lundin mining

Management’s Discussion and Analysis
For the year ended December 31, 2022

This management’s discussion and analysis (“MD&A”) has been prepared as of February 22, 2023 and should be read in conjunction with the Company’s consolidated financial statements for the year ended December 31, 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 labour; 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: global financial conditions, market volatility and inflation, including pricing and availability of key supplies and services; 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; project financing risks, liquidity risks and limited financial resources; volatility and fluctuations in metal and commodity demand and prices; delays or the inability to obtain, retain or comply with permits; significant reliance on a single asset; reputation risks related to negative publicity with respect to the Company or the mining industry in general; health and safety risks; risks relating to the development of the Josemaria Project; inability to attract and retain highly skilled employees; risks associated with climate change; compliance with environmental, health and safety laws and regulations; unavailable or inaccessible infrastructure, infrastructure failures, and risks related to ageing infrastructure; risks inherent in and/or associated with operating in foreign countries and emerging markets, including with respect to foreign exchange and capital controls; economic, political and social instability and mining regime changes in the Company's operating jurisdictions, including but not limited to those related to permitting and approvals, environmental and tailings management, labour, trade relations, and transportation; risks relating to indebtedness; the inability to effectively compete in the industry; 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; changing taxation regimes; risks related to mine closure activities, reclamation obligations, environmental liabilities and closed and historical sites; reliance on key personnel and reporting and oversight systems, as well as third parties and consultants in foreign jurisdictions; information technology and cybersecurity risks; 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; 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; community and stakeholder opposition; financial projections, including estimates of future expenditures and cash costs, and estimates of future production may not be reliable; enforcing legal rights in foreign jurisdictions; environmental and regulatory risks associated with the structural stability of waste rock dumps or tailings storage facilities; activist shareholders and proxy solicitation matters; risks relating to dilution; regulatory investigations, enforcement, sanctions and/or related or other litigation; risks relating to payment of dividends; counterparty and customer concentration risks; the estimation of asset carrying values; risks associated with the use of derivatives; relationships with employees and contractors, and the potential for and effects of labour disputes or other unanticipated difficulties with or shortages of labour or interruptions in production; conflicts of interest; existence of a significant shareholder; exchange rate fluctuations; challenges or defects in title; internal controls; 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; the threat associated with outbreaks of viruses and infectious diseases; risks relating to minor elements contained in concentrate products; and other risks and uncertainties, including but not limited to those described in the "Risk and Uncertainties" section of the Company's Annual Information Form and the "Managing Risks" section of the Company's MD&A for the year ended December 31, 2022, 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

For the year ended December 31, 2022 the Company generated revenue in excess of $3.0 billion (2021 - $3.3 billion). The Company achieved gross profit of $762.6 million (2021 - $1,369.7 million) and adjusted EBITDA[1] of $1,292.5 million (2021 - $1,869.4 million). The Company remains in a strong balance sheet position maintaining low leverage with ample liquidity available.

Total copper and gold production substantially achieved the most recent guidance, with gold at the top end of the guidance range. Total zinc produced exceeded the prior year but was below the guidance range. Total nickel produced achieved guidance. Production costs and C1 costs were higher than the prior year primarily due to inflationary impacts on consumables, particularly diesel and electricity, as well as on contractor costs, partially offset by favourable foreign exchange.

Operational Performance

Candelaria (80% owned): Candelaria produced, on a 100% basis, 152,042 tonnes of copper, approximately 86,000 ounces of gold and 1.6 million ounces of silver in concentrate during the year. Production of copper was higher than the prior year due to higher grades. Gold production was lower than the prior year due to throughput. Copper production was modestly below guidance but gold production was within the guidance range. Production costs were higher than the prior year due primarily to higher costs for energy and consumables. Copper cash cost[1] of $1.96/lb were higher than the annual guidance due primarily to bonuses paid resulting from early successful union negotiations, and higher than the prior year due to the impact of higher production costs, partially offset by a weaker CLP.

Chapada (100% owned): Chapada produced 45,739 tonnes of copper and approximately 68,000 ounces of gold, with both metals lower than the prior year due to mine sequencing impacting grades as a result of above average rainfall experienced in the first half of 2022. Copper production was within the guidance range and gold production exceeded guidance. Production costs were higher than the prior year due to higher costs for energy and other input costs. Full year copper cash cost of $2.08/lb was better than guidance.

Eagle (100% owned): Eagle's production of 17,475 tonnes of nickel and 15,895 tonnes of copper were both lower than the prior year due to planned lower grades. Both metals achieved annual guidance. Production costs were higher than the prior year due to higher energy and consumable costs. Nickel cash cost of $0.79/lb was higher than the prior year as a result of higher production costs and exceeded guidance due to by-product copper prices.

Neves-Corvo (100% owned): Neves-Corvo produced 31,906 tonnes of copper and 82,435 tonnes of zinc during the year. Copper production was lower than prior year due to lower grades and recoveries, while zinc production was higher than the prior year as a result of increased throughput from ZEP ("Zinc Expansion Project"). However, both metals were below guidance. Production costs were higher than the prior year due primarily to inflationary impacts on electricity, partially offset by a weaker Euro. Copper cash cost of $2.27/lb for the year was higher than the prior year due to increased production costs. Cash cost was higher than guidance due to higher production costs and lower zinc by-product volumes.

Zinkgruvan (100% owned): Zinc production of 76,503 tonnes was below the prior year and annual guidance due to grades. Lead production of 30,517 tonnes was higher than the prior year due to higher grades. Production costs were higher than the prior year, but on a per unit basis, zinc cash cost of $0.32/lb for the current year was better than guidance and prior year due to higher by-product credits.

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

2022 Production, Cash Cost and Capital Expenditure Summary

Total production, cash costs and capital expenditures are compared to the most recent guidance as follows:

		Production		Cash Cost ($/lb)	
(Contained metal in concentrate)		**Actual**	*Guidance[a]*	**Actual**	*Guidance[a]*
Copper (t)	Candelaria (100%)	**152,042**	*155,000 - 165,000*	**1.96**	*1.75*
	Chapada	**45,739**	*45,000 - 50,000*	**2.08**	*2.25*
	Eagle	**15,895**	*15,000 - 18,000*		
	Neves-Corvo	**31,906**	*33,000 - 38,000*	**2.27**	*1.80*
	Zinkgruvan	**4,077**	*2,000 - 3,000*		
	Total	**249,659**	*250,000 - 274,000*		
Zinc (t)	Neves-Corvo	**82,435**	*90,000 - 100,000*		
	Zinkgruvan	**76,503**	*78,000 - 83,000*	**0.32**	*0.55*
	Total	**158,938**	*168,000 - 183,000*		
Gold (koz)	Candelaria (100%)	**86**	*83 - 88*		
	Chapada	**68**	*62 - 67*		
	Total	**154**	*145 - 155*		
Nickel (t)	Eagle	**17,475**	*15,000 - 18,000*	**0.79**	*(0.25)*

2022 Capital Expenditure[b]

($ thousands)	**Actual**	*Guidance[a]*
Candelaria (100%)	**389,731**	*400,000*
Chapada	**104,711**	*80,000*
Eagle	**16,413**	*10,000*
Neves-Corvo	**71,222**	*95,000*
Zinkgruvan	**48,144**	*60,000*
Other	**9,610**	*25,000*
Total Sustaining Capital	**639,831**	*670,000*
Zinc Expansion Project (Neves-Corvo)	**31,964**	*30,000*
Total Capital Expenditures	**671,795**	*700,000*

a. Guidance as disclosed in the Company's MD&A for the three and six months ended June 30, 2022 with trending commentary in the MD&A for the three and nine months ended September 30, 2022.

b. Sustaining capital expenditure is a supplementary financial measure and expansionary capital expenditure is a non-GAAP measure – see Section "Non-GAAP and Other Performance Measures" of this MD&A for discussion.

Josemaria Project

The Josemaria Project incurred a total expenditure of $237.4 million, inclusive of foreign exchange and trading gains from equity investments of which $171.1 million was capitalized with the remaining amount recorded in the Consolidated Statement of Earnings.

Corporate Updates

- On February 17, 2022, the Company declared a semi-annual performance dividend of C$0.11 per share.

- On March 23, 2022, the Company announced the appointment of Ms. Juliana Lam to the Company's Board of Directors effective the same date. The Company also announced the retirement of Director Mr. Peter Jones effective as at the Company's 2022 annual shareholders meeting.

- On March 30, 2022, and September 30, 2022, the Company reported two independent fatalities at its Neves-Corvo mine in Portugal. Operations were voluntarily temporarily suspended following each incident and relevant authorities were notified. Mandatory regulatory investigations were commenced and the Company continues to cooperate fully with those investigations.

- On April 26, 2022, the Company executed a fourth amended and restated credit agreement that increased its revolving credit facility (the "Credit Facility" or the "Credit Agreement") to $1,750.0 million (previously $800.0 million with a $200.0 million accordion option), reduced the cost of borrowing, and extended the term to April 2027, from August 2023. The amended 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% depending upon the Company's net leverage ratio, reduced from LIBOR+1.75% to LIBOR+2.75%, previously. The amendment and restatement provides the Company with more favourable covenants, reduced security on assets and included other customary revisions. On February 16, 2023, the Company received commitments from the lenders of the revolving Credit Facility to, upon completion and execution of the First Amendment to the Fourth Amended and Restated Credit Agreement, extend the term by one year to April 2028 and reduce the Credit Spread Adjustment.

- On April 28, 2022, the Company completed the plan of arrangement (the "Arrangement") to acquire all of the issued and outstanding shares of Josemaria Resources Inc. ("Josemaria Resources"). Under the terms of the Arrangement, Josemaria Resources shareholders were provided with the right to elect to receive (i) 0.1487 of a common share of Lundin Mining (each whole share, a "Lundin Mining Share") per Josemaria Resources common share ("Josemaria Resources Share") plus C$0.11 for each whole Lundin Mining Share issued to such shareholder; (ii) or C$1.60 in cash for each Josemaria Resources Share; (iii) or any combination thereof, subject to pro-ration of a total maximum number Lundin Mining Shares and cash consideration. Pursuant to the acquisition, the Company paid an aggregate of $144.4 million in cash and issued 40,031,936 Lundin Mining Shares to Josemaria Resources shareholders.

- On May 12, 2022, following the Company's annual shareholders meeting, the Company announced the appointment of Mr. Adam Lundin as the Chair of the Board of Directors following the retirement of Mr. Lukas H. Lundin.

- 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 the passing of the Company's founder and former Chairman, Mr. Lukas H. Lundin. 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 July 30, 2022, a sinkhole was detected near the Company's Alcaparrosa mine in Chile. All personnel at the operation and in the community were safe and the appearance of the sinkhole did not result in any injuries. All mining operations at the Alcaparrosa underground mine remain suspended and the Company mobilized resources in support of the ongoing investigation.

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

- On December 5, 2022, the Company announced that it had renewed its Normal Course Issuer Bid ("NCIB") which allows the Company to purchase up to 65,313,173 common shares over a period of twelve months commencing on December

9, 2022 and expiring on December 8, 2023. As at February 22, 2023, the Company has not purchased any common shares under the renewed NCIB.

- On December 6, 2022, the Company announced the appointment of Mr. Jack Lundin as President. Concurrently, Mr. Jack Lundin stepped down from the Company's Board of Directors.

- During the last quarter of 2022, the Company decided to relocate its corporate head office from Toronto to Vancouver, Canada, to be effective in the second half of 2023.

- On February 8, 2023, the Company reported (1) a maiden Mineral Resource for the Saúva deposit and (2) its Mineral Resource and Mineral Reserve estimates as at December 31, 2022 (or as otherwise specified therein).

Financial Performance

- Gross profit for the year ended December 31, 2022 was $762.6 million, which was $607.1 million lower than the prior year due to lower metal prices, higher operating costs impacted by inflation partially offset by favourable foreign exchange impacts.

- Adjusted EBITDA of $1,292.5 million for the year ended December 31, 2022 was 31% lower than the prior year due to lower gross profit before depreciation.

- For the year ended December 31, 2022, net earnings of $463.5 million were 47% lower than the prior year due to lower gross profit and higher project development costs partially offset by lower income taxes, higher foreign exchange and trading gain on equity investment as well as unrealized gain on revaluation of hedges.

- Adjusted earnings[1] of $482.8 million for the year ended December 31, 2022 were 41% lower than the prior year due to lower net earnings.

Financial Position and Financing

- During the year ended December 31, 2022, cash and cash equivalents decreased by $402.7 million. Cash flow from operations of $876.9 million was used to fund investing activities of $1,013.4 million, which includes the Josemaria Resources acquisition. Cash used for financing activities was $251.6 million which includes the payment of shareholder dividends of $275.4 million, share repurchase of $59.4 million and distributions to non-controlling interests partially offset by net proceeds from debt.

- As at December 31, 2022, the Company had a net debt[1] balance of $10.9 million. Excluding the impact of finance leases the Company would be in a net cash position. Net debt changed from a net cash position during the year due to the activities described above for cash and cash equivalents.

- As at February 22, 2023, the Company had cash and net debt balances of approximately $220.0 million and $15.0 million, respectively.

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

Outlook

Production, cash cost, capital expenditures and exploration investment guidance for 2023 remains unchanged from the most recently reported guidance.

2023 Production and Cash Cost Guidance

(contained metal in concentrate)		Guidance[a] Production	Guidance[a] Cash Cost ($/lb)[b]
Copper (t)	Candelaria (100%)	145,000 - 155,000	1.80 - 1.95[c]
	Chapada	43,000 - 48,000	2.55 - 2.75[d]
	Eagle	12,000 - 15,000	
	Neves-Corvo	33,000 - 38,000	2.10 - 2.30[c]
	Zinkgruvan	3,000 - 4,000	
	Total	236,000 - 260,000	
Zinc (t)	Neves-Corvo	100,000 - 110,000	
	Zinkgruvan	80,000 - 85,000	0.60 - 0.65[c]
	Total	180,000 - 195,000	
Gold (koz)	Candelaria (100%)	85 - 90	
	Chapada	55 - 60	
	Total	140 - 150	
Nickel (t)	Eagle	13,000 - 16,000	1.50 - 1.65

a. Guidance as outlined in the news release "Lundin Mining Announces 2022 Production Results and Provides 2023 Guidance", dated January 12, 2023.
b. Cash costs are based on various assumptions and estimates, including but not limited to: production volumes, commodity prices (Cu: $3.75/lb, Zn: $1.30/lb, Pb: $0.90/lb, Au: $1,750/oz), foreign exchange rates (€/USD:1.00, USD/SEK:10.50, USD/CLP:850, USD/BRL:5.00) and production costs.
c. 68% of Candelaria's total gold and silver production are subject to a streaming agreement and silver production at Zinkgruvan and Neves-Corvo are also subject to streaming agreements. Cash costs are calculated based on receipt of approximately $425/oz gold and $4.25/oz to $4.57/oz silver.
d. Chapada cash cost is calculated on a by-product basis and does not include the effects of its copper stream agreements. Effects of the copper stream agreements are reflected in copper revenue and will impact realized price per pound.

2023 Capital Expenditure Guidance[b]

($ millions)	Guidance[a]
Candelaria (100% basis)	400
Chapada	70
Eagle	20
Neves-Corvo	130
Zinkgruvan	70
Other	10
Total Sustaining	**700**
Josemaria	400
Total Capital Expenditures	**1,100**

a. Guidance as outlined in the news release dated January 12, 2023.
b. Sustaining capital expenditure is a supplementary financial measure and expansionary capital expenditure is a non-GAAP measure – see Section "Non-GAAP and Other Performance Measures" of this MD&A for discussion.

2023 Exploration Investment Guidance

Exploration expenditures are planned to be $45.0 million in 2023 primarily for in-mine and near-mine targets. The largest portion of the planned expenditures are to be at Candelaria and Chapada with the remaining operations and new business development activities comprising the balance.

Selected Annual Financial Information[1]

($ millions, except share and per share amounts)	Year ended December 31, 2022	2021	2020
Revenue	**3,041.2**	3,328.8	2,041.5
Costs of goods sold:			
Production costs	**(1,661.4)**	(1,371.3)	(1,095.9)
Depreciation, depletion and amortization	**(554.8)**	(522.8)	(447.5)
Inventory write-down	**(62.5)**	(65.0)	—
Gross profit	**762.6**	1,369.7	498.1
Net earnings attributable to:			
Lundin Mining shareholders	**426.9**	780.3	168.8
Non-controlling interests	**36.7**	99.0	20.3
Net earnings	**463.5**	879.3	189.1
Adjusted earnings[3]	**482.8**	820.6	225.2
Adjusted EBITDA[3]	**1,292.5**	1,869.4	856.9
Cash flow from operations	**876.9**	1,485.0	565.9
Adjusted operating cash flow[3]	**992.9**	1,487.1	644.6
Free cash flow from operations[3]	**381.4**	1,054.5	243.6
Free cash flow[3]	**34.1**	953.2	135.9
Capital expenditures[4]	**842.9**	532.1	431.2
Per share amounts:			
Basic and diluted earnings per share ("EPS") attributable to shareholders	**0.56**	1.06	0.23
Adjusted EPS	**0.63**	1.11	0.31
Adjusted operating cash flow per share[3]	**1.30**	2.02	0.88
Dividends declared (C$/share)	**0.47**	0.39	0.16
Total assets	**8,172.8**	7,636.9	7,058.5
Total debt and lease liabilities	**197.3**	31.0	203.0
Net (debt) cash[3]	**(10.9)**	563.1	(63.2)

Summary of Quarterly Results[1,2,5]

($ millions, except per share data)	Q4-22	Q3-22	Q2-22	Q1-22	Q4-21	Q3-21	Q2-21	Q1-21
Revenue	811.4	648.5	590.2	991.1	1,018.6	756.4	872.3	681.5
Gross profit	155.2	82.5	46.0	478.8	433.2	303.9	380.2	252.5
Net earnings (loss)	145.3	(11.2)	(48.6)	378.1	266.1	190.6	268.4	154.2
- attributable to shareholders	145.6	(11.2)	(52.6)	345.1	228.8	173.7	242.6	135.2
Adjusted earnings (loss)[3]	191.5	30.9	(35.3)	295.6	281.5	168.4	226.3	144.3
Adjusted EBITDA[3]	353.7	202.4	148.6	587.8	623.0	411.3	480.7	354.4
EPS - Basic and Diluted	0.19	(0.01)	(0.07)	0.47	0.31	0.24	0.33	0.18
Adjusted EPS[3]	0.25	0.04	(0.05)	0.40	0.38	0.23	0.31	0.20
Cash flow from operations	156.9	36.3	366.4	317.3	384.2	523.1	419.0	158.7
Adjusted operating cash flow per share[3]	0.38	0.23	0.06	0.64	0.65	0.40	0.58	0.38
Capital expenditures[4]	281.2	199.5	217.3	144.9	153.9	133.8	131.9	112.5

[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. For further metal price trending discussion, refer to page 23 of this MD&A.

Revenue Overview

Sales Volumes by Payable Metal

(Contained metal in concentrate)	2022					2021				
	Total	**Q4**	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Copper (t)										
Candelaria (100%)	**147,251**	**33,561**	35,587	39,655	38,448	148,213	43,417	33,743	35,537	35,516
Chapada	**45,563**	**12,037**	12,817	7,905	12,804	47,123	13,628	13,869	12,247	7,379
Eagle	**14,060**	**2,672**	3,721	4,159	3,508	16,522	3,155	3,792	5,257	4,318
Neves-Corvo	**31,592**	**6,351**	8,574	8,183	8,484	36,618	10,668	9,071	10,314	6,565
Zinkgruvan	**4,428**	**886**	1,570	337	1,635	1,806	19	859	926	2
	242,894	**55,507**	62,269	60,239	64,879	250,282	70,887	61,334	64,281	53,780
Zinc (t)										
Neves-Corvo	**66,966**	**20,205**	18,770	16,289	11,702	53,622	15,058	12,516	14,443	11,605
Zinkgruvan	**65,684**	**17,635**	13,722	18,525	15,802	64,056	18,005	16,043	14,305	15,703
	132,650	**37,840**	32,492	34,814	27,504	117,678	33,063	28,559	28,748	27,308
Gold (koz)										
Candelaria (100%)	**83**	**20**	20	22	21	89	25	20	23	21
Chapada	**65**	**17**	23	10	15	68	18	22	16	12
	148	**37**	43	32	36	157	43	42	39	33
Nickel (t)										
Eagle	**14,427**	**3,239**	3,715	4,206	3,267	15,012	3,390	3,246	4,258	4,118
Lead (t)										
Neves-Corvo	**2,908**	**673**	654	818	763	4,890	1,592	999	1,054	1,245
Zinkgruvan	**30,163**	**7,654**	7,502	10,163	4,844	19,245	4,787	4,825	4,928	4,705
	33,071	**8,327**	8,156	10,981	5,607	24,135	6,379	5,824	5,982	5,950
Silver (koz)										
Candelaria (100%)	**1,442**	**278**	305	412	447	1,281	425	297	287	272
Chapada	**156**	**50**	32	26	48	93	33	26	14	20
Eagle	**34**	**9**	9	9	7	63	23	16	9	15
Neves-Corvo	**552**	**92**	117	152	191	960	307	183	228	242
Zinkgruvan	**2,088**	**551**	532	650	355	1,348	346	354	356	292
	4,272	**980**	995	1,249	1,048	3,745	1,134	876	894	841

Revenue Analysis

by Mine	2022		2021		Change
($ thousands)	$	%	$	%	$
Candelaria (100%)	**1,317,223**	43	1,591,109	48	(273,886)
Chapada	**477,927**	16	567,386	17	(89,459)
Eagle	**520,472**	17	462,488	14	57,984
Neves-Corvo	**433,486**	14	479,347	14	(45,861)
Zinkgruvan	**292,120**	10	228,435	7	63,685
	3,041,228		3,328,765		(287,537)

Year ended December 31,

by Metal	2022		2021		Change
($ thousands)	$	%	$	%	$
Copper	**1,909,235**	63	2,344,635	70	(435,400)
Zinc	**371,822**	12	305,432	9	66,390
Gold	**227,616**	7	249,176	7	(21,560)
Nickel	**379,790**	12	276,446	8	103,344
Lead	**60,624**	2	46,314	1	14,310
Silver	**41,958**	1	39,179	1	2,779
Other	**50,183**	3	67,583	4	(17,400)
	3,041,228		3,328,765		(287,537)

Revenue for the year ended December 31, 2022 amounted to $3,041.2 million which was lower in comparison to the prior year as a result of lower realized copper metal prices ($360.6 million) partially offset by higher nickel price.

Revenue from gold and silver for the year ended December 31, 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 the copper sold under the streams.

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.

The Company is also subject to customer counterparty risks and concentration risk associated with trade receivables. The Company transacts with credit-worthy customers to minimize credit risk and if necessary, employs pre-payment arrangements and the use of letters of credit, where appropriate, but cannot always be assured of the solvency of its customers over time. In addition, four customers represent a significant portion of the Company's sales and are expected to continue to account for a significant portion of the Company's sales in the future. The Company may be susceptible to an impact on financial returns as a result of the fact that its sales are concentrated on a limited number of customers and, in some cases, on a long-term contract basis. There is a risk that a customer reducing its overall purchases or otherwise seeking to materially change the terms of the business relationship at any time could adversely affect the Company's business, financial condition, and operational results.

Provisionally Valued Revenue as of December 31, 2022

Metal	Payable metal	Valued at
Copper	89,887 t	$3.79 /lb
Zinc	36,350 t	$1.35 /lb
Gold	39 koz	$1,823 /oz
Nickel	4,939 t	$13.60 /lb

Full-Year Reconciliation of Realized Prices

	Year ended December 31, 2022				
($ thousands)	Copper	Zinc	Gold	Nickel	Total
Current period sales[1]	1,993,596	425,801	263,304	388,027	3,070,728
Prior period price adjustments	15,444	13,818	1,333	(1,509)	29,086
	2,009,040	439,619	264,637	386,518	3,099,814
Other metal sales					223,683
Copper stream cash effect					(23,520)
Gold stream cash effect					(75,868)
Less: Treatment & refining charges					(182,881)
Total Revenue					**3,041,228**
Payable Metal	**242,894 t**	**132,650 t**	**148 koz**	**14,427 t**	
Current period sales[1,2]	$3.72	$1.46	$1,775	$12.20	
Prior period adjustments[2]	0.03	0.04	9	(0.05)	
Realized prices[2, 3]	$3.75 /lb	$1.50 /lb	$1,784 /oz	$12.15 /lb	

	Year ended December 31, 2021				
	Copper	Zinc	Gold	Nickel	Total
Current period sales[1]	2,394,066	368,193	282,876	283,755	3,328,890
Prior period price adjustments	41,932	1,545	(4,451)	(2,742)	36,284
	2,435,998	369,738	278,425	281,013	3,365,174
Other metal sales					233,037
Copper stream cash effect					(17,485)
Gold stream cash effect					(80,832)
Less: Treatment & refining charges					(171,129)
Total Revenue					**3,328,765**
Payable Metal	**250,282 t**	**117,678 t**	**157 koz**	**15,012 t**	
Current period sales[1,2]	$4.34	$1.42	$1,802	$8.57	
Prior period adjustments[2]	0.07	0.01	(28)	(0.08)	
Realized prices[2, 3]	$4.41 /lb	$1.43 /lb	$1,774 /oz	$8.49 /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 2022 is $3.71/lb (2021: $4.38/lb). The realized price for gold inclusive of the impact of streaming agreements for 2022 is $1,273/oz (2021: $1,259/oz).

Annual Financial Results

Production Costs

Production costs for the year ended December 31, 2022 amounted to $1,661.4 million and were higher by $290.1 million over the prior year. These production cost increases were as a result of higher consumable costs primarily at Candelaria, Chapada and Neves-Corvo due to inflationary increases and bonuses paid resulting from early successful union negotiations at Candelaria, partially offset by the effects of favourable foreign exchange. In addition, a non-cash write-down of long-term ore stockpile inventory at Chapada of $62.5 million was recognized during the year ended December 31, 2022 (2021 - $65.0 million)

Depreciation, Depletion and Amortization

Depreciation, depletion and amortization expense for the year ended December 31, 2022 increased, primarily attributable to higher depreciation reported at Neves-Corvo with the start-up of ZEP.

Depreciation, depletion & amortization	**Year ended December 31,**		
($ thousands)	**2022**	2021	Change
Candelaria	**284,259**	289,090	(4,831)
Chapada	**49,865**	46,097	3,768
Eagle	**79,523**	81,493	(1,970)
Josemaria	**633**	—	633
Neves-Corvo	**101,807**	63,168	38,639
Zinkgruvan	**36,739**	41,114	(4,375)
Other	**1,924**	1,802	122
	554,750	522,764	31,986

General Exploration and Business Development

Total general exploration and business development expenses for the year ended December 31, 2022 were higher than the prior year primarily due to project development costs related to the Josemaria Project. Project costs for engineering, drilling costs and other project related costs were $107.3 million for 2022. Josemaria Project costs were capitalized beginning in the fourth quarter of 2022. Current year exploration costs were consistent with the prior year. During 2022, exploration costs were spent primarily on in-mine and near-mine targets at the Company's operations. Exploration drilling at Chapada was primarily focused on expansion of the Saúva discovery located approximately 15km from the mine.

Income from Equity Investment in Associate

Income from equity investment in associate has decreased during the current year 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 $18.8 million received in 2022 (2021 - $32.2 million).

Other Income

Net other income for the year ended December 31, 2022 was higher than the prior year due to foreign exchange and trading gains on equity investments of $93.1 million and unrealized gain on revaluation of hedges of $63.0 million. Additionally, included in other expense was $63.3 million remediation expense related to the sinkhole near the Alcaparrosa mine in Chile. Approximately, $20.4 million was paid during the year related to the remediation expense.

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 December 31, 2022 were:

	December 31, 2022	December 31, 2021
Brazilian Real (USD:BRL)	**5.22**	5.58
Chilean Peso (USD:CLP)	**860**	845
Euro (USD:€)	**0.94**	0.88
Swedish Kronor (USD:SEK)	**10.44**	9.04
Argentine Peso (USD:ARS)	**177**	115[a]

a. Argentine Peso as at April 28, 2022.

Income Taxes

Income tax expense (recovery)	**Year ended December 31,**		
($ thousands)	**2022**	2021	Change
Candelaria	**85,270**	222,318	(137,048)
Chapada	**(27,840)**	72,451	(100,291)
Eagle	**28,458**	33,808	(5,350)
Josemaria	**—**	—	—
Neves-Corvo	**(3,898)**	22,732	(26,630)
Zinkgruvan	**34,413**	13,251	21,162
Other	**18,225**	1,126	17,099
	134,628	365,686	(231,058)

Income taxes by classification	**Year ended December 31,**		
($ thousands)	**2022**	2021	Change
Current income tax expense	**149,978**	273,638	(123,660)
Deferred income tax expense (recovery)	**(15,350)**	92,048	(107,398)
	134,628	365,686	(231,058)

Income tax expense for the year ended December 31, 2022 was lower than the prior year primarily due to lower taxable earnings at most sites with the exception of Zinkgruvan. Included in Chapada's income taxes for the year ended December 31, 2022 was $20.7 million recovery recorded for deferred tax on foreign exchange revaluation of non-monetary assets and deferred taxes (2021 – $1.7 million expense).

Included in Neves-Corvo's tax recovery is an investment tax credit of $6.5 million. Other taxes in 2022 include withholding taxes on accrued interest on intercompany debt and distributions from Eagle mine.

Fourth Quarter Financial Results

Gross Profit

Gross profit for the current quarter was $155.2 million, $277.9 million lower than the prior year comparable quarter. The decrease was primarily due to lower overall sales volumes ($148.8 million) as well as lower metal prices net of price adjustments ($75.8 million). Production costs were also higher in the current quarter due to $20.0 million recognized for bonuses resulting from early successful union negotiations at Candelaria (2021 - $7.0 million).

Fourth Quarter Reconciliation of Realized Prices

	Three months ended December 31, 2022				
($ thousands)	**Copper**	**Zinc**	**Gold**	**Nickel**	**Total**
Current period sales[1]	466,626	119,734	68,195	97,457	752,012
Prior period price adjustments	45,098	(7,121)	1,298	35,493	74,768
	511,724	112,613	69,493	132,950	826,780
Other metal sales					57,678
Copper stream cash effect					(5,146)
Gold stream cash effect					(17,318)
Less: Treatment & refining charges					(50,564)
Total Revenue					**811,430**
Payable Metal	**55,507 t**	**37,840 t**	**37 koz**	**3,239 t**	
Current period sales[1,2]	$3.81	$1.44	$1,822	$13.65	
Prior period adjustments[2]	0.37	(0.09)	34	4.97	
Realized prices[2, 3]	$4.18 /lb	$1.35 /lb	$1,856 /oz	$18.62 /lb	

	Three months ended December 31, 2021				
	Copper	**Zinc**	**Gold**	**Nickel**	**Total**
Current period sales[1]	686,208	116,310	78,353	70,659	951,530
Prior period price adjustments	57,679	4,111	95	1,586	63,471
	743,887	120,421	78,448	72,245	1,015,001
Other metal sales					78,830
Copper stream cash effect					(5,874)
Gold stream cash effect					(22,582)
Less: Treatment & refining charges					(46,806)
Total Revenue					**1,018,569**
Payable Metal	**70,887 t**	**33,063 t**	**43 koz**	**3,390 t**	
Current period sales[1,2]	$4.39	$1.60	$1,844	$9.45	
Prior period adjustments[2]	0.37	0.05	2	0.22	
Realized prices[2, 3]	$4.76 /lb	$1.65 /lb	$1,846 /oz	$9.67 /lb	

1. Includes provisional price adjustments on current period sales.
2. This is a non-GAAP measure - see Section "Non-GAAP and Other Performance Measures" of this MD&A for discussion.
3. The realized price for copper inclusive of the impact of streaming agreements for 2022 is $4.14/lb (2021: $4.72/lb). The realized price for gold inclusive of the impact of streaming agreements for 2022 is $1,394/oz (2021: $1,315/oz).

Net Earnings

Net earnings for the quarter ended December 31, 2022 were $145.3 million compared to net earnings of $266.1 million in the prior year comparable quarter. Net earnings were impacted by lower gross profit, partially offset by lower income tax expense ($129.8 million).

Cash Flow from Operations

Cash flow from operations for the current quarter was $156.9 million, compared to the prior year comparable quarter of $384.2 million. The decrease was largely due to lower gross profit before depreciation as well as a comparative negative change in non-cash working capital of $34.8 million partially offset by lower income taxes paid.

Mining Operations

Production Overview

(Contained metal in concentrate)	2022					2021				
	Total	**Q4**	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Copper (t)										
Candelaria (100%)	**152,042**	**34,398**	37,192	40,949	39,503	151,719	45,573	35,929	36,014	34,203
Chapada	**45,739**	**11,306**	13,988	10,345	10,100	52,019	14,870	16,050	11,258	9,841
Eagle	**15,895**	**3,081**	3,994	4,400	4,420	18,419	3,636	4,165	5,227	5,391
Neves-Corvo	**31,906**	**7,160**	7,019	7,867	9,860	37,941	12,100	8,083	10,317	7,441
Zinkgruvan	**4,077**	**607**	1,737	535	1,198	2,786	817	850	641	478
	249,659	**56,552**	63,930	64,096	65,081	262,884	76,996	65,077	63,457	57,354
Zinc (t)										
Neves-Corvo	**82,435**	**24,523**	22,514	20,647	14,751	66,031	18,750	15,909	16,662	14,710
Zinkgruvan	**76,503**	**19,785**	17,813	21,265	17,640	77,766	18,080	22,860	18,171	18,655
	158,938	**44,308**	40,327	41,912	32,391	143,797	36,830	38,769	34,833	33,365
Gold (koz)										
Candelaria (100%)	**86**	**20**	21	23	22	91	26	20	24	21
Chapada	**68**	**16**	24	16	12	76	20	26	17	13
	154	**36**	45	39	34	167	46	46	41	34
Nickel (t)										
Eagle	**17,475**	**4,096**	4,379	4,719	4,281	18,353	4,101	4,124	4,774	5,354
Lead (t)										
Neves-Corvo	**3,306**	**845**	743	925	793	5,419	1,644	1,359	1,343	1,073
Zinkgruvan	**30,517**	**7,619**	7,046	9,124	6,728	22,183	5,427	6,952	5,095	4,709
	33,823	**8,464**	7,789	10,049	7,521	27,602	7,071	8,311	6,438	5,782
Silver (koz)										
Candelaria (100%)	**1,595**	**306**	337	457	495	1,420	481	341	318	280
Chapada	**258**	**65**	75	60	58	257	80	72	55	50
Eagle	**93**	**20**	20	26	27	119	34	30	25	30
Neves-Corvo	**1,383**	**370**	323	346	344	1,636	522	362	407	345
Zinkgruvan	**2,621**	**663**	642	739	577	2,018	483	658	457	420
	5,950	**1,424**	1,397	1,628	1,501	5,450	1,600	1,463	1,262	1,125

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

	Three months ended December 31,		Year ended December 31,	
($ thousands)	**2022**	2021	**2022**	2021
Candelaria				
Production costs	**$207,596**	$154,751	**$697,171**	$580,819
Gross cost	**2.95**	1.75	**2.30**	1.91
By-product[1]	**(0.43)**	(0.44)	**(0.34)**	(0.40)
Cash Cost (Cu, $/lb)	**2.52**	1.31	**1.96**	1.51
AISC (Cu, $/lb)[2]	**4.19**	2.25	**3.22**	2.52
Chapada				
Production costs	**$84,247**	$64,685	**$324,096**	$226,821
Gross cost	**3.23**	2.19	**3.28**	2.22
By-product	**(1.28)**	(1.12)	**(1.20)**	(1.17)
Cash Cost (Cu, $/lb)	**1.95**	1.07	**2.08**	1.05
AISC (Cu, $/lb)	**3.73**	1.75	**3.36**	1.75
Eagle				
Production cost	**$50,581**	$41,080	**$193,003**	$169,508
Gross cost	**6.39**	5.08	**5.21**	4.39
By-product	**(3.99)**	(5.30)	**(4.42)**	(5.63)
Cash Cost (Ni, $/lb)	**2.40**	(0.22)	**0.79**	(1.24)
AISC (Ni, $/lb)	**5.23**	1.43	**3.01**	0.41
Neves-Corvo				
Production costs	**$78,402**	$86,734	**$329,232**	$291,110
Gross cost	**5.82**	3.79	**4.96**	3.75
By-product	**(3.50)**	(2.26)	**(2.69)**	(1.86)
Cash Cost (Cu, $/lb)	**2.32**	1.53	**2.27**	1.89
AISC (Cu, $/lb)	**4.22**	2.59	**3.40**	2.73
Zinkgruvan				
Production costs	**$29,590**	$28,708	**$115,553**	$102,025
Gross cost	**0.98**	0.90	**1.00**	0.95
By-product	**(0.66)**	(0.32)	**(0.68)**	(0.42)
Cash Cost (Zn, $/lb)	**0.32**	0.58	**0.32**	0.53
AISC (Zn, $/lb)	**0.77**	0.94	**0.68**	0.86

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]

	Year ended December 31,							
	2022				2021			
($ thousands)	Sustaining	Expansionary	Capitalized Interest	**Total**	Sustaining	Expansionary	Capitalized Interest	Total
Candelaria	389,731	—	—	**389,731**	312,388	—	—	312,388
Chapada	104,711	—	—	**104,711**	52,275	—	—	52,275
Eagle	16,413	—	—	**16,413**	16,279	—	—	16,279
Josemaria	—	171,094	14	**171,108**	—	—	—	—
Neves-Corvo	71,222	31,899	65	**103,186**	52,552	56,388	336	109,276
Zinkgruvan	48,144	—	—	**48,144**	41,325	—	—	41,325
Other	9,610	—	—	**9,610**	554	—	—	554
	639,831	202,993	79	**842,903**	475,373	56,388	336	532,097

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)

The Candelaria operations consist of an open pit and underground mines providing copper ore to two on-site processing plants located near Copiapó in the Atacama region of Chile, as well as a port facility and desalination plant located approximately 100km from the mine facilities in the town of Caldera. The Company holds an indirect 80% ownership interest in Candelaria with the remaining 20% interest indirectly held by Sumitomo Metal Mining Co., Ltd and Sumitomo Corporation. The plants have a combined processing capacity of 28 million tonnes per annum ("mtpa"), producing copper in concentrate. The primary metal is copper, with gold and silver as by-product metals.

Operating Statistics

	2022					2021				
(100% Basis)	**Total**	**Q4**	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Ore mined (000s tonnes)	**22,666**	**4,993**	6,239	6,362	5,072	23,753	6,998	6,098	5,062	5,595
Ore milled (000s tonnes)	**26,725**	**6,593**	6,642	6,847	6,643	27,849	7,066	6,838	7,012	6,933
Grade										
Copper (%)	**0.62**	**0.57**	0.60	0.64	0.65	0.59	0.69	0.58	0.56	0.53
Gold (g/t)	**0.14**	**0.13**	0.14	0.14	0.14	0.14	0.16	0.13	0.13	0.13
Recovery										
Copper (%)	**92.7**	**92.7**	93.3	93.0	91.9	92.5	93.4	91.8	91.5	93.1
Gold (%)	**73.9**	**74.0**	74.6	73.8	73.0	74.4	72.1	73.8	77.5	74.7
Production (contained metal)										
Copper (tonnes)	**152,042**	**34,398**	37,192	40,949	39,503	151,719	45,573	35,929	36,014	34,203
Gold (000 oz)	**86**	**20**	21	23	22	91	26	20	24	21
Silver (000 oz)	**1,595**	**306**	337	457	495	1,420	481	341	318	280
Revenue ($000s)	**1,317,223**	**342,348**	255,330	261,999	457,546	1,591,109	512,309	326,903	399,907	351,990
Production costs ($000s)	**697,171**	**207,596**	168,602	168,164	152,809	580,819	154,751	140,363	148,764	136,941
Gross profit ($000s)	**335,793**	**69,285**	11,956	17,924	236,628	721,200	275,529	121,007	182,867	141,797
Cash cost ($ per pound copper)	**1.96**	**2.52**	1.97	1.86	1.58	1.51	1.31	1.62	1.52	1.65
AISC ($ per pound copper)	**3.22**	**4.19**	3.34	2.89	2.61	2.52	2.25	2.67	2.61	2.59

Gross Profit

Gross profit for the year ended December 31, 2022 was lower than 2021, largely as a result of lower copper prices and inflationary increases on production costs, partially offset by favourable foreign exchange movements.

Production

Copper production for the year ended December 31, 2022 was higher than the prior year due to higher head grades extracted and processed from Phase 10 of the open pit. Gold production for the year was lower than 2021, impacted by mill throughput due to increased maintenance activities. Annual copper production was slightly below full year guidance, while gold production was at the high end of the guidance range.

On July 30, 2022, a sinkhole formed near the Alcaparrosa mine which is part of the Candelaria district operations. Upon detection the area was immediately isolated. Mining operations at the Alcaparrosa mine remain suspended with minimal impact on full year production results. The status of the sinkhole has not changed materially since detection and the Company has supported ongoing investigations.

Production Costs and Cash Cost

Production costs and copper cash cost for the year ended December 31, 2022 were higher than the prior year, mainly due to higher costs for energy and consumables, partially offset by favourable foreign exchange. Cash cost was higher than guidance as a result of early successful negotiated union bonuses recognized during the fourth quarter of 2022. AISC for the year ended December 31, 2022 were higher than those reported in the prior year due to higher cash cost.

For the year ended December 31, 2022, approximately 55,000 oz of gold and 983,000 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)

The Chapada mine consists of four open pit mines and on-site processing facilities located in the northern Goiás State of Brazil, approximately 270 km northwest of the national capital of Brasilia. The processing plant has a capacity of 24.0 mtpa, producing high-quality gold-rich copper concentrate. The primary metal is copper, with gold and silver as by-product metals.

Operating Statistics

	2022					2021				
(100% Basis)	**Total**	**Q4**	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Ore mined (000s tonnes)	**26,319**	**7,801**	7,404	4,875	6,239	37,294	10,845	11,227	8,725	6,497
Ore milled (000s tonnes)	**22,752**	**5,296**	6,345	5,670	5,441	24,121	5,711	6,435	6,132	5,843
Grade										
Copper (%)	**0.26**	**0.25**	0.28	0.25	0.23	0.27	0.30	0.30	0.25	0.23
Gold (g/t)	**0.16**	**0.16**	0.19	0.17	0.13	0.18	0.17	0.21	0.17	0.15
Recovery										
Copper (%)	**78.6**	**83.4**	78.8	72.9	79.6	80.4	87.0	84.1	75.7	72.1
Gold (%)	**56.0**	**59.5**	58.3	50.6	55.3	56.0	65.9	58.3	52.3	46.2
Production (contained metal)										
Copper (tonnes)	**45,739**	**11,306**	13,988	10,345	10,100	52,019	14,870	16,050	11,258	9,841
Gold (000 oz)	**68**	**16**	24	16	12	76	20	26	17	13
Silver (000 oz)	**258**	**65**	75	60	58	257	80	72	55	50
Revenue ($000s)	**477,927**	**142,328**	118,734	57,260	159,605	567,386	172,699	160,332	148,137	86,218
Production costs ($000s)	**324,096**	**84,247**	88,665	71,507	79,677	226,821	64,685	59,489	63,667	38,980
Gross profit (loss) ($000s)	**41,420**	**(22,522)**	17,851	(22,720)	68,811	229,443	27,833	90,275	72,023	39,312
Cash cost ($ per pound copper)	**2.08**	**1.95**	1.92	2.98	1.82	1.05	1.07	0.62	1.32	1.33
AISC ($ per pound copper)	**3.36**	**3.73**	2.80	5.00	2.56	1.75	1.75	1.36	1.98	2.11

Gross Profit

Gross profit for the year ended December 31, 2022 was lower compared to the prior year largely due to lower copper prices and inflationary increases for production costs, as well as lower sales volumes. Included in gross profit is a non-cash write-down of long-term ore stockpile inventory of $62.5 million to net realizable value.

Production

Copper and gold production for the year ended December 31, 2022 were lower than 2021 due to mine sequencing which affected grades. Delayed access to planned ore sources, primarily as a result of above average rainfall experienced in the first half of 2022, impacted planned waste stripping and mining activities, resulting in lower throughput. Both metals achieved annual production guidance, with gold exceeding the guidance range.

Production Costs and Cash Cost

Production costs were higher than the prior year due to higher consumables prices, including diesel and electricity, and other operating contracts impacted by inflationary increases.

Copper cash cost for the year ended December 31, 2022 was higher than in 2021 due to higher costs for energy and other inputs, combined with lower sales volumes. Full year copper cash cost was better than annual guidance.

AISC was higher compared to the prior year 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 or optimization plans. During the year, approximately 61,200 metres of exploration drilling were completed.

Eagle (USA)

The Eagle mine consists of the Eagle underground mine, located approximately 53 km northwest of Marquette, Michigan, U.S.A. and the Humboldt mill, located 61 km west of Marquette. The plant has a processing capacity of 0.7 mtpa, producing nickel and copper in concentrates. The primary metal is nickel with copper, and minor amounts of cobalt, gold, and platinum-group metals as by-product metals.

Operating Statistics

	2022					2021				
(100% Basis)	**Total**	**Q4**	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Ore mined (000s tonnes)	**718**	**165**	190	181	182	697	165	169	177	186
Ore milled (000s tonnes)	**718**	**170**	187	182	179	699	167	166	180	186
Grade										
Nickel (%)	**2.8**	**2.7**	2.7	3.0	2.8	3.1	2.9	3.0	3.2	3.3
Copper (%)	**2.3**	**1.9**	2.2	2.5	2.5	2.7	2.2	2.6	3.0	3.0
Recovery										
Nickel (%)	**86.6**	**88.6**	85.5	87.3	85.3	84.1	83.6	82.4	83.9	86.1
Copper (%)	**97.2**	**96.8**	96.5	97.7	97.6	97.3	96.8	97.4	97.2	97.5
Production (contained metal)										
Nickel (tonnes)	**17,475**	**4,096**	4,379	4,719	4,281	18,353	4,101	4,124	4,774	5,354
Copper (tonnes)	**15,895**	**3,081**	3,994	4,400	4,420	18,419	3,636	4,165	5,227	5,391
Revenue ($000s)	**520,472**	**157,060**	106,715	106,828	149,869	462,488	108,416	101,311	133,893	118,868
Production costs ($000s)	**193,003**	**50,581**	47,736	55,128	39,558	169,508	41,080	39,641	48,527	40,260
Gross profit ($000s)	**247,946**	**87,359**	37,329	29,796	93,462	211,487	48,203	42,752	62,228	58,304
Cash cost ($ per pound nickel)	**0.79**	**2.40**	1.05	0.90	(1.25)	(1.24)	(0.22)	(0.80)	(2.01)	(1.62)
AISC ($ per pound nickel)	**3.01**	**5.23**	2.77	2.93	1.19	0.41	1.43	0.93	(0.23)	(0.17)

Gross Profit

Gross profit for the year ended December 31, 2022 was higher than the prior year due primarily to higher nickel prices.

Production

Nickel and copper production for the year were lower than the prior year, due to planned lower grades. 2022 full year production guidance was achieved for both nickel and copper.

Production Costs and Cash Cost

Production costs for the year ended December 31, 2022 were $23.5 million higher than the prior year due to higher costs for energy and consumables.

Nickel cash cost for the year ended December 31, 2022 was higher than the prior year and annual guidance, primarily due to lower by-product copper prices, combined with inflationary increases on operating costs and lower sales volumes.

AISC for the year ended December 31, 2022, were higher than the prior year largely as a result of higher cash cost, as well as higher royalties and amortization related to reclamation and other closure provisions assets.

Neves-Corvo (Portugal)

Neves-Corvo is located 200 km southeast of Lisbon, Portugal, in the western part of the Iberian Pyrite Belt and consists of an underground mine and on-site processing facilities. The copper plant has a processing capacity of up to 2.8 mtpa, producing copper in concentrate, and the zinc plant is ramping up to an expanded capacity of 2.5 mtpa producing zinc and lead concentrates. The primary metal is copper, with zinc, lead and silver as by-product metals.

Operating Statistics

	2022					2021				
(100% Basis)	**Total**	**Q4**	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
tonnes)	**2,501**	**611**	598	610	682	2,573	716	580	646	631
Ore mined, zinc (000s tonnes)	**1,632**	**462**	447	426	297	1,062	278	251	275	258
tonnes)	**2,499**	**607**	596	606	690	2,564	724	565	655	620
Ore milled, zinc (000s tonnes)	**1,633**	**465**	449	420	299	1,060	284	242	280	254
Grade										
Copper (%)	**1.7**	**1.6**	1.6	1.7	1.8	1.9	2.1	1.8	1.9	1.5
Zinc (%)	**6.9**	**6.9**	6.9	6.9	7.0	7.8	8.1	8.2	7.5	7.4
Recovery										
Copper (%)	**76.1**	**75.1**	73.0	77.0	78.7	79.6	78.9	77.8	81.7	80.0
Zinc (%)	**70.2**	**74.3**	70.3	68.4	66.1	76.6	76.4	76.5	77.5	76.0
Production (contained metal)										
Copper (tonnes)	**31,906**	**7,160**	7,019	7,867	9,860	37,941	12,100	8,083	10,317	7,441
Zinc (tonnes)	**82,435**	**24,523**	22,514	20,647	14,751	66,031	18,750	15,909	16,662	14,710
Lead (tonnes)	**3,306**	**845**	743	925	793	5,419	1,644	1,359	1,343	1,073
Silver (000 oz)	**1,383**	**370**	323	346	344	1,636	522	362	407	345
Revenue ($000s)	**433,486**	**102,516**	102,865	93,538	134,567	479,347	156,008	108,083	134,496	80,760
Production costs ($000s)	**329,232**	**78,402**	94,572	77,788	78,470	291,110	86,734	69,831	73,846	60,699
Gross profit (loss) ($000s)	**2,447**	**(7,570)**	(17,006)	(8,229)	35,252	125,069	51,851	22,313	44,085	6,820
Cash cost ($ per pound copper)	**2.27**	**2.32**	2.69	2.39	1.70	1.89	1.53	2.05	1.65	2.61
AISC ($ per pound copper)	**3.40**	**4.22**	3.51	3.14	2.92	2.73	2.59	2.86	2.34	3.38

Gross Profit

Gross profit for the year ended December 31, 2022, was lower than 2021 due to higher costs for energy and consumables and lower copper price. Higher costs were partially offset by favourable foreign exchange movements.

Production

Copper production for the year ended December 31, 2022, was lower than the prior year and annual guidance due to lower grades and recoveries. Full year zinc production was better than the prior year, due to higher throughput related to the increased production from ZEP.

On March 30, 2022 and September 30, 2022, two independent fatalities occurred during underground mining operations. The Company voluntarily suspended operations temporarily following the incidents and initiated internal investigations and continues to cooperate with all relevant authorities.

Production Costs and Cash Cost

Production costs for the year ended December 31, 2022, were higher than the prior year, largely as a result of inflationary cost increases, in particular electricity, partially offset by favourable foreign exchange.

Copper cash cost for the year was higher than annual guidance and the prior year due to higher production costs and lower sales volumes.

AISC for the year ended December 31, 2022, were higher than the prior year due to higher cash cost and higher capital expenditures.

Projects

ZEP production ramp-up continues, although it has experienced some impacts due to ore availability from newly developed mining areas. The slower than anticipated ramp up of the Neves-Corvo ZEP achieved in 2022 will necessitate further operational improvement in 2023, 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 $32.0 million of expansionary capital expenditures was spent in 2022.

Zinkgruvan (Sweden)

The Zinkgruvan mine consists of an underground mine and on-site processing facilities, located approximately 200 km southwest of Stockholm, Sweden. The plant has processing capacity of 1.6 mtpa. Products are zinc, lead and copper concentrates. The primary metal is zinc, with lead, silver and copper as by-products.

Operating Statistics

	2022					2021				
(100% Basis)	**Total**	**Q4**	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Ore mined, zinc (000s tonnes)	**1,209**	**325**	260	298	326	1,200	295	279	298	328
Ore mined, copper (000s tonnes)	**192**	**48**	61	38	45	201	26	66	66	43
Ore milled, zinc (000s tonnes)	**1,234**	**309**	293	327	305	1,181	291	289	267	334
Ore milled, copper (000s tonnes)	**225**	**26**	84	27	88	178	52	52	50	24
Grade										
Zinc (%)	**7.0**	**7.3**	6.9	7.3	6.5	7.4	7.0	8.9	7.6	6.3
Lead (%)	**3.0**	**3.0**	2.9	3.3	2.7	2.4	2.3	3.1	2.4	1.8
Copper (%)	**2.1**	**2.6**	2.4	2.3	1.6	1.8	1.8	1.9	1.5	2.2
Recovery										
Zinc (%)	**88.4**	**88.3**	87.5	89.1	88.7	88.9	88.5	89.1	89.1	88.8
Lead (%)	**82.4**	**82.2**	82.5	83.1	81.7	78.3	80.8	77.4	78.7	76.5
Copper (%)	**87.1**	**89.0**	86.1	87.7	87.3	87.5	87.5	88.5	85.0	89.5
Production (contained metal)										
Zinc (tonnes)	**76,503**	**19,785**	17,813	21,265	17,640	77,766	18,080	22,860	18,171	18,655
Lead (tonnes)	**30,517**	**7,619**	7,046	9,124	6,728	22,183	5,427	6,952	5,095	4,709
Copper (tonnes)	**4,077**	**607**	1,737	535	1,198	2,786	817	850	641	478
Silver (000 oz)	**2,621**	**663**	642	739	577	2,018	483	658	457	420
Revenue ($000s)	**292,120**	**67,178**	64,854	70,596	89,492	228,435	69,137	59,765	55,891	43,642
Production costs ($000s)	**115,553**	**29,590**	25,709	29,066	31,188	102,025	28,708	21,885	25,840	25,592
Gross profit ($000s)	**139,828**	**29,800**	33,703	30,500	45,825	85,296	29,249	28,630	20,100	7,317
Cash cost ($ per pound)	**0.32**	**0.32**	0.18	0.44	0.27	0.53	0.58	0.32	0.42	0.76
AISC ($ per pound)	**0.68**	**0.77**	0.50	0.82	0.57	0.86	0.94	0.61	0.76	1.10

Gross Profit

Gross profit for the year ended December 31, 2022, was higher than the prior year due to higher sales volumes, higher zinc prices, net of price adjustments, and favourable foreign exchange.

Production

Zinc production for the year ended December 31, 2022, was below the prior year production and annual guidance, due to lower grades impacted by mine sequencing. Current annual copper production exceeded guidance and 2021 production due to higher mill throughput and grades. Lead production for the year was higher than the prior year due to higher grades.

Production Costs and Cash Cost

Production costs for the year ended December 31, 2022, were higher than the prior year due to inflationary increases on input costs and higher production volumes, partially offset by favourable foreign exchange.

Zinc cash cost for the year ended December 31, 2022, was better than annual guidance and the prior year cash cost, due to higher by-products credits and favourable foreign exchange movements.

AISC for the year were lower than the prior year 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.

Project Development

The Josemaria Project is a large-scale copper-gold-silver project. 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 project engineering design. Plant engineering, including procurement of long lead equipment, is underway and engineering was at 38% complete as at December 31, 2022. Early works continues onsite mainly with the preparation of platforms for the camp, commissioning of additional fuel storage and kitchen expansion at the existing Batidero camp. Pre-construction early works including internal access roads and completion of Phase 1 of the new camp were also well advanced. Work continues on permitting and the EIA for the new power line was submitted. Agreements continue to progress on power supply, concentrate logistics, infrastructure funding and a project construction union agreement.

Annual guidance for the Project was $300.0 million in 2022, including engineering, long-lead equipment, pre-construction activities, owner's costs and drilling. In 2022, the Company spent $237.4 million, inclusive of foreign exchange and trading gains on equity investments, of which $171.1 million was recorded as capital expenditure and has entered into approximately $122.0 million of non-cancellable commitments. Substantially all project costs related to the Josemaria Project were capitalized beginning in the fourth quarter of 2022.

Josemaria Mineral Resources and Mineral Reserves remain unchanged since the 2020 estimates. Subsequent to the 2020 estimate cut-off date, approximately 30,600 metres of drilling have been completed through the end of 2022, which will be incorporated into future Mineral Resource and Reserve estimates. Testing and modelling work continues, which will also be incorporated into the updated estimate.

Metal Prices, LME Inventories and Smelter Treatment and Refining Charges

The average metal prices for zinc and nickel were higher in 2022 compared to 2021, while the average metal price for copper was lower over the same period. The average gold price was unchanged in 2021 and 2022. The average prices during the fourth quarter for copper and nickel were 3% and 15% higher, respectively, than the average prices of the third quarter of 2022. The average price of zinc during the fourth quarter of 2022 was 8% lower than the average price in the third quarter of 2022, and the price of gold was essentially unchanged. All metal prices, with the exception of nickel, were lower in the current quarter compared to the prior year comparable quarter.

		Three months ended December 31,			Year ended December 31,		
(Average LME Price)		**2022**	2021	Change	**2022**	2021	Change
Copper	US$/pound	**3.63**	4.40	-18%	**3.99**	4.23	-6%
	US$/tonne	**8,001**	9,699		**8,797**	9,317	
Zinc	US$/pound	**1.36**	1.53	-11%	**1.58**	1.36	16%
	US$/tonne	**3,001**	3,364		**3,478**	3,007	
Gold	US$/ounce	**1,726**	1,795	-4%	**1,800**	1,799	—%
Nickel	US$/pound	**11.47**	8.99	28%	**11.61**	8.39	38%
	US$/tonne	**25,292**	19,821		**25,604**	18,488	

The LME inventory for zinc and nickel decreased during 2022 and ended the year 84% and 46% lower respectively, than the closing levels of 2021. The LME inventory for copper remained unchanged.

During the first four months 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 January of $53 per dmt of concentrate and a spot RC of $0.053 per lb of payable copper to a spot TC of $77 per dmt of concentrate and a spot RC of $0.077 per lb of payable copper during April 2022. Starting in May, with slightly decreased supply, the spot TC's and copper RC's started to decrease from an average spot TC during May of $74 per dmt of concentrate and a spot RC of $0.074 per lb of payable copper to a spot TC of $53 per dmt of concentrate and a spot RC of $0.053 per lb of payable copper during July 2022. During the remainder of the year the spot TC increased from an August level of $58 per dmt of concentrates and a spot RC of $0.058 per lb payable copper, peaking at a spot TC of $80 per dmt of concentrates and a spot RC of $0.08 per lb payable copper in November 2022, before dropping to a spot TC of $76 per dmt of concentrates and a spot RC of $0.076 per lb payable copper in December 2022.

The Chinese smelter buying terms followed the same trend as above, starting the year from a spot TC of $63 per dmt of concentrates and a spot RC of $0.063 per lb payable copper and finishing the year at a spot TC of $87 per dmt of concentrates and a spot RC of $0.087 per lb payable copper.

The terms for annual contracts for copper concentrates for 2023 were reached in November 2022 at a TC of $88 per dmt with a RC of $0.088 per payable lb of copper. This represents an improvement for the smelters compared to the 2022 annual terms at a TC of $65.00 per dmt of concentrates and a RC of $0.065 per payable lb of copper.

The spot TC, delivered China, for zinc concentrates increased steadily during the first four months of 2022, ranging between $115 per dmt, flat, at the beginning of the year to $260 per dmt, flat, by the end of April. After gradually decreasing down to $189 per dmt, flat in July 2022, the spot TC again increased through the balance of the year, ending at $275 per dmt, flat. The TC for annual contracts for 2022 was settled at $230 per dmt of concentrates, with an upscale price escalator of 5% from a price basis of $3,800 per mt zinc without de-escalator, and represented an improvement of approximately $71 per dmt concentrates in favour of the smelters compared to the prior year. The negotiation of annual terms for 2023 are not expected to be completed until the end of the first quarter of 2023.

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 December 31, 2022, the Company had cash and cash equivalents of $191.4 million. The Company continues to expect to be able to fund all its contractual commitments with its operating cash flow, cash on hand and available capital resources.

Cash flow from operations for the year ended December 31, 2022 amounted to $876.9 million and was $608.1 million lower than the prior year as a result of lower gross profit before depreciation of $572.9 million, a lower comparative change in non-cash working capital, increase in Josemaria costs partially offset by lower cash taxes paid.

Cash flow used in investing activities for the year ended December 31, 2022 amounted to $1,013.4 million and was higher compared to the prior year due to higher capital investments, particularly deferred stripping. During the second quarter of 2022, $126.4 million was used for the acquisition of Josemaria Resources.

During the current year, the Company used $251.6 million in financing activities which was lower than the cash used in 2021. This was primarily as a result of higher net proceeds from debt used to fund the Josemaria Project.

Capital Resources

As at December 31, 2022, the Company had $170.2 million of debt and $27.2 million of lease liabilities outstanding.

The Company has a revolving Credit Facility of $1,750.0 million (2021 - $800.0 million with a $200.0 million accordion option), maturing in April 2027. As at December 31, 2022, $13.7 million was outstanding (2021 - $nil). 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% depending on the Company's net leverage ratio. The Credit Facility is subject to customary covenants. Subsequent to year end the Company drew down an additional $25.0 million on the Credit Facility, and received commitments from the lenders to, upon completion and execution of the first amendment to the fourth amended and restated credit agreement, extend the term by one year to April 2028 and reduce the credit spread adjustment.

The Company also has an equipment financing line of credit of $26.7 million (€25.0 million) with an outstanding balance of $2.4 million at December 31, 2022 (2021 - $5.1 million). The Company also has a commercial paper program which matures in May 2025 in the amount of $26.7 million (€25.0 million). The program bears interest rates at EURIBOR+0.50%. As at December 31, 2022, the full amount of the program was drawn (2021 - $nil). As at December 31, 2022, the Company had outstanding unsecured term loans of $127.4 million with interest rates between 5.32% to 6.13% and maturity dates ranging from January 5, 2023 to December 20, 2023. Subsequent to year end the Company obtained additional unsecured term loans totalling $34.6 million.

The Company purchased approximately 10.8 million shares under its NCIB for total consideration of $59.4 million during the year ended December 31, 2022 (2021 - 4.5 million shares, $40.7 million consideration). All of the common shares purchased have been cancelled.

The Company renewed its NCIB which allows the Company to purchase up to 65,313,173 common shares over a twelve month period commencing December 9, 2022. In addition, the Company entered into an automatic share purchase plan with its designated broker to allow for the purchase of common shares at times when the Company ordinarily would not be active in the market due to trading blackout periods, insider trading rules or otherwise.

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 Consolidated Financial Statements.

The development of the Josemaria Project requires significant capital commitments from the Company, and additional funding, beyond debt, may be required to advance the project to completion. Such additional funding may take the form of a partnership, joint venture, royalty, stream or other arrangement (or combination of the foregoing) for the Josemaria Project, any of which would dilute the Company's existing interest in the Josemaria Project. The Company may also be required or elect to pursue equity financing, which could have a dilutive effect on existing security holders if shares, options, warrants or other convertible securities are issued.

The Company's ability to obtain additional financing for the Josemaria Project in the future will depend, in part, on prevailing capital market conditions and the Company's financial performance. Failure to secure adequate financing on a timely basis may cause the Company to postpone, abandon, reduce or terminate its development activities in respect of the Josemaria Project and could have a material adverse effect on the Company's business, results of operations and financial condition.

In addition, the Company's exploration, acquisition, development and operational activities generally require significant investment of resources and capital. The Company allocates such resources and capital to support business objectives, and the availability of required resources and capital is subject to market conditions and the Company's financial position.

The Company has limited financial resources and there is no assurance that sufficient additional funding or financing will be available to the Company or its direct and indirect subsidiaries on acceptable terms, or at all, for further exploration or development of its properties, including the development of the Josemaria Project, or to fulfill its obligations under any applicable agreements.

The Company may incur substantial debt from time to time to finance working capital, capital expenditures (such as to advance the Josemaria Project), investments or acquisitions or for other purposes. If the Company does so, the risks related to the Company's indebtedness could intensify, including, among other things: substantial interest and capital payments; increased difficulty in satisfying existing debt obligations; limitations on the ability to obtain additional financing, or imposed requirements to make non-strategic divestitures; imposed hedging requirements; explicit or implicit restrictions on the Company's cash flows for capital investment, dividends or distributions, opportunistic acquisitions and other business needs; increased vulnerability to general adverse economic and industry conditions; interest rate risk exposure as borrowings may be at variable rates of interest; decreased flexibility in planning for and reacting to changes in the industry in which it competes; reduced competitiveness as compared to less leveraged competitors; and increased cost of additional borrowing.

The terms of the Credit Agreement require the Company to satisfy various affirmative and negative covenants and to meet certain financial ratios and tests. These covenants limit, among other things, the Company's ability to incur further indebtedness if doing so would cause it to fail to meet certain financial covenants, create certain liens on assets or engage in certain types of transactions. A failure to comply with these covenants, including a failure to meet the financial tests or ratios, would likely result in an event of default under the Credit Agreement and would allow the lenders to restrict future loans or accelerate the debt, which could materially and adversely affect the Company's business, financial condition and results of operations, its ability to meet payment obligations under its debt and the price of its common shares.

The Company may issue additional securities to raise funds, to pay for acquisitions or for other reasons. The Company cannot predict the size of future issuances of securities or the effect, if any, that future issuances and sales of securities will have on the market price of common shares. Sales or issuances of substantial numbers of common shares, or the expectation that such sales could occur, may adversely affect prevailing market prices of the Company's common shares. In connection with any issuance of common shares, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per share.

The Company is exposed to various counterparty risks including, among others: financial institutions that hold the Company's cash; companies that have payables to the Company, including concentrate customers; the Company's insurance providers; the Company's lenders and other banking counterparties; companies that have received deposits from the Company for the future delivery of equipment; third parties that have agreed to indemnify the Company upon the occurrence of certain events; and joint venture/operations partners.

The Company maintains relationships with various banking partners for its operating activities in the jurisdictions in which the Company operates. The Company's access to funds under its credit facilities or other debt arrangements is dependent on the ability of the financial institutions that are counterparties to the facilities to meet their funding commitments. Default by financial institutions could require the Company to take measures to conserve cash until the markets stabilize or until alternative credit or other funding arrangements for the Company's business needs can be obtained.

Contractual Obligations, Commitments and Contingencies

The Company has contractual obligations and capital commitments as described in Note 24 "Commitments and Contingencies" in the Company's 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.

The Company has the following contractual obligations and capital commitments as at December 31, 2022:

	Payments due by period[1]			
$ thousands	<1 year	1-5 years	Thereafter	Total
Reclamation and closure provisions	23,550	78,213	588,649	690,412
Long-term debt and lease liabilities	171,282	30,451	1,360	203,093
Capital commitments	382,043	101,694	—	483,737
Defined pension obligations	709	2,474	1,797	4,980
	577,584	212,832	591,806	1,382,222

[1]Reported on an undiscounted basis, before inflation.

From time to time, the Company is involved in legal proceedings that arise in the ordinary course of its business. Additionally, the Company has other commitments and contingencies as discussed in the Company's Consolidated Financial Statements Note 24 "Commitments and Contingencies".

Financial Instruments

During the year, the Company entered into derivative contracts consisting of foreign currency forward contracts and forward option contracts. The option contracts consist of put and call contracts in a collar structure. The Company does not currently utilize financial instruments in hedging metal price or interest rate exposure.

For a detailed discussion of the Company's financial instruments refer to Note 23 of the Company's Consolidated Financial Statements.

Market and Liquidity Risks and Sensitivities

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

Commodity prices, primarily copper, zinc, gold and nickel are key performance drivers and fluctuations in the prices of these commodities can have a dramatic effect on the results of operations. Prices can fluctuate widely and are affected by numerous factors beyond the Company's control. The prices of metals are influenced by supply and demand, exchange rates, interest rates and interest rate expectations, inflation or deflation and expectations with respect to inflation or deflation, speculative activities, changes in global economies, and geopolitical, social and other factors. The supply of metals consists of a combination of new mine production, recycling and existing stocks held by governments, producers and consumers.

If market prices for metals fall below the Company's full production costs and remain at such levels for any sustained period of time, the Company may experience losses and may decide to discontinue mining operations or development of a project at one or more of its properties. If the prices drop significantly, the economic prospects of the mines and projects in which the Company has an interest could be significantly reduced or rendered uneconomic, in which case the Company may need to restate its Mineral Resource and Mineral Reserve estimates. Low metal prices will affect the Company's liquidity, and if they persist for an extended period of time, the Company may have to look for other sources of cash flow to maintain liquidity until metal prices recover. A sustained and material impact on the Company's liquidity may also impact the Company's ability to comply with financial covenants under its credit facilities.

Foreign Currency Denominated Production Costs

For the year ended December 31, 2022, Candelaria production costs are approximately 55% CLP denominated and Chapada production costs are approximately 80% BRL denominated. Production costs for Eagle, Neves-Corvo and Zinkgruvan are substantially denominated in their functional currencies.

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 December 31, 2022	Change	Effect on Revenue ($millions)
Copper	89,887 t	$3.79/lb	+/- 10%	+/- $75.1
Zinc	36,350 t	$1.35/lb	+/- 10%	+/- $10.8
Gold	39 koz	$1,823/oz	+/- 10%	+/- $7.1
Nickel	4,939 t	$13.60/lb	+/- 10%	+/- $14.8

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 26 of the Company's December 31, 2022 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 December 31, 2022 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 (Debt) Cash

Net (debt) 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 (debt) cash is a useful indicator to some investors to evaluate the Company's financial position. Net (debt) cash is defined as cash and cash equivalents, less debt and lease liabilities, excluding deferred financing fees and can be reconciled as follows:

($thousands)	**December 31, 2022**	December 31, 2021	December 31, 2020
Cash and cash equivalents	**191,387**	594,069	141,447
Current portion of total debt and lease liabilities	**(170,149)**	(14,617)	(116,942)
Debt and lease liabilities	**(27,179)**	(16,386)	(86,106)
	(197,328)	(31,003)	(203,048)
Deferred financing fees (netted in above)	**(4,926)**	—	(1,622)
	(202,254)	(31,003)	(204,670)
Net (debt) cash	**(10,867)**	563,066	(63,223)

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:

	Year ended December 31,		
($thousands, except share and per share amounts)	**2022**	2021	2020
Cash provided by operating activities	**876,889**	1,484,954	565,888
Changes in non-cash working capital items	**116,056**	2,136	78,714
Adjusted operating cash flow	**992,945**	1,487,090	644,602
Basic weighted average number of shares outstanding	**762,518,753**	736,789,666	734,074,514
Adjusted operating cash flow per share	**1.30**	2.02	0.88

	Three months ended December 31,	
($thousands, except share and per share amounts)	**2022**	2021
Cash provided by operating activities	**156,890**	384,177
Changes in non-cash working capital items	**132,167**	97,326
Adjusted operating cash flow	**289,057**	481,503
Basic weighted average number of shares outstanding	**770,804,446**	735,233,287
Adjusted operating cash flow per share	**0.38**	0.65

Free Cash Flow from Operations and Free Cash Flow

The Company believes free cash flow from operations and free cash flow are relevant measures for investors. Free cash flow from operations is indicative of the Company's ability to generate cash from operations, after consideration of required sustaining capital expenditures necessary to maintain operations. Free cash flow is a relevant measure for some investors, as it is indicative of the Company's available cash generated.

Free cash flow from operations is defined as cash flow provided by operating activities, excluding exploration and project investigation costs and less sustaining capital expenditures. Free cash flow is defined as free cash flow from operations less expansionary capex and exploration and project investigation costs.

The Company has redefined free cash flow so that it encompasses all capital expenditures, including both sustaining and expansionary, to more fully represent available cash generation.

	Year ended December 31,		
($thousands)	**2022**	2021	2020
Cash provided by operating activities	**876,889**	1,484,954	565,888
Sustaining capital expenditures	**(639,831)**	(475,373)	(366,501)
General exploration and business development	**144,353**	44,938	44,212
Free cash flow from operations	**381,411**	1,054,519	243,599
General exploration and business development	**(144,353)**	(44,938)	(44,212)
Expansionary capital expenditures	**(202,993)**	(56,388)	(63,440)
Free cash flow	**34,065**	953,193	135,947

	Three months ended December 31,	
($thousands)	**2022**	2021
Cash provided by operating activities	**156,890**	384,177
General exploration and business development	**12,094**	8,628
Sustaining capital expenditures	**(204,686)**	(136,560)
Free cash flow from operations	**(35,702)**	256,245
General exploration and business development	**(12,094)**	(8,628)
Expansionary capital expenditures	**(76,485)**	(17,358)
Free cash flow	**(124,281)**	230,259

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:

	Year ended December 31,		
($thousands)	**2022**	2021	2020
Net earnings	**463,533**	879,301	189,057
Add back:			
Depreciation, depletion and amortization	**554,750**	522,764	447,474
Finance income and costs	**64,185**	41,387	46,624
Income taxes	**134,628**	365,686	152,421
	1,217,096	1,809,138	835,576
Unrealized foreign exchange	**21,164**	27,648	(12,582)
Unrealized (gain) loss of derivative asset and liability	**(58,691)**	3,836	21,812
Income from investment in associates	**(3,297)**	(24,895)	(3,302)
Gain on disposal of subsidiary	**(16,828)**	—	—
Sinkhole costs	**63,271**	—	—
Ore stockpile inventory write-down	**62,546**	65,025	—
Business interruption insurance settlement	**—**	(16,000)	—
Project standby and suspension costs	**—**	—	10,043
Labour action costs	**—**	—	5,133
Other	**7,245**	4,664	189
Total adjustments - EBITDA	**75,410**	60,278	21,293
Adjusted EBITDA	**1,292,506**	1,869,416	856,869

	Three months ended December 31,	
($thousands)	**2022**	2021
Net earnings	**145,295**	266,070
Add back:		
Depreciation, depletion and amortization	**142,710**	145,367
Finance income and costs	**16,664**	11,070
Income taxes	**(2,347)**	127,495
	302,322	550,002
Unrealized foreign exchange	**(3,836)**	24,121
Unrealized (gain) loss of derivative asset and liability	**(59,681)**	4,581
Income from investment in associates	**—**	(2,661)
Sinkhole costs	**55,482**	—
Ore stockpile inventory write-down	**62,546**	65,025
Business interruption insurance settlement	**—**	(16,000)
Other	**(3,117)**	(2,114)
Total adjustments - EBITDA	**51,394**	72,952
Adjusted EBITDA	**353,716**	622,954

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

	Year ended December 31,		
($thousands, except share and per share amounts)	**2022**	2021	2020
Net earnings attributable to Lundin Mining shareholders	**426,851**	780,348	168,798
Add back:			
Total adjustments - EBITDA	**75,410**	60,278	21,293
Tax effect on adjustments	**(797)**	(21,817)	11,886
Deferred tax arising from foreign exchange translation	**(20,733)**	1,730	39,684
Tax asset revaluations	**—**	—	5,675
Prior year tax refund and interest	**—**	—	(19,161)
Other	**2,026**	64	(2,934)
Total adjustments	**55,906**	40,255	56,443
Adjusted earnings	**482,757**	820,603	225,241
Basic weighted average number of shares outstanding	**762,518,753**	736,789,666	734,074,514
Net earnings attributable to Lundin Mining shareholders	**0.56**	1.06	0.23
Total adjustments	**0.07**	0.05	0.08
Adjusted EPS	**0.63**	1.11	0.31

	Three months ended December 31,	
($thousands, except share and per share amounts)	**2022**	2021
Net earnings attributable to Lundin Mining shareholders	**145,562**	228,780
Add back:		
Total adjustments - EBITDA	**51,394**	72,952
Tax effect on adjustments	**8,214**	(19,088)
Deferred tax arising from foreign exchange translation	**(14,469)**	(1,481)
Other	**829**	368
Total adjustments	**45,967**	52,751
Adjusted earnings	**191,529**	281,531
Basic weighted average number of shares outstanding	**770,804,446**	735,233,287
Net earnings attributable to Lundin Mining shareholders	**0.19**	0.31
Total adjustments	**0.06**	0.07
Adjusted EPS	**0.25**	0.38

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 December 31, 2022						
Operations	**Candelaria**	**Chapada**	**Eagle**	**Neves-Corvo**	**Zinkgruvan**	
($000s, unless otherwise noted)	**(Cu)**	**(Cu)**	**(Ni)**	**(Cu)**	**(Zn)**	**Total**
Sales volumes (Contained metal in concentrate):						
Tonnes	33,561	12,037	3,239	6,351	17,635	
Pounds (000s)	73,990	26,537	7,141	14,001	38,878	
Production costs						450,927
Less: Royalties and other						(15,664)
						435,263
Deduct: By-product credits						(168,620)
Add: Treatment and refining charges						33,897
Cash cost	186,628	51,782	17,169	32,462	12,499	300,540
Cash cost per pound ($/lb)	**2.52**	**1.95**	**2.40**	**2.32**	**0.32**	
Add: Sustaining capital expenditure	117,174	41,299	5,968	22,086	16,607	
Royalties	—	3,137	9,152	3,185	—	
Reclamation and other closure accretion and depreciation	1,999	1,855	4,403	481	902	
Leases and other	4,360	932	638	835	118	
All-in sustaining cost	310,161	99,005	37,330	59,049	30,126	
AISC per pound ($/lb)	**4.19**	**3.73**	**5.23**	**4.22**	**0.77**	

Three months ended December 31, 2021						
Operations	**Candelaria**	**Chapada**	**Eagle**	**Neves-Corvo**	**Zinkgruvan**	
($000s, unless otherwise noted)	**(Cu)**	**(Cu)**	**(Ni)**	**(Cu)**	**(Zn)**	**Total**
Sales volumes (Contained metal in concentrate):						
Tonnes	43,417	13,628	3,390	10,668	18,005	
Pounds (000s)	95,718	30,044	7,474	23,519	39,694	
Production costs						375,007
Less: Royalties and other						(15,192)
						359,815
Deduct: By-product credits						(180,394)
Add: Treatment and refining charges						35,963
Cash cost	125,630	32,255	(1,623)	36,065	23,057	215,384
Cash cost per pound ($/lb)	**1.31**	**1.07**	**(0.22)**	**1.53**	**0.58**	
Add: Sustaining capital expenditure	85,747	14,419	3,865	19,204	13,013	
Royalties	—	4,061	6,307	4,280	—	
Reclamation and other closure accretion and depreciation	1,961	859	1,841	528	993	
Leases and other	1,867	980	304	734	275	
All-in sustaining cost	215,205	52,574	10,694	60,811	37,338	
AISC per pound ($/lb)	**2.25**	**1.75**	**1.43**	**2.59**	**0.94**	

Twelve months ended December 31, 2022						
Operations	**Candelaria**	**Chapada**	**Eagle**	**Neves-Corvo**	**Zinkgruvan**	
($000s, unless otherwise noted)	**(Cu)**	**(Cu)**	**(Ni)**	**(Cu)**	**(Zn)**	**Total**
Sales volumes (Contained metal in concentrate):						
Tonnes	147,251	45,563	14,427	31,592	65,684	
Pounds (000s)	324,633	100,449	31,806	69,648	144,808	
Production costs						1,661,358
Less: Royalties and other						(53,785)
						1,607,573
Deduct: By-product credits						(656,534)
Add: Treatment and refining charges						124,841
Cash cost	637,486	209,238	25,168	158,351	45,637	1,075,880
Cash cost per pound ($/lb)	**1.96**	**2.08**	**0.79**	**2.27**	**0.32**	
Add: Sustaining capital expenditure	389,731	104,711	16,413	71,222	48,144	
Royalties	—	12,298	33,281	4,169	—	
Reclamation and other closure accretion and depreciation	8,001	7,388	18,512	1,562	3,937	
Leases and other	11,313	3,988	2,404	1,404	665	
All-in sustaining cost	1,046,531	337,623	95,778	236,708	98,383	
AISC per pound ($/lb)	**3.22**	**3.36**	**3.01**	**3.40**	**0.68**	

($000s, unless otherwise noted)			**2023 Guidance**		
Cash cost	599,800	263,500	46,100	180,400	90,100
Cash cost per pound($/lb)	**1.80 - 1.95**	**2.55 - 2.75**	**1.50 - 1.65**	**2.10 - 2.30**	**0.60 - 0.65**

Twelve months ended December 31, 2021						
Operations	**Candelaria**	**Chapada**	**Eagle**	**Neves-Corvo**	**Zinkgruvan**	
($000s, unless otherwise noted)	**(Cu)**	**(Cu)**	**(Ni)**	**(Cu)**	**(Zn)**	**Total**
Sales volumes (Contained metal in concentrate):						
Tonnes	148,213	47,123	15,012	36,618	64,056	
Pounds (000s)	326,753	103,888	33,096	80,729	141,219	
Production costs						1,371,253
Less: Royalties and other						(57,887)
						1,313,366
Deduct: By-product credits						(646,950)
Add: Treatment and refining charges						122,330
Cash cost	494,213	108,782	(40,883)	152,416	74,218	788,746
Cash cost per pound ($/lb)	**1.51**	**1.05**	**(1.24)**	**1.89**	**0.53**	
Add: Sustaining capital expenditure	312,388	52,275	16,279	52,552	41,325	
Royalties	—	13,858	28,241	9,856	—	
Reclamation and other closure accretion and depreciation	8,552	3,443	8,138	1,434	4,200	
Leases and other	6,753	3,456	1,772	4,049	1,370	
All-in sustaining cost	821,906	181,814	13,547	220,307	121,113	
AISC per pound ($/lb)	**2.52**	**1.75**	**0.41**	**2.73**	**0.86**	

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.

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, 2022 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 Chief Executive Officer and the Chief Financial Officer, is responsible for the design and operation of DCP. Management has evaluated the effectiveness of the Company’s DCP and has concluded that they were effective as at December 31, 2022.

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”). Management conducted an evaluation of the effectiveness of ICFR and concluded that it was effective as at December 31, 2022.

Changes in ICFR

There have been no changes in the Company’s ICFR during the three months ended December 31, 2022 that have materially affected, or are reasonably likely to materially affect, the Company’s financial reporting.

Outstanding Share Data

As at February 22, 2023, the Company has 770,988,424 common shares issued and outstanding, and 6,646,168 stock options and 1,311,556 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).