20220711162446

Årsredovisning

för

Metal Corp (Sweden) AB

556797-8183

Räkenskapsåret

2021

Fastställelseintyg

Undertecknad styrelseledamot i Metal Corp (Sweden) AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 2022-06-30 . Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Stockholm 2022-07-08

David Silvestro

20220711162447

Årsredovisning

för

Metal Corp (Sweden) AB

556797-8183

Räkenskapsåret

2021

Innehållsförteckning

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Styrelsen för Metal Corp (Sweden) AB avger följande årsredovisning för räkenskapsåret 2021.

Årsredovisningen är upprättad i euro, EUR. Om inte annat särskilt anges, redovisas alla belopp i hela Euro (Eur). Uppgifter inom parentes avser föregående år.

Förvaltningsberättelse

Verksamheten

Allmänt om verksamheten
Sedan 2015 förvarar bolaget elektroniskt räkenskapsinformation utanför Sverige. Meddelande till Skatteverket har skett under 2017.

Verksamheten bedrivs i sin helhet genom det helägda dotterbolaget Metal Corp Trading AG i Schweiz, och består av handel med kopparderivat. Bolaget är vilande.

Väsentliga händelser under räkenskapsåret
Metal Corp har inte mottagit några utdelningar under året (2020: 93,3 MEUR).

Flerårsöversikt (Tkr)	**2021**	**2020**	**2019**	**2018**
Resultat efter finansiella poster	124 421	93 613	88 995	-3 189
Soliditet (%)	93,7	99,3	98,9	85,0

För definitioner av nyckeltal, se Not 1 Redovisningsprinciper.

Förändring av eget kapital

	Aktie-	**Överkurs-fond**	**Balanserat resultat**	**Årets resultat**	**Totalt**
Belopp vid årets ingång	42 218	5 703 327	-105 436	93 589 072	**99 229 181**
Disposition enligt beslut av årets årsstämma:			93 589 072	-93 589 072	**0**
Utdelning			-93 128 771		**-93 128 771**
Årets resultat				108 706	**108 706**
Belopp vid årets utgång	**42 218**	**5 703 327**	**354 865**	**108 706**	**6 209 116**

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Resultatdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (euro):

balanserad vinst	6 058 191
årets vinst	108 706
	6 166 897
disponeras så att	
i ny räkning överföres	6 166 897
	6 166 897

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning med noter.

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Resultaträkning

	Not	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Rörelsekostnader			
Övriga externa kostnader		-7 924	-14 453
Summa rörelsekostnader		**-7 924**	**-14 453**
Rörelseresultat		**-7 924**	**-14 453**
Finansiella poster			
Resultat från övriga finansiella anläggningstillgångar	2	0	93 343 264
Övriga ränteintäkter och liknande resultatposter	4	157 154	284 297
Räntekostnader och liknande resultatposter	4	-24 809	0
Summa finansiella poster		**132 345**	**93 627 561**
Resultat efter finansiella poster		**124 421**	**93 613 108**
Resultat före skatt		**124 421**	**93 613 108**
Skatter			
Övriga skatter		-15 715	-24 036
Årets resultat		**108 706**	**93 589 072**

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Balansräkning

	Not	2021-12-31	2020-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	5	6 466 103	6 466 103
Summa finansiella anläggningstillgångar		**6 466 103**	**6 466 103**
Summa anläggningstillgångar		**6 466 103**	**6 466 103**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		0	93 128 771
Övriga fordringar		31	31
Förutbetalda kostnader och upplupna intäkter		3 294	0
Summa kortfristiga fordringar		**3 325**	**93 128 802**
Kassa och bank			
Kassa och Bank		154 399	361 527
Summa kassa och bank		**154 399**	**361 527**
Summa omsättningstillgångar		**157 724**	**93 490 330**
SUMMA TILLGÅNGAR		**6 623 828**	**99 956 433**

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Balansräkning

	Not	2021-12-31	2020-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		42 218	42 218
Summa bundet eget kapital		**42 218**	**42 218**
Fritt eget kapital			
Fri överkursfond		5 703 327	5 703 327
Balanserat resultat		354 864	-105 435
Årets resultat		108 706	93 589 072
Summa fritt eget kapital		**6 166 897**	**99 186 963**
Summa eget kapital		**6 209 115**	**99 229 181**
Långfristiga skulder			
Skulder till koncernföretag	6	414 712	725 179
Summa långfristiga skulder		**414 712**	**725 179**
Kortfristiga skulder			
Upplupna kostnader och förutbetalda intäkter		0	2 073
Summa kortfristiga skulder		**0**	**2 073**
SUMMA EGET KAPITAL OCH SKULDER		**6 623 828**	**99 956 434**

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Noter

Not 1 Redovisningsprinciper

Allmänna upplysningar
Årsredovisningen är upprättad i enlighet med årsredovisningslagen och Bokföringsnämndens allmänna råd (BFNAR 2016:10) om årsredovisning i mindre företag.

Nyckeltalsdefinitioner
Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Not 2 Resultat från övriga finansiella anläggningstillgångar

	2021	2020
Utdelning från koncernföretag	0	93 343 264
	0	**93 343 264**

Not 3 Anställda och personalkostnader

Bolaget har inte haft några anställda och några löner har ej utbetalats.

Not 4 Räntekostnader och liknande resultatposter

	2021	2020
Valutakursförluster	24 809	0
Valutakursvinster	0	43 940
	24 809	**43 940**

Not 5 Andelar i koncernföretag

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	6 466 103	6 466 103
Utgående ackumulerade anskaffningsvärden	**6 466 103**	**6 466 103**
Utgående redovisat värde	**6 466 103**	**6 466 103**

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Not 6 Långfristiga skulder

	2021-12-31	2020-12-31
Långfristiga skulder som förfaller till betalning senare än fem år efter balansdagen	414 712	725 179
	414 712	**725 179**

Not 7 Ställda säkerheter

Metal Corp (Sweden) AB har tillsammans med andra dotterbolag till FQML åtagit sig att fungera som borgenär för olika notes utfärdade av FQML. Bolaget fungerar som borgenär för följadne noter och räntan betalas halvårs vis.

First Quantum Minerals Ltd. seniorskuldfacilitet

Bolaget, tillsammans med andra dotterbolag till FQML, har förbundit sig att agera som garant för olika skyldigheter för FQML ("FQML-anläggningen"). I oktober 2021 undertecknade FQML ett lån och revolverande kreditfacilitet, som ersatte de tidigare lånet om 2,7 miljarder USD. Företaget agerar som garant för 2021 kreditfaciliteten, som består av en 1,625 miljarder USD lån och en 1,3 miljarder USD kreditfacilitet. 2021-anläggningen har en dragspelsfunktion för att öka den med upp till 150 miljoner USD före slutet av november 2022.

First Quantum Minerals Ltd. 7,25% förfaller april 2023

Dessa seniora notes har vissa begränsningar för FQML och dess dotterbolag. FQML och deras dotterbolag är föremål för vissa begränsningar gällande försäljning av tillgångar, betalningar, skuldsättning och utfärdande av preferensaktier. FQML kunde lösa in några eller alla sedlarna när som helst på eller efter den 1 april 2020, till inlösenpriser som sträcker sig från 103,625 % under det första året till 100 % under det sista året, plus upplupen ränta. Även om en del av denna inlösenfunktion indikerar att det finns ett inbäddat derivat, är värdet på detta derivat inte signifikant.
Den 7 december 2021 löste FQML in 600 miljoner USD av 2023-lånen.
Den 7 juni 2022 löste FQML in de återstående 2023-obligationerna.

First Quantum Minerals Ltd. 6,50% förfaller mars 2024

I februari 2018 utfärdade FQML 850 miljoner dollar i senior notes som förfaller 2024 med en årlig ränta på 6,50%. Dessa senior notes har vissa begränsningar för FQML och dess dotterbolag. FQML och deras dotterbolag är föremål vissa begränsningar gällande försäljning av tillgångar, betalningar, skuldsättning och utfärdande av preferensaktier. FQML kan lösa in några eller alla notes den 1 september 2020 eller senare, till inlösenpriser från 103,25% under det första året till 100% från 2022, plus upplupen ränta. Dessutom kan FQML till och med den 1 september 2020 lösa in upp till 35% av lånebeloppet, i ett belopp som inte överstiger nettotillskottet av vissa aktieerbjudanden till ett pris på inlösen om 106,50% plus upplupen ränta. Även om en del av denna inlösenfunktion indikerar förekomsten av ett underliggande derivat, är värdet av detta derivat inte signifikant.

First Quantum Minerals Ltd. 7.50% förfaller april 2025

FQML och deras dotterbolag är föremål vissa begränsningar gällande försäljning av tillgångar,

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betalningar, skuldsättning och utfärdande av preferensaktier. FQML kan lösa in några eller alla notes när som helst den 1 april 2020 eller senare, till inlösenpriser från 105,625% under det första året till 100% från 2023, plus upplupen ränta. Även om en del av denna inlösenfunktion indikerar förekomsten av ett underliggande derivat, är värdet av detta derivat inte signifikant.

First Quantum Minerals Ltd. 6.875% förfaller mars 2026.

I februari 2018 utfärdade FQML 1 miljarder dollar i senior notes som förfaller år 2026, med en årlig ränta på 6,875%. Dessa senior notes har vissa begränsningar för FQML och dess dotterbolag. FQML och dess dotterbolag är föremål för vissa begränsningar gällande försäljning av tillgångar, betalningar, skuldsättning och utfärdande av preferensaktier. FQML kan lösa in några eller alla notes den 1 mars 2021 eller senare, till inlösenpriser från 105,156% under det första året och till 100% från 2024, plus upplupen ränta. Även om en del av denna inlösenfunktion indikerar förekomsten av ett underliggande derivat, är värdet av detta derivat inte signifikant.

First Quantum Minerals Ltd. 6.875% förfaller oktober 2027.

I oktober 2020 emitterade FQML 1,5 miljarder dollar i seninor notes som förfaller år 2027, med en årlig ränta på 6,875%. Dessa senior notes har vissa begränsningar för FQML och dess dotterbolag. FQML och dess dotterbolag är föremål för vissa begränsningar gällande försäljning av tillgångar, betalningar, skuldsättning och utfärdande av preferensaktier. FQML kan lösa in några eller alla notes den 15 oktober 2023 eller senare, till inlösenpriser från 103,44% under det första året och till 100 % från oktober 2025, plus upplupen ränta. Dessutom kan FQML till och med 15 oktober 2023, lösa in upp till 35 % av lånebeloppet, i ett belopp som inte överstiger nettotillskottet av vissa aktieervjudanden, till ett pris på inlösen om 106,875 % plus upplupen ränta. Även om en del av denna inlösenfunktion indikerar förekomsten av ett underliggande derivat, är värdet av detta derivat inte signifikant.

Not 8 Koncernförhållanden

Bolaget är ett helägt dotterbolag till First Quantum Minerals Ltd, Org. nr BC1006807, med säte i Vancouver, British Columbia, Kanada.

Bolaget är ett moderbolag, men med stöd av ÅRL 7 kap 2 § upprättas inte någon koncernredovisning då konsolidering sker i First Quantum Minerals Ltd.

Not 9 Väsentliga händelser efter räkenskapsårets slut

Ledningen har utfört en granskning av händelser efter räkenskapsårets slut fram till det datum då dessa separata finansiella rapporter var tillgängliga för utgivning. Ledningen har dragit slutsatsen att inga väsentliga händelser efter räkenskapsårets slut har inträffat som kräver redovisning eller ytterligare upplysningar i dessa separata finansiella rapporter.

Metal Corp (Sweden) AB
Org.nr 556797-8183

Stockholm 2022-04-29

Philip Pascall
Styrelseordförande

David Silvestro
Styrelseledamot

Sarah Robertson
Styrelseledamot

Vår revisionsberättelse har lämnats 2022- -

PricewaterhouseCoopers AB

Anna Rozhdestvenskaya
Auktoriserad revisor

20220711162436

20220711162457

Stockholm 2022-06-29

Philip Pascall
Styrelsecordförande

David Silvestro
Styrelseledamot

Sarah Robertson
Styrelseledamot

Vår revisionsberättelse har lämnats 2022-06-30

PricewaterhouseCoopers AB

Anna Rozhdestvenskaya
Auktoriserad revisor

20220711162438

pwc

Revisionsberättelse

Till bolagsstämman i Metal Corp (Sweden) AB, org.nr 556797-8183

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Metal Corp (Sweden) AB för år 2021.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Metal Corp (Sweden) ABs finansiella ställning per den 31 december 2021 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen för Metal Corp (Sweden) AB.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Metal Corp (Sweden) AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om beslut har fattats om att avveckla verksamheten.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

En ytterligare beskrivning av vårt ansvar för revisionen av årsredovisningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för Metal Corp (Sweden) AB för år 2021 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

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Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Metal Corp (Sweden) AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation, och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

En ytterligare beskrivning av vårt ansvar för revisionen av förvaltningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Stockholm den 30 juni 2022

PricewaterhouseCoopers AB

Anna Rozhdestvenskaya
Auktoriserad revisor

FIRST QUANTUM
MINERALS

2021
ANNUAL REPORT

RESPONSIBLE GROWTH

COBRE PANAMA | Colón Province, PANAMA

Ownership	90%
Primary	Copper
Secondary	Gold, molybdenum, silver
2021 Production	Copper 331kt, Gold 142koz

PYHÄSALMI | Pyhäjärvi, FINLAND

Ownership	100%
Primary	Copper
Secondary	Pyrite, Zinc
2021 Production	Copper 3kt

GUELB MOGHREIN | Akjoujt, MAURITANIA

Ownership	100%
Primary	Copper
Secondary	Gold
2021 Production	Copper 19kt, Gold 38koz

HAQUIRA | Copper | Apurimac Region, PERU

ENTERPRISE | Nickel | North-Western Province, ZAMBIA

TACA TACA | Copper | Salta Province, ARGENTINA

LEGEND

Operations

Development Project

Advanced Exploration Projects

2021 Production

816,435
tonnes Cu

LAS CRUCES | Sevilla Province, SPAIN	
Ownership	100%
Primary	Copper
2021 Production	Copper 14kt

ÇAYELI | Rize Province, TURKEY	
Ownership	100%
Primary	Copper
Secondary	Zinc
2021 Production	Copper 15kt, Zinc 7kt

KANSANSHI | North-Western Province, ZAMBIA	
Ownership	80%
Primary	Copper
Secondary	Gold
2021 Production	Copper 202kt, Gold 128koz

SENTINEL | North-Western Province, ZAMBIA	
Ownership	100%
Primary	Copper
2021 Production	Copper 233kt

RAVENSTHORPE | Western Australia, AUSTRALIA	
Ownership	70%
Primary	Nickel
Secondary	Cobalt
2021 Production	Nickel 17kt

First Quantum is a global mining company primarily producing copper, with secondary production in gold, nickel, zinc and cobalt. We operate long life mines in several countries and employ approximately 18,000 people worldwide.

We are well known for our "can do" attitude and specialist technical, engineering, construction and operational skills, which allow us to develop and successfully run complex mines and processing plants.

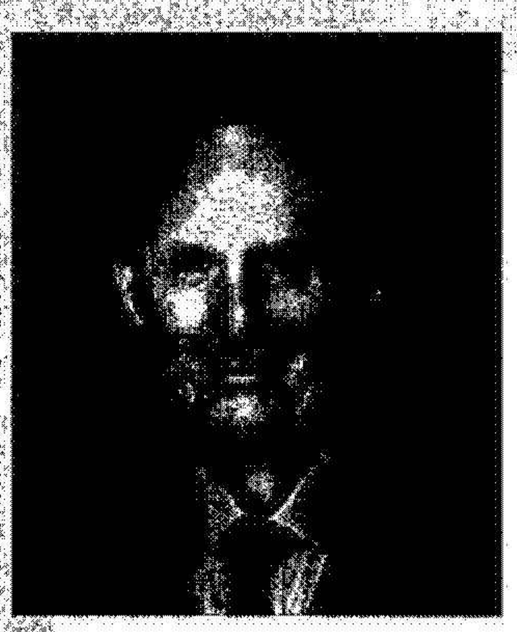
After over 25 years of operations we are now one of the world's top 10 copper producers. We are focused on providing a tangible benefit from everything we do for investors, employees and the many communities that surround our operations.



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CEO LETTER TO SHAREHOLDERS



PHILIP K. R. PASCALL
Chairman of the Board and Chief Executive Officer

Despite the ongoing challenges of the global pandemic, 2021 was a year marked with many achievements that the Company, its workforce and many stakeholders can be proud of. While the Company operated with COVID-19 related restrictions for the better part of the year, we achieved our highest annual copper production of 816 thousand tonnes.

The global COVID-19 pandemic continued to present challenges in 2021. I am grateful to our entire workforce for the commitment that they demonstrated through these uncertain times.

With health and safety a priority for our workforce, COVID-19 protective measures remain a focus across all our operations, including monitoring and vaccination programs in our workforce. In response to the pandemic, the Company developed the CobreSafe app, which has been recognised by Microsoft on its Customer Stores website, for our Cobre Panama workforce. This app enables COVID-19 health monitoring and improves workforce safety through traceability in real time of potential cases at the mine. In Zambia, the Company is working with the Ministry of Health in the North Western Province to provide vaccination stations to employees and affiliated contractors in support of the national vaccination program.

First Quantum remains committed to providing support for our local communities and governments during these challenging times. The Company has been very active in supporting the Ministry of Health of Panama with supplies and emergency livelihood packages into surrounding communities. We sponsored the Gorgas Memorial Institute for Health Studies, a medical research institution that has been dedicated for more than 80 years on investigating diseases in the tropics and preventative medicine. In April 2021, the Gorgas COVID-19 Institute was opened and now provides advanced genetic sequencing of coronavirus samples to help track its mutation and spread in the country.

In Zambia, the Company provided testing and medical equipment and assisted with the construction of COVID-19 isolation facilities for the community. Ongoing support includes the provision of oxygen, consumables, face masks, sanitation stations and transportation of medical supplies. We also launched our BBN community health program in the North Western Province of Zambia, an initiative to support the government in providing essential health services to the communities around our Sentinel and Kansanshi mines through 182 schools and health facilities as we seek to improve the health of our host communities.

First Quantum has always embraced its responsibility to invest in the communities that host its projects. We remain focused on the ongoing importance of our community support during the pandemic, not just in order to mitigate the impacts of COVID-19, but also in greater community outreach. Many of our host communities depend on our support and I would like to extend my thanks to each operation for ensuring the continuity of these important programs. The Cobre Panama mine supports the Girl Up Club, a UN-funded

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movement, that provides training and support to empower young women in surrounding communities. Kansanshi continues to provide support for the Young Women's Christian Association, which manages the One Stop Gender-Based Violence Survivor Center that treats victims of gender-based violence. The Sentinel mine continues to support the Start Your Business training program, a program to equip people in the mine's catchment area with business skills to promote sustainable community development. Our Literacy Program in Akjoujt, Mauritania continues to offer local women opportunities to gain education and independence through literacy and numeracy lessons thanks to our team at Guelb Moghrein.

First Quantum has always embraced its responsibility to invest in the communities that host its projects. Many of our host communities depend on our support and I would like to extend my thanks to each operation for ensuring the continuity of these important programs.

Despite the ongoing challenges of the global pandemic, 2021 was a year marked with many achievements that the Company, its workforce and many stakeholders can be proud of. While the Company operated with COVID-19 related restrictions for the better part of the year, we achieved our highest annual copper production of 816 thousand tonnes. This coupled with the benefit from continued strong copper prices has enabled us to deliver on our ongoing commitment to debt reduction and to implement a new performance-based dividend for our shareholders. Gross profit of $2,562 million and cash flow from operating activities of $2,885 million for the full year 2021 were significantly higher than the prior year 2020 (138% and 79%, respectively).

Cobre Panama recovered strongly from 2020 when it was placed on preservation and safe maintenance due to COVID-19 restrictions. Solid operational performance continues with steadily improving plant availability and mill processing rates. Cobre

We also launched our BBN community health program in the North Western Province of Zambia, an initiative to support the Zambian government in providing essential health services to the communities around our Sentinel and Kansanshi mines through 182 schools and health facilities as we seek to improve the health of our host communities.

Panama produced 331 thousand tonnes of copper in 2021, up 61% from 2020. In September 2021, the Cobre Panama operation removed the most stringent of health protocols onsite, which allowed staffing levels to return to optimal levels, due to high vaccination levels. In January 2022, Cobre Panama and the Ministry of Health commenced a booster vaccination program at the mine site.

In Zambia, we are pleased to be engaging constructively with the new Government as we look to establish the parameters for long-term investments into our growth projects in the country. Kansanshi achieved copper production of 202 thousand tonnes for the full 2021 year, which represented solid performance against a backdrop of declining overall grades due to the depleting oxide ore in the mine.

Despite a ball mill trunnion failure earlier in the year, Sentinel exited 2021 with its best quarterly production of the year. Copper production for the year was 233 thousand tonnes and with the installation and commissioning of the fourth in-pit crusher completed, the plant is expected to increase throughput to 62 million tonnes per annum in 2022.

Ravensthorpe had a difficult year as COVID-19-related restrictions impacted labour availability as well as the transportation of supplies and equipment. Despite these challenges, the Shoemaker Levy conveyor was completed during the fourth quarter, which resulted in improved material handling and beneficiation upgrade performance as limonite ore supply to the plant transitioned away from the Hale Bopp orebody.

Stable copper production of 810-910 thousand tonnes is expected from our existing operations over the next several years and beyond this, First Quantum is focused on disciplined re-investment in our business.

All our other operations performed to expectations, achieving consolidated copper production of 50 thousand tonnes for the full year. In the third quarter of 2021, a final cutback of the main pit at Guelb Moghrein was approved, which will extend mining operations by another two years to the end of 2024.

Stable copper production of 810-910 thousand tonnes is expected from our existing operations over the next several years and beyond this, First Quantum is focused on disciplined re-investment in our business.

The Company sees a path to 1 million tonnes of annual copper production through its organic brownfield opportunities. At Cobre Panama, the CP100 Expansion is well underway, with completion targeted for the end of 2023. This will allow for an increase in the annual copper production of 50-60 thousand tonnes. At Kansanshi, the S3 Expansion is awaiting Board approval. It will enable the mine to transition to a much larger scale mining operation with steady annual copper production of approximately 250 thousand tonnes. At Las Cruces, work on the underground project continues. The project could extend the mine life by fifteen years and contribute approximately 45 thousand tonnes of annual copper equivalent production to First Quantum's production profile.

We are excited about the nickel growth within First Quantum. The Enterprise project is a low-cost, high-grade nickel sulphide project with annual nickel production of 30 thousand tonnes over an eleven-year mine life. Subject to Board approval, this project will place First Quantum as a top 10 global nickel producer.

With our confidence in the strengthening long-term prospects for copper, we continue to advance our development projects at Taca Taca in Salta Province, Argentina, and Haquira in Apurimac, Southern Peru. Gradual progress continues on these projects with various studies and negotiations. We are fortunate to have a pipeline of greenfield opportunities, albeit long-dated, as copper supply growth is constrained with a lack of new discoveries, limited shovel-ready projects and more stringent environmental, social and regulative hurdles.

At First Quantum, we see that increased supply of critical metals, such as copper and nickel, is required to meet the needs of the global energy transition. Both copper and nickel are required in substantially higher volumes for new renewable energy infrastructure and electric vehicles. A responsible approach to mining is the only acceptable solution in order to deliver new primary production of metals. At First Quantum, we are well placed to deliver the metals required for the global challenges of the 21st century. We recognise our need to extract these metals in ways that continue to be cleaner and more environmentally responsible.

At First Quantum, we see that increased supply of critical metals, such as copper and nickel, is required to meet the needs of the global energy transition. Both copper and nickel are required in substantially higher volumes for new renewable energy infrastructure and electric vehicles.

First Quantum continues to innovate to improve efficiency and hence reduce the environmental impact of our operations. This is resulting in decreased energy use, waste reduction and lowered greenhouse gas emissions as well as improved operational and safety performance. At Kansanshi, we installed one of the world's most realistic and sophisticated simulators to train mine equipment operators. The ThoroughTec's latest generation Cybermine 5 Full-Mission simulators will make operator training safer and more efficient. As we continue to be leaders in trolley-assist technology, First Quantum confirmed the order for an additional eleven trolley-assisted T 284 trucks with Liebherr. The soon-to-be fleet of 38 T 284s in Panama will claim the title of the world's largest ultra-class truck fleet on trolley.

In early 2021, we published our approach to managing climate change and committed to reporting more widely on our climate-related risks. We recently announced that we have set targets to reduce our absolute Scope 1 and 2 greenhouse gas emissions by 30% by 2025 and our absolute and intensity of emissions by 50% by 2030. An important first step to these targets is a Letter of Intent that was signed for the incremental electrical supply for the

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CP100 Expansion, which is expected to be renewable power, specifically hydroelectricity, sourced from the Panamanian grid. We have provided more detail in our Climate Change Report that is aligned with the Task Force on Climate-related Financial Disclosures. Our targets are based on tangible solutions as we position ourselves to deliver the copper that is essential to meet the global transition to cleaner and more renewable energy sources.

It is with great sadness that I am to report that during 2021, the life of one our security contractors was lost in a road traffic accident. The safety of our workforce is paramount and we have investigated the circumstances surrounding the accident and taken steps to prevent such incidents in the future.

At the end of 2020, Clive Newall, Executive Director and President as well as co-founder of the Company stepped back from his Executive duties but continued to serve as a Director on the Board. Clive has decided to retire from the Board and will not be putting himself forward for re-election at this year's Annual General Meeting. Clive has been with First Quantum longer than anyone and has made a unique and significant contribution to its development and growth into the company that it is today. I would personally like to thank Clive for his support and counsel over many years and his continued guidance as non-executive Director over the past year.

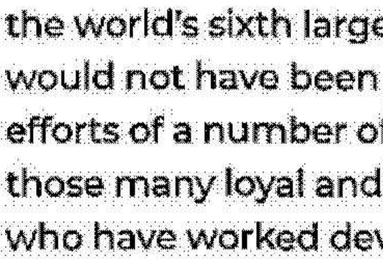
We are excited about the nickel growth within First Quantum. The Enterprise project is a low-cost, high-grade nickel sulphide project with annual nickel production of 30 thousand tonnes over an eleven-year mine life.

The Board of Directors announced the appointment of Tristan Pascall, currently the Company's Chief Operating Officer, to the role of Chief Executive Officer, which will take effect at the upcoming Annual General Meeting. The appointment of Tristan Pascall represents the culmination of a succession planning process led by independent directors on the Board's Nominating and Governance Committee. Tristan has over 22 years of experience in the global resources and mining sectors in a variety of roles from permitting and pre-development of a project to construction,

As my time as Chief Executive Officer of First Quantum comes to a close, I am very proud of how the Company has grown from a ten thousand tonne per annum copper tailings processor in Zambia into the world's sixth largest copper producer.

operational and executive leadership responsibilities. Tristan's combination of operational, strategic and capital markets experience, as well as the strong stakeholder relationships he has developed, are fundamental to the continuity of First Quantum's unique core capabilities, namely industry-leading project execution and operational excellence. In addition to his extensive technical experience, Tristan has strong values in social responsibility, responsible mining and workplace safety, stemming from his time living and working in Panama and Zambia.

As my time as Chief Executive Officer of First Quantum comes to a close, I am very proud of how the Company has grown from a ten thousand tonne per annum copper tailings processor in Zambia into the world's sixth largest copper producer. This growth would not have been possible without the combined efforts of a number of long-standing Directors and by those many loyal and steadfast managers and staff who have worked devotedly with First Quantum, some since its inception. It is these people who have established and who nurture the unique culture of our Company. The Company's capacity for caring and for creative thinking and practices, recognised in the industry, relies on this culture. I know that you shareholders value it. Our future development will depend on your encouraging management to continue and to grow this distinct character. It is with the continuity of this distinct character and deep talent pool that First Quantum is placed in a very strong position for 2022 and beyond. I thank you and appreciate your support over many years.



PHILIP K. R. PASCALL
Chairman of the Board and Chief Executive Officer

INCOMING CEO MESSAGE



TRISTAN PASCALL
Incoming Chief Executive Officer

I am very encouraged by the opportunities presented to First Quantum today and the existing platform to build from. I am greatly appreciative of the support provided to me in meetings with shareholders since the announcement of my appointment as CEO in November and I am very motivated to meet the expectations placed on me.

I am honoured and excited to be appointed the incoming Chief Executive Officer of First Quantum.

Over the past fourteen years with the Company, living and working at several of our locations around the world, I have been fortunate to be part of highly skilled teams and collaborate with inspirational colleagues engaging directly with local stakeholders and communities. This on-the-ground experience is reflective of the hands-on, practical approach of First Quantum.

The strong and unique culture of the business has been forged over the past twenty-five years. An entrepreneurial and collaborative approach by the founding Directors of the Company has enabled substantial growth and established a diverse mining business with strong capabilities in project execution and operational excellence. The Company has grown alongside the communities at each of our mines, where First Quantum provides a significant contribution in corporate social responsibility.

I am proud of First Quantum's culture and it is a legacy that I intend to continue. However, I take cognisance that the Company must also learn and adapt, not only to continue to motivate and enthuse our people, but also to overcome the challenges of each new project and each new geography we work in. The strength of First Quantum lies with its people and their capacity to dream boldly, innovate, and be impactful.

Attracting young and diverse talent into mining is one of the greatest challenges facing the long-term health of the mining industry. At First Quantum, we understand that much work needs to be done to raise awareness of the positive impacts of mining to society, plus the quality of work experiences, and the broad scope and engagement of working in the mining industry today. We are focused on improving our communication with young people from diverse backgrounds so they become more aware of the opportunities a career in mining is able to provide.

Copper and nickel are critical metals for the future. I believe First Quantum is the right company to deliver the energy metals needed for the 21st Century as the world transitions to a greener economy and towards more renewable energy. A focus on safe, efficient achievement of production and financial results provides the basis for further opportunity for our investors and also our surrounding stakeholders. At the same time, we understand the impact mining has on the environment and the climate and it is important that we extract resources in a highly environmentally responsible manner, which supports the

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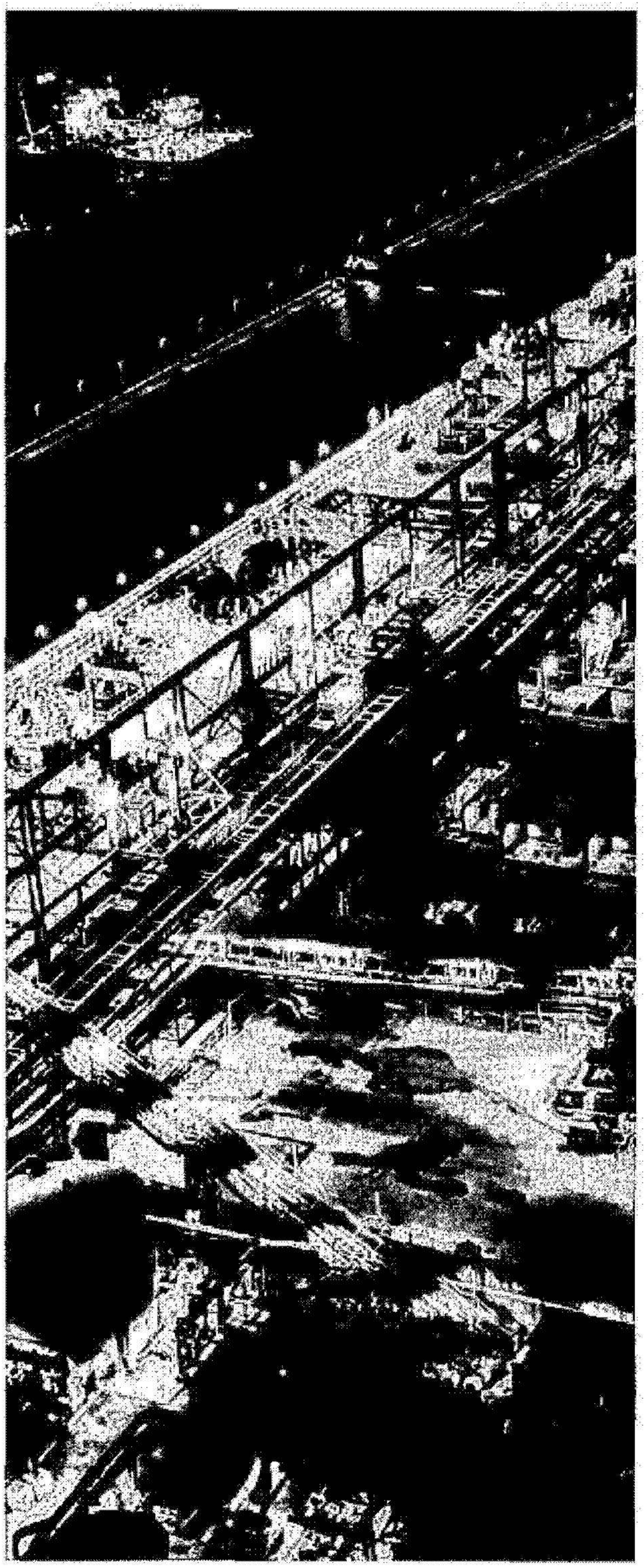
communities around our operations. Having lived in Africa for eight years and Panama for four years, this is an area of particular importance to me. Integrity in our decision making is vital to the business and I am proud that the benefits of a long-term approach to responsible mining is well engrained in the Company.

I am very encouraged by the opportunities presented to First Quantum today and the existing platform to build from. I am greatly appreciative of the support provided to me in meetings with shareholders since the announcement of my appointment as CEO in November and I am very motivated to meet the expectations placed on me.

I believe First Quantum has an exciting future ahead as we transition into a stronger balance sheet and period of cash flow generation and move into the next chapter of disciplined growth for the Company and return for shareholders.



TRISTAN PASCALL
Incoming Chief Executive Officer



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) ALIGNED

CLIMATE CHANGE REPORT

JANUARY 2022

I am pleased to present our first report setting out the impacts of climate change on our business. We place sustainability at the heart of our business and we are committed to the ongoing development of our reporting. This first report on Climate Change, aligned to the TCFD recommendations, sets out the potential challenges faced by our operations but also the resilience of our business. Copper and the performance and energy metals will be essential in meeting the global challenge to address climate change and First Quantum is well placed to meet these opportunities in a responsible manner.

PHILIP K.R. PASCALL
Chairman of the Board
and Chief Executive Officer

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INTRODUCTION

Our Commitments

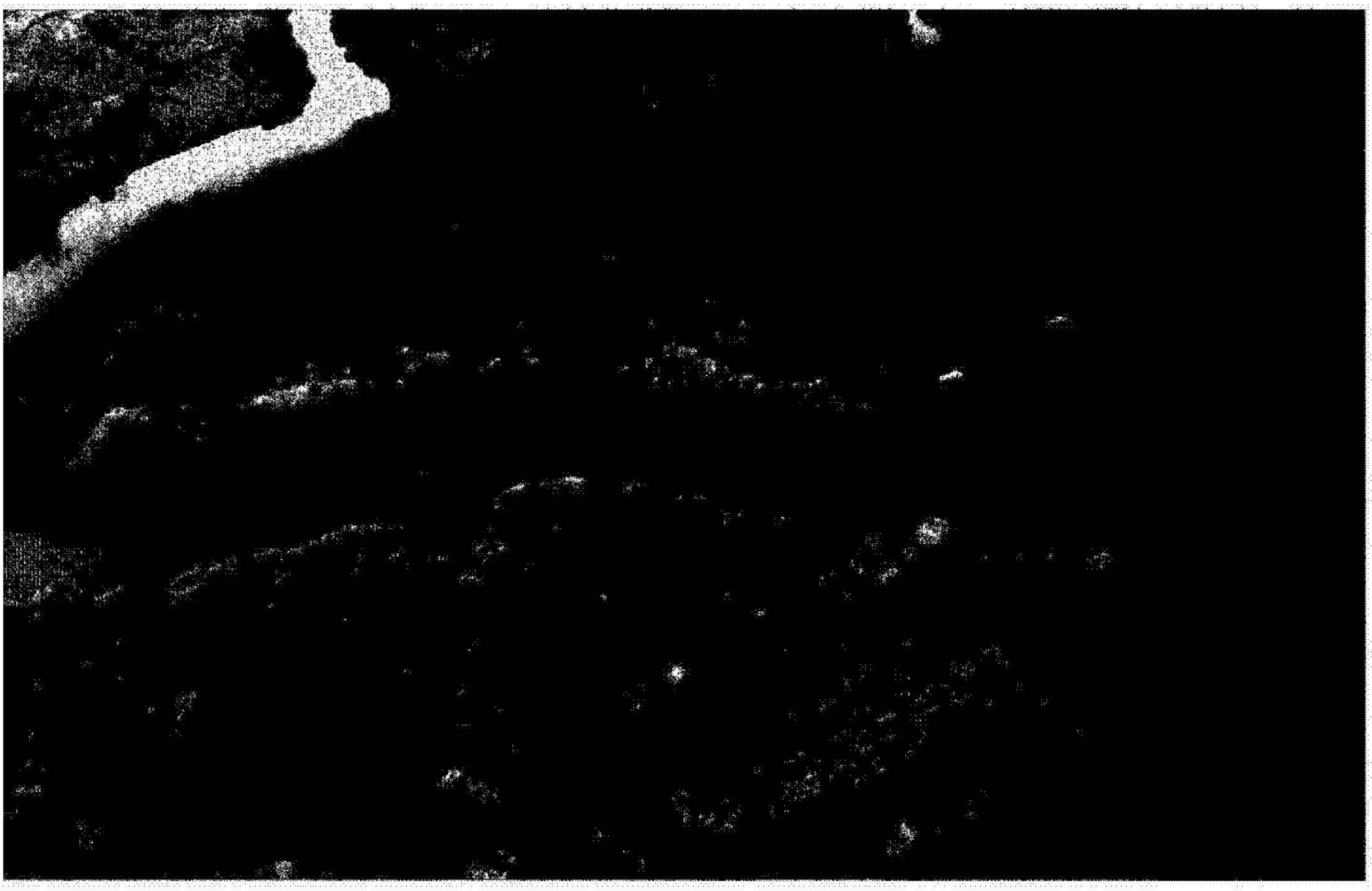
- Identify and manage climate-related physical and transition risks and opportunities. The Company plans to invest appropriately to improve the climate resilience of our operations.
- Improve efficiency, energy intensity and reduce wastage and emissions by continually challenging the status quo, leveraging our innovative culture and new technologies as they become commercial.
- Prioritise the use of renewable energy sources for new and existing operations where they are achievable.
- Support the transition to a low-carbon economy by mining the metals required to deliver this global initiative as responsibly as we can.
- Increase the transparency of our climate change reporting and communications, including continuing to disclose our data across a selection of ratings agencies and platforms.
- Report on our performance across a range of industry-accepted metrics, including Scope 1 and 2 emissions, Global Reporting Initiative (GRI) and CDP.
- Improve our understanding of lifecycle emissions for the copper, nickel, gold and cobalt value chains and consider partnerships with suppliers and customers to reduce our value chain emissions.
- Set tangible targets through the execution of real projects to implement change as a strategic priority of the Company. We consider targets focusing on the absolute emission levels and carbon intensity of our operations as the most appropriate measures of our performance at this time.
- Integrate an internal carbon price and the expected determinant impacts on commodity prices in the evaluation of our new projects.

At First Quantum, we are committed to extracting resources responsibly and the importance that we place on sustainability is an intrinsic part of everything we do. In February 2021, we published our Climate Change Position Statement, which sets out our approach to climate-related issues.

This inaugural Climate Change Report, consistent with our commitment to further develop our Environmental, Social and Governance (ESG) reporting, demonstrates our continued commitment to communicate consistently and transparently. As part of this commitment, we will continue to develop our reporting under TCFD, incorporating detailed risk and opportunity analysis aligned and updated to the most appropriate climate change scenarios.

We recognise that our major mines are located in developing countries so care with regards to their economies must be taken into account. We intend to work with our host governments on climate-related issues in the context of Nationally Determined Contributions (NDCs), through the transition to appropriate and sustainable alternative sources of energy, as well as through continued support for reforestation initiatives.

Our primary product, copper, is fundamental for energy efficiency, security and climate change mitigation.



With copper being a catalyst to the global transition to a low-carbon economy and a key driver for the socio-economic progression of developing economies, the positive impact of the copper mining sector will be significant to the achievement of the United Nations Sustainable Development Goals (UN SDGs). In the near term First Quantum is focused on brownfield growth then greenfields as the world is expected to require significantly more copper to achieve decarbonisation targets. As the world's 6th largest producer with one of the largest copper resources, First Quantum Minerals is well placed to support the transition to a low-carbon economy through our responsible approach to mining and our emphasis on UN SDGs.

We have a proven track record in delivering copper growth, more than doubling our production in the last decade, driven by the development and commissioning of the Sentinel copper mine in 2017, and more recently the Cobre Panama mine in 2019. Growth in copper production remains important to First Quantum even as we seek to reduce the intensity of our environmental and climate impact. We believe that responsible growth is achievable by ensuring that our projects meet higher hurdles for environmental and climate impact into the future. For this reason, First Quantum has implemented a carbon price for the evaluation of new projects.

ACTIONS ON CLIMATE CHANGE

BY 2023

-0.6Mt

TONNES OF CARBON DIOXIDE EQUIVALENT (CO_2e) SAVED PER YEAR BY POWERING COBRE PANAMA'S EXPANSION WITH RENEWABLE ENERGY

BY 2025

-7%

REDUCTION OF OUR ABSOLUTE GREENHOUSE GAS (GHG) EMISSIONS

BY 2030

-50%

REDUCTION OF OUR ABSOLUTE GHG EMISSIONS

The achievement of these targets is not expected to result in significant increases in operating costs, based on the current cost of power, inclusive of depreciation.

BY 2030

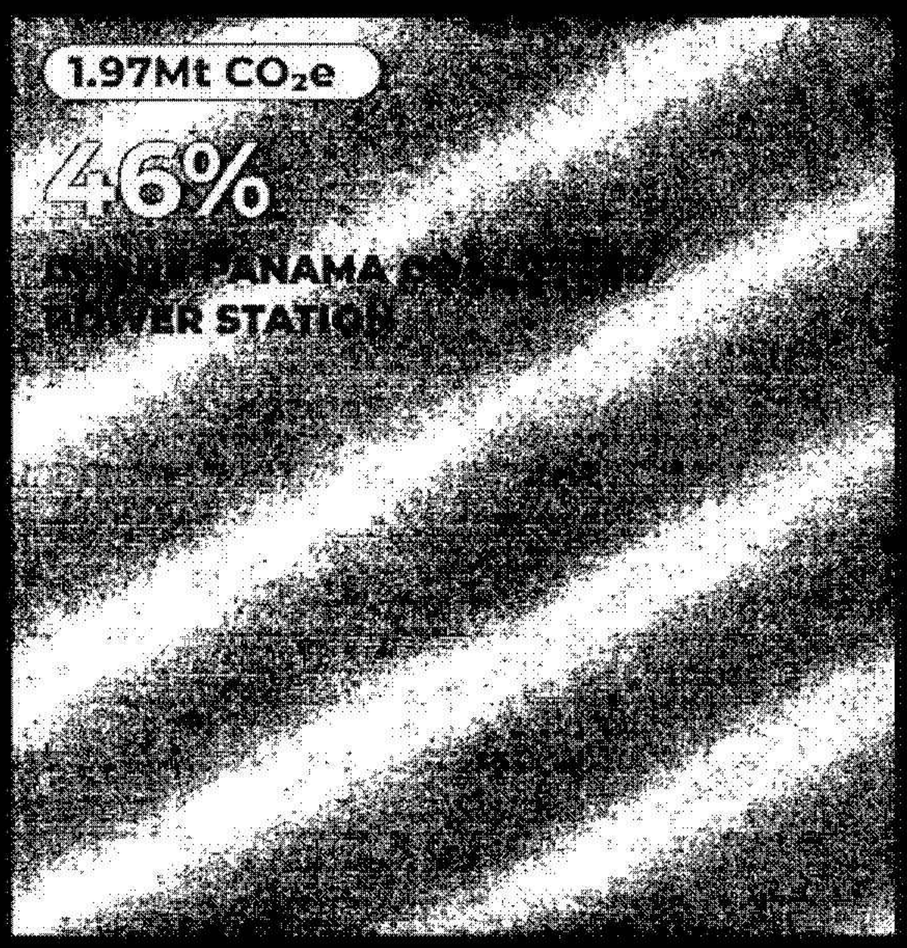
-50%

REDUCTION TARGET IN THE GHG INTENSITY OF THE COPPER MINED AT OUR OPERATIONS

No significant capital expenditure is expected to be required over the lives of mine to achieve these targets, with limited capital required prior to 2025.

FIRST QUANTUM 2020 ABSOLUTE SCOPE 1 & 2 CO_2e EMISSIONS (TONNES) – BASE

4.26Mt CO_2e



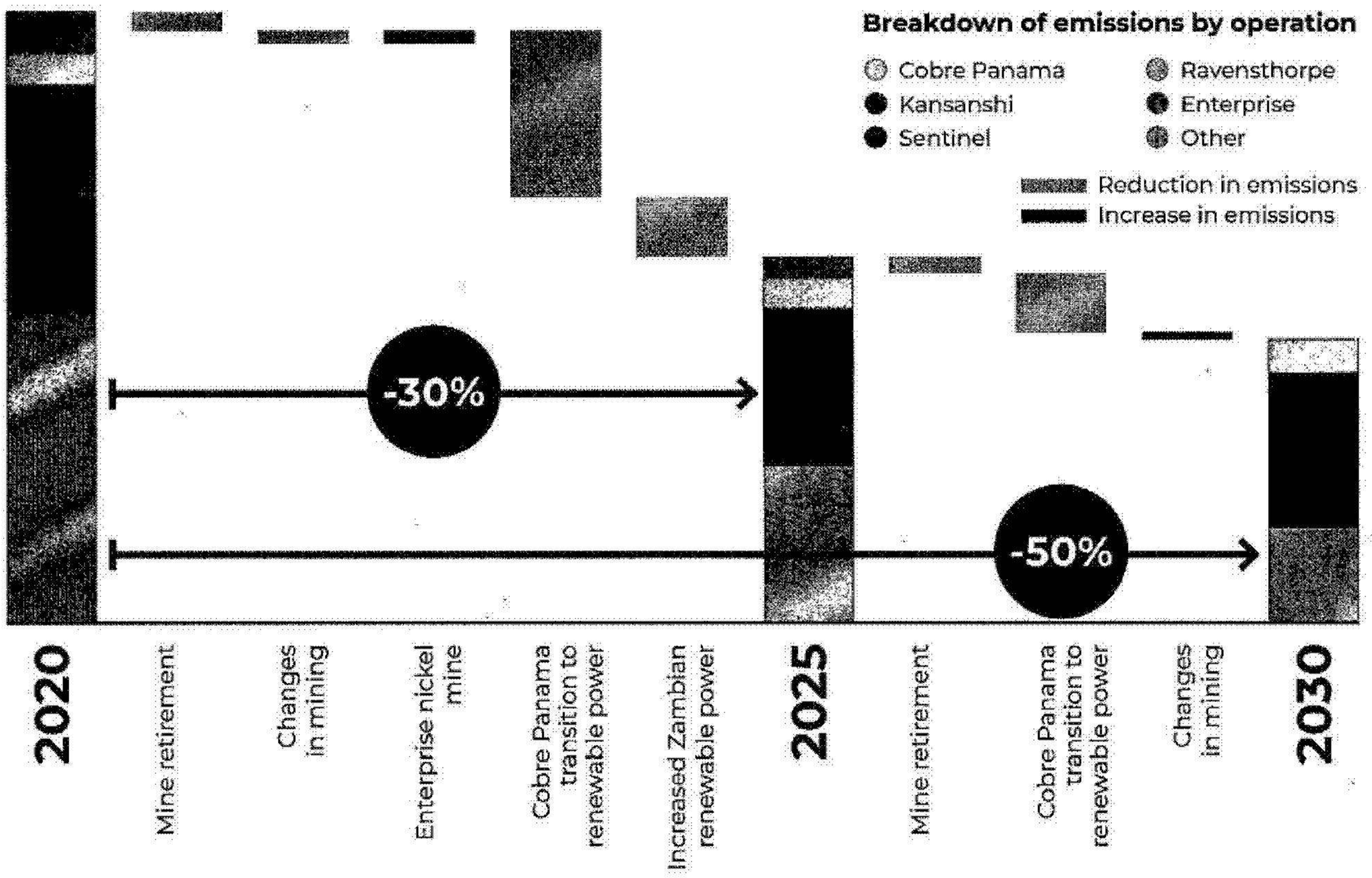
0.99Mt CO_2e
23%

0.53Mt CO_2e
12%

0.42Mt CO_2e
10%

0.35Mt CO_2e
9%
OTHER

FIRST QUANTUM ABSOLUTE SCOPE 1 AND 2 GHG EMISSIONS REDUCTION TARGETS



IN 2020

OVER

1,000,000

TONNES OF CO_2e SAVED ANNUALLY THROUGH THE OPERATION OF THE KANSANSHI SMELTER

79%

OF PURCHASED ELECTRICITY CONSUMPTION IS FROM RENEWABLES

ALMOST

100,000

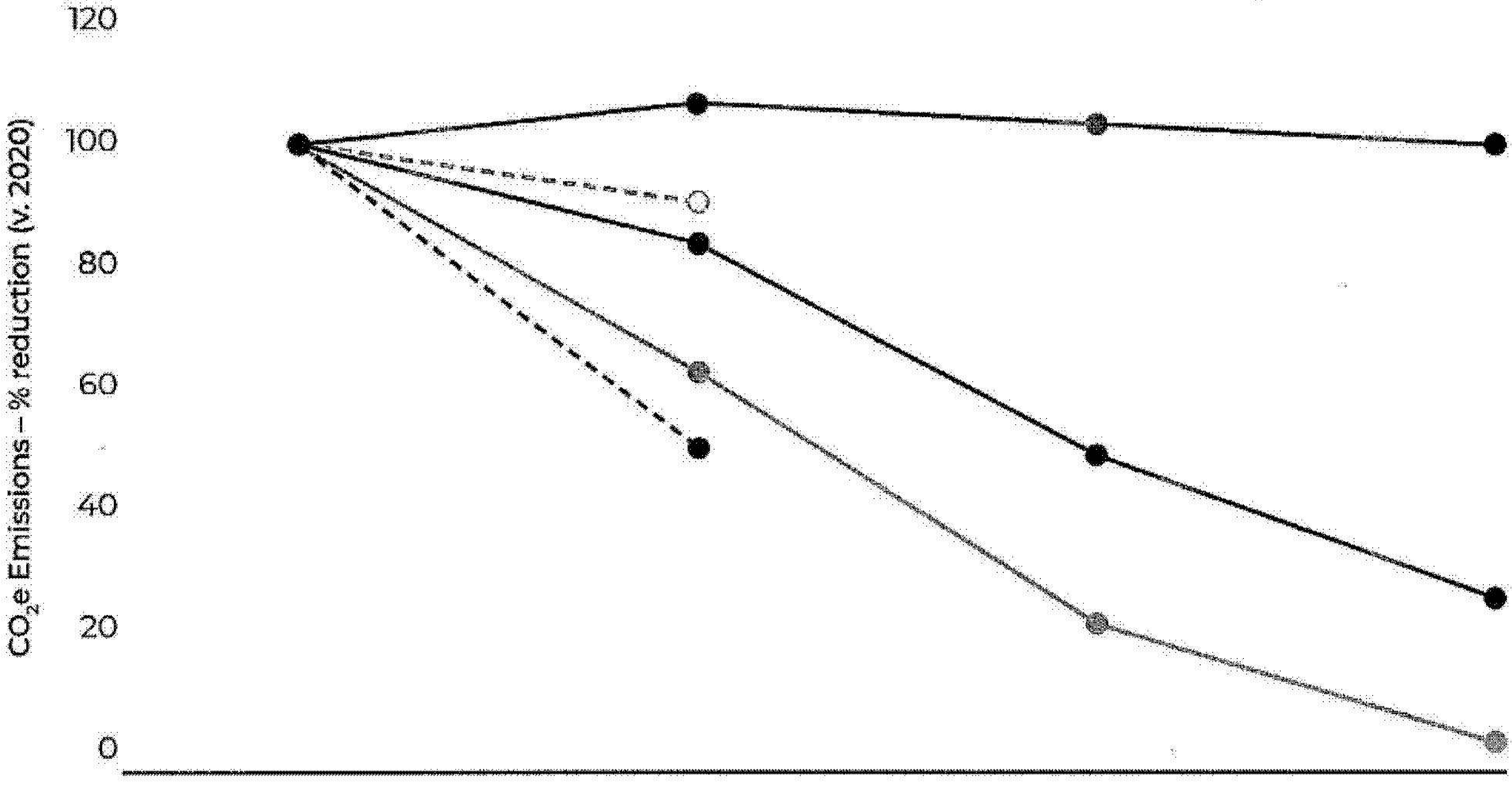
TONNES OF CO_2e SAVED ANNUALLY WITH THE IMPLEMENTATION OF MINING EFFICIENCIES IN ZAMBIA

76%

OF THE GROUP'S PURCHASED ELECTRICITY CONSUMPTION IS HYDROELECTRICITY

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FIRST QUANTUM TARGET PATHWAY COMPARED WITH CO_2e EMISSIONS REDUCTION PATHWAYS, IEA WEO 2021 CO_2e EMISSIONS BASED ON DATA FROM INTERNATIONAL ENERGY AGENCY (IEA), (2021), AS MODIFIED BY FIRST QUANTUM



The Company's GHG emissions reduction targets have an identified pathway to achievement and are based on commercially available solutions. For this reason, we have not made a net zero commitment at this time. We will continue to monitor the development of new technologies for implementation at our operations as they become commercially viable, and where possible update our GHG emissions reduction targets accordingly.

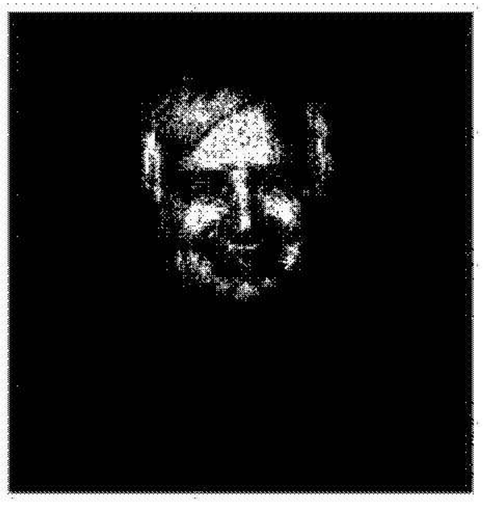
GOVERNANCE

The Board executes many of its responsibilities through its Committees.

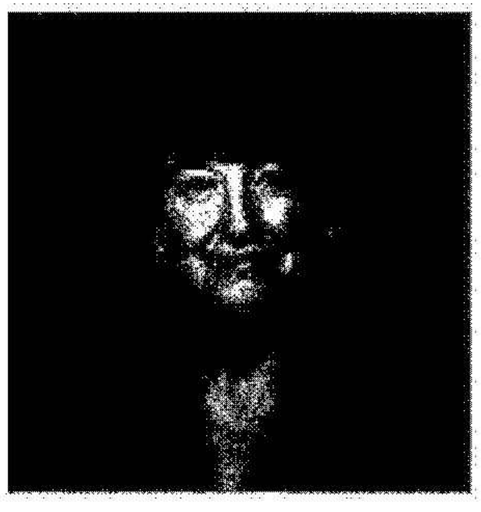
The Environment, Health, Safety and Corporate Social Responsibility (EHS & CSR) Committee, comprising independent directors, is responsible for the review and monitoring of the suitability and effectiveness of the Company's risk management policies and processes with respect to climate change as defined in the Committee charter.



KATHLEEN HOGENSON
CHAIR



SIMON SCOTT



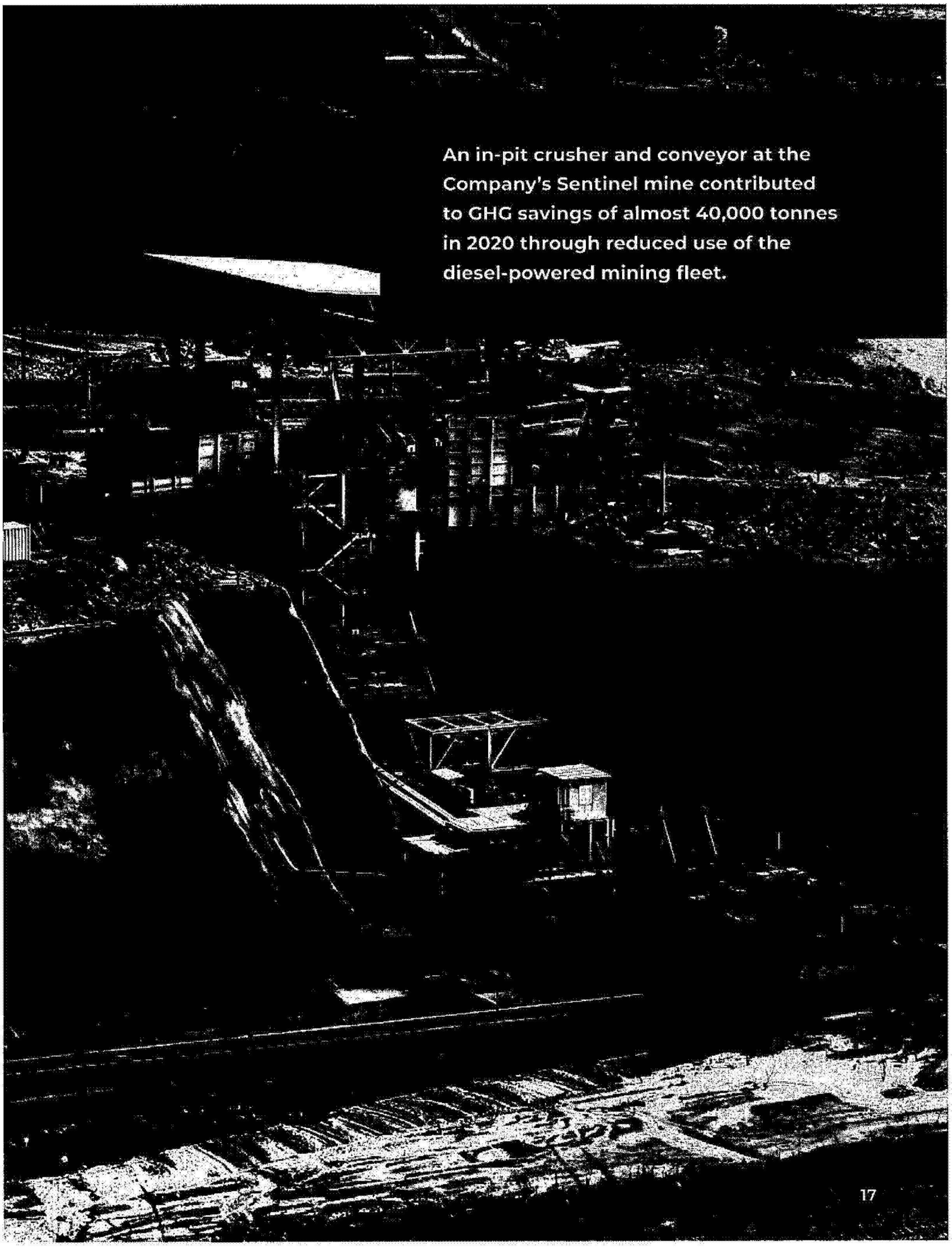
JOANNE WARNER



KEVIN MCARTHUR

The EHS & CSR Committee also monitors adherence by the Company to its environment, health and safety and social policies and practices in accordance with applicable environmental, health and safety laws and regulations in those countries and locations in which the Company operates.

Members of management responsible for climate change present reports to the EHS & CSR Committee at each meeting and are available to answer questions raised by EHS & CSR Committee members. This committee meets at least four times a year.



An in-pit crusher and conveyor at the Company's Sentinel mine contributed to GHG savings of almost 40,000 tonnes in 2020 through reduced use of the diesel-powered mining fleet.

The Compensation Committee is responsible for the review, identification and mitigation of risks associated with the Company's compensation policies as well as for making any necessary determinations relating to executive compensation.

The Compensation Committee considers external relations as performance objectives in determining total compensation for executives. External relations encourages the development of responsible and effective business relationships with appropriate governments, agencies, regulators, financial institutions, and with our shareholders through our investor relations program and broader engagement initiatives, for example in respect of ESG, inclusive of climate change issues.

These external relations factors are summarised below:

Environment

- Longer-term business strategy with project identification and approval influenced by potential impacts on the environment and climate change.
- Measures linked to sustainable and innovative mine operations that are intended to reduce environmental impact.

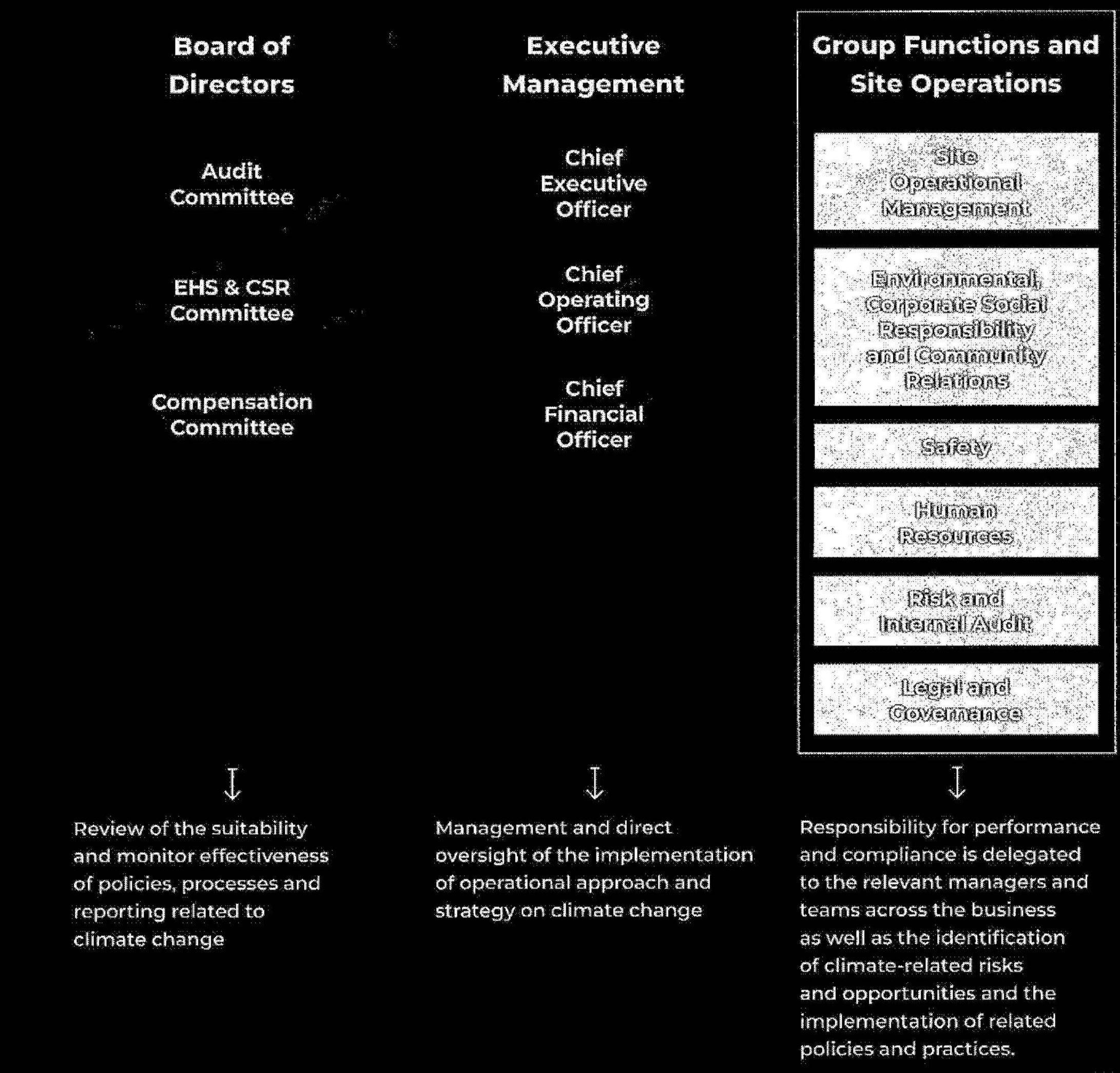
Social

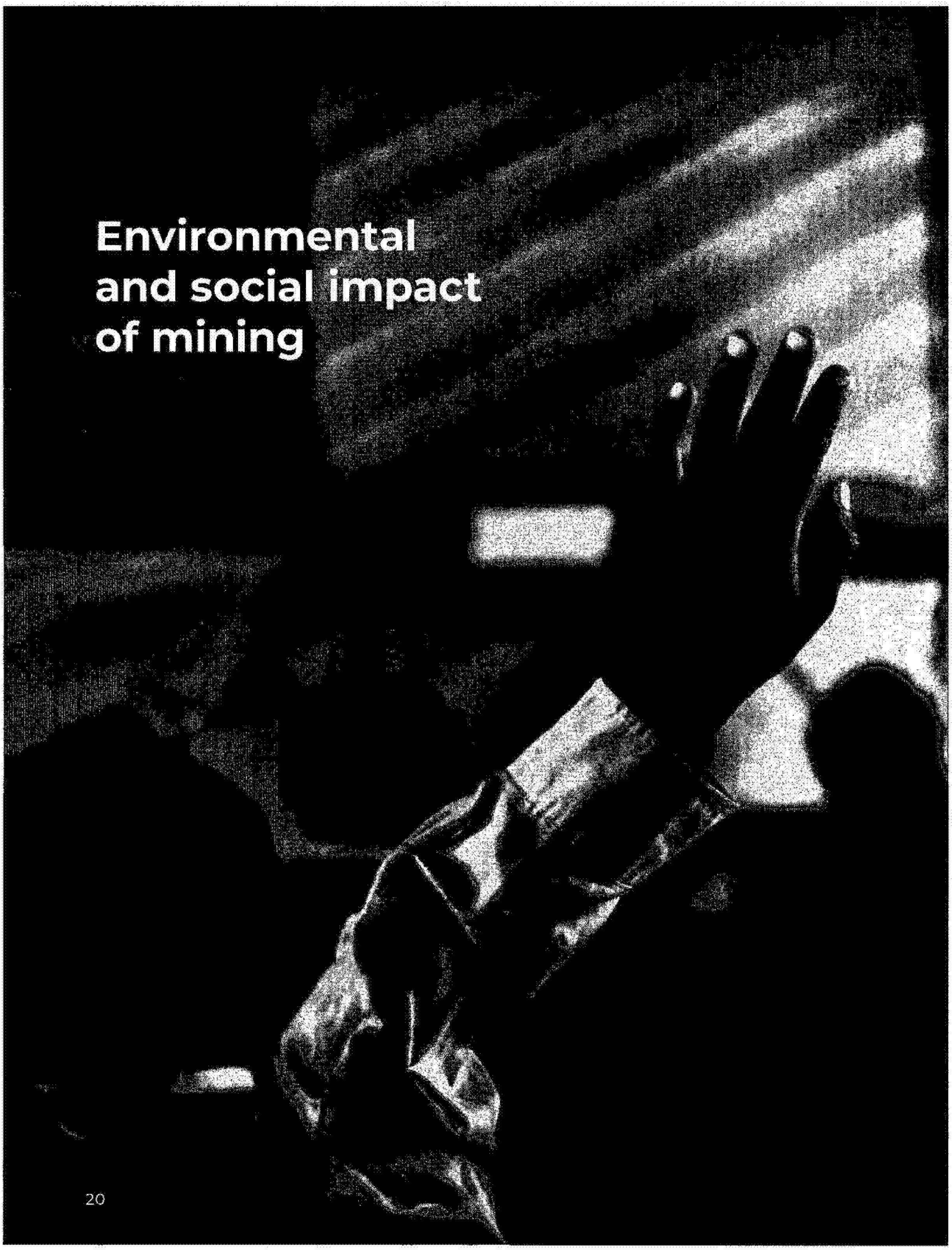
- Measures linked to the performance and engagement of our workforce.
- Measures linked to the health and growth of our relationships with external stakeholders, including the communities in which we operate.

Governance

- Measures linked to safe operating procedures, mitigating workplace injuries.
- Ensuring business practices and decisions are conducted with appropriate judgement.
- Ensuring compensation decisions are made within an effective governance framework.

The assessment and management of climate-related issues is actively monitored by the Company's management as part of regular operational and technical planning at each mine site through to consideration of regulatory, market and policy impacts and the integration of climate-related issues into strategic and financial planning.




Environmental
and social impact
of mining

We recognise the environmental and social impact of mining and at First Quantum, we seek to mine in the most responsible manner achievable.

Although mining can create significant economic benefit to its host countries, typically from a limited geographic footprint, this must be weighed against its impacts on surrounding communities and the environment.

Our ultimate goal everywhere we operate is to leave a place better than we found it, with greater protection of biodiversity, a responsible approach to climate change, enhanced public infrastructure and improved education and health care. Most importantly, we want to ensure the communities in which we operate, and which play such an important role in our success, become increasingly self-reliant and feel empowered to pursue a more rewarding way of life – today and for generations to come.

We're committed to develop, design and operate our mines in an environmentally sensitive manner, striving for protection and where reasonably possible, positive benefits to local biodiversity, protection of water resources and the efficient use of energy and other resources. Our approach to sustainability is an intrinsic part of everything that we do and founded on four key pillars: economically viable investments, technically appropriate operations, environmentally sound practices and socially responsible actions.

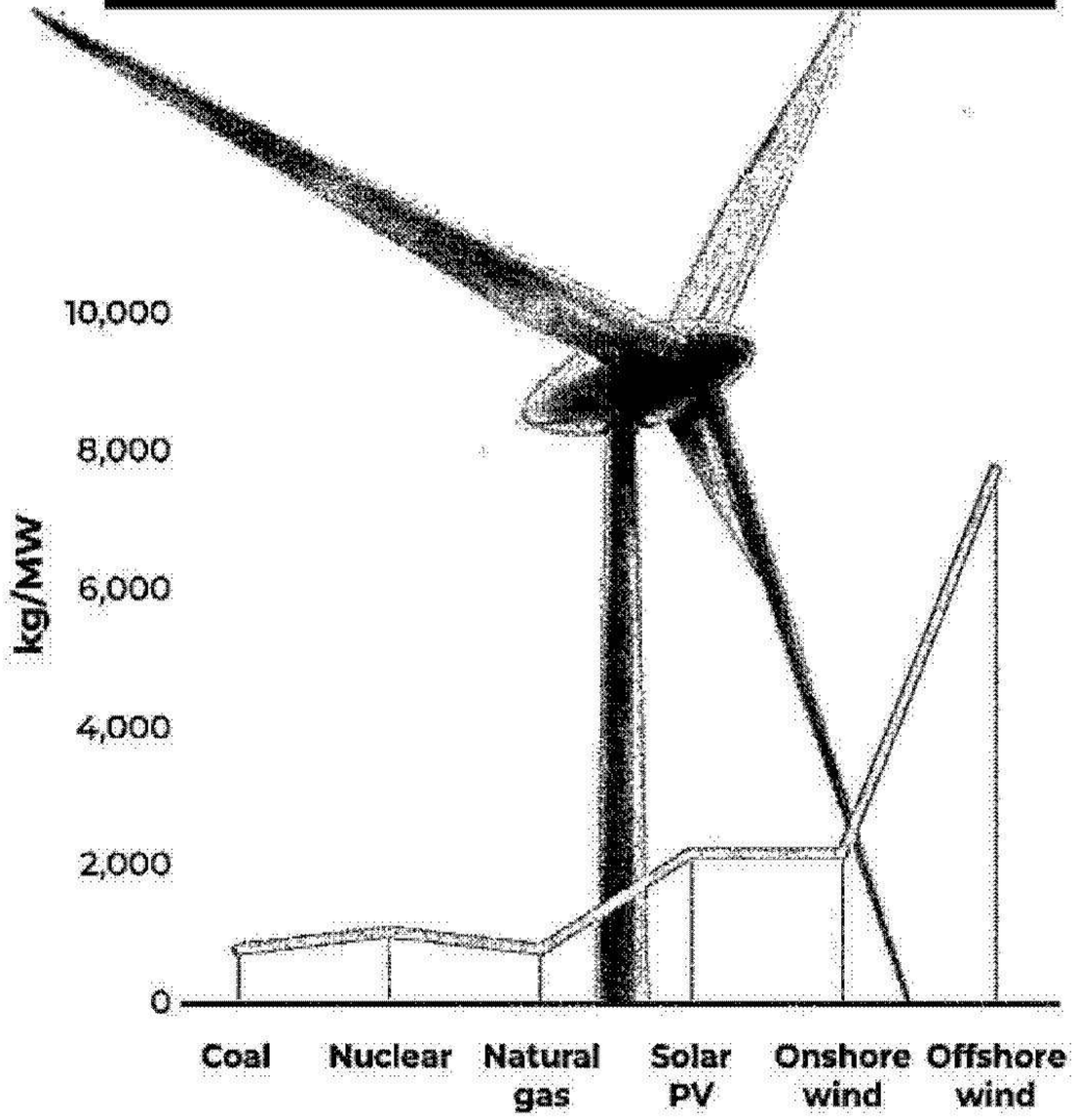
At First Quantum, we have never been comfortable with the transactional aspect of social license – the idea that stakeholders are compensated for granting us permission to develop and operate a mine. We've always seen the relationship as more of a social contract in which all parties participate in the collective effort and share in the rewards. This sense of common purpose is all the more evident as we increasingly join forces with our mining communities to confront major challenges, from alleviating poverty, to fostering inclusion and social equity (including racial justice and gender equality), to addressing the disruptive impacts of climate change. Even the remotest communities are more connected than ever to the wider world and feel the impacts of global issues; they're also more aware of the need to tackle these big problems together.

OPPORTUNITIES FOR COPPER

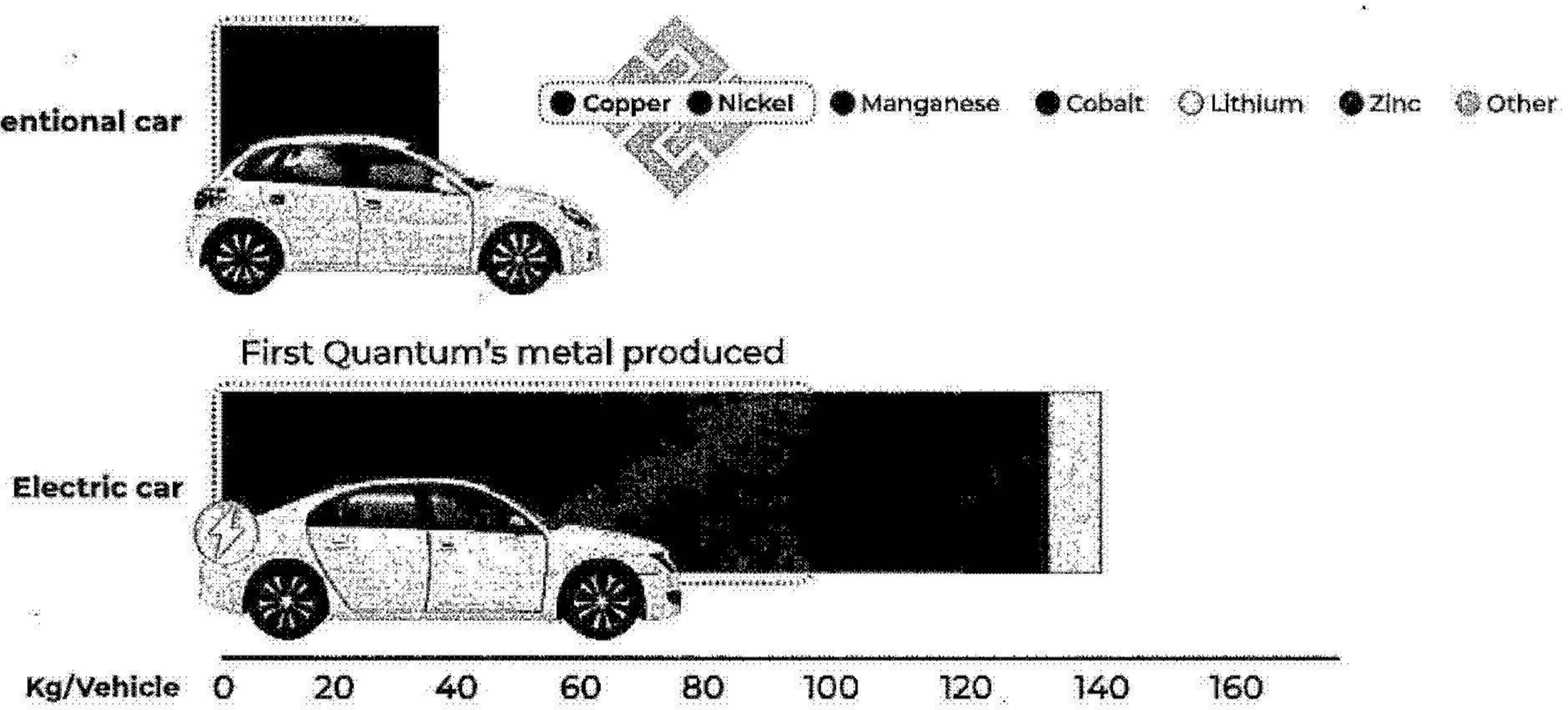
The global transition to a low-carbon economy represents a fundamental shift in the materials required for energy generation, moving away from fuel to minerals.

This transition is expected to drive an increase in the demand for copper as the electrical infrastructure requirements to drive the necessary changes to the global energy markets are significant. This presents an opportunity for First Quantum, as the metals that we mine are essential for the global transition to a low-carbon economy, as well as a crucial driver of socio-economic development, particularly in emerging economies.

COPPER USED IN CLEAN ENERGY TECHNOLOGIES COMPARED TO OTHER POWER GENERATION SOURCES[1]



MINERALS USED IN ELECTRIC CARS COMPARED TO CONVENTIONAL CARS[1]



1 Source: Based on IEA data from the IEA (2021), The Role of Critical Minerals in Clean Energy Transitions, IEA, Paris https://www.iea.org/reports/the-role-of-critical-minerals-in-clean-energy-transitions. All rights reserved; as modified by First Quantum Minerals Ltd.

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First Quantum has a strong project pipeline, with very significant copper resource bases, comprising both brownfield projects that would further grow our existing operations and also greenfield projects in Argentina and Peru that could add significant volumes of copper to global supply, which are as follows:

COBRE PANAMA

OVER

400,000 tonnes/year

COPPER PRODUCTION
100MTPA EXPANSION PROJECT TO BE POWERED WITH RENEWABLE ENERGY

KANSANSHI

SULPHIDE CIRCUIT EXPANSION: MAINTAIN LEVELS OF PRODUCTION, GHG INTENSITY

COBRE LAS CRUCES

UNDERGROUND PROJECT: POTENTIAL FOR ALMOST ZERO EMISSIONS MINE

TACA TACA

POTENTIAL FOR LOW EMISSIONS; WELL-LOCATED FOR RENEWABLE POWER, LOW COMMUNITY IMPACT

HAQUIRA

ONE OF THE WORLD'S MAJOR UNDEVELOPED COPPER DEPOSITS

The pace of development for the new supply of transition minerals, in particular copper, represents a very significant challenge for the global mining industry that may have to increase metal production by as much as 500%.[1] Increasing regulation required for new mining projects means that the time to develop a new project has increased by up to 16 years.[2] The world will need more copper and at First Quantum, with our extensive experience in executing and delivering major copper projects, we want to be the partner of choice to develop new mines. In the last ten years, we have more than doubled our copper production to more than 800,000 tonnes per year.

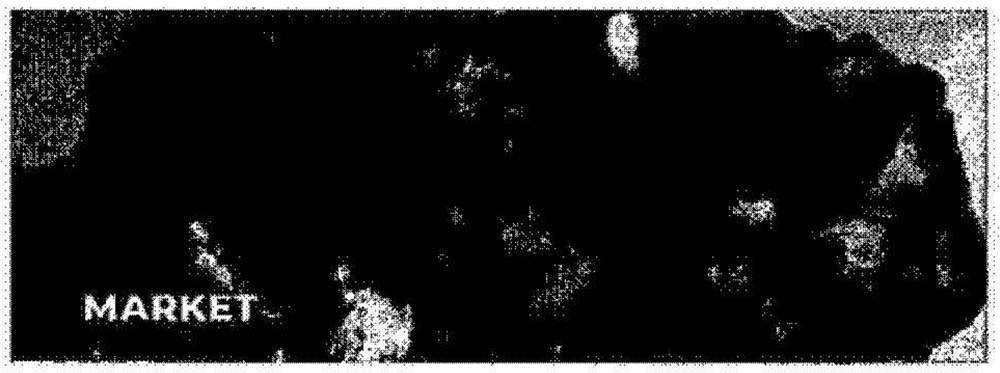
The important role that emerging economies have to play in the production of the metals essential to the low carbon transition, such as copper, means that responsible mining can be a key driver of economic development through increased government revenues, employment opportunities, infrastructure development and investment, and the transfer of knowledge and technology to host governments and communities. COVID-19 has been a particularly challenging period for many people around the world, with the World Bank calculating that 97 million people fell back into poverty in 2020 as a result of the pandemic.[3] Mining provides investment and jobs in our host communities and revenue sources for the governments in the countries in which we operate. Our $6.7 billion investment in Cobre Panama mine means approximately 34,000 direct and indirect jobs for Panama. In Zambia, where First Quantum has had operations for 25 years, mining accounts for 10% of the GDP of the country.

1 'How green bottlenecks threaten the clean energy business', The Economist, June 12th, 2021

2 Source: IEA (2021), The Role of Critical Minerals in Clean Energy Transitions, IEA, Paris https://www.iea.org/reports/the-role-of-critical-minerals-in-clean-energy-transitions

3 Source: World Bank, June 2021, Updated estimates of the impact of COVID-19 on global poverty: Turning the corner on the pandemic in 2021? https://blogs.worldbank.org/opendata/updated-estimates-impact-covid-19-global-poverty-turning-corner-pandemic-2021

Climate-related Opportunities for First Quantum



Additional demand for copper is expected to result from the continuing transition to renewable energy generation and electric vehicle propulsion, which are both much more intensive users of copper compared to existing technologies. First Quantum, as one of the largest global producers of copper, is well placed to take advantage of this with the ramp-up of Cobre Panama, the Kansanshi S3 expansion and two significant advanced exploration projects in Taca Taca and Haquira.

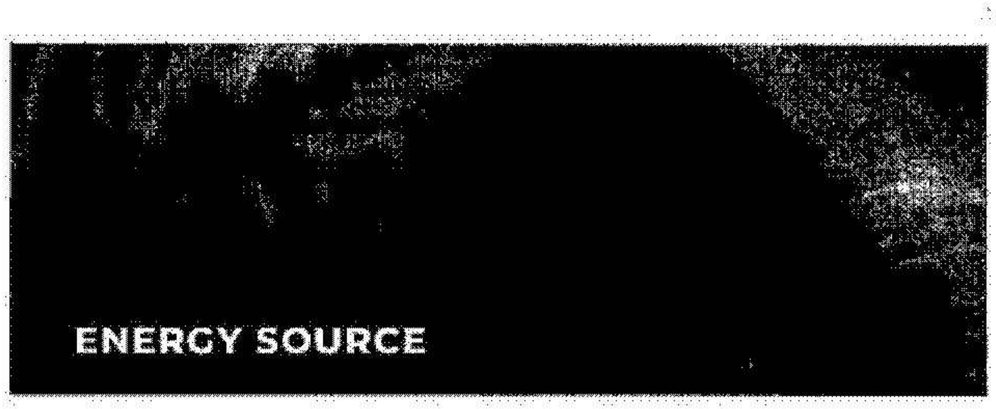


Our Zambian mines, largely powered by renewable energy supplied through the grid, have lower GHG intensity, resulting in Sentinel and Kansanshi being in the lower quartile and midpoint of the intensity curve respectively.[1] Although the Company's Cobre Panama mine has a higher GHG emissions intensity due to the coal-fired power plant, the actions outlined in our report would reduce this and significantly improve the GHG intensity of our Panamanian copper production. Increased focus by consumers on the GHG emissions of their supply chain may result in opportunities for the Company.



We are an industry leader in technology such as trolley assist which significantly reduces diesel consumption and as a result GHG emissions. The trolley assist infrastructure offers the potential for future integration with battery technology.

Pit-electrification remains an area of focus as the Company looks to drive production and cost efficiencies through lower GHG emissions technology such as in-pit crushing and conveying and electrical mining equipment, which include drills and shovels. A global push for decarbonisation represents an opportunity to further develop this approach and we are well-placed to capitalise on this as the technology is developed by equipment manufacturers.



The Company is reliant on hydroelectricity for two of our largest operations in Zambia. Climate risks incentivize the transition to alternative renewable sources of power, such as increased hydroelectric, solar or wind, that would improve the resilience of operations and limit exposure from an operational and financial perspective to the Zambian grid.

In Panama, a shift from reliance on coal power to renewable alternatives should deliver both environmental and economic benefits in the medium term and over the remaining life of the project through stable operating costs and limited additional capital expenditure. The Company has committed to work with the Government of Panama to perform a study into the feasibility of alternative sources of power over 2022 and 2023. This will provide increased clarity with respect to the options for further decarbonisation of power and the timelines to realize the construction and commissioning of these projects.

1 Skarn and Associates, 2021

Responsible Growth in Copper

Growth in mining production remains important as the measured and indicated resources of each mine are limited and will eventually be exhausted. We believe that responsible growth in copper production is essential to replace exhausted resources and ensure that the world has adequate performance and energy metals in order to meet the challenges of the 21st century. First Quantum wants to be the partner of choice for new mining projects as we remain committed to the continuous improvement of our approach to responsible mining.

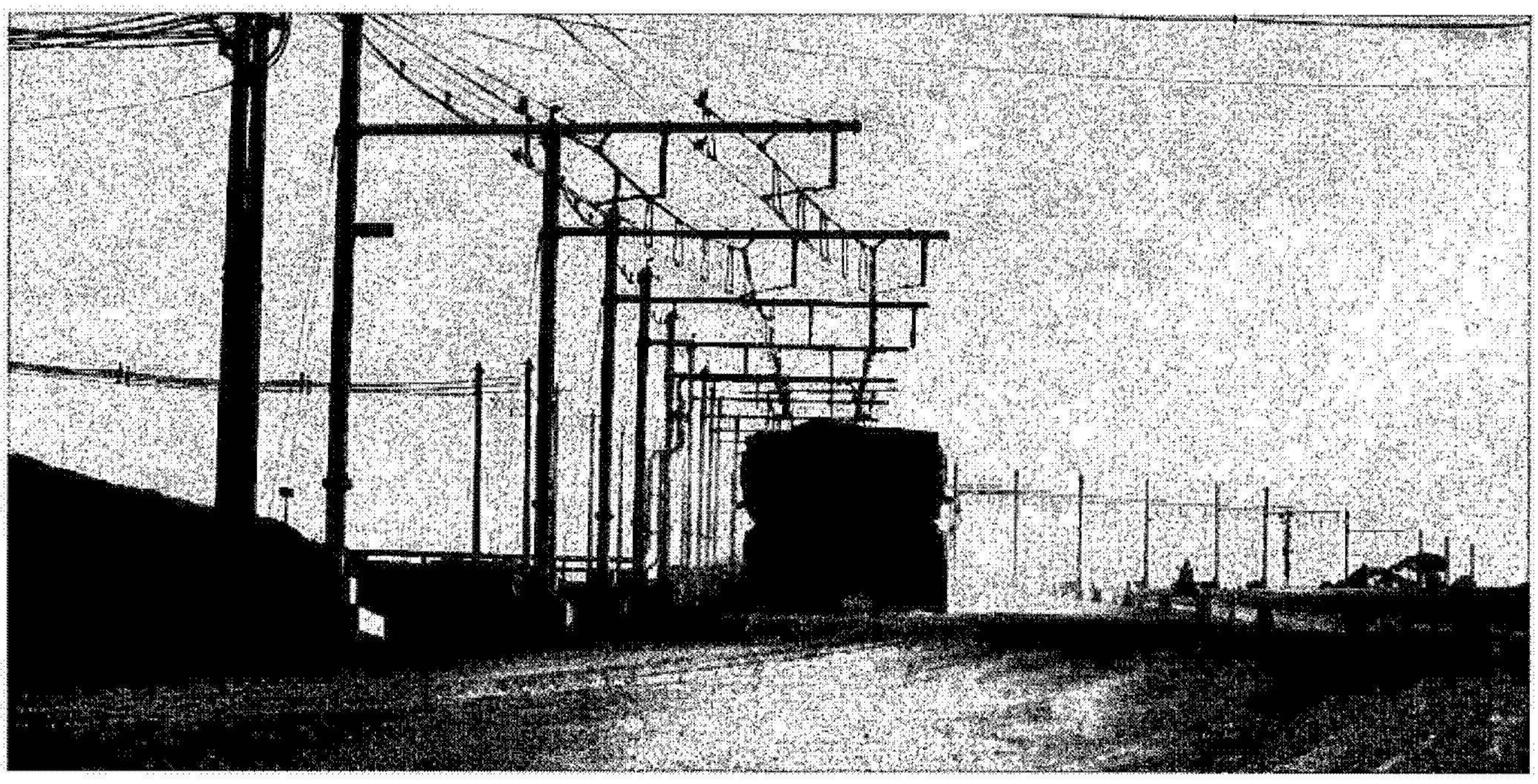
We believe responsible growth is achievable by ensuring each new mining project meets higher hurdles for environmental and social impact. In keeping with this approach, and as we seek to lower the GHG intensity of our copper production, we have implemented a carbon price for the evaluation of new projects to incentivize the use of lower carbon technologies and renewable sources of power.

INNOVATION DRIVING SUSTAINABILITY

Fundamental to First Quantum's philosophy is our ongoing commitment to innovation in mining, working in collaboration with equipment manufacturers to deliver benefits in productivity and profitability as well as incremental GHG emissions reductions and health & safety improvements.

This is evidenced by our successful implementation of new technologies in mining, crushing, processing, water management and concentrate grade improvements across our operations. For the last ten years, it has been a priority for First Quantum to create reliable, efficient and robust technologies that maximise the use of electrical power within the mining and haulage of waste and ore. First Quantum leads the industry in the implementation of several mining technologies which improve energy efficiency and reduction of emissions, including trolley assist and electric shovels and drills combined with in-pit crushing and conveying. We will continue to prioritise the use of renewable energy where possible as well as work with our partners to develop technology essential for decarbonisation.

In 2020, these innovations resulted in estimated savings of almost 100,000 tonnes CO_2e at our Zambian operations, where close to 80% of our electricity is renewable.



CASE STUDY

First Quantum is recognized as an industry leader in trolley assist technology.

Implementing trolley assist technology to drive energy efficiencies

GHG emissions are reduced at our Kansanshi and Sentinel mines through the use of trolley assist technology. The technology lowers overall diesel consumption and operating costs, saves on maintenance and increases productivity with a reduced GHG emissions profile.

The haul truck driving up a ramp to exit a pit will likely be powered by electricity rather than conventional diesel. Electrification of our pit operations at our mines is estimated to save tens of thousands of tonnes in CO_2e emissions each year.

The concept is relatively simple. Trucks are fitted with pantographs, which collect power through contact with overhead power lines installed on the up-ramps, just like the electric locomotives on many train networks. This means that for the part of each truck cycle when the truck is driving fully loaded uphill, and requiring the most energy, the truck's diesel-burning engine is switched off. In Zambia, this energy is more than 75% powered by hydroelectricity.

The execution is complex and the initial installation of lines, modifications to trucks and electrical infrastructure have taken several years of dedicated development work to achieve reliable trolley assist systems first at Kansanshi and then Sentinel and Cobre Panama. The use of trolley assist is fundamental to the mine design and profile, and is now an integral aspect of these operations.

Our success, in collaboration with truck manufacturers, will enable other operators to implement this GHG emissions-saving technology.

Looking to the future, we see a number of ways that trolley assist technology can be used to further improve First Quantum's energy efficiency. Our long-term life-of-mine plans include trolley assist technology, taking dedicated permanent trolley ramps as deep as possible to make the most of the electrical power-assist.

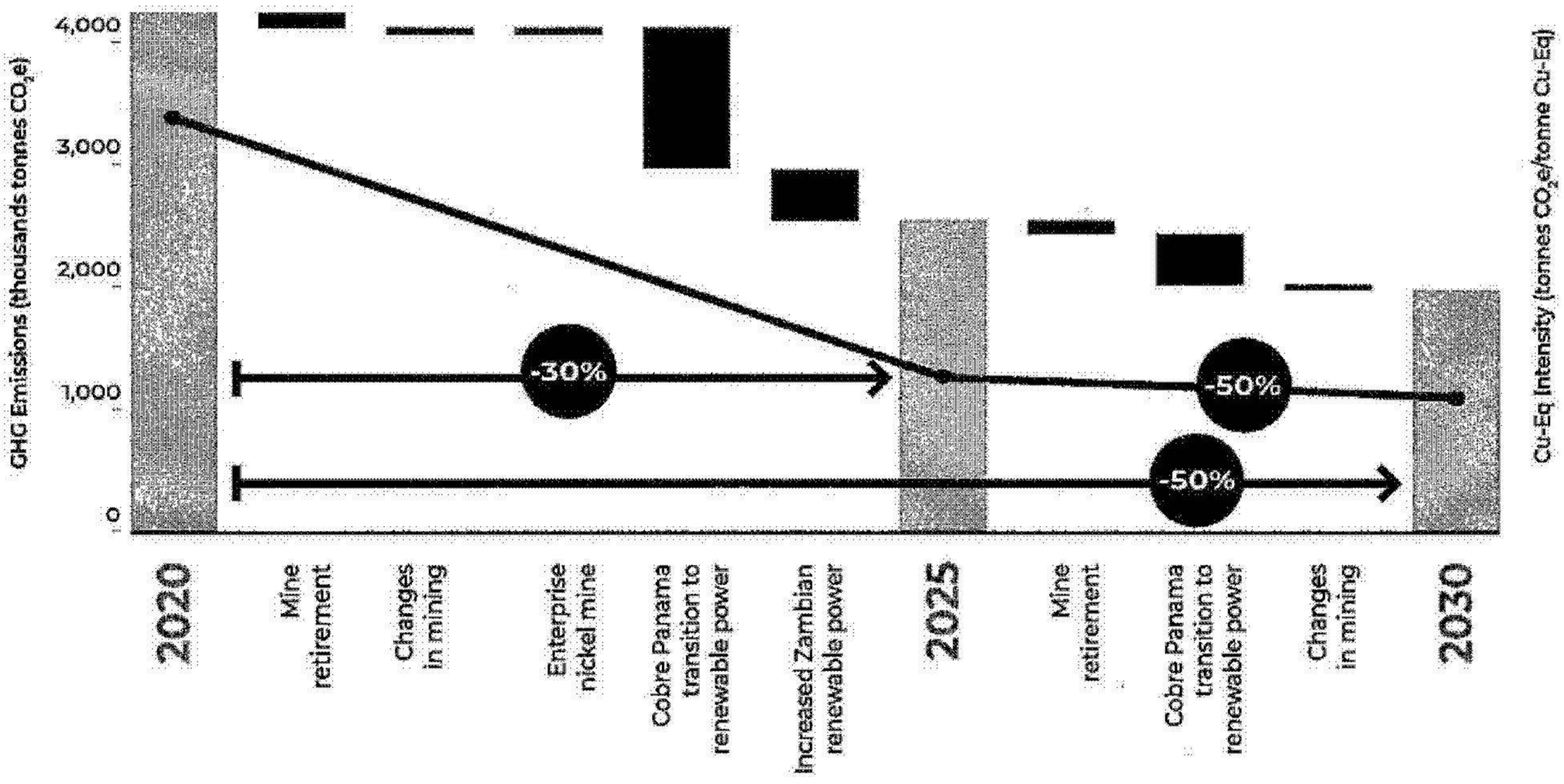
Our trolley assist technology offers the potential for future integration with battery technology that will be key to the further abatement of GHG emissions.

OUR TARGETS

In acknowledgment of the importance of ensuring the resilience of the Company's operations in a changing legal and regulatory environment, as well as incentivising lower GHG emissions in our future projects, we have integrated a range of internal carbon pricing into our new project evaluation process.

In keeping with our results-driven culture, we are committed to real actions which make a difference to our GHG emissions. We recognise the need to use less energy and to use energy more efficiently.

The Company's GHG emissions reduction targets have an identified pathway to achievement and are based on commercially available solutions. For this reason, we have not made a net zero commitment at this time. We will continue to monitor the development of new technologies for implementation at our operations as they become commercially viable, and as appropriate update our GHG emissions reduction targets accordingly.



Our targets for GHG reduction are based on 2020 as our base year, and on our operating mines and consistent with the mine lives, as published in our 2021 Annual Information Form. Our forecast includes the Kansanshi S3 expansion and the Enterprise nickel mine, both of which are subject to board approval.

Decarbonising Power

Our focus is centred on continual improvement driving these efficiencies – in production, in cost profile and use of resources. Our commitment to decarbonisation is summarised below and focuses on our most significant GHG Scope 1 and Scope 2 emissions emanating from our current power requirements in Panama and Zambia.

The Cobre Panama coal-fired power station represents the Company's single largest source of GHG emissions. The infrastructure was inherited by First Quantum when we acquired the partially constructed station in 2013. Although an appropriate choice at the time that it was designed and delivered given the lack of availability of reliable alternative power in Panama, we acknowledge the need to now reduce our carbon footprint and therefore make the following commitments to achieve this:

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BY 2023

70,000

TONNES OF CO_2e SAVED

The expansion of operations to 100Mtpa at Cobre Panama is expected to be powered by renewable energy by 2023, saving approximately 70,000 tonnes of CO_2e per year.

BY 2025

-30%

REDUCTION OF OUR ABSOLUTE GHG EMISSIONS

By 2025, we plan to source alternative supply options of up to 50% of the energy currently provided by the Panama power station with renewable energy. This would contribute to a 30% reduction in the Company's absolute GHG emissions.

BY 2030

-50%

REDUCTION OF OUR ABSOLUTE GHG EMISSIONS

By 2030, First Quantum expects to be able to reduce its absolute GHG emissions by 50% as it aims to increase the use of alternative power and further reduce reliance on coal at Cobre Panama.

BY 2030

-50%

REDUCTION TARGET IN THE GHG INTENSITY OF THE COPPER MINED

By 2030, we target a 50% reduction in the GHG intensity of the copper mined. We expect to achieve this through the reduced emissions associated with our power as well as maintaining our production through the Kansanshi S3 expansion and the 100Mtpa expansion at Cobre Panama.

- Due to power capacity considerations in Panama and the corresponding impact on pricing for our host communities, some power may be drawn from the existing power station, particularly in peak periods where baseload is required to support affordable power.
- At the Company's other operations, we will continue to prioritise the use of renewable power, where feasible.
- In Zambia where close to 80% of power is renewable, we are actively evaluating the potential for renewable wind and solar power projects to reduce our consumption of domestic third-party coal power.
- First Quantum does not intend to develop the Sese coal power project.
- The Company expects that the operating cost of power associated with the transition to greener sources will be consistent with the current levels seen by our operations, inclusive of depreciation. No significant capital expenditure is expected to be required over the lives of mine to achieve these targets, with limited capital required prior to 2025.

RISK MANAGEMENT

Our assessment of the impacts of climate change on our operations has been informed by the IEA World Energy Outlook 2020 scenarios as well as climate data projections from the Intergovernmental Panel on Climate Change (IPCC), as recommended by the TCFD recommendations. Incorporating the following IEA scenarios, our climate change impact assessment considers two time horizons: an interim time frame through to 2030 as well as a long-term time frame to 2050.

- Stated Policies Scenario (STEPS) – this represents a more conservative scenario based on the national policy frameworks already outlined and announced.

  The IPCC climate projections used in conjunction with this scenario is the Representative Concentration Pathway (RCP) 8.5

- Sustainable Development Scenarios (SDS) – representing our comparative scenario, this is aligned to a pathway consistent with the goals of the 2015 Paris agreement to limit global warming to 2C°, preferably 1.5C°, from pre-industrial temperatures.

  The IPCC climate projections used in conjunction with this scenario is the RCP 4.5

Through the evaluation of the IPCC climate projection data for each scenario, the physical impacts associated with climate change, such as changes in average levels of precipitation, temperature and sea levels, as well as the changes in extreme weather events, have been considered in the assessment. These associated physical impacts have been evaluated based on the impact of the climate-related risk to each of the Company's operations.

The potential impacts of climate change vary across all levels of our business and are specific to the geographies in which our operations are located. As such, with the support of specialist climate consultants, our assessment of the significance of potential climate change impacts is based on engagement with the site management of our long-life operating assets, senior and executive management and members of the board, including the chair of our EHS & CSR Committee, COO, CEO and Chair.

For this assessment, the following areas were considered:

- Operational activities (mining, processing, tailings management, workforce and communities)
- Supply chain (logistics and power)
- Access to capital (debt and equity markets)
- Availability of appropriate technology
- Legal and regulatory requirements
- Commodity markets

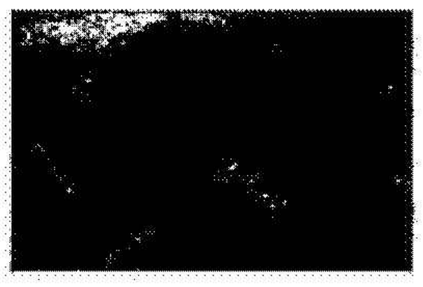
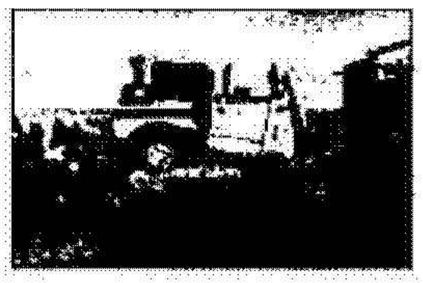
The evaluation, update and monitoring of climate change risks will be integrated into the Company's bi-annual risk assessment process in 2022. As part of this process, responsibilities for risk controls and management are assigned to each site and senior management and will be subject to an internal audit review. The risk register and the accompanying mitigating controls are reviewed twice a year by the Company's Audit Committee.

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The most significant climate physical and transition risks to First Quantum are summarised in the following tables and reflect the risk after considering the controls that we have implemented to mitigate the impact of the underlying risk.

Our risk assessment framework is based on an assessment of the likelihood within the time frames considered under each climate scenario assessed (a medium-term time frame to 2030 and a longer-term time frame to 2050), and the impact at either a corporate or a site level on a 1 – 5 rating scale, in which 1 represents a low risk and 5 a high risk.

Physical Risks – Site Specific

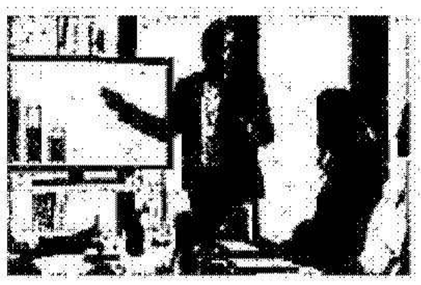
RISK	DESCRIPTION	SITES	ACTION
Tailings storage facilities and dams  ACUTE CHRONIC	The potential failure of a tailings storage facility or dam may be impacted by increased rainfall or variability in chronic rain and temperature. Changes in the intensity or frequency of extreme weather events can impact the operation of the facilities, requiring additional planning and infrastructure to manage the impacts.	**Cobre Panama** **Kansanshi** **Sentinel** **Ravensthorpe**	◆ Regular scenario modelling in the design and operation of facilities using climate data and forecasts. ◆ Planning through design and management for extreme weather events to ensure resilience and capacity exists. ◆ Continuous monitoring by site and corporate teams. ◆ Frequent independent review and audit. ◆ Monitoring and review of best practices to ensure ongoing optimum performance.
Mining activities  ACUTE CHRONIC	Increased intensity or frequency of extreme weather events (rain or wind storms, wildfires, lightning strikes) could present a health and safety risk to employees, or impact the ability to operate according to mine plans through damage to key equipment and/or the integrity of pit structures.	**Cobre Panama** **Kansanshi** **Sentinel** **Ravensthorpe**	◆ Design, engineering and construction of plant and machinery reflect the changing environments in which they operate. ◆ Implementation of health and safety procedures designed to minimise the impact of extreme weather events and the vulnerability of the workforce and key equipment. ◆ Weather data is monitored and extreme weather response plans are conducted by site management to ensure these are incorporated into mine planning. ◆ Mitigating actions, such as ensuring that capacity exists for coping with surge weather events or monitoring mechanisms and protocols to reduce the vulnerability of our workforce or infrastructure to extreme weather events, have been and continue to be implemented and reviewed by site management.

Physical Risks – Site Specific

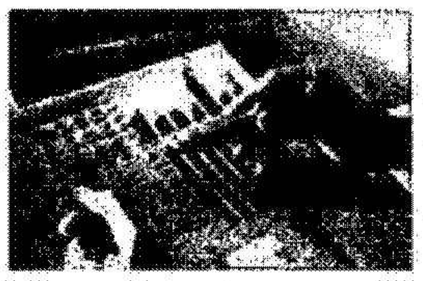
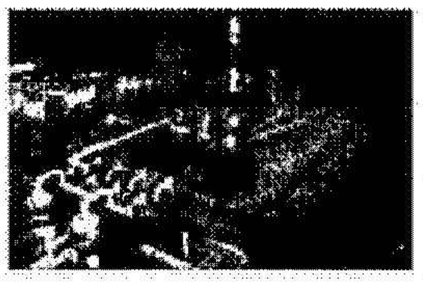
RISK	DESCRIPTION	SITES	ACTION
Supply chain  ACUTE	Extreme weather events such as storms could result in interruptions or delays to the supply chain at ports and roads that are necessary for the provision of key inputs required for mine production.	**Cobre Panama** **Sentinel** **Ravensthorpe**	◆ Inventory of key supplies is actively managed in conjunction with a review of forecast weather data to maintain the resilience of operations to supply infrastructure interruptions. ◆ The Company engages with our host governments on the management of local infrastructure that supports the communities and the mines as well as contributing to the maintenance and upgrade of related infrastructure where appropriate.
Power  ACUTE CHRONIC	Zambia has a high degree of dependency on hydroelectricity where changes in levels of rainfall could affect the power supply in the country. In Panama, the power line connecting the power station to the mine, as well as the connection to the national grid, runs through an inaccessible area characterised by undulating topography, which could be affected by extreme weather events.	**Kansanshi** **Sentinel** **Cobre Panama**	◆ The Company is engaged with local and national governments in Zambia on the power supply to our mines. ◆ Projects focused on the establishment of alternative and renewable sources of power are under consideration in Zambia. ◆ In Panama, the powerline infrastructure was recently designed and was constructed for the environment in which it is located. It is subject to regular review and maintenance by the Company's teams.
Communities  CHRONIC	Our host communities in Zambia, an emerging economy, where livelihoods are more dependent on agriculture, may be more adversely impacted by the changes in weather patterns, such as rainfall or temperature on local resources. As a key contributor to the local and national economic development, there may be increased expectations of us by our communities.	**Kansanshi** **Sentinel**	◆ The Company maintains strong links with our host communities, through regular formal and informal engagement to ensure that any concerns are communicated and addressed in a timely fashion. ◆ A number of initiatives are undertaken by the Company, to assist in the availability of key resources such as water and access to education and training. Through these programs we seek to decrease the likelihood of shortages and/or interruptions impacting our host communities. ◆ The Company's Conservation Farming for Nutrition program works with our host communities to enhance farming techniques, maximising yields and minimising soil degradation and deforestation.

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Transition Risks – Group Wide

RISK	DESCRIPTION	ACTION
Policy and regulatory  GREENHOUSE GAS EMISSIONS	As governments and regulatory bodies commit to decarbonisation, this may be accompanied by stricter laws and regulations linked to GHG emissions as well as carbon pricing and reporting requirements. Rapid changes to energy policy may impact the market price of electricity in the countries in which we operate.	◆ The Company has regular engagement with local and government authorities and agencies to ensure that we have visibility and understanding of changes to regulatory and policy frameworks. ◆ Operations at the Company's major sites are focused on mining and processing efficiency projects that have a significant positive impact on its emissions profile thereby reducing exposure. ◆ The Company has undertaken to set decarbonisation targets which are expected to significantly reduce its exposure over the longer term. ◆ The Company monitors market prices for electricity and seeks long term contracts for offtake, as well as opportunities for self supply where reasonable and competitive.
Costs to transition to new technology and risk of success of new technologies  TECHNOLOGY	Key to efforts by the mining industry to decarbonise will be the reduction of emissions of mining fleets as well as the transition to renewable power sources. The transition of the mine fleet would require significant capital and development and advancements in existing technology. There is a risk that investment in a technology solution that is currently available results in reduced efficiency and increased costs compared with alternatives that could be developed. In Panama, there are currently limited low-carbon alternatives to thermal power, though this is improving, which represents a significant challenge to the Company's efforts to decarbonise.	◆ The Company is engaged with the original equipment manufacturers (OEM) to monitor the availability and commerciality of mine fleet in line with the Company's renewal program. ◆ The Company is leading the industry on the use of trolley assist which significantly reduces fuel consumption, as well as a broader focus on the electrification of pit machinery, which remains key to the Company's short and medium-term decarbonisation strategy. Trolley assist also offers potential future bridging technology for the implementation of commercially viable battery solutions to diesel-operated mine fleets. ◆ The Company has committed to reduce its reliance on high-carbon fuels for power generation, as outlined in this report.

Transition Risks – Group Wide

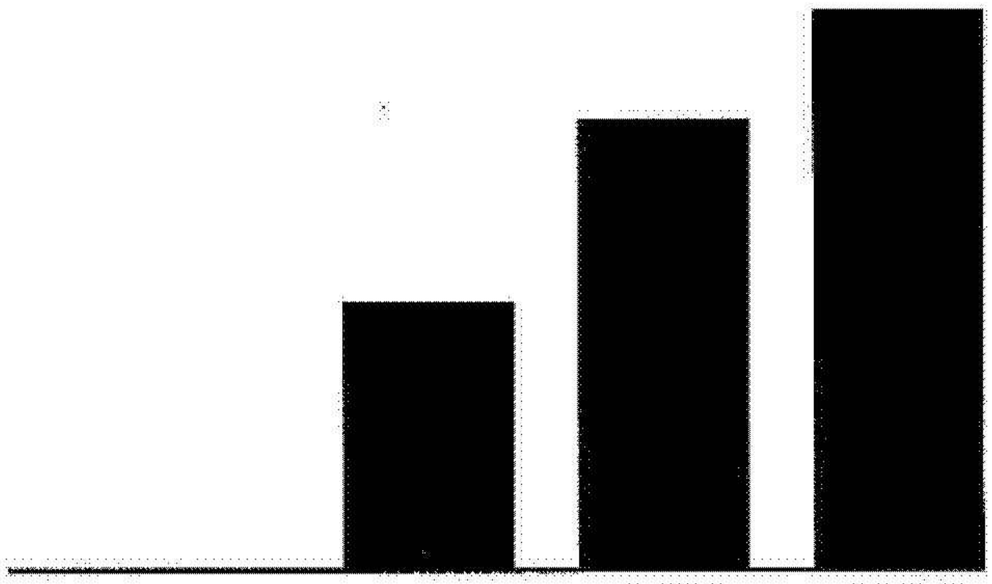
RISK	DESCRIPTION	ACTION
Shifts in customer preferences and increased stakeholder concerns  MARKET	In the future, commodity market pricing mechanisms could assign a premium to products with lower embedded GHG emissions. Second order impacts from changes in the energy mix, for example the reduction in petroleum production may affect prices for key inputs to the business such as fuel, sulphur, ammonium nitrate.	◆ The GHG intensity of copper produced from the Company's operations in Zambia is lower than or comparable to the average. Further initiatives to reduce energy consumption and maximise productivity are expected to yield some improvement. ◆ Actions to reduce our GHG emissions in Panama, centred on the coal-fired power station, will significantly reduce the GHG intensity of the operation. ◆ Price monitoring and offtake agreements for key inputs.
Sector stigmatization/ pressure to decarbonise resulting in a reduction in capital availability  REPUTATION	The continued use of coal for the power provided in Panama could hinder the ability of the Company to take advantage of strategic opportunities or limit access to capital markets, as stakeholder expectations for decarbonisation increase.	◆ The Company has committed to reduce its reliance on high-carbon fuels for power generation, as outlined in this report. ◆ The Company has reported key climate-related metrics for a number of years and is committed to the transparency and ongoing development of our climate change and broader ESG reporting. ◆ There is continuous engagement with key stakeholders and ratings agencies on our approach and actions relating to climate change to ensure that our strategy is communicated and understood.

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METRICS – CURRENT STATUS

GHG and Energy Metrics: 2018 to 2020

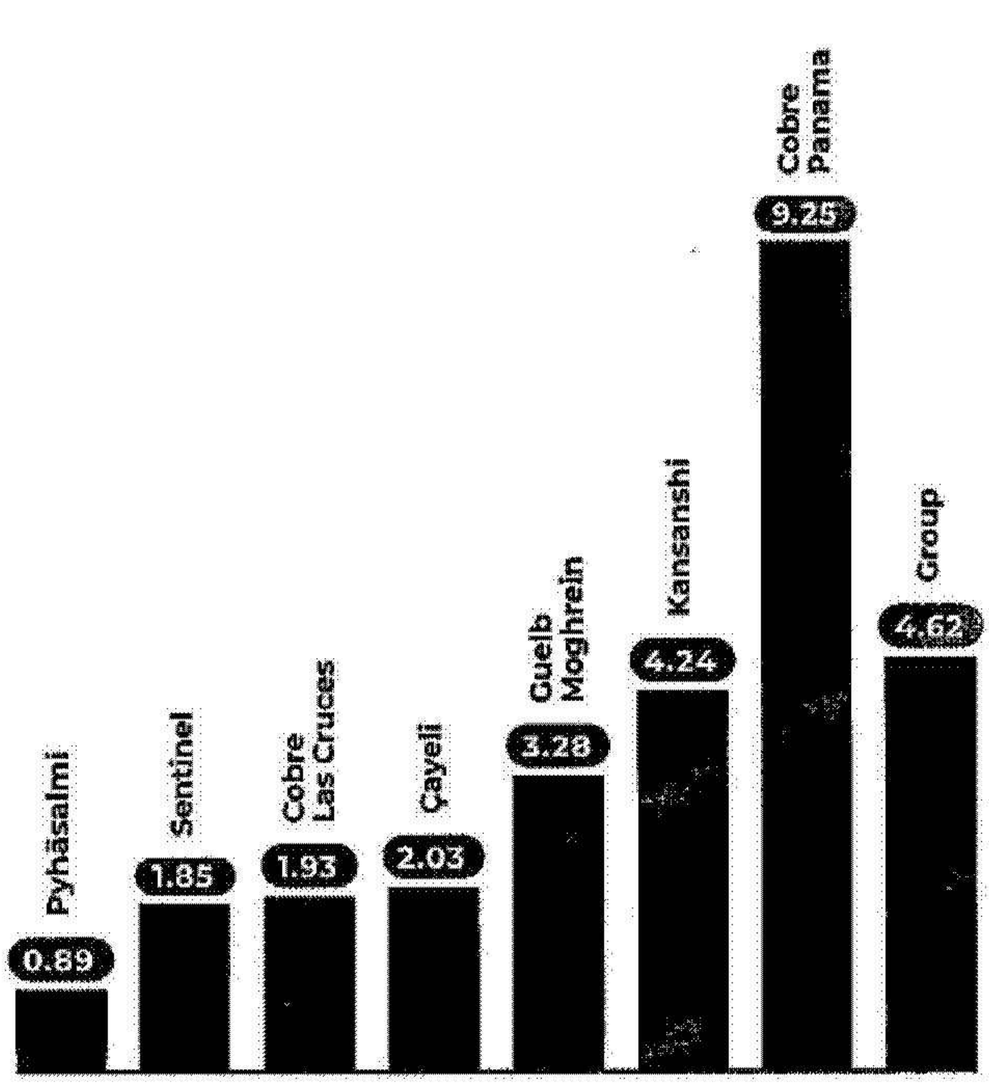
FIRST QUANTUM SCOPE 1 & 2 CO_2e EMISSIONS



Tonnes CO_2e	2018	2019	2020
Scope 1 Emissions	1,612,000	3,272,000	3,732,000
Scope 2 Emissions	250,000	424,000	527,000
Total	1,862,000	3,696,000	4,259,000

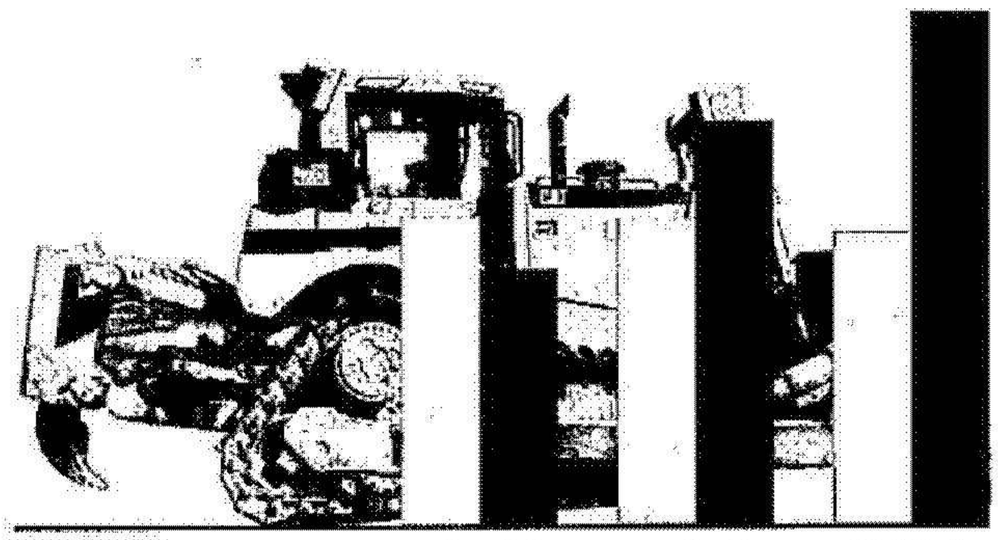
Commercial production was declared at the Cobre Panama mine in September 2019. The increase in emissions is principally attributable to the commissioning of the mine and the power station.

2020 FIRST QUANTUM GHG INTENSITY



Tonnes CO_2e/tonne Cu-EQ	SCOPE 1	SCOPE 2	SCOPE 1&2
Pyhäsalmi	0.18	0.71	0.89
Sentinel	1.06	0.79	1.85
Cobre Las Cruces	0.76	1.17	1.93
Çayeli	0.41	1.62	2.03
Guelb Moghrein	3.28	0.00	3.28
Kansanshi	3.39	0.85	4.24
Cobre Panama	9.20	0.05	9.25
Group	4.02	0.60	4.62

FIRST QUANTUM ENERGY CONSUMPTION



Terrajoules (TJ)	2018	2019	2020
Energy consumption*	16,162	20,328	23,096
Energy consumption from renewable sources	8,817	8,755	8,410
Energy consumption from non-renewable sources	7,345	11,573	14,686

** Includes energy consumed from all sources by the Company's operations (purchased electricity and on-site generation)*

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 depositary 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, EBITDA[1] of $3,684 million, and a reduction in net debt[1] 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

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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 EBITDA[1], as well as a notable further reduction in net debt[1].

- **Total copper production** for the year was 816kt, a 6% increase from the prior year.

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- **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 EBITDA[1] 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 price[2]. 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 earnings[1] of $826 million ($1.20 adjusted earnings per share[2]), 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 loss[1] of $46 million ($0.07 adjusted loss per share[2]). 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 share[2]) 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 AISC[2] of $1.88 per lb was also impacted by higher Zambia royalties due to higher copper prices.
- **Debt reduction:** Net debt[1] decreased by $1,356 million during the year, bringing the net debt[1] 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.

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- **Gross profit** of $784 million and EBITDA[1] of $1,085 million for the quarter were significantly higher (77% and 50%, respectively) than the comparable quarter in 2020. The realized copper price[2] 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 earnings[1] of $306 million ($0.44 adjusted earnings per share[2]), 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 earnings[1] of $53 million ($0.08 adjusted earnings per share[2]). 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 AISC[2] 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 debt[1]decreased by $249 million during the quarter, bringing the net debt[1] level down to $6,053 million as at December 31, 2021. At December 31, 2021, total debt was $7,912 million.

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[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*").

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[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*".

[6] 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

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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 circulaton ("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 costs[1] 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".

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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.

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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 COST[1] AND ALL-IN SUSTAINING COST[1]

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 cost[1] guidance for both copper and nickel reflects recent inflationary and commodity price pressures as well as movement in foreign exchange rates, particularly in Zambia. AISC[1] 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 cost[1] and AISC[1] 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 costs[1] at Enterprise are expected to range from $4.25/lb to $6.25/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 capital[2] 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 capital[2] 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 capital[1]. 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 expenditure[1] 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.

[1]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".

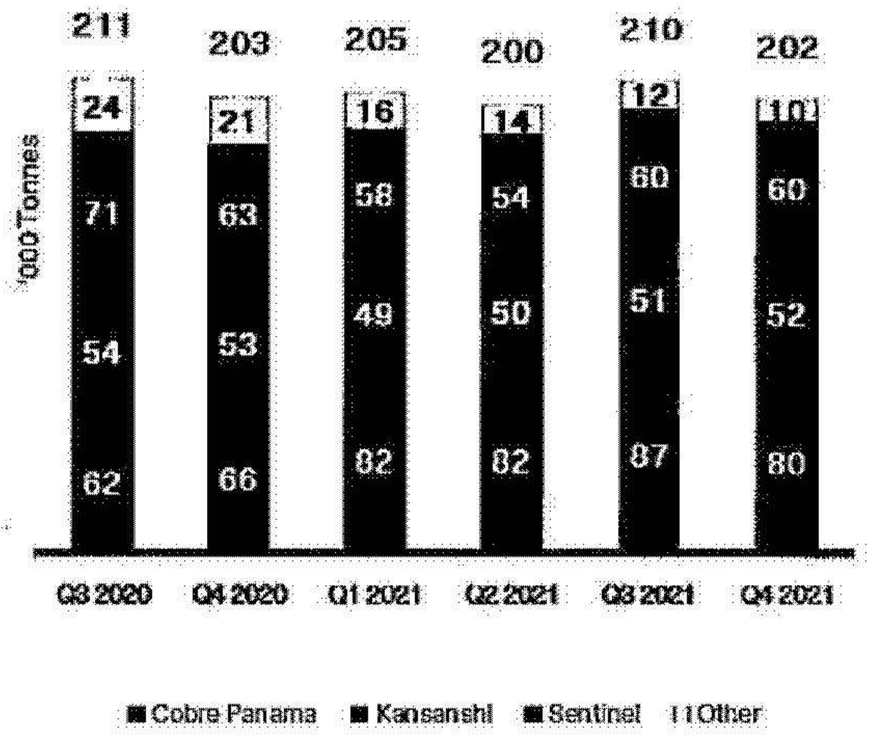
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SUMMARY OPERATIONAL RESULTS

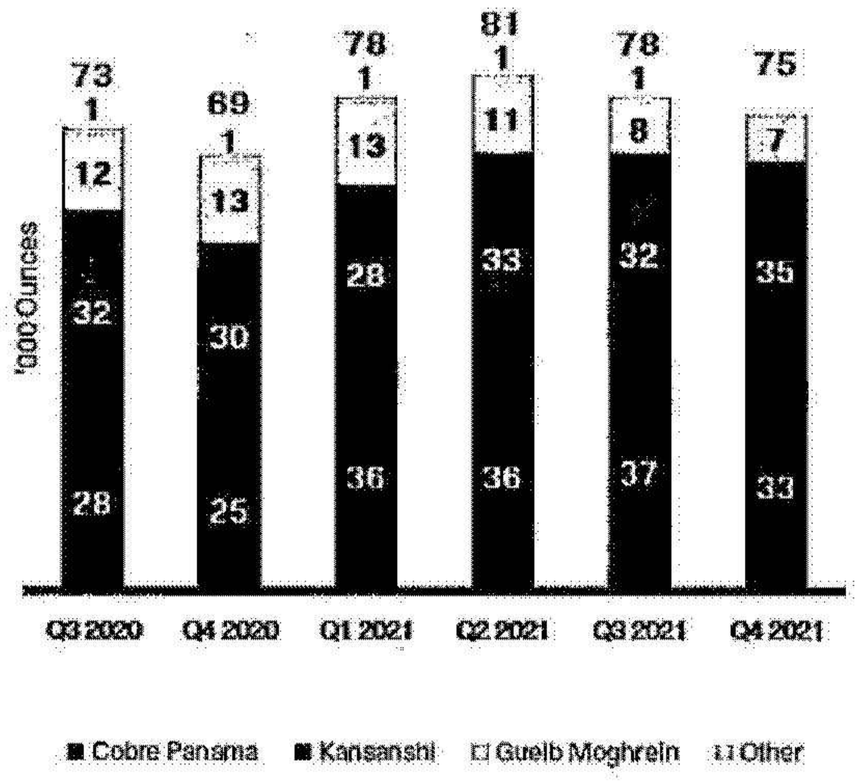
Production

FOURTH QUARTER

QUARTERLY COPPER PRODUCTION BY OPERATION



QUARTERLY GOLD PRODUCTION BY OPERATION



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.

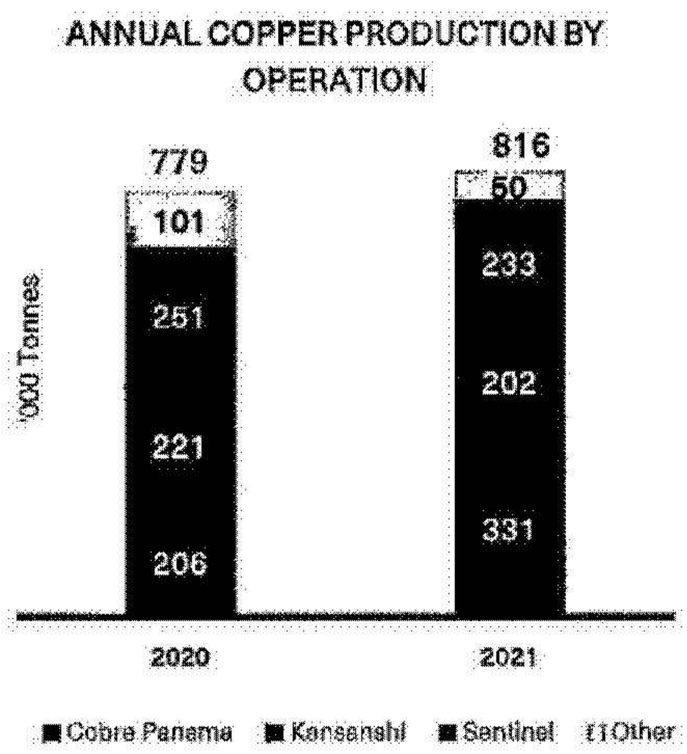
In Zambia, Sentinel and Kansanshi demonstrated strong and consistent performance during the fourth quarter. Sentinel achieved its highest quarterly copper production for the year, slightly surpassing the previous quarter, which was reflective of the record mill throughput rate, slightly offset by lower 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.

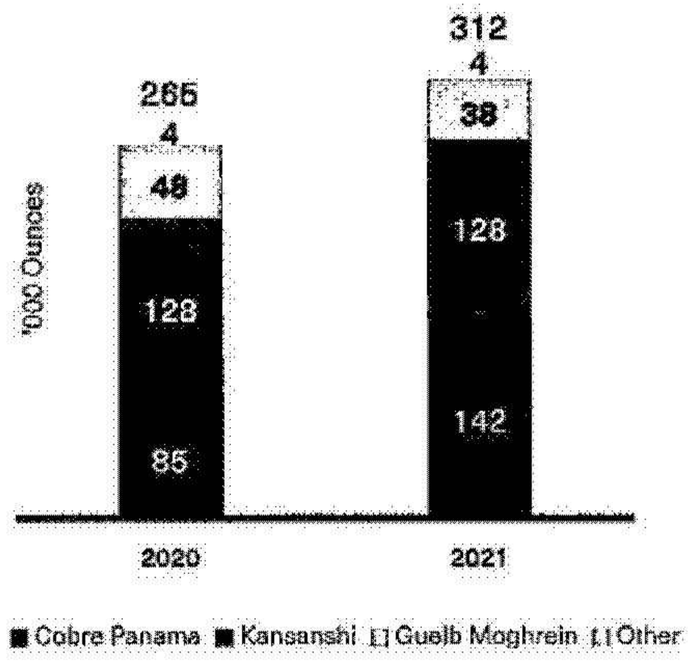
Other site operations saw a decrease in copper production over the year and in the fourth quarter as compared to the same quarter of 2020. This was mainly due to two sites, Las Cruces and Guelb Moghrein, which had copper production decrease by 7,429 tonnes and 4,781 tonnes, respectively, from the comparable 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 44 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.

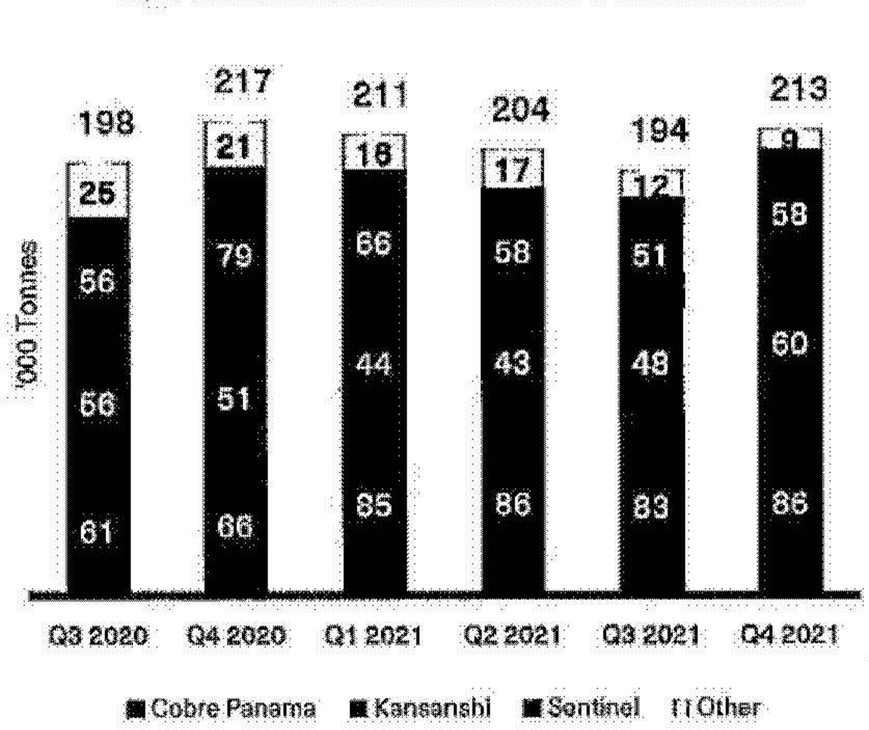
Ravensthorpe nickel production for the year was 16,818 contained tonnes, a significant increase of 32% from the prior year, as Ravensthorpe recommenced operations with the first nickel production in late April 2020.

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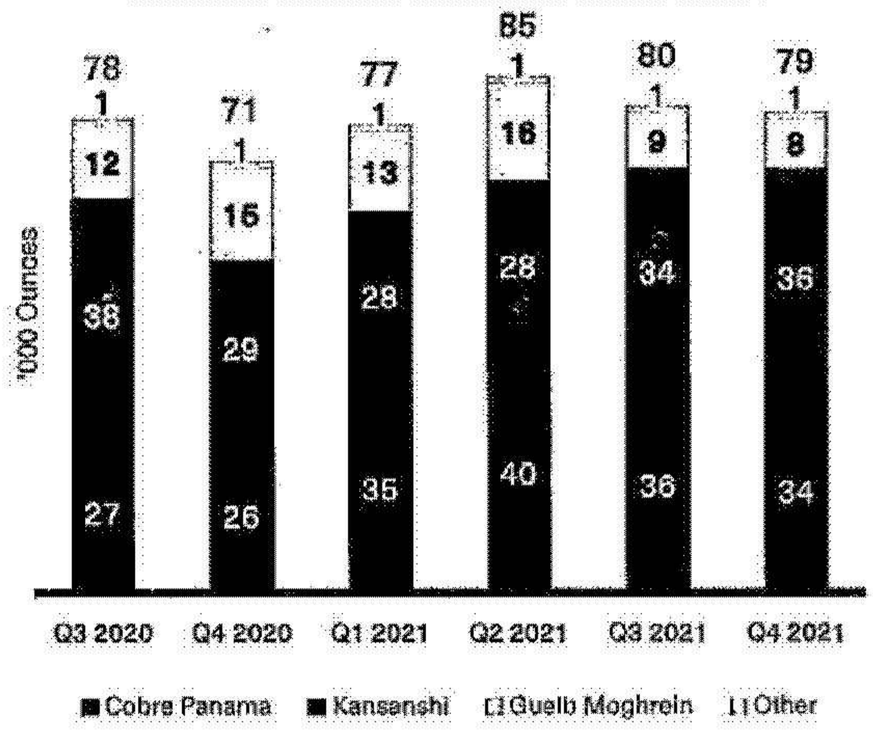
Sales Volumes

FOURTH QUARTER

QUARTERLY COPPER SALES BY OPERATION



QUARTERLY GOLD SALES BY OPERATION



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.

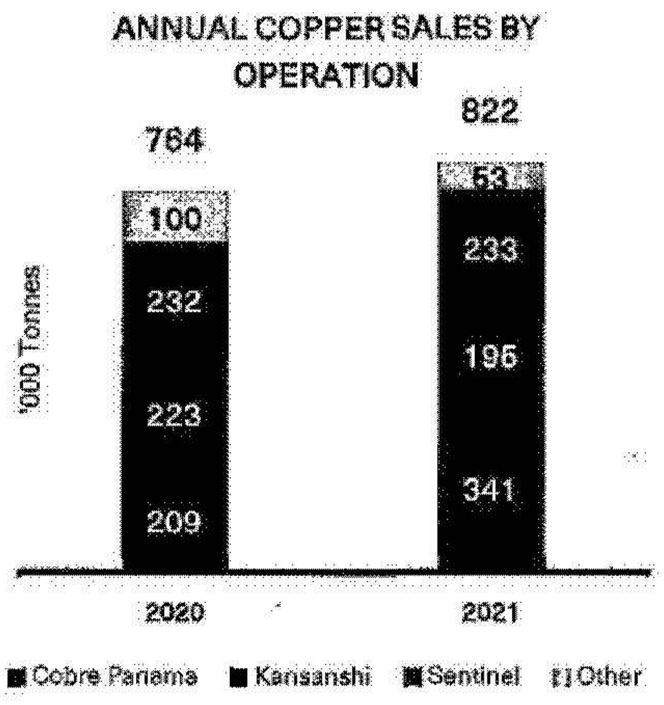
Sentinel sales volumes were particularly high in the fourth quarter of 2020 with a sell down of finished goods inventory and so a relative reduction in sales in the fourth quarter of 2021, when also combined with its lower production profile, is in line with expectations.

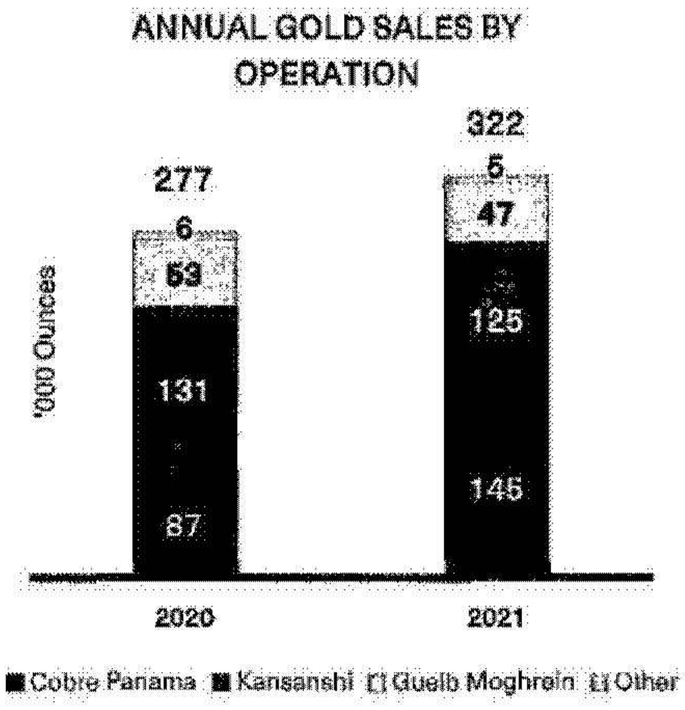
Sales volumes were lower at Las Cruces, in line with the production profile, and Çayeli's sales were impacted by a shipment delay during the fourth quarter.

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





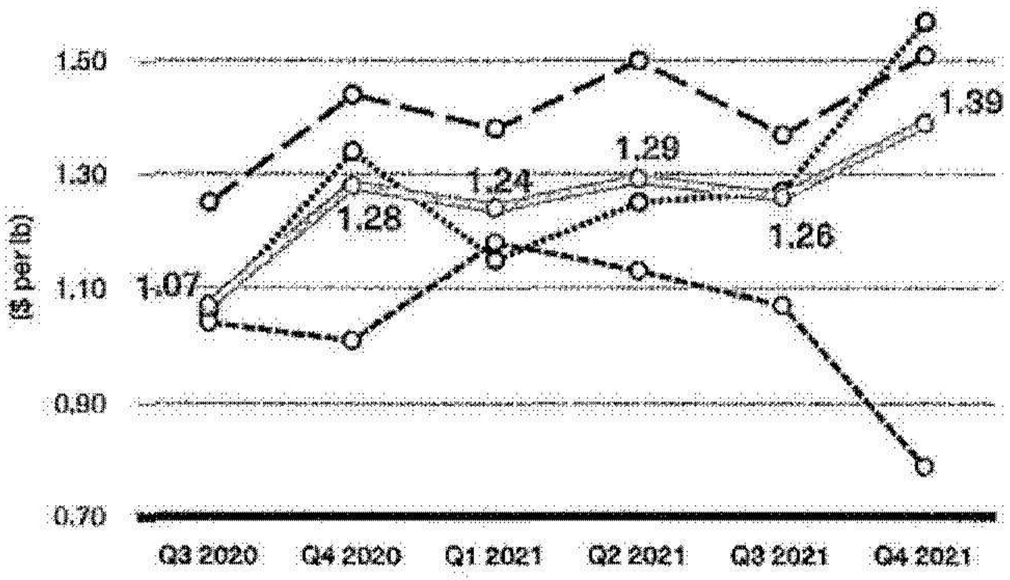
Total copper sales during the year of 821,889 tonnes are the Company's highest annual sales seen to date, reflective of the record production achieved during the year and represents an 8% increase in copper sales from the prior year. Cobre Panama was a major contributor to the increase in copper sales,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

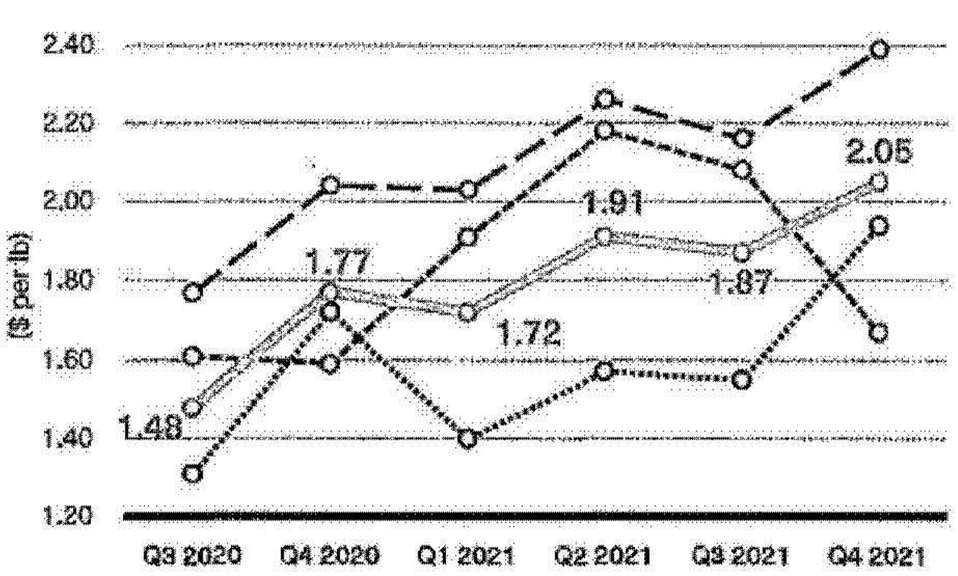
Gold sales volumes increased by 16% compared to the prior year, also reflective of the record gold production for the year and significant contribution from Cobre Panama.

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

Cash Costs[1]

FOURTH QUARTER





Total copper C1 cash cost[1] 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".

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Cobre Panama copper C1 cash cost[1] 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.

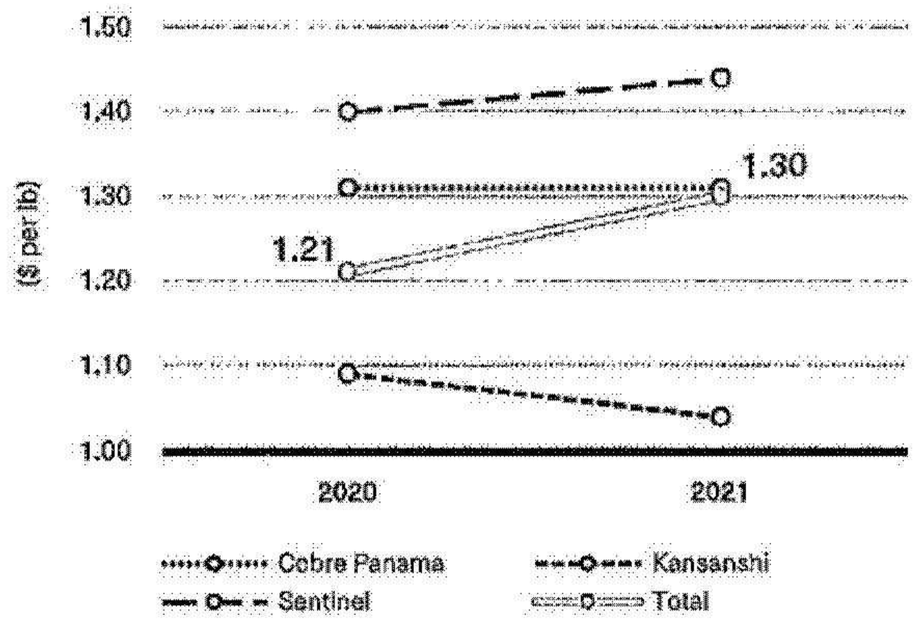
Kansanshi saw a significant decrease in copper C1 cash cost[1] of $0.22 per lb compared to the same quarter in 2020 mainly due to the favourable movement on operational provisions following the conclusion on the arbitration case on electricity prices charged by ZESCO. This was a one-time benefit that is not expected to recur in future quarters.

Sentinel copper C1 cash cost[1] 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.

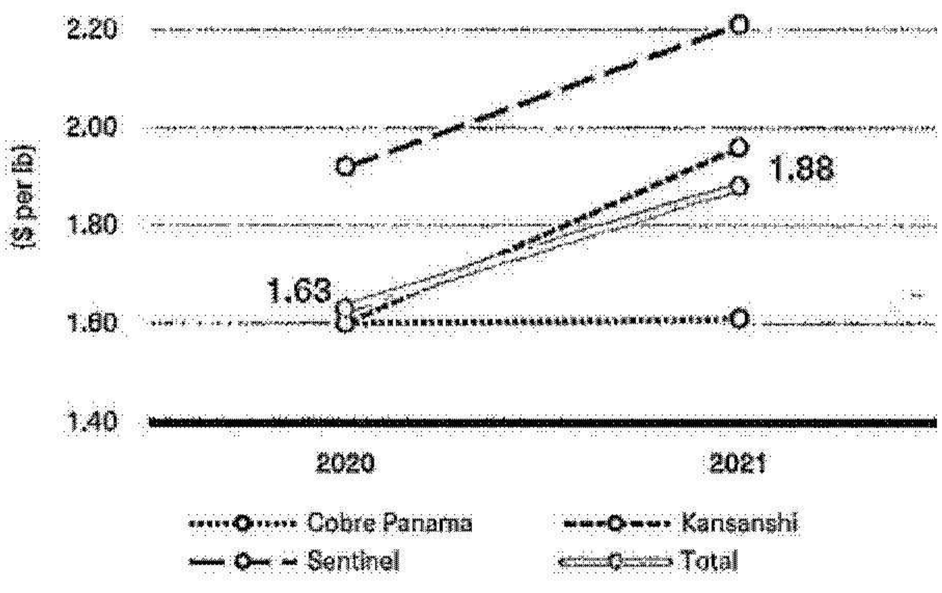
Total copper AISC[1] of $2.05 per lb was $0.28 per lb higher than the same quarter of 2020, resulting from higher copper C1 cash costs[1], higher sustaining capital expenditures[2], as well as higher copper prices driving an increase in Zambian royalty rates. Royalty costs were $0.11 per lb higher than the same quarter of 2020.

FULL YEAR

FULL YEAR COPPER C1 CASH COST[1]



FULL YEAR COPPER AISC[1]



Copper C1 cash cost[1] 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 cost[1] at Cobre Panama remained the same as the prior year at $1.31 per lb, while Kansanshi copper C1 cash cost[1] decreased by $0.05 per lb and Sentinel copper C1 cash cost[1] increased by $0.04 per lb.

Total copper AISC[1] 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 AISC[1] 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 102 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.

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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 AISC[1] and copper C1 cash cost[1] 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 cost[1]. 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 AISC[1] and copper C1 cash cost[1] 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 EBITDA[2] 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.

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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[6]	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 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 cost[1] 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 cost[1] was partially offset by increases in labour costs and the impact of the appreciation of the ZMW. Copper AISC[1] 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 stripping[2], partially offset by lower copper C1 cash costs[1] in the quarter.

Sales revenues of $633 million were 52% higher than the same quarter of 2020, reflecting higher realized copper prices[1], 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 costs[1] 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 cost[1] 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 AISC[1] 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 stripping[2], partially offset by slightly lower copper C1 cash costs[1]. The increase in copper prices during the year directly drove higher Zambian royalties, which increased copper AISC[1] 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 prices[1], 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".

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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 cost[1] 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 AISC[1] of $2.39 per lb was $0.35 per lb higher than the comparable period in 2020 due to higher copper C1 cash costs[1], royalties and sustaining capital expenditure[2]. The higher Zambian royalties, due to the higher copper price, increased copper AISC[1] 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 prices[1], 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 prices[1].

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 cost[1] 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 AISC[1] of $2.21 per lb was $0.29 per lb higher than the prior year, reflecting higher copper C1 cash costs[1], royalties and sustaining capital expenditure[2]. The higher Zambian royalties, due to the higher copper price, increased copper AISC[1] by $0.18 per lb.

Sales revenues of $2,032 million were 50% higher than the prior year, primarily due to higher realized copper prices[1], 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".

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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)	2,856	3,631	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 cost[1] of $10.93 per lb and nickel AISC[1] 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 cost[1] and AISC[1] 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.

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Copper C1 cash cost[1] 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 AISC[1] 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 prices[1], 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 costs[1]. 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 cost[1] 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 prices[1]. Despite a significant reduction in production and underlying sales revenues and increase of unit cash cost[1], 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.

EBITDA[1] 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.

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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 cost[1] 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.

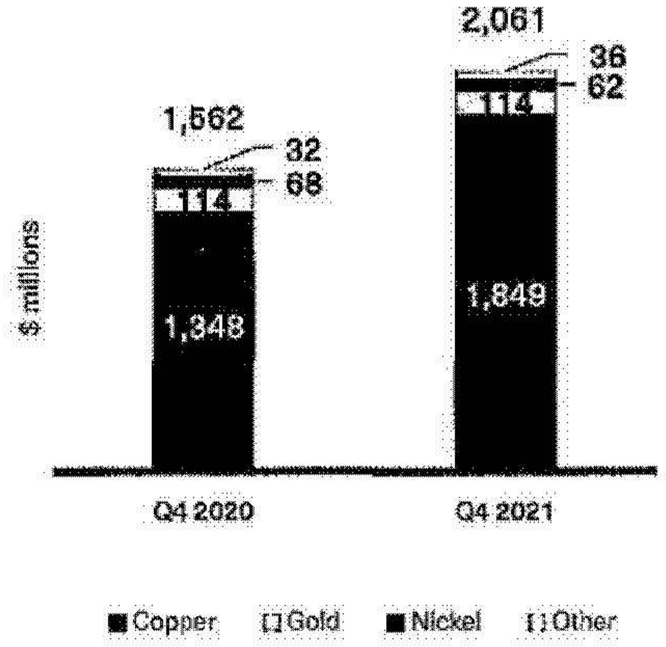
[3] Adjusted earnings (loss) is a non-GAAP financial measure and Adjusted earnings (loss) per share is a non-GAAP ratio. Such measures do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. Adjusted earnings (loss) was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

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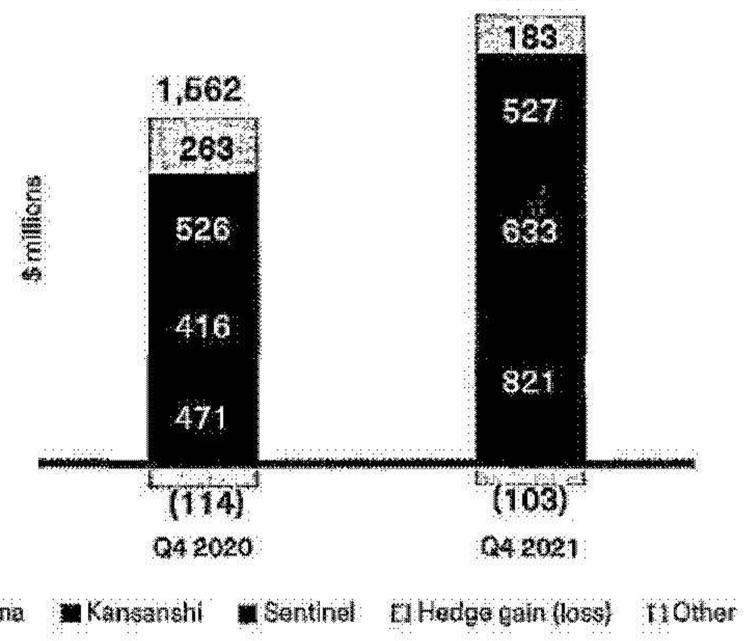
Sales Revenues

FOURTH QUARTER

QUARTERLY REVENUE BY COMMODITY



QUARTERLY REVENUE BY OPERATION



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 prices[1].

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 prices[1]. 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 price[1] 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.

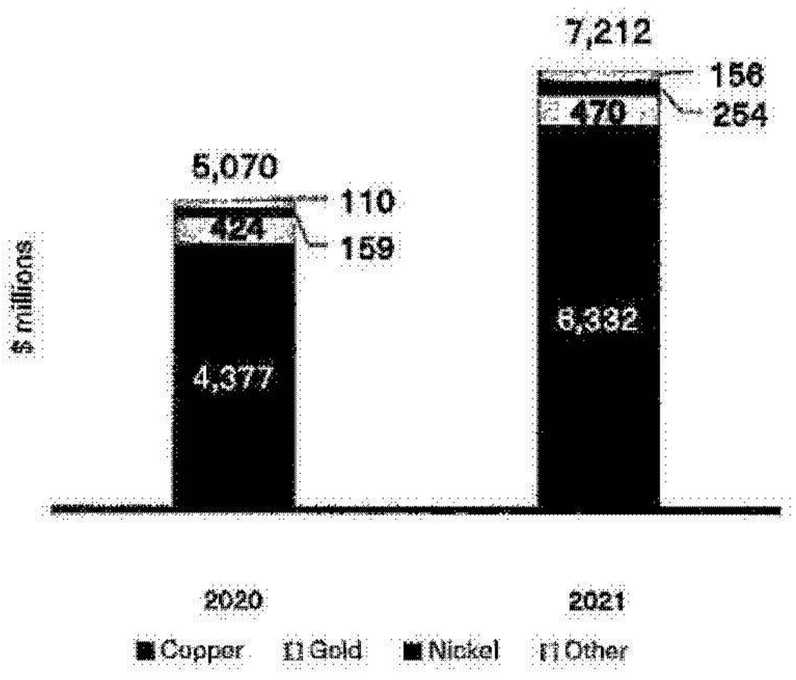
Gold sales revenues were in line with the comparable period in 2020. A 12% increase in gold sales volumes, attributable to Cobre Panama and Kansanshi, which contributed total gold revenue of $37 million, and $63 million, respectively was offset by 5% lower realized prices[1] and $22 million higher cost 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.

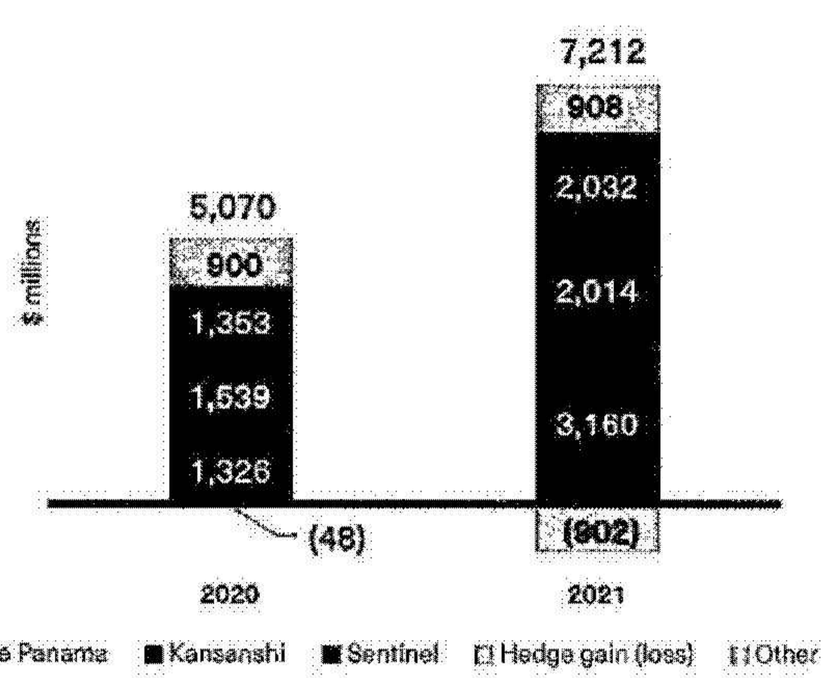
[1] Realized metal prices are non-GAAP ratios, do not have standardized meanings under IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

FULL YEAR

FULL YEAR REVENUE BY COMMODITY



FULL YEAR REVENUE BY OPERATION



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 prices[1]. 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 copper[1] 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 prices[1]. 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	
Copper selling price (per lb)	Q4 2021	Q3 2021	Q4 2020	2021	2020
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

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	QUARTERLY			FULL YEAR	
Gold selling price (per oz)	Q4 2021	Q3 2021	Q4 2020	2021	2020
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	
Nickel selling price (per payable lb)	Q4 2021	Q3 2021	Q4 2020	2021	2020
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 80.

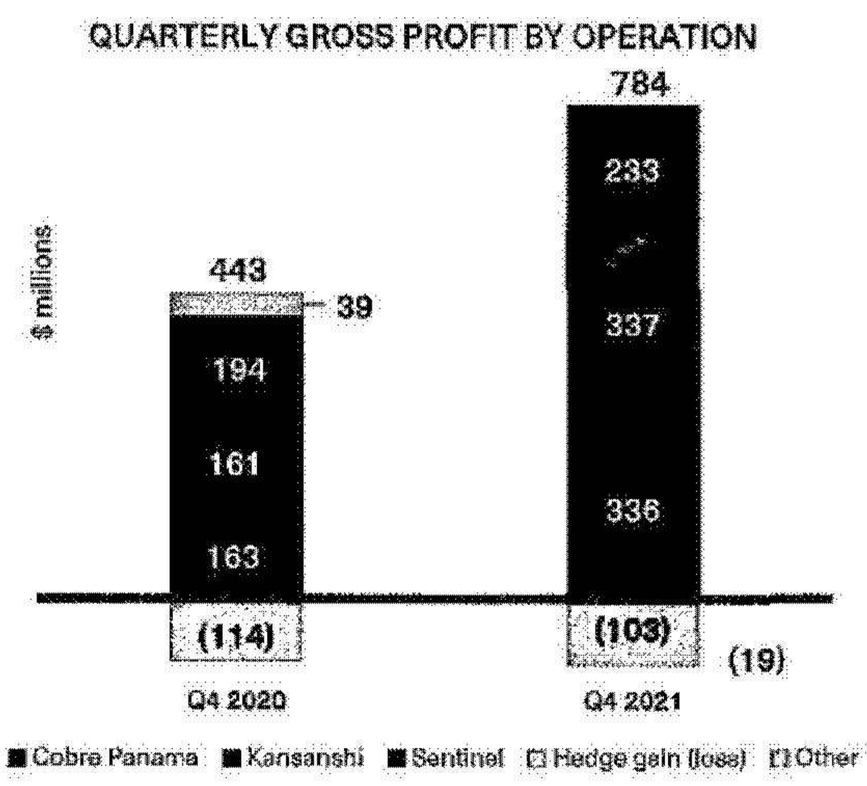
Gross Profit

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

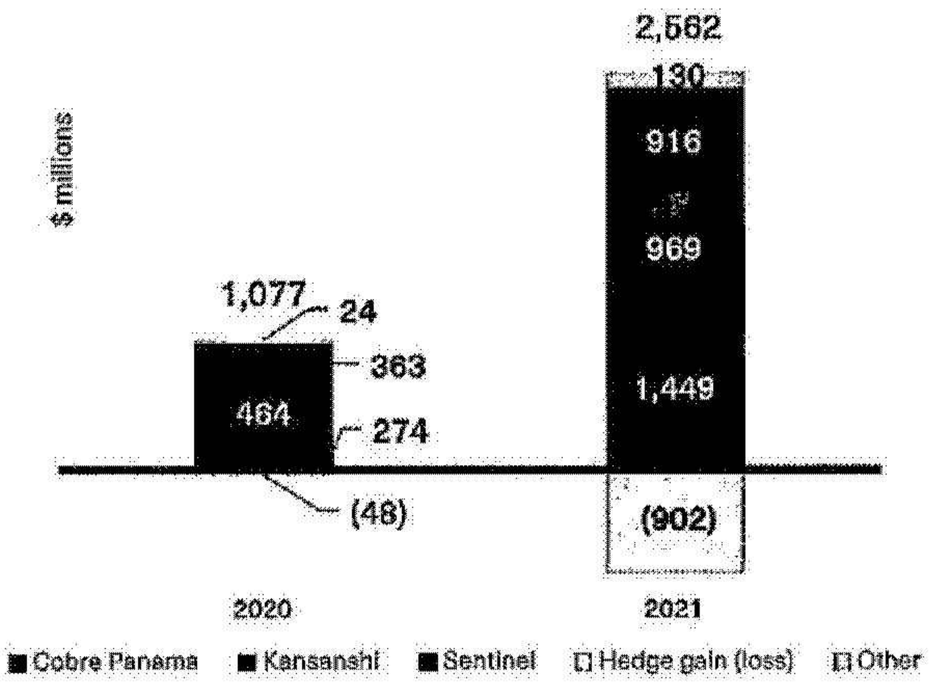
Gross profit for the year ended December 31, 2021 of $2,562 million was $1,485 million higher than 2020, based on higher metal prices and contribution from Cobre Panama.

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 2021[1]	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").

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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.

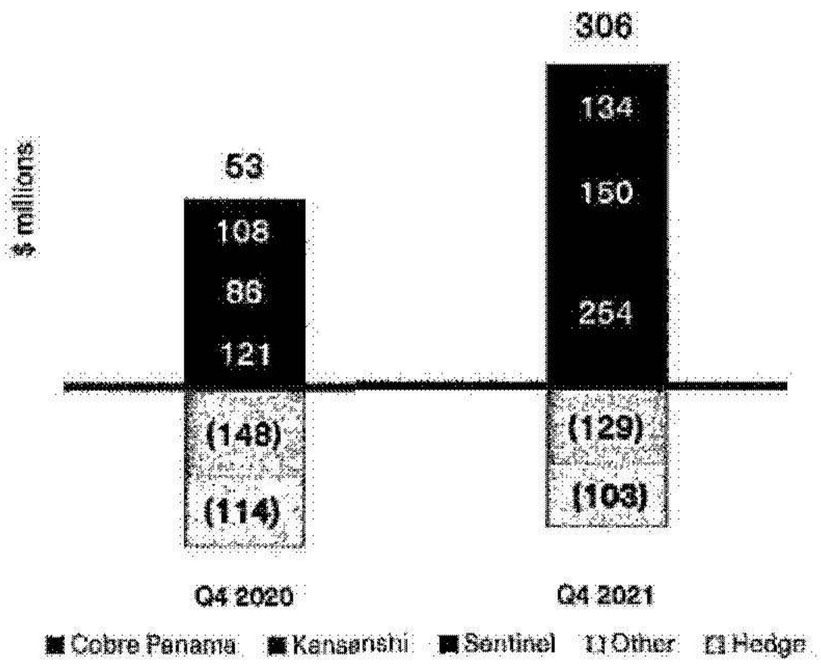
A $16 million expense reflecting the expected phasing of the Zambian VAT was recognized in the year, compared with a credit of $80 million recognized in 2020, which represented the expected phasing of receipts, and the impact of foreign exchange, using a ZMW risk-free rate.

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%.

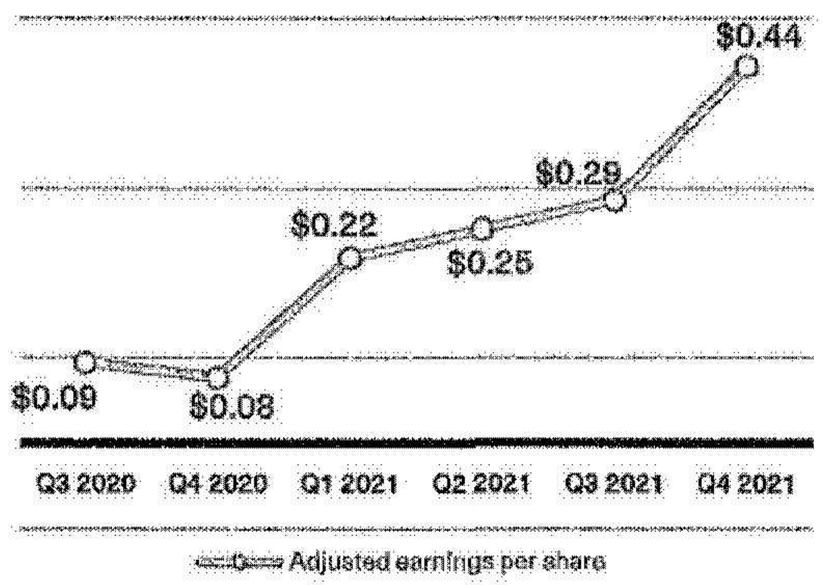
Adjusted Earnings[1]

FOURTH QUARTER

QUARTERLY ADJUSTED EARNINGS[1]



QUARTERLY ADJUSTED EARNINGS PER SHARE[2]



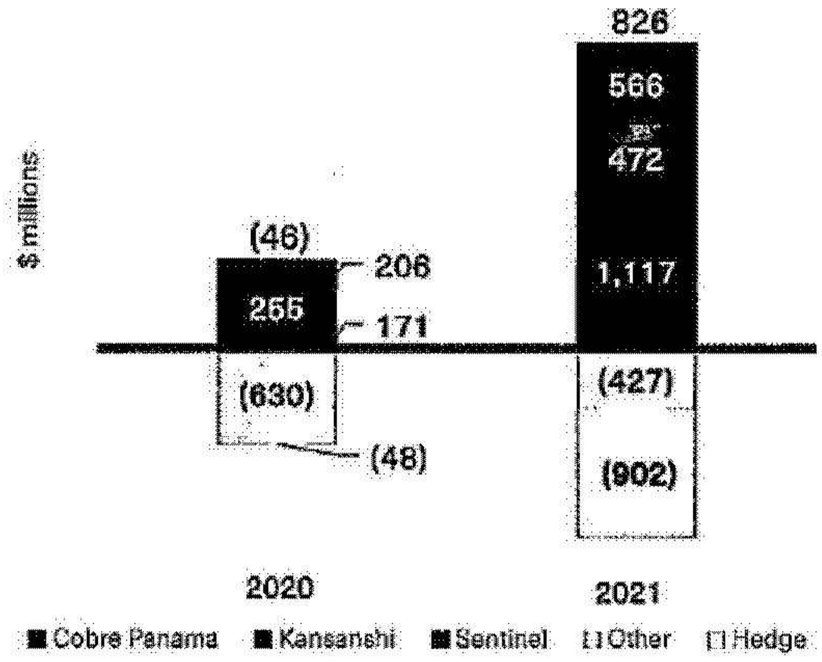
Adjusted earnings[1] for the quarter ended December 31, 2021 of $306 million is an increase of $253 million from the comparative period in 2020. Adjusted earnings per share[2] of $0.44 in the fourth quarter compares to adjusted earnings per share[2] of $0.08 in the same period of 2020. The principal items not included in adjusted earnings[1] 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"*.

[1]Adjusted 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".
[2]Adjusted 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".

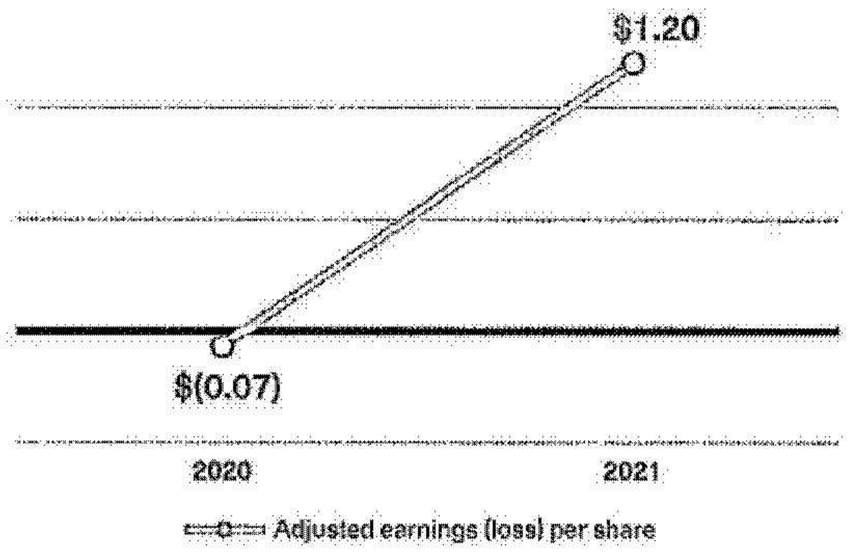
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FULL YEAR

FULL YEAR ADJUSTED EARNINGS (LOSS)[1]



FULL YEAR ADJUSTED EARNINGS (LOSS) PER SHARE[2]



Adjusted earnings[1] for the year ended December 31, 2021 of $826 million was a significant increase from adjusted loss[1] of $46 million in 2020. Adjusted earnings per share[2] of $1.20 compares to adjusted loss per share[2] of $0.07 in 2020.

The principal items not included in adjusted earnings[1] 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 earnings[1] 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 earnings[1] 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"*.

[1]Adjusted 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".

[2]Adjusted 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 EBITDA[1] 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".

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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.

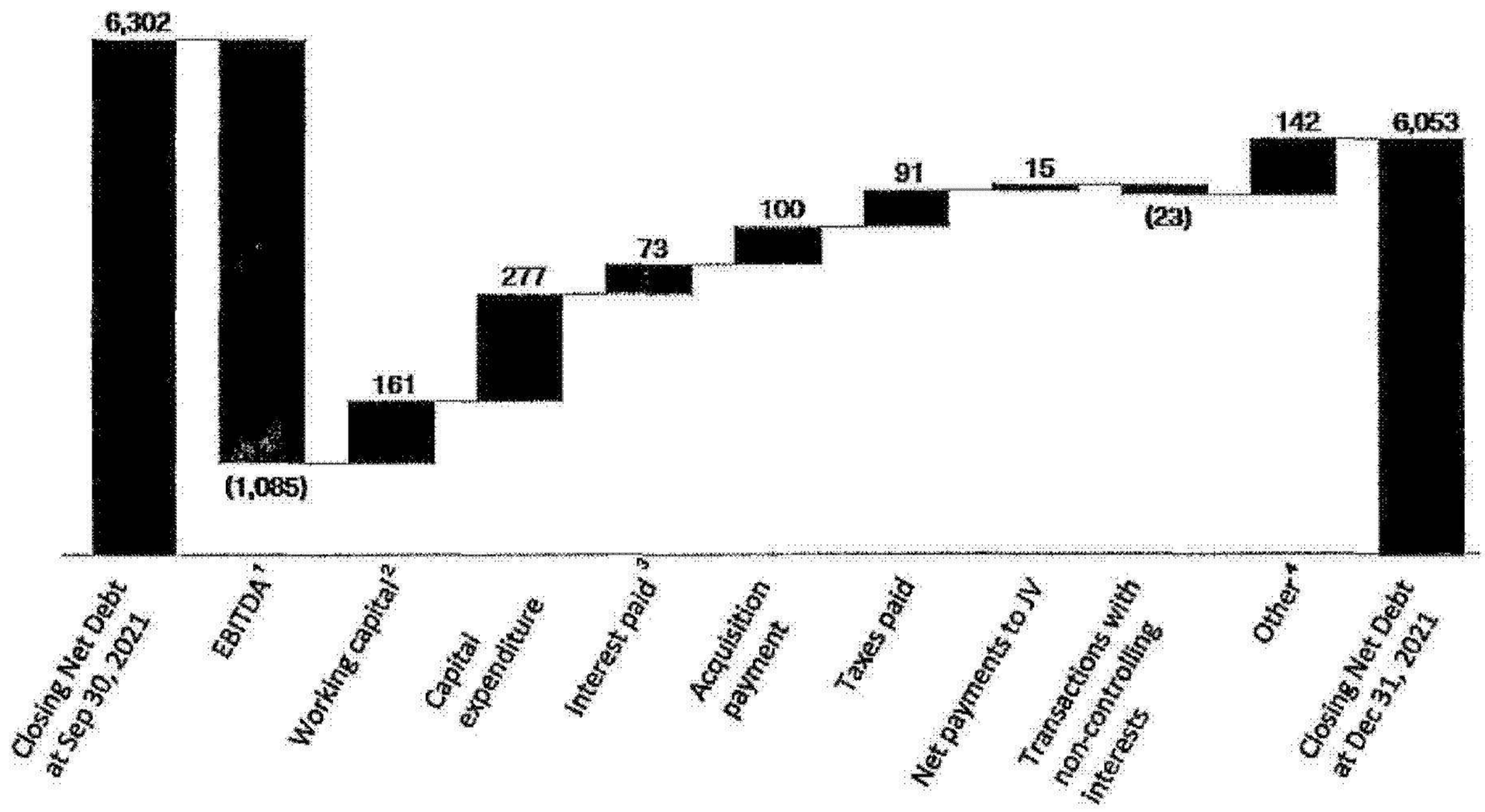
Cash flows used by financing activities include a $600 million partial redemption of the 2023 notes, drawdowns on a new Term Loan and Revolving Credit Facility and full repayment of the $175 million bilateral bank facility signed in April 2021.

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 debt[1] position in the year. In addition, net payments of $64 million were paid to KPMC, a 60:60 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

QUARTERLY NET DEBT [1] MOVEMENT



[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).

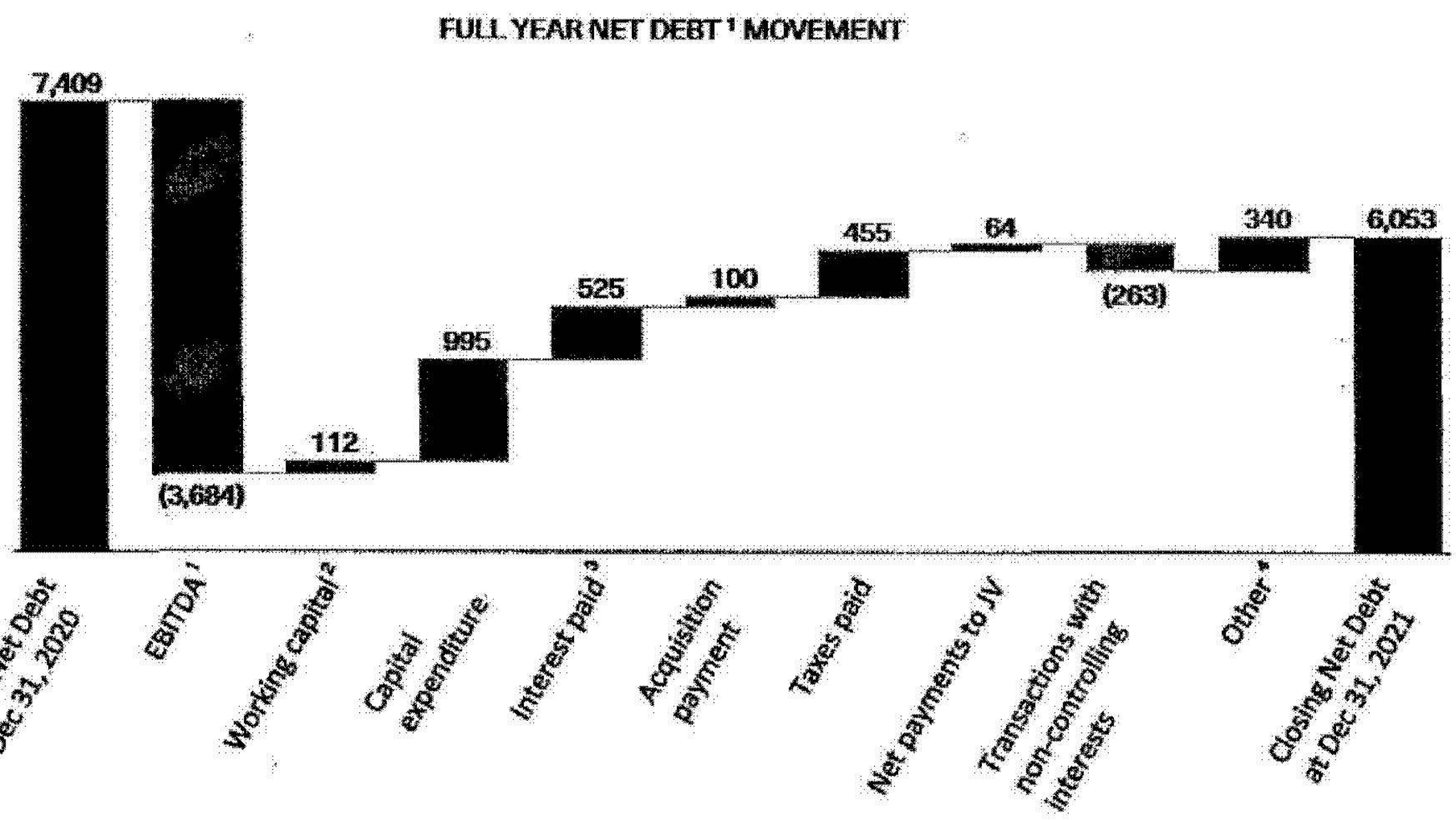
Net debt[1] decreased by $249 million during the quarter to $6,053 million. At December 31, 2021, total debt was $7,912 million.

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 ($76 million).

Net debt[1] 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.

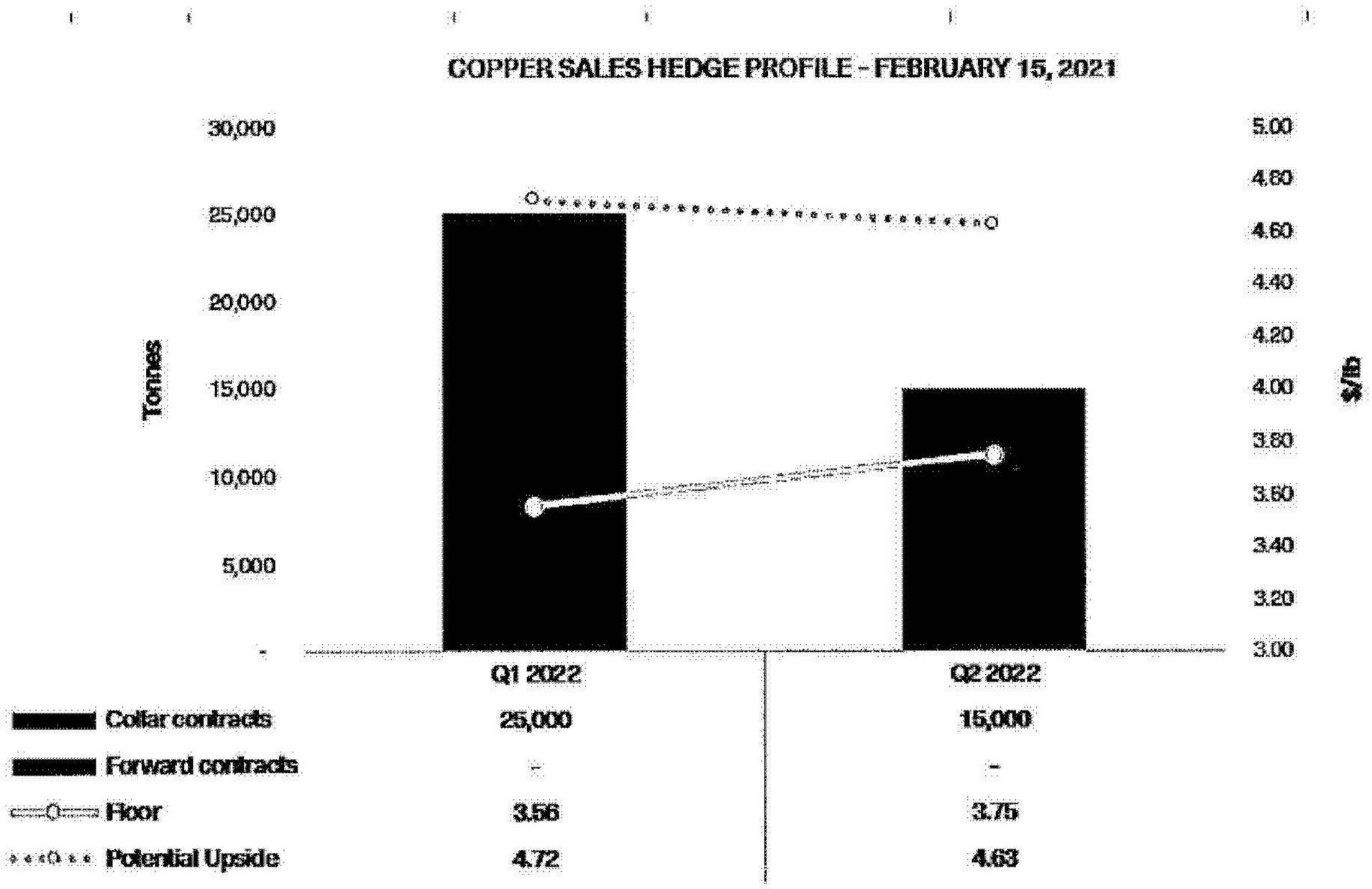
The Company actively manages all capital spending and operating costs while maintaining a high level of health and safety, productivity and environmental and social standards. Operating costs at all sites have been and are continuously being reviewed to identify opportunities to further reduce costs.

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.

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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

[1]Refers 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.

[2]Refers 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.

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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.

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JOINT VENTURE

On November 8, 2017, the Company completed the purchase of a 60% 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.

C1[1] and AISC[1] 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.

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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

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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 consisted 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.

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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 C1[3], C3[3] and AISC[3] 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)	(16)	(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 (exclusding 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)**
AISC[3]	**(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".

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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)**	**(460)**	**(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)	(460)	(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)**
AISC[3]	**(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	$1.64	$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").

[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".

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)	**(808)**
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]	(36)	(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)**
AISC[3]	(240)	(179)	(295)	(6)	(39)	(10)	(3)	**(772)**	-	(62)	**(834)**
AISC (per lb)[3]	$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".

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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)**
AISC[4]	**(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	$1.16	$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 DEBT[1]

	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

EBITDA[1]

	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".

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	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 daa. 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 the 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

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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.

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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.

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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 revenues[1]										
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	362	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	$1.21
Dividends declared per common share (CDN$ 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	$2.06	$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".

[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
Kansanshi cathode	*10,071*	*10,379*	*13,298*	*39,170*	*51,953*
Kansanshi concentrate	*41,868*	*40,608*	*39,332*	*162,989*	*169,534*
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.

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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
Kansanshi cathode	*11,122*	*8,985*	*13,115*	*38,731*	*49,883*
Kansanshi anode	*48,750*	*39,438*	*38,150*	*156,596*	*153,245*
Kansanshi concentrate	-	-	-	-	*20,019*
Kansanshi total	59,872	48,423	51,265	195,327	223,147
Sentinel anode	*34,061*	*30,654*	49,772	*148,494*	159,481
Sentinel concentrate	*24,026*	*20,438*	29,203	*84,318*	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 revenues[1]		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).

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UNIT CASH COSTS (PER LB)[1]

	QUARTERLY			FULL YEAR	
	Q4 2021	Q3 2021	Q4 2020	2021	2020
Cobre Panama[2]					
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.

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Management's Responsibility for Financial Reporting

The consolidated financial statements of First Quantum Minerals Ltd. have been prepared by and are the responsibility of the Company's management. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and, where appropriate, reflect management's best estimates and judgments based on currently available information.

Management has developed and is maintaining a system of internal controls to obtain reasonable assurance that the Company's assets are safeguarded, transactions are authorized and financial information is reliable.

The Company's independent auditors, PricewaterhouseCoopers LLP, who are appointed by the shareholders, conduct an audit in accordance with Canadian generally accepted auditing standards. Their report outlines the scope of their audit and gives their opinion on the consolidated financial statements.

The Audit Committee of the Board of Directors meets periodically with management and the independent auditors to review the scope and results of the annual audit, and to review the consolidated financial statements and related financial reporting matters prior to approval of the consolidated financial statements.

Philip K.R. Pascall
Chairman and Chief Executive Officer

Hannes Meyer
Chief Financial Officer

February 15, 2022

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

Independent Auditor's Report

To the Shareholders of First Quantum Minerals Ltd.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of First Quantum Minerals Ltd. and its subsidiaries (together, the Company) as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of earnings (loss) for the years ended December 31, 2021 and 2020;
- the consolidated statements of comprehensive income (loss) for the years ended December 31, 2021 and 2020;
- the consolidated statements of cash flows for the years ended December 31, 2021 and 2020;
- the consolidated balance sheets as at December 31, 2021 and 2020;
- the consolidated statements of changes in equity for the years ended December 31, 2021 and 2020; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2
T: +1 416 863 1133, F: +1 416 365 8215

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Goodwill impairment assessment *Refer to note 2 – Significant accounting policies, note 3 – Significant judgments, estimates and assumptions and note 7 – Goodwill to the consolidated financial statements.* Goodwill arising on business combinations is allocated to each of the Company's cash-generating units or groups of cash-generating units (CGUs) that is expected to benefit from the synergies of the combination. The recoverable amount of the cash-generating unit to which goodwill has been allocated is tested for impairment at the same time every year. Goodwill of $237 million was assigned to the Cobre Panama CGU. The annual impairment test has been performed as at December 31, 2021. For the purpose of the goodwill impairment test, the recoverable amount of Cobre Panama CGU has been determined by management using a fair value less costs of disposal method based on a discounted cash flow model over a period of 33 years, taking account of assumptions that would be made by market participants. The future cash flows used in this model are inherently uncertain and could materially change over time as a result of changes to the key assumptions which included: ore reserves and resources estimates, commodity prices, discount rate, future production costs and future capital expenditure. Ore reserves and resources are estimated based on the National Instrument 43-101 compliant	Our approach to addressing the matter included the following procedures, among others: • Evaluated how management determined the recoverable amount of the Cobre Panama CGU, which included the following: – Tested the appropriateness of the fair value less costs of disposal method and the mathematical accuracy of the discounted cash flow model. – Tested the underlying data used in the discounted cash flow model. – The work of management's experts was used in performing the procedures to evaluate the reasonableness of the assumptions associated with the ore reserves and resources estimates. As a basis for using this work, the competence, capabilities and objectivity of management's experts was evaluated, the work performed was understood and the appropriateness of the work as audit evidence was evaluated. The procedures performed also included evaluation of the methods and assumptions used by management's experts, tests of the data used by management's experts and an evaluation of their findings. – Evaluated the reasonableness of key assumptions such as commodity prices and future production costs and future capital expenditure, by (i) comparing

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Key audit matter	How our audit addressed the key audit matter
report produced by qualified persons (management's experts). We considered this a key audit matter due to the subjectivity and complexity in applying audit procedures to test the key assumptions used by management in determining the recoverable amount of the Cobre Panama CGU, which involved significant judgment from management. Professionals with specialized skill and knowledge in the field of valuation assisted in performing certain procedures.	commodity prices with external market and industry data; and (ii) comparing future production costs and future capital expenditure to recent actual production costs and actual capital expenditure incurred of the Cobre Panama CGU, and assessing whether these assumptions were consistent with evidence obtained in other areas of the audit, as applicable. – Professionals with specialized skill and knowledge in the field of valuation assisted in assessing the reasonableness of the discount rate. • Tested the disclosures made in the consolidated financial statements.
Assessment of impairment indicators for property, plant and equipment *Refer to note 2 – significant accounting policies, note 3 – Significant judgments, estimates and assumptions and note 6 – Property, plant and equipment to the consolidated financial statements.* The Company's property, plant and equipment (PP&E) carrying value was $19,283 million as of December 31, 2021 covering multiple cash-generating units (CGUs) of the Company. Management applies significant judgment in assessing the CGUs 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. Factors regarding commodity prices, production, operating costs, capital expenditures and discount rates are used in determining whether there are any indicators of impairment.	Our approach to addressing the matter included the following procedures, among others: • Evaluated the reasonableness of management's assessment of indicators of impairment, which included the following: – Assessed the completeness of external or internal factors that could be considered as indicators of impairment of the Company's PP&E, by considering evidence obtained in other areas of the audit. – Assessed commodity prices and discount rates, by comparing to external market and industry data and production, operating costs and capital expenditures by considering the current and past performance of the CGUs and evidence obtained in other areas of the audit, as applicable.

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Key audit matter	How our audit addressed the key audit matter
We considered this a key audit matter due to the significance of the PP&E and subjectivity in applying procedures to evaluate audit evidence relating to the significant judgments made by management in its assessment of indicators of impairment.	

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis which we obtained prior to the date of this auditor's report and the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is James Lusby.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
February 15, 2022

Consolidated Statements of Earnings (Loss)

(expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

	Notes	2021	2020 (revised-Note 12)
Sales revenues	17	**7,212**	5,070
Cost of sales	18	**(4,650)**	(3,993)
Gross profit		**2,562**	1,077
Exploration		**(20)**	(15)
General and administrative		**(118)**	(99)
Impairment and related charges	20	**(44)**	-
Other income (expense)	22	**218**	(268)
Operating profit		**2,698**	695
Finance income		**65**	66
Finance costs	21	**(725)**	(804)
Adjustment for expected phasing of Zambian VAT	4c	**(16)**	80
Loss on redemption of debt	10	**(21)**	(5)
Earnings before income taxes		**1,901**	32
Income tax expense	13	**(812)**	(256)
Net earnings (loss)		**1,089**	(224)
Net earnings (loss) attributable to:			
Non-controlling interests		**257**	(44)
Shareholders of the Company	15	**832**	(180)
Earnings (loss) per share attributable to the shareholders of the Company			
Net earnings (loss) ($ per share)			
Basic	15	**1.21**	(0.26)
Diluted	15	**1.20**	(0.26)
Weighted average shares outstanding (000's)			
Basic	15	**688,674**	688,469
Diluted	15	**691,712**	688,469
Total shares issued and outstanding (000's)	14a	**691,102**	690,317

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

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Consolidated Statements of Comprehensive Income (Loss)

(expressed in millions of U.S. dollars)

	Note	2021	2020
Net earnings (loss)		**1,089**	(224)
Other comprehensive income (loss)			
Items that have been/may subsequently be reclassified to net earnings (loss):			
Cash flow hedges reclassified to net earnings (loss)	24	**401**	(8)
Movements on unrealized cash flow hedge positions		**(9)**	(401)
Items that will not subsequently be reclassified to net earnings (loss):			
Fair value loss on investments	8	**(9)**	(1)
Total comprehensive income (loss) for the year		**1,472**	(634)
Total comprehensive income (loss) for the period attributable to:			
Non-controlling interests		**257**	(44)
Shareholders of the Company		**1,215**	(590)
Total comprehensive income (loss) for the year		**1,472**	(634)

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

Consolidated Statements of Cash Flows

(expressed in millions of U.S. dollars)

	Note	2021	2020
Cash flows from operating activities			
Net earnings (loss)		**1,089**	(224)
Adjustments for			
Depreciation	18,19	**1,174**	1,217
Income tax expense	13	**812**	256
Impairment and related charges	20	**44**	-
Share-based compensation expense	16	**33**	31
Net finance expense		**660**	738
Adjustment for expected phasing of Zambian VAT	4c	**16**	(80)
Unrealized foreign exchange loss (gain)		**(205)**	180
Loss on redemption of debt	10	**21**	5
Deferred revenue amortization	12	**(99)**	(56)
Share of loss (profit) loss in joint venture	9,22	**(75)**	45
Other		**(18)**	17
		3,452	2,129
Taxes paid		**(455)**	(313)
Movements in non-cash operating working capital		**(18)**	(186)
Long-term incentive plans		**(94)**	(17)
Net cash from operating activities		**2,885**	1,613
Cash flows from (used by) investing activities			
Purchase and deposits on property, plant and equipment	6,23	**(995)**	(610)
Acquisition of Korea Panama Mining Corp ("KPMC")	9	**(100)**	(100)
Interest paid and capitalized to property, plant and equipment	6	**(4)**	-
Other		**1**	37
Net cash used by investing activities		**(1,098)**	(673)
Cash flows from (used by) financing activities			
Net movement in trading facility	10	**(280)**	49
Movement in restricted cash		**(10)**	(11)
Proceeds from debt	10	**3,204**	4,017
Repayments of debt	10	**(3,378)**	(3,963)
Net proceeds from (payments to) joint venture (KPMC)	9,11b	**(64)**	(40)
Transactions with non-controlling interests	11d	**263**	-
Dividends paid to shareholders of the Company		**(5)**	(5)
Dividends paid to non-controlling interests		**(37)**	(2)
Interest paid		**(521)**	(574)
Other		**(13)**	(14)
Net cash used by financing activities		**(841)**	(543)
Increase in cash and cash equivalents and bank overdrafts		**946**	397
Cash and cash equivalents and bank overdrafts – beginning of year		**914**	523
Exchange gain (losses) on cash and cash equivalents		**(1)**	(6)
Cash and cash equivalents and bank overdrafts – end of year		**1,859**	914
Cash and cash equivalents and bank overdrafts comprising:			
Cash and cash equivalents		**1,859**	950
Bank overdrafts		**-**	(36)

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

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Consolidated Balance Sheets

(expressed in millions of U.S. dollars)

	Note	December 31, 2021	December 31, 2020
Assets			
Current assets			
Cash and cash equivalents		1,859	950
Trade and other receivables	4	622	737
Inventories	5	1,314	1,333
Current portion of other assets	8	138	88
		3,933	3,108
Non-current assets			
Cash and cash equivalents - restricted cash		50	40
Non-current VAT receivable	4b	644	349
Property, plant and equipment	6	19,283	19,468
Goodwill	7	237	237
Investment in joint venture	9	619	544
Deferred income tax assets	13	182	152
Other assets	8	322	338
Total assets		25,270	24,236
Liabilities			
Current liabilities			
Bank overdrafts		-	36
Trade and other payables		719	762
Current taxes payable		363	164
Current debt	10	313	871
Current portion of provisions and other liabilities	11	283	602
		1,678	2,435
Non-current liabilities			
Debt	10	7,599	7,452
Provisions and other liabilities	11	2,309	2,286
Deferred revenue	12	1,386	1,433
Deferred income tax liabilities	13	804	595
Total liabilities		13,776	14,201
Equity			
Share capital	14	5,568	5,629
Retained earnings		4,522	3,695
Accumulated other comprehensive income (loss)		(72)	(455)
Total equity attributable to shareholders of the Company		10,018	8,869
Non-controlling interests		1,476	1,166
Total equity		11,494	10,035
Total liabilities and equity		25,270	24,236

Approved by the board of Directors and authorized for issue on February 15, 2022.

Signed by Simon Scott, Director **Signed by Robert Harding, Director**

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

Consolidated Statements of Changes in Equity

(expressed in millions of U.S. dollars)

	Share capital	Retained earnings	Accumulated other comprehensive income (loss)	Total equity attributable to shareholders of the Company	Non-controlling interests	Total equity
Balance at December 31, 2020	5,629	3,695	(455)	8,869	1,166	10,035
Net earnings	-	832	-	832	257	1,089
Other comprehensive income	-	-	383	383	-	383
Total comprehensive income	-	832	383	1,215	257	1,472
Transactions with non-controlling interests	-	-	-	-	90	90
Share-based compensation expense	33	-	-	33	-	33
Acquisition of treasury shares	(100)	-	-	(100)	-	(100)
Net cash from share awards	6	-	-	6	-	6
Dividends	-	(5)	-	(5)	(37)	(42)
Balance at December 31, 2021	5,568	4,522	(72)	10,018	1,476	11,494

	Share capital	Retained earnings	Accumulated other comprehensive loss	Total equity attributable to shareholders of the Company	Non-controlling interests	Total equity
Balance at December 31, 2019	5,615	3,880	(45)	9,450	1,212	10,662
Net loss	-	(180)	-	(180)	(44)	(224)
Other comprehensive loss	-	-	(410)	(410)	-	(410)
Total comprehensive loss	-	(180)	(410)	(590)	(44)	(634)
Share-based compensation expense	31	-	-	31	-	31
Acquisition of treasury shares	(23)	-	-	(23)	-	(23)
Net cash from share awards	6	-	-	6	-	6
Dividends	-	(5)	-	(5)	(2)	(7)
Balance at December 31, 2020	5,629	3,695	(455)	8,869	1,166	10,035

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

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Notes to the Consolidated Financial Statements

(expressed in millions of U.S. dollars)

1. NATURE OF OPERATIONS

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 currently has depository receipts listed on the Lusaka Stock Exchange and is in the process of terminating the facility. The termination of the depositary receipts will be effective at 5:00pm (Eastern Time) on May 2, 2022.

The Company is registered and domiciled in Canada, and its registered office is Suite 2600, Three Bentall Centre, P.O. Box 49314, 595 Burrard Street, Vancouver, BC, Canada, V7X 1L3.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these consolidated financial statements are described below.

a) Basis of presentation

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS"). For these purposes, IFRS comprise the standards issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the IFRS Interpretations Committee ("IFRICs").

These consolidated financial statements have been prepared under the historical cost convention, with the exception of derivative assets and liabilities and investments which are measured at fair value.

These consolidated financial statements have been prepared on a going concern basis. In making the assessment that the Company is a going concern, management have taken into account all available information about the future, which is at least, but is not limited to, twelve months from December 31, 2021.

Following the declaration on March 11, 2020, of a pandemic by the World Health Organization, the restrictions imposed by governments around the world has had a significant impact on the global economy, which have impacted the Company. Port congestion and a global shortage of containers in particular has led to delays and disruptions impacting sales shipments in Zambia of anode, but with bulk shipping of concentrates less affected. The Company has also experienced some minor disruptions and additional costs on freight shipments out of Asia. Expected credit losses on financial assets remain immaterial at December 31, 2021. Commodity price risk continues to be managed through the Company's hedging program (see note 24).

At December 31, 2021, the Company had $755 million of committed undrawn senior debt facilities and $1,859 million of net unrestricted cash, as well as future cash flows in order to meet all current obligations as they become due. The Company was in compliance with all existing facility covenants as at December 31, 2021.

b) Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its "subsidiaries"). Control is achieved where the Company has the right to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of earnings from the effective date of acquisition or up to the effective date of disposal, as appropriate.

The principal operating subsidiaries are Kansanshi Mining Plc ("Kansanshi"), Minera Panama S.A. ("MPSA" or "Cobre Panama"), Kalumbila Minerals Limited ("Sentinel"), First Quantum Mining and Operations Limited ("FQMO"), Mauritanian Copper Mines SARL("Guelb Moghrein"), FQM Australia Nickel Pty Limited ("Ravensthorpe"), Cobre Las Cruces S.A. ("Las Cruces"), Çayeli Bakir Isletmeleri A.S. ("Çayeli"), Pyhäsalmi Mine Oy ("Pyhäsalmi") and Metal Corp Trading AG ("Metal Corp"). The exploration subsidiaries include Minera Antares Peru S.A.C. ("Haquira") as well as the subsidiary, Corriente Argentina S.A. ("Taca Taca") which relates to the Taca Taca project. All the above operating subsidiaries are 100% owned, with the exception of Ravensthorpe (70%), Kansanshi (80%) and Cobre Panama, in which the Company holds a 90% interest, 10% of which is held indirectly through the joint venture, Korea Panama Mining Corp ("KPMC"), a jointly controlled Canadian entity acquired in November 2017.

Non-controlling interests

At December 31, 2021, POSCO owned 30% of Ravensthorpe, ZCCM Investments Holdings Plc ("ZCCM", a Zambian government controlled entity) owned 20% of Kansanshi and KPMC owned 20% of Cobre Panama. A non-controlling interest of 33% is held by African Energy Resources Ltd, a publicly listed entity, in the Company's consolidated subsidiary, African Energy Holdings SRL.

Through the operations in Zambia and Panama, there are a number of transactions with the respective governments in the ordinary course of business, including taxes, royalties, utilities and power. The Company is limited in its ability to use the assets of Kansanshi and Cobre Panama as a result of the agreement with the other owners of these subsidiaries.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Company's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interest's share of changes in equity since the date of the combination

c) Accounting policies

Foreign currency translation

The presentation currency and the functional currency of the Company and all of the Company's operations is the USD. The Company's foreign currency transactions are translated into USD at the rate of exchange in effect at the date of the transaction. Monetary assets and liabilities are translated using period end exchange rates with any gains and losses included in the determination of net earnings. Non-monetary assets and liabilities are translated using historical rates.

Inventories

Product inventories comprise ore in stockpiles, work-in-progress and finished goods. Product inventories are recorded at the lower of average cost and net realizable value. Cost includes materials, direct labour, other direct costs and production overheads and depreciation of plant, equipment and mineral properties directly involved in the mining and production processes. Costs are determined primarily on the basis of average costs for ore in stockpiles and on a first-in first-out basis for work-in-progress and finished goods.

Waste material stripping costs related to production at, or below, the life-of-phase strip ratio are inventoried as incurred, with the excess capitalized to mineral property and depreciated in future periods.

When inventories have been written down to net realizable value, a new assessment of net realizable value is made at each subsequent reporting date that the inventory is still held.

Consumable stores are valued at the lower of purchase cost and net realizable value and recorded as a current asset.

Property, plant and equipment

(i) Mineral properties and mine development costs

Exploration and evaluation costs are expensed in the period incurred. Property acquisition costs and amounts paid under development option agreements are capitalized. Development costs relating to specific properties are capitalized once management determines a property will be developed. A development decision is made based upon consideration of project economics, including future metal prices, reserves and resources, and estimated operating and capital costs. Capitalization of costs incurred and proceeds received during the development phase ceases when the property is capable of operating at levels intended by management.

Property acquisition and mine development costs, including costs incurred during the production phase to increase future output by providing access to additional reserves (deferred stripping costs), are deferred and depreciated on a units-of-production basis over the component of the reserves to which they relate.

ii) Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation. Costs recorded for assets under construction include all expenditures incurred in connection with the development and construction of the assets. No depreciation is recorded until the assets are substantially complete and ready for productive use. Where relevant, the Company has estimated residual values on certain plant and equipment.

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Property, plant and equipment are depreciated using either the straight-line or units-of-production basis over the shorter of the estimated useful life of the asset or the life of mine. Depreciation calculated on a straight-line basis is as follows for major asset categories:

Office equipment	33%
Furniture and fittings	15%
Infrastructure and buildings	2%-5%
Motor vehicles	20%-25%

Depreciation on equipment utilized in the development of assets, including open pit and underground mine development, is depreciated and recapitalized as development costs attributable to the related asset.

(iii) Borrowing costs

Borrowing costs attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset until such time as the asset is substantially complete and ready for its intended use or sale. Where funds have been borrowed specifically to finance an asset, the amount capitalized is the actual borrowing costs incurred. Where the funds are used to finance an asset form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to relevant general borrowings of the Company during the period.

Business combinations and goodwill

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company. The results of businesses acquired during the year are included in the consolidated financial statements from the effective date of when control is obtained. The identifiable assets, liabilities and contingent liabilities of the business which can be measured reliably are recorded at provisional fair values at the date of acquisition. Provisional fair values are finalized within twelve months of the acquisition date. Acquisition-related costs are expensed as incurred.

Goodwill arising in a business combination is measured as the excess of the sum of the consideration transferred and the amount of any non-controlling interest over the net identifiable assets acquired and liabilities assumed.

Asset impairment

(i) Property, plant and equipment

The Company performs impairment tests on property, plant and equipment, mineral properties and mine development costs when events or changes in circumstances occur that indicate the assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, for example due to no distinctive cash flows, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong. Cash-generating units are individual operating mines, smelters or exploration projects.

Recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value less costs of disposal is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. For mining assets this would generally be determined based on the present value of the estimated future cash flows arising from the continued development, use or eventual disposal of the asset. In assessing these cash flows and discounting them to present value, assumptions used are those that an independent market participant would consider appropriate. Value in use is the estimated future cash flows expected to arise from the continuing use of the assets in their present form and from their disposal, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in net earnings.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in net earnings immediately.

(ii) Goodwill

Goodwill arising on business combinations is allocated to each of the Company's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. Goodwill is allocated to the lowest level at which the goodwill is monitored by the Company's board of directors for internal management purposes. The recoverable amount of the cash-generating unit to which goodwill has been allocated is tested for impairment at the same time every year.

Any impairment loss is recognized in net earnings immediately. Impairment of goodwill is not subsequently reversed.

Restoration provisions

The Company recognizes liabilities for constructive or legislative and regulatory obligations, including those associated with the reclamation of mineral properties and property, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of assets. Provisions are measured at the present value of the expected expenditures required to settle the obligation using a pre-tax discount rate reflecting the time value of money and risks specific to the liability. The liability is increased for accretion expense, representing the unwinding of the discount applied to the provision, and adjusted for changes to the current market-based risk-free discount rate, and the amount or timing of the underlying cash flows needed to settle the obligation. The associated restoration costs are capitalized as part of the carrying amount of the related long-lived asset and depreciated over the expected useful life of the asset or expensed in the period for closed sites.

Revenue recognition

The Company produces copper, gold, nickel, silver and zinc products which are sold under pricing arrangements where final prices are set at a specified date based on market prices.

The Company identifies contracts with customers, the performance obligations within it, the transaction price and its allocation to the performance obligations.

Revenues are recognized when control of the product passes to the customer and are measured based on expected consideration. Control typically passes on transfer of key shipping documents which typically occurs around the shipment date. Shipping services provided are a separate performance obligation and the revenue for these services is recognized over time. For bill-and-hold arrangements, whereby the Company invoices but retains physical possession of products, revenue recognition is also subject to the arrangement being substantive, as well as the product concerned being separately identifiable, ready for transfer and not transferable to another customer.

For provisionally priced sales, changes between the prices recorded upon recognition of revenue and the final price due to fluctuations in metal market prices result in the existence of an embedded derivative in the accounts receivable. This is recorded at fair value, with changes in fair value classified as a component of cost of sales.

The Company recognizes deferred revenue in the event it receives payments from customers before a sale meets criteria for revenue recognition. The transaction price is adjusted to reflect any significant financing component at the rate that reflects the credit characteristics of the entity receiving the financing.

Current and deferred income taxes

Tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current tax expense is calculated using income tax rates that have been enacted or substantively enacted at the balance sheet date. Periodically, the positions taken by the Company with respect to situations in which applicable tax regulation is subject to interpretation are evaluated to establish provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred income tax liabilities are generally recognized for all taxable temporary differences, and deferred income tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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Deferred income tax assets and liabilities are not recognized in respect of taxable temporary differences associated with investments in subsidiaries and associates where the timing of the reversal of the temporary differences can be controlled by the Company and it is probable that temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on income tax rates and income tax laws that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred income tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects to recover or settle the carrying amount of its assets and liabilities.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Share-based compensation

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the options. The amount recognized as an expense is adjusted to reflect the number of options for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of options that meet the related service and non-market performance conditions at the vesting date.

For share-based payment options with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The Company grants stock options under its stock option plan and performance stock units ("PSUs"), restricted stock units ("RSUs") and key restricted stock units ("KRSUs") under its long-term incentive plan to directors and employees. The Company expenses the fair value of stock options, PSUs, RSUs and KRSUs granted over the vesting period, with a corresponding increase in equity.

The fair value of stock options is determined using an option pricing model that takes into account, as of the grant date, the exercise price, the expected life of the option, the current price of the underlying stock and its expected volatility, expected dividends on the stock, and the risk-free interest rate over the expected life of the option. Cash consideration received from employees when they exercise the options is credited to capital stock.

PSUs typically vest at the end of a three-year period if certain performance and vesting criteria, based on the Company's share price performance relative to a representative group of other mining companies, have been met. The fair value of PSUs is determined using a valuation model that takes into account, as of the grant date, the expected life of the PSU, expected volatility, expected dividend yield, and the risk-free interest rate over the life of the PSU to generate potential outcomes for share prices, which are used to estimate the probability of the PSUs vesting at the end of the performance measurement period.

RSUs typically vest at the end of a three-year period and the fair value of RSUs is determined by reference to the share price of the Company at the date of grant.

KRSUs vest in tranches over a four to eight-year period and the fair value of RSUs is determined by reference to the share price of the Company at the date of grant.

Details of share-based compensation are disclosed in note 16.

Earnings per share

Earnings per share are calculated using the weighted average number of shares outstanding during the period. Shares acquired under the long-term incentive plan are treated as treasury shares and are deducted from the number of shares outstanding for the calculation of basic earnings per share. Diluted earnings per share are calculated using the treasury share method whereby all "in the money" share based arrangements are assumed to have been exercised at the beginning of the period and the proceeds from the exercise are assumed to have been used to purchase common shares at the average market price during the period.

Financial instruments

The Company's financial instruments consist of cash and cash equivalents, bank overdrafts, restricted cash, trade and other receivables, investments, trade and other payables, derivative instruments, debt and amounts due to joint ventures.

Financial assets are classified as measured at amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit and loss ("FVTPL"). Financial liabilities are measured at amortized cost or FVTPL.

(i) Cash and cash equivalents, bank overdrafts and restricted cash

Cash and cash equivalents and bank overdrafts comprise cash at banks and on hand and other short-term investments with initial maturities of less than three months. Restricted cash comprises cash deposits used to guarantee letters of credit issued by the Company or held for escrow purposes.

Cash and cash equivalents and restricted cash are measured at amortized cost. Cash pooling arrangements are presented on a gross basis unless physical cash settlement of balances has been made at the balance sheet date.

(ii) Trade and other receivables

Provisionally priced sales included in trade and other receivables are classified as FVTPL. All other trade receivables are classified as amortized cost financial assets and are recorded at the transaction price, net of transaction costs incurred and expected credit losses.

(iii) Investments

Investments are designated as FVOCI. Fair value is determined in the manner described in note 24. Unrealized gains and losses are recognized in other comprehensive income.

(iv) Derivatives and hedging

A portion of the Company's metal sales are sold on a provisional 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 Company enters into derivative contracts to directly offset the exposure to final pricing adjustments on the provisionally priced sales contracts. The Company also periodically enters into derivative instruments to mitigate cash flow exposure to commodity prices, foreign exchange rates and interest rates. Derivative financial instruments, including embedded derivatives related to the provisionally priced sales contracts, are classified as fair value through profit or loss and measured at fair value as determined by active market prices and valuation models, as appropriate. Valuation models require the use of assumptions concerning the amount and timing of estimated future cash flows and discount rates. In determining these assumptions, the Company uses readily observable market inputs where available or, where not available, inputs generated by the Company. Changes in the fair value of derivative instruments are recorded in net earnings.

At the inception of a designated hedging relationship, the Company documents the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The time value of hedges for the year-ended December 31, 2021 of $8 million (December 31, 2020: $3 million) is also recognized in other comprehensive income.

Amounts accumulated in equity are reclassified to the Statements of Earnings in the periods when the hedged item affects net earnings.

(v) Trade and other payables, debt and amounts due to joint ventures

Trade payables, debt and amounts due to joint ventures are classified as amortized cost financial liabilities and are recognized initially at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. For debt, any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in net earnings over the period to maturity using the effective interest rate method.

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Exchanges of instruments and modifications to debt are assessed using quantitative and qualitative factors to consider whether the exchange or modification constitutes an extinguishment of the original financial liability and establishment of a new financial liability. In the case of extinguishment, any fees or costs incurred are recognized in the Statement of Earnings. Where the terms in an exchange or modification are not assessed to be substantially different, a modification gain or loss is recognized at an amount equal to the difference between the modified cash flows discounted at the original effective interest rate and the carrying value of the debt. The carrying value of the debt is adjusted for this modification gain or loss, directly attributable transaction costs, and any cash paid to or received from the debt holder.

(vi) Impairment of financial assets

Expected credit losses ("ECL") are recognized for financial assets held at amortized cost. This is based on credit losses that result from default events that are possible within a 12-month period, except for trade receivables, whose ECLs are on a simplified lifetime basis, and any financial assets for which there has been a significant increase in credit risk since initial recognition, for which ECLs over the lifetime are recognized.

Investments in joint ventures

Joint arrangements whereby joint control exists are accounted for using the equity method and presented separately in the balance sheet. The investment is initially recognized at cost and adjusted thereafter for the post-acquisition share of profit or loss. Further detail of the investment in joint venture is provided in note 9.

d) Adoption of new Standards

Amendments to IFRS 7, IFRS 9 / IAS 39, and IFRS 16 for Interest Rate Benchmark Reform, effective January 1, 2021, have had no impact on the financial statements and are not expected to have a significant impact on our interest rate risk or risk management. The Company's senior debt facility and the Kalumbila term loan are subject to USD LIBOR, which will cease publication in 2023. On amendment of contractual terms of borrowings for the reform, the Company will record no modification gain or loss, instead revising the effective interest rate.

e) Accounting standards issued but not yet effective

Standards and interpretations issued but not yet effective up to the date of issuance of the financial statements are listed below. This listing of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date.

Amendments to IAS 16, Property, Plant and Equipment—Proceeds before Intended Use

- Effective on January 1, 2022, the amendments to IAS 16 require that entities are no longer able to deduct the net proceeds from selling any items from an asset's carrying amount before it is capable of operating in the manner intended by management. Instead, the proceeds should be recognized in accordance with applicable standards and in particular applying the measurement requirements of IAS 2 for the cost of those items. The Amendments to IAS 16 may impact the Company's development projects.

Annual Improvements to IFRS Standards 2018-2020 Cycle- Amendments to IFRS 1 First-time Adoption of International Standards, IFRS 9 Financial Instruments, and IFRS 16 Leases

- Effective on January 1, 2022, the amendments include an update to IFRS 9 regarding fees included in the quantitative test used to determine whether an exchange of debt instruments or modification of terms is accounted for as an extinguishment or a modification. The fees are to include only fees paid or received between the borrower and lender or received by either the borrower or lender on the other's behalf. The Company regularly reviews its financing arrangements and further modifications or exchanges will be assessed under the updated quantitative test.

Amendments to IAS 12 – Income Taxes –Deferred Tax related to Assets and Liabilities arising from a Single Transaction

- Effective on January 1, 2023, the amendments remove the exemption for deferred tax arising on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The Company's leases and restoration provisions may be affected by the Amendments.

3. SIGNIFICANT JUDGEMENT, ESTIMATE 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.

(I) 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 ore reserves and resources may impact the carrying value of property, plant and equipment (note 6), restoration provisions included in provisions and other liabilities (note 11), recognition of deferred income tax amounts (note 13) and depreciation (note 6).

- 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 has been 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 are disclosed in note 13.

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- Precious metal stream arrangement

On October 5, 2015, the Company finalized an agreement with Franco-Nevada Corporation ("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 agreement was completed on March 26, 2018, with an additional $356 million received from Franco-Nevada.

Management has determined that under the terms of the agreements 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 agreements. 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 the 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 CGUs 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.

The carrying value of property, plant and equipment and goodwill at the balance sheet date is disclosed in note 6 and note 7 respectively, and by mine location in note 23.

Asset impairments are disclosed in note 20.

(ii) 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 ore 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 (note 6), restoration provisions (note 11), recognition of deferred income tax amounts (note 13) and depreciation (note 6).

- 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. 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. The carrying amount of the Company's restoration provision is disclosed in note 11c.

- 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 adjustment for expected phasing of VAT receipts. In assessing the expected phasing adjustment, 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 as disclosed in note 4c is then applied to calculate the phasing adjustment. 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. The carrying amount of the Company's VAT receivables is disclosed in note 4b.

4. TRADE RECEIVABLES

a) Trade and other receivables

	December 31, 2021	December 31, 2020
Trade receivables	**466**	583
VAT receivable (current)	**17**	13
Other receivables	**139**	141
	622	737

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b) VAT receivable

	December 31, 2021	December 31, 2020
Kansanshi Mining PLC	284	178
Kalumbila Minerals Limited	324	154
First Quantum Mining and Operations Limited (Zambia)	36	17
VAT receivable from the Company's Zambian operations	644	349
Other	17	13
Total VAT receivable	661	362
Less: current portion, included within trade and other receivables	(17)	(13)
Non-current VAT receivable	644	349

c) VAT receivable by the Company's Zambian operation

	December 31, 2021	December 31, 2020
Receivable at date of claim	975	855
Impact of depreciation of Zambian Kwacha against U.S. dollar[1]	(188)	(379)
Receivable at the period end exchange rate	787	476
Adjustment for expected phasing for non-current portion[2]	(143)	(127)
Total receivable	644	349
Consisting:		
Current portion, included within trade and other receivables	-	-
Non-current VAT receivable[3]	644	349

[1] The impact of appreciation of the Zambian Kwacha against the U.S. dollar in the year ended December 31, 2021 on the Company's Zambian operations VAT receivable of $191 million is equal to the unrealized foreign exchange gain on the total Kwacha receivable and is included within other expense (note 22) in the Statement of Earnings (Loss). It does not include foreign exchange losses realized on receipts.

[2] The adjustment for expected phasing for non-current portion represents the application of a Zambian risk-free rate to the expected phasing of VAT between 13 months and 6 years from the reporting date. In assessing the expected phasing adjustment, management considers publicly available information with respect to the fiscal situation in Zambia as well as the level of refunds and offsets provided historically. This adjustment for expected phasing, an expense of $16 million, has been recognized in the year ended December 31, 2021, (December 31, 2020: credit of $80 million). Discussions with the relevant government authorities are ongoing and management continues to consider that the outstanding VAT claims are fully recoverable, however final resolution may vary from the amounts recorded.

[3] A Zambia risk-free rate of 6% is applied to calculate the adjustment for expected phasing of non-current portion.

d) 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	238	438	93	96	110	975
Impact of appreciation (depreciation) of Zambian Kwacha against U.S. dollar	43	(69)	(39)	(55)	(68)	(188)
Non-current VAT due	281	369	54	41	42	787
Adjustment for expected phasing	(51)	(67)	(10)	(7)	(8)	(143)
Total VAT receivable from Zambian operations	230	302	44	34	34	644

The movement in VAT receivable at date of claim is net of offsets received in the year ended December 31, 2021, of $71 million.

5. INVENTORIES

	December 31, 2021	December 31, 2020
Ore in stockpiles	179	196
Work-in-progress	44	29
Finished product	260	313
Total product inventory	483	538
Consumable stores	831	795
	1,314	1,333

6. PROPERTY, PLANT AND EQUIPMENT

			Mineral properties and mine development costs		
	Plant and equipment	Capital work-in-progress	Operating mines	Development projects	Total
Net book value, as at December 31, 2020	10,278	804	7,239	1,147	19,468
Additions	-	1,069	-	-	1,069
Disposals	(37)	-	-	-	(37)
Transfers between categories	476	(696)	205	15	-
Restoration provision (note 11c)	-	-	(36)	-	(36)
Impairments (note 20)	(18)	-	(14)	(12)	(44)
Capitalized interest (note 21)	-	4	-	-	4
Depreciation charge (note 18)	(667)	-	(474)	-	(1,141)
Net book value, as at December 31, 2021	10,032	1,181	6,920	1,150	19,283
Cost	15,982	1,181	9,625	1,150	27,938
Accumulated depreciation	(5,950)	-	(2,705)	-	(8,655)

			Mineral properties and mine development costs		
	Plant and equipment	Capital work-in-progress	Operating mines	Development projects	Total
Net book value, as at December 31, 2019	10,802	851	7,182	1,137	19,972
Additions	-	605	-	-	605
Disposals	(17)	-	-	-	(17)
Transfers between categories	340	(652)	302	10	-
Restoration provision (note 11c)	-	-	107	-	107
Depreciation charge (note 18)	(847)	-	(352)	-	(1,199)
Net book value, as at December 31, 2020	10,278	804	7,239	1,147	19,468
Cost	15,627	804	9,470	1,147	27,048
Accumulated depreciation	(5,349)	-	(2,231)	-	(7,580)

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Included within capital work-in-progress and mineral properties – operating mines at December 31, 2021, is an amount of $829 million related to capitalized deferred stripping costs (December 31, 2020: $720 million).

7. GOODWILL

Goodwill of $237 million arose through the acquisition of Inmet Mining Corporation ("Inmet") in 2013 after the application of IAS 12 – Income taxes, due to the requirement to recognize a deferred tax liability calculated as the tax effect of the difference between the fair value of the assets acquired and their respective tax bases. Goodwill is not deductible for tax purposes. The goodwill was assigned to the Cobre Panama cash-generating unit.

The carrying value of the Cobre Panama cash-generating unit at December 31, 2021, was $10,327 million inclusive of the Cobre Panama power station, and deferred revenue (December 31, 2020: $10,473 million).

The annual impairment test has been performed at December 31, 2021. For the purposes of the goodwill impairment test, the recoverable amount of the Cobre Panama cash-generating unit has been determined using a fair value less costs of disposal calculation based on a discounted cash flow model over a period of 33 years, which uses a post-tax discount rate, taking account of assumptions that would be made by market participants. The future cash flows used in this model are inherently uncertain and could materially change over time as a result of changes to the following key assumptions which included: ore reserves and resources estimates, commodity prices, discount rates, future production costs and future capital expenditure. Reserves and resources are estimated based on the National Instrument 43-101 compliant report produced by qualified persons. The production profile used in the cash flow model is consistent with the reserves and resource volumes approved as part of the Company's process for the estimation of proven and probable reserves. Such production volumes are dependent on a number of variables, including the recovery of metal from the ore, production costs, duration of mining rights, and the selling price of extracted minerals. Commodity prices are management's estimates of the views of market participants, including a long-term copper price of $3.45 per lb. The estimates are derived from the median of consensus forecasts. A nominal discount rate of 9.0% (December 31, 2020: 9.0%) has been applied to future cash flows, derived from Cobre Panama's weighted average cost of capital (in nominal terms). Future production costs and future capital expenditure are based on the latest available engineering reports and are consistent with technical reports prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects. The measurement is classified as level 3 in the fair value hierarchy (see note 24).

The calculated recoverable amount of the cash-generating unit exceeds the carrying value of Cobre Panama at December 31, 2021, and therefore no impairment charge has been recognized.

8. OTHER ASSETS

	December 31, 2021	December 31, 2020
Prepaid expenses	129	110
KPMC shareholder loan	284	292
Other investments	9	16
Derivative instruments (note 24)	38	8
Total other assets	460	426
Less: current portion of other assets	(138)	(88)
	322	338

9. 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.

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 is recognized. For the year ended December 31, 2021, the profit attributable to KPMC was $150 million (December 31, 2020: $90 million loss). The profit or loss in KPMC relates to the 20% equity accounted share of loss reported by 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 (note 11b) and shareholder loans payable of $1,310 million (note 24) due to the Company and its joint venture partner KOMIR.

10. DEBT

		December 31, 2021	December 31, 2020
Drawn debt			
Senior notes:			
First Quantum Minerals Ltd. 7.25% due April 2023	(a)	**1,000**	1,599
First Quantum Minerals Ltd. 6.50% due March 2024	(b)	**846**	845
First Quantum Minerals Ltd. 7.50% due April 2025	(c)	**1,347**	1,346
First Quantum Minerals Ltd. 6.875% due March 2026	(d)	**994**	993
First Quantum Minerals Ltd. 6.875% due October 2027	(e)	**1,488**	1,487
First Quantum Minerals Ltd. senior debt facility	(f)	**2,151**	1,632
Kalumbila term loan	(g)	**55**	110
Trading facilities	(h)	**31**	311
Total debt		**7,912**	8,323
Less: current maturities and short term debt		**(313)**	(871)
		7,599	7,452
Undrawn debt			
First Quantum Minerals Ltd. senior debt facility	(f)	**755**	600
Trading facilities	(h)	**549**	129

The movement in total debt of $411 million is inclusive of deferred charges that are consequently not reflected in financing activities in the Consolidated Statement of Cash Flows.

a) First Quantum Minerals Ltd. 7.25% due April 2023

The notes are part of the senior obligations of the Company and are guaranteed by certain of the Company's subsidiaries. Interest is payable semi-annually.

The Company and its subsidiaries are subject to certain restrictions on asset sales, payments, incurrence of indebtedness and issuance of preferred stock.

The Company may redeem some or all of the notes at any time on or after April 1, 2020, at redemption prices ranging from 103.625% in the first year to 100% in the final year, plus accrued interest. Although part of this redemption feature indicates the existence of an embedded derivative, the value of this derivative is not significant.

On December 7, 2021 the Company redeemed $600 million of its outstanding 7.250% Senior Notes due April, 2023. The portion of the outstanding 2023 Notes to be redeemed was allocated on a lottery drawing basis at a redemption price (the "Redemption Price") of 101.813% of the principal amount thereof, plus accrued and unpaid interest. The aggregate principal amount outstanding following such partial redemption of the 2023 Notes is $1,000 million.

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b) First Quantum Minerals Ltd. 6.50% due March 2024

In February 2018, the Company issued $850 million in senior notes due in 2024, bearing interest at an annual rate of 6.50%. The Company and its subsidiaries are subject to certain restrictions on asset sales, payments, incurrence of indebtedness and issuance of preferred stock.

The notes are part of the senior obligations of the Company and are guaranteed by certain subsidiaries of the Company. Interest is payable semi-annually.

The Company may redeem some or all of the notes at any time on or after September 1, 2020, at redemption prices ranging from 103.25% in the first year to 100% from September 2022, plus accrued interest. Although part of this redemption feature indicated the existence of an embedded derivative, the value of this derivative is not significant.

c) First Quantum Minerals Ltd. 7.50% due April 2025

The notes are part of the senior obligations of the Company and are guaranteed by certain subsidiaries of the Company. Interest is payable semi-annually.

The Company may redeem some or all of the notes at any time on or after April 1, 2020, at redemption prices ranging from 105.625% in the first year to 100% from 2023, plus accrued interest. Although part of this redemption feature indicates the existence of an embedded derivative, the value of this derivative is not significant.

The Company and its subsidiaries are subject to certain restrictions on asset sales, payments, incurrence of indebtedness and issuance of preferred stock.

d) First Quantum Minerals Ltd. 6.875% due March 2026

In February 2018, the Company issued $1 billion in senior notes due in 2026, bearing interest at an annual rate of 6.875%. The Company and its subsidiaries are subject to certain restrictions on asset sales, payments, incurrence of indebtedness and issuance of preferred stock.

The notes are part of the senior obligations of the Company and are guaranteed by certain subsidiaries of the Company. Interest is payable semi-annually.

The Company may redeem some or all of the notes at any time on or after March 1, 2021, at redemption prices ranging from 105.156% in the first year to 100% from 2024, plus accrued interest. Although part of this redemption feature indicates the existence of an embedded derivative, the value of this derivative is not significant.

e) First Quantum Minerals Ltd. 6.875% due October 2027

On September 17, 2020, the Company announced the offering and pricing of $1,500 million of 6.875% Senior Notes due 2027 at an issue price of 100.00%. Settlement took place on October 1, 2020. The Company and its subsidiaries are subject to certain restrictions on asset sales, payments, incurrence of indebtedness and issuance of preferred stock.

The notes are part of the senior obligations of the Company and are guaranteed by certain subsidiaries of the Company. Interest is payable semi-annually.

The Company may redeem some or all of the notes at any time on or after October 15, 2023, at redemption prices ranging from 103.44% in the first year to 100% from October 2025, plus accrued interest. In addition, until October 15, 2023, the Company may redeem up to 35% of the principal amount of notes, in an amount not greater than the net proceeds of certain equity offerings, at a redemption price of 106.875% plus accrued interest. Although part of this redemption feature indicates the existence of an embedded derivative, the value of this derivative is not significant.

f) First Quantum Minerals Ltd. senior debt facility

In October 2021, the Company signed a Term Loan and Revolving Credit Facility ("RCF"), together "The 2021 Facility", replacing the previous $2.7 billion Term Loan and RCF Facility which was extinguished with no extinguishment gain or loss. The 2021 Facility comprises a $1.625 billion Term Loan Facility and a $1.3 billion RCF. Interest is charged at LIBOR plus a margin. This margin can change relative to a certain financial ratio of the Company. The 2021 Facility has an accordion feature to increase it by up to $150 million before the end of November 2022 and, if actioned, to be applied to increase the Term Loan and RCF in proportion to the committed amounts of each at the time the accordion is actioned.

Transaction costs for the new facilities were deducted from the principal drawn on initial recognition.
At December 31, 2021, $545 million of the RCF had been drawn, leaving $755 million available for the Company to draw.

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 signed in April 2021 and for general corporate purposes.

g) Kalumbila term loan

On February 5, 2018, Kalumbila Minerals Limited, the owner of the Sentinel copper mine, signed a $230 million unsecured term loan facility (the "Kalumbila Facility") with an initial termination date of December 31, 2020 (with the right of Kalumbila Minerals Limited to request an extension of one or two years subject to lender consent). The facility was upsized to $400 million in March 2018 in accordance with the accordion feature of the facility agreement. Repayments on the facility commenced in December 2019, with a repayment of $57 million and a further repayment of the same amount in June 2020.

This loan was partly repaid in November 2020, with $175 million repaying in full or part, the existing lenders, and a reduced commitment of $111 million was agreed with termination date of December 31, 2021. Kalumbila Minerals Limited had the right to request an extension of one further year, subject to lender consent. The principal outstanding at December 31, 2021 was extended for a period of 12 months. The full principal outstanding at December 31, 2021, $65 million, is due within 12 months.

h) Trading facilities

The Company's metal marketing division has six uncommitted borrowing facilities totaling $580 million. The facilities are used to finance purchases and the term hedging of copper, gold and other metals, undertaken by the metal marketing division. Interest on the facilities is calculated at the bank's benchmark rate plus a margin. The loans are collateralized by physical inventories.

11. PROVISIONS AND OTHER LIABILITIES

a) Provisions and Other Liabilities

	December 31, 2021	December 31, 2020
Amount owed to joint venture (note 11b)[1]	1,310	1,327
Restoration provisions (note 11c)	731	821
Derivative instruments (note 24)	57	452
Other loans owed to non-controlling interests (note 11d)	176	-
Liabilities directly associated with assets held for sale	28	-
Leases	26	30
Retirement provisions	50	50
Deferred revenue (note 12)	103	91
Other deferred revenue	29	22
Other	82	95
Total other liabilities	2,592	2,888
Less: current portion	(283)	(602)
	2,309	2,286

[1] The shareholder loan is due from the Company's Cobre Panama operation to KPMC, a 50:50 joint venture between the Company and KOMIR.

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b) Amount Owed to Joint Venture

	December 31, 2021	December 31, 2020
Balance at the beginning of the year	**1,327**	1,238
Funding provided to MPSA for the development of Cobre Panama	-	28
Interest accrued	**119**	115
Repayment	**(136)**	(54)
Balance at end of year due to KPMC	**1,310**	1,327

In September 2013, the Company and KPMC entered into a shareholder loan agreement with Minera Panama S.A ("MPSA") for development of the Cobre Panama project, in which KPMC is a 20% shareholder. Interest is calculated semi-annually at an annual rate of 9%. In November 2017, the Company acquired a 50% interest in KPMC from LS-Nikko Copper Inc. inclusive of the above shareholder loans. The assets and liabilities of KPMC are an investment in MPSA, a subsidiary of the Company, a loan receivable from MPSA, and loans due to shareholders. Interest income and expense earned on these loans are on the same terms.

As at December 31, 2021, the accrual for interest payable is $370 million (December 31, 2020: $387 million) and is included in the carrying value of the amount owed to the joint venture, as this has been deferred under the loan agreement. Amounts due to KPMC are specifically excluded from the calculation of net debt as defined under the Company's banking covenant ratios.

c) Restoration provisions

The Company has restoration and remediation obligations associated with its operating mines, processing facilities, closed sites and development projects. The following table summarizes the movements in the restoration provisions:

	December 31, 2021	December 31, 2020
Balance at the beginning of the year	**821**	699
Changes in estimate – operating sites (note 6)	**(36)**	107
Changes in estimate – closed sites (note 22)	**7**	-
Other adjustments	**(44)**	4
Transfer to liabilities directly associated with assets held for sale (11a)	**(28)**	-
Accretion expense (note 21)	**11**	11
Balance at year end	**731**	821
Less: current portion	**(3)**	(5)
	728	816

The Company has issued letters of credit which are guaranteed by cash deposits, classified as restricted cash on the balance sheet at December 31, 2021, totaling $8 million (December 31, 2020: $12 million).

The restoration provisions have been recorded initially as a liability based on management's best estimate of cash flows, using a risk-free discount rate between 1.1% and 1.9% and an inflation factor between 2.0% and 8.0%. Reclamation activity is expected to occur over the life of each of the operating mines, a period of up to 33 years, with the majority payable in the years following the cessation of mining operations.

d) Other loans owed to non-controlling interests

On September 30, 2021,the Company completed the sale of a 30% equity interest in Ravensthorpe. Consideration paid of $240 million comprised cash for equity of $90 million and loans acquired of $150 million. Additional subsequent loans and accrued interest amounted to $23 million and $3 million respectively.

12. DEFERRED REVENUE

	December 31, 2021	December 31, 2020
Balance at the beginning of the year	**1,524**	1,516
Accretion of finance costs (note 21)	**64**	64
Amortization of gold and silver revenue	**(99)**	(56)
Balance at the end of the year	**1,489**	1,524
Less: current portion (included within provisions and other liabilities) (note 11a)	**(103)**	(91)
Non-current deferred revenue	**1,386**	1,433

Franco-Nevada Precious Metal Stream Arrangement

The Company, through its subsidiary, MPSA, has a precious metal streaming arrangement with Franco-Nevada. The arrangement comprises two tranches. Under the first phase of deliveries under the first tranche ("Tranche 1") Cobre Panama will 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 will 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 finalized 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.

The amount of precious metals deliverable under both tranches is indexed to total copper-in-concentrate sold by Cobre Panama. Under the terms of Tranche 1 the ongoing payment of the Fixed Payment Stream is fixed per ounce payments of $437.37 per oz gold and $6.56 per oz silver subject to an annual inflation adjustment for the first 1,341,000 ounces of gold and 21,510,000 ounces of silver (approximately the first 20 years of expected deliveries). Thereafter the greater of $437.37 per oz for gold and $6.56 per oz for silver, subject to an adjustment for inflation, and one half of the then prevailing market price. Under Tranche 2 the ongoing price per ounce for deliveries is 20% of the spot price for the first 604,000 ounces of gold and 9,618,000 ounces of silver (approximately the first 25 years of production), and thereafter the price per ounce rises to 50% of the spot price of gold and silver.

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 Franco Nevada precious metal stream arrangement in June 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 Company uses refinery-backed credits as the mechanism for satisfying its delivery obligations under the arrangement. In the year ended December 31, 2021, $237 million was delivered under the stream (year ended December 31, 2020: $129 million).

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 has been revised for this change. Sales revenues and cost of sales have both reduced by $129 million compared to the previous reported values.

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13. INCOME TAX EXPENSES

The significant components of the Company's income tax expense are as follows:

	December 31, 2021	December 31, 2020
Current income tax expense	634	334
Deferred income tax expense (credit)	178	(78)
	812	256

The income taxes shown in the consolidated statements of earnings differ from the amounts obtained by applying statutory rates to the earnings before income taxes due to the following:

	2021		2020	
	Amount $	%	Amount $	%
Earnings before income taxes	1,901		32	
Income tax expense at Canadian statutory rates	513	27	9	27
Difference in foreign tax rates	(281)	(15)	(5)	(16)
Non-deductible expenses	174	9	114	356
Losses not recognized	358	19	172	538
Impact of foreign exchange	48	3	(34)	(106)
Income tax expense	812	43	256	800

Losses not recognized consists largely of hedge losses and financing costs incurred in Canada, where such losses cannot be used to offset operating income in other countries.

The deferred income tax assets and liabilities included on the balance sheet are as follows:

	December 31, 2021	December 31, 2020
Deferred income tax assets	182	152
Deferred income tax liabilities	(804)	(595)
	(622)	(443)

The significant components of the Company's deferred income taxes are as follows:

	2021	2020
Temporary differences relating to property, plant and equipment	(1,194)	(1,198)
Unused operating losses	304	438
Temporary differences relating to non-current liabilities (including restoration provisions)	128	120
Temporary differences relating to inventory	25	23
Unrealized foreign exchange loss and phasing of Zambian VAT receivable	94	148
Other	21	26
Net deferred income tax liabilities	(622)	(443)

The Company believes that it is probable that the results of future operations will generate sufficient taxable income to realize the above noted deferred income tax assets.

The Company has unrecognized deductible temporary differences relating to operating loss carryforwards that may be available for tax purposes in Canada totaling $5,414 million (December 31, 2020: $4,101 million) expiring between 2025 and 2041, and in the United States of America totaling $18 million (December 31, 2020: $19 million) expiring between 2022 and 2038.

The Company also has unrecognized deductible temporary differences relating to restoration provisions of $164 million in Panama, (December 31, 2020: $168 million), $40 million in Canada (December 31, 2020: $70 million) and $34 million in Finland (December 31, 2020: $37 million) relating to ARO for which no deferred tax asset is recognized.

The Company has non-Canadian resident subsidiaries that have undistributed earnings of $5,643 million (December 31, 2020: $3,737 million). These undistributed earnings are not expected to be repatriated in the foreseeable future and the Company has control over the timing of such, therefore taxes that may apply on repatriation have not been provided for.

14. SHARE CAPITAL

a) Common Shares

Authorized

Unlimited common shares without par value Issued

	Number of shares (000's)
Balance as at December 31, 2020	690,317
Shares issued through Dividend Reinvestment Plan	4
Shares issued through Share Option Plan	781
Balance as at December 31, 2021	691,102

The balance of share capital at December 31, 2021 was $5,642 million (December 31, 2020: $5,642 million).

On January 6, 2020, the Company announced adoption of a Shareholders Rights Plan. The Shareholders Rights Plan ("the Rights Plan") applies in the event of any person or persons acting in concert having beneficial ownership of 20% or more of the Company's outstanding common shares without having complied with bid provisions under the Rights Plan. In the occurrence of such an event, each outstanding common share has a right attached to it to purchase additional common shares of the Company, at a substantial discount to the then market price.

b) Treasury shares

The Company established an independent trust to purchase, on the open market, the common shares pursuant to the long-term incentive plan (note 16a). The Company consolidates the trust as it is subject to control by the Company. Consequently, shares purchased by the trust to satisfy obligations under the long-term incentive plan are recorded as treasury shares in shareholders' equity. Generally, dividends received on shares held in the trust will be paid to plan participants in cash as received.

	Number of shares (000's)
Balance as at December 31, 2019	2,362
Shares purchased	1,618
Shares vested	(1,792)
Balance as at December 31, 2020	2,188
Shares purchased	4,009
Shares vested	(1,196)
Balance as at December 31, 2021	5,001

The balance of shares held in the trust as at December 31, 2021 was $190 million (December 31, 2020: $114 million).

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c) Dividends

On February 15, 2022, the Company declared a final dividend of CDN$0.005 per share, or $3 million, in respect of the financial year ended December 31, 2021 (February 16, 2021: CDN$0.005 per share or $3 million) to be paid on May 6, 2022 to shareholders of record on April 14, 2022.

On July 27, 2021, the Company declared an interim dividend of CDN$0.005 per share, in respect of the financial year ended December 31, 2021 (July 28, 2020: CDN$0.005 per share or $3 million), paid on September 21, 2021 to shareholders of record on August 30, 2021.

15. EARNINGS (LOSS) PER SHARE

	2021	2020
Basic and diluted earnings (loss) attributable to shareholders of the Company	832	(180)
Basic weighted average number of shares outstanding (000's of shares)	688,674	688,469
Potential dilutive securities:	3,038	-
Diluted weighted average number of shares outstanding (000's of shares)	691,712	688,469
Earnings (loss) per common share – basic (expressed in $ per share)	1.21	(0.26)
Earnings (loss) per common share – diluted (expressed in $ per share)	1.20	(0.26)

16. SHARE BASED COMPENSATION AND RELATED PARTY TRANSACTIONS

a) Long-term incentive plans

The Company has a long-term incentive plan (the "Plan"), which provides for the issuance of performance stock units ("PSUs"), restricted stock units ("RSUs") in such amounts as approved by the Company's Compensation Committee. Included in general and administrative expense is share-based compensation expense of $24 million (December 31, 2020: $19 million) related to this Plan.

Under the Plan, each PSU entitles participants, which includes directors, officers, and employees, to receive up to one-and-a-half common shares of the Company at the end of a three-year period if certain performance and vesting criteria, which are based on the Company's performance relative to a representative group of other mining companies, have been met. The fair value of each PSU is recorded as compensation expense over the vesting period. The fair value of each PSU is estimated using a Monte Carlo Simulation approach. A Monte Carlo Simulation is a technique used to approximate the probability of certain outcomes, called simulations, based on normally distributed random variables and highly subjective assumptions. This model generates potential outcomes for stock prices and allows for the simulation of multiple stocks in tandem resulting in an estimated probability of vesting.

Under the Plan, each RSU entitles the participant to receive one common share of the Company subject to vesting criteria. RSU grants typically vest fully at the end of the three-year period. The fair value of each RSU is recorded as compensation expense over the vesting period. The fair value of each RSU is estimated based on the market value of the Company's shares at the grant date and an estimated forfeiture rate of 11.5% (December 31, 2020: 11.5%).

The Company has a long term compensation scheme for the next generation of operational business leaders (current directors do not participate in the scheme), KRSUs. The scheme allows for full vesting over eight years with partial vesting commencing in the fourth year. The objectives of the scheme are to promote a long-term strategic focus amongst participants and to facilitate the Company's management succession plans as the roles of the founding directors transition during the scheme period. Included in general and administrative expense is share-based compensation expense of $7 million (December 31, 2020: $8 million) related to this Plan.

The Company will meet its obligations under the scheme through market purchases.

	2021 Number of units (000's)	2020 Number of units (000's)
Performance stock units		
Outstanding - beginning of year	**3,620**	3,130
Granted	**595**	1,641
Vested	**(557)**	(705)
Forfeited	**(255)**	(446)
Outstanding - end of year	**3,403**	3,620
Restricted stock units		
Outstanding - beginning of year	**5,028**	3,411
Granted	**1,077**	2,891
Vested	**(639)**	(1,010)
Forfeited	**(316)**	(264)
Outstanding - end of year	**5,150**	5,028
Key restricted stock units		
Outstanding – beginning of year	**6,680**	4,400
Granted	**-**	2,280
Forfeited	**(360)**	-
Outstanding - end of year	**6,320**	6,680

The following assumptions were used in the Monte Carlo Simulation model to calculate compensation expense in respect of the PSUs granted in the following years:

	2021	2020
Risk-free interest rate	**0.46%**	0.18%
Vesting period	**3 years**	3 years
Expected volatility	**40.5%**	46.3%
Expected forfeiture per annum	**4%**	4%
Weighted average probability of vesting	**49.7%**	57.1%

b) Share option plan

Share options for common shares in the Company are granted to certain management. Options are exercisable at a price equal to the closing quoted price of the Company's shares on the date of grant. The vesting period varies from one to three years. Options are forfeited if the employee leaves the Company before the options vest. If the options remain unexercised after a period of five years from the grant date the options expire.

Each share option converts into one common share on exercise. An amount equal to the share price at the date of grant is payable by the recipient on the exercise of each option. The options carry neither rights to dividends nor voting rights.

Options may be exercised at any time from the date of vesting to the date of their expiry.

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	2021 Number of units (000's)	2020 Number of units (000's)
Share options		
Outstanding - beginning of year	3,333	4,333
Vested	(782)	(906)
Forfeited	(85)	(94)
Expired	(13)	-
Outstanding - end of year	2,453	3,333
Exercisable - end of year	1,901	2,036

Volatility was calculated with reference to the Company's historical share price volatility up to the grant date to reflect a term approximate to the expected life of the option.

The Company recognized total expenses of $2 million (December 31, 2020: $4 million) related to equity-settled share-based payments on share options issued under the above plan for the year ended December 31, 2021.

c) Key management compensation

Key management personnel include the members of the senior management team and directors.

	2021	2020
Salaries, fees and other benefits	3	4
Bonus payments	2	1
Share based compensation	5	5
Total compensation paid to key management	10	10

d) Other related party transactions

Amounts paid to related parties were incurred in the normal course of business and on an arm's length basis. During the year, $11 million (December 31, 2020: $6 million) was paid to parties related to key management for chartering aircraft, accommodation, machinery and services. As at December 31, 2021, nil (December 31, 2020: nil) was included in trade and other payables concerning related party amounts payable.

17. SALES REVENUES[1]

	2021	2020
Copper	6,332	4,377
Gold	470	424
Nickel	254	159
Silver	47	28
Other	109	82
	7,212	5,070

[1]Refinery-backed credits presented net within revenue – see note 12

18. COST OF SALES

	2021	2020
Costs of production[1]	(3,456)	(2,773)
Depreciation	(1,141)	(1,199)
Movement in inventory	(20)	(3)
Movement in depreciation in inventory	(33)	(18)
	(4,650)	(3,993)

[1]Refinery-backed credits presented net within revenue – see note 12

[2]Includes favourable movement on operational provisions following the conclusion on the arbitration case on electricity prices charged by ZESCO

19. EXPENSES BY NATURE

	2021	2020
Depreciation	(1,174)	(1,217)
Employment costs, benefits and contractor	(1,004)	(855)
Raw materials and consumables	(831)	(762)
Royalties	(488)	(270)
Repairs and maintenance	(323)	(275)
Fuel	(271)	(212)
Freight	(253)	(203)
Utilities	(171)	(203)
Change in inventories	(20)	(3)
Other	(253)	(108)
	(4,788)	(4,108)

[1]Refinery-backed credits presented net within revenue – see note 12

[2]Expenses presented above include cost of sales, general and administrative and exploration expenses.

20. IMPAIRMENT AND RELATED CHARGES

An impairment of $44 million has been 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.

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21. FINANCE COSTS

	2021	2020
Interest expense on debt (note 10)	(532)	(590)
Interest expense on other financial liabilities	(3)	(24)
Interest expense on financial liabilities measured at amortized cost	(535)	(614)
Related party interest	(119)	(115)
Finance cost accretion on deferred revenue	(64)	(64)
Accretion on restoration provision (note 11c)	(11)	(11)
Total finance costs	(729)	(804)
Less: interest capitalized (note 6)	4	-
	(725)	(804)

22. OTHER INCOME (EXPENSE)

	2021	2020
Foreign exchange gains (losses) [1]	159	(225)
Change in restoration provision for closed properties (11c)	(7)	-
Share of profit (loss) in joint venture (note 9)	75	(45)
Other income (expenses)	(9)	2
	218	(268)

[1] The majority of foreign exchange gains are unrealized gains and include $191 million for the year ended December 31, 2021, arising on translating the Zambian VAT receivable (see note 4c) at the period end exchange rate. Realized losses include $51 million arising on Zambian VAT offsets received in the year ended December 31, 2021.

23. SEGMENTED INFORMATION

The Company's reportable operating segments are individual mine development projects or mine operations. Each of the mines and development projects report information separately to the CEO, the chief operating decision maker.

The Corporate & other segment is responsible for the evaluation and acquisition of new mineral properties, regulatory reporting, treasury and finance and corporate administration. Included in the Corporate & other segment is the Company's metal marketing division which purchases and sells third party material, and the exploration projects.

The Company's operations are subject to seasonal aspects, in particular the rain season in Zambia. The rain season in Zambia generally starts in November and continues through April, with the heaviest rainfall normally experienced in the months of January, February and March. As a result of the rain season, mine 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.

Earnings by segment

For the year ended December 31, 2021, segmented information for the statement of earnings (loss) is presented as follows:

	Revenue	Cost of sales (excluding depreciation)	Depreciation	Other	Operating profit (loss) [1]	Income tax (expense) credit
Cobre Panama[2]	3,160	(1,132)	(579)	(15)	1,434	-
Kansanshi[3]	2,014	(825)	(220)	56	1,025	(392)
Sentinel	2,032	(846)	(270)	52	968	(349)
Guelb Moghrein	313	(172)	(36)	(2)	103	(28)
Ravensthorpe[4]	286	(315)	(34)	2	(61)	27
Las Cruces	131	(85)	(13)	7	40	(8)
Çayeli	99	(39)	(18)	2	44	(25)
Pyhäsalmi	52	(30)	(1)	(2)	19	(6)
Corporate & other[5]	(875)	(32)	(3)	(64)	(974)	(31)
Total	7,212	(3,476)	(1,174)	36	2,598	(812)

[1] Operating profit (loss) less net finance costs and taxes equals net earnings (loss) for the period on the consolidated statement of earnings.

[2] Cobre Panama is 20% owned by KPMC, a joint venture.

[3] Kansanshi Mining Plc, the most significant contributor to the Kansanshi segment, is 20% owned by ZCCM, a Zambian government owned entity.

[4] Ravensthorpe is 30% owned by POSCO.

[5] Revenue includes hedge gains and losses recognized on forward sales and zero cost collar options.

[6] Refinery-backed credits presented net within revenue – see note 12

For the year ended December 31, 2020, segmented information for the statement of earnings is presented as follows:

	Revenue	Cost of sales (excluding depreciation)	Depreciation	Other	Operating profit (loss) [1]	Income tax (expense) credit
Cobre Panama[2]	1,326	(652)	(400)	(13)	261	-
Kansanshi[3]	1,539	(828)	(247)	(119)	345	(142)
Sentinel	1,353	(729)	(261)	(96)	267	(106)
Las Cruces	332	(130)	(215)	(23)	(36)	8
Guelb Moghrein	300	(157)	(40)	(8)	95	(22)
Çayeli	64	(36)	(22)	1	7	(25)
Pyhäsalmi	46	(33)	(5)	2	10	(2)
Ravensthorpe	156	(200)	(24)	(7)	(75)	28
Corporate & other[4]	(46)	(11)	(3)	(119)	(179)	5
Total	5,070	(2,776)	(1,217)	(382)	695	(256)

[1] Operating profit (loss) less net finance costs and taxes equals net earnings (loss) for the period on the consolidated statement of earnings.

[2] Cobre Panama is 20% owned by KPMC, a joint venture.

[3] Kansanshi Mining Plc, the most significant contributor to the Kansanshi segment, is 20% owned by ZCCM, a Zambian government owned entity.

[4] Revenue includes hedge gains and losses recognized on forward sales and zero cost collar option

[5] Refinery-backed credits presented net within revenue – see note 12

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Balance sheet by segment

Segmented information on balance sheet items is presented as follows:

	December 31, 2021			December 31, 2020		
	Non-current assets[1]	**Total assets**	**Total liabilities**	Non-current assets[1]	Total assets	Total liabilities
Cobre Panama[2]	**11,735**	**12,364**	**3,232**	11,919	12,505	3,201
Kansanshi[3]	**2,481**	**5,087**	**978**	2,488	4,052	840
Sentinel	**2,923**	**3,678**	**667**	2,945	3,485	488
Las Cruces	**30**	**85**	**117**	32	102	153
Guelb Moghrein	**33**	**123**	**53**	48	154	48
Çayeli	**56**	**91**	**52**	64	105	37
Pyhäsalmi	**9**	**33**	**45**	10	34	46
Ravensthorpe[4]	**867**	**1,086**	**402**	802	963	255
Corporate & other[5]	**1,463**	**2,723**	**8,230**	1,483	2,836	9,133
Total	**19,597**	**25,270**	**13,776**	19,791	24,236	14,201

[1] Non-current assets include $19,283 million of property plant and equipment (December 31, 2020: $19,468 million) and exclude financial instruments, deferred tax assets, VAT receivable and goodwill.

[2] Cobre Panama is 20% owned by KPMC, a joint venture.

[3] Kansanshi Mining Plc, the most significant contributor to the Kansanshi segment, is 20% owned by ZCCM, a Zambian government owned entity. This segment includes the Kansanshi smelter.

[4] Ravensthorpe is 30% owned by POSCO.

[5] Included within the corporate segment are assets relating to the Haquira project, $694 million (December 31, 2020: $692 million), and to the Taca Taca project, $454 million (December 31, 2020: $445 million).

Capital expenditure by segment

Additions to non-current assets other than financial instruments, deferred tax assets and goodwill represent additions to property, plant and equipment, for which capital expenditure is presented as follows:

	2021	2020
Cobre Panama	**360**	267
Kansanshi	**242**	111
Sentinel	**218**	148
Las Cruces	**2**	2
Guelb Moghrein	**8**	10
Çayeli	**11**	4
Ravensthorpe	**129**	55
Corporate & other	**25**	13
Total	**995**	610

Geographical information

	2021	2020
Revenue by destination[1]		
China	**2,928**	1,985
Singapore	**1,304**	615
India	**873**	342
Zambia	**694**	518
Japan	**613**	144
Spain	**493**	505
South Korea	**373**	188
Germany	**267**	72
South Africa	**148**	247
Bulgaria	**139**	80
Egypt	**108**	52
Brazil	**71**	125
Taiwan	**62**	44
Other	**41**	201
Hedge losses[2]	**(902)**	(48)
Total	**7,212**	5,070

[1] Presented based on the ultimate destination of the product if known. If the eventual destination of the product sold through traders is not known, then revenue is allocated to the location of the product at the time when control passes.

[2] Relates to hedge losses recognized on forward sales and zero cost collar options.

[3] Refinery-backed credits presented net within revenue – see note 12

[4] For the year ended December 31, 2021, the Company has one customer that individually accounts for more than 10% of the Company's total revenue. This customer represents approximately 22% of total revenue (2020: 16%).

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	2021	2020
Non-current assets by location		
Panama	**11,735**	**11,919**
Zambia	**5,392**	**5,422**
Australia	**872**	**808**
Peru	**694**	**690**
Argentina	**454**	**445**
Spain	**30**	**32**
Mauritania	**33**	**48**
Turkey	**56**	**64**
Finland	**9**	**10**
Other	**322**	**353**
	19,597	**19,791**
Investments, deferred income tax assets, goodwill, restricted cash, other deposits and VAT receivable	**1,740**	**1,337**
	21,337	**21,128**

24. FINANCIAL INSTRUMENTS

The Company classifies its financial assets as amortized cost, FVOCI or FVTPL. Financial liabilities are measured at amortized cost or FVTPL.

The following provides the classification of financial instruments by category at December 31, 2021:

	Amortized cost[4]	Fair value through profit or loss	Fair value through OCI	Total
Financial assets				
Trade and other receivables [1]	**139**	**466**	**-**	**605**
Due from KPMC (note 8)	**284**	**-**	**-**	**284**
Derivative instruments in designated hedge relationships	**-**	**-**	**-**	**-**
Other derivative instruments [2]	**-**	**38**	**-**	**38**
Investments [3]	**-**	**-**	**9**	**9**
Financial liabilities				
Trade and other payables	**719**	**-**	**-**	**719**
Derivative instruments in designated hedge relationships	**-**	**-**	**9**	**9**
Other derivative instruments [2]	**-**	**48**	**-**	**48**
Leases	**26**	**-**	**-**	**26**
Liability to joint venture	**1,310**	**-**	**-**	**1,310**
Other loans owed to non-controlling interest	**176**	**-**	**-**	**176**
Debt	**7,912**	**-**	**-**	**7,912**

[1] Commodity products are sold under pricing arrangements where final prices are set at a specified future date based on market commodity prices. Changes between the prices recorded upon recognition of revenue and the final price due to fluctuations in commodity market prices give rise to an embedded derivative in the accounts receivable related to the provisionally priced sales contracts.

[2] Other derivative instruments related to provisionally priced sales contracts are classified as fair value through profit or loss and recorded at fair value, with changes in fair value recognized as a component of cost of sales.

[3] Investments held by the Company are held at fair value through other comprehensive income.

[4] The fair value of financial assets and liabilities measured at amortized cost is comparable to the carrying value due to the short term to maturities or due to the rates of interest approximating market rates.

The following provides the classification of financial instruments by category at December 31, 2020:

	Amortized cost[4]	Fair value through profit or loss	Fair value through OCI	Total
Financial assets				
Trade and other receivables [1]	141	583	-	724
Due from KPMC (note 6)	292	-	-	292
Derivative instruments in designated hedge relationships	-	-	3	3
Other derivative instruments [2]	-	5	-	5
Investments [3]	-	-	16	16
Financial liabilities				
Trade and other payables	762	-	-	762
Derivative instruments in designated hedge relationships	-	-	404	404
Other derivative instruments [2]	-	48	-	48
Leases	30	-	-	30
Liability to joint venture	1,327	-	-	1,327
Debt	8,323	-	-	8,323

[1] Commodity products are sold under pricing arrangements where final prices are set at a specified future date based on market commodity prices. Changes between the prices recorded upon recognition of revenue and the final price due to fluctuations in commodity market prices give rise to an embedded derivative in the accounts receivable related to the provisionally priced sales contracts.

[2] Other derivative instruments related to provisionally priced sales contracts are classified as fair value through profit or loss and recorded at fair value, with changes in fair value recognized as a component of cost of sales.

[3] Investments held by the Company are held at fair value through other comprehensive income.

[4] The fair value of financial assets and liabilities measured at amortized cost is comparable to the carrying value due to the short term to maturities or due to the rates of interest approximating market rates.

Fair Values

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 Inputs for the asset or liability that are not based on observable market data.

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The following table sets forth the Company's assets and liabilities measured at fair value on the balance sheet at December 31, 2021:

	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Derivative instruments – LME contracts [1]	38	-	-	38
Derivative instruments – OTC contracts [2]	-	-	-	-
Investments [3]	9	-	-	9
Financial liabilities				
Derivative instruments – LME contracts [1]	41	-	-	41
Derivative instruments – OTC contracts [2]	-	16	-	16

[1] Futures for copper, nickel, gold and zinc were purchased on the London Metal Exchange ("LME") and London Bullion Market and have direct quoted prices, therefore these contracts are classified within Level 1 of the fair value hierarchy.

[2] The Company's derivative instruments are valued by the Company's brokers using pricing models based on active market prices. All forward swap contracts held by the Company are OTC and therefore the valuation models require the use of assumptions concerning the amount and timing of estimated future cash flows and discount rates using inputs which can generally be verified and do not involve significant management judgment. Such instruments are classified within Level 2 of the fair value hierarchy. Derivative assets are included within other assets on the balance sheet and derivative liabilities are included within provisions and other liabilities on the balance sheet.

[3] The Company's investments in marketable equity securities are valued using quoted market prices in active markets and as such are classified within Level 1 of the fair value hierarchy. The fair value of the marketable equity securities is calculated as the quoted market price of the marketable security multiplied by the quantity of shares held by the Company.

The following table sets forth the Company's assets and liabilities measured at fair value on the balance sheet at December 31, 2020, in the fair value hierarchy:

	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Derivative instruments – LME contracts [1]	4	-	-	4
Derivative instruments – OTC contracts [2]	-	4	-	4
Investments [3]	16	-	-	16
Financial liabilities				
Derivative instruments – LME contracts [1]	24	-	-	24
Derivative instruments – OTC contracts [2]Error! Bookmark not defined.	-	428	-	428

[1] Futures for copper, nickel, gold and zinc were purchased on the London Metal Exchange ("LME") and London Bullion Market and have direct quoted prices, therefore these contracts are classified within Level 1 of the fair value hierarchy.

[2] The Company's derivative instruments are valued by the Company's brokers using pricing models based on active market prices. All forward swap contracts held by the Company are OTC and therefore the valuation models require the use of assumptions concerning the amount and timing of estimated future cash flows and discount rates using inputs which can generally be verified and do not involve significant management judgment. Such instruments are classified within Level 2 of the fair value hierarchy. Derivative assets are included within other assets on the balance sheet and derivative liabilities are included within provisions and other liabilities on the balance sheet.

[3] The Company's investments in marketable equity securities are valued using quoted market prices in active markets and as such are classified within Level 1 of the fair value hierarchy. The fair value of the marketable equity securities is calculated as the quoted market price of the marketable security multiplied by the quantity of shares held by the Company.

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 Cayeli 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.

Significant credit risk exposures to any single counterparty or group of counterparties having similar characteristics are as follows:

	December 31, 2021	December 31, 2020
Commodity traders and smelters (Trade and other receivables)	605	724
Government authorities (VAT receivable)	661	362
Total	1,266	1,086

The VAT receivable due from government authorities includes $644 million at December 31, 2021, which is past due (December 31, 2020: $349 million). See note 4c.

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, are insignificant.

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.

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The Company had the following balances and facilities available to them at the balance sheet dates:

	December 31, 2021	December 31, 2020
Cash and cash equivalents and bank overdrafts – unrestricted cash	1,859	914
Working capital balance[1]	791	1,107
Undrawn debt facilities (note 10)	1,304	729

[1] Working capital includes trade and other receivables (note 4), inventories (note 5), current prepaid expenses (note 8), current trade and other payables, current taxes payable, current leases (note 11) and current deferred revenue (note 11).

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

	Carrying Value	Contractual Cashflows	< 1 year	1 – 3 years	3 – 5 years	Thereafter
Debt – principal	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

[1] Refers to distributions to KPMC, a joint venture that holds a 20% non-controlling interest in MPSA of which the Company has joint control, and not scheduled repayments.

[2] Refers 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.

Contractual and other obligations as at December 31, 2020 are as follows:

	Carrying Value	Contractual Cashflows	< 1 year	1 – 3 years	3 – 5 years	Thereafter
Debt – principal	8,012	8,061	561	2,800	2,200	2,500
Debt – finance charges	-	2,147	513	869	524	241
Trading facilities	311	311	311	-	-	-
Trade and other payables	762	762	762	-	-	-
Derivative instruments	452	452	452	-	-	-
Liability to joint venture[1]	1,327	2,387	-	-	-	2,387
Joint venture	94	100	100	-	-	-
Current taxes payable	164	164	164	-	-	-
Deferred payments	50	50	5	10	10	25
Leases	30	34	9	14	6	5
Commitments	-	50	50	-	-	-
Restoration provisions	821	1,147	40	49	48	1,010
	12,023	15,665	2,967	3,742	2,788	6,168

[1] Refers to distributions to KPMC, a joint venture that holds a 20% non-controlling interest in MPSA of which the Company has joint control, and not scheduled repayments.

Market risks

a) 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) has been 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) has been recognized through sales revenues.

As at 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 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. A collar structure for coal purchases is currently in place until December 2023.

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.

Derivatives Designated as Hedged Instruments

The Company has elected to apply hedge accounting with the following contracts expected to be highly effective in offsetting changes in the cash flows of designated future sales. Commodity contracts outstanding as at December 31, 2021, were as follows:

	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

As at December 31, 2020, the following commodity contracts were outstanding:

	Open Positions (tonnes/ litres)	Average Contract price	Closing Market price	Maturities Through
Commodity contracts:				
Copper forward	152,125	$2.86/lb	$3.51/lb	December 2021
Copper zero cost collar	174,400	$2.83-$3.07/lb	$3.51/lb	December 2021
Nickel forward	3,213	$6.89/lb	$7.50/lb	October 2021
Fuel forward	60,408,600	$0.34/lt	$0.38/lt	April 2021

Other Derivatives

As at December 31, 2021, the Company had entered into the following derivative contracts for copper, gold and nickel in order to reduce the effects of fluctuations in metal prices between the time of the shipment of metal from the mine site when the sale is provisionally priced and the date agreed for pricing the final settlement.

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Excluding the contracts noted above, as at December 31, 2021, the following derivative positions 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, 2020, the following derivative positions were outstanding:

	Open Positions (tonnes/oz)	Average Contract price	Closing Market price	Maturities Through
Embedded derivatives in provisionally priced sales contracts:				
Copper	146,677	$3.46/lb	$3.51/lb	April 2021
Gold	43,103	$1,829/oz	$1,891/oz	April 2021
Nickel	3,176	$7.55/lb	$7.50/lb	February 2021
Commodity contracts:				
Copper	146,174	$3.46/lb	$3.51/lb	April 2021
Gold	42,730	$1,829/oz	$1,891/oz	April 2021
Nickel	3,174	$7.55/lb	$7.50/lb	February 2021

A summary of the fair values of unsettled derivative financial instruments for commodity contracts recorded on the consolidated balance sheet.

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

The following table shows the impact on net earnings from changes in the fair values of financial instruments of a 10% change in the copper and gold commodity prices, based on prices at December 31, 2021. There is no impact of these changes on other comprehensive income except indirectly through the impact on the fair value of investments. The impact of a 10% movement in commodity prices is as follows:

	Average contract price on December 31		Impact of price change on net earnings	
	2021	2020	2021	2020
Copper	$4.35/lb	$3.46/lb	-	-
Gold	$1,806/oz	$1,829/oz	-	-
Nickel	$8.95/lb	$7.55/lb	-	-

b) 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.

At December 31, 2021, the impact on cash interest payable of a 100 basis point change in interest rate would be as follows:

	December 31, 2021	Impact of interest rate change on net earnings	
		100 basis point increase	100 basis point
Interest-bearing deposits, cash at bank and bank overdrafts	1,859	14	(14)
Floating rate borrowings drawn	2,235	(21)	21

At December 31, 2020, the impact on cash interest payable of a 100 basis point change in interest rate would be as follows:

	December 31, 2020	Impact of interest rate change on net earnings	
		100 basis point increase	100 basis point
Interest-bearing deposits, cash at bank and bank overdrafts	914	7	(7)
Floating rate borrowings drawn	2,053	(27)	27

c) 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.

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As at December 31, 2021, the Company is exposed to currency risk through the following assets and liabilities denominated in currencies other than USD:

	Cash and cash equivalents	Trade and other receivables	Investments	Financial liabilities
CAD	1	-	1	2
GBP	1	-	-	6
AUD	7	1	2	49
ZMW	4	4	-	17
EUR	21	25	-	35
TRY	-	-	-	11
ZAR	2	-	-	4
MRU	-	-	-	1
Others	1	-	-	-
Total	37	30	3	125

Based on the above net exposures as at December 31, 2021, a 10% change in all of the above currencies against the USD would result in a $6 million increase or decrease in the Company's net earnings and would result in a $nil million increase or decrease in the Company's other comprehensive income.

As at December 31, 2020, the Company is exposed to currency risk through the following assets and liabilities denominated in currencies other than USD:

	Cash and cash equivalents	Trade and other receivables	Investments	Financial liabilities
CAD	2	3	-	2
GBP	1	-	-	7
AUD	9	4	1	52
ZMW	3	6	-	14
EUR	17	9	-	44
TRY	-	-	-	4
ZAR	3	-	-	8
MRU	-	-	-	-
Total	35	22	1	131

Based on the above net exposures as at December 31, 2020, a 10% change in all of the above currencies against the USD would result in a $7 million increase or decrease in the Company's net earnings and would result in a $nil million increase or decrease in the Company's other comprehensive income.

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.

25. COMMITMENTS AND CONTINGENCIES

Capital Commitments

The Company has committed to $129 million (December 31, 2020: $50 million) in capital expenditures.

Other Commitments & Contingencies

Due to the size, complexity and nature of the Company's operations, various legal and tax matters are outstanding from time to time. The Company is routinely subject to audit by tax authorities in the countries in which it operates and has received a number of tax assessments in various locations, including Zambia, which are currently at various stages of progress with the relevant authorities. The outcome of these audits and assessments are uncertain however the Company is confident of its position on the various matters under review.

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. 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.

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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 to 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 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 favor 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 between 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

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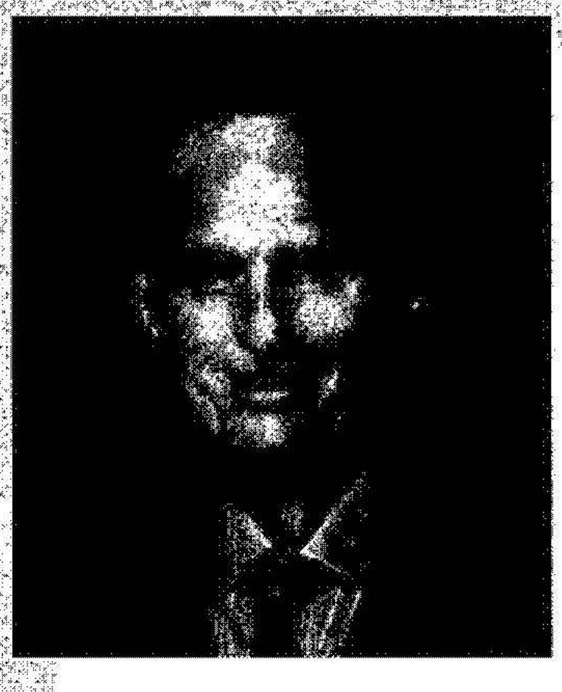
to be quantified at a later stage, however it is believed to be material. The Tribunal is now fully consisted and has held its first Case Management Conference, setting the hearing date for the adjudication of the merits for March 14 to 18, 2022. KMP submitted its Memorial and corresponding documents 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.

26. POST BALANCE SHEET EVENTS

Dividend declared

The Company has declared a final dividend of CAD$0.005 per share, in respect of the financial year ended December 31, 2021. The final dividend together with the interim dividend of CAD$0.005 per share is a total of CAD$0.01 per share for the 2021 financial year.

BOARD OF DIRECTORS



PHILIP K.R. PASCALL

Chairman of the Board and Chief Executive Officer

Mr. Pascall graduated from Sussex University in England with an honours degree in Control Engineering, and later completed an MBA at the University of Cape Town. He worked in general management positions in South Africa from 1973; and in the mining industry there from 1977 with RTZ, and E.L. Bateman, and from 1981, in Australia. He was the Project Manager of the Argyle Diamond Project and then Executive Chairman and part-owner of Nedpac Engineering between 1982 and 1990.

During this time, Mr. Pascall was involved in a wide variety of mineral projects in Australia, New Zealand, South East Asia, Chile, the United States, and Zimbabwe. After selling his share of Nedpac in 1990, Mr. Pascall was a consultant in the mining industry, including a period with Rio Tinto's Hamersley Iron, and with various projects in Zimbabwe and Zambia. He is a co-founder and has been Chairman and Chief Executive Officer of the Company since 1996.

ROBERT HARDING

Lead Independent Director, Chair of the Nominating and Governance Committee

Mr. Harding is a well-known and respected executive in the Canadian business community. He graduated with a Bachelor of Mathematics from the University of Waterloo in 1980 and received his Chartered Accountant designation the following year. Mr. Harding began his career at a major accounting firm before joining Hees International (now Brookfield) where he served in progressively senior roles including Controller, Chief Financial Officer, Chief Operating Officer, and ultimately, Chief Executive Officer in 1992. He retired from the Board of Brookfield Asset Management, where he was Chairman from 1997–2010, in 2019.



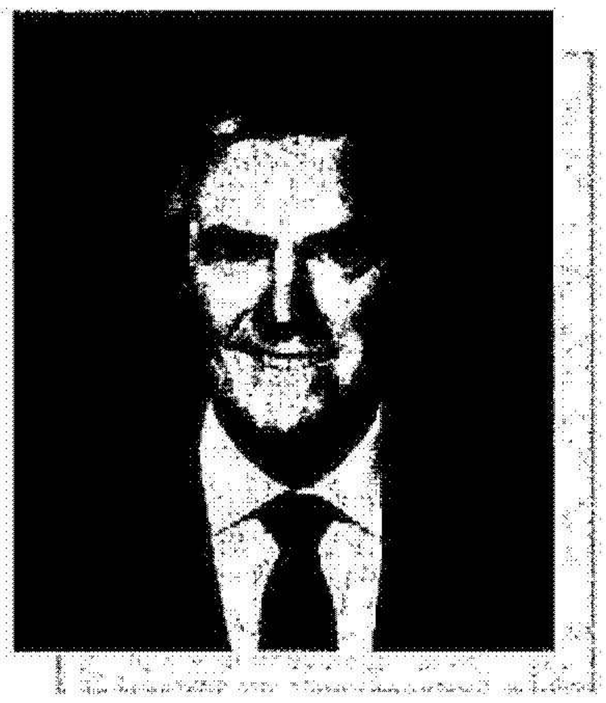


ANDREW ADAMS

Independent Director, Chair of Compensation Committee

Mr. Adams obtained his degree in Social Science from Southampton University and qualified as a Chartered Accountant in the United Kingdom in 1981. He worked for the Anglo American group of companies for 12 years up to 1999, his final position being Vice President and Chief Financial Officer of AngloGold North America based in Denver, Colorado. Mr. Adams worked for Aber Diamond Corporation as Vice President and Chief Financial Officer from 1999 to 2003. Recent board roles include independent non-executive Director of Torex Gold Resources and Chairman of the Board of TMAC Resources Inc.

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CLIVE NEWALL

President and Director

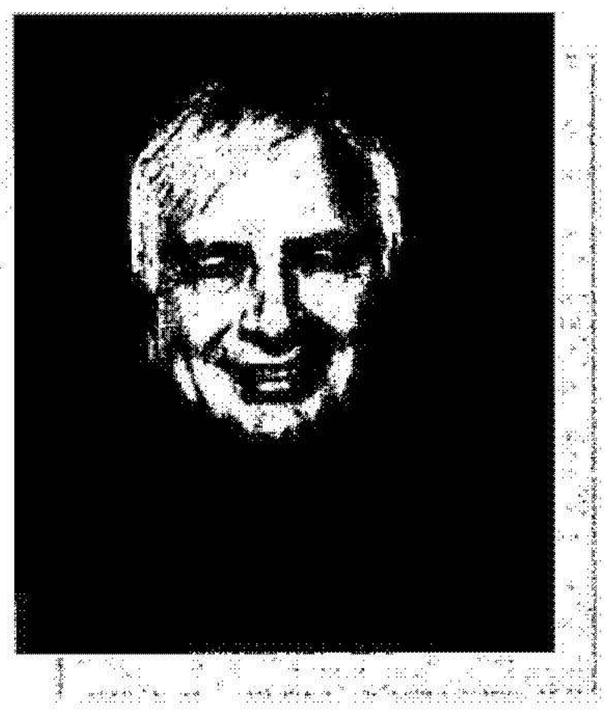
Mr. Newall graduated from the Royal School of Mines, Imperial College, England in 1971 with an honours degree in Mining Geology, and was awarded an MBA from the Scottish Business School at Strathclyde University. He has worked in mining and exploration throughout his career, having held senior management positions with Amax Exploration Inc., the Robertson Group plc. and was a non-executive Director of Gemfields plc and Baker Steel Resource Trust Limited. Mr. Newall is a co-founder and has been President and Director of the Company since its start-up in 1996. He is also a non-executive Director of Marimaca Copper Corp.

KATHLEEN HOGENSON

Independent Director, Chair of EHS & CSR Committee

Ms. Hogenson has extensive operational, leadership and executive experience in the oil and gas sector worldwide having served as an executive at Santos Limited and Unocal Corporation. Currently, she is the Chief Executive Officer of Zone Oil & Gas, a company she founded in 2008. Ms. Hogenson is also an independent director at Verisk Analytics, a New Jersey based publicly traded data analytics and risk assessment firm. She previously served on the board of Parallel Petroleum LLC, Cimarex Energy Co. and in an advisory role at Samsung Oil & Gas, LLC and Samsung C&T from 2008 to 2015. She also serves on the Advisory Board of The Women's Global Leadership Conference and was a speaker at the Harvard Business School Women's Conference. Ms. Hogenson earned a Bachelor of Science in Chemical Engineering from The Ohio State University.





SIMON SCOTT

Independent Director, Chair of the Audit Committee

Mr. Scott has over 20 years of experience in the mining industry. Between 2010 and 2016, he was Chief Financial Officer of Lonmin plc, a London Stock Exchange listed platinum mining company and was acting CEO between 2012 and 2013. Prior to that, Mr. Scott was Chief Financial Officer of Aveng Limited, a Johannesburg Stock Exchange listed construction company providing products and services to the mining industry globally. Mr. Scott also held a variety of senior management positions in Anglo American Platinum Limited including as acting CFO. His early career was spent in various financial positions, including as CFO Southern Africa for JP Morgan Chase. Mr. Scott is a Chartered Accountant and holds degrees in both accounting and commerce from the University of the Witwatersrand in South Africa. He is currently a Non-Executive Director of AngloGold Ashanti Holdings plc., a global gold mining company and Sylvania Platinum Limited, a PGMs producing company listed on the London Stock Exchange's Alternative Investment Market.

DIRECTORS continued



PETER ST. GEORGE
Independent Director

Mr. St. George worked in the investment banking industry for over 30 years holding senior positions in the United Kingdom and Australia including acting as Chief Executive/Co-Chief Executive Officer of Salomon Smith Barney Australia and its predecessor, Natwest Markets Australia to 2001. He subsequently served on a number of other public and private company boards most recently as a non-executive Director of Dexus Property Group, an ASX-listed Australian property group specializing in office, industrial and retail properties. Mr. St. George qualified as a Chartered Accountant in South Africa and holds an MBA from the University of Cape Town.

JOANNE WARNER
Independent Director

Dr. Warner has considerable global asset management experience in the metals, mining and energy sectors, having served as Head of Global Resources for Colonial First State Global Asset Management from 2010 – 2017 (previously the Senior Portfolio Manager from 2003 – 2007). She is currently a Non-Executive Director of Geo40 Limited, a pioneering company focused on the extraction of silica and other minerals from geothermal fluids and Deterra Royalties Limited, a mining royalty company listed on the ASX. Dr. Warner earned a Bachelor of Applied Science (Applied Chemistry) from the University of Technology, Sydney and holds a D.Phil. in Solid State Chemistry from the University of Oxford, England.





KEVIN MCARTHUR
Independent Director

Mr. McArthur has over 40 years of experience focused on mining operations, corporate development and executive management. He currently serves as a Director of Royal Gold, Inc. Mr. McArthur recently served as a non-executive Chair of Boart Longyear Limited from 2019 to 2021, Chief Executive Officer of Tahoe Resources Inc. from 2009 to 2015 and as Executive Chair from 2015 to 2019. Prior experience includes CEO of Goldcorp Inc. from 2006 to 2008 and CEO of Glamis Gold Ltd. from 1999 to 2006. His earlier career focused on mine operations and project development with Glamis Gold, BP Minerals and Homestake Mining Company. Mr. McArthur obtained a degree in Mining Engineering from the University of Nevada in 1979.

Our Board of Directors is ultimately responsible for the stewardship and long-term success of First Quantum. Acting with integrity towards employees, investors and host communities is essential to our success and to generating shareholder value.

SHAREHOLDER INFORMATION

MANAGEMENT AND OFFICERS OF THE COMPANY

PHILIP K.R. PASCALL
Chairman of the Board, Chief Executive Officer

HANNES MEYER
Chief Financial Officer

SARAH ROBERTSON
Corporate Secretary

JULIET WALL
General Manager Finance

ZENON WOZNIAK
Director, Projects

TRISTAN PASCALL
Chief Operations Officer

JOHN GREGORY
Group Consulting Mining Engineer

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EXCHANGE LISTINGS

Common Shares

Toronto Stock Exchange
Symbol: FM

Depository Receipts

Lusaka Stock Exchange
Symbol: FQMZ

ANNUAL MEETING OF SHAREHOLDERS

Thursday, May 5, 2022 at 9:00am EDT
Virtual

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CORPORATE DIRECTORY

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