20230703141405

Årsredovisning

för

Inmet Sweden Holdings AB

556693-7131

Räkenskapsåret

2022

Fastställelseintyg

Undertecknad styrelseledamot i Inmet Sweden Holdings AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 2023-06-29 . Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

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

Stockholm 2023-06-29

David Silvestro

20230703141406

Årsredovisning

för

Inmet Sweden Holdings AB

556693-7131

Räkenskapsåret

2022

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Styrelsen för Inmet Sweden Holdings AB avger följande årsredovisning för räkenskapsåret 2022.

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.

Bolaget äger genom dotterbolagen Inmet Finland Oy och Inmet Cobre España, S.A., koppar- och zinkgruvor i Finland, Spanien och Turkiet. Inmet Finland Oy äger Pyhäsalmi-gruvan i Finland och genom dotterbolag den spanska gruvan och anrikningsverket i Cobre Las Cruces i Sevilla. Inmet Cobre España äger koppar- och zinkgruvan Çayeli Bakir Isletmeleri A.S. i nordöstra Turkiet. Dotterbolaget Inmet Mining Sweden AB var ett prospekteringsbolag verksamt inom mineralundersökning i Sverige vilket inte längre är aktivt.
Bolaget är i sin tur ett helägt dotterbolag till First Quantum Minerals Ltd som är ett ledande internationellt bolag inom gruvprospektering med en global portfölj av koppar och nickel utvunnet i Afrika, Australien, Sydamerika och Europa. First Quantum är noterat på börsen i Toronto.

Väsentliga händelser under räkenskapsåret

Bolaget har under året erhållit utdelning från sitt dotterbolag Inmet Cobre Espana S.A. totalt uppgående till 70,889,606 EUR (2021: 51,358,896 EUR).

Under 2022 beslutade styrelsen att betala en utdelning om 74,800,000 EUR till moderbolaget.

Flerårsöversikt (keur)	**2022**	**2021**	**2020**	**2019**
Nettoomsättning	0	0	0	0
Resultat efter finansiella poster	17 298	51 405	-258 175	95 299
Soliditet (%)	90	92	100	100

För definitioner av nyckeltal, se Not 1 Redovisningsprinciper.

Förändringar i eget kapital

	Aktie-kapital	**Balanserat resultat**	**Årets resultat**	**Totalt**
Belopp vid årets ingång	11 099	136 160 535	51 404 898	**187 576 532**
Disposition enligt beslut av årsstämman:		51 404 898	-51 404 898	**0**
Utdelning		-74 800 000		**-74 800 000**
Årets resultat			17 298 426	**17 298 426**
Belopp vid årets utgång	**11 099**	**112 765 433**	**17 298 426**	**130 074 958**

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Resultatdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (EUR):

ansamlad förlust	-304 167 820
överkursfond	416 933 254
årets vinst	17 298 426
	130 063 860
disponeras så att	
till aktieägare utdelas	39 000 000
i ny räkning överföres	91 063 860
	130 063 860

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

Resultaträkning

	Not	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Rörelsekostnader			
Övriga externa kostnader		-35 177	-3 871
Summa rörelsekostnader		**-35 177**	**-3 871**
Rörelseresultat		**-35 177**	**-3 871**
Finansiella poster			
Resultat från andelar i koncernföretag	2	17 352 406	51 358 896
Övriga ränteintäkter och liknande resultatposter		1 425	57 795
Räntekostnader och liknande resultatposter	3	-20 228	-7 921
Summa finansiella poster		**17 333 603**	**51 408 770**
Resultat efter finansiella poster		**17 298 426**	**51 404 898**
Resultat före skatt		**17 298 426**	**51 404 898**
Årets resultat		**17 298 426**	**51 404 898**

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Balansräkning

	Not	2022-12-31	2021-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	4, 5	150 251 951	203 789 151
Summa finansiella anläggningstillgångar		**150 251 951**	**203 789 151**
Summa anläggningstillgångar		**150 251 951**	**203 789 151**
Omsättningstillgångar			
Kortfristiga fordringar			
Förutbetalda kostnader och upplupna intäkter		0	3 294
Summa kortfristiga fordringar		**0**	**3 294**
Kassa och bank			
Kassa och bank		37 098	137 423
Summa kassa och bank		**37 098**	**137 423**
Summa omsättningstillgångar		**37 098**	**140 717**
SUMMA TILLGÅNGAR		**150 289 049**	**203 929 868**

Balansräkning

	Not	2022-12-31	2021-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		11 099	11 099
Summa bundet eget kapital		**11 099**	**11 099**
Fritt eget kapital			
Fri överkursfond		416 933 254	416 933 254
Balanserad vinst eller förlust		-304 167 820	-280 772 718
Årets resultat		17 298 426	51 404 898
Summa fritt eget kapital		**130 063 860**	**187 565 434**
Summa eget kapital		**130 074 959**	**187 576 533**
Kortfristiga skulder			
Skulder till koncernföretag		20 214 090	16 353 335
Summa kortfristiga skulder		**20 214 090**	**16 353 335**
SUMMA EGET KAPITAL OCH SKULDER		**150 289 049**	**203 929 868**

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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.

Monetära fordringar och skulder i utländsk valuta har räknats om till balansdagens kurs.

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

Not 2 Resultat från andelar i koncernföretag

	2022	2021
Erhållna utdelningar Inmet Cobre Espana	54 089 606	51 358 896
Erhållna utdelningar Inmet Finland Oy	16 800 000	0
Nedskrivningar Inmet Cobre Espana	-53 537 200	0
	17 352 406	**51 358 896**

Not 3 Räntekostnader och liknande resultatposter

	2022	2021
Räntekostnader och liknande resultatposter som avser skulder till koncernföretag	-20 228	-7 921
	-20 228	**-7 921**

Not 4 Andelar i koncernföretag

	2022-12-31	2021-12-31
Ingående anskaffningsvärde	503 167 029	503 167 029
Utgående redovisat värde	**503 167 029**	**503 167 029**
Ingående nedskrivningar	-299 377 878	-299 377 878
Årets nedskrivningar	-53 537 200	0
Utgående ackumulerade nedskrivningar	**-352 915 078**	**-299 377 878**
Utgående redovisat värde	**150 251 951**	**203 789 151**

Not 5 Andelar i koncernföretag

Bolaget innehar samtliga andelar:
Bolag: Inmet Mining Sweden AB
Org.nr: 556588-3179
Kapitalandel: 100%
Röstandel: 100%
Antal aktier: 1 001
Säte: Stockholm, Sverige
Redovisat värde: 87 000 Euro

Bolaget innehar samtliga andelar:
Bolag:Inmet Finland OY
Org.nr:1635992-3
Kapitalandel: 100%
Röstandel: 100%
Antal aktier: 407
Säte: Pyhijärvi, Finland
Redovisat värde: 27 747 951 Euro

Bolaget innehar samtliga andelar:
Bolag: Inmet Cobre Espana, S.A.
Org.nr A91705038
Kapitalandel: 100%
Röstandel: 100%
Antal aktier: 15 602
Säte: Sevilla, Spanien
Redovisat värde: 122 417 000 Euro

Not 6 Ställda säkerheter

Inmet Sweden Holdings 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 följande noter och räntan betalas halvårsvis.

First Quantum Minerals Ltd. Senior kreditfacilitet
Bolaget har, tillsammans med andra dotterbolag till FQML, åtagit sig att fungera som borgenär för olika skyldigheter i FQML. I oktober 2021 undertecknade FQML ett lån och revolverande kreditfacilitet, som ersatte det 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 hade en dragspelsfunktion för att öka den med upp till 150 miljoner USD före slutet av november 2022.

First Quantum Minerals Ltd. 6.50% förfaller mars 2024
I februari 2018 emitterade FQML $850 miljoner i senior notes med förfallodag 2024, med en årlig ränta på 6,50 %. Dessa senior notes har vissa restriktioner för FQML och dess dotterbolag. FQML och deras dotterbolag är föremål 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 september 2020, till inlösenpriser som sträcker sig från 103,25 % under det första året till 100 % från september 2022, plus upplupen ränta även om en del av denna inlösenfunktion indikerar förekomsten av ett inbäddat derivat är värdet av detta derivat inte signifikant

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First Quantum Minerals Ltd. 7.50% förfaller april 2025
FQML och deras dotterbolag är föremål vissa begränsningar gällande försäljning av tillgångar, betalningar, skuldsättning och utfärdande av preferensaktier. FQML kunde 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%. FQML och dess dotterbolag är föremål för vissa begränsningar gällande försäljning av tillgångar, betalningar, skuldsättning och utfärdande av preferensaktier. FQML kunde 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 ufärdade FQML 1,5 miljarder dollar i senior notes som förfaller år 2027, med en årlig ränta på 6,875 %. 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 aktieerbjudanden, till ett pris på inlösen om 106,875% plus upplupen ränta.Även om en del av denna inlösenfunktion indikerar att det finns ett inbäddat derivat, är värdet på detta derivat inte signifikant.

Ledningen tror inte att ett utflöde av resurser är sannolikt så att inget ansvar har erkänts i förhållande till sina garantier.

Not 7 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 8 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 informerat att den 30 maj 2023 emitterade FQM 1,3 miljarder USD i Senior Notes. Bolaget är medgarant för dessa lån.

Resultat- och balansräkningen kommer att föreläggas på årsstämma för fastställelse.

Stockholm 29-06-2023

Inmet Sweden Holdings AB
Org.nr 556693-7131

Sarah Robertson
Ordförande

David Silvestro

Ryan Leslie MacWilliam

Vår revisionsberättelse har lämnats den 29 juni 2023

PricewaterhouseCoopers AB

Anna Rozhdestvenskaya
Auktoriserad revisor

20230703141411

Revisionsberättelse

Till bolagsstämman i Inmet Sweden Holdings AB, org.nr 556693-7131

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Inmet Sweden Holdings AB för år 2022.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Inmet Sweden Holdings ABs finansiella ställning per den 31 december 2022 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 Inmet Sweden Holdings 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 Inmet Sweden Holdings 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 Inmet Sweden Holdings AB för år 2022 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

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

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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 Inmet Sweden Holdings 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 dag som framgår av vår elektroniska signatur

PricewaterhouseCoopers AB

Anna Rozhdestvenskaya
Auktoriserad revisor

20230703414 12

Deltagare

PRICEWATERHOUSECOOPERS AB Sverige

Signerat med Svenskt BankID	*2023-06-29 13:23:58 UTC*
Namn returnerat från Svenskt BankID: ANNA ROZHDESTVENSKAYA	Datum

Anna Rozhdestvenskaya
Auktoriserad revisor

Leveranskanal: E-post

FIRST QUANTUM
MINERALS

RESPONSIBLE GROWTH

2022
ANNUAL REPORT

COBRE PANAMÁ | Colón Province, PANAMÁ

Ownership	90%
Primary	Copper
Secondary	Gold, Molybdenum, Silver
2022 Production	Copper 350kt, Gold 140koz

PYHÄSALMI | Pyhäjärvi, FINLAND

Ownership	100%
Primary	Copper
Secondary	Pyrite, Zinc
2022 Production	Copper 2kt, Pyrite 341kt

GUELB MOGHREIN | Akjoujt, MAURITANIA

Ownership	100%
Primary	Copper
Secondary	Gold
2022 Production	Copper 13kt, Gold 31koz

HAQUIRA | Copper | Apurimac Region, PERU

ENTERPRISE | Nickel | North-Western Province, ZAMBIA

TACA TACA | SALTA PROVINCE, ARGENTINA

Primary	Copper
Secondary	Gold, Molybdenum

LEGEND

Operations

Development Project

Exploration Project

2022 Production

775,859

tonnes Cu

LAS CRUCES | Sevilla Province, SPAIN	
Ownership	100%
Primary	Copper
2022 Production	Copper 10kt

ÇAYELI | Rize Province, TURKEY	
Ownership	100%
Primary	Copper
Secondary	Zinc
2022 Production	Copper 11kt, Zinc 3kt

KANSANSHI | North-Western Province, ZAMBIA	
Ownership	80%
Primary	Copper
Secondary	Gold
2022 Production	Copper 146kt, Gold 110koz

SENTINEL | North-Western Province, ZAMBIA	
Ownership	100%
Primary	Copper
2022 Production	Copper 242kt

RAVENSTHORPE | Western Australia, AUSTRALIA	
Ownership	70%
Primary	Nickel
Secondary	Cobalt
2022 Production	Nickel 22kt

First Quantum is a global mining company primarily producing copper, with secondary production in nickel, gold and silver.

Our unique approach is to apply our in-house technical, engineering, construction and operational skills to every project, which has allowed the Company to successfully develop and operate complex mines and processing plants around the world.

After 25 years of operation, we are now the world's 6th largest copper producer. 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 MESSAGE TO SHAREHOLDERS



As I look ahead, the future of First Quantum remains bright. This is an exciting time for us with our portfolio of copper and nickel assets, two metals that are critical for the future. First Quantum is uniquely positioned as a copper-focused producer with exceptional operating teams and optionality in our pipeline with an in-house projects team to execute these projects.

TRISTAN PASCALL
Chief Executive Officer

2022 was a volatile year with several events that impacted the global economy and our business. While the restrictions from the global pandemic largely eased early in 2022, the wider global economic mood shifted from recovery to concerns of inflation resulting from the Ukraine crisis, quickly followed by concerns of a global economic slowdown brought about by China's zero-COVID policy and rising interest rates. This series of events saw large fluctuations in commodity prices, input costs and interest rates in 2022 which had knock-on impacts for our customers, supply chains and, indeed, the cost of capital.

Notwithstanding these challenging macroeconomic conditions, First Quantum was focused on delivering from operations, improving our balance sheet and sanctioning disciplined growth opportunities. Consistent performance and continuous improvement across each of our operations successfully allowed us to navigate the volatile market conditions. Our in-house projects team continued to execute our series of brownfield growth projects successfully. I am very proud of the entire team at First Quantum for their swift adaption and for their pragmatic approach to delivering results across the year.

Over the 2022 year, First Quantum produced approximately 776 thousand tonnes of copper, delivered on its interim commitment to reduce net debt by $2 billion, and announced a target of further reducing net debt by $1 billion in the medium term.

Along with our stronger balance sheet, we are also confident in our business and its outlook. For our shareholders, at the start of 2022, we implemented a new dividend framework whereby the Company would pay the greater of an annual base dividend of CDN$0.10 per share or a performance dividend of 15 percent of available cash flows generated after our planned capital spending and distributions to non-controlling interests. Under this new policy, it was pleasing to announce a total dividend of CDN$0.29 per share for the financial year ended December 31, 2022.

During the year, we also announced several projects which will support our ongoing development towards 1 million tonnes of annual copper production at First Quantum.

In May 2022, the Board approved the Kansanshi S3 Expansion and the Enterprise nickel project at Trident. These approvals mark the reinvigoration of our investment into Zambia following constructive engagement with the Government of Zambia as part of its efforts to reform the mining sector and improve the investment climate in the country.

Also in 2022, the first stage of our CP100 Expansion at Cobre Panamá achieved completion, that being the process water upgrades for enhanced recoveries at higher throughput volumes. The remaining stages achieved ore commissioning early in 2023 as first ore was introduced to both Ball Mill 6 and the primary screening facility. The expansion project remains on schedule for Cobre Panamá to achieve a throughput rate of 100 million tonnes per annum by the end of 2023.

In 2022, Cobre Panamá set a new annual production record of 350 thousand tonnes of copper, highlighting the excellent operating performance of the mine. The result was driven by continuous improvement projects across the operation, from improved blasting fragmentation to improvements in SAG milling rates. These performances were achieved whilst negotiations to reset the taxation and royalty arrangements for the mine with the Government of Panamá were ongoing. The agreement of a final draft contract in early 2023, whilst subject to final approval by the National Assembly, provides a pathway to continuing our ongoing substantial investments in the country.

Kansanshi produced 146 thousand tonnes of copper in 2022. The mine faced challenges of lower grades due to narrow-veined regions and depleting oxide and mixed ores, which was exacerbated by limited flexibility in the operation's selective mining methodology as the pit continues to deepen. In the last several months, the team has been enhancing the reconciliation of these mining areas, which has led to more consistent feed grades. Ultimately the challenge of grade and dilution will be resolved in the S3 Expansion, through a large volume mine fleet and a switch to bulk mining methodologies.

> Responsible growth remains a core value of the Company. We recognize the need to extract metals in ways that continue to be cleaner, more environmentally responsible and in a manner that allows the local communities to benefit and thrive.

The S3 Expansion, when completed in 2025, will be comprised of a 25 million tonne per annum processing plant with a new larger mining fleet that will increase Kansanshi's total annual throughput to 53 million tonnes per annum and return Kansanshi to an approximate 200 thousand tonnes per annum copper producing mine for its remaining life to 2044.

Sentinel produced of 242 thousand tonnes of copper for the full year 2022. With the fourth in-pit crusher fully commissioned, Sentinel achieved its design capacity of 62 million tonnes per annum ahead of schedule and exited 2022 setting records in mill throughput.

During 2022, the Board also approved an expansion of the Kansanshi smelter to 1.6 million tonnes per annum from the current capacity level of 1.38 million tonnes. The smelter expansion is expected to create

In 2022, we made the first important step in our pathway to decarbonise power in Panamá. This is central to our greenhouse gas emissions reduction targets of 30% by 2025 and 50% by 2030. We were pleased to receive approval from the National Dispatch Centre (CND) in September to source 64 megawatts of renewable power from AES Panamá for 20 years for the CP100 Expansion.

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.

Nickel production from the Ravensthorpe mine in Australia continued to improve in 2022 with production of 22 thousand tonnes of contained nickel. HPAL rates improved through the second half of the year, with improved ore handling and processing from the new Shoemaker Levy mine as well as improved beneficiation plant availability and stability.

We are excited about the nickel growth within First Quantum. We achieved first production at Enterprise in 2023 and at full production, Enterprise is expected to produce an annual average of 30 thousand tonnes of nickel in high-grade concentrate over an eleven-year mine life. This project, along with Ravensthorpe, will place First Quantum as a top 10 global nickel producer.

At Las Cruces, work on the underground project continues, including technical and study work. The project is now fully permitted after receiving the water permit in early 2023. The Las Cruces Underground Project is awaiting Board approval, which is not expected before the end of 2023, and will take into consideration prevailing economic conditions.

Global copper supply growth is constrained with a lack of new discoveries, limited shovel-ready projects and more stringent environmental, social and regulatory hurdles. The recent macro weakness and higher cost of capital will likely further defer approvals of new projects and will contribute to an even tighter copper market. Against this backdrop, we are fortunate to have a pipeline of greenfield opportunities, albeit long dated. We continue to advance our development projects at Taca Taca in Salta Province, Argentina, and Haquira in Apurimac, southern Peru. In 2022, the work plans for these projects were focused in country and on the ground at each site, and we are excited about these projects' long-term optionality.

Responsible growth remains a core value of the Company. We understand the impact of mining on the environment and the importance of mining in a responsible manner which fits with the communities around our operations. We recognize the need to extract metals in ways that continue to be cleaner, more environmentally responsible and in a manner that allows the local communities to benefit and thrive.

In 2022, we made the first important step in our pathway to decarbonise power in Panamá. This is central to our greenhouse gas emissions reduction targets of 30% by 2025 and 50% by 2030. We were pleased to receive approval from the National Dispatch Centre (CND) in September to source 64 megawatts of renewable power from AES Panamá for 20 years for the CP100 Expansion.

In early 2023, we jointly announced with Hitachi Construction Machinery an exciting initiative for supplying the first full battery, rigid frame dump trucks for technological feasibility trials at Kansanshi. These will integrate with the Company's existing trolley assist network and are due to be delivered by the end of 2023. This initiative follows the early stage 430 megawatts wind and solar development project in Zambia that we announced in 2022.

Working with our local communities continues to be a core value at First Quantum and we embrace the responsibility to invest in the communities that host our projects. I am very proud of our operations' commitment to these important programs. Our team in Mauritania continues to support our annual female empowerment program, which targets improving

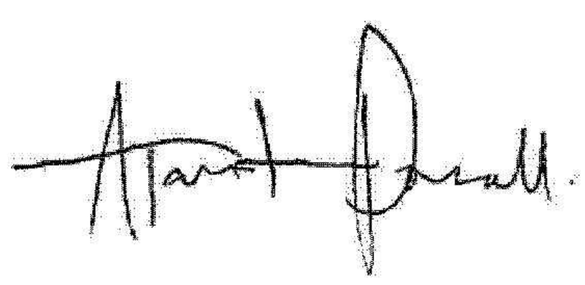


literacy, numeracy and livelihoods in Akjoujt. At Trident, the team successfully launched the EDGE program with a goal to enhance each girl's access to education and training opportunities by helping them to stay in school. At the launch of this program, we donated thousands of essential feminine hygiene products at Jiundu. In Panamá, our national school support program provides food and nourishment for over 5,300 children every day.

At the Company's Annual General Meeting in 2022, Peter St. George, an independent Director on the Board, announced that he will be retiring and will not be putting himself forward for re-election at this year's Annual General Meeting. Peter has been on the Board since 2003 and has been a vital member with his broad business experience and extensive knowledge of the financial markets. I would personally like to thank Peter for his invaluable contributions to the Board.

2022 was a challenging year on many fronts and while it may not be a year of record profits, it was a year of record efforts from the team at First Quantum. I would like to extend my deepest gratitude to every individual at First Quantum for persevering through a difficult year. I am also deeply appreciative to our investors, many of whom have followed the Company for a long time, for their patience and expressions of support.

As I look ahead, the future of First Quantum remains bright. This is an exciting time for First Quantum with our portfolio of copper and nickel assets, two metals that are critical for the future. First Quantum is uniquely positioned as a copper-focused producer with exceptional operating teams, and optionality in our pipeline with an in-house projects team to execute these projects. I believe First Quantum is the right company to deliver the energy metals needed for the 21st Century as the world transitions to the greener economy and where responsible mining will be the only acceptable way to produce these metals.



TRISTAN PASCALL
Chief Executive Officer

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

CLIMATE CHANGE REPORT

FEBRUARY 2023

Our climate change approach is based on established, tangible projects that deliver real outcomes. Decarbonising power is vital to achieving our targets. Also key to our climate strategy is how we use energy more efficiently to also lower the carbon footprint of the metals that we produce and manage our costs in the current high energy price market.

References

Çayeli Bakır, a wholly-owned subsidiary of First Quantum 8

The graphs indicate projected demand for copper and nickel under the International Energy Agency (IEA) Sustainable Development Scenario. This scenario has been used in the Company's climate risk analysis and represents our moderate transition scenario, which is aligned to the Paris Agreement Goals. (IEA, The Role of Critical Minerals in Clean Energy Transitions, 2021) 11

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MESSAGE FROM THE CEO



At First Quantum, we're proud of the contribution that mining makes to our communities and society. As a responsible miner, we have taken a tangible approach with real actions to address climate change and to deliver copper and nickel that is critical to the decarbonisation of global energy systems.

TRISTAN PASCALL
Chairman of the Board and Chief Executive Officer

Following the commitments outlined in our 2021 Climate Change Position Statement, we published our first Climate Change Report in January 2022. In this Taskforce on Climate-related Financial Disclosures (TCFD) aligned report, we set greenhouse gas reduction targets consistent with a 1.5°C trajectory, and established internal carbon pricing for the evaluation of new projects.

Climate change presents our business with opportunities relating to the transition to a low carbon economy, but also challenges for our operations in managing resilience to the physical impacts of climate change. We are committed to transparency in our climate change reporting as we highlight our strategy for ensuring the resilience of our operations to climate-related risks and the process by which we harness opportunities.

Since the publication of our targets, we have focused on progressing the projects that will enable us to deliver on these commitments. Decarbonisation of the power used by our operations, particularly in Panamá and Zambia, is key to the achievement of our greenhouse gas emissions reduction targets. In Panamá, we have signed a renewable power agreement with AES Panamá for the CP100 Expansion from 2024, which represents an important first step towards reducing the proportion of coal power used by Cobre Panamá. In Zambia, we announced an early stage project with Total Eren and Chariot Power for a wind and solar project to further increase the renewable power used by our Zambian operations.

Our climate change approach is based on established, tangible projects that deliver real outcomes. Decarbonising power is vital to achieving our targets. Also key to our climate strategy is how we use energy more efficiently to lower the carbon footprint of the metals that we produce and manage our costs in the current high energy price market. Investing in our people and continuing to leverage innovation and technology in mining remains core to First Quantum's culture, and in continuing to improve and grow our business.

CLIMATE CHANGE STRATEGY

First Quantum is also well-positioned to become a leading producer of nickel, with the Enterprise project in North-Western Zambia which is expected to commence production in 2023, in addition to the Ravensthorpe mine in Western Australia.

The metals we mine will play a critical role in the energy transition with increased use of renewable energy infrastructure, electrical grid development and electric vehicles expected to drive a significant increase in demand.

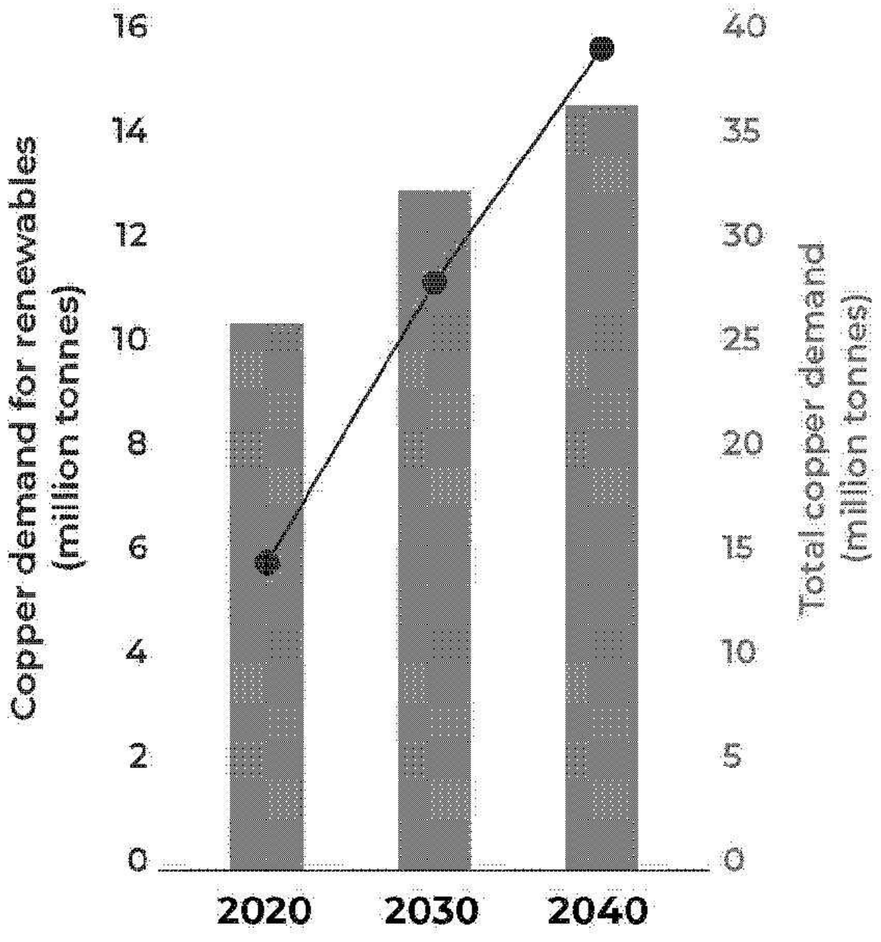
At First Quantum we recognise our role in producing metals vital for the transition to a low carbon economy, and our responsibility to take direct action at our operations to address the global climate change challenge.

The Company's strategy on climate change aligns with our broader approach of responsible mining which is embedded in First Quantum's operating model. We look to execute tangible projects which drive better operating performance while delivering an improved environmental and social profile.

First Quantum is one of the world's leading copper producers with a strong portfolio of brownfield and greenfield development projects that are expected to grow our business towards 1,000,000 tonnes of annual copper equivalent production in the near term.

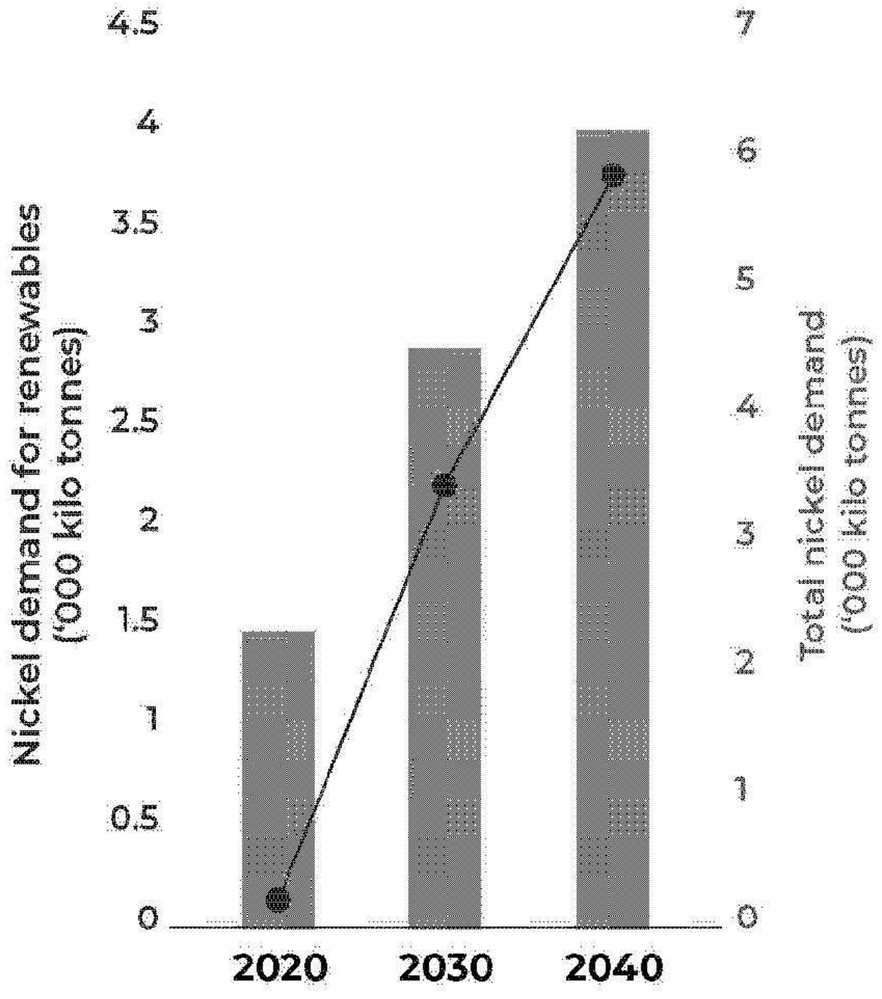
ANNUAL COPPER DEMAND, IEA SUSTAINABLE DEVELOPMENT SCENARIO

Copper demand for renewables, electric vehicles (EVs) and electricity networks



ANNUAL NICKEL DEMAND, IEA SUSTAINABLE DEVELOPMENT SCENARIO

Nickel demand for renewables, EVs and electricity networks



Core Principles

In keeping with First Quantum's commitment to responsible mining, the Company's climate change strategy is focused on lowering the carbon intensity of copper and nickel produced at the Company's mines.

TARGETS

~100,000
Tonnes of carbon dioxide equivalent (CO_2e) saved per year by powering Cobre Panamá's expansion with renewable energy

-30%
Reduction of our absolute greenhouse gas (GHG) Emissions*

-50%
Reduction target in the GHG intensity of the copper mined at our operations

-50%
Reduction of our absolute GHG Emissions*

	BY 2024	BY 2025	BY 2030
ACTIONS	CP100 power is to be sourced through a renewable power purchase agreement (PPA)	Cobre Panamá coal plant unit 1 (150mw) transitioned to renewable Zambian power increased towards 100% renewable from 85% in 2021	Cobre Panamá coal plant unit 2 (150mw) transitioned to renewable and natural gas mix

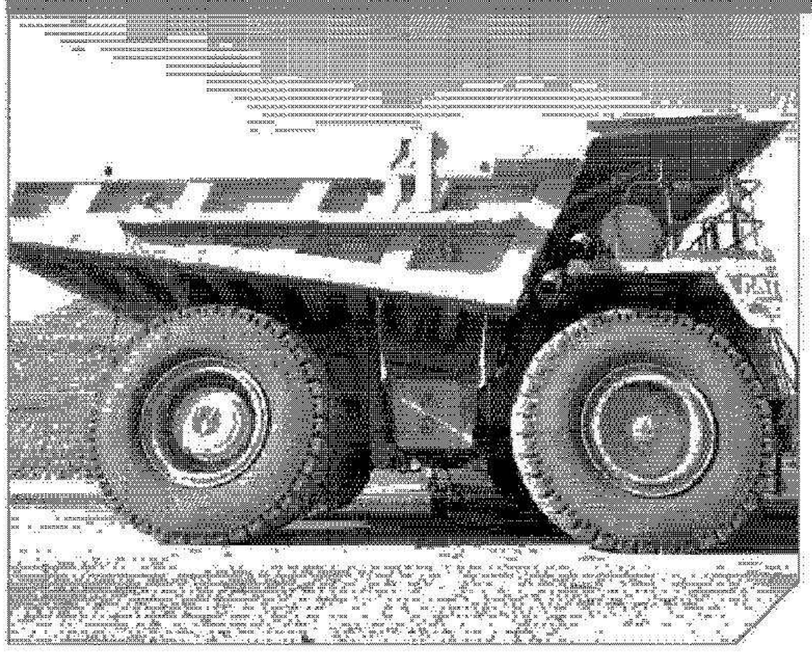
Climate Change Commitments

- Ensure resilience to climate change through the identification and management of climate-related risks through effective mitigating measures. The Company plans to invest appropriately to improve the climate resilience of our operations.
- Commitment to ongoing development and transparency of climate change reporting and progress in achievement of targets.
- Engagement with stakeholders on climate actions and progress.
- Continue to develop an understanding of lifecycle emissions of the value chain.
- Consider ongoing partnerships with suppliers and customers on emissions and how to reduce the carbon footprint.
- Improve efficiency, energy intensity and reduce wastage and emissions by leveraging our innovative culture and new technologies as they become commercial.
- Prioritise use of renewable energy sources for new and existing operations where they are achievable.
- Internal carbon pricing is integrated into the evaluation of new projects.
- Set tangible targets through the execution of real projects.

*The Company's GHG emissions reduction targets are based on Scope 1 and 2, with 2020 as the base year.

Pillars of our Climate Change Strategy

Decarbonisation of Power



Ensure a just transition that achieves sustainable and affordable power for our host communities as well as our operations.

Prioritise the use of renewable energy at new and existing projects where feasible.

Deliver lower carbon intensity copper and nickel that is essential to the development of electricity networks, renewable energy infrastructure and electric vehicles.

Drive Efficiency

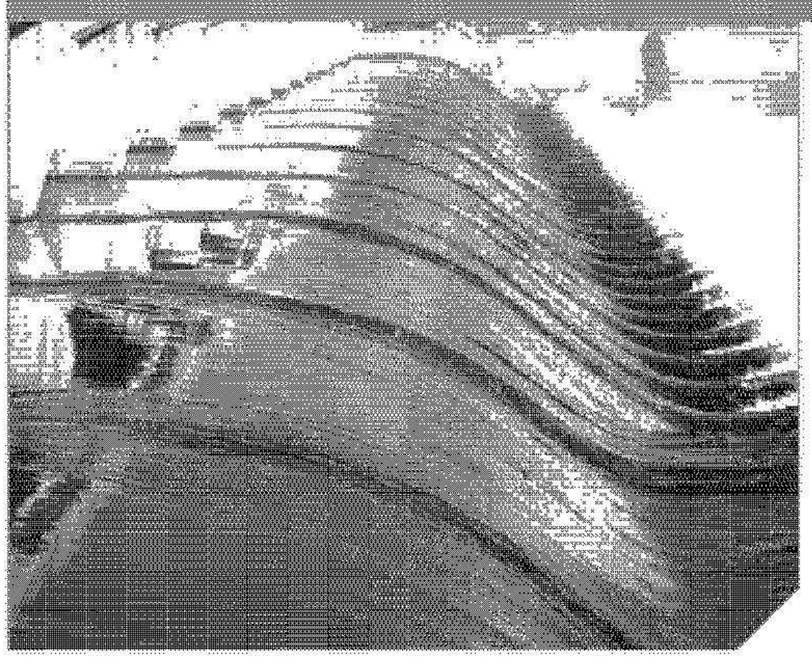


Improve efficiency of energy used at operations, reducing GHG emissions and energy.

Reduce wastage and increase the reuse of water at operations through incremental and continuous improvement projects across our operations.

Work with Original Equipment Manufacturers (OEMs) to leverage new technologies as they become commercially viable while leveraging the Company's technical expertise and innovative culture.

Approach for New Projects



Implementation of carbon pricing for the evaluation of new projects which grow production.

Identify feasible sources of renewable power.

Application of innovative technologies such as trolley assist, in-pit crushing and conveying and other operational learnings to lower carbon footprint of new projects.

Targets and Actions – Scope 1 and 2 Emissions

2021
4,440,000 tCO_2e

2030 TARGET EMISSIONS
2,130,000 tCO_2e

% of total emissions

COAL*

Decarbonising Cobre Panamá Power

STEP 1 – ACHIEVED
Renewable energy for CP100 from 2024
- **Up to 20% renewable power**

STEP 2
Transition Unit 1 (2025)
- **Up to 60% renewable power**

STEP 3
Transition Unit 2 (2030)

Complete transition away from coal power at Cobre Panamá
- **Up to 80% renewable power**

Power study to inform pathway for Step 3 and guide Step 2, and to enable complete transition from coal-fired power at Cobre Panamá.

46%
2,021,000

COAL
0%***

NATURAL GAS
19%
405,000

FUEL

Energy Efficiency and Technology
Focus on continuous improvement to leverage technology and innovative culture to continue to drive efficiencies.

Expansion of initiatives such as trolley assist, fuel through rolling resistance programs, blast optimisation to reduce energy use.

Evaluation and implementation of new technologies, such as railveyor and ore sorting.

Working with OEMs on the application of new technology as they become commercial.

25%
1,100,000

50%
1,065,000

ELECTRICITY**

Wind and Solar Project in Zambia
Early stage development project. Working with Chariot Energy and Total Eren to further increase renewable power provided to Zambian operations from 85% currently.
- **Towards 100% renewable**

12%
539,000

0%

ORE LEACHING

Leached ore emissions principally relate to the treatment of oxide ore at Kansanshi and represent some of the hardest to abate emissions, requiring developments in technology and potentially the use of carbon offsets, or alternative solutions. Over the mine life, the proportion of oxide ore processed will continue to reduce.

12%
541,000

21%
447,000

OTHER

5%
239,000

10%
213,000

*Coal for Cobre Panamá operations

**Electricity provided from the grid to the Company's Zambian operations.

***Dependent on seasonality and availability of renewable energy sources.

Our Metals are Fundamental to the Low-Carbon Transition

The shift from a fuel based energy system to a minerals based energy system is expected to drive additional demand for copper and nickel.

Significant additional demand for copper as a result of the energy transition growth on top of traditional growth. Some scenarios project an almost doubling of copper demand by 2035

The increase in demand for EVs is expected to increase nickel demand by 14X from 2019 to 2030

75%
of Paris Agreement targets can be achieved through renewable and electrical infrastructure transition

<1%
of global emissions relate to non-ferrous metals

EVs DRIVING NICKEL DEMAND GROWTH

COPPER ENERGY TRANSITION GROWTH

PARIS AGREEMENT TARGETS

IMPACT OF THE MINING

Electrical grid expansion and reinforcement demand

Electric vehicle demand

Renewable infrastructure demand

Traditional demand

GROWTH REQUIRED

2-3%

Projected Annual Copper Demand

=

YEARLY

2-3

New Mines the Size of Cobre Panamá

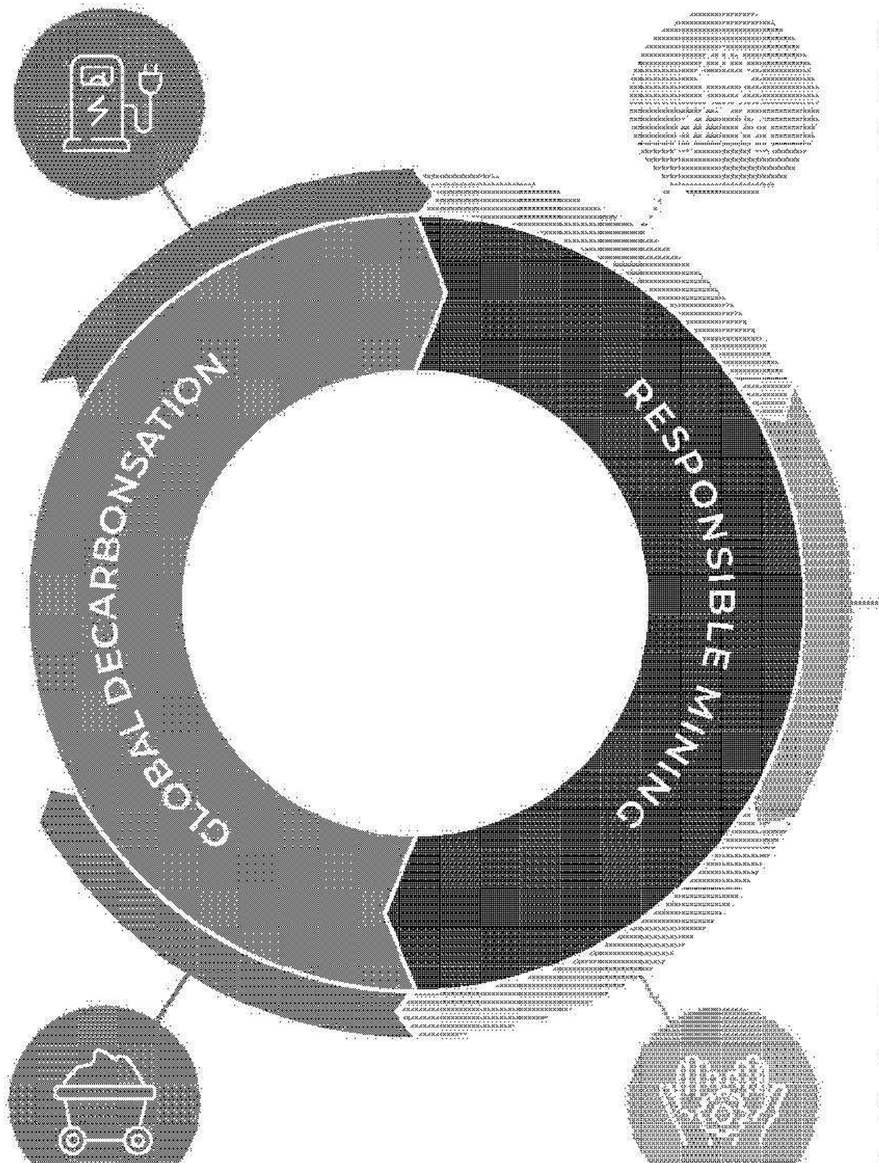
Copper's Role in the Global Low Carbon Transition

Mining is integral to meeting the challenges of climate change and in decarbonising global energy infrastructure.

Renewable infrastructure and electric vehicles expected to drive increased demand for copper and nickel

Reinforcement of electricity networks required for energy transition and electrification in developing countries to increase metal demand

Increased metal supply from mining and recycling will facilitate the decarbonisation of power grids enabling lower emissions from industry



Innovation in mining driving technological progress beyond mining industry

Working with communities to build resilience to climate impacts

Mining provides opportunities for socio-economic development in developing regions of the world where mining projects are located



Opportunities for our Metals

At First Quantum we have extensive experience in executing and delivering major projects. As the global demand for copper and nickel increases 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 around 800,000 tonnes per year.

As the world's 6th largest copper producer, and a significant nickel producer, our metals will enable the global transition to a low carbon economy.

At First Quantum, we are proud of the contribution that we make with the metals that we mine and the work that we do with our host communities.

7x

Tonnes of copper required for offshore wind power compared with coal

+50kg

Copper required for average electric car compared to 22kg in conventional car

28 Ni 58.693

Nickel is not used in conventional cars, however EVs require 40kgs of nickel

+60%

Nickel was used in newly sold passenger electric vehicles globally in 2021 than in 2020

Copper's high conductivity and antimicrobial properties make it important across a range of uses today:

200 kgs

of copper in the average household, used for wiring, plumbing and electrical appliances

632,000ft

of copper wiring used in the average Boeing 747

500+

copper alloys registered with US Environmental Protection Agency for antimicrobial use

Renewable infrastructure needs mining for the supply of essential minerals such as copper and nickel.

Increased use of EVs means more copper and nickel needed than for traditional internal combustion engine vehicles.

More electric vehicles will require expansion and reinforcement of electrical grids.

The electrification needed by emerging economies for economic progress requires our metals.

Our mining projects support and encourage socioeconomic development through our workforce, local company supply chain participation and direct economic contributions to governments.

Performance and Outlook

IN 2021

over
1.1 M
tonnes of CO_2e saved annually through the operation of the Kansanshi Smelter

almost
100,000
tonnes of CO_2e saved annually through Zambian pit electrification

77%
of the groups purchased electricity consumption is hydro-electricity

80%
of purchased electricity consumption is from renewables

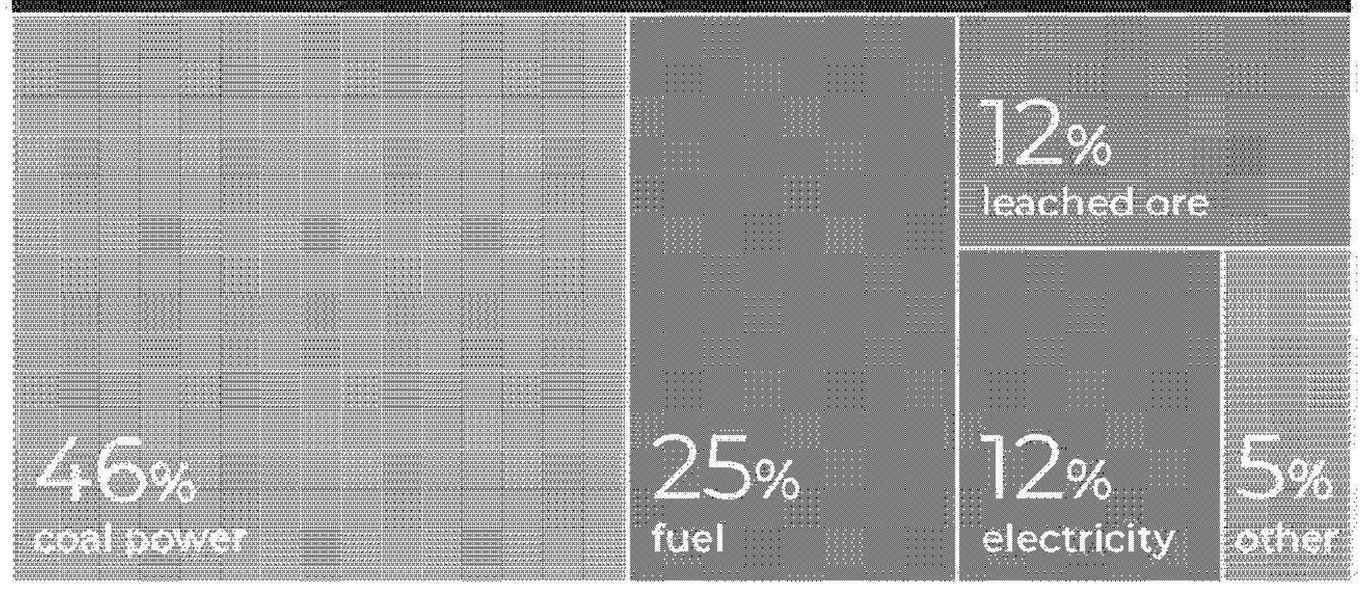
4% CO_2
increase in GHG emissions

11%
increase in energy consumption

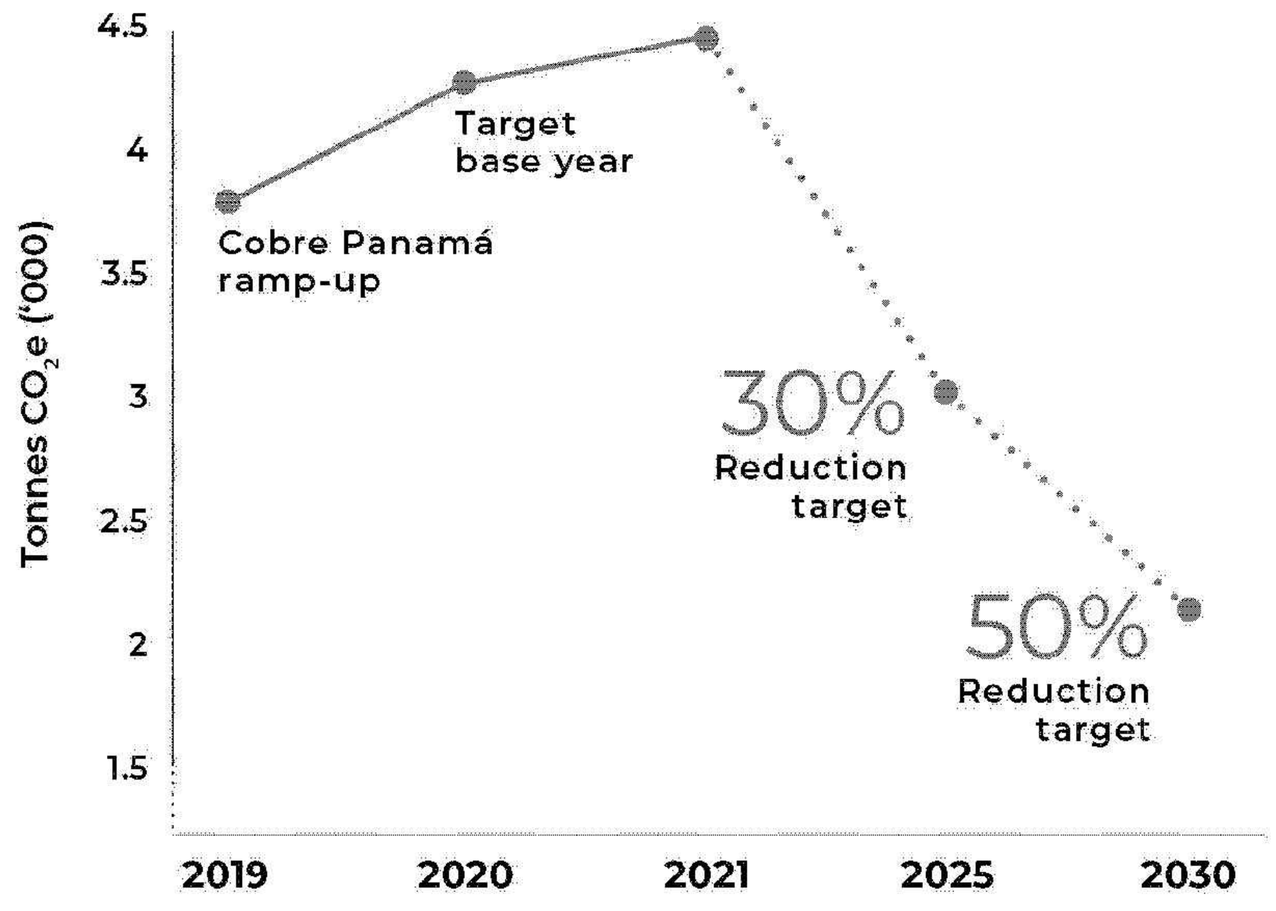
5% 29 Cu 63.546
increase in copper production

32% 28 Ni 58.693
increase in nickel production

2021 SCOPE 1 & 2 GHG EMISSIONS – 4.44Mt CO_2e



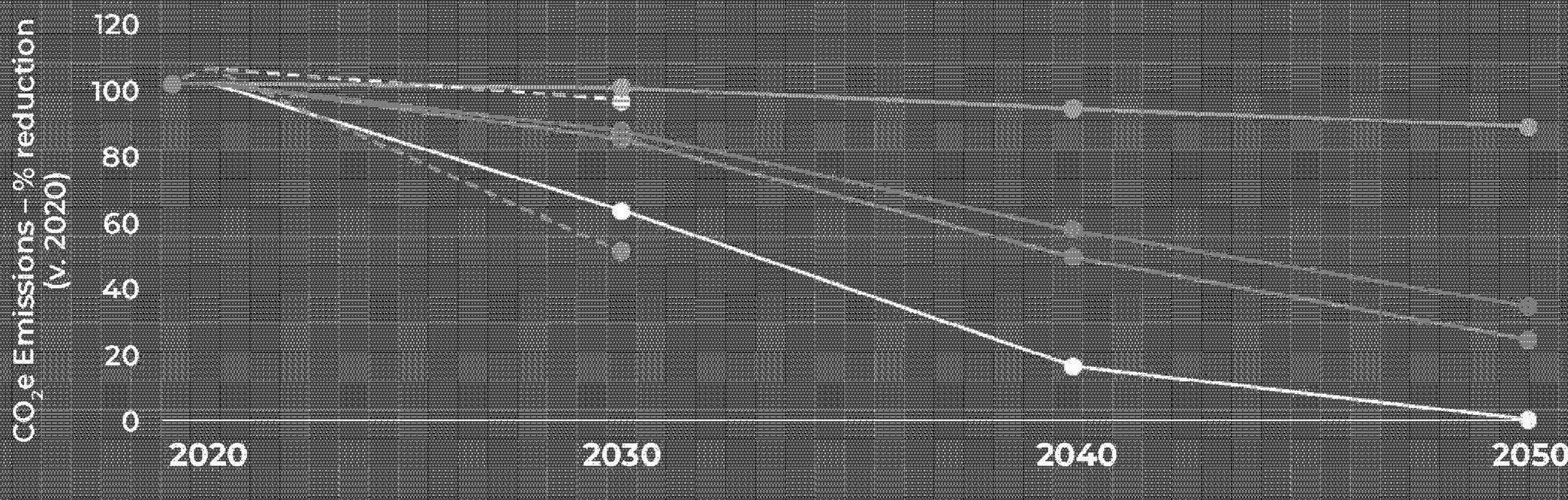
FIRST QUANTUM GHG EMISSIONS (SCOPE 1 & 2)



Our GHG emissions reduction target base year, 2020, represented the first full year of operations at Cobre Panamá following the commissioning and ramp up to commercial production, declared in September 2019. 2020 GHG emissions were lower than at normal operating levels, reflecting the COVID-19 health and sanitary controls at Cobre Panamá which significantly impacted mining and processing activity in the second and third quarters. 2021 represents the first year of Cobre Panamá operating at full capacity (prior to CP100 Expansion).

Decarbonisation of power is expected to provide the step reductions in GHG emissions to achieve our targets and provide energy efficiency benefits. Cobre Panamá will be key to this strategy, where operations are expected to completely transition away from the use of coal power by 2030.

FIRST QUANTUM TARGET PATHWAY COMPARED WITH CO_2e EMISSIONS REDUCTION PATHWAYS IEA WEO 2022 CO_2e EMISSIONS BASED ON DATA FROM INTERNATIONAL ENERGY AGENCY (IEA), (2022), AS MODIFIED BY FIRST QUANTUM



Approach to Net Zero

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.

Operating Costs

The Company is committed to increasing the use of renewable energy at operations to achieve its GHG emissions reduction targets. Furthermore, ensuring the reliability of power to our operations, as well as the competitive cost of this power in the current market are equally important considerations as we transition to cleaner energy. The operating cost of renewable energy, required for the achievement of the Company's GHG emissions reduction targets, is not expected to result in significant increases in operating costs compared with the current cost of power. In Panamá, this is inclusive of depreciation and the coal collar pricing mechanism that is in place until the end of 2023.

Commitment to Actions on Climate Change

Sustainability is embedded into the First Quantum operating model. Projects that drive lower GHG emissions and/or reduce the carbon intensity of the copper and nickel produced by the Company, are also expected to deliver a range of operational benefits such as increased production, improved operating efficiencies and lower costs.

Capital Expenditure

No significant capital expenditure is expected to be required to decarbonise the power used by our operations, and with limited capital required prior to 2025.

Included within the Company's $2.6 billion, 3-year project capital expenditure guidance, are a number of initiatives expected to deliver climate change benefits.

These projects target improved energy efficiency, enhanced water usage and reduced absolute and/or intensity of greenhouse gas emissions.

- **Upgrade of the Kansanshi smelter** to increase processing capacity, which reduces downstream greenhouse gas emissions from the transport and refining of copper concentrate produced by Kansanshi and Sentinel.
- **A wind farm at Ravensthorpe** to reduce reliance on power from diesel back-up generators, subject to final approval.
- **Expansion of trolley assist** infrastructure across the Company's three largest mines to lower diesel consumption and associated mine fleet greenhouse gas emissions.
- Relocation and installation of **in-pit crushers** to optimise haul cycle efficiency and reduce mine fleet diesel consumption.
- **Water initiatives** at various sites for the management of water quality and reuse by operations.

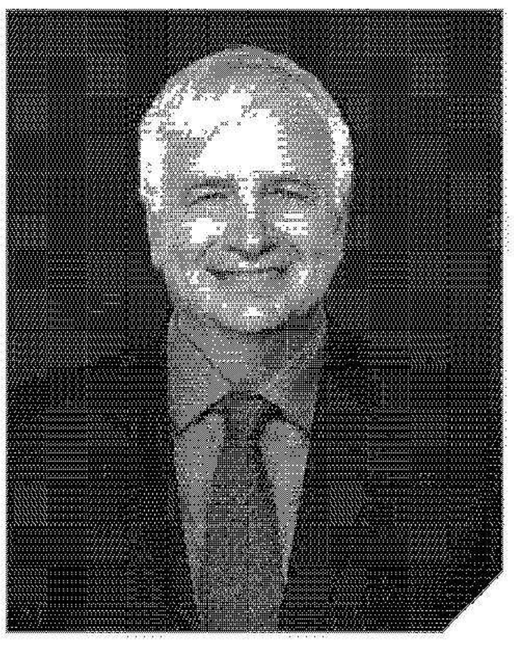
GOVERNANCE

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.



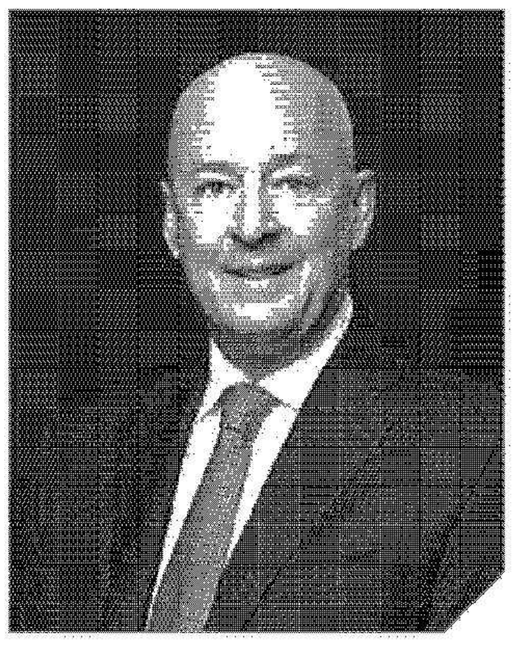
Kathleen Hogenson
Chair



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.

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

The Human Resources 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 Human Resources 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 our shareholders through our investor relations program and broader engagement initiatives (for example in respect of Environmental, Social and Governance (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

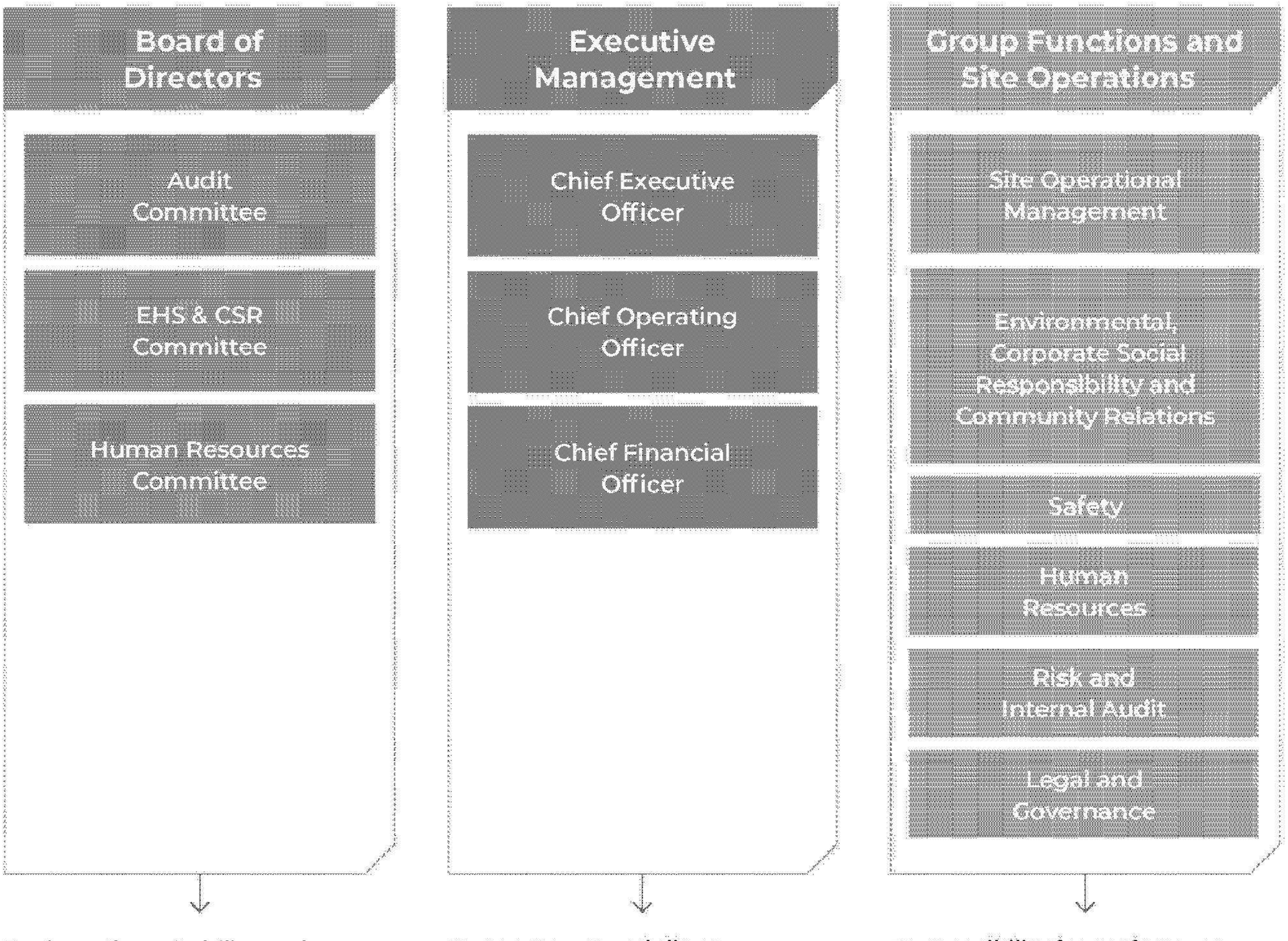
- Measures linked to the performance and engagement of our workforce.
- Measures linked to the health and growth of our relationships with external stakeholders, including the communities in which we operate.

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 are actively monitored by the Company's management as part of regular operational and technical planning at each operation.

Considerations include regulatory, market and policy impacts and the integration of climate-related issues into strategic and financial planning. Business planning also incorporates climate-related issues in the targeting of innovation projects to deliver improvements to operational, environmental and social performance. GHG emissions are reviewed as part of the annual budgeting process and aligned to site operational planning. Carbon pricing is used in the evaluation of new projects to ensure resilience to transitional climate risk as well as incentivising the use of lower carbon alternatives.



Reviews the suitability and monitors effectiveness of policies, processes and reporting related to climate change

Management and direct oversight of the implementation of operational approach and strategy on climate change

Responsibility for performance and compliance is delegated to the relevant managers and teams across the business as well as the identification of climate-related risks and opportunities and the implementation of related policies and practices

INNOVATION IN MINING

is Integral to First Quantum's Philosophy

Leading with Trolley Assist

This is evidenced by our successful implementation of trolley assist (TA) technology for our mine fleets at our largest operations.

Over the last decade, First Quantum has emerged as one of the industry leaders in the implementation of TA technology across mine planning and design, installation, operations, and maintenance. TA has delivered enhanced operational haulage performance through increased productivity, lower overall operating costs, as well as reduced GHG emissions.

Swapping Diesel for Electricity

- The use of electrical power from the grid provides increased speed on a gradient and an extended engine overhaul interval due to a reduced load factor.

Complex Execution

- The TA system has been aligned to specific haul truck manufacturers, while we also developed the hardware required for the electrical supply into our operations for TA as well as the associated transformers, E-Houses and trolley line deployment systems.

Decarbonisation

- TA contributes to significant GHG emissions reductions at our Kansanshi and Sentinel mines, where more than 85% of power drawn from the grid by our operations is renewable.

Looking Ahead

Looking to the future, we see a number of ways that TA technology can be used to further improve First Quantum's operational and energy efficiency. Our long-term life-of-mine plans include significant expansion of TA technology.

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

We have an established practice of working in collaboration with equipment manufacturers to deliver improvements in productivity and profitability as well as greenhouse gas emissions savings and health & safety benefits.

target for up to
50%
of mine haul cycles under trolley

~8km
of trolley lines installed at Cobre Panamá, Sentinel & Kansanshi

more than
110
trolley-enabled mining trucks

~25,000
tCO_2e saved in 2021 through trolley assist in Zambia

up to
90%
of diesel savings on haul road up ramps

Developing Community Resilience Against Climate Change

At First Quantum our comprehensive sustainability strategy is embedded into our operating model and informs our approach to engaging with our local stakeholders. We recognise that climate change may have disruptive impacts on our host communities. The Company has long supported projects aimed at improved access to water, sustainable agriculture and reforestation for the communities in which we operate. This in turn enables these communities, who play such an important role in our success, to become increasingly self-reliant.

Sustainable Practices

Zambia

The practice of slash and burn was predominantly used to clear land for farming in and around our Sentinel and Kansanshi mine sites by communities. This practice contributed to soil becoming damaged by fire limiting its water retention capacity, in turn resulting in poor crop yields. In addition, slash and burn added to habitat fragmentation, biodiversity loss and exacerbated climate change impacts. First Quantum has launched two key campaigns to discourage burning and offer sustainable alternatives:

- Conservation farming, which teaches sustainable techniques to dramatically increase crop yields while improving soil structure and protecting against erosion and nutrient loss.
- Stop Burning: Be healthier, wealthier and happier campaign, the program is designed to complement other climate change mitigation efforts by the Zambian government.

Finland

The Company is involved in a project to evaluate a pumped water energy storage project using residual infrastructure of the recently closed Pyhäsalmi underground mine. This post mine closure project supports the vitality and development activities of the local town of Pyhäjärvi. The planned pumped power plant would have an output of 75 MW and a capacity of 530 MWh. Copper production in the Pyhäsalmi mine ended in August 2022.

Emergency Response

Panamá

During 2022 representatives from Cobre Panamá met with Ministerio de Salud de Panamá, Bomberos de Panamá, Policia Nacional de Panamá, Sinaproc Panamá Caja de Seguro Social Panamá and Autoridad del Tránsito y Transporte Terrestre to discuss the risks, vulnerabilities and strengths of Disaster Risk Management. The aim is to create contingency plans to safeguard the community from natural disasters and develop climate resilience.

Mauritania

During 2022, heavy rains caused flooding in some parts of Mauritania. The Company aided in supporting the efforts made by local authorities to mitigate the impact of flooding on Akjoujt. To assist the community Guelb Moghrein dug a water diversion ditch of 2,000 meters in order to protect the infrastructure, with additional enhancements and expansion to existing measures. Water pumps were provided to help dewater flooded areas in Akjoujt and sand barriers were erected to protect the hospital.

Access to Water

Mauritania

First Quantum provides water to households and businesses in Akjoujt, which is home to about 15,000 people, as well as residents of nearby desert settlements who can access water along the Benichab pipeline. In addition, during the hottest part of the year we offer access via taps to nomadic livestock herders and people living in more remote villages. The Company has:

- Assisted the public water utility in extending the distribution network.
- Converted the pipeline's pumping stations from diesel to solar power.
- Collaborated with local and national governments to reactivate abandoned boreholes and drill new ones around the region.

Our long-term goal, as Guelb Moghrein nears closure, is to hand over all water infrastructure to the Government of Mauritania after working to ensure that local officials have the necessary equipment and expertise to maintain it in the future.

Zambia

As part of its ongoing commitment to bring fresh clean water to local communities, First Quantum has invested in two commercial boreholes for the Kisasa community, close to Sentinel. The boreholes are connected to a distribution network of 62 communal taps that will supply water to more than 8,000 people of Kisasa.

Furthermore, in 2022 the Company handed over a completed water reticulation facility at Weighbridge clinic in Solwezi District. The facility aims to complement the government's efforts to increase access to clean and safe drinking water in communities in the district.



Physical Resilience

Below is a summary of prevalent physical risks which have historically occurred in the countries where we operate and our experience in managing their impacts.

The management of physical risks and climate hazards has always been inherent in how First Quantum manages its operations, from planning to closure.

Zambia

Weather events during the annual rainy season in Zambia can damage key infrastructure and contribute to power supply issues. To overcome this risk an additional power line was constructed by the Company which improves the stability and reliability of the power supply. At Kansanshi, there is redundant pumping capacity to manage surge waters as well as investment in the dewatering decline to maintain continuity of pit operations.

Spain

Risk of power outages due to lightning strikes is common and therefore electrical facilities have lightning strike covers and safety protections which are periodically checked by personnel and an external auditor. In evaluating the underground project at Las Cruces, a solar power project is being considered to mitigate energy costs.

Panamá

Cobre Panamá's mine planning incorporates the analysis of climate data to ensure that pumping and dewatering capacity is sufficient to cope with the high rainfall of the region. Water management and dewatering plans are reviewed on a regular basis and subject to detailed review from industry experts in geotechnical and hydrogeology.

Australia

Flooding and storms have posed a risk to infrastructure and supply chains due to the rural locale of our Australian operations. High risk infrastructure susceptible to storms have been identified on-site and upgraded to increase their resilience and additional routes have been created to mitigate the impact of any supply chain interruption. A wind farm project, subject to final approval, is being considered to mitigate diesel use and associated costs.

Mauritania

Due to Guelb Moghrein being located in a dry environment, fresh water consumption is an environmental concern. In an effort to reduce their reliance on freshwater resources, Guelb Moghrein has been very successful at replacing fresh with saline water for operational requirements, thus reducing the impact on regional fresh water aquifers.

Turkey

Çayeli has studied the link between rainfall, humidity and mine control for their region of operation. This has led to the installation of inclinometers, early warning systems and instant displacement laser monitoring to aid in landslide management.

Finland

The pumping capacity at Pyhäsalmi has increased from 2020 and 2021 to accommodate increasing heavy rainfall. The most critical pumping station has elevated its capacity to accommodate surface waters, mine dewatering water and most of the seepage waters from the Tailings Storage Facility (TSF), which are collected to that same pumping station and returned to the TSF for treatment.

ACUTE Flooding · Storms and wind · Landslides · Wildfires CHRONIC Temperature averages and extremes · Water Stress and Drought

RISK MANAGEMENT

Our primary assessment of the impacts of climate change on our operations and the Company have been informed by scenario analysis based on IEA World Energy Outlook 2022 and climate data projections from the Intergovernmental Panel on Climate Change (IPCC), as recommended by TCFD. Climate risks are incorporated into the Company's bi-annual risk assessment process to aid in strategic planning.

Climate Risk Management Process

First Quantum's operations and future developments span four continents and a diverse range of conditions. The potential impacts of climate change therefore vary across our business and are specific to the geographies in which we operate. Our assessment of the significance of potential climate change impacts in 2021 was undertaken with the support of specialist climate consultants and engagement with operational site teams.

For the compilation of this report a similar process was undertaken, expanding on the outcomes and analysis of the prior assessment. Risks were identified through the internal consultation of operational and group management teams. Identified risks were evaluated across three climate scenarios. The evaluation, update and monitoring of climate change risks are integrated into the Company's bi-annual risk assessment process. As part of this process, responsibilities for risk controls and management are assigned to operational and group management and are subject to internal audit review. The risk register and the accompanying mitigating controls are reviewed twice a year by the Company's Audit Committee.

Consultation of climate risks are undertaken with:

- Management of our operating assets
- Senior group and operational management
- EHS&CSR Committee
- Executive management

AREAS CONSIDERED IN CLIMATE RISK ASSESSMENT:

- Operational activity
- Access to capital
- Legal and regulatory
- Supply chain
- Appropriate technology availability
- Requirements of commodity markets

Scenario Analysis

A core element in assessing the impacts of climate change on our business, is considering assumptions and limitations related to the transition to a low carbon economy and the inherent impact of this transition on climate change.

First Quantum uses this climate-related scenario analysis to enhance its understanding of possible physical and transition risks and opportunities that may arise and how these assumed impacts can influence our business over time. Expanding on the previous scenario analysis, climate risks and opportunities were evaluated across three different scenarios.

Each scenario was developed by incorporating the IEA scenario assumptions coupled with complementary climate data projections from the Intergovernmental Panel on Climate Change (IPCC). The time horizons considered in the scenario analysis were 2025 (Short Term), 2030 (Medium Term) and 2040 (Long Term), as these are aligned with our published 2025 and 2030 GHG targets.

The scenarios used during the 2022 climate risk analysis are as follows:

OVERVIEW	IEA SCENARIO	IPCC DATASET
Current	**Stated Policies Scenario (STEPS)** Representative of current policy settings. This scenario excludes Nationally Determined Contributions (NDCs) and longer term net zero targets. Energy-related objectives which include existing policies and measures under development per a sector are included.	RCP 8.5
Moderate transition	**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.	RCP 4.5
Accelerated transition	**Net Zero (NZE)** Pathway for the global energy sector to achieve net zero CO_2 emissions by 2050. Relies on emissions reductions from energy sector to achieve its goals.	RCP 2.6

Physical Risk Analysis

The most significant physical climate 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 underlying risk.

Our risk assessment framework is based on an assessment of the likelihood and impact within the following time frames under each climate scenario assessed:

- Short-term time frame to 2025
- Medium-term time frame to 2030
- Long-term time frame to 2040

Physical and transition risks are rated on a 1 – 5 rating scale of potential impact and likelihood. 1 represents a low risk and 5 a high risk.

RISK	DESCRIPTION	MITIGATING MANAGEMENT STRATEGY
Tailings storage facilities and dams	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.	◆ 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	The nature of our mining is subject to climate risk through excessive prolonged rainfall or surge events. These can cause flooding in and around the mining area and processing infrastructure which could limit the ability of operations to operate at normal levels. In addition, the variability of rain intensity and volumes can also lead to increased maintenance requirements.	◆ Design, engineering and construction of plant and machinery reflects the changing environments in which they operate. ◆ 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.

ACUTE

Flooding · Coastal and Offshore · Storms and wind · Landslides · Wildfires

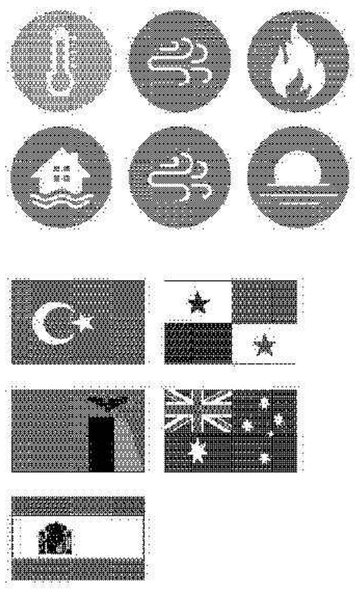
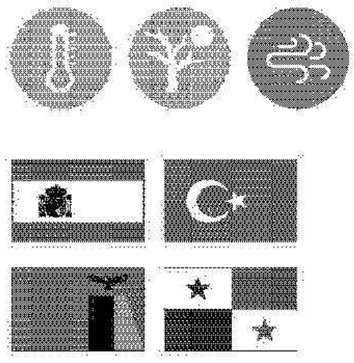
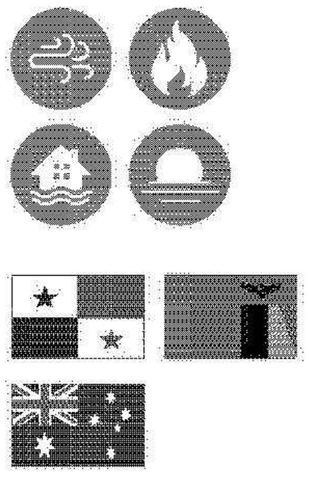
CHRONIC

Temperature averages and extremes · Water Stress and Drought

RISK	DESCRIPTION	MITIGATING MANAGEMENT STRATEGY
Supply chain	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.	◆ 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 supply	Zambia has a high degree of dependency on hydroelectricity where changes in levels of rainfall could affect the power supply in the country. Other operations can also experience power supply outages as a result of storm events. For example, in Panamá the power line connecting the power station to the mine runs through an inaccessible area characterised by undulating topography, which could be affected by extreme weather events.	◆ Powerline infrastructure was designed and constructed for the environment in which it is located. It is subject to regular review and maintenance by the Company's teams. ◆ The Company is engaged with local and national governments in our host countries, particularly in Zambia, on the power supply to our mines. ◆ The Company is working in partnership with Total Eren and Chariot Energy on the establishment of alternative and renewable sources of power in Zambia.
Communities	Our host communities, particularly in emerging economies, where livelihoods are more dependent on agriculture, may be more adversely impacted by 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.	◆ 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.

ACUTE: Flooding; Coastal and Offshore; Storms and wind; Landslides; Wildfires

CHRONIC: Temperature averages and extremes; Water Stress and Drought

RISK	DESCRIPTION	MITIGATING MANAGEMENT STRATEGY
Health and safety 	Primary impact of climate risks also pose a direct risk to staff. The magnitude and impact of health and safety hazards can be temporarily increased due to climate hazards, for example, increased temperatures can lead to heat exhaustion.	◆ Implementation of health and safety procedures designed to minimise the impact of extreme weather events and the vulnerability of the workforce and key equipment. ◆ Where climate hazards are more severe, working conditions are monitored by the onsite teams. Programmes are in place to educate the workforce on well-being, such as the need for hydration and fatigue breaks.
Water management 	Surge events and variable levels of rainfall can pose operational challenges to the management of water at operations. Whilst water stress and drought events can decrease the availability of water used in processing.	◆ Water management is an area subject to continuous monitoring and capacity constraints are considered in the design and planning process. ◆ Efforts to reduce the usage of freshwater are made at operations by either adopting new technologies or continually improving efficiencies through the promotion of water reuse.
Infrastructure damage 	Acute weather events pose a risk as the increased intensity and severity of storms, floods or wildfires has the potential to reduce the structural integrity of buildings and the potential to damage equipment. Damage to equipment would cause disruptions therefore presenting an operational challenge. Whilst the collapse of buildings or infrastructure represents a potential health and safety risk to employees.	◆ Our operations have experience managing acute weather events, by monitoring the climatic conditions in which we operate contingency plans are developed to limit disruptions to work. ◆ Infrastructure on site is subject to reviews to identify if maintenance is required or if actions to increase resilience should be considered. ◆ Evacuation plans and early warning systems have been implemented to ensure the evacuation of staff and equipment in response to events.



Transition Risks Analysis

Similar to the physical risk analysis, transition risks are assessed across each of the scenarios. Whilst physical risk is assessed by operations, transition risk is assessed at a Company wide level. The most significant transitional risks to First Quantum are summarised in the following table:

RISK	DESCRIPTION	MITIGATING MANAGEMENT STRATEGY
GHG emissions pricing and reporting requirements	As global commitments to decarbonisation increase, governments and regulatory bodies will impose stricter laws and regulations linked to GHG emissions. Carbon pricing as a control mechanism and reporting requirements will become more stringent as national commitments toward a lower carbon economy develop.	◆ The Company has regular engagement with local, regional and national government authorities and agencies to ensure that we have visibility and understanding of enacted changes to regulatory and policy frameworks. ◆ Carbon pricing has been embedded in the evaluation of new projects to assess their resilience to potential new carbon taxes and to encourage the use of lower carbon technologies. ◆ The Company has set interim and longer-term decarbonisation targets which are expected to significantly reduce the carbon footprint of metal production and exposure.
Shifts in energy policies	Shifts in energy policies could potentially impact the market price of electricity in the countries in which we operate. This may be particularly relevant for energy generated from non-renewable sources, whilst the increased demand for energy from renewable sources will impact supply.	◆ 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. ◆ Operations at the Company's major sites are focused on mining and processing energy efficiency projects that have a significant positive impact on its emissions profile thereby reducing exposure.
Costs to transition to new technology	Reducing emissions related to mining fleets and the transition to renewable power sources are vital to the mining industry to decarbonise. This transition may require significant capital investment to implement, whilst additional costs could be required for training and maintenance.	◆ The Company has committed to reducing its reliance on high-carbon fuels for power generation, in the pathway to achievement of GHG emissions reduction targets, as outlined in this report. ◆ The Company is leading the industry in 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.

Policy and Legal Risks | Market Risk | Technology Risk | Reputation Risk

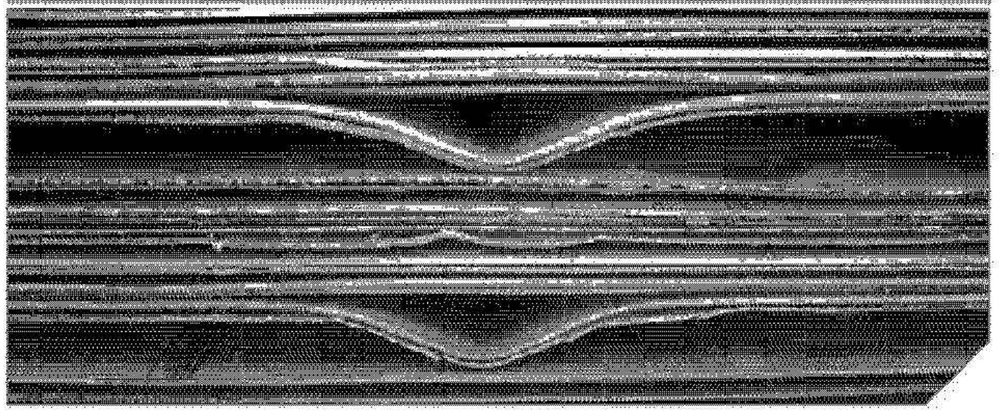
RISK	DESCRIPTION	MITIGATING MANAGEMENT STRATEGY
Risk of success of new technologies	Newer technology poses a risk of failure during or post-implementation. This can lead to downtime, leading to increased costs and reducing the expected efficiencies. Even with proven implementation and successful use, low-carbon technologies will require a well-established supply chain to meet the demand which can take several years to establish.	◆ The Company is engaged with the original equipment manufacturers (OEM) to monitor the availability and commercial viability of new mine fleet technology in line with the Company's renewal program. ◆ Trolley assist also offers potential future bridging technology for the implementation of commercially viable battery solutions to diesel-operated mine fleets.
Changing customer behaviour	This shift in consumer preferences is a risk for carbon-intensive products. In the future, commodity market pricing mechanisms could assign a premium to products with lower embedded GHG emissions.	◆ The GHG intensity of copper produced from the Company's operations in Zambia are lower than or comparable to that of the average global copper production. Further initiatives to reduce energy consumption, maximise productivity and further decarbonise power are also expected to yield an improved GHG intensity of production. ◆ Actions to reduce our GHG emissions in Panamá, centred on the coal-fired power station, will significantly reduce the GHG intensity of the operation.
The increased cost of input materials	Second order impacts can arise 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 and ammonium nitrate.	◆ Price monitoring and offtake agreements for key inputs are key areas of focus for the operations' commercial teams.
Sector stigmatisation/ pressure to decarbonise resulting in a reduction in capital availability	The continued use of coal for the power provided in Panamá 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 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. ◆ A clear action plan for decarbonising power in Panamá is being implemented with the proportion of coal power to operations expected to reduce by around one fifth from 2024 as renewable power is sourced for the expansion of operations.

Policy and Legal Risks | Market Risk | Technology Risk | Reputation Risk

OPPORTUNITIES FOR COPPER

Climate-related Opportunities for First Quantum

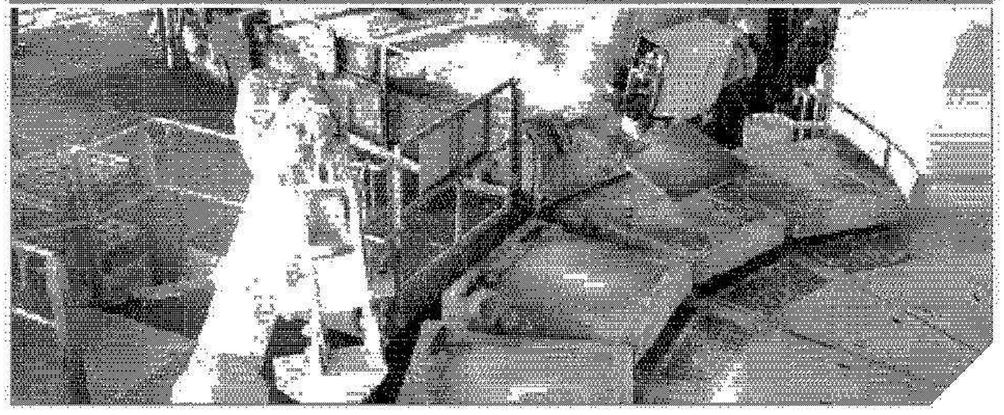
MARKET



Demand for Our Metals

The transition of the global energy system from one that is fuel-intensive to one that is minerals-intensive is expected to drive a substantial expansion in growth for the Company's core metals, copper and nickel. First Quantum, as the 6th largest global producer of copper, and with the Enterprise project in Zambia, soon a major nickel producer, is well placed to take advantage of this. Our growth pipeline includes a strong portfolio of greenfield and brownfield projects with a pathway to 1 million tonnes of annual copper equivalent production.

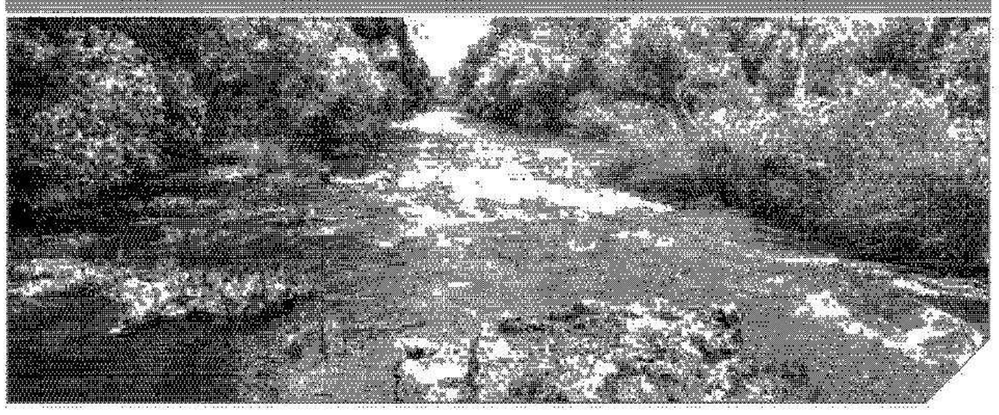
PRODUCTS & SERVICES



Lower Intensity Production

As we seek to deliver on our GHG targets, we expect to lower the GHG intensity of the metals produced by our mines. Premiums for produced metals with lower GHG intensity are not currently widely seen in commodity markets. Lowering the GHG intensity of our copper and nickel, combined with our sustainable and responsible approach to mining, will position our production well to take advantage of opportunities in this area.

ENERGY SOURCE



Mining and Power Decarbonisation

An increased use of renewable sources of power and electric vehicles will require significantly increased volumes of transition minerals, such as copper and nickel, for the infrastructure as well as for the expansion and reinforcement of electricity grids.

As the global energy system transitions, First Quantum has the opportunity to further increase the proportion of our energy that is renewable, driving environmental, operational and economic benefits over the medium and long term. In Zambia, 85% of grid electricity is renewable, and in Panamá, the Company will use renewable power for the CP100 Expansion.

RESOURCE EFFICIENCY & RESILIENCE



Innovation Driving Sustainability

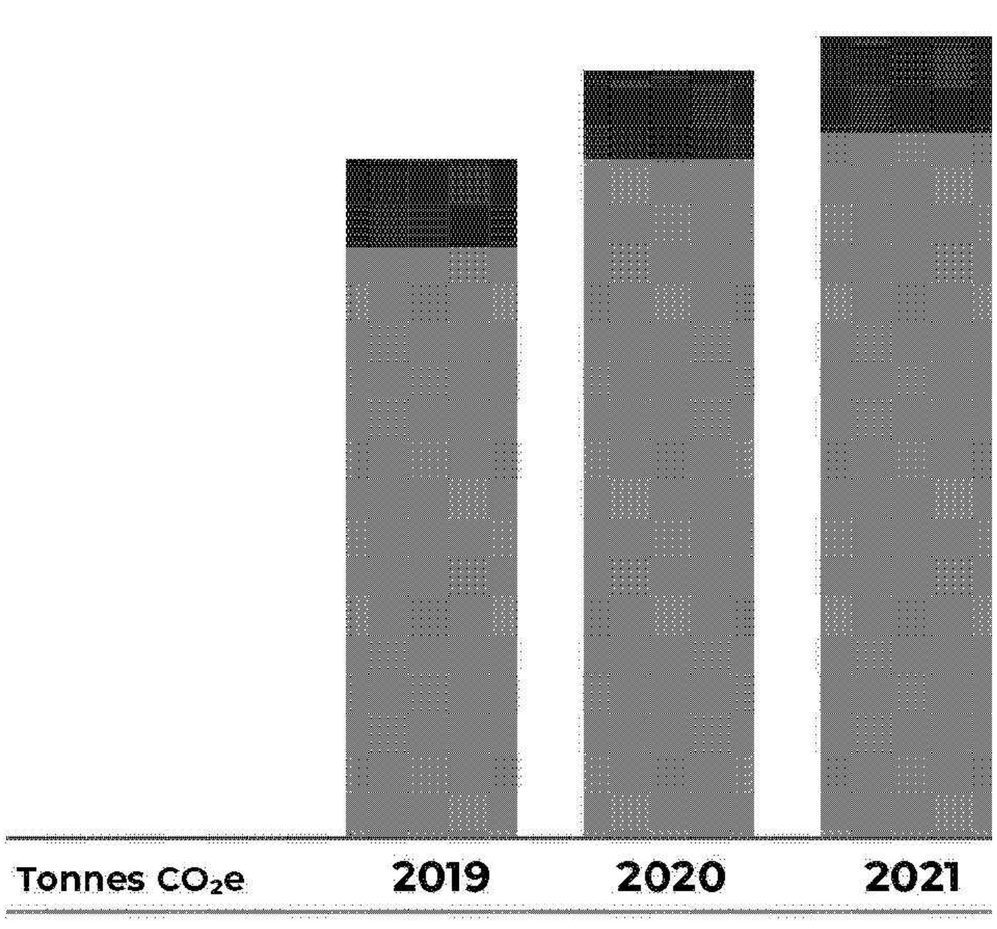
A strategic opportunity for the Company is our focus on pit electrification which will be key to the decarbonisation of mining activities.

First Quantum has pioneered the implementation of technologies such as trolley-assist which significantly reduces diesel consumption.

Expansion of the use of innovations such as trolley assist will drive resilience to climate change transition risks through increased efficiency of energy use and position First Quantum to further capitalise on technological developments as they become commercially available.

GHG, ENERGY AND WATER REUSE METRICS: 2019 TO 2021

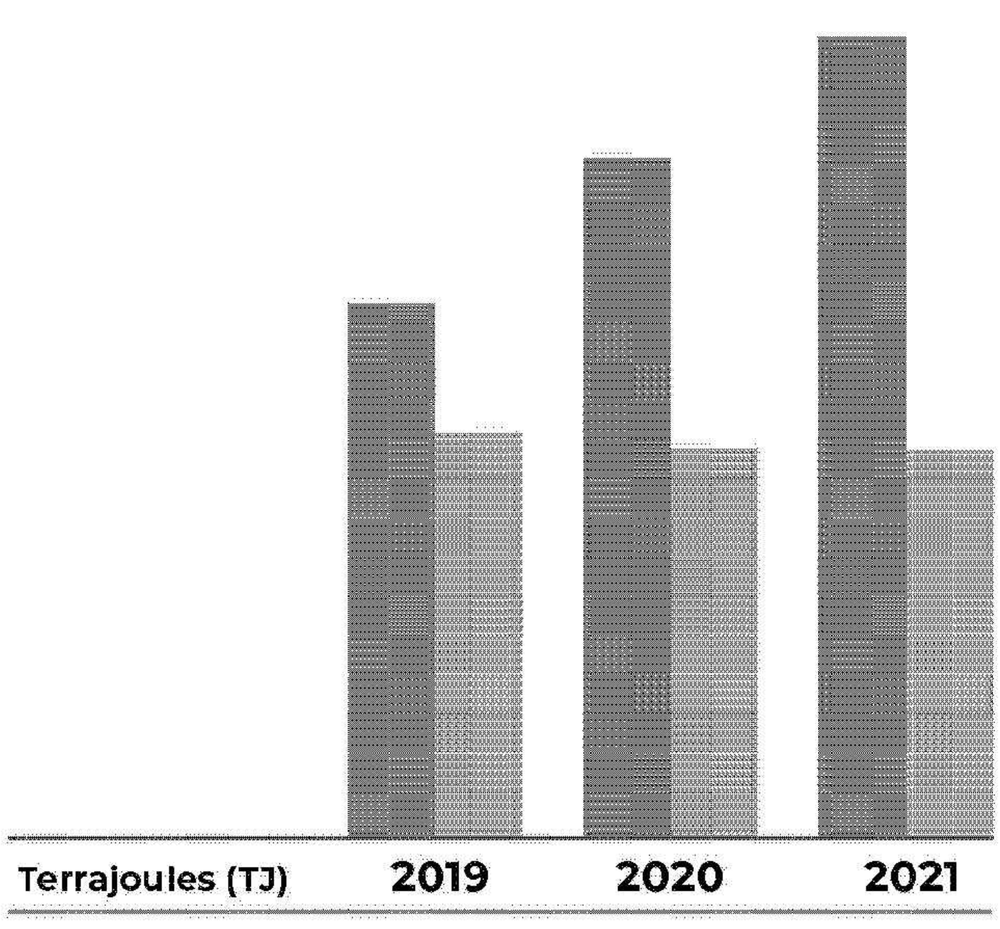
FIRST QUANTUM SCOPE 1 & 2 CO_2e EMISSIONS



	2019	2020	2021
Scope 1 Emissions	3,268,000	3,760,000	3,901,000
Scope 2 Emissions	496,000	492,000	539,000
Total	3,764,000	4,252,000	4,440,000

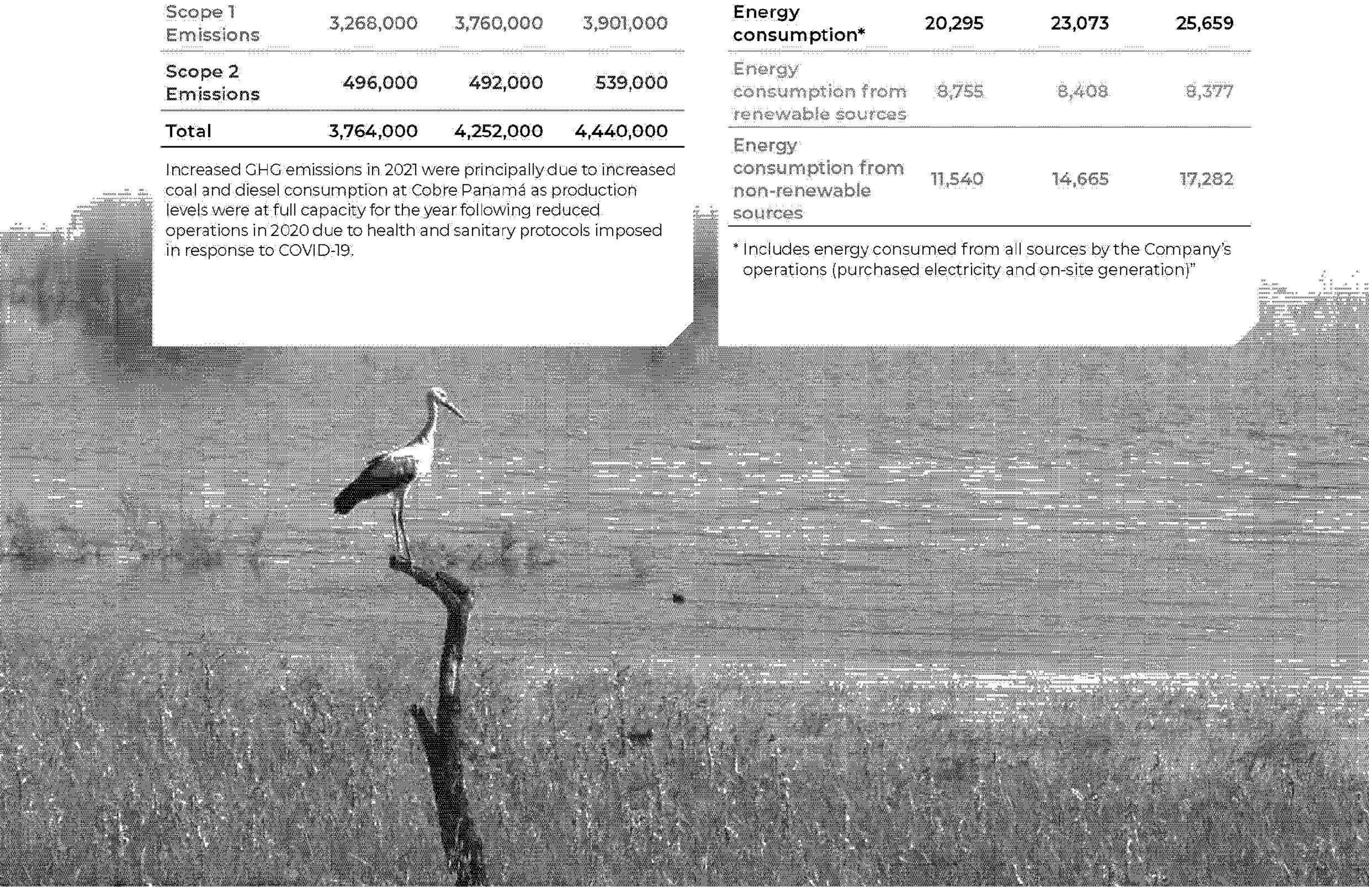
Increased GHG emissions in 2021 were principally due to increased coal and diesel consumption at Cobre Panamá as production levels were at full capacity for the year following reduced operations in 2020 due to health and sanitary protocols imposed in response to COVID-19.

FIRST QUANTUM ENERGY CONSUMPTION

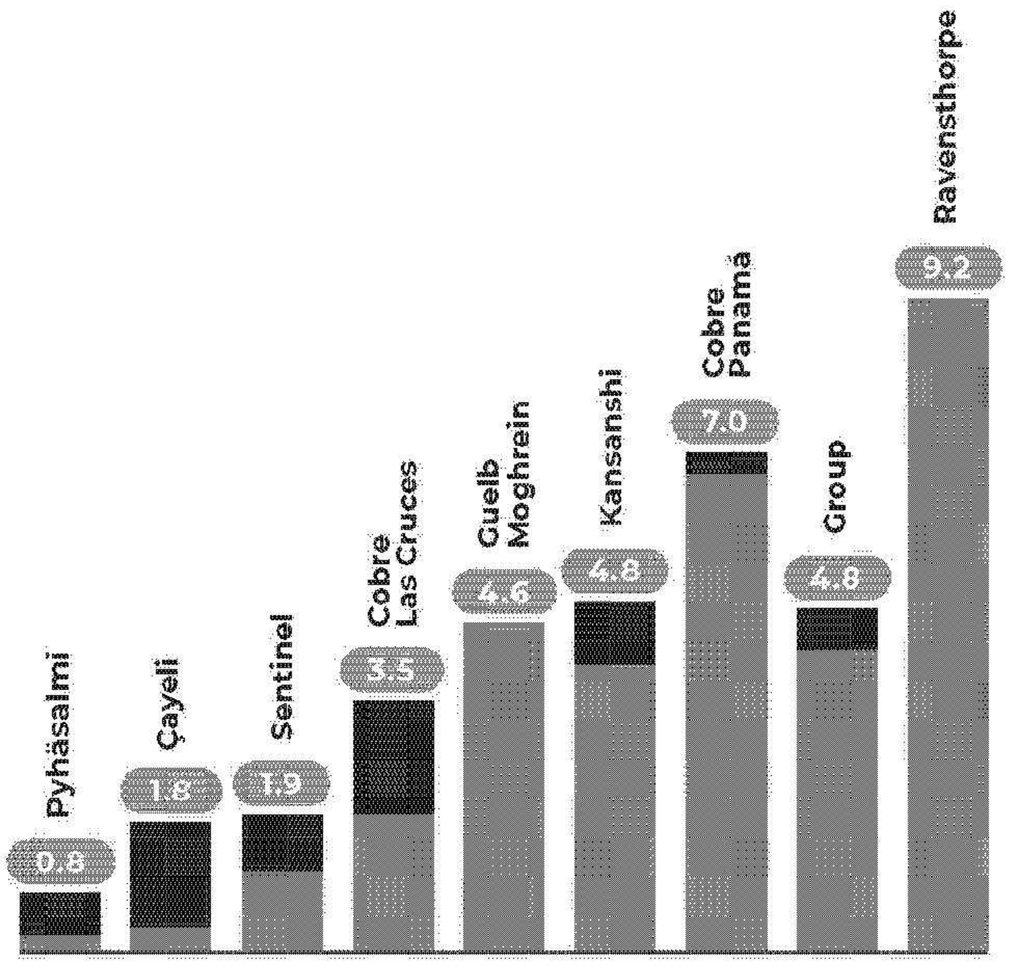


	2019	2020	2021
Energy consumption*	20,295	23,073	25,659
Energy consumption from renewable sources	8,755	8,408	8,377
Energy consumption from non-renewable sources	11,540	14,665	17,282

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

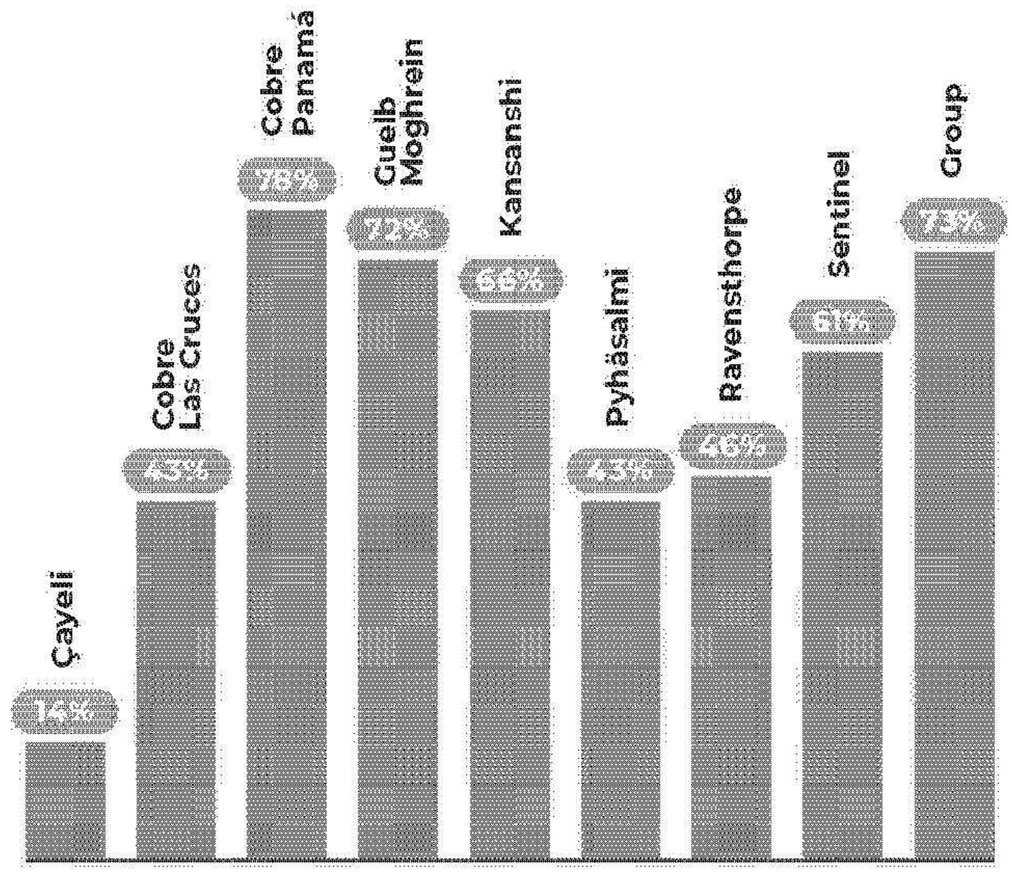


2021 FIRST QUANTUM GHG INTENSITY



Tonnes CO_2e/tonne Cu-EQ	SCOPE 1	SCOPE 2	SCOPE 1&2
Pyhäsalmi	0.2	0.6	0.8
Çayeli	0.3	1.5	1.8
Sentinel	1.1	0.8	1.9
Cobre Las Cruces	1.9	1.6	3.5
Guelb Moghrein	4.6	0.0	4.6
Kansanshi	4.0	0.9	4.8
Cobre Panamá	6.7	0.3	7.0
Group (Cu)	4.2	0.6	4.8
Tonnes CO_2e/tonne Ni-EQ			
Ravensthorpe	9.2	0.0	9.2

2021 FIRST QUANTUM WATER REUSE



Çayeli	14%
Cobre Las Cruces	43%
Cobre Panamá	78%
Guelb Moghrein	72%
Kansanshi	66%
Pyhäsalmi	43%
Ravensthorpe	46%
Sentinel	61%
Group	73%

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. Such forward-looking information includes estimates, forecasts and statements as to the Company's plans, targets and commitments regarding greenhouse gas emissions as well as its approach to climate change-related physical and transition risks and opportunities (including intended actions to address such risks and opportunities) such as: the expected growth in levels of demand for copper and nickel and the impact thereof on the Company's business and prospects; targeted levels of reduction in absolute greenhouse gas emissions and carbon intensity for copper mined; investments in improving the climate resilience of the Company's operations; the decarbonizing of power used in the Company's operations; the incorporation of carbon pricing in the evaluation of new projects (including identification of feasible sources of renewable power); the Company's 2030 target emissions and targeted Scope 1 and Scope 2 emissions (including overall emissions and percentages attributable to coal, natural gas, fuel, electricity and other activities or inputs); anticipated capital expenditures to decarbonize power sources and otherwise deliver climate change benefits; the use of trolley assist technology to improve operational and energy efficiency; the potential pumped water energy storage project at the Company's closed Pyhäsalmi underground mine; the goal of handing over water infrastructure at Guelb Moghrein to the Government of Mauritania and building local capacity to manage and maintain such infrastructure; the aims of discussions between the Company and the Government of Panamá regarding disaster risk management; the physical risks of climate change including on tailings storage facilities and dams, mining activities, the Company's supply chain, power supply at its projects, host communities and their expectations of the Company, health and safety of the Company's staff, water management and infrastructure at the Company's projects; and the transition risks associated with climate change, including greenhouse gas emissions pricing and reporting requirements, shifts in energy policies, the costs of transitioning to new technologies, risk of failure of newly-adopted technologies, changing customer behaviour, increases in the cost of inputs and the possible reduction in availability of capital as a result of sector stigmatization and/or pressure to decarbonize.

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", "believes", "targets" or "intends" 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, the success of Company's actions and plans to reduce greenhouse gas emissions and carbon intensity of its operations and the ability to achieve the Company's goals, the scale and pace of decarbonization and certain climate data projections. 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 Panamá, Zambia, Peru, Mauritania, Finland, Spain, Turkey, Argentina and Australia, adverse weather conditions in Panamá, 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.

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.

Management's Discussion and Analysis

Year ended December 31, 2022

(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, Panamá, 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.

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2022. 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 14, 2023.

OVERVIEW

First Quantum achieved new production records in 2022, with Cobre Panamá setting a new annual production record in the year and a quarterly record during the third quarter of 2022. New weekly and monthly throughput records were also set in December. Sentinel delivered record quarterly production during the fourth quarter of 2022, despite a delay in the Stage 2 North-wall stripping during the first half of 2022.

The Company faced challenges during the year at Kansanshi, with lower grades experienced due to narrow-veined regions and water accumulation in the pit, which delayed access to higher-grade ore. Ongoing reconciliation enhancements have elevated the understanding of such areas, leading to more consistent feed grades. Full optimization of mining from sulphide ores at Kansanshi is anticipated as the mining methods move into full-face shovel mining techniques when the new mining fleet for the S3 expansion (the "S3 Expansion") is brought online. Long-lead mining fleet and process plant equipment have been ordered and deliveries commence in the second half of 2023.

Various inputs and operational costs increased throughout the first three quarters of the year from global inflationary pressures before stabilizing in the fourth quarter which impacted C1 cash costs[1]. Global inflationary pressures can be attributed to the global monetary response to the COVID-19 pandemic and higher energy costs to the wide-reaching sanctions imposed upon Russia as a result of the conflict in Ukraine. Shipping and logistical challenges continued into 2022 before beginning to ease in the second half of the year. Following these challenges, the Company updated the 2022 unit cost guidance during the third quarter, which was met. Operational improvements and cost control remain a priority.

Several brownfield projects are progressing well. At Cobre Panamá, an expansion (the "CP100 Expansion") of the process plant facilities and related infrastructure is underway. The CP100 Expansion project at Cobre Panamá is in early operation with the new process water circuits and bypass feeders in use, and with the balance of the expansion scope in ore commissioning with ore having been introduced to both Ball Mill 6 and the primary screening facility. Ramp up of production is in progress to achieve a throughput rate of 100 million tonnes per annum ("Mtpa") by the end of 2023.

In May 2022, the Board of Directors of the Company (the "Board") approved the S3 Expansion at the Kansanshi mine and the Enterprise nickel project at Trident. Work on both projects commenced immediately. Long-lead mining fleet and process plant equipment have been ordered for the S3 Expansion, and deliveries will commence in the second half of 2023. At the Enterprise nickel project, the pre-strip of the mine commenced in May 2022 and is on schedule for first ore in the first half of 2023. In July 2022, the Board approved the expansion of the Kansanshi smelter to increase throughput capacity to 1.6 Mtpa from the current capacity level of 1.38 Mtpa.

[1] C1 cash cost (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".

Financial results for the year were robust, with the Company achieving sales revenues of $7,626 million, a gross profit of $2,200 million, net earnings of $1,149 million and a reduction in net debt[1] of $361 million. The Company has achieved its debt reduction target of $2 billion from the peak in the second quarter of 2020, and continues to target a further $1 billion reduction in the medium term.

During the year, the Company published the 2021 ESG Report, the 2021 Tax Transparency and Contributions to Government Report, and the Taskforce on Climate-related Financial Disclosure ("TCFD")-aligned Climate Change Report, including greenhouse gas ("GHG") emissions reduction targets. The Company entered into a long-term, fixed-price contract with AES Panamá ("AES"), an independent power producer, for the purchase of 64 megawatts ("MW") of electrical power for the demand requirements of the CP100 Expansion. The expansion project will be supplied by 100% renewable energy from a portfolio that includes a combination of solar, wind, and hydroelectric generation. This represents an important first step towards the Company's target of reducing GHG emissions by 30% by 2025, and 50% by 2030.

The Company launched various programs to continue its investment in its people. The Training Centre for Industrial Professions in La Pintada province, Panamá, and the CARE program at the Zambian operations will provide new opportunities for host communities and employees. In October, the Company launched the CEO Program to develop the Company's talent for the future.

In November, the Company's Zambian operations, Trident and Kansanshi, were both recognized at the sixth annual Zambian National Conference on Occupational Health, Safety and Environment, organized by the Zambia Chamber of Mines and received six awards. In December, the Government of Panamá and the United Nations recognized the Company's school support program in Panamá.

During the fourth quarter of 2022, an agreement was entered into between the Company's subsidiary, Kansanshi Mining Plc ("KMP") and its partner ZCCM Investments Holdings Plc ("ZCCM-IH") to convert ZCCM-IH's dividend rights in KMP into royalty rights. A dividend of $195 million was paid to ZCCM-IH on the signing of this agreement. Completion of this transaction is expected during the first half of 2023.

First Quantum, Minera Panamá S.A. ("MPSA") and the Government of Panamá ("GOP") continue to engage in discussions regarding a refreshed concession contract to secure the long-term future of the Cobre Panamá mine. The Company remains ready to reach an agreement that is fair and equitable to both parties and is prepared to agree with, and in part exceed, the objectives that the GOP outlined in January 2022 related to revenues, environmental protections and labour standards. The main outstanding items are related to legal protections and ensuring that the contract is durable and supports the long-term aspirations of Cobre Panamá.

On December 19, 2022, the National Directorate of Mineral Resources of the Ministry of Commerce and Industries ("MICI"), Panamá's mining regulator, issued a resolution requiring MPSA to submit a plan to the GOP to suspend commercial operations at Cobre Panamá. MPSA filed recourses, appeals and other motions against these resolutions, which has stayed their legal effect. Due to the legal processes and the GOP's role in responding to the plan, the timing and impact of this requirement remain uncertain.

On January 26, 2023, the Panamá Maritime Authority ("AMP") issued a resolution that required the suspension of concentrate loading operations at the Cobre Panamá port, Punta Rincón (the "Port"), until evidence was provided that the process of certification of the calibration of the scales by an accredited company had been initiated. MPSA filed legal proceedings to challenge the resolution, staying its legal effects. Nevertheless, the Company submitted the required proof of the initiation of the certification process on February 2, 2023, and, on February 7, 2023, the Company submitted certifications of the calibration of the scales and weights. AMP rejected the certification on February 8, 2023, claiming that the certification company is not accredited in Panamá, even though the provider MPSA used is on the list of accredited companies published by MICI. MPSA is challenging this decision and, at the same time, is working to find another accredited certification company that the GOP will accept. In the meantime, the AMP has maintained its order suspending loading operations at the Port. MPSA is pursuing all avenues to restart shipments at Punta Rincón, including all legal recourse available. As previously reported, it may become necessary to shut down the Cobre Panamá mine if concentrate is not shipped by approximately February 20, 2023 due to limited storage capacity on site.

[1] Net debt is a supplementary financial measure. This measures 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".

Following the upgrades by S&P Global Ratings ("S&P") and Fitch Ratings ("Fitch") in February 2022 to a B+ credit rating, the Company's outlook remained stable at S&P and was upgraded from stable to positive at Fitch. S&P published a rating and outlook affirmation in September 2022, then amended the outlook to Credit Watch Negative in December 2022 "on risk of operational disruptions at MPSA". Fitch amended their outlook to Rating Watch Negative in January 2023 "on Cobre Panamá operational uncertainty".

In May 2022, the Board appointed Tristan Pascall to the role of Chief Executive Officer ("CEO") and Tristan will serve on the Board of Directors. The Company also appointed Alison Beckett as an independent director on the Board. In September 2022, the Company appointed Ryan MacWilliam as Chief Financial Officer and Rudi Badenhorst as Chief Operating Officer.

FULL YEAR HIGHLIGHTS

Operational and Financial

Copper production of 776 thousand tonnes ("kt") was achieved during the year, attributable to strong operational performance at Cobre Panamá and Sentinel, with both operations setting quarterly records in 2022. Production at Kansanshi was impacted by lower grades and the accumulation of water in the main pit. Financial performance during the year benefitted from an increase in revenues on the back of higher realized copper prices[1], but was also impacted by global inflationary pressures on costs. Results delivered an increase in net earnings and further reduction in net debt[2].

- **Cobre Panamá** achieved record copper production of 350kt for the full year, an increase of 6% from 2021, and achieved the upper end of the updated 2022 guidance. Cobre Panamá delivered record quarterly production in the third quarter of 2022, attributable to increased plant stability and continuous improvement projects. Cobre Panamá also set new weekly and monthly throughput records in December.
- **Sentinel** achieved copper production of 242kt for the full year, 10kt higher than the prior year due to higher throughput. Production was impacted in the first quarter of 2022 by a delay to Stage 2 North-wall stripping due to wet underfoot conditions during an extended rainy season but has improved in subsequent quarters. Throughput has been strong, setting monthly and quarterly records in the fourth quarter and an annual record in 2022.
- **Kansanshi** achieved copper production of 146kt for the full year, 56kt lower than 2021. This reflects the lower sulphide grades from narrow ore veins, depleting oxide ore, and restricted access to high-grade blocks due to an accumulation of water in the main pit, which was resolved towards the end of the third quarter of 2022. Ongoing reconciliation enhancements have elevated the understanding of such areas, which will allow near-term mine plans and sequences to be improved and optimized.
- **Total copper production** for the year was 776kt, a 5% decrease from the prior year and was mainly due to lower production at Kansanshi, as well as expected decreases at the shorter life operations. This was partially mitigated by the strong production at Cobre Panamá and Sentinel.
- **Ravensthorpe** produced 22 thousand contained tonnes of nickel, a 28% increase from 2021. High Pressure Acid Leach ("HPAL") rates improved during the year with improved ore handling and processing from the new Shoemaker Levy mine and improved beneficiation plant availability and stability. An updated technical report was filed in March 2022.
- **Total gold production** for the year was 283 thousand ounces ("koz"), a 9% decrease from the prior year, mainly attributable to lower gold production at Kansanshi and Guelb Moghrein.
- **Total copper sales volumes** of 782kt was 6kt higher than production as the global constraints that the container shipping sector experienced over the majority of 2021 and into 2022 eased over the second half of 2022.
- **Gross profit** of $2,200 million and EBITDA[2] of $3,316 million for the full year 2022 were decreases of 14% and 10%, respectively, compared to 2021, mainly due to the decrease in sales volumes at Kansanshi as well as cost inflation at all operations.
- **Copper C1 cash cost**[1] of $1.76 per lb for 2022 was $0.46 per lb higher than the prior year, attributable to inflationary pressures and lower production.

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[1] Adjusted earnings per share, cash flows from operating activities per share, realized metal prices, 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".

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

- **Financial results** for the year include net earnings attributable to shareholders of the Company of $1,034 million ($1.50 basic earnings per share) and adjusted earnings[2] of $1,064 million ($1.54 adjusted earnings per share[1]), which represent a significant improvement from the prior year's net earnings attributable to shareholders of the Company of $832 million ($1.21 net earnings per share) and adjusted earnings[2] of $826 million ($1.20 adjusted earnings per share[1]).
- **Cost inflation:** Various inputs and operational costs increased further throughout the first three quarters of the year before stabilizing in the fourth quarter and impacted C1 cash costs[1], albeit at elevated levels. These include costs for fuel, explosives, sulphur, freight, reagents and steel. Employee costs rose during the third quarter as the Company realigned labour rates to current market levels and adjusted for cost-of-living changes in some jurisdictions.
- **Cash flows** from operating activities of $2,332 million ($3.38 per share[1]) for 2022 were $553 million or 19% lower than the prior year, reflecting lower EBITDA[2], working capital outflows attributable to a higher receivables balance and timing of shipments, combined with higher taxes paid.
- **Debt reduction:** Net debt[2] decreased by $361 million during the year, bringing the net debt[2] level down to $5,692 million as at December 31, 2022. At December 31, 2022, total debt was $7,380 million. The Company has achieved its debt reduction target of $2 billion from the peak in the second quarter of 2020, and continues to target a further $1 billion reduction in the medium term.
- **Note redemption:** In the second quarter of 2022, the Company redeemed at par an aggregate principal amount of $1,000 million of the senior unsecured notes due 2023. $500 million was redeemed on each of April 5, 2022 and June 7, 2022. No senior unsecured notes due in 2023 remain outstanding following the redemptions. On February 14, 2023, the Company announced that it intends to issue a notice of partial redemption on February 15, 2023 for $450 million of its outstanding 6.5% Senior Notes due March 2024 to be redeemed on February 25, 2023.
- **Increasing cash returns to shareholders:** During the year, the Board commenced 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 minimum Annual Base Dividend of CDN$0.10 per share, consisting of semi-annual dividends of CDN$0.05 per share, as well as a Performance Dividend. In aggregate, the minimum Annual Base Dividend and the Performance Dividend represent 15% of available cash flows generated after planned capital spending and distributions to non-controlling interests. Dividend payments remain at the discretion of the Board.
- **Dividends declared:** On February 14, 2023, the Company declared a final dividend of CDN$0.13 per share in respect of the financial year ended December 31, 2022. The final dividend together with the interim dividend of CDN$0.16 per share declared on July 26, 2022 amounts to a total of CDN$0.29 per share for the 2022 financial year.
- **Development Projects:** In May 2022, the Board approved the S3 Expansion at the Kansanshi mine and the Enterprise nickel project at Trident, and work on both projects commenced immediately. This followed the efforts of the new Government of Zambia administration to enhance the investment climate for mining. Long-lead items on both the S3 Expansion project and the related expansion of the Kansanshi smelter have been procured and engineering contractors have commenced with detailed designs. Development of mine facilities and plant refurbishment are underway for the Enterprise nickel project with first ore on schedule for the first half of 2023. Furthermore, the Company reached an agreement with the Government Republic of Zambia ("GRZ") for repayment of the outstanding Value-Added Tax ("VAT") claims based on offsets against future corporate income tax and mineral royalty tax payments, which commenced July 1, 2022.

FOURTH QUARTER HIGHLIGHTS

Sentinel delivered quarterly records in throughput and copper production. Cobre Panamá's production remained strong during the fourth quarter as well. Production at Kansanshi showed improvement following an enhanced water management strategy and access to higher-grade ore.

- **Cobre Panamá** delivered strong copper production of 90kt in the fourth quarter, an increase of 10kt from the same quarter of 2021, attributable to efficiency improvements as well as the addition of a third secondary crusher in November.

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[1] Adjusted earnings per share, cash flows from operating activities per share, realized metal prices, 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".

[2] EBITDA and adjusted earnings are non-GAAP financial measures and net debt is a supplementary financial measure. These measures do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

- **Sentinel** achieved record production of 73kt of copper for the quarter, which was 13kt higher than the same quarter of 2021, despite the heavy rains experienced in December. Sentinel operations benefitted from the treatment of soft, well-fragmented ore and the performance of the fourth in-pit crusher.
- **Kansanshi's** copper production was 35kt for the quarter, which is 17kt lower than the same quarter of 2021. Production in 2022 was impacted by a reduction in grades from narrow-veined regions, but improved in the fourth quarter. An enhanced water management strategy has led to a more consistent feed grade.
- **Total copper production** for the fourth quarter was 206kt, a 2% increase from the comparable quarter in 2021, and is mainly attributable to record quarterly production at Sentinel and strong performance at Cobre Panamá. This was offset by a decrease at Kansanshi, as well as expected decreases at shorter life operations.
- **Total copper sales volumes** of 199kt were 7kt lower than the current quarter production due to timing of shipments.
- **Ravensthorpe's** nickel production of 6 thousand contained tonnes was higher than the same quarter in 2021 as HPAL rates improved with improved ore handling and processing and improved beneficiation plant stability.
- **Total gold production** for the quarter was 70koz, a 4koz decrease from the same quarter of 2021 due to lower production at Kansanshi.
- **Financial results** for the fourth quarter include net earnings attributable to shareholders of the Company of $117 million ($0.17 net earnings per share) and adjusted earnings[1] of $151 million ($0.22 adjusted earnings per share[2]), representing decreases from the comparable quarter in 2021. Decreases are attributable to lower sales volumes at Kansanshi and lower realized metal prices[2], as well as higher operating costs.
- **Gross profit** of $361 million and EBITDA[1] of $647 million for the fourth quarter of 2022 were lower than the same quarter in 2021, attributable to lower realized metal prices[2] and the inflationary impact on costs.
- **Cost inflation:** During the fourth quarter of 2022, input and operational costs largely stabilized, albeit at elevated levels, following inflationary pressures throughout the first three quarters of the year. Market rates for fuel and freight reduced slightly from the end of the third quarter; however, explosives were at similar levels to the third quarter. There is a lag before such market changes flow through to unit costs.
- **Copper C1 cash cost**[2] of $1.86 per lb for the fourth quarter of 2022 was $0.47 per lb higher than the comparable quarter in 2021, attributable to inflationary pressures and lower production. Copper AISC[2] of $2.42 per lb for the quarter was $0.37 per lb higher than the same quarter in 2021, reflecting the higher copper C1 cash cost[2].
- **Cash flows** from operating activities of $237 million ($0.34 per share[2]) for the quarter were a decrease of $523 million from the same quarter of 2021, attributable to lower EBITDA[1] and an increase in movements in working capital due to a higher receivables balance, partially offset by lower taxes paid. Net debt increased by $363 million during the quarter due to decreases in cash flows from operating activities.

CONSOLIDATED OPERATING HIGHLIGHTS

	QUARTERLY			FULL YEAR	
	Q4 2022	**Q3 2022**	**Q4 2021**	**2022**	**2021**
Copper production (tonnes)[1]	206,007	194,974	201,823	775,859	816,435
Copper sales (tonnes)[2]	198,912	198,980	213,087	782,236	821,889
Gold production (ounces)	70,493	67,417	74,945	283,226	312,492
Gold sales (ounces)[3]	59,568	65,014	79,403	270,775	321,858
Nickel production (contained tonnes)	5,705	5,849	3,385	21,529	16,818
Nickel sales (contained tonnes)	6,840	5,992	3,756	20,074	17,078

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

[2] Sales include third-party sales of concentrate, cathode and anode attributable to Kansanshi (excluding copper anode sales attributable to Trident). Sales exclude the sale of copper anode produced from third-party concentrate purchased at Kansanshi. Sales of copper anode attributable to third-party concentrate purchases were 8,651 and 13,379 tonnes for the three and twelve months ended December 31, 2022, (nil for the three and twelve months ended December 31, 2021).

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

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

[2] Adjusted earnings per share, cash flows from operating activities per share, realized metal prices, 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 FINANCIAL HIGHLIGHTS

	QUARTERLY			FULL YEAR	
	Q4 2022	**Q3 2022**	**Q4 2021**	**2022**	**2021**
Sales revenues	1,832	1,727	2,061	7,626	7,212
Gross profit	361	302	784	2,200	2,562
Net earnings attributable to shareholders of the Company	117	113	247	1,034	832
Basic net earnings per share	$0.17	$0.16	$0.36	$1.50	$1.21
Diluted net earnings per share	$0.17	$0.16	$0.36	$1.49	$1.20
Cash flows from operating activities	237	525	760	2,332	2,885
Net debt[1]	5,692	5,329	6,053	5,692	6,053
EBITDA[1,2]	647	583	1,085	3,316	3,684
Adjusted earnings[1]	151	96	306	1,064	826
Adjusted earnings per share[3]	$0.22	$0.14	$0.44	$1.54	$1.20
Cash cost of copper production (C1) (per lb)[3,4]	$1.86	$1.82	$1.39	$1.76	$1.30
Total cost of copper production (C3) (per lb)[3,4]	$2.79	$2.75	$2.39	$2.73	$2.23
Copper all-in sustaining cost (AISC) (per lb)[3,4]	$2.42	$2.34	$2.05	$2.35	$1.88
Realized copper price (per lb)[3]	$3.56	$3.43	$4.08	$3.90	$3.64
Net earnings attributable to shareholders of the Company	117	113	247	1,034	832
Adjustments attributable to shareholders of the Company:					
Adjustment for expected phasing of Zambian value-added tax ("VAT") receipts	56	6	(2)	190	16
Loss on redemption of debt	–	–	21	–	21
Total adjustments to EBITDA[1] excluding depreciation[2]	6	(26)	49	(155)	(88)
Tax and minority interest adjustments	(28)	3	(9)	(5)	45
Adjusted earnings[1]	151	96	306	1,064	826

[1] EBITDA and adjusted earnings are non-GAAP financial measures, and net debt is a supplementary financial measure. These measures do not have a standardized meaning under IFRS and might not be comparable to similar financial measures disclosed by other issuers. Adjusted earnings and EBITDA were previously named comparative earnings 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 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 and EBITDA represents the Company's adjusted earnings metrics. See "Regulatory Disclosures".

[2] Adjustments to EBITDA in 2022 relate principally to foreign exchange revaluations and non-recurring costs relating to previously sold assets (2021 - foreign exchange revaluations).

[3] Adjusted earnings 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".

[4] Excludes the sale of copper anode produced from third-party concentrate purchased at Kansanshi. Sales of copper anode attributable to third-party concentrate purchases were 8,651 and 13,379 tonnes for the three and twelve months ended December 31, 2022, (nil for the three and twelve months ended December 31, 2021).

ENVIRONMENT, SOCIAL AND GOVERNANCE ("ESG")

Reporting

The 2021 ESG Report, the 2021 Tax Transparency and Contributions to Government Report, policies and related programs, including the TCFD-aligned Climate Change Report, can be found in the ESG Analyst Centre on the Company's website: https://www.first-quantum.com/English/sustainability/esg-analyst-centre/default.aspx

Climate Change Report

On February 14, 2023, the Company published its annual TCFD-aligned Climate Change Report, which outlines First Quantum's climate change strategy, GHG emissions reduction targets as well as disclosure of climate-related risks and opportunities for the Company.

First Quantum remains committed to a reduction in absolute Scope 1 and Scope 2 emissions by 30% by 2025 and the absolute and intensity of Scope 1 and 2 emissions by 50% by 2030. A net zero target has not been set at this time, with the Company's targets based on commercially available solutions and projects with an identified pathway to achievement.

Prioritization of the use of new technologies and innovation, such as trolley assist for the mine fleet, to reduce environmental impacts while driving productivity cost benefits, will remain a focus area for First Quantum.

Investment in people

In October, the Company launched the CEO Program. This program will develop future leaders of the Company through exposure to business challenges outside of their current roles across a number of important areas identified by the CEO as being crucial to the Company's future. Supported and assessed by senior leaders across the business, the program supports the Company's employees to feel challenged, take on new tasks, build their networks, and, ultimately, develop the Company's talent for the future.

ESG Awards

Zambia

In November, the Company's Zambian operations, Trident and Kansanshi, were both recognized at the 6th annual Zambian National Conference on Occupational Health, Safety and Environment, organized by the Zambia Chamber of Mines.

The Company received six awards, including Best Performer in Environmental Management for Trident as well as Best Performer in Local Content, Best Performer in Innovation, Mining Woman of the Year and Mining Company of the year for Kansanshi.

Panamá

In December, the GOP and the United Nations recognized the Company's school support program in Panamá. The 'Escuelas Integrales' initiative supports sustainable food projects such as chicken farms, fish ponds and vegetable gardens at 70 schools and provides one meal a day for over 5,300 children across neighbouring communities.

Health & Safety

The health and safety of the Company's employees and contractors is a top priority and the Company is focused on the continuous strengthening and improvement of the safety culture at all of its operations. Tragically, on February 1, 2023, there was a fatal road traffic accident in the Sentinel pit involving a dump truck and a light vehicle. The site emergency response team attended immediately and the relevant local authorities were notified. This tragic incident is subject to internal and external investigation, as well as a Board review, and the Company is committed to improve practices from this incident.

The Lost Time Injury Frequency Rates ("LTIFR") is an area of continued focus and a key performance metric for the Company. The Company's rolling 12-month LTIFR is 0.06 per 200,000 hours worked as of December 31, 2022 (2021: 0.07).

COBRE PANAMÁ UPDATE

The Concession Contract

In February 1996, the Republic of Panamá and MPSA, now a subsidiary of the Company, entered into a mining concession contract in respect of the Cobre Panamá project (the "Concession Contract"). On February 26, 1997, the Concession Contract was approved by the National Assembly of Panamá through law 9 of 1997 ("Law 9") and Law 9 was published in the Official Gazette on February 28,1997. 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 Panamá project. On December 30, 2016, the Government of Panamá signed and issued Resolution No. 128 (the "Extension Resolution") by which it extended the Concession Contract held by MPSA for a second 20-year term commencing March 1, 2017, and concluding February 28, 2037.

Supreme Court of Panamá Proceedings

In September 2018, the Company became aware of a ruling of the Supreme Court of Panamá (the "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 Panamá project by MPSA.

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

- The Supreme Court decision was in relation to specific environmental petitions made since 2009.
- 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 MICI to issue a request for proposals before awarding the Law 9 mining concession.
- The Attorney General ("Procurador General de la Nación", in Spanish) 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 and MICI submitted filings to the Supreme Court seeking clarification of various aspects of the ruling, including confirmation that the ruling does not affect the validity of the Concession Contract. On September 26, 2018, MICI issued a news release re-affirming its support for Cobre Panamá and confirming that it considers that the Concession Contract, and its extension, remains valid and in effect in all its parts. In July 2021, the Supreme Court responded to the requests for clarifications submitted by MPSA and MICI, ruling them inadmissible and upholding the original 2018 decision.

The Supreme Court's unconstitutionality ruling did not come into effect until it 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 Concession Contract in 1997 and the Extension Resolution remain unaffected, together with the acquired rights.

Nullity Actions by Third Parties

In December 2016, the Concession Contract held by MPSA was extended for a second 20-year term (from March 1, 2017). In 2018, two third parties filed actions in the Supreme Court seeking a declaration that the extension was illegal and therefore, null and void (the "Nullity Actions").

The Company refutes the claims made in the Nullity Actions and has been advised by external counsel that the extension process followed by the MICI in 2016 was correct. In connection with those proceedings, the Procurador de la Administración ("Administration's Attorney") issued formal opinions in 2018 and 2019 stating that the Extension Resolution was legal. However, during January 2023, the Administration's Attorney changed the previous position taken and filed motions in both Nullity Actions asking that the Extension resolution be deemed without legal effect. MPSA has filed an opposition against the Administration's Attorney's motions. The Supreme Court has not yet ruled on the matter.

Ongoing Discussions Surrounding a Refreshed Concession Contract

In July 2021, following the Supreme Court's unconstitutionality ruling but before it was published in the Official Gazette, the current GOP established a multidisciplinary commission including the Minister of Commerce and Industries, Minister of Environment, and Minister of Employment to discuss the Law 9 matter and seek resolution. In September 2021, MICI publicly announced the culmination of high-level formal discussions with the Company on two topics related to the Concession Contract – environmental and labour matters.

In January 2022, the GOP presented a new proposal that the GOP should receive a minimum of $375 million in benefits per year from Cobre Panamá and that the existing revenue royalty should be replaced by a gross profit royalty. The Company has indicated to the GOP that it is prepared to accept and pay a minimum of $375 million per year to the GOP, comprised of corporate taxes and a profit-based mineral royalty of 12 to 16 percent, with downside protections.

In the second quarter of 2022, the Minister of Commerce was replaced, and discussions continued with the installation of a bilateral contractual drafting committee in early September 2022. On November 14, 2022, the GOP unilaterally imposed a 30-day deadline to reach an agreement. While this period has expired, discussions continue between the Company and the GOP regarding a refreshed Concession Contract.

On December 15, 2022, the GOP announced plans to order MPSA to suspend operations. On December 21, 2022, MPSA received formal notification from MICI of a resolution requiring MPSA to submit a plan within 10 working days to suspend commercial operations at Cobre Panamá and put the mine under "care and maintenance." As required by the GOP, the Company is working on a plan for how to operate Cobre Panamá under care and maintenance. At the same time, the Company is pursuing available legal recourses to avoid this outcome. Due to the legal processes and the GOP's role in responding to the plan, the timing and impact of this requirement remain uncertain.

On January 26, 2023, the Panamá Maritime Authority ("AMP") issued a resolution that required the suspension of concentrate loading operations at the Cobre Panamá port, Punta Rincón, until evidence was provided that the process of certification of the calibration of the scales by an accredited company had been initiated. MPSA filed legal proceedings to challenge the resolution, staying its legal effects. Nevertheless, the Company submitted the required proof of the initiation of the certification process on February 2, 2023, and, on February 7, 2023, the Company submitted certifications of the calibration of the scales and weights. AMP rejected the certification on February 8, 2023, claiming that the certification company is not accredited in Panamá, even though the provider MPSA used is on the list of accredited companies published by MICI. MPSA is challenging this decision, and, at the same time, is working to find another accredited certification company that the GOP will accept. In the meantime, the AMP has maintained its order suspending loading operations at the Port. In addition, since at least January 24, 2023, the AMP has issued individual letters to the Company's maritime pilot service providers instructing them not to provide services to incoming vessels for loading copper concentrate at the Port. The Company is pursuing all available avenues to restart shipments at the Port, including all legal recourse available, engagement with other accredited and accreditable expert companies and continuous communications with the pilot services suppliers. As previously reported, if AMP's measures persist, it may become necessary to shut down the Cobre Panamá mine if concentrate is not shipped by approximately February 20, 2023 due to limited storage capacity on site.

The Company continues to engage in good faith discussions with the GOP and remains ready to reach an agreement that is fair and equitable to both parties. This includes the stability of the tax and royalty regime and reasonable protections against early termination. 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 for approval.

Arbitration Proceedings

MPSA has initiated arbitration processes under the existing Concession Contract and the Canada-Panamá Free Trade Agreement. Both of these processes are under way and in the initial stages.

LOGISTICS AND SHIPPING

The Company managed various logistical challenges during the year. The worldwide constraints that affected the global container shipping sector since late-2020 continued into 2022, albeit at a lesser degree. The first half of 2022 was impacted by continued challenges posed by COVID-19 lockdowns in China. In the second quarter of 2022, flooding in parts of Kwazulu-Natal, South Africa, affected port operations at Durban. Periodic port congestion at most Southern African ports and tight availability of containers led to some delays and disruptions as well. The shipping environment eased through 2022, especially during the second half of the year, mainly due to increased availability of vessels and containers, despite higher fuel prices. Supply of containers and availability of vessels at Southern African ports improved considerably, although security concerns along routes and at ports in South Africa remain. Bulk shipping operations, in respect to both inputs and products, performed smoothly throughout the second half of 2022, and some further decreases in shipping costs were realized. The net result was a decrease in marine freight costs during the latter part of the year.

COST INFLATION

Various inputs and operational costs increased throughout the first three quarters of the year from global inflationary pressures before stabilizing, albeit at elevated levels, in the fourth quarter and impacted C1 cash costs[1]. Global inflationary pressures in 2022 resulted from the COVID-19 pandemic, supply chain disruptions, and the wide-reaching sanctions imposed upon Russia due to the conflict in Ukraine.

Market rates for fuel and freight reduced slightly from the end of the third quarter, but explosives remained at similar levels. Employee costs rose during the second half of the year as the Company realigned labour rates to current market levels and adjusted for cost-of-living changes in some jurisdictions. There is a lag before such market changes flow through to unit costs.

While capital expenditure for the year came in $83 million below guidance due to the phasing of expenditures, the Company is also experiencing inflation in capital expenditures.

DEVELOPMENT PROJECTS

Brownfield Projects

CP100 Expansion

Construction is complete for the CP100 Expansion project at Cobre Panamá to achieve a throughput rate of 100 Mtpa. This includes the addition of a sixth ball mill and other process plant facilities and infrastructure upgrades, with these facilities now in early operation with the new process water circuits and bypass feeders operational, and ore having been introduced to both Ball Mill 6 and the primary screening facility. Ramp up of these facilities will now continue over the course of the year to achieve a throughput rate of 100 Mtpa by the end of 2023.

During the first half of 2022, the Company completed the commissioning of eight additional ultra-class haul trucks. These units are supporting an additional rope shovel, which started operation in November 2022. Significant progress has been made on the pre-strip work for the Colina pit and earthworks for the associated overland conveyor and in-pit crushing facility. The first crusher at Colina is expected to be commissioned in 2024.

In September 2022, the Company received regulatory approval from the National Dispatch Centre for a long-term, fixed-price contract with AES, an independent power producer, for the purchase of 64MW of electrical power for the CP100 Expansion. The expansion project will be supplied by 100% renewable energy from a portfolio that includes a combination of solar, wind, and hydroelectric generation. The cost of power under this agreement will be broadly in line with the current all-in cost of power generated by the Cobre Panamá power station and favourable compared to what costs would be at current thermal coal prices. The current all-in cost of power at the power station includes depreciation and the collar structure for coal purchases that expire at the end of 2023.

Kansanshi S3 Expansion

The S3 Expansion project received Board approval in May 2022. The S3 Expansion is expected to transition Kansanshi from the current, more selective high-grade, medium-scale operation to a medium-grade, 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 will also involve a new larger mining fleet, and combined with the new 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 expected in late 2023 and 2024. Detail design is progressing well and incorporates enhancements and efficiencies introduced by the latest generation of preferred equipment and the learnings of the Sentinel and Cobre Panamá operations. Long-lead mining fleet and long-lead process plant equipment have been ordered with deliveries commencing in the second half of 2023. Overall project procurement is approximately 25% committed.

In July 2022, the Board approved the expansion of the Kansanshi smelter, which is included in the Company's three-year capital expenditure guidance issued on January 16, 2023. This will increase throughput capacity of the Kansanshi smelter to 1.6 Mtpa from the current capacity level of 1.38 Mtpa. The capacity increase will be achieved partly through enhancing copper concentrate grades by lowering the carbon and pyrite content of the Kansanshi and Sentinel concentrate feeds. The

[1] C1 cash cost (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".

gas handling circuit will be de-bottlenecked, including modifications to the existing Acid Plant 5. Concentrate processing capacity is expected to be further expanded through modifications to the existing high-pressure leach 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. Detailed engineering design continues and orders have been placed for key long-lead items associated with the oxygen plant, acid plant, and wet electrostatic precipitation.

Enterprise

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, low-GHG intensity nickel sulphide project. Due to the proximity of the project to Sentinel, the project will benefit from shared existing infrastructure and a skilled workforce already in place at Sentinel. The Enterprise project received Board approval in May 2022 for a capital expenditure of $100 million. The Company's three-year capital expenditure guidance includes anticipated project capital of $35 million for the completion of the Enterprise nickel project.

The main workstream to bring the Enterprise nickel project online, the pre-strip of the mine, commenced in May 2022 and is on schedule for first ore in the first half of 2023. In parallel, mine facilities are being developed, including the satellite administration office, workshop, fuel storage, haul road upgrade, dewatering boreholes and other facilities. Plant refurbishment, completion and commissioning activities are on schedule and are aligned to the pre-stripping duration.

Las Cruces Underground Project

The Las Cruces Underground Project is awaiting Board approval, which is not expected before the end of 2023, and will take into consideration prevailing economic conditions.

The Company published an updated technical report on January 17, 2022 with an updated mineral resource estimate of the Polymetallic Primary Sulphide to 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 the third quarter of 2023 while 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.

Work in 2022 was focused on advancing the design of the underground mine and plant, obtaining the water concession license and geological definition of mineral reserves and mineral resources. The water concession license is expected in February 2023.

Greenfield Projects

Taca Taca

Taca Taca, located in the Salta province of Argentina, is the more advanced of the Company's two greenfield projects and is one of the largest, highest-quality copper projects globally. It will consist of an open-pit copper mine and ore processing plant to produce up to 275,000 tonnes of copper per year along with gold and molybdenum by-products. With an initial mine life of 32 years and a large resource base, 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 the existing railway line. Power supply options are available to source up to 100% of the project's electricity needs from renewables or from a combination of renewable energy and Argentinian natural gas. GHG emissions could be further reduced through the 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 supplementary submissions on tailings and waste management were

filed with the authority during 2022. Approval of the ESIA is anticipated in 2023. In November 2022, the Salta Production Minister signed Resolution 191/2022, approving the environmental pre-feasibility for the Taca Taca 345 kilovolt ("kV") power line development. The 345kV line still requires detailed construction permits, but the main environmental aspects have been approved. An additional environmental permit that was filed with the relevant authorities during 2021 related to the proposed bypass and access road construction for the project and is expected to be approved in 2023.

The project will also require approval of a concession for borefield water supply. The water supply studies and pump tests to support the application have advanced steadily in 2022 and are expected to be completed in 2023. The water permit applications will be filed progressively in 2023.

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

Haquira

Haquira is located in the Apurímac region of Peru, and is a longer-dated greenfield project for the Company. Negotiations for land access to support a drill program were suspended in August 2022 after an agreement could not be reached with communities. As a consequence, field activities were reduced. The Company hopes to resume discussions toward the end of 2023.

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 Finland and Australia. Near-mine exploration programs are focused on Las Cruces in Spain, Çayeli in Turkey, as well as on satellite targets around Kansanshi in Zambia. Some encouraging targets have emerged from reconnaissance surveys around Las Cruces and Çayeli with follow-up drilling currently in progress.

During the quarter, reconnaissance surveys continued on greenfield porphyry targets in Peru, Chile, and Ecuador. More substantial drill programs are active on a copper-gold porphyry prospect in Argentina and a zinc project in Turkey. A series of mafic-hosted nickel-copper targets in Finland and Western Australia will undergo initial drill programs in 2023.

With the improved investment climate in Zambia, an increase of exploration activities in Zambia is currently in progress. A number of regional and near-mine exploration initiatives are planned, including drill testing of new early stage joint venture projects.

OTHER DEVELOPMENTS

Zambian Power Supply

Water levels at the Kariba Dam reached a record low at the end of 2022 due to the drop in water inflows into the Zambezi flood plains that feed the river.

In January 2023, the Zambia Electricity Supply Corporation Limited ("ZESCO") requested that the Company's Zambian operations reduce its power usage for a two-week period due to the lower water levels at the Kariba Dam and planned maintenance at the 300MW Maamba power plant. During this period, Kansanshi and Sentinel conducted planned maintenance that was previously scheduled for February and March 2023.

Although the country is experiencing load-shedding, there is no major impact on the Zambian mining operations. Heavier than normal rains have been experienced in the current rainy season, which should replenish the Kariba basin from April 2023 onwards.

Commissioning of the 750MW Kafue Gorge Lower Power Station is nearly complete, with four out of five 150MW units currently commissioned and running.

Kansanshi – conversion of ZCCM dividend rights to royalty rights

During the fourth quarter of 2022, an agreement was entered into between KMP and ZCCM-IH to convert ZCCM-IH's dividend rights in KMP into royalty rights. A dividend of $195 million was paid to ZCCM-IH on the signing of this agreement. Post completion, this transaction also provides for 20% of the KMP VAT refunds as at June 30, 2022 to be paid to ZCCM-IH,

as and when these are received by KMP from the Zambia Revenue Authority ("ZRA)". Completion of this transaction is expected during the first half of 2023.

Zambian Tax Regime

On September 30, 2022, the Minister of Finance and National Planning presented the 2023 National Budget. The key enacted changes affecting the mining industry include the restructuring of the Mineral Royalty tax regime and the reinstatement of taxes and import duty on fuel.

The restructuring of the Mineral Royalty tax was enacted on January 1, 2023 and includes an amendment to the calculation of mineral royalty tax to be on an incremental basis. In addition, an amendment to the mineral royalty tax bands determining the mineral royalty tax rate applicable at various price levels were made, as shown below.

Price ($ per tonne)	Previous Rates	Price ($ per tonne)	Revised Rates as of January 1, 2023
0 – 4,499	5.5%	0 – 4,000	4.0%
4,500 – 5,999	6.5%	4,001 – 5,000	6.5%
6,000 – 7,499	7.5%	5,001 – 7,000	8.5%
7,500 – 8,999	8.5%	7,001+	10.0%
9,000+	10.0%		

The reinstatement of taxes and duties on fuel, which were suspended in January 2021, came into effect on October 1, 2022 and includes the reinstatement of excise duties and standard rated VAT. In addition, effective January 1, 2023, import duties on fuel (previously at a rate of 25%) were reinstated with a corresponding reduction in the rate of the import duties from 25% to 'free', resulting in nil impact of the reinstatement of these duties.

Zambian VAT

During the second quarter of 2022, the Company reached an agreement with the GRZ for repayment of the outstanding VAT claims based on offsets against future corporate income tax and mineral royalty tax payments, which commenced July 1, 2022. As a result of this agreement, the Company was granted offsets of $59 million and cash refunds of $26 million during the quarter.

During the year ended December 31, 2022, the Company was granted offsets of $154 million and cash refunds of $72 million with respect to VAT receivable balances. In the same period of 2021, offsets of $71 million were granted. For a detailed summary of the VAT receivable balance due to the Company's Zambian operations please see "Zambian VAT" on page 49.

GUIDANCE

Guidance is based on a number of assumptions and estimates as of December 31, 2022, 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.

First Quantum, MPSA and the GOP continue to engage in discussions regarding a refreshed concession contract to secure the long-term future of the Cobre Panamá mine. As previously announced, MPSA is working through a number of steps to address the MICI resolution requiring MPSA to submit a plan to the GOP to suspend commercial operations at Cobre Panamá.

On January 26, 2023, the AMP issued a resolution that required the suspension of concentrate loading operations at the Cobre Panamá port, Punta Rincón, until evidence was provided that the process of certification of the calibration of the scales by an accredited company had been initiated. MPSA filed legal proceedings to challenge the resolution, staying its legal effects. Nevertheless, the Company submitted the required proof of the initiation of the certification process on February 2, 2023, and, on February 7, 2023, the Company submitted certifications of the calibration of the scales and weights. AMP rejected the certification on February 8, 2023, claiming that the certification company is not accredited in Panamá, even though the provider MPSA used is on the list of accredited companies published by MICI. MPSA is challenging this decision, and, at the same time, is working to find another accredited certification company that the GOP will accept. In the meantime, the AMP has maintained its order suspending loading operations at the Port. MPSA is pursuing all avenues to restart shipments at Punta Rincón, including all legal recourse available. As previously reported, if

AMP's measures persist, it may become necessary to shut down the Cobre Panamá mine if concentrate is not shipped by approximately February 20, 2023 due to limited storage capacity on site.

At this time, the timing and impact of any care and maintenance regime enacted by the MICI or any shutdown following receipt of the Resolution issued by the AMP remain uncertain. Given this, production and unit cost guidance for Cobre Panamá is based on normal operations with no disruption to production.

PRODUCTION GUIDANCE

000's	2023	2024	2025
Copper (tonnes)	770 – 840	765 – 835	775 – 865
Gold (ounces)	265 – 295	290 – 320	305 – 345
Nickel (contained tonnes)	28 – 38	34 – 49	45 – 60

PRODUCTION GUIDANCE BY OPERATION[1]

Copper production guidance *(000's tonnes)*	2023	2024	2025
Cobre Panamá	350 – 380	370 – 400	370 – 400
Kansanshi	130 – 150	130 – 150	140 – 180
Sentinel	260 – 280	245 – 265	245 – 265
Other sites	30	20	20
Gold production guidance *(000's ounces)*			
Cobre Panamá	140 – 160	155 – 175	155 – 175
Kansanshi	95 – 105	95 – 105	110 – 130
Other sites	30	40	40
Nickel production guidance *(000's contained tonnes)*			
Ravensthorpe	23 – 28	24 – 29	25 – 30
Enterprise	5 – 10	10 - 20	20 – 30

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

Production for 2023 for Cobre Panamá includes commissioning of the CP100 Expansion in the first quarter of 2023 with a ramp-up over the course of the year to achieve an annualized throughput rate of 100 Mtpa by the end of 2023. Kansanshi copper production in 2023 and 2024 reflects similar levels as 2022 with lower oxide grades and sulphide grades while mining vein-hoisted areas. Copper and gold production in 2025 includes some limited production associated with the S3 Expansion, expected to commence in the second half of 2025. Higher gold production in 2024 for other sites is due to higher production expected at Guelb Moghrein with the expansion of the Carbon-in-Leach ("CIL") plant, to be completed in the first half of 2024, and the inclusion of Cutback 4. Nickel production at Enterprise is expected to commence in the first half of 2023 with ramp up to full plant throughput and recovery in 2024. Production guidance in 2023 for Enterprise includes 5,000 tonnes of pre-commercial production results.

CASH COST[2] AND ALL-IN SUSTAINING COST[2]

Total Copper	2023	2024	2025
C1 (per lb)[2]	$1.65 – $1.85	$1.65 – $1.85	$1.60 – $1.85
AISC (per lb)[2]	$2.25 – $2.45	$2.25 – $2.45	$2.20 – $2.45

Ravensthorpe Nickel	2023	2024	2025
C1 (per lb)[2]	$7.00 – $8.50	$6.75 – $8.00	$6.75 – $8.00
AISC (per lb)[2]	$9.00 – $10.50	$8.50 – $9.75	$8.50 – $9.75

Enterprise Nickel	2023	2024	2025
C1 (per lb)[2]	–	$4.00 – $6.00	$4.00 – $6.00
AISC (per lb)[2]	–	$6.50 – $9.50	$6.50 – $9.50

[2] C1 cash cost (C1), and all-in sustaining cost (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".

C1 cash cost[1] guidance for both copper and nickel reflects recent inflationary and commodity price pressures. AISC[1] guidance reflects higher sustaining capital expenditure[2], partly mitigated by a decrease in royalties, specifically in Zambia related to recent changes announced by the Zambian government. The Zambian import duty on fuel was reinstated on January 1, 2023, however this reinstatement was at a 'free rate', resulting in a nil impact on costs. Unit cost guidance for the three-year guidance period is based on an assumed gold price of between $1,700 per ounce and $1,750 per ounce, average Brent crude oil price of $100 per barrel and a Zambian kwacha/US dollar exchange rate of 16. A coal price of $150 per tonne is assumed for 2024 and 2025. Ravensthorpe unit cost guidance is based on a sulphur price of $150 per tonne. Enterprise unit cost guidance is provided from its first full year of production in 2024. Collective Bargaining Agreement negotiations at Sentinel, Kansanshi, First Quantum Mining and Operations Limited ("FQMO") and Enterprise concluded in early 2023. Anticipated labour cost increases were included in cost estimates.

PURCHASE AND DEPOSITS ON PROPERTY, PLANT & EQUIPMENT

	2023	2024	2025
Capitalized stripping[1]	300	300	300
Sustaining capital[1]	430	475	500
Project capital[1]	870	1,025	700
Total capital expenditure	1,600	1,800	1,500

[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".

Capital expenditures have been experiencing inflationary cost increases driven by higher shipping rates, steel prices, fuel costs, and labour rates. Guidance on capital expenditures for 2023 and 2024 has increased to reflect such cost increases as well as additional increases arising from scope definition and the timing of expenditures, including some expenditure carried over from 2022 and the acceleration of some expenditure related to the Kansanshi S3 Expansion project.

Total capital expenditure for the S3 Expansion project remains unchanged at $1.25 billion, with approximately $40 million spent to date. The S3 Expansion includes the development and construction of the S3 process plant circuit and mining fleet acquisitions. Across the three-year guidance period, project capital expenditures for the S3 Expansion project is expected to be approximately $900 million, with the majority of the spend to occur over 2023 and 2024. Pre-strip activities for the South East Dome pit is expected to continue through to 2027, of which $300 million is included in the three-year capital budget at Kansanshi. Pre-strip mining is classified as project capital.

Project capital in the three-year guidance period includes:

- Additional capital expenditures at Kansanshi, including the expansion of the tailings facility and smelter, of approximately $300 million;
- $650 million in capital expenditures at Cobre Panamá for the development of the Colina pit, work on the West Dam, purchase of additional mining fleet, expansion of camp facilities and assembly of the molybdenum flotation and filtration plant;
- $200 million in capital expenditures at Sentinel for the relocation of in-pit crusher 2 and the purchase of additional mining equipment; and
- $35 million for the completion of the Enterprise nickel project.

The three-year guidance includes ESG-related projects within the $2.6 billion project capital expenditures. Each of these projects also improve cost structure, safety and productivity of the business. These include:

- Upgrade of the Kansanshi smelter to increase processing capacity, which reduces downstream GHG emissions from the transport and refining of copper concentrate produced by Kansanshi and Sentinel;
- A potential wind farm at Ravensthorpe to reduce reliance on power from diesel back-up generators, a new initiative which was not included in the prior year's guidance, subject to final approval;

[1] C1 cash cost (C1), and all-in sustaining cost (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".
[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".

- Expansion of trolley assist infrastructure across the Company's three largest mines to lower diesel consumption, and associated mine fleet GHG emissions;
- Relocation and installation of in-pit crushers to optimize haul cycle efficiency and reduce mine fleet diesel consumption,
- Investments at Cobre Panamá and Trident to enhance the social infrastructure serving both its workforce and local communities; and
- Water initiatives at various operations for the management of water quality and reuse by operations.

Three-year guidance for project capital expenditure does not include any development expenditure for the Las Cruces Underground Project, Taca Taca or Haquira.

All of the Company's major operations have planned for increases in sustaining expenditure, which has been impacted by significant cost inflation as well as an increase in tailings storage facility costs and increase in fleet replacement programs. Sustaining capital expenditure[1] ranges between $430 million and $500 million over the three years.

Capital expenditure guidance excludes capitalized pre-commercial production results.

Interest

Interest expense on debt for the year ended December 31, 2022 was $476 million. Interest expense on debt for the full year 2023 is expected to be approximately $510 million and excludes interest accrued on related party loans to Cobre Panamá and Ravensthorpe, a finance cost accreted on the precious metal streaming arrangement, capitalized interest expense and accretion on asset retirement obligation.

Cash outflow on interest paid for the year ended December 31, 2022 was $448 million and is expected to be approximately $505 million for the full year 2023. This figure excludes interest paid on related party loans to Cobre Panamá and Ravensthorpe and capitalized interest paid.

Capitalized interest for the year ended December 31, 2022 was $24 million. Capitalized interest is expected to be approximately $35 million for the full year 2023.

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 2022 was 22% which included Law 9 legislation.

During January 2022, the GOP tabled a new proposal, namely that the GOP should receive $375 million in benefits per year from Cobre Panamá and that the existing revenue royalty will be replaced by a gross profit royalty. Once an agreement has been signed and passed into law, it is considered that a tax and royalty payment in respect of 2022 of approximately $375 million will be made in addition to the amount payable in respect of 2023.

The effective tax rate for 2023 will be dependent on the outcome of the agreement with the GOP and therefore guidance on the effective tax rate will not be provided at this stage.

Depreciation

Depreciation expense for the year ended December 31, 2022 was $1,230 million. The full year 2023 depreciation expense is expected to be between $1,250 million to $1,275 million.

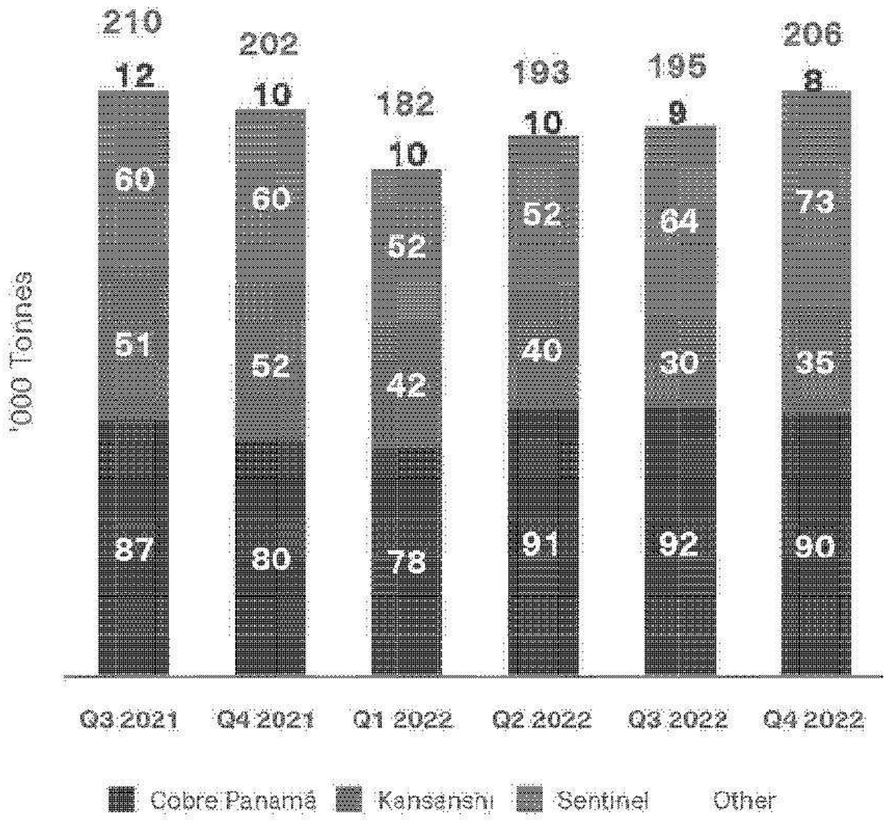
[1] Sustaining capital expenditure is a non-GAAP financial measure which does not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

SUMMARY OPERATIONAL RESULTS

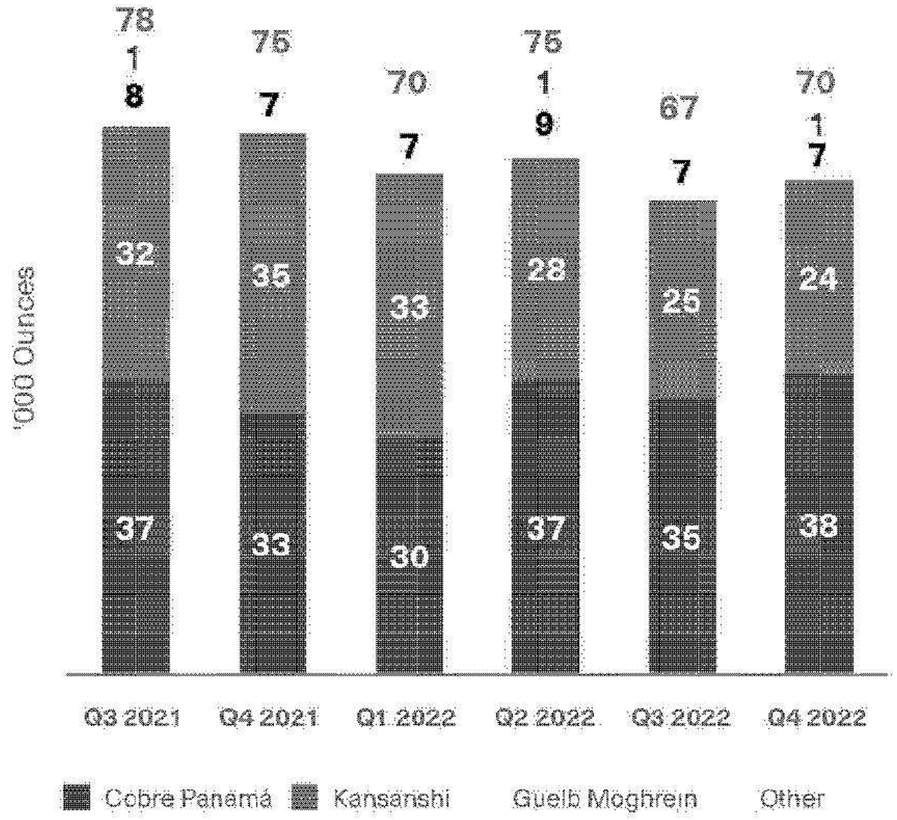
Production

FOURTH QUARTER

QUARTERLY COPPER PRODUCTION BY OPERATION



QUARTERLY GOLD PRODUCTION BY OPERATION



Total copper production in the fourth quarter of 2022 increased by 2% to 206,007 tonnes compared to the same quarter of 2021. The increase in total copper production was attributable to record quarterly production at Sentinel and strong performance at Cobre Panamá. This was offset by a decrease at Kansanshi due to lower grades as well as expected decreases at shorter life operations.

Cobre Panamá had a strong quarter, with copper production of 89,652 tonnes, an increase of 12% from the same period in 2021 attributable to efficiency improvements in blasting, improvements in SAG milling rates, as well as the addition of a third secondary crusher in November 2022.

Sentinel delivered record quarterly production of 73,409 tonnes of copper with sustained high throughput and recoveries, as well as improved grades, despite the heavy rains experienced in December. Sentinel benefitted from the treatment of soft, well-fragmented ore and the performance of the fourth in-pit crusher.

Kansanshi's copper production was 34,802 tonnes for the quarter, 17,137 tonnes lower than the same quarter of 2021. Production in 2022 was impacted by a reduction in grades from narrow-veined regions, but improved in the fourth quarter. An enhanced water management strategy has led to a more consistent feed grade.

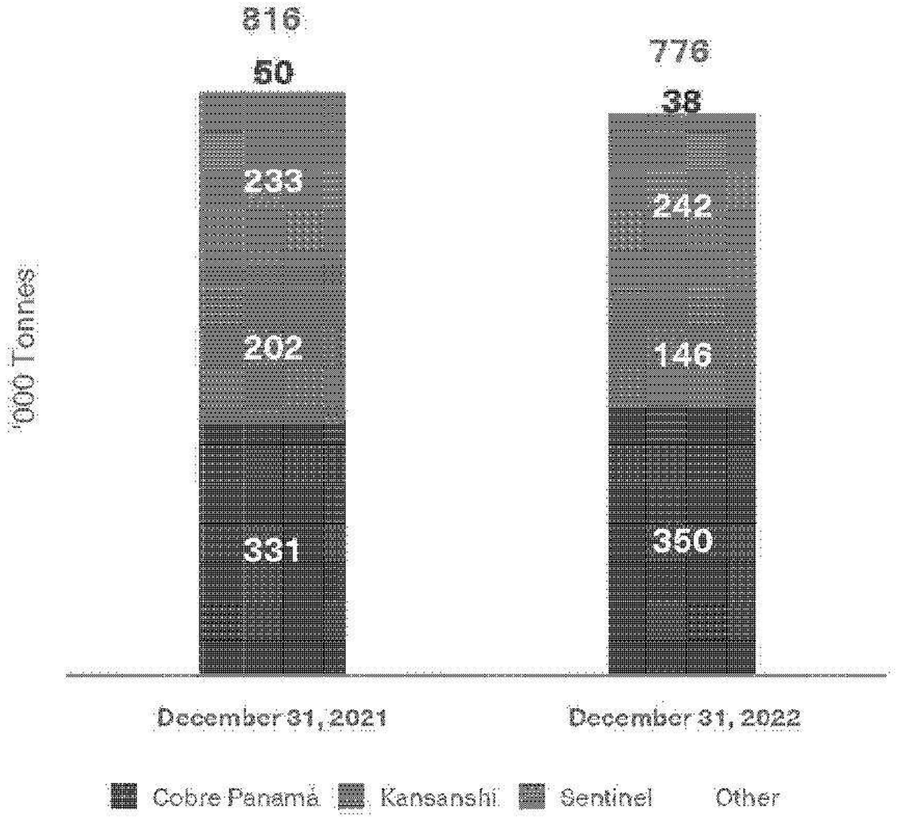
Decreases in copper production at other shorter life operations were in line with expectations.

Gold production was 6% lower than the same quarter of 2021 due to lower production at Kansanshi.

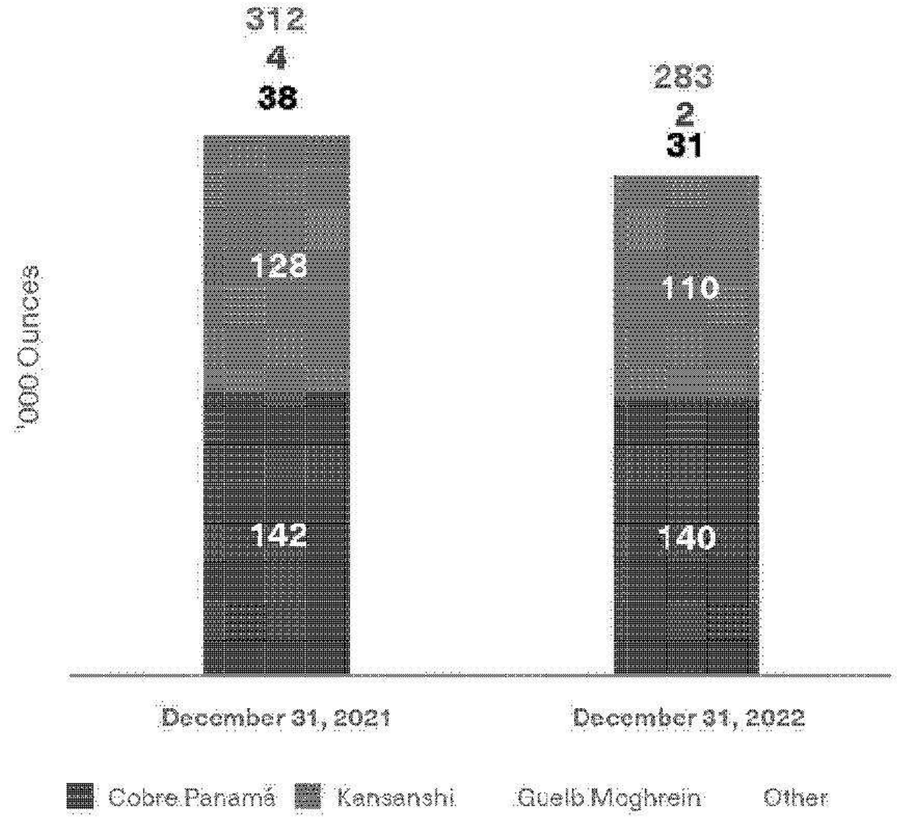
Ravensthorpe produced 5,705 contained tonnes of nickel, a 69% increase from the comparable quarter of 2021, as HPAL rates improved with improved ore handling and processing and improved beneficiation plant stability.

FULL YEAR

YEAR-TO-DATE COPPER PRODUCTION BY OPERATION



YEAR-TO-DATE GOLD PRODUCTION BY OPERATION



Copper production in the year ended December 31, 2022 was a 5% reduction from 2021. Both Cobre Panamá and Sentinel set quarterly records in 2022. Production at Kansanshi was impacted by lower grades and the accumulation of water in the main pit.

Cobre Panamá achieved record copper production of 350,438 tonnes for the year ended December 31, 2022, a 6% increase compared to 2021.

Copper production at Sentinel of 242,451 tonnes for the year ended December 31, 2022 was 4% higher than the comparable period in 2021 due to higher throughput. Production was impacted in the first quarter of 2022 by a delay to Stage 2 North-wall stripping due to wet underfoot conditions during an extended rainy season but has improved in subsequent quarters. Throughput has been strong, setting monthly and quarterly records in the fourth quarter and an annual record in 2022.

Kansanshi achieved copper production of 146,282 tonnes for the full year, 28% lower than 2021, reflecting the lower sulphide grades from narrow ore veins, depleting oxide ore and restricted access to high-grade blocks due to an accumulation of water in the main pit, which was resolved towards the end of the third quarter of 2022. Ongoing reconciliation enhancements have elevated the understanding of such areas, which will allow near-term mine plans and sequences to be improved and optimized.

Expected decreases were seen at the shorter life operations, mainly at Guelb Moghrein and Las Cruces.

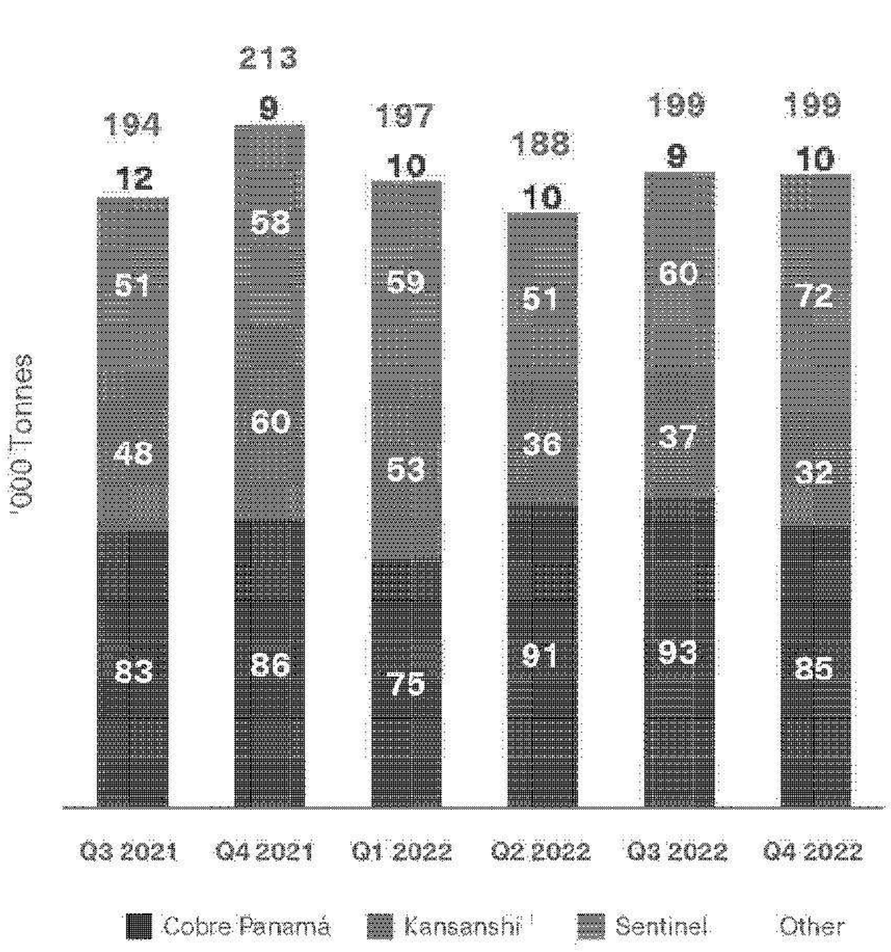
Total gold production was 9% lower than the comparable period in 2021 mainly attributable to lower production at Kansanshi and Guelb Moghrein.

Ravensthorpe produced 21,529 contained tonnes of nickel, a 28% increase from the comparable period in 2021. HPAL rates improved during the year with improved ore handling and processing from the new Shoemaker Levy mine and improved beneficiation plant availability and stability.

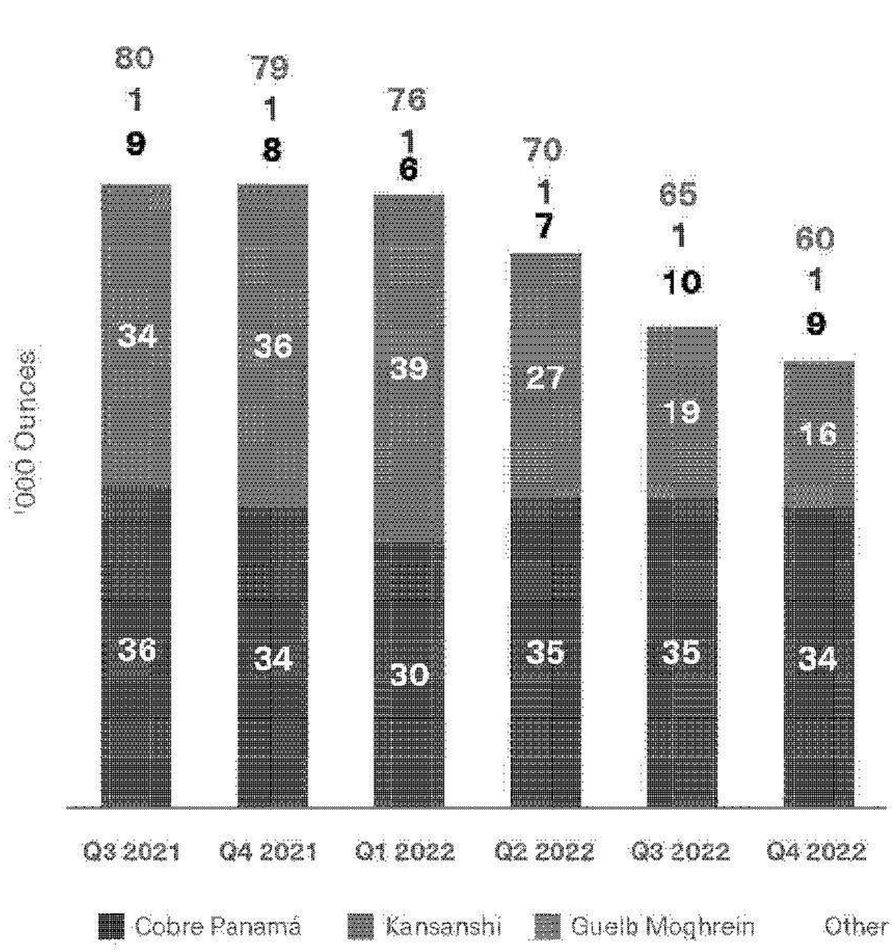
Sales Volumes

FOURTH QUARTER

QUARTERLY COPPER SALES BY OPERATION



QUARTERLY GOLD SALES BY OPERATION



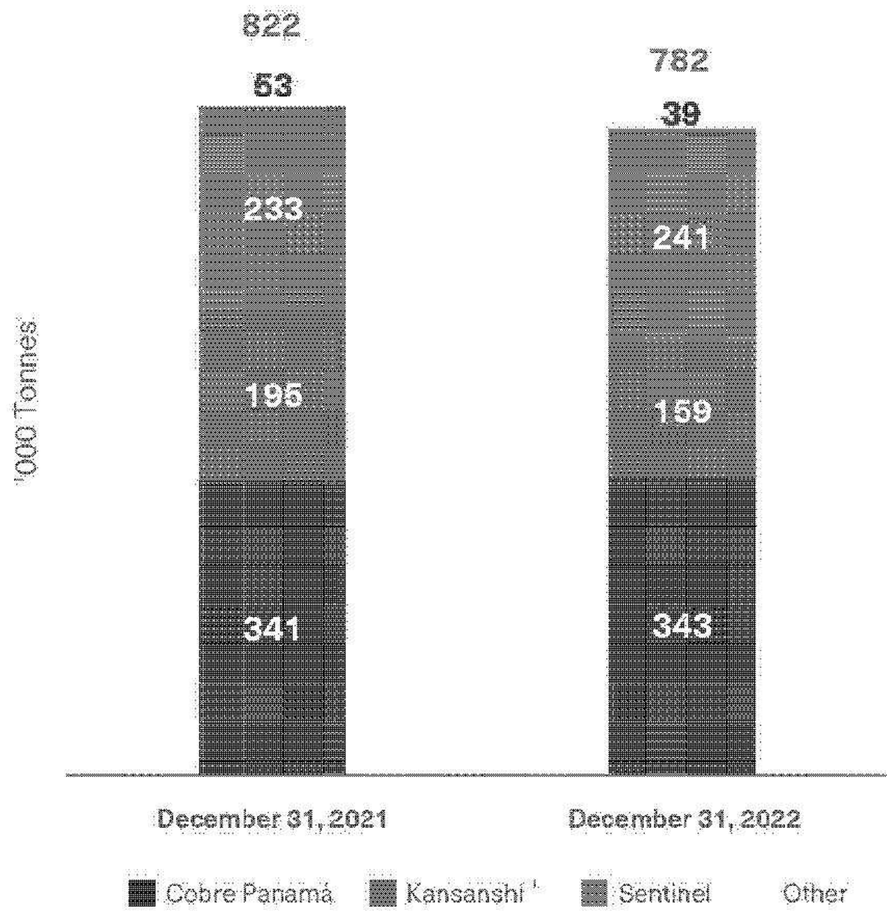
[1] Copper sales include third-party sales of concentrate, cathode and anode attributable to Kansanshi (excluding copper anode sales attributable to Trident). Sales exclude the sale of copper anode produced from third-party concentrate purchased at Kansanshi. Sales of copper anode attributable to third-party concentrate purchases were 8,651 for the three months ended December 31, 2022 (nil for the three months ended December 31, 2021).

Total copper sales volumes of 198,912 tonnes for the fourth quarter of 2022 were 7% lower than the same quarter in 2021, while gold sales volumes of 59,568 ounces for the fourth quarter of 2022 were 25% less than the same quarter of 2021, mainly due to lower production at Kansanshi and expected decreases at shorter life operations.

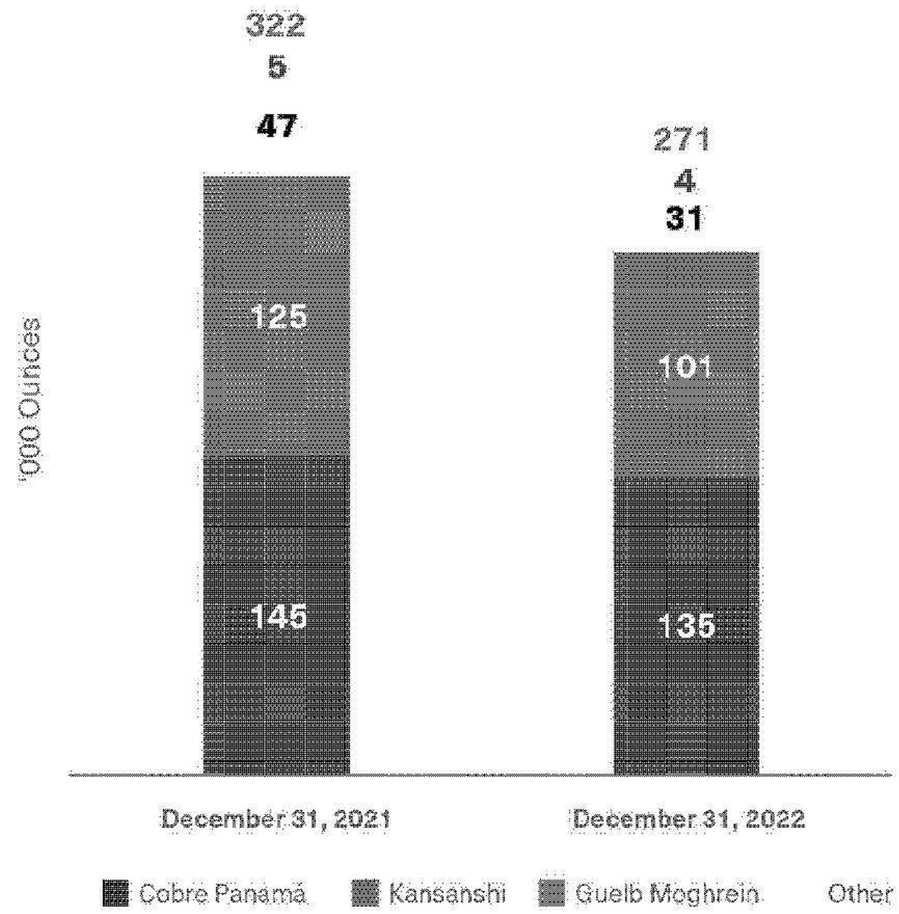
Nickel sales volumes were 6,840 contained tonnes at Ravensthorpe, which is an 82% increase from the same quarter in 2021, attributable to higher production.

FULL YEAR

YEAR-TO-DATE COPPER SALES BY OPERATION



YEAR-TO-DATE GOLD PRODUCTION BY OPERATION



[1] Copper sales include third-party sales of concentrate, cathode and anode attributable to Kansanshi (excluding copper anode sales attributable to Trident). Sales exclude the sale of copper anode produced from third-party concentrate purchased at Kansanshi. Sales of copper anode attributable to third-party concentrate purchases were 13,379 tonnes for the year ended December 31, 2022 (nil for the year ended December 31, 2021).

Copper sales in the period were 5% lower compared to the same period in 2021. This reflects the decreases at Kansanshi and expected decreases at shorter life operations.

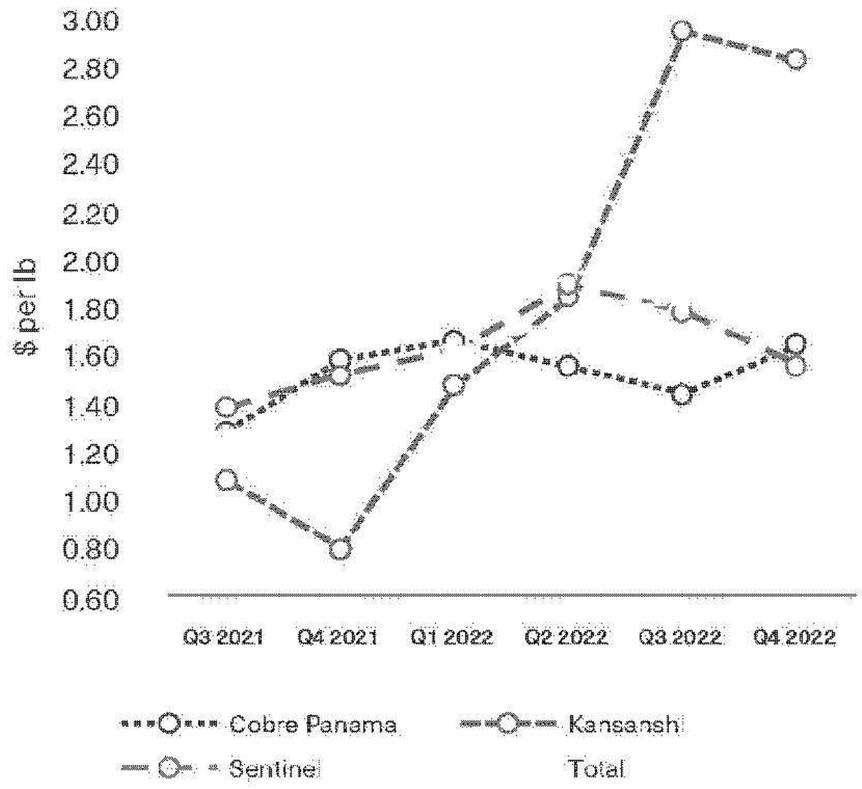
Gold sales volumes decreased by 16% compared to the same period in 2021, reflecting the decreases in gold production at Kansanshi and Guelb Moghrein.

Nickel sales volumes were 20,074 contained tonnes at Ravensthorpe, which reflects the increase in production.

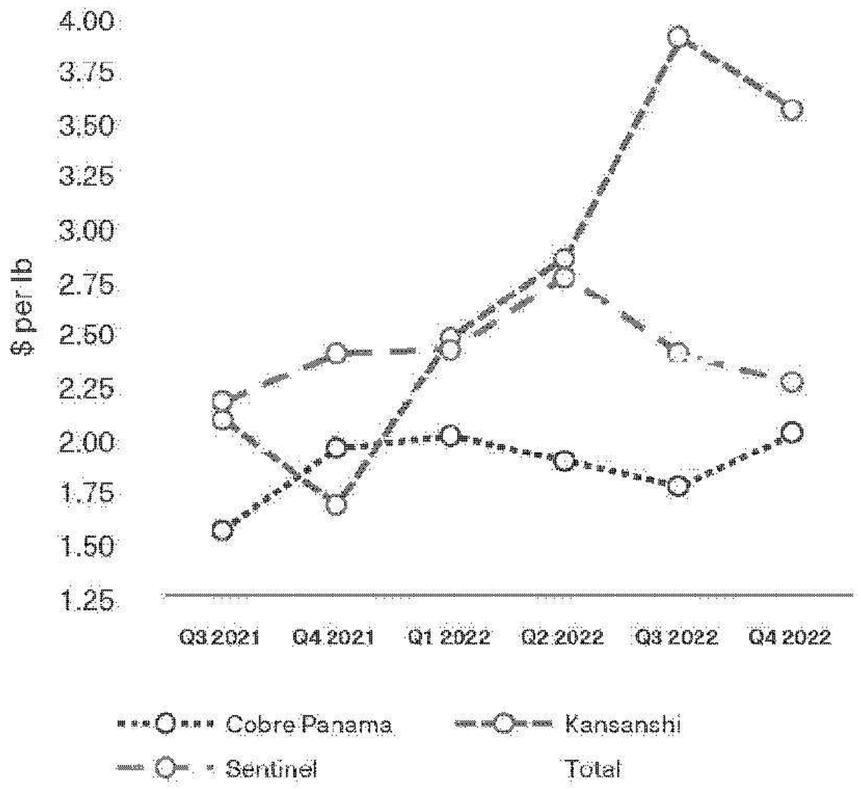
Cash Costs[1]

FOURTH QUARTER

QUARTERLY COPPER C1 CASH COST[1]



QUARTERLY COPPER AISC[1]



Total copper C1 cash cost[1] of $1.86 per lb for the fourth quarter of 2022 was $0.47 per lb higher than the same quarter of 2021 with increases in prices for key consumables, including explosives, fuel and steel, along with higher freight and electricity charges. Employee costs rose during the second half of the year as the Company realigned labour rates to current market levels and adjusted for cost-of-living changes in some jurisdictions.

Cobre Panamá's copper C1 cash cost[1] of $1.63 per lb was $0.06 per lb higher than the comparable quarter of 2021 as a result of price increases for key consumables and fuel.

Sentinel's copper C1 cash cost[1] was $0.04 per lb higher at $1.55 per lb compared to the same quarter in 2021, attributable to price increases in key consumables and lower copper production.

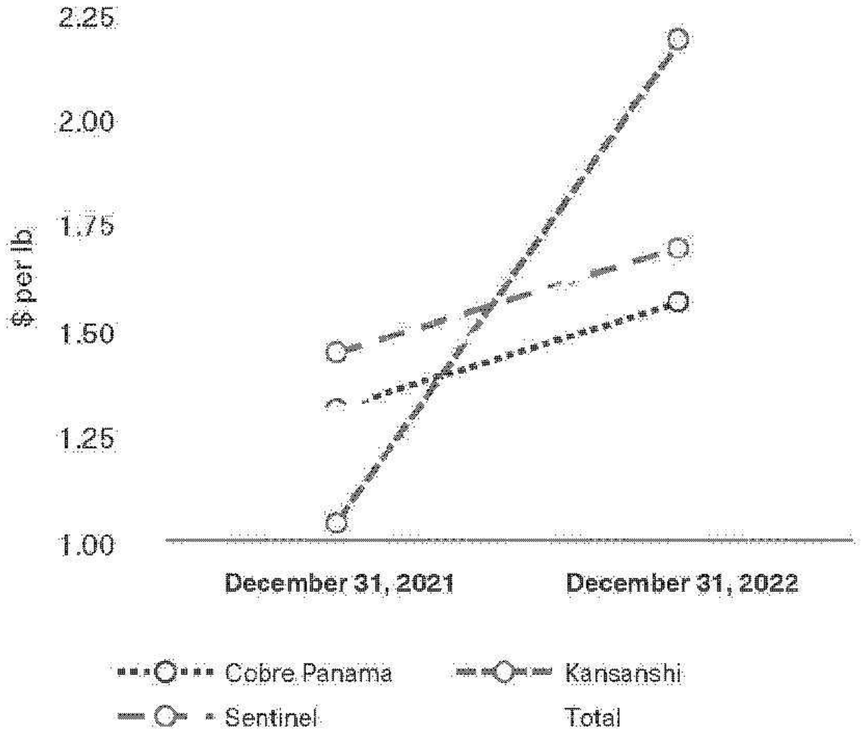
Kansanshi's copper C1 cash cost[1] for the fourth quarter of $2.81 per lb was an increase of $2.02 per lb compared to the same quarter in 2021, mainly attributable to lower production and a non-recurring favourable movement on operational provisions in the fourth quarter of 2021, as well as increases in key consumables and employee costs.

Total copper AISC[1] of $2.42 per lb was $0.37 per lb higher than the same quarter of 2021, reflecting the higher copper C1 cash cost[1].

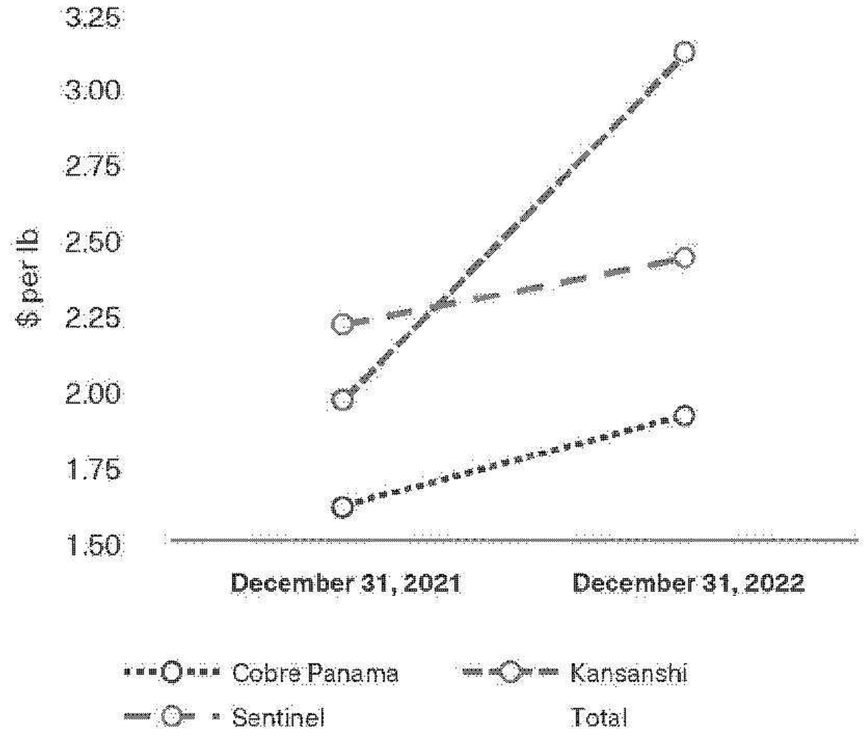
[1] Copper C1 cash cost (copper C1), and copper all-in sustaining costs (copper AISC) are non-GAAP ratios which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

FULL YEAR

YEAR-TO-DATE COPPER C1 CASH COST[1]



YEAR-TO-DATE COPPER AISC[1]



Total copper C1 cash cost[1] of $1.76 per lb for the year ended December 31, 2022 was $0.46 per lb higher than 2021, driven by higher fuel, freight, steel and explosives costs, together with the impact of higher power costs at Cobre Panamá in January 2022, as well as the impact of the lower production at Kansanshi and short-life operations.

For these reasons, Kansanshi's copper C1 cash cost[1] of $2.18 per lb increased by $1.14 per lb compared to the same period in 2021, while Sentinel's copper C1 cash cost[1] was $0.25 per lb higher at $1.69 per lb.

Cobre Panamá's copper C1 cash cost[1] of $1.56 per lb, which was $0.25 per lb higher than the comparable period of 2021, included electricity purchasing costs in January 2022 during the power plant shutdown.

Total copper AISC[1] of $2.35 per lb was $0.47 per lb higher than the same period in 2021, resulting from the higher copper C1 cash costs[1].

Please see the appendices from page 70 onward 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".

OPERATIONS REVIEW

Cobre Panamá

	QUARTERLY			FULL YEAR	
	Q4 2022	Q3 2022	Q4 2021	2022	2021
Waste mined (000's tonnes)	18,495	15,620	12,504	63,860	49,688
Ore mined (000's tonnes)	24,733	24,668	24,243	100,250	96,426
Copper ore milled (000's tonnes)[1]	21,887	22,447	20,672	86,145	80,838
Copper ore grade processed (%)	0.46	0.46	0.42	0.45	0.45
Copper recovery (%)	89	89	92	90	91
Concentrate grade (%)	26.2	26.5	27.5	26.6	27.0
Copper production (tonnes)	89,652	91,671	80,030	350,438	331,000
Copper sales (tonnes)	85,330	92,665	86,112	343,448	341,078
Gold production (ounces)	38,302	34,571	32,800	139,751	141,637
Gold sales (ounces)[2]	34,208	35,033	34,409	134,660	145,185
Silver production (ounces)	757,655	691,447	634,396	2,813,129	2,521,235
Silver sales (ounces)[2]	723,955	690,469	675,450	2,762,737	2,597,310
Copper all-in sustaining cost (AISC) (per lb)[3]	$2.01	$1.76	$1.94	$1.91	$1.61
Copper cash cost (C1) (per lb)[3]	$1.63	$1.43	$1.57	$1.56	$1.31
Total copper cost (C3) (per lb)[3]	$2.54	$2.33	$2.55	$2.49	$2.22
Financial Results ($ millions)					
Copper in concentrates	626	657	773	2,768	2,952
Gold – precious metal stream ongoing cash payments	13	11	13	48	48
Gold – other cash	1	10	3	15	31
Silver – precious metal stream ongoing cash payments	2	2	2	8	9
Silver – other cash	7	4	5	23	21
Gold and silver - non cash amortization	25	23	25	97	99
Total sales revenues	674	707	821	2,959	3,160
Gross profit	189	216	336	1,065	1,449
EBITDA[4]	337	374	488	1,665	2,021

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

Fourth Quarter

Copper production remained strong during the fourth quarter of 2022 at 89,652 tonnes of copper produced, an increase of 12% from the same period in 2021. During the quarter, 21.9 million tonnes of ore with an average head grade of 0.46% were processed, including a record volume of ore processed of 8.3 million tonnes in December, and average recoveries of 89% were achieved. The increase in ore milled compared to the same period in 2021 was driven by efficiency improvements in blasting to improve fragmentation, improvements in SAG milling rates driven by better availabilities and sustained increases in secondary and pebble crushing, as well as the addition of a third secondary crusher in November 2022. Total ex-pit mining of 43 million tonnes for the quarter was 18% higher than the comparative period of last year, with the increases mainly related to the pre-strip work at the Colina pit where 8.2 million tonnes of waste was mined during the quarter (three months ended December 31, 2021: 1.7 million tonnes). The mining performance is a result of several operational improvements in the mine, particularly on haul roads and increased usage of trolley assists, which resulted in higher

haulage efficiency and a lower carbon footprint. Additionally, the fifth rope shovel was commissioned mid-November in the Colina pit.

Copper AISC[1] and copper C1 cash cost[1] of $2.01 per lb and $1.63 per lb, respectively, were $0.07 per lb and $0.06 per lb higher than the same quarter in 2021, primarily driven by price increases for key consumables including explosives, fuel and steel for grinding media. Unit 2 of the power plant at Cobre Panamá had a scheduled biennial maintenance shutdown in October, with replacement electrical power sourced from the national grid at spot prices. A collar structure for coal purchases is currently in place with the ceiling price already exercised from July 2021 onwards, thereby limiting exposure to further increases in the coal price until the end of 2023.

Sales revenues for the fourth quarter of 2022 were $674 million, 18% lower than the same quarter of 2021 as a result of lower realized copper prices[1]. Gross profit of $189 million for the quarter was $147 million, or 44%, lower than the same period in 2021, reflecting lower sales revenues and higher operating costs.

Full Year

Strong operational performance continued in 2022, with a steady improvement in comminution operations with higher pebble and secondary crusher utilization, as well as improved maintenance performance for the mobile and fixed plant. During the year ended December 31, 2022, 86.1 million tonnes of ore with an average grade of 0.45% were processed with recoveries of 90%. This resulted in copper and gold production of 350,438 tonnes and 139,751 ounces, respectively. Additionally, higher mining volumes were driven by the introduction of eight new T284 haul trucks to the mining fleet and opening up of new mining areas. In particular, the pre-strip activity at the Colina pit advanced significantly during the period with 21.7 million tonnes of waste mined for 2022, primarily from the box cut area where the initial in-pit crushers at the Colina pit will be placed (year ended December 31, 2021: 2.7 million tonnes).

Copper AISC[1] and copper C1 cash cost[1] for the year ended December 31, 2022 were $1.91 per lb and $1.56 per lb, respectively, and were $0.30 per lb and $0.25 per lb higher than 2021. This was a result of price increases in key consumables such as explosives, fuel, steel for grinding media and liners, as well as higher maintenance costs, combined with the electricity purchasing costs during the power plant shutdown in January and during the biennial maintenance shutdown of Unit 2 of the power plant in October. A collar structure for coal purchases is currently in place with the ceiling price already exercised from July 2021 onwards, thereby limiting exposure to further increases in the coal price until the end of 2023.

Sales revenues for the year ended December 31, 2022 were $2,959 million, 6% lower than 2021 mainly due to lower realized copper prices[1] excluding the impact of the corporate sales hedge program. Gross profit was $1,065 million for the year ended December 31, 2022, a 27% decrease from 2021, reflecting lower sales revenues and higher operating costs.

Outlook

For 2023, Cobre Panamá is expected to achieve between 90 million and 100 million tonnes of mill throughput and annual production of 350,000 – 380,000 tonnes of copper and 140,000 – 160,000 ounces of gold. Full year 2023 grades and recoveries are expected to be broadly consistent with 2022, with some fluctuation from quarter to quarter. At this time, the timing and impact of any care and maintenance regime enacted by the MICI or any shutdown following receipt of the Resolution issued by the AMP remain uncertain. Given this, production and unit cost guidance for Cobre Panamá is based on normal operations with no disruption to production.

The CP100 Expansion project at Cobre Panamá is in early operation with the new process water circuits and bypass feeders in use, and with the balance of the expansion scope in ore commissioning with ore having been introduced to both Ball Mill 6 and the primary screening facility. Ramp up of production is in progress to achieve a throughput rate of 100 Mtpa by the end of 2023.

The Company continues to engage in good faith discussions with the GOP and remains ready to reach an agreement that is fair and equitable to both parties. This includes the stability of the tax and royalty regime and reasonable protections against early termination. 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 for approval.

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[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.

Kansanshi

	QUARTERLY			FULL YEAR	
	Q4 2022	**Q3 2022**	**Q4 2021**	**2022**	**2021**
Waste mined (000's tonnes)	20,028	20,821	14,100	75,878	69,758
Ore mined (000's tonnes)	6,984	6,281	10,309	28,205	35,142
Sulphide ore milled (000's tonnes)[1]	3,207	3,220	3,341	13,160	13,386
Sulphide ore grade processed (%)	0.65	0.58	0.95	0.71	0.88
Sulphide copper recovery (%)	89	86	90	89	91
Sulphide concentrate grade (%)	21.9	22.4	23.3	22.8	24.5
Mixed ore milled (000's tonnes)[1]	2,017	2,096	1,866	7,713	7,601
Mixed ore grade processed (%)	0.63	0.54	0.93	0.63	0.96
Mixed copper recovery (%)	73	71	81	74	82
Mixed ore concentrate grade (%)	18.6	16.3	22.0	17.8	21.3
Oxide ore milled (000's tonnes)[1]	2,011	2,034	1,788	7,866	7,164
Oxide ore grade processed (%)	0.60	0.50	0.80	0.57	0.72
Oxide copper recovery (%)	60	59	68	64	69
Oxide concentrate grade (%)	10.3	10.7	16.9	11.7	17.1
Copper production (tonnes)[2]	34,802	29,862	51,939	146,282	202,159
Copper smelter					
Concentrate processed[3]	322,984	331,715	364,031	1,304,839	1,259,856
Copper anodes produced (tonnes)[3]	80,279	77,150	85,484	304,914	301,556
Smelter copper recovery (%)	98	96	97	97	98
Acid tonnes produced (000's)	301	312	350	1,247	1,217
Copper sales (tonnes)[4]	32,496	37,305	59,872	159,007	195,327
Gold production (ounces)	24,479	24,561	34,546	109,617	128,199
Gold sales (ounces)	16,156	19,256	36,295	101,015	125,338
Copper all-in sustaining cost (AISC) (per lb)[5,6]	$3.55	$3.89	$1.67	$3.11	$1.96
Copper cash cost (C1) (per lb)[5,6]	$2.81	$2.93	$0.79	$2.18	$1.04
Total copper cost (C3) (per lb)[5,6]	$3.96	$4.08	$1.78	$3.31	$2.03
Financial Results ($ millions)					
Copper	324	314	569	1,502	1,794
Gold	26	29	63	174	219
Other	6	16	1	30	1
Total sales revenues	356	359	633	1,706	2,014
Gross profit	(17)	–	337	382	969
EBITDA[5]	39	54	407	594	1,178

[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 Trident 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 Trident). Sales exclude the sale of copper anode produced from third-party concentrate purchased at Kansanshi. Sales of copper anode attributable to third-party concentrate purchases were 8,651 and 13,379 tonnes for the three and twelve months ended December 31, 2022, (nil for the three and twelve months ended December 31, 2021).
[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. 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.
[6] Excludes purchases of copper concentrate from third parties treated through the Kansanshi smelter.

Fourth Quarter

Kansanshi produced 34,802 tonnes of copper during the fourth quarter of 2022, which was 33% lower than the same quarter of 2021 due to lower grades across all three circuits and the resulting impacts on recovery. Feed grades to all three circuits improved from the third quarter mainly due to deployment changes made during the second half of the year. This resulted in an enhanced water management strategy in M12, which led to a more consistent feed grade to the mixed and

oxide circuits. Deployment changes in M17 also resulted in de-risking the plan by balancing the mixed ore feed between strata and ore associated with narrow-veins, which had a positive impact on feed grade consistency. Sulphide feed grades improved as mining took place in areas with mainly strata mineralization. Work is continuing on reconciliations and the learnings are incorporated in the near-term mine plans to further improve and optimize sequences.

Gold production of 24,479 ounces for the fourth quarter of 2022 was 29% lower than the same period in 2021 due to the reduction in copper concentrate produced.

Copper C1 cash cost[1] of $2.81 per lb was $2.02 per lb higher than the comparable quarter in 2021, mainly due to lower production, a non-recurring favourable movement on operational provisions in the fourth quarter of 2021 following the conclusion of the arbitration case on electricity prices charged by ZESCO, as well as underlying cost increases from higher fuel, explosives, and employee costs. Copper AISC[1] of $3.55 per lb was $1.88 per lb higher than the comparable quarter in 2021 due to higher copper C1 cash costs[1] in the quarter, reduced by lower royalties, capitalized stripping[2] and sustaining capital expenditure[2].

Sales revenues of $356 million were 44% lower than the same quarter of 2021, reflecting a decrease in copper sales volumes during the quarter and negative gold finalization recorded in December 2022. Gross loss of $17 million was $354 million lower than the comparable period in 2021, reflecting lower sales revenues and increases in costs.

Full Year

Kansanshi produced 146,282 tonnes of copper over the year ended December 31, 2022, which was 28% lower than 2021 due to lower grades and the resulting impacts on recovery. After an extended rainy season, accumulation of water in the M12 cutback restricted mining deployment, which led to supplementary plant feed from low-grade stockpile. During the period, grades were also affected by a higher than normal proportion of sulphide feed that came from narrow-veined regions as a result of the current mine layout and mining sequence. Recent detailed updates of the geological model confirm that a relatively small proportion, 20% of the sulphide ores, comprise of vein-hosted areas and 80% from dominant stratiform mineralization. Ongoing reconciliation enhancements have elevated the understanding of such areas, which will allow near-term mine plans and sequences to be improved and optimized.

Gold production for the year ended December 31, 2022 of 109,617 ounces is 14% lower than the same period in 2021, mainly due to the decrease in copper production, partially offset by improvements on the gravity gold recovery circuit.

Copper C1 cash cost[1] of $2.18 per lb for the year ended December 31, 2022 was $1.14 per lb higher than the same period in 2021, mainly due to lower production and inflationary pressures impacting fuel, explosives, employee and maintenance costs, coupled with a non-recurring favourable movement on operational provisions in the fourth quarter of 2021. Copper AISC[1] of $3.11 per lb was $1.15 per lb higher than the same period in 2021, driven by higher copper C1 cash costs[1] and higher capitalized stripping[2], partially offset by lower royalties and lower sustaining capital expenditure[2].

Sales revenues of $1,706 million for the year ended December 31, 2022 were 15% lower than 2021 due to lower sales volumes and lower realized copper prices[1] excluding the impact of the corporate sales hedge program. Gross profit for the year ended December 31, 2022 of $382 million was 61% lower than 2021 due to lower sales volumes and an increase in operating costs.

Kansanshi Copper Smelter

Fourth Quarter

The smelter treated 322,984 DMT of concentrate during the quarter and produced 80,279 tonnes of copper anode and 301,000 tonnes of sulphuric acid. The concentrate grade treated in the quarter was 25%.

Full Year

The smelter treated 1,304,839 DMT of concentrate during the year ended December 31, 2022 and produced 304,914 tonnes of copper anode and 1,247,000 tonnes of sulphuric acid. The concentrate grade treated during the period was 24%.

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[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, 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".

Outlook

Production in 2023 is expected to be 130,000 – 150,000 tonnes of copper, and 95,000 – 105,000 ounces of gold. Kansanshi copper production in 2023 and 2024 reflects similar levels as 2022 with lower oxide grades and sulphide grades while mining vein-hoisted areas. Copper and gold production in 2025 includes some limited production associated with the S3 Expansion, expected to commence in the second half of 2025.

Following procurement of long-lead items, engineering contractors have commenced with the detailed design for the S3 Expansion. The mining fleet has been procured and deliveries will commence in the second half of 2023, which will enable the mine to transition ahead of the plant commissioning in the second half of 2025. Engineering has also commenced on the related smelter expansion project and orders have been placed for key long-lead items associated with the oxygen plant, acid plant, and wet electrostatic precipitation.

Trident

	QUARTERLY			FULL YEAR	
	Q4 2022	Q3 2022	Q4 2021	2022	2021
Waste mined (000's tonnes)	23,485	24,030	24,624	95,335	102,445
Ore mined (000's tonnes)	14,721	14,766	14,863	56,219	57,380
Copper ore milled (000's tonnes)[1]	15,456	15,376	15,030	58,868	56,329
Copper ore grade processed (%)	0.52	0.46	0.45	0.46	0.47
Copper recovery (%)	90	91	89	90	89
Copper production (tonnes)	73,409	64,120	60,197	242,451	232,688
Concentrate grade (%)	27.8	28.5	28.0	28.3	27.5
Copper sales (tonnes)	71,642	60,058	58,087	241,162	232,812
Copper all-in sustaining cost (AISC) (per lb)[2]	$2.25	$2.39	$2.39	$2.43	$2.21
Copper cash cost (C1) (per lb)[2]	$1.55	$1.77	$1.51	$1.69	$1.44
Total copper cost (C3) (per lb)[2]	$2.42	$2.69	$2.59	$2.66	$2.40
Financial Results ($ millions)					
Sales revenues – Copper	535	437	527	1,980	2,032
Gross profit	169	95	233	665	916
EBITDA[2]	258	172	300	970	1,178

[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. 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.

Fourth Quarter

Sentinel delivered record quarterly production with 73,409 tonnes of copper produced as throughput, grade, and recoveries improved in the fourth quarter despite experiencing heavy rainfall in December. Production was 22% higher than the comparable quarter in 2021. The record quarterly throughput was 3% higher than the same quarter in 2021 and benefitted from the treatment of soft, well-fragmented ore and the performance of the fourth in-pit crusher. The feed grade was 16% above the same period in 2021 with more consistent higher-grade ore being exposed in the Stage 1 and Stage 2 pits. Recovery was 1% higher with less transitional ore processed compared with the same period in 2021.

C1 cash cost[1] of $1.55 per lb for the fourth quarter of 2022 was $0.04 per lb higher than the comparable period of 2021, reflecting higher employee, fuel, explosives and contractor costs, partially offset by the higher copper production. Despite the higher C1 cash cost[1], copper AISC[1] for the fourth quarter of 2022 of $2.25 per lb was $0.14 per lb lower than the comparable period in 2021 due to a reduction in royalties as a result of the lower copper price.

Sales revenues of $535 million were $8 million higher than the same period in 2021 reflecting a 23% increase in copper sales volumes, partially offset by the decrease in realized copper prices[1]. Sales revenues comprise of both concentrate and anode sales, with a higher proportion of revenue realized from copper anodes.

[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.

Gross profit of $169 million was $64 million lower than the comparable period in 2021 due to higher employee, fuel, explosives, contractors and consumables costs partially offset by the higher sales revenues.

Full Year

Copper production of 242,451 tonnes for the year ended December 31, 2022 was 4% higher than the comparable period in 2021, due to higher throughput and recoveries, which was partially offset by lower grades. Throughput benefitted from the treatment of soft, well-fragmented ore and the performance of the fourth in-pit crusher. Feed grade was impacted by a delay in the Stage 2 North-wall stripping during the first half of 2022, which improved during the second half of 2022 with more consistent higher-grade ore being exposed in the Stage 1 and Stage 2 pits.

C1 cash cost[1] of $1.69 per lb for the year ended December 31, 2022 was $0.25 per lb higher than the same period in 2021, due to higher employee, freight, fuel, explosives and consumable costs, partially offset by higher copper production. Copper AISC[1] of $2.43 per lb was $0.22 per lb higher than the same period of 2021 due to higher C1 cash cost[1] and sustaining capital expenditure[2], partially offset by a reduction in royalties as a result of the lower copper price.

Sales revenues of $1,980 million were $52 million lower than the same period in 2021 due to a decline in the realized copper prices[1] excluding the impact of the corporate sales hedge program, despite a 4% increase in copper sales volumes. Sales revenues comprise of both concentrate and anode sales, with a higher proportion of revenue realized from copper anodes.

Gross profit of $665 million was $251 million lower than the comparable period in 2021, reflecting lower revenues and higher employee, freight, fuel, explosives and consumable costs.

Outlook

Copper production in 2023 is expected to be 260,000 – 280,000 tonnes. The operation has experienced particularly heavy rains in January 2023, which has impacted mining operations and the sequence of mining. As a result, copper production is expected to be below the quarterly average in the first quarter. A 5-day maintenance shutdown is planned for the third quarter.

The operational focus will continue to be on mining fleet's availability and productivity and ramping up mining volumes and waste stripping to maintain access to the planned higher-grade ore, as well as a focus on drilling, blasting and secondary crushing to optimize the mine to mill process. The ramp-up in mining volumes will be assisted by the additional mining equipment and haul units, as well as increased trolley utilization. Major capital projects include the fourth stage tailings pumping system, completion of the permanent effluent treatment facility and preparation for relocation and modification of crusher 2. Stage 3 waste stripping will commence in the third quarter.

Nickel production at Enterprise is expected to commence in the first half of 2023 with ramp up to full plant throughput in 2024. 2023 production guidance for Enterprise is 5,000 – 10,000 contained tonnes of nickel, and includes 5,000 tonnes of pre-commercial production results.

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[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.

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Ravensthorpe

	QUARTERLY			FULL YEAR	
	Q4 2022	Q3 2022	Q4 2021	2022	2021
Beneficiated ore tonnes processed (000's)	696	728	544	2,629	2,441
Beneficiated ore grade processed (%)	1.16	1.13	0.98	1.16	1.01
Nickel recovery (%)	81	81	74	79	74
Nickel production (contained tonnes)	5,705	5,849	3,385	21,529	16,818
Nickel sales (contained tonnes)	6,840	5,992	3,756	20,074	17,078
Nickel production (payable tonnes)	4,450	4,960	2,855	18,501	14,018
Nickel sales (payable tonnes)	5,216	5,072	3,175	16,768	14,313
Nickel all-in sustaining cost (AISC) (per lb)[1]	$11.10	$10.41	$11.15	$10.45	$9.87
Nickel cash cost (C1) (per lb)[1]	$9.32	$9.12	$10.93	$8.83	$8.59
Total nickel cost (C3) (per lb)[1]	$11.70	$10.76	$12.87	$10.72	$10.24
Financial Results ($ millions)					
Sales revenues	164	117	69	476	286
Gross profit (loss)	24	(10)	(25)	34	(63)
EBITDA[1]	40	1	(16)	78	(29)

[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

Nickel production for the fourth quarter of 2022 was 5,705 contained tonnes of nickel, a 69% increase from the same quarter in 2021. HPAL rates continued to improve during the fourth quarter, achieving similar production volumes as the previous quarter despite a planned autoclave descale shutdown in October 2022. Beneficiation and HPAL availability improved by 12% compared to the fourth quarter of 2021. Improved ore handling and processing from the new Shoemaker Levy mine also continued, leading to improved beneficiation plant availability and stability.

Ravensthorpe continues to be impacted by a tight labour market in the Western Australian mining industry, leading to rising labour costs.

Nickel C1 cash cost[1] for the three months ended December 31, 2022 was $9.32 per lb, a 15% decrease from the comparable period in 2021. The increase in production volumes in the fourth quarter of 2022 offset the higher processing costs due to increased sulphur and fuel prices when compared to the same period in the prior year. AISC[1] of $11.10 per lb for the fourth quarter of 2022 is comparable to the same period in 2021, driven by lower C1 cash cost[1] which was offset by increased sustaining capital expenditure[2].

Sales revenues in the fourth quarter of 2022 were $164 million, an increase of 138% from the same quarter in 2021. The increase in sales revenues was attributable to a 64% increase in the volume of payable nickel tonnes sold and higher net realized nickel prices[1].

Gross profit of $24 million in the fourth quarter of 2022 was $49 million higher than the comparable quarter, reflecting higher payable sales volumes and higher realized prices[1], partially offset by higher operating costs.

The net realized nickel price[1] was $13.67 per lb for the fourth quarter of 2022, a 54% increase from $8.88 per lb in the comparable period in 2021. The average LME nickel price for the quarter was $11.47 per lb.

Full Year

Nickel production for the year ended December 31, 2022 was 21,529 contained tonnes, a 28% increase from the same period in 2021. Production in the first quarter of 2022 was impacted by damage to the power plant high pressure steam header in December 2021, which resulted in a three-week plant shutdown. Design changes were implemented to prevent a

[1] Realized metal price is a non-GAAP ratio, does 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.

similar reoccurrence. Repairs were completed successfully and production resumed in early January 2022. Production for the second quarter was impacted by wet weather, which impacted materials handling and reduced beneficiation throughput, in addition to low pre-leach extractions and limestone availability. HPAL rates improved throughout the second half of the year, with improved ore handling and processing from the new Shoemaker Levy mine as well as improved beneficiation plant availability and stability. Production in the fourth quarter was impacted by flow restrictions through the precipitation circuit with a major blockage in the Manganese Removal (MnR) thickener feedline, resulting in two days of lost production.

Nickel C1 cash cost[1] for the year ended December 31, 2022 was $8.83 per lb, a 3% increase from 2021, reflecting higher processing costs mainly due to increases in sulphur and fuel prices, partially offset by reduced mining costs and an increase in by-product credits. AISC[1] of $10.45 per lb for the year ended December 31, 2022 is 6% higher than 2021 driven by higher royalties and sustaining capital expenditures[2] as well as higher nickel C1 cash cost[1].

Sales revenues for the year ended December 31, 2022 were $476 million, an increase of 66% from the same period in 2021. The increase in sales revenues was mainly due to a 17% increase in payable sales volumes, as well as higher net realized nickel prices[1].

Gross profit of $34 million for the year ended December 31, 2022 was $97 million higher than the same period in 2021 due to higher sales revenues, partially offset by higher operating costs.

The net realized nickel price[1] for the year ended December 31, 2022 was $11.93 per lb, a 48% increase from the comparable period in 2021. The average LME Nickel price for the quarter was $11.61 per lb.

In March 2022, the Company filed an updated NI 43-101 Technical Report for Ravensthorpe.

Outlook

Production guidance for 2023 is expected to be 23,000 – 28,000 contained tonnes of nickel.

Mining continues to be focused on optimizing the Shoemaker Levy operation through ore blend trials. The focus for the plant remains on continuing plant availability improvements, well-executed maintenance works and optimization of buffer ponds.

During 2023, work will continue on rebuilding two of the atmospheric leach tanks, one of which has been offline since the restart in 2020. Work is scheduled to take approximately six to twelve months and will improve recoveries and plant stability once complete.

Statutory inspections and shutdowns of both HPAL trains are planned for two weeks in each of February, August and November 2023. A major acid plant shutdown is also scheduled for two weeks in November 2023 which will also include a plant wide shut down for approximately five days.

A new initiative for a potential wind farm at Ravensthorpe to reduce reliance on power from diesel powered back-up generators is subject to final approval.

Payabilities have been impacted by a disconnect between the key Class 1 benchmark nickel quotations and the broader nickel market, as well as increased volatility within this sector.

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[1] Nickel all-in sustaining cost (nickel AISC), nickel C1 cash cost (nickel C1), and realized metal prices are non-GAAP ratios, 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.

[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".

Guelb Moghrein

	QUARTERLY			FULL YEAR	
	Q4 2022	Q3 2022	Q4 2021	2022	2021
Waste mined (000's tonnes)	1,526	1,262	2,871	6,616	5,160
Ore mined (000's tonnes)	128	126	–	323	1,757
Sulphide ore milled (000's tonnes)[1]	849	869	585	3,227	3,426
Sulphide ore grade processed (%)	0.45	0.43	0.58	0.48	0.62
Sulphide copper recovery (%)	91	89	76	86	88
Copper production (tonnes)	3,481	3,336	2,588	13,313	18,845
Copper sales (tonnes)	3,765	3,300	4,359	12,522	23,614
Gold production (ounces)	7,434	7,439	6,552	30,845	38,431
Gold sales (ounces)	8,601	9,754	8,189	30,852	46,661
Magnetite concentrate production (WMT)[2]	148,502	176,395	56,058	645,061	375,268
Magnetite concentrate sales (WMT)[2]	140,055	138,908	45,700	559,349	362,083
Copper all-in sustaining cost (AISC) (per lb)[3]	$3.19	$2.38	$4.57	$2.47	$1.66
Copper cash cost (C1) (per lb)[3]	$2.57	$1.99	$4.11	$2.00	$1.38
Financial Results ($ millions)					
Sales revenues	56	54	55	214	313
Gross profit	3	4	5	27	105
EBITDA[3]	6	6	11	36	140

[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. 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.

Fourth Quarter and Full Year

Copper production for the fourth quarter of 2022 was 35% higher than the same quarter in 2021 due to higher recoveries and higher throughput. Production in the fourth quarter of 2021 was impacted by a crusher failure that resulted in fourteen days of downtime during December 2021. Copper production for the year ended December 31, 2022 was 29% lower than the same period in 2021, due to lower grades, recoveries, and throughput due to the nature of the material fed from ore stockpile as the mine transitions to its next phase.

Gold production for the fourth quarter and full year ended December 31, 2022 was 13% and 20% lower, respectively, compared to the same periods in 2021 as a result of lower grades.

Magnetite production for the fourth quarter and full year ended December 31, 2022 were 165% and 72% higher, respectively, compared to the same periods in 2021 due to higher feed grade and recoveries.

Copper C1 cash cost[1] for the fourth quarter was $1.54 per lb lower than the same period in 2021, attributable to higher copper production. AISC[1] for the quarter was $1.38 per lb lower than the fourth quarter of 2021, mainly due to the lower C1 cash costs[1], partially offset by higher sustaining capital expenditure[2]. Copper C1 cash cost[1] for the year was $0.62 per lb higher than the prior year due to higher fuel, employee, maintenance and consumables costs impacted by inflationary pressures. AISC[1] for the year ended December 31, 2022 increased by $0.81 per lb compared to the same period in 2021, mainly due to higher C1 cash costs[1] and higher sustaining capital expenditure[2].

Sales revenues for the fourth quarter and full year ended December 31, 2022 were 2% higher and 32% lower, respectively, compared to the same periods in 2021 due to lower sales volumes and lower realized copper prices[1] excluding the impact of the corporate sales hedge program. Gross profit for the fourth quarter and full year ended December 31, 2022 were $2

[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, 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".

million and $78 million lower, respectively, than the comparable periods in 2021, attributable to lower sales revenues and higher costs.

Outlook

Production in 2023 is expected to be approximately 13,500 tonnes of copper, 30,000 ounces of gold, and 485,000 WMT of magnetite concentrate.

The stripping of Cutback 4 in the main pit is progressing well and expected to extend mining operations to the end of 2025. Operations at Cutback 2 are also advancing well with the project expected to be completed in the first quarter of 2023.

Production forecast in 2023 includes monthly fibre shuts and a partial relining of the SAG mill in the first and fourth quarters of 2023.

Recommissioning of the CIL plant, together with construction of a re-pulping and scrubbing plant as well as additional CIL tailing ponds, has been approved. Orders are underway and commissioning is expected in the fourth quarter of 2023.

Las Cruces

	QUARTERLY			FULL YEAR	
	Q4 2022	Q3 2022	Q4 2021	2022	2021
Copper cathode production (tonnes)	2,229	2,341	2,805	9,557	13,652
Copper cathode sales (tonnes)	2,236	2,346	2,914	9,570	14,322
Financial Results ($ millions)					
Sales revenues	18	18	29	85	131
Gross profit (loss)	(6)	(9)	3	(20)	33
EBITDA[1]	(6)	(10)	5	(22)	47

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

Fourth Quarter and Full Year

After depletion of secondary ore reserves and the processing of ore stockpiles completed in February 2021, the operation has transitioned to the re-processing of high-grade tailings.

Copper production for the fourth quarter and full year ended December 31, 2022 decreased compared to the same periods in 2021 due to lower grade ore feed and a decline in recoveries from tailings.

Gross loss of $6 million for the fourth quarter of 2022 was $9 million lower than the comparable quarter in 2021, and included care and maintenance costs of $4 million. Gross loss for the year ended December 31, 2022 of $20 million is a $53 million reduction from the same period in 2021. Decreases were due to lower sales revenues and higher electricity prices, as well as care and maintenance costs of $18 million incurred in 2022.

Outlook

Copper production guidance for 2023 is 6,000 tonnes. Reprocessing of high-grade tailings is expected to continue until the third quarter of 2023.

The technical and study work on the polymetallic refinery project are expected to continue, as well as work to obtain permits required to carry out the project. Environmental permits were received at the end of 2020 and a mine exploitation permit was granted in June 2021. The only outstanding license, the water concession, is expected in February 2023. An update of the NI 43-101 Technical Report was published in January 2022 with a mineral resource upgrade to 41.2 million tonnes of the Polymetallic Primary Sulphide of Measured and Indicated Mineral Resources, including 5 million tonnes of Indicated Mineral Resources as stockpile. Further detailed technical work is being conducted to convert Mineral Resources to Mineral Reserves as part of the Las Cruces Underground Project. The Company is also in the process of exploring commercial agreements with other mines in the region to further enhance the value of the project.

Çayeli

	QUARTERLY			FULL YEAR	
	Q4 2022	Q3 2022	Q4 2021	2022	2021
Copper production (tonnes)	2,434	2,913	3,532	11,456	14,799
Copper sales (tonnes)	2,918	2,836	978	14,098	11,343
Zinc production (tonnes)	303	983	1,576	3,132	6,754
Zinc sales (tonnes)	–	2,038	1,941	4,230	5,316
Financial Results ($ millions)					
Sales revenues	19	22	12	120	99
Gross profit	4	5	2	53	42
EBITDA[1]	7	9	5	69	59

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

Fourth Quarter and Full Year

Copper and zinc production for the fourth quarter and full year ended December 31, 2022 were lower compared to the same periods in 2021 due to production from lower grade areas, as well as lower throughput as the mine approaches the end of its mine life.

Gross profit for the three months ended December 31, 2022 was $2 million higher than the same period in 2021 due to higher sales revenues related to the timing of shipments. Gross profit for the year ended December 31, 2022 was $11 million higher than same period in 2021 due to an increase in sales revenues with higher realized metal prices[1] and sales volumes.

Outlook

Production for 2023 is expected to be 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 2026.

Production is expected to be challenging due to the ground stabilization and the main ramp traffic management with the closure of the shaft.

Pyhäsalmi

	QUARTERLY			FULL YEAR	
	Q4 2022	Q3 2022	Q4 2021	2022	2021
Copper production (tonnes)	–	731	732	2,362	3,292
Copper sales (tonnes)	525	470	765	2,429	3,393
Pyrite production (tonnes)	66,380	52,907	107,984	341,041	434,148
Pyrite sales (tonnes)	99,328	97,913	106,701	403,695	437,400
Financial Results ($ millions)					
Sales revenues	9	10	12	43	52
Gross profit (loss)	(2)	2	4	10	21
EBITDA[1]	(1)	1	5	10	20

[1] 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.

Outlook

Underground production of copper and zinc ended in August 2022. Production in 2023 is expected to be approximately 350,000 tonnes of pyrite. Pyrite production continues from tailing ponds and is processed in the mill.

[1] Realized metal price is a non-GAAP ratio, and does 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.

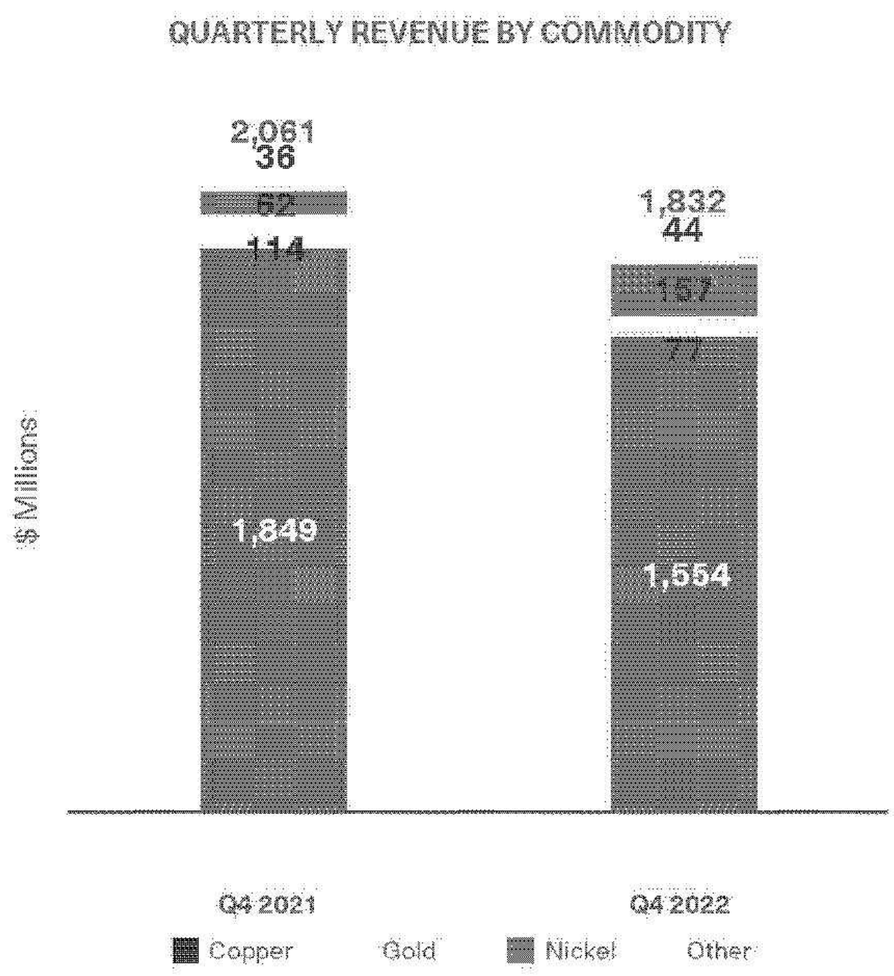
SUMMARY FINANCIAL RESULTS

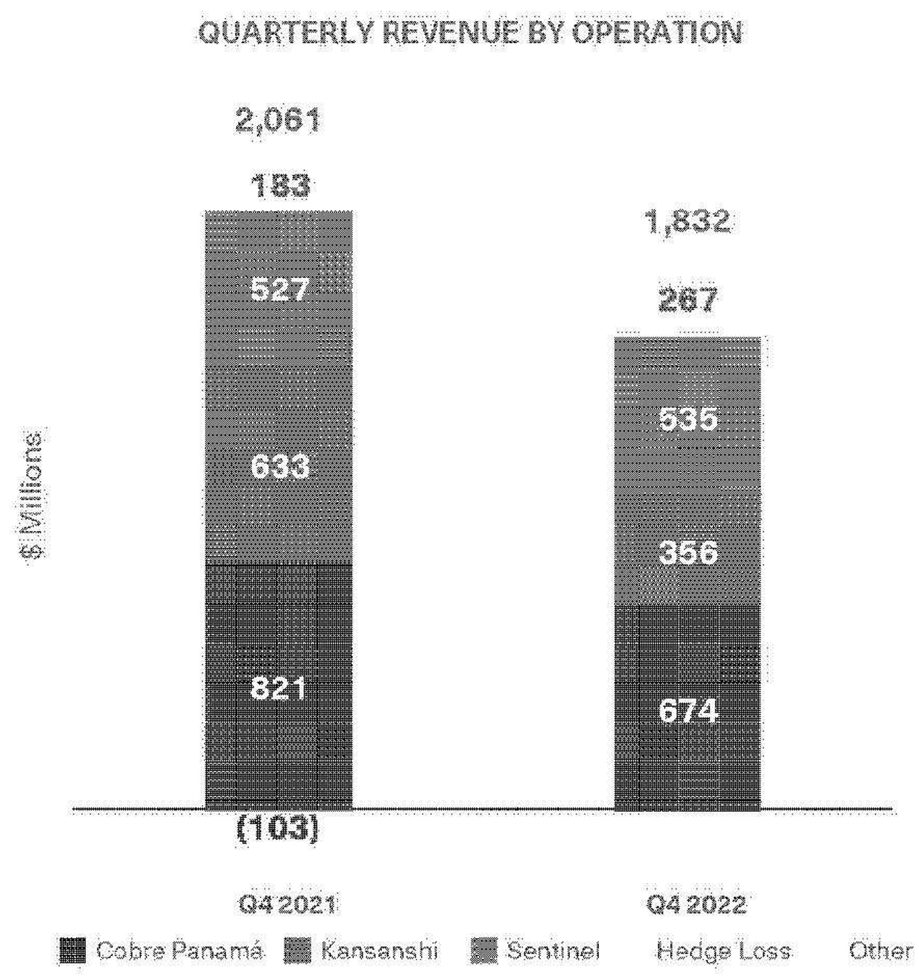
	QUARTERLY			FULL YEAR	
	Q4 2022	**Q3 2022**	**Q4 2021**	**2022**	**2021**
Sales revenues	1,832	1,727	2,061	7,626	7,212
Gross profit (loss)					
Cobre Panamá	189	216	336	1,065	1,449
Kansanshi	(17)	–	337	382	969
Trident	169	95	233	665	916
Ravensthorpe	24	(10)	(25)	34	(63)
Corporate & other	(4)	1	(97)	54	(709)
Total gross profit	361	302	784	2,200	2,562
Exploration	(9)	(9)	(7)	(26)	(20)
General and administrative	(40)	(35)	(29)	(136)	(118)
Impairment expense	–	–	(44)	–	(44)
Other income	2	31	18	203	218
Net finance expense[1]	(147)	(137)	(165)	(582)	(660)
Loss on redemption of debt	–	–	(21)	–	(21)
Adjustment for expected phasing of Zambian VAT	(56)	(6)	2	(190)	(16)
Income tax recovery (expense)	6	(34)	(239)	(320)	(812)
Net earnings	117	112	299	1,149	1,089
Net earnings attributable to:					
Non-controlling interests	–	(1)	52	115	257
Shareholders of the Company	117	113	247	1,034	832
Adjusted earnings[2]	151	96	306	1,064	826
Earnings per share					
Basic	$0.17	$0.16	$0.36	$1.50	$1.21
Diluted	$0.17	$0.16	$0.36	$1.49	$1.20
Adjusted[2]	$0.22	$0.14	$0.44	$1.54	$1.20
Basic weighted average number of shares (in 000's)	691,053	690,726	688,691	690,516	688,674

[1] Net finance expense comprises finance income and finance costs.
[2] Adjusted earnings is a non-GAAP financial measure and adjusted earnings 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 was previously named comparative earnings, and the composition remains the same. See "Regulatory Disclosures".

Sales Revenues

FOURTH QUARTER





Sales revenues for the fourth quarter of 2022 of $1,832 million were 11%, or $229 million, lower than the comparable period of 2021, reflecting the decrease in copper and gold sales revenues partially offset by higher nickel sales revenues.

Copper sales revenues for the fourth quarter of 2022 of $1,554 million were 16%, or $295 million, lower than the comparable period in 2021 reflecting the 14% lower net realized copper price[1] and lower copper sales volumes. Total copper sales volumes for the fourth quarter of 2022 were 7% lower than the same period in 2021, mainly attributable to reduced sales volumes at Kansanshi, partially offset by higher sales volumes at Sentinel arising from record quarterly production. With the cessation of the corporate sales hedge program, no hedge gain or loss was recognized in copper sales revenues, compared with a loss of $102 million, or $0.22 per lb, in the fourth quarter of 2021.

The net realized price[1] for copper of $3.40 per lb for the fourth quarter of 2022 was 14% lower than the same period in 2021 and benefitted from a reduced hedge profile. This compares to a decrease of 18% in the average LME price of copper for the same period to $3.63 per lb.

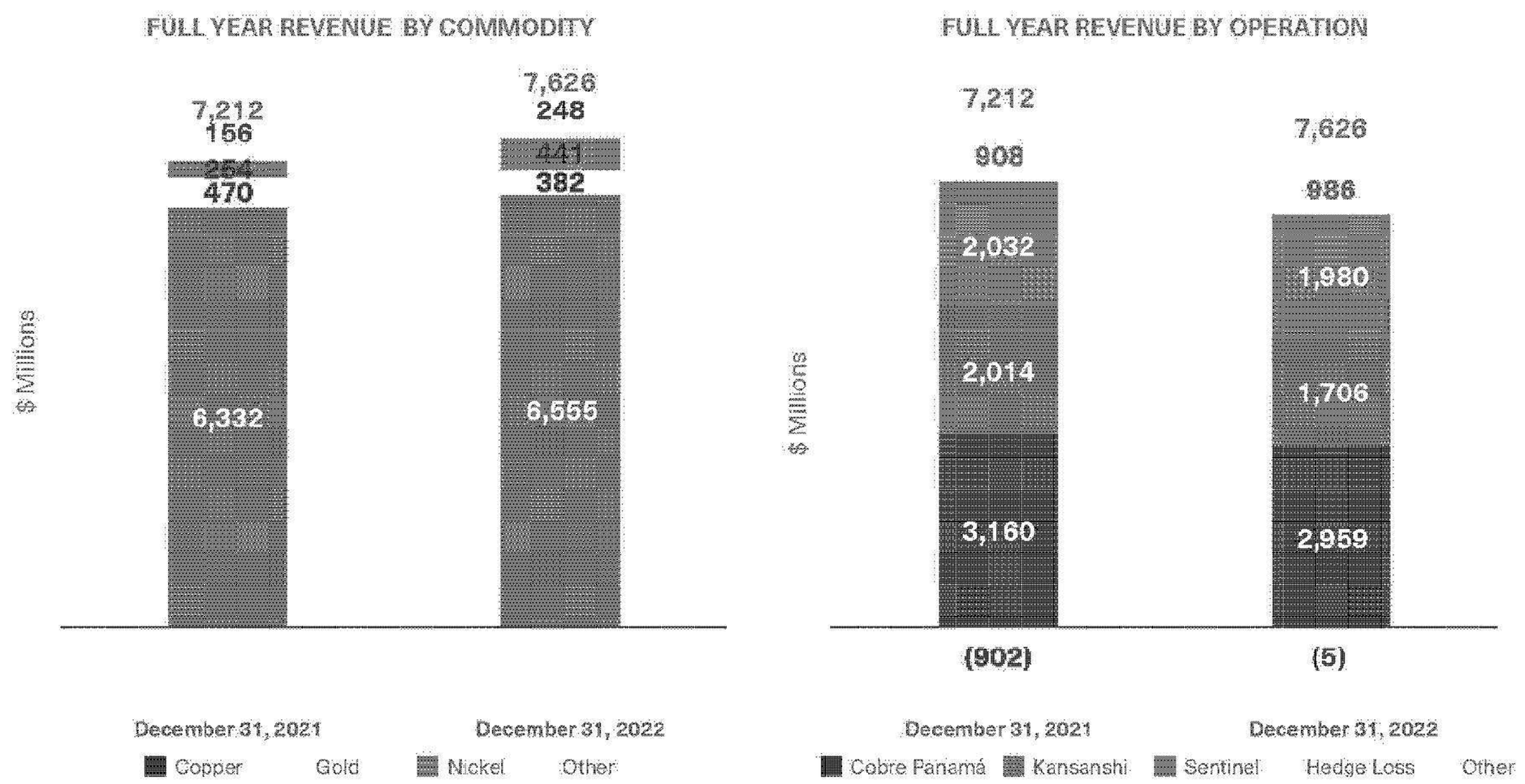
Nickel sales revenues of $157 million for the fourth quarter of 2022 were 153%, or $95 million, higher than the comparable period in 2021, reflecting higher sales volumes and higher net realized metal prices[1]. Nickel sales volumes were 6,840 contained tonnes for the quarter, an 82% increase to the comparable period of 2021. No hedge gain or loss was recognized on nickel sales revenues in the quarter, compared with a $1 million loss in the comparative quarter of 2021, or $0.14 per lb.

The net realized price[1] for nickel of $13.67 per lb for the fourth quarter of 2022 was 54% higher than that for the same period in 2021.

Gold sales revenues for the fourth quarter of 2022 of $77 million were 32%, or $37 million, lower than the comparable period in 2021, arising from lower gold sales volumes and lower net realized metal prices[1]. The lower gold sales revenues were primarily attributable to reduced sales volumes from Kansanshi, while Cobre Panamá and Guelb Moghrein sales volumes remained in line with the fourth quarter of 2021. The cost for the purchase of refinery-backed gold and silver credits recognized within revenues was $58 million, $3 million lower than the comparable period in 2021.

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

FULL YEAR



Sales revenues for the year ended December 31, 2022 of $7,626 million were 6%, or $414 million, higher than the comparable period of 2021, reflecting the increases in copper and nickel sales revenues of $223 million and $187 million, respectively, partially offset by lower gold sales revenues of $88 million, or 19%, compared to the same period in 2021.

Copper sales revenues of $6,555 million were 4%, or $223 million, higher than the comparable period in 2021 reflecting the higher net realized copper price[1] offset by lower copper sales volumes. Copper sales revenues included a $1 million loss on the copper sales hedge program, compared with a loss of $892 million, or $0.49 per lb, in the comparable period in 2021.

The net realized price[1] for copper of $3.74 per lb in 2022 was 7% higher than the same period in 2021 and benefitted from a reduced hedge profile. This compares to a decrease of 6% in the average LME price of copper for the same period to $3.99 per lb.

Nickel sales revenues of $441 million were 74%, or $187 million, higher than the comparable period of 2021, reflecting higher net realized metal prices[1] throughout the period and increased nickel sales volumes. Nickel sales revenues include a $4 million loss on the nickel sales hedge program, or $0.12 per lb, compared with a $10 million loss in the comparative period of 2021, or $0.32 per lb.

The net realized price[1] for nickel of $11.93 per lb in 2022 was 48% higher than the comparable period in 2021.

Gold sales revenues in 2022 of $382 million were 19%, or $88 million, lower than the comparable period in 2021, reflecting lower gold sales volumes with comparable realized metal prices[1]. Kansanshi, Cobre Panamá and Mauritania gold sales revenues reduced by $45 million, $18 million and $26 million, respectively, attributable to lower sales volumes at these operations. The cost for the purchase of refinery-backed gold and silver credits recognized within revenues in 2022 was $229 million, $8 million lower than the comparable period in 2021.

[1] Realized metal price is a non-GAAP ratio, and does 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.

	QUARTERLY			FULL YEAR	
Copper selling price (per lb)	**Q4 2022**	**Q3 2022**	**Q4 2021**	**2022**	**2021**
Average LME cash price	$3.63	$3.51	$4.40	$3.99	$4.23
Realized copper price[1]	$3.56	$3.43	$4.08	$3.90	$3.64
Treatment/refining charges ("TC/RC") (per lb)	($0.12)	($0.12)	($0.11)	($0.13)	($0.12)
Freight charges (per lb)	($0.04)	($0.03)	($0.03)	($0.03)	($0.03)
Net realized copper price[1]	$3.40	$3.28	$3.94	$3.74	$3.49

	QUARTERLY			FULL YEAR	
Gold selling price (per oz)	**Q4 2022**	**Q3 2022**	**Q4 2021**	**2022**	**2021**
Average LBMA cash price	$1,728	$1,729	$1,795	$1,800	$1,799
Net realized gold price[1,2]	$1,574	$1,546	$1,677	$1,665	$1,673

	QUARTERLY			FULL YEAR	
Nickel selling price (per payable lb)	**Q4 2022**	**Q3 2022**	**Q4 2021**	**2022**	**2021**
Average LME cash price	$11.47	$10.01	$8.99	$11.61	$8.39
Net realized nickel price[1,3]	$13.67	$9.76	$8.88	$11.93	$8.05

[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.
[2] Excludes gold revenues recognized under the precious metal stream arrangement.
[3] The premium to the average LME cash price arose from the timings of sales across the periods, their respective quotation pricing periods and the impact from the Company's decision to temporarily suspend its nickel hedging program following the failure of the LME nickel platform in March 2022.

Given the volatility in commodity prices, significant variances may arise between average market price and net realized prices due to the timing of sales during the period. Details of the Company's hedging program and the contracts held are included on page 48.

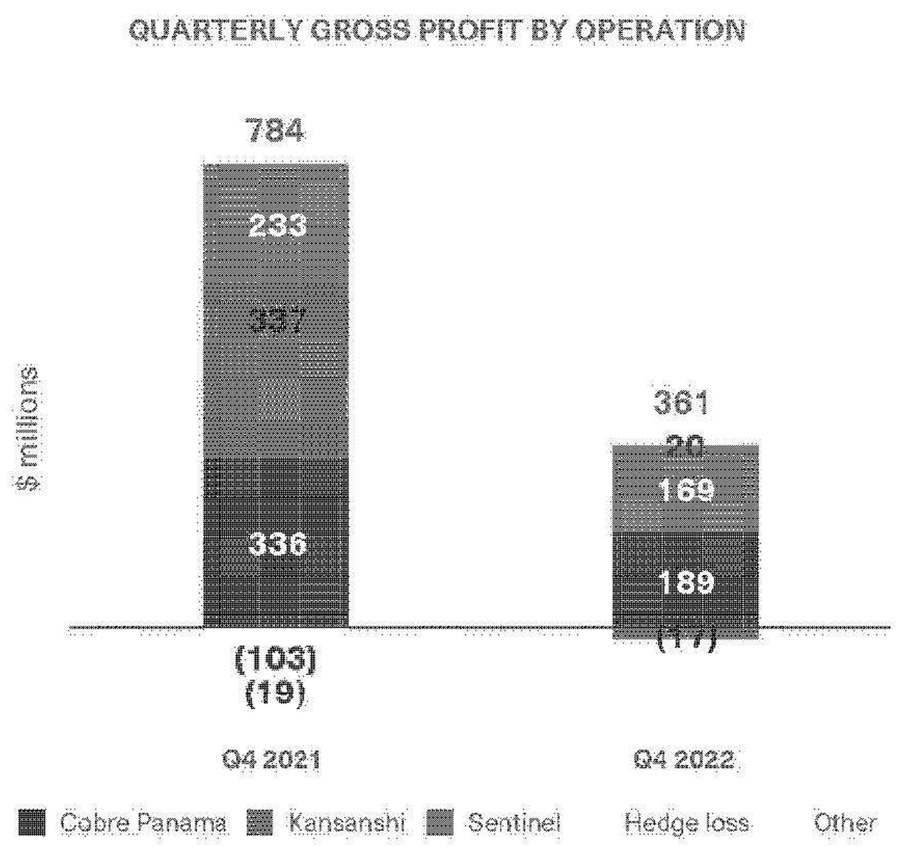
Gross Profit

Fourth Quarter

Gross profit for the quarter of $361 million was $423 million lower than the fourth quarter of 2021, due to lower net realized metal prices[1] following the reduced hedge profile and higher cash costs.

Gross profit in Q4 2021	784
Lower net realized prices[1]	(195)
Lower sales volumes and change in sales mix	(53)
Lower by-product contribution	(26)
Higher cash costs	(204)
Lower royalty expense	52
Higher depreciation	(13)
Positive impact of foreign exchange on operating costs	16
Gross profit in Q4 2022[2]	361

[1] Realized metal price is a non-GAAP ratio, does 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] Gross profit is reconciled to EBITDA by including exploration costs of $9 million, general and administrative costs of $40 million, share of profit in joint venture of $4 million, and adding back depreciation of $327 million and other expense of $4 million (a reconciliation of EBITDA is included in "Regulatory Disclosures").



Gross profit for the fourth quarter of 2022 was $361 million, a decrease of $423 million, or 54%, from the same period in 2021.The fourth quarter of 2022 decrease was attributable to lower sales revenues due to lower net realized metal prices[1] and sales volumes combined with increased operating costs. The increased costs arose due to higher prices for fuel, electricity, explosives, consumables and freight. No hedge gain or loss was recognized in the quarter on the corporate sales hedge program, compared to a loss of $103 million in the comparative quarter of 2021.

Full Year

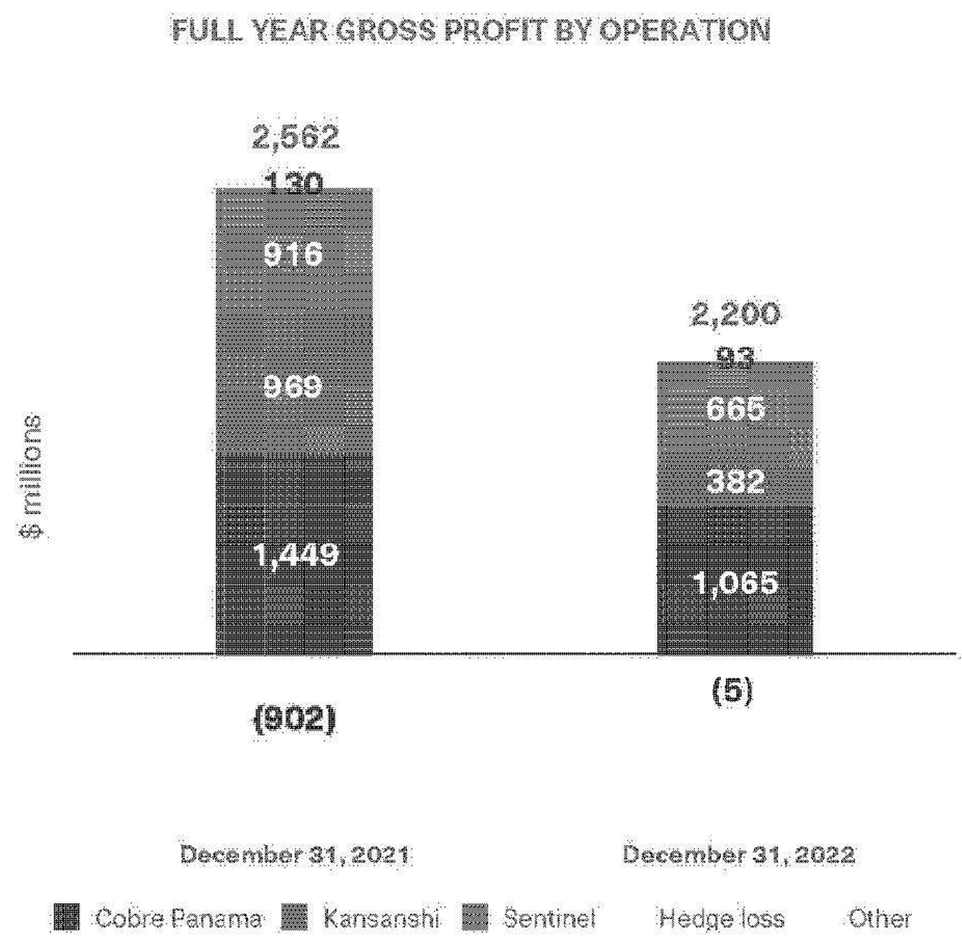
Gross profit for the year ended December 31, 2022 of $2,200 million was $362 million lower than the comparable period of 2021 due to higher cash costs, partially offset by higher net realized metal prices[1] following the reduced hedge profile.

Gross profit in 2021	2,562
Higher net realized prices[1]	636
Lower sales volumes and change in sales mix	(74)
Lower by-product contribution	(39)
Higher cash costs	(920)
Lower royalty expense	74
Higher depreciation	(56)
Positive impact of foreign exchange on operating costs	17
Gross profit in 2022[2]	2,200

[1] Realized metal price is a non-GAAP ratio, does 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] Gross profit is reconciled to EBITDA by including exploration costs of $26 million, general and administrative costs of $136 million, share of profit in joint venture of $44 million, and adding back depreciation of $1,230 million and other expense $4 million (a reconciliation of EBITDA is included in "Regulatory Disclosures").

[1] Realized metal price is a non-GAAP ratio, and does 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.



Gross profit for the year ended December 31, 2022 was $2,200 million, a decrease of $362 million, or 14%, from the same period in 2021, and was driven by lower sales revenues due to lower sales volumes as well as increased costs, offset by higher net realized prices[1] following the reduced hedge profile. Operating costs have been impacted by higher prices for electricity, explosives, consumables, maintenance, employee costs, sulphur and freight. A loss of $5 million was recognized in the year ended December 31, 2022 on the corporate sales hedge program, compared to a loss of $902 million in the comparative period of 2021.

Net Earnings

Fourth Quarter

Net earnings attributable to shareholders of the Company for the fourth quarter of 2022 were $117 million, $130 million lower than the same period in 2021. Basic earnings per share was $0.17 during the quarter compared to $0.36 earnings per share in the same quarter of 2021. Net finance expense of $147 million was $18 million lower than the fourth quarter of 2021 due to lower debt. Net finance expense principally consists of interest on debt of $125 million, related party interest of $28 million, accretion of deferred revenue $15 million, offset by interest capitalized of $8 million and finance income of $25 million.

Other income of $2 million is $16 million lower than the other income of $18 million incurred in the comparable period in 2021. Foreign exchange loss of $25 million includes the impact of an agreement reached in respect of the outstanding VAT receivable, compared to a $13 million foreign exchange gain in the comparable period of 2021. A $4 million share of profit in Korea Panamá Mining Corporation ("KPMC") was recognized in the quarter, compared to $17 million recognized in the comparable period of 2021.

An expense of $56 million reflecting the expected phasing of the Zambian VAT was recognized in the quarter, compared with a credit of $2 million recognized in the comparable quarter of 2021.

An income tax expense of $6 million was recognized in the fourth quarter of 2022, compared with a $239 million income tax expense recognized in the comparable period in 2021, reflecting applicable statutory tax rates that range from 20% to 30% for the Company's operations. No tax credits were recognized with respect to losses of $103 million realized under the Company's copper and nickel sales hedge program in the three months ended December 2021. The effective tax rate for the quarter was a credit of 5%, which included the current Law 9 legislation.

Full Year

Net earnings attributable to shareholders of the Company of $1,034 million for the year ended December 31, 2022 was $202 million higher than the comparable period in 2021. Basic earnings per share was $1.50 during the year ended December 31,

[1] Realized metal price is a non-GAAP ratio, and does 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.

2022, compared to earnings per share of $1.21 in the same period of 2021. Net finance expense of $582 million was $78 million lower than the same period of 2021 as debt levels continued to decrease. Net finance expense principally consisted of interest on debt of $476 million, related party interest of $114 million, accretion of deferred revenue of $63 million, offset by capitalized interest of $24 million and finance income of $80 million.

Other income of $203 million is $15 million lower than that incurred in the comparable period in 2021. Foreign exchange gain of $184 million include the impact of an agreement reached in respect of the outstanding VAT receivable compared to a foreign exchange gain of $159 million in the comparable period in 2021. Other expenses for the year ended December 31, 2022 include a charge of $40 million for non-recurring costs in connection with previously sold assets. A $44 million share of profit in KPMC was recognized in the year to December 31, 2022, compared to $75 million recognized in the comparable period of 2021.

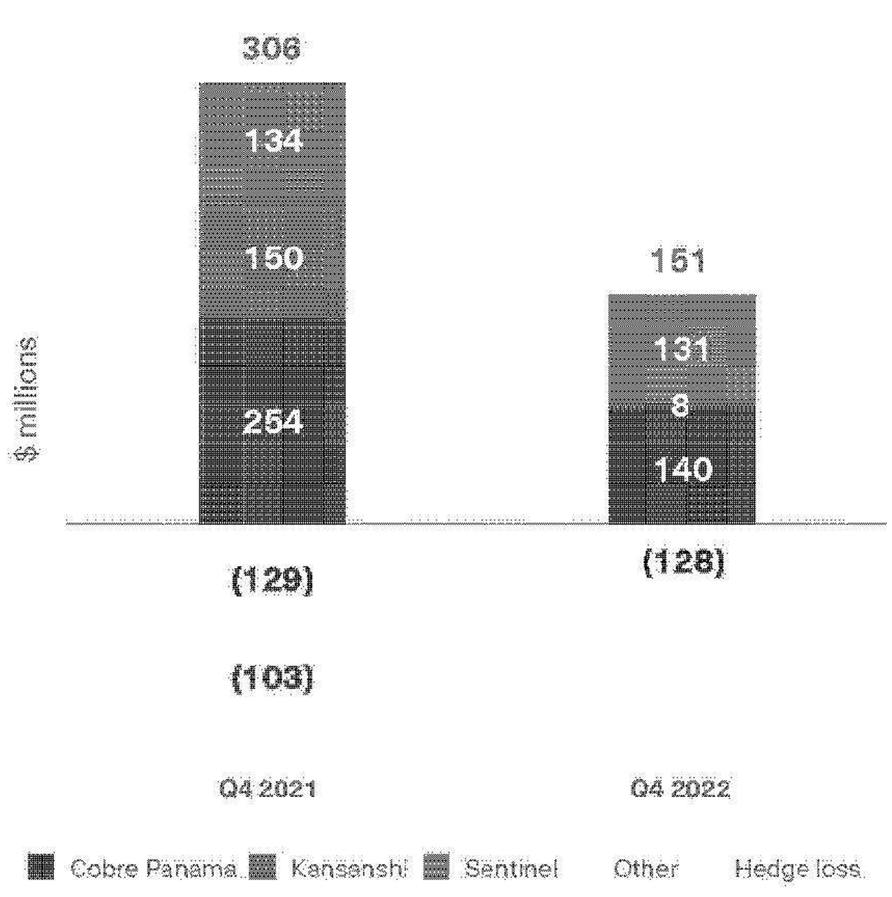
An expense of $190 million reflecting the expected phasing of the Zambian VAT was recognized in the year ended December 31, 2022, compared with an expense of $16 million recognized in the comparable period of 2021.

An income tax expense of $320 million was recognized in the year ended December 31, 2022, compared to a $812 million expense recognized in the comparable period in 2021, reflecting applicable statutory tax rates that range from 20% to 30% for the Company's operations. No tax credits were recognized with respect to losses of $902 million realized under the Company's copper and nickel sales hedge program in the year ended December 2021. The effective tax rate for the year to date was 22%, which included the current Law 9 legislation.

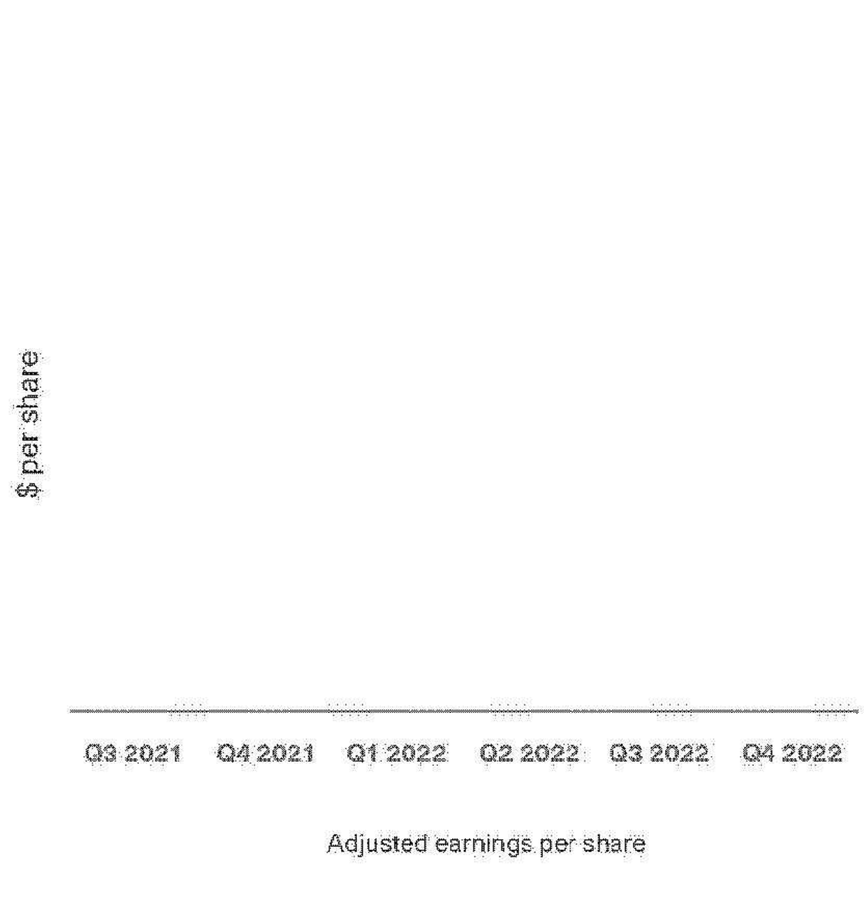
Adjusted Earnings[1]

FOURTH QUARTER

QUARTERLY ADJUSTED EARNINGS[1]



QUARTERLY ADJUSTED EARNINGS PER SHARE[2]



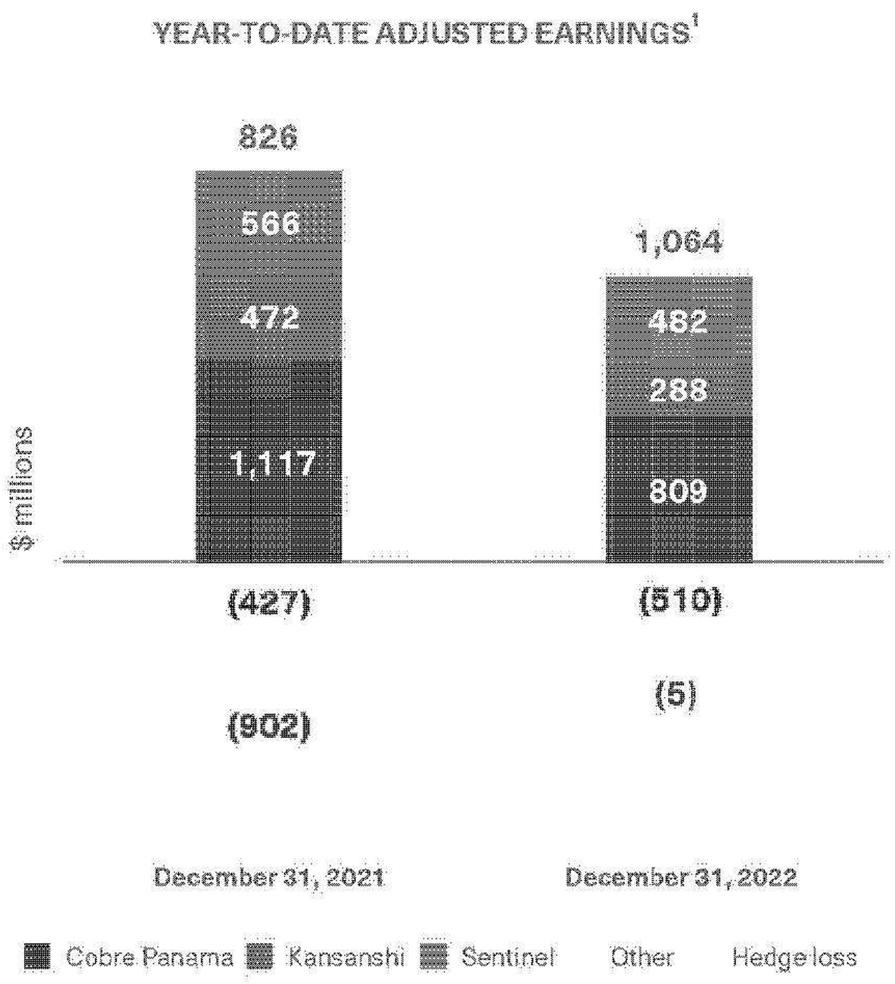
Adjusted earnings[1] for the quarter ended December 31, 2022 of $151 million is a decrease of $155 million from the comparative period in 2021. Adjusted earnings per share[2] of $0.22 in the fourth quarter compares to adjusted earnings per share[2] of $0.44 in the same period of 2021. The principal items not included in adjusted earnings[1] in the quarter are foreign exchange gains of $25 million, closed property restoration credits of $14 million, and the adjustment for expected phasing of Zambian VAT of $56 million. The effective tax rate, on an adjusted basis, for the quarter ended December 31, 2022 was

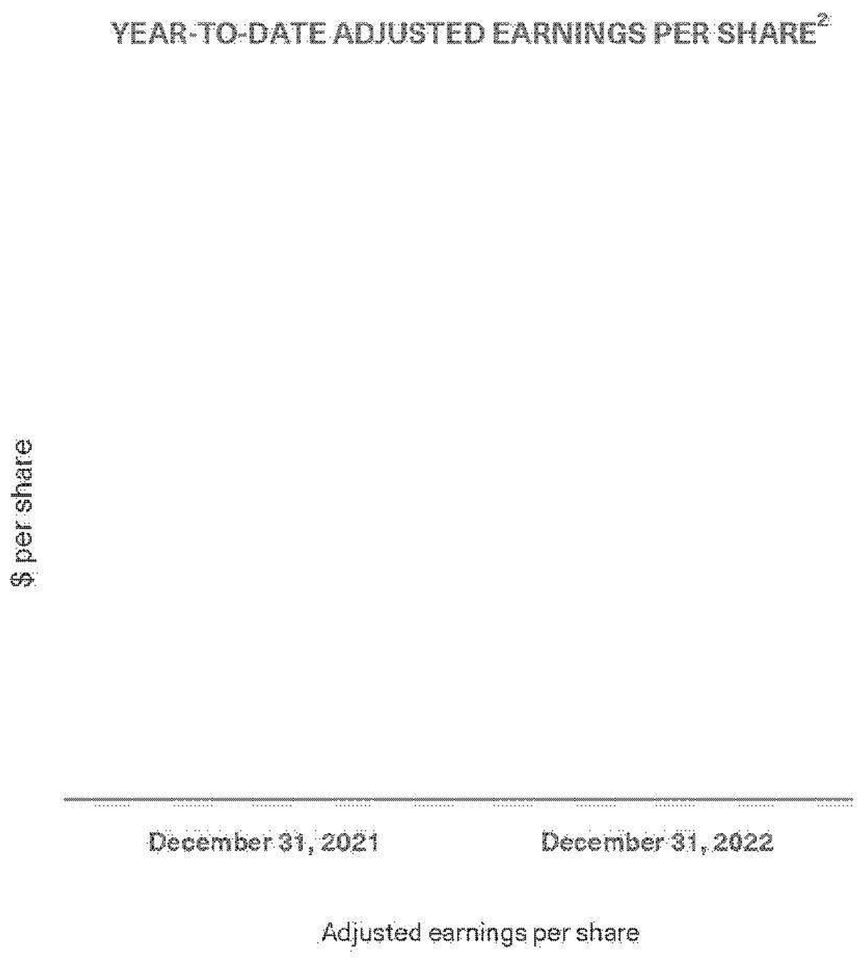
[1] Adjusted earnings is a non-GAAP financial measure, and does not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. Adjusted earnings was previously named comparative earnings, the composition remains the same. See "Regulatory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

[2] Adjusted earnings 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".

9%, which included the current Law 9 legislation. The full year tax rate of 22% is in line with guidance of between 20% and 25%. A reconciliation of adjusted metrics is included in "Regulatory Disclosures".

FULL YEAR





Adjusted earnings[1] for the year ended December 31, 2022 of $1,064 million is an increase of $238 million from the comparative period in 2021. Adjusted earnings per share[2] of $1.54 in the year ended December 31, 2022 compares to adjusted earnings per share[2] of $1.20 in the same period of 2021.

The principal items not included in adjusted earnings[1] are foreign exchange gains of $184 million, the adjustment for expected phasing of Zambian VAT of $190 million and a charge of $40 million for non-recurring costs in connection with previously sold assets. The effective tax rate for the year ended December 31, 2022, on an adjusted basis, was 22%, which included the current Law 9 legislation. A reconciliation of adjusted metrics is included in "Regulatory Disclosures".

[1] Adjusted earnings 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. Adjusted earnings was previously named comparative earnings, the composition remains the same. See "Regulatory Disclosures".

[2] Adjusted earnings 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".

LIQUIDITY AND CAPITAL RESOURCES

	QUARTERLY			FULL YEAR	
	Q4 2022	**Q3 2022**	**Q4 2021**	**2022**	**2021**
Cash flows from operating activities	237	525	760	2,332	2,885
Cash flows used by investing activities	(312)	(293)	(379)	(1,170)	(1,098)
Purchase and deposits on property, plant and equipment	(317)	(296)	(277)	(1,167)	(995)
Acquisition of KPMC	–	–	(100)	–	(100)
Other	5	3	(2)	(3)	(3)
Cash flows used by financing activities	(26)	(268)	(439)	(1,331)	(841)
Net movement in debt and trading facilities	259	(49)	(338)	(547)	(454)
Interest paid[1]	(82)	(134)	(71)	(448)	(521)
Transactions with non-controlling interests	–	–	23	4	263
Dividends paid to shareholders	–	(72)	–	(75)	(5)
Dividends paid to non-controlling interests	(195)	–	(31)	(255)	(37)
Other	(8)	(13)	(22)	(10)	(87)
Exchange losses on cash and cash equivalents	–	–	(1)	(2)	(1)
Net cash inflow (outflow)	(101)	(36)	(59)	(171)	945
Cash balance	1,688	1,789	1,859	1,688	1,859
Total assets	25,080	24,966	25,270	25,080	25,270
Total current liabilities	1,738	1,590	1,678	1,738	1,678
Total long-term liabilities	11,105	11,035	12,098	11,105	12,098
Net debt[2]	5,692	5,329	6,053	5,692	6,053
Cash flows from operating activities per share[3]	$0.34	$0.76	$1.10	$3.38	$4.19

[1] Interest paid excludes $24 million capitalized to property, plant and equipment for the year ended December 31, 2022, presented in cash flows used by investing activities (2021, $4 million).
[2] Net debt is a supplementary financial measure, 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".
[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".

FOURTH QUARTER

Cash Flows from Operating Activities

Cash flows from operating activities for the fourth quarter were $523 million lower than the same period in 2021, attributable to lower EBITDA[1] and increase in movements in working capital due to a higher receivables balance, partially offset by lower taxes paid.

Cash Flows Used by Investing Activities

Investing activities mostly comprise capital expenditures of $317 million which were $40 million higher than the same quarter of 2021, reflecting increased expenditure in Kansanshi for the S3 Expansion and the Enterprise project. This was offset partially by reduced capital expenditure in Ravensthorpe as a result of the completion of the commissioning works at Shoemaker Levy in the fourth quarter of 2021.

Cash Flows Used by Financing Activities

Cash flows used by financing activities of $26 million for the fourth quarter of 2022 included a net inflow of $259 million on gross debt. Included within this was the inflow from the $425 million unsecured term loan facility signed by FQM Trident

[1] 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".

(the "FQM Trident Facility") signed by FQM Trident Limited ("FQM Trident) in December, with the facility maturing in 2025, the scheduled Term Loan repayment of $228 million, and movements on the revolving credit facility and trading facilities.

A dividend has been paid of $195 million to non-controlling interests.

Interest paid of $82 million is included within cash flows used by financing activities which excludes $8 million of capitalized interest, and is $11 million higher than the $71 million paid in the fourth quarter of 2021, reflecting rising interest rates on the Company's floating rate debt (excluding the senior notes) partially offset by a lower gross debt position. Net payments of $5 million were paid to KPMC, a 50:50 joint venture between the Company and Korea Mine Rehabilitation and Mineral Resources Corporation ("KOMIR").

FULL YEAR

Cash Flows from Operating Activities

Cash flows from operating activities in the year were $553 million lower than 2021, reflecting lower EBITDA[1], working capital outflows attributable to a higher receivables balance and timing of shipments, combined with higher taxes paid.

Cash Flows Used by Investing Activities

Investing activities of $1,170 million included capital expenditures of $1,167 million which was $172 million higher than 2021, reflecting increased capital expenditure spend in Cobre Panamá on the mining fleet and CP 100 Expansion and at Trident on the Enterprise project. The increase was partially offset by the completion of the Shoemaker Levy project at Ravensthorpe in 2021.

Cash flows used by investing activities in the comparative period included the final $100 million instalment payment in respect of the acquisition of KPMC in 2017.

Cash Flows Used by Financing Activities

Cash flows used by financing activities of $1,331 million for the year included a $547 million net movement on gross debt and trading facilities. During the year dividends paid to shareholders and non-controlling interests were $75 million and $255 million, respectively.

Cash flows used by financing activities include a redemption at par of an aggregate of $1,000 million principal amount of the senior unsecured notes due 2023 and drawdown on the FQM Trident Facility, with the facility maturing in 2025, and the scheduled term loan repayment of $228 million.

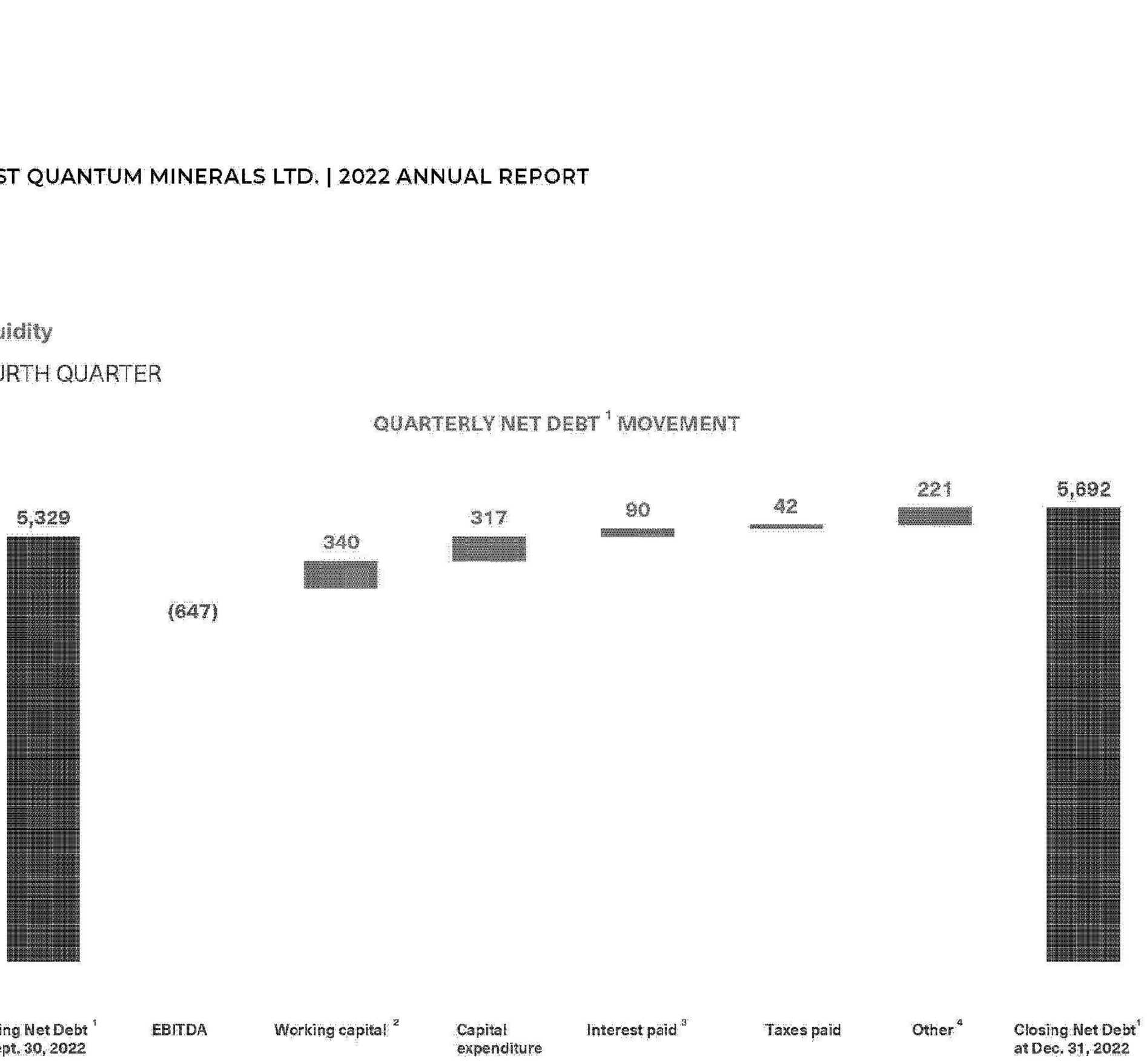
Interest paid of $448 million is included within cash flows from financing activities for the year which excludes $24 million of capitalized interest; and is $73 million lower than the $521 million of interest paid in 2021, reflecting the lower net debt[1] position in the year. In addition, net payments of $41 million were paid to KPMC, a 50:50 joint venture between the Company and KOMIR.

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

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 $39 million outflow related to long-term incentive plans.
3. Interest paid includes $8 million of interest capitalized to property plant and equipment.
4. Other includes dividends paid to non-controlling interest of $195 million, net payments to joint venture of $16 million offset by non-cash adjustments relating to amortization of gold and silver revenue of $25 million and share of profit in joint venture of $4 million.

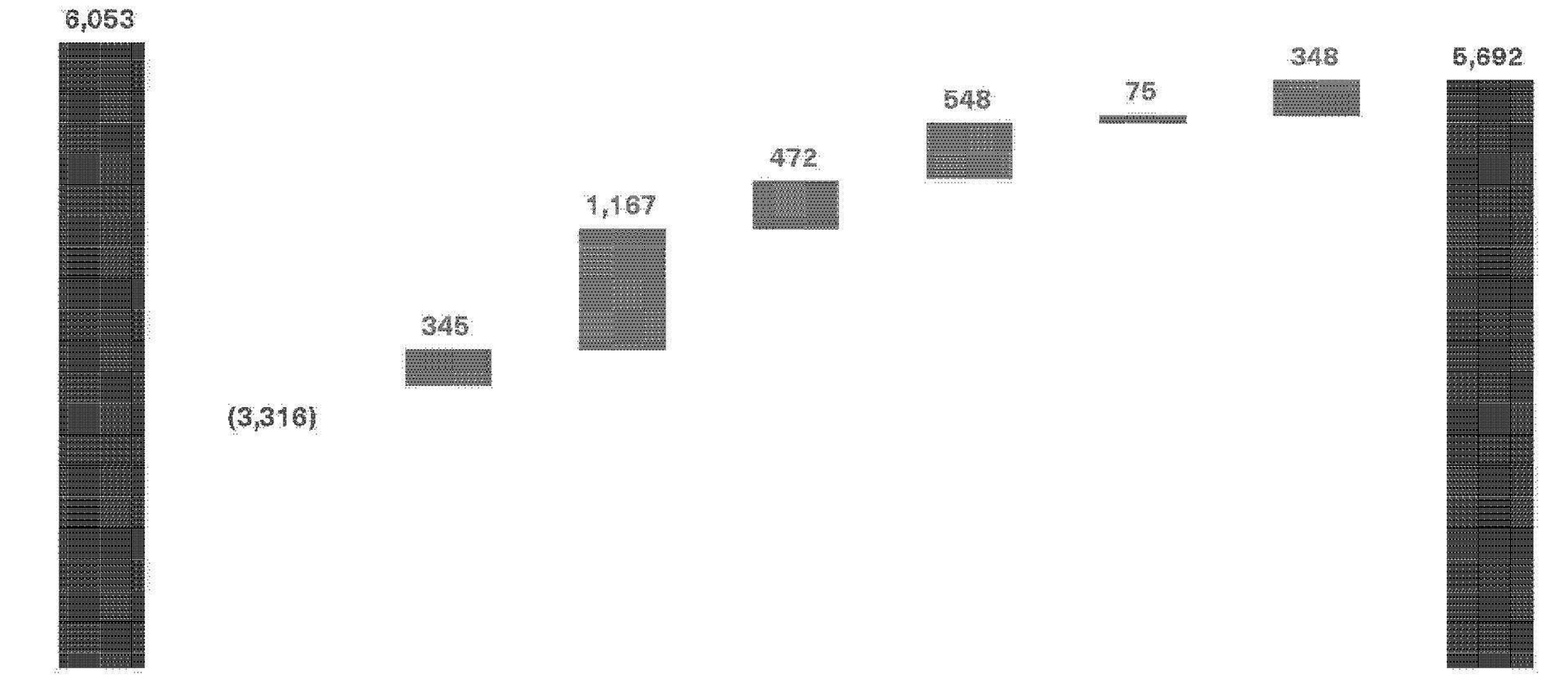
Net debt[1] increased by $363 million during the quarter to $5,692 million. At December 31, 2022, gross debt was $7,380 million.

During the quarter, FQM Trident signed the FQM Trident Facility with a termination date of December 31, 2025, resulting in an inflow of $425 million in the quarter. A final repayment of $28 million was made for the previous FQM Trident term loan facility which matured in December 2022.

[1] 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".

FULL YEAR

YEAR-TO-DATE 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 $129 million outflow related to long-term incentive plans.

[3] Interest paid includes $24 million of interest capitalized to property plant and equipment.

[4] Other includes dividends paid to non-controlling interest of $255 million, net payments to joint venture of $41 million offset by restricted cash reclassification of $41 million, non-cash adjustments relating to amortization of gold and silver revenue of $97 million and share of profit in joint venture ("JV") of $45 million.

Net debt[1] decreased by $361 million during the year ended December 31, 2022 to $5,692 million. At December 31, 2022, gross debt was $7,380 million.

During the year, the company redeemed at par an aggregate of $1,000 million principal amount of the senior unsecured notes due 2023. $500 million was redeemed on each of April 5, 2022, and June 7, 2022.

Following the upgrades by S&P and Fitch in February 2022 to a B+ credit rating, the Company outlook remained stable at S&P and was upgraded from stable to positive at Fitch. S&P published a rating and outlook affirmation in September 2022, then amended the outlook to Credit Watch Negative in December 2022 "on risk of operational disruptions at MPSA". Fitch amended their outlook to Rating Watch Negative in January 2023 "on Cobre Panamá operational uncertainty". While copper prices lowered over the course of 2022, the medium to long-term outlook for prices and demand continues 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 had previously entered into derivative contracts to ensure that the exposure to the price of copper on future sales was managed to ensure stability of cash flows until an appropriate level of de-leveraging had been achieved. At February 14, 2023, the Company had no outstanding copper or nickel derivatives designated as hedged instruments.

In respect of discussions with the GOP, the Company has expressed its earnest desire to resolve all outstanding issues and continues to engage with the Government with a view to concluding a reasonable and durable arrangement regarding the long-term future of Cobre Panamá. It is hoped that outstanding matters are resolved in the short term. A period of care and maintenance or a temporary shutdown at Cobre Panamá would have a negative impact on the Company's estimated EBITDA[1] but the Company would still expect to remain in compliance with financial covenants over the next 12 months. An

[1] Net debt is a supplementary financial measure and EBITDA is is a non-GAAP 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 were previously named comparative EBITDA and the composition remains the same. See "Regulatory Disclosures".

extended full shutdown to the end of the year may increase the risk of the Company's ability to be in compliance with all existing facility covenants.

At December 31, 2022, the Company had total commitments of $426 million, $406 million of which is related to the 12 months following the period end.

Contractual and other obligations as at December 31, 2022 are as follows:

	Carrying Value	Contractual Cash flows	< 1 year	1 – 3 years	3 – 5 years	Thereafter
Debt – principal repayments	7,260	7,293	455	4,338	2,500	–
Debt – finance charges	–	1,426	509	676	241	–
Trading facilities	120	120	120	–	–	–
Trade and other payables	771	771	771	–	–	–
Derivative instruments	117	117	117	–	–	–
Liability to joint venture[1]	1,256	1,990	–	–	–	1,990
Other loans owed to non-controlling interest[2]	190	251	28	–	–	223
Current taxes payable	53	53	53	–	–	–
Deferred payments	40	40	4	8	8	20
Leases	29	26	12	10	4	–
Commitments	–	426	406	20	–	–
Restoration provisions	555	1,073	3	22	33	1,015
	10,391	13,586	2,478	5,074	2,786	3,248

[1] Refers to distributions to KPMC, a joint venture that holds a 20% non-controlling interest in Minera Panamá 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, 2022, the Company had 692,505,043 common shares outstanding.

Hedging Programs

The Company has hedging programs for 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.

As at December 31, 2022, the Company held no derivatives designated as hedged instruments. During the quarter ended December 31, 2022, no gain or loss was realized through sales revenues.

COMMODITY CONTRACTS

	December 31, 2022	December 31, 2021
Asset position	15	38
Liability position	(117)	(57)

During the year ended December 31, 2022, a loss for settled hedges of $5 million was realized through sales revenues.

Provisional Pricing and Derivative Contracts

A portion of the Company's metal sales is sold on a provisional pricing basis whereby sales are recognized at prevailing metal prices when title transfers to the customer and final pricing is not determined until a subsequent date, typically two to five 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, 2022, 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	206,653	$3.73/lb	$3.80/lb	April 2023
Gold	51,109	$1,792/oz	$1,814/oz	February 2023
Commodity contracts:				
Copper	206,925	$3.73/lb	$3.80/lb	April 2023
Gold	51,109	$1,792/oz	$1,814/oz	February 2023

As at December 31, 2022, 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 $25 million per year.

ZAMBIAN VAT

During the second quarter, the Company reached an agreement with the GRZ for repayment of the outstanding VAT claims based on offsets against future corporate income tax and mineral royalty tax payments. This commenced July 1, 2022. As a result of this agreement, the Company was granted offsets of $59 million and cash refunds of $26 million during the quarter.

The total VAT receivable accrued by the Company's Zambian operations at December 31, 2022, was $639 million, of which $287 million relates to Kansanshi, $297 million relates to Sentinel, with the balance of $55 million attributable to other Zambian subsidiaries providing support services.

Offsets of $154 million against other taxes due have been granted during the year December 31, 2022. In the year ended December 31, 2021, offsets of $71 million were granted.

The Company considers that the outstanding VAT claims are fully recoverable and has classified all VAT balances due to the Zambian operations based on the expected recovery period. As at December 31, 2022, amounts totalling $120 million are presented as current.

A $56 million expense adjustment for Zambian VAT receipts was recognized in the quarter ended December 31, 2022, representing the expected phasing of recoverability of the receivable amount. An expense of $2 million had previously been recognized in the quarter ended December 31, 2021. A foreign exchange adjustment of $221 million was recognized against the receivable in the quarter ended June 30, 2022 as a result of the agreement with the GRZ on the receivable amount to be paid.

ZAMBIAN VAT

VAT receivable by the Company's Zambian operations

	December 31, 2022
Balance at beginning of the year	644
Movement in claims, net of foreign exchange movements	185
Adjustment for expected phasing for non-current portion	(190)
At December 31, 2022	639

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 the period end	92	394	251	65	170	972
Adjustment for expected phasing	(5)	(183)	(78)	(21)	(46)	(333)
Total VAT receivable from Zambian operations	87	211	173	44	124	639

Changes to Zambian VAT Regime

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 was removed effective October 1, 2022 and remains in place.

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 Panamá. 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 $663 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, 2022, the profit attributable to KPMC was $88 million (December 31, 2021: $150 million). The profit in KPMC relates to the 20% equity accounted share of profit reported by Minera Panamá S.A. ("MPSA"), a subsidiary of the Company. The material assets and liabilities of KPMC are an investment in MPSA of $508 million, shareholder loans receivable of $1,256 million from the Company and shareholder loans payable of $1,256 million due to the Company and its joint venture partner KOMIR.

At December 31, 2022, the Company's subsidiary, MPSA, owed to KPMC $1,256 million (December 31, 2021: $1,310 million and December 31, 2020: $1,327 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 Panamá 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 Panamá 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 Panamá 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 Panamá 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 Panamá.

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	$450.59/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	$6.76/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 $450.59 per oz for gold and $6.76 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 Panamá 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 Panamá 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.

	QUARTERLY			FULL YEAR	
	Q4 2022	Q3 2022	Q4 2021	2022	2021
Gold and silver revenue – ongoing cash payments	15	13	15	56	57
Gold and silver revenue – non cash amortization	25	23	25	97	99
Total gold and silver revenues - precious metal stream	40	36	40	153	156
Cost of refinery-backed credits for precious metal stream included in revenue	(58)	(50)	(61)	(229)	(237)

MATERIAL LEGAL PROCEEDINGS

Panamá

Introduction

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

On February 26, 1997, the Concession Contract was approved by the National Assembly of Panamá through law 9 of 1997 ("Law 9") and Law 9 was published in the Official Gazette on February 28, 1997. 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 Panamá project. On December 30, 2016, the Government of Panamá 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 current Government of Panamá ("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 arising from a Supreme Court Ruling which declared Law 9 to be unconstitutional. 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.

During January 2022, the GOP tabled a new proposal and the commission reached an agreement in principle on certain items, namely that the GOP should receive $375 million in benefits per year from Cobre Panamá and that the existing revenue royalty will be replaced by a gross profit royalty. The Company seeks protections to the business for downside copper prices, production scenarios, adequate profitability, and ensuring that the new contract and legislation are both durable and sustainable. In the second quarter of 2022, the Minister of Commerce was replaced and discussions have subsequently continued in order, including the installation of a bilateral contractual drafting committee in early September 2022. First Quantum remains committed to a timely conclusion of the Law 9 issue. On November 14, 2022 the GOP unilaterally and arbitrarily established a 30 day period to conclude negotiations on a potential refreshed Concession Contract. While said period expired, negotiations have continued. Once an agreement is concluded and the full contract is documented, it is expected that the refreshed Concession Contract would be put to the Panamanian National Assembly for approval through a new law.

[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".

Panamá Constitutional Proceedings

In September 2018, the Company became aware of a ruling of the Supreme Court of Panamá ("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 Panamá 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 Cabinet Decree 267 of 1969 in said approval process.
- 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 mining concession in the Petaquilla area.
- The Attorney General ("Procurador General de la Nación", in Spanish) 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 Panamá issued a news release affirming support for Cobre Panamá. 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). As a matter of fact, MICI, among other actions taken in relation to the contract´s continued validity, submitted its own filings to the Supreme Court, prior to the ruling in relation to the constitutionality of Law 9 taking effect. In July 2021, the Supreme Court responded to the requests for clarifications submitted by MPSA and MICI, ruling them inadmissible on procedural grounds. 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.

More recently, the current administration of the GOP has made public a different position, in the sense that in their view, the declaration of unconstitutionality of Law 9 by the Supreme Court of Justice does affect the Concession Contract´s validity.

The Company understands that the ruling's effects are non-retrospective, pursuant to article 2573 of 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 together with the acquired rights.

Nullity Actions by Third Parties

Two claims have been lodged with Supreme Court contesting the approval, granted in 2016 by the GOP, for the extension of MPSA's mining Concession Contract by means of Resolution No. 128 of 2016 issued by MICI. These claims center on: the nature of rights accorded by the mining concession contract to Petaquilla Gold S.A. (a subsidiary of MPSA); the validity of certain assignments between MPSA and Petaquilla Gold, S.A. relating to the concession area and concession rights; and the process followed by the MICI in approving the extension of MPSA's mining concession contract.

The Company refutes the claims made in the aforementioned nullity motions and has been advised by external counsel that the extension process followed by the MICI in 2016 was correct. The Company has requested that both nullity motions be joined, the decision is pending. In both proceedings, the State's Attorney of Panamá has provided a favourable formal opinion as to the legality of the resolution which approved the extension of MPSA's mining concession contract, as required for such proceedings under Panamanian law. However, on 11 January 2023, the Administration's Attorney filed in both proceedings of the nullity actions, motions requesting that the Supreme Court, based on the ruling that declared Law 9 to be unconstitutional, declares "res judicata" in each proceeding, to avoid contradictory results in the different proceedings, resulting in that the Extension Resolution is deemed without legal effect. MPSA vigorously challenges this motion which remains pending resolution.

If the nullity actions contesting the approval of the extension of the Concession Contract are upheld by the Supreme Court the outcome may include a challenge to the legality of continuing to exploit the mine under the Concession Contract.

Administrative Proceedings

On November 2022, the State began to claim-contrary to its prior and repeatedly stated position, actions, and controlling law-that the Concession Contract was invalid based on the Supreme Court Decision, and mandated negotiations for a refreshed Concession Contract.

Also on November, 2022, the State set a unilateral and arbitrary deadline of 14 December 2022 to conclude negotiations on a potential refreshed Concession Contract. As the parties were unable to attain consensus on all key economic and legal terms which would govern their relationship into the future, on December 15, 2022, the Cabinet Council (comprised of the President of the Republic of Panamá, together with all Ministers) issued Resolution No. 144 by instructing the Ministry of Commerce and Industries, the Ministry of Employment, and the Ministry of the Environment to take certain actions in relation to the ruling that declared Law 9 unconstitutional, including an instruction to the Ministry of Commerce and Industries to order MPSA to prepare and execute a plan to put the mine under care and maintenance. Thereafter, complying with said instruction, on December 19, 2022, the National Directorate of Mineral Resources of the Ministry of Commerce and Industries issued Resolution No. 2022-234, by which it ordered MPSA to prepare and submit to the Ministry of Commerce and Industries within 10 business days a plan to put the mine in care and maintenance. MPSA filed recourses, appeals, and other motions against these resolutions, staying their legal effect; and, as a result, the term provided for the filing of the care and maintenance plan is currently suspended.

On January 26, 2023, the Panamá Maritime Authority ("AMP") issued a resolution (Resolution No. 007-20230) that required the suspension of concentrate loading operations at the Cobre Panamá port, Punta Rincón, until evidence was provided that the process of certification of the calibration of the scales by an accredited company had been initiated. MPSA submitted the required proof of the initiation of the certification process on February 2, 2023, and, on February 7, 2023, MPSA submitted certifications of the calibration of the scales and weights. AMP rejected the certification on February 8, 2023, claiming that the certification company is not accredited in Panamá, even though the provider MPSA used is on the list of accredited companies published by MICI. MPSA is challenging this decision, and, at the same time, is working to find another accredited certification company that the GOP will accept. In the meantime, the AMP has maintained its order suspending loading operations at the Port.

As previously reported, if AMP's measures persist, it may become necessary to shut down the Cobre Panamá mine if concentrate is not shipped by approximately February 20, 2023 due to limited storage capacity on site.

Arbitration Proceedings

Steps towards two arbitration proceedings have been taken by the Company. One under Canada-Panamá Free Trade Agreement (FTA), and another one as per the dispute resolution and arbitration clause of the Concession Contract.

1. On December 23, 2022, First Quantum submitted a letter to the GOP initiating the consultation period required under the Canada-Panamá Free Trade Agreement (FTA). Under the terms of the FTA, First Quantum and the GOP are required to engage in consultations to resolve the dispute amicably. At least 90 days after submitting the notice of intent, and 6 months after the events giving rise to the claim, First Quantum may file a request for arbitration. Pursuant to Article 9.22(2)(c)(iv) of the Canada-Panamá FTA, First Quantum will seek any and all relief appropriate in arbitration, including but not limited to damages and reparation for Panamá's breaches of the Canada-Panamá FTA by curtailing MPSA's ability to mine under its Concession Contract.

2. Also on December 23, 2022, First Quantum submitted a Notice of Arbitration pursuant to the Rules of Procedure of the Inter-American Commercial Arbitration Commission (the "IACAC Rules") and Clause 23 of the Concession Contract. The arbitration enforces the parties' agreement to arbitrate its disputes arising out of and in connection with the Concession Contract. The parties have each appointed their arbitrator and the process towards the appointment of the Arbitral Tribunal chairman is underway, to be completed by February 27, 2023.

Both of these processes are under way and in the initial stages. The Company continues to utilize the consultation period under the FTA to strive to reach an amicable resolution with the GOP.

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 and international law. The amount in dispute is to be

quantified at a later stage, however it is believed to be material. The hearing in this matter has been rescheduled to July 2023. Pursuant to the wider reset arrangements concluded between the Company and GRZ in May 2022, the parties have agreed in principle to a settlement in respect of this arbitration. However, the effectiveness of the settlement is subject to the satisfaction of certain conditions precedent, which the parties are currently working to satisfy.

REGULATORY DISCLOSURES

Seasonality

The Company's results as discussed in this MD&A are subject to seasonal aspects, in particular the rainy season in Zambia. The rainy 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 rainy 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

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.

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 MD&A, 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.

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 2022	**Q3 2022**	**Q4 2021**	**2022**	**2021**
Purchase and deposits on property, plant and equipment	317	296	277	1,167	995
Sustaining capital expenditure and deferred stripping	134	113	121	492	457
Project capital expenditure	183	183	156	675	538
Total capital expenditure	317	296	277	1,167	995

Non-GAAP Reconciliations

The following tables provide a reconciliation of C1[2], C3[2] and AISC[2] to the consolidated financial statements:

For the three months ended December 31, 2022	Cobre Panamá	Kansanshi	Sentinel	Guelb Moghrein	Las Cruces	Çayeli	Pyhäsalmi	Copper	Corporate & other	Ravensthorpe	Total
Cost of sales[1]	(485)	(373)	(366)	(53)	(24)	(15)	(11)	(1,327)	(4)	(140)	(1,471)
Adjustments:											
Depreciation	151	60	91	4	–	4	1	311	(1)	17	327
By-product credits	47	31	1	30	–	1	4	114	–	8	122
Royalties	12	21	45	2	–	1	–	81	–	7	88
Treatment and refining charges	(33)	(6)	(17)	(1)	–	(2)	(1)	(60)	–	–	(60)
Freight costs	–	–	(16)	–	–	(1)	–	(17)	–	–	(17)
Finished goods	(13)	(15)	17	(1)	1	(1)	4	(8)	–	16	8
Other	10	71	4	1	4	–	1	91	5	1	97
Cash cost (C1)[2]	(311)	(211)	(241)	(18)	(19)	(13)	(2)	(815)	–	(91)	(906)
Adjustments:											
Depreciation (excluding depreciation in finished goods)	(156)	(61)	(89)	(4)	–	(3)	(1)	(314)	–	(16)	(330)
Royalties	(12)	(21)	(45)	(2)	–	(1)	–	(81)	–	(7)	(88)
Other	(4)	(3)	(3)	–	–	–	–	(10)	–	(2)	(12)
Total cost (C3)[2]	(483)	(296)	(378)	(24)	(19)	(17)	(3)	(1,220)	–	(116)	(1,336)
Cash cost (C1)[2]	(311)	(211)	(241)	(18)	(19)	(13)	(2)	(815)	–	(91)	(906)
Adjustments:											
General and administrative expenses	(14)	(9)	(11)	–	(2)	–	–	(36)	–	(4)	(40)
Sustaining capital expenditure and deferred stripping[3]	(46)	(24)	(52)	(3)	–	(2)	–	(127)	–	(7)	(134)
Royalties	(12)	(21)	(45)	(2)	–	(1)	–	(81)	–	(7)	(88)
Lease payments	–	–	(1)	–	(1)	–	–	(2)	–	–	(2)
AISC[2,4]	(383)	(265)	(350)	(23)	(22)	(16)	(2)	(1,061)	–	(109)	(1,170)
AISC (per lb)[2,4]	$2.01	$3.55	$2.25	$3.19	$4.33	$3.01	–	$2.42	–	$11.10	
Cash cost – (C1) (per lb)[2,4]	$1.63	$2.81	$1.55	$2.57	$4.02	$2.46	–	$1.86	–	$9.32	
Total cost – (C3) (per lb)[2,4]	$2.54	$3.96	$2.42	$3.35	$4.09	$3.31	–	$2.79	–	$11.70	

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

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

[3] Sustaining capital and deferred stripping 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"*.

[4] Excludes purchases of copper concentrate from third parties treated through the Kansanshi Smelter.

For the three months ended December 31, 2021	Cobre Panamá	Kansanshi	Sentinel	Guelb Moghrein	Las Cruces	Çayeli	Pyhäsalmi	Copper	Corporate & other	Ravensthorpe	Total
Cost of sales[1]	(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	48	63	–	17	–	4	4	136	–	6	142
Royalties	16	57	61	1	–	1	–	136	–	4	140
Treatment and refining charges	(30)	(7)	(15)	(2)	–	(1)	–	(55)	–	–	(55)
Freight costs	(1)	–	(11)	–	–	–	–	(12)	–	–	(12)
Finished goods	12	19	(11)	9	1	(5)	–	25	–	8	33
Other	20	9	8	(2)	–	2	–	37	13	–	50
Cash cost (C1)[2]	(266)	(83)	(192)	(21)	(25)	(6)	(4)	(597)	–	(68)	(665)
Adjustments:											
Depreciation (excluding depreciation in finished goods)	(146)	(60)	(75)	(4)	–	(6)	–	(291)	–	(8)	(299)
Royalties	(16)	(57)	(61)	(1)	–	(1)	–	(136)	–	(4)	(140)
Other	(4)	(3)	(2)	1	–	–	–	(8)	–	(1)	(9)
Total cost (C3)[2]	(432)	(203)	(330)	(25)	(25)	(13)	(4)	(1,032)	–	(81)	(1,113)
Cash cost (C1)[2]	(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[3]	(34)	(47)	(43)	–	–	(1)	–	(125)	–	4	(121)
Royalties	(16)	(57)	(61)	(1)	–	(1)	–	(136)	–	(4)	(140)
Lease payments	(2)	–	–	–	(1)	–	–	(3)	–	–	(3)
AISC[2]	(330)	(191)	(304)	(22)	(27)	(8)	(4)	(886)	–	(71)	(957)
AISC (per lb)[2]	$1.94	$1.67	$2.39	$4.57	$4.32	$0.62	$2.93	$2.05	–	$11.15	
Cash cost – (C1) (per lb)[2]	$1.57	$0.79	$1.51	$4.11	$4.01	$(0.44)	$2.81	$1.39	–	$10.93	
Total cost – (C3) (per lb)[2]	$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 in the Company's annual audited consolidated financial statements.

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

[3] Sustaining capital and deferred stripping 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"*.

For the year ended December 31, 2022	Cobre Panamá	Kansanshi	Sentinel	Guelb Moghrein	Las Cruces	Çayeli	Pyhäsalmi	Copper	Corporate & other	Ravensthorpe	Total
Cost of sales[1]	(1,894)	(1,324)	(1,315)	(187)	(105)	(67)	(33)	(4,925)	(59)	(442)	(5,426)
Adjustments:											
Depreciation	608	226	314	13	–	19	3	1,183	1	46	1,230
By-product credits	190	204	1	118	–	17	22	552	–	31	583
Royalties	57	135	188	6	1	7	–	394	–	20	414
Treatment and refining charges	(130)	(25)	(55)	(6)	–	(7)	(2)	(225)	–	–	(225)
Freight costs	–	–	(45)	–	–	(9)	–	(54)	–	–	(54)
Finished goods	(17)	(9)	17	(7)	1	–	1	(14)	–	(23)	(37)
Other[4]	31	115	20	2	18	–	–	186	58	6	250
Cash cost (C1)[2,4]	(1,155)	(678)	(875)	(61)	(85)	(40)	(9)	(2,903)	–	(362)	(3,265)
Adjustments:											
Depreciation (excluding depreciation in finished goods)	(616)	(225)	(306)	(14)	–	(17)	(3)	(1,181)	–	(50)	(1,231)
Royalties	(57)	(135)	(188)	(6)	(1)	(7)	–	(394)	–	(20)	(414)
Other	(16)	(11)	(10)	(1)	(1)	–	–	(39)	–	(6)	(45)
Total cost (C3)[2,4]	(1,844)	(1,049)	(1,379)	(82)	(87)	(64)	(12)	(4,517)	–	(438)	(4,955)
Cash cost (C1)[2,4]	(1,155)	(678)	(875)	(61)	(85)	(40)	(9)	(2,903)	–	(362)	(3,265)
Adjustments:											
General and administrative expenses	(49)	(28)	(37)	(2)	(4)	(1)	–	(121)	–	(15)	(136)
Sustaining capital expenditure and deferred stripping[3]	(151)	(145)	(159)	(5)	–	(5)	–	(465)	–	(27)	(492)
Royalties	(57)	(135)	(188)	(6)	(1)	(7)	–	(394)	–	(20)	(414)
Lease payments	(4)	–	(2)	–	(2)	–	–	(8)	–	(1)	(9)
AISC[2,4]	(1,416)	(986)	(1,261)	(74)	(92)	(53)	(9)	(3,891)	–	(425)	(4,316)
AISC (per lb)[2,4]	$1.91	$3.11	$2.43	$2.47	$4.35	$2.17	$1.99	$2.35	–	$10.45	
Cash cost – (C1) (per lb)[2,4]	$1.56	$2.18	$1.69	$2.00	$4.05	$1.67	$1.91	$1.76	–	$8.83	
Total cost – (C3) (per lb)[2,4]	$2.49	$3.31	$2.66	$2.77	$4.15	$2.64	$2.56	$2.73	–	$10.72	

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

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

[3] Sustaining capital and deferred stripping 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"*.

[4] Excludes purchases of copper concentrate from third parties treated through the Kansanshi Smelter.

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

[1] Total cost of sales per the Consolidated Statement of Earnings in the Company's annual audited consolidated financial statements.
[2] C1 cash cost (C1), total costs (C3) and all-in sustaining costs (AISC) are non-GAAP ratios which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See *"Regulatory Disclosures"*.
[3] Sustaining capital and deferred stripping 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"*.

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

	Q4 2022	Q3 2022	Q4 2021	Q4 2020
Cash and cash equivalents	1,688	1,789	1,859	950
Bank overdraft	–	–	–	36
Current debt	575	572	313	871
Non current debt	6,805	6,546	7,599	7,452
Net debt	5,692	5,329	6,053	7,409

EBITDA

	QUARTERLY			FULL YEAR	
	Q4 2022	Q3 2022	Q4 2021	2022	2021
Operating profit	314	289	722	2,241	2,598
Depreciation	327	320	314	1,230	1,174
Other adjustments:					
Foreign exchange loss (gain)	25	(26)	(13)	(184)	(159)
Impairment expense	–	–	44	–	44
Other expense (income)[1]	(5)	3	12	46	20
Revisions in estimates of restoration provisions at closed sites	(14)	(3)	6	(17)	7
Total adjustments excluding depreciation	6	(26)	49	(155)	(88)
EBITDA	647	583	1,085	3,316	3,684

[1]Other expenses includes a charge of $40 million for non-recurring costs in connection with previously sold assets for the year ended December 31, 2022.

	QUARTERLY			FULL YEAR	
	Q4 2022	Q3 2022	Q4 2021	2022	2021
Net earnings attributable to shareholders of the Company	117	113	247	1,034	832
Adjustments attributable to shareholders of the Company:					
Adjustment for expected phasing of Zambian VAT	56	6	(2)	190	16
Loss on redemption of debt	–	–	21	–	21
Total adjustments to EBITDA excluding depreciation	6	(26)	49	(155)	(88)
Tax and minority interest adjustments	(28)	3	(9)	(5)	45
Adjusted earnings	151	96	306	1,064	826
Basic earnings per share as reported	$0.17	$0.16	$0.36	$1.50	$1.21
Diluted earnings per share	$0.17	$0.16	$0.36	$1.49	$1.20
Adjusted earnings per share	$0.22	$0.14	$0.44	$1.54	$1.20

Significant Judgments, Estimates and Assumptions

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

Significant judgments

- Determination of ore reserves and resources

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

  Changes in the judgments surrounding ore reserves and resources 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 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. 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 that 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 Corporation ("Franco-Nevada") for the delivery of precious metals from the Cobre Panamá project. Franco-Nevada have provided $1 billion deposit to the Cobre Panamá 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 Panamá reserves and mine plan, that funds received from Franco-Nevada constitute a prepayment of revenues deliverable from future Cobre Panamá 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.

  For exploration projects, management considers indicators including the Company's continued ability and plans to further develop the projects and title of mineral properties required to advance the projects to assess the existence of impairment indicators.

  The Company's most significant cash generating units 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.

- Cobre Panamá discussions

  On December 19, 2022, the National Directorate of Mineral Resources of the Ministry of Commerce and Industries ("MICI") (the mining regulator) issued a resolution requiring MPSA to submit a plan to the GOP to suspend commercial operations at Cobre Panamá. MPSA filed recourses, appeals and other motions against these resolutions, which has stayed their legal effect. Due to the legal processes and the Government's role in responding to the plan, the timing and impact of this requirement remain uncertain. Management assessed the impact of a possible care and maintenance situation, should it arise, at the Cobre Panamá mine and considered the possible impact on the recoverability of the cash-generating unit's assets, including goodwill.

  On January 26, 2023, the Panamá Maritime Authority ("AMP") issued a resolution that required the suspension of concentrate loading operations at the Cobre Panamá port, Punta Rincón, until evidence was provided that the process of certification of the calibration of the scales by an accredited company had been initiated. MPSA filed legal proceedings to challenge the resolution, staying its legal effects. Nevertheless, the Company submitted the required proof of the initiation of the certification process on February 2, 2023, and, on February 7, 2023, the Company submitted certifications of the calibration of the scales and weights. AMP rejected the certification on February 8, 2023, claiming that the certification company is not accredited in Panamá, even though the provider MPSA used is on the list of accredited companies published by MICI. MPSA is challenging this decision, and, at the same time, is working to find another accredited certification company that the GOP will accept. In the meantime, the AMP has maintained its order suspending loading operations at the Port. MPSA is pursuing all avenues to restart shipments at Punta Rincón, including all legal recourse available. As previously reported, if AMP's measures persist, it may become necessary to shut down the Cobre Panamá mine if concentrate is not shipped by approximately February 20, 2023 due to limited storage capacity on site.

  It is hoped that these specific matters are resolved in the short term. A period of care and maintenance or a temporary shutdown would have a negative impact on the Company's estimated EBITDA but the Company would still expect to be in compliance with financial covenants over the next 12 months. An extended full shutdown to the end of the year may increase the risk of the Company's ability to be in compliance with all existing facility covenants and may have an associated impact on the longer term value of the CGU. However, at the current time, the Company is unable to determine the impact of this eventuality given its uncertainty. The Company has also expressed its earnest desire to resolve all outstanding issues and continues to engage with the Government with a view to concluding a reasonable and durable arrangement regarding the long-term future of Cobre Panamá.

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, 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 and tax regulations applicable to the cash-generating unit's operations 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 $39 million at December 31, 2022.

  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 timing of 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 an appropriate discount rate, which is then applied to calculate the phasing adjustment based on the estimated timing of recoverability. 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, 2022, would lead to a decrease to the carrying value and an increase to finance costs of $62 million.

Financial instruments risk exposure

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, 2022, 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. 34% of the

Company's trade receivables are outstanding from three customers together representing 17% 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, Trident, Panamá 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 $639 million at December 31, 2022, which is past due (December 31, 2021: $644 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, 2022, 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.

In addition, the Company was obligated under its corporate revolving credit and term loan facility to maintain liquidity and satisfy covenant ratio tests on a historical cash flow basis. These ratios were in compliance during the year ended December 31, 2022, and December 31, 2021. 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.

In respect of discussions with the GOP, the Company has expressed its earnest desire to resolve all outstanding issues and continues to engage with the Government with a view to concluding a reasonable and durable arrangement regarding the long-term future of Cobre Panamá. It is hoped that outstanding matters are resolved in the short term. A period of care and maintenance or a temporary shutdown at Cobre Panamá would have a negative impact on the Company's estimated EBITDA but the Company would still expect to remain in compliance with financial covenants over the next 12 months. An extended full shutdown to the end of the year may increase the risk of the Company's ability to be in compliance with all existing facility covenants.

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, 2022, a fair value gain of $nil (2021: fair value loss of $9 million) has been recognized on derivatives designated as hedged instruments through accumulated other comprehensive income and a fair value loss of $5 million (2021: fair value loss of $902 million) has been recognized through sales revenues.

As at December 31, 2022, 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, 2022, and December 31, 2021, the Company had not entered into any derivatives or 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.

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, 2022, and December 31, 2021, 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 National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings*, was conducted as of December 31, 2022, 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.

Since the December 31, 2022 evaluation, there have been no adverse changes to the Company's controls and procedures and they continue to remain effective.

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, 2022 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, 2022 by the Company's management, including the Chief Executive Officer and Chief Financial Officer, based on the Control - Integrated Framework (2013) established by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. Based on this evaluation, management has concluded that the Company's internal controls over financial reporting were effective.

Limitations of Controls and Procedures

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

SUMMARY QUARTERLY INFORMATION

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

Consolidated operations	Q1 21	Q2 21	Q3 21	Q4 21	2021	Q1 22	Q2 22	Q3 22	Q4 22	2022
Sales revenues										
Copper	1,445	1,525	1,513	1,849	6,332	1,862	1,670	1,469	1,554	6,555
Gold	113	123	120	114	470	117	101	87	77	382
Nickel	29	99	64	62	254	120	55	109	157	441
Other	35	35	50	36	156	64	78	62	44	248
Total sales revenues	1,622	1,782	1,747	2,061	7,212	2,163	1,904	1,727	1,832	7,626
Cobre Panamá	724	838	777	821	3,160	741	837	707	674	2,959
Kansanshi	418	458	505	633	2,014	596	395	359	356	1,706
Sentinel	531	525	449	527	2,032	555	453	437	535	1,980
Guelb Moghrein	77	112	69	55	313	46	58	54	56	214
Ravensthorpe	39	107	71	69	286	132	63	117	164	476
Sales hedge program loss	(257)	(338)	(204)	(103)	(902)	(3)	(2)	–	–	(5)
Other	90	80	80	59	309	96	100	53	47	296
Total sales revenues	1,622	1,782	1,747	2,061	7,212	2,163	1,904	1,727	1,832	7,626
Gross profit	540	625	613	784	2,562	908	629	302	361	2,200
EBITDA[3]	811	902	886	1,085	3,684	1,180	906	583	647	3,316
Net earnings attributable to shareholders of the Company	142	140	303	247	832	385	419	113	117	1,034
Adjusted earnings[3]	150	173	197	306	826	480	337	96	151	1,064
Net debt[3]	7,062	6,751	6,302	6,053	6,053	5,815	5,339	5,329	5,692	5,692
Basic earnings per share	$0.21	$0.20	$0.44	$0.36	$1.21	$0.56	$0.61	$0.16	$0.17	$1.50
Adjusted earnings per share[4]	$0.22	$0.25	$0.29	$0.44	$1.20	$0.70	$0.49	$0.14	$0.22	$1.54
Diluted earnings per share	$0.21	$0.20	$0.44	$0.36	$1.20	$0.56	$0.60	$0.16	$0.17	$1.49
Dividends declared per common share (CDN$ per share)	$0.005	$–	$0.005	$–	$0.010	$0.005	$–	$0.160	$–	$0.165
Cash flows per share from operating activities[4]	$1.08	$0.99	$1.02	$1.10	$4.19	$0.97	$1.31	$0.76	$0.34	$3.38
Basic weighted average shares (000's)[2]	688,771	688,457	688,852	688,691	688,674	690,130	690,237	690,726	691,053	690,516
Copper statistics										
Total copper production (tonnes)	205,064	199,689	209,859	201,823	816,435	182,210	192,668	194,974	206,007	775,859
Total copper sales (tonnes)[6]	210,734	203,790	194,278	213,087	821,889	196,702	187,642	198,980	198,912	782,236
Realized copper price (per lb)[4]	$3.25	$3.55	$3.68	$4.08	$3.64	$4.45	$4.19	$3.43	$3.56	$3.90
TC/RC (per lb)	(0.12)	(0.12)	(0.11)	(0.11)	(0.12)	(0.12)	(0.14)	(0.12)	(0.12)	(0.13)
Freight charges (per lb)	(0.02)	(0.04)	(0.04)	(0.03)	(0.03)	(0.04)	(0.03)	(0.03)	(0.04)	(0.03)
Net realized copper price (per lb)[4]	$3.11	$3.39	$3.53	$3.94	$3.49	$4.29	$4.02	$3.28	$3.40	$3.74
Cash cost – copper (C1) (per lb)[4,5]	$1.24	$1.29	$1.26	$1.39	$1.30	$1.61	$1.74	$1.82	$1.86	$1.76
All-in sustaining cost (AISC) (per lb)[4,5]	$1.72	$1.91	$1.87	$2.05	$1.88	$2.27	$2.37	$2.34	$2.42	$2.35
Total cost – copper (C3) (per lb)[4,5]	$2.10	$2.21	$2.22	$2.39	$2.23	$2.65	$2.73	$2.75	$2.79	$2.73
Gold statistics										
Total gold production (ounces)	78,048	81,375	78,124	74,945	312,492	70,357	74,959	67,417	70,493	283,226
Total gold sales (ounces)[1]	77,391	85,291	79,773	79,403	321,858	76,195	69,998	65,014	59,568	270,775
Net realized gold price (per ounce)[4]	$1,661	$1,670	$1,683	$1,677	$1,673	$1,772	$1,736	$1,546	$1,574	$1,665
Nickel statistics										
Nickel produced (contained tonnes)	4,642	4,543	4,248	3,385	16,818	5,122	4,853	5,849	5,705	21,529
Nickel produced (payable tonnes)	3,843	3,789	3,531	2,855	14,018	4,743	4,348	4,960	4,450	18,501
Nickel sales (contained tonnes)	2,357	6,910	4,055	3,756	17,078	4,350	2,892	5,992	6,840	20,074
Nickel sales (payable tonnes)	1,969	5,777	3,392	3,175	14,313	4,037	2,443	5,072	5,216	16,768
Net realized price (per payable lb)[4]	$6.67	$7.79	$8.50	$8.88	$8.05	$13.52	$10.09	$9.76	$13.67	$11.93

[1] Excludes refinery-backed gold credits purchased and delivered under the precious metal streaming arrangement. See "Precious Metal Stream Arrangement".
[2] Fluctuations in average weighted shares between quarters reflects shares issued and changes in levels of treasury shares held for performance share units.
[3] EBITDA and adjusted earnings 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. 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.
[4] 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.

[5] Excludes purchases of copper concentrate from third parties treated through the Kansanshi Smelter.
[6] Sales of copper anode attributable to anode produced from third-party purchased concentrate are excluded.

APPENDICES

PRODUCTION

	QUARTERLY			FULL YEAR	
	Q4 2022	Q3 2022	Q4 2021	2022	2021
Copper production (tonnes)[1]					
Cobre Panamá	89,652	91,671	80,030	350,438	331,000
Kansanshi cathode	*5,001*	*3,362*	*10,071*	*20,625*	*39,170*
Kansanshi concentrate	*29,801*	*26,500*	*41,868*	*125,657*	*162,989*
Kansanshi total	34,802	29,862	51,939	146,282	202,159
Sentinel	73,409	64,120	60,197	242,451	232,688
Guelb Moghrein	3,481	3,336	2,588	13,313	18,845
Las Cruces	2,229	2,341	2,805	9,557	13,652
Çayeli	2,434	2,913	3,532	11,456	14,799
Pyhäsalmi	–	731	732	2,362	3,292
Total copper production (tonnes)	206,007	194,974	201,823	775,859	816,435
Gold production (ounces)					
Cobre Panamá	38,302	34,571	32,800	139,751	141,637
Kansanshi	24,479	24,561	34,546	109,617	128,199
Guelb Moghrein	7,434	7,439	6,552	30,845	38,431
Other sites[2]	278	846	1,047	3,013	4,225
Total gold production (ounces)	70,493	67,417	74,945	283,226	312,492
Nickel production (contained tonnes) – Ravensthorpe	5,705	5,849	3,385	21,529	16,818

[1] Production is presented on a contained basis, and is presented prior to processing through the Kansanshi smelter.
[2] Other sites include Çayeli and Pyhäsalmi.

SALES

	QUARTERLY			FULL YEAR	
	Q4 2022	**Q3 2022**	**Q4 2021**	**2022**	**2021**
Copper sales volume (tonnes)					
Cobre Panamá	85,330	92,665	86,112	343,448	341,078
Kansanshi cathode	*5,781*	*2,902*	*11,122*	*23,751*	*38,731*
Kansanshi anode[3]	*26,715*	*34,403*	*48,750*	*135,256*	*156,596*
Kansanshi total[3]	32,496	37,305	59,872	159,007	195,327
Sentinel anode	*47,703*	*44,375*	*34,061*	*169,899*	*148,494*
Sentinel concentrate	*23,939*	*15,683*	*24,026*	*71,263*	*84,318*
Sentinel total	71,642	60,058	58,087	241,162	232,812
Guelb Moghrein	3,765	3,300	4,359	12,522	23,614
Las Cruces	2,236	2,346	2,914	9,570	14,322
Çayeli	2,918	2,836	978	14,098	11,343
Pyhäsalmi	525	470	765	2,429	3,393
Total copper sales (tonnes)	198,912	198,980	213,087	782,236	821,889
Gold sales volume (ounces)					
Cobre Panamá	34,208	35,033	34,409	134,660	145,185
Kansanshi	16,156	19,256	36,295	101,015	125,338
Guelb Moghrein	8,601	9,754	8,189	30,852	46,661
Other sites[1]	603	971	510	4,248	4,674
Total gold sales (ounces)[2]	59,568	65,014	79,403	270,775	321,858
Nickel sales volume (contained tonnes) – Ravensthorpe	6,840	5,992	3,756	20,074	17,078

[1] Other sites include Çayeli and Pyhäsalmi.
[2] Excludes refinery-backed gold credits purchased and delivered under precious metal streaming arrangement.
[3] Copper sales include third-party sales of concentrate, cathode and anode attributable to Kansanshi (excluding copper anode sales attributable to Trident). Sales exclude the sale of copper anode produced from third-party concentrate purchased at Kansanshi. Sales of copper anode attributable to third-party concentrate purchases were 8,651 and 13,379 tonnes for the three and twelve months ended December 31, 2022, (nil for the three and twelve months ended December 31, 2021).

SALES REVENUES

		QUARTERLY			FULL YEAR	
		Q4 2022	Q3 2022	Q4 2021	2022	2021
Cobre Panamá	- copper	626	657	773	2,768	2,952
	- gold	36	41	37	148	166
	- silver	12	9	11	43	42
Kansanshi	- copper cathode	46	22	106	216	356
	- copper anode	278	292	463	1,286	1,438
	- gold	26	29	63	174	219
	- other	6	16	1	30	1
Sentinel	- copper anode	375	335	323	1,452	1,339
	- copper concentrate	160	102	204	528	693
Guelb Moghrein	- copper	27	23	38	97	199
	- gold	15	16	13	53	79
	- magnetite	14	15	4	64	35
Las Cruces	- copper	18	18	29	85	131
Çayeli	- copper	19	17	8	103	85
	- zinc, gold and silver	–	5	4	17	14
Pyhäsalmi	- copper	5	3	7	21	31
	- zinc, pyrite, gold and silver	4	7	5	22	21
Ravensthorpe	-nickel	157	109	63	445	264
	-cobalt	7	8	6	31	22
Corporate[1]		1	3	(97)	43	(875)
Sales revenues		1,832	1,727	2,061	7,626	7,212
	Copper	1,554	1,469	1,849	6,555	6,332
	Gold	77	87	114	382	470
	Nickel	157	109	62	441	254
	Silver	12	11	11	48	47
	Other	32	51	25	200	109
		1,832	1,727	2,061	7,626	7,212

[1] Corporate sales include sales hedges (see "Hedging Programs" for further discussion).

UNIT CASH COSTS (PER LB)[1,2]

	QUARTERLY			FULL YEAR	
	Q4 2022	Q3 2022	Q4 2021	2022	2021
Cobre Panamá					
Mining	$0.43	$0.42	$0.40	$0.44	$0.36
Processing	1.02	0.85	1.00	0.95	0.86
Site administration	0.08	0.06	0.07	0.07	0.06
TC/RC and freight charges	0.35	0.35	0.35	0.35	0.31
By-product credits	(0.25)	(0.25)	(0.25)	(0.25)	(0.28)
Copper cash cost (C1) (per lb)	$1.63	$1.43	$1.57	$1.56	$1.31
Copper all-in sustaining cost (AISC) (per lb)	$2.01	$1.76	$1.94	$1.91	$1.61
Total copper cost (C3) (per lb)	$2.54	$2.33	$2.55	$2.49	$2.22
Kansanshi					
Mining	$1.48	$1.57	$0.53	$1.20	$0.56
Processing	1.10	1.26	0.73	1.00	0.67
Site administration	0.20	0.18	(0.30)	0.15	–
TC/RC and freight charges	0.20	0.19	0.14	0.18	0.14
By-product credits	(0.42)	(0.54)	(0.48)	(0.57)	(0.50)
Total smelter costs	0.25	0.27	0.17	0.22	0.17
Copper cash cost (C1) (per lb)	$2.81	$2.93	$0.79	$2.18	$1.04
Copper all-in sustaining cost (AISC) (per lb)	$3.55	$3.89	$1.67	$3.11	$1.96
Total copper cost (C3) (per lb)	$3.96	$4.08	$1.78	$3.31	$2.03
Sentinel					
Mining	$0.54	$0.67	$0.47	$0.59	$0.46
Processing	0.52	0.60	0.59	0.61	0.56
Site administration	0.15	0.17	0.13	0.15	0.11
TC/RC and freight charges	0.27	0.25	0.26	0.26	0.24
Total smelter costs	0.07	0.08	0.06	0.08	0.07
Copper cash cost (C1) (per lb)	$1.55	$1.77	$1.51	$1.69	$1.44
Copper all-in sustaining cost (AISC) (per lb)	$2.25	$2.39	$2.39	$2.43	$2.21
Total copper cost (C3) (per lb)	$2.42	$2.69	$2.59	$2.66	$2.40
Ravensthorpe					
Mining	$1.54	$1.52	$2.51	$1.55	$2.24
Processing	7.19	7.06	7.86	6.95	5.92
Site administration	0.77	0.80	1.09	0.74	0.82
TC/RC and freight charges	0.48	0.45	0.32	0.43	0.31
By-product credits	(0.66)	(0.71)	(0.85)	(0.84)	(0.70)
Nickel cash cost (C1) (per lb)	$9.32	$9.12	$10.93	$8.83	$8.59
Nickel all-in sustaining cost (AISC) (per lb)	$11.10	$10.41	$11.15	$10.45	$9.87
Total nickel cost (C3) (per lb)	$11.70	$10.76	$12.87	$10.72	$10.24
Guelb Moghrein					
Copper cash cost (C1) (per lb)	$2.57	$1.99	$4.11	$2.47	$1.38
Copper all-in sustaining cost (AISC) (per lb)	$3.19	$2.38	$4.57	$2.00	$1.66
Total copper cost (C3) (per lb)	$3.35	$2.82	$5.01	$2.77	$2.31
Las Cruces					
Copper cash cost (C1) (per lb)	$4.02	$4.36	$4.01	$4.05	$2.67
Çayeli					
Copper cash cost (C1) (per lb)	$2.46	$1.68	($0.44)	$1.67	$0.99
Pyhäsalmi					
Copper cash cost (C1) (per lb)	$–	($0.13)	$2.81	$1.91	$1.54

[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] Excludes purchases of copper concentrate from third parties treated through the Kansanshi Smelter.

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, the Company's ability to reach an agreement with the Government of Panamá regarding the long term future of Cobre Panamá (including the resumption of ordinary course loading process at the port and the delivery by MPSA of a "care and maintenance plan" and the enactment by the government of any such plan), expected timing of completion of project development at Enterprise and post-completion construction activity at Cobre Panamá 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; plans, targets and commitments regarding climate change-related physical and transition risks and opportunities (including intended actions to address such risks and opportunities), greenhouse gas emissions, energy efficiency and carbon intensity, use of renewable energy sources, design, development and operation of the Company's projects and future reporting regarding climate change and environmental matters; the Company's expectations regarding increased demand for copper; the Company's project pipeline and development and growth plans. 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, the success of Company's actions and plans to reduce greenhouse gas emissions and carbon intensity of its operations, 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 Panamá, Zambia, Peru, Mauritania, Finland, Spain, Turkey, Argentina and Australia, adverse weather conditions in Panamá, 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.

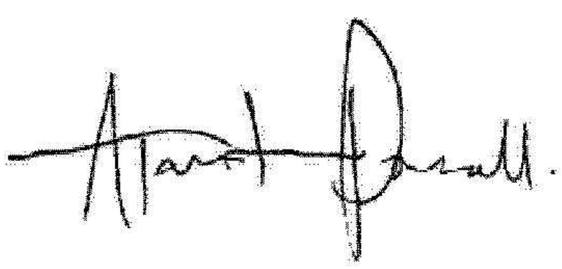
Management's Responsibility for Financial Reporting

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.



Tristan Pascall
Chief Executive Officer



Ryan MacWilliam
Chief Financial Officer

February 14, 2023

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, 2022 and 2021, 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 for the years ended December 31, 2022 and 2021;
- the consolidated statements of comprehensive income for the years ended December 31, 2022 and 2021;
- the consolidated statements of cash flows for the years ended December 31, 2022 and 2021;
- the consolidated statements of financial position as at December 31, 2022 and 2021;
- the consolidated statements of changes in equity for the years ended December 31, 2022 and 2021; 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, 2022. 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 (CGU) that is expected to benefit from the synergies of the combination. The recoverable amount of the CGU 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, 2022. 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 as estimated by the qualified persons (management's experts), commodity prices, discount rate, future production costs, future tax regime applicable to the CGU's operations and future capital expenditure.	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 and 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, future production costs, future capital expenditure and future tax regime applicable to the CGU's operations by (i)

Key audit matter	How our audit addressed the key audit matter
We considered this a key audit matter due to the subjectivity and complexity in performing 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.	comparing commodity prices with external market and industry data; (ii) comparing future production costs and future capital expenditure to recent actual production costs and actual capital expenditure incurred by the Cobre Panama CGU, and assessing whether these assumptions were consistent with evidence obtained in other areas of the audit, as applicable; and (iii) assessing future tax regime applicable to the CGU's operations by considering external market information, 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 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 $19,053 million as at December 31, 2022 covering multiple cash-generating units (CGUs). 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, discount rates, title of mineral properties required to advance the exploration

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.

Key audit matter	How our audit addressed the key audit matter
projects, the Company's continued ability and plans to further develop the exploration projects are used in determining whether there are any indicators of impairment, as applicable. We considered this a key audit matter due to the significance of the PP&E and subjectivity in performing procedures to evaluate audit evidence relating to the significant judgments made by management in its assessment of indicators of impairment.	– Obtained evidence of certain mineral property titles required to advance the exploration projects. – Read board minutes, obtained budget approvals and considered evidence obtained in other areas of the audit to assess the Company's continued ability and plans to further develop the projects.

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 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

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necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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.

- 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 14, 2023

Consolidated Statements of Earnings

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

	Note	2022	2021
Sales revenues	17	**7,626**	7,212
Cost of sales	18	**(5,426)**	(4,650)
Gross profit		**2,200**	2,562
Exploration		**(26)**	(20)
General and administrative		**(136)**	(118)
Impairment and related charges	20	**–**	(44)
Other income	22	**203**	218
Operating profit		**2,241**	2,598
Finance income		**80**	65
Finance costs	21	**(662)**	(725)
Adjustment for expected phasing of Zambian VAT	4c	**(190)**	(16)
Loss on redemption of debt	10	**–**	(21)
Earnings before income taxes		**1,469**	1,901
Income tax expense	13	**(320)**	(812)
Net earnings		**1,149**	1,089
Net earnings attributable to:			
Non-controlling interests		**115**	257
Shareholders of the Company	15	**1,034**	832
Earnings per share attributable to the shareholders of the Company			
Net earnings ($ per share)			
Basic	15	**1.50**	1.21
Diluted	15	**1.49**	1.20
Weighted average shares outstanding (000's)			
Basic	15	**690,516**	688,674
Diluted	15	**692,987**	691,712
Total shares issued and outstanding (000's)	14a	**692,505**	691,102

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

Consolidated Statements of Comprehensive Income

(expressed in millions of U.S. dollars)

	Note	2022	2021
Net earnings		**1,149**	1,089
Other comprehensive income (loss)			
Items that have been/may subsequently be reclassified to net earnings:			
Cash flow hedges reclassified to net earnings	24	**9**	401
Movements on unrealized cash flow hedge positions		**–**	(9)
Items that will not subsequently be reclassified to net earnings:			
Fair value gain (loss) on investments	8	**4**	(9)
Total comprehensive income for the year		**1,162**	1,472
Total comprehensive income for the year attributable to:			
Non-controlling interests		**115**	257
Shareholders of the Company		**1,047**	1,215
Total comprehensive income for the year		**1,162**	1,472

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	2022	2021
Cash flows from operating activities			
Net earnings		**1,149**	1,089
Adjustments for			
Depreciation	18,19	**1,230**	1,174
Income tax expense	13	**320**	812
Impairment and related charges	20	**–**	44
Share-based compensation expense	16	**47**	33
Net finance expense		**582**	660
Adjustment for expected phasing of Zambian VAT	4c	**190**	16
Foreign exchange		**(175)**	(205)
Loss on redemption of debt	10	**–**	21
Deferred revenue amortization	12	**(97)**	(99)
Share of profit in joint venture	9,22	**(44)**	(75)
Other		**23**	(18)
Taxes paid	13	**(548)**	(455)
Movements in operating working capital			
Movements in trade and other receivables		**(111)**	(31)
Movements in inventories		**(144)**	(24)
Movements in trade and other payables		**39**	37
Long-term incentive plans		**(129)**	(94)
Net cash from operating activities		**2,332**	2,885
Cash flows used by investing activities			
Purchase and deposits on property, plant and equipment	6,23	**(1,167)**	(995)
Acquisition of Korea Panama Mining Corp ("KPMC")	9	**–**	(100)
Interest paid and capitalized to property, plant and equipment	6	**(24)**	(4)
Other		**21**	1
Net cash used by investing activities		**(1,170)**	(1,098)
Cash flows used by financing activities			
Net movement in trading facility	10	**89**	(280)
Movement in restricted cash		**41**	(10)
Proceeds from debt	10	**2,532**	3,204
Repayments of debt	10	**(3,168)**	(3,378)
Net payments to joint venture (KPMC)	9,11b	**(41)**	(64)
Transactions with non-controlling interests	11d	**4**	263
Dividends paid to shareholders of the Company		**(75)**	(5)
Dividends paid to non-controlling interests		**(255)**	(37)
Interest paid		**(448)**	(521)
Other		**(10)**	(13)
Net cash used by financing activities		**(1,331)**	(841)
Increase (decrease) in cash and cash equivalents		**(169)**	946
Cash and cash equivalents – beginning of year		**1,859**	914
Exchange losses on cash and cash equivalents		**(2)**	(1)
Cash and cash equivalents – end of year		**1,688**	1,859

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

Consolidated Statements of Financial Position

(expressed in millions of U.S. dollars)

	Note	December 31, 2022	December 31, 2021
Assets			
Current assets			
Cash and cash equivalents		**1,688**	1,859
Trade and other receivables	4	**890**	622
Inventories	5	**1,458**	1,314
Current portion of other assets	8	**133**	138
		4,169	3,933
Non-current assets			
Cash and cash equivalents - restricted cash		**9**	50
Non-current VAT receivable	4b	**519**	644
Property, plant and equipment	6	**19,053**	19,283
Goodwill	7	**237**	237
Investment in joint venture	9	**663**	619
Deferred income tax assets	13	**163**	182
Other assets	8	**267**	322
Total assets		**25,080**	25,270
Liabilities			
Current liabilities			
Trade and other payables		**771**	719
Current taxes payable		**53**	363
Current debt	10	**575**	313
Current portion of provisions and other liabilities	11	**339**	283
		1,738	1,678
Non-current liabilities			
Debt	10	**6,805**	7,599
Provisions and other liabilities	11	**2,106**	2,309
Deferred revenue	12	**1,337**	1,386
Deferred income tax liabilities	13	**857**	804
Total liabilities		**12,843**	13,776
Equity			
Share capital	14	**5,492**	5,568
Retained earnings		**5,468**	4,522
Accumulated other comprehensive loss		**(59)**	(72)
Total equity attributable to shareholders of the Company		**10,901**	10,018
Non-controlling interests		**1,336**	1,476
Total equity		**12,237**	11,494
Total liabilities and equity		**25,080**	25,270

Approved by the board of Directors and authorized for issue on February 14, 2023.

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 loss	Total equity attributable to shareholders of the Company	Non-controlling interests	Total
Balance at December 31, 2021	**5,568**	**4,522**	**(72)**	**10,018**	**1,476**	**11,494**
Net earnings	**–**	**1,034**	**–**	**1,034**	**115**	**1,149**
Other comprehensive income	**–**	**–**	**13**	**13**	**–**	**13**
Total comprehensive income	**–**	**1,034**	**13**	**1,047**	**115**	**1,162**
Share-based compensation expense	**47**	**–**	**–**	**47**	**–**	**47**
Acquisition of treasury shares	**(136)**	**–**	**–**	**(136)**	**–**	**(136)**
Cash from share awards	**7**	**–**	**–**	**7**	**–**	**7**
Dividends	**–**	**(88)**	**–**	**(88)**	**(255)**	**(343)**
Other	**6**	**–**	**–**	**6**		**6**
Balance at December 31, 2022	**5,492**	**5,468**	**(59)**	**10,901**	**1,336**	**12,237**

	Share capital	Retained earnings	Accumulated other comprehensive loss	Total equity attributable to shareholders of the Company	Non-controlling interests	Total
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)
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

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

Notes to the Consolidated Financial Statements

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

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, Panamá, 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 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 accordance 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, 2022. Expected credit losses on financial assets remain immaterial at December 31, 2022.

At December 31, 2022, the Company had $530 million of committed undrawn senior debt facilities and $1,688 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, 2022.

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 Panamá S.A. ("MPSA" or "Cobre Panamá"), FQM Trident Limited ("Trident") (formerly Kalumbila Minerals Limited), 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 FQM Trading AG ("FQM Trading") (formerly Metal Corp Trading AG). 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 Panamá, in which the Company holds a 90% interest, 10% of which is held indirectly through the joint venture, Korea Panamá Mining Corp ("KPMC"), a jointly controlled Canadian entity acquired in November 2017.

Non-controlling interests

At December 31, 2022, 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 Panamá. A non-controlling interest of 31% is held by African Energy Resources Ltd in the Company's consolidated subsidiary, African Energy Holdings SRL.

Through the operations in Zambia and Panamá, 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 Panamá 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.

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.

(iv) 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 "CGU" to which the assets belong. Cash-generating units are individual operating mines, smelters or exploration and development 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 at the end of every year or earlier if an indicator of impairment exists.

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. 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.

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 KRSUs 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, 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 and restricted cash

Cash and cash equivalents 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, 2022 of $nil (December 31, 2021: $8 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.

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 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, and IAS16 regarding the recognition of proceeds from selling items in the income statement as opposed to deducting from an asset's carrying amount before it is capable of operating in the manner intended by management, effective January 1, 2022, have had no significant impact on the financial statements.

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 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.

Amendments to IAS 8 – Definition of Accounting Estimates

- Effective on January 1, 2023, the amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates.

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

- Effective on January 1, 2024, the amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The Company's Borrowings may be affected by the Amendments.

3. 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.

(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 7).

- 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. 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 that could limit the ability of the Company to obtain tax deductions in future periods from deferred income tax assets are disclosed in note 13.

- 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 Panamá project. Franco-Nevada have provided $1 billion deposit to the Cobre

Panamá 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 Panamá reserves and mine plan, that funds received from Franco-Nevada constitute a prepayment of revenues deliverable from future Cobre Panamá 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.

For exploration projects, management considers indicators including the Company's continued ability and plans to further develop the projects and title of mineral properties required to advance the projects to assess the existence of impairment indicators.

The Company's most significant cash-generating units 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.

- Cobre Panamá discussions

On December 19, 2022, the National Directorate of Mineral Resources of the Ministry of Commerce and Industries ("MICI") (the mining regulator) issued a resolution requiring MPSA to submit a plan to the GOP to suspend commercial operations at Cobre Panamá. MPSA filed recourses, appeals and other motions against these resolutions, which has stayed their legal effect. Due to the legal processes and the Government's role in responding to the plan, the timing and impact of this requirement remain uncertain. Management assessed the impact of a possible care and maintenance situation, should it arise, at the Cobre Panamá mine and considered the possible impact on the recoverability of the cash-generating unit's assets, including goodwill.

On January 26, 2023, the Panamá Maritime Authority ("AMP") issued a resolution that required the suspension of concentrate loading operations at the Cobre Panamá port, Punta Rincón, until evidence was provided that the process of certification of the calibration of the scales by an accredited company had been initiated. MPSA filed legal proceedings to challenge the resolution, staying its legal effects. Nevertheless, the Company submitted the required proof of the initiation of the certification process on February 2, 2023, and, on February 7, 2023, the Company submitted certifications of the calibration of the scales and weights. AMP rejected the certification on February 8, 2023, claiming that the certification company is not accredited in Panamá, even though the provider MPSA used is on the list of accredited companies published by MICI. MPSA is challenging this decision, and, at the same time, is working to find another accredited certification company that the GOP will accept. In the meantime, the AMP has maintained its order suspending loading operations at the Port.

MPSA is pursuing all avenues to restart shipments at Punta Rincón, including all legal recourse available. As previously reported, it may become necessary to shut down the Cobre Panamá mine if concentrate is not shipped by approximately February 20, 2023 due to limited storage capacity on site.

Discussions are ongoing with the relevant parties to resolve these matters. A period of care and maintenance or a temporary shutdown would have a negative impact on the Company's estimated EBITDA but the Company would still expect to be in compliance with financial covenants over the next 12 months. An extended full shutdown to the end of the year may increase the risk of the Company's ability to be in compliance with all existing facility covenants and may have an associated impact on the longer term value of the CGU. However, at the current time, the Company is unable to determine the impact of this eventuality given its uncertainty. The Company has also expressed its earnest desire to resolve all outstanding issues and continues to engage with the Government with a view to concluding a reasonable and durable arrangement regarding the long-term future of Cobre Panamá.

(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 7).

- 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 and tax regulations applicable to the cash-generating unit's operations 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 $39 million at December 31, 2022.

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 timing of 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 an appropriate discount rate as disclosed in note 4c, which is then applied to calculate the phasing adjustment based on the estimated timing of recoverability. 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, 2022, would lead to a decrease to the carrying value and an increase to finance costs of $62 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, 2022	December 31, 2021
Trade receivables	**491**	466
VAT receivable (current)	**135**	17
Other receivables	**264**	139
	890	622

b) VAT receivable

	December 31, 2022	December 31, 2021
Kansanshi Mining PLC	**287**	284
FQM Trident Limited (formerly Kalumbila Minerals Limited)	**297**	324
First Quantum Mining and Operations Limited (Zambia)	**55**	36
VAT receivable from the Company's Zambian operations	**639**	644
Other	**15**	17
Total VAT receivable	**654**	661
Less: current portion, included within trade and other receivables	**(135)**	(17)
Non-current VAT receivable	**519**	644

c) VAT receivable by the Company's Zambian operation

	December 31, 2022
Balance at beginning of the year	**644**
Movement in claims, net of foreign exchange movements	**185**
Adjustment for expected phasing for non-current portion	**(190)**
At December 31, 2022	**639**

Offsets of $154 million against other taxes and royalties due have been granted and cash refunds of $72 million received during the year ended December 31, 2022. In the year ended December 31, 2021, offsets of $71 million were granted.

On May 8, 2022, the Company announced that agreement had been reached in respect of the outstanding Zambian value-added tax receivable sum including an approach for repayment based on offsets against future corporate income taxes and mineral royalties. This has resulted in adjustments to reflect the agreed receivable amount to be repaid, and the revised

expected phasing of recoverability of that receivable amount. These adjustments have been presented in Other income and Adjustment for expected phasing of Zambian VAT in the Statement of Earnings, respectively. The adjustment for expected phasing for the non-current portion represents the application of an appropriate discount rate of between 10% and 12% to the expected recovery of VAT based on the agreement that has been reached for the offsetting of the VAT receivable against future corporate income taxes and mineral royalties. This adjustment for expected phasing, an expense of $190 million, has been recognized in the year ended December 31, 2022, (December 31, 2021: expense of $16 million). As at December 31, 2022, amounts totalling $120 million are presented as current.

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 the period end	92	394	251	65	170	972
Adjustment for expected phasing	(5)	(183)	(78)	(21)	(46)	(333)
Total VAT receivable from Zambian operations	87	211	173	44	124	639

5. INVENTORIES

	December 31, 2022	December 31, 2021
Ore in stockpiles	**177**	179
Work-in-progress	**48**	44
Finished product	**289**	260
Total product inventory	**514**	483
Consumable stores	**944**	831
	1,458	1,314

6. PROPERTY, PLANT AND EQUIPMENT

			Mineral properties and mine development costs		
	Plant and equipment	**Capital work-in-progress**	**Operating mines**	**Exploration and development projects**	**Total**
Net book value, as at December 31, 2021	**10,032**	**1,181**	**6,920**	**1,150**	**19,283**
Additions	**–**	**1,157**	**–**	**–**	**1,157**
Disposals	**(17)**	**–**	**–**	**–**	**(17)**
Transfers between categories	**615**	**(1,006)**	**369**	**22**	**–**
Restoration provision (note 11c)	**–**	**–**	**(167)**	**2**	**(165)**
Capitalized interest (note 21)	**–**	**24**	**–**	**–**	**24**
Depreciation charge (note 18)	**(738)**	**–**	**(491)**	**–**	**(1,229)**
Net book value, as at December 31, 2022	**9,892**	**1,356**	**6,631**	**1,174**	**19,053**
Cost	**16,463**	**1,356**	**9,826**	**1,174**	**28,819**
Accumulated depreciation	**(6,571)**	**–**	**(3,195)**	**–**	**(9,766)**

	Plant and equipment	Capital work-in-progress	Mineral properties and mine development costs: Operating mines	Mineral properties and mine development costs: Exploration and 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)

Included within capital work-in-progress and mineral properties – operating mines at December 31, 2022, is an amount of $913 million related to capitalized deferred stripping costs (December 31, 2021: $829 million). During the year ended December 31, 2022, $24 million of interest was capitalized (December 31, 2021: $4 million). The amount of capitalized interest was determined by applying the weighted average cost of borrowings of 9% (December 31, 2021: 9%) to the accumulated qualifying expenditures.

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 Panamá cash-generating unit.

The carrying value of the Cobre Panamá cash-generating unit at December 31, 2022, was $10,319 million inclusive of the Cobre Panamá power station, and deferred revenue (December 31, 2021: $10,327 million).

The annual impairment test has been performed at December 31, 2022. For the purposes of the goodwill impairment test, the recoverable amount of the Cobre Panamá 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, and a market approach applied to the value beyond proven and probable reserves (VBPP) outside of the Life of Mine plan. 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, future capital expenditure and estimates related to the future tax regime for Cobre Panamá. In addition key assumptions related to the VBPP include: the ore resources estimate and the value per pound of copper applied derived from observable market information. Reserves and resources are estimated based on the National Instrument 43-101 compliant report produced by qualified persons, adjusted for updates by management since the last report. The production profile used in the cash flow model is consistent with the reserves and resource volumes approved by qualified persons 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 $3.65 per lb. The estimates are derived from the median of consensus forecasts. A nominal discount rate of 10.5% (December 31, 2021: 9.0%) has been applied to future cash flows, derived from Cobre Panamá'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 recoverable amount of the cash-generating unit exceeds the carrying value of Cobre Panamá at December 31, 2022, and therefore no impairment charge has been recognized. The recoverable amount of the cash-generating unit has also been assessed based on possible care and maintenance scenarios, should they arise, and no impairment charge is assessed to be recognized.

8. OTHER ASSETS

	December 31, 2022	December 31, 2021
Prepaid expenses	**152**	129
KPMC shareholder loan	**216**	284
Other investments	**17**	9
Derivative instruments (note 24)	**15**	38
Total other assets	**400**	460
Less: current portion of other assets	**(133)**	(138)
	267	322

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 Panamá. 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 $663 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, 2022, the profit attributable to KPMC was $88 million (December 31, 2021: $150 million). The profit in KPMC relates to the 20% equity accounted share of profit reported by MPSA, a subsidiary of the Company. The material assets and liabilities of KPMC are an investment in MPSA of $508 million, shareholder loans receivable of $1,256 million from the Company (note 11b) and shareholder loans payable of $1,256 million due to the Company and its joint venture partner KOMIR.

10. DEBT

		December 31, 2022	December 31, 2021
Drawn debt			
Senior notes:			
First Quantum Minerals Ltd. 7.25% due April 2023	(a)	**–**	1,000
First Quantum Minerals Ltd. 6.50% due March 2024	(b)	**848**	846
First Quantum Minerals Ltd. 7.50% due April 2025	(c)	**1,348**	1,347
First Quantum Minerals Ltd. 6.875% due March 2026	(d)	**996**	994
First Quantum Minerals Ltd. 6.875% due October 2027	(e)	**1,490**	1,488
First Quantum Minerals Ltd. senior debt facility	(f)	**2,155**	2,151
FQM Trident term loan	(g)	**423**	55
Trading facilities	(h)	**120**	31
Total debt		**7,380**	7,912
Less: current maturities and short term debt		**(575)**	(313)
		6,805	7,599
Undrawn debt			
First Quantum Minerals Ltd. senior debt facility	(f)	**530**	755
Trading facilities	(h)	**610**	549

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

On December 7, 2021 the Company redeemed $600 million of its outstanding 7.250% Senior Notes due April, 2023. In the current year the Company redeemed at par an aggregate of $1,000 million principal amount of the senior unsecured notes due in 2023. $500 million was redeemed on each of April 5, 2022, and June 7, 2022. No senior unsecured notes due in 2023 remain outstanding post the redemptions.

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 par 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.

Repayments on the term loan commenced in December 2022 and are due every six months thereafter. The Facility has a single Net debt to EBITDA ratio covenant set at 3.5 times over the Facility term. Transaction costs for the new facilities were deducted from the principal drawn on initial recognition.

At December 31, 2022, $770 million of the RCF had been drawn, leaving $530 million available for the Company to draw.

g) FQM Trident term loan

On February 5, 2018, FQM Trident, the owner of the Sentinel copper mine and Enterprise Nickel mine, signed a $230 million unsecured term loan facility (the "Previous Facility"). The facility was upsized to $400 million in March 2018 in accordance with the accordion feature of the facility agreement.

On December 2, 2022, FQM Trident signed a $425 million unsecured term loan facility (the "FQM Trident Facility") with a termination date of December 31, 2025 to replace the Previous Facility, which matured in December 2022. Repayments on the FQM Trident Facility commence in March 2024 and are due every six months thereafter. The FQM Trident Facility matures in December 2025.

The principal outstanding under the FQM Trident Facility as at December 31, 2022 was $425 million.

h) Trading facilities

The Company's metal marketing division has six uncommitted borrowing facilities totalling $730 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, 2022	December 31, 2021
Amount owed to joint venture (note 11b)[1]	**1,256**	1,310
Restoration provisions (note 11c)	**555**	731
Derivative instruments (note 24)	**117**	57
Other loans owed to non-controlling interests (note 11d)	**190**	176
Liabilities directly associated with assets held for sale	**20**	28
Leases	**29**	26
Retirement provisions	**40**	50
Deferred revenue (note 12)	**118**	103
Other deferred revenue	**6**	29
Other	**114**	82
Total other liabilities	**2,445**	2,592
Less: current portion	**(339)**	(283)
	2,106	2,309

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

b) Amount owed to joint venture

	December 31, 2022	December 31, 2021
Balance at the beginning of the year	**1,310**	1,327
Interest accrued (note 21)	**114**	119
Repayment	**(168)**	(136)
Balance at end of year due to KPMC	**1,256**	1,310

As at December 31, 2022, the accrual for interest payable is $316 million (December 31, 2021: $370 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, 2022	December 31, 2021
Balance at the beginning of the year	**731**	821
Changes in estimate – operating sites (note 6)	**(165)**	(36)
Changes in estimate – closed sites (note 22)	**(17)**	7
Other adjustments	**(9)**	(44)
Transfer to liabilities directly associated with assets held for sale (11a)	**–**	(28)
Accretion expense (note 21)	**15**	11
Balance at year end	**555**	731
Less: current portion	**(3)**	(3)
	552	728

The Company has issued letters of credit which are guaranteed by cash deposits, classified as restricted cash on the balance sheet at December 31, 2022, totalling $7 million (December 31, 2021: $8 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 3.5% and 4.7% (December 31, 2021, between 1.1% and 1.9%) and an inflation factor between 2.0% and 11.0% (December 31, 2021, 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. The reduction in the restoration provision in the current year is principally attributable to the increases in discount rates used in calculating provisions across the Company's 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 to date amounted to $28 million and $12 million respectively.

12. DEFERRED REVENUE

	December 31, 2022	December 31, 2021
Balance at the beginning of the year	**1,489**	1,524
Accretion of finance costs (note 21)	**63**	64
Amortization of gold and silver revenue	**(97)**	(99)
Balance at the end of the year	**1,455**	1,489
Less: current portion (included within provisions and other liabilities)	**(118)**	(103)
Non-current deferred revenue	**1,337**	1,386

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 Panamá 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 Panamá 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 Panamá 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 Panamá 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 Panamá. Under the terms of Tranche 1 the ongoing payment of the Fixed Payment Stream is fixed per ounce payments of $450.59 per oz gold and $6.76 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 $450.59 per oz for gold and $6.76 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, 2022, $229 million was delivered under the stream the cost of which are presented net within sales revenues (year ended December 31, 2021: $237 million).

13. INCOME TAX EXPENSES

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

	December 31, 2022	December 31, 2021
Current income tax expense	**243**	634
Deferred income tax expense	**77**	178
	320	812

Taxes paid of $548 million includes $15 million of VAT receivables that were offset in settlement of Zambian income taxes payable.

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:

	2022		2021	
	Amount $	**%**	Amount $	%
Earnings before income taxes	**1,469**		1,901	
Income tax expense at Canadian statutory rates	**397**	**27**	513	27
Difference in foreign tax rates	**(227)**	**(15)**	(281)	(15)
Non-deductible expenses	**30**	**2**	174	9
Losses not recognized	**111**	**8**	358	19
Impact of foreign exchange	**9**	**—**	48	3
Income tax expense	**320**	**22**	812	43

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, 2022	December 31, 2021
Deferred income tax assets	**163**	182
Deferred income tax liabilities	**(857)**	(804)
	(694)	(622)

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

	2022	2021
Temporary differences relating to property, plant and equipment	**(1,140)**	(1,194)
Unused operating losses	**279**	304
Temporary differences relating to non-current liabilities (including restoration provisions)	**99**	128
Temporary differences relating to inventory	**7**	25
Unrealized foreign exchange loss and phasing of Zambian VAT receivable	**45**	94
Other	**16**	21
Net deferred income tax liabilities	**(694)**	(622)

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 totalling $5,794 million (December 31, 2021: $5,414 million) expiring between 2025 and 2042, and in the United States of America totaling $16 million (December 31, 2021: $18 million) expiring between 2024 and 2038.

The Company also has unrecognized deductible temporary differences relating to restoration provisions of $107 million in Panamá, (December 31, 2021: $164 million), $27 million in Canada (December 31, 2021: $40 million) and $25 million in Finland (December 31, 2021: $34 million) relating to ARO for which no deferred tax asset is recognized.

The Company has non-Canadian resident subsidiaries that have undistributed earnings of $3,853 million (December 31, 2021: $5,643 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, 2021	**691,102**
Shares issued through Dividend Reinvestment Plan	**654**
Shares issued through Share Option Plan	**749**
Balance as at December 31, 2022	**692,505**

The balance of share capital at December 31, 2022 was $5,653 million (December 31, 2021: $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, 2020	**2,188**
Shares purchased	**4,009**
Shares vested	**(1,196)**
Balance as at December 31, 2021	**5,001**
Shares purchased	**4,235**
Shares vested	**(2,979)**
Balance as at December 31, 2022	**6,257**

The balance of shares held in the trust as at December 31, 2022 was $130 million (December 31, 2021: $190 million).

c) Dividends

On February 14, 2023, the Company declared a final dividend of CDN$0.13 per share, in respect of the financial year ended December 31, 2022 (February 15, 2022: CDN$0.005 per share) paid on May 8, 2023 to shareholders of record on April 17, 2023.

On July 26, 2022, the Company declared an interim dividend of CDN$0.16 per share, in respect of the financial year ended December 31, 2022 (July 27, 2021: CDN$0.005 per share), to be paid on September 20, 2022 to shareholders of record on August 29, 2022.

15. EARNINGS PER SHARE

	2022	2021
Basic and diluted earnings attributable to shareholders of the Company	**1,034**	832
Basic weighted average number of shares outstanding (000's of shares)	**690,516**	688,674
Potential dilutive securities	**2,471**	3,038
Diluted weighted average number of shares outstanding (000's of shares)	**692,987**	691,712
Earnings per common share – basic (expressed in $ per share)	**1.50**	1.21
Earnings per common share – diluted (expressed in $ per share)	**1.49**	1.20

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") and 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 $36 million (December 31, 2021: $24 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, 2021: 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, 2021: $7 million) related to this Plan.

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

	2022 Number of units (000's)	2021 Number of units (000's)
Performance stock units		
Outstanding - beginning of year	**3,403**	3,620
Granted	**1,632**	595
Vested	**(1,848)**	(557)
Forfeited	**(75)**	(255)
Outstanding - end of year	**3,112**	3,403
Restricted stock units		
Outstanding - beginning of year	**5,150**	5,028
Granted	**2,851**	1,077
Vested	**(1,651)**	(639)
Forfeited	**(260)**	(316)
Outstanding - end of year	**6,090**	5,150
Key restricted stock units		
Outstanding – beginning of year	**6,320**	6,680
Granted	**280**	—
Vested	**—**	—
Forfeited	**(590)**	(360)
Outstanding - end of year	**6,010**	6,320

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:

	2022	2021
Risk-free interest rate	**2.99 %**	0.46 %
Vesting period	**3 years**	3 years
Expected volatility	**35.9 %**	40.5 %
Expected forfeiture per annum	**4 %**	4 %
Weighted average probability of vesting	**44.9 %**	49.7 %

b) Share option plan

The Company has in the past granted share options over common shares in the Company 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 and are fully vested after 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.

	2022 Number of units (000's)	2021 Number of units (000's)
Share options		
Outstanding - beginning of year	**2,453**	3,333
Exercised	**(750)**	(782)
Forfeited	**(371)**	(85)
Expired	**(25)**	(13)
Outstanding - end of year	**1,307**	2,453
Exercisable - end of year	**1,307**	1,901

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 $4 million (December 31, 2021: $2 million) related to equity-settled share-based payments on share options issued under the above plan for the year ended December 31, 2022.

c) Key management compensation

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

	2022	2021
Salaries, fees and other benefits	**3**	5
Bonus payments	**2**	2
Share based compensation	**5**	5
Total compensation paid to key management	**10**	12

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, $10 million (December 31, 2021: $11 million) was paid to parties related to key management for chartering aircraft, accommodation, machinery and services. As at December 31, 2022, $nil (December 31, 2021: $nil) was included in trade and other payables concerning related party amounts payable.

17. SALES REVENUES

	2022	2021
Copper	**6,555**	6,332
Gold	**382**	470
Nickel	**441**	254
Silver	**48**	47
Other	**200**	109
	7,626	7,212

18. COST OF SALES

	2022	2021
Costs of production	**(4,229)**	(3,456)
Depreciation	**(1,229)**	(1,141)
Movement in inventory	**33**	(20)
Movement in depreciation in inventory	**(1)**	(33)
	(5,426)	(4,650)

19. EXPENSES BY NATURE[1]

	2022	2021
Depreciation	**(1,230)**	(1,174)
Employment costs, benefits and contractor	**(1,150)**	(1,004)
Raw materials and consumables	**(1,081)**	(831)
Royalties	**(414)**	(488)
Repairs and maintenance	**(380)**	(323)
Fuel	**(477)**	(271)
Freight	**(292)**	(253)
Utilities	**(237)**	(171)
Change in inventories	**33**	(20)
Other	**(360)**	(253)
	(5,588)	(4,788)

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

20. IMPAIRMENT AND RELATED CHARGES

In the year ended December 31, 2021 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.

21. FINANCE COSTS

	2022	2021
Interest expense on debt	**(476)**	(532)
Interest expense on other financial liabilities	**(18)**	(3)
Interest expense on financial liabilities measured at amortized cost	**(494)**	(535)
Related party interest (note 11b)	**(114)**	(119)
Finance cost accretion on deferred revenue (note 12)	**(63)**	(64)
Accretion on restoration provision	**(15)**	(11)
Total finance costs	**(686)**	(729)
Less: interest capitalized (note 6)	**24**	4
	(662)	(725)

22. OTHER INCOME

	2022	2021
Foreign exchange gains [1]	**184**	159
Change in restoration provision for closed properties (note 11c)	**17**	(7)
Share in profit in joint venture (note 9)	**44**	75
Other expenses	**(42)**	(9)
	203	218

[1] Foreign exchange movements include realized and unrealized gains and losses, and also include the impact of an agreement reached in respect of the outstanding value-added tax receivable sum and an approach for repayment based on offsets against future corporate income taxes and mineral royalties in Zambia. This agreement has resulted in a gain as a result of the receivable now being an agreed amount, included within Foreign exchange, and a charge representing the expected phasing of that receivable under the agreement, included within Adjustment for expected phasing of Zambian VAT in the Statement of Earnings. See Note 4c.

23. SEGMENTED INFORMATION

The Company's reportable operating segments are Cobre Panamá, Kansanshi, Trident, and Ravensthorpe. Each of the reportable segments report information separately to the CEO, the chief operating decision maker.

The Corporate & other segment includes the Company's remaining operations, Guelb Moghrein, Las Cruces, Çayeli, Pyhäsalmi, the metal marketing division which purchases and sells third party material, and the exploration projects. The Corporate & other segment is responsible for the evaluation and acquisition of new mineral properties, regulatory reporting, treasury and finance and corporate administration.

The Company's operations are subject to seasonal aspects, in particular the rainy season in Zambia. The rainy 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 rainy 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, 2022, 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 Panamá [2]	**2,959**	**(1,286)**	**(608)**	**(11)**	**1,054**	**–**
Kansanshi [3]	**1,706**	**(1,098)**	**(226)**	**114**	**496**	**(70)**
Trident [4]	**1,980**	**(1,001)**	**(314)**	**18**	**683**	**(157)**
Ravensthorpe [5]	**476**	**(396)**	**(46)**	**1**	**35**	**(1)**
Corporate & other	**505**	**(415)**	**(36)**	**(81)**	**(27)**	**(92)**
Total	**7,626**	**(4,196)**	**(1,230)**	**41**	**2,241**	**(320)**

[1] Operating profit (loss) less net finance costs and taxes equals net earnings for the period on the consolidated statement of earnings.
[2] Cobre Panamá 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] Trident includes Sentinel copper mine and the Enterprise Nickel development project.
[5] Ravensthorpe is 30% owned by POSCO.

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

	Revenue [1]	Cost of sales (excluding depreciation)	Depreciation	Other	Operating profit (loss) [2]	Income tax expense (credit)
Cobre Panamá [3]	3,160	(1,132)	(579)	(15)	1,434	–
Kansanshi [4]	2,014	(825)	(220)	56	1,025	(392)
Trident [5]	2,032	(846)	(270)	52	968	(349)
Ravensthorpe [6]	286	(315)	(34)	2	(61)	27
Corporate & other [7]	(280)	(358)	(71)	(59)	(768)	(98)
Total	7,212	(3,476)	(1,174)	36	2,598	(812)

[1] Revenue includes hedge gains and losses recognized on forward sales and zero cost collar options.
[2] Operating profit (loss) less net finance costs and taxes equals net earnings for the period on the consolidated statement of earnings.
[3] Cobre Panamá is 20% owned by KPMC, a joint venture.
[4] Kansanshi Mining Plc, the most significant contributor to the Kansanshi segment, is 20% owned by ZCCM, a Zambian government owned entity.
[5] Trident includes Sentinel copper mine and the Enterprise Nickel development project.
[6] Ravensthorpe is 30% owned by POSCO.
[7] Corporate & other includes Guelb Moghrein, Las Cruces, Çayeli and Pyhäsalmi which were previously reported separately.

Balance sheet by segment

Segmented information on balance sheet items is presented as follows:

	December 31, 2022			December 31, 2021		
	Non-current assets [1]	**Total assets**	**Total liabilities**	Non-current assets [1]	Total assets	Total liabilities
Cobre Panamá [2]	**11,637**	**12,339**	**3,127**	11,735	12,364	3,232
Kansanshi [3]	**2,435**	**3,907**	**725**	2,481	5,087	978
Trident [4]	**2,885**	**3,599**	**1,053**	2,923	3,678	667
Ravensthorpe [5]	**784**	**1,033**	**361**	867	1,086	402
Corporate & other [6,7]	**1,560**	**4,202**	**7,577**	1,591	3,055	8,497
Total	**19,301**	**25,080**	**12,843**	19,597	25,270	13,776

[1] Non-current assets include $19,053 million of property plant and equipment (December 31, 2021: $19,283 million) and exclude financial instruments, deferred tax assets, VAT receivable and goodwill.
[2] Cobre Panamá 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] Trident includes Sentinel copper mine and the Enterprise Nickel development project.
[5] Ravensthorpe is 30% owned by POSCO.
[6] Included within the corporate segment are assets relating to the Haquira project, $702 million (December 31, 2021: $694 million), and to the Taca Taca project, $474 million (December 31, 2021: $454 million).
[7] Corporate & other includes Guelb Moghrein, Las Cruces, Çayeli and Pyhäsalmi which were reported separately.

Purchase and deposits on property, plant and equipment 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:

	2022	2021
Cobre Panamá	**587**	360
Kansanshi	**214**	242
Trident [1]	**274**	218
Ravensthorpe	**37**	129
Corporate & other	**55**	46
Total	**1,167**	995

[1] Trident includes Sentinel copper mine and the Enterprise Nickel development project.

Geographical information

	2022	2021
Revenue by destination [1]		
China	**3,481**	2,928
India	**1,099**	873
Zambia	**528**	694
Japan	**526**	613
Canada	**351**	–
Spain	**297**	493
South Korea	**264**	373
Singapore	**47**	1,304
Other	**1,038**	836
Hedge losses [2]	**(5)**	(902)
Total	**7,626**	7,212

[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] For the year ended December 31, 2022, the Company has one customer that individually accounts for more than 10% of the Company's total revenue. This customer represents approximately 14% of total revenue (2021: 22%).

	2022	2021
Non-current assets by location		
Panamá	**11,637**	11,735
Zambia	**5,308**	5,392
Australia	**795**	872
Peru	**702**	694
Argentina	**474**	454
Spain	**31**	30
Mauritania	**39**	33
Turkey	**53**	56
Finland	**6**	9
Other	**256**	322
	19,301	19,597
Investments, deferred income tax assets, goodwill, restricted cash, other deposits and VAT receivable	**1,610**	1,740
	20,911	21,337

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, 2022:

	Amortized cost [4]	Fair value through profit or loss	Fair value through OCI	Total
Financial assets				
Trade and other receivables [1]	**264**	**491**	**–**	**755**
Due from KPMC (note 8)	**216**	**–**	**–**	**216**
Other derivative instruments [2]	**–**	**15**	**–**	**15**
Investments [3]	**–**	**–**	**17**	**17**
Financial liabilities				
Trade and other payables	**771**	**–**	**–**	**771**
Other derivative instruments [2]	**–**	**117**	**–**	**117**
Leases	**29**	**–**	**–**	**29**
Liability to joint venture	**1,256**	**–**	**–**	**1,256**
Other loans owed to non-controlling interest	**190**	**–**	**–**	**190**
Debt	**7,380**	**–**	**–**	**7,380**

[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, 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
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.

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.

The following table sets forth the Company's assets and liabilities measured at fair value on the balance sheet at December 31, 2022:

	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Derivative instruments – LME contracts [1]	**15**	**–**	**–**	**15**
Investments [3]	**17**	**–**	**–**	**17**
Financial liabilities				
Derivative instruments – LME contracts [1]	**101**	**—**	**—**	**101**
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 recuire 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, 2021, in the fair value hierarchy:

	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Derivative instruments – LME contracts [1]	38	–	–	38
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.

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, 2022, 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. 34% of the Company's trade receivables are outstanding from three customers together representing 17% 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, Trident, Panamá 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.

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

	December 31, 2022	December 31, 2021
Commodity traders and smelters (Trade and other receivables)	**755**	605
Government authorities (VAT receivable)	**654**	661
Total	**1,409**	1,266

The VAT receivable due from government authorities includes $639 million at December 31, 2022, which is past due (December 31, 2021: $644 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, 2022, 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.

The Company was in compliance with all existing facility covenants as at December 31, 2022. In respect of discussions with the GOP, the Company has expressed its earnest desire to resolve all outstanding issues and continues to engage with the Government with a view to concluding a reasonable and durable arrangement regarding the long-term future of Cobre Panamá. Discussions are ongoing with the relevant parties to resolve these matters. A period of care and maintenance or a temporary shutdown at Cobre Panamá would have a negative impact on the Company's estimated EBITDA but the Company would still expect to remain in compliance with financial covenants over the next 12 months. An extended full shutdown to the end of the year may increase the risk of the Company's ability to be in compliance with all existing facility covenants.

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

	December 31, 2022	December 31, 2021
Cash and cash equivalents and bank overdrafts – unrestricted cash	**1,688**	1,859
Working capital balance[1]	**1,411**	791
Undrawn debt facilities (note 10)	**1,140**	1,304

[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, 2022 are as follows:

	Carrying Value	Contractual Cashflows	<1 Year	1-3 years	3-5 years	Thereafter
Debt - principal	7,260	7,293	455	4,338	2,500	–
Debt - finance charges	–	1,426	509	676	241	–
Trading facilities	120	120	120	–	–	–
Trade and other payables	771	771	771	–	–	–
Derivative instruments	117	117	117	–	–	–
Liability to joint venture[1]	1,256	1,990	–	–	–	1,990
Other loans owed to non-controlling interest[2]	190	251	28	–	–	223
Current taxes payable	53	53	53	–	–	–
Deferred payments	40	40	4	8	8	20
Leases	29	26	12	10	4	–
Commitments	–	426	406	20	–	–
Restoration provisions	555	1,073	3	22	33	1,015
	10,391	13,586	2,478	5,074	2,786	3,248

[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, 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
Joint venture	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.

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, 2022, a fair value gain of $nil (2021: fair value loss of $9 million) has been recognized on derivatives designated as hedged instruments through accumulated other comprehensive income and a fair value loss of $5 million (2021: fair value loss of $902 million) has been recognized through sales revenues. As at December 31, 2022 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, 2022, and December 31, 2021, the Company had not entered into any derivatives or 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

As at December 31, 2022, the Company held no commodity contracts designated as hedged instruments. As at December 31, 2021, the following commodity contracts were outstanding:

	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

Other derivatives

As at December 31, 2022, 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.

Excluding the contracts noted above, as at December 31, 2022, 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	**206,653**	**$3.73/lb**	**$3.80/lb**	**April 2023**
Gold	**51,109**	**$1,792/oz**	**$1,814/oz**	**February 2023**
Commodity contracts:				
Copper	**206,925**	**$3.73/lb**	**$3.80/lb**	**April 2023**
Gold	**51,109**	**$1,792/oz**	**$1,814/oz**	**February 2023**

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

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

	December 31, 2022	December 31, 2021
Commodity contracts:		
Asset position	**15**	38
Liability position	**(117)**	(57)

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**	
	2022	2021	**2022**	2021
Copper	**$3.73/lb**	$4.35/lb	–	–
Gold	**$1,792/oz**	$1,806/oz	–	–
Nickel	**n/a**	$8.95/lb	n/a	–

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, 2022, and December 31 2021, the Company held no floating-to-fixed interest rate swaps.

At December 31, 2022, the impact on cash interest payable of a 100 basis point change in interest rate would be as follows:

	December 31, 2022	**Impact of interest rate change on net earnings**	
		100 basis point increase	100 basis point
Interest-bearing deposits, cash at bank and bank overdrafts	1,688	18	(18)
Floating rate borrowings drawn	2,698	(23)	23

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

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.

As at December 31, 2022, 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**	**–**	**–**	**3**
GBP	**3**	**–**	**–**	**8**
AUD	**6**	**3**	**1**	**59**
ZMW	**6**	**4**	**–**	**1**
EUR	**29**	**6**	**–**	**40**
TRY	**–**	**–**	**–**	**–**
ZAR	**2**	**–**	**–**	**3**
MRU	**–**	**–**	**–**	**5**
Others	**–**	**–**	**–**	**–**
Total	**47**	**13**	**1**	**119**

Based on the above net exposures as at December 31, 2022, 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, 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	36	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 $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 $426 million (December 31, 2021: $129 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.

Cobre Panamá update

First Quantum, Minera Panamá S.A. ("MPSA") and the Government of Panamá ("GOP") continue to engage in discussions regarding a refreshed concession contract to secure the long-term future of the Cobre Panamá mine. These discussions arose following a ruling by the Supreme Court of Panamá ("Supreme Court") that declared unconstitutional the 1997 law ("Law 9") that approved the mining contract for the Cobre Panamá project ("Concession Contract"). The Company understands that the Supreme Court ruling 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 Panamá project by MPSA.

The Company has expressed its earnest desire to resolve all outstanding issues and continues to engage with the GOP with a view to concluding a reasonable and durable arrangement regarding the long-term future of Cobre Panamá. At the same time, the Company is doing everything possible to support its workforce, preserve the value and integrity of the mine and defend the Company and its stakeholders, including through all available legal means.

Local Administrative Proceedings

On December 19, 2022, the National Directorate of Mineral Resources of the Ministry of Commerce and Industries ("MICI") issued a resolution requiring MPSA to submit a plan to the GOP within 10 business days to suspend commercial operations at Cobre Panamá and, once that plan is approved by the GOP, put the mine under "care and maintenance." Among other means of legal recourse, MPSA asked for reconsideration of the decision, which MICI has rejected. As a next step, on January 10, 2023, MPSA submitted an appeal to the Minister of Commerce and Industries. These pending administrative actions and appeals have stayed the legal effect of the resolution. Pending the outcome of these local legal and administrative actions, and should it ultimately be required, the Company will submit a plan for how to operate Cobre Panamá under care and maintenance. This plan will be delivered to the GOP, which will need to review and approve it. Due to the legal processes and the GOP's role in responding to the plan, the timing and impact of this requirement remains uncertain.

On January 26, 2023, the Panamá Maritime Authority ("AMP") issued a resolution that required the suspension of concentrate loading operations at the Cobre Panamá port, Punta Rincón, until evidence was provided that the process of certification of the calibration of the scales by an accredited company had been initiated. MPSA filed legal proceedings to challenge the resolution, staying its legal effects. Nevertheless, the Company submitted the required proof of the initiation of the certification process on February 2, 2023, and, on February 7, 2023, the Company submitted certifications of the calibration of the scales and weights. AMP rejected the certification on February 8, 2023, claiming that the certification company is not accredited in Panamá, even though the provider MPSA used is on the list of accredited companies published by MICI. MPSA is challenging this decision, and, at the same time, is working to find another accredited certification company that the GOP will accept. In the meantime, the AMP has maintained its order suspending loading operations at the Port.

In addition, since at least January 24, 2023, the AMP has issued individual letters to the Company's maritime pilot service providers instructing them not to provide services to incoming vessels for loading copper concentrate at the Port.

The Company is pursuing all available avenues to restart shipments at the Port, including all legal recourse available, engagement with other accredited and accreditable expert companies and continuous communications with the pilot services suppliers.

If AMP's measures persist, it may become necessary to shut down the Cobre Panamá mine if concentrate is not shipped by approximately February 20, 2023, due to limited storage capacity on site.

Panamanian Supreme Court Proceedings

On December 30, 2016, the GOP signed and issued a resolution extending the Concession Contract held by MPSA for a second 20-year term commencing March 1, 2017 and concluding February 28, 2037 (the "Extension Resolution"). In 2018, two third parties filed actions in the Supreme Court seeking a declaration that the Extension Resolution is illegal and therefore, null and void (the "Nullity Actions"). These claims centre on the nature of the rights accorded by the Concession Contract, the validity of certain assignments between MPSA and Petaquilla Gold, S.A. (MPSA's predecessor) and the process followed by MICI in approving the Extension Resolution.

The Company refutes the claims made in the Nullity Actions and has been advised by external counsel that the extension process followed by the MICI in 2016 was correct. In connection with those proceedings, the Procurador de la Administración ("Administration's Attorney") issued formal opinions in 2018 and 2019 stating that the Extension Resolution was legal.

On January 11, 2023, the Administration's Attorney filed motions in both Nullity Actions asking the Supreme Court to declare that the Extension Resolution be deemed without legal effect based on the prior ruling on the unconstitutionality of Law 9. On January 13, 2023, MPSA filed disqualification motions seeking to recuse the Administration's Attorney from the legal proceedings because of his relationship with the Panamanian law firm representing the GOP in both the arbitration proceedings between MPSA and the GOP and in the negotiations for a refreshed contract. On that same day, MPSA filed an opposition against the Administration's Attorney's motions in the Nullity Actions. These motions are still pending resolution.

Arbitration Proceedings

MPSA has initiated an arbitration process under the existing Concession Contract. The Company has also notified the GOP of its intent to initiate international arbitration under the Canada-Panamá Free Trade Agreement ("FTA"). Both of these processes are under way and in the initial stages.

Concession Contract Arbitration

On December 23, 2022, MPSA initiated arbitration proceedings against the Republic of Panamá pursuant to the Rules of Procedure of the Inter-American Commercial Arbitration Commission (the "IACAC Rules") and Clause 23 of the Concession Contract. In the arbitration, MPSA seeks an award that (i) declares that the GOP is in breach of the Concession Contract; (ii) orders provisional measures to preserve the status quo; and (iii) orders the GOP to perform its obligations under the Concession Contract, including complying with the arbitration clause in the Concession Contract. While the proceeding is ongoing, the Company reserves the right to add new claims, amend and further elaborate on the claims brought to arbitration.

FTA Arbitration

Also on December 23, 2022, First Quantum gave the GOP notice of its intent to initiate arbitration to enforce the Company's rights under the FTA. Under the terms of the FTA, First Quantum and the GOP are required to engage in consultations to resolve the dispute. If at least 90 days after submitting the notice of intent pass with no resolution, and it is at least six months after the events giving rise to the claim, First Quantum then may file a request for arbitration. Pursuant to Article 9.22(2)(c)(iv) of the FTA, First Quantum will seek in any such arbitration all appropriate relief, including damages for Panamá's breaches of the FTA, as well as interim relief.

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 and international law. The amount in dispute is to be quantified at a later stage, however it is believed to be material. The hearing in this matter has been rescheduled to July 2023. Pursuant to the wider reset arrangements concluded between the Company and GRZ in May 2022, the parties have agreed in principle to a settlement in respect of this arbitration. However, the effectiveness of the settlement is subject to the satisfaction of certain conditions precedent, which the parties are currently working to satisfy.

Kansanshi – conversion of ZCCM dividend rights to royalty rights

During the fourth quarter of 2022, an agreement was entered into between KMP and ZCCM-IH to convert ZCCM-IH's dividend rights in KMP into royalty rights. A dividend of $195 million was paid to ZCCM-IH on the signing of this agreement. Post completion, this transaction also provides for 20% of the KMP VAT refunds as at June 30, 2022 to be paid to ZCCM-IH, as and when these are received by KMP from the Zambia Revenue Authority ("ZRA)". Completion of this transaction is expected during the first half of 2023.

26. POST BALANCE SHEET EVENTS

Dividend declared

The Company has declared a final dividend of CAD$0.13 per share, in respect of the financial year ended December 31, 2022. The final dividend together with an interim dividend of CDN$0.16 per share is a total of CAD$0.29 per share for the 2022 financial year.

Note redemption

On February 14, 2023, the Company announced that it intends to issue a notice of partial redemption on February 15, 2023, for $450 million of its outstanding 6.5% Senior Notes due March 2024 to be redeemed on February 25, 2023.

BOARD OF DIRECTORS

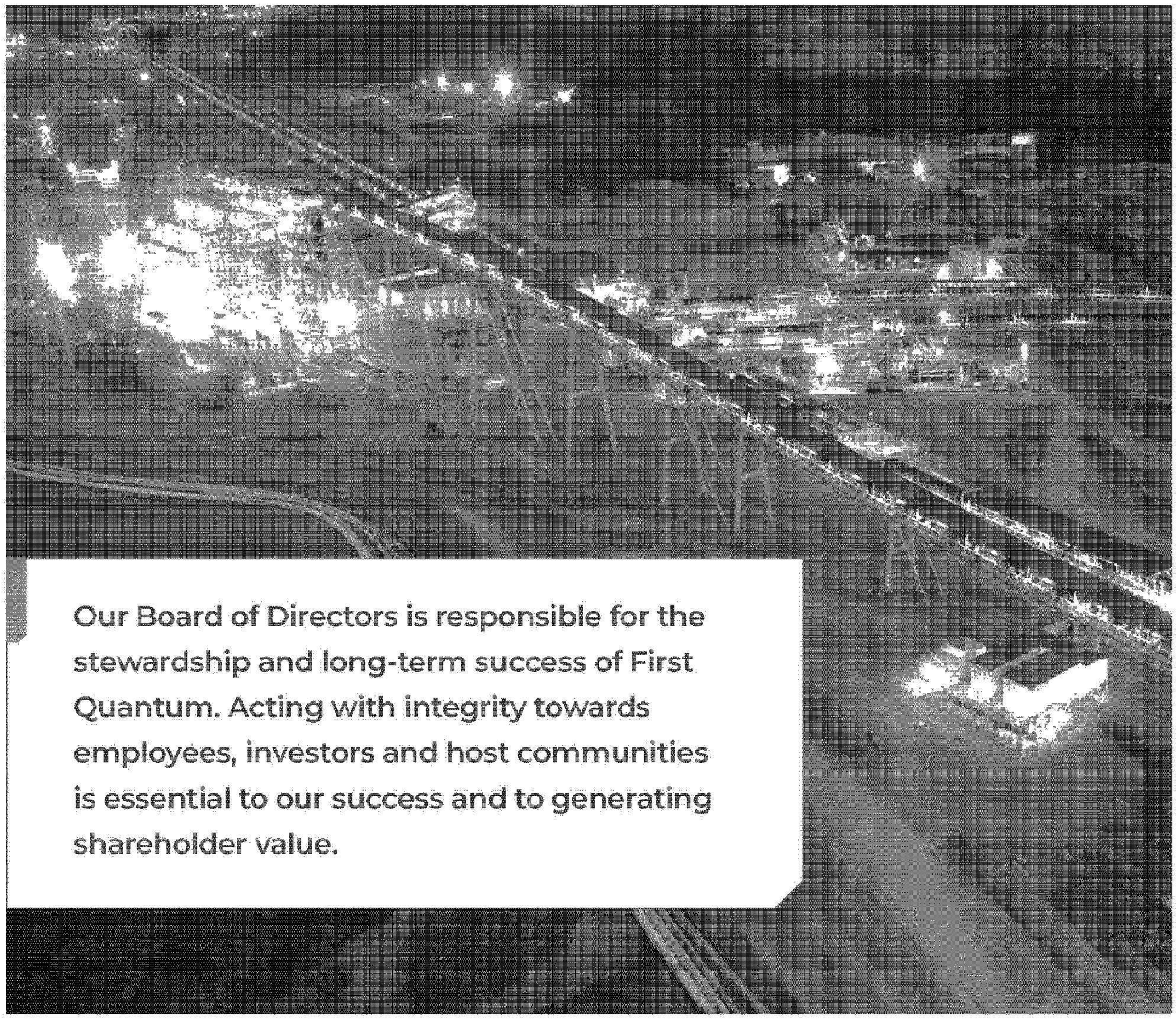


TRISTAN PASCALL

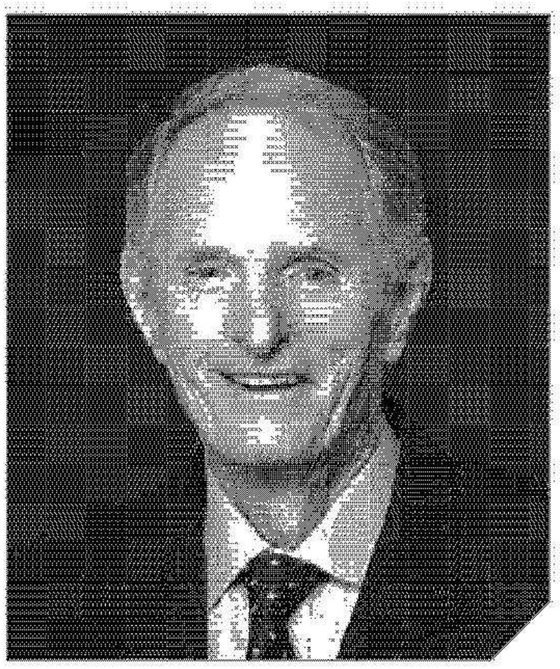
Chief Executive Officer

Tristan Pascall joined First Quantum in 2007. During his time at the Company, he has worked in a variety of site-based roles from pre-development of projects through construction to operational responsibilities. In 2015, he was appointed General Manager of Cobre Panamá with responsibility for the operations through the ramp up and commercial production phase. Prior to that, Tristan was part of the group that developed, constructed and operated the Sentinel project in Zambia and also worked on projects at Kansanshi mine and in DRC. Since 2020, Tristan has held executive leadership roles in the Company based in the UK.

Before joining First Quantum, Tristan spent eight years in corporate finance and investment banking with a focus on the resources industry. Tristan graduated from the University of Western Australia with a Bachelor of Engineering and Bachelor of Commerce and completed an MBA at INSEAD in France.



Our Board of Directors is 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.



PHILIP K.R. PASCALL

Chairman

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.

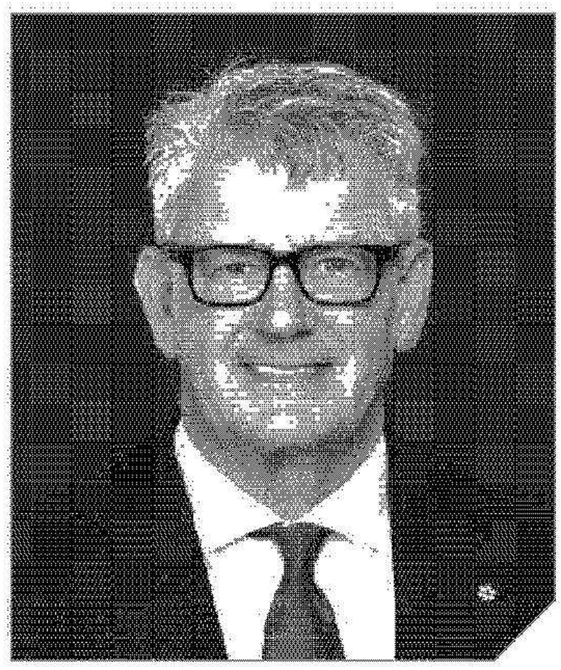
During this time, Mr Pascall was involved in a wide variety of mineral projects in Australia, New Zealand, South East Asia, Chile, the United States, and Zimbabwe. After selling his share of Nedpac in 1990, Mr Pascall was a consultant in the mining industry, including a period with Rio Tinto's Hamersley Iron, and with various projects in Zimbabwe and Zambia. He is a co-founder of the Company, serving as Chief Executive Officer from 1996-2022, and has been Chairman since 1996.

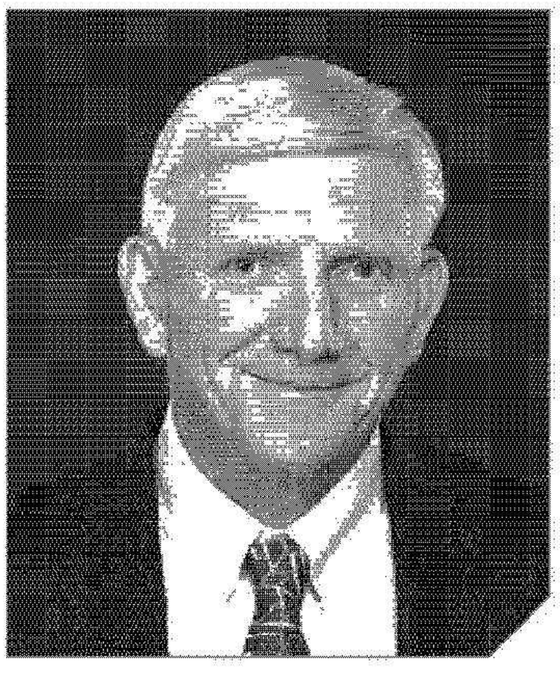
ROBERT HARDING

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.

Member of: Audit + Human Resources Committee





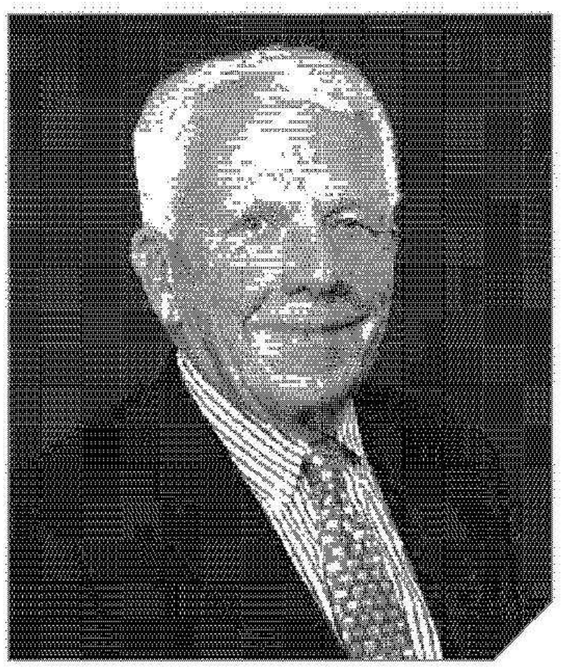
ANDREW ADAMS

Independent Director, Chair of the Human Resources 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.

Member of: Audit + Nominating & Governance Committee

DIRECTORS CONT'D



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 several 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.

Member of: Human Resources Committee

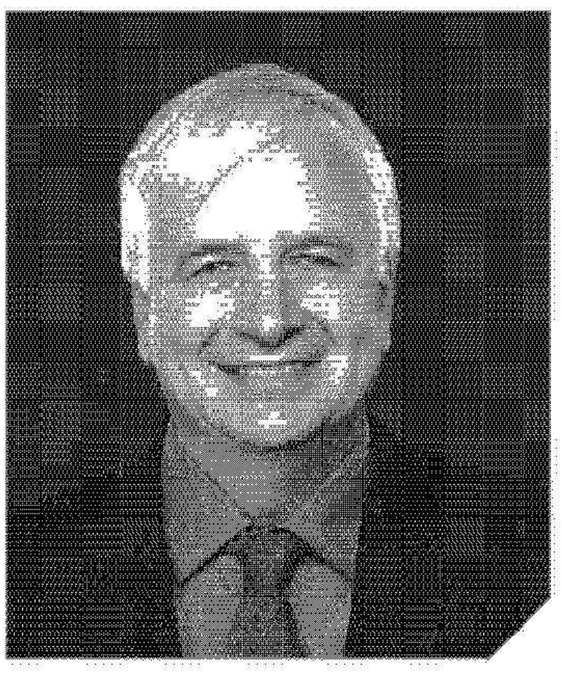
KATHLEEN HOGENSON

Independent Director, Chair of Environmental, Health Safety & 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 and a director at Tamarack Valley Energy Ltd., a Calgary based publicly traded oil & gas upstream operator. 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.

Member of: Nominating & Governance Committee





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 of 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.

Member of: Environmental, Health Safety & CSR Committee



DR. 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. Member of the Australian Institute of Company Directors since 2021. 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.

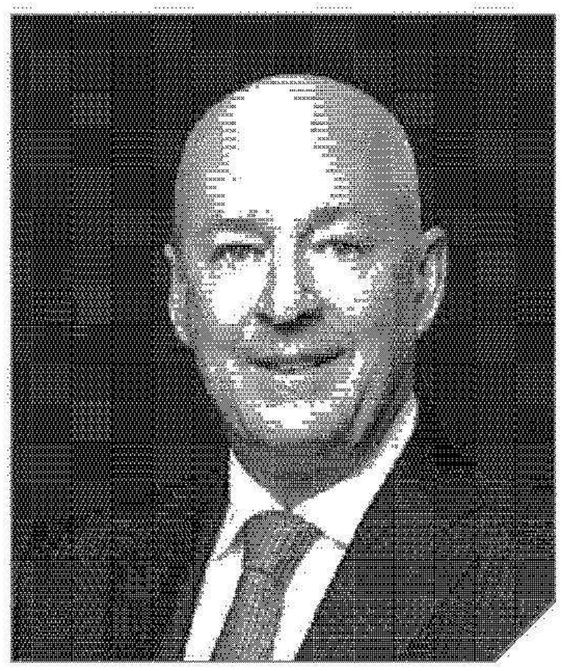
Member of: Environmental, Health Safety & CSR + Human Resources Committee

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. and Novagold Resources 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.

Member of: Environmental, Health Safety & CSR Committee





ALISON BECKETT

Independent Director

Ms Beckett has a career spanning industry and consulting, including in senior talent development and strategy. She has previously worked for Conoco in upstream oil and gas (now ConocoPhillips) between 1991 and 2001, in roles across finance, commercial, gas regulations and strategy. From 2001 until 2020, she worked at Egon Zehnder, the leading talent advisory firm advising Boards, CEOs, and Executive Leadership teams on their most critical talent issues. She is currently Group Talent Director at Ardagh Group and the Chair of Governors at Sevenoaks school.

Member of: Human Resources Committee

SHAREHOLDER INFORMATION

Management and Officers of the Company

TRISTAN PASCALL
Chief Executive Officer

RYAN MACWILLIAM
Chief Financial Officer

SARAH ROBERTSON
Corporate Secretary

JULIET WALL
General Manager Finance

ZENON WOZNIAK
Director, Projects

RUDI BADENHORST
Chief Operating Officer

JOHN GREGORY
Director, Mining

Transfer Agent and Registrar

COMPUTERSHARE INVESTOR SERVICES INC.
510 Burrard Street, 3rd Floor
Vancouver, British Columbia
Canada V6C 3B9

Email: service@computershare.com

Toll-free in North America +1 800 564 6253
Outside of North America +1 514 982 7555

AUDITORS

PricewaterhouseCoopers LLP

PwC Tower
18 York Street, Suite 2600
Toronto, Ontario, Canada M5J 0B2

EXCHANGE LISTINGS

Common Shares
Toronto Stock Exchange
Symbol: FM

Annual Meeting of Shareholders

Thursday May 4, 2023 at 9:00am EDT
Virtual

CORPORATE DIRECTORY

Contact Us

www.first-quantum.com
info@fqml.com

REGISTERED OFFICE

Suite 2600, Three Bentall Centre
P.O. Box 49314
595 Burrard Street, Vancouver
British Columbia, Canada V7X 1L3

Tel +1 416 361 6400
Toll-free +1 888 688 6577
Fax +1 416 368 4692

HEAD OFFICE

Canada

330 Bay Street, Suite 1101
Toronto, Ontario, Canada M5H 2S8

Tel +1 416 361 6400
Toll-free +1 877 961 6400
Fax +1 416 368 4692

CORPORATE OFFICES

United Kingdom

4th Floor, The Charlotte Building
17 Gresse Street, London W1T 1QL

Tel +44 207 291 6630
Fax +44 207 291 6655

Australia

Level 1, 24 Outram Street
West Perth, Western Australia 6005

Tel +61 (0)8 9346 0100
Fax +61 (0)8 9226 2522

South Africa

Office 101A and Office 202A
10 The High Street, Melrose Arch
Melrose North, Johannesburg
Gauteng, 2196, South Africa

Tel +27 11 409 4900

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