

# lundin mining

## Management's Discussion and Analysis For the three and nine months ended September 30, 2022

This management's discussion and analysis ("MD&A") has been prepared as of October 25, 2022 and should be read in conjunction with the Company's condensed interim consolidated financial statements for the three and nine months ended September 30, 2022. 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.

### About Lundin Mining

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

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## Cautionary Statement on Forward-Looking Information

Certain of the statements made and information contained herein is “forward-looking information” within the meaning of applicable Canadian securities laws. All statements other than statements of historical facts included in this document constitute forward-looking information, including but not limited to statements regarding the Company’s plans, prospects and business strategies; the Company’s guidance on the timing and amount of future production and its expectations regarding the results of operations; expected costs; permitting requirements and timelines; timing and possible outcome of pending litigation; the results of any Preliminary Economic Assessment, Feasibility Study, or Mineral Resource and Mineral Reserve estimations, life of mine estimates, and mine and mine closure plans; anticipated market prices of metals, currency exchange rates, and interest rates; the development and implementation of the Company’s Responsible Mining Management System; the Company’s ability to comply with contractual and permitting or other regulatory requirements; anticipated exploration and development activities at the Company’s projects; the Company’s integration of acquisitions and any anticipated benefits thereof; 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 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 demand and prices; changing taxation regimes; delays or the inability to obtain, retain or comply with permits; reliance on a single asset; unavailable or inaccessible infrastructure, infrastructure failures, and risks related to ageing infrastructure; risks related to negative publicity with respect to the Company or the mining industry in general; health and safety risks; pricing and availability of key supplies and services; the threat associated with outbreaks of viruses and infectious diseases, including the COVID-19 virus; exchange rate fluctuations; risks relating to attracting and retaining of highly skilled employees; risks inherent in and/or associated with operating in foreign countries and emerging markets; climate change; regulatory investigations, enforcement, sanctions and/or related or other litigation; existence of significant shareholders; uncertain political and economic environments, including in Argentina, Brazil and Chile; 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; indebtedness; liquidity risks and limited financial resources; funding requirements and availability of financing; exploration, development or mining results not being consistent with the Company’s expectations; risks related to the environmental regulation and environmental impact of the Company’s operations and products and management thereof; activist shareholders and proxy solicitation matters; reliance on key personnel and reporting and oversight systems, as well as third parties and consultants in foreign jurisdictions; historical environmental liabilities and ongoing reclamation obligations; information technology and cybersecurity risks; risks related to mine closure activities, reclamation obligations, and closed and historical sites; social and political unrest, including civil disruption in Chile; the inability to effectively compete in the industry; financial projections, including estimates of future expenditures and cash costs, and estimates of future production may be unreliable; 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; 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; enforcing legal rights in foreign jurisdictions; community and stakeholder opposition; 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; risks associated with the structural stability of waste rock dumps or tailings storage facilities; dilution; risks relating to dividends; conflicts of interest; counterparty and credit risks and customer concentration; the estimation of asset carrying values; challenges or defects in title; internal controls; relationships with employees and contractors, and the potential for and effects of labor disputes or other unanticipated difficulties with or shortages of labor or interruptions in production; 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; compliance with environmental, health and safety regulations and laws; and other risks and uncertainties, including but not limited to those described in the “Risk and Uncertainties” section of the Company’s AIF and the “Managing Risks” section of the Company’s MD&A for the year ended December 31, 2021, which are available on SEDAR at [www.sedar.com](http://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

Zinc and nickel production was higher than the prior year quarter, with copper modestly below, but in-line with expectations. Production costs and cash costs<sup>1</sup> were higher this quarter than the prior year quarter primarily due to the year-to-date inflationary impacts on consumables, particularly diesel and electricity, as well as on contractor costs, partially offset by favourable foreign exchange.

**Candelaria (80% owned):** Candelaria produced 37,192 tonnes of copper, and approximately 21,000 ounces of gold in concentrate on a 100% basis in the quarter. Copper and gold production was higher than the comparable prior year quarter due to higher grades from Phase 10 of the open pit. Current quarter production costs and copper cash cost of \$1.97/lb was higher than the prior year quarter largely owing to higher mining costs partially offset by favourable foreign exchange. During the quarter, a sinkhole formed near the underground Alcaparrosa mine which is part of the Candelaria operations. Upon detection, the area was immediately isolated and mining operations at the Alcaparrosa mine remain suspended. The suspension of the Alcaparrosa mine is estimated to impact Candelaria's 2022 copper production by approximately 2%.

**Chapada (100% owned):** Chapada produced 13,988 tonnes of copper and approximately 24,000 ounces of gold in concentrate in the quarter. Copper and gold production was lower than the prior year quarter primarily due to processed ore types impacting grade and metal recoveries, however, production of both metals increased meaningfully over the first half of this year. Production costs were higher due to inflationary pressures on diesel, explosives and electricity. Copper cash cost of \$1.92/lb for the quarter was higher than the prior year quarter due to higher consumable costs and lower sales volumes.

**Eagle (100% owned):** During the quarter Eagle produced 4,379 tonnes of nickel, higher than the prior year quarter attributable to higher mill throughput and 3,994 tonnes of copper which was lower than the prior year quarter due to anticipated lower grades. Production costs were higher due to higher consumable costs. Nickel cash cost in the quarter of \$1.05/lb was higher than the prior year quarter due primarily to lower by-product copper price and higher production costs.

**Neves-Corvo (100% owned):** Neves-Corvo produced 7,019 tonnes of copper for the quarter and 22,514 tonnes of zinc. Copper production was lower than the prior year comparable period, due primarily to lower throughput, while zinc production was higher primarily due to increased throughput driven by the ramp-up of the Zinc Expansion Project ("ZEP"). Production costs and copper cash cost of \$2.69/lb for the quarter were also higher than the prior year quarter mainly due to inflationary increases, primarily electricity, though partially offset by favourable foreign exchange. Cash cost further benefitted from positive by-product credits. On September 30, 2022, a contractor fatality occurred in the underground mine leading to a temporary suspension of operations. The operation restarted on October 5, 2022. The Company has initiated an independent investigation and is cooperating with all relevant authorities.

**Zinkgruvan (100% owned):** Zinc production of 17,813 tonnes was lower than the prior year quarter due to lower grades while lead production of 7,046 tonnes was consistent with the prior year quarter. Production costs were higher due to inflationary increases on input costs partially offset by favourable foreign exchange. Zinc cash cost of \$0.18/lb was lower than the prior year quarter due to favourable by-product credits and foreign exchange.

### Total Production<sup>a</sup>

(contained metal in concentrate)	2022				2021				
	YTD	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Copper (t) <sup>b</sup>	193,107	63,930	64,096	65,081	262,884	76,996	65,077	63,457	57,354
Zinc (t)	114,630	40,327	41,912	32,391	143,797	36,830	38,769	34,833	33,365
Gold (koz) <sup>b</sup>	118	45	39	34	167	46	46	41	34
Nickel (t)	13,379	4,379	4,719	4,281	18,353	4,101	4,124	4,774	5,354

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

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

<sup>1</sup> This is a non-GAAP measure - see section "Non-GAAP and Other Performance Measures" of this MDA for discussion.

## Corporate Updates

- On July 19, 2022, the Company announced the publication of its 2021 Sustainability Report, which highlighted its new *Focused on the Future* long-term sustainability strategy which included a 35% reduction target in greenhouse gas emissions by 2030.
- On July 27, 2022, the Company announced that the Company's founder and former Chairman, Mr. Lukas H. Lundin, passed away. The Company also announced the appointment of Ms. Natasha Vaz to the Company's Board of Directors, and the following executive leadership appointments: Mr. Juan Andres Morel, Senior Vice President and Chief Operating Officer; Mr. Teitur Poulsen, Senior Vice President and Chief Financial Officer; Mr. David Dicaire, Senior Vice President, Josemaria Project; and Ms. Kristen Mariuzza, Senior Vice President Sustainability, Health and Safety.
- On August 1, 2022, the Company confirmed a sinkhole was detected near its Minera Ojos del Salado operations in Chile on July 30, 2022. All mining operations at the Alcaparrosa underground mine were and remain suspended and the Company mobilized resources in support of the ongoing investigation.
- On October 1, 2022, the Company reported a fatality of a contractor that occurred on September 30, 2022 at its Neves-Corvo mine in Portugal. Operations were voluntarily suspended. The operation restarted on October 5, 2022. The relevant regulatory authorities were notified and the Company continues to cooperate fully with those investigations.
- On October 12, 2022, the Company announced the passing of Board member Ms. Karen Poniachik, who had served on the Board of Directors since February 2021.

## Financial Performance

- Gross profit for the quarter ended September 30, 2022 was \$82.5 million, a decrease of \$221.4 million in comparison to the prior year quarter due to higher operating costs impacted by inflationary impacts and lower metal prices net of price adjustments (\$139.2 million) partially offset by favourable foreign exchange. On a year-to-date basis, gross profit was also lower than the prior year comparative period by \$329.2 million due to the same impacts.
- For the three and nine months ended September 30, 2022, net loss of \$11.2 million and net earnings of \$318.2 million were \$201.8 million and \$295.0 million lower than the prior year comparable periods, respectively, due to lower gross profit and higher project development costs partially offset by lower income taxes.
- Adjusted earnings<sup>1</sup> of \$30.9 million and \$289.0 million for the three and nine months ended September 30, 2022, respectively, were lower than the prior year comparable periods due to lower net earnings.

## Financial Position and Financing

- Cash and cash equivalents as at September 30, 2022 were \$226.9 million, a decrease during the quarter of \$271.3 million. Cash flow from operations of \$36.3 million and cash on hand was used to fund investing activities of \$227.6 million, for payments of shareholder dividends of \$53.0 million and share repurchases which amounted to \$42.1 million.
- On a year-to-date basis, cash and cash equivalents decreased by \$367.1 million. Cash flow from operations of \$720.0 million was used to fund investing activities of \$733.1 million, which includes the Josemaria Resources acquisition. Financing activities included the payment of shareholder dividends of \$224.3 million, \$50.2 million in share repurchases, \$47.0 million in Josemaria debentures paid and distributions amounting to \$35.0 million to non-controlling interest.
- As at September 30, 2022, the Company had a net cash<sup>1</sup> balance of \$177.6 million. Net cash decreased during the quarter and on a year-to-date basis due to the activities described above for cash and cash equivalents.
- As at October 25, 2022, the Company had cash and net cash balances of approximately \$255.0 million and \$205.0 million, respectively.

<sup>1</sup> This is a non-GAAP measure - see section "Non-GAAP and Other Performance Measures" of this MDA for discussion.

## Outlook

The Company continues to experience continuing risks associated with global inflation as well as supply chain delivery. To date, there have been no significant impacts on our operations relating to supply chain availability. The Company has implemented procurement strategies and a foreign exchange hedging program to mitigate the impact and continues to monitor these risks.

Total copper, zinc, gold and nickel production are all tracking to the most recently reported guidance ranges as outlined in the MD&A for the three and six months ended June 30, 2022. Total copper production is expected to be within the guidance range, and total gold production towards the upper end of the guidance range, based upon a stronger second half performance at Chapada and continuation of operations as planned at Candelaria. Total zinc production will be challenged to meet the 2023 guidance range as outlined in the news release "Lundin Mining Provides Operational Outlook & Update" provided on November 21, 2021, primarily reflecting the slower than anticipated ramp up of the Neves-Corvo ZEP achieved year-to-date and necessitates further operational improvement in the fourth quarter, particularly in new underground mining areas and materials handling infrastructure. The ZEP 2023 zinc production profile will be dependent on operating rates achievable on a sustainable basis by the end of the current year. Nickel production is expected to be towards the upper end of the 2022 guidance range based upon continued steady performance at Eagle.

Forecast cash costs remain consistent with most recently reported guidance for Candelaria and Chapada of \$1.75/lb of copper and \$2.25/lb of copper, respectively. Neves-Corvo's forecast cash cost is trending above the most recently reported guidance of \$1.80/lb of copper considering the impact of inflation on prices of consumables, mainly electricity and forecast by-product zinc volumes and pricing. Eagle's forecast nickel cash cost is trending above the most recently reported guidance of negative \$0.25/lb of nickel considering, mainly, forecast by-product copper pricing for the remainder of the year. Zinkgruvan's cash cost is trending favourably against the most recently reported guidance of \$0.55/lb of zinc primarily due to foreign exchange impacts.

Total capital expenditures are tracking well to the most recent guidance of \$700.0 million, on a cash basis which is exclusive of capitalized costs for the copper-gold Josemaria project ("Josemaria Project"). Similarly, total exploration expenditures, exclusive of the Josemaria Project, are on the target of \$45.0 million for 2022.

The total expected spend for the Josemaria Project remains on track for \$300.0 million for the year, \$180.0 million of which is expected to be capitalized and the balance will be recognized in Project development costs in the Consolidated Statement of Earnings.

## Selected Quarterly Financial Information<sup>1</sup>

(\$ millions, except share and per share amounts)	Three months ended		Nine months ended	
	September 30,		September 30,	
	2022	2021	2022	2021
<b>Revenue</b>	<b>648.5</b>	756.4	<b>2,229.8</b>	2,310.2
Costs of goods sold:				
Production costs	<b>(425.8)</b>	(331.8)	<b>(1,210.4)</b>	(996.2)
Depreciation, depletion and amortization	<b>(140.2)</b>	(120.6)	<b>(412.0)</b>	(377.4)
<b>Gross profit</b>	<b>82.5</b>	303.9	<b>607.3</b>	936.6
<b>Net (loss) earnings attributable to:</b>				
Lundin Mining shareholders	<b>(11.2)</b>	173.7	<b>281.3</b>	551.6
Non-controlling interests	—	16.8	<b>36.9</b>	61.7
<b>Net (loss) earnings</b>	<b>(11.2)</b>	190.6	<b>318.2</b>	613.2
<b>Adjusted earnings<sup>3</sup></b>	<b>30.9</b>	168.4	<b>288.9</b>	539.1
<b>Adjusted EBITDA<sup>3</sup></b>	<b>202.4</b>	411.3	<b>938.8</b>	1,246.5
<b>Cash flow from operations</b>	<b>36.3</b>	523.1	<b>720.0</b>	1,100.8
<b>Adjusted operating cash flow<sup>3</sup></b>	<b>181.3</b>	294.1	<b>703.9</b>	1,005.6
<b>Free cash flow<sup>3</sup></b>	<b>(116.4)</b>	407.0	<b>284.9</b>	762.0
<b>Capital expenditures<sup>4</sup></b>	<b>199.5</b>	133.8	<b>561.7</b>	378.2
<b>Per share amounts:</b>				
Basic and diluted (loss) earnings per share ("EPS") attributable to shareholders	<b>(0.01)</b>	0.24	<b>0.37</b>	0.75
Adjusted EPS	<b>0.04</b>	0.23	<b>0.38</b>	0.73
Adjusted operating cash flow per share <sup>3</sup>	<b>0.23</b>	0.40	<b>0.93</b>	1.36
Dividends declared (C\$/share)	<b>0.09</b>	0.18	<b>0.38</b>	0.30
			<b>September 30,</b>	<b>December 31,</b>
			<b>2022</b>	<b>2021</b>
Total assets			<b>7,772.3</b>	7,636.9
Total debt and lease liabilities			<b>49.4</b>	31.0
Net cash <sup>3</sup>			<b>177.6</b>	563.1

## Summary of Quarterly Results<sup>12,5</sup>

(\$ millions, except per share data)	Q3-22	Q2-22	Q1-22	Q4-21	Q3-21	Q2-21	Q1-21	Q4-20
<b>Revenue</b>	648.5	590.2	991.1	1,018.6	756.4	872.3	681.5	529.5
<b>Gross profit</b>	82.5	46.0	478.8	433.2	303.9	380.2	252.5	179.4
<b>Net (loss) earnings</b>	(11.2)	(48.6)	378.1	266.1	190.6	268.4	154.2	120.8
- attributable to shareholders	(11.2)	(52.6)	345.1	228.8	173.7	242.6	135.2	119.2
<b>Adjusted earnings (loss)<sup>3</sup></b>	30.9	(35.3)	295.6	281.5	168.4	226.3	144.3	106.7
<b>Adjusted EBITDA<sup>3</sup></b>	202.4	148.6	587.8	623.0	411.3	480.7	354.4	234.8
<b>EPS - Basic and Diluted</b>	(0.01)	(0.07)	0.47	0.31	0.24	0.33	0.18	0.16
<b>Adjusted EPS<sup>3</sup></b>	0.04	(0.05)	0.40	0.38	0.23	0.31	0.20	0.15
<b>Cash flow from operations</b>	36.3	366.4	317.3	384.2	523.1	419.0	158.7	172.7
<b>Adjusted operating cash flow per share<sup>3</sup></b>	0.23	0.06	0.64	0.65	0.40	0.58	0.38	0.24
<b>Capital expenditures<sup>4</sup></b>	199.5	217.3	144.9	153.9	133.8	131.9	112.5	100.2

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

<sup>2</sup> The sum of quarterly amounts may differ from year-to-date results due to rounding.

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

<sup>4</sup> Capital expenditures are reported on a cash basis, as presented in the consolidated statement of cash flows.

<sup>5</sup> Variability in revenues and net earnings is largely driven by metal prices. In recent quarters, net earnings has also been impacted by global inflation factors as well as the impact of a strengthening USD. For further metal price trending discussion, refer to page 21 of this MD&A.

## Revenue Overview

### Sales Volumes by Payable Metal

(Contained metal in concentrate)	2022				2021				
	Total	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
<b>Copper (t)</b>									
Candelaria (100%)	113,690	35,587	39,655	38,448	148,213	43,417	33,743	35,537	35,516
Chapada	33,526	12,817	7,905	12,804	47,123	13,628	13,869	12,247	7,379
Eagle	11,388	3,721	4,159	3,508	16,522	3,155	3,792	5,257	4,318
Neves-Corvo	25,241	8,574	8,183	8,484	36,618	10,668	9,071	10,314	6,565
Zinkgruvan	3,542	1,570	337	1,635	1,806	19	859	926	2
	<b>187,387</b>	<b>62,269</b>	60,239	64,879	250,282	70,887	61,334	64,281	53,780
<b>Zinc (t)</b>									
Neves-Corvo	46,761	18,770	16,289	11,702	53,622	15,058	12,516	14,443	11,605
Zinkgruvan	48,049	13,722	18,525	15,802	64,056	18,005	16,043	14,305	15,703
	<b>94,810</b>	<b>32,492</b>	34,814	27,504	117,678	33,063	28,559	28,748	27,308
<b>Gold (koz)</b>									
Candelaria (100%)	63	20	22	21	89	25	20	23	21
Chapada	48	23	10	15	68	18	22	16	12
	<b>111</b>	<b>43</b>	32	36	157	43	42	39	33
<b>Nickel (t)</b>									
Eagle	11,188	3,715	4,206	3,267	15,012	3,390	3,246	4,258	4,118
<b>Lead (t)</b>									
Neves-Corvo	2,235	654	818	763	4,890	1,592	999	1,054	1,245
Zinkgruvan	22,509	7,502	10,163	4,844	19,245	4,787	4,825	4,928	4,705
	<b>24,744</b>	<b>8,156</b>	10,981	5,607	24,135	6,379	5,824	5,982	5,950
<b>Silver (koz)</b>									
Candelaria (100%)	1,164	305	412	447	1,281	425	297	287	272
Chapada	106	32	26	48	93	33	26	14	20
Eagle	25	9	9	7	63	23	16	9	15
Neves-Corvo	460	117	152	191	960	307	183	228	242
Zinkgruvan	1,537	532	650	355	1,348	346	354	356	292
	<b>3,292</b>	<b>995</b>	1,249	1,048	3,745	1,134	876	894	841

## Revenue Analysis

by Mine (\$ thousands)	Three months ended September 30,					Nine months ended September 30,				
	2022		2021		Change	2022		2021		Change
	\$	%	\$	%	\$	\$	%	\$	%	\$
Candelaria (100%)	<b>255,330</b>	40	326,903	43	(71,573)	<b>974,875</b>	44	1,078,800	47	(103,925)
Chapada	<b>118,734</b>	18	160,332	21	(41,598)	<b>335,599</b>	15	394,687	17	(59,088)
Eagle	<b>106,715</b>	16	101,311	13	5,404	<b>363,412</b>	16	354,072	15	9,340
Neves-Corvo	<b>102,865</b>	16	108,083	14	(5,218)	<b>330,970</b>	15	323,339	14	7,631
Zinkgruvan	<b>64,854</b>	10	59,765	9	5,089	<b>224,942</b>	10	159,298	7	65,644
	<b>648,498</b>		756,394		(107,896)	<b>2,229,798</b>		2,310,196		(80,398)

by Metal (\$ thousands)	Three months ended September 30,					Nine months ended September 30,				
	2022		2021		Change	2022		2021		Change
	\$	%	\$	%	\$	\$	%	\$	%	\$
Copper	<b>388,882</b>	60	521,046	69	(132,164)	<b>1,418,868</b>	64	1,626,571	70	(207,703)
Zinc	<b>85,251</b>	13	71,078	9	14,173	<b>280,559</b>	13	199,017	9	81,542
Gold	<b>63,243</b>	10	66,816	9	(3,573)	<b>166,032</b>	7	170,097	7	(4,065)
Nickel	<b>73,511</b>	11	62,403	8	11,108	<b>251,177</b>	11	207,637	9	43,540
Lead	<b>13,868</b>	2	10,815	1	3,053	<b>43,088</b>	2	32,477	1	10,611
Silver	<b>9,450</b>	1	9,127	1	323	<b>33,351</b>	1	28,902	1	4,449
Other	<b>14,293</b>	3	15,109	3	(816)	<b>36,723</b>	2	45,495	3	(8,772)
	<b>648,498</b>		756,394		(107,896)	<b>2,229,798</b>		2,310,196		(80,398)

Revenue for the quarter and year-to-date ended September 30, 2022 decreased in comparison to the prior year periods as a result of lower metal prices net of price adjustments (Q3 - \$139.2 million, YTD - \$175.2 million) offsetting higher sales volumes. The price adjustments were related primarily to copper price.

Revenue from gold and silver for the three and nine months ended September 30, 2022 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 \$420/oz for gold and between \$4.20/oz and \$4.52/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 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, 2022

Metal	Payable metal	Valued at
Copper	90,003 t	\$3.46 /lb
Zinc	31,341 t	\$1.36 /lb
Gold	35 koz	\$1,667 /oz
Nickel	5,516 t	\$9.56 /lb

## Quarterly Reconciliation of Realized Prices

(\$ thousands)	Three months ended September 30, 2022				
	Copper	Zinc	Gold	Nickel	Total
Current period sales <sup>1</sup>	478,775	98,529	71,497	78,425	727,226
Prior period price adjustments	(62,926)	3,961	(771)	(4,954)	(64,690)
	415,849	102,490	70,726	73,471	662,536
Other metal sales					54,356
Copper stream cash effect					(5,990)
Gold stream cash effect					(17,261)
Less: Treatment & refining charges					(45,143)
<b>Total Revenue</b>					<b>648,498</b>
<b>Payable Metal</b>	<b>62,269 t</b>	<b>32,492 t</b>	<b>42 koz</b>	<b>3,715 t</b>	
Current period sales <sup>1,2</sup>	\$3.49	\$1.38	\$1,690	\$9.58	
Prior period adjustments <sup>2</sup>	(0.46)	0.05	(18)	(0.61)	
Realized prices <sup>2, 3</sup>	\$3.03 /lb	\$1.43 /lb	\$1,672 /oz	\$8.97 /lb	

	Three months ended September 30, 2021				
	Copper	Zinc	Gold	Nickel	Total
Current period sales <sup>1</sup>	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)
<b>Total Revenue</b>					<b>756,394</b>
<b>Payable Metal</b>	<b>61,334 t</b>	<b>28,559 t</b>	<b>42 koz</b>	<b>3,246 t</b>	
Current period sales <sup>1,2</sup>	\$4.11	\$1.36	\$1,792	\$8.27	
Prior period adjustments <sup>2</sup>	(0.09)	—	(5)	0.47	
Realized prices <sup>2, 3</sup>	\$4.02 /lb	\$1.36 /lb	\$1,787 /oz	\$8.74 /lb	

1. Includes provisional price adjustments on current period sales.

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

3. The realized price for copper inclusive of the impact of streaming agreements for the three months ended September 30, 2022 is \$2.99/lb (2021: \$3.99/lb). The realized price for gold inclusive of the impact of streaming agreements for the three months ended September 30, 2022 is \$1,264/oz (2021: \$1,363/oz).

## Year-to-Date Reconciliation of Realized Prices

(\$ thousands)	Nine months ended September 30, 2022				
	Copper	Zinc	Gold	Nickel	Total
Current period sales <sup>1</sup>	1,481,873	313,191	193,771	255,078	2,243,913
Prior period price adjustments	15,442	13,815	1,374	(1,510)	29,121
	1,497,315	327,006	195,145	253,568	2,273,034
Other metal sales					166,005
Copper stream cash effect					(18,374)
Gold stream cash effect					(58,550)
Less: Treatment & refining charges					(132,317)
<b>Total Revenue</b>					<b>2,229,798</b>
<b>Payable Metal</b>	<b>187,387 t</b>	<b>94,810 t</b>	<b>110 koz</b>	<b>11,188 t</b>	
Current period sales <sup>1,2</sup>	\$3.59	\$1.50	\$1,762	\$10.34	
Prior period adjustments <sup>2</sup>	0.03	0.06	12	(0.06)	
Realized prices <sup>2, 3</sup>	\$3.62 /lb	\$1.56 /lb	\$1,774 /oz	\$10.28 /lb	

	Nine months ended September 30, 2021				
	Copper	Zinc	Gold	Nickel	Total
Current period sales <sup>1</sup>	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)
<b>Total Revenue</b>					<b>2,310,196</b>
<b>Payable Metal</b>	<b>179,395 t</b>	<b>84,615 t</b>	<b>114 koz</b>	<b>11,622 t</b>	
Current period sales <sup>1,2</sup>	\$4.18	\$1.33	\$1,791	\$8.42	
Prior period adjustments <sup>2</sup>	0.10	0.01	(44)	(0.27)	
Realized prices <sup>2, 3</sup>	\$4.28 /lb	\$1.34 /lb	\$1,747 /oz	\$8.15 /lb	

1. Includes provisional price adjustments on current period sales.

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

3. The realized price for copper inclusive of the impact of streaming agreements for the nine months ended September 30, 2022 is \$3.58/lb (2021: \$4.25/lb). The realized price for gold inclusive of the impact of streaming agreements for the nine months ended September 30, 2022 is \$1,232/oz (2021: \$1,238/oz).

## Financial Results

### Production Costs

Production costs for the quarter ended September 30, 2022 were \$94.0 million higher than the prior year quarter and on a year-to-date basis production costs were higher by \$214.2 million over the prior year period. These production cost increases were as a result of higher consumable costs primarily at Candelaria, Chapada and Neves-Corvo due to inflationary increases, partially offset by the effects of favourable foreign exchange.

### Depreciation, Depletion and Amortization

For the three and nine months ended September 30, 2022 depreciation, depletion and amortization expense increased, primarily attributable to higher depreciation reported at Neves-Corvo with the start-up of ZEP and amortization of Phase 10 deferred stripping at Candelaria.

Depreciation, depletion & amortization (\$ thousands)	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	Change	2022	2021	Change
Candelaria	74,772	65,533	9,239	218,792	207,061	11,731
Chapada	12,218	10,568	1,650	31,808	30,941	867
Eagle	21,650	18,918	2,732	60,403	62,360	(1,957)
Josemaria	335	—	335	623	—	623
Neves-Corvo	25,299	15,939	9,360	70,123	45,745	24,378
Zinkgruvan	5,442	9,250	(3,808)	28,951	29,934	(983)
Other	445	429	16	1,340	1,356	(16)
	140,161	120,637	19,524	412,040	377,397	34,643

### General Exploration and Business Development

General exploration and business development expenses for the three and nine months ended September 30, 2022 were higher than the comparable prior year periods due to project development costs incurred related to the Josemaria Project. Josemaria Project costs for engineering, drilling costs and other project related costs were \$61.0 million for the third quarter of 2022 and \$101.2 million for the year-to-date period. Exploration drilling at Neves-Corvo, Candelaria, Zinkgruvan, and Eagle were primarily focused along near-mine mineralized trends. Exploration drilling at Chapada focused on the Saúva discovery with five drill rigs operating in the area during the quarter.

### Income from Equity Investment in Associate

Income from equity investment in associate has decreased during the current quarter and on a year-to-date basis compared to the prior year respective periods due to the sale of the specialty cobalt business in 2021. As a result of the sale, substantially all of the net assets were distributed, with \$17.2 million received in the prior year quarter and \$18.0 million received by the Company in the second quarter of 2022 related to the sale of the shares in the purchaser.

### Other Income

Net other income for the three months ended September 30, 2022 was higher than prior year quarter due to foreign exchange and trading gains on equity investments partially offset by foreign exchange losses. Additionally, included in other expense was \$3.6 million write-down of the Gaby sector of the Alcaparrosa mine, \$3.4 million of idle costs and \$2.3 million unplanned remediation expense related to the sinkhole near the Alcaparrosa mine in Chile. On a year-to-date basis the increase was also due to foreign exchange and trading gains on equity investments as well as a \$16.8 million tax refund that was received from a subsidiary sold in a prior period.

Foreign exchange gains and losses recorded in other expense primarily resulted from foreign exchange revaluation of working capital denominated in foreign currencies. Period end exchange rates having a meaningful impact on foreign exchange recorded at September 30, 2022 were:

	September 30, 2022	June 30, 2022	December 31, 2021
Brazilian Real (USD:BRL)	5.41	5.24	5.58
Chilean Peso (USD:CLP)	966	920	845
Euro (USD:€)	1.03	0.96	0.88
Swedish Kronor (USD:SEK)	11.12	10.22	9.04

## Income Taxes

Income tax expense (recovery) (\$ thousands)	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	Change	2022	2021	Change
Candelaria	(379)	38,308	(38,687)	78,011	130,643	(52,632)
Chapada	7,565	50,479	(42,914)	7,149	59,834	(52,685)
Eagle	1,461	2,320	(859)	17,619	18,101	(482)
Josemaria	(1,181)	—	(1,181)	(199)	—	(199)
Neves-Corvo	(8,150)	4,191	(12,341)	(3,444)	12,838	(16,282)
Zinkgruvan	11,408	7,089	4,319	34,659	13,217	21,442
Other	42	3,288	(3,246)	3,180	3,558	(378)
	10,766	105,675	(94,909)	136,975	238,191	(101,216)

Income taxes by classification (\$ thousands)	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	Change	2022	2021	Change
Current income tax	(9,994)	89,580	(99,574)	161,193	149,560	11,633
Deferred income tax	20,760	16,095	4,665	(24,218)	88,631	(112,849)
	10,766	105,675	(94,909)	136,975	238,191	(101,216)

Income tax expense for the three and nine months ended September 30, 2022 was lower than the prior year comparable periods due primarily to lower taxable earnings. Included in Chapada's income taxes for the current quarter was \$5.6 million expense and \$6.3 million recovery on a year-to-date basis recorded for deferred tax on revaluation of non-monetary assets and translation of deferred taxes (Q3 2021 – \$14.4 million expense, YTD 2021 - \$3.2 million expense).

# Mining Operations

## Production Overview

(Contained metal in concentrate)	2022				2021				
	Total	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
<b>Copper (t)</b>									
Candelaria (100%)	117,644	37,192	40,949	39,503	151,719	45,573	35,929	36,014	34,203
Chapada	34,433	13,988	10,345	10,100	52,019	14,870	16,050	11,258	9,841
Eagle	12,814	3,994	4,400	4,420	18,419	3,636	4,165	5,227	5,391
Neves-Corvo	24,746	7,019	7,867	9,860	37,941	12,100	8,083	10,317	7,441
Zinkgruvan	3,470	1,737	535	1,198	2,786	817	850	641	478
	<b>193,107</b>	<b>63,930</b>	64,096	65,081	262,884	76,996	65,077	63,457	57,354
<b>Zinc (t)</b>									
Neves-Corvo	57,912	22,514	20,647	14,751	66,031	18,750	15,909	16,662	14,710
Zinkgruvan	56,718	17,813	21,265	17,640	77,766	18,080	22,860	18,171	18,655
	<b>114,630</b>	<b>40,327</b>	41,912	32,391	143,797	36,830	38,769	34,833	33,365
<b>Gold (koz)</b>									
Candelaria (100%)	66	21	23	22	91	26	20	24	21
Chapada	52	24	16	12	76	20	26	17	13
	<b>118</b>	<b>45</b>	39	34	167	46	46	41	34
<b>Nickel (t)</b>									
Eagle	13,379	4,379	4,719	4,281	18,353	4,101	4,124	4,774	5,354
<b>Lead (t)</b>									
Neves-Corvo	2,461	743	925	793	5,419	1,644	1,359	1,343	1,073
Zinkgruvan	22,898	7,046	9,124	6,728	22,183	5,427	6,952	5,095	4,709
	<b>25,359</b>	<b>7,789</b>	10,049	7,521	27,602	7,071	8,311	6,438	5,782
<b>Silver (koz)</b>									
Candelaria (100%)	1,289	337	457	495	1,420	481	341	318	280
Chapada	193	75	60	58	257	80	72	55	50
Eagle	73	20	26	27	119	34	30	25	30
Neves-Corvo	1,013	323	346	344	1,636	522	362	407	345
Zinkgruvan	1,958	642	739	577	2,018	483	658	457	420
	<b>4,526</b>	<b>1,397</b>	1,628	1,501	5,450	1,600	1,463	1,262	1,125

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

(\$ thousands)	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
<b>Candelaria</b>				
Production costs	\$168,602	\$140,363	\$489,575	\$426,068
Gross cost	2.31	2.02	2.11	1.98
By-product <sup>1</sup>	(0.34)	(0.40)	(0.31)	(0.38)
<b>Cash Cost (Cu, \$/lb)</b>	<b>1.97</b>	<b>1.62</b>	<b>1.80</b>	<b>1.60</b>
<b>AISC (Cu, \$/lb)<sup>2</sup></b>	<b>3.34</b>	<b>2.67</b>	<b>2.94</b>	<b>2.63</b>
<b>Chapada</b>				
Production costs	\$88,665	\$59,489	\$239,849	\$162,136
Gross cost	3.23	1.98	3.30	2.23
By-product	(1.31)	(1.36)	(1.17)	(1.19)
<b>Cash Cost (Cu, \$/lb)</b>	<b>1.92</b>	<b>0.62</b>	<b>2.13</b>	<b>1.04</b>
<b>AISC (Cu, \$/lb)</b>	<b>2.80</b>	<b>1.36</b>	<b>3.23</b>	<b>1.75</b>
<b>Eagle</b>				
Production cost	\$47,736	\$39,641	\$142,422	\$128,428
Gross cost	5.11	4.64	4.87	4.18
By-product	(4.06)	(5.44)	(4.55)	(5.71)
<b>Cash Cost (Ni, \$/lb)</b>	<b>1.05</b>	<b>(0.80)</b>	<b>0.32</b>	<b>(1.53)</b>
<b>AISC (Ni, \$/lb)</b>	<b>2.77</b>	<b>0.93</b>	<b>2.37</b>	<b>0.11</b>
<b>Neves-Corvo</b>				
Production costs	\$94,572	\$69,831	\$250,830	\$204,376
Gross cost	5.29	3.68	4.75	3.73
By-product	(2.60)	(1.63)	(2.49)	(1.70)
<b>Cash Cost (Cu, \$/lb)</b>	<b>2.69</b>	<b>2.05</b>	<b>2.26</b>	<b>2.03</b>
<b>AISC (Cu, \$/lb)</b>	<b>3.51</b>	<b>2.86</b>	<b>3.19</b>	<b>2.79</b>
<b>Zinkgruvan</b>				
Production costs	\$25,709	\$21,885	\$85,963	\$73,317
Gross cost	1.04	0.83	1.00	0.96
By-product	(0.86)	(0.51)	(0.69)	(0.46)
<b>Cash Cost (Zn, \$/lb)</b>	<b>0.18</b>	<b>0.32</b>	<b>0.31</b>	<b>0.50</b>
<b>AISC (Zn, \$/lb)</b>	<b>0.50</b>	<b>0.61</b>	<b>0.64</b>	<b>0.83</b>

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

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

## Capital Expenditures<sup>1</sup>

(\$ thousands)	Three months ended September 30,						
	2022			2021			
	Sustaining	Expansionary	Total	Sustaining	Expansionary	Capitalized Interest	Total
Candelaria	103,486	—	<b>103,486</b>	74,326	—	—	74,326
Chapada	19,197	—	<b>19,197</b>	16,425	—	—	16,425
Eagle	3,062	—	<b>3,062</b>	3,539	—	—	3,539
Josemaria	—	43,264	<b>43,264</b>	—	—	—	—
Neves-Corvo	15,860	3,502	<b>19,362</b>	13,191	17,721	—	30,912
Zinkgruvan	8,415	—	<b>8,415</b>	8,486	—	—	8,486
Other	2,702	—	<b>2,702</b>	102	—	—	102
	<b>152,722</b>	<b>46,766</b>	<b>199,488</b>	<b>116,069</b>	<b>17,721</b>	<b>—</b>	<b>133,790</b>

(\$ thousands)	Nine months ended September 30,						
	2022			2021			
	Sustaining	Expansionary	Total	Sustaining	Expansionary	Capitalized Interest	Total
Candelaria	272,557	—	<b>272,557</b>	226,641	—	—	226,641
Chapada	63,412	—	<b>63,412</b>	37,856	—	—	37,856
Eagle	10,445	—	<b>10,445</b>	12,414	—	—	12,414
Josemaria	—	98,198	<b>98,198</b>	—	—	—	—
Neves-Corvo	49,136	28,325	<b>77,461</b>	33,348	39,030	336	72,714
Zinkgruvan	31,537	—	<b>31,537</b>	28,312	—	—	28,312
Other	8,058	—	<b>8,058</b>	242	—	—	242
	<b>435,145</b>	<b>126,523</b>	<b>561,668</b>	<b>338,813</b>	<b>39,030</b>	<b>336</b>	<b>378,179</b>

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

## Candelaria (Chile)

### Operating Statistics

(100% Basis)	Total	2022			2021				
		Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Ore mined (000s tonnes)	17,673	6,239	6,362	5,072	23,753	6,998	6,098	5,062	5,595
Ore milled (000s tonnes)	20,132	6,642	6,847	6,643	27,849	7,066	6,838	7,012	6,933
Grade									
Copper (%)	0.63	0.60	0.64	0.65	0.59	0.69	0.58	0.56	0.53
Gold (g/t)	0.14	0.14	0.14	0.14	0.14	0.16	0.13	0.13	0.13
Recovery									
Copper (%)	92.7	93.3	93.0	91.9	92.5	93.4	91.8	91.5	93.1
Gold (%)	73.9	74.6	73.8	73.0	74.4	72.1	73.8	77.5	74.7
Production (contained metal)									
Copper (tonnes)	117,644	37,192	40,949	39,503	151,719	45,573	35,929	36,014	34,203
Gold (000 oz)	66	21	23	22	91	26	20	24	21
Silver (000 oz)	1,289	337	457	495	1,420	481	341	318	280
Revenue (\$000s)	974,875	255,330	261,999	457,546	1,591,109	512,309	326,903	399,907	351,990
Production costs (\$000s)	489,575	168,602	168,164	152,809	580,819	154,751	140,363	148,764	136,941
Gross profit (\$000s)	266,508	11,956	17,924	236,628	721,200	275,529	121,007	182,867	141,797
Cash cost (\$ per pound copper)	1.80	1.97	1.86	1.58	1.51	1.31	1.62	1.52	1.65
AISC (\$ per pound copper)	2.94	3.34	2.89	2.61	2.52	2.25	2.67	2.61	2.59

### Gross Profit

Gross profit for the three and nine months ended September 30, 2022 were lower than the respective comparative periods in 2021, largely as a result of lower copper prices, net of price adjustments, and higher production costs due to inflationary cost increases, partially offset by favourable foreign exchange movements. Year-to-date gross profit also benefitted from higher sales volumes.

### Production

Copper and gold production for the three and nine months ended September 30, 2022 was higher than the prior year periods due to higher head grades extracted and processed from Phase 10 of the open pit. Mill throughput, metal grades and recovery rates were all in-line with plan for the current quarter.

On July 30, 2022, a sinkhole formed near the Alcaparrosa mine which is part of the Candelaria operations. Upon detection the area was immediately isolated. Mining operations at the Alcaparrosa mine remains suspended. The status of the sinkhole has not changed materially since detection and the Company is in support of the ongoing investigation. The suspension of the Alcaparrosa mine is estimated to impact Candelaria's 2022 copper production by approximately 2%.

### Production Costs and Cash Cost

Production costs and copper cash cost for the three and nine months ended September 30, 2022 were higher compared to the prior year, mainly due to higher costs for energy and consumables, partially offset by favourable foreign exchange. Year-to-date the increase in copper cash cost was further offset by the impact of higher sales volumes.

AISC for the three and nine months ended September 30, 2022 were higher than those reported in the prior year, due to higher cash cost and sustaining capital expenditures.

For the nine months ended September 30, 2022, approximately 42,000 oz of gold and 794,000 oz of silver were subject to terms of a streaming agreement from which approximately \$420/oz of gold and \$4.20/oz of silver were received.

## Chapada (Brazil)

### Operating Statistics

(100% Basis)	Total	2022			2021				
		Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Ore mined (000s tonnes)	18,518	7,404	4,875	6,239	37,294	10,845	11,227	8,725	6,497
Ore milled (000s tonnes)	17,456	6,345	5,670	5,441	24,121	5,711	6,435	6,132	5,843
Grade									
Copper (%)	0.26	0.28	0.25	0.23	0.27	0.30	0.30	0.25	0.23
Gold (g/t)	0.17	0.19	0.17	0.13	0.18	0.17	0.21	0.17	0.15
Recovery									
Copper (%)	77.1	78.8	72.9	79.6	80.4	87.0	84.1	75.7	72.1
Gold (%)	55.0	58.3	50.6	55.3	56.0	65.9	58.3	52.3	46.2
Production (contained metal)									
Copper (tonnes)	34,433	13,988	10,345	10,100	52,019	14,870	16,050	11,258	9,841
Gold (000 oz)	52	24	16	12	76	20	26	17	13
Silver (000 oz)	193	75	60	58	257	80	72	55	50
Revenue (\$000s)	335,599	118,734	57,260	159,605	567,386	172,699	160,332	148,137	86,218
Production costs (\$000s)	239,849	88,665	71,507	79,677	291,846	129,710	59,489	63,667	38,980
Gross profit (loss) (\$000s)	63,942	17,851	(22,720)	68,811	229,443	27,833	90,275	72,023	39,312
Cash cost (\$ per pound copper)	2.13	1.92	2.98	1.82	1.05	1.07	0.62	1.32	1.33
AISC (\$ per pound copper)	3.23	2.80	5.00	2.56	1.75	1.75	1.36	1.98	2.11

### Gross Profit

Gross profit for the three and nine months ended September 30, 2022 were lower compared to the previous year periods largely due to inflationary increases for production costs and lower copper prices, net of price adjustments.

### Production

Copper and gold production for the three and nine months ended September 30, 2022 were lower than the prior year comparative periods due to the use of lower grade stockpiles, which affected mill throughput, grades and recoveries, mainly in the first half of this year. Delayed access to planned ore sources, primarily as a result of above average rainfall experienced in the first half of the year, impacted planned waste stripping and mining activities.

### Production Costs and Cash Cost

Production costs were higher on a quarter and year-to-date basis due to higher consumables prices, including diesel and electricity, as well as other operating contracts impacted by inflationary increases.

Copper cash cost for the three and nine months ended September 30, 2022 were higher than the comparative periods in 2021 due to higher costs for energy and other inputs. For the current quarter, copper cash costs were also impacted by lower sales volumes.

AISC was higher for the quarter and year-to-date compared to the prior year periods due to higher cash cost and sustaining capital expenditures.

### Projects

The Company is continuing to evaluate options for long-term mine and plant expansion. Study work is being conducted following comprehensive exploration efforts focused on near-mine targets since acquisition. The results will be incorporated in any future expansionary plans. During the current quarter approximately 18,400 metres of drilling were completed.

## Eagle (USA)

### Operating Statistics

(100% Basis)	Total	2022			2021				
		Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Ore mined (000s tonnes)	553	190	181	182	697	165	169	177	186
Ore milled (000s tonnes)	548	187	182	179	699	167	166	180	186
Grade									
Nickel (%)	2.8	2.7	3.0	2.8	3.1	2.9	3.0	3.2	3.3
Copper (%)	2.4	2.2	2.5	2.5	2.7	2.2	2.6	3.0	3.0
Recovery									
Nickel (%)	86.1	85.5	87.3	85.3	84.1	83.6	82.4	83.9	86.1
Copper (%)	97.3	96.5	97.7	97.6	97.3	96.8	97.4	97.2	97.5
Production (contained metal)									
Nickel (tonnes)	13,379	4,379	4,719	4,281	18,353	4,101	4,124	4,774	5,354
Copper (tonnes)	12,814	3,994	4,400	4,420	18,419	3,636	4,165	5,227	5,391
Revenue (\$000s)	363,412	106,715	106,828	149,869	462,488	108,416	101,311	133,893	118,868
Production costs (\$000s)	142,422	47,736	55,128	39,558	169,508	41,080	39,641	48,527	40,260
Gross profit (\$000s)	160,587	37,329	29,796	93,462	211,487	48,203	42,752	62,228	58,304
Cash cost (\$ per pound nickel)	0.32	1.05	0.90	(1.25)	(1.24)	(0.22)	(0.80)	(2.01)	(1.62)
AISC (\$ per pound nickel)	2.37	2.77	2.93	1.19	0.41	1.43	0.93	(0.23)	(0.17)

### Gross Profit

Gross profit for the current quarter was lower than the prior year quarter due to lower net metal prices and higher production costs. On a year-to-date basis, gross profit was comparable to 2021.

### Production

Nickel production for the three months ended September 30, 2022 was higher than the third quarter of 2021 due to higher mill throughput. Nickel production year-to-date was lower than the prior year comparable due to planned lower grades. Copper production for the three and nine months ended September 30, 2022 was lower than the prior year comparison periods due also to lower planned grades.

### Production Costs and Cash Cost

Production costs for the three and nine months ended September 30, 2022 were higher than the prior year quarter due to higher costs for energy and consumables.

Nickel cash cost for the three and nine months ended September 30, 2022 was higher than the prior year comparable periods primarily due to lower by-product copper price as well as inflationary increases on operating costs.

AISC for the three and nine months ended September 30, 2022, were higher than the prior year largely as a result of higher cash cost.

## Neves-Corvo (Portugal)

### Operating Statistics

(100% Basis)	Total	2022			2021				
		Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Ore mined, copper (000s tonnes)	1,890	598	610	682	2,573	716	580	646	631
Ore mined, zinc (000s tonnes)	1,170	447	426	297	1,062	278	251	275	258
Ore milled, copper (000s tonnes)	1,892	596	606	690	2,564	724	565	655	620
Ore milled, zinc (000s tonnes)	1,168	449	420	299	1,060	284	242	280	254
Grade									
Copper (%)	1.7	1.6	1.7	1.8	1.9	2.1	1.8	1.9	1.5
Zinc (%)	6.9	6.9	6.9	7.0	7.8	8.1	8.2	7.5	7.4
Recovery									
Copper (%)	76.5	73.0	77.0	78.7	79.6	78.9	77.8	81.7	80.0
Zinc (%)	68.5	70.3	68.4	66.1	76.6	76.4	76.5	77.5	76.0
Production (contained metal)									
Copper (tonnes)	24,746	7,019	7,867	9,860	37,941	12,100	8,083	10,317	7,441
Zinc (tonnes)	57,912	22,514	20,647	14,751	66,031	18,750	15,909	16,662	14,710
Lead (tonnes)	2,461	743	925	793	5,419	1,644	1,359	1,343	1,073
Silver (000 oz)	1,013	323	346	344	1,636	522	362	407	345
Revenue (\$000s)	330,970	102,865	93,538	134,567	479,347	156,008	108,083	134,496	80,760
Production costs (\$000s)	250,830	94,572	77,788	78,470	291,110	86,734	69,831	73,846	60,699
Gross profit (loss) (\$000s)	10,017	(17,006)	(8,229)	35,252	125,069	51,851	22,313	44,085	6,820
Cash cost (\$ per pound copper)	2.26	2.69	2.39	1.70	1.89	1.53	2.05	1.65	2.61
AISC (\$ per pound copper)	3.19	3.51	3.14	2.92	2.73	2.59	2.86	2.34	3.38

### Gross Profit (Loss)

Gross loss and gross profit for the three and nine months ended September 30, 2022, respectively, were lower than the 2021 comparative periods due to higher costs for energy and consumables combined with lower copper price, net of price adjustments. Higher costs were partially offset by favourable foreign exchange movements.

### Production

Copper production for the quarter and year-to-date was lower than the prior year comparison periods due to lower grades and recoveries. Zinc production for the three and nine months ended September 30, 2022 was higher than the prior year comparison periods due to higher throughput related to the increased production from ZEP.

On September 30, 2022, a fatality of a contractor occurred in the underground mine which led to the temporary suspension of operations, which were restarted on October 5, 2022. The Company is cooperating with all relevant authorities and has initiated an independent investigation.

### Production Costs and Cash Cost

Production costs and copper cash cost for the three and nine months ended September 30, 2022 were higher than the prior year comparison periods, largely as a result of inflationary cost increases and in particular, electricity partially offset by favourable foreign exchange.

Copper cash cost for the three and nine months ended September 30, 2022 further benefitted by higher by-product credits.

AISC for the three and nine months ended September 30, 2022 were higher compared to the prior year comparable periods due to higher cash cost, and in the year-to-date period, higher capital expenditures.

## **Projects**

Production ramp-up continues, although it has experienced some limiting impacts due to ore availability from newly developed mining areas. The slower than anticipated ramp up of the Neves-Corvo ZEP achieved year-to-date will necessitate further operational improvement in the fourth quarter, particularly in new underground mining areas and materials handling infrastructure. Optimization of the ZEP underground and plant infrastructure has commenced and will continue into 2023. A total of approximately \$3.5 million of expansionary capital expenditures was spent in the quarter. Total pre-production cost of \$430.0 million (€360 million) for the project remains unchanged.

## Zinkgruvan (Sweden)

### Operating Statistics

(100% Basis)	Total	2022			2021				
		Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Ore mined, zinc (000s tonnes)	884	260	298	326	1,200	295	279	298	328
Ore mined, copper (000s tonnes)	144	61	38	45	201	26	66	66	43
Ore milled, zinc (000s tonnes)	925	293	327	305	1,181	291	289	267	334
Ore milled, copper (000s tonnes)	199	84	27	88	178	52	52	50	24
Grade									
Zinc (%)	6.9	6.9	7.3	6.5	7.4	7.0	8.9	7.6	6.3
Lead (%)	3.0	2.9	3.3	2.7	2.4	2.3	3.1	2.4	1.8
Copper (%)	2.0	2.4	2.3	1.6	1.8	1.8	1.9	1.5	2.2
Recovery									
Zinc (%)	88.5	87.5	89.1	88.7	88.9	88.5	89.1	89.1	88.8
Lead (%)	82.5	82.5	83.1	81.7	78.3	80.8	77.4	78.7	76.5
Copper (%)	86.8	86.1	87.7	87.3	87.5	87.5	88.5	85.0	89.5
Production (contained metal)									
Zinc (tonnes)	56,718	17,813	21,265	17,640	77,766	18,080	22,860	18,171	18,655
Lead (tonnes)	22,898	7,046	9,124	6,728	22,183	5,427	6,952	5,095	4,709
Copper (tonnes)	3,470	1,737	535	1,198	2,786	817	850	641	478
Silver (000 oz)	1,958	642	739	577	2,018	483	658	457	420
Revenue (\$000s)	224,942	64,854	70,596	89,492	228,435	69,137	59,765	55,891	43,642
Production costs (\$000s)	85,963	25,709	29,066	31,188	102,025	28,708	21,885	25,840	25,592
Gross profit (\$000s)	110,028	33,703	30,500	45,825	85,296	29,249	28,630	20,100	7,317
Cash cost (\$ per pound)	0.31	0.18	0.44	0.27	0.53	0.58	0.32	0.42	0.76
AISC (\$ per pound)	0.64	0.50	0.82	0.57	0.86	0.94	0.61	0.76	1.10

### Gross Profit

Gross profit for the three and nine months was higher than the prior year due to higher copper and lead sales volumes and favourable foreign exchange. Year-to-date gross profit also benefitted from higher zinc prices and higher zinc sales volumes.

### Production

Zinc production for the three and nine months ended September 30, 2022 was lower than the prior year comparable periods due to lower head grades. Lead production for the quarter was consistent with Q3 2021 production. Year-to-date lead production was higher than the prior year comparable period due to higher grades. Copper production for the three and nine months ended September 30, 2022 was higher than the prior year comparable periods due to higher throughput and grades.

### Production Costs and Cash Cost

Production costs in the three months ended September 30, 2022 were higher than the prior year quarter due to inflationary increases on input costs, partially offset by favourable foreign exchange. On a year-to-date basis, production costs were higher also due to higher sales volumes.

Zinc cash cost in the quarter and year-to-date were lower than the prior year comparison periods, as higher by-products credits and favourable foreign exchange more than offset higher costs.

AISC in the three and nine months ended September 30, 2022 were lower than the prior year comparison periods due to lower cash cost.

## **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, a major mining centre, 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.*

In November 2020, an independent National Instrument 43-101 Technical Report, Feasibility Study for the Josemaria copper-gold project was published by Josemaria Resources. The full 43-101 report is available on Lundin Mining's website ([www.lundinmining.com](http://www.lundinmining.com)).

### **Project Development**

The Josemaria Project is a large-scale copper-gold-silver project. This project is wholly-owned and operated by Lundin Mining's Argentinian subsidiary, Desarrollo de Prospectos Mineros S.A. Lundin Mining acquired the Project with the April 2022 acquisition of Josemaria Resources. The Josemaria Project received its Environmental Social Impact Assessment ("ESIA") approval from the Mining Authority of San Juan, Argentina on April 11, 2022. The Josemaria Project team are working with the national and provincial authorities to progress the project through the next stages of development and associated approvals and meeting the conditions accompanying the issuance of the ESIA.

The Josemaria Project is working towards establishing a baseline capital cost estimate and project execution schedule based on advancing the Feasibility Study design basis. Plant engineering, including procurement of long lead equipment, is underway and engineering was at 33% complete at the end of the period. Early works continues onsite mainly with the preparation of platforms for the camp and batch plant, additional fuel storage and increasing camp capacity at the existing Batidero camp. Work for the remainder of the year is to entail building additional camp capacity, internal access road construction, access road maintenance and upgrades and ongoing water and geotechnical work. Additionally, studies for a 500KVA power line to feed the Josemaria Project are ongoing as agreements are finalized for the power supply.

The Company intends to spend approximately \$300.0 million in 2022 including engineering, long-lead equipment, pre-construction activities and drilling. As of September 30, 2022, the Company has spent \$150.5 million, inclusive of foreign exchange and trading gains on equity investments, of which \$98.2 million is recorded as capital expenditure and has entered into approximately \$30.0 million of non-cancellable commitments. During the current quarter, the Company spent \$98.9 million of which \$43.3 million was recorded as capital expenditure.

Approximately 31,000 metres of drilling have been completed on the Project since the 2020 Mineral Resource and Mineral Reserve estimate, which will be incorporated into the new estimate. Testing and modelling work continues, which will also be incorporated into the new estimate.

## Metal Prices, LME Inventories and Smelter Treatment and Refining Charges

The average metal prices for the third quarter of 2022 were all lower than the average prices for the second quarter of 2022 by; 19% copper, 16% zinc, 8% gold and 24% for nickel. The prices for copper, zinc and nickel increased through the quarter after their July lows while gold slightly decreased through the quarter on the backdrop of a strengthening US dollar.

(Average LME Price)		Three months ended September 30,			Nine months ended September 30,		
		2022	2021	Change	2022	2021	Change
Copper	US\$/pound	<b>3.51</b>	4.25	-17%	<b>4.11</b>	4.17	-1%
	US\$/tonne	<b>7,745</b>	9,372		<b>9,064</b>	9,188	
Zinc	US\$/pound	<b>1.48</b>	1.36	9%	<b>1.65</b>	1.31	26%
	US\$/tonne	<b>3,271</b>	2,991		<b>3,638</b>	2,886	
Gold	US\$/ounce	<b>1,729</b>	1,790	-3%	<b>1,824</b>	1,800	1%
Nickel	US\$/pound	<b>10.01</b>	8.67	15%	<b>11.66</b>	8.18	43%
	US\$/tonne	<b>22,063</b>	19,125		<b>25,709</b>	18,036	

LME inventories for copper increased by 8% during the third quarter of 2022 while the LME inventories of zinc and nickel each decreased by 34% and 21% respectively.

During the third quarter of 2022 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 \$53 per dmt of concentrate and a spot RC of \$0.053 per lb of payable copper to a spot TC of \$73 per dmt of concentrate and a spot RC of \$0.073 per lb of payable copper by the end of September. Also, the spot terms at which Chinese copper smelters were prepared to buy increased through the quarter from a TC of \$72 per dmt of concentrate and a RC of \$0.072 per payable lb of copper over July to a TC of \$82 per dmt of concentrate and a RC of \$0.082 per payable lb of copper at the end of September. The terms for annual contracts for copper concentrates for 2022 were reached in December 2021 at a TC of \$65 per dmt with a RC of \$0.065 per payable lb of copper.

The spot TC, delivered China, for zinc concentrates during the third quarter of 2022 increased from \$189 per dmt, flat, at the beginning of July to \$255 per dmt, flat, by the end of the quarter. The 2022 annual terms for zinc concentrates were settled at \$230 per dmt of concentrate, with an upscale price escalator of 5% from a price basis of \$3,800 per dmt zinc without de-escalator.

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

## Liquidity and Capital Resources

As at September 30, 2022, the Company had cash and cash equivalents of \$226.9 million. The Company continues to expect to be able to fund all its contractual commitments with its operating cash flow, cash on hand and capital resources.

Cash flow from operations for the three months ended September 30, 2022 was \$486.8 million lower than the prior year period as a result of lower gross profit before depreciation of \$201.9 million, a lower comparative change in non-cash working capital driven by lower receivables partially offset by lower cash taxes paid. On a year-to-date basis cash flow from operations was \$380.8 million lower than the prior year period due to lower gross profit before depreciation of \$294.6 million, lower comparative change in non-cash working capital and increased Josemaria project development costs.

Cash flow used in investing activities for the three and nine months ended September 30, 2022 increased when compared to the prior year due to higher capital investments, particularly deferred stripping, in the current year. In addition, during the second quarter, \$126.4 million was used for the acquisition of Josemaria Resources.

During the current quarter, the Company used \$79.9 million in financing activities to repay debt (\$15.1 million), re-purchase shares (\$42.1 million) and distribute dividends to shareholders (\$53.0 million). On a year-to-date basis, higher debt repaid in the prior year comparable period was more than offset by higher dividends paid to shareholders and a debenture payment in the current period.

### Capital Resources

As at September 30, 2022, the Company had \$49.4 million of debt and lease liabilities outstanding.

The Company has a revolving credit facility of \$1,750.0 million, maturing in April 2027. As at September 30, 2022, no amount has been drawn against the credit facility, other than a letter of credit totalling \$2.1 million (€2.2 million). The credit facility bears interest on drawn funds at rates of Term SOFR+CSA+1.45% to Term SOFR+CSA+2.50% depending on the Company's net leverage ratio. The credit facility is subject to customary covenants.

The Company also has an equipment financing line of credit of \$24.4 million (€25.0 million) with an outstanding balance of \$2.7 million at September 30, 2022 (December 31, 2021 - \$5.1 million). The Company also has a commercial paper program which matures in May 2025 in the amount of \$24.4 million (€25.0 million). The program bears interest rates at EURIBOR+0.50%. As at September 30, 2022, there was \$19.5 million balance outstanding.

Included in the definitive agreement with Josemaria Resources, the Company provided a \$100 million bridge financing facility. For the nine months ended September 30, 2022, \$54.1 million was advanced to Josemaria Resources under the facility. Upon acquisition, the bridge loan owed by Josemaria Resources to the Company became an intercompany loan and was eliminated on consolidation.

The Company purchased approximately 7.7 million and 8.9 million shares under its Normal Course Issuer Bid ("NCIB") for total consideration of \$42.1 million and \$50.2 million during the three and nine months ended September 30, 2022, respectively (Q3 2021 - 1.1 million shares, \$7.5 million, 2021 YTD - 3.8 million shares, \$35.9 million consideration). On April 28, 2022, the Company issued 40,031,936 Lundin Mining common shares and 2,513,866 Lundin Mining replacement stock options upon closing of the Josemaria Resources acquisition. For a detailed discussion of the Company's acquisition of Josemaria Resources refer to Note 3 of the Company's Condensed Interim Consolidated Financial Statements.

### Contractual Obligations, Commitments and Contingencies

The Company has contractual obligations and capital commitments as described in Note 21 "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 financial instruments in hedging metal price or interest rate exposure. During the quarter, the Company entered into €/ \$ forward foreign exchange contracts. These contracts have been designated as

effective cash flow hedges for the Company's highly probable forecasted foreign currency denominated operating and capital expenditures.

For a detailed discussion of the Company's financial instruments refer to Note 20 of the Company's Condensed Interim Financial Statements.

### Sensitivities

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

### 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, 2022	Change	Effect on Revenue (\$millions)
Copper	90,003 t	\$3.46/lb	+/- 10%	+/- \$68.7
Zinc	31,341 t	\$1.36/lb	+/- 10%	+/- \$9.4
Gold	35 koz	\$1,667/oz	+/- 10%	+/- \$5.8
Nickel	5,516 t	\$9.56/lb	+/- 10%	+/- \$11.6

### Related Party Transactions

The Company enters into related party transactions that are in the normal course of business and on an arm's length basis. Related party disclosures can be found in Note 23 of the Company's September 30, 2022 Condensed Interim Consolidated Financial Statements.

### Changes in Accounting Policies and Critical Accounting Estimates and Judgments

The Company describes its significant accounting policies as well as any changes in accounting policies in Note 2 "Basis of Presentation and Summary of Significant Accounting Policies" of the September 30, 2022 Condensed Interim Consolidated Financial Statements.

## Non-GAAP and Other Performance Measures

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

### Net Cash

Net cash 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 is a useful indicator to some investors to evaluate the Company's financial position. Net cash 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, 2022	June 30, 2022	December 31, 2021
Cash and cash equivalents	226,949	498,243	594,069
Current portion of total debt and lease liabilities	(34,692)	(14,344)	(14,617)
Debt and lease liabilities	(14,688)	(13,959)	(16,386)
	(49,380)	(28,303)	(31,003)
<b>Net cash</b>	<b>177,569</b>	<b>469,940</b>	<b>563,066</b>

### Adjusted Operating Cash Flow and Adjusted Operating Cash Flow per Share

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

(\$thousands, except share and per share amounts)	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Cash provided by operating activities	36,331	523,104	719,999	1,100,777
Changes in non-cash working capital items	145,006	(228,989)	(16,111)	(95,190)
Adjusted operating cash flow	181,337	294,115	703,888	1,005,587
Basic weighted average number of shares outstanding	775,563,527	736,443,985	759,726,506	737,314,204
<b>Adjusted operating cash flow per share</b>	<b>0.23</b>	<b>0.40</b>	<b>0.93</b>	<b>1.36</b>

### 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 per share can be reconciled to the Company's cash provided by operating activities as follows:

(\$thousands)	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Cash provided by operating activities	36,331	523,104	719,999	1,100,777
Sustaining capital expenditures	(152,722)	(116,069)	(435,145)	(338,813)
<b>Free cash flow</b>	<b>(116,391)</b>	<b>407,035</b>	<b>284,854</b>	<b>761,964</b>

## Adjusted EBITDA, Adjusted Earnings and Adjusted EPS

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

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

(\$thousands)	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Net (loss) earnings	(11,245)	190,580	318,238	613,231
Add back:				
Depreciation, depletion and amortization	140,161	120,637	412,040	377,397
Finance income and costs	15,240	10,143	47,521	30,317
Income taxes	10,766	105,675	136,975	238,191
	154,922	427,035	914,774	1,259,136
Unrealized foreign exchange	14,426	(2,731)	25,000	3,527
Unrealized foreign exchange and trading loss on equity investments	18,848	—	—	—
Income from investment in associates	78	(21,088)	(3,297)	(22,234)
Sinkhole costs	7,789	—	7,789	—
Write-down of fixed assets	3,617	—	3,619	6,488
Gain on disposal of subsidiary	—	—	(16,828)	—
Other	2,693	8,080	7,733	(455)
Total adjustments - EBITDA	47,451	(15,739)	24,016	(12,674)
<b>Adjusted EBITDA</b>	<b>202,373</b>	<b>411,296</b>	<b>938,790</b>	<b>1,246,462</b>

Adjusted earnings and adjusted EPS 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,	
	2022	2021	2022	2021
Net (loss) earnings attributable to Lundin Mining shareholders	(11,212)	173,740	281,289	551,568
Add back:				
Total adjustments - EBITDA	47,451	(15,739)	24,016	(12,674)
Tax effect on adjustments	(12,012)	(3,556)	(11,323)	(2,729)
Deferred tax arising from foreign exchange translation	5,599	14,436	(6,264)	3,211
Other	1,070	(460)	1,197	(305)
Total adjustments	42,108	(5,319)	7,626	(12,497)
<b>Adjusted earnings</b>	<b>30,896</b>	<b>168,421</b>	<b>288,915</b>	<b>539,071</b>
Basic weighted average number of shares outstanding	775,563,527	736,443,985	759,726,506	737,314,204
Net (loss) earnings attributable to Lundin Mining shareholders	(0.01)	0.24	0.37	0.75
Total adjustments	0.05	(0.01)	0.01	(0.02)
<b>Adjusted EPS</b>	<b>0.04</b>	<b>0.23</b>	<b>0.38</b>	<b>0.73</b>

## Realized Price per Pound

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

## Capital Expenditures

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

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

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

## Cash Cost per Pound

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

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

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

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

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

Three months ended September 30, 2022						
Operations	Candelaria	Chapada	Eagle	Neves-Corvo	Zinkgruvan	Total
(\$000s, unless otherwise noted)	(Cu)	(Cu)	(Ni)	(Cu)	(Zn)	
Sales volumes (Contained metal in concentrate):						
Tonnes	35,587	12,817	3,715	8,574	13,722	
Pounds (000s)	78,456	28,257	8,190	18,903	30,252	
Production costs						425,814
Less: Royalties and other						(8,593)
						417,221
Deduct: By-product credits						(172,179)
Add: Treatment and refining charges						28,829
Cash cost	154,633	54,147	8,637	50,888	5,566	273,871
<b>Cash cost per pound (\$/lb)</b>	<b>1.97</b>	<b>1.92</b>	<b>1.05</b>	<b>2.69</b>	<b>0.18</b>	
Add: Sustaining capital expenditure	103,486	19,197	3,062	15,860	8,415	
Royalties	—	3,055	5,705	(1,213)	—	
Interest expense	1,368	1,720	400	33	20	
Leases & other	2,910	1,082	4,893	770	1,091	
All-in sustaining cost	262,397	79,201	22,697	66,338	15,092	
<b>AISC per pound (\$/lb)</b>	<b>3.34</b>	<b>2.80</b>	<b>2.77</b>	<b>3.51</b>	<b>0.50</b>	

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
<b>Cash cost per pound (\$/lb)</b>	<b>1.62</b>	<b>0.62</b>	<b>(0.80)</b>	<b>2.05</b>	<b>0.32</b>	
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	
<b>AISC per pound (\$/lb)</b>	<b>2.67</b>	<b>1.36</b>	<b>0.93</b>	<b>2.86</b>	<b>0.61</b>	

**Nine months ended September 30, 2022**

<b>Operations</b> (\$000s, unless otherwise noted)	<b>Candelaria</b> <b>(Cu)</b>	<b>Chapada</b> <b>(Cu)</b>	<b>Eagle</b> <b>(Ni)</b>	<b>Neves-Corvo</b> <b>(Cu)</b>	<b>Zinkgruvan</b> <b>(Zn)</b>	<b>Total</b>
Sales volumes (Contained metal in concentrate):						
Tonnes	113,690	33,526	11,188	25,241	48,049	
Pounds (000s)	250,643	73,912	24,665	55,647	105,930	
Production costs						1,210,431
Less: Royalties and other						(38,121)
						1,172,310
Deduct: By-product credits						(487,914)
Add: Treatment and refining charges						90,944
Cash cost	450,858	157,456	7,999	125,889	33,138	775,340
<b>Cash cost per pound (\$/lb)</b>	<b>1.80</b>	<b>2.13</b>	<b>0.32</b>	<b>2.26</b>	<b>0.31</b>	
Add: Sustaining capital expenditure	272,557	63,412	10,445	49,136	31,537	
Royalties	—	9,161	24,129	984	—	
Interest expense	4,149	5,161	1,202	104	63	
Leases & other	8,806	3,428	14,673	1,546	3,519	
All-in sustaining cost	736,370	238,618	58,448	177,659	68,257	
<b>AISC per pound (\$/lb)</b>	<b>2.94</b>	<b>3.23</b>	<b>2.37</b>	<b>3.19</b>	<b>0.64</b>	
(\$000s, unless otherwise noted)	<b>2022 Revised Guidance</b>					
Cash cost	620,000	230,000	(10,000)	140,000	80,000	
<b>Cash cost per pound(\$/lb)</b>	<b>1.75</b>	<b>2.25</b>	<b>(0.25)</b>	<b>1.80</b>	<b>0.55</b>	

**Nine months ended September 30, 2021**

<b>Operations</b> (\$000s, unless otherwise noted)	<b>Candelaria</b> <b>(Cu)</b>	<b>Chapada</b> <b>(Cu)</b>	<b>Eagle</b> <b>(Ni)</b>	<b>Neves-Corvo</b> <b>(Cu)</b>	<b>Zinkgruvan</b> <b>(Zn)</b>	<b>Total</b>
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 charges						86,367
Cash cost	368,583	76,527	(39,260)	116,351	51,161	573,362
<b>Cash cost per pound (\$/lb)</b>	<b>1.60</b>	<b>1.04</b>	<b>(1.53)</b>	<b>2.03</b>	<b>0.50</b>	
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	
<b>AISC per pound (\$/lb)</b>	<b>2.63</b>	<b>1.75</b>	<b>0.11</b>	<b>2.79</b>	<b>0.83</b>	

## 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.

Even though robust health and safety controls and risk mitigation measures are in place across the Company's operations, regrettably two separate fatal accidents occurred underground at the Neves-Corvo Mine in Portugal on March 30, 2022 and September 30, 2022. Every effort is made to apply the lessons learned to improve controls and eliminate the potential for future accidents of this type.

The Company is exposed to price risk related to consumables and services and has experienced impacts related to global inflation. These impacts were further exacerbated by secondary effects from the Russia-Ukraine conflict. Although the Company does not conduct business or directly operate in Russia or the Ukraine, the global impact of this conflict may have an effect on the Company.

The Company is subject to risks, including physical risks, associated with climate change. In early 2022, due to much heavier than anticipated rainfall, Chapada's production was impacted. Climate-related disruptions appear to be increasing in frequency and may have increasingly significant impacts.

A sinkhole that was detected on July 30, 2022 near the Alcaparrosa mine, part of Candelaria's operations in Chile has heightened reputational risks with the local community and government. In addition, there may be regulatory fines levied which are not currently quantifiable.

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, 2021 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.

### Internal control over financial reporting ("ICFR")

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

### Control Framework

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

### Changes in ICFR

There have been no changes in the Company's ICFR during the quarter ended September 30, 2022 that have materially affected, or are reasonably likely to materially affect, the Company's financial reporting.

## Outstanding Share Data

As at October 25, 2022, the Company has 770,077,756 common shares issued and outstanding, and 7,628,223 stock options and 1,453,179 share units outstanding under the Company's plans.

**Other Information**

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