

Condensed Interim Consolidated Financial Statements of

**Lundin Mining Corporation**

June 30, 2023  
(Unaudited)

# LUNDIN MINING CORPORATION

## CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS

(Unaudited - in thousands of US dollars)

As at

	June 30, 2023	December 31, 2022
<b>ASSETS</b>		
Cash and cash equivalents (Note 3)	\$ 190,182	\$ 191,387
Trade and other receivables (Note 4)	508,347	576,178
Income taxes receivable	63,448	72,402
Inventories (Note 5)	352,480	296,710
Current portion of derivative assets (Note 18)	52,794	43,521
Other current assets	25,573	38,571
<b>Total current assets</b>	<b>1,192,824</b>	<b>1,218,769</b>
Restricted funds	55,301	50,195
Long-term inventory (Note 5)	681,536	641,877
Derivative assets (Note 18)	20,147	25,111
Other non-current assets	25,790	20,035
Mineral properties, plant and equipment (Note 6)	6,222,740	5,975,686
Deferred tax assets	4,447	3,837
Goodwill	239,023	237,294
	<b>7,248,984</b>	<b>6,954,035</b>
<b>Total assets</b>	<b>\$ 8,441,808</b>	<b>\$ 8,172,804</b>
<b>LIABILITIES</b>		
Trade and other payables (Note 7)	\$ 575,631	\$ 612,965
Income taxes payable	39,810	45,000
Current portion of derivative liabilities (Note 18)	26,967	24,423
Current portion of debt and lease liabilities (Note 8)	284,656	170,149
Current portion of deferred revenue (Note 9)	78,170	74,061
Current portion of reclamation and other closure provisions (Note 10)	21,452	23,550
<b>Total current liabilities</b>	<b>1,026,686</b>	<b>950,148</b>
Derivative liabilities (Note 18)	24,792	27,876
Debt and lease liabilities (Note 8)	130,359	27,179
Deferred revenue (Note 9)	556,903	580,045
Reclamation and other closure provisions (Note 10)	460,568	422,298
Other long-term liabilities	21,830	24,922
Provision for pension obligations	5,077	5,613
Deferred tax liabilities	651,316	709,602
	<b>1,850,845</b>	<b>1,797,535</b>
<b>Total liabilities</b>	<b>2,877,531</b>	<b>2,747,683</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 11)	4,568,943	4,555,125
Contributed surplus	53,714	55,769
Accumulated other comprehensive loss	(339,047)	(342,287)
Retained earnings	695,803	592,425
<b>Equity attributable to Lundin Mining Corporation shareholders</b>	<b>4,979,413</b>	<b>4,861,032</b>
Non-controlling interests	584,864	564,089
<b>Total shareholders' equity</b>	<b>5,564,277</b>	<b>5,425,121</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 8,441,808</b>	<b>\$ 8,172,804</b>
Commitments and contingencies (Note 19)		
Subsequent event (Note 23)		

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

## LUNDIN MINING CORPORATION

### CONDENSED INTERIM CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

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

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

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

## LUNDIN MINING CORPORATION

### CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Unaudited - in thousands of US dollars)

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

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

## LUNDIN MINING CORPORATION

### CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

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

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

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

## LUNDIN MINING CORPORATION

### CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited - in thousands of US dollars)

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

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

# LUNDIN MINING CORPORATION

Notes to condensed interim consolidated financial statements

For the three and six months ended June 30, 2023 and 2022

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

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## 1. NATURE OF OPERATIONS

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

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

## 2. BASIS OF PRESENTATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES

### (i) Basis of presentation and measurement

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

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

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

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

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

### (ii) Material accounting policies

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

### (iii) New standards and interpretations adopted

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

# LUNDIN MINING CORPORATION

Notes to condensed interim consolidated financial statements

For the three and six months ended June 30, 2023 and 2022

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

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

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

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

## 3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of the following:

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

## 4. TRADE AND OTHER RECEIVABLES

Trade and other receivables are comprised of the following:

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

## 5. INVENTORIES

Inventories are comprised of the following:

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

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

# LUNDIN MINING CORPORATION

Notes to condensed interim consolidated financial statements

For the three and six months ended June 30, 2023 and 2022

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

## 6. MINERAL PROPERTIES, PLANT AND EQUIPMENT

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

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

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

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

<sup>1</sup> Represent assets under construction at the Company's operating mine sites which are currently non-depreciable.

<sup>2</sup> Assets relate to the Josemaria Project which are currently non-depreciable.

## LUNDIN MINING CORPORATION

Notes to condensed interim consolidated financial statements

For the three and six months ended June 30, 2023 and 2022

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

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

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

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

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

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

## LUNDIN MINING CORPORATION

Notes to condensed interim consolidated financial statements

For the three and six months ended June 30, 2023 and 2022

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

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### 7. TRADE AND OTHER PAYABLES

Trade and other payables are comprised of the following:

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

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

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

## LUNDIN MINING CORPORATION

Notes to condensed interim consolidated financial statements

For the three and six months ended June 30, 2023 and 2022

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### 8. DEBT AND LEASE LIABILITIES

Debt and lease liabilities are comprised of the following:

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

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

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

## LUNDIN MINING CORPORATION

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

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

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

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

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

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

- c) Lease liabilities relate to leases on buildings, rail cars, vehicles, machinery and equipment which have remaining lease terms of one to twelve years and interest rates of 0.8% - 8.0% over the terms of the leases. Additionally, the Company acts as lessee in certain leases that contain variable lease payment terms that are primarily based on usage of the right-of-use assets.
- d) Sociedade Mineira de Neves-Corvo, S.A. ("Somincor"), a subsidiary of the Company which owns the Neves-Corvo mine, has a commercial paper program ("Commercial Paper Program 1") which matures in May 2025. The \$27.2 million (€25.0 million) program bears interest on drawn funds at EURIBOR+0.50%. As at December 31, 2022, the Commercial Paper Program 1 was fully drawn at \$26.7 million (€25.0 million). During 2023, Somincor made several repayments totalling \$91.1 million (€85.0 million) and made several drawdowns totalling \$86.1 million (€80.0 million) on the program. In June 2023, Somincor entered into an additional commercial paper program ("Commercial Paper Program 2") which matures in June 2028. The \$54.3 million (€50.0 million) program bears interest on drawn funds at EURIBOR+0.50%. During the second quarter of 2023, Somincor drew down \$43.3 million (€40.0 million) from the program. As at June 30, 2023, Commercial Paper Program 1 and Commercial Paper Program 2 remain drawn at \$21.7 million (€20.0 million) and \$43.5 million (€40.0 million), respectively.

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

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

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

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

## 9. DEFERRED REVENUE

The following table summarizes the changes in deferred revenue:

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

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

## LUNDIN MINING CORPORATION

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### 10. RECLAMATION AND OTHER CLOSURE PROVISIONS

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

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

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

## LUNDIN MINING CORPORATION

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### 11. SHARE CAPITAL

#### a) Basic and diluted weighted average number of shares outstanding

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

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

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

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

#### b) Stock options and SUs granted/issued

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

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

#### c) Dividends

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

#### d) Normal course issuer bid

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

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

## LUNDIN MINING CORPORATION

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### 12. REVENUE

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

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

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

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

## LUNDIN MINING CORPORATION

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### 13. PRODUCTION COSTS

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

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

### 14. EMPLOYEE BENEFITS

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

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

## LUNDIN MINING CORPORATION

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### 15. GENERAL EXPLORATION AND BUSINESS DEVELOPMENT

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

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

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

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

### 16. FINANCE INCOME AND COSTS

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

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

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### 17. OTHER INCOME AND EXPENSE

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

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

- a) Foreign exchange and trading gains on debt and equity investments include the changes in fair value of debt and equity instruments supporting capital funding for the Josemaria Project.
- b) Pursuant to the terms of the original sale agreement of Rio Narcea Recursos, S.A. in 2016, the Company received a \$16.8 million payment during the first quarter of 2022, and a further \$5.7 million payment in the first quarter of 2023, which were contingent on historical tax assessments which have now been closed.
- c) Ojos del Salado sinkhole expenses include idle costs, maintenance, and remediation work related to the sinkhole near the Company's Ojos del Salado operations.

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## 18. FINANCIAL INSTRUMENTS

### Derivative instruments

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

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

Foreign currency forward contracts	Expired in	Expiring throughout:	
	2023	remainder of 2023	2024
<b>EUR/USD forwards</b>			
Average contract price	1.01	1.01	1.02
Position (EUR millions)	125	124	155
<b>USD/SEK forwards</b>			
Average contract price	11.1	11.1	10.9
Position (SEK millions)	618	618	900
Foreign currency zero cost collar contracts	Expired in	Expiring throughout:	
	2023	remainder of 2023	2024
<b>USD/BRL collars</b>			
Average contract price	5.00/6.40	5.00/6.40	5.00/6.40
Position (BRL millions)	571	571	974
<b>USD/CLP collars</b>			
Average contract price	900/1,050	900/1,050	900/1,050
Position (CLP millions)	123,256	123,257	143,426
<b>USD/CAD collars</b>			
Average contract price	1.34/1.38	1.33/1.38	1.30/1.40
Position (CAD millions)	18	18	19

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

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

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

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

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

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

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

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## Fair values of financial instruments

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

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

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

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

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

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

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

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

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

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

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

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

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

### 19. COMMITMENTS AND CONTINGENCIES

- a) The Company has capital commitments of \$531.3 million on various initiatives, of which \$218.6 million is expected to be paid during 2023.
- b) The Company may be involved in legal proceedings arising in the ordinary course of business, including the action described below. The potential amount of the liability with respect to such legal proceedings is not expected to materially affect the Company's financial position.
- c) Significant changes to commitments and contingencies, since those reported at December 31, 2022, are described below:
  - i) With respect to the Ontario class action, the Ontario Court of Appeal overturned the decision of the Ontario Superior Court of Justice on May 24, 2023, and allowed the plaintiff's appeal and granted the leave application. The Company is preparing an application for leave to appeal to the Supreme Court of Canada which it expects to file in August 2023.

### 20. SEGMENTED INFORMATION

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

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## For the three months ended June 30, 2023

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

## For the six months ended June 30, 2023

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

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## For the three months ended June 30, 2022

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

## For the six months ended June 30, 2022

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

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### 21. RELATED PARTY TRANSACTIONS

- a) **Transactions with associates** - The Company may enter into transactions related to its investment in associate. These transactions are entered into in the normal course of business and on an arm's length basis.
- b) **Key management personnel** - The Company has identified its directors and senior officers as its key management personnel. Employee benefits for key management personnel are as follows:

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

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

### 22. SUPPLEMENTARY CASH FLOW INFORMATION

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

### 23. SUBSEQUENT EVENT

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

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

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

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

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