



FIRST QUANTUM
MINERALS



MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2021

(In United States dollars, tabular amounts in millions, except where noted)

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First Quantum Minerals Ltd. (“First Quantum” or “the Company”) is engaged in the production of copper, nickel, gold and silver, and related activities including exploration and development. The Company has operating mines located in Zambia, Panama, Finland, Turkey, Spain, Australia and Mauritania, and a development project in Zambia. The Company is progressing the Taca Taca copper-gold-molybdenum project in Argentina and is exploring the Haquira copper deposit in Peru.

The Company’s shares are publicly listed for trading on the Toronto Stock Exchange. The Company has depository receipts listed on the Lusaka Stock Exchange and is in the process of terminating the facility. The termination of the depository receipts will be effective at 5:00pm (Eastern Time) on May 2, 2022.

This Management’s Discussion and Analysis (“MD&A”) should be read in conjunction with the audited consolidated financial statements of First Quantum Minerals Ltd. (“First Quantum” or “the Company”) for the year ended December 31, 2021. The Company’s results have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and are presented in United States dollars, tabular amounts in millions, except where noted.

For further information on First Quantum, reference should be made to its public filings (including its most recently filed Annual Information Form) which are available on SEDAR at www.sedar.com. Information is also available on the Company’s website at www.first-quantum.com. This MD&A contains forward-looking information that is subject to risk factors, see “*Cautionary statement on forward-looking information*” for further discussion. Information on risks associated with investing in the Company’s securities and technical and scientific information under National Instrument 43-101 – *Standards for Disclosure for Mineral Projects* (“NI 43-101”) concerning the Company’s material properties, including information about mineral resources and mineral reserves, are contained in its most recently filed Annual Information Form. This MD&A was prepared as of February 15, 2022.

OVERVIEW

The Company’s operations continued to demonstrate resilience in dealing with the challenges brought about by the COVID-19 pandemic and the new variants as they emerged. The Company continued to maintain strict health and sanitation protocols to minimize transmission and support the government health authorities with the focus on ensuring the health and safety of the workforce and the wider community.

Despite some additional challenges faced in the year, the Company achieved its highest ever annual copper production of 816 thousand tonnes (“kt”), attributable to record-breaking production at Cobre Panama and the resilience of the other operations. This together with higher realized metal prices has led to the Company’s best financial performance to date with sales revenues rising to \$7,212 million.

Cobre Panama set new quarterly records on mill throughput and copper production throughout the year and achieved record annual copper production, delivering its first full year of uninterrupted production since announcing commercial production. Despite facing COVID-19 preventative restrictions for the majority of the year, Cobre Panama’s performance was strong, exceeding initial 2021 guidance.

Record annual gold production of 312k ounces was achieved by the Company during the year and exceeded guidance.

The Company experienced some cost increases over the year, in particular with fuel, foreign exchange movements and freight costs, in part due to global shipping and logistical challenges presented by widespread constraints faced by the global container freight sector over the majority of 2021. Operational improvements and cost control remain a priority.

Financial results for the year increased significantly from the prior year with the Company achieving gross profit of \$2,562 million, operating cash flow of \$2,885 million, EBITDA¹ of \$3,684 million, and a reduction in net debt¹ of \$1,356 million.

On the basis of continued strong operational and Environmental, Social & Governance (“ESG”) performance, the Company anticipates to be in a position to continue growth programs, continue the debt reduction program, and support a cautious rise in dividend payments in 2022. With the Company on track to meet the previously announced \$2 billion debt reduction target during the first half of 2022, the target for debt reduction in the short to medium term has increased by an additional \$1 billion. A new dividend policy (the “Dividend Policy”) was also adopted by the Company and announced on January 17, 2022. Pursuant to the Dividend Policy, the Company intends to pay, on a semi-annual basis, a performance dividend (the “Performance Dividend”) that

¹ EBITDA is a non-GAAP financial measure and net debt is a supplementary financial measure. These measures do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. EBITDA was previously named comparative EBITDA, the composition remains the same. See “Regulatory Disclosures”.

represents, in the aggregate, 15% of available cash flows generated after planned capital spending and distributions to non-controlling interests. It is expected that a minimum annual base dividend (the “Annual Base Dividend”) of \$0.10 Canadian dollar (“CDN”) per share consisting of semi-annual dividends of CDN\$0.05 per share will be part of the Performance Dividend. Dividend payments remain at the discretion of the Board.

Improvements to the existing sites are ongoing with some pivotal capital projects completed during the year. The Sentinel mine construction of the fourth in-pit crusher was completed in December 2021, with commissioning and ramp up now well underway, which is expected to enable the plant to ramp up throughput to 62 million tonnes per annum (“Mtpa”). At the Ravensthorpe nickel mine operations, the Shoemaker Levy conveyor was completed during the fourth quarter and resulted in improved material handling and beneficiation upgrade performance, in line with expectations, as limonite ore supply to the plant transitioned away from the Hale Bopp orebody.

Several brownfield projects are also under development. At Cobre Panama, an expansion (“CP100 Expansion”) of the process plant facilities and related infrastructure is well underway, in order to facilitate a 100 Mtpa throughput operation. In addition, Cobre Panama has committed to invest in new facilities and accommodation upgrades to allow for more staff to be accommodated on site in improved conditions.

In Zambia, the Enterprise and S3 Expansion projects are both pending Board approval. The Enterprise project is a low-cost, high-grade nickel sulphide project that is anticipated to progress in 2022 and to produce its initial nickel concentrate by early to mid 2023. The S3 Expansion at the Kansanshi mine, once approved and completed, is expected to transition the mine from a more selective high-grade medium-scale operation to a medium-grade, much larger scale mining operation while increasing annual throughput to 53 Mtpa.

In January 2022, the Company filed an updated NI 43-101 Technical Report for the Las Cruces Underground project, which upgrades the previous Polymetallic Primary Sulfide (“PPS”) Inferred Mineral Resources to 41.2 million tonnes of PPS Measured and Indicated Mineral Resources, and includes approximately 18.3 tonnes of Measured Mineral Resources and approximately 17.9 tonnes of Indicated Mineral Resources, as well as 5.02 million tonnes of Indicated Mineral Resources tabled as stockpiles. No Mineral Reserves are included in the Mineral Resource estimate for the Las Cruces Underground project. There is an additional 7.1 million tonnes of Inferred Mineral Resources. The Company continues to examine the Las Cruces Underground project and is expected to consider Board approval for the project by early 2023.

On November 15, 2021, the Board of Directors announced that Tristan Pascall, currently the Company’s Chief Operating Officer, will be appointed to the role of Chief Executive Officer (“CEO”). The appointment will take effect at the Annual General Meeting (“AGM”) to be held on May 5, 2022, at which time Philip Pascall, the Company’s current Chairman and CEO, will retire from the CEO role and will continue to serve as Chairman of the Board. The Company will nominate Tristan Pascall for election as a director at the AGM. Tristan has served as First Quantum’s Chief Operating Officer since January 2021 and oversaw the ramp-up of the Company’s largest mine, Cobre Panama. Prior to this, Tristan served as Director of Strategy in 2020. From 2015-2020, Tristan was a member of the team that managed the construction of Cobre Panama. Previously, Tristan spent six years in Zambia as part of the group that developed, constructed and operated the Sentinel project. Prior to joining First Quantum, Tristan spent eight years in corporate finance and investment banking with a focus on resources and heavy industry.

FULL YEAR HIGHLIGHTS

Operational and Financial

Record copper production of 816kt was achieved during the year, backed by solid operational performance at Cobre Panama and the resilience of the other operations, leading to strong operational results in the fourth quarter and full year 2021. Robust financial performance during the year was driven by an increase in revenue, with higher metal prices, together with strong operational performance resulting in a significant increase in net earnings and EBITDA¹, as well as a notable further reduction in net debt¹.

➤ **Total copper production** for the year was 816kt, a 5% increase from the prior year.

¹ EBITDA is a non-GAAP financial measure and net debt is a supplementary financial measure. These measures do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See “Regulatory Disclosures”.

- **Cobre Panama** achieved record copper production of 331kt for the full year, 125kt more than 2020. Despite facing COVID-19 preventative restrictions for approximately three quarters of the year, Cobre Panama's sustained performance exceeded initial 2021 guidance announced in January 2021 and delivered its first full year of uninterrupted production since announcing commercial production on September 1, 2019.
- **Kansanshi** achieved copper production of 202kt for the full year, 19kt lower than 2020, reflecting the depleting oxide ore in the maturing mine.
- **Sentinel** achieved copper production of 233kt for the full year, 18kt lower than the prior year. Performance in 2021 was impacted by a lower grade profile during the year and a ball mill trunnion failure in the first quarter; however, record quarterly throughput was achieved in the fourth quarter of 2021. Construction of the fourth in-pit crusher at Sentinel was completed in December 2021, which is expected to enable the plant to ramp up throughput to 62 Mtpa.
- **Other sites** achieved consolidated copper production of 50kt for the full year, a 51kt reduction from 2020, resulting from the cessation of open-pit mining at Las Cruces and Guelb Moghrein in late 2020 and early 2021, respectively. Las Cruces is now reprocessing high-grade tailings and Guelb Moghrein is processing stockpiled ore until the cutback to provide access to new ore is completed in 2023.
- **Ravensthorpe:** The Shoemaker Levy conveyor was completed during the fourth quarter, which resulted in improved material handling and beneficiation upgrade performance, in line with expectations, as limonite ore supply to the plant transitioned away from the Hale Bopp orebody.
- **Total gold production** for the year was 312k ounces, an 18% increase from the prior year, mainly attributable to record gold production at Cobre Panama of 142k ounces.
- **Total copper sales volumes**, of 822kt were impacted, in particular for product from Zambian sites, by freight and logistical challenges in the year including port availability in Southern Africa and the global constraints that the container shipping sector experienced over the majority of 2021. Although the bulk shipping sector was less affected by the global supply chain and freight related constraints, vessel freight costs were higher than in recent years. Concentrates from Cobre Panama and Çayeli are shipped in bulk.
- **Gross profit** of \$2,562 million and EBITDA¹ of \$3,684 million for the full year 2021 were significantly higher (138% and 71%, respectively) than the prior year, attributable to increased sales volumes at Cobre Panama, as well as a 33% increase in the realized copper price². The realized copper price of \$3.64 per lb achieved during the year also reflected the Company's reduced hedge profile.
- **Financial results** for the year includes net earnings attributable to shareholders of the Company of \$832 million (\$1.21 basic earnings per share) and adjusted earnings¹ of \$826 million (\$1.20 adjusted earnings per share²), which represents a significant improvement from the prior year's net loss attributable to shareholders of the Company of \$180 million (\$0.26 net loss per share) and adjusted loss¹ of \$46 million (\$0.07 adjusted loss per share²). Net earnings in 2021 includes foreign exchange gains of \$159 million, largely unrealized, primarily due to the appreciation of the Zambian Kwacha ("ZMW") against the U.S. dollar ("USD") during the third quarter of 2021. Net earnings also includes a total impairment charge of \$44 million against the Sese Integrated Power project, exploration projects and Zambian housing assets.
- **Cash flows** from operating activities of \$2,885 million (\$4.19 per share²) for the year 2021 were \$1,272 million or 79% higher than the prior year. On the basis of continued operational strength, the Company anticipates continued strong future cash flows and expects to continue the debt reduction program, advance brownfield growth projects, and cautiously raise dividend payments in 2022.
- **Copper C1 cash cost**² of \$1.30 per lb for 2021 was \$0.09 per lb higher than the prior year, impacted by higher fuel costs and freight charges, together with lower production at both Zambian operations and cessation of open-pit mining at Las Cruces in August 2020. Copper AISC² of \$1.88 per lb was also impacted by higher Zambia royalties due to higher copper prices.
- **Debt reduction:** Net debt¹ decreased by \$1,356 million during the year, bringing the net debt¹ level down to \$6,053 million as at December 31, 2021. At December 31, 2021, total debt was \$7,912 million. With the current strength in the copper price,

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² Realized metal prices, copper all-in sustaining cost (copper AISC), copper C1 cash cost (copper C1), adjusted earnings (loss) per share, and cash flows from operating activities per share are non-GAAP ratios, and do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. Adjusted earnings (loss) and EBITDA were previously named comparative earnings (loss) and comparative EBITDA, respectively, and the composition remains the same. See "Regulatory Disclosures".

and the Company on track to meet the previously announced \$2 billion debt reduction target during the first half of 2022, the target for debt reduction has been increased by an additional \$1 billion in the short to medium term. The longer-term policy objective is a through-the-commodity-cycle Net debt to EBITDA ratio of less than two times.

- **Increasing cash returns to shareholders:** Given the outlook for strong ongoing earnings from the business, the Board intends to commence a cautious increase in shareholder dividends. The Board has adopted the Dividend policy, pursuant to which the Company intends to pay, on a semi-annual basis, a Performance Dividend that represents, in the aggregate, 15% of available cash flows generated after planned capital spending and distributions to non-controlling interests. It is expected that a minimum Annual Base Dividend of CDN\$0.10 per share, consisting of semi-annual dividends of CDN\$0.05 per share, will be part of the Performance Dividend. Dividend payments remain at the discretion of the Board.
- **Dividends declared:** On February 15, 2022, the Company declared a final dividend of CDN\$0.005 per share, in respect of the financial year ended December 31, 2021. The final dividend together with the interim dividend of CDN\$0.005 per share declared on July 27, 2021 is a total of CDN\$0.01 per share for the 2021 financial year.
- **Copper price hedge:** At December 31, 2021, all of the Company's unmargined copper forward sales contracts have matured, with no new hedges put in place. At February 15, 2022, the Company had 40,000 tonnes of unmargined zero cost copper collar sales contracts with maturities to June 2022 at weighted average prices of \$3.63 per lb to \$4.68 per lb outstanding. Copper sales in the fourth quarter were 24% hedged. Approximately 5% of expected copper sales for the next 12 months are hedged to unmargined zero cost collar sales contracts.
- **Debt restructure:** On October 14, 2021, the Company signed a new \$2.925 billion term loan and revolving credit facility (the "Facility"). This new Facility replaced the Company's previous \$2.7 billion term loan and revolving credit facility (the "Previous Facility"), which was due to mature in December 2022. The Facility is comprised of a \$1.625 billion term loan facility and a \$1.3 billion revolving credit facility, matures in 2025 and is syndicated to a group of long-standing relationship banks of First Quantum. At December 31, 2021, the Company had a balance of \$2.17 billion drawn on the Facility. The Facility was used to fully prepay and cancel amounts outstanding on the existing facility to fully prepay and cancel a bilateral bank facility for \$175 million and for general corporate purposes. Repayments on the term loan will commence in December 2022. The Facility has a single Net debt to EBITDA ratio covenant set at 3.5 times over the Facility term.
- **Note redemption:** On December 7, 2021, the Company redeemed \$600 million of aggregate principal amount of senior unsecured notes due in 2023 at redemption price of 101.813%. The portion of the outstanding notes due in 2023 to be redeemed was allocated on a lottery drawing basis at the redemption price plus the payment of accrued and unpaid interest.
- **POSCO transaction:** In September 2021, for cash consideration of \$240 million, the Company completed the sale of a 30% equity interest in Ravensthorpe to POSCO, one of the world's leading integrated producer of materials for the electric vehicle ("EV") sector. The Company retains a 70% interest in Ravensthorpe and continues to be the operator. The proceeds of the transaction were used to pay down the revolving portion of the Company's Previous Facility.

FOURTH QUARTER HIGHLIGHTS

- **Total copper production** for the quarter was 202kt, consistent with the prior year fourth quarter.
- **Cobre Panama** produced 80kt of copper during the quarter, an increase of 22% from the comparable quarter of 2020, and included record setting monthly copper production in October. Unit 1 of the power plant commenced regular major maintenance shutdown works in the quarter, which were completed in late January 2022.
- **Kansanshi** copper production in the fourth quarter of 2021 was 52kt, a reduction of 1kt from the same quarter in 2020, resulting from the lower throughput and oxide recoveries.
- **Sentinel** delivered its best quarterly production of the year with 60kt of copper produced, although this was 3kt lower than the comparable quarter in 2020 due to lower grade; it achieved a record quarterly throughput.
- **Total gold production** for the quarter was approximately 75k ounces, a 9% increase from the comparable quarter in 2020, mainly attributable to gold production at Cobre Panama of approximately 33k ounces as well as a 17% increase in gold production at Kansanshi.

- **Gross profit** of \$784 million and EBITDA¹ of \$1,085 million for the quarter were significantly higher (77% and 50%, respectively) than the comparable quarter in 2020. The realized copper price² of \$4.08 per lb achieved during the quarter reflected the reduced hedge profile in place.
- **Financial results** for the quarter includes net earnings attributable to shareholders of the Company of \$247 million (\$0.36 earnings per share) and adjusted earnings¹ of \$306 million (\$0.44 adjusted earnings per share²), which represents a significant improvement over the comparable quarter in 2020 with net earnings attributable to shareholders of the Company of \$9 million (\$0.01 net earnings per share) and adjusted earnings¹ of \$53 million (\$0.08 adjusted earnings per share²). Net earnings in the fourth quarter of 2021 includes a total impairment charge of \$44 million against the Sese Integrated Power project, as well as exploration projects and Zambian housing assets.
- **Copper C1 cash cost**² of \$1.39 per lb for the fourth quarter of 2021 was \$0.11 per lb higher than the comparable quarter in 2020, impacted by higher fuel costs, higher electricity costs in Panama due to the regular major maintenance shutdown works at Unit 1, higher freight charges, as well as appreciation of the ZMW together with lower production at Las Cruces. This increase was mitigated by a favourable movement on operational provisions following the conclusion on the arbitration case on electricity prices charged by Zambian Electricity Supply Corporation Limited (“ZESCO”). Copper AISC² of \$2.05 per lb for the quarter was also impacted by higher royalties on production at the Company’s Zambian properties due to higher copper prices.
- **Debt reduction:** Net debt¹ decreased by \$249 million during the quarter, bringing the net debt¹ level down to \$6,053 million as at December 31, 2021. At December 31, 2021, total debt was \$7,912 million.

¹ EBITDA and adjusted earnings (loss) are non-GAAP financial measures and net debt is a supplementary financial measure. These measures do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. Adjusted earnings (loss) and EBITDA were previously named comparative earnings (loss) and comparative EBITDA, respectively, and the composition remains the same. See “Regulatory Disclosures”.

² Adjusted earnings (loss) per share, copper C1 cash cost (copper C1), and copper all-in sustaining cost (copper AISC) are non-GAAP ratios, and do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See “Regulatory Disclosures”.

CONSOLIDATED OPERATING HIGHLIGHTS

	QUARTERLY			FULL YEAR	
	Q4 2021	Q3 2021	Q4 2020	2021	2020
Copper production (tonnes) ¹	201,823	209,859	203,171	816,435	778,911
Copper sales (tonnes)	213,087	194,278	217,041	821,889	764,471
Gold production (ounces)	74,945	78,124	68,747	312,492	265,112
Gold sales (ounces) ²	79,403	79,773	70,905	321,858	277,291
Nickel production (contained tonnes)	3,385	4,248	5,603	16,818	12,695
Nickel sales (contained tonnes)	3,756	4,055	5,343	17,078	12,120

CONSOLIDATED FINANCIAL HIGHLIGHTS

	QUARTERLY			FULL YEAR	
	Q4 2021	Q3 2021	Q4 2020	2021	2020
Sales revenues ³	2,061	1,747	1,562	7,212	5,070
Gross profit	784	613	443	2,562	1,077
Net earnings (loss) attributable to shareholders of the Company	247	303	9	832	(180)
Basic earnings (loss) per share	\$0.36	\$0.44	\$0.01	\$1.21	(\$0.26)
Diluted earnings (loss) per share	\$0.36	\$0.44	\$0.01	\$1.20	(\$0.26)
Cash flows from operating activities	760	703	533	2,885	1,613
Net debt ⁶	6,053	6,302	7,409	6,053	7,409
EBITDA ^{4,5}	1,085	886	725	3,684	2,152
Adjusted earnings (loss) ⁴	306	197	53	826	(46)
Adjusted earnings (loss) per share ⁷	\$0.44	\$0.29	\$0.08	\$1.20	(\$0.07)
Cash cost of copper production (C1) (per lb) ⁷	\$1.39	\$1.26	\$1.28	\$1.30	\$1.21
Total cost of copper production (C3) (per lb) ⁷	\$2.39	\$2.22	\$2.20	\$2.23	\$2.11
Copper all-in sustaining cost (AISC) (per lb) ⁷	\$2.05	\$1.87	\$1.77	\$1.88	\$1.63
Realized copper price (per lb) ⁷	\$4.08	\$3.68	\$2.97	\$3.64	\$2.74
Net earnings (loss) attributable to shareholders of the Company	247	303	9	832	(180)
Adjustments attributable to shareholders of the Company:					
Adjustment for expected phasing of Zambian value-added tax ("VAT") receipts	(2)	4	(5)	16	(80)
Loss on redemption of debt	21	-	(3)	21	5
Other	-	-	11	-	5
Total adjustments to EBITDA excluding depreciation ⁴	49	(177)	42	(88)	240
Tax and minority interest adjustments	(9)	67	(1)	45	(36)
Adjusted earnings (loss) ⁴	306	197	53	826	(46)

¹ Production is presented on a contained basis, and is presented prior to processing through the Kansanshi smelter.

² Excludes refinery-backed gold credits purchased and delivered under the precious metal streaming arrangement (see "Precious Metal Stream Arrangement").

³ Delivery of non-financial items (refinery-backed gold and silver credits) into the Company's precious metal stream arrangement have been netted within sales revenues rather than included in cost of sales. The year ended December 31, 2020 has been revised to reflect this change. Sales revenues and cost of sales for the full year 2020 have both been reduced by \$129 million compared to the previous reported values (see "Precious Metal Stream Arrangement").

⁴ EBITDA and adjusted earnings (loss) are non-GAAP financial measures which do not have a standardized meaning under IFRS and might not be comparable to similar financial measures disclosed by other issuers. Adjusted earnings (loss) and EBITDA were previously named comparative earnings (loss) and comparative EBITDA, respectively, and the composition remains the same. Adjusted earnings have been adjusted to exclude items from the corresponding IFRS measure, net earnings (loss) attributable to shareholders of the Company, which are not considered by management to be reflective of underlying performance. The Company has disclosed these measures to assist with the understanding of results and to provide further financial information about the results to investors and may not be comparable to similar financial measures disclosed by other issuers. The use of adjusted earnings (loss) and EBITDA represents the Company's adjusted earnings (loss) metrics. See "Regulatory Disclosures".

⁵ Adjustments to EBITDA in 2021 relate principally to foreign exchange revaluations (2020 - foreign exchange revaluations).

⁶ Net debt is a supplementary financial measure which does not have a standardized meaning under IFRS, and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

⁷ Adjusted earnings (loss) per share, realized metal prices, copper all-in sustaining cost (copper AISC), copper C1 cash cost (copper C1), and total cost of copper (copper C3) are non-GAAP ratios which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

SUSTAINABILITY

Reporting

Details of the Company's ESG reporting, including the Company's primary ESG report, the annual Environment, Safety and Social Data Report, policies and related programs, including Taskforce on Climate-related Financial Disclosure ("TCFD")-aligned Climate Change Report, policies and data can be found at: <https://www.first-quantum.com/English/sustainability/default.aspx>

Climate change and greenhouse gas (GHG) reduction targets

In January 2022, the Company published its inaugural Climate Change Report, aligned to the TCFD recommendations. This report sets out the Company's climate strategy and resilience to the impacts of climate change, as well as targets to reduce unit greenhouse gas emissions, while delivering the performance and energy metals essential to the global transition to a low carbon economy.

- The Cobre Panama CP100 Expansion is expected to be powered by renewable energy by 2023.
- By 2025, the Company expects to be able to source alternative supply options for up to 50% of the energy currently provided by the Cobre Panama power station with renewable energy. This is expected to contribute to a 30% reduction in the Company's absolute GHG emissions.
- By 2030, the Company expects to reduce its absolute GHG emissions and GHG intensity of copper production by 50% as it aims to increase the use of alternative power and further reduce reliance on coal at Cobre Panama, while maintaining levels of copper production through the Kansanshi S3 Expansion and the Cobre Panama CP100 Expansion.
- The Company's GHG emissions reduction targets have an identified pathway to achievement and are based on commercially available solutions. For this reason, the Company has not made a net zero commitment at this time. First Quantum will continue to monitor the development of new technologies for implementation at operations as they become commercially viable, and where appropriate update GHG emissions reduction targets accordingly.
- First Quantum believes that responsible growth in copper production is essential to replace resources as they are exhausted and ensure that the world has adequate performance and energy metals to meet demand. The Company believes that responsible growth in copper production is achievable by ensuring that projects meet higher hurdles for environmental and climate impacts into the future. In keeping with this approach, and as the Company seeks to lower the GHG intensity of its copper production, a carbon price for the evaluation of new projects has been implemented to incentivize the use of lower carbon technologies and renewable sources of power.

First Quantum will continue to embrace innovation and the development of new technologies for optimising productivity, profitability and environmental impact through, for example, the expansion of our trolley assist infrastructure, expansion of in-pit crushing and conveying systems and increased use of electrical mining equipment.

Social Responsibility

The Company recently published its Legacy Report which provides a ten-year overview of the Company's approach to social responsibility. This report highlights the Company's environmental, community and economic development initiatives, programs and achievements across the regions in which the operations are located.

Health & Safety

The health and safety of the Company's employees and contractors is our top priority and the Company is focused on the continual strengthening and improvement of the safety culture at all of our operations. Regrettably, during 2021 the Company had one fatality at the Kansanshi mine. The Lost Time Injury Frequency Rates ("LTIFR") is an area of continued focus and a key performance metric for the Company. Our rolling 12-month LTIFR is 0.07 per 200,000 hours worked during the year ended December 31, 2021 (2020: 0.06).

COVID-19

The ongoing challenges presented by COVID-19 have continued throughout the fourth quarter, with the Omicron variant present on several sites. The Company's focus for the fourth quarter was to maximize vaccination rates and plan booster vaccination campaigns for 2022.

The Company continues to maintain strict health and sanitation protocols to minimize transmission and support the government health authorities. We continue to work with local communities to develop support processes and encourage vaccination. The Company has also redesigned ways of working, with staggered rosters, remote working and bubble concepts on site to continue operations while limiting the potential spread.

As cases are identified amongst the workforce, they are contained and isolated according to the established protocols and in coordination with local health authorities with limited impact to operations. The Company continues to employ measures to ensure minimal spread, while the health and well-being of our workforce continues to be a priority.

LOGISTICS AND SHIPPING

The Company has worked to manage the logistical challenges that presented in the year, including the global constraints that the container shipping sector experienced over the majority of 2021 as well as the specific challenges from the global pandemic on the closure of, or bottlenecks at border crossings and ports.

Port congestion in South Africa and a global shortage of container shipping capacity in particular led to delays and disruptions impacting the sales and shipments of Zambian anode, and resulted in higher freight costs overall. Logistical challenges for Zambian sales are expected to continue throughout the first quarter of 2022. The bulk shipping sector, in comparison, has been less affected, although vessel freight costs were higher than in recent years. Concentrates from Cobre Panama and Çayeli are shipped in bulk. The Company has also experienced some minor disruptions and additional costs on freight shipments out of Asia.

With consideration to road haulage, the Company has been able to adequately manage road haulage in the regions where significant inputs and products are hauled by road.

DEVELOPMENT PROJECTS

Brownfield Projects

CP100 Expansion

At Cobre Panama, an expansion of the process plant facilities and related infrastructure is well underway, in order to support a 100 Mtpa throughput operation. During 2022, the Company expects to expand the fleet by adding a fifth rope shovel and eight additional ultra-class haul trucks. The plans also include developing the Colina pit and its associated overland conveyor and in-pit crushing facility. Completion of construction works and commencement of commissioning is targeted for the first quarter of 2023 to allow for a ramp up of production over the course of the year and achieve a throughput rate of 100 Mtpa by the end of 2023. The plant expansion includes a new primary crushed ore screening facility, process water upgrades and the addition of a

sixth ball mill. A Letter of Intent was signed for incremental electrical supply for the CP100 Expansion, approximately 60-80MW, and is expected to be renewable power, specifically hydroelectricity, sourced from the Panamanian grid.

S3 Expansion

The S3 Expansion is awaiting Board approval. As the Kansanshi pits expand, the volume of near-surface high-grade oxide ore continues to decrease, whilst the proportion of primary sulphide ores increases with depth. The S3 Expansion is expected to transition Kansanshi away from the current, more selective high-grade medium scale operation to a medium-grade, much larger scale mining operation. The NI 43-101 Technical Report filed on September 14, 2020 includes the plan for a 25 Mtpa expansion of the sulphide ore processing facility, increasing annual throughput to 53 Mtpa. The S3 Expansion would also involve a new larger mining fleet, and combined with the standalone 25 Mtpa processing plant, is expected to create efficiencies and economies of scale. The majority of the capital spend on the S3 Expansion is proposed for 2023-2024.

In parallel with the expansion of the mine and processing facilities, the Company plans to increase throughput capacity of the Kansanshi smelter to 1.65 Mtpa from the current capacity level of 1.38 Mtpa. The capacity increase would be achieved partly through enhancing copper concentrate grades by lowering the carbon and pyrite content of the Kansanshi and Sentinel concentrate feeds and de-bottlenecking the gas handling circuit, including incorporating a new acid plant. Concentrate processing capacity is expected to be further expanded through modifications to the existing high-pressure leach ("HPL") circuit. In addition to increased capacity, the smelter expansion is expected to create greater flexibility should smelter capacity constraints in the Zambian Copperbelt arise, as well as reduce downstream Scope 3 GHG emissions from the transport and refining of copper concentrate at third party smelters.

The S3 Expansion remains subject to Board approval and discussions with the Zambian government to implement the appropriate measures to support the S3 Expansions are ongoing.

Enterprise

The Enterprise project is awaiting Board approval. Enterprise is a nickel deposit located 12 kilometres away from Sentinel in the North Western Province of Zambia, with Proven and Probable Mineral Reserves amounting to 34.7 million tonnes (including 9.6 million tonnes of Proven Mineral Reserves and 25.1 million tonnes of Probable Reserves) at 0.99% nickel. It is expected to be a low-cost, high-grade nickel sulphide project. Due to the proximity of the project to Sentinel, the project benefits from shared existing infrastructure and a skilled workforce already in place at Sentinel.

Several key preparatory activities were completed in 2021, being focused on water management facilities and early pre-strip works. A reverse circulation ("RC") drilling campaign which targeted the improvement of the upper parts of the geological model was completed and provided samples for further confirmatory geometallurgical test work. Surface water control dams, insulation of the water treatment facilities, in-pit water pumping and pipelines, and a power line extension from Sentinel to Enterprise were also completed in 2021.

Subject to Board approval, the main workstream to bring Enterprise online, the pre-strip of the mine, is expected to take 12 months. In parallel, mine facilities would be installed including the satellite administration office, workshop, fuel storage and other facilities. The ROM pad will be constructed and the haul road upgraded. Plant refurbishment, completion and commissioning would also be undertaken during this period. These works are estimated to cost \$60 million, which has been included in guidance.

Assuming Board approval is obtained, initial nickel production from Enterprise is expected by early 2023.

Las Cruces Underground Project

The Las Cruces project is awaiting Board approval, which is not expected until early 2023.

Las Cruces successfully operated its open-pit mine and hydrometallurgical plant over the last 12 years. Although the mine has depleted the secondary sulphide resources and reserves from the previously published NI 43-101 Technical Report dated June 2015, the Company has recently published an updated technical report dated January 17, 2022 with an updated Mineral Resource estimate of 41.2 million tonnes of Measured and Indicated Mineral Resources, which includes 5.02 million tonnes of Indicated Mineral Resources tabled as stockpiles. There is an additional 7.1 million tonnes of Inferred Mineral Resources. Further detailed technical work is being conducted to convert Mineral Resources to Mineral Reserves as part of the Las Cruces Underground Project.

In 2021, the Las Cruces mine transitioned from open-pit mining to re-processing of high-grade tailings, which is expected to continue until 2023. This retreatment project produces low-cost copper as work on the Las Cruces Underground project

advances. The proposed underground project involves supplementing the existing copper facilities at Las Cruces with new processing capacity for zinc, silver and lead. These new facilities are required, as the underground project will mine the PPS ore body which is below the mined-out secondary copper sulphide ore body.

Work in 2022 is planned to focus on advancing the design of the underground mine and plant, obtaining the water concession and release of an initial reserve. Given the work still required, the project is not included in guidance; however, management is planning for completion of all technical and permitting work in 2022.

Greenfield Projects

Taca Taca

Taca Taca, located in the Salta province of Argentina, is the more advanced of the two greenfield projects and is one of the largest, highest quality copper projects globally. It will consist of a large open-pit copper mine and ore processing plant to produce up to 275,000 tonnes per year of copper along with gold and molybdenum by-products. With an initial mine life of 32 years, a large resource base, and C1 cash costs¹ of less than \$1.40 per lb, Taca Taca is projected to be both long-life and low-cost.

In addition to the mining and processing facilities, the project incorporates waste rock and tailings storage facilities, a new electrical transmission line of 125 kilometres, and planned water supply from regional borefields that are hydrologically separate from community water sources. Project infrastructure also includes new access roads and rehabilitation and upgrades to existing railway line. Power supply options are available to source up to 100 percent of the project's electricity needs from renewable or from a combination of renewable and Argentinian natural gas. GHG emissions could be further reduced through application of the Company's industry leading electric trolley assist for haul trucks.

The Company is continuing with the project pre-development and feasibility activities. The primary Environmental and Social Impact Assessment ("ESIA") for the project, which covers the principal proposed project sites, was submitted to the Secretariat of Mining of Salta Province in 2019 and approval of the ESIA is anticipated in late 2022. Two additional environmental permits were filed with the relevant authorities during the second quarter of 2021, including one for the transmission line to connect the project to the national electrical grid, and another for the proposed bypass and access road construction for the project. The project will also require approval of a concession for borefield water supply and is completing additional water supply studies and fuel tests in 2022 in advance of the permit application.

A Board decision to advance the Taca Taca project is not expected before 2024 or 2025.

Haquira

Haquira is located in the Apurímac region of Peru, and is a longer-dated greenfield project for the Company. Following a period of establishing environmental baseline monitoring processes, a program of 35,000 metres of diamond drilling is planned to commence in 2022 and is expected to continue for about two years. The program is intended to upgrade resource confidence and assist with mine planning and scheduling. In parallel with drill planning, a dialogue with community leaders at Haquira has been underway for several months and will continue as drilling progresses.

EXPLORATION

The Company's global exploration program is focused on identifying high-quality porphyry and sediment-hosted copper deposits in prospective belts around the world.

The Company is engaged in the assessment and early stage exploration of a number of properties around the world, particularly focused on the Andean porphyry belt of Argentina, Chile, Peru, Ecuador and Colombia, as well as specific targets in other jurisdictions, including Australia. Near-mine exploration programs are restricted to Las Cruces in Spain, as well as on satellite targets around Kansanshi in Zambia. Some encouraging targets have emerged from a season of reconnaissance work in the district around Las Cruces with new tenure applications submitted and drilling planned once relevant permits are received.

During the quarter, reconnaissance drilling was conducted on targets in Peru, Chile, and Zambia. More substantial drill programs are active on a copper-gold porphyry prospect in Argentina and a zinc project in Turkey.

¹ Copper C1 cash cost (copper C1) is a non-GAAP ratio, and does not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

OTHER DEVELOPMENTS

Ravensthorpe-POSCO Transaction

On September 30, 2021, the Company completed the sale of a 30% equity interest in Ravensthorpe for cash consideration of \$240 million to POSCO, one of the world's leading integrated producers of materials for the electric vehicle sector. The Company retains a 70% interest in Ravensthorpe and continues to be the operator. The proceeds of the transaction were used to pay down the Company's Previous Facility.

Zambian Tax Regime

The 2022 National Budget, presented on October 29, 2021, reintroduced the corporate tax deductibility of mineral royalties in Zambia. These measures were enacted into law, effective January 1, 2022.

Royalty rates remain unchanged.

It was also announced in the 2022 National Budget that the Government of the Republic of Zambia ("GRZ") intends that mineral royalty tax determination will be amended to be on an incremental basis in the medium term. No further information is currently available on the details or timing of this proposed change.

Zambian VAT

During the year ended December 31, 2021, the Company was granted offsets of \$71 million with respect to VAT receivable balances. In the same period of 2020, offsets of \$110 million were granted and cash recoveries of \$1 million were received. With a strengthening of the ZMW during the year, an unrealized gain of \$191 million was recognized. For a detailed summary of the VAT receivable balance due to the Company's Zambian operations please see "*Zambian VAT*".

Zambian Power Supply

Kariba Dam water levels are recovering more slowly than during last year's rains. However, no power restrictions are expected for the Zambian mining operations. Commissioning of the 750MW Kafue Gorge Lower Power Station appears to be continuing in order.

ZESCO Resolution

In the fourth quarter of 2021, the Company received a favourable resolution on the case that commenced in June 2018 between ZESCO and Kansanshi.

The arbitration hearing took place on August 22, 2018 and concluded in July 2021 with the Tribunal issuing its award in November 2021. The Tribunal found in favour of Kansanshi on the key issues including the appropriate tariff and the return to Kansanshi of the funds held in the segregated account pursuant to the Order. In December 2021, the Tribunal awarded Kansanshi its costs of the arbitration and rejected ZESCO's application for interpretation of various parts of the Tribunal's award.

Despite this dispute, the Company's operations generally maintain a constructive relationship with ZESCO, particularly with regards to the management of technical and supply issues. Operational and technical dialogue between the parties is expected to continue in the normal course.

Panama Law 9 Update

In July 2021, the Government of Panama ("GOP") announced the appointment of a high-level commission of senior government ministers and officials, chaired by the Minister of Commerce, to discuss the Company's concession contract. In September 2021, the Supreme Court upheld its ruling in respect of the clarification motions presented by the Company to the Court in relation to its Law 9 decision announced in September 2018 and the ruling was gazetted in the fourth quarter. We understand that the upholding of the unconstitutionality ruling against Law 9 of 1997 does not have retroactive effects, pursuant to article 2573 of the Code of Judicial Proceedings of Panama, therefore the approval of the mining concession contract which occurred in 1997 with the enactment of Law 9, remains unaltered, providing operation continuity as per status quo. In September 2021, the Ministry of Commerce publicly announced the culmination of the high-level formal discussions on two topics being environmental and labour matters.

During January 2022, the Government of Panama tabled a new proposal, namely that the GOP should receive \$375 million in benefits per year from Cobre Panama and that the existing revenue royalty will be replaced by a gross profit royalty. The parties continue to finalize the detail behind these principles, including the appropriate mechanics that would achieve the desired outcome, the necessary protections to the Company's business for downside copper price and production scenarios and ensuring that the new contract and legislation are both durable and sustainable.

Once an agreement is concluded and the full contract is documented, it is expected that the newly drafted legislation would be put to the Panamanian National Assembly. The Company welcomes the transparency of the robust ministerial commission process and it is hopeful that this matter can be concluded shortly.

GUIDANCE

Guidance for the upcoming three years was previously provided on January 17, 2022 as part of the annual year-end reporting. On a quarterly basis, guidance for the current year will be updated as necessary or reaffirmed.

Guidance provided below is based on a number of assumptions and estimates as of December 31, 2021, including among other things, assumptions about metal prices and anticipated costs and expenditures. Guidance involves estimates of known and unknown risks, uncertainties and other factors, which may cause the actual results to be materially different. The unprecedented challenges presented by COVID-19 pose some additional risk to the accuracy of forward looking information. Production guidance and cost guidance includes current assumptions on the impact of COVID-19 on operations.

PRODUCTION GUIDANCE

000's	2022	2023	2024
Copper (tonnes)	810 – 880	840 – 910	850 – 910
Gold (ounces)	285 – 310	275 – 300	295 – 320
Nickel (contained tonnes)	25 – 30	30 – 40	40 – 50

PRODUCTION GUIDANCE BY OPERATION ¹

Copper production guidance (000's tonnes)	2022	2023	2024
Cobre Panama	330 – 360	350 – 380	370 – 400
Kansanshi	190 – 210	190 – 210	205 – 220
Sentinel	260 – 280	270 – 290	255 – 270
Other sites	30	30	20
Gold production guidance (000's ounces)			
Cobre Panama	135 – 150	140 – 155	155 – 170
Kansanshi	120 – 130	105 – 115	110 – 120
Other sites	30	30	30
Nickel production guidance (000's contained tonnes)			
Ravensthorpe	25 – 30	25 – 30	25 – 30
Enterprise	-	5 – 10	15 – 20

¹ Production is stated on a 100% basis as the Company consolidates all operations.

Guidance for Cobre Panama includes expected commissioning of the sixth ball mill in the first quarter of 2023 with a ramp up over the course of the year to achieve a throughput rate of 100 Mtpa by the end of 2023.

Kansanshi copper and gold production in 2024 includes some limited production associated to the S3 Expansion, with the development and timing still subject to Board approval.

2023 copper production for other sites includes tailings reprocessing at Las Cruces. Processing of cutback 4 ore at Guelb Moghrein is expected to commence in 2023.

Guidance on nickel production at Enterprise has been included for the first time, with first production assumed during 2023. The development timeline for Enterprise is expected to be approximately twelve months. The development of the project is still subject to Board approval.

CASH COST¹ AND ALL-IN SUSTAINING COST¹

Total Copper	2022	2023	2024
C1 (per lb) ¹	\$1.30 – \$1.50	\$1.30 – \$1.50	\$1.25 – \$1.45
AISC (per lb) ¹	\$1.90 – \$2.05	\$1.90 – \$2.05	\$1.85 – \$2.00

Ravensthorpe Nickel	2022	2023	2024
C1 (per lb) ¹	\$5.75 - \$6.50	\$5.75 - \$6.50	\$5.50 - \$6.25
AISC (per lb) ¹	\$7.00 - \$7.75	\$7.00 - \$7.75	\$6.75 - \$7.25

C1 cash cost¹ guidance for both copper and nickel reflects recent inflationary and commodity price pressures as well as movement in foreign exchange rates, particularly in Zambia. AISC¹ guidance also reflects higher royalties in Zambia related to copper prices as well as an increase in sustaining capital expenditure. At this stage, guidance assumes no change in royalties in Panama. C1 cash cost¹ and AISC¹ guidance for 2024 includes some limited contribution from the S3 expansion at Kansanshi.

Nickel unit cost guidance above does not include Enterprise. By 2024, C1 costs¹ at Enterprise are expected to range from \$4.25/lb to \$5.25/lb.

PURCHASE AND DEPOSITS ON PROPERTY, PLANT & EQUIPMENT

	2022	2023	2024
Capitalized stripping ²	250	250	275
Sustaining capital ²	310	290	290
Project capital ²	690	710	810
Total purchase and deposits on property, plant and equipment	1,250	1,250	1,375

Capital expenditures in 2021 were \$995 million, \$45 million higher than the previously issued guidance of \$950 million. The Company has been experiencing cost increases and delays on most current capital projects associated with shipping, steel price, fuel costs, and labour with the latter often an impact of COVID-19 constraints.

Guidance on 2022 and 2023 capital expenditures of \$1,250 million each year reflects these inflationary and logistical pressures, in particular on project expenditure, as well as the inclusion of new projects.

Within the total project capital² expenditure guidance of \$2.2 billion, over the three-year period, approximately \$1.0 billion relates to Kansanshi and \$830 million relates to Cobre Panama.

Approximately \$450 million has been included for the CP100 Expansion at Cobre Panama, including development of the Colina pit. The CP100 Expansion includes ball mill 6, secondary screening, process water works, crusher relocation, port modifications and the concentrate shed expansion.

Across the three years guidance, approximately \$700 million is expected to be spent on the Kansanshi S3 project development, with the majority of the spend to occur over 2023 and 2024. Project capital² over the guidance period now includes the South East Dome pit pre-stripping mining activities of \$100 million.

¹ C1 cash costs (C1), and all-in sustaining costs (AISC) are non-GAAP ratios which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

² Capitalized stripping, sustaining capital and project capital are non-GAAP financial measures which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

The total Kansanshi S3 development capital expenditure is expected to be approximately \$900 million. The commencement of the S3 project will bring forward pre-strip mining activities of the South East Dome Pit, which is expected to be approximately \$350 million over five years to 2026. Pre-strip mining is classified as project capital¹. The S3 Expansion includes the development and construction of the S3 process plant circuit and mining fleet acquisitions.

In addition, approximately \$60 million for the development of the Enterprise nickel project is included in the guidance period.

New projects not previously included in guidance that was provided in 2021 are the Enterprise nickel project, Guelb Moghrein's cutback 4 in 2022, which is expected to extend the mine life by two years, and upgrades to accommodation and camp facilities at Cobre Panama over the three years. Expenditure over the three years also includes the acquisition of a fifth rope shovel, eight additional haul trucks, and port modifications at Cobre Panama. The Las Cruces Underground project has not been included in capital expenditure guidance.

Sustaining capital expenditure¹ is expected to range between \$290 million and \$310 million over the three-year guidance period and reflects recent inflation, an increase in tailings storage facility ("TSF") costs, as well as timing of fleet replacement programs.

Interest

Interest expense on debt for the year ended December 31, 2021 was \$532 million. Interest expense on debt for the full year 2022 is expected to be approximately \$470 million. Interest expense on debt excludes interest accrued on related party loans to Cobre Panama and Ravensthorpe, a finance cost accreted on the precious metal streaming arrangement, capitalized interest expense and accretion on asset retirement obligation ("ARO").

In addition to interest expense on debt, finance costs in the income statement include interest accrued on related party loans to Cobre Panama and Ravensthorpe, a finance cost accreted on the precious metal streaming arrangement and ARO expense.

Cash outflow on interest paid on debt for the year ended December 31, 2021 was \$521 million and is expected to be approximately \$450 million for the full year 2022. This figure excludes interest paid on related party loans to Cobre Panama and Ravensthorpe and capitalized interest paid.

Capitalized interest for the year ended December 31, 2021 was \$4 million and is expected to be approximately \$20 million for the full year 2022.

A significant proportion of the Company's interest expense is incurred in jurisdictions where no tax credit is recognized.

Tax

The effective tax rate for 2021 was 31% excluding the impact of interest expense and 43% including interest. Including current Law 9 legislation, the effective tax rate for 2022, including the impact of interest, is expected to range between 20% and 25%.

During January 2022, the GOP tabled a new proposal, namely that the GOP should receive \$375 million in benefits per year from Cobre Panama and that the existing revenue royalty will be replaced by a gross profit royalty. The parties continue to finalize the detail behind these principles.

Depreciation

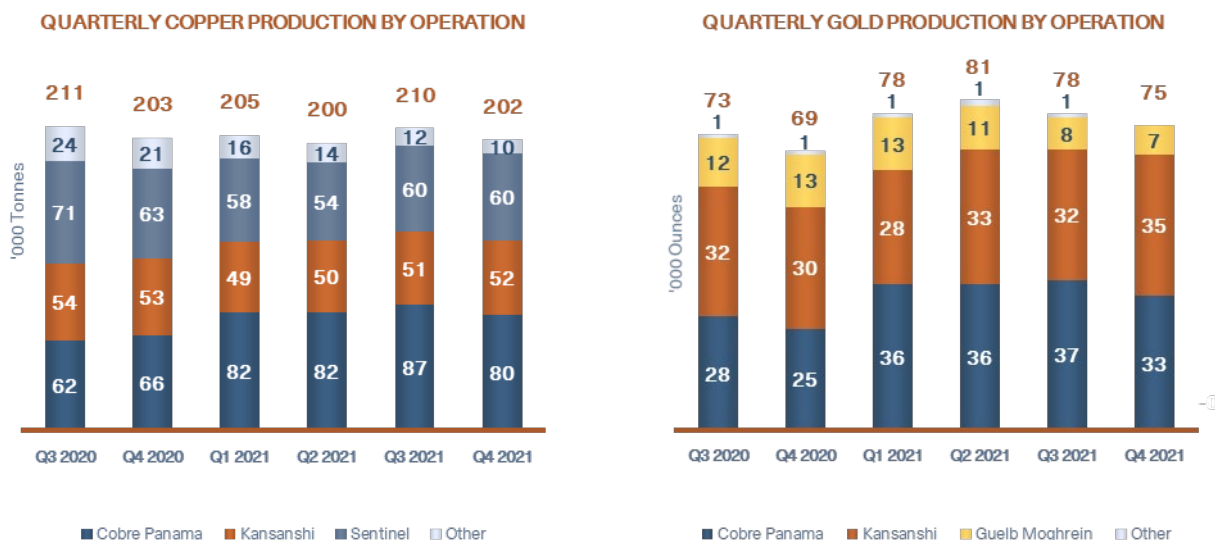
Depreciation expense for the year ended December 31, 2021 was \$1,174 million. The full year 2022 depreciation expense is expected to be between \$1,200 million and \$1,250 million.

¹Capitalized stripping, sustaining capital and project capital are non-GAAP financial measures which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

SUMMARY OPERATIONAL RESULTS

Production

FOURTH QUARTER



Total copper production in the fourth quarter of 2021 remained high at over 200,000 tonnes produced, contributing to an annual record copper production of 816,435 tonnes. Strong copper production was attributable to the three main operating sites, namely, Cobre Panama, Sentinel, and Kansanshi.

Cobre Panama's sustained and strong operational performance continued into the fourth quarter with 20.7 million tonnes of ore milled and 80,030 tonnes of copper produced, including a new monthly record for copper production in October. Fourth quarter results were an improvement over the comparable quarter of 2020, and contributed to the record setting performance year at Cobre Panama.

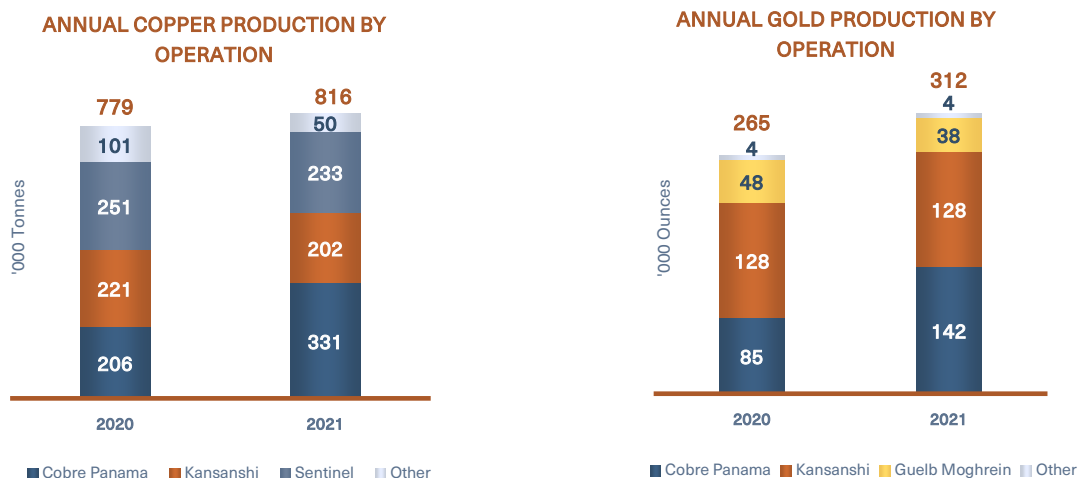
In Zambia, Sentinel and Kansanshi demonstrated strong and consistent performance during the fourth quarter. Sentinel achieved its highest quarterly copper production for the year, slightly surpassing the previous quarter, which was reflective of the record mill throughput rate, slightly offset by lower grades. Kansanshi also had its highest copper production quarter of the year, despite experiencing lower throughput and recoveries as compared to the same quarter of 2020.

Other site operations saw a decrease in copper production over the year and in the fourth quarter as compared to the same quarter of 2020. This was mainly due to two sites, Las Cruces and Guelb Moghrein, which had copper production decrease by 7,429 tonnes and 4,781 tonnes, respectively, from the comparable quarter in 2020. The Las Cruces operations transitioned to re-processing of high-grade tailings, which has effectively extended the mine life and is expected to continue until at least the end of the third quarter of 2023. Please also see 'Development Projects' on page 9 for more information on the Las Cruces Underground project. Guelb Moghrein had a final cutback of the main pit approved in the third quarter of 2021, which is expected to extend mining operations to the end of 2024.

Strong gold production continued in the fourth quarter and was 9% higher than the same quarter of 2020. This contributed to record annual gold production of 74,945 ounces. Both Cobre Panama and Kansanshi had fourth quarter gold production exceeding that of the comparable quarter in 2020, with a 30% and 17% increase, respectively.

Ravensthorpe had its lowest quarterly nickel production of the year, at 3,385 contained tonnes, a 40% decrease from the comparable quarter of 2020. Fourth quarter production was impacted by the delayed transition to the Shoemaker Levy orebody and unplanned maintenance at the power plant main steam pipe. However, commissioning of the Shoemaker Levy conveyor was completed later in the quarter and the resulting material handling and beneficiation upgrade performance was significantly improved compared to the Hale Bopp ore, in line with expectations.

FULL YEAR



Record annual copper production was achieved during the year ended December 31, 2021, with total copper production at 816,435 tonnes, representing a 5% annual increase from the prior year. The record achievement was mainly attributable to the strong operational performance at Cobre Panama, which more than offset the production decreases seen at Sentinel, Kansanshi and other sites.

Cobre Panama had several milestone achievements during the year, leading up to a record annual copper production of 331,000 tonnes for the year. Total plant throughput for the year was 80.8 million tonnes compared to the target of 85 million tonnes, however, Cobre Panama produced strong operational results due to increased mill availability, throughput rates, and higher ore grades processed during the year. Cobre Panama demonstrated a strong recovery from the prior year, when it was placed on preservation and safe maintenance from April to August 2020 due to COVID-19 restrictions.

Copper production at the Zambian sites, Sentinel and Kansanshi, saw an annual decline of 7% and 9%, respectively, compared to the prior year, due to lower grades at Sentinel, and lower grades as well as throughput at Kansanshi.

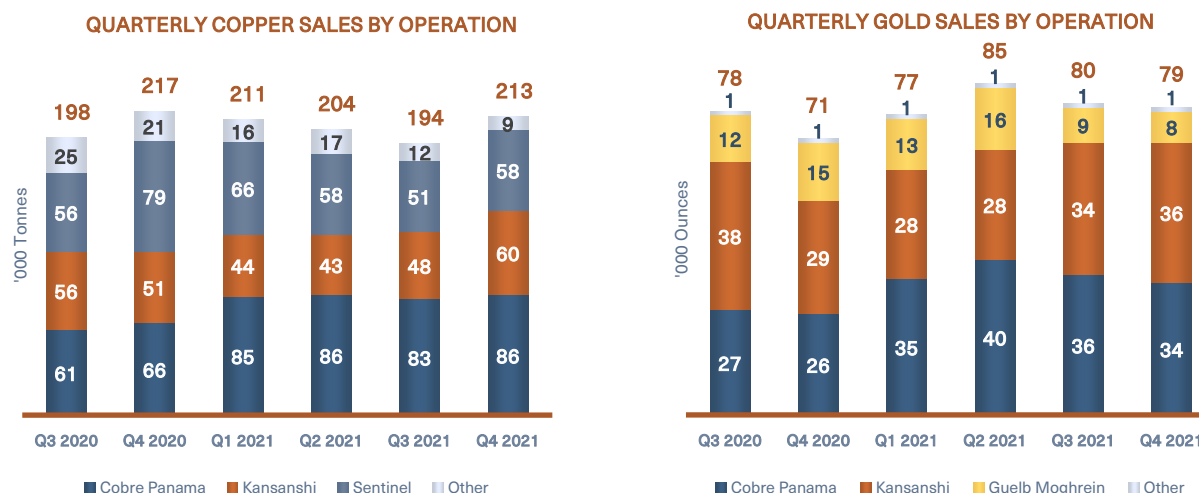
At the Company's other sites, copper production decreased year-over-year at Las Cruces by 40,700 tonnes, and Guelb Moghrein by 9,646 tonnes, which represented a significant decrease due to the mines nearing their end of life.

Record annual gold production was achieved during the year ended December 31, 2021, with total gold production at 312,492 ounces, representing an 18% annual increase. Cobre Panama contributed a record 141,637 ounces of gold in 2021, a 67% increase from the prior year, while Kansanshi was the other large contributor at 128,199 ounces, consistent with the prior year.

Ravensthorpe nickel production for the year was 16,818 contained tonnes, a significant increase of 32% from the prior year, as Ravensthorpe recommenced operations with the first nickel production in late April 2020.

Sales Volumes

FOURTH QUARTER



Total copper sales volumes of 213,087 tonnes for the fourth quarter of 2021 was 2% lower than the same period in 2020, but was the highest quarterly result for the year and contributed to the Company's highest annual total copper sales volumes to date. In the fourth quarter, there was a recovery in sales volumes at Kansanshi and Sentinel, as shipment and port issues from the third quarter pushed a number of planned shipments into the fourth quarter of 2021. Logistical challenges for Zambian sales are expected to continue throughout the first quarter of 2022.

Copper sales volumes at Cobre Panama in the fourth quarter of 2021 were 31% higher than the comparable quarter in 2020 in line with increased production.

Sentinel sales volumes were particularly high in the fourth quarter of 2020 with a sell down of finished goods inventory and so a relative reduction in sales in the fourth quarter of 2021, when also combined with its lower production profile, is in line with expectations.

Sales volumes were lower at Las Cruces, in line with the production profile, and Çayeli's sales were impacted by a shipment delay during the fourth quarter.

Gold sales volumes of 79,403 ounces for the fourth quarter of 2021 remained fairly consistent with the prior quarters and represents an increase of 12% from the comparable quarter of 2020, mainly due to increased gold production at Cobre Panama and Kansanshi.

Nickel sales volumes were low during the quarter at Ravensthorpe with 3,756 contained tonnes sold for the quarter, a 30% decrease compared to the same quarter of 2020, which was in line with the decrease in production during the quarter.

FULL YEAR



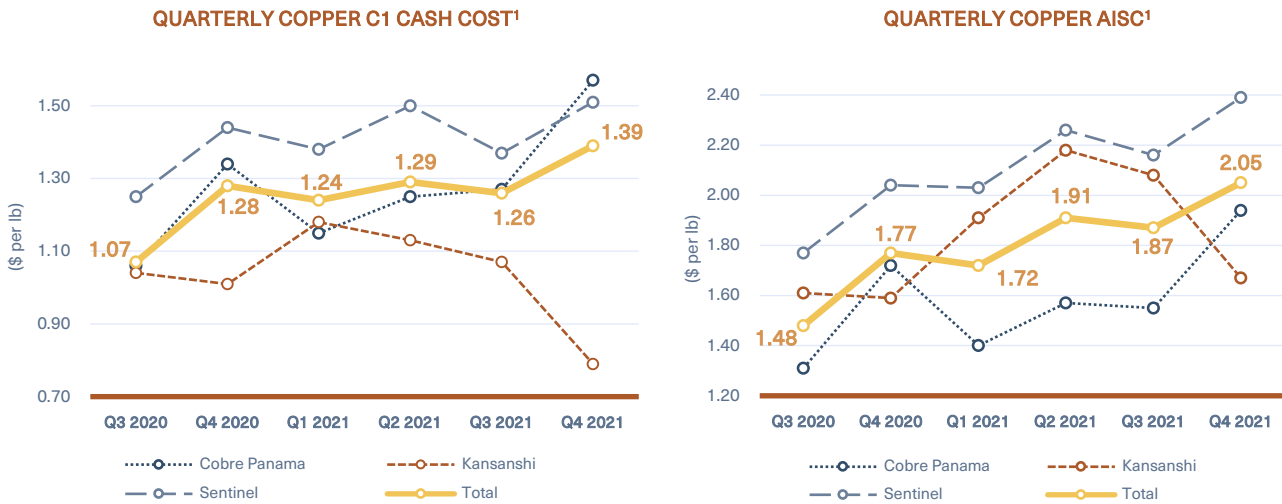
Total copper sales during the year of 821,889 tonnes are the Company’s highest annual sales seen to date, reflective of the record production achieved during the year and represents an 8% increase in copper sales from the prior year. Cobre Panama was a major contributor to the increase in copper sales, with a 63% increase from prior year.

Gold sales volumes increased by 16% compared to the prior year, also reflective of the record gold production for the year and significant contribution from Cobre Panama.

Nickel sales volumes at Ravensthorpe were 17,078 contained tonnes sold for the year, a 41% increase from the prior year.

Cash Costs¹

FOURTH QUARTER



Total copper C1 cash cost¹ of \$1.39 per lb for the fourth quarter was \$0.11 per lb higher than the same quarter of 2020, driven by higher fuel costs and freight charges, as well as the impact of the appreciation of ZMW and lower production at Las Cruces and Guelb Moghrein.

¹ Copper C1 cash cost (copper C1) is a non-GAAP ratio which does not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

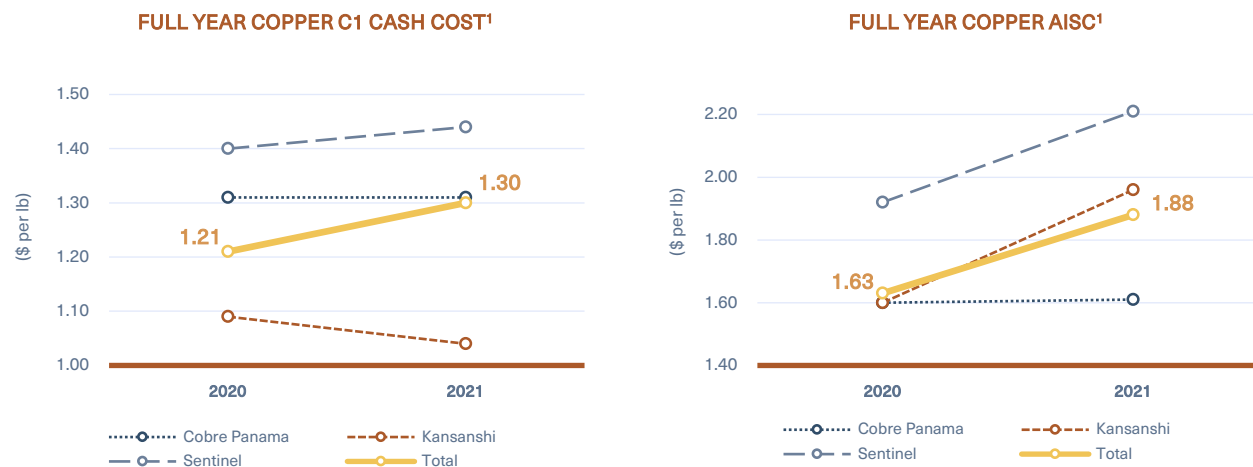
Cobre Panama copper C1 cash cost¹ of \$1.57 per lb was \$0.23 per lb higher than the comparable quarter of 2020, reflecting the impact of the unplanned maintenance in December and higher electricity costs due to regular major maintenance shutdown works at Unit 1 of the power plant, as well as higher freight charges and fuel costs. However, a collar structure for coal purchases is currently in place, which limits exposure to further increases in the coal price until December 2023.

Kansanshi saw a significant decrease in copper C1 cash cost¹ of \$0.22 per lb compared to the same quarter in 2020 mainly due to the favourable movement on operational provisions following the conclusion on the arbitration case on electricity prices charged by ZESCO. This was a one-time benefit that is not expected to recur in future quarters.

Sentinel copper C1 cash cost¹ in the fourth quarter of \$1.51 per lb was \$0.07 per lb higher than the comparable quarter in 2020, reflecting lower production and higher consumables, fuel and labour costs, including the impact of appreciation of ZMW.

Total copper AISC¹ of \$2.05 per lb was \$0.28 per lb higher than the same quarter of 2020, resulting from higher copper C1 cash costs¹, higher sustaining capital expenditures², as well as higher copper prices driving an increase in Zambian royalty rates. Royalty costs were \$0.11 per lb higher than the same quarter of 2020.

FULL YEAR



Copper C1 cash cost¹ of \$1.30 per lb for the year ended December 31, 2021 increased by \$0.09 per lb from the prior year mainly due to the decreased production at Sentinel, Kansanshi, and Las Cruces, as well as higher fuel costs and freight charges. Copper C1 cash cost¹ at Cobre Panama remained the same as the prior year at \$1.31 per lb, while Kansanshi copper C1 cash cost¹ decreased by \$0.05 per lb and Sentinel copper C1 cash cost¹ increased by \$0.04 per lb.

Total copper AISC¹ of \$1.88 per lb for the year ended December 31, 2021 was \$0.25 per lb higher than the prior year, mainly resulting from an increase in copper AISC¹ at Kansanshi and Sentinel due to the higher Zambian royalty rate following the increase in copper prices, as well as an increase in copper AISC at Las Cruces further contributing to the total increase in copper AISC.

Please see the appendices from page 67 onwards for further details on production and sales volumes by operation as well as sales revenues and cash costs.

¹ Copper C1 cash cost (copper C1), and copper all-in sustaining costs (copper AISC) are non-GAAP ratios which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

² Sustaining capital expenditures is a non-GAAP financial measure which does not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

OPERATIONS REVIEW

Cobre Panama

	QUARTERLY			FULL YEAR	
	Q4 2021	Q3 2021	Q4 2020	2021	2020
Waste mined (000's tonnes)	12,504	13,462	12,576	49,688	34,653
Ore mined (000's tonnes)	24,243	24,960	20,348	96,426	59,024
Copper ore milled (000's tonnes) ¹	20,672	20,819	17,697	80,838	54,457
Copper ore grade processed (%)	0.42	0.46	0.41	0.45	0.42
Copper recovery (%)	92	91	91	91	90
Concentrate grade (%)	27.5	26.9	26.6	27.0	25.1
Copper production (tonnes)	80,030	87,242	65,520	331,000	205,548
Copper sales (tonnes)	86,112	83,261	65,770	341,078	208,787
Gold production (ounces)	32,800	36,649	25,295	141,637	84,667
Gold sales (ounces) ²	34,409	35,914	25,669	145,185	86,862
Silver production (ounces)	634,396	653,961	500,806	2,521,235	1,595,561
Silver sales (ounces) ²	675,450	636,551	504,002	2,597,310	1,581,881
Copper all-in sustaining cost (AISC) (per lb) ³	\$1.94	\$1.55	\$1.72	\$1.61	\$1.60
Copper cash cost (C1) (per lb) ³	\$1.57	\$1.27	\$1.34	\$1.31	\$1.31
Total copper cost (C3) (per lb) ³	\$2.55	\$2.24	\$2.22	\$2.22	\$2.30
Financial Results (\$ millions)					
Copper in concentrates	773	725	432	2,952	1,202
Gold – precious metal stream ongoing cash payments	13	11	8	48	27
Gold – other cash	3	10	11	31	25
Silver – precious metal stream ongoing cash payments	2	2	1	9	4
Silver – other cash	5	5	4	21	12
Gold and silver - non cash amortization	25	24	15	99	56
Total sales revenues ⁴	821	777	471	3,160	1,326
Gross profit	336	359	163	1,449	274
EBITDA ⁵	488	509	268	2,021	667

¹ Measured in dry metric tonnes ("DMT").

² Excludes refinery-backed gold and silver credits purchased and delivered under the precious metal streaming arrangement (see "Precious Metal Stream Arrangement").

³ Copper all-in sustaining costs (copper AISC), copper C1 cash cost (copper C1), and total copper cost (copper C3) are non-GAAP ratios, and do not have standardized meanings under IFRS and might not be comparable to similar measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

⁴ Sales revenues and cost of sales for the full year 2020 have been reduced by \$129 million from previously reported values as refinery-backed gold and silver credits on the Company's precious metal stream arrangement are now netted within sales revenues rather than included in cost of sales (see "Precious Metal Stream Arrangement").

⁵ EBITDA is a non-GAAP financial measure, and does not have standardized meanings under IFRS and might not be comparable to similar measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

Fourth Quarter

Copper production remained strong during the quarter, with 80,030 tonnes of copper produced, an increase of 22% from the comparable quarter of 2020, and included record setting monthly copper production in October. During the quarter, 20.7 million tonnes of ore with an average head grade of 0.42% were processed and average recoveries of 92% were achieved; all of which were improvements over the comparable quarter in 2020. During the quarter, Unit 1 of the power plant commenced regular major maintenance shutdown works, which were completed in late January 2022. Although replacement power for Unit 1 was sourced from the grid, the seven-day unplanned shutdown of Unit 2 impacted total tonnes milled during the quarter. Milling rates were also impacted by reduced availability of secondary and pebble crushing. However, October copper production of 32,303 tonnes set a new monthly record, surpassing the previous highest level of 30,162 tonnes achieved in March 2021.

Copper AISC¹ and copper C1 cash cost¹ of \$1.94 per lb and \$1.57 per lb, respectively, were \$0.22 per lb and \$0.23 per lb higher than the same quarter in 2020, mainly as a result of increased electricity costs in December, and increased fuel, freight, and contractor costs. During the period of maintenance to the power station, electricity was drawn from the grid at spot rates, which were elevated due to relatively low rainfall during the period and high spot prices for diesel and bunker, which impacted the copper C1 cash cost¹. The power station maintenance was completed in late January 2022. A collar structure for coal purchases is currently in place with the ceiling price already exercised for July 2021 onwards, thereby limiting exposure to further increases in the coal price until December 2023.

Sales revenues for the quarter were \$821 million, excluding the impact of the corporate sales hedge program. Revenues during the same quarter of 2020 were \$471 million, which represents an improvement of \$350 million, or 74%, for the current reporting quarter as a result of both the higher volumes as well as the favourable copper price.

Gross profit of \$336 million for the quarter was \$173 million, or 106%, higher than the comparable period in 2020, reflecting higher production and sales volumes as well as higher copper prices, partially offset by higher operating costs.

By September 30, 2021, the Cobre Panama operations had reached COVID-19 vaccination levels of 97% in employees and contractors. As a result, during the fourth quarter, Cobre Panama removed the most stringent of health protocols onsite and, in particular, removed limits on the number of onsite personnel, as well as, the requirement for vaccinated staff to undergo preventative quarantine prior to entering the site. As a result, Cobre Panama was able to return to optimal staffing levels on site. During December, the number of cases of COVID-19 in the country and at Cobre Panama increased, which resulted in higher absenteeism in the month. By February 2022, this wave of increased cases had subsided. In January 2022, Cobre Panama and the Ministry of Health commenced a booster vaccination program at the mine site.

Full Year

Strong operational performance continues to be demonstrated with steadily improving plant availability and mill processing rates. During the year ended December 31, 2021, 80.8 million tonnes of ore with an average grade of 0.45% were processed, with recoveries of 91% achieved. This resulted in copper production of 331,000 tonnes and gold production of 141,637 ounces, which are 61% and 67% higher, respectively, than the prior year. Cobre Panama has demonstrated a strong recovery from the prior year, when it was placed on preservation and safe maintenance due to COVID-19 restrictions up until the third quarter of 2020.

Copper AISC¹ and copper C1 cash cost¹ of \$1.61 per lb and \$1.31 per lb, respectively, for the year ended December 31, 2021, were in line with the previous year, reflecting increased production levels, offset by increased freight, electricity and fuel costs. However, the ceiling price on the coal collar structures in place have been exercised from July 2021 onwards, thereby limiting exposure to further increases in the coal price until December 2023.

A total of 341,078 tonnes of contained copper was sold during the year and sales revenues for the year ended December 31, 2021, amounted to \$3,160 million, excluding the impact of the corporate sales hedge program, reflecting higher sales volumes and higher realized metal prices. In comparison, 2020 sales were significantly affected by COVID-19 related restrictions as operations were functioning on preservation and safe maintenance mode. For the same reasons, there were significant improvements to EBITDA² and gross profit for the year ended December 31, 2021, with totals of \$2,021 million and \$1,449 million, respectively.

¹ Copper C1 cash cost (copper C1), and copper all-in sustaining costs (copper AISC) are non-GAAP ratios which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

² EBITDA is a non-GAAP financial measure which does not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

Outlook

For 2022, Cobre Panama is expected to achieve between 85 million and 90 million tonnes of mill throughput and annual production of between 330,000 and 360,000 tonnes of copper and between 135,000 and 150,000 ounces of gold. 2022 grades and recoveries are expected to be consistent with 2021 levels but will fluctuate from quarter to quarter.

An expansion of the process plant facilities and related infrastructure is well underway, supporting a 100 Mtpa throughput operation. During 2022, the Company expects to expand the fleet by adding a fifth rope shovel and eight additional ultra-class haul trucks. The plans also include developing the Colina pit and its associated overland conveyor and in-pit crushing facility. Completion of construction works and commencement of commissioning is targeted for the first quarter of 2023 to allow for a ramp up of production over the course of the year and achieve a throughput rate of 100 Mtpa by the end of 2023. The plant expansion includes a new primary crushed ore screening facility, process water upgrades and the addition of a sixth ball mill. A Letter of Intent was signed for incremental electrical supply for the CP100 Expansion, approximately 60-80MW, which is expected to be renewable power, specifically hydroelectricity, sourced from the Panamanian grid.

The priority for Cobre Panama remains the health and safety of the workforce and surrounding communities. The operation continues to work towards improving throughput and finding efficiencies, with a focus on managing costs. In addition, Cobre Panama has committed to invest in new facilities and accommodation upgrades to allow more staff to be accommodated on site in improved conditions.

During January 2022, the Government of Panama tabled a new proposal, namely that the GOP should receive \$375 million in benefits per year from Cobre Panama and that the existing revenue royalty will be replaced by a gross profit royalty. The parties continue to finalize the detail behind these principles.

Kansanshi

	QUARTERLY			FULL YEAR	
	Q4 2021	Q3 2021	Q4 2020	2021	2020
Waste mined (000's tonnes)	14,100	23,572	13,481	69,758	61,972
Ore mined (000's tonnes)	10,309	9,344	8,221	35,142	34,423
Sulphide ore milled (000's tonnes) ¹	3,341	3,352	3,491	13,386	13,527
Sulphide ore grade processed (%)	0.95	0.94	0.79	0.88	0.83
Sulphide copper recovery (%)	90	91	90	91	92
Sulphide concentrate grade (%)	23.3	27.9	24.3	24.5	23.1
Mixed ore milled (000's tonnes) ¹	1,866	1,970	1,987	7,601	8,167
Mixed ore grade processed (%)	0.93	0.94	0.96	0.96	1.00
Mixed copper recovery (%)	81	81	81	82	81
Mixed ore concentrate grade (%)	22.0	20.2	24.1	21.3	26.0
Oxide ore milled (000's tonnes) ¹	1,788	1,792	1,654	7,164	7,440
Oxide ore grade processed (%)	0.80	0.69	1.02	0.72	0.93
Oxide copper recovery (%)	68	65	75	69	76
Oxide concentrate grade (%)	16.9	16.2	22.8	17.1	20.8
Copper production (tonnes) ²	51,939	50,987	52,630	202,159	221,487
Copper smelter					
Concentrate processed ³	364,031	325,068	354,155	1,259,856	1,320,328
Copper anodes produced (tonnes) ³	85,484	75,929	87,392	301,556	323,667
Smelter copper recovery (%)	97	98	99	98	98
Acid tonnes produced (000's)	350	310	341	1,217	1,262
Copper sales (tonnes) ⁴	59,872	48,423	51,265	195,327	223,147
Gold production (ounces)	34,546	32,249	29,515	128,199	128,409
Gold sales (ounces)	36,295	33,961	29,021	125,338	131,248
Copper all-in sustaining cost (AISC) (per lb) ⁵	1.67	\$2.08	\$1.59	1.96	\$1.60
Copper cash cost (C1) (per lb) ⁵	0.79	\$1.07	\$1.01	1.04	\$1.09
Total copper cost (C3) (per lb) ⁵	1.78	\$2.12	\$1.81	2.03	\$1.86
Financial Results (\$ millions)					
Copper	569	445	361	1,794	1,309
Gold	63	60	55	219	229
Other	1	-	-	1	1
Total sales revenues	633	505	416	2,014	1,539
Gross profit	337	239	161	969	464
EBITDA ⁵	407	288	216	1,178	712

¹ Measured in dry metric tonnes ("DMT").

² Production presented on a copper concentrate basis, i.e. mine production only. Production does not include output from the smelter.

³ Concentrate processed in smelter and copper anodes produced are disclosed on a 100% basis, inclusive of Sentinel and third-party concentrate processed. Concentrate processed is measured in DMT.

⁴ Sales include third-party sales of concentrate, cathode and anode attributable to Kansanshi (excluding copper anode sales attributable to Sentinel).

⁵ Copper all-in sustaining costs (copper AISC), copper C1 cash cost (copper C1), and total copper cost (copper C3) are non-GAAP ratios, and EBITDA is a non-GAAP financial measure, and do not have standardized meanings under IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

Fourth Quarter

Kansanshi delivered another consistent production quarter producing 51,939 tonnes of copper. Copper production was marginally lower than the same quarter of 2020, due to lower plant throughput as a result of processing more competent mixed and oxide ore. Gold production increased 17% compared to the same quarter of 2020 mainly as a result of operational improvements.

Copper C1 cash cost¹ was \$0.22 per lb lower than the comparable quarter in 2020, mainly due to a favourable movement on operational provisions following the conclusion on the arbitration case on electricity prices charged by ZESCO. This was a one-time benefit that is not expected to recur in future quarters. This favourable impact on copper C1 cash cost¹ was partially offset by increases in labour costs and the impact of the appreciation of the ZMW. Copper AISC¹ of \$1.67 per lb was \$0.08 per lb higher than the comparable quarter in 2020 due to higher copper prices driving an increase in the royalty rate and higher capitalized stripping², partially offset by lower copper C1 cash costs¹ in the quarter.

Sales revenues of \$633 million were 52% higher than the same quarter of 2020, reflecting higher realized copper prices¹, excluding the impact of the corporate sales hedge program, and assisted by a 17% increase in copper sales volumes during the quarter.

Gross profit of \$337 million is 109% higher than the comparable period in 2020, reflecting higher sales revenues and lower copper C1 cash costs¹ but offset by higher royalties.

Full Year

Copper production for the year was 9% lower than the prior year, mainly due to lower grades in the mixed and oxide circuits coupled with lower oxide recovery and 3% lower throughput, which was a result of unplanned maintenance and processing of competent mixed ore. The decline in the oxide ore grade was due to the depletion of higher-grade areas and the increased processing of low-grade ore from stockpiles and tarnished sulphide.

Gold production for the year remained consistent with that of the prior year.

Copper C1 cash cost¹ of \$1.04 per lb for the year ended December 31, 2021 was \$0.05 per lb lower compared to the prior year, mainly due to favourable movement on operational provisions following conclusion on the arbitration case on electricity prices, partially offset by lower copper production and increases in labour costs, including the impact of the appreciation of the ZMW. Copper AISC¹ of \$1.96 per lb for the year ended December 31, 2021, was \$0.36 per lb higher than the prior year, reflecting higher royalties and increased capitalized stripping², partially offset by slightly lower copper C1 cash costs¹. The increase in copper prices during the year directly drove higher Zambian royalties, which increased copper AISC¹ by \$0.22 per lb.

Sales revenues of \$2,014 million were 31% higher than the same period in 2020, reflecting higher realized copper and gold prices¹, excluding the impact of the corporate sales hedge program, offset by lower sales volumes.

Gross profit of \$969 million was more than double the comparable period in 2020, reflecting higher sales revenues.

Kansanshi Copper Smelter

Fourth Quarter

The smelter treated a record 364,031 DMT of concentrate during the quarter and produced 85,484 tonnes of copper anode and 350,000 tonnes of sulphuric acid. The concentrate grade treated in the quarter was 24%.

Full Year

During the year, the smelter treated 1,259,856 DMT of concentrate, representing a 5% decrease from the prior year due to the shutdown in June, and produced 301,556 tonnes of copper in anode and 1,217,000 tonnes of sulphuric acid. The smelter commenced the planned shutdown in June, which lasted the entire month and returned to operation on schedule in early July.

¹ Copper all-in sustaining costs (copper AISC), Copper C1 cash cost (copper C1), and realized metal prices are non-GAAP ratios, do not have standardized meanings under IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

² Capitalized stripping is a non-GAAP financial measure which does not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

Outlook

Production in 2022 is expected to be between 190,000 and 210,000 tonnes of copper, and between 120,000 and 130,000 ounces of gold. Based on the current mine plan at Kansanshi, while processed ore is expected to be slightly higher in 2022 relative to 2021, grades are expected to decline over the course of the year from the levels seen in the fourth quarter of 2021.

The S3 Expansion is awaiting Board approval. As the Kansanshi pits expand, the volume of near-surface high-grade oxide ore continues to decrease, whilst the proportion of primary sulphide ores increases with depth. The S3 Expansion is expected to transition Kansanshi away from the current, more selective high-grade medium scale operation to a medium-grade, much larger scale mining operation. The NI 43-101 Technical Report filed on September 14, 2020 includes the plan for a 25 Mtpa expansion of the sulphide ore processing facility, increasing annual throughput to 53 Mtpa. The S3 Expansion would also involve a new larger mining fleet, and combined with the standalone 25 Mtpa processing plant, is expected to create efficiencies and economies of scale. The majority of the capital spend on the S3 Expansion is proposed for 2023-2024.

In parallel with the expansion of the mine and processing facilities, the Company plans to increase throughput capacity of the Kansanshi smelter to 1.65 Mtpa from the current capacity level of 1.38 Mtpa. The capacity increase would be achieved partly through enhancing copper concentrate grades by lowering the carbon and pyrite content of the Kansanshi and Sentinel concentrate feeds and de-bottlenecking the gas handling circuit including incorporating a new acid plant. Concentrate processing capacity is expected to be further expanded through modifications to the existing high-pressure leach ("HPL") circuit. In addition to increased capacity, the smelter expansion is expected to create greater flexibility should smelter capacity constraints in the Zambian Copperbelt arise, as well as reduce downstream Scope 3 GHG emissions from the transport and refining of copper concentrate at third party smelters.

The S3 Expansion remains subject to Board approval and discussions with the Zambian government to implement the appropriate measures to support the S3 Expansion are ongoing.

Sentinel

	QUARTERLY			FULL YEAR	
	Q4 2021	Q3 2021	Q4 2020	2021	2020
Waste mined (000's tonnes)	24,624	27,405	26,152	102,445	97,970
Ore mined (000's tonnes)	14,863	15,246	14,002	57,380	60,098
Copper ore milled (000's tonnes) ¹	15,030	14,319	13,816	56,329	56,589
Copper ore grade processed (%)	0.45	0.47	0.51	0.47	0.49
Copper recovery (%)	89	88	90	89	90
Copper production (tonnes)	60,197	59,931	62,993	232,688	251,216
Concentrate grade (%)	28.0	27.2	26.7	27.5	26.6
Copper sales (tonnes)	58,087	51,092	78,975	232,812	231,731
Copper all-in sustaining cost (AISC) (per lb) ²	\$2.39	\$2.16	\$2.04	\$2.21	\$1.92
Copper cash cost (C1) (per lb) ²	\$1.51	\$1.37	\$1.44	\$1.44	\$1.40
Total copper cost (C3) (per lb) ²	\$2.59	\$2.33	\$2.28	\$2.40	\$2.14
Financial Results (\$ millions)					
Sales revenues – Copper	527	449	526	2,032	1,353
Gross profit	233	200	194	916	363
EBITDA ²	300	261	277	1,178	614

¹ Measured in dry metric tonnes ("DMT")

² Copper all-in sustaining costs (copper AISC), copper C1 cash cost (copper C1), and total copper cost (copper C3) are non-GAAP ratios, and EBITDA is a non-GAAP financial measure, and do not have standardized meanings under IFRS and might not be comparable to similar measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

Fourth Quarter

Sentinel delivered its best quarterly production of the year with 60,197 tonnes of copper produced, and achieved a record quarterly throughput. The record throughput was 9% above the comparable quarter in 2020 and assisted by soft ore treatment and utilization of secondary crushing. Continued optimization of the third and fourth flotation column cells supported the achievement of record concentrate grades.

Fourth quarter copper production reflects a decrease of 4% compared to the same period in 2020, mainly attributable to lower-grade ore and slightly lower recovery, partially offset by higher throughput. Grade was lower due to spatial variances between actual and planned mining locations, in particular the Stage 1 north wall and lower eastern extent of Stage 2, and further impacted by feeding mineralized waste to supplement ore feed. Recovery was slightly impacted due to higher proportion of transitional ore from the Stage 2 pit.

Copper C1 cash cost¹ in the fourth quarter of \$1.51 per lb was \$0.07 per lb higher than the comparable period in 2020, reflecting lower production levels as a result of the lower-grade ores processed, as well as higher consumables, fuel and labour costs, including the impact of the appreciation of the ZMW. Fourth quarter copper AISC¹ of \$2.39 per lb was \$0.35 per lb higher than the comparable period in 2020 due to higher copper C1 cash costs¹, royalties and sustaining capital expenditure². The higher Zambian royalties, due to the higher copper price, increased copper AISC¹ by \$0.22 per lb.

Sales revenues of \$527 million in the fourth quarter were consistent with the same period in 2020, due to higher realized copper prices¹, excluding the impact of the corporate sales hedge program, offset by lower sales volumes. Sales revenues comprised of both copper concentrate and anode with a higher proportion of revenue realized from copper anode.

Gross profit of \$233 million was 20% higher than the comparable period in 2020, reflecting lower depreciation and higher realized copper prices¹.

Full Year

Copper production for the year ended December 31, 2021, decreased by 7% compared to the prior year, reflecting lower throughput, grade and recovery. During the first quarter of 2021, throughput was limited due to a ball mill trunnion failure. Grades during the year were lower due to higher volumes of lower-grade ore feed from the eastern extent of the Stage 2 pit. Recovery was also impacted by the higher proportion of transitional ore feed from the Stage 2 pit.

Copper C1 cash cost¹ of \$1.44 was \$0.04 per lb higher than the prior year, impacted by lower production levels and higher consumable and employee costs due to the appreciation of the ZMW. Copper AISC¹ of \$2.21 per lb was \$0.29 per lb higher than the prior year, reflecting higher copper C1 cash costs¹, royalties and sustaining capital expenditure². The higher Zambian royalties, due to the higher copper price, increased copper AISC¹ by \$0.18 per lb.

Sales revenues of \$2,032 million were 50% higher than the prior year, primarily due to higher realized copper prices¹, excluding the impact of the corporate sales hedge program. Sales revenues is comprised of both concentrate and anode sales, with a higher proportion of revenue realized from copper anode.

Gross profit of \$916 million for the year was over 152% higher than the prior year, reflecting higher sales revenues.

Outlook

Copper production in 2022 is expected to be between 260,000 and 280,000 tonnes.

Grade is expected to improve from 2021 levels as higher-grade ore is exposed in both the Stage 1 and Stage 2 pits. The focus will be on developing the pits to maintain consistent ore feed as well as supporting the successful commissioning and ramp up of the fourth in-pit crusher, which is already underway after completion of construction in December 2021. The fourth in-pit crusher is expected to enable the plant to increase throughput to 62 Mtpa in 2022.

¹ Copper all-in sustaining costs (copper AISC), copper C1 cash cost (copper C1), and realized metal prices are non-GAAP ratios, do not have standardized meanings under IFRS and might not be comparable to similar financial measures or measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

² Sustaining capital expenditure is a non-GAAP financial measure which does not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

Ravensthorpe

	QUARTERLY			FULL YEAR	
	Q4 2021	Q3 2021	Q4 2020	2021	2020
Beneficiated ore tonnes processed (000's)	544	667	728	2,441	1,954
Beneficiated ore grade processed (%)	0.98	0.93	0.99	1.01	0.98
Nickel recovery (%)	74	72	78	74	74
Nickel production (contained tonnes)	3,385	4,248	5,603	16,818	12,695
Nickel sales (contained tonnes)	3,756	4,055	5,343	17,078	12,120
Nickel production (payable tonnes)	2,855	3,531	4,534	14,018	10,215
Nickel sales (payable tonnes)	3,175	3,392	4,342	14,313	9,787
Nickel all-in sustaining cost (AISC) (per lb) ¹	\$11.15	\$11.66	\$6.09	\$9.87	\$6.46
Nickel cash cost (C1) (per lb) ¹	\$10.93	\$9.58	\$5.39	\$8.59	\$5.72
Total nickel cost (C3) (per lb) ¹	\$12.87	\$11.32	\$6.78	\$10.24	\$7.19
Financial Results (\$ millions)					
Sales revenues	69	71	75	286	156
Gross profit (loss)	(25)	(24)	7	(63)	(68)
EBITDA ¹	(16)	(16)	15	(29)	(48)

¹ Nickel all-in sustaining cost (nickel AISC), nickel C1 cash cost (nickel C1), total nickel cost (nickel C3) are non-GAAP ratios, and EBITDA is a non-GAAP financial measure. These measures do not have standardized meanings under IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

Fourth Quarter and Full Year

Nickel production in the fourth quarter of 2021 was 3,385 contained tonnes of nickel, delivering a total annual production of 16,818 contained tonnes of nickel in 2021. Fourth quarter production was impacted by the delayed transition to the Shoemaker Levy orebody and unplanned maintenance at the power plant main steam pipe. As a result, production ceased from December 18, 2021 until January 5, 2022, when the main steam pipe was fully repaired.

2021 performance was impacted by delays to the completion of the Shoemaker Levy project. The limonite ore from Hale Bopp was low grade and had high clay content causing consistent materials handling issues in the limonite beneficiation plant, restricting autoclave throughput. Operational performance was also impacted by high turnover and high volatility in the Western Australian labour market.

Commissioning of Shoemaker Levy Conveyor and Crushing station at Ravensthorpe was completed during the quarter. All limonite put through the plant in December was mined and delivered from the Shoemaker Levy pit. The material handling and beneficiation upgrade performance was significantly improved compared to Hale Bopp ore, in line with expectations.

COVID-19 controls continued to impact availability of resource industry workers, but once the Western Australia borders are opened, this may provide better opportunities for interstate and international recruitment.

Sales revenues were \$69 million in the fourth quarter and \$286 million for the year. The impact of lower production and sales in the fourth quarter of 2021, compared to the same quarter of 2020, were mitigated by higher realized nickel prices, excluding the impact of corporate sales hedge program. The increase in sales revenues for the full year reflected higher sales volumes and higher realized nickel prices.

Nickel C1 cash cost¹ of \$10.93 per lb and nickel AISC¹ of \$11.15 per lb for the fourth quarter was impacted by lower production, higher sulphur prices, unplanned diesel costs and shutdowns driving higher maintenance costs. Nickel C1 cash cost¹ and AISC¹ for the full year were \$8.59 per lb and \$9.87 per lb, respectively.

¹ Nickel all-in sustaining cost (nickel AISC) and nickel C1 cash cost (nickel C1), do not have standardized meanings under IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

Ravensthorpe incurred a gross loss during the fourth quarter of \$25 million due to lower sales volumes and higher costs of production during the transition period to the Shoemaker Levy orebody. Gross loss for the full year was \$63 million with higher sales revenues offset by higher sulphur prices and freight costs.

Outlook

Production guidance for 2022 is between 25,000 and 30,000 contained tonnes of nickel.

Mining is focused on optimizing Shoemaker Levy operating strategies to minimize operating costs. The focus for the plant remains on improving availability and optimizing operating parameters for Shoemaker Levy ore. Major shutdowns and descales of autoclaves in 2022 are scheduled in March and August. Skilled labour availability and high sulphur prices remain a challenge.

Demand for the MHP product is strong with negotiated payables in 2022 significantly higher than 2021.

Guelb Moghrein

	QUARTERLY			FULL YEAR	
	Q4 2021	Q3 2021	Q4 2020	2021	2020
Waste mined (000's tonnes)	2,871	1,294	906	5,160	10,190
Ore mined (000's tonnes)	-	22	1,189	1,757	4,354
Sulphide ore milled (000's tonnes) ¹	585	858	986	3,426	3,788
Sulphide ore grade processed (%)	0.58	0.54	0.82	0.62	0.85
Sulphide copper recovery (%)	76	89	91	88	89
Copper production (tonnes)	2,588	4,091	7,369	18,845	28,491
Copper sales (tonnes)	4,359	4,522	7,365	23,614	29,899
Gold production (ounces)	6,552	8,174	13,115	38,431	47,637
Gold sales (ounces)	8,189	8,822	14,885	46,661	53,217
Magnetite concentrate production (WMT) ²	56,058	123,604	114,128	375,268	579,572
Magnetite concentrate sales (WMT) ²	45,700	135,780	136,316	362,083	590,013
Copper all-in sustaining cost (AISC) (per lb) ³	\$4.57	\$1.95	\$0.36	\$1.66	\$0.70
Copper cash cost (C1) (per lb) ³	\$4.11	\$1.61	\$0.09	\$1.38	\$0.38
Financial Results (\$ millions)					
Sales revenues	55	69	84	313	300
Gross profit	5	20	38	105	103
EBITDA ³	11	26	45	140	139

¹ Measured in dry metric tonnes ("DMT")

² Magnetite concentrate production and sales volumes are measured in wet metric tonnes ("WMT").

³ Copper all-in sustaining costs (copper AISC), copper C1 cash cost (copper C1), are non-GAAP ratios, and EBITDA is a non-GAAP financial measure, and do not have standardized meanings under IFRS and might not be comparable to similar measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

Fourth Quarter and Full Year

Copper production for the quarter and year ended December 31, 2021 were 65% and 34% lower, respectively, than the same periods in 2020, as a result of lower-grade ore as the feed has transitioned from open-pit ore to lower-grade stockpiled material. A crusher failure, resulting in fourteen days downtime in December 2021, reduced throughput in the last quarter of 2021. The crusher was fully repaired in December 2021.

Gold production for the quarter and year ended December 31, 2021 were 50% and 19% lower, respectively, than the same periods in 2020, as a result of lower-grade ore.

Magnetite production for the quarter and year ended December 31, 2021 were 51% and 35% lower, respectively, compared to the same periods in 2020 due to lower magnetite feed grade and throughput.

Copper C1 cash cost¹ for the quarter and year ended December 31, 2021 were \$4.02 and \$1.00 per lb higher, respectively, than the same periods in 2020, mainly due to higher maintenance costs, fuel prices and significantly reduced production. This in turn, was the main driver for the increase in copper AISC¹ of \$4.21 and \$0.96 per lb for the quarter and year ended December 31, 2021, respectively, as compared to the same periods in 2020.

Sales revenues for the fourth quarter were 35% lower than the same period in 2020, mainly due to lower sales volumes, whereas for the full year 2021, sales revenues were 4% higher than that of the prior year, due to higher realized copper prices¹, partially offset by lower sales volumes. Gross profit for the fourth quarter was \$33 million lower than the comparable period in 2020 due to lower sales revenues and higher copper C1 costs¹. Gross profit for the full year was \$2 million higher than that of the prior year, attributable to higher sales revenues.

Outlook

Production in 2022 is expected to be between 12,000 to 13,000 tonnes of copper, 30,000 ounces of gold, and 400,000 WMT of magnetite concentrate.

With the final cutback of the main pit approved during the third quarter of 2021, the project is expected to contribute an additional 3 million tonnes of plant feed over the next two to three years to supplement the feed from lower-grade ore stockpiles and is expected to extend mining operations to the end of 2024. Ore supply from this source is expected to commence in 2023 following a period of waste stripping.

Production forecast includes approximately 600 hours of planned plant shutdowns in 2022, relating to SAG mill reline, ball mill girth gear change out and monthly planned maintenance.

Las Cruces

	QUARTERLY			FULL YEAR	
	Q4 2021	Q3 2021	Q4 2020	2021	2020
Copper cathode production (tonnes)	2,805	3,222	10,234	13,652	54,352
Copper cathode sales (tonnes)	2,914	3,234	9,915	14,322	54,852
Copper cash cost (C1) (per lb) ¹	\$4.01	\$2.46	\$1.56	\$2.67	\$1.05
Financial Results (\$ millions)					
Sales revenues	29	30	70	131	332
Gross profit (loss)	3	12	(11)	33	(13)
EBITDA ¹	5	12	35	47	204

¹ Copper C1 cash cost (copper C1) is a non-GAAP ratio, and EBITDA is a non-GAAP financial measure, and do not have standardized meanings under IFRS and might not be comparable to similar measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

Fourth Quarter and Full Year

After 12 years of successful operation of its open-pit mine and hydrometallurgical plant, mining activities ceased in August 2020 with the depletion of ore in Phase VI, while related ore stockpiles continued to be processed until completion by February 2021. Subsequently, the operation has transitioned to the re-processing of high-grade tailings, which has effectively extended the mine life and is expected to continue until at least the end of the third quarter of 2023.

Copper production for both the fourth quarter and full year 2021 decreased significantly compared with the same periods in 2020, due to lower grade and recoveries of the tailings being processed compared to previously processed fresh ore.

Copper C1 cash cost¹ of \$4.01 per lb and \$2.67 per lb for the fourth quarter and full year, respectively, was \$2.45 per lb and \$1.62 per lb higher than the same periods in 2020, respectively, reflecting the impact of lower copper production and record high electricity prices in Spain during the second half of 2021.

¹ Copper all-in sustaining costs (copper AISC), Copper C1 cash cost (copper C1) and realized metal prices are non-GAAP ratios, do not have standardized meanings under IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

Sales revenues of \$29 million for the quarter and \$131 million for the year ended December 31, 2021, were approximately 60% lower compared to the same periods in 2020 due to lower volume sold partially offset by higher realized copper prices¹. Despite a significant reduction in production and underlying sales revenues and increase of unit cash cost¹, gross profit was \$3 million compared to a gross loss of \$11 million in the fourth quarter of 2020 and gross profit for the year was maintained at \$33 million compared to a gross loss of \$13 million in the prior year.

EBITDA¹ in 2021 was lower than periods in 2020 because of reduced sales and production volumes.

Outlook

Copper production guidance for 2022 is between 9,000 and 10,000 tonnes. Cost and process optimization to re-process high-grade tailings will be the focus in 2022, with a focus on extending the re-processing of high-grade tailings beyond the third quarter of 2023, including treatment of other external concentrates.

Although the mine has depleted the secondary sulphide resources and reserves from the previously published NI 43-101 Technical Report dated June 2015, the Company has recently published an updated technical report dated January 17, 2022, with an updated Mineral Resource estimate that upgrades the previous PPS Inferred Mineral Resources to 41.2 million tonnes of PPS Measured and Indicated Mineral Resources, which includes 5.02 million tonnes of Indicated Mineral Resources tabled as stockpiles. There is an additional 7.1 million tonnes of Inferred Mineral Resources. Further detailed technical work is being conducted to convert Mineral Resources to Mineral Reserves as part of the Las Cruces Underground project.

In 2021, the mine transitioned from open-pit mining to re-processing of high-grade tailings, which is expected to continue until 2023. This retreatment project has the benefit of not only producing some low-cost copper, but more importantly, keeping the existing team in place, as work on the Las Cruces Underground project advances. The underground project involves supplementing the existing copper facilities at Las Cruces with new processing capacity for zinc, silver and lead. These new facilities are required as the underground project will mine the PPS ore body, which is below the mined-out secondary copper sulphide ore body.

Work in 2022 will focus on advancing the design of the underground mine and plant, obtaining the water concession and release of an initial reserve. Given the work still required, the project is not included in our guidance, but management is planning for completion of all technical and permitting work in 2022.

Çayeli

	QUARTERLY			FULL YEAR	
	Q4 2021	Q3 2021	Q4 2020	2021	2020
Copper production (tonnes)	3,532	3,693	3,534	14,799	13,334
Copper sales (tonnes)	978	2,902	2,672	11,343	11,443
Zinc production (tonnes)	1,576	2,095	1,943	6,754	4,512
Zinc sales (tonnes)	1,941	1,690	1,882	5,316	5,364
Copper cash cost (C1) (per lb) ¹	(\$0.44)	\$1.15	\$0.96	\$0.99	\$1.24
Financial Results (\$ millions)					
Sales revenues	12	24	18	99	64
Gross profit	2	9	6	42	6
EBITDA ¹	5	14	9	59	26

¹ Realized metal prices and copper C1 cash cost (copper C1) are non-GAAP ratios, and EBITDA is a non-GAAP financial measure. These do not have standardized meanings under IFRS and might not be comparable to similar measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

Fourth Quarter and Full Year

Copper production for the fourth quarter was in line with the same period in 2020 due to higher head grades and recovery, which were offset by lower throughput. For the year ended December 31, 2021, copper production was 11% higher compared to the prior year due to higher recovery, grade and throughput.

Zinc production was 19% lower in the fourth quarter compared to the same period in 2020 due to lower recovery and throughput. Zinc production for the year ended December 31, 2021 was 50% higher than the prior year due to higher recovery, grade and throughput.

Copper C1 cash cost¹ for the quarter ended December 31, 2021 decreased by \$1.40 per lb compared to the same period in 2020, mainly due to higher by-product revenue related to higher price and decreased copper sales. For the year ended December 31, 2021, copper C1 cash cost decreased by \$0.25 per lb compared to the same period in 2020, mainly due to the impact of higher copper production and higher by product revenue.

Sales revenues for the fourth quarter were \$6 million lower compared to the same period in 2020 due to lower sales volumes related to the timing of a shipment at year end. For the year ended December 31, 2021, sales revenues were \$35 million higher compared to the same period in 2020, due to higher sales volumes as a result of higher realized metal prices.

Gross profit for the quarter ended December 31, 2021 was \$4 million lower as compared to the same period in 2020, due to lower sales revenue. Gross profit for the year ended December 31, 2021 was \$36 million higher compared to the same period in 2020 due to higher sales revenue related to higher metal prices.

Outlook

Production for 2022 is expected to be between 9,000 and 10,000 tonnes of copper and 3,000 tonnes of zinc, reflecting a declining number of work areas as the mine approaches reserve depletion in 2025.

Production is expected to be challenging due to poor ground conditions in the areas planned to be mined and the closure of the shaft at the end of the third quarter of 2021.

Pyhäsalmi

	QUARTERLY			FULL YEAR	
	Q4 2021	Q3 2021	Q4 2020	2021	2020
Copper production (tonnes)	732	693	891	3,292	4,483
Copper sales (tonnes)	765	844	1,079	3,393	4,612
Pyrite production (tonnes)	107,984	99,342	132,415	434,148	462,160
Pyrite sales (tonnes)	106,701	99,133	119,593	437,400	460,878
Copper cash cost (C1) (per lb) ¹	\$2.81	\$1.86	\$2.06	\$1.54	\$1.48
Financial Results (\$ millions)					
Sales revenues	12	13	12	52	46
Gross profit	4	5	3	21	8
EBITDA ¹	5	4	4	20	12

¹ Copper C1 cash cost (copper C1) is a non-GAAP ratio, and EBITDA is a non-GAAP financial measure. These do not have standardized meanings under IFRS and might not be comparable to similar measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

Fourth Quarter and Full Year

Copper production was 18% and 27% lower in the fourth quarter and full year 2021, respectively, compared to the same periods in 2020, due to lower throughput and copper grade. This reflects the nearly depleted mineral reserve and the constraint on available work areas at this stage of the mine life.

Sales revenues for the quarter and year ended December 31, 2021 were at similar levels to the same periods in 2020 with higher realized metal prices offsetting the impact of lower sales volumes. Gross profit for the fourth quarter remained consistent with the comparable quarter in 2020, while the gross profit for the full year 2021 increased by \$13 million.

Outlook

Production in 2022 is expected to be approximately 500 tonnes of copper. The operation is also expected to produce 300,000 tonnes of pyrite. Mining is expected to end during the first quarter of 2022.

SUMMARY FINANCIAL RESULTS

	QUARTERLY			FULL YEAR	
	Q4 2021	Q3 2021	Q4 2020	2021	2020
Sales revenues ¹	2,061	1,747	1,562	7,212	5,070
Gross profit (loss)					
Cobre Panama	336	359	163	1,449	274
Kansanshi	337	239	161	969	464
Sentinel	233	200	194	916	363
Guelb Moghrein	5	20	38	105	103
Las Cruces	3	12	(11)	33	(13)
Çayeli	2	9	6	42	6
Pyhäsalmi	4	5	3	21	8
Ravensthorpe	(25)	(24)	7	(63)	(68)
Corporate	(111)	(207)	(118)	(910)	(60)
Total gross profit	784	613	443	2,562	1,077
Exploration	(7)	(6)	(6)	(20)	(15)
General and administrative	(29)	(31)	(29)	(118)	(99)
Impairment expense	(44)	-	-	(44)	-
Other income (expense)	18	199	(51)	218	(268)
Net finance expense ²	(165)	(154)	(189)	(660)	(738)
Loss on redemption of debt	(21)	-	(3)	(21)	(5)
Adjustment for expected phasing of Zambian VAT	2	(4)	5	(16)	80
Income tax expense	(239)	(235)	(147)	(812)	(256)
Net earnings (loss)	299	382	23	1,089	(224)
Net earnings (loss) attributable to:					
Non-controlling interests	52	79	14	257	(44)
Shareholders of the Company	247	303	9	832	(180)
Adjusted earnings (loss) ³	306	197	53	826	(46)
Earnings (loss) per share					
Basic	\$0.36	\$0.44	\$0.01	\$1.21	(\$0.26)
Diluted	\$0.36	\$0.44	\$0.01	\$1.20	(\$0.26)
Adjusted ³	\$0.44	\$0.29	\$0.08	\$1.20	(\$0.07)
Basic weighted average number of shares (in 000's)	688,691	688,852	688,939	688,674	688,469

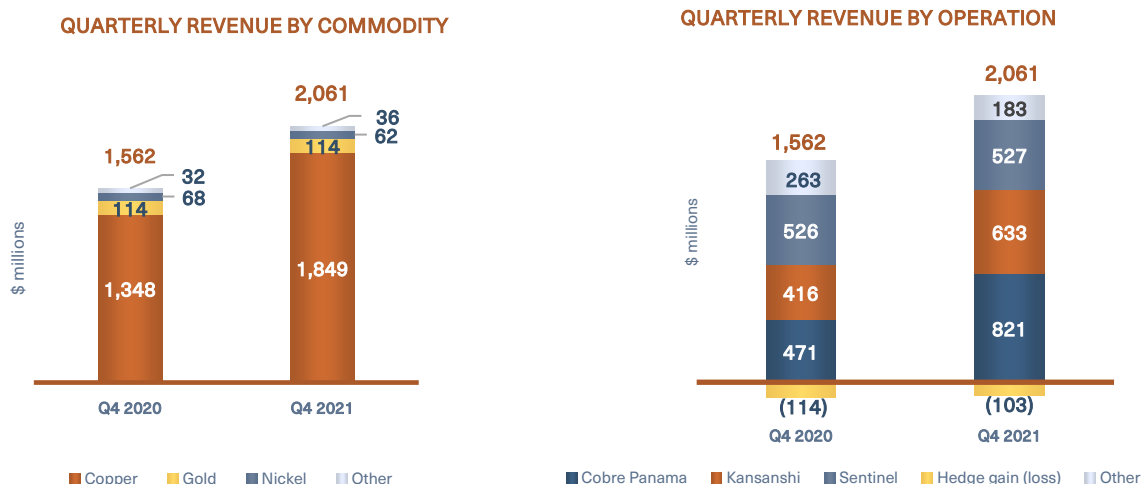
¹ Delivery of non-financial items (refinery-backed gold and silver credits) into the Company's precious metal stream arrangement have been netted within sales revenues rather than included in cost of sales. The year ended 31 December, 2020 has been revised for this change. Sales revenues and cost of sales for the full year 2020 have both been reduced by \$129 million compared to the previous reported values (see "Precious Metal Stream Arrangement").

² Net finance expense comprises finance income and finance costs.

³ Adjusted earnings (loss) is a non-GAAP financial measure and Adjusted earnings (loss) per share is a non-GAAP ratio. Such measures do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. Adjusted earnings (loss) was previously named comparative earnings (loss), the composition remains the same. See "Regulatory Disclosures".

Sales Revenues

FOURTH QUARTER



Sales revenues for the fourth quarter of 2021 of \$2,061 million were 32%, or \$499 million higher than the comparable quarter of 2020, reflecting the increase in copper sales revenues of \$501 million, higher production at Cobre Panama as well as higher realized copper prices¹.

Copper sales revenues for the fourth quarter of 2021 of \$1,849 million were 37%, or \$501 million, higher than the comparable period in 2020 reflecting the 40% higher net realized copper prices¹. Total copper sales volumes of 213,087 tonnes for the fourth quarter of 2021 were 2% lower than the same period in 2020, but represented the highest quarterly result for the year and contributed to the Company's highest annual total copper sales to date. Copper sales revenues included a \$103 million loss, or \$0.22 per lb, on the copper sales hedge program, compared with a loss of \$111 million, or \$0.23 per lb in the comparable period in 2020.

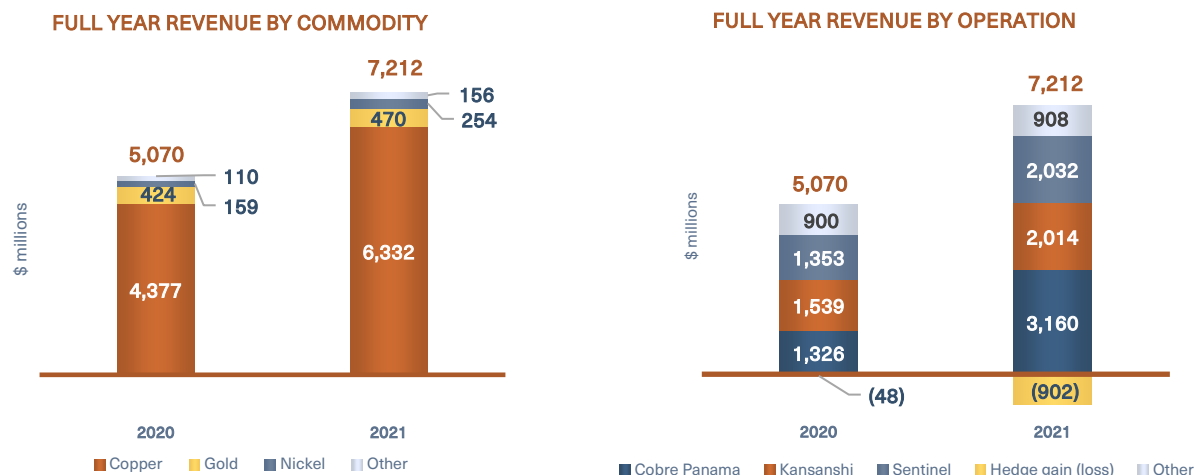
The realized price¹ for copper of \$4.08 per lb for the fourth quarter of 2021 was 37% higher than the same period in 2020. This compares to an increase of 38% in the average LME price of copper for the same period, to \$4.40 per lb.

Gold sales revenues were in line with the comparable period in 2020. A 12% increase in gold sales volumes, attributable to Cobre Panama and Kansanshi, which contributed total gold revenue of \$37 million, and \$63 million, respectively was offset by 5% lower realized prices¹ and \$22 million higher cost for the purchase of refinery-backed gold and silver credits to satisfy the precious metal stream obligation. A total of \$61 million cost for the purchase of refinery credits was recognized within revenues.

Nickel sales revenues of \$62 million for the fourth quarter of 2021 include a \$1 million loss on the nickel sales hedge program, or \$0.14 per lb compared with a \$3 million loss in the comparative quarter, or \$0.31 per lb. Nickel sales volumes were 3,756 contained tonnes for the quarter, a 30% decrease compared to the same quarter of 2020, in line with the decrease in production during the quarter.

¹ Realized metal prices are non-GAAP ratios, do not have standardized meanings under IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

FULL YEAR



Sales revenues for the year ended December 31, 2021 were \$7,212 million, 42%, or \$2,142 million higher than the prior year, reflecting an increase in copper sales revenues and gold sales revenues of \$1,955 million and \$46 million respectively, together with a \$95 million increase in nickel sales revenues as Ravensthorpe ramped up following restart of production in late April 2020.

Copper sales revenues of \$6,332 million were 45%, or \$1,955 million, higher than the prior year reflecting higher sales volumes at Cobre Panama, combined with higher net realized prices¹. Copper sales revenues include an \$892 million loss, or \$0.49 per lb, on the copper sales hedge program, compared with a loss of \$59 million, or \$0.04 per lb, in the prior year.

The realized price for copper¹ of \$3.64 per lb in 2021 was 33% higher than the prior year. This compares to an increase of 51% in the average LME price of copper for the same period, to \$4.23 per lb.

Gold sales revenues in 2021 were 11%, or \$46 million, higher than the prior year, reflecting a 16% increase in gold sales volumes, attributable to Cobre Panama, which contributed total gold revenue of \$166 million, an increase of \$65 million, and higher realized gold prices¹. Cobre Panama gold and silver revenues of \$208 million include \$156 million of gold and silver revenues recognized under the precious metal stream, and an associated \$237 million cost for the purchase of refinery-backed gold and silver credits to satisfy the obligation.

Nickel sales revenues of \$254 million have been recognized for the year ended December 31, 2021 and include a \$10 million loss on the nickel sales hedge program, or \$0.32 per lb compared with an \$11 million gain, or \$0.51 per lb, in the comparative period. Nickel sales volumes at Ravensthorpe, were 17,078 contained tonnes sold for the year, a 41% increase from the prior year.

	QUARTERLY			FULL YEAR	
	Q4 2021	Q3 2021	Q4 2020	2021	2020
Copper selling price (per lb)					
Average LME cash price	\$4.40	\$4.25	\$3.20	\$4.23	\$2.80
Realized copper price	\$4.08	\$3.68	\$2.97	\$3.64	\$2.74
Treatment/refining charges ("TC/RC") (per lb)	(\$0.11)	(\$0.11)	(\$0.11)	(\$0.12)	(\$0.10)
Freight charges (per lb)	(\$0.03)	(\$0.04)	(\$0.04)	(\$0.03)	(\$0.04)
Net realized copper price ¹	\$3.94	\$3.53	\$2.82	\$3.49	\$2.60

¹ Realized metal prices are a non-GAAP ratio, do not have standardized meanings under IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures" for further information

(in United States dollars, tabular amounts in millions, except where noted)

	QUARTERLY			FULL YEAR	
	Q4 2021	Q3 2021	Q4 2020	2021	2020
Gold selling price (per oz)					
Average LBMA cash price	\$1,795	\$1,790	\$1,876	\$1,799	\$1,771
Net realized gold price ¹	\$1,677	\$1,683	\$1,771	\$1,673	\$1,662

¹ Excludes gold revenues recognized under the precious metal stream arrangement.

	QUARTERLY			FULL YEAR	
	Q4 2021	Q3 2021	Q4 2020	2021	2020
Nickel selling price (per payable lb)					
Average LME cash price	\$8.99	\$8.67	\$7.11	\$8.39	\$6.25
Net realized nickel price	\$8.88	\$8.50	\$7.11	\$8.05	\$7.37

Given the volatility in commodity prices, significant variances can arise between average market price and net realized prices due to the timing of sales during the period. Realized metal prices are non-GAAP ratios, and are not recognized under IFRS and might not be comparable to similar measures disclosed by other issuers. Refer to "Regulatory Disclosures".

Details of the Company's hedging program and the contracts held are included on page 44.

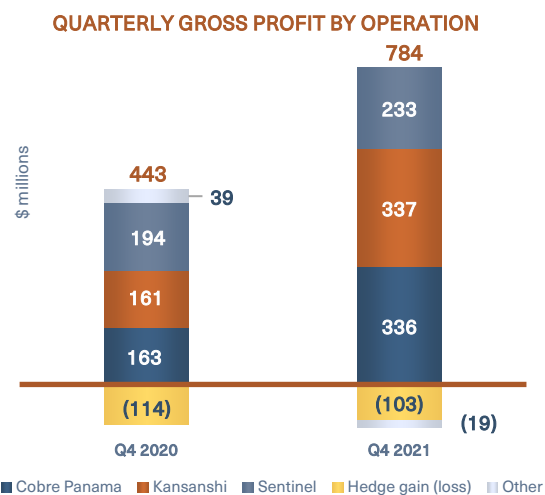
Gross Profit

Fourth Quarter

Gross profit for the quarter of \$784 million was \$341 million higher than the fourth quarter of 2020, due to higher metal prices.

Gross profit in Q4 2020	443
Higher metal prices	508
Movement in hedge program	11
Lower sales volumes and change in sales mix	(5)
Higher by-product contribution	14
Higher cash costs	(138)
Higher royalty expense	(55)
Lower depreciation	12
Negative impact of foreign exchange on operating costs	(6)
Gross profit in Q4 2021 ¹	784

¹ Gross profit is reconciled to EBITDA by including exploration costs of \$7 million, general and administrative costs of \$29 million, share of profit in joint venture of \$17 million, and adding back depreciation of \$314 million and other expense of \$6 million (a reconciliation of EBITDA is included in "Regulatory Disclosures").



Gross profit for the fourth quarter of 2021 was \$784 million, an increase of \$341 million, or 77%, from the same period in 2020, and was driven by higher net realized prices resulting in increased revenues, offset by the higher royalties, higher fuel, electricity, consumables and freight cash costs and lower sales volumes. A loss of \$103 million was recognized in the quarter on the corporate sales hedge program, compared to a loss of \$114 million in the comparative quarter.

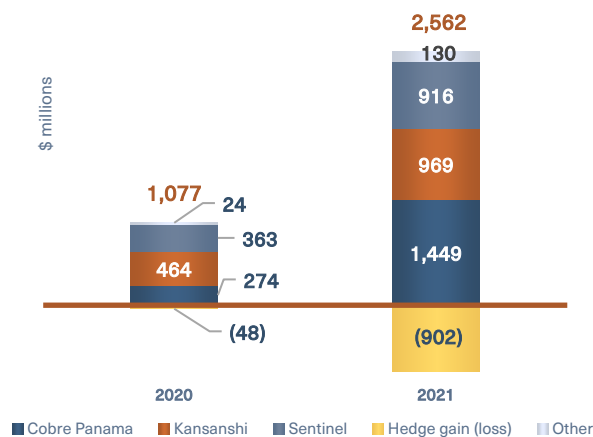
Full Year

Gross profit for the year ended December 31, 2021 of \$2,562 million was \$1,485 million higher than 2020, based on higher metal prices and contribution from Cobre Panama.

Gross profit in 2020	1,077
Higher metal prices	2,593
Movement in hedge program	(854)
Higher sales volumes	104
Higher by-product contribution	70
Higher cash costs	(256)
Higher royalty expense	(219)
Increase in depreciation	40
Positive impact of foreign exchange on operating costs	7
Gross profit in 2021¹	2,562

¹ Gross profit is reconciled to EBITDA by including exploration costs of \$20 million, general and administrative costs of \$118 million, share of profit in joint venture of \$75 million and adding back depreciation of \$1,174 million, and other expense of \$11 million (a reconciliation of EBITDA is included in "Regulatory Disclosures").

FULL YEAR GROSS PROFIT BY OPERATION



Gross profit of \$2,562 million was a notable increase of \$1,485 million, or 138%, from 2020, and driven by increased sales volumes at Cobre Panama and higher net realized prices, with some offset from higher cash costs, principally fuel, freight and royalties. A loss of \$902 million was recognized for the year on the corporate sales hedge program, compared to a \$48 million loss in 2020.

Net Earnings

Fourth Quarter

Net earnings attributable to shareholders of the Company for the fourth quarter of 2021 were \$247 million, and is \$238 million higher than the same period in 2020. Basic earnings per share was \$0.36 during the quarter compared to \$0.01 per share in the same quarter of 2020. Net finance expense of \$165 million was \$24 million lower than the fourth quarter of 2020 as debt levels continued to decrease. Net finance expense consists of interest on debt of \$128 million, interest on related party debt of \$30 million, accretion of deferred revenue and restoration provision of \$16 million and \$3 million, respectively, and other interest expense of \$6 million; offset by interest capitalized of \$2 million and interest income of \$16 million.

A loss of \$21 million was recognized as a result of the redemption of the 2023 notes. A \$17 million share of profit in Korea Panama Mining Corporation (“KPMC”) was recognized in the quarter, for which a loss of \$4 million was recognized in the comparable period of 2020.

An impairment of \$44 million was recognized in relation to the Sese power project, specific housing assets constructed at the Sentinel mine for its employees, and exploration activities, separate from the Company’s development projects.

An income tax expense of \$239 million was recognized in the fourth quarter of 2021, compared with a \$147 million expense recognized in the comparable period in 2020, due to an increase of pre-tax earnings at operations and reflecting applicable statutory tax rates, which range from 20% to 35% for the Company’s operations. No tax credits have been recognized with respect to losses of \$103 million realized under the Company’s copper and nickel sales hedge program.

Full Year

Net earnings attributable to shareholders of the Company of \$832 million for the year ended December 31, 2021, was \$1,012 million higher than the same period in 2020. Basic earnings per share of \$1.21 compares to a loss per share of \$0.26 in the prior year. Net finance expense of \$660 million was \$78 million lower than the prior year as debt levels continued to decrease. Net finance expense consists of interest on debt of \$532 million, interest on related party debt of \$119 million, accretion of deferred revenue and restoration provision of \$64 million and \$11 million, respectively, and other interest expense of \$3 million; offset by interest capitalized of \$4 million and interest income of \$65 million.

Other income of \$218 million includes foreign exchange gains of \$159 million, principally attributable to foreign exchange gains arising on translating the Zambian VAT receivable. This compares to a loss of \$225 million in the prior year ended December 31, 2020.

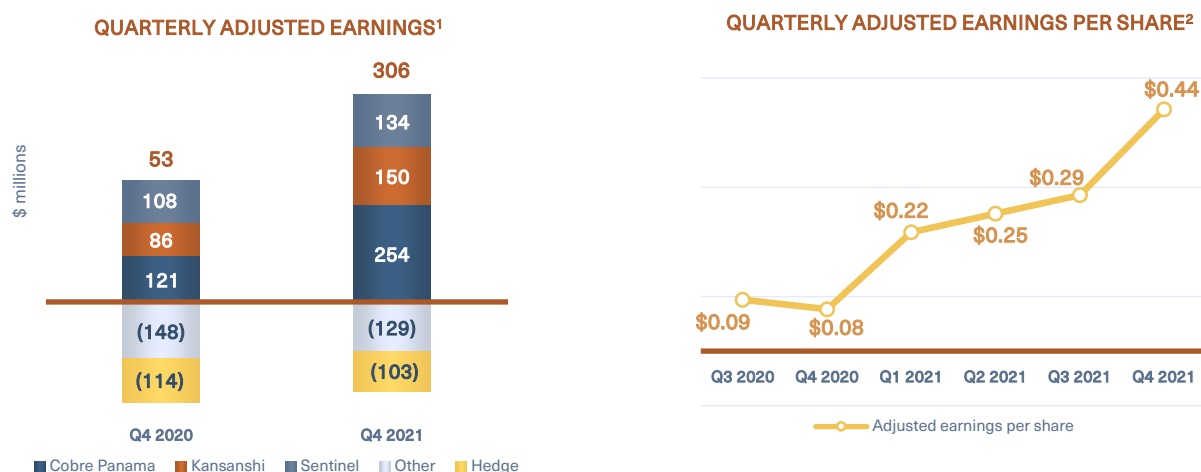
A \$75 million share of the profit in KPMC was recognized in 2021, for which a loss of \$45 million was recognized in the prior year.

A \$16 million expense reflecting the expected phasing of the Zambian VAT was recognized in the year, compared with a credit of \$80 million recognized in 2020, which represented the expected phasing of receipts, and the impact of foreign exchange, using a ZMW risk-free rate.

An income tax expense of \$812 million was recognized in 2021, compared with an income tax expense of \$256 million recognized in the prior year, reflecting applicable statutory tax rates, which range from 20% to 35% for the Company's operations. No tax credits have been recognized with respect to losses of \$902 million realized under the Company's copper and nickel sales hedge program. The effective tax rate for the year ended December 31, 2021 excluding the impact of interest expense was 31%.

Adjusted Earnings¹

FOURTH QUARTER

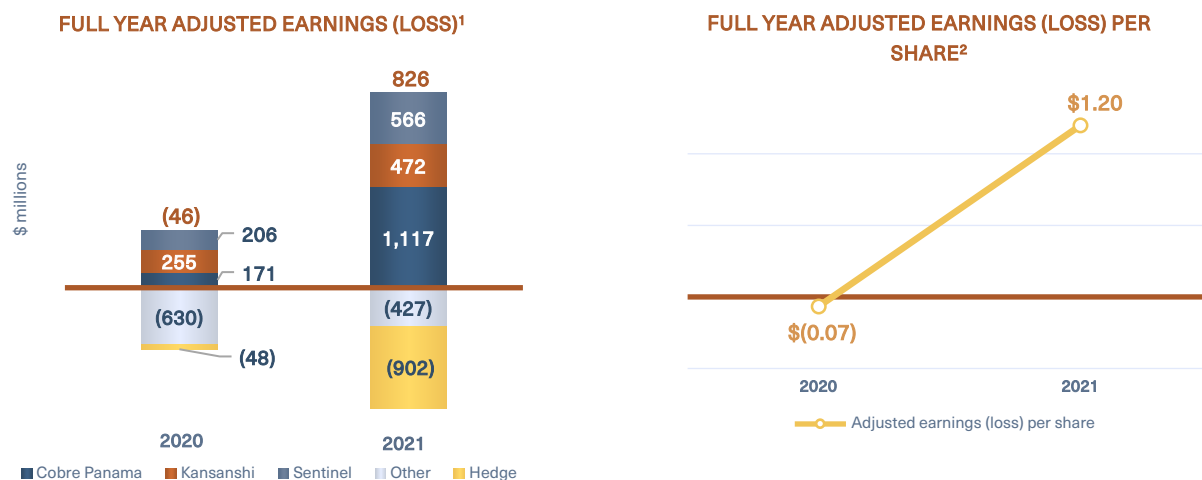


Adjusted earnings¹ for the quarter ended December 31, 2021 of \$306 million is an increase of \$253 million from the comparative period in 2020. Adjusted earnings per share² of \$0.44 in the fourth quarter compares to adjusted earnings per share² of \$0.08 in the same period of 2020. The principal items not included in adjusted earnings¹ in the quarter are foreign exchange gains of \$13 million, impairment charge of \$44 million and loss on redemption of debt of \$21 million. A reconciliation of adjusted metrics is included in "Regulatory Disclosures".

¹Adjusted earnings (loss) is a non-GAAP financial measure, does not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. Adjusted earnings (loss) was previously named comparative earnings (loss), the composition remains the same. See "Regulatory Disclosures".

²Adjusted earnings (loss) per share, and cash flows from operating activities per share are non-GAAP ratios, do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

FULL YEAR



Adjusted earnings¹ for the year ended December 31, 2021 of \$826 million was a significant increase from adjusted loss¹ of \$46 million in 2020. Adjusted earnings per share² of \$1.20 compares to adjusted loss per share² of \$0.07 in 2020.

The principal items not included in adjusted earnings¹ for the year are foreign exchange gains of \$159 million, principally related to movements on the Zambian VAT receivable, impairment charge of \$44 million, loss on redemption of debt of \$21 million and adjustment for expected phasing of Zambian VAT of \$16 million. Adjusted earnings¹ is an earnings metric used by management to evaluate operating performance. The Company believes that the adjusted metrics presented are useful as the items excluded from adjusted earnings¹ do not reflect the underlying operating performance of its current business and are not necessarily indicative of future operating results. A reconciliation of adjusted earnings to gross profit is included in *“Regulatory Disclosures”*.

¹Adjusted earnings (loss) is a non-GAAP financial measure, does not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. Adjusted earnings (loss) was previously named comparative earnings (loss), the composition remains the same. See *“Regulatory Disclosures”*.

²Adjusted earnings (loss) per share, and cash flows from operating activities per share are non-GAAP ratios, do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See *“Regulatory Disclosures”*.

LIQUIDITY AND CAPITAL RESOURCES

	QUARTERLY			FULL YEAR	
	Q4 2021	Q3 2021	Q4 2020	2021	2020
Cash flows from operating activities	760	703	533	2,885	1,613
Cash flows used by investing activities					
Purchase and deposits on property, plant and equipment	(277)	(274)	(172)	(995)	(610)
Acquisition of KPMC	(100)	-	(100)	(100)	(100)
Other	(2)	(3)	27	(3)	37
Cash flows used by financing activities					
Net movement in debt and trading facilities	(338)	(327)	(143)	(454)	103
Interest paid ¹	(71)	(189)	(85)	(521)	(574)
Transactions with non-controlling interests	23	240	-	263	-
Other	(53)	(24)	(63)	(129)	(72)
Exchange gains (losses) on cash and cash equivalents	(1)	-	2	(1)	(6)
Net cash inflow	(59)	126	(1)	945	391
Cash balance	1,859	1,918	914	1,859	914
Total assets	25,270	25,200	24,236	25,270	24,236
Total current liabilities	1,678	2,059	2,435	1,678	2,435
Total long-term liabilities	12,098	11,963	11,766	12,098	11,766
Net debt ²	6,053	6,302	7,409	6,053	7,409
Cash flows from operating activities per share ³	\$1.10	\$1.02	\$0.77	\$4.19	\$2.34

¹ Interest paid excludes \$4 million capitalized to property, plant and equipment for the year ended December 31, 2021, presented in cash flows used by investing activities. (2020, nil).

² Net debt is a supplementary financial measure. These measures do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

³ Cash flows from operating activities per share is a non-GAAP ratio, and does not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

Cash Flows from Operating Activities

Cash flows from operating activities in the year were \$1,272 million higher than 2020, reflecting higher EBITDA¹ and lower working capital outflows.

Cash Flows Used by Investing Activities

Capital expenditures of \$995 million was \$385 million higher than 2020, reflecting increased capital expenditure spend at Kansanshi on the mining fleet and maintenance shutdown of the smelter. The expenditure on in-pit crusher 4 at Sentinel, on the Shoemaker Levy project at Ravensthorpe and higher spend at Cobre Panama following relatively low expenditure in 2020 when Cobre Panama was placed on preservation and safe maintenance due to COVID-19 restrictions from April 2020 up until August 2020.

Cash flows from investing activities also include the final \$100 million instalment payment in respect of the acquisition of KPMC in 2017.

¹ EBITDA is a non-GAAP financial measure, and does not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

Cash Flows from Financing Activities

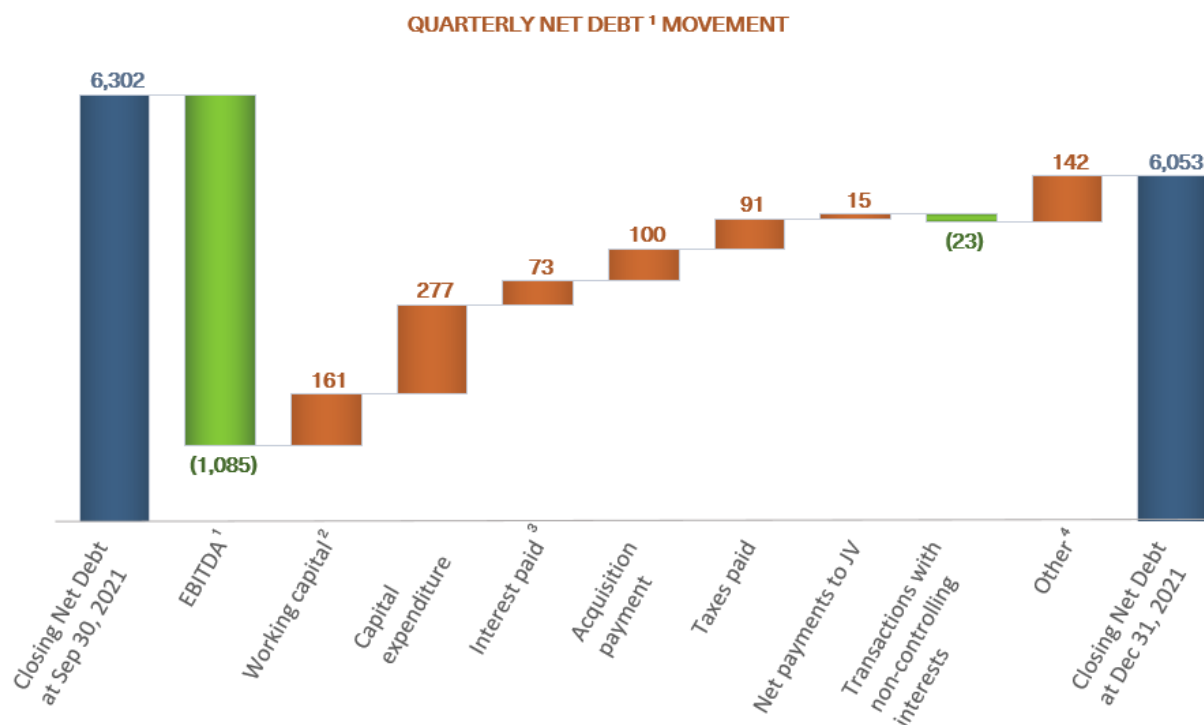
Cash flows from financing activities of \$841 million for the year included an inflow of \$240 million after the completion of the minority interest sale to POSCO and a \$454 million net movement on gross debt and trading facilities.

Cash flows used by financing activities include a \$600 million partial redemption of the 2023 notes, drawdowns on a new Term Loan and Revolving Credit Facility and full repayment of the \$175 million bilateral bank facility signed in April 2021.

Interest paid of \$521 million is included within cash flows from financing activities for the year which excludes \$4 million of capitalized interest; and is \$53 million lower than the \$574 million of interest paid in 2020, reflecting the lower net debt¹ position in the year. In addition, net payments of \$64 million were paid to KPMC, a 50:50 joint venture between the Company and Korea Mine Rehabilitation and Mineral Resources Corporation ("KOMIR"). Additionally, \$23 million was drawn down from the working capital facility provided by POSCO, which holds a 30% minority interest in Ravensthorpe.

Liquidity

FOURTH QUARTER



¹ EBITDA is a non-GAAP financial measure and net debt is a supplementary financial measure. These measures do not have standardized meanings under IFRS and might not be comparable to similar measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

² Includes \$23 million outflow related to long-term incentive plans.

³ Interest paid includes \$2 million of interest capitalized to property plant and equipment.

⁴ Other includes non-cash adjustments relating to amortization of gold and silver revenue (\$25 million) and share of profit in joint venture ("JV") (\$17 million).

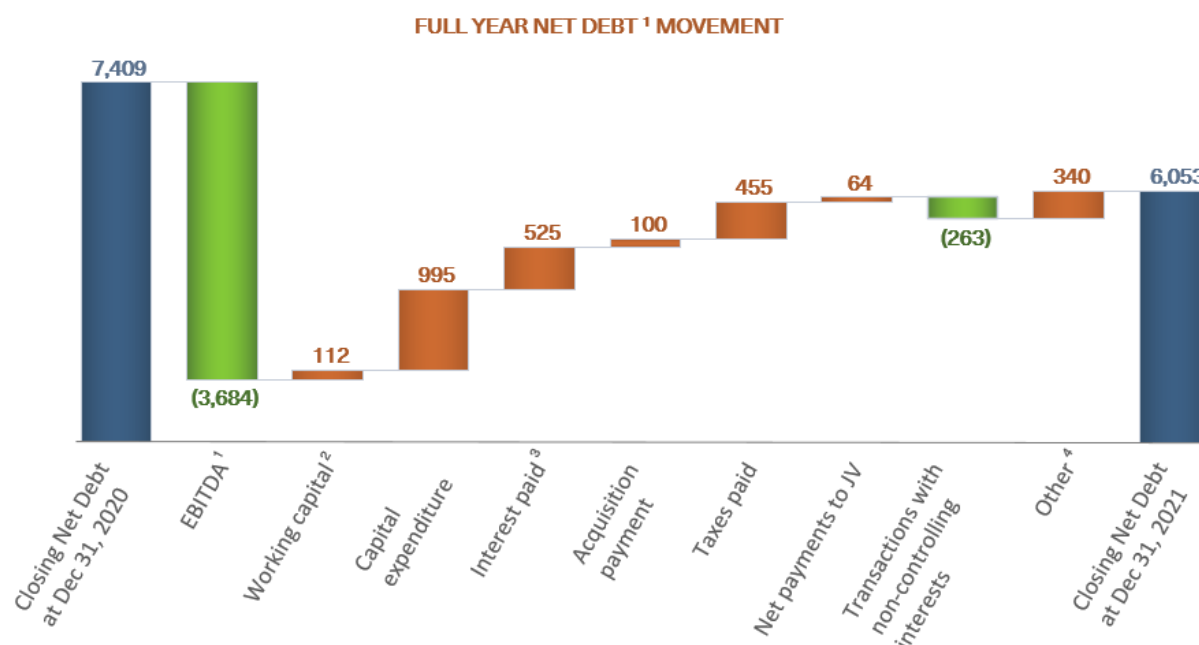
Net debt¹ decreased by \$249 million during the quarter to \$6,053 million. At December 31, 2021, total debt was \$7,912 million.

On October 14, 2021, the Company signed the new \$2.925 billion Facility. This Facility replaced the Previous Facility, which had been due to mature in December 2022. The Facility comprises a \$1.625 billion term loan facility and a \$1.3 billion revolving credit facility, matures in 2025 and is syndicated to a group of long-standing relationship banks of First Quantum. The refinancing extends the debt maturity profile of the business and removes all material debt maturities through to April 2023. In addition, the refinancing provides additional liquidity headroom and continues management's practice of proactively addressing debt maturities, and further demonstrates the Company's access to a diverse range of funding sources.

The refinancing includes improved financial terms, reduced financial covenants, and an extended amortization schedule for the Facility beginning in December 2022 and improves the financial flexibility of the Company through the added liquidity. The Facility was used to fully prepay and cancel amounts outstanding on the Previous Facility, to fully prepay and cancel a bilateral bank facility for \$175 million and for general corporate purposes. Repayments on the term loan portion of the Facility will commence in December 2022. The Facility has a single Net debt to EBITDA ratio covenant set at 3.5 times over the Facility term.

On December 7, 2021, the Company redeemed \$600 million aggregate principal amount of senior unsecured notes due 2023 at redemption price of 101.813%. The portion of the outstanding notes due 2023 to be redeemed was allocated on a lottery drawing basis at the redemption price plus the payment of accrued and unpaid interest.

FULL YEAR



¹ EBITDA is a non-GAAP financial measure and net debt is a supplementary financial measure. These measures do not have standardized meanings under IFRS and might not be comparable to similar measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

² Includes \$94 million outflow related to long-term incentive plans.

³ Interest paid includes \$4 million of interest capitalized to property plant and equipment.

⁴ Other includes non-cash adjustments relating to amortization of gold and silver revenue (\$99 million) and share of profit in JV (\$75 million).

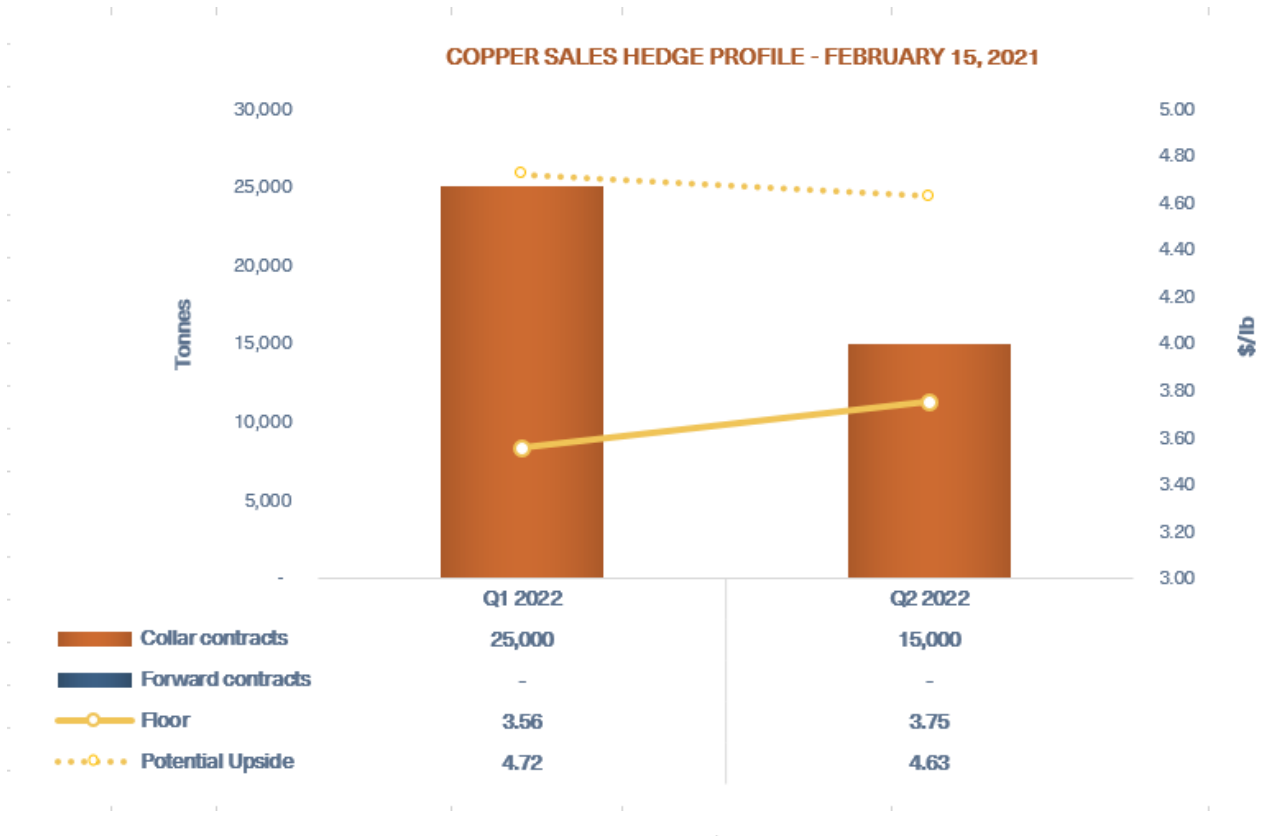
Net debt¹ decreased by \$1,356 million during the year ended December 31, 2021 to \$6,053 million. At December 31, 2021, total debt was \$7,912 million.

The Company actively manages all capital spending and operating costs while maintaining a high level of health and safety, productivity and environmental and social standards. Operating costs at all sites have been and are continuously being reviewed to identify opportunities to further reduce costs.

Following the upgrades by S&P Global Ratings and Fitch Ratings in April to a B credit rating, the Company outlook remains stable. Copper prices and demand continue to be robust. National policies and infrastructure plans supporting green energy across the world are expected to be passed which are projected to drive the demand for copper, an essential component of both the transition to a low carbon economy and of the socioeconomic development of emerging economies.

The Company has entered into derivative contracts to ensure that the exposure to the price of copper on future sales is managed to ensure stability of cash flows. At February 15, 2022, the Company has zero cost copper collar unmargined sales contracts for 40,000 tonnes at weighted average prices of \$3.63 per lb to \$4.68 per lb outstanding with maturities to June 2022.

At February 15, 2022, the Company has zero cost nickel collar unmargined sales contracts for 400 tonnes at weighted average prices of \$7.71 per lb to \$8.58 per lb outstanding with maturities to May 2022.



Approximately 5% of expected copper sales for the next 12 months are hedged to zero cost collar sales contracts, at an average floor price and average ceiling price of \$3.63 per lb and \$4.68 per lb, respectively. This compares to approximately one sixth at the reporting date of the third quarter of 2021, with an average floor price and average ceiling price of \$3.41 per lb and \$4.23 per lb, respectively.

These, together with expected future cash flows, support the Company's belief in its ability to meet current obligations as they become due, and to have sufficient liquidity through the next 12 months to carry out its operating and capital expenditure plans. The Company was in full compliance with all its financial covenants at December 31, 2021, and expects to remain in compliance throughout the next 12 months. The Company continues to take action to manage operational and price risks and further strengthen the balance sheet, including through strategic initiatives and use of the copper sales hedge program. The current hedge profile is at a significantly reduced level moving into the first quarter of 2022.

At December 31, 2021, the Company had total commitments of \$129 million, \$122 million of which is related to the 12 months following the period end.

Contractual and other obligations as at December 31, 2021 are as follows:

	Carrying Value	Contractual Cash flows	< 1 year	1 – 3 years	3 – 5 years	Thereafter
Debt – principal repayments	7,881	7,926	283	2,760	3,383	1,500
Debt – finance charges	-	1,684	462	741	378	103
Trading facilities	31	31	31	-	-	-
Trade and other payables	719	719	719	-	-	-
Derivative instruments	57	57	57	-	-	-
Liability to joint venture ¹	1,310	2,207	-	-	-	2,207
Other loans owed to non-controlling interest ²	176	262	23	-	-	239
Current taxes payable	363	363	363	-	-	-
Deferred payments	50	50	5	10	10	25
Leases	26	30	10	13	5	2
Commitments	-	129	122	7	-	-
Restoration provisions	731	1,144	3	47	57	1,037
	11,344	14,602	2,078	3,578	3,833	5,113

¹Refers to distributions to KPMC, a joint venture that holds a 20% non-controlling interest in Minera Panama SA (“MPSA”), of which the Company has joint control, and not scheduled repayments.

²Refers to liability with POSCO, an entity that holds a 30% non-controlling interest in FQM Australia Holdings Pty Ltd (“Ravensthorpe”), of which the Company has full control.

Equity

As at December 31, 2021, the Company had 691,102,415 common shares outstanding.

Hedging Programs

The Company has hedging programs in respect of future copper and nickel sales and provisionally priced sales contracts. Below is a summary of the fair values of unsettled derivative financial instruments for commodity contracts recorded on the consolidated balance sheet.

COMMODITY CONTRACTS

	December 31, 2021	December 31, 2020
Asset position	38	8
Liability position	(57)	(452)

	Open Positions (tonnes)	Average Contract price	Closing Market price	Maturities Through
Commodity contracts:				
Copper zero cost collar	52,500	\$3.61-\$4.69/lb	\$4.40/lb	June 2022
Nickel zero cost collar	500	\$7.71-\$8.58/lb	\$8.55/lb	May 2022

During the year ended December 31, 2021, a loss for settled hedges of \$902 million was realized through sales revenues.

Provisional Pricing and Derivative Contracts

A portion of the Company's metal sales is sold on a provisional pricing basis whereby sales are recognized at prevailing metal prices when title transfers to the customer and final pricing is not determined until a subsequent date, typically two months later. The difference between final price and provisional invoice price is recognized in net earnings. In order to mitigate the impact of these adjustments on net earnings, the Company enters into derivative contracts to directly offset the pricing exposure on the provisionally priced contracts. The provisional pricing gains or losses and offsetting derivative gains or losses are both recognized as a component of cost of sales. Derivative assets are presented in other assets and derivative liabilities are presented in other liabilities with the exception of copper and gold embedded derivatives, which are included within accounts receivable.

As at December 31, 2021, the following derivative positions in provisionally priced sales and commodity contracts not designated as hedged instruments were outstanding:

	Open Positions (tonnes/oz)	Average Contract price	Closing Market price	Maturities Through
Embedded derivatives in provisionally priced sales contracts:				
Copper	162,370	\$4.35/lb	\$4.40/lb	May 2022
Gold	51,247	\$1,806/oz	\$1,806/oz	April 2022
Nickel	982	\$8.95/lb	\$9.49/lb	May 2022
Commodity contracts:				
Copper	161,950	\$4.35/lb	\$4.40/lb	May 2022
Gold	51,249	\$1,806/oz	\$1,806/oz	April 2022
Nickel	984	\$8.95/lb	\$9.49/lb	May 2022

As at December 31, 2021, substantially all of the Company's metal sales contracts subject to pricing adjustments were hedged by offsetting derivative contracts.

Foreign Exchange

Foreign exchange risk arises from transactions denominated in currencies other than the U.S. Dollar ("USD"). The USD/ZMW exchange rate has had the greatest impact on the Company's cost of sales, as measured in USD. A 10% movement in the USD/ZMW exchange rate would impact the Company's cost of sales by approximately \$20 million per year. Movements in the USD/ZMW exchange rate would also result in the revaluation of balance sheet items, including the VAT receivable by the Company's Zambian operations.

ZAMBIAN VAT

The total VAT receivable accrued by the Company's Zambian operations at December 31, 2021, was \$644 million, of which \$284 million relates to Kansanshi, \$324 million relates to Sentinel, with the balance of \$36 million attributable to other Zambian subsidiaries providing supporting services.

Offsets of \$71 million against other taxes due have been granted during the year ended December 31, 2021. In the year ended December 31, 2020, offsets of \$110 million were granted and cash recoveries of \$1 million were received. Future recoveries of Zambian VAT receivable balances due to the Company may be received in cash, offset of other tax liabilities or similar forms.

The Company considers that the outstanding VAT claims are fully recoverable and has classified all VAT balances due to the Zambian operations as non-current. The Company plans to work with the GRZ to settle the outstanding VAT claims.

A \$16 million expense adjustment for Zambian VAT receipts was recognized in the year ended December 31, 2021, representing the expected phasing of receipts, and the impact of foreign exchange, using a ZMW risk-free rate. A credit of \$80 million had previously been recognized in the twelve months ended December 31, 2020. An unrealized foreign exchange gain of \$191 million was recognized against the receivable in the year ended December, 2021 as a result of significant appreciation of the Zambia Kwacha during this period with movement of the rate from ZMW 21.17 : \$1 as at December 31, 2020, to a rate of ZMW 16.66 : \$1 as at December 31, 2021.

ZAMBIAN VAT

	December 31, 2021	December 31, 2020
Receivable at date of claim ¹	975	855
Impact of depreciation of Zambian Kwacha against U.S. dollar	(188)	(379)
Receivable at the period end exchange rate	787	476
Adjustment for expected phasing for non-current portion	(143)	(127)
Total VAT receivable	644	349
Consisting:		
Current portion, included within trade and other receivables	-	-
Non-current VAT receivable	644	349

AGING ANALYSIS OF VAT RECEIVABLE FOR THE COMPANY'S ZAMBIAN OPERATIONS

	< 1 year	1-3 years	3-5 years	5-8 years	> 8 years	Total
Receivable at date of claim ¹	238	438	93	96	110	975
Impact of appreciation (depreciation) of Zambian Kwacha	43	(69)	(39)	(55)	(68)	(188)
Non-current VAT due	281	369	54	41	42	787
Adjustment for expected phasing of Zambian VAT receipts	(51)	(67)	(10)	(7)	(8)	(143)
Total VAT receivable from Zambian operations	230	302	44	34	34	644

¹ The movement in VAT receivable at date of claim is net of offsets and realized foreign exchange loss arising on offsets received in the year ended December 31, 2021, of \$71 million and \$51 million, respectively.

Changes to Zambian VAT Regime

There were no material changes to the Zambian VAT regime announced in the 2022 Budget.

A zero rating order for VAT on petrol and diesel and a suspension on the excise duty on petrol and diesel announced in January 2021, remained in place during the quarter.

Pre-February 2015 VAT Receivable

In February 2015, the GRZ implemented a change in the statutory instrument regarding VAT on exports from Zambia. Claims totaling ZMW 1,307 million (equivalent to \$78 million as at December 31, 2021) made by Kansanshi prior to this date remain outstanding. This balance has reduced by ZMW 80 million (equivalent to \$5 million as at December 31, 2021) in the year to December 31, 2021, (December 31, 2020: \$6 million).

ZMW 357 million (equivalent to \$21 million as at December 31, 2021) of the VAT refunds for this period remain under dispute, stemming from the application of discretionary rules established and applied by the Zambia Revenue Authority, however offsets for months under dispute have been received in the year to December 31, 2021. The Company is in regular discussions with the relevant government authorities and continues to consider that the outstanding claims are fully recoverable. ZMW 80 million (equivalent to \$5 million as at December 31, 2021) of offsets received in 2021 were allocated to pre-February 2015 outstanding refunds. Cash and offsets totaling ZMW 4,383 million (equivalent to \$350 million, based on the receivable value at date of receipt) have been received to date for claims subsequent to February 2015 by Kansanshi.

JOINT VENTURE

On November 8, 2017, the Company completed the purchase of a 50% interest in KPMC from LS-Nikko Copper Inc. KPMC is jointly owned and controlled with Korea Mine Rehabilitation and Mineral Resources Corporation (“KOMIR”) and holds a 20% interest in Cobre Panama. The purchase consideration of \$664 million comprised the acquisition consideration of \$635 million and the reimbursement of cash advances of \$29 million with \$179 million paid on closing. The final consideration of \$100 million was paid in November 2021 (year ended December 31, 2020: \$100 million).

A \$619 million investment in the joint venture representing the discounted consideration value and the Company’s proportionate share of the profit or loss in KPMC to date. For the year ended December 31, 2021, the profit attributable to KPMC was \$150 million (December 31, 2020: loss of \$90 million). The profit in KPMC relates to the 20% equity accounted share of profit reported by the Minera Panama S.A. (“MPSA”), a subsidiary of the Company. The material assets and liabilities of KPMC are an investment in MPSA of \$418 million, shareholder loans receivable from the Company and shareholder loans payable of \$1,310 million due to the Company and its joint venture partner KOMIR.

At December 31, 2021, the Company’s subsidiary, MPSA, owed to KPMC \$1,310 million (December 31, 2020: \$1,327 million and December 31, 2019: \$1,238 million). Interest is accrued at an annual interest rate of 9%; unpaid interest is capitalized to the outstanding loan on a semi-annual basis. The loan matures on June 30, 2029.

PRECIOUS METAL STREAM ARRANGEMENT

Arrangement Overview

The Company, through MPSA, has a precious metal streaming arrangement with Franco-Nevada Corporation (“Franco-Nevada”). The arrangement comprises two tranches. Under the first phase of deliveries under the first tranche (“Tranche 1”) Cobre Panama is obliged to supply Franco-Nevada 120 ounces of gold and 1,376 ounces of silver for each 1 million pounds of copper produced, deliverable within 5 days of eligible copper concentrate sales. Under the first phase of deliveries under the second tranche (“Tranche 2”) Cobre Panama is obliged to supply Franco-Nevada a further 30 ounces of gold and 344 ounces of silver for each 1 million pounds of copper produced, deliverable within 5 days of eligible copper concentrate sales.

Tranche 1 was amended and restated on October 5, 2015, which provided for \$1 billion of funding to the Cobre Panama project. Under the terms of Tranche 1, Franco-Nevada, through a wholly owned subsidiary, agreed to provide a \$1 billion deposit to be funded on a pro-rata basis of 1:3 with the Company’s 80% share of the capital costs of Cobre Panama in excess of \$1 billion. The full Tranche 1 deposit amount has been fully funded to MPSA. Tranche 2 was finalized on March 16, 2018, and \$356 million was received on completion. Proceeds received under the terms of the precious metals streaming arrangement are accounted for as deferred revenue.

In all cases, the amount paid is not to exceed the prevailing market price per ounce of gold and silver.

The Company commenced the recognition of delivery obligations under the terms of the arrangement in September 2019 following the first sale of copper concentrate. Deferred revenue will continue to be recognized as revenue over the life of the mine, which is expected to be 33 years. The amount of precious metals deliverable under both tranches is indexed to total copper-in-concentrate sold by Cobre Panama.

GOLD STREAM

	TRANCHE 1	TRANCHE 2
Delivered (oz)	0 to 808,000	0 to 202,000
Delivery terms	120 oz of gold per one million pounds of copper	30 oz of gold per one million pounds of copper
Threshold	First 1,341,000 oz	First 604,000 oz
Ongoing cash payment	\$443.93/oz (+1.5% inflation)	20% market price

SILVER STREAM

	TRANCHE 1	TRANCHE 2
Delivered (oz)	0 to 9,842,000	0 to 2,460,500
Delivery terms	1,376 oz of silver per one million pounds of copper	344 oz of silver per one million pounds of copper
Threshold	First 21,510,000 oz	First 9,618,000 oz
Ongoing cash payment	\$6.66 / oz (+1.5% inflation)	20% market price

Under the first threshold of deliveries, the above Tranche 1 ongoing cash payment terms are for approximately the first 20 years of expected deliveries, thereafter the greater of \$443.93 per oz for gold and \$6.66 per oz for silver, subject to an adjustment for inflation, and one half of the then prevailing market price. Under the first threshold of deliveries, the above Tranche 2 ongoing cash payment terms are for approximately the first 25 years of production, and thereafter the ongoing cash payment per ounce rises to 50% of the spot price of gold and silver.

Accounting

Gold and silver produced by the mine, either contained in copper concentrate or in doré form, are sold to off-takers and revenue recognized accordingly. Cobre Panama gold and silver revenues consist of revenues derived from the sale of metals produced by the mine, as well as revenues recognized from the amortization of the precious metal stream arrangement.

Gold and silver revenues recognized under the terms of the precious metal streaming arrangement are indexed to copper sold from the Cobre Panama mine, and not gold or silver production. Gold and silver revenues recognized in relation to the precious metal streaming arrangement comprise two principal elements:

- the non-cash amortization of the deferred revenue balance.
- the ongoing cash payments received, as outlined in the above section.

Obligations under the precious metal streaming arrangement are satisfied with the purchase of refinery-backed gold and silver credits, the cost of which is recognized within revenues. Refinery-backed credits purchased and delivered are excluded from the gold and silver sales volumes disclosed and realized price calculations.

C1¹ and AISC¹ include the impact of by-product credits, which include both gold and silver revenues earned under the precious metal stream arrangement and revenues earned on the sales of mine production of gold and silver. Also included is the cost of refinery-backed gold and silver credits, purchased at market price, to give a net gold and silver by-product credit.

The Company has amended its accounting in respect of the delivery of non-financial items (refinery-backed gold and silver credits) into its precious metal stream arrangement, from presenting as a cost of sale to net within sales revenues. The year ended December 31, 2020, was revised for this change. Sales revenues and cost of sales have both reduced by \$129 million compared to the previous reported values.

	QUARTERLY			FULL YEAR	
	Q4 2021	Q3 2021	Q4 2020	2021	2020
Gold and silver revenue – ongoing cash payments	15	13	9	57	31
Gold and silver revenue – non cash amortization	25	24	15	99	56
Total gold and silver revenues - precious metal stream	40	37	24	156	87
Cost of refinery-backed credits for precious metal stream included in revenue	(61)	(55)	(39)	(237)	(129)

¹ Copper C1 cash cost (copper C1) and copper all-in sustaining costs (copper AISC) are non-GAAP ratios, do not have standardized meanings under IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

MATERIAL LEGAL PROCEEDINGS

Panama Constitutional Proceedings

In February 1996, the Republic of Panama and MPSA, now a subsidiary of the Company, entered into a mining concession contract in respect of the Cobre Panama project (“Concession Contract”).

On February 26, 1997, Contract-Law No. 9 (“Law 9”) was passed by the Panamanian National Assembly. Law 9 granted the status of national law to the Concession Contract, establishing a statutory legal and fiscal regime for the development of the Cobre Panama project. On December 30, 2016, the Government of Panama signed and issued Resolution No. 128 by which it extended the Concession Contract held by MPSA for a second 20-year term commencing March 1, 2017 up to February 28, 2037. The Company remains eligible for consideration of a third 20-year term of the Concession Contract commencing March 1, 2037.

In September 2018, the Company became aware of a ruling of the Supreme Court of Panama (“Supreme Court”) in relation to the constitutionality of Law 9. The Company understands that the ruling of the Supreme Court with respect to the constitutionality of Law 9 relates to the enactment of Law 9 and does not affect the legality of the Concession Contract itself, which remains in effect, and allows continuation of the development and operation of the Cobre Panama project by MPSA.

In respect of the Supreme Court ruling on Law 9, the Company notes the following:

- › The Supreme Court decision was in respect of ongoing legal filings made since 2009 with regard to specific environmental petitions.
- › In reviewing the process of approval of Law 9 of 1997, the Supreme Court found that the National Assembly had failed to consider whether Law 9 complied with applicable legislation at the time, namely Cabinet Decree 267 of 1969.
- › The applicable Cabinet Decree of 1969, which was repealed in 1997 by Law 9, required the Ministry of Commerce and Industry (“MICI”) to issue a request for proposals before awarding the Law 9 mining concession.
- › The Attorney General of Panama provided two formal opinions favourable to the constitutionality of Law 9 as required in this type of proceedings by Panamanian law.
- › The Supreme Court ruling did not make a declaration as to the annulment of the MPSA Concession Contract.

In 2018, MPSA submitted filings to the Supreme Court for ruling, prior to the ruling in relation to the constitutionality of Law 9 taking effect. On September 26, 2018, the Government of Panama issued a news release affirming support for Cobre Panama. The release confirmed that MICI considers that the MPSA Mining Concession contract, and its extension, remains in effect in all its parts (The MICI release is available at www.twitter.com/MICIPMA/status/1044915730209222657). In July 2021, the Supreme Court responded to the requests for clarifications submitted by MPSA, ruling them inadmissible. This means that the original ruling that Law 9 is unconstitutional has been upheld. The unconstitutionality ruling was published in the Official Gazette on December 22, 2021. The Company understands that the ruling’s effects are non-retrospective, pursuant to the Code of Judicial Proceedings, which means that the enactment of the contract in 1997 and its extension in 2017 granted until the year 2037, remain unaffected. As of the date of this report, the Cobre Panama project continues steady and uninterrupted operations.

The current Government of Panama (“GOP”), inaugurated on July 1, 2019, established a multidisciplinary commission including the Minister of Commerce and Industries (mining regulator), Minister of Environment, and Minister of Employment to discuss the Law 9 matter and seek resolution. In July 2021, the GOP announced the appointment of a high-level commission of senior government ministers and officials, chaired by the Minister of Commerce, to discuss the Company’s concession contract. In September 2021, the Ministry of Commerce publicly announced the culmination of the high-level formal discussions on two topics being environmental and labour matters. On December 22, 2021, the unconstitutionality ruling was gazetted, after the requests for clarification submitted by MPSA had been deemed inadmissible in July 2021.

During January 2022, the Government of Panama tabled a new proposal, namely that the GOP should receive \$375 million in benefits per year from Cobre Panama and that the existing revenue royalty will be replaced by a gross profit royalty. The parties continue to finalize the detail behind these principles, including the appropriate mechanics that would achieve the desired outcome, the necessary protections to the Company’s business for downside copper price and production scenarios and ensuring that the new contract and legislation are both durable and sustainable.

Once an agreement is concluded and the full contract is documented, it is expected that newly drafted legislation would be put to the National Assembly. The Company welcomes the transparency of the robust ministerial commission process and it is hopeful that this matter can be concluded shortly.

Zambian Power

In June 2018, without any warning, ZESCO reduced power supply to the Kansanshi operation. The reduction was due to Kansanshi and Sentinel's rejection of ZESCO's demand for payment of higher tariffs, contrary to the existing contractual agreements between the parties.

On June 26, 2018, Kansanshi sought an injunction against ZESCO before the English courts, as the contracts on tariff are governed by English law. On June 28, 2018, ZESCO resisted the application and requested an extension to respond. On July 6, 2018, the Court awarded Kansanshi's request by way of a sanctioned consent order ("Order") which requires ZESCO to restore the full capacity as demanded by Kansanshi. In turn, Kansanshi is required to deposit the difference between the contractual tariff and the disputed higher tariff into a segregated account until an arbitration between Kansanshi and ZESCO on these facts are concluded. The Order continues to apply as ZESCO is restrained from making any reductions without incurring further sanction from the Court.

On August 22, 2018, Kansanshi served on ZESCO a Notice of Arbitration in respect of these facts. The arbitration hearing concluded in July 2021 and the Tribunal issued its award in November 2021. The Tribunal found in favour of Kansanshi on the key issues including the appropriate tariff and the return to Kansanshi of the funds held in the segregated account pursuant to the Order. In December 2021, the Tribunal awarded Kansanshi its costs of the arbitration and rejected ZESCO's application for interpretation of various parts of the Tribunal's award. Kansanshi is now engaged in pursuing ZESCO's compliance with the Tribunal's orders.

Despite this dispute, the Company's operations generally maintain a constructive relationship with ZESCO, particularly with regards to the management of technical and supply issues. Operational and technical dialogue between the parties is expected to continue in the normal course.

Kansanshi Minority Partner

In October 2016, the Company, through its subsidiary Kansanshi Holdings Limited, received a Notice of Arbitration from ZCCM International Holdings PLC ("ZCCM") under the Kansanshi Mining PLC ("KMP") Shareholders Agreement. ZCCM is a 20% shareholder in KMP and filed the Notice of Arbitration against Kansanshi Holdings Limited ("KHL"), the 80% shareholder, and against KMP. The Company also received a Statement of Claim filed in the Lusaka High Court naming additional defendants, including the Company, and certain directors and an executive of the named corporate defendants. Aside from the parties, the allegations made in the Notice of Arbitration and the High Court for Zambia were the same. The Company is firmly of the view that the allegations are in their nature inflammatory, vexatious and untrue.

The dispute was stated as a request for a derivative action, requiring ZCCM to obtain permission to proceed in each forum of the Arbitration and the Lusaka High Court. The dispute arose from facts originating in 2007, and concerned the rate of interest paid on select deposits by KMP with the Company. The deposits were primarily retained for planned investment by KMP in Zambia. In particular, KMP deposits were used to fund a major investment program at Kansanshi, including the successful construction and commissioning of the Kansanshi smelter and expansion of the processing plant and mining operations. The entirety of the deposit sums has been paid down from the Company to KMP, with interest. The interest was based on an assessment of an arm's length fair market rate, which is supported by independent third-party analysis. ZCCM disputed that interest rate paid to KMP on the deposits was sufficient.

In July 2019, the Arbitral Tribunal issued a final award in favour of KMP (the "Arbitral Award"). The parties have reached an agreement on costs, in total exceeding US\$1 million payable by ZCCM, bringing this particular matter to an end.

In parallel, several preliminary procedural applications to dismiss the High Court Action were lodged on behalf of the Company, and other defendants, in the Lusaka High Court. By a decision dated January 25, 2018, the Lusaka High Court used its discretion to rectify ZCCM's procedural errors. The Court granted leave to the Company, FQM Finance, a wholly-owned subsidiary of the Company, and the individual defendants to appeal against this decision and the litigants have agreed to a stay pending the appeal. The appeal hearing took place on November 21, 2018, with submissions made by all parties. The Court of Appeal delivered judgment on January 11, 2019, dismissing the appeal. An appeal to the Supreme Court of Zambia was heard on April 24, 2019, and has been dismissed. The High Court was scheduled to resume hearing two further procedural applications, including whether ZCCM is allowed to maintain the derivative action. However, before these hearings could take place the defendants brought an application requesting dismissal of the case on grounds of abuse of process/ res judicata, on the basis that the action cannot be allowed to continue for risk of producing conflicting judgment from the London arbitration, which has already adjudicated the facts of this particular complaint. ZCCM objected to the defendants' application. ZCCM also tried to bring an

application to set aside the registration of the Arbitral Award in Zambia. The defendants' resisted this application. Both applications had an oral hearing in October 2019.

However, after the October 2019 hearing, ZCCM pursued a challenge to the registration of the Arbitral Award on grounds that it was not enforceable because it had complied with the costs payment order of the Arbitral Award. KMP opposed ZCCM's challenge and made submissions to the Registrar that an Arbitration Award is eligible for registration despite compliance with costs orders. On February 13, 2020, the Registrar accepted KMP's position and dismissed ZCCM's challenge to the registration of the Arbitration Award. Accordingly, the Lusaka High Court proceeded to rule on the abuse of process application. By way of a ruling dated March 23, 2020, the Lusaka High Court agreed with KMP's application that the process, if it were to be allowed to continue before it, would risk conflicting judgements and would be *res judicata*. Accordingly, ZCCM's derivative action case was dismissed, with costs awarded to KMP against ZCCM. On April 6, 2020, ZCCM sought permission to appeal to the Court of Appeal on grounds that the High Court judge erred in fact and in law. KMP objected to the appeal. The Court of Appeal delivered its judgment on January 13, 2021, dismissing all grounds of appeal with the exception of one ground raised by the ZCCM and awarded costs to the Defendants. With regards to the remaining ground, the Court of Appeal held that the determination of this ground of appeal would be inconsequential as the matter should have been determined earlier than now and is therefore now moot. On January 27, 2021, ZCCM filed a notice of motion for leave to appeal to the Supreme Court. ZCCM filed skeleton arguments in respect of the motion for leave to appeal to Supreme Court in reply to those of KMP on April 23, 2021, and the remaining defendants on April 26, 2021. A hearing on the matter was held on April 29, 2021, and judgement was reserved. On August 11, 2021, ZCCM submitted a new summons for leave to appeal to the Supreme Court. KMP submitted its response on August 27, 2021, opposing leave to appeal. On October 4, 2021, the Supreme Court dismissed ZCCM's application in its entirety with costs awarded to KMP. On October 19, 2021, ZCCM submitted a notice of motion for leave to appeal to a full bench (3 judges) of the Supreme Court. KMP submitted its response on November 26, 2021. ZCCM submitted its heads of arguments on January 10, 2022. The hearing occurred on January 18, 2022. The Supreme Court panel, which consisted of the Deputy Chief Justice and two other Supreme Court Judges, indicated that according to the Court, the High Court proceedings by ZCCM were a nullity from the very beginning, so their appeal should fail. The Company awaits the Supreme Court's actual decision as it was reserved.

In addition, on November 11, 2019, Kansanshi Holding Ltd (KHL) filed a UNCITRAL Rules based Request for Arbitration against ZCCM and KMP (as Nominal Respondent) in connection with a Cash Management Services Agreement dated August 19, 2019. KHL seeks a declaration that the CMSA is an arm's length contract. The CMSA provides for cash management services whereby KMP would deposit with the Group's treasury subsidiary certain of its cash balances for management by FQML's treasury function. All cash managed and deposited is callable on demand by KMP and attracts commercial interest rates. Under the shareholder agreement between the Group and ZCCM, related party transactions are required to be on an arms' length basis. This arbitration was held virtually in a hearing from October 19 to 23, 2020. The parties are now awaiting the Final Award in the arbitration. The Partial Final Award was issued in the first quarter of 2021. The arbitral panel held a Case Management Conference on June 25, 2021, with a focus on the legal issues expressly identified in the Partial Final Award for resolution and relief in a Final Award. The parties have conferred on the table of matters that remain to be determined, which are scheduled to be heard by the Tribunal on November 9, 2021. The parties reached a settlement on the remaining matters on November 30, 2021 and the Tribunal issued the Final Award by Consent on January 12, 2022.

Kansanshi Development Agreement

On May 19, 2020, KMP filed a Request for Arbitration against the GRZ with the International Centre for Settlement of International Disputes ("ICSID"). This arbitration is confidential. KMP's claims concern breaches of certain contractual provisions of a development agreement between GRZ and KMP (the "Development Agreement") and international law. The amount in dispute is to be quantified at a later stage, however it is believed to be material. The Tribunal is now fully constituted and has held its first Case Management Conference, setting the hearing date for the adjudication of the merits for March 14 to 18, 2022. KMP submitted its Memorial and corresponding documents on January 25, 2021. GRZ filed its Memorial on Jurisdiction and Counter-Memorial of Defence and Counterclaim on July 9, 2021. The parties have exchanged requests for production of documents. The parties produced documents ordered by the Tribunal on November 1, 2021. KMP submitted its Reply Memorial on February 11, 2022. The hearing in this matter is scheduled for January 2023.

REGULATORY DISCLOSURES

Seasonality

The Company's results as discussed in this MD&A are subject to seasonal aspects, in particular the wet season in Zambia. The wet season in Zambia generally starts in November and continues through to April, with the heaviest rainfall normally experienced in the months of December, January, February and March. As a result of the wet season, pit access and the ability to mine ore is lower in the first quarter of the year than other quarters and the cost of mining is higher.

Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements as of the date of this report.

Non-GAAP Financial Measures and Ratios

This document refers to cash cost (C1), all-in sustaining cost (AISC) and total cost (C3) per unit of payable production, operating cash flow per share, realized metal prices, EBITDA, net debt and adjusted earnings, which are not measures recognized under IFRS, do not have a standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other issuers. These measures are used internally by management in measuring the performance of the Company's operations and serve to provide additional information which should not be considered in isolation to measures prepared under IFRS. Comparative earnings and comparative EBITDA have been renamed to adjusted earnings and EBITDA, respectively, with no change to compositions, to more appropriately describe the measures in line with National Instrument 52-112.

C1, AISC and C3 are non-GAAP financial measures based on production and sales volumes for which there is no directly comparable measure under IFRS, though a reconciliation from the cost of sales, as stated in the Company's financial statements, and which should be read in conjunction with this Management's Discussion and Analysis, to C1, AISC and C3 can be found on the following pages. These reconciliations set out the components of each of these measures in relation to the cost of sales for the Company as per the consolidated financial statements.

The calculation of these measures is described below, and may differ from those used by other issuers. The Company discloses these measures in order to provide assistance in understanding the results of the operations and to provide additional information to investors.

Calculation of Cash Cost, All-In Sustaining Cost, Total Cost, Sustaining Capital Expenditure and Deferred Stripping Costs Capitalized

The consolidated cash cost (C1), all-in sustaining cost (AISC) and total cost (C3) presented by the Company are measures that are prepared on a basis consistent with the industry standard definitions by the World Gold Council and Brook Hunt cost guidelines but are not measures recognized under IFRS. In calculating the C1 cash cost, AISC and C3, total cost for each segment, the costs are measured on the same basis as the segmented financial information that is contained in the financial statements.

C1 cash cost includes all mining and processing costs less any profits from by-products such as gold, silver, zinc, pyrite, cobalt, sulphuric acid, or iron magnetite and is used by management to evaluate operating performance. TC/RC and freight deductions on metal sales, which are typically recognized as a component of sales revenues, are added to C1 cash cost to arrive at an approximate cost of finished metal.

AISC is defined as cash cost (C1) plus general and administrative expenses, sustaining capital expenditure, deferred stripping, royalties and lease payments and is used by management to evaluate performance inclusive of sustaining expenditure required to maintain current production levels.

C3 total cost is defined as AISC less sustaining capital expenditure, deferred stripping and general and administrative expenses net of insurance, plus depreciation and exploration. This metric is used by management to evaluate the operating performance inclusive of costs not classified as sustaining in nature such as exploration and depreciation.

Sustaining capital expenditure is defined as capital expenditure during the production phase, incurred to sustain and maintain the existing assets to achieve constant planned levels of production, from which future economic benefits will be derived. This includes expenditure for assets to retain their existing productive capacity, and to enhance assets to minimum reliability, environmental and safety standards.

(in United States dollars, tabular amounts in millions, except where noted)

Deferred stripping costs capitalized are defined as waste material stripping costs in excess of the strip ratio, for the production phase, and from which future economic benefits will be derived from future access to ore. Deferred stripping costs are capitalized to the mineral property, and will be depreciated on a units-of-production basis.

	QUARTERLY			FULL YEAR	
	Q4 2021	Q3 2021	Q4 2020	2021	2020
Purchase and deposits on property, plant and equipment	277	274	172	995	610
Sustaining capital expenditure and deferred stripping	121	126	100	457	322
Project capital expenditure	156	148	72	538	288
Total capital expenditure	277	274	172	995	610

Non-GAAP Reconciliations

The following tables provide a reconciliation of C1³, C3³ and AISC³ to the consolidated financial statements:

For the quarter ended December 31, 2021	Cobre Panama	Kansanshi	Sentinel	Guelb Moghrein	Las Cruces	Çayeli	Pyhäsalmi	Copper	Corporate & other	Ravensthorpe	Total
Cost of sales^{1,2}	(485)	(295)	(294)	(50)	(26)	(10)	(8)	(1,168)	(15)	(94)	(1,277)
Adjustments:											
Depreciation	154	71	70	6	-	3	-	304	2	8	314
By-product credits ²	48	63	-	17	-	4	4	136	-	6	142
Royalties	16	57	61	1	-	1	-	136	-	4	140
Treatment and refining charges	(30)	(7)	(15)	(2)	-	(1)	-	(55)	-	-	(55)
Freight costs	(1)	-	(11)	-	-	-	-	(12)	-	-	(12)
Finished goods	12	19	(11)	9	1	(5)	-	25	-	8	33
Other	20	9	8	(2)	-	2	-	37	13	-	50
Cash cost (C1)³	(266)	(83)	(192)	(21)	(25)	(6)	(4)	(597)	-	(68)	(665)
Adjustments:											
Depreciation (excluding depreciation in finished goods)	(146)	(60)	(75)	(4)	-	(6)	-	(291)	-	(8)	(299)
Royalties	(16)	(57)	(61)	(1)	-	(1)	-	(136)	-	(4)	(140)
Other	(4)	(3)	(2)	1	-	-	-	(8)	-	(1)	(9)
Total cost (C3)³	(432)	(203)	(330)	(25)	(25)	(13)	(4)	(1,032)	-	(81)	(1,113)
Cash cost (C1)³	(266)	(83)	(192)	(21)	(25)	(6)	(4)	(597)	-	(68)	(665)
Adjustments:											
General and administrative expenses	(12)	(4)	(8)	-	(1)	-	-	(25)	-	(3)	(28)
Sustaining capital expenditure and deferred stripping ⁴	(34)	(47)	(43)	-	-	(1)	-	(125)	-	4	(121)
Royalties	(16)	(57)	(61)	(1)	-	(1)	-	(136)	-	(4)	(140)
Lease payments	(2)	-	-	-	(1)	-	-	(3)	-	-	(3)
AISC³	(330)	(191)	(304)	(22)	(27)	(8)	(4)	(886)	-	(71)	(957)
AISC (per lb) ³	\$1.94	\$1.67	\$2.39	\$4.57	\$4.32	\$0.62	\$2.93	\$2.05	-	\$11.15	
Cash cost – (C1) (per lb) ³	\$1.57	\$0.79	\$1.51	\$4.11	\$4.01	(\$0.44)	\$2.81	\$1.39	-	\$10.93	
Total cost – (C3) (per lb) ³	\$2.55	\$1.78	\$2.59	\$4.01	\$4.10	\$1.19	\$2.81	\$2.39	-	\$12.87	

¹ Total cost of sales per the Consolidated Statement of Earnings (Loss) in the Company's annual audited consolidated financial statements.

² Refinery-backed credits presented net within revenues (see "Precious Metal Stream Arrangement").

³ C1 cash cost (C1), total costs (C3), and all-in sustaining costs (AISC) are non-GAAP ratios which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

⁴ Sustaining capital is a non-GAAP financial measure which does not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".



(in United States dollars, tabular amounts in millions, except where noted)

For the year ended December 31, 2021	Cobre Panama	Kansanshi	Sentinel	Guelb Moghrein	Las Cruces	Çayeli	Pyhäsalmi	Copper	Corporate & other	Ravensthorpe	Total
Cost of sales^{1,2}	(1,711)	(1,045)	(1,116)	(208)	(98)	(57)	(31)	(4,266)	(35)	(349)	(4,650)
Adjustments:											
Depreciation	579	220	270	36	13	18	1	1,137	3	34	1,174
By-product credits ²	208	220	-	114	-	14	21	577	-	22	599
Royalties	61	192	203	9	2	8	-	475	-	13	488
Treatment and refining charges	(112)	(26)	(56)	(10)	-	(5)	(2)	(211)	-	-	(211)
Freight costs	(5)	-	(41)	-	-	(5)	-	(51)	-	-	(51)
Finished goods	27	(24)	10	12	3	(7)	-	21	-	10	31
Other	41	13	16	2	-	2	1	75	32	5	112
Cash cost (C1)³	(912)	(450)	(714)	(45)	(80)	(32)	(10)	(2,243)	-	(265)	(2,508)
Adjustments:											
Depreciation (excluding depreciation in finished goods)	(564)	(224)	(270)	(29)	(10)	(21)	(1)	(1,119)	-	(34)	(1,153)
Royalties	(61)	(192)	(203)	(9)	(2)	(8)	-	(475)	-	(13)	(488)
Other	(16)	(9)	(8)	-	(1)	-	-	(34)	-	(5)	(39)
Total cost (C3)³	(1,553)	(875)	(1,195)	(83)	(93)	(61)	(11)	(3,871)	-	(317)	(4,188)
Cash cost (C1)³	(912)	(450)	(714)	(45)	(80)	(32)	(10)	(2,243)	-	(265)	(2,508)
Adjustments:											
General and administrative expenses	(43)	(21)	(33)	(2)	(4)	(1)	-	(104)	-	(13)	(117)
Sustaining capital expenditure and deferred stripping ⁴	(106)	(182)	(149)	(1)	-	(5)	-	(443)	-	(14)	(457)
Royalties	(61)	(192)	(203)	(9)	(2)	(8)	-	(475)	-	(13)	(488)
Lease payments	(5)	-	-	-	(2)	(1)	-	(8)	-	(1)	(9)
AISC³	(1,127)	(845)	(1,099)	(57)	(88)	(47)	(10)	(3,273)	-	(306)	(3,579)
AISC (per lb) ³	\$1.61	\$1.96	\$2.21	\$1.66	\$2.91	\$1.56	\$1.61	\$1.88	-	\$9.87	
Cash cost – (C1) (per lb) ³	\$1.31	\$1.04	\$1.44	\$1.38	\$2.67	\$0.99	\$1.54	\$1.30	-	\$8.59	
Total cost – (C3) (per lb) ³	\$2.22	\$2.03	\$2.40	\$2.31	\$3.10	\$2.01	\$1.71	\$2.23	-	\$10.24	

¹ Total cost of sales per the Consolidated Statement of Earnings (Loss) in the Company's annual audited consolidated financial statements.

² Refinery-backed credits presented net within revenues (see "Precious Metal Stream Arrangement").

² C1 cash cost (C1), total costs (C3), and all-in sustaining costs (AISC) are non-GAAP ratios which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

³ Sustaining capital is a non-GAAP financial measure which does not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".



(in United States dollars, tabular amounts in millions, except where noted)

For the quarter ended December 31, 2020	Cobre Panama	Kansanshi	Sentinel	Guelb Moghrein	Las Cruces	Çayeli	Pyhäsalmi	Copper	Corporate & other	Ravensthorpe	Total
Cost of sales^{1,2}	(308)	(255)	(332)	(46)	(81)	(12)	(9)	(1,043)	(8)	(68)	(1,119)
Adjustments:											
Depreciation	107	60	90	9	48	3	1	318	-	8	326
By-product credits ²	39	54	-	37	-	3	5	138	-	4	142
Royalties	9	30	45	4	1	1	-	90	-	3	93
Treatment and refining charges	(24)	(6)	(17)	(3)	-	(1)	(1)	(52)	-	-	(52)
Freight costs	(1)	-	(18)	-	-	(1)	-	(20)	-	-	(20)
Finished goods	(12)	(1)	26	-	(1)	(2)	-	10	-	(2)	8
Other	3	4	1	(3)	(2)	1	1	5	8	1	14
Cash cost (C1)³	(187)	(114)	(205)	(2)	(35)	(8)	(3)	(554)	-	(54)	(608)
Adjustments:											
Depreciation (excluding depreciation in finished goods)	(110)	(57)	(75)	(11)	(49)	(3)	(1)	(306)	-	(9)	(315)
Royalties	(9)	(30)	(45)	(4)	(1)	(1)	-	(90)	-	(3)	(93)
Other	(3)	(3)	(2)	1	1	1	(1)	(6)	-	(1)	(7)
Total cost (C3)³	(309)	(204)	(327)	(16)	(84)	(11)	(5)	(956)	-	(67)	(1,023)
Cash cost (C1)³	(187)	(114)	(205)	(2)	(35)	(8)	(3)	(554)	-	(54)	(608)
Adjustments:											
General and administrative expenses	(8)	(5)	(10)	1	(3)	-	-	(25)	-	(3)	(28)
Sustaining capital expenditure and deferred stripping ⁴	(35)	(29)	(34)	(1)	-	(1)	-	(100)	-	-	(100)
Royalties	(9)	(30)	(45)	(4)	(1)	(1)	-	(90)	-	(3)	(93)
Lease payments	(1)	-	(1)	-	-	-	-	(2)	-	(1)	(3)
Other	-	(1)	-	-	-	-	-	(1)	-	(1)	(2)
AISC³	(240)	(179)	(295)	(6)	(39)	(10)	(3)	(772)	-	(62)	(834)
AISC (per lb) ²	\$1.72	\$1.59	\$2.04	\$0.36	\$1.70	\$1.37	\$2.21	\$1.77	-	\$6.09	
Cash cost – (C1) (per lb) ³	\$1.34	\$1.01	\$1.44	\$0.09	\$1.56	\$0.96	\$2.06	\$1.28	-	\$5.39	
Total cost – (C3) (per lb) ³	\$2.22	\$1.81	\$2.28	\$1.07	\$3.76	\$1.52	\$2.93	\$2.20	-	\$6.78	

¹ Total cost of sales per the Consolidated Statement of Earnings (Loss) in the Company's annual audited consolidated financial statements.

² Delivery of non-financial items (refinery-backed gold and silver credits) into the Company's precious metal stream arrangement have been netted within sales revenues rather than included in cost of sales. The year ended December 31, 2020 has been revised for this change. Sales revenues and cost of sales for the fourth quarter of 2020 have both been reduced by \$39 million compared to the previous reported values (see "Precious Metal Stream Arrangement").

³ C1 cash cost (C1), total costs (C3) and all-in sustaining costs (AISC) are non-GAAP ratios which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

⁴ Sustaining capital is a non-GAAP financial measure which does not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".



(in United States dollars, tabular amounts in millions, except where noted)

For the year ended December 31, 2020	Cobre Panama	Kansanshi	Sentinel	Guelb Moghrein	Las Cruces	Çayeli	Pyhäsalmi	Copper	Corporate & other	Ravensthorpe	Total
Cost of sales^{1,2}	(1,052)	(1,075)	(990)	(197)	(345)	(58)	(38)	(3,755)	(14)	(224)	(3,993)
Adjustments:											
Depreciation	400	247	261	40	215	22	5	1,190	3	24	1,217
By-product credits ²	124	229	-	139	-	10	20	522	-	8	530
Royalties	24	111	112	9	5	2	-	263	-	7	270
Treatment and refining charges	(79)	(34)	(48)	(13)	-	(5)	(3)	(182)	-	-	(182)
Freight costs	(4)	(11)	(40)	-	(1)	(4)	-	(60)	-	-	(60)
Finished goods	-	13	(18)	1	-	(3)	1	(6)	-	(2)	(8)
Other	18	6	(11)	1	1	1	1	17	11	58 ³	86
Cash cost (C1)⁴	(569)	(514)	(734)	(20)	(125)	(35)	(14)	(2,011)	-	(129)	(2,140)
Adjustments:											
Depreciation (excluding depreciation in finished goods)	(400)	(246)	(270)	(40)	(215)	(23)	(5)	(1,199)	-	(25)	(1,224)
Royalties	(24)	(111)	(112)	(9)	(5)	(2)	-	(263)	-	(7)	(270)
Other	(10)	(11)	(6)	(1)	-	1	-	(27)	-	(2)	(29)
Total cost (C3)⁴	(1,003)	(882)	(1,122)	(70)	(345)	(59)	(19)	(3,500)	-	(163)	(3,663)
Cash cost (C1)⁴	(569)	(514)	(734)	(20)	(125)	(35)	(14)	(2,011)	-	(129)	(2,140)
Adjustments:											
General and administrative expenses	(26)	(24)	(34)	(1)	(7)	(1)	-	(93)	-	(6)	(99)
Sustaining capital expenditure and deferred stripping ⁵	(74)	(105)	(126)	(10)	-	(4)	-	(319)	-	(3)	(322)
Royalties	(24)	(111)	(112)	(9)	(5)	(2)	-	(263)	-	(7)	(270)
Lease payments	(3)	(3)	(2)	-	(1)	-	-	(9)	-	(1)	(10)
Other	-	(2)	-	-	-	-	-	(2)	-	(1)	(3)
AISC⁴	(696)	(759)	(1,008)	(40)	(138)	(42)	(14)	(2,697)	-	(147)	(2,844)
AISC (per lb) ⁴	\$1.60	\$1.60	\$1.92	\$0.70	\$1.15	\$1.53	\$1.55	\$1.63	-	\$6.46	
Cash cost – (C1) (per lb) ⁴	\$1.31	\$1.09	\$1.40	\$0.38	\$1.05	\$1.24	\$1.48	\$1.21	-	\$5.72	
Total cost – (C3) (per lb) ⁴	\$2.30	\$1.86	\$2.14	\$1.20	\$2.88	\$2.14	\$2.03	\$2.11	-	\$7.19	

¹ Total cost of sales per the Consolidated Statement of Earnings (Loss) in the Company's annual audited consolidated financial statements.

² Delivery of non-financial items (refinery-backed gold and silver credits) into the Company's precious metal stream arrangement have been netted within sales revenues rather than included in cost of sales. The year ended December 31, 2020 has been revised for this change. Sales revenues and cost of sales for the full year 2020 have both been reduced by \$129 million compared to the previous reported values (see "Precious Metal Stream Arrangement").

³ Includes restart costs at Ravensthorpe.

⁴ C1 cash cost (C1), total costs (C3), and all-in sustaining costs (AISC) are non-GAAP ratios which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

⁵ Sustaining capital is a non-GAAP financial measure which does not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

Realized Metal Prices

Realized metal prices are used by the Company to enable management to better evaluate sales revenues in each reporting period. Realized metal prices are calculated as gross metal sales revenues divided by the volume of metal sold in lbs. Net realized metal price is inclusive of the treatment and refining charges (TC/RC) and freight charges per lb.

EBITDA and Adjusted Earnings

EBITDA and adjusted earnings, which are non-GAAP financial measures, and adjusted earnings per share, which is a non-GAAP ratio, are the Company's adjusted earnings metrics, and are used to evaluate operating performance by management. These measures do not have a standardized meaning under IFRS and might not be comparable to similar measures disclosed by other issuers. The Company believes that the adjusted metrics presented are useful measures of the Company's underlying operational performance as they exclude certain impacts which the Company believes are not reflective of the Company's underlying performance for the reporting period. These include impairment and related charges, foreign exchange revaluation gains and losses, gains and losses on disposal of assets and liabilities, one-time costs related to acquisitions, dispositions, restructuring and other transactions, revisions in estimates of restoration provisions at closed sites, debt extinguishment and modification gains and losses, the tax effect on unrealized movements in the fair value of derivatives designated as hedged instruments, and adjustments for expected phasing of Zambian VAT receipts.

Calculation of Operating Cash Flow per Share and Net Debt

Cash flows from operating activities per share is a non-GAAP ratio and is calculated by dividing the operating cash flow calculated in accordance with IFRS by the basic weighted average common shares outstanding for the respective period.

Net debt is comprised of bank overdrafts and total debt less unrestricted cash and cash equivalents.

NET DEBT¹

	Q4 2021	Q3 2021	Q4 2020	Q4 2019
Cash and cash equivalents	1,859	1,918	950	1,138
Bank overdraft	-	-	36	615
Current debt	313	746	871	838
Non current debt	7,599	7,474	7,452	7,360
Net debt ¹	6,053	6,302	7,409	7,675

EBITDA¹

	QUARTERLY			FULL YEAR	
	Q4 2021	Q3 2021	Q4 2020	2021	2020
Operating profit	722	775	357	2,598	695
Depreciation	314	288	326	1,174	1,217
Other adjustments:					
Foreign exchange (gain) loss	(13)	(180)	32	(159)	225
Impairment expense	44	-	-	44	-
Other expense	12	4	8	20	15
Revisions in estimates of restoration provisions at closed sites	6	(1)	2	7	-
Total adjustments excluding depreciation	49	(177)	42	(88)	240
EBITDA ¹	1,085	886	725	3,684	2,152

¹ EBITDA is a non-GAAP financial measure and net debt is a supplementary financial measure. These measures do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. EBITDA was previously named comparative EBITDA, the composition remains the same. See "Regulatory Disclosures".

	Q4 2021	Q3 2021	Q4 2020	2021	2020
Net earnings (loss) attributable to shareholders of the Company	247	303	9	832	(180)
Adjustments attributable to shareholders of the Company:					
Adjustment for expected phasing of Zambian VAT	(2)	4	(5)	16	(80)
Loss on redemption of debt	21	-	(3)	21	5
Other	-	-	11	-	5
Total adjustments to EBITDA ¹ excluding depreciation	49	(177)	42	(88)	240
Tax and minority interest adjustments	(9)	67	(1)	45	(36)
Adjusted earnings (loss) ¹	306	197	53	826	(46)
Earnings (loss) per share as reported	\$0.36	\$0.44	\$0.01	\$1.21	(\$0.26)
Adjusted earnings (loss) per share ²	\$0.44	\$0.29	\$0.08	\$1.20	(\$0.07)

¹ EBITDA and adjusted earnings (loss) are non-GAAP financial measures which do not have standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

² Adjusted earnings (loss) per share is a non-GAAP ratio which does not have standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. Adjusted earnings (loss) and EBITDA were previously named comparative earnings (loss) and comparative EBITDA, respectively, and the composition remains the same. See "Regulatory Disclosures" for further information.

Significant Judgments, Estimates and Assumptions

Many of the amounts disclosed in the financial statements involve the use of judgments, estimates and assumptions. These judgments and estimates are based on management's knowledge of the relevant facts and circumstances at the time, having regard to prior experience, and are continually evaluated.

Significant judgments

› Determination of ore reserves and resources

Judgments about the amount of product that can be economically and legally extracted from the Company's properties are made by management using a range of geological, technical and economic factors, history of conversion of mineral deposits to proven and probable reserves, as well as data regarding quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates. This process may require complex and difficult geological judgments to interpret the data. The Company uses qualified persons (as defined by the Canadian Securities Administrators' National Instrument 43-101) to compile this data.

Changes in the judgments surrounding proven and probable reserves may impact the carrying value of property, plant and equipment, restoration provisions included in provisions and other liabilities, recognition of deferred income tax amounts and depreciation.

› Achievement of commercial production

Once a mine or smelter reaches the operating levels intended by management, depreciation of capitalized costs begins. Significant judgment is required to determine when certain of the Company's assets reach this level.

Management considers several factors, including, but not limited to the following:

- completion of a reasonable period of commissioning;
- consistent operating results achieved at a pre-determined level of design capacity and indications exist that this level will continue;
- mineral recoveries at or near expected levels;
- and the transfer of operations from development personnel to operational personnel was completed.

➤ Taxes

Judgment is required in determining the recognition and measurement of deferred income tax assets and liabilities on the balance sheet. In the normal course of business, the Company is subject to assessment by taxation authorities in various jurisdictions. These authorities may have different interpretations of tax legislation or tax agreements than those applied by the Company in computing current and deferred income taxes. These different judgments may alter the timing or amounts of taxable income or deductions. The final amount of taxes to be paid or recovered depends on a number of factors including the outcome of audits, appeals and negotiation. Amounts to be recovered and the timings of recoveries with respect to indirect taxes, such as VAT, are subject to judgment which, in the instance of a change of circumstances, could result in material adjustments.

The Company operates in a specialized industry and in a number of tax jurisdictions. As a result, its income is subject to various rates of taxation. The breadth of its operations and the global complexity and interpretation of tax regulations require assessment and judgement of uncertainties and of the taxes that the Company will ultimately pay. These are dependent on many factors, including negotiations with tax authorities in various jurisdictions, outcomes of tax litigation and resolution of disputes. The resolution of these uncertainties may result in adjustments to the Company's tax assets and liabilities.

Management assesses the likelihood and timing of taxable earnings in future periods in recognizing deferred income tax assets on unutilized tax losses. Future taxable income is based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. Forecast cash flows are based on life of mine projections.

To the extent that future cash flows and taxable income differ significantly from forecasts, the ability of the Company to realize the net deferred income tax assets recorded at the balance sheet date could be impacted. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods from deferred income tax assets.

➤ Precious metal stream arrangement

On October 5, 2015, the Company finalized an agreement with Franco-Nevada for the delivery of precious metals from the Cobre Panama project. Franco-Nevada have provided \$1 billion deposit to the Cobre Panama project against future deliveries of gold and silver produced by the mine. A further stream was completed on March 26, 2018, with an additional \$356 million received from Franco-Nevada.

Management has determined that under the terms of the agreement the Company meets the 'own-use' exemption criteria under IFRS 9: Financial Instruments. The Company also retains significant business risk relating to the operation of the mine and as such has accounted for the proceeds received as deferred revenue.

Management has exercised judgement in determining the appropriate accounting treatment for the Franco-Nevada streaming agreement. Management has determined, with reference to the agreed contractual terms in conjunction with the Cobre Panama reserves and mine plan, that funds received from Franco-Nevada constitute a prepayment of revenues deliverable from future Cobre Panama production.

➤ Assessment of impairment indicators

Management applies significant judgement in assessing each cash-generating units and assets for the existence of indicators of impairment at the reporting date. Internal and external factors are considered in assessing whether indicators of impairment are present that would necessitate impairment testing. Significant assumptions regarding commodity prices, production, operating costs, capital expenditures and discount rates are used in determining whether there are any indicators of impairment. These assumptions are reviewed regularly by senior management and compared, where applicable, to relevant market consensus views.

The Company's most significant cash generating units ("CGU") are longer-term assets and therefore their value is assessed on the basis of longer-term pricing assumptions. Shorter-term assets are more sensitive to short term commodity prices assumptions that are used in the review of impairment indicators.

Significant accounting estimates

Estimates are inherently uncertain and therefore actual results may differ from the amounts included in the financial statements, potentially having a material future effect on the Company's consolidated financial statements. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

➤ Determination of mineral reserves and life of mine plan

Reserves are estimates of the amount of product that can be economically and legally extracted from the Company's properties. Estimating the quantity and/or grade of reserves requires the size, shape and depth of ore bodies or fields to be determined by analyzing geological data such as drilling samples. Following this, the quantity of ore that can be extracted in an economical manner is calculated using data regarding the life of mine plans and forecast sales prices (based on current and long-term historical average price trends).

The majority of the Company's property, plant and equipment are depreciated over the estimated lives of the assets on a units-of-production basis. The calculation of the units-of-production rate, and therefore the annual depreciation expense could be materially affected by changes in the underlying estimates which are driven by the life of mine plans. Changes in estimates can be the result of actual future production differing from current forecasts of future production, expansion of mineral reserves through exploration activities, differences between estimated and actual costs of mining and differences in the commodity prices used in the estimation of mineral reserves.

Management made significant estimates of the strip ratio for each production phase. Waste material stripping costs in excess of this ratio, and from which future economic benefit will be derived from future access to ore, will be capitalized to mineral property and depreciated on a units-of-production basis.

Changes in the proven and probable reserves estimates may impact the carrying value of property, plant and equipment, restoration provisions, recognition of deferred income tax amounts and depreciation.

› Review of asset carrying values and impairment charges

Management's determination of recoverable amounts includes estimates of mineral prices, recoverable reserves, and operating, capital and restoration costs are subject to certain risks and uncertainties that may affect the recoverability of mineral property costs. The calculation of the recoverable amount can also include assumptions regarding the appropriate discount rate and inflation and exchange rates. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its projects.

› Estimation of the amount and timing of restoration and remediation costs

Accounting for restoration provisions requires management to make estimates of the future costs the Company will incur to complete the restoration and remediation work required to comply with existing laws, regulations and agreements in place at each mining operation and any environmental and social principles the Company is in compliance with. The calculation of the present value of these costs also includes assumptions regarding the timing of restoration and remediation work, applicable risk-free interest rate for discounting those future cash outflows, inflation and foreign exchange rates and assumptions relating to probabilities of alternative estimates of future cash outflows. Actual costs incurred may differ from those amounts estimated. Also, future changes to environmental laws and regulations could increase the extent of restoration work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for restoration. A 10% increase in costs would result in an increase to restoration provisions of \$76 million at December 31, 2021.

The provision represents management's best estimate of the present value of the future restoration and remediation costs. The actual future expenditures may differ from the amounts currently provided; any increase in future costs could materially impact the amounts included in the liability disclosed in the consolidated balance sheet. Estimation and assumptions relating to the timing of VAT receivables in Zambia

In addition to the recoverability of VAT receivables being a key judgment, certain assumptions are determined by management in calculating the present value of these recoveries regarding the timing of recoveries. In assessing the timing of recoveries, management considers publicly available information with respect to the fiscal situation in Zambia as well as the level of refunds and offsets provided historically, and a Zambian risk-free rate is then applied to calculate the valuation to calculate the present value. Changes to the timings could materially impact the amounts charged to finance costs. The impact of repayments being one year later than estimated at December 31, 2021, would lead to a decrease to the carrying value and an increase to finance costs of \$36 million.

Financial risk management

Credit risk

The Company's credit risk is primarily attributable to cash and bank balances, short-term deposits, derivative instruments and trade and other receivables. The Company's exposure to credit risk is represented by the carrying amount of each class of financial assets, including commodity contracts, recorded in the consolidated balance sheet.

The Company limits its credit exposure on cash held in bank accounts by holding its key transactional bank accounts with highly rated financial institutions. The Company manages its credit risk on short-term deposits by only investing with counterparties that carry investment grade ratings as assessed by external rating agencies and spreading the investments across these counterparties. Under the Company's risk management policy, allowable counterparty exposure limits are determined by the level of the rating unless exceptional circumstances apply. A rating of investment grade or equivalent is the minimum allowable rating required as assessed by international credit rating agencies. Likewise, it is the Company's policy to deal with banking counterparties for derivatives who are rated investment grade or above by international credit rating agencies and graduated counterparty limits are applied depending upon the rating.

Exceptions to the policy for dealing with relationship banks with ratings below investment grade are reported to, and approved by, the Audit Committee. As at December 31, 2021, substantially all cash and short-term deposits are with counterparties of investment grade.

The Company's credit risk associated with trade accounts receivable is managed through establishing long-term contractual relationships with international trading companies using industry-standard contract terms. 44% of the Company's trade receivables are outstanding from three customers together representing 19% of the total sales for the year. No amounts were past due from these customers at the balance sheet date. The Company continues to trade with these customers. Revenues earned from these customers are included within the Kansanshi, Sentinel, Panama and Çayeli segments. Other accounts receivable consist of amounts owing from government authorities in relation to the refund of value-added taxes applying to inputs for the production process and property, plant and equipment expenditures, prepaid taxes and amounts held in broker accounts.

The VAT receivable due from government authorities includes \$644 million at December 31, 2021, which is past due (December 31, 2020: \$349 million).

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk. Expected credit losses on trade and other receivables at December 31, 2021, amount to nil.

Liquidity risk

The Company manages liquidity risk by maintaining cash and cash equivalent balances and available credit facilities to ensure that it is able to meet its short-term and long-term obligations as and when they fall due. Company-wide cash projections are managed centrally and regularly updated to reflect the dynamic nature of the business and fluctuations caused by commodity price and exchange rate movements.

In addition, the Company was obligated under its corporate revolving credit and term loan facility to maintain liquidity and satisfy various covenant ratio tests on a historical cash flow basis. These ratios were in compliance during the year ended December 31, 2021, and December 31, 2020. If the Company breaches a covenant in its Financing Agreements, this would be an event of default which, if un-addressed, would entitle the lenders to make the related borrowings immediately due and payable and if made immediately due and payable all other borrowings would also be due and payable.

Market risks

Commodity price risk

The Company is subject to commodity price risk from fluctuations in the market prices of copper, gold, nickel, zinc and other elements.

As part of the hedging program, the Company has elected to apply hedge accounting for a portion of copper and nickel sales. For the year ended December 31, 2021, a fair value loss of \$9 million (2020: fair value loss of \$401 million) was recognized on derivatives designated as hedged instruments through accumulated other comprehensive income and a fair value loss of \$902 million (2020: fair value loss of \$48 million) was recognized through sales revenues.

For the year ended December 31, 2021, the Company had copper zero cost collar unmargined sales contracts for 52,500 tonnes at weighted average prices of \$3.61 per lb to \$4.69 per lb outstanding with maturities to June 2022. In addition, the Company has nickel zero cost collar unmargined sales contracts for 500 tonnes at weighted average prices of \$7.71 per lb to \$8.58 per lb outstanding with maturities to May 2022. As at December 31 2021 the company had not entered into any unmargined copper or nickel forward sales.

The Company is also exposed to commodity price risk on diesel fuel required for mining operations and sulphur required for acid production. The Company's risk management policy allows for the management of these exposures through the use of derivative financial instruments. As at December 31, 2021, and December 31, 2020, the Company had not entered into any sulphur derivatives and as at December 31, 2021 had not entered into any fuel forward contracts.

The Company's commodity price risk related to changes in fair value of embedded derivatives in accounts receivable reflecting copper, nickel, gold and zinc sales provisionally priced based on the forward price curve at the end of each quarter.

Interest rate risk

The majority of the Company's interest expense is fixed however it is also exposed to an interest rate risk arising from interest paid on floating rate debt and the interest received on cash and short-term deposits.

Deposits are invested on a short-term basis to ensure adequate liquidity for payment of operational and capital expenditures. To date, no interest rate management products are used in relation to deposits.

The Company manages its interest rate risk on borrowings on a net basis. The Company has a policy allowing floating-to-fixed interest rate swaps targeting 50% of exposure over a five-year period. As at December 31, 2021, and December 31 2020, the Company held no floating-to-fixed interest rate swaps.

Foreign exchange risk

The Company's functional and reporting currency is USD. As virtually all of the Company's revenues are derived in USD and the majority of its business is conducted in USD, foreign exchange risk arises from transactions denominated in currencies other than USD. Commodity sales are denominated in USD, the majority of borrowings are denominated in USD and the majority of operating expenses are denominated in USD. The Company's primary foreign exchange exposures are to the local currencies in the countries where the Company's operations are located, principally the Zambian kwacha ("ZMW"), Australian dollar ("A\$") Mauritanian ouguiya ("MRU"), the euro ("EUR") and the Turkish lira ("TRY"); and to the local currencies suppliers who provide capital equipment for project development, principally the A\$, EUR and the South African rand ("ZAR").

The Company's risk management policy allows for the management of exposure to local currencies through the use of financial instruments at a targeted amount of up to 100% for exposures within one year down to 50% for exposures in five years.

Capital management

The Company's objectives when managing capital are to continue to provide returns for shareholders, and comply with lending requirements while safeguarding the Company's ability to continue as a going concern. The Company considers the items included in equity to be capital.

The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The Company uses a combination of short-term and long-term debt to finance its operations and development projects. Typically, floating rates of interest are attached to short-term debt, and fixed rates on senior notes.

Disclosure Controls and Procedures

The Company's disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is communicated to senior management, to allow timely decisions regarding required disclosure.

An evaluation of the effectiveness of the Company's disclosure controls and procedures, as defined under the rules of the Canadian Securities Administrators, was conducted as of December 31, 2021, under the supervision of the Company's Audit Committee and with the participation of management. Based on the results of the evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report in providing reasonable assurance that the information required to be disclosed in the Company's

annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported in accordance with the securities legislation.

The Company's controls and procedures remain consistent with those disclosed in the Company's annual MD&A for the year ended December 31, 2021.

Internal Control Over Financial Reporting ("ICFR")

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements in compliance with IFRS. The Company's internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that accurately and fairly reflect the transactions of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS;
- ensure the Company's receipts and expenditures are made only in accordance with authorization of management and the Company's directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized transactions that could have a material effect on the annual or interim financial statements.

There have been no changes in the Company's ICFR during the year ended December 31, 2021 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

An evaluation of the effectiveness of the Company's internal control over financial reporting was conducted as of December 31, 2021 by the Company's management, including the Chief Executive Officer and Chief Financial Officer, based on the Control - Integrated Framework (2013) established by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. Based on this evaluation, management has concluded that the Company's internal controls over financial reporting were effective.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable and not absolute assurance that the objectives of the control system are met. Further, the design of a control system reflects the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

SUMMARY QUARTERLY INFORMATION

The following unaudited tables set out a summary of certain quarterly and annual results for the Company:

Consolidated operations	Q1 20	Q2 20	Q3 20	Q4 20	2020	Q1 21	Q2 21	Q3 21	Q4 21	2021
Sales revenues¹										
Copper	1,015	864	1,150	1,348	4,377	1,445	1,525	1,513	1,849	6,332
Gold	101	85	124	114	424	113	123	120	114	470
Nickel	3	27	61	68	159	29	99	64	62	254
Other	26	23	29	32	110	35	35	50	36	156
Total sales revenues	1,145	999	1,364	1,562	5,070	1,622	1,782	1,747	2,061	7,212
Cobre Panama ¹	361	92	402	471	1,326	724	838	777	821	3,160
Kansanshi	349	351	423	416	1,539	418	458	505	633	2,014
Sentinel	235	252	340	526	1,353	531	525	449	527	2,032
Guelb Moghrein	67	78	71	84	300	77	112	69	55	313
Ravensthorpe	-	19	62	75	156	39	107	71	69	286
Sales hedge program gain (loss)	29	86	(49)	(114)	(48)	(257)	(338)	(204)	(103)	(902)
Other	104	121	115	104	444	90	80	80	59	309
Total sales revenues	1,145	999	1,364	1,562	5,070	1,622	1,782	1,747	2,061	7,212
Gross profit	147	141	346	443	1,077	540	625	613	784	2,562
EBITDA ⁴	434	352	641	725	2,152	811	902	886	1,085	3,684
Net earnings (loss) attributable to shareholders of the Company	(62)	(156)	29	9	(180)	142	140	303	247	832
Adjusted earnings (loss) ⁴	(79)	(84)	64	53	(46)	150	173	197	306	826
Net debt ⁴	7,615	7,658	7,545	7,409	7,409	7,062	6,751	6,302	6,053	6,053
Basic earnings (loss) per share	(\$0.09)	(\$0.23)	\$0.04	\$0.01	(\$0.26)	\$0.21	\$0.20	\$0.44	\$0.36	\$1.21
Adjusted earnings (loss) per share ⁵	(\$0.11)	(\$0.12)	\$0.09	\$0.08	(\$0.07)	\$0.22	\$0.25	\$0.29	\$0.44	\$1.20
Diluted earnings (loss) per share	(\$0.09)	(\$0.23)	\$0.04	\$0.01	(\$0.26)	\$0.21	\$0.20	\$0.44	\$0.36	\$1.20
Dividends declared per common share (CDN\$ per share)	\$0.005	-	\$0.005	-	\$0.010	\$0.005	-	\$0.005	-	\$0.010
Cash flows per share from operating activities ⁵	\$0.69	\$0.23	\$0.66	\$0.77	\$2.34	\$1.08	\$0.99	\$1.02	\$1.10	\$4.19
Basic weighted average shares (000's) ³	688,093	688,123	688,806	688,939	688,469	688,771	688,457	688,852	688,691	688,674
Copper statistics										
Total copper production (tonnes)	195,285	169,059	211,396	203,171	778,911	205,064	199,689	209,859	201,823	816,435
Total copper sales (tonnes)	189,953	159,944	197,533	217,041	764,471	210,734	203,790	194,278	213,087	821,889
Realized copper price (per lb) ⁵	\$2.56	\$2.60	\$2.77	\$2.97	\$2.74	\$3.25	\$3.55	\$3.68	\$4.08	\$3.64
TC/RC (per lb)	(0.11)	(0.10)	(0.10)	(0.11)	(0.10)	(0.12)	(0.12)	(0.11)	(0.11)	(0.12)
Freight charges (per lb)	(0.03)	(0.05)	(0.03)	(0.04)	(0.04)	(0.02)	(0.04)	(0.04)	(0.03)	(0.03)
Net realized copper price (per lb) ⁵	\$2.42	\$2.45	\$2.64	\$2.82	\$2.60	\$3.11	\$3.39	\$3.53	\$3.94	\$3.49
Cash cost – copper (C1) (per lb) ⁵	\$1.30	\$1.20	\$1.07	\$1.28	\$1.21	\$1.24	\$1.29	\$1.26	\$1.39	\$1.30
All-in sustaining cost (AISC) (per lb) ⁵	\$1.64	\$1.62	\$1.48	\$1.77	\$1.63	\$1.72	\$1.91	\$1.87	\$2.05	\$1.88
Total cost – copper (C3) (per lb) ⁵	\$2.19	\$2.08	\$1.97	\$2.20	\$2.11	\$2.10	\$2.21	\$2.22	\$2.39	\$2.23
Gold statistics										
Total gold production (ounces)	68,788	54,651	72,926	68,747	265,112	78,048	81,375	78,124	74,945	312,492
Total gold sales (ounces) ²	73,782	54,591	78,013	70,905	277,291	77,391	85,291	79,773	79,403	321,858
Net realized gold price (per ounce) ⁵	\$1,488	\$1,604	\$1,766	\$1,771	\$1,662	\$1,661	\$1,670	\$1,683	\$1,677	\$1,673
Nickel statistics										
Nickel produced (contained tonnes)	-	1,979	5,113	5,603	12,695	4,642	4,543	4,248	3,385	16,818
Nickel produced (payable tonnes)	-	1,579	4,102	4,534	10,215	3,843	3,789	3,531	2,855	14,018
Nickel sales (contained tonnes)	-	1,791	4,986	5,343	12,120	2,357	6,910	4,055	3,756	17,078
Nickel sales (payable tonnes)	-	1,429	4,016	4,342	9,787	1,969	5,777	3,392	3,175	14,313
Net realized price (per payable lb) ⁵	-	\$8.51	\$6.88	\$7.11	\$7.37	\$6.67	\$7.79	\$8.50	\$8.88	\$8.05

¹ Delivery of non-financial items (refinery-backed gold and silver credits) into the Company's precious metal stream arrangement have been netted within sales revenues rather than included in cost of sales. The year ended December 31, 2020 has been revised for this change. Sales revenues and cost of sales for the full year 2020 have both been reduced by \$129 million compared to the previous reported values (see "Precious Metal Stream Arrangement").

² Excludes refinery-backed gold credits purchased and delivered under the precious metal streaming arrangement. See "Precious Metal Stream Arrangement".

(in United States dollars, tabular amounts in millions, except where noted)

³ Fluctuations in average weighted shares between quarters reflects shares issued and changes in levels of treasury shares held for performance share units.

⁴ EBITDA and adjusted earnings (loss) are non-GAAP financial measures and net debt is a supplementary financial measure. These measures do not have standardized meanings under IFRS and might not be comparable to similar measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

⁵ All-in sustaining costs (AISC), copper C1 cash cost (copper C1), and total copper cost (C3), realized metal prices, adjusted earnings (loss) per share and cash flows from operating activities per share are non-GAAP ratios. These measures do not have standardized meanings under IFRS and might not be comparable to similar measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

APPENDICES

PRODUCTION

	QUARTERLY			FULL YEAR	
	Q4 2021	Q3 2021	Q4 2020	2021	2020
Copper production (tonnes) ¹					
Cobre Panama	80,030	87,242	65,520	331,000	205,548
<i>Kansanshi cathode</i>	<i>10,071</i>	<i>10,379</i>	<i>13,298</i>	<i>39,170</i>	<i>51,953</i>
<i>Kansanshi concentrate</i>	<i>41,868</i>	<i>40,608</i>	<i>39,332</i>	<i>162,989</i>	<i>169,534</i>
Kansanshi total	51,939	50,987	52,630	202,159	221,487
Sentinel	60,197	59,931	62,993	232,688	251,216
Guelb Moghrein	2,588	4,091	7,369	18,845	28,491
Las Cruces	2,805	3,222	10,234	13,652	54,352
Çayeli	3,532	3,693	3,534	14,799	13,334
Pyhäsalmi	732	693	891	3,292	4,483
Total copper production (tonnes)	201,823	209,859	203,171	816,435	778,911
Gold production (ounces)					
Cobre Panama	32,800	36,649	25,295	141,637	84,667
Kansanshi	34,546	32,249	29,515	128,199	128,409
Guelb Moghrein	6,552	8,174	13,115	38,431	47,637
Other sites ²	1,047	1,052	822	4,225	4,399
Total gold production (ounces)	74,945	78,124	68,747	312,492	265,112
Nickel production (contained tonnes) – Ravensthorpe	3,385	4,248	5,603	16,818	12,695

¹ Production is presented on a contained basis, and is presented prior to processing through the Kansanshi smelter.

² Other sites include Çayeli and Pyhäsalmi.

SALES

	QUARTERLY			FULL YEAR	
	Q4 2021	Q3 2021	Q4 2020	2021	2020
Copper sales volume (tonnes)					
Cobre Panama	86,112	83,261	65,770	341,078	208,787
<i>Kansanshi cathode</i>	<i>11,122</i>	<i>8,985</i>	<i>13,115</i>	<i>38,731</i>	<i>49,883</i>
<i>Kansanshi anode</i>	<i>48,750</i>	<i>39,438</i>	<i>38,150</i>	<i>156,596</i>	<i>153,245</i>
<i>Kansanshi concentrate</i>	-	-	-	-	<i>20,019</i>
Kansanshi total	59,872	48,423	51,265	195,327	223,147
<i>Sentinel anode</i>	<i>34,061</i>	<i>30,654</i>	<i>49,772</i>	<i>148,494</i>	159,481
<i>Sentinel concentrate</i>	<i>24,026</i>	<i>20,438</i>	<i>29,203</i>	<i>84,318</i>	72,250
Sentinel total	58,087	51,092	78,975	232,812	231,731
Guelb Moghrein	4,359	4,522	7,365	23,614	29,899
Las Cruces	2,914	3,234	9,915	14,322	54,852
Çayeli	978	2,902	2,672	11,343	11,443
Pyhäsalmi	765	844	1,079	3,393	4,612
Total copper sales (tonnes)	213,087	194,278	217,041	821,889	764,471
Gold sales volume (ounces)					
Cobre Panama	34,409	35,914	25,669	145,185	86,862
Kansanshi	36,295	33,961	29,021	125,338	131,248
Guelb Moghrein	8,189	8,822	14,885	46,661	53,217
Other sites ¹	510	1,076	1,330	4,674	5,964
Total gold sales (ounces) ²	79,403	79,773	70,905	321,858	277,291
Nickel sales volume (contained tonnes) – Ravensthorpe	3,756	4,055	5,343	17,078	12,120

¹ Other sites include Çayeli and Pyhäsalmi.² Excludes refinery-backed gold credits purchased and delivered under precious metal streaming arrangement.

SALES REVENUES

	QUARTERLY			FULL YEAR	
	Q4 2021	Q3 2021	Q4 2020	2021	2020
Cobre Panama ¹ - copper	773	725	432	2,952	1,202
- gold	37	43	32	166	101
- silver	11	9	7	42	23
Kansanshi - copper cathode	106	84	94	356	303
- copper anode	463	361	267	1,438	913
- copper concentrate	-	-	-	-	93
- gold	63	60	55	219	229
- other	1	-	-	1	1
Sentinel - copper anode	323	281	350	1,339	979
- copper concentrate	204	168	176	693	374
Guelb Moghrein - copper	38	38	47	199	161
- gold	13	15	27	79	89
- magnetite	4	16	10	35	50
Las Cruces - copper	29	30	70	131	332
Çayeli - copper	8	21	14	85	53
- zinc, gold and silver	4	3	4	14	11
Pyhäsalmi - copper	7	8	9	31	26
- zinc, pyrite, gold and silver	5	5	3	21	20
Ravensthorpe -nickel	63	65	71	264	148
-cobalt	6	6	4	22	8
Corporate ²	(97)	(191)	(110)	(875)	(46)
Sales revenues¹	2,061	1,747	1,562	7,212	5,070
Copper	1,849	1,513	1,348	6,332	4,377
Gold	114	120	114	470	424
Nickel	62	64	68	254	159
Silver	11	11	9	47	28
Other	25	39	23	109	82
	2,061	1,747	1,562	7,212	5,070

¹ Delivery of non-financial items (refinery-backed gold and silver credits) into the Company's precious metal stream arrangement have been netted within sales revenues rather than included in cost of sales. The year ended December 31, 2020 has been revised for this change. Sales revenues and cost of sales for the full year 2020 have both been reduced by \$129 million compared to the previous reported values (see "Precious Metal Stream Arrangement").

² Corporate sales include sales hedges (see "Hedging Programs" for further discussion).

UNIT CASH COSTS (PER LB)¹

	QUARTERLY			FULL YEAR	
	Q4 2021	Q3 2021	Q4 2020	2021	2020
Cobre Panama²					
Mining	\$0.40	\$0.35	\$0.27	\$0.36	\$0.36
Processing	1.00	0.83	1.02	0.86	0.89
Site administration	0.07	0.06	0.06	0.06	0.05
TC/RC and freight charges	0.35	0.32	0.27	0.31	0.28
By-product credits	(0.25)	(0.29)	(0.28)	(0.28)	(0.27)
Copper cash cost (C1) (per lb)	\$1.57	\$1.27	\$1.34	\$1.31	\$1.31
Copper all-in sustaining cost (AISC) (per lb)	\$1.94	\$1.55	\$1.72	\$1.61	\$1.60
Total copper cost (C3) (per lb)	\$2.55	\$2.24	\$2.22	\$2.22	\$2.30
Kansanshi					
Mining	\$0.53	\$0.56	\$0.60	\$0.56	\$0.62
Processing	0.73	0.65	0.55	0.67	0.54
Site administration	(0.30)	0.10	0.07	0.00	0.09
TC/RC and freight charges	0.14	0.15	0.12	0.14	0.16
By-product credits	(0.48)	(0.56)	(0.48)	(0.50)	(0.46)
Total smelter costs	0.17	0.17	0.15	0.17	0.14
Copper cash cost (C1) (per lb)	\$0.79	\$1.07	\$1.01	\$1.04	\$1.09
Copper all-in sustaining cost (AISC) (per lb)	\$1.67	\$2.08	\$1.59	\$1.96	\$1.60
Total copper cost (C3) (per lb)	\$1.78	\$2.12	\$1.81	\$2.03	\$1.86
Sentinel					
Mining	\$0.47	\$0.46	\$0.40	\$0.46	\$0.43
Processing	0.59	0.50	0.60	0.56	0.57
Site administration	0.13	0.10	0.10	0.11	0.08
TC/RC and freight charges	0.26	0.24	0.27	0.24	0.24
Total smelter costs	0.06	0.07	0.07	0.07	0.08
Copper cash cost (C1) (per lb)	\$1.51	\$1.37	\$1.44	\$1.44	\$1.40
Copper all-in sustaining cost (AISC) (per lb)	\$2.39	\$2.16	\$2.04	\$2.21	\$1.92
Total copper cost (C3) (per lb)	\$2.59	\$2.33	\$2.28	\$2.40	\$2.14
Ravensthorpe					
Mining	\$2.51	\$2.22	\$1.77	\$2.24	\$1.94
Processing	7.86	6.92	3.30	5.92	3.36
Site administration	1.09	0.87	0.45	0.82	0.54
TC/RC and freight charges	0.32	0.31	0.25	0.31	0.24
By-product credits	(0.85)	(0.74)	(0.38)	(0.70)	(0.36)
Nickel cash cost (C1) (per lb)	\$10.93	\$9.58	\$5.39	\$8.59	\$5.72
Nickel all-in sustaining cost (AISC) (per lb)	\$11.15	\$11.66	\$6.09	\$9.87	\$6.46
Total nickel cost (C3) (per lb)	\$12.87	\$11.32	\$6.78	\$10.24	\$7.19
Guelb Moghrein					
Copper cash cost (C1) (per lb)	\$4.11	\$1.61	\$0.09	\$1.38	\$0.38
Copper all-in sustaining cost (AISC) (per lb)	\$4.57	\$1.95	\$0.36	\$1.66	\$0.70
Total copper cost (C3) (per lb)	\$5.01	\$2.37	\$1.07	\$2.31	\$1.20
Las Cruces					
Copper cash cost (C1) (per lb)	\$4.01	\$2.46	\$1.56	\$2.67	\$1.05
Çayeli					
Copper cash cost (C1) (per lb)	\$(0.44)	\$1.15	\$0.96	\$0.99	\$1.24
Pyhäsalmi					
Copper cash cost (C1) (per lb)	\$2.81	\$1.86	\$2.06	\$1.54	\$1.48

¹ All-in sustaining costs (AISC), C1 cash cost (C1), C3 total cost (C3) are non-GAAP ratios, and do not have standardized meaning prescribed by IFRS and might not be comparable to similar measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

² Refinery-backed credits presented net within revenues – (see "Precious Metal Stream Arrangement").

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

Certain statements and information herein, including all statements that are not historical facts, contain forward-looking statements and forward-looking information within the meaning of applicable securities laws. The forward-looking statements include estimates, forecasts and statements as to the Company's expectations of production and sales volumes, and expected timing of completion of project development at Enterprise and post-completion construction activity at Cobre Panama and are subject to the impact of ore grades on future production, the potential of production disruptions, potential production, operational, labour or marketing disruptions as a result of the COVID-19 global pandemic, capital expenditure and mine production costs, the outcome of mine permitting, other required permitting, the outcome of legal proceedings which involve the Company, information with respect to the future price of copper, gold, nickel, silver, iron, cobalt, pyrite, zinc and sulphuric acid, estimated mineral reserves and mineral resources, First Quantum's exploration and development program, estimated future expenses, exploration and development capital requirements, the Company's hedging policy, and goals and strategies. Often, but not always, forward-looking statements or information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

With respect to forward-looking statements and information contained herein, the Company has made numerous assumptions including among other things, assumptions about continuing production at all operating facilities, the price of copper, gold, nickel, silver, iron, cobalt, pyrite, zinc and sulphuric acid, anticipated costs and expenditures and the ability to achieve the Company's goals. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. These factors include, but are not limited to, future production volumes and costs, the temporary or permanent closure of uneconomic operations, costs for inputs such as oil, power and sulphur, political stability in Panama, Zambia, Peru, Mauritania, Finland, Spain, Turkey, Argentina and Australia, adverse weather conditions in Panama, Zambia, Finland, Spain, Turkey, Mauritania, and Australia, labour disruptions, potential social and environmental challenges (including the impact of climate change), power supply, mechanical failures, water supply, procurement and delivery of parts and supplies to the operations, the production of off-spec material and events generally impacting global economic, political and social stability. For mineral resource and mineral reserve figures appearing or referred to herein, varying cut-off grades have been used depending on the mine, method of extraction and type of ore contained in the orebody.

See the Company's Annual Information Form for additional information on risks, uncertainties and other factors relating to the forward-looking statements and information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actual results, performances, achievements or events not as anticipated, estimated or intended. Also, many of these factors are beyond First Quantum's control. Accordingly, readers should not place undue reliance on forward-looking statements or information. The Company undertakes no obligation to reissue or update forward-looking statements or information as a result of new information or events after the date hereof except as may be required by law. All forward-looking statements made and information contained herein are qualified by this cautionary statement.