 2023 and December 31, 2022:

		September 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	**$ 52,103**	**$ 52,103**	$ 50,195	$ 50,195
Trade receivables (provisional)	2	**490,967**	**490,967**	403,300	403,300
Marketable securities, and debt & equity investments	1	**12,520**	**12,520**	12,075	12,075
Foreign currency contracts	2	**24,720**	**24,720**	68,632	68,632
Diesel forward swap contracts	2	**4,733**	**4,733**	—	—
Caserones purchase option (Note 3)	3	**46,994**	**46,994**	—	—
		$ 632,037	**$ 632,037**	$ 534,202	$ 534,202
Financial liabilities					
Amortized cost					
Debt	3	**$ 1,233,417**	**$ 1,233,417**	$ 170,162	$ 170,162
Fair value through profit or loss					
Pricing provisions on concentrate sales	2	**$ 12,761**	**$ 12,761**	$ 5,006	$ 5,006
Chapada derivative liability	2	**23,941**	**23,941**	46,775	46,775
Caserones deferred consideration (Note 3)	2	**114,530**	**114,530**	—	—
Foreign currency contracts	2	**7,620**	**7,620**	5,524	5,524
		$ 158,852	**$ 158,852**	$ 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 $24.6 million in revenue during the three months ended September 30, 2023 (Q3 2022 - $64.2 million negative pricing adjustments) and negative pricing adjustments of $78.3 million in revenue during the nine months ended September 30, 2023 (YTD Q3 2022 - $198.2 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.

Caserones purchase option – The fair value of the Caserones purchase option is determined using a valuation model that incorporates such factors as the mine's discounted cash flow projections, metal price volatility, expiry date, and risk-free interest rate.

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.

Caserones deferred consideration – The fair value of the Caserones deferred consideration has been discounted at the estimated credit adjusted risk free rate applicable to future payments.

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.

Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on its cash and cash equivalents, restricted funds, and debt facilities. Certain debt facilities include a variable rate component such as references to Term SOFR on various term loans and credit facilities, as well as applicable credit spreads depending on the Company's net leverage ratio. The Somincor commercial paper programs additionally reference EURIBOR. As at September 30, 2023, holding all other variables constant, a 1% change in the interest rate would result in an approximate $1.8 million change in interest expense over the nine months ended September 30, 2023 (September 30, 2022 - nil).

22. COMMITMENTS AND CONTINGENCIES

a) The Company has capital commitments of $479.6 million on various initiatives, of which $129.8 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 liabilities 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. In August 2023, the Company paid $25.0 million under the Chapada gold price contingent consideration structure. The maximum contingent consideration has since been reduced to $25.0 million.

   ii. 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 filed an application for leave to appeal to the Supreme Court of Canada in August 2023.

23. 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 September 30, 2023

	Candelaria Chile	Caserones Chile	Chapada Brazil	Eagle USA	Josemaria Argentina	Neves-Corvo Portugal	Zinkgruvan Sweden	Other	Total
Revenue	$ 299,745	$ 284,556	$ 111,897	$ 102,505	$ —	$ 111,202	$ 82,290	$ —	$ 992,195
Cost of goods sold									
Production costs	(175,468)	(188,982)	(78,854)	(52,497)	—	(82,137)	(37,183)	12	(615,109)
Depreciation, depletion and amortization	(70,368)	(38,307)	(12,813)	(14,326)	—	(31,353)	(12,380)	(241)	(179,788)
Gross profit (loss)	53,909	57,267	20,230	35,682	—	(2,288)	32,727	(229)	197,298
General and administrative expenses	—	—	—	—	—	—	—	(19,444)	(19,444)
General exploration and business development	(2,341)	(237)	(3,940)	(2,212)	(255)	(2,387)	(550)	(812)	(12,734)
Finance (costs) income	(8,842)	(4,031)	(5,536)	(1,080)	5,373	(3,439)	(1,063)	(17,594)	(36,212)
Other (expense) income	(11,434)	15,110	(10,191)	545	15,788	(8,762)	1,797	(24,987)	(22,134)
Income tax (expense) recovery	(39,727)	(30,122)	(11,380)	(569)	—	2,295	(6,850)	1,462	(84,891)
Net (loss) earnings	**$ (8,435)**	**$ 37,987**	**$ (10,817)**	**$ 32,366**	**$ 20,906**	**$ (14,581)**	**$ 26,061**	**$ (61,604)**	**$ 21,883**
Capital expenditures	**$ 86,693**	**$ 28,849**	**$ 16,716**	**$ 4,989**	**$ 63,194**	**$ 27,357**	**$ 12,350**	**$ 3,059**	**$ 243,207**

For the nine months ended September 30, 2023

	Candelaria Chile	Caserones Chile	Chapada Brazil	Eagle USA	Josemaria Argentina	Neves-Corvo Portugal	Zinkgruvan Sweden	Other	Total
Revenue	$ 970,576	$ 284,556	$ 317,736	$ 277,175	$ —	$ 309,219	$ 172,808	$ —	$ 2,332,070
Cost of goods sold									
Production costs	(548,405)	(188,982)	(227,601)	(143,681)	—	(243,943)	(83,874)	(1,585)	(1,438,071)
Depreciation, depletion and amortization	(198,439)	(38,307)	(39,883)	(38,147)	(38)	(89,152)	(25,380)	(1,194)	(430,540)
Gross profit (loss)	223,732	57,267	50,252	95,347	(38)	(23,876)	63,554	(2,779)	463,459
General and administrative expenses	—	—	—	—	—	—	—	(49,452)	(49,452)
General exploration and business development	(11,293)	(237)	(8,511)	(4,241)	(255)	(5,720)	(2,524)	(8,411)	(41,192)
Finance (costs) income	(25,138)	(4,031)	(17,252)	(3,250)	12,178	(5,152)	(3,250)	(21,913)	(67,808)
Other (expense) income	(14,231)	15,110	6,473	(458)	67,320	(5,809)	(3,658)	(7,275)	57,472
Income tax (expense) recovery	(86,006)	(30,122)	9,833	(4,115)	(678)	11,640	(13,115)	(1,420)	(113,983)
Net earnings (loss)	**$ 87,064**	**$ 37,987**	**$ 40,795**	**$ 83,283**	**$ 78,527**	**$ (28,917)**	**$ 41,007**	**$ (91,250)**	**$ 248,496**
Capital expenditures	**$ 300,796**	**$ 28,849**	**$ 52,433**	**$ 15,653**	**$ 245,842**	**$ 74,551**	**$ 42,812**	**$ 8,303**	**$ 769,239**
Total non-current assets[1]	**$ 3,124,467**	**$ 1,187,661**	**$ 1,386,502**	**$ 208,040**	**$ 1,086,540**	**$ 1,125,232**	**$ 248,608**	**$ 37,703**	**$ 8,404,753**

[1] Non-current assets include long-term inventory, mineral properties, plant and equipment, and goodwill.

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

For the three months ended September 30, 2022

	Candelaria Chile	Chapada Brazil	Eagle USA	Josemaria Argentina	Neves-Corvo Portugal	Zinkgruvan Sweden	Other	Total
Revenue	$ 255,330	$ 118,734	$ 106,715	$ —	$ 102,865	$ 64,854	$ —	$ 648,498
Cost of goods sold								
Production costs	(168,602)	(88,665)	(47,736)	—	(94,572)	(25,709)	(530)	(425,814)
Depreciation, depletion and amortization	(74,772)	(12,218)	(21,650)	(335)	(25,299)	(5,442)	(445)	(140,161)
Gross profit (loss)	11,956	17,851	37,329	(335)	(17,006)	33,703	(975)	82,523
General and administrative expenses	—	—	—	—	—	—	(14,772)	(14,772)
General exploration and business development	(4,005)	(3,564)	(1,515)	(60,965)	(1,306)	(295)	(796)	(72,446)
Finance costs	(6,644)	(4,524)	(480)	(620)	(1,153)	(719)	(1,100)	(15,240)
Other (expense) income	(10,995)	1,066	(83)	29,278	(261)	3,410	(2,959)	19,456
Income tax recovery (expense)	379	(7,565)	(1,461)	1,181	8,150	(11,408)	(42)	(10,766)
Net (loss) earnings	$ (9,309)	$ 3,264	$ 33,790	$ (31,461)	$ (11,576)	$ 24,691	$ (20,644)	$ (11,245)
Capital expenditures	$ 103,486	$ 19,197	$ 3,062	$ 43,264	$ 19,362	$ 8,415	$ 2,702	$ 199,488

For the nine months ended September 30, 2022

	Candelaria Chile	Chapada Brazil	Eagle USA	Josemaria Argentina	Neves-Corvo Portugal	Zinkgruvan Sweden	Other	Total
Revenue	$ 974,875	$ 335,599	$ 363,412	$ —	$ 330,970	$ 224,942	$ —	$ 2,229,798
Cost of goods sold								
Production costs	(489,575)	(239,849)	(142,422)	—	(250,830)	(85,963)	(1,792)	(1,210,431)
Depreciation, depletion and amortization	(218,792)	(31,808)	(60,403)	(623)	(70,123)	(28,951)	(1,340)	(412,040)
Gross profit (loss)	266,508	63,942	160,587	(623)	10,017	110,028	(3,132)	607,327
General and administrative expenses	—	—	—	—	—	—	(37,442)	(37,442)
General exploration and business development	(10,286)	(8,349)	(2,439)	(101,243)	(5,110)	(2,015)	(2,817)	(132,259)
Finance costs	(20,539)	(13,622)	(1,421)	(785)	(5,303)	(2,462)	(3,389)	(47,521)
Other (expense) income	(9,413)	(2,900)	(73)	53,547	1,873	10,776	11,298	65,108
Income tax (expense) recovery	(78,011)	(7,149)	(17,619)	199	3,444	(34,659)	(3,180)	(136,975)
Net earnings (loss)	$ 148,259	$ 31,922	$ 139,035	$ (48,905)	$ 4,921	$ 81,668	$ (38,662)	$ 318,238
Capital expenditures	$ 272,557	$ 63,412	$ 10,445	$ 98,198	$ 77,461	$ 31,537	$ 8,058	$ 561,668
Total non-current assets[1]	$ 2,903,931	$ 1,355,447	$ 253,991	$ 793,336	$ 1,039,626	$ 222,431	$ 25,212	$ 6,593,974

[1] Non-current assets include long-term inventory, mineral properties, plant and equipment, investment in associates and goodwill.

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

24. 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 September 30,				Nine months ended September 30,			
		2023		2022		**2023**		2022
Wages and salaries	**$**	**1,947**	$	2,064	**$**	**5,368**	$	5,323
Pension benefits		**28**		49		**105**		136
Share-based compensation		**816**		55		**2,282**		2,192
Termination benefits		**3,966**		1,891		**5,760**		1,891
	$	**6,757**	$	4,059	**$**	**13,515**	$	9,542

c) **Other related parties** - For the three and nine months ended September 30, 2023, the Company incurred $0.8 million (Q3 2022 - $nil) and $1.5 million (YTD Q3 2022 – $nil), respectively, for services provided by a company owned by a member of key management personnel.

25. SUPPLEMENTARY CASH FLOW INFORMATION

	Three months ended September 30,				Nine months ended September 30,			
		2023		2022		**2023**		2022
Changes in non-cash working capital items consist of:								
Trade and income taxes receivable, inventories, and other current assets	**$**	**67,696**	$	(125,790)	**$**	**125,405**	$	37,218
Trade and income taxes payable, and other current liabilities		**(80,351)**		(19,216)		**(77,045)**		(21,107)
	$	**(12,655)**	$	(145,006)	**$**	**48,360**	$	16,111

Operating activities included the following cash payments:								
Income taxes paid	**$**	**21,247**	$	58,250	**$**	**94,187**	$	271,587

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