Management's Discussion and Analysis
For the year ended December 31, 2023

This management's discussion and analysis ("MD&A") has been prepared as of February 21, 2024 and should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2023 ("Consolidated Financial Statements"). Those financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. 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. "This quarter" means the fourth quarter ("Q4") of 2023.

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, nickel and gold.

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Cautionary Statement on Forward-Looking Information

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

Forward-looking information is necessarily based upon various estimates and assumptions including, without limitation, the expectations and beliefs of management, including that the Company can access financing, appropriate equipment and sufficient labour; assumed and future price of copper, nickel, zinc, gold and other metals; anticipated costs; ability to achieve goals; the prompt and effective integration of acquisitions; that the political environment in which the Company operates will continue to support the development and operation of mining projects; and assumptions related to the factors set forth below. While these factors and assumptions are considered reasonable by Lundin Mining as at the date of this document in light of management’s experience and perception of current conditions and expected developments, these statements are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements and undue reliance should not be placed on such statements and information. Such factors include, but are not limited to: global financial conditions, market volatility and inflation, including pricing and availability of key supplies and services; risks inherent in mining including but not limited to risks to the environment, industrial accidents, catastrophic equipment failures, unusual or unexpected geological formations or unstable ground conditions, and natural phenomena such as earthquakes, flooding or unusually severe weather; uninsurable risks; volatility and fluctuations in metal and commodity demand and prices; significant reliance on assets in Chile; reputation risks related to negative publicity with respect to the Company or the mining industry in general; delays or the inability to obtain, retain or comply with permits; risks relating to the development of the Josemaria Project; health and safety laws and regulations; risks associated with climate change; risks relating to indebtedness; 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, nationalization or expropriation without fair compensation, environmental and tailings management, labour, trade relations, and transportation; inability to attract and retain highly skilled employees; risks inherent in and/or associated with operating in foreign countries and emerging markets, including with respect to foreign exchange and capital controls; project financing risks, liquidity risks and limited financial resources; health and safety risks; compliance with environmental, unavailable or inaccessible infrastructure, infrastructure failures, and risks related to ageing infrastructure; changing taxation regimes; 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; 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; regulatory investigations, enforcement, sanctions and/or related or other litigation; 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; risks associated with the use of derivatives; risks relating to joint ventures and operations; environmental and regulatory risks associated with the structural stability of waste rock dumps or tailings storage facilities; exchange rate fluctuations; 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; risks relating to dilution; risks relating to payment of dividends; counterparty and customer concentration risks; activist shareholders and proxy solicitation matters; estimation of asset carrying values; 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 significant shareholders; challenges or defects in title; internal controls; risks relating to minor elements contained in concentrate products; the threat associated with outbreaks of viruses and infectious diseases; and other risks and uncertainties, including but not limited to those described in the "Managing Risks” section of this MD&A and the “Risk and Uncertainties” section of the Company’s Annual Information Form, which is 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 year ended December 31, 2023 the Company generated revenue of $3.4 billion (2022 - $3.0 billion), gross profit of $652.4 million (2022 - $762.6 million) and adjusted EBITDA[1] of $1,363.5 million (2022 - $1,292.5 million). Financial results include the contribution from the acquisition of the Caserones copper-molybdenum mine ("Caserones") located in Chile, from the closing date of the transaction on July 13, 2023.

The operations performed well in 2023 with the Company achieving production at the midpoint of guidance or higher for all metals. Both copper and zinc production had record annual production volumes of 314,798 tonnes and 185,161 tonnes respectively, whilst nickel production amounted to 16,429 tonnes for the year. The gold production of 148,968 oz was at the upper end of the guidance whilst molybdenum production of 2,024 tonnes was in excess of the upper end of guidance.

For the quarter ended December 31, 2023, the Company generated revenue of $1.1 billion (Q4 2022 - $0.8 billion), gross profit of $188.9 million (Q4 2022 - $155.2 million) and adjusted EBITDA of $419.7 million (Q4 2022 - $353.7 million). Operationally, the Company performed well during the fourth quarter of 2023 with 103,337 tonnes of copper and 50,719 tonnes of zinc produced, both record quarterly volumes for the Company.

On February 8, 2024 the Company announced its mineral resource and mineral reserve estimates effective as of December 31, 2023. On a 100% basis, estimated proven and probable mineral reserves of contained copper is 10,630 kt which represents an increase of 2,220 kt over the previous year, primarily attributable to the addition of Caserones. Additional drilling at the Sauva deposit in Brazil grew the measured and indicated copper mineral resources at this deposit by 25%. Candelaria had additional drilling at La Espanola and Santos which contributed to an increase in overall mineral resources, offsetting changes to underground mining regulations which have impacted underground mineral resources.

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

Operational Performance

Candelaria (80% owned): Candelaria produced, on a 100% basis, 152,012 tonnes of copper, approximately 90,000 ounces of gold and 1.5 million ounces of silver in concentrate during the year. Copper production was consistent with the prior year due to higher throughput being offset by lower grades and recoveries. Gold production was higher than in the prior year due to higher throughput and grades. Both metals were within the most recently-disclosed 2023 production guidance ranges. Production costs were higher than the prior year primarily due to inflationary cost increases and and unfavourable foreign exchange. Copper cash cost[1] of $2.07/lb was within the most recently-disclosed 2023 cash cost guidance range.

Caserones **(51% owned):** Caserones produced 65,210 tonnes of copper and 2,024 tonnes of molybdenum on a 100% basis during the year, from the acquisition closing date of July 13, 2023 to the end of the year. Both metals met or exceeded the most recently-disclosed 2023 production guidance ranges due to strong throughput, grade and recoveries. Copper cash cost of $1.99/lb was slightly below the low end of the most recently-disclosed cash cost guidance range as a result of higher production.

Chapada (100% owned): Chapada produced 45,719 tonnes of copper and approximately 59,000 ounces of gold, with copper production remaining consistent to the prior year and gold production being negatively impacted by lower grade, throughput, and recoveries. Both metals were within the most recently-disclosed 2023 production guidance ranges. Production costs were lower than the prior year due to lower sales volumes. Full year copper cash cost of $2.27/lb was below the low end of the most recently-disclosed cash cost guidance.

Eagle (100% owned): Eagle's production of 16,429 tonnes of nickel and 13,600 tonnes of copper were near the higher ends of recently-disclosed 2023 production guidance ranges but lower than that in the prior year due to planned lower grades. Production costs were lower than the prior year due to lower sales volumes. Nickel cash cost[1] of $2.16/lb was within the most recently-disclosed 2023 cash cost guidance range but higher than the prior year as a result of lower grade, lower by-product credits and higher repair and maintenance costs.

Neves-Corvo (100% owned): Neves-Corvo produced 33,823 tonnes of copper and 108,812 tonnes of zinc during the year. Zinc production increased significantly from the prior year due to higher throughput as a result of the zinc expansion project ("ZEP"). Copper production also increased due to higher throughput and production of both metals was within the most recently-disclosed 2023 production guidance ranges. Production costs were lower than in the prior year despite higher sales, primarily due to lower input costs, in particular lower electricity and diesel prices, partially offset by unfavourable foreign exchange. Copper cash cost of $2.37/lb for the year exceeded the most recently-disclosed 2023 cash cost guidance range and was higher than in the prior year primarily due to lower zinc by-product credits, higher treatment and refining charges, and unfavourable foreign exchange.

Zinkgruvan (100% owned): Zinc production of 76,349 tonnes was consistent with the prior year, but slightly below the most recently-disclosed 2023 production guidance range. Installation of a sequential flotation system during the year is achieving improved recoveries, but a longer than anticipated ramp-up limited mill availability and reduced recoveries, limiting production of both lead and zinc. Lead production of 26,284 tonnes was also lower than in the prior year. Production costs and sales volumes were consistent with the prior year and zinc cash cost[1] of $0.43/lb was below the most recently-disclosed 2023 cash cost guidance range but higher than in the prior year, primarily due to lower by-product credits.

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

2023 Production, Cash Cost and Capital Expenditure Summary

Total 2023 production, cash costs and capital expenditures are compared to the most recent 2023 guidance as follows:

		Production		Cash Cost ($/lb)[a]	
(Contained metal in concentrate)		**Actual**	*Guidance[b]*	**Actual**	*Guidance[b]*
Copper (t)	Candelaria (100%)	**152,012**	*147,000 - 153,000*	**2.07**	*2.00 - 2.20*
	Caserones (100%)	**65,210**	*65,000 - 69,000*	**1.99**	*2.00 - 2.20*
	Chapada	**45,719**	*45,000 - 48,000*	**2.27**	*2.35 - 2.55*
	Eagle	**13,600**	*12,000 - 15,000*		
	Neves-Corvo	**33,823**	*33,000 - 36,000*	**2.37**	*2.10 - 2.30*
	Zinkgruvan	**4,434**	*3,000 - 4,000*		
	Total	**314,798**	*305,000 - 325,000*		
Zinc (t)	Neves-Corvo	**108,812**	*103,000 - 110,000*		
	Zinkgruvan	**76,349**	*78,000 - 82,000*	**0.43**	*0.45 - 0.50*
	Total	**185,161**	*181,000 - 192,000*		
Nickel (t)	Eagle	**16,429**	*15,000 - 17,000*	**2.16**	*2.00 - 2.20*
Gold (koz)	Candelaria (100%)	**90**	*87 - 92*		
	Chapada	**59**	*55 - 60*		
	Total	**149**	*142 - 152*		
Molybdenum (t)	Caserones (100%)	**2,024**	*1,500 - 2,000*		

2023 Capital Expenditure[c]

($ thousands)	**Actual**	*Guidance[b]*
Candelaria (100%)	**380,112**	*375,000*
Caserones (100%)	**83,880**	*110,000*
Chapada	**72,291**	*70,000*
Eagle	**22,201**	*20,000*
Neves-Corvo	**102,621**	*105,000*
Zinkgruvan	**53,358**	*65,000*
Other	**12,761**	*10,000*
Total Sustaining Capital	**727,224**	*755,000*
Expansionary - Josemaria	**275,913**	*350,000*
Total Capital Expenditures	**1,003,137**	*1,105,000*

a. Cash cost is a non-GAAP measure - see Section "Non-GAAP and Other Performance Measures" of this MD&A for discussion.

b. Guidance as disclosed in the Company's MD&A for the three and nine months ended September 30, 2023 with trending commentary in the MD&A for the three and nine months ended September 30, 2023.

c. 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.

Corporate Updates

- On February 22, 2023, the Company filed updated technical reports for Candelaria and Neves-Corvo.
- On July 10, 2023 the Company published its 2022 Sustainability Report. The report highlights progress towards the Company's "Focused on the Future" long-term sustainability strategy, launch and rollout of a fatal risk management program and Candelaria's achievement of The Copper Mark™ certification in early 2023, among other things.
- 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% equity interest in Caserones. 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 "NI 43-101 Technical Report on the Caserones Mining Operation, Caserones Project, Atacama Region, Chile" was filed under the Company's profile on SEDAR+.
- 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.
- During the year ended December 31, 2023, the Company declared dividends in the amount of $206.1 million, or C$0.36 per share.
- On December 6, 2023, the Company announced that it had renewed its Normal Course Issuer Bid ("NCIB") which allows the Company to purchase up to 52,538,870 common shares over a twelve-month period commencing on December 11, 2023.
- In December 2023, Jack Lundin, President and former Director of the Company, assumed the role of President and Chief Executive Officer replacing Peter Rockandel. Mr Rockandel remained on the Board of Directors until December 31, 2023 and Mr Lundin re-joined the Board of Directors on January 1, 2024.
- During 2023, the Company successfully completed a move of its corporate headquarters from Toronto, Ontario to Vancouver, British Columbia.
- On February 12, 2024, the Company reported an employee fatality at the Neves-Corvo Mine in Portugal. Operations were voluntarily suspended and restarted on February 15, 2024. The appropriate authorities in Portugal were notified and the Company is providing its full cooperation in their investigation.

Financial Performance

- Gross profit for the year ended December 31, 2023 was $652.4 million which was $110.2 million lower than the prior year period. The decrease was primarily due to lower zinc prices at Zinkgruvan and Neves-Corvo and lower nickel prices and volumes at Eagle offset by the inclusion of Caserones gross profit, which was inclusive of $39.9 million of fair value adjustments to revalue in-process and concentrate inventory on hand at the acquisition date.
- For the year ended December 31, 2023, net earnings of $315.2 million were lower than the prior year period due to lower gross profit, higher financing costs, as well as higher non-cash tax expenses offset partially by lower general exploration and business development expenses.

- Adjusted earnings[1] for the twelve months ended December 31, 2023 of $336.2 million were $146.6 million lower than the prior year primarily due to the same factors as the change in net earnings described above.

- Cash provided by operating activities for the year ended December 31, 2023 of $1,016.6 million was $139.7 million higher than the prior year comparable period and benefited from the inclusion of production from Caserones, as well as a lower outflow from change in working capital during the year.

Financial Position and Financing

- On July 27, 2023, the Company announced it had obtained a three-year term loan (the "Term Loan") of a principal amount of $800.0 million with an additional $400.0 million accordion option, maturing July 2026. The Term Loan was obtained in conjunction with the Company's acquisition of a 51% interest in Caserones , and the $400 million accordion becomes available, subject to commitments from the lenders, upon closing of up to an additional 19% interest in Caserones in accordance with the purchase agreement.
- Cash and cash equivalents as at December 31, 2023 were $268.8 million. Cash generated from operations of $1,016.6 million in the year ended December 31, 2023 was used to fund investing activities of $1,674.5 million, which includes the acquisition of Caserones. Cash generated from financing activities was $728.6 million, which was comprised primarily of the proceeds from the Term Loan to finance the Caserones acquisition.

- As at December 31, 2023, the Company had a net debt[1] balance of $1,223.4 million. Net debt excluding lease liabilities[1] was $946.2 million.

- As at February 21, 2024, the Company had a cash balance of approximately $446.7 million and a net debt balance excluding lease liabilities of approximately $851.4 million.

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

Outlook

Production, cash cost, capital expenditures and exploration investment guidance for 2024 remains unchanged from the most recently reported guidance.

2024 Production and Cash Cost Guidance

		Guidance[a]	
(contained metal)		Production	Cash Cost ($/lb)[b]
Copper (t)	Candelaria (100%)	160,000 – 170,000	1.60 – 1.80[c]
	Caserones (100%)	120,000 – 130,000	2.60 – 2.80
	Chapada	43,000 – 48,000	1.95 – 2.15[d]
	Eagle	9,000 – 12,000	
	Neves-Corvo	30,000 – 35,000	1.95 – 2.15[c]
	Zinkgruvan	4,000 – 5,000	
	Total	366,000 – 400,000	
Zinc (t)	Neves-Corvo	120,000 – 130,000	
	Zinkgruvan	75,000 – 85,000	0.45 – 0.50[c]
	Total	195,000 – 215,000	
Nickel (t)	Eagle	10,000 – 13,000	2.80 – 3.00
Gold (koz)	Candelaria (100%)	100 – 110	
	Chapada	55 – 60	
	Total	155 – 170	
Molybdenum (t)	Caserones (100%)	2,500 – 3,000	

a. Guidance as outlined in the news release 'Lundin Mining Provides 2024 Guidance & Announces 2023 Production Results' dated January 14, 2024.
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, Pb: $0.90/lb, Au: $1,800/oz, Mo: $20.00/lb, Ag: $23.00/oz), foreign exchange rates (€/USD:1.05, USD/SEK:10.50, USD/CLP:850, USD/BRL:5.00) and production costs. Cash cost is a non-GAAP measure - see section 'Non-GAAP and Other Performance Measures' of this MD&A for discussion.
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 $429/oz gold and $4.28/oz to $4.68/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.

2024 Capital Expenditure Guidance[b]

($ millions)	Guidance[a]
Candelaria (100% basis)	300
Caserones (100% basis)	205
Chapada	110
Eagle	25
Neves-Corvo	125
Zinkgruvan	75
Other	—
Total Sustaining	**840**
Expansionary - Josemaria	**225**
Total Capital Expenditures	**1,065**

a. Guidance as outlined in the news release 'Lundin Mining Provides 2024 Guidance & Announces 2023 Production Results" dated January 14, 2024.
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.

2024 Exploration Investment Guidance

Total exploration expenditure guidance for 2024 is $48.0 million.

Selected Fourth Quarter and Annual Financial Information

	Three months ended December 31,		Year ended December 31,		
($ millions, except share and per share	**2023**	2022	**2023**	2022	2021
Revenue	**1,060.0**	811.4	**3,392.1**	3,041.2	3,328.8
Costs of goods sold:					
Production costs	**(648.0)**	(450.9)	**(2,086.1)**	(1,661.4)	(1,371.3)
Depreciation, depletion and amortization	**(223.1)**	(142.7)	**(653.6)**	(554.8)	(522.8)
Inventory write-down	**—**	(62.5)	**—**	(62.5)	(65.0)
Gross profit	**188.9**	155.2	**652.4**	762.6	1,369.7
Net earnings attributable to:					
Lundin Mining shareholders	**38.8**	145.6	**241.6**	426.9	780.3
Non-controlling interests	**28.0**	(0.3)	**73.7**	36.7	99.0
Net earnings	**66.8**	**145.3**	**315.2**	463.5	879.3
Adjusted earnings[1]	**79.7**	191.5	**336.2**	482.8	820.6
Adjusted EBITDA[1]	**419.7**	353.7	**1,363.5**	1,292.5	1,869.4
Cash provided by operating activities	**306.1**	156.9	**1,016.6**	876.9	1,485.0
Adjusted operating cash flow[1]	**362.0**	289.1	**1,024.2**	992.9	1,487.1
Free cash flow from (used in) operations[1]	**116.8**	(35.7)	**345.1**	381.4	1,054.5
Free cash flow[1]	**61.2**	(124.3)	**13.5**	34.1	953.2
Capital expenditures[2]	**243.9**	281.2	**1,013.1**	842.9	532.1
Per share amounts:					
Basic and diluted (loss) earnings per share ("EPS") attributable to shareholders	**0.05**	0.19	**0.31**	0.56	1.06
Adjusted EPS[1]	**0.10**	0.25	**0.44**	0.63	1.11
Adjusted operating cash flow per share[1]	**0.47**	0.38	**1.33**	1.30	2.02
Dividends declared (C$/share)	**0.09**	0.09	**0.36**	0.47	0.39

	December 31, 2023	December 31, 2022	December 31, 2021
Total assets	**10,861.2**	8,172.8	7,636.9
Total debt and lease liabilities	**1,485.8**	197.3	31.0
Net (debt) cash excluding lease liabilities[1]	**(946.2)**	16.3	588.9

[1] This is a non-GAAP measure - see the "Non-GAAP and Other Performance Measures" section of this MD&A for discussion.
[2] Capital expenditures are reported on a cash basis, as presented in the consolidated statement of cash flows.

The Company's annual results have been impacted by the acquisition of the Josemaria Project in April 2022 and the acquisition of the Caserones mine in July 2023. Project development costs for the Josemaria Project were initially included in general exploration expenses but began to be capitalized from the fourth quarter of 2022, contributing to higher general exploration expenses and lower capital expenditure in 2022 as compared to 2023. The acquisition of the Caserones mine in July 2023 contributed to an increase in total metal production, net earnings and capital expenditures in 2023 as compared to 2022. Additionally, fair value adjustments of $39.9 million were recorded in production costs in 2023 to re-value the concentrate and in-process inventory on hand at the acquisition of the Caserones mine.

During the year ended December 31, 2022 inflationary increases in production costs were experienced, including for electricity, diesel and consumables. Input costs stabilized and in some cases lowered during the year ended December 31, 2023. These movements impacted net earnings, adjusted earnings and adjusted EBITDA in each year. Non-cash write-downs of long-term ore stockpile inventory at Chapada of $66.8 million and $68.1 million were recognized in each of the years ended December 31, 2022 and December 31, 2021, respectively, reducing net earnings in those years.

The $800 million Term Loan entered into in conjunction with the Caserones acquisition increased the Company's total debt in mid-2023 and has increased interest expense, reducing net earnings. From 2022 the Company has entered into derivative contracts for foreign currency and diesel as part of its risk management strategy, with realized and unrealized gains and losses impacting net earnings. The Company has also realized foreign exchange and trading gains on debt and equity investments from mid-2022 to support capital funding for the Josemaria Project.

Summary of Quarterly Results[1]

($ millions, except per share data)	Q4-23	Q3-23	Q2-23	Q1-23	Q4-22	Q3-22	Q2-22	Q1-22
Revenue	1,060.0	992.2	588.5	751.3	811.4	648.5	590.2	991.1
Gross profit	188.9	197.3	52.8	213.3	155.2	82.5	46.0	478.8
Net earnings (loss)	66.8	21.9	61.3	165.3	145.3	(11.2)	(48.6)	378.1
- attributable to shareholders	38.8	(3.0)	59.1	146.6	145.6	(11.2)	(52.6)	345.1
Adjusted earnings (loss)[2,3]	79.7	85.3	45.6	125.7	191.5	30.9	(35.3)	295.6
Adjusted EBITDA[2,3]	419.7	415.1	191.8	336.9	353.7	202.4	148.6	587.8
EPS - Basic and Diluted	0.05	—	0.08	0.19	0.19	(0.01)	(0.07)	0.47
Adjusted EPS[2,3]	0.10	0.11	0.06	0.16	0.25	0.04	(0.05)	0.40
Cash flow from operations	306.1	303.8	194.8	211.9	156.9	36.3	366.4	317.3
Adjusted operating cash flow per share[2]	0.47	0.41	0.14	0.30	0.38	0.23	0.06	0.64
Capital expenditure[4]	243.9	243.2	279.9	246.1	281.2	199.5	217.3	144.9

[1] The sum of quarterly amounts may differ from year-to-date results due to rounding.
[2] This is a non-GAAP measure - see the "Non-GAAP and Other Performance Measures" section of this MD&A for discussion.
[3] 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.
[4] Capital expenditures are reported on a cash basis, as presented in the consolidated statement of cash flows

On a quarterly basis the Company's revenue, gross profit and net earnings can be impacted by metal prices, sales volumes as a result of the timing of concentrate shipments, and provisional pricing adjustments on current and prior period shipments.

The Company's results have also been impacted by the acquisition of the Josemaria Project in April 2022 and the acquisition of the Caserones mine in July 2023. Project development costs for the Josemaria Project were initially included in general exploration expenses following the acquisition of the project in April 2022, but began to be capitalized from the fourth quarter of 2022. This reduced net earnings in Q2 2022 and Q3 2022 and contributed to higher capital expenditure starting in Q4 2022.

The acquisition of the Caserones mine in July 2023 contributed to an increase in gross profit and cash flow from operations in each of Q3 2023 and Q4 2023. Additionally, fair value adjustments of $32.2 million and $7.8 million were recorded in production costs in Q3 2023 and Q4 2023, respectively, to re-value in-process and concentrate inventory on hand at the acquisition date. The $800 million Term Loan entered into in conjunction with the acquisition has increased the Company's interest expense in Q3 2023 and subsequent quarters, reducing net earnings.

During 2022, inflationary price increases were experienced for electricity, diesel and consumables. In 2023, input prices stabilized, and in some cases lowered. These trends impacted gross profit and net earnings in the quarters presented above.

A non-cash write-down, including depreciation, of long-term ore stockpile inventory at Chapada of $66.8 million was recognized in Q4 2022, reducing net earnings.

From Q3 2022, the Company has entered into derivative contracts for foreign currency and diesel as part of its risk management strategy. From Q2 2022, the Company has also realized foreign exchange and trading gains on debt and equity investments to support capital funding for the Josemaria Project. Realized and unrealized gains and losses on derivative contracts and foreign exchange and trading gains on debt equity investments are recorded in other income and impact the Company's net earnings.

Revenue Overview

Sales Volumes by Payable Metal

	2023				2022				
	Total	**Q4**	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Copper (t)										
Candelaria (100%)	**144,473**	**38,888**	33,668	36,347	35,570	147,251	33,561	35,587	39,655	38,448
Caserones (100%)[1]	**66,075**	**35,690**	30,385	—	—	—	—	—	—	—
Chapada	**43,761**	**13,080**	11,445	10,164	9,072	45,563	12,037	12,817	7,905	12,804
Eagle	**11,968**	**3,055**	3,177	2,951	2,785	14,060	2,672	3,721	4,159	3,508
Neves-Corvo	**32,054**	**9,054**	8,799	6,170	8,031	31,592	6,351	8,574	8,183	8,484
Zinkgruvan	**4,473**	**845**	1,758	1,001	869	4,428	886	1,570	337	1,635
	302,804	**100,612**	89,232	56,633	56,327	242,894	55,507	62,269	60,239	64,879
Zinc (t)										
Neves-Corvo	**91,115**	**25,491**	21,957	20,125	23,542	66,966	20,205	18,770	16,289	11,702
Zinkgruvan	**65,344**	**17,316**	22,042	9,374	16,612	65,684	17,635	13,722	18,525	15,802
	156,459	**42,807**	43,999	29,499	40,154	132,650	37,840	32,492	34,814	27,504
Nickel (t)										
Eagle	**13,339**	**3,105**	3,640	3,859	2,735	14,427	3,239	3,715	4,206	3,267
Gold (koz)										
Candelaria (100%)	**87**	**23**	19	23	22	83	20	20	22	21
Chapada	**53**	**18**	13	11	11	65	17	23	10	15
	140	**41**	32	34	33	148	37	43	32	36
Molybdenum (t)										
Caserones (100%)[1]	**2,019**	**978**	1,041	—	—	—	—	—	—	—
Lead (t)										
Neves-Corvo	**4,970**	**1,830**	1,220	881	1,039	2,908	673	654	818	763
Zinkgruvan	**25,527**	**5,714**	9,391	4,944	5,478	30,163	7,654	7,502	10,163	4,844
	30,497	**7,544**	10,611	5,825	6,517	33,071	8,327	8,156	10,981	5,607
Silver (koz)										
Candelaria (100%)	**1,322**	**415**	279	333	295	1,442	278	305	412	447
Chapada	**129**	**37**	32	29	31	156	50	32	26	48
Eagle	**24**	**8**	6	4	6	34	9	9	9	7
Neves-Corvo	**821**	**265**	227	158	171	552	92	117	152	191
Zinkgruvan	**1,892**	**449**	713	331	399	2,088	551	532	650	355
	4,188	**1,174**	1,257	855	902	4,272	980	995	1,249	1,048

1 Caserones results are from July 13, 2023.

Revenue Analysis[1]

	Twelve months ended December 31,				
by Mine	**2023**		2022		Change
($ thousands)	$	%	$	%	$
Candelaria (100%)	**1,329,599**	38	1,317,223	43	12,376
Caserones (100%)	**601,775**	18	—	—	601,775
Chapada	**461,175**	14	477,927	16	(16,752)
Eagle	**350,895**	10	520,472	17	(169,577)
Neves-Corvo	**425,042**	13	433,486	14	(8,444)
Zinkgruvan	**223,591**	7	292,120	10	(68,529)
	3,392,077		3,041,228		350,849

	Three months ended December 31,				
by Mine	**2023**		2022		Change
($ thousands)	$	%	$	%	$
Candelaria (100%)	**359,023**	33	342,348	42	16,675
Caserones (100%)	**317,219**	30	—	—	317,219
Chapada	**143,439**	14	142,328	18	1,111
Eagle	**73,720**	7	157,060	19	(83,340)
Neves-Corvo	**115,823**	11	102,516	13	13,307
Zinkgruvan	**50,783**	5	67,178	8	(16,395)
	1,060,007		811,430		248,577

	Twelve months ended December 31,				
by Metal	**2023**		2022		Change
($ thousands)	$	%	$	%	$
Copper	**2,398,619**	71	1,909,235	63	489,384
Zinc	**297,059**	9	371,822	12	(74,763)
Nickel	**243,050**	7	379,790	12	(136,740)
Gold	**235,857**	7	227,616	7	8,241
Molybdenum	**77,523**	2	—	—	77,523
Lead	**58,445**	2	60,624	2	(2,179)
Silver	**46,430**	1	41,958	1	4,472
Other	**35,094**	1	50,183	3	(15,089)
	3,392,077		3,041,228		350,849

	Three months ended December 31,				
by Metal	**2023**		2022		Change
($ thousands)	$	%	$	%	$
Copper	**795,067**	75	490,367	60	304,700
Zinc	**76,206**	7	91,263	11	(15,057)
Nickel	**47,601**	4	128,613	16	(81,012)
Gold	**74,098**	7	61,584	8	12,514
Molybdenum	**28,825**	3	—	—	28,825
Lead	**13,609**	1	17,536	2	(3,927)
Silver	**13,872**	1	8,607	1	5,265
Other	**10,729**	2	13,460	2	(2,731)
	1,060,007		811,430		248,577

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

Revenue for the year ended December 31, 2023 amounted to $3,392.1 million which was higher than the prior year as a result of the inclusion of Caserones copper and molybdenum revenue offset by decreases in nickel volumes and prices, and zinc prices.

Revenue from gold and silver for the year ended December 31, 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 $4.24/oz and $4.60/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 December 31, 2023

Metal	Payable metal	Valued at
Copper	117,594 t	$3.85 /lb
Zinc	34,047 t	$1.21 /lb
Nickel	1,263 t	$7.46 /lb
Gold	30 koz	$2,074 /oz
Molybdenum	866 t	$17.84 /lb

Full-Year Reconciliation of Realized Prices

	Twelve months ended December 31, 2023						
($ thousands)	Copper	Zinc	Nickel	Gold	Molybdenum	Other	Total
Revenue from contracts with customers[1]	2,576,132	412,479	296,900	277,682	82,069	157,106	3,802,368
Provisional pricing adjustments on current year concentrate sales	(46,426)	(17,257)	(13,031)	(560)	(4,593)	(2,154)	(84,021)
Provisional pricing adjustments on prior year concentrate sales	21,272	4,251	(37,636)	1,087	47	(363)	(11,342)
	2,550,978	399,473	246,233	278,209	77,523	154,589	3,707,005
Recognition of deferred revenue							53,823
Copper stream cash effect							(19,639)
Gold stream cash effect							(84,319)
Less: Treatment and refining charges							(264,793)
Total Net Sales							**3,392,077**
Payable Metal	**302,804 t**	**156,459 t**	**13,339 t**	**140 koz**	**2,019 t**		
Current period sales [2]	$3.79	$1.15	$9.65	$1,983	$17.41		
Provisional pricing adjustments on prior year concentrate sales	0.03	0.01	(1.28)	8	0.01		
Realized prices [3,4]	$3.82 /lb	$1.16 /lb	$8.37 /lb	$1,991 /oz	$17.42 /lb		

	Twelve months ended December 31, 2022					
	Copper	Zinc	Nickel	Gold	Other	Total
Revenue from contracts with customers[1]	2,119,529	446,907	358,113	262,737	167,546	3,354,832
Provisional pricing adjustments on current year concentrate sales	(125,933)	(21,106)	29,914	567	(1,544)	(118,102)
Provisional pricing adjustments on prior year concentrate sales	15,444	13,818	(1,509)	1,333	—	29,086
	2,009,040	439,619	386,518	264,637	166,003	3,265,816
Recognition of deferred revenue						57,681
Copper stream cash effect						(23,520)
Gold stream cash effect						(75,868)
Less: Treatment & refining charges						(182,881)
Total Revenue						**3,041,228**
Payable Metal	**242,894 t**	**132,650 t**	**14,427 t**	**148 koz**		
Current period sales[2]	$3.72	$1.46	$12.20	$1,775		
Provisional pricing adjustments on prior year concentrate sales	0.03	0.04	(0.05)	9		
Realized prices[3,4]	$3.75 /lb	$1.50 /lb	$12.15 /lb	$1,784 /oz		

1. Revenue from contracts with customers before recognition of deferred revenue, gold and copper stream cash effects and treatment and refining charges, each of which is presented separately in the table.

2. Includes revenue from contracts with customers and provisional pricing adjustments on current year concentrate sales.

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

4. The realized price for copper inclusive of the impact of streaming agreements for 2023 is $3.79/lb (2022: $3.71/lb). The realized price for gold inclusive of the impact of streaming agreements for 2023 is $1,387/oz (2022: $1,273/oz).

Annual Financial Results

Production Costs

Production costs for the year ended December 31, 2023 were $2,086.1 million an increase from $1,661.4 million in the prior year. Production costs increases were primarily as a result of the acquisition of Caserones, including $39.9 million fair value adjustments recorded to re-value concentrate and in-process inventory on hand at the acquisition date that was subsequently recognized in production costs as the inventory was sold during the year. Production costs also increased at Candelaria due to higher throughput, inflationary cost increases and unfavourable foreign exchange in the first half of the year.

Depreciation, Depletion and Amortization

Depreciation, depletion and amortization expense for the year ended December 31, 2023 increased from the prior year. The increase was primarily attributable to the acquisition of Caserones and higher expense recorded at Neves-Corvo in line with higher zinc production. These increases were partially offset by decreased expense related to a planned mine life extension at Eagle.

Depreciation, depletion & amortization	**Twelve months ended December 31,**		
($ thousands)	**2023**	2022	Change
Candelaria	**272,377**	284,259	(11,882)
Caserones	**108,489**	—	108,489
Chapada	**63,480**	49,865	13,615
Eagle	**52,050**	79,523	(27,473)
Josemaria	**38**	633	(595)
Neves-Corvo	**121,599**	101,807	19,792
Zinkgruvan	**34,124**	36,739	(2,615)
Other	**1,439**	1,924	(485)
	653,596	554,750	98,846

General Exploration and Business Development

Total general exploration and business development expenses of $55.7 million for the year ended December 31, 2023 decreased from $144.4 million in the prior year primarily due to development associated with the Josemaria Project being capitalized from the fourth quarter of 2022. Business development expenses in the year ended December 31, 2023 also included $5.2 million in transaction costs related to the acquisition of Caserones.

During the current year, exploration costs were spent primarily on in-mine and near-mine targets at the Company's operations. Geophysical surveys were conducted at Chapada and Eagle. The processing and interpretation of the Eagle data is ongoing into 2024. 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 completed at Caserones and are planned to commence in January 2024.

Finance Income and Costs

Net finance costs of $102.7 million for the year ended December 31, 2023 were higher than $64.2 million in the prior year primarily due to higher interest expense related to higher outstanding debt through the year, combined with increased lease liability interest following the acquisition of Caserones.

Other Income and Expense

Net other income of $104.6 million for the year ended December 31, 2023 increased slightly from $98.0 million in the prior year as realized gains on foreign exchange and diesel derivative contracts that settled during the year were mostly offset by unrealized losses on unexpired contracts.

Foreign exchange gains and losses recorded in other income primarily resulted from foreign exchange revaluation of working capital denominated in foreign currencies and changes in fair value of debt and equity instruments supporting capital funding for the Josemaria Project. Period end exchange rates having a meaningful impact on foreign exchange recorded at December 31, 2023 were:

	December 31, 2023	December 31, 2022
Brazilian Real (USD:BRL)	**4.84**	5.22
Chilean Peso (USD:CLP)	**877**	860
Euro (USD:€)	**0.91**	0.94
Swedish Kronor (USD:SEK)	**9.98**	10.44
Argentine Peso (USD:ARS)	**808**	177

Income Taxes

Income tax expense (recovery)	**Twelve months ended December 31,**		
($ thousands)	**2023**	2022	Change
Candelaria	**135,078**	85,270	49,808
Caserones	**19,265**	—	19,265
Chapada	**(1,888)**	(27,840)	25,952
Josemaria	**51,266**	—	51,266
Eagle	**2,899**	28,458	(25,559)
Neves-Corvo	**(8,690)**	(3,898)	(4,792)
Zinkgruvan	**10,923**	34,413	(23,490)
Other	**7,746**	18,225	(10,479)
	216,599	134,628	81,971

Income taxes by classification	**Twelve months ended December 31,**		
($ thousands)	**2023**	2022	Change
Current income tax expense	**154,416**	149,978	4,438
Deferred income tax expense (recovery)	**62,183**	(15,350)	77,533
	216,599	134,628	81,971

Income tax expense for the year ended December 31, 2023 was higher than the prior year primarily due to the deferred tax on foreign exchange revaluation of non-monetary assets at the Josemaria Project in Argentina of $53.6 million, deferred mining tax of $40.2 million recorded at Candelaria due to the increase in the mining tax rate and the acquisition of Caserones. This was offset by overall lower taxable earnings, excluding Candelaria, when compared to the prior period.

In addition to the $40.2 million in deferred mining taxes, the increase of $49.8 million in taxes in Candelaria is also due to higher taxable earnings in the current period.

Current taxes for the year are higher due to less taxable losses available to offset the taxable income when compared to the prior period. Included in the deferred taxes are Chapada's $24.5 million recovery recorded for deferred tax on foreign exchange revaluation of non-monetary assets (2022 – $20.7 million expense).

Other taxes in 2023 include withholding taxes on accrued interest on intercompany debt and distributions from Eagle mine.

Fourth Quarter Financial Results

Gross Profit

Gross profit for the quarter was $188.9 million, an increase from $155.2 million in the prior year comparable quarter. The increase was primarily due to the addition of the Caserones gross profit and partially offset by decreases in gross profit at Eagle and Zinkgruvan as a result of lower nickel and zinc prices.

Net Earnings

Net earnings for the quarter ended December 31, 2023 were $66.8 million which was lower than the prior year quarter net earnings of $145.3 million. Net earnings decreased as a result of higher non-cash income tax expense during the quarter.

Cash Flow from Operations

Cash provided by operating activities for the quarter was $306.1 million, compared to the prior year comparable quarter of $156.9 million. The increase was largely due to the inclusion of Caserones cash flows as well as higher gross profit overall at the operations.

Fourth Quarter Reconciliation of Realized Prices

	Three months ended December 31, 2023						
($ thousands)	**Copper**	**Zinc**	**Nickel**	**Gold**	**Molybdenum**	**Other**	**Total**
Revenue from contracts with customers[1]	839,120	104,337	54,672	84,851	33,929	44,791	1,161,700
Provisional pricing adjustments on current period concentrate sales	8,448	3,973	(622)	469	6,169	(296)	18,141
Provisional pricing adjustments on prior period concentrate sales	(3,567)	(1,922)	(6,964)	3,014	(11,273)	(3,170)	(23,882)
	844,001	106,388	47,086	88,334	28,825	41,325	1,155,959
Recognition of deferred revenue							13,771
Copper stream cash effect							(4,987)
Gold stream cash effect							(23,464)
Less: Treatment and refining charges							(81,272)
Total Net Sales							**1,060,007**
Payable Metal	**100,612 t**	**42,807 t**	**3,105 t**	**41 koz**	**978 t**		
Current Period Sales[2]	$3.82	$1.15	$7.90	$2,074	$18.60		
Provisional pricing adjustments on prior period concentrate sales	(0.01)	(0.02)	(1.02)	74	(5.23)		
Realized prices [3,4]	$3.81 /lb	$1.13 /lb	$6.88 /lb	$2,148 /oz	$13.37 /lb		

	Three months ended December 31, 2022					
	Copper	**Zinc**	**Nickel**	**Gold**	**Other**	**Total**
Revenue from contracts with customers[1]	449,496	112,501	90,453	66,304	42,352	761,106
Provisional pricing adjustments on current period concentrate sales	17,130	7,233	7,004	1,891	—	33,258
Provisional pricing adjustments on prior period concentrate sales	45,098	(7,121)	35,493	1,298	—	74,768
	511,724	112,613	132,950	69,493	42,352	869,132
Recognition of deferred revenue						15,326
Copper stream cash effect						(5,146)
Gold stream cash effect						(17,318)
Less: Treatment & refining charges						(50,564)
Total Revenue						**811,430**
Payable Metal	**55,507 t**	**37,840 t**	**3,239 t**	**37 koz**		
Current period sales[2]	$3.81	$1.44	$13.65	$1,822		
Provisional pricing adjustments on prior period concentrate sales	0.37	(0.09)	4.97	34		
Realized prices[3,4]	$4.18 /lb	$1.35 /lb	$18.62 /lb	$1,856 /oz		

1. Revenue from contracts with customers before recognition of deferred revenue, gold and copper stream cash effects and treatment and refining charges, each of which is presented separately in the table.
2. Includes revenue from contracts with customers and provisional pricing adjustments on current period concentrate sales.
3. This is a non-GAAP measure - see Section "Non-GAAP and Other Performance Measures" of this MD&A for discussion.
4. The realized price for copper inclusive of the impact of streaming agreements for 2023 is $3.79/lb (2022: $4.14/lb). The realized price for gold inclusive of the impact of streaming agreements for 2023 is $1,577/oz (2022: $1,394/oz).

Mining Operations

Production Overview

	2023					2022				
	Total	**Q4**	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Copper (t)										
Candelaria (100%)	**152,012**	**41,618**	34,275	36,952	39,167	152,042	34,398	37,192	40,949	39,503
Caserones (100%)[1]	**65,210**	**35,389**	29,821	—	—	—	—	—	—	—
Chapada	**45,719**	**12,872**	12,286	10,697	9,864	45,739	11,306	13,988	10,345	10,100
Eagle	**13,600**	**3,334**	3,245	3,881	3,140	15,895	3,081	3,994	4,400	4,420
Neves-Corvo	**33,823**	**9,623**	9,016	7,610	7,574	31,906	7,160	7,019	7,867	9,860
Zinkgruvan	**4,434**	**501**	1,299	917	1,717	4,077	607	1,737	535	1,198
	314,798	**103,337**	89,942	60,057	61,462	249,659	56,552	63,930	64,096	65,081
Zinc (t)										
Neves-Corvo	**108,812**	**31,035**	25,807	24,177	27,793	82,435	24,523	22,514	20,647	14,751
Zinkgruvan	**76,349**	**19,684**	23,967	11,938	20,760	76,503	19,785	17,813	21,265	17,640
	185,161	**50,719**	49,774	36,115	48,553	158,938	44,308	40,327	41,912	32,391
Nickel (t)										
Eagle	**16,429**	**3,729**	4,290	4,686	3,724	17,475	4,096	4,379	4,719	4,281
Gold (koz)										
Candelaria (100%)	**90**	**25**	20	21	24	86	20	21	23	22
Chapada	**59**	**19**	15	13	12	68	16	24	16	12
	149	**44**	35	34	36	154	36	45	39	34
Molybdenum (t)										
Caserones (100%)[1]	**2,024**	**928**	1,096	—	—	—	—	—	—	—
Lead (t)										
Neves-Corvo	**5,600**	**2,030**	1,447	951	1,172	3,306	845	743	925	793
Zinkgruvan	**26,284**	**6,418**	8,643	3,816	7,407	30,517	7,619	7,046	9,124	6,728
	31,884	**8,448**	10,090	4,767	8,579	33,823	8,464	7,789	10,049	7,521
Silver (koz)										
Candelaria (100%)	**1,487**	**468**	306	366	347	1,595	306	337	457	495
Chapada	**258**	**73**	67	62	56	258	65	75	60	58
Eagle	**64**	**17**	19	11	17	93	20	20	26	27
Neves-Corvo	**1,902**	**573**	486	407	436	1,383	370	323	346	344
Zinkgruvan	**2,300**	**509**	785	374	632	2,621	663	642	739	577
	6,011	**1,640**	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 December 31,		Twelve months ended December 31,	
($ thousands)	**2023**	2022	**2023**	2022
Candelaria				
Production costs	**$178,088**	$207,596	**$726,493**	$697,171
Gross cost	**2.24**	2.95	**2.46**	2.30
By-product[1]	**(0.46)**	(0.43)	**(0.39)**	(0.34)
Cash Cost (Cu, $/lb)[2]	**1.78**	2.52	**2.07**	1.96
AISC (Cu, $/lb)[2]	**2.76**	4.19	**3.34**	3.22
Caserones[3]				
Production costs	**$215,855**	—	**$404,837**	—
Gross cost	**2.73**	—	**2.59**	—
By-product[1]	**(0.40)**	—	**(0.60)**	—
Cash Cost (Cu, $/lb)[2]	**2.33**	—	**1.99**	—
AISC (Cu, $/lb)[2]	**3.48**	—	**3.03**	—
Chapada				
Production costs	**$89,716**	$84,247	**$317,317**	$324,096
Gross cost	**3.25**	3.23	**3.42**	3.28
By-product[1]	**(1.37)**	(1.28)	**(1.15)**	(1.20)
Cash Cost (Cu, $/lb)[2]	**1.88**	1.95	**2.27**	2.08
AISC (Cu, $/lb)[2]	**2.75**	3.73	**3.24**	3.36
Eagle				
Production cost	**$48,023**	$50,581	**$191,704**	$193,003
Gross cost	**6.19**	6.39	**5.83**	5.21
By-product[1]	**(3.82)**	(3.99)	**(3.67)**	(4.42)
Cash Cost (Ni, $/lb)[2]	**2.37**	2.40	**2.16**	0.79
AISC (Ni, $/lb)[2]	**4.60**	5.23	**4.22**	3.01
Neves-Corvo				
Production costs	**$82,734**	$78,402	**$326,677**	$329,232
Gross cost	**4.43**	5.82	**4.93**	4.96
By-product[1]	**(2.47)**	(3.50)	**(2.56)**	(2.69)
Cash Cost (Cu, $/lb)[2]	**1.96**	2.32	**2.37**	2.27
AISC (Cu, $/lb)[2]	**3.50**	4.22	**3.96**	3.40
Zinkgruvan				
Production costs	**$31,520**	$29,590	**$115,394**	$115,553
Gross cost	**1.11**	0.98	**1.06**	1.00
By-product[1]	**(0.48)**	(0.66)	**(0.63)**	(0.68)
Cash Cost (Zn, $/lb)[2]	**0.63**	0.32	**0.43**	0.32
AISC (Zn, $/lb)[2]	**0.93**	0.77	**0.83**	0.68

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

2. All-in Sustaining Cost per pound sold ("AISC") and Cash cost are non-GAAP measures, 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]

	Year ended December 31,							
	2023				2022			
($ thousands)	Sustaining	Expansionary	Capitalized Interest	**Total**	Sustaining	Expansionary	Capitalized Interest	Total
Candelaria	380,112	—	—	**380,112**	389,731	—	—	389,731
Caserones	83,880	—	—	**83,880**	—	—	—	—
Chapada	72,291	—	—	**72,291**	104,711	—	—	104,711
Eagle	22,201	—	—	**22,201**	16,413	—	—	16,413
Josemaria	—	275,913	9,980	**285,893**	—	171,094	14	171,108
Neves-Corvo	102,621	—	—	**102,621**	71,222	31,899	65	103,186
Zinkgruvan	53,358	—	—	**53,358**	48,144	—	—	48,144
Other	12,761	—	—	**12,761**	9,610	—	—	9,610
	727,224	275,913	9,980	**1,013,117**	639,831	202,993	79	842,903

[1] Capital expenditures are reported on a cash basis, as presented in the 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)

The Candelaria operations consist of an open pit and underground mines providing copper ore to two on-site processing plants located near Copiapó in the Atacama region of Chile, as well as a port facility and desalination plant located approximately 100km from the mine facilities in the town of Caldera. The Company holds an indirect 80% ownership interest in Candelaria with the remaining 20% interest indirectly held by Sumitomo Metal Mining Co., Ltd and Sumitomo Corporation. The plants have a combined processing capacity of 28 million tonnes per annum ("mtpa"), producing copper in concentrate. The primary metal is copper, with gold and silver as by-product metals.

Operating Statistics

	2023					2022				
(100% Basis)	**Total**	**Q4**	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Ore mined (000s tonnes)	**25,939**	**7,793**	5,350	6,194	6,602	22,666	4,993	6,239	6,362	5,072
Ore milled (000s tonnes)	**28,903**	**7,609**	7,168	6,924	7,202	26,725	6,593	6,642	6,847	6,643
Grade										
Copper (%)	**0.58**	**0.60**	0.52	0.59	0.59	0.62	0.57	0.60	0.64	0.65
Gold (g/t)	**0.14**	**0.15**	0.12	0.14	0.15	0.14	0.13	0.14	0.14	0.14
Recovery										
Copper (%)	**91.3**	**90.3**	91.0	91.1	92.6	92.7	92.7	93.3	93.0	91.9
Gold (%)	**69.5**	**68.6**	70.6	68.8	70.3	73.9	74.0	74.6	73.8	73.0
Production (contained metal)										
Copper (tonnes)	**152,012**	**41,618**	34,275	36,952	39,167	152,042	34,398	37,192	40,949	39,503
Gold (000 oz)	**90**	**25**	20	21	24	86	20	21	23	22
Silver (000 oz)	**1,487**	**468**	306	366	347	1,595	306	337	457	495
Revenue ($000s)	**1,329,599**	**359,023**	299,745	290,426	380,405	1,317,223	342,348	255,330	261,999	457,546
Production costs ($000s)	**726,493**	**178,088**	175,468	184,958	187,979	697,171	207,596	168,602	168,164	152,809
Gross profit ($000s)	**330,729**	**106,997**	53,909	35,772	134,051	335,793	69,285	11,956	17,924	236,628
Cash cost ($ per pound copper)[1]	**2.07**	**1.78**	2.19	2.14	2.21	1.96	2.52	1.97	1.86	1.58
AISC ($ per pound copper)[1]	**3.34**	**2.76**	3.43	3.76	3.44	3.22	4.19	3.34	2.89	2.61

[1]All-in Sustaining Cost per pound sold ("AISC") and Cash cost are non-GAAP measures, see the "Non-GAAP and Other Performance Measures" section of this MD&A for discussion.

Production

Copper production for the year ended December 31, 2023 remained consistent with the prior year as higher throughput offset lower grades and recoveries. Copper production for the quarter ended December 31, 2023 was higher than the prior year comparable period, primarily due to increased throughput as a result of reduced ore hardness. Gold production in the current quarter and full year was higher than the prior year comparable periods, due to higher throughput and grades, partially offset by lower recoveries. Annual copper and gold production were at the higher end of the most recently-disclosed production guidance ranges.

Production Costs and Cash Cost

Production costs for the year ended December 31, 2023 were higher than the prior year, largely as a result of higher throughput, inflationary cost increases and unfavourable foreign exchange in the first half of the year. Production costs for the quarter ended December 31, 2023 were lower than the prior year comparable period despite higher sales volumes. This was mainly attributable to lower maintenance costs, favourable diesel and electricity prices and lower labor costs. Cash cost per pound for the year ended December 31, 2023 was negatively impacted by higher production costs and higher treatment charges, but remained in the most recently-disclosed cash cost guidance range. Cash cost per pound for the quarter ended December 31, 2023 improved from the prior year comparable period primarily due to higher production combined with cost decreases. All-in sustaining cost per pound ("AISC") for the year ended December 31, 2023 was higher than the prior year due to increased cash cost per pound. AISC per pound for the quarter ended December 31, 2023 was lower than the prior year comparable period due to decreased cash cost per pound and lower sustaining capital spend. For the twelve months ended December 31, 2023, approximately 56,000 oz of gold and 888,500 oz of silver were subject to terms of a streaming agreement from which approximately $425/oz of gold and $4.24/oz of silver will be received.

Gross Profit

Gross profit for the year ended December 31, 2023 was lower than the prior year, primarily due to higher production costs, lower grades and recoveries and unfavourable foreign exchange, partially offset by higher copper prices, net of price adjustments.

Caserones (Chile)

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. In 2023, the copper concentrator treated 31.8 mt.The solvent extraction-electrowinning plant has a capacity of 34.5 ktpa.

Operating Statistics

	2023		
(100% Basis)	**Total**[1]	**Q4**	Q3[1]
Ore mined (000s tonnes)	**15,583**	**7,484**	8,099
Ore milled (000s tonnes)	**15,424**	**8,262**	7,162
Ore placed on leach	**5,541**	**3,234**	2,307
Grade			
Copper (%)	**0.42**	**0.41**	0.44
Molybdenum (%)	**0.203**	**0.191**	0.218
Recovery			
Copper (%)	**86.1**	**88.2**	83.9
Molybdenum (%)	**72.4**	**73.9**	70.9
Production (tonnes)			
Copper in concentrate	**55,191**	**29,496**	25,695
Copper cathode	**10,019**	**5,893**	4,126
Total copper	**65,210**	**35,389**	29,821
Molybdenum	**2,024**	**928**	1,096
Revenue ($000s)	**601,775**	**317,219**	284,556
Production costs ($000s)	**404,837**	**215,855**	188,982
Gross profit ($000s)	**88,449**	**31,182**	57,267
Cash cost ($ per pound copper)[2]	**1.99**	**2.33**	1.60
AISC ($ per pound copper)[2,3]	**3.03**	**3.48**	2.49

[1] Caserones results are from July 13, 2023.
[2] All-in Sustaining Cost per pound sold ("AISC") and Cash cost are non-GAAP measures, see the "Non-GAAP and Other Performance Measures" section of this MD&A for discussion.
[3] Q3 2023 AISC has been adjusted from that presented in the Company's MD&A for the three months ended September 30, 2023.

Production

Copper and molybdenum production for the quarter ended December 31, 2023 and from the acquisition closing date of July 13, 2023 were higher than planned, primarily due to increased throughput, and a focus on mining higher-grade phase 5 ahead of shifting to phase 6 in 2024. Both metals achieved the most recently-disclosed production guidance, with molybdenum exceeding the high end of the range.

Production Costs and Cash Cost

Production costs increased in the quarter ended December 31, 2023 in line with higher sales, and benefited from favourable foreign exchange and reduced prices for electricity and certain consumables. Annual Production Costs since acquisition were negatively impacted by $39.9 million of 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. Copper cash cost per pound in the quarter ended December 31, 2023 and from the acquisition closing date benefited from increased production from higher-grade phase 5. AISC for the year and quarter ended December 31, 2023 and from the acquisition closing date of July 13, 2023 also benefited from lower than expected cash cost. Copper cash cost for the period from the acquisition closing date was slightly below the low end of the most recently-disclosed cash cost guidance range.

Following the acquisition in the second quarter, an ongoing process has been 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.

Gross Profit

Gross profit for the quarter ended December 31, 2023 and from the acquisition closing date of July 13, 2023 benefited from higher than planned production, favourable copper grades and favourable foreign exchange.

Chapada (Brazil)

The Chapada mine consists of four open pit mines and on-site processing facilities located in the northern Goiás State of Brazil, approximately 270 km northwest of the national capital of Brasilia. The processing plant has a capacity of 24.0 mtpa, producing high-quality gold-rich copper concentrate. The primary metal is copper, with gold and silver as by-product metals.

Operating Statistics

	2023					2022				
(100% Basis)	**Total**	**Q4**	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Ore mined (000s tonnes)	**29,508**	**7,803**	8,062	7,522	6,121	26,319	7,801	7,404	4,875	6,239
Ore milled (000s tonnes)	**22,233**	**5,218**	5,832	5,207	5,976	22,752	5,296	6,345	5,670	5,441
Grade										
Copper (%)	**0.26**	**0.29**	0.26	0.26	0.23	0.26	0.25	0.28	0.25	0.23
Gold (g/t)	**0.15**	**0.18**	0.15	0.14	0.13	0.16	0.16	0.19	0.17	0.13
Recovery										
Copper (%)	**80.2**	**85.9**	80.8	80.3	73.3	78.6	83.4	78.8	72.9	79.6
Gold (%)	**55.0**	**61.1**	55.3	54.1	48.0	56.0	59.5	58.3	50.6	55.3
Production (contained metal)										
Copper (tonnes)	**45,719**	**12,872**	12,286	10,697	9,864	45,739	11,306	13,988	10,345	10,100
Gold (000 oz)	**59**	**19**	15	13	12	68	16	24	16	12
Silver (000 oz)	**258**	**73**	67	62	56	258	65	75	60	58
Revenue ($000s)	**461,175**	**143,439**	111,897	94,721	111,118	477,927	142,328	118,734	57,260	159,605
Production costs ($000s)	**317,317**	**89,716**	78,854	80,113	68,634	324,096	84,247	88,665	71,507	79,677
Gross profit (loss) ($000s)	**80,378**	**30,126**	20,230	(381)	30,403	41,420	(22,522)	17,851	(22,720)	68,811
Cash cost ($ per pound copper)[1]	**2.27**	**1.88**	2.28	2.69	2.37	2.08	1.95	1.92	2.98	1.82
AISC ($ per pound copper)[1]	**3.24**	**2.75**	3.15	3.80	3.42	3.36	3.73	2.80	5.00	2.56

[1]All-in Sustaining Cost per pound sold ("AISC") and Cash cost are non-GAAP measures, see the "Non-GAAP and Other Performance Measures" section of this MD&A for discussion.

Production

Copper production for the year ended December 31, 2023 was consistent with the prior year as higher recoveries were offset by lower throughput. Gold production for the year ended December 31, 2023 was lower than the prior year due to lower grades, throughput and recoveries. Copper and gold production for the quarter ended December 31, 2023 was higher than the prior year comparable period primarily due to higher grades and recoveries. Annual copper and gold production were within the most recently-disclosed production guidance ranges.

Production Costs and Cash Cost

Production costs for the year ended December 31, 2023 were lower than the prior year primarily due to lower sales volumes. Production costs for the quarter ended December 31, 2023 were higher than the prior year comparable quarter primarily due to higher sales volumes and unfavourable foreign exchange. Copper cash cost per pound for the year ended December 31, 2023 was higher than the prior year primarily due to lower gold sales, which reduced copper cash cost as by-product credits. Copper cash cost per pound in the quarter ended December 31, 2023 improved from the prior year comparable period primarily due to higher production as a result of favourable grades, and contributed to annual copper cash cost per pound being lower than the most recently-disclosed cash cost guidance range. AISC per pound for the year and quarter ended December 31, 2023 was lower than the prior year comparable periods primarily due to lower sustaining capital expenditure. AISC per pound for the quarter ended December 31, 2023 also benefited from lower cash cost per pound.

Gross Profit

Gross profit for the year ended December 31, 2023 was higher than the prior year despite lower sales volumes. This was primarily due to a non-cash inventory write-down recognised in 2022, and higher realized copper prices, net of price adjustments.

Eagle (USA)

The Eagle mine consists of the Eagle underground mine, located approximately 53 km northwest of Marquette, Michigan, U.S.A. and the Humboldt mill, located 61 km west of Marquette. The plant has a processing capacity of 0.7 mtpa, producing nickel and copper in concentrates. The primary metal is nickel with copper, and minor amounts of cobalt, gold, and platinum-group metals as by-product metals.

Operating Statistics

	2023					2022				
(100% Basis)	**Total**	**Q4**	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Ore mined (000s tonnes)	**725**	**188**	192	189	156	718	165	190	181	182
Ore milled (000s tonnes)	**718**	**186**	190	181	161	718	170	187	182	179
Grade										
Nickel (%)	**2.6**	**2.3**	2.6	2.9	2.6	2.8	2.7	2.7	3.0	2.8
Copper (%)	**2.0**	**1.9**	1.8	2.2	2.0	2.3	1.9	2.2	2.5	2.5
Recovery										
Nickel (%)	**87.4**	**86.1**	86.2	88.8	88.5	86.6	88.6	85.5	87.3	85.3
Copper (%)	**96.8**	**96.5**	96.4	97.0	97.2	97.2	96.8	96.5	97.7	97.6
Production (contained metal)										
Nickel (tonnes)	**16,429**	**3,729**	4,290	4,686	3,724	17,475	4,096	4,379	4,719	4,281
Copper (tonnes)	**13,600**	**3,334**	3,245	3,881	3,140	15,895	3,081	3,994	4,400	4,420
Revenue ($000s)	**350,895**	**73,720**	102,505	105,250	69,420	520,472	157,060	106,715	106,828	149,869
Production costs ($000s)	**191,704**	**48,023**	52,497	45,735	45,449	193,003	50,581	47,736	55,128	39,558
Gross profit ($000s)	**107,141**	**11,794**	35,682	46,845	12,820	247,946	87,359	37,329	29,796	93,462
Cash cost ($ per pound nickel)[1]	**2.16**	**2.37**	2.07	1.88	2.43	0.79	2.40	1.05	0.90	(1.25)
AISC ($ per pound nickel)[1]	**4.22**	**4.60**	4.05	3.34	5.16	3.01	5.23	2.77	2.93	1.19

[1]All-in Sustaining Cost per pound sold ("AISC") and Cash cost are non-GAAP measures, see the "Non-GAAP and Other Performance Measures" section of this MD&A for discussion.

Production

Nickel and copper production for the year ended December 31, 2023 were lower than the prior year primarily due to lower grades. In the quarter ended December 31, 2023, nickel production was lower than the prior year comparable period due to lower grades and recoveries partially offset by higher throughput, and copper production was higher than the prior year comparable period due to higher throughput. Annual nickel and copper production were within the most recently-disclosed production guidance ranges.

Production Costs and Cash Cost

Production costs in the year ended December 31, 2023 were lower than the prior year in line with lower sales volumes. Production costs in the quarter ended December 31, 2023 were lower than the prior year comparable period despite higher sales volumes as a result of lower royalty expense as a result of lower net smelter revenue. Nickel cash cost per pound in the year ended December 31, 2023 was higher than the prior year period primarily due to lower grade resulting in lower production volumes, lower copper by-product credits, and higher repair and maintenance costs. In the quarter ended December 31, 2023, cash cost per pound was lower than the prior year comparable period due to lower treatment and refining charges, partially offset by lower production volumes. Annual nickel cash cost per pound was within the most recently-disclosed cash cost guidance range. AISC for the year ended December 31, 2023 was higher than the prior year due to increased cash costs per pound and higher sustaining capital expenditures. In the quarter ended December 31, 2023, AISC was lower than prior year comparable period due to lower cash cost per pound, lower royalty expense and reduced lease payments.

Gross Profit

Gross profit for the year ended December 31, 2023 was lower than the prior year primarily due to lower copper and nickel production and sales volumes, combined with a decline in nickel price during the year. These decreases were partly offset by lower depreciation expense as compared to the prior year following a planned extension of the mine life to mid-2029.

Neves-Corvo (Portugal)

Neves-Corvo is located 200 km southeast of Lisbon, Portugal, in the western part of the Iberian Pyrite Belt and consists of an underground mine and on-site processing facilities. The copper plant has a processing capacity of up to 2.8 mtpa, producing copper in concentrate, and the zinc plant is ramping up to an expanded capacity of 2.5 mtpa producing zinc and lead concentrates. The primary metal is copper, with zinc, lead and silver as by-product metals.

Operating Statistics

	2023					2022				
(100% Basis)	**Total**	**Q4**	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Ore mined, copper (000s tonnes)	**2,591**	**677**	689	622	603	2,501	611	598	610	682
Ore mined, zinc (000s tonnes)	**1,989**	**549**	459	470	511	1,632	462	447	426	297
Ore milled, copper (000s tonnes)	**2,588**	**682**	674	628	604	2,499	607	596	606	690
Ore milled, zinc (000s tonnes)	**1,989**	**573**	441	465	510	1,633	465	449	420	299
Grade										
Copper (%)	**1.7**	**1.9**	1.8	1.6	1.6	1.7	1.6	1.6	1.7	1.8
Zinc (%)	**6.8**	**6.6**	7.4	6.6	6.7	6.9	6.9	6.9	6.9	7.0
Lead (%)	**1.5**	**1.4**	1.5	1.5	1.5	1.5	1.6	1.5	1.5	1.6
Recovery										
Copper (%)	**76.5**	**75.6**	76.1	77.0	77.7	76.1	75.1	73.0	77.0	78.7
Zinc (%)	**78.0**	**79.9**	76.1	76.8	78.7	70.2	74.3	70.3	68.4	66.1
Lead (%)	**19.2**	**25.2**	21.3	14.0	15.7	13.2	11.5	11.3	14.6	16.4
Production (contained metal)										
Copper (tonnes)	**33,823**	**9,623**	9,016	7,610	7,574	31,906	7,160	7,019	7,867	9,860
Zinc (tonnes)	**108,812**	**31,035**	25,807	24,177	27,793	82,435	24,523	22,514	20,647	14,751
Lead (tonnes)	**5,600**	**2,030**	1,447	951	1,172	3,306	845	743	925	793
Silver (000 oz)	**1,902**	**573**	486	407	436	1,383	370	323	346	344
Revenue ($000s)	**425,042**	**115,823**	111,202	68,614	129,403	433,486	102,516	102,865	93,538	134,567
Production costs ($000s)	**326,677**	**82,734**	82,137	76,080	85,726	329,232	78,402	94,572	77,788	78,470
Gross (loss) profit ($000s)	**(23,234)**	**642**	(2,288)	(35,185)	13,597	2,447	(7,570)	(17,006)	(8,229)	35,252
Cash cost ($ per pound copper)[1]	**2.37**	**1.96**	2.27	3.99	1.69	2.27	2.32	2.69	2.39	1.70
AISC ($ per pound copper)[1]	**3.96**	**3.50**	3.82	5.73	3.29	3.40	4.22	3.51	3.14	2.92

[1]All-in Sustaining Cost per pound sold ("AISC") and Cash cost are non-GAAP measures, see the "Non-GAAP and Other Performance Measures" section of this MD&A for discussion.

Production

Copper production for the year and quarter ended December 31, 2023 was higher than the prior year comparable periods due to higher throughput, grades and recoveries. Zinc production for the year and quarter ended December 31, 2023 was higher than the prior year comparable periods due to improved throughput and recoveries driven by the ZEP, following optimization during the year. Annual copper and zinc production were within the most recently-disclosed production guidance ranges, with copper being at the lower end of the range and zinc being at the upper end.

Production Costs and Cash Cost

Production costs for the year ended December 31, 2023 were lower than the prior year despite higher sales volumes. This was due to lower input costs, in particular electricity and diesel rates, partially offset by unfavourable foreign exchange. Production costs for the quarter ended December 31, 2023 were higher than the prior year primarily owing to the EUR:USD foreign exchange rate being unusually low in the fourth quarter of 2022. Copper cash cost per pound for the year ended December 31, 2023 was higher than the prior year due to lower zinc by-product credits and higher treatment and refining charges. Copper cash cost per pound for the quarter ended December 31, 2023 improved from the prior year comparable period due to higher copper production. Annual copper cash cost per pound slightly exceeded the most recently-disclosed cash cost guidance range. AISC for the year ended December 31, 2023 was higher than the prior year due to higher cash cost and higher sustaining capital expenditures. AISC for the quarter ended December 31, 2023 was lower than the prior year comparable period due to lower cash costs, sustaining capital expenditures and royalties.

Gross (Loss) Profit

Gross loss for the year ended December 31, 2023 was $23.2 million compared to the prior year gross profit of $2.4 million. The decrease was a result of lower realized zinc prices, higher treatment and refining charges and higher depreciation expense in line with increased zinc sales. These decreases were partly offset by lower production costs.

Zinkgruvan (Sweden)

The Zinkgruvan mine consists of an underground mine and on-site processing facilities, located approximately 200 km southwest of Stockholm, Sweden. The plant has processing capacity of 1.6 mtpa. Products are zinc, lead and copper concentrates. The primary metal is zinc, with lead, silver and copper as by-products.

Operating Statistics

	2023					2022				
(100% Basis)	**Total**	**Q4**	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Ore mined, zinc (000s tonnes)	**1,178**	**313**	287	268	310	1,209	325	260	298	326
Ore mined, copper (000s tonnes)	**207**	**36**	65	51	55	192	48	61	38	45
Ore milled, zinc (000s tonnes)	**1,179**	**327**	326	211	315	1,234	309	293	327	305
Ore milled, copper (000s tonnes)	**198**	**28**	58	34	78	225	26	84	27	88
Grade										
Zinc (%)	**7.3**	**6.7**	8.2	6.6	7.4	7.0	7.3	6.9	7.3	6.5
Lead (%)	**2.9**	**2.5**	3.5	2.4	2.9	3.0	3.0	2.9	3.3	2.7
Copper (%)	**2.5**	**2.0**	2.5	3.1	2.4	2.1	2.6	2.4	2.3	1.6
Recovery										
Zinc (%)	**89.0**	**89.8**	90.0	86.3	88.7	88.4	88.3	87.5	89.1	88.7
Lead (%)	**77.8**	**77.1**	75.7	76.2	82.1	82.4	82.2	82.5	83.1	81.7
Copper (%)	**88.5**	**86.3**	88.7	86.1	90.5	87.1	89.0	86.1	87.7	87.3
Production (contained metal)										
Zinc (tonnes)	**76,349**	**19,684**	23,967	11,938	20,760	76,503	19,785	17,813	21,265	17,640
Lead (tonnes)	**26,284**	**6,418**	8,643	3,816	7,407	30,517	7,619	7,046	9,124	6,728
Copper (tonnes)	**4,434**	**501**	1,299	917	1,717	4,077	607	1,737	535	1,198
Silver (000 oz)	**2,300**	**509**	785	374	632	2,621	663	642	739	577
Revenue ($000s)	**223,591**	**50,783**	82,290	29,520	60,998	292,120	67,178	64,854	70,596	89,492
Production costs ($000s)	**115,394**	**31,520**	37,183	17,786	28,905	115,553	29,590	25,709	29,066	31,188
Gross profit ($000s)	**74,073**	**10,519**	32,727	6,821	24,006	139,828	29,800	33,703	30,500	45,825
Cash cost ($ per pound)[1]	**0.43**	**0.63**	0.28	0.24	0.54	0.32	0.32	0.18	0.44	0.27
AISC ($ per pound)[1]	**0.83**	**0.93**	0.56	1.06	0.97	0.68	0.77	0.50	0.82	0.57

[1]All-in Sustaining Cost per pound sold ("AISC") and Cash cost are non-GAAP measures, see the "Non-GAAP and Other Performance Measures" section of this MD&A for discussion.

Production

Production of zinc in the year and quarter ended December 31, 2023 was consistent with the prior year comparative periods, but annual production was slightly below the most recently-disclosed production guidance range due to lower annual throughput and lower grade in the fourth quarter. Lead production in the year and quarter ended December 31, 2023 were lower than the prior year comparative periods, due to lower grades and recoveries. Installation of a sequential flotation system during the year is achieving improved recoveries, but a longer than anticipated ramp-up limited mill availability and reduced recoveries, limiting production of both zinc and lead. Copper production in the year ended December 31, 2023 was higher than the prior year due to higher grades and recoveries, although copper production in the fourth quarter was reduced by lower grades and recoveries.

Production Costs and Cash Cost

Production costs for the year ended December 31, 2023 were consistent with the prior year and benefited from reduced electricity prices and favourable foreign exchange, offsetting production limitations during the ramp-up of the sequential flotation system. Production costs for the quarter ended December 31, 2023 were slightly higher than the prior year comparable period primarily due to higher throughput and lower grades. Zinc cash cost per pound for the year and quarter ended December 31, 2023 was higher than the prior year comparable periods, primarily due to lower by-product credits, but was slightly below the most recently-disclosed annual cash cost guidance range. AISC for the year and quarter ended December 31, 2023 were higher than the prior year in line with higher cash cost. Higher sustaining capital expenditures, including the sequential flotation project, also impacted the full year AISC.

Gross Profit

Gross profit for the year ended December 31, 2023 was lower than the prior year due to lower realized zinc prices, lower lead sales volumes and higher treatment and refining charges.

Josemaria Project (Argentina)

Josemaria Project is located in the San Juan Province of Argentina, approximately 9 km east of the Chile-Argentina border. Access to site is to be from the city of San Juan, currently the operating centre for a significant portion of the project team. along public two-lane paved roads and a project-developed and maintained gravel road. The project is developing access to water, grid power, as well as transportation and logistics wholly within San Juan province.

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 exploration drilling.

At Josemaria, the water program continues progressing by advancing the identification of water sources, providing data to update models, and incorporating sectoral permits. The grinding mills and gearless mill drives ("GMDs") deliveries continue and will be stored in a San Juan facility for care and maintenance.

Work continues on permitting with the technical review of the tailings dam design; the permit application for the access road and power line as well as minor permits and environmental impact assessment for road maintenance were completed and submitted for approval. With the newly elected San Juan province governor having taken office on December 10, 2023 negotiations are set to proceed 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 in conjunction with several other provincial and national agreements.

Additionally, the project team continues with the execution of a series of studies de-risking the project as well as advancing financing and execution readiness activities. A study to increase plant throughput was finalized in the fourth quarter of 2023. Additional studies including concentrate transportation, infrastructure review, mine optimization and equipment selection, execution plan update, and commercial strategies will be completed in 2024.

Exploration drilling on several of the Cumbre Verde and Portones targets near the Josemaria orebody are advancing according to plan. An airborne geophysical survey was completed in Q4 2023 at Josemaria and the current drilling program will continue into 2024.

In 2023, the Company spent $275.9 million in capital expenditure. In 2022, the Company spent $171.1 million which was recorded as capital expenditure beginning in the fourth quarter of 2022. Prior to capitalization in the fourth quarter of 2022, project spending was included in general exploration and business development expense on the income statement. Annual capital spend in 2023 was below the most recently-disclosed guidance estimate of $350.0 million.

Metal Prices, LME Inventories and Smelter Treatment and Refining Charges

The average metal prices for copper, zinc, and nickel were lower in 2023 compared to 2022, while the average metal prices for molybdenum and gold were higher over the same period.

Copper and gold average metal prices were higher in the quarter ended December 31, 2023 compared to the prior year comparable period, while zinc, molybdenum and nickel average metal prices were lower as compared to the prior year comparable period. The average metal prices in the quarter ended December 31, 2023 for zinc and gold were 3% and 2% higher, respectively, than the average metal prices during the third quarter of 2023, while the average metal prices of copper, molybdenum and nickel were 2%, 22% and 15% lower, respectively, than the average metal prices during the third quarter of 2023.

		Three months ended December 31,			**Twelve months ended December 31,**		
(Average LME Price)		**2023**	2022	Change	**2023**	2022	Change
Copper	US$/pound	**3.70**	3.63	2%	**3.85**	3.99	-4%
	US$/tonne	**8,159**	8,001		**8,478**	8,797	
Zinc	US$/pound	**1.13**	1.36	-17%	**1.20**	1.58	-24%
	US$/tonne	**2,498**	3,001		**2,647**	3,478	
Nickel	US$/pound	**7.82**	11.47	-32%	**9.74**	11.61	-16%
	US$/tonne	**17,247**	25,292		**21,474**	25,604	
Gold	US$/ounce	**1,971**	1,726	14%	**1,941**	1,800	8%
Molybdenum	US$/pound	**18.64**	21.39	-13%	**24.19**	18.73	29%
	US$/tonne	**41,086**	47,148		**53,332**	41,291	

The LME inventories for copper, zinc and nickel all increased during 2023, ending the year 88%, 602% and 15%, respectively, higher than the closing levels of 2022.

During the first eight months of 2023 the treatment charges (“TC”) and refining charges (“RC”) in the spot market for copper concentrates between miners and commodity traders increased from an average spot TC during January of $73 per dry metric tonne ("dmt") of concentrate and a spot RC of $0.073 per lb of payable copper to a spot TC during August 2023 of $83 per dmt of concentrate and a spot RC of $0.083 per lb of payable copper. Starting in September, with supply constraints from Central and South America and increased smelting capacity in Asia, the spot TC’s and RC’s for copper concentrates started to decrease from an average spot TC during September 2023 of $80 per dmt of concentrate and a spot RC of $0.08 per lb of payable copper to a spot TC during December 2023 of $49 per dmt of concentrate and a spot RC of $0.049 per lb of payable copper.

Chinese smelter buying terms followed the same trend as for commodity traders, starting the year from a spot TC of $84 per dmt of concentrates and a spot RC of $0.084 per lb payable copper and finishing the year at a spot TC of $68 per dmt of concentrates and a spot RC of $0.068 per lb payable copper.

For copper concentrates, the terms for annual contracts for 2024 were reached in November 2023 at a TC of $80 per dmt with a RC of $0.08 per payable lb of copper. This represents an improvement compared to the 2023 annual terms at a TC of $88.00 per dmt of concentrates and a RC of $0.088 per payable lb of copper.

For zinc concentrates, the spot TC, delivered China, decreased steadily during 2023, starting the year at $275 per dmt, flat, ending at $80 per dmt, flat. The TC for annual contracts for 2023 was settled at $274 per dmt of concentrates, with an upscale price escalator of 6% from a price basis of $3,000 per mt zinc without de-escalator, and represented an improvement of approximately $44 per dmt concentrates in favour of the smelters compared to the prior year. The negotiation of annual terms for 2024 are not expected to be completed until the end of the first quarter of 2024.

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, Candelaria and Caserones is sold at terms in-line with market conditions for copper concentrates. Molybdenum production from Caserones is sold at terms in-line with market conditions for molybdenum concentrates.

Liquidity and Capital Resources

As at December 31, 2023, the Company had cash and cash equivalents of $268.8 million and a net debt balance of $1,223.4 million.

Cash generated from operations for the year ended December 31, 2023 amounted to $1,016.6 million compared to $876.9 million in the prior year primarily due to the inclusion of Caserones cash flows as well as reduced income tax installment payments.

Cash used in investing activities for the year ended December 31, 2023 amounted to $1,674.5 million. Cash used in investing activities was higher than in the prior year primarily due to the acquisition of Caserones and increased investments in mineral properties, plant and equipment.

Cash provided by financing activities in the year ended December 31, 2023 amounted to $728.6 million compared to $251.6 million of cash used in the prior year. The increase was primarily due to proceeds from the Term Loan related to financing for the Caserones mine and an increased amount drawn on the Company's revolving credit facility at December 31, 2023.

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 Secured Overnight Financing Rate "(Term SOFR") + Credit Spread Adjustment ("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.

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 December 31, 2023, the Company had $1,208.6 million of debt and $277.2 million of lease liabilities outstanding.

As at December 31, 2023, the Company has a revolving credit facility of $1,750.0 million with $250.0 million outstanding (December 31, 2022 - $13.7 million). The credit facility bears interest on drawn funds at rates of Term SOFR + 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 unsecured, save and except for a charge over certain assets in the USA, and is subject to customary covenants. On April 26, 2023, the credit facility was amended extending the term by one year to April 2028.

As at December 31, 2023, the Company also has unsecured commercial paper programs maturing in 2025 through 2028 of which $116.0 million (€115.0 million) (December 31, 2022 - $26.7 million) were drawn. As at December 31, 2023, certain subsidiaries of the Company had outstanding unsecured term loans totalling $48.9 million (December 31, 2022 - $127.4 million) and accruing interest at rates ranging from 6.80% to 7.15% per annum with interest payable upon maturity. The maturity dates range from March to April 2024.

During the twelve months ended December 31, 2023, no shares were purchased under the Company's NCIB (year ended December 31, 2022 - 10.8 million shares, $59.4 million consideration). In December 2023 the Company renewed its NCIB which allows the Company to purchase up to 52,538,870 common shares over a twelve month period commencing on December 11, 2023. As at February 21, 2024 the Company has not purchased any common shares under the renewed NCIB. In addition, the Company entered into an automatic share purchase plan with its designated broker to allow for the purchase of common shares at times which the Company ordinarily would not be active in the market due to trading blackout periods, insider trading rules or otherwise.

The development of the Josemaria Project requires significant capital commitments from the Company, and additional funding, beyond debt, may be required to advance the project to completion. Such additional funding may take the form of a partnership, joint venture, royalty, stream or other arrangement (or a combination thereof) for the Josemaria Project, any of which would dilute the Company’s existing interest in the Josemaria Project. The Company may also be required or elect to pursue equity financing, which could have a dilutive effect on existing securityholders if shares, options, warrants or other convertible securities are issued.

The Company's ability to obtain additional financing for the Josemaria Project in the future will depend, in part, on prevailing capital market conditions and the Company's financial performance. Failure to secure adequate financing on a timely basis may cause the Company to postpone, abandon, reduce or terminate its development activities in respect of the Josemaria Project and could have a material adverse effect on the Company's business, results of operations, financial condition and price of common shares.

In addition, the Company's exploration, acquisition, development and operational activities generally require significant investment of resources and capital. The Company allocates such resources and capital to support business objectives, and the availability of required resources and capital is subject to market conditions and the Company's financial position.

The Company has limited financial resources and there is no assurance that sufficient additional funding or financing will be available to the Company or its direct and indirect subsidiaries on acceptable terms, or at all, for further exploration or development of its properties, including the development of the Josemaria Project, or to fulfill its obligations under any applicable agreements.

The Company may incur substantial debt from time to time to finance working capital, capital expenditures (such as to advance the Josemaria Project), investments or acquisitions or for other purposes. If the Company does so, the risks related to the Company's indebtedness could intensify, including, among other things: substantial interest and capital payments; increased difficulty in satisfying existing debt obligations; limitations on the ability to obtain additional financing, or imposed requirements to make non-strategic divestitures; imposed hedging requirements; explicit or implicit restrictions on the Company's cash flows for capital investment, dividends or distributions, opportunistic acquisitions and other business needs; increased vulnerability to general adverse economic and industry conditions; interest rate risk exposure as borrowings may be at variable rates of interest; decreased flexibility in planning for and reacting to changes in the industry in which it competes; reduced competitiveness as compared to less leveraged competitors; and increased cost of additional borrowing.

The terms of the revolving credit facility and Term Loan agreements require the Company to satisfy various affirmative and negative covenants and to meet certain financial ratios and tests. These covenants limit, among other things, the Company's ability to incur further indebtedness if doing so would cause it to fail to meet certain financial covenants, create certain liens on assets or engage in certain types of transactions. A failure to comply with these covenants, including a failure to meet the financial tests or ratios, would likely result in an event of default under the revolving credit facility and Term Loan and would allow the lenders to restrict future loans or accelerate the debt, which could materially and adversely affect the Company's business, financial condition and results of operations, its ability to meet payment obligations under its debt and the price of its common shares. As at December 31, 2023, the Company is in compliance with its debt covenants.

The Company may issue additional securities to raise funds, to pay for acquisitions or for other reasons. The Company cannot predict the size of future issuances of securities or the effect, if any, that future issuances and sales of securities will have on the market price of common shares. Sales or issuances of substantial numbers of common shares, or the expectation that such sales could occur, may adversely affect prevailing market prices of the Company's common shares. In connection with any issuance of common shares, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per share.

The Company is exposed to various counterparty risks including, among others: financial institutions that hold the Company's cash; companies that have payables to the Company, including concentrate customers; the Company's insurance providers; the Company's lenders and other banking counterparties; companies that have received deposits from the Company for the future delivery of equipment; and third parties that have agreed to indemnify the Company upon the occurrence of certain events.

The Company maintains relationships with various banking partners for its operating activities in the jurisdictions in which the Company operates. The Company's access to funds under its credit facilities or other debt arrangements is dependent on the ability of the financial institutions that are counterparties to the facilities to meet their funding commitments. Default by financial institutions could require the Company to take measures to conserve cash until the markets stabilize or until alternative credit or other funding arrangements for the Company's business needs can be obtained.

Contractual Obligations, Commitments and Contingencies

The Company has contractual obligations and capital commitments as described in Note 24 "Commitments and Contingencies" in the Company's 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.

The Company has the following contractual obligations and capital commitments as at December 31, 2023:

	Payments due by period[1]			
$ thousands	<1 year	1-5 years	Thereafter	Total
Reclamation and closure provisions	14,442	149,475	756,528	920,445
Long-term debt and lease liabilities	231,944	1,230,036	153,944	1,615,924
Capital commitments	265,870	195,425	—	461,295
Defined pension obligations	603	2,978	4,602	8,183
	512,859	1,577,914	915,074	3,005,847

[1]Reported on an undiscounted basis, before inflation.

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 23 of the Company's Consolidated Financial Statements.

Market and Liquidity Risks and 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.

Commodity prices, primarily copper, zinc, gold and nickel are key performance drivers and fluctuations in the prices of these commodities can have a dramatic effect on the results of operations. Prices can fluctuate widely and are affected by numerous factors beyond the Company's control. The prices of metals are influenced by supply and demand, exchange rates, interest rates and interest rate expectations, inflation or deflation and expectations with respect to inflation or deflation, speculative activities, changes in global economies, and geopolitical, social and other factors. The supply of metals consists of a combination of new mine production, recycling and existing stocks held by governments, producers and consumers.

If market prices for metals fall below the Company's full production costs and remain at such levels for any sustained period of time, the Company may experience losses and may decide to discontinue mining operations or development of a project at one or more of its properties. If the prices drop significantly, the economic prospects of the mines and projects in which the Company has an interest could be significantly reduced or rendered uneconomic, in which case the Company may need to restate its Mineral Resource and Mineral Reserve estimates. Low metal prices will affect the Company's liquidity, and if they persist for an extended period of time, the Company may have to look for other sources of cash flow to maintain liquidity until metal prices recover. A sustained and material impact on the Company's liquidity may also impact the Company's ability to comply with financial covenants under its credit facilities.

Foreign Currency Denominated Production Costs

For the year ended December 31, 2023, Candelaria and Caserones production costs are approximately 55% and 50% CLP denominated respectively and Chapada production costs are approximately 80% BRL denominated. Production costs for Eagle, Neves-Corvo and Zinkgruvan are substantially denominated in their functional currencies.

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 December 31, 2023	Change	Effect on Revenue ($millions)
Copper	117,594 t	$3.85/lb	+/- 10%	+/- $99.8
Zinc	34,047 t	$1.21/lb	+/- 10%	+/- $9.1
Nickel	1,263 t	$7.46/lb	+/- 10%	+/- $2.1
Gold	30 koz	$2,074/oz	+/- 10%	+/- $6.2
Molybdenum	866 t	$17.84/lb	+/- 10%	+/- $3.4

Related Party Transactions

The Company enters into related party transactions that are in the normal course of business and on an arm's length basis. Related party disclosures can be found in Note 26 of the Company's December 31, 2023 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 Material Accounting Policies" of the 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.

Non-GAAP financial measure or ratio	**Definition**	**Most directly comparable IFRS measure**	**Why management uses the measure and why it may be useful to investors**
Cash cost	Includes costs directly attributable to mining operations (including mining, processing and administration), treatment, refining and transportation charges, but excludes royalty expenses, expenses associated with non-cash fair value adjustments to inventory, depreciation and amortization and capital expenditures for deferred stripping. Revenue from sales of by-products, inclusive of adjustments for the terms of streaming agreements but excluding the recognition of any deferred revenue from the allocation of upfront streaming proceeds, reduce cash costs.	Production costs	Copper, zinc and nickel cash cost per pound sold are useful measures to assess the operating performance of the Company's mines, and their ability to generate cash. The inclusion of by-product credits incorporates the benefit of other metals extracted in the production of the primary metal.
Cash cost per pound sold	This ratio is calculated by dividing cash cost by the sales volume of the primary metal (copper, zinc, or nickel).		
All-in sustaining cost ("AISC")	Includes cash cost (as defined above), royalties, sustaining capital expenditure (including deferred stripping and underground mine development), reclamation and other closure cost accretion and amortization and lease payments (cash basis). As this measure seeks to reflect the full cost of production from current operations, expansionary capital and certain exploration costs are excluded 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 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. Certain other cash expenditures, including tax payments, financing charges (including capitalized interest) and costs related to business combinations, asset acquisitions and asset disposals are also excluded.	Production costs	Copper, zinc and nickel AISC and ASIC per pound sold are useful measures to understand the full cost of producing and selling metal at the Company's mines, and each mine's ability to generate cash while sustaining production at current levels.
AISC per pound sold	This ratio is calculated by dividing AISC by the sales volume of the primary metal (copper, zinc, or nickel).		
Sustaining capital expenditures	This supplementary financial measure is defined as cash-basis expenditures which maintain existing operations and sustain production levels.	Investment in mineral properties, plant and equipment	Sustaining capital expenditures provide an understanding of costs required to maintain existing production levels. Expansionary capital expenditures provide information on costs required for future growth of existing or new assets.
Expansionary capital expenditures	This non-GAAP measure is defined as cash-basis expenditures which increase current or future production capacity, cash flow or earnings potential and are reported excluding capitalized interest. Where an expenditure both maintains and expands current operations, classification would be based on the primary decision for which the expenditure is being made.		

Non-GAAP financial measure or ratio	Definition	Most directly comparable IFRS measure	Why management uses the measure and why it is useful to investors
Realized price per pound and realized price per ounce[1]	Defined as revenue from metal sales (copper, zinc, gold, nickel and molybdenum) adding back treatment and refining charges, cash effects of gold and copper streams, recognition of deferred revenue from the allocation of upfront streaming proceeds and sales of silver and other metals, divided by the volume of metal sold in the period.	Revenue	These measures provide an understanding of the price realized in each reporting period for metal sales.
Earnings before interest, taxes, depreciation and amortization (EBITDA) and Adjusted EBITDA	EBITDA represents net earnings or loss for the period before income tax expense or recovery, depreciation and amortization, interest income and finance costs. Adjusted EBITDA removes the effects of items that do not reflect the Company's underlying operating performance and are not necessarily indicative of future operating results. These may include: unrealized foreign exchange, unrealized gains or losses from derivative contracts, revaluation gains or losses on marketable securities, derivative liabilities and purchase options, expenses for acquisition-related fair value adjustments to inventory, non-cash impairment charges and reversals, non-cash stockpile inventory or fixed asset write-downs, costs relating to the sinkhole near Ojos del Salado operations, income from investments in associates, gains or losses on disposals of subsidiaries, insurance proceeds and litigation and settlements.	Net earnings (loss)	EBITDA and Adjusted EBITDA are used to evaluate the Company's operational performance and its ability to generate cash from core operations.
Adjusted earnings (loss)	Defined as net earnings or loss attributable to shareholders of the Company excluding the effects (net of tax) of significant items that do not reflect the Company's underlying operating performance. In addition to the items listed for Adjusted EBITDA, these may also include: deferred tax recovery or expense arising from foreign exchange translation and deferred tax recovery or expense arising from changes in tax rates. Adjustments exclude amounts attributable to non-controlling interests.	Net earnings (loss) attributable to Lundin Mining Corporation shareholders	In addition to conventional measures prepared in accordance with IFRS, adjusted earnings and adjusted earnings per share measure the underlying operating performance of the Company.
Adjusted earnings (loss) per share	This ratio is calculated by dividing adjusted net earnings or loss by the weighted average number of shares outstanding.		
Free cash flow from operations	Defined as cash flow provided by operating activities, excluding general exploration and business development costs and deducting sustaining capital expenditures (as defined above).	Cash provided by operating activities	Free cash flow from operations is indicative of the Company's ability to generate cash from its operations after consideration of required sustaining capital expenditure necessary to maintain existing production levels.
Free cash flow	Defined as cash flow provided by operating activities, deducting sustaining capital expenditures and expansionary capital expenditures (both as defined above).		
Adjusted operating cash flow	Defined as cash provided by operating activities, excluding changes in non-cash working capital items.	Cash provided by operating activities	These measures are indicative of the Company's ability to generate cash from its operations and remove the impact of working capital, which can experience volatility from period-to-period.
Adjusted operating cash flow per share	This ratio is calculated by dividing adjusted operating cash flow by the weighted average number of shares outstanding.		
Net debt	Net debt is defined as total debt and lease liabilities excluding deferred financing fees, less cash and cash equivalents. Net debt excluding lease liabilities is defined as total debt excluding lease liabilities, deferred financing fees, less cash and cash equivalents.	Debt and lease liabilities, current portion of debt and lease liabilities, cash and cash equivalents	These measures are indicative of the Company's financial position.
Net debt excluding lease liabilities			

[1]See the 'Revenue Overview' section of this MD&A for reconciliations to revenue, the most directly comparable IFRS measure.

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

Cash Cost per Pound and All-in Sustaining Costs per pound can be reconciled to Production Costs as follows:

Twelve months ended December 31, 2023							
Operations ($000s, unless otherwise noted)	**Candelaria (Cu)**	**Caserones[2] (Cu)**	**Chapada (Cu)**	**Eagle (Ni)**	**Neves-Corvo (Cu)**	**Zinkgruvan (Zn)**	**Total**
Sales volumes:							
Tonnes	144,473	66,075	43,761	13,339	32,054	65,344	
Pounds (000s)	318,508	145,670	96,476	29,407	70,667	144,059	
Production costs							2,086,108
Less: Royalties and other							(66,237)
Inventory fair value adjustment[1]							(39,945)
							1,979,926
Deduct: By-product credits							(699,915)
Add: Treatment and refining charges							183,328
Cash cost	660,160	290,553	219,278	63,457	167,424	62,467	1,463,339
Cash cost per pound ($/lb)	**2.07**	**1.99**	**2.27**	**2.16**	**2.37**	**0.43**	
Add: Sustaining capital expenditure	380,112	83,880	72,291	22,201	102,621	53,358	
Royalties	—	15,820	8,568	22,994	3,949	—	
Reclamation and other closure accretion and depreciation	9,258	2,560	7,836	11,331	5,387	3,744	
Leases and other	13,325	47,944	4,999	4,100	553	427	
All-in sustaining cost	1,062,855	440,757	312,972	124,083	279,934	119,996	
AISC per pound ($/lb)	**3.34**	**3.03**	**3.24**	**4.22**	**3.96**	**0.83**	

Twelve months ended December 31, 2022						
Operations ($000s, unless otherwise noted)	**Candelaria (Cu)**	**Chapada (Cu)**	**Eagle (Ni)**	**Neves-Corvo (Cu)**	**Zinkgruvan (Zn)**	**Total**
Sales volumes:						
Tonnes	147,251	45,563	14,427	31,592	65,684	
Pounds (000s)	324,633	100,449	31,806	69,648	144,808	
Production costs						1,661,358
Less: Royalties and other						(53,785)
						1,607,573
Deduct: By-product credits						(656,534)
Add: Treatment and refining charges						124,841
Cash cost	637,486	209,238	25,168	158,351	45,637	1,075,880
Cash cost per pound ($/lb)	**1.96**	**2.08**	**0.79**	**2.27**	**0.32**	
Add: Sustaining capital expenditure	389,731	104,711	16,413	71,222	48,144	
Royalties	—	12,298	33,281	4,169	—	
Reclamation and other closure accretion and depreciation	8,001	7,388	18,512	1,562	3,937	
Leases and other	11,313	3,988	2,404	1,404	665	
All-in sustaining cost	1,046,531	337,623	95,778	236,708	98,383	
AISC per pound ($/lb)	**3.22**	**3.36**	**3.01**	**3.40**	**0.68**	

[1]Production cost at Caserones in 2023 was negatively impacted by $39.9 million of 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.

[2] Caserones results are from July 13, 2023 to December 31, 2023.

Three months ended December 31, 2023							
Operations	**Candelaria**	**Caserones**	**Chapada**	**Eagle**	**Neves-Corvo**	**Zinkgruvan**	
($000s, unless otherwise noted)	**(Cu)**	**(Cu)**	**(Cu)**	**(Ni)**	**(Cu)**	**(Zn)**	**Total**
Sales volumes:							
Tonnes	38,888	35,690	13,080	3,105	9,054	17,316	
Pounds (000s)	85,733	78,683	28,836	6,845	19,961	38,176	
Production costs							648,037
Less: Royalties and other							(24,520)
Inventory fair value adjustment[1]							(7,760)
							615,757
Deduct: By-product credits							(204,164)
Add: Treatment and refining charges							57,938
Cash cost	152,276	183,687	54,108	16,229	39,218	24,013	469,531
Cash cost per pound ($/lb)	**1.78**	**2.33**	**1.88**	**2.37**	**1.96**	**0.63**	
Add: Sustaining capital expenditure	79,316	55,031	19,858	6,548	28,070	10,546	
Royalties	—	8,270	2,174	5,003	1,081	—	
Reclamation and other closure accretion and depreciation	2,158	1,427	2,047	2,620	1,305	933	
Leases and other	2,901	25,715	1,131	1,101	106	103	
All-in sustaining cost	236,651	274,130	79,318	31,501	69,780	35,595	
AISC per pound ($/lb)	**2.76**	**3.48**	**2.75**	**4.60**	**3.50**	**0.93**	

Three months ended December 31, 2022						
Operations	**Candelaria**	**Chapada**	**Eagle**	**Neves-Corvo**	**Zinkgruvan**	
($000s, unless otherwise noted)	**(Cu)**	**(Cu)**	**(Ni)**	**(Cu)**	**(Zn)**	**Total**
Sales volumes:						
Tonnes	33,561	12,037	3,239	6,351	17,635	
Pounds (000s)	73,990	26,537	7,141	14,001	38,878	
Production costs						450,927
Less: Royalties and other						(15,664)
						435,263
Deduct: By-product credits						(168,620)
Add: Treatment and refining charges						33,897
Cash cost	186,628	51,782	17,169	32,462	12,499	300,540
Cash cost per pound ($/lb)	**2.52**	**1.95**	**2.40**	**2.32**	**0.32**	
Add: Sustaining capital expenditure	117,174	41,299	5,968	22,086	16,607	
Royalties	—	3,137	9,152	3,185	—	
Reclamation and other closure accretion and depreciation	1,999	1,855	4,403	481	902	
Leases and other	4,360	932	638	835	118	
All-in sustaining cost	310,161	99,005	37,330	59,049	30,126	
AISC per pound ($/lb)	**4.19**	**3.73**	**5.23**	**4.22**	**0.77**	

[1]Production cost at Caserones in Q4 2023 was negatively impacted by $7.8 million of 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.

Adjusted EBITDA

Adjusted EBITDA can be reconciled to Net Earnings (Loss) as follows:

($thousands)	Year ended December 31, **2023**	2022	2021
Net earnings	**315,249**	463,533	879,301
Add back:			
Depreciation, depletion and amortization	**653,596**	554,750	522,764
Finance income and costs	**102,699**	64,185	41,387
Income taxes expense	**216,599**	134,628	365,686
	1,288,143	1,217,096	1,809,138
Unrealized foreign exchange loss	**1,224**	21,164	27,648
Unrealized losses (gains) on derivative contracts	**21,932**	(62,971)	—
Ojos del Salado sinkhole expenses	**16,922**	63,271	—
Loss (income) from equity investment in associates	**60**	(3,297)	(24,895)
Caserones inventory fair value adjustment	**39,945**	—	—
Ore stockpile inventory write-down	**—**	62,546	65,025
Business interruption insurance settlement	**—**	—	(16,000)
Gain on disposal of subsidiary	**(5,718)**	(16,828)	—
Other	**1,040**	11,525	8,500
Total adjustments - EBITDA	**75,405**	75,410	60,278
Adjusted EBITDA[1]	**1,363,548**	1,292,506	1,869,416

[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.

($thousands)	Three months ended December 31, **2023**	2022
Net earnings	**66,753**	145,295
Add back:		
Depreciation, depletion and amortization	**223,056**	142,710
Finance income and costs	**34,891**	16,664
Income taxes	**102,616**	(2,347)
	427,316	302,322
Unrealized foreign exchange loss	**2,769**	(3,836)
Unrealized losses (gains) on derivative contracts	**(19,309)**	(62,971)
Ojos del Salado sinkhole expenses	**1,687**	55,482
Caserones inventory fair value adjustment	**7,760**	—
Ore stockpile inventory write-down	**—**	62,546
Other	**(493)**	173
Total adjustments - EBITDA	**(7,586)**	51,394
Adjusted EBITDA	**419,730**	353,716

Adjusted Earnings and Adjusted EPS

Adjusted Earnings and Adjusted EPS can be reconciled to Net Earnings (Loss) Attributable to Lundin Mining Shareholders as follows:

	Year ended December 31,		
($thousands, except share and per share amounts)	**2023**	2022	2021
Net earnings attributable to Lundin Mining shareholders	**241,562**	426,851	780,348
Add back:			
Total adjustments - EBITDA	**75,405**	75,410	60,278
Tax effect on adjustments	**(26,925)**	(797)	(21,817)
Deferred tax expense due to change in tax rate	**40,200**	—	—
Deferred tax arising from foreign exchange translation	**28,841**	(20,733)	1,730
Non-controlling interest on adjustments	**(22,886)**	2,026	64
Total adjustments	**94,635**	55,906	40,255
Adjusted earnings[1]	**336,197**	482,757	820,603
Basic weighted average number of shares outstanding	**772,532,260**	762,518,753	736,789,666
Net (loss) earnings attributable to Lundin Mining shareholders	**0.31**	0.56	1.06
Total adjustments	**0.13**	0.07	0.05
Adjusted EPS[1]	**0.44**	0.63	1.11

[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.

	Three months ended December 31,	
($thousands, except share and per share amounts)	**2023**	2022
Net earnings attributable to Lundin Mining shareholders	**38,797**	145,562
Add back:		
Total adjustments - EBITDA	**(7,586)**	51,394
Tax effect on adjustments	**(2,987)**	8,214
Deferred tax expense due to change in tax rate	**14,500**	—
Deferred tax arising from foreign exchange translation	**41,168**	(14,469)
Non-controlling interest on adjustments	**(4,221)**	829
Total adjustments	**40,874**	45,967
Adjusted earnings	**79,671**	191,529
Basic weighted average number of shares outstanding	**773,476,216**	770,804,446
Net (loss) earnings attributable to Lundin Mining shareholders	**0.05**	0.19
Total adjustments	**0.05**	0.06
Adjusted EPS	**0.10**	0.25

Free Cash Flow from Operations and Free Cash Flow

Free Cash Flow from Operations and Free Cash Flow can be reconciled to Cash provided by Operating Activities as follows:

	Year ended December 31,		
($thousands)	**2023**	2022	2021
Cash provided by operating activities	**1,016,612**	876,889	1,484,954
Sustaining capital expenditures	**(727,224)**	(639,831)	(475,373)
General exploration and business development	**55,692**	144,353	44,938
Free cash flow from operations	**345,080**	381,411	1,054,519
General exploration and business development	**(55,692)**	(144,353)	(44,938)
Expansionary capital expenditures	**(275,913)**	(202,993)	(56,388)
Free cash flow	**13,475**	34,065	953,193

	Three months ended December 31,	
($thousands)	**2023**	2022
Cash provided by operating activities	**306,081**	156,890
General exploration and business development	**14,500**	12,094
Sustaining capital expenditures	**(203,827)**	(204,686)
Free cash flow from operations	**116,754**	(35,702)
General exploration and business development	**(14,500)**	(12,094)
Expansionary capital expenditures	**(41,082)**	(76,485)
Free cash flow	**61,172**	(124,281)

Adjusted Operating Cash Flow and Adjusted Operating Cash Flow per Share

Adjusted Operating Cash Flow and Adjusted Operating Cash Flow per Share can be reconciled to Cash Provided by Operating Activities as follows:

	Year ended December 31,		
($thousands, except share and per share amounts)	**2023**	2022	2021
Cash provided by operating activities	**1,016,612**	876,889	1,484,954
Changes in non-cash working capital items	**7,605**	116,056	2,136
Adjusted operating cash flow	**1,024,217**	992,945	1,487,090
Basic weighted average number of shares outstanding	**772,532,260**	762,518,753	736,789,666
Adjusted operating cash flow per share	**1.33**	1.30	2.02

	Three months ended December 31,	
($thousands, except share and per share amounts)	**2023**	2022
Cash provided by operating activities	**306,081**	156,890
Changes in non-cash working capital items	**55,965**	132,167
Adjusted operating cash flow	**362,046**	289,057
Basic weighted average number of shares outstanding	**773,476,216**	770,804,446
Adjusted operating cash flow per share	**0.47**	0.38

Net (Debt) Cash and Net (Debt) Cash Excluding Lease Liabilities

Net (debt) cash and Net (debt) cash excluding lease liabilities can be reconciled to Debt and Lease Liabilities, Current Portion of Debt and Lease Liabilities and Cash and Cash Equivalents as follows:

($thousands)	**December 31, 2023**	December 31, 2022	December 31, 2021
Debt and lease liabilities	**(1,273,162)**	(27,179)	(16,386)
Current portion of debt and lease liabilities	**(212,646)**	(170,149)	(14,617)
Less deferred financing fees (netted in above)	**(6,374)**	(4,926)	—
	(1,492,182)	(202,254)	(31,003)
Cash and cash equivalents	**268,793**	191,387	594,069
Net (debt) cash	**(1,223,389)**	(10,867)	563,066
Lease liabilities	**277,208**	27,166	25,878
Net (debt) cash excluding lease liabilities	**(946,181)**	16,299	588,944

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, 2023 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 President and Chief Executive Officer and the Chief Financial Officer, is responsible for the design and operation of DCP. Management has evaluated the effectiveness of the Company's DCP and has concluded that they were effective as at December 31, 2023.

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"). Management conducted an evaluation of the effectiveness of ICFR and concluded that it was effective as at December 31, 2023.

Changes in ICFR

There have been no changes in the Company's ICFR during the three months ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, the Company's financial reporting.

Outstanding Share Data

As at February 21, 2024, the Company has 774,116,995 common shares issued and outstanding, and 5,298,388 stock options and 1,785,303 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).

Consolidated Financial Statements of

Lundin Mining Corporation

December 31, 2023

Management's Report

The accompanying consolidated financial statements of Lundin Mining Corporation ("Lundin Mining" or the "Company") and other information contained in the management's discussion and analysis are the responsibility of management and have been approved by the Board of Directors. The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") as outlined in Part 1 of the Handbook of the Chartered Professional Accountants ("CPA") of Canada, and include some amounts that are based on management's estimates and judgment.

The Board of Directors carries out its responsibility for the consolidated financial statements principally through its Audit Committee, which is comprised solely of independent directors. The Audit Committee reviews the Company's annual consolidated financial statements and recommends its approval to the Board of Directors. The Company's auditors have full access to the Audit Committee, with and without management being present. These consolidated financial statements have been audited by PricewaterhouseCoopers LLP, Chartered Professional Accountants.

(Signed) Jack Lundin

President and Chief Executive Officer

(Signed) Teitur Poulsen

Executive Vice President and Chief Financial Officer

Vancouver, British Columbia, Canada
February 21, 2024

Independent auditor's report

To the Shareholders of Lundin Mining Corporation

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Lundin Mining Corporation and its subsidiaries (together, the Company) as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated balance sheets as at December 31, 2023 and 2022;
- the consolidated statements of earnings for the years then ended;
- the consolidated statements of comprehensive income for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
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T: +1 604 806 7000, F: +1 604 806 7806, ca_vancouver_main_fax@pwc.com

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Fair value of mineral properties, plant and equipment acquired as part of the acquisition of SCM Minera Lumina Copper Chile (Lumina Copper) *Refer to note 2 – Basis of presentation and summary of material accounting policies and note 3 – Business combination to the consolidated financial statements.* The Company acquired 51% of the issued and outstanding equity of Lumina Copper for total cash consideration of $797 million and deferred cash consideration of $150 million on July 13, 2023. The total fair value of identifiable assets acquired included $1.3 billion of mineral properties, plant and equipment, which have primarily been recognized as plant and equipment. Management applied significant judgment in estimating the fair value of acquired mineral properties, plant and equipment. Management used discounted cash flow models and a market-based approach to determine the fair value of mine assets, including the use of significant assumptions such as future metal prices, production based on estimated quantities of Mineral Reserves and Mineral Resources, production and capital expenditures, pricing of in-situ mineral resources implied by the market value of selected comparable transactions involving the sale of similar companies and mineral properties (in-situ multiples) and discount rate. In determining the fair value of plant and equipment, management primarily uses the depreciated replacement cost approach.	Our approach to addressing the matter included the following procedures, among others: • Tested how management estimated the fair value of the acquired mineral properties, plant and equipment, which included the following: – Read the purchase agreement. – Tested the underlying data used by management in the discounted cash flow model, market-based valuation, and depreciated replacement cost valuations. – Evaluated the reasonableness of significant assumptions such as future metal prices, production and capital expenditures by (i) comparing future metal prices to external market and industry data; (ii) comparing production and capital expenditures against current and past performance; and (iii) assessing whether these assumptions were consistent with evidence obtained in other areas of the audit. – The work of management's experts was used in performing the procedures to evaluate the reasonableness of the production based on estimated quantities of Mineral Reserves and Mineral Resources and production and capital expenditures. As a basis for using this work, the competence, capabilities and objectivity of management's experts were evaluated, the work performed was understood and the appropriateness of the

Key audit matter	How our audit addressed the key audit matter
Management's estimates of production based on quantities of Mineral Reserves and Mineral Resources are based on information compiled by qualified persons (management's experts). We considered this a key audit matter due to the significant auditor effort, subjectivity and significant judgment in performing procedures to test significant assumptions used by management in determining the fair value of acquired mineral properties, plant and equipment. Professionals with specialized skill and knowledge in the field of valuation assisted us in performing our procedures.	work as audit evidence was evaluated. The procedures performed also included evaluation of the methods and assumptions used by management's experts, tests of the data used by management's experts and an evaluation of their findings. – Professionals with specialized skill and knowledge in the field of valuation assisted in assessing the following: (i) appropriateness of the discounted cash flow model and the reasonability of the discount rate used within the model; (ii) appropriateness of the depreciated replacement cost approach and the reasonability of the resulting fair values assigned to plant and equipment; and (iii) reasonability of the in-situ multiples.
Goodwill impairment assessment *Refer to note 2 – Basis of presentation and summary of material accounting policies and note 9 – Goodwill to the consolidated financial statements.* The Company's total carrying amount of goodwill as at December 31, 2023 was $241 million. The Company's goodwill is required to be tested annually for impairment or when events or changes in circumstances indicate that the related carrying amount may not be recoverable. When the recoverable amount of the cash-generating unit (CGU) is less than the carrying amount of that CGU, an impairment loss is recognized. The recoverable amount of each CGU was based on a fair value less cost of disposal method using a discounted cash flow model and market-based approach. Management applied significant judgment in estimating the recoverable amount of each CGU. Significant assumptions used by	Our approach to addressing the matter included the following procedures, among others: • Tested how management estimated the recoverable amount of the CGUs, which included the following: – Tested the underlying data used by management in the discounted cash flow models and market-based valuation. – Evaluated the reasonableness of significant assumptions such as future metal prices, foreign exchange rates and production and capital expenditures by (i) comparing future metal prices and foreign exchange rates with external market and industry data; (ii) comparing future production and capital expenditures against current and past performance; and (iii) assessing whether these assumptions were consistent with evidence obtained in other areas of the audit.

Key audit matter	How our audit addressed the key audit matter
management to determine the recoverable amounts include future metal prices, production based on estimated quantities of Mineral Reserves and Mineral Resources, production and capital expenditures, foreign exchange rates, in-situ multiples and discount rates. The recoverable amount of each CGU determined by management exceeded its carrying value, and as a result, no impairment loss was recorded. Management's estimates of production based on quantities of Mineral Reserves and Mineral Resources are based on information compiled by qualified persons (management's experts). We considered this a key audit matter due to the significant auditor effort, subjectivity and significant judgment in performing procedures to test significant assumptions used by management in determining the fair value of the CGUs. Professionals with specialized skill and knowledge in the field of valuation assisted us in performing our procedures.	– The work of management's experts was used in performing the procedures to evaluate the reasonableness of the estimates associated with the production based on quantities of Mineral Reserves and Mineral Resources. As a basis for using this work, the competence, capabilities and objectivity of management's experts were evaluated, the work performed was understood and the appropriateness of the work as audit evidence was evaluated. The procedures performed also included evaluation of the methods and assumptions used by management's experts, tests of the data used by management's experts and an evaluation of their findings. – Professionals with specialized skill and knowledge in the field of valuation assisted in assessing the following: (i) appropriateness of the discounted cash flow models and market-based approach to determine the recoverable amounts of the CGUs; and (ii) the reasonableness of the discount rates and in-situ multiples.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mark Patterson.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
February 21, 2024

LUNDIN MINING CORPORATION

CONSOLIDATED BALANCE SHEETS
(in thousands of US dollars)

	As at	
	December 31, 2023	December 31, 2022
ASSETS		
Cash and cash equivalents (Note 4)	**$ 268,793**	$ 191,387
Trade and other receivables (Note 5)	**828,871**	576,178
Income taxes receivable	**34,542**	72,402
Inventories (Note 6)	**599,407**	296,710
Current portion of derivative assets (Note 23)	**38,114**	43,521
Other current assets	**21,421**	38,571
Total current assets	**1,791,148**	1,218,769
Restricted funds	**59,979**	50,195
Long-term inventory (Note 6)	**797,597**	641,877
Derivative assets (Note 23)	**9,397**	25,111
Other non-current assets (Note 7)	**67,090**	20,035
Mineral properties, plant and equipment (Note 8)	**7,725,169**	5,975,686
Deferred tax assets (Note 22)	**170,203**	3,837
Goodwill (Note 9)	**240,616**	237,294
	9,070,051	6,954,035
Total assets	**$ 10,861,199**	$ 8,172,804
LIABILITIES		
Trade and other payables (Note 10)	**$ 805,763**	$ 612,965
Income taxes payable	**62,926**	45,000
Current portion of derivative liabilities (Note 23)	**26,389**	24,423
Current portion of debt and lease liabilities (Note 11)	**212,646**	170,149
Current portion of deferred revenue (Note 12)	**87,867**	74,061
Current portion of reclamation and other closure provisions (Note 13)	**14,442**	23,550
Total current liabilities	**1,210,033**	950,148
Derivative liabilities (Note 23)	**3,148**	27,876
Debt and lease liabilities (Note 11)	**1,273,162**	27,179
Deferred revenue (Note 12)	**535,363**	580,045
Reclamation and other closure provisions (Note 13)	**529,734**	422,298
Deferred consideration and other long-term liabilities (Note 3)	**133,199**	24,922
Provision for pension obligations	**6,752**	5,613
Deferred tax liabilities (Note 22)	**751,688**	709,602
	3,233,046	1,797,535
Total liabilities	**4,443,079**	2,747,683
SHAREHOLDERS' EQUITY		
Share capital (Note 14)	**4,574,830**	4,555,125
Contributed surplus	**55,201**	55,769
Accumulated other comprehensive loss	**(296,617)**	(342,287)
Retained earnings	**627,903**	592,425
Equity attributable to Lundin Mining Corporation shareholders	**4,961,317**	4,861,032
Non-controlling interests (Note 15)	**1,456,803**	564,089
Total shareholders' equity	**6,418,120**	5,425,121
Total liabilities and shareholders' equity	**$ 10,861,199**	$ 8,172,804

Commitments and contingencies (Note 24)

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

APPROVED BY THE BOARD OF DIRECTORS

(Signed) Adam I. Lundin - **Director**

(Signed) Dale C. Peniuk - **Director**

LUNDIN MINING CORPORATION

CONSOLIDATED STATEMENTS OF EARNINGS

For the years ended December 31, 2023 and 2022

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

		2023		2022
Revenue (Note 16)	**$**	**3,392,077**	$	3,041,228
Cost of goods sold				
Production costs (Note 17)		**(2,086,108)**		(1,661,358)
Depreciation, depletion and amortization		**(653,596)**		(554,750)
Inventory write-down (Note 6)		**—**		(62,546)
Gross profit		**652,373**		762,574
General and administrative expenses		**(66,723)**		(53,879)
General exploration and business development (Note 19)		**(55,692)**		(144,353)
Finance income (Note 20)		**11,137**		4,211
Finance costs (Note 20)		**(113,836)**		(68,396)
Other income (Note 21)		**104,589**		98,004
Earnings before income taxes		**531,848**		598,161
Current tax expense (Note 22)		**(154,416)**		(149,978)
Deferred tax (expense) recovery (Note 22)		**(62,183)**		15,350
Net earnings	**$**	**315,249**	$	463,533
Net earnings attributable to:				
Lundin Mining Corporation shareholders	**$**	**241,562**	$	426,851
Non-controlling interests		**73,687**		36,682
Net earnings	**$**	**315,249**	$	463,533
Basic and diluted earnings per share attributable to Lundin Mining Corporation shareholders:	**$**	**0.31**	$	0.56
Weighted average number of shares outstanding (Note 14)				
Basic		**772,532,260**		762,518,753
Diluted		**773,292,895**		763,594,053

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

LUNDIN MINING CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2023 and 2022

(in thousands of US dollars)

		2023		2022
Net earnings	$	**315,249**	$	463,533
Other comprehensive income (loss), net of taxes				
Item that will not be reclassified to net earnings:				
Remeasurements for post-employment benefit plans		**2,320**		(366)
Item that may be reclassified subsequently to net earnings:				
Effects of foreign exchange		**43,710**		(88,388)
Item that was reclassified to net earnings:				
Cumulative translation adjustment		**—**		(3,777)
Other comprehensive income (loss)		**46,030**		(92,531)
Total comprehensive income	**$**	**361,279**	$	371,002
Comprehensive income attributable to:				
Lundin Mining Corporation shareholders	**$**	**287,232**	$	334,493
Non-controlling interests		**74,047**		36,509
Total comprehensive income	**$**	**361,279**	$	371,002

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

LUNDIN MINING CORPORATION

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2023 and 2022

(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	—	—	—	—	—	(55,100)	(55,100)
Caserones acquisition (Note 3)	—	—	—	—	—	873,767	873,767
Exercise of share-based awards	2,921,258	19,705	(8,329)	—	—	—	11,376
Share-based compensation	—	—	7,761	—	—	—	7,761
Dividends declared (Note 14(g))	—	—	—	—	(206,084)	—	(206,084)
Net earnings	—	—	—	—	241,562	73,687	315,249
Other comprehensive income	—	—	—	45,670	—	360	46,030
Total comprehensive income	—	—	—	45,670	241,562	74,047	361,279
Balance, December 31, 2023	**773,667,789**	**$ 4,574,830**	**$ 55,201**	**$ (296,617)**	**$ 627,903**	**$ 1,456,803**	**$ 6,418,120**

	Number of shares	Share capital	Contributed surplus	Accumulated other comprehensive loss	Retained earnings	Non-controlling interests	Total
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	6,488,941	49,813	(23,636)	—	—	—	26,177
Share-based compensation	—	—	7,803	—	—	—	7,803
Dividends declared	—	—	—	—	(275,795)	—	(275,795)
Shares purchased	(10,761,500)	(63,619)	—	—	4,209	—	(59,410)
Net earnings	—	—	—	—	426,851	36,682	463,533
Other comprehensive loss	—	—	—	(92,358)	—	(173)	(92,531)
Total comprehensive (loss) income	—	—	—	(92,358)	426,851	36,509	371,002
Balance, December 31, 2022	770,746,531	$ 4,555,125	$ 55,769	$ (342,287)	$ 592,425	$ 564,089	$ 5,425,121

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

LUNDIN MINING CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2023 and 2022

(in thousands of US dollars)

Cash provided by (used in)		**2023**		2022
Operating activities				
Net earnings	**$**	**315,249**	$	463,533
Items not involving cash and other adjustments				
Depreciation, depletion and amortization		**653,596**		554,750
Share-based compensation		**7,301**		7,803
Unrealized foreign exchange loss		**1,224**		21,164
Finance costs, net (Note 20)		**102,699**		64,185
Recognition of deferred revenue (Note 12)		**(70,918)**		(73,605)
Deferred tax expense (recovery)		**62,183**		(15,350)
Revaluation of marketable securities (Note 21)		**(1,846)**		(5,484)
Ore stockpile inventory write-down (Note 6)		**—**		62,546
Revaluation of foreign currency and diesel derivatives (Note 23)		**(27,780)**		(68,951)
Reversal of fair value adjustment on acquired inventory (Note 3)		**39,945**		—
Non-cash inventory write down		**9,848**		2,816
Other		**16,482**		(12,940)
Reclamation payments (Note 13)		**(10,491)**		(15,903)
Pension payments		**(1,359)**		(1,876)
Changes in long-term inventory		**(71,916)**		10,257
Changes in non-cash working capital items (Note 29)		**(7,605)**		(116,056)
		1,016,612		876,889
Investing activities				
Investment in mineral properties, plant and equipment		**(1,013,117)**		(842,903)
Acquisition of Caserones, net of cash acquired (Note 3)		**(648,569)**		—
Acquisition of Josemaria, net of cash acquired		**—**		(126,381)
Cash received from disposal of subsidiary (Note 21)		**5,718**		16,828
Payment of Chapada derivative liability (Note 24)		**(25,000)**		(25,000)
Interest received		**10,585**		4,152
Josemaria bridge loan		**—**		(54,100)
Distributions from associate, net		**—**		18,000
Other		**(4,151)**		(3,963)
		(1,674,534)		(1,013,367)
Financing activities				
Proceeds from debt (Note 11)		**2,490,597**		282,938
Interest paid		**(61,307)**		(9,765)
Principal payments of lease liabilities		**(47,320)**		(20,152)
Principal repayments of debt (Note 11)		**(1,451,804)**		(113,824)
Payment of Josemaria debentures		**—**		(47,000)
Dividends paid to shareholders		**(206,540)**		(275,448)
Shares purchased (Note 14)		**—**		(59,410)
Proceeds from common shares issued		**11,376**		26,177
Distributions paid to non-controlling interests		**(55,100)**		(35,000)
Net proceeds from settlement of foreign currency and diesel derivatives		**48,686**		4,784
Other		**(2)**		(4,926)
		728,586		(251,626)
Effect of foreign exchange on cash balances		**6,742**		(14,578)
Increase (decrease) in cash and cash equivalents during the year		**77,406**		(402,682)
Cash and cash equivalents, beginning of year		**191,387**		594,069
Cash and cash equivalents, end of year	**$**	**268,793**	$	191,387

Supplemental cash flow information (Note 29)

The accompanying notes are an integral part of these 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 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the CPA Canada Handbook – Accounting.

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 of $ 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 consolidated financial statements were approved by the Board of Directors of the Company for issue on February 21, 2024.

(ii) Material accounting policies

The Company has consistently applied the accounting policies to all the years presented. The material accounting policies applied in these consolidated financial statements are set out below.

(a) Basis of consolidation

The financial statements consist of the consolidation of the financial statements of the Company and its subsidiaries.

Subsidiaries are entities over which the Company has control, including the power to govern the financial and operating policies in order to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are de-consolidated from the date that control ceases.

Where necessary, adjustments are made to the results of the subsidiaries and associates to bring their accounting policies in line with those used by the Company. Intra-group transactions, balances, income and expenses are eliminated on consolidation.

For non wholly-owned controlled subsidiaries, the net assets attributable to outside equity shareholders are presented as non-controlling interests in the equity section of the consolidated balance sheet. Net earnings for the period that are attributable to non-controlling interests are calculated based on the ownership of the minority shareholders in the subsidiary.

(b) Translation of foreign currencies

The functional currency of each entity within the Company is the currency of the primary economic environment in which it operates. The Company's presentation currency is US dollars.

Transactions denominated in currencies other than the functional currency are recorded using the exchange rates prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated at the rates prevailing on the date when the fair value was determined. Foreign currency translation differences on deferred foreign tax liabilities and assets are reported in deferred tax expense/recovery in the consolidated statement of earnings.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognized in the consolidated statement of earnings in the period in which they arise. Exchange differences arising on the translation of non-monetary items carried at fair value are included in the consolidated statement of earnings. However, exchange differences arising on the translation of certain non-monetary items are recognized as a separate component of equity.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Company's foreign operations are translated into US dollars, which is the presentation currency of the group, at the rate of exchange prevailing at the end of the reporting period. Income and expenses are translated at the average exchange rates for the period where these approximate the rates on the dates of transactions.

On disposal of a foreign operation, the historical, cumulative amount of exchange differences recognized as a separate component of equity is reclassified and recognized in the consolidated statement of earnings.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash on deposit with banks and highly liquid short-term interest-bearing investments with a term to maturity at the date of purchase of 90 days or less which are subject to an insignificant risk of change in value.

(d) Restricted funds

Restricted funds include reclamation funds and cash on deposit that have been pledged for reclamation and closure activities which are not available for immediate disbursement.

(e) Inventories

Ore and concentrate stockpiles and cathode inventory are valued at the lower of production cost and net realizable value ("NRV"). Production costs include costs of materials and labour related directly to mining and processing activities, including production phase stripping costs, depreciation and amortization of mineral property, plant and equipment directly involved in the related mining and production process, amortization of any stripping costs previously capitalized and directly attributable overhead costs.

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 copper and by-products. The resulting solution is further processed in a plant to recover the copper. The cost of dump leach inventory is derived from current mining and leaching costs and is removed at the weighted average cost per recoverable pound ("lb") of copper on the leach pads as lbs of copper are recovered. Estimates of recoverable copper on the dump leach 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 the dump leach will not be known until the leaching process is concluded at the end of the mine life. Ore on the dump leach that is not expected to be recovered within the next twelve months is classified as non-current.

Materials and supplies inventories are valued at the lower of average cost less allowances for obsolescence and NRV.

If the carrying value of inventories exceeds NRV, a write-down is recognized. The write-down may be reversed in a subsequent period if the circumstances which caused the write-down no longer exist.

(f) Mineral properties

Mineral properties are carried at cost, less accumulated depletion and any accumulated impairment charges. Expenditures of mineral properties include:

i. Acquisition costs which consist of payments for property rights and leases, including the estimated fair value of exploration properties acquired as part of a business combination or the acquisition of a group of assets.

ii. Exploration, evaluation and project investigation costs incurred on an area of interest once a determination has been made that a property has economically recoverable Mineral Resources and Mineral Reserves (“R&R”) and there is a reasonable expectation that costs can be recovered by future exploitation or sale of the property. Exploration, evaluation and project investigation expenditures made prior to a determination that a property has economically recoverable R&R are expensed as incurred.

iii. Deferred stripping costs which represent the costs incurred to remove overburden and other waste materials to access ore in an open pit mine. Stripping costs incurred prior to the production phase of the mine are capitalized and included as part of the carrying value of the mineral property. During the production phase, stripping costs which provide probable future economic benefits, identifiable improved access to the ore body and which can be measured reliably are capitalized to mineral properties. Capitalized stripping costs are amortized using a unit-of-production basis over the Proven and Probable Mineral Reserve to which they relate.

iv. Development costs incurred in an area of interest, once management has determined the technical feasibility and commercial viability of a project, the project presents an appropriate rate of return on investment, and the Board of Directors has demonstrated commitment to advance the project. When additional development expenditures are made on a property after commencement of production, the expenditure is capitalized as mineral property when it is probable that additional economic benefit will be derived from future operations. Development costs are amortized using a unit-of-production basis over the Proven and Probable Mineral Reserve to which they relate.

v. Interest and financing costs on debt or other liabilities, including interest expense on deferred revenue, that are directly attributed to the acquisition, construction and development of a qualifying asset. All other borrowing costs are expensed as incurred.

vi. Easement costs incurred to support access to the Company's operating sites and the Josemaria Project.

Incidental pre-production expenditures, if any, are recognized in the consolidated statement of earnings.

(g) Plant and equipment

Plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment charges. For production plant and equipment, depreciation is recorded on a units-of-production basis. Depreciation on all other plant and equipment is recorded on a straight-line basis over the estimated useful life of the asset or over the estimated remaining life of the mine, if shorter. Residual values and useful lives are reviewed annually. Gains and losses on disposals are calculated as proceeds received less the carrying amount and are recognized in the consolidated statement of earnings.

Useful lives are as follows:

	Number of years
Buildings	8-20
Plant and machinery	3-20
Equipment	3-8

(h) Intangible assets

Separately acquired intangible assets are initially measured at cost which comprises of its purchase price and any directly attributable costs of preparing the asset for its intended use. The Company depreciates intangible assets with finite useful lives on a straight-line basis over the estimated useful life of the asset. For intangibles with an indefinite useful life, no amortization is calculated.

(i) Impairment and impairment reversals

At the end of each reporting period, the Company assesses whether there is an indication that an asset or group of assets within a cash generating unit ("CGU") may be impaired. When impairment indicators exist, the Company estimates the recoverable amount of the asset or CGU and compares it against the asset or CGU's carrying amount. The recoverable amount is the higher of the fair value less cost of disposal ("FVLCD") and the asset or CGU's value in use ("VIU"). If the carrying value exceeds the recoverable amount, an impairment loss is recorded in the consolidated statement of earnings during the period. If either FVLCD or VIU exceeds the asset or CGU's carrying amount, the asset or CGU is not impaired, and the Company does not estimate the other amount.

In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU for which the estimates of future cash flows have not been adjusted. The cash flows are based on best estimates of expected future cash flows from the continued use of the asset or the CGU and its eventual disposal.

FVLCD is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, which is best evidenced if obtained from an active market or binding sale agreement. Where neither exists, the fair value is based partly on a discounted cash flow projections model. Costs of disposal, other than those that have been recognized as liabilities, are deducted in measuring FVLCD.

Reversals of impairment are assessed at each reporting period where there is an indication that an impairment loss recognized previously may no longer exist or has decreased. If an impairment reversal indicator exists, the recoverable amount is calculated. If the recoverable amount exceeds the carrying amount, the carrying value of the CGU is increased to the recoverable amount net of depreciation. The increased carrying amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the CGU in prior years. A reversal of an impairment loss is recognized as a gain in the consolidated statement of earnings in the period it is determined.

(j) Business combinations and goodwill

Acquisitions of businesses are accounted for using the purchase method of accounting whereby all identifiable assets and liabilities are recorded at their fair values as at the date of acquisition. Any excess purchase price over the aggregate fair value of net assets is recorded as goodwill. Goodwill is identified and allocated to CGUs, or groups of CGUs, that are expected to benefit from the synergies of the acquisition. Goodwill is not amortized. Any excess of the aggregate fair value of net assets over the purchase price is recognized in the consolidated statement of earnings.

A CGU to which goodwill has been allocated is tested for impairment at least annually or when events or changes in circumstances indicate that the related carrying amount may not be recoverable. For goodwill arising on an acquisition in a financial year, the CGU to which the goodwill has been allocated is tested for impairment before the end of that financial year.

When the recoverable amount of the CGU is less than the carrying amount of that CGU, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to that CGU first, and then to the other assets of that CGU on a pro-rata basis of the carrying amount of each asset in the CGU. Any impairment loss for goodwill is recognized directly in the consolidated statement of earnings. An impairment loss for goodwill is not reversed in subsequent periods.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

(k) Leases

At inception of a contract, the Company assesses whether the contract is, or contains a lease. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less, and leases of low-value assets. For these leases, the Company recognizes the lease payments as an expense in the consolidated statement of earnings on a straight-line basis over the term of the lease.

The Company recognizes a lease liability and a right-of-use asset at the lease commencement date.

The lease liability is initially measured as the present value of future lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, each operation's applicable incremental borrowing rate. The incremental borrowing rate is the rate which the operation would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company under residual value guarantees;

- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the Company expects to exercise an option to terminate the lease.

The lease liability is subsequently measured by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

Each lease payment is allocated between the lease liability and finance cost. The finance cost is recorded as an expense in the consolidated statement of earnings over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right-of-use asset is initially measured at cost, which comprises the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Company; and
- an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The right-of-use asset is subsequently measured at cost, less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. It is depreciated in accordance with the Company's accounting policy for plant and equipment, from the commencement date to the earlier of the end of its useful life or the end of the lease term.

On the consolidated balance sheet, right-of-use assets and lease liabilities are reported in mineral properties, plant and equipment and debt and lease liabilities, respectively.

(l) Provision for pension obligations

The Company's Zinkgruvan mine has an unfunded defined benefit pension plan based on employee pensionable remuneration and length of service. The cost of the defined benefit pension plan is determined annually by independent actuaries. The actuarial valuation is based on the projected benefit method pro-rated for service which incorporates management's best estimate of future salary levels, retirement ages of employees and other actuarial factors. Actuarial gains and losses are recorded in other comprehensive income.

Payments to defined contribution plans are expensed when employees render service entitling them to the contribution.

(m) Reclamation and other closure provisions

The Company incurs reclamation and other closure costs related to its mining properties such as facility decommissioning and dismantling, end of mine life severance, site restoration and ongoing environmental monitoring. These costs are a normal consequence of mining and are dependent on the requirements of the Company's legal and constructive obligations, as well as any other commitments made to stakeholders. The majority of these expenditures will be incurred at the end of the life of mine and are dependent upon a number of factors such as the life and nature of the asset, the operating license conditions and the environment in which the mine operates.

The future obligations for mine closure activities are estimated by the Company using mine closure plans or other similar studies which outline the activities to be undertaken to meet regulatory and internal requirements. Since the obligations are dependent on the laws and regulations of the countries in which the mines operate, they are regularly evaluated by management and external experts. Costs included in the obligations encompass all reclamation and other closure activities expected to occur progressively over the life of the operation at the time of closure and post-closure in connection with disturbances as at the reporting date.

Obligations may change as a result of amendments in laws and regulations relating to environmental protection and/or other legislation affecting resource companies. Included in the estimated obligations are a number of significant assumptions made by management in determining closure provisions. Accordingly, closure provisions are more uncertain the further into the future mine closure activities are expected to be carried out.

The Company records the present value of its reclamation and other closure provisions as a liability with a corresponding increase in the carrying value of the related asset. The provision is discounted to its net present value using a country specific, current market, pre-tax discount rate. The unwinding of the discount, referred to as an accretion expense, is included in finance costs in the consolidated statement of earnings and results in an increase in the carrying amount of the liability. Reclamation obligations settled in the year are offset against the corresponding liability. Unplanned reclamation costs are reported as either part of the cost of inventory or recognized as a cost in the consolidated statement of earnings, if they relate to either production activities or a closed site.

The capitalized cost of the reclamation and other closure activities is recognized in the mineral property and plant & equipment and depreciated on a unit-of-production basis over the expected mine life of the operation to which it relates. Depreciation costs are included in the consolidated statement of earnings as part of cost of goods sold.

Changes in obligations resulting from revisions to the timing or amount of expenditures, discount rate or foreign exchange rate are recognized as an increase or decrease in the reclamation and other closure provision liability, and a corresponding change in the carrying amount of the related assets.

(n) Revenue recognition

Revenue from contracts with customers is recognized when a customer obtains control of the promised asset and the Company satisfies its performance obligation. Revenue is allocated to each performance obligation. The Company considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the entity expects to be entitled to in exchange for the transferring of promised goods. The Company earns revenue from contracts with customers related to its concentrate and copper cathode sales, and its copper, gold and silver streaming arrangements.

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.

Deferred revenue arises from up-front payments received by the Company or obligations acquired in consideration for future commitments as specified in its various streaming arrangements. The accounting for streaming arrangements is dependent on the facts and terms of each of the arrangements. Revenue from streaming arrangements is recognized when the customer obtains control of the copper, gold and/or silver metal and the Company has satisfied its performance obligations.

The Company identified significant financing components related to its streaming arrangements resulting from a difference in the timing of the up-front consideration received and delivery of the promised goods. Interest expense on deferred revenue is recognized in finance costs, or in mineral properties, plant and equipment if directly attributable to the acquisition, construction and development of a qualifying asset. The interest rate is determined based on the rate implicit in each streaming agreement at the date of inception or acquisition.

The initial consideration received from the streaming arrangements is considered variable, subject to changes in the total copper, gold and silver volumes to be delivered. Changes to variable consideration are reflected in revenue in the consolidated statement of earnings.

(o) Share-based compensation

The Company grants share-based awards in the form of share options and share units to certain employees in exchange for the provision of services. The share options and share units are equity-settled awards. The Company determines the fair value of the awards on the date of grant. This fair value is charged to the consolidated statement of earnings using a graded vesting attribution method over the vesting period of the awards, with a corresponding credit to contributed surplus. When the share options or share units are exercised, the applicable amounts of contributed surplus are transferred to share capital. At the end of the reporting period, the Company updates its estimate of the number of awards that are expected to vest and adjusts the total expense to be recognized over the vesting period. The Company also grants share-based awards to non-employee Directors in the form of deferred share units (“DSUs”) in exchange for the provision of services. DSUs are liability awards settled in cash and measured at the quoted market price at the grant date. The corresponding liability is adjusted for changes in fair value at each subsequent reporting date until the awards are settled. The fair value of the DSUs are expensed at the grant date and subsequent changes to fair value are charged to the consolidated statement of earnings.

(p) Current and deferred income taxes

Income tax expense represents the sum of current and deferred tax. Current taxes payable is based on taxable earnings for the year. Taxable earnings may differ from earnings before income tax as reported in the consolidated statement of earnings because it may exclude items of income or expense that are taxable or deductible in other years and it may further exclude items of income or expense that are never taxable or deductible. The Company’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

Income tax assets and liabilities are offset when there is a legally enforceable right to offset the assets and liabilities and when they relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities where there is an intention to settle the balance on a net basis.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which deductible temporary differences or tax loss carryforwards can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable earnings nor the accounting earnings. Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and investments in associates, except where the Company is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to earnings, except when it relates to items charged or credited directly to equity, in which case the deferred tax is reflected in equity.

(q) Earnings per share

Basic earnings per share is calculated using the weighted average number of common shares outstanding during each reporting period. Diluted earnings per share is calculated assuming the proceeds from the exercise of “in-the-money” share-based arrangements are used to purchase common shares at the average market price during the period.

(r) Accounting for debt and equity investments

As part of the capital funding process for ongoing activities at the Josemaria Project, the Company purchases debt and equity instruments via a third-party investment broker. The instruments are held for a pre-determined period and then sold. The Company only purchases equity instruments with high trading volumes and low volatilities. The instruments are designated as held-for-trading, and as such all changes in the fair value of the underlying instruments are recognized through the consolidated statement of earnings.

Upon receipt of the transferred equity instruments, or in the case of bonds the sale, by the local investment broker, the Company realizes an immediate foreign exchange impact. This foreign exchange impact is incurred directly as a result of holding debt and equity instruments with the intention of trading, and as such the foreign exchange impact is also recognized through the consolidated statement of earnings in Other income.

(s) Financial instruments

Financial instruments are recognized on the consolidated balance sheet on the trade date, the date on which the Company becomes a party to the contractual provisions of the financial instrument. The Company classifies its financial instruments in the following categories:

Financial Assets at Amortized Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. The Company intends to hold these receivables until cash flows are collected. Receivables are recognized initially at fair value, net of any transaction costs incurred and subsequently measured at amortized cost using the effective interest method. The Company recognizes a loss allowance for expected credit losses on a financial asset that is measured at amortized cost.

Financial Assets at Fair Value through Profit or Loss (“FVTPL”)

Financial assets measured at FVTPL are assets which do not qualify as financial assets at amortized cost or those not designated in hedge relationships.

Provisionally priced trade receivables are measured at FVTPL as some or all of the cash flows are dependent on commodity prices. These receivables are initially measured at their transaction price. Subsequent changes to provisionally priced trade receivables are recorded in the consolidated statement of earnings as revenue from other sources.

Marketable securities, equity investments, and derivative assets not designated in hedge relationships are classified as FVTPL. These financial assets are initially recognized at their fair value with changes to fair values recognized in the consolidated statement of earnings.

Financial Liabilities at Amortized Cost

Financial liabilities are measured at amortized cost using the effective interest method, unless they are required to be measured at FVTPL, or the Company has opted to measure them at FVTPL. Long-term debt is recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method.

Financial Liabilities at FVTPL

Financial liabilities at FVTPL are liabilities which include embedded derivatives and cannot be classified as amortized cost or derivative liabilities not designated in hedge relationships. Financial liabilities at FVTPL are initially recognized at fair value with changes to fair values recognized in the consolidated statement of earnings.

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership. Gains and losses on derecognition are generally recognized in the consolidated statement of earnings.

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of earnings.

The Company may enter into derivative instruments to mitigate exposures to commodity price and currency exchange rate fluctuations, among other exposures. Unless the derivative instruments qualify for hedge accounting, and management undertakes appropriate steps to designate them as such, they are classified as financial assets or liabilities at FVTPL and recorded at their fair value with realized and unrealized gains or losses arising from changes in the fair value recorded in the consolidated statement of earnings in the period they occur. Fair values for derivative instruments are determined using valuation techniques. The valuations use assumptions based on prevailing market conditions on the reporting date.

(iii) New standards and interpretations adopted January 1, 2023

Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies
In February 2021, the IASB issued amendments to IAS 1, Presentation of Financial Statements, and IFRS Practice Statement 2. The amendments to IAS 1 require an entity to disclose its material accounting policies instead of its significant accounting policies. The amendments include clarification on how an entity can determine material accounting policies by applying the 'four-step materiality process' described in IFRS Practice Statement 2. The amendments to IAS 1 are effective for annual periods beginning on or after January 1, 2023. The Company adopted the amendments effective January 1, 2023, with no material impact to the consolidated financial statements for 2023.

Amendments to IAS 12 - Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction
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 can no longer be applied to transactions which give rise to equal amounts of taxable and deductible temporary differences. The Company is to recognize 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.

Amendments to IAS 12 - International Tax Reform - Pillar Two Model Rules
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.

Additionally, the amendments to IAS 12 require disclosure of the Company's current tax expense or income related to Pillar Two income taxes and disclosure of known or reasonably estimable information regarding the Company's exposure to Pillar Two income taxes. The disclosure amendments to IAS 12 are effective for annual reporting periods beginning on or after January 1, 2023. The Company adopted the disclosure amendments effective January 1, 2023, with no material impact to the consolidated financial statements for 2023.

(iv) Critical accounting estimates and judgements in applying the entity’s accounting policies

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates and judgements. These estimates and judgements are based on management’s best knowledge of the relevant facts and circumstances taking into account previous experience, but actual results may differ materially from the amounts included in the financial statements.

Areas where critical accounting estimates and judgements have the most significant effect on the amounts recognized in the consolidated financial statements include:

Depreciation, depletion and amortization of mineral properties, plant and equipment - Mineral properties, plant and equipment comprise a large component of the Company’s assets and as such, the depreciation, depletion and amortization of these assets have a significant effect on the Company’s financial statements. Upon commencement of commercial production, the Company depletes mineral property over the life of the mine based on the depletion of the mine’s Proven and Probable Mineral Reserves. In the case of mining equipment or other assets, if the useful life of the asset is shorter than the life of the mine, the asset is amortized over its expected useful life.

Proven and Probable Mineral Reserves are determined based on a professional evaluation using accepted international standards for the estimation of Mineral Reserves. The assessment involves geological and geophysical studies, economic data and the reliance on a number of assumptions. The estimates of the Mineral Reserves may change based on additional knowledge gained subsequent to the initial assessment. This may include additional data available from continuing exploration, results from the reconciliation of actual mining production data against the original Mineral Reserve estimates, or the impact of economic factors such as changes in the price of commodities or the cost of components of production.

A change in the original estimate of Mineral Reserves would result in a change in the rate of depreciation, depletion and amortization of the related mineral assets. The effect of a change in the estimates of Mineral Reserves would have a relatively greater effect on the amortization of the current mining operations at Eagle because of the relatively short mine life of this operation. A short mine life results in a high rate of amortization and depreciation, and mineral assets may exist at these sites that have a useful life in excess of the revised life of the related mine.

Revenue from Contracts with Customers – To determine the transaction price for streaming agreements, the Company made estimates with respect to future production of the life of mine and R&R quantities. These estimates are subject to variability and may have an impact on the timing and amount of revenue recognized and may result in cumulative adjustments.

The Company exercised judgment in the identification of performance obligations under its contracts and the allocation of the transaction price thereto. Specifically, the Company considers the performance obligations to be the delivery of gold and silver in concentrate to offtakers and copper to streamers.

Valuation of long-term inventory - The Company carries its long-term inventory at the lower of production cost and NRV. If the carrying value exceeds the net realizable amount, a write-down is required. The write-down may be reversed in a subsequent period if the circumstances which caused it no longer exist.

The Company reviews NRV at least annually. In particular, for the NRV of long-term inventory, the Company makes significant estimates in its use of a discounted NRV model related to future production plans, forecasted commodity prices, foreign exchange rates, R&R quantities, future capital and production costs to complete, estimates of recoverable copper in leach pads, and the discount rate. These estimates are subject to various risks and uncertainties and may have an effect on the NRV estimate and the carrying value of the long-term inventory.

Valuation of mineral properties - The Company carries its mineral properties at cost less accumulated depletion and any accumulated provision for impairment. The Company expenses exploration costs which are related to specific projects until technical feasibility and commercial viability of extracting a mineral resource are demonstrable. The costs of each property and related capitalized development expenditures are depleted over the economic life of the property on a unit-of-production basis. Costs are charged to the consolidated statement of earnings when a property is abandoned or when there is a recognized impairment in value.

The Company undertakes a review of the carrying values of mineral properties and related expenditures whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts determined by reference to estimated future operating results and discounted net cash flows. An impairment loss is recognized when the carrying value of those assets is not recoverable. Where a previous impairment has been recorded, the Company analyzes any reverse impairment indicators. Impairment reversals are recognized in subsequent periods when there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In undertaking this review, management of the Company is required to make significant estimates of, amongst other things, future production and sale volumes, metal prices, foreign exchange rates, R&R quantities, future capital and production costs and reclamation costs to the end of the mine's life. These estimates are subject to various risks and uncertainties which may ultimately have an effect on the expected recoverability of the carrying values of the mineral properties and related expenditures.

The Company, from time to time, acquires exploration and development properties. When a number of properties are acquired in a portfolio, the Company must make a determination of the fair value attributable to each of the properties within the total portfolio. When the Company conducts further exploration on acquired properties, it may determine that certain of the properties do not support the fair values applied at the time of acquisition. If such a determination is made, the property is written down which could have a material effect on the consolidated balance sheet and consolidated statement of earnings.

Goodwill - The amount by which the purchase price of a business acquisition exceeds the fair value of identifiable assets and liabilities acquired is recorded as goodwill. Goodwill is allocated to the CGUs acquired based on the assessment of which CGU would be expected to benefit from the synergies of the acquisition. Estimates of recoverable value may be impacted by changes in future metal prices, foreign exchange rates, production based on estimated quantities of R&R, production and capital expenditures, pricing of in-situ mineral resources implied by the market value of selected comparable transactions involving the sale of similar companies and mineral properties, discount rates, and other factors that may be different from those used in determining fair value. Changes in estimates could have a material impact on the carrying value of the goodwill. Management's estimates of production based on quantities of R&R are based on information compiled by qualified persons (management's experts).

Reclamation and other closure provisions - The Company incurs reclamation and other closure costs related to its mining properties. The future obligations for mine closure activities are estimated by the Company using mine closure plans or other similar studies which outline the activities to be undertaken to meet regulatory and internal requirements. Since the obligations are dependent on the laws and regulations of the countries in which the mines operate, they are regularly reviewed by management and external experts, and could change as a result of amendments to the laws and regulations. Included in the estimated obligations are a number of significant assumptions made by management in determining closure provisions. Accordingly, closure provisions are more uncertain the further into the future the mine closure activities are to be carried out.

The Company's policy for recording reclamation and other closure provisions is to establish provisions for future mine closure costs based on the present value of the future cash flows required to satisfy the obligations. This provision is updated as the estimate for future closure costs change. The amount of the present value of the provision is added to the cost of the related mineral property and plant & equipment and depreciated over the life of the mine. The provision is accreted to its future value over the life of mine through a charge to finance costs.

Income taxes - Deferred tax assets and liabilities are determined based on differences between the financial statement carrying values of assets and liabilities and their respective income tax bases ("temporary differences") and losses carried forward.

The determination of the ability of the Company to utilize tax loss carry-forwards and deductible temporary differences to offset deferred tax liabilities requires management to exercise judgment and make certain assumptions about the future performance of the Company. Management is required to assess whether it is "probable" that the Company will benefit from these prior losses and other deductible temporary differences. Changes in economic conditions, metal prices and other factors could result in revisions to the estimates of the benefits to be realized or the timing of utilization of the losses.

Assessment of impairment and reverse impairment indicators - Management applies significant judgement in assessing whether indicators of impairment or reversal of impairment exist for a CGU which would necessitate impairment testing. Internal and external factors used by management to determine whether indicators exist include, but are not limited to, significant changes in the use of the asset, commodity prices, foreign exchange rates, the Company's market capitalization, capital and production forecasts, R&R quantities, and discount rates.

Contingent liabilities - Contingent liabilities are possible obligations that arise from past events which will be confirmed by the occurrence or non-occurrence of future events. These contingencies are not recognized in the consolidated financial statements when the obligation is not probable or if the obligation cannot be measured reliably. The Company exercises significant judgment when determining the probability of the future outcome and with regard to any required disclosure of contingencies, and measuring the liability is a significant estimate.

Caserones acquisition - 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 consideration over the fair value of the identifiable net assets acquired and liabilities assumed is recognized in goodwill. The determination of fair values required management to make assumptions and estimates about future events and judgements such as future metal prices, production based on estimated quantities of R&R, production and capital expenditures, pricing of in-situ mineral resources implied by the market value of selected comparable transactions involving the sale of similar companies and mineral properties, 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. Management's estimates of production based on quantities of R&R are based on information compiled by qualified persons (management's experts).

(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 from 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.

Final fair values of assets acquired and liabilities assumed:

Cash and cash equivalents	$	148,011
Trade and other receivables		253,769
Inventories		324,718
Restricted funds		4,196
Long-term inventory		84,705
Other non-current assets (a)		46,994
Mineral properties, plant and equipment		1,337,542
Deferred tax assets (b)		189,195
Total assets	$	2,389,130
Trade and other payables	$	253,786
Lease liability		257,655
Reclamation and other closure provisions		92,440
Other		2,051
Total liabilities	$	605,932
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 assigned a fair value of $47.0 million at acquisition 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.

Management used a discounted cash flow model (net present value of expected future cash flows) and market based approach to determine the fair value of the mine assets. Management used significant assumptions in the model such as future metal prices, production based on estimated quantities of R&R, production and capital expenditures, pricing of in-situ mineral resources implied by the market value of selected comparable transactions involving the sale of similar companies and mineral properties, 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 19).

Revenue and net earnings contributed by Caserones since acquisition and included in the consolidated statement of earnings were $601.8 million and $67.1 million, respectively. For the year ended December 31, 2023, $39.9 million of fair value adjustments to metal inventories acquired 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 year ended December 31, 2023 would show pro forma consolidated revenue of approximately $4,168.5 million and consolidated net earnings of approximately $438.1 million.

(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:

	December 31, 2023	December 31, 2022
Cash	**$ 197,537**	$ 158,153
Short-term deposits	**71,256**	33,234
	$ 268,793	$ 191,387

5. TRADE AND OTHER RECEIVABLES

Trade and other receivables are comprised of the following:

	December 31, 2023	December 31, 2022
Trade receivables	**$ 643,722**	$ 430,734
Value added tax	**80,088**	65,028
Prepaid expenses	**48,901**	53,767
Other receivables	**56,160**	26,649
	$ 828,871	$ 576,178

The Company does not have any significant balances that are past due nor any significant expected credit losses. The Company's credit risk is discussed in Note 27.

The fair value of trade and other receivables is disclosed in Note 23.

The carrying amounts of trade and other receivables are mainly denominated as follows: $678.7 million, CLP 78.0 billion, €22.9 million, C$22.4 million, SEK 114.1 million, BRL 34.5 million, and ARS 341.2 million as at December 31, 2023 (2022 - $435.1 million, CLP 65.7 billion, €23.1 million, C$15.6 million, SEK 69.0 million, BRL 102.8 million, and ARS 367.7 million).

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

6. INVENTORIES

Inventories are comprised of the following:

	December 31, 2023	December 31, 2022
Materials and supplies	**$ 313,966**	$ 184,720
Ore stockpiles and dump leach	**207,602**	69,781
Finished goods - concentrate stockpiles	**72,515**	42,209
Finished goods - copper cathode	**5,324**	—
	$ 599,407	$ 296,710

Long-term Inventories are comprised of the following:

	December 31, 2023	December 31, 2022
Ore stockpiles at Candelaria	**$ 427,075**	$ 394,240
Ore stockpiles at Chapada	**270,570**	247,637
Dump leach at Caserones	**99,952**	—
	$ 797,597	$ 641,877

The Company recognized a net realizable value write-down in the Chapada long-term ore stockpiles of $nil (December 31, 2022 - $66.8 million), with $nil of the write-down included in depreciation, depletion and amortization (December 31, 2022 - $4.2 million).

7. OTHER NON-CURRENT ASSETS

Other non-current assets are comprised of the following:

	December 31, 2023	December 31, 2022
Caserones purchase option (Note 3)	**$ 44,438**	$ —
Marketable securities	**14,268**	12,075
Other	**8,384**	7,960
	$ 67,090	**$ 20,035**

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

8. 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	322,465	92,649	277,249	228,462	14,270	935,095
Disposals and transfers	93,105	259,430	(369,687)	(5,279)	4,041	(18,390)
Effects of foreign exchange	(147,790)	(63,306)	(14,098)	—	(363)	(225,557)
As at December 31, 2022	5,546,923	3,752,177	236,056	876,419	32,626	10,444,201
Caserones Acquisition (Note 3)	—	1,243,432	94,110	—	—	1,337,542
Additions	280,100	96,281	406,540	253,648	82	1,036,651
Disposals and transfers	117,462	178,080	(409,927)	—	30,587	(83,798)
Effects of foreign exchange	70,269	38,027	3,482	—	274	112,052
As at December 31, 2023	**$ 6,014,754**	**$ 5,307,997**	**$ 330,261**	**$ 1,130,067**	**$ 63,569**	**$ 12,846,648**

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	308,831	252,003	—	—	3,829	564,663
Disposals and transfers	(79)	(5,461)	—	—	(119)	(5,659)
Effects of foreign exchange	(93,517)	(30,187)	—	—	(101)	(123,805)
As at December 31, 2022	2,835,431	1,621,439	—	—	11,645	4,468,515
Depreciation	313,900	346,669	—	—	5,270	665,839
Disposals and transfers	—	(74,790)	—	—	—	(74,790)
Effects of foreign exchange	44,744	17,063	—	—	108	61,915
As at December 31, 2023	**$ 3,194,075**	**$ 1,910,381**	**$ —**	**$ —**	**$ 17,023**	**$ 5,121,479**

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 December 31, 2023	**$ 2,820,679**	**$ 3,397,616**	**$ 330,261**	**$ 1,130,067**	**$ 46,546**	**$ 7,725,169**

[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 year ended December 31, 2023, the Company completed the Caserones acquisition (Note 3) acquiring $1,337.5 million of plant and equipment and assets under construction.

On April 28, 2022, the Company completed the Josemaria Resources Inc. acquisition acquiring $668.8 million of mineral properties, plant and equipment related to the Josemaria Project. The Company began to capitalize the Josemaria Project development costs during the fourth quarter of 2022.

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

During the year ended December 31, 2023, the Company capitalized $20.4 million (December 31, 2022 - $4.4 million) of finance costs to assets under construction and the Josemaria Project at a weighted average interest rate of 6.2% (December 31, 2022 - 5.5%).

During the year ended December 31, 2023, the Company capitalized $222.4 million (December 31, 2022 - $253.4 million) of deferred stripping costs to mineral properties. The depreciation expense related to deferred stripping for the year ended December 31, 2023, was $109.0 million (December 31, 2022 - $123.0 million). Included in the mineral properties balance at December 31, 2023 is $277.5 million (December 31, 2022 - $681.7 million) related to deferred stripping at Candelaria and Caserones, which is currently non-depreciable.

The Company's software intangible assets relate primarily to a global, distinct instance of an Enterprise Resource Planning ("ERP") system, and related configuration and customization costs incurred in preparing the intangible asset for its intended use. These assets have useful lives of 8 years or less, and are amortized on a straight-line basis.

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		22,071
Depreciation		(21,288)
Disposals		(75)
Effects of foreign exchange		(414)
As at December 31, 2022		27,923
Caserones Acquisition (Note 3)		257,655
Additions		54,809
Depreciation		(51,391)
Disposals		(5,363)
Effects of foreign exchange		364
As at December 31, 2023	**$**	**283,997**

9. GOODWILL

The Company recognized goodwill on the acquisition of Chapada, Neves-Corvo, and Ojos del Salado (“Ojos”). Goodwill is allocated to the following CGUs:

		Chapada		Neves-Corvo		Ojos[1]		Total
Balance at December 31, 2021	$	134,284	$	98,008	$	10,713	$	243,005
Effects of foreign exchange		—		(5,711)		—		(5,711)
Balance at December 31, 2022		134,284		92,297		10,713		237,294
Effects of foreign exchange		—		3,322		—		3,322
Balance at December 31, 2023	**$**	**134,284**	**$**	**95,619**	**$**	**10,713**	**$**	**240,616**

[1] Ojos is included in the Candelaria reporting segment.

The Company performs an impairment assessment annually, or more frequently if there are impairment indicators, for the carrying amount of its CGUs where goodwill is allocated.

The recoverable value of a CGU is determined using the FVLCD method applied by using a discounted cash flow model based on life-of-mine financial plans, and a market-based approach. Significant assumptions used by management to determine the recoverable amount include future metal prices, production based on estimated quantities of R&R, production and capital expenditures, foreign exchange rates, pricing of in-situ mineral resources implied by the market value of selected comparable transactions involving the sale of similar companies and mineral properties, and discount rates.

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

For the 2023 assessment, future metal prices and foreign exchange rates used in the discounted cash flow models are based on market consensus estimates observed during the fourth quarter of 2023. The valuation of recoverable amount is most sensitive to changes in metal prices, exchange rates, discount rates and pricing of in-situ mineral resources.

Production costs and capital expenditures included in the discounted cash flow models are based on operating plans which consider past and estimated future performance.

Inputs utilized in the discounted cash flow models were based on level 3 fair value measurements (Note 23), which were not based on observable market data. The R&R were based on the Company's last published estimate dated December 31, 2023. Incorporated in the FVLCD are fair value estimates developed by the Company for mineral resources not captured in the cash flow projections model. These estimates are valued using third-party market information, which includes pricing of in-situ mineral resources implied by the market value of selected comparable transactions involving the sale of similar companies and mineral properties.

Chapada

For the Chapada CGU impairment review, the Company used a FVLCD model (level 3 measurement). For the years ended December 31, 2023 and 2022, the Company determined that the recoverable amount of the Chapada CGU was higher than its carrying value, and therefore no impairment was recognized.

Sensitivity analysis was performed on the cash flow model for Chapada. At December 31, 2023, impairment would result from a decrease in the long-term copper price to approximately $3.70/lb, with all other inputs unchanged.

Key assumptions for Chapada

	2023	2022
Copper price $/lb	3.80 - 4.20	3.75 - 3.85
Gold price $/oz	1,750 - 2,000	1,700 - 1,750
After-tax discount rate	7.5%	8.0%
BRL/$ exchange rate	5.00	5.00 - 5.20
Life of mine	28 years	29 years

Neves-Corvo

For the Neves-Corvo CGU impairment review, the Company used a FVLCD model (level 3 measurement). For the years ended December 31, 2023 and 2022, the Company determined that the recoverable amount of the Neves-Corvo CGU was higher than its carrying value, and therefore no impairment was recognized.

Sensitivity analysis was performed on the cash flow model for Neves-Corvo. Changes in key inputs such as metal prices (+/-5%) and pricing of in-situ mineral resources (+/-5%) did not have a material impact on the result of the Company's goodwill impairment assessment.

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

Key assumptions for Neves-Corvo

	2023	2022
Copper price $/lb	3.80 - 4.20	3.75 - 3.85
Zinc price $/lb	1.15 - 1.20	1.15 - 1.30
After-tax discount rate	9.0%	9.0%
$/€ exchange rate	1.05 - 1.15	1.03 - 1.10
Life of mine	10 years	10 years

Ojos

For the Ojos CGU impairment review, the Company used a FVLCD model (level 3 measurement). For the years ended December 31, 2023 and 2022, the Company determined that the recoverable amount of the Ojos CGU was higher than its carrying value, and therefore no impairment was recognized.

10. TRADE AND OTHER PAYABLES

Trade and other payables are comprised of the following:

	December 31, 2023	December 31, 2022
Trade payables	**$ 393,829**	$ 315,948
Unbilled goods and services	**176,444**	122,390
Employee benefits payable	**114,514**	88,086
Sinkhole provision	**29,827**	38,000
Royalties payable	**23,773**	16,283
Prepayment from customers	**21,963**	389
Pricing provisions on concentrate sales	**13,201**	8,484
Deferred consideration, current portion (Note 3)	**10,000**	—
Other	**22,212**	23,385
	$ 805,763	$ 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 $106.2 million has been reported in Other Long-Term Liabilities.

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

11. DEBT AND LEASE LIABILITIES

Debt and lease liabilities are comprised of the following:

		December 31, 2023		December 31, 2022
Revolving credit facility (a)	**$**	**245,084**	$	13,730
Term loan (b)		**798,542**		—
Candelaria and Chapada term loans (c)		**48,850**		127,400
Lease liabilities (d)		**277,208**		27,166
Commercial paper (e)		**116,025**		26,665
Line of credit		**99**		2,367
Debt and lease liabilities		**1,485,808**		197,328
Less: current portion		**212,646**		170,149
Long-term portion	**$**	**1,273,162**	$	27,179

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

		Leases		Debt		Total
As at December 31, 2021	$	25,878	$	5,125	$	31,003
Josemaria acquisition		38		47,000		47,038
Additions		21,198		282,938		304,136
Payments		(21,651)		(160,824)		(182,475)
Disposals		(26)		—		(26)
Interest		1,434		—		1,434
Financing fee amortization		—		656		656
Financing fee reclassification		—		(4,926)		(4,926)
Effects of foreign exchange		295		193		488
As at December 31, 2022		27,166		170,162		197,328
Caserones Acquisition (Note 3)		257,655		—		257,655
Additions		54,392		2,490,597		2,544,989
Payments		(59,841)		(1,451,804)		(1,511,645)
Disposals		(6,221)		—		(6,221)
Interest		12,521		—		12,521
Financing fee amortization		—		846		846
Deferred financing fee		—		(2,950)		(2,950)
Effects of foreign exchange		(8,464)		1,749		(6,715)
As at December 31, 2023		277,208		1,208,600		1,485,808
Less: current portion		47,672		164,974		212,646
Long-term portion	**$**	**229,536**	**$**	**1,043,626**	**$**	**1,273,162**

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 unsecured, save and except for a charge over certain assets in the USA, and is subject to customary covenants. During the year ended December 31, 2023, the Company drew down $1,209.0 million (December 31, 2022 - $50.0 million), and repaid $977.0 million (December 31, 2022 - $32.0 million). Of the $1,209.0 million drawn down, $800.0 million was drawn in July 2023 to fund the upfront cash consideration for the Caserones Acquisition (Note 3) and was refinanced thereafter following the closing of the term loan. As at December 31, 2023, a principal balance of $250.0 million (December 31, 2022 - $18.0 million) was outstanding, with unamortized deferred financing fees of $4.9 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 December 31, 2023, a principal balance of $800.0 million was outstanding, with unamortized deferred financing fees of $1.5 million netted against borrowings.

c) During 2022, Compañia Contractual Minera Candelaria S.A. ("Candelaria") obtained an unsecured fixed term loan in the amount of $50.0 million, which accrued interest at a rate of 6.13% per annum and was fully repaid on December 20, 2023. As at December 31, 2023, a principal balance of $nil (December 31, 2022 - $50.0 million) was outstanding. In February 2024, Candelaria obtained an additional unsecured fixed term loan in the amount of $50.0 million, which accrues interest at a rate of 5.67% per annum and matures in May 2024.

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 $205.7 million during the year ended December 31, 2023 (December 31, 2022 - $101.4 million). Chapada repaid $234.3 million of the outstanding term loans during the year ended December 31, 2023 (December 31, 2022 - $24.0 million).

As at December 31, 2023, there were sixteen term loans outstanding at Chapada totalling $48.9 million (December 31, 2022 - nine term loans totalling $77.4 million). These outstanding term loans accrue interest at rates ranging from 6.80% to 7.15% per annum with interest payable upon maturity. The maturity dates range from March to April 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.

Certain leases relating to mine development, exploration, production and transportation equipment contain variable lease expenses based on tonnage or drilling metres. Variable lease expense for the year ended December 31, 2023 was $181.7 million (2022 - $173.9 million). The Company has short-term leases related to mining equipment and office space. Short-term lease expense for the period ended December 31, 2023 was $6.9 million (2022 - $3.0 million).

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

e) Sociedade Mineira de Neves-Corvo, S.A. ("Somincor"), a subsidiary of the Company which owns the Neves-Corvo mine, entered into a commercial paper program ("Commercial Paper Program 1") in September 2022 which matures in May 2025 and is unsecured. The $27.6 million (€25.0 million) program bears interest on drawn funds at EURIBOR+0.50%. 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 is unsecured and has a borrowing capacity of $55.3 million (€50.0 million), matures in June 2028, and bears interest on drawn funds at EURIBOR+0.50%. Commercial Program 3 is unsecured and has a borrowing capacity of $44.2 million (€40.0 million), matures in July 2028, and bears interest on drawn funds at EURIBOR+0.30%.

During the years ended December 31, 2023 and 2022, Somincor made the following withdrawals and payments from the respective programs:

	Year ended December 31,	
	2023	2022
Commercial Paper Program 1		
Withdrawals	**$86,060 (€80 million)**	$81,538 (€80.0 million)
Payments	**$ 86,024 (€80 million)**	$55.685 (€55.0 million)
Commercial Paper Program 2		
Withdrawals	**$97,689 (€90 million)**	—
Payments	**$43,272 (€40 million)**	—
Commercial Paper Program 3		
Withdrawals	**$92,120 (€85 million)**	—
Payments	**$58,914 (€55 million)**	—

As at December 31, 2023, Commercial Paper Program 1, Commercial Paper Program 2, and Commercial Paper Program 3 remain drawn at $27.6 million (€25 million), $55.3 million (€50.0 million), and $33.2 million (€30.0 million), respectively.

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

		Leases		Debt		Total
Less than one year	$	66,970	$	164,974	$	231,944
One to five years		180,036		1,050,000		1,230,036
More than five years		153,944		—		153,944
Total undiscounted obligations as at December 31, 2023	**$**	**400,950**	**$**	**1,214,974**	**$**	**1,615,924**

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

12. DEFERRED REVENUE

The following table summarizes the changes in deferred revenue:

As at December 31, 2021	$	693,467
Recognition of revenue		(73,733)
Variable consideration adjustment		3,492
Finance costs		37,621
Effects of foreign exchange		(6,741)
As at December 31, 2022		654,106
Recognition of revenue		(72,743)
Variable consideration adjustment		3,018
Finance costs		36,004
Effects of foreign exchange		2,845
As at December 31, 2023		623,230
Less: current portion		87,867
Long-term portion	**$**	**535,363**

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. As a result of changes to the Company's R&R, adjustments have been made to the deferred revenue liability for 2022 and 2023 which were recognized through revenue and finance costs.

For the year ended December 31, 2023, the Company recognized finance costs at a weighted average rate of 5.5% (2022 - 5.5%) on the deferred revenue balances.

a) Candelaria

The Company entered into a stream agreement with Franco-Nevada Corporation ("FN"), whereby the Company has agreed to sell 68% of all the gold and silver contained in production from Candelaria until 720,000 oz of gold and 12 million oz of silver have been delivered. Thereafter, FN will be entitled to purchase 40% of the gold and silver production from Candelaria. The Company received an up-front payment of $648 million which is being recognized as gold and silver are delivered to FN under the contract.

For each ounce of gold and silver delivered, FN makes payments equal to the lesser of the prevailing market prices and approximately $425/oz of gold and $4.24/oz of silver (2022 - $420/oz of gold and $4.20/oz of silver), subject to a 1% annual inflationary adjustment. In 2023, approximately 56,000 oz of gold and 889,000 oz of silver (2022 - approximately 55,000 oz of gold and 983,000 oz of silver) were subject to the terms of the streaming agreement.

The deferred revenue balance as at December 31, 2023 at Candelaria is $409.7 million (December 31, 2022 - $435.5 million).

b) Chapada mine

The Company assumed the following streaming agreements with Sandstorm Gold Ltd. ("Sandstorm") and Altius Minerals Corporation ("Altius") when the Chapada mine was acquired:

Sandstorm is entitled to purchase the lesser of 3.9 million pounds ("Mlbs") or 4.2% of the payable copper produced annually from Chapada at 30% of the market price. The percentage of payable copper is subject to two reduction thresholds. Once an aggregate of 39 Mlbs has been delivered, the percentage of payable copper reduces to 3.0%. Upon delivery of 50 Mlbs of copper in aggregate, the percentage of payable copper reduces to 1.5% for the remaining life of mine. In 2023, approximately 3.5 Mlbs (2022 – 3.9 Mlbs) were delivered under this agreement. The deferred revenue is being recognized as copper is delivered to Sandstorm under the contract.

Altius is entitled to purchase 3.7% of the payable copper produced from Chapada at 30% of the market price. The percentage of payable copper is subject to two reduction thresholds. In the event of a specified expansion at Chapada, the percentage of payable copper reduces to 2.65%. Also, upon delivery of 75 Mlbs of copper in aggregate, the percentage of payable copper reduces to 1.5% for the remaining life of mine. In 2023, approximately 3.4 Mlbs (2022 – 3.7 Mlbs) were delivered under this agreement. The deferred revenue is being recognized as copper is delivered to Altius under the contract.

The deferred revenue balance as at December 31, 2023 at Chapada is $146.2 million (December 31, 2022 - $154.1 million).

c) Neves-Corvo mine

The Company has an agreement to deliver all of the silver contained in concentrate produced from its Neves-Corvo mine to Wheaton Precious Metals Corporation ("Wheaton"). The Company received an up-front payment which was deferred and is being recognized in revenue as silver is delivered under the contract. The Company receives the lesser of a fixed payment (subject to annual inflationary adjustments) and the market price per ounce of silver. During 2023, the Company received approximately $4.46/oz of silver (2022 - $4.42/oz). The agreement extends to the earlier of September 2057 and the end of mine life.

The deferred revenue balance as at December 31, 2023 at Neves-Corvo is $26.8 million (December 31, 2022 - $25.1 million).

d) Zinkgruvan mine

The Company has an agreement with Wheaton to deliver all of the silver contained in concentrate from its Zinkgruvan mine. The Company received an up-front payment which was deferred and is being recognized in revenue as silver is delivered under the contract and receives the lesser of a fixed payment (subject to annual inflationary adjustments) and the market price per ounce of silver. During 2023, the Company received approximately $4.60/oz of silver (2022 - $4.53/oz). The agreement includes a guaranteed minimum delivery of 40.0 million oz of silver over an initial 25 year term. If at the end of the initial term the Company has not met its minimum obligation, it must pay $1.00 for each ounce of silver not delivered. An aggregate total of approximately 33.3 million oz has been delivered since the inception of the contract in 2004.

The deferred revenue balance as at December 31, 2023 at Zinkgruvan is $40.5 million (December 31, 2022 - $39.4 million).

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

13. 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	14,344	—	14,344
Changes in estimate	45,766	11,374	57,140
Changes in discount rate	(43,667)	—	(43,667)
Payments	(11,175)	(4,728)	(15,903)
Effects of foreign exchange	(11,214)	(907)	(12,121)
Balance, December 31, 2022	401,020	44,828	445,848
Acquisition of Caserones (Note 3)	92,440	—	92,440
Accretion	23,169	—	23,169
Changes in estimate	(30,507)	5,572	(24,935)
Changes in discount rate	14,584	—	14,584
Payments	(8,842)	(1,649)	(10,491)
Effects of foreign exchange	5,281	(1,720)	3,561
Balance, December 31, 2023	497,145	47,031	544,176
Less: current portion	9,119	5,323	14,442
Long-term portion	**$ 488,026**	**$ 41,708**	**$ 529,734**

The Company expects these liabilities to be settled between 2024 and 2110. The reclamation provisions are discounted using current market pre-tax discount rates which range from 2.0% to 10.4% (December 31, 2022 - 2.0% to 13.5%).

14. SHARE CAPITAL

(a) Authorized and issued shares

Authorized share capital consists of an unlimited number of voting common shares with no par value and one special non-voting share with no par value. As at December 31, 2023, there were 773,667,789 fully paid voting common shares issued (2022 - 770,746,531 shares). The special non-voting share is not issued and outstanding.

(b) Share units

The Company has a Share Unit Plan ("SU Plan") which provides for share unit awards ("SUs") to be granted by the Board of Directors to certain employees of the Company. The maximum number of SUs that are issuable under the SU Plan is 14,000,000. An SU is a unit representing the right to receive one common share (subject to adjustments) issued from treasury.

The number and terms of SUs awarded will be determined by the Board of Directors based on the closing market price on the TSX of the Company's common shares on the date of the grant. The Company uses the fair value method of accounting for the recording of SU grants to employees and officers.

i) *Time-vesting SUs*

During 2023, the Company granted 795,903 time-vesting SUs to employees and officers that expire in 2026. These SUs vest three years from the grant date with the number of SUs being fixed, and with no vesting conditions other than service. The fair value of the time-vesting SUs are based on the market value of the shares on the date of the grant and an estimated forfeiture rate of approximately 11% (2022 - 11%). The weighted average fair value per time-vesting SU granted during 2023 was C$8.23 (2022 - C$11.38). The Company incurred share-based compensation related expenditures of $2.9 million for 2023 (2022 - $3.1 million) with a corresponding credit to contributed surplus related to time-vesting SUs. As at December 31, 2023, there was $3.8 million (2022 - $2.6 million) of unamortized stock-based compensation expense related to time-vesting SUs.

ii) *Performance-vesting SUs*

During 2023, the Company granted 584,900 performance-vesting SUs to officers that expire in 2026. These SUs vest three years from the grant date with the number of SUs being variable, which can range from zero to 1,169,800 contingent upon achieving applicable performance vesting conditions. The fair value of the performance-vesting SUs are based on a Monte Carlo model and an estimated forfeiture rate of approximately 11% (2022 - 11%). The weighted average fair value per performance-vesting SU granted during 2023 was C$7.94 (2022 - C$13.52). The Company incurred share-based compensation related expenditures of $1.3 million for 2023 (2022 - $0.3 million) with a corresponding credit to contributed surplus related to performance-vesting SUs. As at December 31, 2023, there was $2.7 million (2022 - $0.7 million) of unamortized stock-based compensation expense related to performance-vesting SUs.

During 2023, 722,822 common shares (2022 - 1,222,797) were issued as a result of SUs being vested.

(c) Stock options

The Company’s Stock Option Plan provides for stock option awards to be granted by the Board of Directors to certain employees of the Company. The term of any stock options granted under the Stock Option Plan may not exceed seven years from the date of grant. The maximum number of stock options that are issuable under the Stock Option Plan is 42,000,000. The vesting requirements are established by the Board of Directors.

The Company uses the fair value method of accounting for the recording of stock options. Under this method, the Company incurred share-based compensation related expenditures of $3.6 million for 2023 (2022 - $4.4 million) with a corresponding credit to contributed surplus.

During 2023, the Company granted 1,918,733 stock options to employees and officers that expire in 2030. The stock options vest over three years from the grant date. The Black-Scholes option pricing model used to determine the fair value of the stock options at the date of the grant assumed a dividend of $0.36/share, risk-free interest rate of 3.09% to 3.96% (2022 - 1.59% to 2.87%), expected life of 4.4 years (2022 - 4.4 years) and expected price volatility of 47% to 48% (2022 - 47%). Volatility is determined using the historical daily volatility over the expected life of the options. A forfeiture rate of approximately 11% was applied (2022 - 11%). The weighted average fair value per stock option granted during 2023 was C$2.51 (2022 - C$3.47). As at December 31, 2023, there was $1.9 million of unamortized stock-based compensation expense (2022 - $2.1 million) related to stock options.

During 2023, 2,044,059 common shares (2022 - 3,202,107) were issued as a result of stock options being exercised.

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

(d) Deferred share units

During the year ended December 31, 2023, the Company adopted a Deferred Share Unit Plan effective January 1, 2024 under which DSUs are granted by the Board of Directors quarterly to eligible non-employee Directors. The DSUs will accumulate and will be settled in cash at the time of each eligible Director's departure or at the termination of the DSU Plan. A director will receive a cash payment equal to the market value of such DSUs plus accrued dividend equivalents as of the settlement date. At December 31, 2023, there were no DSUs outstanding as there had been no grants issued under the plan.

(e) Replacement options

During 2022, the Company issued 2,513,866 Replacement Options upon closing of the Josemaria acquisition.

During 2023, 154,377 common shares (2022 - 2,064,037) were issued as a result of Replacement Options being exercised.

The continuity of share-based payments outstanding is as follows:

	Number of SUs	Number of Replacement Options	Weighted average exercise price (C$)	Number of options	Weighted average exercise price (C$)
Outstanding, December 31, 2021	2,320,750	—	—	8,652,925	8.82
Granted	507,579	—	—	1,830,020	11.54
Josemaria acquisition	—	2,513,866	4.99	—	—
Forfeited	(292,476)	(14,598)	5.05	(821,841)	11.08
Exercised	(1,222,797)	(2,064,037)	4.97	(3,202,107)	7.25
Outstanding, December 31, 2022	1,313,056	435,231	5.09	6,458,997	10.08
Granted	1,380,803	—	—	1,918,733	8.06
Forfeited	(150,096)	—	—	(824,869)	11.53
Exercised	(722,822)	(154,377)	5.42	(2,044,059)	7.04
Outstanding, December 31, 2023	**1,820,941**	**280,854**	**4.91**	**5,508,802**	**10.26**

The following table summarizes options outstanding as at December 31, 2023:

	Outstanding Options			Exercisable Options		
Range of exercise prices (C$)	Number of Options Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price (C$)	Number of Options Exercisable	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price (C$)
4 to 6.99	328,500	0.6	6.57	328,500	0.6	6.57
7 to 9.99	2,590,731	4.5	7.69	869,498	1.1	7.09
10 to 12.99	1,245,337	4.7	11.54	544,513	4.1	11.54
13 to 15.99	1,344,234	3.8	14.92	1,054,370	3.7	14.91
	5,508,802	**4.1**	**10.26**	**2,796,881**	**2.6**	**10.84**

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

The following table summarizes Replacement Options outstanding as at December 31, 2023:

	Outstanding and Exercisable Replacement Options		
Range of exercise prices (C$)	Number of Options Exercisable	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price (C$)
4 to 4.99	280,854	1.7	4.91
	280,854	**1.7**	**4.91**

(f) Basic and diluted weighted average number of shares outstanding

	December 31, 2023	December 31, 2022
Basic weighted average number of shares outstanding	**772,532,260**	762,518,753
Effect of dilutive securities	**760,635**	1,075,300
Diluted weighted average number of shares outstanding	**773,292,895**	763,594,053
Antidilutive securities	**137,900**	423,200

The effect of dilutive securities relates to in-the-money outstanding stock options and SUs.

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

(g) Dividends

The Company declared dividends in the amount of $206.1 million (2022 - $275.8 million), or C$0.36 per share, for the year ended December 31, 2023 (2022 - C$0.47 per share).

(h) Normal course issuer bid

In December 2022, the Company obtained approval from the TSX for the renewal of its normal course issuer bid ("NCIB") to purchase up to 65,313,173 common shares between December 9, 2022 and December 8, 2023. Daily purchases (other than pursuant to a block purchase exemption) on the TSX under the NCIB were limited to a maximum of 875,921 common shares. In connection with the NCIB renewal, the Company entered into an automatic share purchase plan (“ASPP”) with its broker to allow for the purchase of common shares at times when the Company ordinarily would not be active in the market due to trading blackout periods, insider trading rules or otherwise.

In December 2023, the Company obtained approval from the TSX for the renewal of its NCIB to purchase up to 52,538,870 common shares between December 11, 2023 and December 10, 2024. Daily purchases (other than pursuant to a block purchase exemption) on the TSX under the NCIB are limited to a maximum of 564,097 common shares. In connection with the NCIB renewal, the Company entered into an ASPP with its broker under the same terms as the ASPP entered in December 2022.

For the year ended December 31, 2023, 0 shares were purchased under the NCIB.

For the year ended December 31, 2022, 10,761,500 shares were purchased under the NCIB at an average price of C$7.21 per share for total consideration of $59.4 million. All of the common shares purchased were cancelled.

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

15. NON-CONTROLLING INTERESTS

Set out below is summarized financial information for each subsidiary with non-controlling interest ("NCI") that is material to the group. As part of its Candelaria segment, the Company owns 80% of Compañia Contractual Minera Candelaria S.A. ("Candelaria mine") and Compañia Contractual Minera Ojos del Salado S.A.'s ("Ojos mine") copper mining operations and supporting infrastructure in Chile. In addition, the Company owns 51% of Lumina Copper ("Caserones mine"), also located in Chile.

The continuity of the Company's non-wholly owned subsidiaries with material NCI is as follows:

	Candelaria mine	Ojos mine	Caserones mine	Total
NCI in subsidiary at December 31, 2023	20%	20%	49%	
As at December 31, 2021	$ 511,326	$ 36,254	$ —	$ 547,580
Share of net comprehensive income (loss)	38,025	(1,516)	—	36,509
Distributions	(10,000)	(10,000)	—	(20,000)
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)	40,974	779	32,294	74,047
Distributions	(11,000)	—	(44,100)	(55,100)
As at December 31, 2023	$ 569,325	$ 25,517	$ 861,961	$ 1,456,803

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

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 mine	
	As at Dec. 31, 2023	As at Dec. 31, 2022	**As at Dec. 31, 2023**	As at Dec. 31, 2022	**As at Dec. 31, 2023**	As at Dec. 31, 2022
Total current assets	**$ 455,675**	$ 557,565	**$ 56,542**	$ 77,177	**$ 708,927**	$ —
Total non-current assets	**$ 2,975,231**	$ 2,818,053	**$ 165,568**	$ 169,985	**$ 1,629,052**	$ —
Total current liabilities	**$ 214,205**	$ 299,605	**$ 52,109**	$ 83,083	**$ 323,797**	$ —
Total non-current liabilities	**$ 603,799**	$ 564,228	**$ 42,390**	$ 39,463	**$ 267,263**	$ —

Summarized Statements of Earnings and Comprehensive Income (Loss)

	Candelaria mine		Ojos mine		Caserones mine[1]	
For the years ended December 31,	**2023**	2022	**2023**	2022	**2023**	2022
Total revenue	**$ 1,387,341**	$ 1,364,274	**$ 142,242**	$ 180,726	**$ 601,775**	$ —
Net earnings (loss)	**$ 178,989**	$ 209,346	**$ 2,995**	$ (7,586)	**$ 63,349**	$ —
Net comprehensive income (loss)	**$ 179,349**	$ 209,173	**$ 2,995**	$ (7,586)	**$ 63,349**	$ —

Summarized Statement of Cash Flows

	Candelaria mine		Ojos mine		Caserones mine[1]	
For the years ended December 31,	**2023**	2022	**2023**	2022	**2023**	2022
Cash provided by operating activities	**494,847**	377,704	**9,617**	28,849	**179,371**	$ —
Cash used in investing activities	**(360,743)**	(371,303)	**(19,203)**	(20,096)	**(129,266)**	—
Cash (used in)/provided by financing activities	**(132,551)**	(55,388)	**1,424**	(50,244)	**(131,807)**	—
Increase (decrease) in cash and cash equivalents during the year	**$ 1,553**	$ (48,987)	**$ (8,162)**	$ (41,491)	**$ (81,702)**	$ —

[1]Summarized Statements of Earnings and Comprehensive Income (Loss) and Summarized Statement of Cash Flows at Caserones mine are from the date of acquisition (Note 3)

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

16. REVENUE

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

		2023		2022
Revenue from contracts with customers:				
Copper	$	**2,423,639**	$	2,018,678
Zinc		**308,806**		379,755
Nickel		**291,169**		351,385
Gold		**234,318**		225,716
Molybdenum		**82,069**		—
Lead		**60,730**		61,245
Silver		**47,045**		42,654
Other		**39,664**		50,811
		3,487,440		3,130,244
Provisional pricing adjustments on current year concentrate sales		**(84,021)**		(118,102)
Provisional pricing adjustments on prior year concentrate sales		**(11,342)**		29,086
Revenue	$	**3,392,077**	$	3,041,228

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

		2023		2022
Revenue from contracts with customers:				
China	$	**820,587**	$	167,576
Japan		**662,513**		838,383
Spain		**602,942**		537,268
Canada		**403,911**		497,030
Finland		**275,361**		277,465
Sweden		**159,653**		148,744
Germany		**129,318**		241,795
Other		**433,155**		421,983
		3,487,440		3,130,244
Provisional pricing adjustments on current year concentrate sales		**(84,021)**		(118,102)
Provisional pricing adjustments on prior year concentrate sales		**(11,342)**		29,086
Revenue	$	**3,392,077**	$	3,041,228

Revenue from contracts with customers for the year ended December 31, 2023 includes a decrease of $1.8 million (2022 - decrease of $0.1 million) due to variable consideration adjustments.

Provisional pricing adjustments on prior year concentrate sales include adjustments on pricing from sales during 2022 in addition to pricing adjustments from Caserones sales prior to the date of Acquisition (Note 3). During the three months ended December 31, 2023, provisional pricing adjustments on current and prior period concentrate sales were $18.1 million positive and $23.9 million negative, respectively.

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

17. PRODUCTION COSTS

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

		2023		2022
Direct mine and mill costs	**$**	**1,897,784**	$	1,490,348
Transportation		**136,993**		121,262
Royalties		**51,331**		49,748
Total production costs	**$**	**2,086,108**	$	1,661,358

During the year ended December 31, 2023, the Company incurred $6.3 million (2022 - $20.0 million) related to union negotiation settlements at the Company's Candelaria operations in Chile, which were reported in direct mine and mill costs.

18. EMPLOYEE BENEFITS

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

		2023		2022
Production costs				
Wages and benefits	**$**	**363,992**	$	296,428
Retirement benefits		**1,561**		1,655
Share-based compensation		**1,643**		2,325
		367,196		300,408
General and administrative expenses				
Wages and benefits		**25,109**		21,876
Retirement benefits		**975**		875
Share-based compensation		**5,412**		5,133
Termination benefits		**7,173**		5,583
		38,669		33,467
General exploration and business development				
Wages and benefits		**5,060**		8,030
Retirement benefits		**37**		35
Share-based compensation		**246**		345
Termination benefits		**313**		—
		5,656		8,410
Total employee benefits	**$**	**411,521**	$	342,285

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

19. GENERAL EXPLORATION AND BUSINESS DEVELOPMENT

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

		2023		2022
General exploration	**$**	**44,730**	$	36,750
Corporate development		**6,148**		297
Project development		**4,814**		107,306
Total general exploration and business development	**$**	**55,692**	$	144,353

For the year ended December 31, 2023, corporate development expenses include $5.2 million 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.

20. FINANCE INCOME AND COSTS

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

		2023		2022
Interest income	**$**	**11,137**	$	4,211
Interest expense and bank fees		**(51,358)**		(10,196)
Deferred revenue finance costs		**(25,996)**		(36,621)
Accretion expense on reclamation provisions		**(23,169)**		(14,344)
Lease liability interest		**(12,521)**		(1,434)
Other		**(792)**		(5,801)
Total finance costs, net	**$**	**(102,699)**	$	(64,185)

Finance income	**$**	**11,137**	$	4,211
Finance costs		**(113,836)**		(68,396)
Total finance costs, net	**$**	**(102,699)**	$	(64,185)

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

21. OTHER INCOME AND EXPENSE

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

	2023	2022
Foreign exchange and trading gains on debt and equity investments (a)	**$ 86,784**	$ 93,132
Realized gains on derivative contracts (Note 23)	**49,712**	5,980
Gain on disposal of subsidiary (b)	**5,718**	18,829
Foreign exchange gain (loss)	**4,236**	(15,359)
Revaluation of marketable securities	**1,846**	5,484
Unrealized (losses) gains on derivative contracts (Note 23)	**(21,932)**	62,971
Ojos del Salado sinkhole expenses (c)	**(16,922)**	(63,271)
Revaluation of Chapada derivative liability	**(2,594)**	(4,280)
Revaluation of Caserones purchase option	**(2,556)**	—
(Loss) income from equity investment in associate	**(60)**	3,297
Other income (expense)	**357**	(8,779)
Total other income, net	**$ 104,589**	$ 98,004

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 (Note 2).

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 2022, and a further $5.7 million payment in 2023, which were contingent on historical tax assessments which have now been closed.

c) Ojos del Salado sinkhole expenses include idle costs, maintenance, demobilization, and remediation work related to the sinkhole near the Company's Ojos del Salado operations. For the year ended December 31, 2022, sinkhole expenses included a $5.0 million write-down of mineral properties, plant and equipment.

22. CURRENT AND DEFERRED INCOME TAXES

	2023	2022
Current tax expense:		
Current tax on net taxable earnings	**$ 152,637**	$ 150,861
Adjustments in respect of prior years	**1,779**	(883)
	154,416	149,978
Deferred tax expense (recovery):		
Origination and reversal of temporary differences	**39,027**	(41,629)
Change in tax rate	**39,376**	—
Utilization and recognition of previously unrecognized tax losses and temporary differences	**(11,628)**	638
Temporary differences for which no deferred asset was recognized	**(4,592)**	25,641
	62,183	(15,350)
Total tax expense	**$ 216,599**	$ 134,628

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

The tax on the Company's earnings before income tax differs from the amount that would arise using the weighted average rate applicable to earnings of the consolidated entities as follows:

		2023		2022
Earnings excluding income taxes	**$**	**531,848**	$	598,161
Combined basic federal and provincial rates		**27.0%**		26.5%
Income taxes based on Canadian statutory income tax rates	**$**	**143,599**	$	158,513
Effect of different tax rates in foreign jurisdictions		**28,630**		11,569
Tax calculated at domestic tax rates applicable to earnings in the respective countries		**172,229**		170,082
Tax effects of:				
Non-deductible and non-taxable items (a)		**(4,154)**		(37,398)
Change in tax rates (b)		**39,376**		—
Adjustments in respect of prior years (c)		**(17,140)**		(11,112)
Tax losses and temporary differences for which no deferred income tax asset was recognized		**(4,591)**		25,641
Foreign exchange impact on temporary differences and other translation amounts (d)		**29,128**		(20,733)
Utilization and recognition of previously unrecognized temporary differences		**(11,628)**		(2,346)
Tax recovery associated with government grants and other tax credits (e)		**(2,682)**		(10,029)
Net withholding tax on accrued interest and dividends received		**16,652**		19,526
Other		**(591)**		997
Total tax expense	**$**	**216,599**	$	134,628

The Company operates in tax jurisdictions that have tax rates ranging from 20.6% to 35.0%.

a) Included in the prior period non-taxable items of $37.4 million in 2022 is the impact of the tax depletion allowance at Eagle of $17.2 million.

b) 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 2028 for Caserones when its tax stability agreement expires. 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 maximum effective tax rate for the combined mining royalty, corporate income tax and final taxes in Chile is set at 46.5%. Candelaria has accrued $40.2 million in deferred tax expense in 2023 (2022 - $0.0 million). Caserones continues to be taxed under the Specific Mining Tax regime until the end of 2027.

c) Adjustments in respect of prior years includes temporary difference true-ups of $6.4 million at Candelaria (2022- $0.0 million), $12.9 million deferred tax recovery at Josemaria (2022 - $0.0 million), $2.8 million at Chapada (2022 - $7.4 million) and $2.2 million at Eagle (2022 - $1.9 million).

d) The revaluation of non-monetary assets in Brazil and Argentina and the translation of deferred tax liabilities from their respective local currency to USD resulted in a net deferred tax recovery of $24.5 million in Brazil (2022 - net deferred tax recovery of $20.7 million) and a net deferred tax expense of $53.6 million in Argentina (2022 - $0.1 million).

e) In 2023, Neves-Corvo recorded $1.6 million in investment tax credits (2022 - $6.5 million).

Global Minimum Top-up Tax - Pillar Two

The Company is within the scope of OECD Pillar Two model rules. Among the jurisdictions where the Company operates, Pillar Two legislation has been enacted in Sweden and Netherlands and is expected to be enacted or substantially enacted in Canada and Portugal in 2024. The legislation is applicable to the Company's fiscal year beginning on January 1, 2024 and consequently, the Company has no current tax exposure as at the reporting date.

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

The Company applies the exception to recognizing and disclosing information about deferred tax assets and liabilities as provided by the amendments to IAS 12 in May 2023. The Company also accounts for any top up taxes as a current tax when it is incurred. The Company is currently assessing the potential impact of the Pillar Two legislation for when it comes into effect, but the quantitative impact of the enacted or substantively enacted legislation is not yet reasonably estimable.

Deferred tax liabilities, net

	December 31, 2023	December 31, 2022
Deferred tax assets	**$ 170,203**	$ 3,837
Deferred tax liabilities	**(751,688)**	(709,602)
Deferred tax liabilities, net	**$ (581,485)**	$ (705,765)

Net deferred tax liabilities of $555.0 million (2022 - $665.2 million) are expected to be settled after 12 months and net deferred tax liabilities of $26.5 million (2022 - $40.5 million net deferred tax assets) are expected to be settled within 12 months.

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same jurisdiction, is as follows:

	As at December 31, 2022	(Expensed)/ recovered	Balance sheet/ Equity adjustment	Effects of foreign exchange	**As at December 31, 2023**
Deferred tax assets:					
Loss carryforwards	$ 5,624	$ 52,438	$ —	$ —	**$ 58,062**
Reclamation and other closure provisions	65,130	(3,623)	—	511	**62,018**
Deferred revenue	12,129	152	—	510	**12,791**
Future tax credits	6,563	(2,432)	—	184	**4,315**
Leases	5,265	657	—	14	**5,936**
Sinkhole provision	6,631	—	—	—	**6,631**
Other	4,502	1,074	629	(1,383)	**4,822**
Deferred tax liabilities:					
Mineral properties, plant and equipment	(656,975)	(34,712)	197,550	(2,003)	**(496,140)**
Right-of-use assets	(5,208)	(1,758)	(24,321)	(17)	**(31,304)**
Provisions	(23,633)	(64,651)	—	—	**(88,284)**
Mining royalty taxes	(22,370)	(13,141)	25,922	—	**(9,589)**
Long-term inventory	(73,366)	(4,046)	(10,785)	—	**(88,197)**
Fair value gains	(15,095)	2,291	—	—	**(12,804)**
Foreign currency contracts	(14,170)	5,376	—	(368)	**(9,162)**
Pension provision	(792)	192	—	20	**(580)**
	$ (705,765)	**$ (62,183)**	**$ 188,995**	**$ (2,532)**	**$ (581,485)**

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

	As at December 31, 2021	(Expensed)/ recovered	Balance Sheet/ Equity adjustment	Effects of foreign exchange	**As at December 31, 2022**
Deferred tax assets:					
Loss carryforwards	$ 50,452	$ (44,828)	$ —	$ —	$ 5,624
Reclamation and other closure provisions	66,722	(789)	—	(803)	65,130
Deferred revenue	11,132	2,076	—	(1,079)	12,129
Future tax credits	—	6,485	—	78	6,563
Leases	4,894	458	—	(87)	5,265
Sinkhole provision	—	6,631	—	—	6,631
Other	2,929	(4,143)	—	5,716	4,502
Deferred tax liabilities:					
Mineral properties, plant and equipment	(704,362)	42,988	—	4,399	(656,975)
Right-of-use assets	(5,284)	(30)	—	106	(5,208)
Provisions	(21,189)	(10)	(2,434)	—	(23,633)
Mining royalty taxes	(20,047)	(2,323)	—	—	(22,370)
Long-term inventory	(107,578)	34,212	—	—	(73,366)
Fair value gains	(4,138)	(10,957)	—	—	(15,095)
Foreign currency contracts	—	(14,170)		—	(14,170)
Pension provision	(398)	(250)	—	(144)	(792)
	$ (726,867)	$ 15,350	$ (2,434)	$ 8,186	$ (705,765)

Deferred tax assets are recognized for tax loss carry-forwards and other temporary differences to the extent that the realization of the related tax benefit through future taxable profits is probable. The Company determined that it is probable that sufficient future taxable profits will be available to allow the benefit of the deferred tax assets to be utilized.

The Company did not recognize deferred tax assets of $19.0 million (2022 - $21.6 million) arising from the provision for reclamation at Eagle and $1,116.9 million (2022 - $6.5 million) in respect of losses amounting to $4,141.0 million (2022 - $24.6 million) that can be carried forward against future taxable income.

Caserones has approximately $4.2 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.

The deferred mining tax liability in Candelaria has been revalued using the enacted rates under the new mining royalty in Chile, resulting in a net additional deferred mining tax expense of $39.4 million (2022 -$0.0 million).

Included in the balance sheet and equity adjustments is a $189.2 million deferred tax asset accounted through the balance sheet on the Caserones purchase price adjustment.

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

23. 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 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 2024 and 2025. Additionally, the Company entered into zero cost collar contracts in the total amounts of SEK 396 million, CLP 303 billion and BRL 391 million with collar ranges of SEK 10.35 to SEK 11.15, CLP 800 to CLP 1,035, and BRL 5.00 to BRL 6.12, respectively. The contracts expire throughout 2024 and 2025. The following table shows the foreign exchange contract positions and their expiry dates:

	Expired in	Expiring throughout:	
Foreign currency forward contracts	**2023**	**2024**	**2025**
EUR/USD forwards			
Average contract price	1.01	1.02	—
Position (EUR millions)	249	155	—
USD/SEK forwards			
Average contract price	11.06	10.90	10.83
Position (SEK millions)	1,302	922	758

	Expired in	Expiring throughout:	
Foreign currency zero cost collar contracts	**2023**	**2024**	**2025**
USD/BRL collars			
Average contract price	5.00/6.40	5.00/6.40	5.05/6.06
Position (BRL millions)	1,142	974	391
USD/CLP collars			
Average contract price	885/1,035	859/1,016	808/969
Position (CLP millions)	285,987	253,947	152,584
USD/CAD collars			
Average contract price	1.34/1.38	1.30/1.40	—
Position (CAD millions)	36	19	—
USD/SEK collars			
Average contract price	—	10.35/11.15	—
Position (SEK millions)	—	396	—

Subsequent to December 31, 2023, the Company entered into CLP 171 billion of CLP zero cost collar contracts with a collar range of CLP 900 to CLP 1,072 expiring throughout 2026.

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

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.

	Expired in	Expiring throughout:	
Diesel forward swap contracts	**2023**	**2024**	**2025**
Average contract price ($/L)	0.690	0.667	—
Position (USD millions)	28	27	—

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

	2023	2022
Unrealized (loss)/gain on derivative financial instruments:		
Foreign currency contracts	**$ (21,036)**	$ 62,971
Diesel forward swap contracts	**(896)**	—
	(21,932)	62,971
Realized gain on derivative financial instruments:		
Foreign currency contracts	**47,926**	5,980
Diesel forward swap contracts	**1,786**	—
	49,712	5,980
Total unrealized and realized gain on derivative contracts:	**$ 27,780**	$ 68,951

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

	December 31, 2023	December 31, 2022
Foreign currency contracts:		
Current asset position	**$ 38,114**	$ 43,521
Non-current asset position	**9,397**	25,111
Current liability position	**1,124**	—
Non-current liability position	**3,148**	5,524
Diesel forward swap contracts:		
Current liability position	**896**	—
Other contracts:		
Chapada derivative current liability	**24,369**	24,423
Chapada derivative non-current liability	**—**	22,352

During 2023, the Company paid the fourth $25.0 million tranche of the derivative liability related to the Chapada acquisition (Note 24).

(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 December 31, 2023 and December 31, 2022:

		December 31, 2023		December 31, 2022	
	Level	**Carrying value**	**Fair value**	Carrying value	Fair value
Financial assets					
Fair value through profit or loss					
Restricted funds	1	**$ 59,979**	**$ 59,979**	$ 50,195	$ 50,195
Trade receivables (provisional)	2	**605,644**	**605,644**	403,300	403,300
Marketable securities, and debt & equity investments	1	**14,268**	**14,268**	12,075	12,075
Foreign currency contracts	2	**47,511**	**47,511**	68,632	68,632
Caserones purchase option (Note 3)	3	**44,438**	**$ 44,438**	—	—
		$ 771,840	**$ 771,840**	$ 534,202	$ 534,202
Financial liabilities					
Amortized cost					
Debt	3	**$ 1,208,600**	**$ 1,208,600**	$ 170,162	$ 170,162
Fair value through profit or loss					
Pricing provisions on concentrate sales	2	**$ 1,840**	**$ 1,840**	$ 5,006	$ 5,006
Chapada derivative liability	2	**24,369**	**24,369**	46,775	46,775
Caserones deferred consideration (Note 3)	2	**116,210**	**116,210**	—	—
Foreign currency contracts	2	**4,272**	**4,272**	5,524	5,524
Diesel forward swap contracts	2	**896**	**896**	—	—
		$ 147,587	**$ 147,587**	$ 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 $95.4 million in revenue during the year ended December 31, 2023 (2022 - $89.0 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.

24. COMMITMENTS AND CONTINGENCIES

a) The Company has capital commitments of $461.3 million on various initiatives, of which $265.9 million is expected to be paid during 2024.

b) The Chapada acquisition included contingent consideration of up to $125.0 million payable over five years from the acquisition date if certain gold price thresholds are met. The Company paid $25.0 million tranches in each of 2020, 2021, 2022, and 2023. The maximum remaining contingent consideration is $25.0 million over the next year as follows:

- a $10.0 million payment if the gold price averages at least $1,350/oz in the annual period,
- a $10.0 million payment if the gold price averages at least $1,400/oz in the annual period,
- a $5.0 million payment if the gold price averages at least $1,450/oz in the annual period.

As part of the Chapada acquisition, the Company has been provided with an indemnity for any tax liabilities that may arise for periods prior to the date of the acquisition. For identified tax claims existing at the date of acquisition, the Company has agreed to be liable for up to the first $21.0 million (BRL 101.5 million). While it is uncertain, no material liabilities have been accrued as the Company believes material payment is not likely due to the nature of the tax claims.

c) The following summarizes total tax exposure under two contradictory assessments received from the Chilean Internal Revenue Service (“IRS”). Given that the assessments relate to the same issue, the Company’s potential exposure is expected to be limited to one of the below scenarios:

i) For taxation years 2014 through 2019, the IRS issued tax assessments denying tax deductions related to interest expenses arising from an intercompany debt. The total of all assessments amounts to $265.3 million ($145.6 million in taxes plus interest and penalties of $119.7 million). If the Company loses the dispute, it may be liable for an additional $69.8 million in accrued interest as of December 2023. All tax refunds arising from the tax deductions related to the intercompany debt have been received up to December 2023. The Company maintains its position that the assessments are inconsistent with Chilean tax law and, therefore, without merit.

ii) On the same intercompany debt for taxation years 2016 through 2019, the Company has also received assessments from the IRS seeking additional withholding taxes, including interest and penalties, on interest payments made. The total of all assessments amounts to $246.6 million ($114.2 million in taxes plus interest and penalties of $132.4 million). The Company may be liable for an additional $70.3 million in accrued interest as of December 2023, should it lose the tax dispute. The Company believes it has applied the correct withholding tax rate according to the Canada-Chile tax treaty.

The Company has filed claims against the tax assessments related to taxation years 2014 to 2019. No tax expense has been accrued for these assessments as the Company believes its original filing position is in compliance with tax regulations and intends to vigorously defend its position. The Company does not expect further assessments to be issued related to this tax matter as the intercompany loan was amended in 2020 with an interest rate accepted by the IRS.

d) In July 2022, a sinkhole was detected near the Company's Ojos del Salado operations in Chile. In October 2022, the Company received an infraction notice from the environmental regulators covering four alleged violations of its environmental permit for the Alcaparrosa underground mine, which forms part of the Company's Ojos del Salado operations. The Company has responded to the infraction notice and is working with the regulatory agencies to resolve this matter.

e) The Company may be involved in legal proceedings arising in the ordinary course of business, including the actions described below. The potential amount of the liability with respect to such legal proceedings is not expected to materially affect the Company's financial position. The Company believes the claims to be without merit and the loss, if any, cannot be determined at this time for all contingencies. The Company has accordingly not accrued any amounts related to the litigations below (unless otherwise noted). The Company intends to vigorously defend these claims.

Two proposed class actions were filed against the Company and certain officers and directors. The first, in the province of Ontario, on December 7, 2017 (Markowich v. Lundin Mining Corporation et al) and a second overlapping action in the province of Québec on January 18, 2018 (Prévreau v. Lundin Mining Corporation et al). Both proposed class actions seek damages of $132.3 million (C$175.0 million) and punitive damages of $7.6 million (C$10.0 million) and assert various statutory and other claims related to, among other things, alleged misrepresentations and/or failure to make timely disclosure of material information about the Company's business and operations and, in particular, the operations of the Candelaria Mine and a rock slide at the Candelaria Mine on October 31, 2017. The proposed Ontario class action asserts claims on behalf of a putative class comprising persons who acquired securities of the Company between October 25, 2017, and November 29, 2017, whereas the proposed Québec class action asserts claims on behalf of only such persons who are resident or domiciled in Québec. In June 2018, counsel to the plaintiffs in the Québec action agreed to a stay (i.e., indefinite cessation) of that proceeding in light of the Ontario action. On August 30, 2018, the Québec Superior Court, on consent of the parties, stayed the Québec action indefinitely. On September 2, 2020, the plaintiff in the Ontario action served motion materials for leave and certification with the Ontario Superior Court of Justice. On January 6, 2022, the Ontario Superior Court of Justice denied the leave application and declined the motion for certification. On May 24, 2023, the Ontario Court of Appeal granted the plaintiff's appeal of this decision. In August 2023, the defendants filed an application for leave to appeal the Ontario Court of Appeal decision to the Supreme Court of Canada. A decision on the Supreme Court of Canada leave application is expected in the first half of 2024.

25. SEGMENTED INFORMATION

The Company is engaged in mining, exploration and development of mineral properties at six operating sites located in Chile, Brazil, USA, Portugal, and Sweden, and at the Josemaria Project located in Argentina. Operating segments are reported in a manner consistent with the internal reporting provided to executive management who act as the chief operating decision-makers. The chief operating decision makers consider the business from a site and project-level perspective. Executive management are responsible for allocating resources and assessing performance of the operating segments. The Company has identified eight reportable segments which include six operating sites, the Josemaria Project, and other corporate office operations.

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

For the year ended December 31, 2023

	Candelaria Chile	Caserones Chile	Chapada Brazil	Eagle USA	Josemaria Argentina	Neves-Corvo Portugal	Zinkgruvan Sweden	Other	Total
Revenue	$ 1,329,599	$ 601,775	$ 461,175	$ 350,895	$ —	$ 425,042	$ 223,591	$ —	$ 3,392,077
Cost of goods sold									
Production costs	(726,493)	(404,837)	(317,317)	(191,704)	—	(326,677)	(115,394)	(3,686)	(2,086,108)
Depreciation, depletion and amortization	(272,377)	(108,489)	(63,480)	(52,050)	(38)	(121,599)	(34,124)	(1,439)	(653,596)
Gross profit (loss)	330,729	88,449	80,378	107,141	(38)	(23,234)	74,073	(5,125)	652,373
General and administrative expenses	—	—	—	—	—	—	—	(66,723)	(66,723)
General exploration and business development	(14,589)	(622)	(10,460)	(5,691)	(2,751)	(7,122)	(4,560)	(9,897)	(55,692)
Finance (costs) income	(32,214)	(7,901)	(22,996)	(4,336)	18,726	(6,082)	(5,188)	(42,708)	(102,699)
Other (expense) income	(402)	6,391	6,229	(597)	84,316	2,927	9,818	(4,093)	104,589
Income tax (expense) recovery	(135,078)	(19,265)	1,888	(2,899)	(51,266)	8,690	(10,923)	(7,746)	(216,599)
Net earnings (loss)	**$ 148,446**	**$ 67,052**	**$ 55,039**	**$ 93,618**	**$ 48,987**	**$ (24,821)**	**$ 63,220**	**$ (136,292)**	**$ 315,249**
Capital expenditures	**$ 380,112**	**$ 83,880**	**$ 72,291**	**$ 22,201**	**$ 285,893**	**$ 102,621**	**$ 53,358**	**$ 12,761**	**$ 1,013,117**
Total non-current assets[1]	**$ 3,134,028**	**$ 1,405,852**	**$ 1,391,417**	**$ 204,776**	**$ 1,161,771**	**$ 1,179,919**	**$ 280,522**	**$ 5,097**	**$ 8,763,382**

For the year ended December 31, 2022

	Candelaria Chile	Chapada Brazil	Eagle USA	Josemaria Argentina	Neves-Corvo Portugal	Zinkgruvan Sweden	Other	Total
Revenue	$ 1,317,223	$ 477,927	$ 520,472	$ —	$ 433,486	$ 292,120	$ —	$ 3,041,228
Cost of goods sold								
Production costs	(697,171)	(324,096)	(193,003)	—	(329,232)	(115,553)	(2,303)	(1,661,358)
Depreciation, depletion and amortization	(284,259)	(49,865)	(79,523)	(633)	(101,807)	(36,739)	(1,924)	(554,750)
Inventory write-down	—	(62,546)	—	—	—	—	—	(62,546)
Gross profit (loss)	335,793	41,420	247,946	(633)	2,447	139,828	(4,227)	762,574
General and administrative expenses	—	—	—	—	—	—	(53,879)	(53,879)
General exploration and business development	(15,272)	(11,846)	(3,564)	(100,493)	(5,919)	(3,221)	(4,038)	(144,353)
Finance (costs) income	(27,660)	(18,137)	(1,954)	1,312	(5,191)	(7,677)	(4,878)	(64,185)
Other (expense) income	(43,700)	(13,930)	266	68,886	36,017	23,883	26,582	98,004
Income tax (expense) recovery	(85,270)	27,840	(28,458)	—	3,898	(34,413)	(18,225)	(134,628)
Net earnings (loss)	$ 163,891	$ 25,347	$ 214,236	$ (30,928)	$ 31,252	$ 118,400	$ (58,665)	$ 463,533
Capital expenditures	$ 389,731	$ 104,711	$ 16,413	$ 171,108	$ 103,186	$ 48,144	$ 9,610	$ 842,903
Total non-current assets[1]	$ 2,974,567	$ 1,312,488	$ 242,212	$ 902,037	$ 1,148,595	$ 246,131	$ 29,207	$ 6,855,237

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

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

26. 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:

		2023		2022
Wages and salaries	**$**	**7,454**	$	7,327
Pension benefits		**130**		175
Share-based compensation		**2,983**		2,286
Termination benefits		**5,760**		1,891
	$	**16,327**	$	11,679

c) **Other related parties** - For the year ended December 31, 2023, the Company incurred $4.9 million (2022 – $nil), for services provided by companies owned by members of key management personnel primarily relating to office rental, renovation, and related services.

27. MANAGEMENT OF FINANCIAL RISK

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, foreign exchange risk, commodity price risk and interest rate risk.

(a) Credit risk

The exposure to credit risk arises through the failure of a customer or another third party to meet its contractual obligations to the Company. The Company believes that its maximum exposure to credit risk as at December 31, 2023 is the carrying value of its trade and other receivables.

Concentrate and cathodes produced at the Company's Candelaria, Caserones, Chapada, Eagle, Neves-Corvo and Zinkgruvan mines is sold to a number of strategic customers with whom the Company has established long-term relationships. Limited amounts of concentrate are occasionally sold to commodity traders, under prevailing market conditions. Payment terms vary and provisional payments are normally received shortly after vessel arrival, in accordance with industry practice, with final settlement up to six months following the date of shipment. Sales to commodity traders are made against secure payment terms such as a letter of credit, pre-payment or payment against scanned shipping documents. Credit worthiness of customers is reviewed by the Company on an annual basis or more frequently, if warranted, and those not meeting certain credit criteria may be asked to make 100% provisional payment up-front or provide an acceptable payment instrument such as a letter of credit. The failure of any of the Company's strategic customers could have a material adverse effect on the Company's financial position. For the year ended December 31, 2023, the Company has five customers that individually account for more than 10% of the Company's total sales. The Company's largest customers represent approximately 18%, 16%, 15%, 13% and 12% of total sales (2022 - four customers representing 22%, 18%, 16% and 12% of total sales).

With respect to credit risk arising from the other financial assets of the Company, which comprise cash and cash equivalents, restricted funds, marketable securities and equity investments, and foreign currency contracts, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Company limits material counterparty credit risk on these assets by dealing with financial institutions with long-term credit ratings with Standard & Poor's of at least A, or the equivalent thereof with Moody's, or those which have been otherwise approved.

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

(b) Liquidity risk

The Company has in place a planning and forecasting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there is sufficient available capital to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents. The Company has a revolving credit facility in place to assist with meeting its cash flow needs as required (Note 11).

The maturities of the Company's non-current liabilities are disclosed in Note 11 and Note 24. All current liabilities are due to be settled within one year.

(c) Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currencies, primarily with respect to CLP, €, BRL, SEK and ARS.

The Company's risk management strategy is to manage cash flow risk related to foreign denominated cash flows. The Company is exposed to currency risk related to changes in rates of exchange between foreign denominated balances and the functional currencies of the Company's principal operating subsidiaries. The Company's revenues are denominated in US dollars, while most of the Company's operating and capital expenditures are denominated in the local currencies. The Company may, at its discretion, use forward or derivative contracts to manage its exposure to foreign currencies, the use of which is subject to appropriate approval procedures. A significant change in the currency exchange rates between the US dollar and foreign currencies could have a material effect on the Company's net earnings and other comprehensive income.

The following table illustrates the estimated impact a 10% US dollar change against the €, CLP, SEK, and BRL would have on pre-tax earnings as a result of translating the Company's foreign denominated financial instruments as at December 31, 2023 before the impact of derivative contracts:

Currency	Change	Effect on Pre-Tax Earnings	Change	Effect on Pre-Tax Earnings
€	+10%	$8,126	-10%	$(8,126)
CLP	+10%	$(18,322)	-10%	$18,322
SEK	+10%	$3,423	-10%	$(3,423)
BRL	+10%	$(3,225)	-10%	$3,225

The impact of a US dollar change against the € and SEK by 10% at December 31, 2023 would have a $37.5 million (2022 - $124.4 million) impact on OCI.

(d) Commodity price risk

The Company is subject to price risk associated with fluctuations in the market prices for metals. A significant change in metal prices could have a material effect on the Company's revenues.

The Company may, at its discretion, use forward or derivative contracts to manage its exposure to changes in commodity prices, the use of which is subject to appropriate approval procedures. The Company is also subject to price risk on the final settlement of its provisionally priced trade receivables.

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

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

Metal	Payable metal	Provisional price on December 31, 2023	Change	Effect on Revenue ($millions)
Copper	117,594t	$3.85/lb	+/-10%	+/-99.8
Zinc	34,047t	$1.21/lb	+/-10%	+/-9.1
Gold	30koz	$2,074/oz	+/-10%	+/-6.2
Nickel	1,263t	$7.46/lb	+/-10%	+/-2.1

(e) 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 of the Company's 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 interest rates on the Company's revolving credit facility and non-revolving term loan reference Term SOFR, and the Somincor commercial paper programs and equipment line of credit reference EURIBOR.

As at December 31, 2023, holding all other variables constant, a 1% change in the interest rate would result in an approximate $4.2 million change in interest expense on an annualized basis (2022 - $0.4 million).

28. MANAGEMENT OF CAPITAL RISK

The Company's objectives when managing its capital include ensuring a sufficient combination of positive operating cash flows and debt and equity financing in order to meet its ongoing capital development and exploration programs in a way that maximizes the shareholder return given the assumed risks of its operations while, at the same time, safeguarding the Company's ability to continue as a going concern. The Company considers the following items as capital: excess cash balances, share capital reserve and debt and lease liabilities.

Through the ongoing management of its capital, the Company will modify the structure of its capital based on changing economic conditions in the jurisdictions in which it operates. In doing so, the Company may issue new shares or debt, buy back issued shares, or pay off any outstanding debt. The Company continuously monitors its capital structure to determine the appropriateness of paying dividends.

Planning, including life-of-mine plans, annual budgeting and controls over major investment decisions are the primary tools used to manage the Company's capital. Updates are made as necessary to both capital expenditure and operational budgets in order to adapt to changes in risk factors of proposed expenditure programs and market conditions within the mining industry.

29. SUPPLEMENTARY CASH FLOW INFORMATION

		2023		2022
Changes in non-cash working capital items consist of:				
Trade and income taxes receivable, inventories, and other current assets	**$**	**4,033**	$	(52,520)
Trade and income taxes payable, and other current liabilities		**(11,638)**		(63,536)
	$	**(7,605)**	$	(116,056)

Operating activities included the following cash payments:				
Income taxes paid	**$**	**106,018**	$	304,232