

Condensed Interim Consolidated Financial Statements of

Lundin Mining Corporation

June 30, 2024
(Unaudited)

LUNDIN MINING CORPORATION

CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS

(Unaudited - in thousands of US dollars)

	As at	
	June 30, 2024	December 31, 2023
ASSETS		
Cash and cash equivalents (Note 3)	\$ 452,809	\$ 268,793
Trade and other receivables (Note 4)	638,994	828,871
Income taxes receivable	34,596	34,542
Inventories (Note 5)	593,153	599,407
Current portion of derivative assets (Note 21)	10,111	38,114
Other current assets (Note 6)	81,066	21,421
Total current assets	1,810,729	1,791,148
Restricted funds	60,013	59,979
Long-term inventory (Note 5)	795,809	797,597
Derivative assets (Note 21)	5,476	9,397
Other non-current assets (Note 6)	23,803	67,090
Mineral properties, plant and equipment (Note 7)	7,805,853	7,725,169
Deferred tax assets	140,482	170,203
Goodwill	237,631	240,616
	9,069,067	9,070,051
Total assets	\$ 10,879,796	\$ 10,861,199
LIABILITIES		
Trade and other payables (Note 8)	\$ 699,510	\$ 805,763
Income taxes payable	64,162	62,926
Current portion of derivative liabilities (Note 21)	31,829	26,389
Current portion of debt and lease liabilities (Note 9)	315,695	212,646
Current portion of deferred revenue (Note 10)	84,124	87,867
Current portion of reclamation and other closure provisions (Note 11)	18,255	14,442
Total current liabilities	1,213,575	1,210,033
Derivative liabilities (Note 21)	15,676	3,148
Debt and lease liabilities (Note 9)	1,282,492	1,273,162
Deferred revenue (Note 10)	517,307	535,363
Reclamation and other closure provisions (Note 11)	494,573	529,734
Deferred consideration and other long-term liabilities (Note 12)	140,771	133,199
Provision for pension obligations	5,627	6,752
Deferred tax liabilities	722,207	751,688
	3,178,653	3,233,046
Total liabilities	4,392,228	4,443,079
SHAREHOLDERS' EQUITY		
Share capital (Note 13)	4,604,632	4,574,830
Contributed surplus	48,687	55,201
Accumulated other comprehensive loss	(343,325)	(296,617)
Retained earnings	660,951	627,903
Equity attributable to Lundin Mining Corporation shareholders	4,970,945	4,961,317
Non-controlling interests (Note 14)	1,516,623	1,456,803
Total shareholders' equity	6,487,568	6,418,120
Total liabilities and shareholders' equity	\$ 10,879,796	\$ 10,861,199
Commitments and contingencies (Note 22)		
Subsequent events (Notes 6, 9, 14, and 26)		

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

LUNDIN MINING CORPORATION

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF EARNINGS

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

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Revenue (Note 15)	\$ 1,083,585	\$ 588,531	\$ 2,020,566	\$ 1,339,875
Cost of goods sold				
Production costs (Note 16)	(606,426)	(405,198)	(1,173,560)	(822,962)
Depreciation, depletion and amortization	(197,658)	(130,505)	(382,150)	(250,752)
Gross profit	279,501	52,828	464,856	266,161
General and administrative expenses	(13,140)	(14,898)	(29,900)	(30,008)
General exploration and business development (Note 18)	(13,536)	(13,693)	(26,987)	(28,458)
Finance income (Note 19)	5,315	1,572	9,148	3,336
Finance costs (Note 19)	(41,622)	(17,469)	(81,149)	(34,932)
Other (expense) income (Note 20)	(3,623)	33,361	(13,952)	79,606
Earnings before income taxes	212,895	41,701	322,016	255,705
Current tax expense	(58,117)	(27,213)	(105,380)	(86,714)
Deferred tax recovery (expense)	1,955	46,814	(1,348)	57,622
Net earnings	\$ 156,733	\$ 61,302	\$ 215,288	\$ 226,613
Net earnings attributable to:				
Lundin Mining Corporation shareholders	\$ 121,589	\$ 59,109	\$ 135,472	\$ 205,729
Non-controlling interests	35,144	2,193	79,816	20,884
Net earnings	\$ 156,733	\$ 61,302	\$ 215,288	\$ 226,613
Basic earnings per share attributable to Lundin Mining Corporation shareholders:	\$ 0.16	\$ 0.08	\$ 0.18	\$ 0.27
Diluted earnings per share attributable to Lundin Mining Corporation shareholders:	\$ 0.16	\$ 0.08	\$ 0.17	\$ 0.27
Weighted average number of shares outstanding (Note 13)				
Basic	776,173,888	772,255,656	774,033,611	771,739,532
Diluted	779,088,142	773,189,884	776,430,838	772,427,392

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

LUNDIN MINING CORPORATION

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited - in thousands of US dollars)

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Net earnings	\$ 156,733	\$ 61,302	\$ 215,288	\$ 226,613
Other comprehensive (loss) income, net of taxes				
Item that will not be reclassified to net earnings:				
Remeasurements for post-employment benefit plans	(137)	(308)	(378)	(566)
Item that may be reclassified subsequently to net earnings:				
Effects of foreign exchange	(6,873)	(15,756)	(46,326)	3,697
Other comprehensive (loss) income	(7,010)	(16,064)	(46,704)	3,131
Total comprehensive income	\$ 149,723	\$ 45,238	\$ 168,584	\$ 229,744
Comprehensive income attributable to:				
Lundin Mining Corporation shareholders	\$ 114,531	\$ 43,097	\$ 88,764	\$ 208,969
Non-controlling interests	35,192	2,141	79,820	20,775
Total comprehensive income	\$ 149,723	\$ 45,238	\$ 168,584	\$ 229,744

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) income	Retained earnings	Non- controlling interests	Total
Balance, December 31, 2023	773,667,789	\$ 4,574,830	\$ 55,201	\$ (296,617)	\$ 627,903	\$ 1,456,803	\$ 6,418,120
Distributions	—	—	—	—	—	(20,000)	(20,000)
Exercise of share-based awards	3,057,740	29,802	(9,812)	—	—	—	19,990
Share-based compensation	—	—	3,298	—	—	—	3,298
Dividends declared (Note 13(d))	—	—	—	—	(102,424)	—	(102,424)
Net earnings	—	—	—	—	135,472	79,816	215,288
Other comprehensive (loss) income	—	—	—	(46,708)	—	4	(46,704)
Total comprehensive (loss) income	—	—	—	(46,708)	135,472	79,820	168,584
Balance, June 30, 2024	776,725,529	\$ 4,604,632	\$ 48,687	\$ (343,325)	\$ 660,951	\$ 1,516,623	\$ 6,487,568
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	—	—	—	—	(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
Balance, June 30, 2023	772,838,238	\$ 4,568,943	\$ 53,714	\$ (339,047)	\$ 695,803	\$ 584,864	\$ 5,564,277

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,	
	2024	2023	2024	2023
Operating activities				
Net earnings	\$ 156,733	\$ 61,302	\$ 215,288	\$ 226,613
Items not involving cash and other adjustments				
Depreciation, depletion and amortization	197,658	130,505	382,150	250,752
Share-based compensation	1,736	1,755	3,377	4,021
Unrealized foreign exchange loss (gain)	3,173	(19,285)	(12,327)	(10,641)
Finance costs, net (Note 19)	36,307	15,897	72,001	31,596
Recognition of deferred revenue (Note 10)	(16,766)	(16,919)	(35,604)	(36,019)
Deferred tax (recovery) expense	(1,955)	(46,814)	1,348	(57,622)
Revaluation of Caserones purchase option (Note 20)	(12,431)	—	(11,728)	—
Revaluation of marketable securities (Note 20)	(85)	(3,464)	(2,515)	(3,902)
Write-down of assets (Note 20)	17,188	—	17,188	—
Revaluation of foreign currency and diesel derivatives (Note 21)	(2,609)	128	46,508	(34,115)
Other	8,309	5,382	9,840	13,445
Reclamation payments (Note 11)	(3,426)	(2,548)	(8,410)	(5,129)
Pension payments	(754)	(411)	(1,597)	(989)
Changes in long-term inventory	(13,204)	(14,891)	8,021	(32,306)
Changes in non-cash working capital items (Note 25)	121,896	84,207	75,761	61,015
	491,770	194,844	759,301	406,719
Investing activities				
Investment in mineral properties, plant and equipment	(258,467)	(279,913)	(530,373)	(526,032)
Cash received from disposal of subsidiary (Note 20)	—	—	—	5,718
Interest received	6,680	1,290	8,595	2,168
Other	(419)	(4,845)	(92)	(5,388)
	(252,206)	(283,468)	(521,870)	(523,534)
Financing activities				
Proceeds from debt (Note 9)	224,537	282,119	492,339	430,949
Principal repayments of debt (Note 9)	(223,809)	(84,022)	(357,206)	(214,502)
Principal payments of lease liabilities	(18,602)	(6,062)	(33,507)	(11,280)
Interest paid	(30,073)	(5,972)	(58,208)	(10,667)
Dividends paid to shareholders	(102,232)	(104,021)	(102,232)	(104,021)
Proceeds from common shares issued	12,437	5,473	19,990	7,558
Distributions paid to non-controlling interests	(20,000)	—	(20,000)	—
Net (payment) proceeds from settlement of foreign currency and commodity derivatives	(782)	13,331	3,160	24,400
Other	2,608	(924)	2,006	(3,009)
	(155,916)	99,922	(53,658)	119,428
Effect of foreign exchange on cash balances	3,710	(5,355)	243	(3,818)
Increase (decrease) in cash and cash equivalents during the period	87,358	5,943	184,016	(1,205)
Cash and cash equivalents, beginning of period	365,451	184,239	268,793	191,387
Cash and cash equivalents, end of period	\$ 452,809	\$ 190,182	\$ 452,809	\$ 190,182

Supplemental cash flow information (Note 25)

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, 2024 and 2023

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

1. NATURE OF OPERATIONS

Lundin Mining Corporation ("Lundin Mining" or the "Company") is a diversified Canadian base metals mining company primarily producing copper, zinc, nickel and gold. The Company owns 80% of the Candelaria and Ojos del Salado mining complex ("Candelaria") and 51% of the Caserones copper-molybdenum mine ("Caserones"), each of which are located in Chile. The Company's wholly-owned operating assets include the Chapada mine located in Brazil, the Eagle mine located in the United States of America ("USA"), the Neves-Corvo mine located in Portugal, and the Zinkgruvan mine located in Sweden. In addition, the Company owns the large scale copper-gold Josemaria project ("Josemaria Project"), located in Argentina.

On July 2, 2024, the Company completed the exercise of its option to acquire an additional 19% interest in the issued and outstanding equity of SCM Minera Lumina Copper Chile ("Lumina Copper"), bringing the Company's ownership in Caserones to 70%.

The Company's common shares are listed on the Toronto Stock Exchange ("TSX") in Canada and the Nasdaq Stockholm Exchange in Sweden. The Company is incorporated under the Canada Business Corporations Act. The Company is domiciled in Canada and its principal place of business is 1055 Dunsmuir Street, Suite 2800, Vancouver, British Columbia, Canada.

2. BASIS OF PRESENTATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES

(i) Basis of presentation and measurement

The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the CPA Canada Handbook - Accounting 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, 2023.

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 of the Company for issue on July 30, 2024.

(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, 2023. Except as described in Note 2(iii), there were no changes in material accounting policies during the three and six months ended June 30, 2024.

LUNDIN MINING CORPORATION

Notes to condensed interim consolidated financial statements

For the three and six months ended June 30, 2024 and 2023

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

(iii) New accounting standards issued

Amendments to IAS 1 - Classification of Liabilities as Current or Non-Current

In January 2020, the IASB issued Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. Under existing requirements, a liability is current if an unconditional right to defer settlement of the liability for at least twelve months after the reporting period does not exist. With the introduction of the two amendments to IAS 1 in 2024, for a liability to be classified as non-current, a company must have the right to defer settlement of the liability for at least twelve months after the reporting period. The right must have substance and exist at the end of the reporting period, and the classification of the liability must be unaffected by the likelihood that the company will exercise that right. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with early application permitted and have been applied with no material impact on the Company in the current reporting period.

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

In May 2023, the IASB issued amendments to IAS 12 – Income Taxes. The amendments provide an exception to the requirements regarding the recognition of deferred tax assets and liabilities related to the Pillar Two global minimum tax rules and were effective immediately. 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 continues to evaluate the impact of these income taxes on its consolidated financial statements.

Additionally, the amendments to IAS 12 require disclosure of the Company's current tax expense or income related to Pillar Two income taxes and disclosure of known or reasonably estimable information regarding the Company's exposure to Pillar Two income taxes. Among the jurisdictions where the Company operates, Pillar Two legislation is enacted in Sweden, the Netherlands and Canada, and is expected to be substantively enacted in Portugal in 2024. The Company is currently assessing the potential impact of the Pillar Two legislation for when it comes into effect, but the quantitative impact of the enacted or substantively enacted legislation has not yet been determined.

(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, 2023.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of the following:

	June 30, 2024	December 31, 2023
Cash	\$ 259,166	\$ 197,537
Short-term deposits	193,643	71,256
	\$ 452,809	\$ 268,793

LUNDIN MINING CORPORATION

Notes to condensed interim consolidated financial statements

For the three and six months ended June 30, 2024 and 2023

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

4. TRADE AND OTHER RECEIVABLES

Trade and other receivables are comprised of the following:

	June 30, 2024	December 31, 2023
Trade receivables	\$ 512,377	\$ 643,722
Value added tax	57,210	80,088
Prepaid expenses	38,696	48,901
Other receivables	30,711	56,160
	\$ 638,994	\$ 828,871

5. INVENTORIES

Inventories are comprised of the following:

	June 30, 2024	December 31, 2023
Materials and supplies	\$ 330,794	\$ 313,966
Ore stockpiles and dump leach	195,616	207,602
Finished goods - concentrate stockpiles	61,276	72,515
Finished goods - copper cathode	5,467	5,324
	\$ 593,153	\$ 599,407

Long-term inventory is comprised of the following:

	June 30, 2024	December 31, 2023
Ore stockpiles at Candelaria	\$ 435,008	\$ 427,075
Ore stockpiles at Chapada	267,192	270,570
Dump leach at Caserones	93,609	99,952
	\$ 795,809	\$ 797,597

6. OTHER CURRENT ASSETS

Other current assets are comprised of the following:

	June 30, 2024	December 31, 2023
Caserones purchase option (a)	\$ 56,166	\$ —
Other	24,900	21,421
	\$ 81,066	\$ 21,421

- a) Pursuant to the terms of the shareholders' agreement to acquire 51% of Lumina Copper, the Company acquired the right to purchase an additional 19% interest in the Caserones mine for \$350.0 million over a five-year period commencing on July 13, 2024 ("Caserones Purchase Option"). The Caserones Purchase Option is recorded at fair value with changes in fair value recorded in Other income and expense. On June 26, 2024, the shareholders' agreement associated with the transaction was amended to waive any restriction relating to the exercise date of the call option and on July 2, 2024, the Company completed the exercise of the Caserones Purchase Option. The fair value of \$56.2 million at June 30, 2024 was therefore reclassified from Other non-current assets to Other current assets.

LUNDIN MINING CORPORATION

Notes to condensed interim consolidated financial statements

For the three and six months ended June 30, 2024 and 2023

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

7. MINERAL PROPERTIES, PLANT AND EQUIPMENT

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

Cost	Mineral properties	Plant and equipment	Assets under construction ¹	Development project ²	Software intangible assets	Total
As at December 31, 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
As at June 30, 2023	5,748,924	3,819,717	323,785	1,023,850	35,093	10,951,369
Caserones acquisition	—	1,243,432	94,110	—	—	1,337,542
Additions	126,127	69,067	231,037	106,217	40	532,488
Disposals and transfers	72,525	146,791	(322,496)	—	28,123	(75,057)
Effects of foreign exchange	67,178	28,990	3,825	—	313	100,306
As at December 31, 2023	6,014,754	5,307,997	330,261	1,130,067	63,569	12,846,648
Additions	127,096	33,262	202,618	159,101	78	522,155
Write-down	—	—	—	(17,188)	—	(17,188)
Disposals and transfers	33,150	130,340	(170,330)	—	89	(6,751)
Effects of foreign exchange	(77,596)	(39,804)	(3,585)	—	(319)	(121,304)
As at June 30, 2024	\$ 6,097,404	\$ 5,431,795	\$ 358,964	\$ 1,271,980	\$ 63,417	\$ 13,223,560

Accumulated depreciation, depletion and amortization	Mineral properties	Plant and equipment	Assets under construction ¹	Development project ²	Software intangible assets	Total
As at December 31, 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
As at June 30, 2023	2,981,481	1,733,304	—	—	13,844	4,728,629
Depreciation	167,286	228,326	—	—	3,038	398,650
Disposals and transfers	—	(66,211)	—	—	—	(66,211)
Effects of foreign exchange	45,308	14,962	—	—	141	60,411
As at December 31, 2023	3,194,075	1,910,381	—	—	17,023	5,121,479
Depreciation	156,047	210,990	—	—	4,843	371,880
Disposals and transfers	—	(5,780)	—	—	—	(5,780)
Effects of foreign exchange	(50,369)	(19,339)	—	—	(164)	(69,872)
As at June 30, 2024	\$ 3,299,753	\$ 2,096,252	\$ —	\$ —	\$ 21,702	\$ 5,417,707

Net book value	Mineral properties	Plant and equipment	Assets under construction ¹	Development project ²	Software intangible assets	Total
As at December 31, 2023	\$ 2,820,679	\$ 3,397,616	\$ 330,261	\$ 1,130,067	\$ 46,546	\$ 7,725,169
As at June 30, 2024	\$ 2,797,651	\$ 3,335,543	\$ 358,964	\$ 1,271,980	\$ 41,715	\$ 7,805,853

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

² Assets relate to the Josemaria Project which are currently non-depreciable.

LUNDIN MINING CORPORATION

Notes to condensed interim consolidated financial statements

For the three and six months ended June 30, 2024 and 2023

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

During the three and six months ended June 30, 2024, the Company capitalized \$8.9 million and \$16.5 million (June 30, 2023 - \$4.5 million and \$7.8 million), respectively, of finance costs to the Josemaria Project at a weighted average interest rate of 6.0% (June 30, 2023 - 5.5%).

During the three and six months ended June 30, 2024, the Company capitalized \$39.3 million and \$118.0 million (June 30, 2023 - \$54.5 million and \$95.8 million), respectively, of deferred stripping costs to mineral properties. The depreciation expense related to deferred stripping for the three and six months was \$45.8 million and \$68.4 million (June 30, 2023 - \$26.8 million and \$52.4 million), respectively. Included in the mineral properties balance at June 30, 2024 is \$353.4 million (December 31, 2023 - \$277.5 million) related to deferred stripping at Candelaria and Caserones, which is currently non-depreciable.

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

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

	Net book value
As at December 31, 2022	\$ 27,923
Additions	11,843
Depreciation	(11,755)
Effects of foreign exchange	278
As at June 30, 2023	28,289
Caserones acquisition	257,655
Additions	42,966
Depreciation	(39,636)
Disposals	(5,363)
Effects of foreign exchange	86
As at December 31, 2023	283,997
Additions	23,817
Depreciation	(37,499)
Disposals	(1,534)
Effects of foreign exchange	(83)
As at June 30, 2024	\$ 268,698

LUNDIN MINING CORPORATION

Notes to condensed interim consolidated financial statements

For the three and six months ended June 30, 2024 and 2023

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

8. TRADE AND OTHER PAYABLES

Trade and other payables are comprised of the following:

	June 30, 2024	December 31, 2023
Trade payables	\$ 345,560	\$ 393,829
Unbilled goods and services	175,794	176,444
Employee benefits payable	81,578	114,514
Sinkhole provision	27,735	29,827
Royalties payable	26,538	23,773
Pricing provisions on concentrate sales	19,451	13,201
Deferred consideration, current portion	10,000	10,000
Prepayment from customers	516	21,963
Other	12,338	22,212
	\$ 699,510	\$ 805,763

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

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

The deferred consideration relates to the current portion of the remaining deferred cash consideration arising from the Caserones acquisition, payable in installments over the next five years.

LUNDIN MINING CORPORATION

Notes to condensed interim consolidated financial statements

For the three and six months ended June 30, 2024 and 2023

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

9. DEBT AND LEASE LIABILITIES

Debt and lease liabilities are comprised of the following:

	June 30, 2024	December 31, 2023
Revolving credit facility (a)	\$ 274,273	\$ 245,084
Term loan (b)	798,180	798,542
Candelaria and Chapada term loans (c)	159,520	48,850
Lease liabilities (d)	259,164	277,208
Commercial paper (e)	107,050	116,025
Line of credit	—	99
Debt and lease liabilities	1,598,187	1,485,808
Less: current portion	315,695	212,646
Long-term portion	\$ 1,282,492	\$ 1,273,162

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

	Leases	Debt	Total
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
Caserones acquisition	257,655	—	257,655
Additions	42,618	2,059,648	2,102,266
Payments	(47,828)	(1,237,302)	(1,285,130)
Disposals	(6,221)	—	(6,221)
Interest	11,788	—	11,788
Financing fee amortization	—	416	416
Deferred financing fee	—	(1,792)	(1,792)
Effects of foreign exchange	(9,342)	1,153	(8,189)
As at December 31, 2023	277,208	1,208,600	1,485,808
Additions	23,471	492,339	515,810
Payments	(45,292)	(357,206)	(402,498)
Disposals	(1,495)	—	(1,495)
Interest	11,785	—	11,785
Financing fee amortization	—	1,174	1,174
Deferred financing fee	—	(2,347)	(2,347)
Effects of foreign exchange	(6,513)	(3,537)	(10,050)
As at June 30, 2024	259,164	1,339,023	1,598,187
Less: current portion	49,125	266,570	315,695
Long-term portion	\$ 210,039	\$ 1,072,453	\$ 1,282,492

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- a) The Company has a revolving credit facility of \$1,750.0 million. On April 26, 2024, the credit facility, which originally matured in April 2028, was amended and extended to April 2029. The credit facility bears interest on drawn funds at rates of Term Secured Overnight Financing Rate ("Term SOFR") plus Credit Spread Adjustment ("CSA") of 0.10% plus an applicable margin of 1.45% to 2.50%, depending on the Company's net leverage ratio. The revolving credit facility is unsecured, save and except for a charge over certain assets in the USA, and is subject to customary covenants. During the three and six months ended June 30, 2024, the Company drew down \$50.0 million and \$115.0 million (June 30, 2023 - \$146.0 million and \$171.0 million), and repaid \$70 million and \$85.0 million (June 30, 2023 - \$— million and \$13.0 million), respectively. As at June 30, 2024, a principal balance of \$280.0 million (December 31, 2023 - \$250.0 million) was outstanding, with unamortized deferred financing fees of \$5.7 million (December 31, 2023 - \$4.9 million) netted against borrowings.

On July 2, 2024, the Company drew down \$350.0 million from the revolving credit facility to complete the exercise of its option to acquire an additional 19% interest in Caserones.

- b) In July 2023, the Company obtained a term loan of a principal amount of \$800.0 million with an additional \$400.0 million accordion option, maturing July 2026. On April 26, 2024, the Company amended the terms to extend maturity to July 2027. The term loan bears interest at an annual rate equal to Term SOFR + CSA + an applicable margin of 1.60% to 2.65%, depending on the Company's net leverage ratio. Principal is payable at maturity. The term loan is unsecured, save and except for a charge over certain assets in the USA, and has similar covenants to the Company's existing \$1,750.0 million revolving credit facility. As at June 30, 2024, a principal balance of \$800.0 million (December 31, 2023 - \$800.0 million) was outstanding, with unamortized deferred financing fees of \$1.8 million (December 31, 2023 - \$1.5 million) netted against borrowings.
- c) In February and March 2024, Compañía Contractual Minera Candelaria S.A. ("Candelaria Mine"), a subsidiary owned 80% by the Company, obtained two unsecured fixed term loans in the amount of \$50.0 million and \$15.0 million, respectively. The loans accrued interest at rates of 5.67% and 5.79% per annum and were fully repaid in May and June 2024, respectively. An additional short-term loan was obtained in May 2024 in the amount of \$50.0 million, accruing interest at 5.78% and maturing in November 2024. As at June 30, 2024, a principal balance of \$50.0 million (December 31, 2023 - \$nil) was outstanding.

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 during the three and six months ended June 30, 2024 totalling \$87.0 million and \$132.3 million (June 30, 2023 - \$71.1 million and \$130.5 million), respectively. Chapada repaid \$51.2 million and \$71.7 million of the outstanding term loans during the three and six months ended June 30, 2024 (June 30, 2023 - \$108.9 million and \$61.8 million), respectively.

As at June 30, 2024, there were thirty two term loans outstanding at Chapada totalling \$109.5 million (December 31, 2023 - sixteen term loans totalling \$48.9 million). These outstanding term loans accrue interest at rates ranging from 6.16% to 6.80% per annum with interest payable upon maturity. The maturity dates range from July to September 2024.

- d) Lease liabilities relate to leases on power line infrastructure, buildings and storage facilities, rail cars, vehicles, machinery and equipment which have remaining lease terms of one to thirteen years and interest rates of 0.8% - 10.4% over the terms of the leases.
- e) Sociedade Mineira de Neves-Corvo, S.A. ("Somincor"), a subsidiary of the Company which owns the Neves-Corvo mine, entered into three unsecured commercial paper programs during 2022 and 2023 ("Commercial Paper Program 1, 2, and 3", respectively). Commercial Paper Program 1, entered into September 2022, has a borrowing capacity of €25.0 million, matures May 2025, and bears interest on drawn funds at EURIBOR+0.50%. Commercial Paper Program 2, entered into in June 2023, has a borrowing capacity of €50.0 million, matures in June 2028, and bears interest on drawn funds at EURIBOR+0.50%. Commercial Program 3, entered into July 2023, has a borrowing capacity of €40.0 million, matures in July 2028, and bears interest on drawn funds at EURIBOR+0.30%.

During the three and six months ended June 30, 2024, Somincor had drawn \$37.5 million (€35.0 million) and \$130.0 million (€120.0 million), respectively from the commercial paper programs (June 30, 2023 - \$65.0 million

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(€60.0 million) and \$129.4 million (€120.0 million)) and repaid \$37.6 million (€35.0 million) and \$135.4 million (€125.0 million), respectively from the programs (June 30, 2023 - \$21.7 million (€20.0 million) and \$91.1 million (€85.0 million)).

As at June 30, 2024, a principal balance of \$21.4 million (€20.0 million), \$53.5 million (€50.0 million), and \$32.1 million (€30.0 million) was outstanding on Commercial Paper Program 1, 2, and 3, respectively (December 31, 2023 - \$27.6 million (€25.0 million), \$55.3 million (€50.0 million), and \$33.2 million (€30.0 million)).

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

	Leases	Debt	Total
Less than one year	\$ 65,420	\$ 266,570	\$ 331,990
One to five years	153,243	1,080,000	1,233,243
More than five years	141,624	—	141,624
Total undiscounted obligations as at June 30, 2024	\$ 360,287	\$ 1,346,570	\$ 1,706,857

10. DEFERRED REVENUE

The following table summarizes the changes in deferred revenue:

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
Recognition of revenue	(36,724)
Variable consideration adjustment	3,018
Finance costs	18,000
Effects of foreign exchange	3,863
As at December 31, 2023	623,230
Recognition of revenue	(35,604)
Finance costs	17,179
Effects of foreign exchange	(3,374)
As at June 30, 2024	601,431
Less: current portion	84,124
Long-term portion	\$ 517,307

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 2023, 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.

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11. RECLAMATION AND OTHER CLOSURE PROVISIONS

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

	Reclamation provisions	Other closure provisions	Total
Balance, December 31, 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
Acquisition of Caserones	92,440	—	92,440
Accretion	12,692	—	12,692
Changes in estimate	(36,273)	(3,222)	(39,495)
Changes in discount rate	738	—	738
Payments	(5,193)	(169)	(5,362)
Effects of foreign exchange	5,537	(4,394)	1,143
Balance, December 31, 2023	497,145	47,031	544,176
Accretion	12,758	—	12,758
Changes in estimate	(11,526)	2,244	(9,282)
Changes in discount rate	(17,321)	—	(17,321)
Payments	(5,986)	(2,424)	(8,410)
Effects of foreign exchange	(5,756)	(3,337)	(9,093)
Balance, June 30, 2024	469,314	43,514	512,828
Less: current portion	13,524	4,731	18,255
Long-term portion	\$ 455,790	\$ 38,783	\$ 494,573

The Company expects these liabilities to be settled between 2024 and 2110. The reclamation provisions are discounted using current market pre-tax discount rates which range from 2.0% to 12.0% (December 31, 2023 - 2.0% to 10.4%).

12. DEFERRED CONSIDERATION AND OTHER LONG-TERM LIABILITIES

Deferred consideration and other long-term liabilities are comprised of the following:

	June 30, 2024	December 31, 2023
Deferred consideration, non-current portion	\$ 109,670	\$ 106,210
Other	31,101	26,989
	\$ 140,771	\$ 133,199

Deferred consideration represents the non-current portion of the remaining cash consideration for the acquisition of 51% of Lumina Copper, completed July 13, 2023. The deferred consideration is payable in installments as follows: \$50.0 million to be paid in five installments of \$10.0 million on the anniversary of the transaction closing date in each of 2024, 2025, 2026, 2027, and 2028; and \$100 million to be paid on the anniversary of the closing date in 2029. Subsequent to June 30, 2024, the Company paid the first \$10.0 million installment related to the Caserones deferred consideration.

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13. SHARE CAPITAL

a) Basic and diluted weighted average number of shares outstanding

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Basic weighted average number of shares outstanding	776,173,888	772,255,656	774,033,611	771,739,532
Effect of dilutive securities	2,914,254	934,228	2,397,227	687,860
Diluted weighted average number of shares outstanding	779,088,142	773,189,884	776,430,838	772,427,392
Antidilutive securities	96,300	23,175	1,001,595	1,267,078

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

b) Stock options and share units granted

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Stock options	—	18,230	1,498,160	1,880,663
Restricted Share Units and Performance Share Units	—	13,930	1,041,450	1,261,503

c) Deferred share units

During the year ended December 31, 2023, the Company adopted a Deferred Share Unit ("DSU") Plan effective January 1, 2024 under which DSUs are granted by the Board of Directors quarterly to eligible non-employee Directors. During the three and six months ended June 30, 2024, 16,858 and 25,062 DSUs (June 30, 2023 - nil and nil), respectively, were granted under the plan.

d) Dividends

During the three and six months ended June 30, 2024, the Company declared dividends in the amount of \$51.1 million and \$102.4 million (June 30, 2023 - \$51.1 million and \$102.4 million), respectively, or C\$0.09 per share and C\$0.18 per share (June 30, 2023 - C\$0.09 and C\$0.18), respectively.

14. NON-CONTROLLING INTERESTS

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

On July 2, 2024, the Company completed the exercise of its option to acquire an additional 19% interest in the issued and outstanding equity of Lumina Copper, bringing the Company's ownership in Caserones to 70% and reducing the NCI to 30%.

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

	Candelaria complex		Caserones mine		Total
	20%		49%		
NCI in subsidiary at June 30, 2024					
As at December 31, 2022	\$	564,089	\$	—	\$ 564,089
Share of net comprehensive income (loss)		20,775		—	20,775
As at June 30, 2023		584,864		—	584,864
Caserones acquisition		—		873,767	873,767
Share of net comprehensive income (loss)		20,978		32,294	53,272
Distributions		(11,000)		(44,100)	(55,100)
As at December 31, 2023		594,842		861,961	1,456,803
Share of net comprehensive income (loss)		30,125		49,695	79,820
Distributions		(20,000)		—	(20,000)
As at June 30, 2024	\$	604,967	\$	911,656	\$ 1,516,623

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

Summarized Balance Sheets

	Candelaria complex		Caserones mine	
	As at June 30, 2024	As at Dec. 31, 2023	As at June 30, 2024	As at Dec. 31, 2023
Total current assets	\$ 549,793	\$ 512,217	\$ 758,626	\$ 708,927
Total non-current assets	\$ 3,162,797	\$ 3,140,799	\$ 1,539,408	\$ 1,629,052
Total current liabilities	\$ 317,899	\$ 266,314	\$ 263,622	\$ 323,797
Total non-current liabilities	\$ 636,844	\$ 646,189	\$ 251,518	\$ 267,263

Summarized Statements of Earnings and Comprehensive Income (Loss)

	Candelaria complex		Caserones mine	
	2024	2023	2024	2023
For the six months ended June 30,				
Total revenue	\$ 787,348	\$ 768,726	\$ 657,838	\$ —
Net earnings	\$ 149,945	\$ 107,002	\$ 101,421	\$ —
Net comprehensive income	\$ 149,949	\$ 106,893	\$ 101,421	\$ —

Summarized Statement of Cash Flows

	Candelaria complex		Caserones mine	
	2024	2023	2024	2023
For the six months ended June 30,				
Cash provided by operating activities	\$ 254,155	\$ 225,559	\$ 242,921	\$ —
Cash used in investing activities	(159,073)	(216,255)	(76,357)	—
Cash used in financing activities	(89,195)	(25,361)	(52,888)	—
Increase (decrease) in cash and cash equivalents during the period	\$ 5,887	\$ (16,057)	\$ 113,676	\$ —

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15. 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,	
	2024	2023	2024	2023
Revenue from contracts with customers:				
Copper	\$ 743,360	\$ 440,162	\$ 1,442,615	\$ 921,142
Zinc	87,534	50,832	152,475	149,321
Gold	54,880	50,008	109,598	103,351
Nickel	39,260	97,482	74,386	161,112
Molybdenum	31,494	—	70,321	—
Lead	20,034	10,463	32,530	23,303
Silver	15,080	9,835	28,408	19,101
Other	10,898	11,860	20,074	16,315
	1,002,540	670,642	1,930,407	1,393,645
Provisional pricing adjustments on current period concentrate sales	(13,484)	(7,522)	46,612	(65,921)
Provisional pricing adjustments on prior period concentrate sales	94,529	(74,589)	43,547	12,151
Revenue	\$ 1,083,585	\$ 588,531	\$ 2,020,566	\$ 1,339,875

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,	
	2024	2023	2024	2023
Revenue from contracts with customers:				
Japan	\$ 229,970	\$ 133,408	\$ 611,847	\$ 327,746
China	286,869	54,717	481,326	195,282
Spain	179,053	128,149	232,965	260,717
Canada	97,119	124,714	149,335	215,830
Germany	24,846	45,926	95,990	73,714
Chile	43,120	7,414	91,714	23,134
Sweden	67,984	58,490	85,928	68,992
Finland	18,116	40,605	78,565	107,657
Norway	30,717	27,419	50,655	72,447
Other	24,746	49,800	52,082	48,126
	1,002,540	670,642	1,930,407	1,393,645
Provisional pricing adjustments on current period concentrate sales	(13,484)	(7,522)	46,612	(65,921)
Provisional pricing adjustments on prior period concentrate sales	94,529	(74,589)	43,547	12,151
Revenue	\$ 1,083,585	\$ 588,531	\$ 2,020,566	\$ 1,339,875

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16. PRODUCTION COSTS

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

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Direct mine and mill costs	\$ 553,536	\$ 373,519	\$ 1,071,053	\$ 751,162
Transportation	33,320	24,647	66,125	55,129
Royalties	19,570	7,032	36,382	16,671
Total production costs	\$ 606,426	\$ 405,198	\$ 1,173,560	\$ 822,962

17. 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,	
	2024	2023	2024	2023
Production costs				
Wages and benefits	\$ 108,778	\$ 78,546	\$ 207,073	\$ 158,308
Retirement benefits	462	485	910	1,061
Share-based compensation	324	438	726	980
	109,564	79,469	208,709	160,349
General and administrative expenses				
Wages and benefits	5,040	5,994	12,521	11,567
Retirement benefits	168	199	343	601
Share-based compensation	1,408	1,203	2,646	2,843
Termination benefits	—	1,349	—	3,198
	6,616	8,745	15,510	18,209
General exploration and business development				
Wages and benefits	980	1,242	2,060	2,900
Retirement benefits	12	11	23	23
Share-based compensation	4	114	5	198
Termination benefits	—	313	—	313
	996	1,680	2,088	3,434
Total employee benefits	\$ 117,176	\$ 89,894	\$ 226,307	\$ 181,992

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18. 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,	
	2024	2023	2024	2023
General exploration	\$ 12,416	\$ 11,752	\$ 25,034	\$ 20,955
Project development	676	1,776	1,498	2,312
Corporate development	444	165	455	5,191
Total general exploration and business development	\$ 13,536	\$ 13,693	\$ 26,987	\$ 28,458

Corporate development expenses for the three months and six months ended June 30, 2023 included \$0.2 million and \$5.0 million, respectively, in transaction costs related to the acquisition of Caserones.

19. 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,	
	2024	2023	2024	2023
Interest income	\$ 5,315	\$ 1,289	\$ 9,148	\$ 2,172
Interest expense and bank fees	(24,785)	(6,988)	(47,942)	(13,197)
Accretion expense on reclamation provisions	(6,415)	(5,268)	(12,758)	(10,477)
Lease liability interest	(5,896)	(361)	(11,785)	(733)
Deferred revenue finance costs	(3,192)	(4,852)	(6,938)	(10,525)
Other	(1,334)	283	(1,726)	1,164
Total finance costs, net	\$ (36,307)	\$ (15,897)	\$ (72,001)	\$ (31,596)
Finance income	\$ 5,315	\$ 1,572	\$ 9,148	\$ 3,336
Finance costs	(41,622)	(17,469)	(81,149)	(34,932)
Total finance costs, net	\$ (36,307)	\$ (15,897)	\$ (72,001)	\$ (31,596)

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20. 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,	
	2024	2023	2024	2023
Foreign exchange (loss) gain (a)	\$ (2,827)	\$ 12,390	\$ 23,997	\$ 2,445
Foreign exchange and trading gains on debt and equity investments (b)	10,100	30,667	18,279	52,745
Revaluation of Caserones purchase option (c)	12,431	—	11,728	—
Revaluation of marketable securities	85	3,464	2,515	3,902
Realized (losses) gains on derivative contracts (Note 21)	(1,365)	14,275	2,350	27,852
Ojos del Salado sinkhole (expenses) recoveries (d)	(710)	(11,900)	321	(16,482)
Unrealized gains (losses) on derivative contracts (Note 21)	3,974	(14,403)	(48,858)	6,263
Write-down of assets (e)	(17,188)	—	(17,188)	—
Partial suspension of underground operations (f)	(9,824)	—	(9,824)	—
Revaluation of Chapada derivative liability	—	(380)	(307)	(1,796)
Gain on disposal of subsidiary	—	—	—	5,718
Other income (expense)	1,701	(752)	3,035	(1,041)
Total other (expense) income, net	\$ (3,623)	\$ 33,361	\$ (13,952)	\$ 79,606

- a) Foreign exchange losses and gains during the three and six months ended June 30, 2024, respectively, relate to the foreign exchange revaluation of trade payables and lease liabilities held in CLP. Foreign exchange losses during the three months ended June 30, 2024 are due to the strengthening of the CLP during the period. Foreign exchange gains during the six months ended June 30, 2024 are due to the year-to-date weakening of the CLP against USD.
- b) 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.
- c) The Caserones purchase option is revalued at each reporting period, with changes in fair value recorded in Other Income and Expense. The fair value of the purchase option at June 30, 2024 increased as a result of revised discounted cash flow projections due to higher metal prices.
- d) Ojos del Salado sinkhole expenses and recoveries during the three and six months ended June 30, 2024, respectively, include adjustments of expenses originally accrued for as a result of updated information obtained related to the sinkhole near the Company's Ojos del Salado operations.
- e) Write-down of assets during the three and six months ended June 30, 2024 relate to a non-cash write-down of capital works in progress at the Josemaria Project that are no longer expected to be required.
- f) A fall of ground in the lower ramp at the Eagle mine has limited production while rehabilitation is completed. Overhead costs unrelated to production in the period have been recorded in Other Income and Expense.

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21. FINANCIAL INSTRUMENTS

Derivative instruments

From time to time, the Company uses derivative contracts as part of its risk management strategy to mitigate exposure to foreign currencies and commodities. Beginning in 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. In 2023, the Company entered into commodity forward swap contracts to limit exposure to changes in the price of diesel fuel purchases at Candelaria, and in 2024 entered into short-term commodity collar contracts to limit its exposure to changes in the price of copper. The foreign exchange and commodities contracts have not been designated as hedges for purposes of hedge accounting and are measured at fair value with changes in fair value recognized in the consolidated statement of earnings.

During 2024, the Company entered into zero cost collar contracts in the total amounts of \$246 million (equivalent to BRL 1.3 billion) and \$950 million (equivalent to CLP 926 billion) with collar ranges of BRL 5.00 to BRL 6.11 and CLP 900 to CLP 1,085, respectively. Of the CLP foreign currency contracts entered into during the period, \$110 million (equivalent to CLP 107 billion) expired during the period, with the remaining contracts expiring through the remainder of 2024 to 2026. In April 2024, the Company entered into copper collar contracts in the amount of 21,500 metric tonnes of copper with collar ranges of \$4.10/lb to \$4.52/lb, which expired in May. The following tables outline the foreign currency and commodity derivative notional contract positions and their expiry dates:

	Expired in	Expiring throughout:		
	2024	remainder of 2024	2025	2026
Foreign currency forward contracts				
EUR/USD forwards				
Average contract price	1.02	1.02	—	—
Position (EUR millions)	78	78	—	—
USD/SEK forwards				
Average contract price	10.90	10.80	10.83	—
Position (SEK millions)	450	472	758	—
	Expired in	Expiring throughout:		
	2024	remainder of 2024	2025	2026
Foreign currency zero cost collar contracts				
USD/BRL collars				
Average contract price	5.00/6.40	5.02/6.28	5.06/6.04	5.07/6.04
Position (USD millions)	95	119	185	114
USD/CLP collars				
Average contract price	879/1,037	884/1,042	872/1,032	904/1,060
Position (USD millions)	250	302	511	342
USD/CAD collars				
Average contract price	1.30/1.40	1.30/1.40	—	—
Position (CAD millions)	10	10	—	—
USD/SEK collars				
Average contract price	10.35/11.15	10.35/11.15	—	—
Position (SEK millions)	198	198	—	—

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Commodity hedge contracts	Expired in	Expiring throughout:		
	2024	remainder of 2024	2025	2026
Diesel forward swap contracts				
Average contract price (\$/L)	0.667	0.667	—	—
Position (USD millions)	13	13	—	—
Copper collars				
Average contract price (\$/lb)	4.10/4.52	—	—	—
Position (millions lbs)	47	—	—	—

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

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Unrealized gain/(loss) on derivative financial instruments:				
Foreign currency contracts	\$ 4,689	\$ (11,215)	\$ (49,850)	\$ 9,451
Commodity hedge contracts	(715)	(3,188)	992	(3,188)
	3,974	(14,403)	(48,858)	6,263
Realized gain/(loss) on derivative financial instruments:				
Foreign currency contracts	2,083	14,908	5,447	28,485
Commodity hedge contracts	(3,448)	(633)	(3,097)	(633)
	(1,365)	14,275	2,350	27,852
Total unrealized and realized gain/(loss) on derivative contracts:	\$ 2,609	\$ (128)	\$ (46,508)	\$ 34,115

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

	June 30, 2024	December 31, 2023
Foreign currency contracts:		
Current asset position	\$ 10,016	\$ 38,114
Non-current asset position	5,476	9,397
Current liability position	7,153	1,124
Non-current liability position	15,676	3,148
Diesel forward swap contracts:		
Current asset position	95	—
Current liability position	—	896
Other contracts:		
Chapada derivative current liability	24,676	24,369

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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, 2024 and December 31, 2023:

	Level	June 30, 2024		December 31, 2023	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Fair value through profit or loss					
Restricted funds	1	\$ 60,013	\$ 60,013	\$ 59,979	\$ 59,979
Trade receivables (provisional)	2	433,455	433,455	605,644	605,644
Marketable securities, and debt & equity investments	1	16,255	16,255	14,268	14,268
Foreign currency contracts	2	15,492	15,492	47,511	47,511
Diesel forward swap contracts	2	95	95	—	—
Caserones purchase option	3	56,166	56,166	44,438	44,438
		\$ 581,476	\$ 581,476	\$ 771,840	\$ 771,840
Financial liabilities					
Amortized cost					
Debt	3	\$ 1,339,023	\$ 1,339,023	\$ 1,208,600	\$ 1,208,600
Fair value through profit or loss					
Pricing provisions on concentrate sales	2	\$ 6,024	\$ 6,024	\$ 1,840	\$ 1,840
Chapada derivative liability	2	24,676	24,676	24,369	24,369
Caserones deferred consideration	2	119,670	119,670	116,210	116,210
Foreign currency contracts	2	22,829	22,829	4,272	4,272
Diesel forward swap contracts	2	—	—	896	896
		\$ 173,199	\$ 173,199	\$ 147,587	\$ 147,587

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 positive pricing adjustments of \$81.0 million in revenue during the three months ended June 30, 2024 (June 30, 2023 - \$82.1 million negative pricing adjustments). The Company recognized positive pricing adjustments of

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\$90.2 million in revenue during the six months ended June 30, 2024 (June 30, 2023 - \$53.8 million negative pricing adjustments).

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

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

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

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

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

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

22. COMMITMENTS AND CONTINGENCIES

- a) The Company has capital commitments of \$349.8 million on various initiatives, of which \$143.1 million is expected to be paid during 2024.
- b) The Company may be involved in legal proceedings arising in the ordinary course of business, including the action described below. The potential amount of the liabilities with respect to such legal proceedings is not expected to materially affect the Company's financial position.
- c) Significant changes to commitments and contingencies, since those reported at December 31, 2023, are described below:
 - i. With respect to the Ontario class action, the Supreme Court of Canada granted the Company's leave application on March 28, 2024. The appeal will likely be heard in Q4 2024 or the first half of 2025.

23. SEGMENTED INFORMATION

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

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For the three months ended June 30, 2024

	Candelaria	Caserones	Chapada	Eagle	Josemaria	Neves-Corvo	Zinkgruvan	Other	Total
	Chile	Chile	Brazil	USA	Argentina	Portugal	Sweden		
Revenue	\$ 366,363	\$ 336,547	\$ 117,969	\$ 57,444	\$ —	\$ 128,675	\$ 76,587	\$ —	\$ 1,083,585
Cost of goods sold									
Production costs	(175,359)	(208,897)	(69,246)	(37,657)	—	(83,129)	(32,734)	596	(606,426)
Depreciation, depletion and amortization	(76,058)	(54,501)	(18,368)	(9,993)	—	(29,672)	(8,813)	(253)	(197,658)
Gross profit	114,946	73,149	30,355	9,794	—	15,874	35,040	343	279,501
General and administrative expenses	—	—	—	—	—	—	—	(13,140)	(13,140)
General exploration and business development	(2,885)	(3,313)	(1,383)	(64)	(2,737)	(184)	(2,091)	(879)	(13,536)
Finance (costs) income	(7,592)	(3,561)	(6,222)	(819)	2,251	(2,067)	(1,086)	(17,211)	(36,307)
Other (expense) income	(1,259)	(3,213)	2,925	(10,476)	(6,906)	(511)	1,204	14,613	(3,623)
Income tax (expense) recovery	(43,188)	(18,356)	(30,874)	598	50,588	(1,919)	(6,925)	(6,086)	(56,162)
Net earnings (loss)	\$ 60,022	\$ 44,706	\$ (5,199)	\$ (967)	\$ 43,196	\$ 11,193	\$ 26,142	\$ (22,360)	\$ 156,733
Capital expenditures	\$ 60,544	\$ 35,328	\$ 25,241	\$ 3,980	\$ 90,664	\$ 27,921	\$ 13,301	\$ 1,488	\$ 258,467

For the six months ended June 30, 2024

	Candelaria	Caserones	Chapada	Eagle	Josemaria	Neves-Corvo	Zinkgruvan	Other	Total
	Chile	Chile	Brazil	USA	Argentina	Portugal	Sweden		
Revenue	\$ 696,772	\$ 662,758	\$ 216,404	\$ 114,667	\$ —	\$ 209,305	\$ 120,660	\$ —	\$ 2,020,566
Cost of goods sold									
Production costs	(336,609)	(406,552)	(133,831)	(78,193)	—	(154,841)	(62,809)	(725)	(1,173,560)
Depreciation, depletion and amortization	(149,484)	(106,230)	(33,448)	(19,144)	—	(56,718)	(16,796)	(330)	(382,150)
Gross profit (loss)	210,679	149,976	49,125	17,330	—	(2,254)	41,055	(1,055)	464,856
General and administrative expenses	—	—	—	—	—	—	—	(29,900)	(29,900)
General exploration and business development	(4,765)	(6,913)	(2,066)	(165)	(6,522)	(383)	(4,479)	(1,694)	(26,987)
Finance (costs) income	(15,058)	(7,937)	(11,776)	(1,718)	9,396	(3,250)	(2,312)	(39,346)	(72,001)
Other income (expense)	5,588	15,450	5,287	(10,782)	1,883	(4,697)	(8,011)	(18,670)	(13,952)
Income tax (expense) recovery	(82,581)	(40,592)	(28,614)	1,876	50,588	2,918	(5,647)	(4,676)	(106,728)
Net earnings (loss)	\$ 113,863	\$ 109,984	\$ 11,956	\$ 6,541	\$ 55,345	\$ (7,666)	\$ 20,606	\$ (95,341)	\$ 215,288
Capital expenditures	\$ 160,076	\$ 78,082	\$ 54,440	\$ 8,058	\$ 149,310	\$ 50,334	\$ 27,642	\$ 2,431	\$ 530,373
Total non-current assets¹	\$ 3,157,464	\$ 1,393,908	\$ 1,369,560	\$ 197,767	\$ 1,303,026	\$ 1,134,477	\$ 274,168	\$ 8,923	\$ 8,839,293

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

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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
Net earnings (loss)	\$ 2,525	\$ 17,030	\$ 39,956	\$ 39,536	\$ (27,529)	\$ (2,110)	\$ (8,106)	\$ 61,302
Capital expenditures	\$ 123,417	\$ 19,690	\$ 3,562	\$ 92,093	\$ 22,133	\$ 15,994	\$ 3,024	\$ 279,913

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)
Net earnings (loss)	\$ 95,499	\$ 51,612	\$ 50,917	\$ 57,621	\$ (14,336)	\$ 14,946	\$ (29,646)	\$ 226,613
Capital expenditures	\$ 214,103	\$ 35,717	\$ 10,664	\$ 182,648	\$ 47,194	\$ 30,462	\$ 5,244	\$ 526,032
Total non-current assets ¹	\$ 3,063,513	\$ 1,387,750	\$ 219,658	\$ 1,050,168	\$ 1,163,090	\$ 249,599	\$ 9,521	\$ 7,143,299

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

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24. RELATED PARTY TRANSACTIONS

- a) **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,	
	2024	2023	2024	2023
Wages and salaries	\$ 1,747	\$ 2,127	\$ 3,616	\$ 3,421
Pension benefits	30	33	58	77
Share-based compensation	596	723	1,071	1,466
Termination benefits	—	388	—	1,794
	\$ 2,373	\$ 3,271	\$ 4,745	\$ 6,758

- b) **Other related parties** - For the three and six months ended June 30, 2024, the Company incurred \$1.2 million and \$5.8 million (June 30, 2023 – \$0.4 million and \$0.7 million), respectively, for services provided by companies owned by members of key management personnel primarily relating to office rental, renovation costs, and related services.

25. SUPPLEMENTARY CASH FLOW INFORMATION

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Changes in non-cash working capital items consist of:				
Trade and income taxes receivable, inventories, and other current assets	\$ 99,881	\$ 71,878	\$ 145,371	\$ 57,709
Trade and income taxes payable, and other current liabilities	22,015	12,329	(69,610)	3,306
	\$ 121,896	\$ 84,207	\$ 75,761	\$ 61,015
Operating activities included the following cash payments:				
Income taxes paid	\$ 49,131	\$ 33,083	\$ 98,132	\$ 72,940

26. SUBSEQUENT EVENT

On July 29, 2024, the Company entered into an agreement with BHP and Filo Corp (“Filo”) to jointly acquire all the issued and outstanding shares of Filo (the “Arrangement”) not already owned by Lundin Mining and BHP. Under the terms of the Arrangement, Filo shareholders may choose to receive in exchange for each Filo share C\$33.00 in cash, 2.3578 Lundin Mining shares or any combination thereof, subject to aggregate caps. Lundin Mining’s share of the consideration for the Arrangement is approximately C\$2,148 million (\$1,550 million), consisting of up to C\$859 million in cash and C\$1,289 million in Lundin Mining shares. Closing is expected to occur in the first quarter of 2025.

Concurrently with the completion of the Arrangement, Lundin Mining and BHP will form a 50/50 joint venture (the “Joint Venture”) to hold the Filo del Sol project and Lundin Mining’s Josemaria project. BHP will pay Lundin Mining cash consideration of \$690 million, subject to certain adjustments, as consideration for Lundin Mining contributing the Josemaria project to the Joint Venture.