

lundin mining

Management's Discussion and Analysis For the three and nine months ended September 30, 2021

This management's discussion and analysis ("MD&A") has been prepared as of October 27, 2021 and should be read in conjunction with the Company's condensed interim consolidated financial statements for the three and nine months ended September 30, 2021. 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, C\$ is to Canadian dollars, CLP is to Chilean pesos, BRL is to Brazilian reais, € refers to euros, and SEK is to Swedish kronor.

About Lundin Mining

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

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Cautionary Statement on Forward-Looking Information

Certain of the statements made and information contained herein is “forward-looking information” within the meaning of applicable Canadian securities laws. All statements other than statements of historical facts included in this document constitute forward-looking information, including but not limited to statements regarding the Company’s plans, prospects and business strategies; the Company’s guidance on the timing and amount of future production and its expectations regarding the results of operations; expected costs; permitting requirements and timelines; timing and possible outcome of pending litigation; the results of any Preliminary Economic Assessment, Feasibility Study, or Mineral Resource and Mineral Reserve estimations, life of mine estimates, and mine and mine closure plans; anticipated market prices of metals, currency exchange rates, and interest rates; the development and implementation of the Company’s Responsible Mining Management System; the Company’s ability to comply with contractual and permitting or other regulatory requirements; anticipated exploration and development activities at the Company’s projects; and the Company’s integration of acquisitions and any anticipated benefits thereof. 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 labor; 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: 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; global financial conditions and inflation; changes in the Company’s share price, and volatility in the equity markets in general; volatility and fluctuations in metal and commodity prices; the threat associated with outbreaks of viruses and infectious diseases, including the COVID-19 virus; changing taxation regimes; reliance on a single asset; delays or the inability to obtain, retain or comply with permits; risks related to negative publicity with respect to the Company or the mining industry in general; health and safety risks; exploration, development or mining results not being consistent with the Company’s expectations; unavailable or inaccessible infrastructure and risks related to ageing infrastructure; 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; 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; ore processing efficiency; community and stakeholder opposition; information technology and cybersecurity risks; 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; regulatory investigations, enforcement, sanctions and/or related or other litigation; uncertain political and economic environments, including in Brazil and Chile; risks associated with the structural stability of waste rock dumps or tailings storage facilities; estimates of future production and operations; estimates of operating, cash and all-in sustaining cost estimates; civil disruption in Chile; the potential for and effects of labor disputes or other unanticipated difficulties with or shortages of labor or interruptions in production; risks related to the environmental regulation and environmental impact of the Company’s operations and products and management thereof; exchange rate fluctuations; reliance on third parties and consultants in foreign jurisdictions; climate change; risks relating to attracting and retaining of highly skilled employees; compliance with environmental, health and safety laws; counterparty and credit risks and customer concentration; litigation; risks inherent in and/or associated with operating in foreign countries and emerging markets; risks related to mine closure activities and closed and historical sites; changes in laws, regulations or policies including but not limited to those related to mining regimes, permitting and approvals, environmental and tailings management, labor, trade relations, and transportation; internal controls; challenges or defects in title; the estimation of asset carrying values; historical environmental liabilities and ongoing reclamation obligations; the price and availability of key operating supplies or services; competition; indebtedness; compliance with foreign laws; existence of significant shareholders; liquidity risks and limited financial resources; funding requirements and availability of financing; enforcing legal rights in foreign jurisdictions; dilution; risks relating to dividends; 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; activist shareholders and proxy solicitation matters; and other risks and uncertainties, including but not limited to those described in the “Risk and Uncertainties” section of the Annual Information Form and the “Managing Risks” section of the Company’s MD&A for the year ended December 31, 2020, which are available on SEDAR at www.sedar.com under the Company’s profile. All of the forward-looking statements made in this document are qualified by these cautionary statements. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, forecast or intended and readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking information. Accordingly, there can be no assurance that forward-looking information will prove to be accurate and forward-looking information is not a guarantee of future performance. Readers are advised not to place undue reliance on forward-looking information. The forward-looking information contained herein speaks only as of the date of this document. The Company disclaims any intention or obligation to update or revise forward-looking information or to explain any material difference between such and subsequent actual events, except as required by applicable law.

Highlights

Operational Performance

Total copper, zinc and gold production for the third quarter of 2021 were higher than the prior year quarter and previous quarter while nickel production declined as expected, due to lower grades. Chapada set a new record for throughput in the quarter, approximately 5% higher than the previous quarter and 34% higher than the third quarter of 2020. Production and cash costs¹ for the quarter for all sites are on track to meet annual guidance.

Candelaria (80% owned): Candelaria produced 35,929 tonnes of copper, and approximately 20,000 ounces of gold in concentrate on a 100% basis in the quarter. Copper and gold production was comparable to the prior year quarter. Copper cash costs of \$1.62/lb for the current quarter were higher than the prior year quarter largely owing to the impact of higher mining costs.

Chapada (100% owned): Chapada produced 16,050 tonnes of copper and approximately 26,000 ounces of gold in concentrate in the quarter. Copper and gold production increased compared to the prior year quarter and also over the previous quarter primarily due to record quarterly throughput. Copper cash costs of \$0.62/lb for the quarter were higher than the prior year quarter due mainly to higher mining costs resulting from inflationary pressures though were better than the previous quarter.

Eagle (100% owned): Eagle produced 4,124 tonnes of nickel and 4,165 tonnes of copper during the quarter, which was lower than the prior year quarter due to lower throughput, grades and recoveries. By-product credits, aided by favourable copper prices, exceeded gross cash costs in the quarter resulting in nickel cash costs of negative \$0.80/lb.

Neves-Corvo (100% owned): Neves-Corvo produced 8,083 tonnes of copper for the quarter and 15,909 tonnes of zinc with production of both metals exceeding the prior year comparable period. Higher copper production resulted from higher head grades, while zinc production was higher primarily due to improved throughput and recoveries. Copper cash costs of \$2.05/lb for the quarter were higher than the prior year quarter primarily due to inflationary increases in consumables, as well as unfavourable foreign exchange.

The Zinc Expansion Project (“ZEP”) continues to progress on schedule and on budget. Upgrades to the shaft were completed during the annual maintenance shutdown which impacted production in the quarter as planned. Production ramp up to full production rates is scheduled for the first half of 2022.

Zinkgruvan (100% owned): Zinc production of 22,860 tonnes and lead production of 6,952 tonnes were both higher than the prior year comparable period as well as the previous quarter due to higher grades and recoveries. Zinc cash costs of \$0.32/lb were better than the prior year quarter largely due to higher sales volumes.

Total production

(Contained metal in concentrate)	2021				2020				
	YTD	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Copper (t) ^a	185,888	65,077	63,457	57,354	230,781	41,885	61,444	65,285	62,167
Zinc (t)	106,967	38,769	34,833	33,365	142,744	41,428	32,787	31,582	36,947
Gold (koz) ^a	121	46	41	34	163	35	45	44	39
Nickel (t)	14,252	4,124	4,774	5,354	16,718	4,909	4,854	3,380	3,575

a - Candelaria's production is on a 100% basis.

¹ This is a non-GAAP measure – see page 24 of this MD&A for discussion of non-GAAP measures.

Financial Performance

- Gross profit for the quarter ended September 30, 2021 was \$303.9 million, an increase of \$104.6 million compared to the prior year quarter. On a year-to-date basis, gross profit was \$936.6 million, an increase of \$617.8 million over the prior year comparative period. The increases were primarily due to higher realized metal prices net of price adjustments (Q3 - \$119.6 million, YTD - \$761.8 million), partially offset by higher production costs and, on a year-to-date basis, the unfavourable effects of foreign exchange (\$29.7 million). Total production costs were in line with expectations.
- Net earnings for the quarter ended September 30, 2021 were \$190.6 million, an increase of \$57.0 million compared to the prior year quarter. On a year-to-date basis, net earnings were \$613.2 million, an increase of \$544.9 million from the prior year comparative period. The increases were attributable to higher gross profit partially offset by higher income tax expense.
- Adjusted earnings¹ for the quarter were \$168.4 million, an increase of \$62.0 million over the prior year quarter. On a year-to-date basis, adjusted earnings were \$539.1 million, \$419.1 million higher than the prior year. The increases were primarily due to higher gross profit partially offset by higher income taxes and higher net earnings attributable to non-controlling interests.

Corporate Updates

- On September 9, 2021, the Company announced that the Company's President and Chief Executive Officer, Ms. Marie Inkster, will be stepping down and that Mr. Peter Rockandel, currently Senior Vice President, Corporate Development and Investor Relations, will assume the role. The transition has progressed extremely well and the Board of Directors, management and Ms. Inkster have agreed the process will be successfully complete at the end of October. Mr. Rockandel will assume the role of President and Chief Executive Officer as of November 1, 2021. Ms. Inkster will remain on the Company's Board of Directors until December 31, 2021.
- On September 13, 2021, the Company reported its Mineral Resource and Mineral Reserve estimates as at June 30, 2021. On a consolidated and attributable basis, estimated contained metal in the Proven and Probable Mineral Reserve categories totalled 5,302 kt of copper, 2,813 kt of zinc, 77 kt of nickel, 913 kt of lead and 6.6 million ounces of gold.

Financial Position and Financing

- Cash and cash equivalents of \$428.3 million as at September 30, 2021 represents an increase of \$133.4 million during the quarter. Cash flow from operations of \$523.1 million was used to invest in capital expenditures (\$133.8 million), pay shareholder dividends of \$104.7 million (including an inaugural performance dividend) and for distributions to non-controlling interests (\$20.0 million). The Company also repaid \$100.7 million in debt on a net basis.

On a year-to-date basis, cash and cash equivalents increased by \$286.9 million. Cash flow from operations of \$1,100.8 million was used to invest in capital expenditure (\$378.2 million), to repay debt (\$162.0 million), pay shareholder dividends (\$175.9 million) and for distributions to non-controlling interests (\$36.0 million).

- Free cash flow¹ for the three and the nine months ended September 30, 2021 has increased (Q3 - \$212.6 million, YTD - \$641.6 million) over the prior year comparative periods due to higher cash provided by operating activities.
- As at September 30, 2021, the Company had a net cash¹ balance of \$390.7 million. As at October 27, 2021, the Company had a cash and net cash balance of approximately \$445.0 million and \$405.0 million, respectively.

¹ This is a non-GAAP measure – see page 24 of this MD&A for discussion of non-GAAP measures.

Outlook

Production guidance and full year cash cost guidance remains unchanged for all operations.

While the Company has not experienced significant disruptions to production, shipments of concentrate, or its supply chain due to COVID-19, we continue to caution that a localized outbreak at the operations may require the need to implement increased isolation and containment measures which could impact production, delay maintenance activities or disrupt supply chains. Given the uncertainty of the duration and magnitude of the impact of COVID-19, production and cash cost estimates are subject to a higher than normal degree of uncertainty. The guidance below does not reflect any potential for additional suspensions or other significant disruption to operations due to COVID-19.

(contained metal in concentrate)		Production ^a	Cash Costs (\$/lb) ^b
Copper (t)	Candelaria (100%)	150,000 - 155,000	1.55 ^c
	Chapada	48,000 - 50,000	1.10 ^d
	Eagle	18,000 - 20,000	
	Neves-Corvo	36,000 - 38,000	2.10 ^c
	Zinkgruvan	3,000 - 4,000	
	Total	255,000 - 267,000	
Zinc (t)	Neves-Corvo	67,000 - 70,000	
	Zinkgruvan	73,000 - 76,000	0.65 ^c
	Total	140,000 - 146,000	
Gold (oz)	Candelaria (100%)	85,000 - 90,000	
	Chapada	73,000 - 76,000	
	Total	158,000 - 166,000	
Nickel (t)	Eagle	18,000 - 20,000	(1.00)

a. Guidance as outlined in the Management's Discussion and Analysis for the three and six months ended June 30, 2021 in the Outlook section.

b. Cash costs are based on various assumptions and estimates, including but not limited to: production volumes, as noted above, commodity prices (Cu: \$4.30/lb, Zn: \$1.25/lb, Pb: \$0.95/lb, Au: \$1,800/oz), foreign exchange rates (€/USD:1.20, USD/SEK:8.50, USD/CLP:730, USD/BRL:5.10) and production costs for the remainder of 2021.

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 \$416/oz gold and \$4.16/oz to \$4.48/oz silver.

d. Chapada cash costs are calculated on a by-product basis and do 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.

2021 Capital Expenditure Guidance

Total capital expenditure guidance has been decreased by \$40.0 million after taking into account current spend to date.

(\$ millions)	Previous Guidance ^a	Revisions	Revised Guidance
Candelaria (100% basis)	345	(20)	325
Chapada	65	(10)	55
Eagle	20	-	20
Neves-Corvo	65	(5)	60
Zinkgruvan	50	(5)	45
Total Sustaining Capital	545	(40)	505
Zinc Expansion Project (Neves-Corvo)	70	-	70
Total Capital Expenditures	615	(40)	575

a. Guidance as outlined in the Management's Discussion and Analysis for the three and six months ended June 30, 2021 in the Outlook section.

2021 Exploration Investment Guidance

Total planned exploration expenditures are expected to be \$40.0 million in 2021, unchanged from previous guidance. Approximately \$36.0 million will be spent supporting significant in-mine and near-mine targets at our operations (\$16.0 million at Chapada, \$11.0 million at Candelaria, \$6.0 million at Zinkgruvan and \$3.0 million at Neves-Corvo). The remaining amount supports corporate exploration initiatives and new business development projects.

Selected Quarterly Financial Information¹

(\$ millions, except share and per share amounts)	Three months ended		Nine months ended	
	September 30,		September 30,	
	2021	2020	2021	2020
Revenue	756.4	600.7	2,310.2	1,512.0
Cost of goods sold:				
Production costs	(331.8)	(279.4)	(996.2)	(831.1)
Depreciation, depletion and amortization	(120.6)	(122.0)	(377.4)	(362.1)
Gross profit	303.9	199.3	936.6	318.8
Net earnings attributable to:				
Lundin Mining shareholders	173.7	122.4	551.6	49.6
Non-controlling interests	16.8	11.2	61.7	18.7
Net earnings	190.6	133.6	613.2	68.3
Adjusted earnings²	168.4	106.4	539.1	120.0
Adjusted EBITDA²	411.3	300.3	1,246.5	622.1
Cash flow from operations	523.1	272.2	1,100.8	393.2
Adjusted operating cash flow²	294.1	262.0	1,005.6	468.9
Free cash flow²	407.0	194.5	762.0	120.4
Capital expenditures³	133.8	89.8	378.2	331.0
Per share amounts:				
Basic and diluted earnings per share				
attributable to shareholders	0.24	0.17	0.75	0.07
Adjusted earnings per share ²	0.23	0.14	0.73	0.16
Adjusted operating cash flow per share ²	0.40	0.36	1.36	0.64
Dividends declared (C\$/share)	0.18	0.04	0.30	0.12

	September 30, 2021	December 31, 2020
Total assets	7,246.5	7,058.5
Total debt and lease liabilities	37.6	203.0
Net cash (debt)²	390.7	(63.2)

Summary of Quarterly Results^{1,4}

(\$ millions, except per share data)	Q3-21	Q2-21	Q1-21	Q4-20	Q3-20	Q2-20	Q1-20	Q4-19
Revenue	756.4	872.3	681.5	529.5	600.7	533.3	378.0	568.4
Cost of goods sold	(452.4)	(492.2)	(429.0)	(350.1)	(401.4)	(391.2)	(400.7)	(422.9)
Gross profit (loss)	303.9	380.2	252.5	179.4	199.3	142.1	(22.7)	145.5
Net earnings (loss)	190.6	268.4	154.2	120.8	133.6	48.3	(113.6)	104.8
- attributable to shareholders	173.7	242.6	135.2	119.2	122.4	38.7	(111.5)	97.0
EPS - Basic and diluted	0.24	0.33	0.18	0.16	0.17	0.05	(0.15)	0.13
Cash flow from operations	523.1	419.0	158.7	172.7	272.2	37.6	83.4	186.4
Adjusted operating cash flow per share²	0.40	0.58	0.38	0.24	0.36	0.24	0.04	0.28
Capital expenditures³	133.8	131.9	112.5	100.2	89.8	100.2	141.1	139.6

1. Except where otherwise noted, financial data has been prepared in accordance with IFRS as issued by the IASB.

2. These are non-GAAP measures please see 24 of this MD&A for discussion of non-GAAP measures.

3. Capital expenditures are reported on a cash basis, as presented in the consolidated statement of cash flows.

4. The sum of quarterly amounts may differ from year-to-date results due to rounding.

Revenue Overview

Sales Volumes by Payable Metal

(Contained metal in concentrate)	2021				2020				
	Total	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Copper (tonnes)									
Candelaria (100%)	104,796	33,743	35,537	35,516	123,183	16,574	34,713	34,130	37,766
Chapada	33,495	13,869	12,247	7,379	47,119	10,966	11,220	13,446	11,487
Eagle	13,367	3,792	5,257	4,318	17,111	4,312	4,732	3,668	4,399
Neves-Corvo	25,950	9,071	10,314	6,565	30,799	4,708	6,892	11,471	7,728
Zinkgruvan	1,787	859	926	2	3,212	830	929	910	543
	179,395	61,334	64,281	53,780	221,424	37,390	58,486	63,625	61,923
Zinc (tonnes)									
Neves-Corvo	38,564	12,516	14,443	11,605	58,029	12,506	14,563	15,896	15,064
Zinkgruvan	46,051	16,043	14,305	15,703	62,150	22,399	15,002	10,465	14,284
	84,615	28,559	28,748	27,308	120,179	34,905	29,565	26,361	29,348
Gold (000 oz)									
Candelaria (100%)	64	20	23	21	73	11	21	19	22
Chapada	50	22	16	12	81	23	18	23	17
	114	42	39	33	154	34	39	42	39
Nickel (tonnes)									
Eagle	11,622	3,246	4,258	4,118	12,481	3,714	3,539	2,419	2,809
Lead (tonnes)									
Neves-Corvo	3,298	999	1,054	1,245	4,149	748	794	1,309	1,298
Zinkgruvan	14,458	4,825	4,928	4,705	23,556	5,475	6,352	5,705	6,024
	17,756	5,824	5,982	5,950	27,705	6,223	7,146	7,014	7,322
Silver (000 oz)									
Candelaria (100%)	856	297	287	272	966	119	254	272	321
Chapada	60	26	14	20	131	40	26	31	34
Eagle	40	16	9	15	79	21	16	22	20
Neves-Corvo	653	183	228	242	779	159	170	270	180
Zinkgruvan	1,002	354	356	292	1,544	327	441	427	349
	2,611	876	894	841	3,499	666	907	1,022	904

Revenue Analysis

by Mine (\$ thousands)	Three months ended September 30,					Nine months ended September 30,				
	2021		2020		Change	2021		2020		Change
	\$	%	\$	%	\$	\$	%	\$	%	\$
Candelaria (100%)	326,903	43	280,417	47	46,486	1,078,800	47	708,521	47	370,279
Chapada	160,332	21	113,586	19	46,746	394,687	17	311,832	21	82,855
Eagle	101,311	13	91,314	15	9,997	354,072	15	191,340	13	162,732
Neves-Corvo	108,083	14	69,287	12	38,796	323,339	14	196,252	13	127,087
Zinkgruvan	59,765	9	46,069	7	13,696	159,298	7	104,032	6	55,266
	756,394		600,673		155,721	2,310,196		1,511,977		798,219

by Metal (\$ thousands)	Three months ended September 30,					Nine months ended September 30,				
	2021		2020		Change	2021		2020		Change
	\$	%	\$	%	\$	\$	%	\$	%	\$
Copper	521,046	69	396,592	66	124,454	1,626,571	70	1,016,611	67	609,960
Zinc	71,078	9	51,890	9	19,188	199,017	9	119,114	8	79,903
Gold	66,816	9	68,038	11	(1,222)	170,097	7	194,267	13	(24,170)
Nickel	62,403	8	54,788	9	7,615	207,637	9	109,252	7	98,385
Lead	10,815	1	11,197	2	(382)	32,477	1	29,546	2	2,931
Silver	9,127	1	11,568	2	(2,441)	28,902	1	31,201	2	(2,299)
Other	15,109	3	6,600	1	8,509	45,495	3	11,986	1	33,509
	756,394		600,673		155,721	2,310,196		1,511,977		798,219

Revenue for the three and nine months ended September 30, 2021 increased in comparison to the prior year comparative periods, mainly due to higher realized metal prices.

Revenue from gold and silver for the three and nine months ended September 30, 2021 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 \$416/oz for gold and between \$4.16/oz and \$4.48/oz for silver.

Revenue from copper for the three and nine months ended September 30, 2021 includes the recognition of deferred revenue from the copper streams acquired with the Chapada mine, as well as the cash proceeds of 30% of the market price of copper sold.

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

Provisionally valued revenue as of September 30, 2021

Metal	Payable metal	Valued at
Copper	71,769 t	\$4.05 /lb
Zinc	11,684 t	\$1.35 /lb
Gold	37 koz	\$1,753 /oz
Nickel	1,146 t	\$8.14 /lb

Quarterly Reconciliation of Realized Prices

(\$ thousands)	Three months ended September 30, 2021				
	Copper	Zinc	Gold	Nickel	Total
Current period sales ¹	555,897	85,443	76,325	59,152	776,817
Prior period price adjustments	(11,800)	24	(230)	3,424	(8,582)
	544,097	85,467	76,095	62,576	768,235
Other metal sales					50,335
Copper stream cash effect					(4,594)
Gold stream cash effect					(18,050)
Less: Treatment & refining charges					(39,532)
Total Revenue					756,394
Payable Metal	61,334 t	28,559 t	42 koz	3,246 t	
Current period sales ¹	\$4.11	\$1.36	\$1,792	\$8.27	
Prior period adjustments	(0.09)	-	(5)	0.47	
Realized prices²	\$4.02 /lb	\$1.36 /lb	\$1,787 /oz	\$8.74 /lb	

	Three months ended September 30, 2020				
	Copper	Zinc	Gold	Nickel	Total
Current period sales ¹	385,901	69,784	75,713	52,875	584,273
Prior period price adjustments	31,590	3,435	2,790	1,991	39,806
	417,491	73,219	78,503	54,866	624,079
Other metal sales					45,772
Copper stream cash effect					(2,851)
Gold stream cash effect					(19,634)
Less: Treatment & refining charges					(46,693)
Total Revenue					600,673
Payable Metal	58,486 t	29,565 t	39 koz	3,539 t	
Current period sales ¹	\$2.99	\$1.07	\$1,910	\$6.78	
Prior period adjustments	0.25	0.05	70	0.25	
Realized prices²	\$3.24 /lb	\$1.12 /lb	\$1,980 /oz	\$7.03 /lb	

1. Includes provisional price adjustments on current period sales.

2. The realized price for copper inclusive of the impact of streaming agreements for 2021 is \$3.99/lb (2020: \$2.97/lb). The realized price for gold inclusive of the impact of streaming agreements for 2021 is \$1,363/oz (2020: \$1,402/oz).

Year-to-Date Reconciliation of Realized Prices

(\$ thousands)	Nine months ended September 30, 2021				
	Copper	Zinc	Gold	Nickel	Total
Current period sales ¹	1,654,561	248,369	204,990	215,627	2,323,547
Prior period price adjustments	37,551	948	(5,013)	(6,859)	26,627
	1,692,112	249,317	199,977	208,768	2,350,174
Other metal sales					154,206
Copper stream cash effect					(11,611)
Gold stream cash effect					(58,250)
Less: Treatment & refining charges					(124,323)
Total Revenue					2,310,196
Payable Metal	179,395 t	84,615 t	114 koz	11,622 t	
Current period sales ¹	\$4.18	\$1.33	\$1,791	\$8.42	
Prior period adjustments	0.10	0.01	(44)	(0.27)	
Realized prices²	\$4.28 /lb	\$1.34 /lb	\$1,747 /oz	\$8.15 /lb	

	Nine months ended September 30, 2020				
	Copper	Zinc	Gold	Nickel	Total
Current period sales ¹	1,124,143	184,499	218,996	120,506	1,648,144
Prior period price adjustments	(39,944)	(8,081)	1,120	(12,148)	(59,053)
	1,084,199	176,418	220,116	108,358	1,589,091
Other metal sales					123,670
Copper stream cash effect					(9,328)
Gold stream cash effect					(54,152)
Less: Treatment & refining charges					(137,304)
Total Revenue					1,511,977
Payable Metal	184,034 t	85,274 t	120 koz	8,767 t	
Current period sales ¹	\$2.77	\$0.98	\$1,822	\$6.23	
Prior period adjustments	(0.10)	(0.04)	9	(0.62)	
Realized prices²	\$2.67 /lb	\$0.94 /lb	\$1,832 /oz	\$5.61 /lb	

1. Includes provisional price adjustments on current period sales.

2. The realized price for copper inclusive of the impact of streaming agreements for 2021 is \$4.25/lb (2020: \$2.75/lb). The realized price for gold inclusive of the impact of streaming agreements for 2021 is \$1,238/oz (2020: \$1,374/oz).

Financial Results

Production Costs

Production costs for the quarter ended September 30, 2021 were \$52.4 million higher than the prior year quarter and on a year-to-date basis production costs were higher by \$165.2 million over the prior year period. These production cost increases were as a result of higher consumable costs at Candelaria, Chapada and Neves-Corvo due to inflationary increases, as well as the effects of unfavourable foreign exchange rates for the nine months ended September 30, 2021.

Depreciation, Depletion and Amortization

Depreciation, depletion and amortization expense for the quarter ended September 30, 2021 was comparable to the prior year period. For the nine months ended September 30, 2021 depreciation, depletion and amortization expense increased, primarily attributable to higher overall sales volumes.

Depreciation by operation (\$ thousands)	Three months ended September 30,			Nine months ended September 30,		
	2021	2020	Change	2021	2020	Change
Candelaria	65,533	71,309	(5,776)	207,061	210,443	(3,382)
Chapada	10,568	9,305	1,263	30,941	31,735	(794)
Eagle	18,918	17,707	1,211	62,360	53,613	8,747
Neves-Corvo	15,939	13,299	2,640	45,745	40,892	4,853
Zinkgruvan	9,250	9,864	(614)	29,934	24,107	5,827
Other	429	473	(44)	1,356	1,346	10
	120,637	121,957	(1,320)	377,397	362,136	15,261

General Exploration and Business Development

General exploration and business development expenses for the three months ended September 30, 2021 decreased compared to the third quarter of 2020. For the nine months ended September 30, 2021 general exploration and business development expenses increased against the prior year comparable period due primarily to a significantly increased volume of surface exploration drilling at Chapada. This increase was partially offset by a decrease in surface exploration drilling at Zinkgruvan where the primary focus has been on known mineralized trends within the underground workings. The Chapada, Candelaria and Neves-Corvo programs are currently on track to meet or exceed 2021 drilling targets of 65,000, 40,000 and 15,000 metres, respectively.

Finance Income and Costs

Net finance costs decreased in the current quarter as well as year-to-date compared to the prior year comparable periods. The decrease was mainly due to lower interest expense as a result of more non-cash interest being capitalized to ZEP in the current year period and, for the year-to-date period, lower interest expense resulting from a lower debt balance.

Income from Equity Investment in Associate

Income from equity investment in associate has increased during the current quarter and on a year-to-date basis compared to the prior year comparatives, primarily due to the sale of the specialty cobalt business. Partial cash distributions of \$17.2 million from the transaction were received during the quarter.

Other Income and Expenses

Net other income for the three months ended September 30, 2021 was \$9.3 million higher than the net other expense recorded in the prior year quarter, largely due to foreign exchange gains recorded in the current year quarter.

Net other expense for the nine months ended September 30, 2021 was lower than the prior year-to-date period. The decrease was due to a revaluation of derivative liability, partially offset by lower foreign exchange gains

recorded in the current year period. A negative revaluation of \$23.2 million of the derivative liability was recorded in the prior year comparative period.

As a result of a change in accounting policy for fiscal 2020, other income and expenses have been restated. This change is described in Note 2(iv) “Voluntary change in accounting policy” of the September 30, 2021 Condensed Interim Consolidated Financial Statements.

Foreign exchange gains and losses recorded in other income and expenses relate to working capital denominated in foreign currencies that were held by the Company. Period end exchange rates having a meaningful impact on foreign exchange recorded at September 30, 2021 were as follows:

	September 30, 2021	June 30, 2021	December 31, 2020
Chilean Peso (USD:CLP)	804	735	711
Euro (USD:€)	0.86	0.84	0.81
Brazilian Real (USD:BRL)	5.44	5.00	5.20
Swedish Kroner (USD:SEK)	8.79	8.51	8.19

Income Taxes

Income tax expense (recovery) by mine (\$ thousands)	Three months ended September 30,			Nine months ended September 30,		
	2021	2020	Change	2021	2020	Change
Candelaria	38,308	19,011	19,297	130,643	39,219	91,424
Chapada	50,479	20,704	29,775	59,834	101,270	(41,436)
Eagle	2,320	1,777	543	18,101	1,694	16,407
Neves-Corvo	4,191	(13,235)	17,426	12,838	(19,455)	32,293
Zinkgruvan	7,089	(89)	7,178	13,217	(312)	13,529
Other	3,288	1,769	1,519	3,558	11,612	(8,054)
	105,675	29,937	75,738	238,191	134,028	104,163

Income taxes by classification (\$ thousands)	Three months ended September 30,			Nine months ended September 30,		
	2021	2020	Change	2021	2020	Change
Current income tax expense (recovery)	89,580	(11,464)	101,044	149,560	24,370	125,190
Deferred income tax expense	16,095	41,401	(25,306)	88,631	109,658	(21,027)
	105,675	29,937	75,738	238,191	134,028	104,163

Income tax expense for the three months ended September 30, 2021 was higher than the prior year quarter due to higher taxable earnings. Included in Chapada’s income taxes was \$14.4 million expense recorded for deferred tax on revaluation of non-monetary assets and translation of deferred taxes (Q3 2020 – \$1.1 million expense).

Income tax expense for the nine months ended September 30, 2021 was higher than the prior year comparable period due primarily to higher taxable earnings, partially offset by \$48.4 million lower deferred tax expense on revaluation of non-monetary assets and translation of deferred taxes at Chapada (YTD 2020 – \$51.6 million expense).

As a result of a change in accounting policy for fiscal 2020, income taxes have been restated. This change is described in Note 2(iv) “Voluntary change in accounting policy” of the September 30, 2021 Condensed Interim Consolidated Financial Statements.

Mining Operations

Production Overview

(Contained metal in concentrate)	2021				2020				
	Total	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Copper (tonnes)									
Candelaria (100%)	106,146	35,929	36,014	34,203	126,702	19,509	35,836	35,060	36,297
Chapada	37,149	16,050	11,258	9,841	50,038	11,368	12,990	13,799	11,881
Eagle	14,783	4,165	5,227	5,391	18,663	5,128	5,055	4,102	4,378
Neves-Corvo	25,841	8,083	10,317	7,441	32,032	5,880	6,518	10,559	9,075
Zinkgruvan	1,969	850	641	478	3,346	-	1,045	1,765	536
	185,888	65,077	63,457	57,354	230,781	41,885	61,444	65,285	62,167
Zinc (tonnes)									
Neves-Corvo	47,281	15,909	16,662	14,710	69,143	16,750	15,459	18,986	17,948
Zinkgruvan	59,686	22,860	18,171	18,655	73,601	24,678	17,328	12,596	18,999
	106,967	38,769	34,833	33,365	142,744	41,428	32,787	31,582	36,947
Gold (000 oz)									
Candelaria (100%)	65	20	24	21	76	13	21	21	21
Chapada	56	26	17	13	87	22	24	23	18
	121	46	41	34	163	35	45	44	39
Nickel (tonnes)									
Eagle	14,252	4,124	4,774	5,354	16,718	4,909	4,854	3,380	3,575
Lead (tonnes)									
Neves-Corvo	3,775	1,359	1,343	1,073	5,108	1,321	760	1,559	1,468
Zinkgruvan	16,756	6,952	5,095	4,709	24,128	6,745	5,571	3,799	8,013
	20,531	8,311	6,438	5,782	29,236	8,066	6,331	5,358	9,481
Silver (000 oz)									
Candelaria (100%)	939	341	318	280	1,074	155	283	305	331
Chapada	177	72	55	50	242	55	61	69	57
Eagle	85	30	25	30	140	37	33	35	35
Neves-Corvo	1,114	362	407	345	1,557	420	281	479	377
Zinkgruvan	1,535	658	457	420	2,064	514	499	389	662
	3,850	1,463	1,262	1,125	5,077	1,181	1,157	1,277	1,462

Cash Cost Overview

(\$/lb)	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Candelaria (cost/lb Cu)				
Gross cost	2.02	1.73	1.98	1.66
By-product ¹	(0.40)	(0.36)	(0.38)	(0.32)
Net Cash Cost	1.62	1.37	1.60	1.34
All-In Sustaining Cost²	2.67	2.05	2.63	2.14
Chapada (cost/lb Cu)				
Gross cost	1.98	1.73	2.23	1.77
By-product	(1.36)	(1.52)	(1.19)	(1.33)
Net Cash Cost	0.62	0.21	1.04	0.44
All-In Sustaining Cost	1.36	0.73	1.75	0.85
Eagle (cost/lb Ni)				
Gross cost	4.64	4.05	4.18	4.76
By-product	(5.44)	(4.68)	(5.71)	(4.25)
Net Cash Cost	(0.80)	(0.63)	(1.53)	0.51
All-In Sustaining Cost	0.93	0.54	0.11	2.02
Neves-Corvo (cost/lb Cu)				
Gross cost	3.68	3.73	3.73	3.13
By-product	(1.63)	(1.76)	(1.70)	(1.18)
Net Cash Cost	2.05	1.97	2.03	1.95
All-In Sustaining Cost	2.86	2.93	2.79	2.77
Zinkgruvan (cost/lb Zn)				
Gross cost	0.83	1.10	0.96	1.04
By-product	(0.51)	(0.55)	(0.46)	(0.50)
Net Cash Cost	0.32	0.55	0.50	0.54
All-In Sustaining Cost	0.61	0.74	0.83	0.83

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

2. All-in Sustaining Cost ("AISC") is a non-GAAP measure – see page 24 of this MD&A for discussion of non-GAAP measures.

Capital Expenditures^{1,2}

Three months ended September 30,									
by Mine	2021				2020				
	(\$ thousands)	Sustaining	Expansionary	Capitalized	Total	Sustaining	Expansionary	Capitalized	Total
Interest				Interest					
Candelaria	74,326	-	-	-	74,326	49,534	-	-	49,534
Chapada	16,425	-	-	-	16,425	7,959	-	-	7,959
Eagle	3,539	-	-	-	3,539	1,283	-	-	1,283
Neves-Corvo	13,191	17,721	-	-	30,912	12,217	11,210	838	24,265
Zinkgruvan	8,486	-	-	-	8,486	6,677	-	-	6,677
Other	102	-	-	-	102	55	-	-	55
	116,069	17,721	-	-	133,790	77,725	11,210	838	89,773

Nine months ended September 30,									
by Mine	2021				2020				
	(\$ thousands)	Sustaining	Expansionary	Capitalized	Total	Sustaining	Expansionary	Capitalized	Total
Interest				Interest					
Candelaria	226,641	-	-	-	226,641	179,729	-	-	179,729
Chapada	37,856	-	-	-	37,856	19,987	-	-	19,987
Eagle	12,414	-	-	-	12,414	8,928	-	-	8,928
Neves-Corvo	33,348	39,030	336	-	72,714	39,748	56,867	1,289	97,904
Zinkgruvan	28,312	-	-	-	28,312	24,182	-	-	24,182
Other	242	-	-	-	242	270	-	-	270
	338,813	39,030	336	-	378,179	272,844	56,867	1,289	331,000

1. Capital expenditures are reported on a cash basis, as presented in the consolidated statement of cash flows.

2. Sustaining and expansionary capital expenditures are non-GAAP measures – see page 24 of this MD&A for discussion of non-GAAP measures.

Candelaria (Chile)

Operating Statistics

(100% Basis)	2021				2020				
	Total	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Ore mined (000s tonnes)	16,755	6,098	5,062	5,595	29,739	3,596	8,977	9,085	8,081
Ore milled (000s tonnes)	20,783	6,838	7,012	6,933	22,858	4,007	7,040	6,104	5,707
Grade									
Copper (%)	0.56	0.58	0.56	0.53	0.60	0.53	0.55	0.62	0.67
Gold (g/t)	0.13	0.13	0.13	0.13	0.14	0.13	0.13	0.14	0.15
Recovery									
Copper (%)	92.1	91.8	91.5	93.1	93.4	92.6	92.6	93.5	94.7
Gold (%)	75.2	73.8	77.5	74.7	74.9	75.1	75.1	74.0	73.0
Production (contained metal)									
Copper (tonnes)	106,146	35,929	36,014	34,203	126,702	19,509	35,836	35,060	36,297
Gold (000 oz)	65	20	24	21	76	13	21	21	21
Silver (000 oz)	939	341	318	280	1,074	155	283	305	331
Revenue (\$000s)	1,078,800	326,903	399,907	351,990	875,348	166,827	280,417	255,132	172,972
Gross profit (\$000s)	445,671	121,007	182,867	141,797	170,624	27,354	88,511	71,544	(16,785)
Cash cost (\$ per pound copper)	1.60	1.62	1.52	1.65	1.45	2.17	1.37	1.36	1.31
AISC (\$ per pound copper)	2.63	2.67	2.61	2.59	2.29	3.24	2.05	2.10	2.26

Gross Profit

Gross profit for the three and nine months ended September 30, 2021 was higher than the prior year comparable periods primarily due to higher realized metal prices.

Production

Copper production for the three months ended September 30, 2021 was slightly higher compared to the prior year quarter as a result of higher head grades which was partially offset by lower throughput and recoveries. Mill throughput in the quarter was in line with expectations, with major maintenance completed. On a year-to-date basis, copper production was lower than the prior year comparable period as a result of lower grades and recoveries, partially offset by better throughput.

Gold production for the three and nine months ended September 30, 2021 was consistent with the prior year comparable periods.

Copper and gold production guidance remains unchanged from that previously reported.

Cash Costs

Copper cash costs for the three and nine months ended September 30, 2021 were higher than cash costs in the prior year comparable periods. The increase was largely due to higher maintenance and diesel costs, higher labour costs as a result of the union negotiations finalized last year as well as lower sales volumes.

Cash cost guidance for the full year remains at \$1.55/lb of copper.

All-in sustaining costs for the three and nine months ended September 30, 2021 were higher than those of the corresponding periods in 2020 due to higher cash costs and higher capitalized deferred stripping.

For the nine months ended September 30, 2021, approximately 42,000 oz of gold and 585,000 oz of silver were subject to terms of a streaming agreement in which \$416/oz and \$4.16/oz were received for gold and silver, respectively.

Chapada (Brazil)

Operating Statistics

	2021				2020				
	Total	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Ore mined (000s tonnes)	26,449	11,227	8,725	6,497	29,386	5,575	7,831	7,528	8,452
Ore milled (000s tonnes)	18,410	6,435	6,132	5,843	19,192	3,618	4,808	5,278	5,488
Grade									
Copper (%)	0.26	0.30	0.25	0.23	0.30	0.35	0.31	0.30	0.27
Gold (g/t)	0.18	0.21	0.17	0.15	0.24	0.30	0.25	0.23	0.20
Recovery									
Copper (%)	78.1	84.1	75.7	72.1	86.2	90.7	87.7	86.1	80.9
Gold (%)	53.2	58.3	52.3	46.2	59.7	64.6	62.7	60.0	51.0
Production (contained metal)									
Copper (tonnes)	37,149	16,050	11,258	9,841	50,038	11,368	12,990	13,799	11,881
Gold (000 oz)	56	26	17	13	87	22	24	23	18
Silver (000 oz)	177	72	55	50	242	55	61	69	57
Revenue (\$000s)	394,687	160,332	148,137	86,218	445,399	133,567	113,586	114,125	84,121
Gross profit (\$000s)	201,610	90,275	72,023	39,312	228,541	84,830	62,558	59,320	21,833
Cash cost (\$ per pound copper)	1.04	0.62	1.32	1.33	0.29	(0.18)	0.21	0.21	0.92
AISC (\$ per pound copper)	1.75	1.36	1.98	2.11	0.84	0.82	0.73	0.64	1.22

Gross Profit

Gross profit for the three and nine months ended September 30, 2021 was higher than the prior year comparable periods largely due to higher realized metal prices.

Production

The production of both copper and gold for the three months ended September 30, 2021 was higher than the prior year quarter as well as the previous quarter as a result of record throughput for the quarter. A mill throughput record, processing over 6.4 million tonnes, was for set for the quarter.

Production of both copper and gold for the nine months ended September 30, 2021 was in line with expectations, though lower than the comparable periods in 2020 due primarily to lower grades and recoveries from increased use of the low-grade stockpile.

Chapada full year production guidance remains unchanged from previously reported.

Cash Costs

Copper cash costs for the three and nine months ended September 30, 2021 were higher than the same periods in the prior year. The higher per-unit costs resulted from higher average haulage distances, increased material tonnages moved, and higher consumable prices for diesel and other operating contracts impacted by inflationary increases. Production costs on a per tonne milled basis were in-line with expectations.

Full year cash cost guidance remains unchanged at \$1.10/lb of copper.

All-in sustaining costs for the three and nine months ended September 30, 2021 were higher than the prior year comparable periods as a result of higher cash costs.

Projects

The Company is continuing to evaluate options for long-term mine and plant expansion. Study work advanced in parallel with exploration efforts, largely focused on near-mine targets, with results to be incorporated in any potential future expansionary plans.

During the current quarter, 20,112 metres of drilling were completed, for a total of 49,364 metres year-to-date.

Eagle (USA)

Operating Statistics

	2021				2020				
	Total	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Ore mined (000s tonnes)	532	169	177	186	758	204	180	185	189
Ore milled (000s tonnes)	532	166	180	186	761	205	179	183	194
Grade									
Nickel (%)	3.2	3.0	3.2	3.3	2.6	2.8	3.2	2.2	2.2
Copper (%)	2.9	2.6	3.0	3.0	2.5	2.6	2.9	2.3	2.4
Recovery									
Nickel (%)	84.2	82.4	83.9	86.1	83.9	84.4	84.3	82.5	83.9
Copper (%)	97.4	97.4	97.2	97.5	96.7	96.7	97.2	96.6	96.3
Production (contained metal)									
Nickel (tonnes)	14,252	4,124	4,774	5,354	16,718	4,909	4,854	3,380	3,575
Copper (tonnes)	14,783	4,165	5,227	5,391	18,663	5,128	5,055	4,102	4,378
Revenue (\$000s)	354,072	101,311	133,893	118,868	294,280	102,940	91,314	52,689	47,337
Gross profit (loss) (\$000s)	163,284	42,752	62,228	58,304	77,413	45,805	36,634	3,762	(8,788)
Cash cost (\$ per pound nickel)	(1.53)	(0.80)	(2.01)	(1.62)	0.10	(0.89)	(0.63)	1.13	1.43
AISC (\$ per pound nickel)	0.11	0.93	(0.23)	(0.17)	1.51	0.32	0.54	2.48	3.50

Gross Profit

Gross profit for the three and nine months ended September 30, 2021 was higher than the prior year comparable periods due to higher realized metal prices and, for the nine months, higher sales volumes.

Production

Nickel and copper production for the three months ended September 30, 2021 was lower than the prior year comparable quarter on lower throughput due to lower ore volumes as a result of mine sequencing constraints. Lower grades and recoveries also impacted the production of both metals when compared to the third quarter of 2020. Nickel and copper production for the nine months ended September 30, 2021 was higher than the prior year period due to increased mining volumes in the high-grade Eagle East zone.

Full year production guidance for both nickel and remains unchanged.

Cash Costs

Nickel cash costs for the three and nine months ended September 30, 2021 were significantly lower than the cash costs reported in the prior year comparable periods. The decrease in cash costs is primarily due to higher by-product metal prices and, for the nine months, higher nickel sales volume.

Cash cost guidance remains unchanged at negative \$1.00/lb of nickel.

All-in sustaining costs for the three months ended September 30, 2021 were higher than the prior year comparable quarter due to higher sustaining capital expenditures. All-in sustaining costs for the nine months ended September 30, 2021 were lower than those of the corresponding period in 2020, as a result of lower cash costs.

Neves-Corvo (Portugal)

Operating Statistics

	2021				2020				
	Total	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Ore mined, copper (000 tonnes)	1,857	580	646	631	2,396	475	566	715	640
Ore mined, zinc (000 tonnes)	784	251	275	258	1,091	291	242	272	286
Ore milled, copper (000 tonnes)	1,840	565	655	620	2,427	489	565	734	639
Ore milled, zinc (000 tonnes)	776	242	280	254	1,106	296	240	286	284
Grade									
Copper (%)	1.8	1.8	1.9	1.5	1.7	1.5	1.5	1.8	1.8
Zinc (%)	7.7	8.2	7.5	7.4	8.1	7.5	8.4	8.5	8.0
Recovery									
Copper (%)	80.0	77.8	81.7	80.0	79.1	79.0	78.4	81.3	77.4
Zinc (%)	76.7	76.5	77.5	76.0	76.2	74.2	75.9	76.7	77.7
Production (contained metal)									
Copper (tonnes)	25,841	8,083	10,317	7,441	32,032	5,880	6,518	10,559	9,075
Zinc (tonnes)	47,281	15,909	16,662	14,710	69,143	16,750	15,459	18,986	17,948
Lead (tonnes)	3,775	1,359	1,343	1,073	5,108	1,321	760	1,559	1,468
Silver (000 oz)	1,114	362	407	345	1,557	420	281	479	377
Revenue (\$000s)	323,339	108,083	134,496	80,760	257,046	60,794	69,287	81,188	45,777
Gross profit (loss) (\$000s)	73,218	22,313	44,085	6,820	(13,993)	(3,320)	2,954	6,299	(19,926)
Cash cost (€ per pound copper)	1.70	1.74	1.37	2.17	1.84	2.37	1.69	1.58	2.03
Cash cost (\$ per pound copper)	2.03	2.05	1.65	2.61	2.09	2.85	1.97	1.75	2.24
AISC (\$ per pound copper)	2.79	2.86	2.34	3.38	3.16	5.35	2.93	2.32	3.28

Gross Profit

Gross profit for the three and nine months ended September 30, 2021 was higher than the comparable periods in 2020 largely due to higher realized metal prices.

Production

Copper production for the current quarter was higher than the prior year quarter as a result of higher throughput and grades. Copper production for the nine months ended September 30, 2021 was higher than the prior year comparable period as higher grades and recoveries were partially offset by lower throughput due to planned maintenance during which the shaft upgrade was complete and preparations were made for ZEP tie-ins.

Zinc production for the three months ended September 30, 2021 was higher than the prior year comparable quarter primarily due to higher throughput and, despite lower head grades, higher zinc recovery from copper ore. Zinc production for the nine months ended September 30, 2021 was lower than the prior year comparable period due to lower throughput and grades.

Full year production guidance remains unchanged.

Cash Costs

Copper cash costs for the three and nine months ended September 30, 2021 were higher than those of the corresponding periods in 2020 largely due to higher mine and mill costs resulting from inflationary increases in consumables, electricity and contractor prices, as well as unfavourable foreign exchange.

Full year copper cash cost guidance remains unchanged at \$2.10/lb.

All-in sustaining costs for the three and nine months ended September 30, 2021 were higher than the corresponding period in 2020 due to higher cash costs.

Projects

ZEP continues to progress on schedule and on budget and it is expected construction will be substantially completed by the end of 2021 with the commencement of commissioning of the mine materials handling system and the expanded zinc processing plant. Upgrades to the shaft were completed during the planned prolonged annual maintenance shutdown and preparations were made for reticulation system tie-ins for the zinc plant. Production ramp up to full production rates is planned for the first half of 2022.

An estimated \$70.0 million of expansionary capital is expected to be spent in 2021, with a further \$30.0 million in 2022 to complete the project, primarily reflecting timing of payments. Total pre-production capital cost estimate of \$430.0 million (€360.0 million) for the project remains unchanged.

Zinkgruvan (Sweden)

Operating Statistics

	2021				2020				
	Total	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Ore mined, zinc (000 tonnes)	905	279	298	328	1,208	323	282	279	324
Ore mined, copper (000 tonnes)	175	66	66	43	215	29	61	81	44
Ore milled, zinc (000 tonnes)	890	289	267	334	1,208	324	316	239	329
Ore milled, copper (000 tonnes)	126	52	50	24	181	-	62	98	21
Grade									
Zinc (%)	7.5	8.9	7.6	6.3	6.7	8.3	6.2	5.9	6.4
Lead (%)	2.4	3.1	2.4	1.8	2.5	2.7	2.3	2.0	2.9
Copper (%)	1.8	1.9	1.5	2.2	2.2	-	2.0	2.1	2.8
Recovery									
Zinc (%)	89.0	89.1	89.1	88.8	90.4	91.9	88.8	89.5	90.4
Lead (%)	77.5	77.4	78.7	76.5	79.5	78.5	77.0	78.1	83.0
Copper (%)	87.6	88.5	85.0	89.5	85.2	-	83.3	84.8	90.6
Production (contained metal)									
Zinc (tonnes)	59,686	22,860	18,171	18,655	73,601	24,678	17,328	12,596	18,999
Lead (tonnes)	16,756	6,952	5,095	4,709	24,128	6,745	5,571	3,799	8,013
Copper (tonnes)	1,969	850	641	478	3,346	-	1,045	1,765	536
Silver (000 oz)	1,535	658	457	420	2,064	514	499	389	662
Revenue (\$000s)	159,298	59,765	55,891	43,642	169,433	65,401	46,069	30,185	27,778
Gross profit (\$000s)	56,047	28,630	20,100	7,317	39,012	24,905	9,665	2,239	2,203
Cash cost (SEK per pound zinc)	4.27	2.78	3.58	6.43	4.77	4.22	4.90	5.50	4.96
Cash cost (\$ per pound zinc)	0.50	0.32	0.42	0.76	0.52	0.50	0.55	0.56	0.51
AISC (\$ per pound zinc)	0.83	0.61	0.76	1.10	0.82	0.78	0.74	1.03	0.79

Gross Profit

Gross profit for the three and nine months ended September 30, 2021 was higher than the comparable periods in 2020 largely attributable to higher realized metal prices.

Production

Zinc production for the quarter ended September 30, 2021 as well as on a year-to-date basis was higher than the prior year comparable periods due to higher grades and, for the nine months, higher throughput.

Lead production for the quarter ended September 30, 2021 was higher than the prior year quarter as a result of higher grades and recoveries. Lead production for the nine months ended September 30, 2021 was lower than the prior year comparable periods as a result of lower grades in the first quarter of 2021.

Full year production guidance remains unchanged from that previously reported.

Cash Costs

Zinkgruvan's cash costs for the three and nine months ended September 30, 2021 were lower than the prior year due to lower per unit production costs as well as lower treatment and refining charges partially offset by the impact of unfavourable foreign exchange.

Full year zinc cash cost guidance remains unchanged at \$0.65/lb.

All-in sustaining costs for the three and nine months ended September 30, 2021 were lower than those reported in the corresponding periods in 2020 due to lower cash costs.

Metal Prices, LME Inventories and Smelter Treatment and Refining Charges

The average metal prices for zinc and nickel for the third quarter of 2021 were higher than the average prices for the second quarter of 2021 by 3% and 10%, respectively. The average copper and gold prices for the third quarter of 2021 were lower than the average price for the second quarter of 2021 by 3% and 1%, respectively.

All metal prices, with the exception of gold, were higher in the current quarter compared to the prior year quarter. On a year-to-date basis, all metal prices were higher than the prior year comparative.

(Average LME Price)		Three months ended September 30,			Nine months ended September 30,		
		2021	2020	Change	2021	2020	Change
Copper	US\$/pound	4.25	2.96	44%	4.17	2.65	57%
	US\$/tonne	9,372	6,519		9,188	5,849	
Zinc	US\$/pound	1.36	1.06	28%	1.31	0.97	35%
	US\$/tonne	2,991	2,335		2,886	2,145	
Gold	US\$/ounce	1,790	1,909	-6%	1,800	1,735	4%
Nickel	US\$/pound	8.67	6.45	35%	8.18	5.93	38%
	US\$/tonne	19,125	14,210		18,036	13,068	

LME inventory for copper increased by 4% during the third quarter of 2021 while the inventories for zinc and nickel decreased by 22% and 48%, respectively.

During the third quarter of 2021, 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 July of \$45 per dmt of concentrate and a spot RC of \$0.045 per lb of payable copper to a spot TC of \$51 per dmt of concentrate and a spot RC of \$0.051 per lb of payable copper during September 2021. Also, the spot terms at which Chinese copper smelters were prepared to buy increased through the quarter from a TC of \$50 per dmt of concentrate and a RC of \$0.05 per payable lb of copper over July to a TC of \$61 per dmt of concentrate and a RC of \$0.061 per payable lb of copper at the end of September.

The spot TC, delivered China, for zinc concentrates during the third quarter of 2021 hovered between \$82 per dmt, flat, at the beginning of July and \$80 per dmt, flat, by the end of the quarter, on very limited activity. As of the beginning of April, a settlement in the negotiations between the mines and smelters for annual contracts for zinc concentrates was reported at \$159 per dmt, flat which represents a significant improvement in favour of the mines compared to the settlement for 2020 which was \$299.75 per dmt, flat.

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

Liquidity and Capital Resources

As at September 30, 2021, the Company had cash and cash equivalents of \$428.3 million. With the ongoing COVID-19 pandemic, there is still uncertainty in the marketplace, as well as potential risks to production, supply chain, delivery of concentrates, commodity prices and many other variables. However, the Company continues to expect to be able to fund all its contractual commitments and obligations through operating cash flow generated, cash on hand and available debt facilities.

Cash flow from operations for the three and nine months ended September 30, 2021 were \$250.9 million and \$707.6 million higher than the comparative periods in the prior year. The increase was primarily attributable to higher gross profit (Q3 - \$104.6 million, YTD - \$617.8 million) largely due to higher realized metal prices and price adjustments. For the current quarter and year-to-date, there was a positive comparative change in non-cash working capital (Q3 - \$218.8 million, YTD - \$170.8 million). Offsetting these cash flow increases was increased income tax.

Cash flow used in investing activities was higher \$32.0 million higher in the current quarter compared to the prior year quarter. In addition to capital expenditures being \$44.0 million higher, the Company paid a contingent liability of \$25.0 million, and received partial proceeds of \$17.2 million from the Company's sale of its interest in the Freeport Cobalt specialty cobalt business. On a year-to-date basis, cash flow used in investing activities was higher than the prior year period due primarily to capital expenditures.

Cash flow used in financing activities increased on a current quarter and year-to-date basis compared to the prior year periods by \$22.8 million and \$333.9 million owing to higher dividends paid to shareholders and lower net debt proceeds received.

Capital Resources

As at September 30, 2021, the Company had \$37.6 million of debt and lease liabilities.

As at September 30, 2021, the Company has no amounts drawn on its credit facility and outstanding term loans were fully repaid during the current quarter. Additionally, the Company has \$5.9 million of equipment financing and \$31.7 million of lease liabilities. The Company has approximately \$779.0 million available for drawdown on its credit facility.

During the third quarter and nine months ended September 30, 2021, the Company purchased 1.1 million shares under its Normal Course Issuer Bid for consideration of \$7.5 million (2021 YTD – 3.8 million shares, \$35.9 million consideration). In the third quarter of 2020, 0.6 million shares were repurchased for total consideration of \$3.7 million (2020 YTD – 2.2 million shares, \$11.1 million consideration).

Contractual Obligations, Commitments and Contingencies

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

Financial Instruments

The Company does not currently utilize complex financial instruments in hedging metal price, foreign exchange or interest rate exposure. The Company will not hold or issue derivative instruments for speculation or trading purposes.

For details of the Company's financial instruments refer to Note 18 of the Company's Condensed Interim Consolidated Financial Statements.

Sensitivities

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

Metal Prices

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

Metal	Payable Metal	Provisional price on September 30, 2021	Change	Effect on Revenue (\$millions)
Copper	71,769 t	\$4.05/lb	+/- 10%	+/- \$64.1
Zinc	11,684 t	\$1.35/lb	+/- 10%	+/- \$3.5
Gold	37 koz	\$1,753/oz	+/- 10%	+/- \$6.5
Nickel	1,146 t	\$8.14/lb	+/- 10%	+/- \$2.1

Related Party Transactions

The Company may enter into related party transactions that are in the normal course of business and on an arm's length basis. Related party disclosures can be found in Note 21 of the Company's September 30, 2021 Condensed Interim Consolidated Financial Statements.

Changes in Accounting Policies and Critical Accounting Estimates and Judgments

Significant accounting policies as well as any changes in accounting policies are discussed in Note 2 "Basis of Presentation and Significant Accounting Policies" of the September 30, 2021 Condensed Interim Consolidated Financial Statements.

Non-GAAP Performance Measures

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

Net Cash (Debt)

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

(\$thousands)	September 30, 2021	June 30, 2021	December 31, 2020
Cash and cash equivalents	428,300	294,914	141,447
Current portion of debt and lease liabilities	(17,660)	(119,780)	(116,942)
Debt and lease liabilities	(19,974)	(21,752)	(86,106)
	(37,634)	(141,532)	(203,048)
Deferred financing fees (netted in above)	-	-	(1,622)
	(37,634)	(141,532)	(204,670)
Net cash (debt)	390,666	153,382	(63,223)

Adjusted Operating Cash Flow and Adjusted Operating Cash Flow per Share

Adjusted operating cash flow is a performance measure used by the Company to assess its ability to generate cash from its operations, while also taking into consideration changes in the number of outstanding shares of the Company. Adjusted operating cash flow is defined as cash provided by operating activities, excluding changes in non-cash working capital items. The Company believes adjusted operating cash flow is a relevant measure to some investors, as it removes the impact of working capital, which can experience variability period-to-period. Adjusted operating cash flow per share is adjusted operating cash flow divided by the basic weighted average number of shares outstanding.

Adjusted operating cash flow and adjusted operating cash flow per share can be reconciled to cash provided by operating activities as follows:

(\$thousands, except share and per share amounts)	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Cash provided by operating activities	523,104	272,201	1,100,777	393,223
Changes in non-cash working capital items	(228,989)	(10,187)	(95,190)	75,643
Adjusted operating cash flow	294,115	262,014	1,005,587	468,866
Weighted average common shares outstanding	736,443,985	733,825,007	737,314,204	733,981,090
Adjusted operating cash flow per share	0.40	0.36	1.36	0.64

Free Cash Flow

The Company believes free cash flow is a relevant measure for some investors, as it is indicative of the Company's ability to generate cash from operations after consideration for required sustaining capital expenditures necessary to maintain operations. Free cash flow is defined as cash flow provided by operating activities, less sustaining capital expenditures.

Free cash flow can be reconciled to cash provided by operating activities as follows:

(\$thousands)	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Cash provided by operating activities	523,104	272,201	1,100,777	393,223
Sustaining capital expenditures	(116,069)	(77,725)	(338,813)	(272,844)
Free cash flow	407,035	194,476	761,964	120,379

Adjusted EBITDA, Adjusted Earnings and Adjusted Earnings per Share

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

As a result of a change in accounting policy, foreign currency translation differences on deferred tax liabilities and assets have been retrospectively restated. This change is described in Note 2 (iv) "Voluntary change in accounting policy" of the September 30, 2021 Condensed Interim Consolidated Financial Statements.

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

(\$thousands)	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Net earnings	190,580	133,595	613,231	68,285
Add back:				
Depreciation, depletion and amortization	120,637	121,957	377,397	362,136
Finance income and costs	10,143	6,785	30,317	38,221
Income taxes	105,675	29,937	238,191	134,028
	427,035	292,274	1,259,136	602,670
Unrealized foreign exchange	(2,731)	4,786	3,527	(7,934)
Revaluation gain on derivative asset/liability	1,274	5,553	(745)	23,217
Income from investment in associates	(21,088)	(1,034)	(22,234)	(2,980)
Project standby and suspension costs	-	-	-	6,341
Other	6,806	(1,301)	6,778	770
Total adjustments - EBITDA	(15,739)	8,004	(12,674)	19,414
Adjusted EBITDA	411,296	300,278	1,246,462	622,084

Adjusted earnings and adjusted earnings per share can be reconciled to the Company's Consolidated Statement of Earnings as follows:

(\$thousands, except share and per share amounts)	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Net earnings attributable to: Lundin Mining shareholders	173,740	122,355	551,568	49,599
Add back:				
Total adjustments - EBITDA	(15,739)	8,004	(12,674)	19,414
Tax effect on adjustments	(3,556)	(453)	(2,729)	10,609
Deferred tax arising from foreign exchange on non-monetary balances	22,645	4,483	4,944	80,145
Deferred tax arising from foreign exchange translation	(8,209)	(3,390)	(1,733)	(28,543)
Prior period tax refund and interest	-	(19,161)	-	(19,161)
Tax asset revaluations	-	(5,388)	-	8,174
Other	(460)	(50)	(305)	(194)
Total adjustments	(5,319)	(15,955)	(12,497)	70,444
Adjusted earnings	168,421	106,400	539,071	120,043
Weighted average number of shares outstanding:				
Basic	736,443,985	733,825,007	737,314,204	733,981,090
Diluted	738,663,357	735,514,039	739,906,402	734,981,419
Basic and diluted earnings (loss) per share attributable to Lundin Mining shareholders:				
Net earnings	0.24	0.17	0.75	0.07
Total adjustments	(0.01)	(0.03)	(0.02)	0.09
Adjusted earnings per share	0.23	0.14	0.73	0.16

Capital Expenditures

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

- **Sustaining capital expenditures** – Expenditures which maintain existing operations and sustain production levels.
- **Expansionary capital expenditures** – Expenditures which increase current or future production capacity, cash flow or earnings potential.

Where an expenditure both maintains and expands current operations, classification would be based on the primary decision for which the expenditure is being made. Sustaining and expansionary capital expenditures are reported excluding capitalized interest.

Cash Cost per Pound

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

- **Cash cost per pound, gross** – Total cash costs directly attributable to mining operations, excluding any allocation of upfront streaming proceeds or capital expenditures for deferred stripping, are divided by the sales volume of the primary metal to arrive at gross cash cost per pound. As this measure is not impacted by fluctuations in sales of by-product metals, it is generally more consistent across periods.
- **Cash cost per pound, net of by-products** – Credits for by-products sales are deducted from total cash costs directly attributable to mining operations. By-product revenue is adjusted for the terms of streaming agreements, but excludes any deferred revenue from the allocation of upfront cash received. The net cash costs are divided by the sales volume of the primary metal to arrive at net cash cost per pound. The inclusion of by-product credits provides a broader economic measurement, incorporating the benefit of other metals extracted in the production of the primary metal.

All-in Sustaining Cost (“AISC”) per Pound

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

Cash Cost and AISC can be reconciled to the Company's production costs as follows:

Three months ended September 30, 2021						
Operations	Candelaria	Chapada	Eagle	Neves-Corvo	Zinkgruvan	Total
(\$000s, unless otherwise noted)	(Cu)	(Cu)	(Ni)	(Cu)	(Zn)	
Sales volumes (Contained metal in concentrate):						
Tonnes	33,743	13,869	3,246	9,071	16,043	
Pounds (000s)	74,390	30,576	7,156	19,998	35,369	
Production costs						331,816
Less: Royalties and other						(13,626)
						318,190
Deduct: By-product credits						(160,394)
Add: Treatment and refining charges						28,459
Cash cost	120,512	19,097	(5,703)	40,987	11,362	186,255
Cash cost per pound (\$/lb)	1.62	0.62	(0.80)	2.05	0.32	
Add: Sustaining capital expenditure	74,326	16,425	3,539	13,191	8,486	
Royalties	-	4,157	6,459	1,839	-	
Interest expense	1,263	859	177	18	18	
Leases & other	2,778	987	2,173	1,201	1,692	
All-in sustaining cost	198,879	41,525	6,645	57,236	21,558	
AISC per pound (\$/lb)	2.67	1.36	0.93	2.86	0.61	

Three months ended September 30, 2020						
Operations	Candelaria	Chapada	Eagle	Neves-Corvo	Zinkgruvan	Total
(\$000s, unless otherwise noted)	(Cu)	(Cu)	(Ni)	(Cu)	(Zn)	
Sales volumes (Contained metal in concentrate):						
Tonnes	34,713	11,220	3,539	6,892	15,002	
Pounds (000s)	76,529	24,736	7,802	15,194	33,074	
Production costs						279,373
Less: Royalties and other						(10,109)
						269,264
Deduct: By-product credits						(146,095)
Add: Treatment and refining charges						30,110
Cash cost	104,811	5,221	(4,934)	29,974	18,207	153,279
Cash cost per pound (\$/lb)	1.37	0.21	(0.63)	1.97	0.55	
Add: Sustaining capital expenditure	49,534	7,959	1,283	12,217	6,677	
Royalties	-	2,927	5,459	510	-	
Interest expense	1,022	1,110	313	78	(82)	
Leases & other	1,763	768	2,131	1,786	(390)	
All-in sustaining cost	157,130	17,985	4,252	44,565	24,412	
AISC per pound (\$/lb)	2.05	0.73	0.54	2.93	0.74	

Nine months ended September 30, 2021

Operations (\$000s, unless otherwise noted)	Candelaria (Cu)	Chapada (Cu)	Eagle (Ni)	Neves-Corvo (Cu)	Zinkgruvan (Zn)	Total
Sales volumes (Contained metal in concentrate):						
Tonnes	104,796	33,495	11,622	25,950	46,051	
Pounds (000s)	231,035	73,844	25,622	57,210	101,525	
Production costs						996,246
Less: Royalties and other						(42,695)
						953,551
Deduct: By-product credits						(466,556)
Add: Treatment and refining						86,367
Cash cost	368,583	76,527	(39,260)	116,351	51,161	573,362
Cash cost per pound (\$/lb)	1.60	1.04	(1.53)	2.03	0.50	
Add: Sustaining capital expenditure	226,641	37,856	12,414	33,348	28,312	
Royalties	-	9,797	21,934	5,576	-	
Interest expense	3,547	2,577	531	57	54	
Leases & other	7,930	2,483	7,234	4,164	4,248	
All-in sustaining cost	606,701	129,240	2,853	159,496	83,775	
AISC per pound (\$/lb)	2.63	1.75	0.11	2.79	0.83	

Nine months ended September 30, 2020

Operations (\$000s, unless otherwise noted)	Candelaria (Cu)	Chapada (Cu)	Eagle (Ni)	Neves-Corvo (Cu)	Zinkgruvan (Zn)	Total
Sales volumes (Contained metal in concentrate):						
Tonnes	106,609	36,153	8,767	26,091	39,751	
Pounds (000s)	235,032	79,704	19,328	57,521	87,636	
Production cost						831,082
Less: Royalties and other						(27,215)
						803,867
Deduct: By-product credits						(373,242)
Add: Treatment and refining						89,385
Cash cost	315,590	34,781	9,937	112,354	47,348	520,010
Cash cost per pound (\$/lb)	1.34	0.44	0.51	1.95	0.54	
Add: Sustaining capital expenditure	179,729	19,987	8,928	39,748	24,182	
Royalties	-	7,874	13,200	1,821	-	
Interest expense	3,202	3,327	938	226	47	
Leases & other	5,096	1,926	6,014	4,963	1,544	
All-in sustaining cost	503,617	67,895	39,017	159,112	73,121	
AISC per pound (\$/lb)	2.14	0.85	2.02	2.77	0.83	

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.

Tax regime changes in the jurisdictions in which the Company operates can have a material effect on income and royalty taxes. In Chile, there is a proposed mining royalty tax that if approved would result in increased royalty payments for Candelaria. In Brazil, a bill of law proposing increased mining royalty rates and changes to other taxes are also under discussion and, if approved, would result in increased royalty obligations and potentially other tax payments.

Rising global inflation and increased potential supply chain disruptions could have a significant impact on the Company's operations, inventory and costs.

While vaccination rates are continuing to increase and rates of infection are on the decline worldwide, impacts from the global COVID-19 pandemic and the emergence of more virulent strains of the virus continue to affect the jurisdictions in which the Company operates.

For a detailed discussion on Lundin Mining's risks, refer to the "Risks and Uncertainties" section of the Company's most recently filed Annual Information Form ("AIF").

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.

Internal control over financial reporting ("ICFR")

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

Control Framework

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

Changes in ICFR

There have been no changes in the Company's ICFR during the three-month period ended September 30, 2021 that have materially affected, or are reasonably likely to materially affect, the Company's financial reporting.

Outstanding Share Data

As at October 27, 2021, the Company has 735,475,804 common shares issued and outstanding, and 8,769,757 stock options and 2,473,500 share units outstanding under the Company's incentive plans.

Other Information

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