lundin mining

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

This management’s discussion and analysis (“MD&A”) has been prepared as of October 25, 2022 and should be read in conjunction with the Company’s condensed interim consolidated financial statements for the three and nine months ended September 30, 2022. Those financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The Company’s presentation currency is United States (“US”) dollars. Reference herein of $ or USD is to United States dollars, ARS is to Argentine pesos, BRL is to Brazilian reais, C$ is to Canadian dollars, CLP is to Chilean pesos, € refers to euros, and SEK is to Swedish kronor.

About Lundin Mining

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

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Cautionary Statement on Forward-Looking Information

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

Forward-looking information is necessarily based upon various estimates and assumptions including, without limitation, the expectations and beliefs of management, including that the Company can access financing, appropriate equipment and sufficient labor; assumed and future price of copper, nickel, zinc, gold and other metals; anticipated costs; ability to achieve goals; the prompt and effective integration of acquisitions; that the political environment in which the Company operates will continue to support the development and operation of mining projects; and assumptions related to the factors set forth below. While these factors and assumptions are considered reasonable by Lundin Mining as at the date of this document in light of management's experience and perception of current conditions and expected developments, these statements are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements and undue reliance should not be placed on such statements and information. Such factors include, but are not limited to: risks inherent in mining including but not limited to risks to the environment, industrial accidents, catastrophic equipment failures, unusual or unexpected geological formations or unstable ground conditions, and natural phenomena such as earthquakes, flooding or unusually severe weather; uninsurable risks; global financial conditions and inflation; changes in the Company's share price, and volatility in the equity markets in general; volatility and fluctuations in metal and commodity demand and prices; changing taxation regimes; delays or the inability to obtain, retain or comply with permits; reliance on a single asset; unavailable or inaccessible infrastructure, infrastructure failures, and risks related to ageing infrastructure; risks related to negative publicity with respect to the Company or the mining industry in general; health and safety risks; pricing and availability of key supplies and services; the threat associated with outbreaks of viruses and infectious diseases, including the COVID-19 virus; exchange rate fluctuations; risks relating to attracting and retaining of highly skilled employees; risks inherent in and/or associated with operating in foreign countries and emerging markets; climate change; regulatory investigations, enforcement, sanctions and/or related or other litigation; existence of significant shareholders; uncertain political and economic environments, including in Argentina, Brazil and Chile; risks associated with acquisitions and related integration efforts, including the ability to achieve anticipated benefits, unanticipated difficulties or expenditures relating to integration and diversion of management time on integration; indebtedness; liquidity risks and limited financial resources; funding requirements and availability of financing; exploration, development or mining results not being consistent with the Company's expectations; risks related to the environmental regulation and environmental impact of the Company's operations and products and management thereof; activist shareholders and proxy solicitation matters; reliance on key personnel and reporting and oversight systems, as well as third parties and consultants in foreign jurisdictions; historical environmental liabilities and ongoing reclamation obligations; information technology and cybersecurity risks; risks related to mine closure activities, reclamation obligations, and closed and historical sites; social and political unrest, including civil disruption in Chile; the inability to effectively compete in the industry; financial projections, including estimates of future expenditures and cash costs, and estimates of future production may be unreliable; actual ore mined and/or metal recoveries varying from Mineral Resource and Mineral Reserve estimates, estimates of grade, tonnage, dilution, mine plans and metallurgical and other characteristics; ore processing efficiency; risks associated with the estimation of Mineral Resources and Mineral Reserves and the geology, grade and continuity of mineral deposits including but not limited to models relating thereto; enforcing legal rights in foreign jurisdictions; community and stakeholder opposition; changes in laws, regulations or policies including but not limited to those related to mining regimes, permitting and approvals, environmental and tailings management, labor, trade relations, and transportation; risks associated with the structural stability of waste rock dumps or tailings storage facilities; dilution; risks relating to dividends; conflicts of interest; counterparty and credit risks and customer concentration; the estimation of asset carrying values; challenges or defects in title; internal controls; relationships with employees and contractors, and the potential for and effects of labor disputes or other unanticipated difficulties with or shortages of labor or interruptions in production; compliance with foreign laws; potential for the allegation of fraud and corruption involving the Company, its customers, suppliers or employees, or the allegation of improper or discriminatory employment practices, or human rights violations; compliance with environmental, health and safety regulations and laws; and other risks and uncertainties, including but not limited to those described in the "Risk and Uncertainties" section of the Company's AIF and the "Managing Risks" section of the Company's MD&A for the year ended December 31, 2021, which are available on SEDAR at www.sedar.com under the Company's profile. All of the forward-looking statements made in this document are qualified by these cautionary statements. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, forecast or intended and readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking information. Accordingly, there can be no assurance that forward-looking information will prove to be accurate and forward-looking information is not a guarantee of future performance. Readers are advised not to place undue reliance on forward-looking information. The forward-looking information contained herein speaks only as of the date of this document. The Company disclaims any intention or obligation to update or revise forward-looking information or to explain any material difference between such and subsequent actual events, except as required by applicable law.

Highlights

Operational Performance

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

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

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

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

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

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

Total Production[a]

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

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

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

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

Corporate Updates

- On July 19, 2022, the Company announced the publication of its 2021 Sustainability Report, which highlighted its new *Focused on the Future* long-term sustainability strategy which included a 35% reduction target in greenhouse gas emissions by 2030.

- On July 27, 2022, the Company announced that the Company's founder and former Chairman, Mr. Lukas H. Lundin, passed away. The Company also announced the appointment of Ms. Natasha Vaz to the Company's Board of Directors, and the following executive leadership appointments: Mr. Juan Andres Morel, Senior Vice President and Chief Operating Officer; Mr. Teitur Poulsen, Senior Vice President and Chief Financial Officer; Mr. David Dicaire, Senior Vice President, Josemaria Project; and Ms. Kristen Mariuzza, Senior Vice President Sustainability, Health and Safety.

- On August 1, 2022, the Company confirmed a sinkhole was detected near its Minera Ojos del Salado operations in Chile on July 30, 2022. All mining operations at the Alcaparrosa underground mine were and remain suspended and the Company mobilized resources in support of the ongoing investigation.

- On October 1, 2022, the Company reported a fatality of a contractor that occurred on September 30, 2022 at its Neves-Corvo mine in Portugal. Operations were voluntarily suspended. The operation restarted on October 5, 2022. The relevant regulatory authorities were notified and the Company continues to cooperate fully with those investigations.

- On October 12, 2022, the Company announced the passing of Board member Ms. Karen Poniachik, who had served on the Board of Directors since February 2021.

Financial Performance

- Gross profit for the quarter ended September 30, 2022 was $82.5 million, a decrease of $221.4 million in comparison to the prior year quarter due to higher operating costs impacted by inflationary impacts and lower metal prices net of price adjustments ($139.2 million) partially offset by favourable foreign exchange. On a year-to-date basis, gross profit was also lower than the prior year comparative period by $329.2 million due to the same impacts.

- For the three and nine months ended September 30, 2022, net loss of $11.2 million and net earnings of $318.2 million were $201.8 million and $295.0 million lower than the prior year comparable periods, respectively, due to lower gross profit and higher project development costs partially offset by lower income taxes.

- Adjusted earnings[1] of $30.9 million and $289.0 million for the three and nine months ended September 30, 2022, respectively, were lower than the prior year comparable periods due to lower net earnings.

Financial Position and Financing

- Cash and cash equivalents as at September 30, 2022 were $226.9 million, a decrease during the quarter of $271.3 million. Cash flow from operations of $36.3 million and cash on hand was used to fund investing activities of $227.6 million, for payments of shareholder dividends of $53.0 million and share repurchases which amounted to $42.1 million.

- On a year-to-date basis, cash and cash equivalents decreased by $367.1 million. Cash flow from operations of $720.0 million was used to fund investing activities of $733.1 million, which includes the Josemaria Resources acquisition. Financing activities included the payment of shareholder dividends of $224.3 million, $50.2 million in share re-purchases, $47.0 million in Josemaria debentures paid and distributions amounting to $35.0 million to non-controlling interest.

- As at September 30, 2022, the Company had a net cash[1] balance of $177.6 million. Net cash decreased during the quarter and on a year-to-date basis due to the activities described above for cash and cash equivalents.

- As at October 25, 2022, the Company had cash and net cash balances of approximately $255.0 million and $205.0 million, respectively.

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

Outlook

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

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

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

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

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

Selected Quarterly Financial Information[1]

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

	September 30, 2022	December 31, 2021
Total assets	**7,772.3**	7,636.9
Total debt and lease liabilities	**49.4**	31.0
Net cash[3]	**177.6**	563.1

Summary of Quarterly Results[12,5]

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

[1] Except where otherwise noted, financial data has been prepared in accordance with IFRS as issued by the IASB.
[2] The sum of quarterly amounts may differ from year-to-date results due to rounding.
[3] This is a non-GAAP measure - see the "Non-GAAP and Other Performance Measures" section of this MD&A for discussion.
[4] Capital expenditures are reported on a cash basis, as presented in the consolidated statement of cash flows.
[5] Variability in revenues and net earnings is largely driven by metal prices. In recent quarters, net earnings has also been impacted by global inflation factors as well as the impact of a strengthening USD. For further metal price trending discussion, refer to page 21 of this MD&A.

Revenue Overview

Sales Volumes by Payable Metal

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

Revenue Analysis

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

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

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

Revenue from gold and silver for the three and nine months ended September 30, 2022 includes the partial recognition of an upfront purchase price on the sale of precious metals streams for Candelaria, Neves-Corvo, and Zinkgruvan as well as the cash proceeds which amount to approximately $420/oz for gold and between $4.20/oz and $4.52/oz for silver.

Chapada's copper revenue includes the recognition of deferred revenue from copper streams acquired with the Chapada mine, as well as the cash proceeds of 30% of the market price of copper sold.

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

Provisionally Valued Revenue as of September 30, 2022

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

Quarterly Reconciliation of Realized Prices

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

	Three months ended September 30, 2021				
	Copper	Zinc	Gold	Nickel	Total
Current period sales[1]	555,897	85,443	76,325	59,152	776,817
Prior period price adjustments	(11,800)	24	(230)	3,424	(8,582)
	544,097	85,467	76,095	62,576	768,235
Other metal sales					50,335
Copper stream cash effect					(4,594)
Gold stream cash effect					(18,050)
Less: Treatment & refining charges					(39,532)
Total Revenue					**756,394**
Payable Metal	61,334 t	28,559 t	42 koz	3,246 t	
Current period sales[1,2]	$4.11	$1.36	$1,792	$8.27	
Prior period adjustments[2]	(0.09)	—	(5)	0.47	
Realized prices[2, 3]	$4.02 /lb	$1.36 /lb	$1,787 /oz	$8.74 /lb	

1. Includes provisional price adjustments on current period sales.

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

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

Year-to-Date Reconciliation of Realized Prices

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

	Nine months ended September 30, 2021				
	Copper	**Zinc**	**Gold**	**Nickel**	**Total**
Current period sales[1]	1,654,561	248,369	204,990	215,627	2,323,547
Prior period price adjustments	37,551	948	(5,013)	(6,859)	26,627
	1,692,112	249,317	199,977	208,768	2,350,174
Other metal sales					154,206
Copper stream cash effect					(11,611)
Gold stream cash effect					(58,250)
Less: Treatment & refining charges					(124,323)
Total Revenue					**2,310,196**
Payable Metal	**179,395 t**	**84,615 t**	**114 koz**	**11,622 t**	
Current period sales[1,2]	$4.18	$1.33	$1,791	$8.42	
Prior period adjustments[2]	0.10	0.01	(44)	(0.27)	
Realized prices[2, 3]	$4.28 /lb	$1.34 /lb	$1,747 /oz	$8.15 /lb	

1. Includes provisional price adjustments on current period sales.

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

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

Financial Results

Production Costs

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

Depreciation, Depletion and Amortization

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

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

General Exploration and Business Development

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

Income from Equity Investment in Associate

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

Other Income

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

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

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

Income Taxes

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

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

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

Mining Operations

Production Overview

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

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

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

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

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

Capital Expenditures[1]

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

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

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

Candelaria (Chile)

Operating Statistics

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

Gross Profit

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

Production

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

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

Production Costs and Cash Cost

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

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

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

Chapada (Brazil)

Operating Statistics

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

Gross Profit

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

Production

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

Production Costs and Cash Cost

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

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

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

Projects

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

Eagle (USA)

Operating Statistics

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

Gross Profit

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

Production

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

Production Costs and Cash Cost

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

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

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

Neves-Corvo (Portugal)

Operating Statistics

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

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

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

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

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

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

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

Projects

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

Zinkgruvan (Sweden)

Operating Statistics

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

Gross Profit

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

Production

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

Production Costs and Cash Cost

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

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

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

Josemaria Project (Argentina)

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

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

Project Development

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

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

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

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

Metal Prices, LME Inventories and Smelter Treatment and Refining Charges

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

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

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

During the third quarter of 2022 the treatment charges ("TC") and refining charges ("RC") in the spot market for copper concentrates between miners and commodity traders increased from an average spot TC during July of $53 per dmt of concentrate and a spot RC of $0.053 per lb of payable copper to a spot TC of $73 per dmt of concentrate and a spot RC of $0.073 per lb of payable copper by the end of September. Also, the spot terms at which Chinese copper smelters were prepared to buy increased through the quarter from a TC of $72 per dmt of concentrate and a RC of $0.072 per payable lb of copper over July to a TC of $82 per dmt of concentrate and a RC of $0.082 per payable lb of copper at the end of September. The terms for annual contracts for copper concentrates for 2022 were reached in December 2021 at a TC of $65 per dmt with a RC of $0.065 per payable lb of copper.

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

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

Liquidity and Capital Resources

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

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

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

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

Capital Resources

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

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

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

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

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

Contractual Obligations, Commitments and Contingencies

The Company has contractual obligations and capital commitments as described in Note 21 "Commitments and Contingencies" in the Company's Condensed Interim Consolidated Financial Statements. From time to time, the Company may also be involved in legal proceedings that arise in the ordinary course of its business.

Financial Instruments

The Company does not currently utilize financial instruments in hedging metal price or interest rate exposure. During the quarter, the Company entered into €/$ forward foreign exchange contracts. These contracts have been designated as effective cash flow hedges for the Company's highly probable forecasted foreign currency denominated operating and capital expenditures.

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

Sensitivities

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

Metal Prices

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

Metal	Payable Metal	Provisional price on September 30, 2022	Change	Effect on Revenue ($millions)
Copper	90,003 t	$3.46/lb	+/- 10%	+/- $68.7
Zinc	31,341 t	$1.36/lb	+/- 10%	+/- $9.4
Gold	35 koz	$1,667/oz	+/- 10%	+/- $5.8
Nickel	5,516 t	$9.56/lb	+/- 10%	+/- $11.6

Related Party Transactions

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

Changes in Accounting Policies and Critical Accounting Estimates and Judgments

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

Non-GAAP and Other Performance Measures

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

Net Cash

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

($thousands)	**September 30, 2022**	June 30, 2022	December 31, 2021
Cash and cash equivalents	**226,949**	498,243	594,069
Current portion of total debt and lease liabilities	**(34,692)**	(14,344)	(14,617)
Debt and lease liabilities	**(14,688)**	(13,959)	(16,386)
	(49,380)	(28,303)	(31,003)
Net cash	**177,569**	**469,940**	**563,066**

Adjusted Operating Cash Flow and Adjusted Operating Cash Flow per Share

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

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

Free Cash Flow

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

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

Adjusted EBITDA, Adjusted Earnings and Adjusted EPS

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

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

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

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

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

Realized Price per Pound

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

Capital Expenditures

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

- **Sustaining capital expenditures –** Expenditures which maintain existing operations and sustain production levels.

- **Expansionary capital expenditures –** Expenditures which increase current or future production capacity, cash flow or earnings potential.

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

Cash Cost per Pound

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

- **Cash cost per pound, gross –** Total cash costs directly attributable to mining operations, excluding any allocation of upfront streaming proceeds or capital expenditures for deferred stripping, are divided by the sales volume of the primary metal to arrive at gross cash cost per pound. As this measure is not impacted by fluctuations in sales of by-product metals, it is generally more consistent across periods.

- **Cash cost per pound, net of by-products –** Credits for by-products sales are deducted from total cash costs directly attributable to mining operations. By-product revenue is adjusted for the terms of streaming agreements, but excludes any deferred revenue from the allocation of upfront cash received. The net cash costs are divided by the sales volume of the primary metal to arrive at net cash cost per pound. The inclusion of by-product credits provides a broader economic measurement, incorporating the benefit of other metals extracted in the production of the primary metal.

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

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

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

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

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

Nine months ended September 30, 2022						
Operations	**Candelaria**	**Chapada**	**Eagle**	**Neves-Corvo**	**Zinkgruvan**	
($000s, unless otherwise noted)	**(Cu)**	**(Cu)**	**(Ni)**	**(Cu)**	**(Zn)**	**Total**
Sales volumes (Contained metal in concentrate):						
Tonnes	113,690	33,526	11,188	25,241	48,049	
Pounds (000s)	250,643	73,912	24,665	55,647	105,930	
Production costs						1,210,431
Less: Royalties and other						(38,121)
						1,172,310
Deduct: By-product credits						(487,914)
Add: Treatment and refining charges						90,944
Cash cost	450,858	157,456	7,999	125,889	33,138	775,340
Cash cost per pound ($/lb)	**1.80**	**2.13**	**0.32**	**2.26**	**0.31**	
Add: Sustaining capital expenditure	272,557	63,412	10,445	49,136	31,537	
Royalties	—	9,161	24,129	984	—	
Interest expense	4,149	5,161	1,202	104	63	
Leases & other	8,806	3,428	14,673	1,546	3,519	
All-in sustaining cost	736,370	238,618	58,448	177,659	68,257	
AISC per pound ($/lb)	**2.94**	**3.23**	**2.37**	**3.19**	**0.64**	

($000s, unless otherwise noted)	**2022 Revised Guidance**				
Cash cost	620,000	230,000	(10,000)	140,000	80,000
Cash cost per pound($/lb)	**1.75**	**2.25**	**(0.25)**	**1.80**	**0.55**

Nine months ended September 30, 2021						
Operations	**Candelaria**	**Chapada**	**Eagle**	**Neves-Corvo**	**Zinkgruvan**	
($000s, unless otherwise noted)	**(Cu)**	**(Cu)**	**(Ni)**	**(Cu)**	**(Zn)**	**Total**
Sales volumes (Contained metal in concentrate):						
Tonnes	104,796	33,495	11,622	25,950	46,051	
Pounds (000s)	231,035	73,844	25,622	57,210	101,525	
Production costs						996,246
Less: Royalties and other						(42,695)
						953,551
Deduct: By-product credits						(466,556)
Add: Treatment and refining charges						86,367
Cash cost	368,583	76,527	(39,260)	116,351	51,161	573,362
Cash cost per pound ($/lb)	**1.60**	**1.04**	**(1.53)**	**2.03**	**0.50**	
Add: Sustaining capital expenditure	226,641	37,856	12,414	33,348	28,312	
Royalties	—	9,797	21,934	5,576	—	
Interest expense	3,547	2,577	531	57	54	
Leases & other	7,930	2,483	7,234	4,164	4,248	
All-in sustaining cost	606,701	129,240	2,853	159,496	83,775	
AISC per pound ($/lb)	**2.63**	**1.75**	**0.11**	**2.79**	**0.83**	

Managing Risks

Risks and Uncertainties

The Company's business activities are subject to a variety and wide range of inherent risks and uncertainties. Any of these risks could have an adverse effect on the Company, its business and prospects, and could cause actual outcomes and results to differ materially from those described in forward-looking statements relating to the Company.

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

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

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

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

For additional discussion on Lundin Mining's risks, refer to the "Risks and Uncertainties" section of the Company's Annual Information Form ("AIF") for the year ended December 31, 2021 and the "Cautionary Statement on Forward-Looking Information" of this MD&A.

Management's Report on Internal Controls

Disclosure controls and procedures ("DCP")

DCP have been designed to provide reasonable assurance that all material information related to the Company is identified and communicated on a timely basis. Management of the Company, under the supervision of the President and Chief Executive Officer and the Chief Financial Officer, is responsible for the design and operation of DCP.

Internal control over financial reporting ("ICFR")

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

Control Framework

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

Changes in ICFR

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

Outstanding Share Data

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

Other Information

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

Condensed Interim Consolidated Financial Statements of

Lundin Mining Corporation

September 30, 2022
(Unaudited)

LUNDIN MINING CORPORATION

CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS

(Unaudited - in thousands of US dollars)

	As at	
	September 30, 2022	**December 31, 2021**
ASSETS		
Cash and cash equivalents (Note 4)	**$ 226,949**	$ 594,069
Trade and other receivables (Note 5)	**505,538**	602,674
Income taxes receivable	**71,495**	85,642
Inventories (Note 6)	**274,114**	227,383
Other current assets	**30,721**	16,817
Total current assets	**1,108,817**	1,526,585
Restricted funds	**43,322**	54,753
Long-term inventory (Note 6)	**718,183**	719,599
Other non-current assets	**20,184**	14,933
Mineral properties, plant and equipment (Note 7)	**5,646,062**	5,050,899
Investment in associate (Note 8)	**380**	15,083
Deferred tax assets	**6,041**	12,050
Goodwill	**229,349**	243,005
	6,663,521	6,110,322
Total assets	**$ 7,772,338**	$ 7,636,907
LIABILITIES		
Trade and other payables (Note 9)	**$ 600,232**	$ 438,602
Income taxes payable	**89,082**	226,293
Current portion of debt and lease liabilities (Note 10)	**34,692**	14,617
Current portion of deferred revenue (Note 11)	**79,472**	76,202
Current portion of reclamation and other closure provisions (Note 12)	**19,883**	31,829
Total current liabilities	**823,361**	787,543
Debt and lease liabilities (Note 10)	**14,688**	16,386
Deferred revenue (Note 11)	**573,901**	617,265
Reclamation and other closure provisions (Note 12)	**376,584**	414,226
Other long-term liabilities	**39,982**	61,688
Provision for pension obligations	**6,133**	8,149
Deferred tax liabilities	**698,572**	738,917
	1,709,860	1,856,631
Total liabilities	**2,533,221**	2,644,174
SHAREHOLDERS' EQUITY		
Share capital (Note 13)	**4,550,976**	4,199,756
Contributed surplus	**57,397**	58,166
Accumulated other comprehensive loss	**(429,634)**	(249,929)
Retained earnings	**495,854**	437,160
Equity attributable to Lundin Mining Corporation shareholders	**4,674,593**	4,445,153
Non-controlling interests	**564,524**	547,580
Total shareholders' equity	**5,239,117**	4,992,733
Total liabilities and shareholders' equity	**$ 7,772,338**	$ 7,636,907

Commitments and contingencies (Note 21)

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

LUNDIN MINING CORPORATION

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF (LOSS) EARNINGS

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

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Revenue (Note 14)	**$ 648,498**	$ 756,394	**$ 2,229,798**	$ 2,310,196
Cost of goods sold				
Production costs (Note 15)	**(425,814)**	(331,816)	**(1,210,431)**	(996,246)
Depreciation, depletion and amortization	**(140,161)**	(120,637)	**(412,040)**	(377,397)
Gross profit	**82,523**	303,941	**607,327**	936,553
General and administrative expenses	**(14,772)**	(10,828)	**(37,442)**	(33,519)
General exploration and business development (Note 17)	**(72,446)**	(8,987)	**(132,259)**	(36,310)
Finance income (Note 18)	**1,112**	206	**2,596**	1,901
Finance costs (Note 18)	**(16,352)**	(10,349)	**(50,117)**	(32,218)
(Loss) income from equity investment in associate (Note 8)	**(78)**	21,088	**3,297**	22,234
Other income (expense) (Note 19)	**19,534**	1,184	**61,811**	(7,219)
(Loss) earnings before income taxes	**(479)**	296,255	**455,213**	851,422
Current tax recovery (expense)	**9,994**	(89,580)	**(161,193)**	(149,560)
Deferred tax (expense) recovery	**(20,760)**	(16,095)	**24,218**	(88,631)
Net (loss) earnings	**$ (11,245)**	$ 190,580	**$ 318,238**	$ 613,231
Net (loss) earnings attributable to:				
Lundin Mining Corporation shareholders	**$ (11,212)**	$ 173,740	**$ 281,289**	$ 551,568
Non-controlling interests	**(33)**	16,840	**36,949**	61,663
Net (loss) earnings	**$ (11,245)**	$ 190,580	**$ 318,238**	$ 613,231
Basic and diluted (loss) earnings per share attributable to Lundin Mining Corporation shareholders:	**$ (0.01)**	$ 0.24	**$ 0.37**	$ 0.75
Weighted average number of shares outstanding (Note 13)				
Basic	**775,563,527**	736,443,985	**759,726,506**	737,314,204
Diluted	**775,563,527**	738,663,357	**760,909,648**	739,906,402

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

LUNDIN MINING CORPORATION

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME

(Unaudited - in thousands of US dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Net (loss) earnings	**$ (11,245)**	$ 190,580	**$ 318,238**	$ 613,231
Other comprehensive loss, net of taxes				
Item that will not be reclassified to net earnings:				
Remeasurements for post-employment benefit plans	**553**	—	**(8)**	—
Item that may be reclassified subsequently to net earnings:				
Effects of foreign exchange	**(71,285)**	(30,432)	**(179,702)**	(69,901)
Other comprehensive loss	**(70,732)**	(30,432)	**(179,710)**	(69,901)
Total comprehensive (loss) income	**$ (81,977)**	$ 160,148	**$ 138,528**	$ 543,330
Comprehensive (loss) income attributable to:				
Lundin Mining Corporation shareholders	**$ (82,050)**	$ 143,308	**$ 101,584**	$ 481,667
Non-controlling interests	**73**	16,840	**36,944**	61,663
Total comprehensive (loss) income	**$ (81,977)**	$ 160,148	**$ 138,528**	$ 543,330

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, 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 (Note 3)	40,031,936	369,175	13,436	—	—	—	382,611
Exercise of share-based awards	5,715,046	43,750	(20,636)	—	—	—	23,114
Share-based compensation	—	—	6,431	—	—	—	6,431
Dividends declared (Note 13(c))	—	—	—	—	(224,940)	—	(224,940)
Share purchase (Note 13(d))	(8,900,100)	(52,516)	—	—	2,345	—	(50,171)
Accrued liability for automatic share purchase plan commitment (Note 13(d))	—	(9,189)	—	—	—	—	(9,189)
Net earnings	—	—	—	—	281,289	36,949	318,238
Other comprehensive loss	—	—	—	(179,705)	—	(5)	(179,710)
Total comprehensive (loss) income	—	—	—	(179,705)	281,289	36,944	138,528
Balance, September 30, 2022	**771,834,036**	**$ 4,550,976**	**$ 57,397**	**$ (429,634)**	**$ 495,854**	**$ 564,524**	**$ 5,239,117**
Balance, December 31, 2020	736,039,350	$ 4,201,277	$ 52,098	$ (177,215)	$ (98,231)	$ 518,600	$ 4,496,529
Distributions	—	—	—	—	—	(36,000)	(36,000)
Exercise of share-based awards	3,234,454	23,170	(8,142)	—	—	—	15,028
Share-based compensation	—	—	9,588	—	—	—	9,588
Dividends declared	—	—	—	—	(176,279)	—	(176,279)
Share purchase	(3,798,000)	(21,757)	—	—	(14,188)	—	(35,945)
Net earnings	—	—	—	—	551,568	61,663	613,231
Other comprehensive loss	—	—	—	(69,901)	—	—	(69,901)
Total comprehensive (loss) income	—	—	—	(69,901)	551,568	61,663	543,330
Balance, September 30, 2021	735,475,804	$ 4,202,690	$ 53,544	$ (247,116)	$ 262,870	$ 544,263	$ 4,816,251

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)

	Three months ended September 30,		Nine months ended September 30,	
Cash provided by (used in)	**2022**	2021	**2022**	2021
Operating activities				
Net (loss) earnings	**$ (11,245)**	$ 190,580	**$ 318,238**	$ 613,231
Items not involving cash and other adjustments				
Depreciation, depletion and amortization	**140,161**	120,637	**412,040**	377,397
Share-based compensation	**896**	2,952	**6,431**	9,588
Foreign exchange loss (gain)	**14,426**	(2,731)	**25,000**	3,527
Finance costs, net (Note 18)	**15,240**	10,143	**47,521**	30,317
Recognition of deferred revenue (Note 11)	**(17,296)**	(16,968)	**(57,396)**	(51,731)
Deferred tax expense (recovery)	**20,760**	16,095	**(24,218)**	88,631
Loss (income) from equity investment in associate (Note 8)	**78**	(21,088)	**(3,297)**	(22,234)
Other	**30,967**	10,823	**(9,498)**	15,261
Reclamation payments (Note 12)	**(8,712)**	(1,161)	**(12,619)**	(4,009)
Other payments	**(400)**	(529)	**(1,425)**	(1,737)
Changes in long-term inventory	**(3,538)**	(14,638)	**3,111**	(52,654)
Changes in non-cash working capital items (Note 24)	**(145,006)**	228,989	**16,111**	95,190
	36,331	523,104	**719,999**	1,100,777
Investing activities				
Investment in mineral properties, plant and equipment	**(199,488)**	(133,790)	**(561,668)**	(378,179)
Acquisition of Josemaria, net of cash acquired (Note 3)	**—**	—	**(126,381)**	—
Cash received from disposal of subsidiary (Note 19)	**—**	—	**16,828**	—
Payment of Chapada derivative liability (Note 9)	**(25,000)**	(25,000)	**(25,000)**	(25,000)
Interest received	**1,078**	127	**2,483**	305
Josemaria bridge loan (Note 3)	**—**	—	**(54,100)**	—
Distributions from associate, net (Note 8)	**—**	17,154	**18,000**	8,154
Other	**(4,149)**	(422)	**(3,252)**	2,252
	(227,559)	(141,931)	**(733,090)**	(392,468)
Financing activities				
Interest paid	**(2,629)**	(2,620)	**(6,154)**	(6,243)
Principal payments of lease liabilities	**(4,256)**	(4,813)	**(13,192)**	(13,567)
Principal repayments of debt	**(15,149)**	(114,175)	**(16,416)**	(195,152)
Payment of debentures (Note 10)	**—**	—	**(47,000)**	—
Proceeds from debt (Note 10)	**34,663**	13,500	**34,663**	33,171
Dividends paid to shareholders	**(53,019)**	(104,715)	**(224,251)**	(175,885)
Share purchase (Note 13)	**(42,121)**	(7,541)	**(50,171)**	(35,945)
Proceeds from common shares issued	**2,653**	544	**23,114**	15,028
Distributions paid to non-controlling interests	**—**	(20,000)	**(35,000)**	(36,000)
Other	**—**	—	**(4,954)**	—
	(79,858)	(239,820)	**(339,361)**	(414,593)
Effect of foreign exchange on cash balances	**(208)**	(7,967)	**(14,668)**	(6,863)
(Decrease) increase in cash and cash equivalents during the period	**(271,294)**	133,386	**(367,120)**	286,853
Cash and cash equivalents, beginning of period	**498,243**	294,914	**594,069**	141,447
Cash and cash equivalents, end of period	**$ 226,949**	$ 428,300	**$ 226,949**	$ 428,300

Supplemental cash flow information (Note 24)

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

1. NATURE OF OPERATIONS

Lundin Mining Corporation ("Lundin Mining" or the "Company") 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 (Note 3).

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 SIGNIFICANT 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, 2021.

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

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

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

These condensed interim consolidated financial statements were approved by the Board of Directors for issue on October 25, 2022.

(ii) Significant 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, 2021, except as noted below.

(a) Accounting for equity investments

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

Upon receipt of the transferred equity instruments by the local investment broker, the Company realizes an immediate foreign exchange impact. This foreign exchange impact is incurred directly as a result of holding equity instruments with the intention of trading, and as such the foreign exchange impact is also recognized through profit and loss.

(b) Financial Instruments

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

Financial Assets at Amortized Cost

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

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

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

Provisionally priced trade receivables are considered embedded derivatives as some or all of the cash flows are dependent on commodity prices. Trade receivables with embedded derivatives are initially measured at their transaction price. Subsequent changes to provisionally priced trade receivables are recorded in the consolidated statement of (loss) earnings as revenue from other sources.

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

Financial Liabilities at Amortized Cost

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

Financial Liabilities at FVTPL

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

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

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

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

Hedge Accounting

The Company applies hedge accounting to foreign exchange contracts that hedge a portion of the Company’s highly probable forecasted foreign currency denominated operating and capital expenditures.

The Company formally documents all relationships between hedging instruments and hedged items at inception of the contracts, as well as its risk management objectives and strategies for undertaking hedge transactions. This process includes linking all derivative hedging instruments to highly probable forecasted transactions. Hedge effectiveness is assessed based on the degree to which the cash flows from the derivative contracts are expected to offset the cash flows of the underlying transaction being hedged.

The Company’s foreign exchange contracts are designated as a cash flow hedging instrument. The effective portion of changes in fair value is recognized in other comprehensive (loss) income ("OCI"). For hedged items other than the purchase of non-financial assets, the amounts accumulated in OCI are reclassified to the consolidated statement of (loss) earnings when the underlying hedged transaction, identified at contract inception, affects profit or loss. When hedging a forecasted transaction that results in the recognition of a non-financial asset, the amounts accumulated in equity are removed and added to the carrying amount of the non-financial asset. The amounts accumulated in OCI are reclassified to the consolidated statement of (loss) earnings or to the carrying amount of the non-financial asset, consistent with the classification of the underlying hedged transaction, when the underlying hedged transaction is recognized.

Any ineffective portion of a hedge relationship is recognized immediately in the consolidated statement of (loss) earnings. When derivative contracts designated as cash flow hedges are terminated, expired, sold or no longer qualify for hedge accounting, hedge accounting is discontinued prospectively. Any amounts recorded in OCI until the time the contracts do not qualify for hedge accounting remain in OCI. Amounts recognized in OCI are recognized in the consolidated statement of (loss) earnings in the period in which the underlying hedged transaction is completed. Gains or losses arising subsequent to the derivative contracts not qualifying for hedge accounting are recognized in the period incurred in the consolidated statement of (loss) earnings. If the forecasted transaction is no longer expected to occur, then the amounts accumulated in OCI are reclassified to the consolidated statement of (loss) earnings immediately.

(iii) 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, 2021, except for those noted below.

The Company continues to experience risks associated with global inflation as well as supply chain delivery. To date, there have been no significant impacts to operations relating to supply chain availability. The Company has implemented procurement strategies and a foreign exchange hedging program to mitigate the impact and continues to monitor these risks. Further, near term metal prices, exchange rates, discount rates and other key assumptions used in the Company’s accounting estimates are subject to greater uncertainty given the current economic environment. Changes in these assumptions could significantly impact the Company's accounting estimates.

Josemaria Resources Inc. acquisition

Management determined that the Company’s acquisition of Josemaria Resources Inc. ("Josemaria Resources") (Note 3), which owns the copper-gold project in the San Juan Province of Argentina, did not meet the definition of a business combination under IFRS 3.

The assets acquired included plant and equipment, and Mineral Resources and Mineral Reserves. They did not include sufficient infrastructure or workforce to create substantial output, as the plant and equipment acquired only supports the engineering, procurement and preparation for early works construction. In addition, the Company is still securing sectoral permits, advancing the commercial agreements, and updating cost estimates that will enable a construction decision to be made. Accordingly, the acquisition has been accounted for as the purchase of individual assets in accordance with IAS 16 – Property, Plant and Equipment.

The identifiable assets and liabilities acquired are measured at their relative fair values as at the date of acquisition. The excess of the consideration paid for the identifiable assets and liabilities acquired was attributed to the mineral properties of the Josemaria Project. The determination of the relative fair values requires management to make assumptions and estimates on the future production profile, construction costs, metal prices, discount rates, and exchange rates. Changes in the assumptions or estimates could affect the relative fair values of the assets acquired and liabilities assumed in the purchase price allocation.

3. ACQUISITION OF JOSEMARIA

On April 28, 2022 the Company completed the acquisition of Josemaria Resources through a plan of arrangement (the “Transaction”) for a purchase price of $539.7 million. On closing of the Transaction, each former Josemaria Resources shareholder received either (i) C$1.60 in cash or (ii) 0.1487 (“Exchange Ratio”) Lundin Mining shares plus C$0.11 cash for each whole Lundin Mining share issued, or a combination of cash and shares, subject to proration. This resulted in total cash consideration paid of $144.4 million and the issuance of 40,031,936 Lundin Mining common shares to Josemaria Resources shareholders. In addition, outstanding Josemaria Resources stock options were converted to Lundin Mining stock options at the Exchange Ratio, resulting in the issuance of 2,513,866 Lundin Mining stock options (the “Replacement Options”).

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

The purchase price is as follows:

Cash consideration	$	144,412
Fair value of 40,031,936 common shares issued by the Company (a)		369,175
Fair value of 2,513,866 Replacement Options issued by the Company (b)		13,436
Transaction costs		9,321
Lundin Mining's previously held shares in Josemaria Resources		3,343
Total purchase price	**$**	**539,687**

Assets acquired and liabilities assumed:

Cash and cash equivalents	$	26,534
Receivables and other assets		1,584
Mineral properties, plant and equipment (Note 7)		675,477
Total assets		703,595
Trade and other payables		(62,770)
Debentures (c)		(47,000)
Bridge loan (d)		(54,100)
Lease liabilities		(38)
Total liabilities		(163,908)
Total assets acquired and liabilities assumed, net	**$**	**539,687**

a) The fair value of the common shares issued was determined using the Company's share price of C$11.83 and foreign exchange rate of USD/CAD: 1.283 at the close of business on April 28, 2022 (Note 13).

b) Each Replacement Option gives the holder the fully-vested right to acquire common shares of the Company. The exercise price of the Replacement Options was determined by dividing the exercise price of the Josemaria Resources stock options by the Exchange Ratio. The full option value of the Replacement Options was accounted for as consideration, and no future compensation expense will be recorded with respect to the Replacement Options.

The fair value of the Replacement Options was determined using the Black-Scholes option pricing model which assumed a dividend yield of 3.04%, risk-free interest rate of 2.21%, expected life of 0.07 years to 2.83 years, and expected price volatility of 48%. On issuance, the weighted average fair value of the Replacement Options was C$6.75.

c) Subsequent to the Transaction closing, the Company settled in full the principal on the existing debentures totaling $47.0 million (Note 10).

d) The $54.1 million bridge loan owed by Josemaria Resources to the Company became an intercompany loan with the closing of the Transaction and was eliminated on consolidation.

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

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of the following:

		September 30, 2022		December 31, 2021
Cash	**$**	**190,685**	$	533,560
Short-term deposits		**36,264**		60,509
	$	**226,949**	$	594,069

5. TRADE AND OTHER RECEIVABLES

Trade and other receivables are comprised of the following:

		September 30, 2022		December 31, 2021
Trade receivables	**$**	**390,231**	$	507,697
Value added tax		**38,745**		37,136
Prepaid expenses		**61,869**		25,972
Other receivables		**14,693**		31,869
	$	**505,538**	$	602,674

In 2021, other receivables included an insurance settlement of $16.0 million related to a mill interruption at Chapada in 2020, which was received in the first quarter of 2022.

6. INVENTORIES

Inventories are comprised of the following:

		September 30, 2022		December 31, 2021
Ore stockpiles	**$**	**49,274**	$	28,307
Concentrate stockpiles		**48,235**		56,526
Materials and supplies		**176,605**		142,550
	$	**274,114**	$	227,383

Long-term inventory is comprised of ore stockpiles. As at September 30, 2022, the Company had $415.6 million (December 31, 2021 - $422.3 million) and $302.6 million (December 31, 2021 - $297.3 million) of long-term ore stockpiles at Candelaria and Chapada, respectively.

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

7. MINERAL PROPERTIES, PLANT AND EQUIPMENT

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

Cost	Mineral properties	Plant and equipment	Assets under construction	Total
As at December 31, 2020	$ 5,059,793	$ 3,280,374	$ 421,697	$ 8,761,864
Additions	115,592	34,022	201,836	351,450
Disposals and transfers	73,931	24,501	(111,618)	(13,186)
Effects of foreign exchange	(112,526)	(48,688)	(19,300)	(180,514)
As at September 30, 2021	5,136,790	3,290,209	492,615	8,919,614
Additions	150,683	14,542	76,840	242,065
Disposals and transfers	41,299	168,629	(218,871)	(8,943)
Effects of foreign exchange	(42,998)	(17,531)	(7,992)	(68,521)
As at December 31, 2021	5,285,774	3,455,849	342,592	9,084,215
Josemaria acquisition (Note 3)	604,453	22,233	42,152	668,838
Additions	192,923	65,272	310,702	568,897
Disposals and transfers	55,596	195,563	(264,268)	(13,109)
Effects of foreign exchange	(281,682)	(146,197)	(19,486)	(447,365)
As at September 30, 2022	**$ 5,857,064**	**$ 3,592,720**	**$ 411,692**	**$ 9,861,476**

Accumulated depreciation, depletion and amortization	Mineral properties	Plant and equipment	Assets under construction	Total
As at December 31, 2020	$ 2,382,365	$ 1,253,888	$ —	$ 3,636,253
Depreciation	219,766	164,064	—	383,830
Disposals and transfers	19,032	(25,107)	—	(6,075)
Effects of foreign exchange	(69,100)	(25,286)	—	(94,386)
As at September 30, 2021	2,552,063	1,367,559	—	3,919,622
Depreciation	94,807	61,765	—	156,572
Disposals and transfers	(1)	(6,779)	—	(6,780)
Effects of foreign exchange	(26,673)	(9,425)	—	(36,098)
As at December 31, 2021	2,620,196	1,413,120	—	4,033,316
Depreciation	243,467	184,688	—	428,155
Disposals and transfers	(79)	(4,666)	—	(4,745)
Effects of foreign exchange	(175,965)	(65,347)	—	(241,312)
As at September 30, 2022	**$ 2,687,619**	**$ 1,527,795**	**$ —**	**$ 4,215,414**

Net book value	Mineral properties	Plant and equipment	Assets under construction	Total
As at December 31, 2021	$ 2,665,578	$ 2,042,729	$ 342,592	$ 5,050,899
As at September 30, 2022	**$ 3,169,445**	**$ 2,064,925**	**$ 411,692**	**$ 5,646,062**

During the second quarter of 2022, the Company completed the Josemaria Resources acquisition (Note 3) acquiring $668.8 million of mineral properties, plant and equipment. In addition, $6.6 million of transaction costs related to the acquisition were capitalized to mineral properties in 2021. Included in the mineral properties balance at September 30, 2022 is $611.1 million (December 31, 2021 - nil) which is currently non-depreciable.

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

During the three and nine months ended September 30, 2022, the Company capitalized $0.3 million (Q3 2021 - $3.8 million) and $2.1 million (YTD Q3 2021 - $11.4 million) of finance costs to assets under construction, at a weighted average interest rate of 5.5% (2021 - 5.2%).

During the three and nine months ended September 30, 2022, the Company capitalized $56.6 million (Q3 2021 - $43.3 million) and $178.6 million (YTD Q3 2021 - $134.1 million), respectively, of deferred stripping costs to mineral properties. The depreciation expense related to deferred stripping for the three and nine months ended September 30, 2022, was $37.9 million (Q3 2021 - $35.2 million) and $104.2 million (YTD Q3 2021 - $88.9 million), respectively. Included in the mineral properties balance at September 30, 2022 is $613.7 million (December 31, 2021 - $464.6 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, 2020	$	38,870
Additions		10,316
Depreciation		(14,519)
Effects of foreign exchange		(625)
As at September 30, 2021		34,042
Additions		92
Depreciation		(5,492)
Disposals		(873)
Effects of foreign exchange		(172)
As at December 31, 2021		27,597
Josemaria acquisition (Note 3)		32
Additions		16,625
Depreciation		(15,454)
Effects of foreign exchange		(618)
As at September 30, 2022	**$**	**28,182**

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.

8. INVESTMENT IN ASSOCIATE

The following table summarizes the changes in the investment in associate:

As at December 31, 2020	$	22,342
Distributions, net		(8,154)
Share of equity income		22,234
As at September 30, 2021		36,422
Distributions		(24,000)
Share of equity income		2,661
As at December 31, 2021		15,083
Distributions		(18,000)
Share of equity income		3,297
As at September 30, 2022	**$**	**380**

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

The Company had a 24% ownership interest in Freeport Cobalt, a specialty cobalt business based in Kokkola, Finland, held through its 24% owned subsidiary Koboltti Chemicals Holdings Limited ("KCHL"), with the balance held by Freeport-McMoRan Inc. (56%) and La Générale des Carrières et des Mines (20%), a Democratic Republic of the Congo government-owned corporation.

In September 2021, KCHL completed the sale of Freeport Cobalt for $208 million (including cash and other working capital and subject to post-closing adjustments), consisting of cash consideration of $173 million and 7% of shares in the purchaser (valued at approximately $35 million). In addition, the Company and its partners will have the right to receive contingent cash consideration up to $40 million based on the future performance of Freeport Cobalt, of which the Company's share is $9.6 million. The Company's net share of the proceeds, excluding contingent consideration, was approximately $45 million cash plus $8 million in shares of the purchaser. The Company recognized $21.6 million through its share of equity income and received partial cash distributions of $41.2 million from the transaction during 2021.

During the second quarter of 2022, the shares in the purchaser were sold and substantially all of the remaining net assets were distributed to the partners.

9. TRADE AND OTHER PAYABLES

Trade and other payables are comprised of the following:

		September 30, 2022		December 31, 2021
Trade payables	**$**	**245,672**	$	199,545
Unbilled goods and services		**140,569**		80,067
Pricing provisions on concentrate sales		**84,286**		1,940
Employee benefits payable		**64,894**		71,078
Chapada derivative liability - current portion		**22,991**		24,973
Royalties payable		**14,733**		16,876
Automatic share purchase plan commitment (Note 13)		**9,189**		—
Prepayment from customers		**243**		9,165
Distributions payable to non-controlling interests		**—**		15,000
Other		**17,655**		19,958
	$	**600,232**	$	438,602

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

In August 2022, the Company paid the third $25.0 million tranche of the derivative liability related to the Chapada acquisition (Note 21). The fourth tranche has been reclassified from other long-term liabilities to trade and other payables. The long-term portion of the Chapada derivative liability of $20.5 million (December 31, 2021 - $42.5 million) is included in other long-term liabilities.

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

10. DEBT AND LEASE LIABILITIES

Debt and lease liabilities are comprised of the following:

		September 30, 2022		December 31, 2021
Lease liabilities (a)	**$**	**27,156**	$	25,878
Commercial paper (b)		**19,496**		—
Line of credit (c)		**2,728**		5,125
Debt and lease liabilities		**49,380**		31,003
Less: current portion		**34,692**		14,617
Long-term portion	**$**	**14,688**	$	16,386

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

		Leases		Debt		Total
As at December 31, 2020	$	36,312	$	166,736	$	203,048
Additions		10,607		33,171		43,778
Payments		(14,689)		(195,152)		(209,841)
Interest		1,122		—		1,122
Financing fee amortization		—		322		322
Financing fee reclassification		—		1,300		1,300
Effects of foreign exchange		(1,622)		(473)		(2,095)
As at September 30, 2021		31,730		5,904		37,634
Additions		(187)		—		(187)
Payments		(4,680)		(661)		(5,341)
Disposals		(866)		—		(866)
Interest		372		—		372
Effects of foreign exchange		(491)		(118)		(609)
As at December 31, 2021		25,878		5,125		31,003
Josemaria acquisition (Note 3)		38		47,000		47,038
Additions		16,625		34,663		51,288
Payments		(14,239)		(63,416)		(77,655)
Disposals		(2)		—		(2)
Interest		1,047		—		1,047
Effects of foreign exchange		(2,191)		(1,148)		(3,339)
As at September 30, 2022		27,156		22,224		49,380
Less: current portion		13,014		21,678		34,692
Long-term portion	**$**	**14,142**	**$**	**546**	**$**	**14,688**

a) Lease liabilities relate to leases on buildings, rail cars, vehicles, machinery and equipment which have remaining lease terms of one to thirteen years and interest rates of 0.8% - 7.1% over the terms of the leases.

b) Sociedade Mineira de Neves-Corvo, S.A. ("Somincor"), a subsidiary of the Company which owns the Neves-Corvo mine, has a commercial paper program which matures in May 2025. The $24.4 million (€25.0 million) program bears interest on drawn funds at EURIBOR+0.50%. During the third quarter of 2022, Somincor drew down $14.9 million (€15.0 million) and repaid the amount in full. A further $19.5 million (€20.0 million) was drawn and remains outstanding as at September 30, 2022.

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

c) Somincor has a $24.4 million (€25.0 million) line of credit for equipment financing. As at September 30, 2022, the balance outstanding was $2.7 million (€2.8 million) (December 31, 2021 - $5.1 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.

d) During the second quarter of 2022, the Company executed a fourth amended and restated credit agreement that increased its revolving credit facility to $1,750.0 million (previously $800.0 million with a $200.0 million accordion option), reduced the cost of borrowing, and extended the maturity to April 2027 (previously August 2023). The credit facility bears interest on drawn funds at rates of Term Secured Overnight Financing Rate ("Term SOFR") + Credit Spread Adjustment ("CSA") + 1.45% to Term SOFR+CSA+2.50% (previously LIBOR+1.75% to LIBOR+2.75%), depending on the Company's net leverage ratio. The revolving credit facility is subject to customary covenants. In addition, the SEK denominated letter of credit of $15.9 million (SEK 162.0 million) was cancelled on April 14, 2022. As at September 30, 2022, there was no balance outstanding (December 31, 2021 - nil), other than a letter of credit totalling $2.1 million (€2.2 million) (December 31, 2021 - $20.4 million). Deferred financing fees of $4.3 million are reported in other assets.

e) As part of the acquisition of Josemaria Resources (Note 3), the Company assumed existing debentures of $47.0 million. Immediately following the Transaction closing, the Company settled the debentures balance in full. As at September 30, 2022, there was no balance outstanding.

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

	Leases	Debt	Total
Less than one year	$ 14,167	$ 21,678	$ 35,845
One to five years	13,700	546	14,246
More than five years	1,479	—	1,479
Total undiscounted obligations as at September 30, 2022	**$ 29,346**	**$ 22,224**	**$ 51,570**

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

11. DEFERRED REVENUE

The following table summarizes the changes in deferred revenue:

As at December 31, 2020	$	739,566
Recognition of revenue		(51,731)
Finance costs		30,215
Effects of foreign exchange		(4,212)
As at September 30, 2021		713,838
Recognition of revenue		(22,336)
Variable consideration adjustment		(6,997)
Finance costs		10,110
Effects of foreign exchange		(1,148)
As at December 31, 2021		693,467
Recognition of revenue		(57,396)
Finance costs		28,224
Effects of foreign exchange		(10,922)
As at September 30, 2022		653,373
Less: current portion		79,472
Long-term portion	**$**	**573,901**

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 2021, 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.

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

12. 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, 2020	$	399,838	$	44,407	$	444,245
Accretion		6,766		—		6,766
Changes in estimate		(11,012)		4,682		(6,330)
Changes in discount rate		(56,609)		—		(56,609)
Payments		(1,786)		(2,223)		(4,009)
Effects of foreign exchange		(8,565)		(5,166)		(13,731)
Balance, September 30, 2021		328,632		41,700		370,332
Accretion		2,342		—		2,342
Changes in estimate		82,373		(3,124)		79,249
Changes in discount rate		(383)		—		(383)
Payments		(2,909)		(2,257)		(5,166)
Effects of foreign exchange		(3,089)		2,770		(319)
Balance, December 31, 2021		406,966		39,089		446,055
Accretion		10,679		—		10,679
Changes in estimate		12,766		8,675		21,441
Changes in discount rate		(44,822)		—		(44,822)
Payments		(8,892)		(3,727)		(12,619)
Effects of foreign exchange		(18,773)		(5,494)		(24,267)
Balance, September 30, 2022		357,924		38,543		396,467
Less: current portion		15,626		4,257		19,883
Long-term portion	**$**	**342,298**	**$**	**34,286**	**$**	**376,584**

The Company expects these liabilities to be settled between 2022 and 2065. The provisions are discounted using current market pre-tax discount rates which range from 2.0% to 12.0% (December 31, 2021 - 0.2% to 10.6%).

13. SHARE CAPITAL

a) Basic and diluted weighted average number of shares outstanding

	Three months ended September 30,		**Nine months ended September 30,**	
	2022	2021	**2022**	2021
Basic weighted average number of shares outstanding	**775,563,527**	736,443,985	**759,726,506**	737,314,204
Effect of dilutive securities (i)	**—**	2,219,372	**1,183,142**	2,592,198
Diluted weighted average number of shares outstanding	**775,563,527**	738,663,357	**760,909,648**	739,906,402
Antidilutive securities	**751,450**	542,500	**472,000**	542,500

(i) As a result of the Company’s net loss position for the three months ended September 30, 2022, 675,079 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").

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

Upon closing the Josemaria Resources acquisition (Note 3), the Company issued 40,031,936 common shares to the former shareholders of Josemaria Resources with a fair value of $369.2 million.

b) Stock options and SUs granted/issued

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Stock options	**76,500**	—	**1,830,020**	1,985,500
Replacement Options	**—**	—	**2,513,866**	—
SUs	**27,150**	—	**507,579**	569,250

On April 28, 2022, the Company issued 2,513,866 Replacement Options upon closing of the Transaction as discussed in Note 3. The following table summarizes the Replacement Options outstanding as at September 30, 2022:

	Outstanding and Exercisable Replacement Options		
Range of exercise prices (C$)	Number of Options Exercisable	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price (C$)
4 to 4.99	333,364	2.3	4.46
5 to 5.99	411,172	2.6	5.22
6 to 6.99	257,786	1.4	6.52
	1,002,322	**2.2**	**5.30**

c) Dividends

During the three and nine months ended September 30, 2022, the Company declared dividends in the amount of $54.0 million (Q3 2021 - $105.5 million) or C$0.09 per share (Q3 2021 - C$0.18), and $224.9 million (YTD Q3 2021 - $176.3 million) or C$0.38 per share (YTD Q3 2021 - C$0.30), respectively.

d) Normal course issuer bid

For the three and nine months ended September 30, 2022, 7,710,900 and 8,900,100 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") at an average price of C$7.09 and C$7.30 per share for total consideration of $42.1 million and $50.2 million, respectively. All common shares purchased were cancelled. As at September 30, 2022, the Company recorded an accrual of $9.2 million in trade and other payables representing the contractual maximum share purchases remaining under the ASPP. During October 2022, the Company purchased and cancelled the remaining contractual maximum shares in the amount of 1,861,400 under the ASPP.

For the three and nine months ended September 30, 2021, 1,077,000 and 3,798,000 shares were purchased under the NCIB at an average price of C$8.87 and C$11.59 per share for total consideration of $7.5 million and $35.9 million. All common shares purchased were cancelled.

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

14. REVENUE

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

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Revenue from contracts with customers:				
Copper	**$ 452,223**	$ 550,005	**$ 1,588,878**	$ 1,604,551
Zinc	**87,780**	71,543	**290,124**	194,439
Nickel	**73,770**	60,835	**267,037**	205,581
Gold	**63,450**	70,670	**167,064**	172,430
Lead	**13,554**	10,382	**44,506**	31,521
Silver	**7,745**	9,145	**32,766**	29,125
Other	**14,142**	16,432	**37,668**	45,526
	712,664	789,012	**2,428,043**	2,283,173
Provisional pricing adjustments on concentrate sales	**(64,166)**	(32,618)	**(198,245)**	27,023
Revenue	**$ 648,498**	$ 756,394	**$ 2,229,798**	$ 2,310,196

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

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Revenue from contracts with customers:				
Japan	**$ 145,536**	$ 139,384	**$ 629,696**	$ 517,953
Canada	**108,400**	101,570	**387,277**	346,707
Spain	**125,503**	159,700	**321,103**	404,448
Finland	**90,792**	85,369	**240,870**	210,352
Germany	**68,688**	89,409	**199,958**	182,371
China	**49,992**	31,197	**166,173**	88,357
Chile	**19,065**	102,833	**117,870**	279,489
Other	**104,688**	79,550	**365,096**	253,496
	712,664	789,012	**2,428,043**	2,283,173
Provisional pricing adjustments on concentrate sales	**(64,166)**	(32,618)	**(198,245)**	27,023
Revenue	**$ 648,498**	$ 756,394	**$ 2,229,798**	$ 2,310,196

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

15. PRODUCTION COSTS

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

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Direct mine and mill costs	**$ 387,806**	$ 291,637	**$ 1,084,687**	$ 886,072
Transportation	**30,461**	27,724	**91,470**	72,867
Royalties	**7,547**	12,455	**34,274**	37,307
Total production costs	**$ 425,814**	$ 331,816	**$ 1,210,431**	$ 996,246

16. EMPLOYEE BENEFITS

The Company's employee benefits are comprised of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Production costs				
Wages and benefits	**$ 65,904**	$ 70,538	**$ 211,094**	$ 218,333
Retirement benefits	**407**	405	**1,244**	1,194
Share-based compensation	**517**	578	**1,789**	1,818
	66,828	71,521	**214,127**	221,345
General and administrative expenses				
Wages and benefits	**4,991**	4,901	**16,048**	16,265
Retirement benefits	**228**	198	**680**	609
Share-based compensation	**307**	2,356	**4,366**	7,681
Departure benefit (Note 23)	**1,891**	—	**1,891**	—
	7,417	7,455	**22,985**	24,555
General exploration and business development				
Wages and benefits	**2,442**	788	**6,855**	3,109
Retirement benefits	**12**	7	**25**	28
Share-based compensation	**72**	18	**276**	89
	2,526	813	**7,156**	3,226
Total employee benefits	**$ 76,771**	$ 79,789	**$ 244,268**	$ 249,126

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

17. GENERAL EXPLORATION AND BUSINESS DEVELOPMENT

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

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Project development	**$ 63,330**	$ 1,410	**$ 105,883**	$ 6,363
General exploration	**9,080**	7,564	**26,340**	29,210
Corporate development	**36**	13	**36**	737
Total general exploration and business development	**$ 72,446**	$ 8,987	**$ 132,259**	$ 36,310

Project development expenses include costs related to the Josemaria Project and study costs related to potential expansion projects at the Company's operating sites.

18. FINANCE INCOME AND COSTS

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

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Interest income	**$ 1,112**	$ 129	**$ 2,596**	$ 302
Deferred revenue finance costs	**(9,030)**	(6,270)	**(26,146)**	(19,191)
Accretion expense on reclamation provisions	**(3,541)**	(2,335)	**(10,679)**	(6,766)
Interest expense and bank fees	**(2,525)**	(1,348)	**(6,594)**	(5,139)
Lease liability interest	**(363)**	(396)	**(1,047)**	(1,122)
Other	**(893)**	77	**(5,651)**	1,599
Total finance costs, net	**$ (15,240)**	$ (10,143)	**$ (47,521)**	$ (30,317)

Finance income	**$ 1,112**	$ 206	**$ 2,596**	$ 1,901
Finance costs	**(16,352)**	(10,349)	**(50,117)**	(32,218)
Total finance costs, net	**$ (15,240)**	$ (10,143)	**$ (47,521)**	$ (30,317)

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

19. OTHER INCOME AND EXPENSE

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

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Foreign exchange and trading gains on equity investments	**$ 38,602**	$ —	**$ 67,695**	$ —
Gain on disposal of subsidiary	**—**	—	**16,828**	—
Revaluation of marketable securities	**(554)**	237	**1,712**	4,299
Foreign exchange (loss) gain	**(4,297)**	11,861	**(4,926)**	6,793
Revaluation of derivative liability	**1,558**	(1,274)	**(990)**	745
Other expense	**(15,775)**	(9,640)	**(18,508)**	(19,056)
Total other income (expense), net	**$ 19,534**	$ 1,184	**$ 61,811**	$ (7,219)

Foreign exchange and trading gains on equity investments include the changes in fair value of equity instruments supporting capital funding for the Josemaria Project.

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 in the first quarter of 2022 that was contingent on a historical tax assessment which has now been closed.

For the three and nine months ended September 30, 2022, other expense includes a $3.6 million write-down of mineral properties, plant and equipment and $7.8 million of other costs directly related to the sinkhole near the Company's Ojos del Salado operations.

20. FINANCIAL INSTRUMENTS

Derivatives designated as hedging instruments

The Company uses derivative financial instruments as part of its risk management strategy to mitigate exposure to foreign currencies.

The Company has elected to apply hedge accounting to forward contracts. These forward contracts are designated as effective cash flow hedges for a portion of the Company's highly probable forecasted foreign currency denominated operating and capital expenditures. On September 30, 2022, the Company entered into €480.8 million of forward contracts maturing from 2022 to 2024. As at September 30, 2022, the outstanding foreign exchange contracts that were accounted for as hedges were as follows:

Foreign exchange contracts	**2022**	**2023**	**2024**
€/USD forward contracts			
Average contract price	0.991	1.006	1.024
Position (€ millions)	76.6	249.0	155.2

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

Subsequent to September 30, 2022, the Company entered into foreign currency options and forward contracts intended to limit foreign exchange exposure against the BRL, CLP and SEK. Positions taken represent approximately 50% to 90% of forecasted foreign currency denominated after-tax attributable operating and capital expenditures in 2022, 2023 and 2024.

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 September 30, 2022 and December 31, 2021:

		September 30, 2022		December 31, 2021	
	Level	**Carrying value**	**Fair value**	Carrying value	Fair value
Financial assets					
Fair value through profit or loss					
Restricted funds	1	**$ 43,322**	**$ 43,322**	$ 54,753	$ 54,753
Trade receivables (provisional)	2	**386,356**	**386,356**	519,351	519,351
Marketable securities and equity investments	1	**8,132**	**8,132**	10,493	10,493
		$ 437,810	**$ 437,810**	$ 584,597	$ 584,597
Financial liabilities					
Amortized cost					
Debt	3	**$ 22,224**	**$ 22,224**	$ 5,125	$ 5,125
Fair value through profit or loss					
Pricing provisions on concentrate sales	2	**$ 45,282**	**$ 45,282**	$ —	$ —
Chapada derivative liability	2	**43,486**	**43,486**	67,495	67,495
		$ 88,768	**$ 88,768**	$ 67,495	$ 67,495

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/equity investments/restricted funds – The fair value of investments in shares 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 $64.2 million in revenue during the three months ended September 30, 2022 (Q3 2021 - $32.6 million negative pricing adjustments) and negative pricing adjustments of $198.2 million in revenue during the nine months ended September 30, 2022 (YTD Q3 2021 - $27.0 million positive pricing adjustments).

Derivative financial instruments in designated hedge relationships – For the €480.8 million forward contracts entered into on September 30, 2022, no derivative asset or liability was recognized as at September 30, 2022 as the fair values of the right and obligation are equal. 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.

21. COMMITMENTS AND CONTINGENCIES

a) The Company has capital commitments of $491.3 million on various initiatives, of which $130.9 million is expected to be paid during 2022.

b) The Company may be involved in legal proceedings arising in the ordinary course of business. 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, 2021, are described below:

   i. In August 2022, the Company paid $25.0 million under the Chapada gold price contingent consideration structure. The maximum contingent consideration has since been reduced to $50.0 million.

   ii. On July 30, 2022, a sinkhole was detected near the Company's Ojos del Salado operations in Chile. On October 5, 2022, the Company received an infraction notice covering four alleged violations of its environmental permit for the Alcaparrosa underground mine, which forms part of the Company's Ojos del Salado operations. The Company is reviewing the infraction notice and will respond within the required time periods. At present, any fines related to the alleged infractions or further remediation work cannot be reliably estimated.

22. 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.

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

For the three months ended September 30, 2022

	Candelaria Chile	Chapada Brazil	Eagle USA	Josemaria Argentina	Neves-Corvo Portugal	Zinkgruvan Sweden	Other	Total
Revenue	$ 255,330	$ 118,734	$ 106,715	$ —	$ 102,865	$ 64,854	$ —	$ 648,498
Cost of goods sold								
Production costs	(168,602)	(88,665)	(47,736)	—	(94,572)	(25,709)	(530)	(425,814)
Depreciation, depletion and amortization	(74,772)	(12,218)	(21,650)	(335)	(25,299)	(5,442)	(445)	(140,161)
Gross profit (loss)	11,956	17,851	37,329	(335)	(17,006)	33,703	(975)	82,523
General and administrative expenses	—	—	—	—	—	—	(14,772)	(14,772)
General exploration and business development	(4,005)	(3,564)	(1,515)	(60,965)	(1,306)	(295)	(796)	(72,446)
Finance costs	(6,644)	(4,524)	(480)	(620)	(1,153)	(719)	(1,100)	(15,240)
Loss from equity investment in associate	—	—	—	—	—	—	(78)	(78)
Other (expense) income	(10,995)	1,066	(83)	29,278	(261)	3,410	(2,881)	19,534
Income tax recovery (expense)	379	(7,565)	(1,461)	1,181	8,150	(11,408)	(42)	(10,766)
Net (loss) earnings	**$ (9,309)**	**$ 3,264**	**$ 33,790**	**$ (31,461)**	**$ (11,576)**	**$ 24,691**	**$ (20,644)**	**$ (11,245)**
Capital expenditures	**$ 103,486**	**$ 19,197**	**$ 3,062**	**$ 43,264**	**$ 19,362**	**$ 8,415**	**$ 2,702**	**$ 199,488**

For the nine months ended September 30, 2022

	Candelaria Chile	Chapada Brazil	Eagle USA	Josemaria Argentina	Neves-Corvo Portugal	Zinkgruvan Sweden	Other	Total
Revenue	$ 974,875	$ 335,599	$ 363,412	$ —	$ 330,970	$ 224,942	$ —	$ 2,229,798
Cost of goods sold								
Production costs	(489,575)	(239,849)	(142,422)	—	(250,830)	(85,963)	(1,792)	(1,210,431)
Depreciation, depletion and amortization	(218,792)	(31,808)	(60,403)	(623)	(70,123)	(28,951)	(1,340)	(412,040)
Gross profit (loss)	266,508	63,942	160,587	(623)	10,017	110,028	(3,132)	607,327
General and administrative expenses	—	—	—	—	—	—	(37,442)	(37,442)
General exploration and business development	(10,286)	(8,349)	(2,439)	(101,243)	(5,110)	(2,015)	(2,817)	(132,259)
Finance costs	(20,539)	(13,622)	(1,421)	(785)	(5,303)	(2,462)	(3,389)	(47,521)
Income from equity investment in associate	—	—	—	—	—	—	3,297	3,297
Other (expense) income	(9,413)	(2,900)	(73)	53,547	1,873	10,776	8,001	61,811
Income tax (expense) recovery	(78,011)	(7,149)	(17,619)	199	3,444	(34,659)	(3,180)	(136,975)
Net earnings (loss)	**$ 148,259**	**$ 31,922**	**$ 139,035**	**$ (48,905)**	**$ 4,921**	**$ 81,668**	**$ (38,662)**	**$ 318,238**
Capital expenditures	**$ 272,557**	**$ 63,412**	**$ 10,445**	**$ 98,198**	**$ 77,461**	**$ 31,537**	**$ 8,058**	**$ 561,668**
Total non-current assets[1]	**$ 2,903,931**	**$ 1,355,447**	**$ 253,991**	**$ 793,336**	**$ 1,039,626**	**$ 222,431**	**$ 25,212**	**$ 6,593,974**

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

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

For the three months ended September 30, 2021

	Candelaria Chile	Chapada Brazil	Eagle USA	Neves-Corvo Portugal	Zinkgruvan Sweden	Other	Total
Revenue	$ 326,903	$ 160,332	$ 101,311	$ 108,083	$ 59,765	$ —	$ 756,394
Cost of goods sold							
Production costs	(140,363)	(59,489)	(39,641)	(69,831)	(21,885)	(607)	(331,816)
Depreciation, depletion and amortization	(65,533)	(10,568)	(18,918)	(15,939)	(9,250)	(429)	(120,637)
Gross profit (loss)	121,007	90,275	42,752	22,313	28,630	(1,036)	303,941
General and administrative expenses	—	—	—	—	—	(10,828)	(10,828)
General exploration and business development	(3,004)	(3,305)	(446)	(977)	(684)	(571)	(8,987)
Finance (costs) income	(7,468)	(3,738)	(264)	3,160	(844)	(989)	(10,143)
Income from equity investment in associate	—	—	—	—	—	21,088	21,088
Other income (expense)	744	3,995	(257)	694	1,795	(5,787)	1,184
Income tax expense	(38,308)	(50,479)	(2,320)	(4,191)	(7,089)	(3,288)	(105,675)
Net earnings (loss)	$ 72,971	$ 36,748	$ 39,465	$ 20,999	$ 21,808	$ (1,411)	$ 190,580
Capital expenditures	$ 74,326	$ 16,425	$ 3,539	$ 30,912	$ 8,486	$ 102	$ 133,790

For the nine months ended September 30, 2021

	Candelaria Chile	Chapada Brazil	Eagle USA	Neves-Corvo Portugal	Zinkgruvan Sweden	Other	Total
Revenue	$ 1,078,800	$ 394,687	$ 354,072	$ 323,339	$ 159,298	$ —	$ 2,310,196
Cost of goods sold							
Production costs	(426,068)	(162,136)	(128,428)	(204,376)	(73,317)	(1,921)	(996,246)
Depreciation, depletion and amortization	(207,061)	(30,941)	(62,360)	(45,745)	(29,934)	(1,356)	(377,397)
Gross profit (loss)	445,671	201,610	163,284	73,218	56,047	(3,277)	936,553
General and administrative expenses	—	—	—	—	—	(33,519)	(33,519)
General exploration and business development	(13,658)	(12,607)	(502)	(2,670)	(3,708)	(3,165)	(36,310)
Finance (costs) income	(22,515)	(11,749)	(791)	10,813	(2,609)	(3,466)	(30,317)
Income from equity investment in associate	—	—	—	—	—	22,234	22,234
Other (expense) income	(1,075)	(962)	(536)	(3,266)	2,930	(4,310)	(7,219)
Income tax expense	(130,643)	(59,834)	(18,101)	(12,838)	(13,217)	(3,558)	(238,191)
Net earnings (loss)	$ 277,780	$ 116,458	$ 143,354	$ 65,257	$ 39,443	$ (29,061)	$ 613,231
Capital expenditures	$ 226,641	$ 37,856	$ 12,414	$ 72,714	$ 28,312	$ 242	$ 378,179
Total non-current assets[1]	$ 2,882,849	$ 1,338,470	$ 277,038	$ 1,218,389	$ 278,007	$ 46,816	$ 6,041,569

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

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

23. 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 September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Wages and salaries	**$ 2,064**	$ 2,033	**$ 5,323**	$ 5,397
Pension benefits	**49**	48	**136**	146
Share-based compensation	**55**	1,442	**2,192**	4,515
Departure benefit	**1,891**	—	**1,891**	—
	$ 4,059	$ 3,523	**$ 9,542**	$ 10,058

There was a $0.9 million reversal of share-based compensation expense for the three and nine months ended September 30, 2022 due to senior officer departures.

24. SUPPLEMENTARY CASH FLOW INFORMATION

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Changes in non-cash working capital items consist of:				
Trade and income taxes receivable, inventories, and other current assets	**$ (125,790)**	$ 172,029	**$ 37,218**	$ (12,591)
Trade and income taxes payable, and other current liabilities	**(19,216)**	56,960	**(21,107)**	107,781
	$ (145,006)	$ 228,989	**$ 16,111**	$ 95,190

Operating activities included the following cash payments:				
Income taxes paid	**$ 58,250**	$ 21,759	**$ 271,587**	$ 101,186

lundin mining

Corporate Office
150 King Street West, Suite 2200, P.O. Box 38, Toronto, ON M5H 1J9
Phone: +1 416 342 5560   Fax: +1 416 348 0303
lundinmining.com