FIRST QUANTUM MINERALS LTD.

Management's Discussion and Analysis
Third quarter ended September 30, 2020

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed interim consolidated financial statements of First Quantum Minerals Ltd. ("First Quantum" or "the Company") for the three and nine months ended September 30, 2020. 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 concerning the Company's material properties, including information about mineral resources and reserves, are contained in its most recently filed Annual Information Form. This MD&A has been prepared as of October 28, 2020.

THIRD QUARTER HIGHLIGHTS

Operational and Financial

Record copper production at two of the Company's largest operations drove the strong operational performance in the quarter, which, coupled with increased metal prices and favourable operating costs, meant that the Company achieved a significant increase in comparative EBITDA[1] and a return to positive net earnings, inclusive of net finance expense, as well as started to reduce its net debt position. The resilient and robust operational and financial performance of the Company's operations has resulted in increased total copper and gold production guidance and improved cash cost guidance (see page 10).

- Total copper production for the quarter was 211,396 tonnes, 10% higher than the same period in 2019, due to record production at both Sentinel and Cobre Panama.

- Sentinel performed exceptionally in the quarter, achieving its highest ever quarterly production and record low cash costs. Throughput increased significantly compared to the same period in 2019, which, together with higher grades, resulted in a 25% increase in copper production, while currency depreciation, lower maintenance costs and lower fuel prices coupled with increased production improved unit costs.

- Performance at Cobre Panama was strong as it ramped up from preservation and safe maintenance in July to full production levels in August, achieving its highest quarterly production to date. Copper production in the quarter was 10% higher than the same period in 2019, including pre-commercial production.

- Production also benefited from Las Cruces operating at normal throughput levels compared to the third quarter of 2019, which was impacted by a land slippage in January 2019. Robust performance at Guelb Moghrein resulted in 8% higher production compared to the same period in 2019.

- Kansanshi performed consistently during the quarter. Copper production was lower as a result of reduced grades and recoveries despite increased throughput. Cash costs were lower, driven by currency depreciation and lower fuel costs.

- The Kansanshi smelter processed 362,554 dry metric tonnes ("DMT") of copper concentrate, produced 89,090 tonnes of copper anode and 342,000 tonnes of sulphuric acid with recoveries of 98% for the quarter.

- Total gold production for the quarter was 72,926 ounces, 4% higher than the same period in 2019. This reflected increased gold production at Cobre Panama as the operation ramped back up to full production levels.

- Nickel production at Ravensthorpe for the third quarter was 5,113 contained tonnes of nickel. Production was impacted by two unplanned high pressure acid leach ("HPAL") heater descales. Nickel recoveries increased to 73% in the quarter as the plant continues to stabilize post start-up.

- Cash cost of production ("C1") was at its lowest level in four years with almost all copper operations delivering a reduction. Copper all-in sustaining cost ("AISC") was $1.48 per lb and cash cost of copper production ("C1") was $1.07 per lb for the third quarter of 2020, a $0.38 per lb and $0.29 per lb decrease, respectively, compared to the same period in 2019. Sentinel achieved a record low AISC of $1.77 per lb and C1 cash cost of $1.25 per lb. There was also a notable reduction in C1 cash cost at Guelb Moghrein, to $0.24 per lb, the lowest C1 cash cost for over a decade, and the lowest reported AISC.

- Gross profit of $346 million and comparative EBITDA of $641 million for the third quarter of 2020 included contribution from Cobre Panama of $115 million to gross profit and $230 million to comparative EBITDA, demonstrating a strong operational performance since returning to full production levels in August. Results also benefited from a 6% increase in the realized copper price.

- Financial results include comparative earnings of $64 million ($0.09 comparative earnings per share), net earnings attributable to shareholders of the Company of $29 million ($0.04 earnings per share), and cash flows from operating activities of $452 million ($0.66 per share). Net earnings attributable to shareholders of the Company include a net finance expense of $179 million, compared to the same period of 2019 of $59 million with a further $146 million of finance costs that were capitalized to Cobre Panama. Following declaration of commercial production at Cobre Panama effective September 1, 2019, finance costs are now expensed. For a reconciliation of comparative earnings (loss), see page 55.

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

- On September 18, 2020, the Company issued a redemption notice for the $850 million Senior Notes due 2022. On October 1, 2020, the Company completed the offering of $1.5 billion of Senior Notes due 2027 ("the Offering"). During the quarter, the Company's net debt reduced by $113 million to $7,545 million at September 30, 2020.

- At October 28, 2020, the Company had hedge positions for 416,775 tonnes of copper using unmargined copper forward and zero cost collar sales contracts with an average floor price of $2.79 per lb and maturities to December 2021. This represents approximately half of the Company's expected sales for the next 12 months.

	Three months ended September 30		Nine months ended September 30	
Consolidated Information	2020	2019	2020	2019
Copper production (tonnes)[2,3]	211,396	192,510	575,740	497,878
Copper sales (tonnes)[2,4]	197,533	203,827	547,430	483,422
Cash cost of copper production (C1)(per lb)[5,6]	$1.07	$1.36	$1.19	$1.34
Total cost of copper production (C3)(per lb)[5,6]	$1.97	$2.20	$2.08	$2.19
All-in sustaining cost (AISC)(per lb)[5,6]	$1.48	$1.86	$1.58	$1.80
Realized copper price (per lb)	$2.77	$2.62	$2.65	$2.73
Gold production (ounces)[2]	72,926	70,120	196,365	179,124
Gold sales (ounces)[2,7]	78,013	71,664	206,386	175,376
Nickel production (contained tonnes)	5,113	-	7,092	-
Nickel sales (contained tonnes)	4,986	-	6,777	-

	Three months ended September 30		Nine months ended September 30	
Consolidated Financial Information[2]	2020	2019	2020	2019
Sales revenues	1,402	987	3,598	2,783
Gross profit	346	150	634	531
Net earnings (loss) attributable to shareholders of the Company	29	(73)	(189)	58
Basic and diluted earnings (loss) per share	$0.04	($0.11)	($0.27)	$0.08
Comparative EBITDA[1,8]	641	354	1,427	1,098
Comparative earnings (loss)[1]	64	32	(99)	214
Comparative earnings (loss) per share[1]	$0.09	$0.05	($0.14)	$0.31

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

	Three months ended September 30		Nine months ended September 30	
	2020	2019	2020	2019
Net earnings (loss) attributable to shareholders of the Company	29	(73)	(189)	58
Adjustments attributable to shareholders of the Company:				
Movement in Zambian value-added tax ("VAT") discount	(16)	160	(75)	160
(Gain) loss on debt instruments	-	(3)	2	19
Total adjustments to comparative EBITDA excluding depreciation[8]	61	21	198	76
Tax and minority interest comparative adjustments	(10)	(73)	(35)	(99)
Comparative earnings (loss)[1]	64	32	(99)	214

[1] Net earnings (loss) attributable to shareholders of the Company has been adjusted to exclude items which are not considered by management to be reflective of underlying performance to arrive at comparative earnings (loss). Comparative earnings (loss), comparative earnings (loss) per share, comparative EBITDA and cash flows per share are not measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS. The Company has disclosed these measures to assist with the understanding of results and to provide further financial information about the results to investors. See "*Regulatory Disclosures*" from page 48 for a reconciliation of comparative EBITDA and comparative earnings (loss) to the IFRS measures. The use of comparative earnings (loss) and comparative EBITDA represents the Company's adjusted earnings (loss) metrics.

[2] Cobre Panama declared commercial production effective September 1, 2019. Copper production volumes includes pre-commercial production from Cobre Panama of 36,783 tonnes and 67,704 tonnes for the three and nine months ended September 30, 2019, respectively. Copper sales volumes include pre-commercial sales from Cobre Panama of 42,425 tonnes and 48,967 tonnes for the three and nine months ended September 30, 2019, respectively. Gold production volumes includes pre-commercial production from Cobre Panama of 13,570 ounces and 24,120 ounces for the three and nine months ended September 30, 2019, respectively. Gold sales volumes include pre-commercial sales from Cobre Panama of 16,032 ounces and 18,659 ounces for the three and nine months ended September 30, 2019, respectively. Pre-commercial production and sales volumes at Cobre Panama are not included in earnings, C1, C3 and AISC calculations.

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

[4] Copper 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 nil for the three and nine months ended September 30, 2020 (nil and 1,182 tonnes for the three and nine months ended September 30, 2019, respectively).

[5] C1 cash cost, C3 total cost, AISC exclude third-party concentrate purchased at Kansanshi.

[6] C1 cash cost, C3 total cost, AISC are not recognized under IFRS. These measures are disclosed as they reflect those used by the Company's management in reviewing operational performance. A reconciliation of these measures to the costs disclosed in the Company's Consolidated Statement of Earnings (Loss) is included within the "*Regulatory Disclosures*" section from page 48.

[7] Excludes refinery-backed gold credits purchased and delivered under the precious metal streaming arrangement (see page 38).

[8] Adjustments to comparative EBITDA in the third quarter of 2020 relate principally to foreign exchange revaluations (foreign exchange revaluations and write-off of assets and costs associated with the land slippage at Las Cruces in 2019).

FINANCIAL SUMMARY

Sales revenues boosted by Cobre Panama and higher metal prices

- Sales revenues of $1,402 million for the quarter were 42% higher than the comparable period in 2019. Commercial copper and gold sales volumes from Cobre Panama and increased sales volumes at Kansanshi drove the increase, as well as higher realized copper and gold prices.
- Realized price for copper of $2.77 per lb for the third quarter of 2020 was 6% higher than the same period in 2019. This compares to an increase of 13% in the average London Metal Exchange ("LME") price of copper for the same period to $2.96 per lb. The Company's copper sales hedge program reduced sales revenues by $51 million, $0.12 per lb, from sales revenues in the quarter, compared to an addition of $18 million, $0.05 per lb, for the same quarter in 2019. The Company's nickel sales hedge program contributed $2 million to sales revenues in the quarter.

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

Comparative EBITDA increased by 81% to $641 million

- Comparative EBITDA for the quarter increased significantly to $641 million, compared to $354 million for the same period in 2019. Results benefited from higher revenue and lower cash costs. The most significant adjustment was a foreign exchange loss of $60 million, principally attributable to Zambian Kwacha ("ZMW") denominated VAT receivable balances. A reconciliation of comparative EBITDA is included on page 54.

Gross profit – $196 million higher based on improved metal prices, higher contribution from Cobre Panama and lower operating costs.

Gross profit in Q3 2019	150
Higher metal prices	198
Movement in hedge program	(68)
Higher sales volumes	106
Higher by-product contribution	3
Lower cash costs	29
Increase in depreciation	(98)
Positive impact of foreign exchange on operating costs	26
Gross profit in Q3 2020[1]	346

[1] Gross profit is reconciled to comparative EBITDA by including exploration costs of $3 million, general and administrative costs of $24 million, other expense of $62 million, adding back depreciation of $323 million, foreign exchange loss of $60 million, and other expense of $1 million *(a reconciliation of comparative EBITDA is included on page 54).*

Comparative earnings increased to $64 million

- Comparative earnings for the quarter ended September 30, 2020 of $64 million is an increase from comparative earnings of $32 million in the same period of 2019. Net finance expense of $179 million, compares to $59 million expensed in the same quarter in 2019 when an additional $146 million was also capitalized to Cobre Panama during pre-commercial production. A reconciliation of comparative metrics is included from page 54.
- Net profit attributable to shareholders of $29 million for the third quarter of 2020 compared to a net loss attributable to shareholders of $73 million in the same period in 2019. The 2020 result includes a foreign exchange loss of $60 million primarily due to the depreciation of the ZMW against the US dollar ("USD") and the impact on the VAT balances due to Kansanshi and Sentinel. A $16 million credit on the VAT discount was recognized in the quarter. This represents an adjustment to the discounting over the expected timeframe to repayment and the impact of movements in the ZMW/USD foreign exchange rate.

COVID-19

The Company remains focused on ensuring the health and safety of the workforce and continuing measures to prevent and manage transmission of COVID-19 amongst the workforce and the wider community. The Company is managing the necessary country-by-country restrictions in order to assist in the protection of those most vulnerable. At its mine sites, health protocols are in place for control, isolation and quarantine as necessary and these continue to be reviewed and adjusted as necessary with circumstances at each location.

When COVID-19 was declared an international public health emergency by the World Health Organization in late January, the Company moved quickly to introduce health and sanitation protocols across its sites in compliance with both local and international guidelines. These health protocol measures continue to be reviewed and adjusted as needed. In Panama, the Company is supporting the wider community with donations of medical equipment and supplies, as well as responding to the Panamanian Government's request to support families in need with food and supplies. In Zambia, the Company has provided COVID-19 testing equipment and treatment and isolation facilities for the communities, and pledged financial support for the provision of medical logistics support in the Solwezi and Kalumbila districts of North-Western Zambia. In addition to increased medical facility resilience initiatives at the mine clinics in Mauritania, Zambia and Panama, COVID-19 protective measures to minimize person-to-person transmission in the work place and protect business continuity have been implemented across all operations.

COIVD-19 had a direct impact at Cobre Panama where the operation was placed on preservation and safe maintenance beginning April 7, 2020 following Panamanian government restrictions related to COVID-19. On July 7, 2020, the Company announced the resumption of normal operations and full production levels were achieved ahead of expectation, on August 8, 2020. Cobre Panama continues to operate while adhering to the strictest protocols that have been implemented to protect the health of the workforce and communities.

The Company's other operations have not been significantly impacted by restrictions arising from COVID-19. The Company has not experienced any significant disruption to supply chains and product shipments since the onset of the pandemic. The Company is working to manage the logistical challenges presented by the closure of trade borders, using alternative routes where feasible. Border restrictions, if ongoing, could result in supply chain delays.

HEALTH & SAFETY

The health and safety of all of the Company's employees and contractors is our top priority and the Company is focused on the continual strengthening and improvement of the safety culture at all of our operations. The Lost Time Injury Frequency Rates ("LTIFR") is an area of continued focus and a key performance metric for the Company, our rolling 12-month LTIFR is 0.06 per 200,000 hours worked on average over the 12-month period to September 30, 2020 (2019: 0.04).

FINANCIAL POSITION AND OPERATING CASH FLOW

- At September 30, 2020, the Company had 184,125 tonnes of unmargined copper forward sales contracts at an average price of $2.79 per lb outstanding with periods of maturity to December 2021. In addition, the Company had 185,150 tonnes of unmargined zero cost copper collar sales contracts with maturities to December 2021 at weighted average prices of $2.73 per lb to $2.97 per lb outstanding. The Company also had unmargined nickel forward sales contracts for 4,809 tonnes at an average price of $6.75 per lb outstanding, with maturities to February 2021.

- The Company actively manages all capital spending and operating costs while maintaining a high level of safety and productivity. Operating costs at all sites have been and are continuously being reviewed to identify opportunities to further reduce costs. As at September 30, 2020, the Company has hedged 106 million litres of Ultra Low Sulphur Diesel ("ULSD") at an average price of $0.34 per litre with maturities to April 2021, as part of the companywide cost management strategy.

- On October 1, 2020, the Company completed the offering of $1.5 billion of Senior Notes due 2027. Interest will accrue at the rate of 6.875% per annum and will be payable semi-annually. The proceeds of the Offering were used towards the partial repayment of the Company's existing revolving credit facility, and the redemption in full of the Company's outstanding Senior Notes due 2022. On September 18, 2020, the Company issued a notice of redemption on the 7.25% Senior Notes due 2022, and redemption at par was completed on October 19, 2020, the next business day following the redemption date.

- Net debt decreased during the quarter by $113 million to $7,545 million at September 30, 2020. Taking into account forecast operating cash inflows, capital expenditure outflows and available funds, the Company expects to have sufficient liquidity through the next 12 months to carry out its operating and capital expenditure plans and remain in full compliance with financial covenants. The Company continues to take action to manage operational and price risk and further strengthen the balance sheet, including through strategic initiatives and use of the copper sales hedge program.

OTHER DEVELOPMENTS

Zambian tax regime

On September 25, 2020, the Minister of Finance announced the 2021 Zambian Budget. There were no material changes to the mining tax and royalty regimes announced. Mineral royalties continue to be non-deductible for tax, and tax rates remain unchanged.

Zambian VAT

During the nine-months ended September 30, 2020, the Company received offsets of $85 million and cash receipts of $1 million with respect to VAT receivable balances. For a detailed summary of the VAT receivable balance due to the Company's Zambian operations please see page 36.

Zambian power supply

Construction on the 750MW Kafue Gorge Lower Power Station has resumed and the first of five 150MW hydro-generation units is expected to be commissioned in October. Kariba Dam water levels are recovering but remain below multi-year expectations. No power restrictions are currently in place for the Company's mining operations.

MATERIAL LEGAL PROCEEDINGS

Panama constitutional proceedings

In February 1996, the Republic of Panama and Minera Panama SA ("MPSA"), now a Panamanian subsidiary of the Company, entered into a mining concession contract in respect of the Cobre Panama project.

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

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

In respect of the Supreme Court ruling on Law 9, which remains subject to various procedural processes, the Company notes the following:

- The ruling is not yet in effect.
- The Supreme Court decision was in respect of ongoing legal filings made since 2009 with regard to specific environmental petitions.
- In reviewing the process of approval of Law 9 of 1997, the Supreme Court found that the National Assembly had failed to consider whether Law 9 complied with applicable legislation at the time, namely Cabinet Decree 267 of 1969.
- The applicable Cabinet Decree of 1969, which was repealed in 1997 by Law 9, required the Ministry of Commerce and Industry ("MICI") to issue a request for proposals before awarding the Law 9 mining concession.
- The Attorney General of Panama has 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 mining concession contract.

Subsequently, MPSA has submitted filings to the Supreme Court for ruling, which it has accepted, prior to the ruling in relation to the constitutionality of Law 9 taking effect. On September 26, 2018, the Government of Panama issued a news release affirming support for Cobre Panama. The release confirmed that MICI considers that the MPSA mining concession contract, and its extension, remains in effect in all its parts while the Company seeks to clarify the legal position. (The MICI release is available at www.twitter.com/MICIPMA/status/1044915730209222657).

The current Government of Panama, inaugurated on July 1, 2019, has established a multidisciplinary high-level 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. Based on support from the Government of Panama, the Chamber of Commerce and Industries of Panama, the Panamanian Mining Chamber, other Panamanian business and industry chambers and its legal advice, the Company is confident of resolving the Law 9 matter in the near-medium term.

Zambian power

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

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

On August 22, 2018, Kansanshi served on ZESCO a Notice of Arbitration in respect of these facts. A procedural timetable of the arbitration has been agreed, with the merits hearing set for June 2020. Pursuant to the Procedural Order, Kansanshi has submitted its Statement of Claim and ZESCO has submitted its response and the parties have exchanged evidence. Following exchange of documents, witness statements were submitted on January 31, 2020. Due to the COVID-19 global pandemic the hearing, originally scheduled for the week of June 15, 2020, has now been rescheduled for the week of February 15, 2021. Kansanshi continues to be supported by the English Court Order against reductions in power supply until the arbitration dispute is resolved.

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

Kansanshi minority partner

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

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

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

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

However, after the October 2019 hearing, ZCCM pursued a challenge to the registration of the Arbitral Award on grounds that it was not enforceable because it had complied with the costs payment order of the Arbitral Award. KMP opposed ZCCM's challenge and made submissions to the Registrar that an Arbitration Award is eligible for registration despite compliance with costs orders. On February 13, 2020, the Registrar accepted KMP's position and dismissed ZCCM's challenge to the registration of the Arbitration Award. Accordingly, the Lusaka High Court proceeded to rule on the abuse of process application. By way of a ruling dated March 23, 2020, the Lusaka High Court agreed with KMP's application that the process, if it were to be allowed to continue before it, would risk conflicting judgements and would be res judicata. Accordingly, ZCCM's derivative action case was dismissed, with costs awarded to KMP against ZCCM. On April 6, 2020, ZCCM sought permission to appeal to the Court of Appeal on grounds that the High Court judge erred in fact and in law. KMP objects to the appeal, and the matter remains pending. The Court of Appeal heard the matter on October 14, 2020, for which the parties exchanged written submissions. ZCCM argues that the decision of the High Court was not a decision on the merits for the purposes of res judicata, nor does it bind the other defendants who were not parties to the arbitration. KHL argues that the final Arbitration Award signals that the matter was fully evaluated on the merits in so far as that particular cause of action (the derivative action) is concerned. As to the related defendants, KHL relies on authorities to show that they are the "privies" of the party which partook in the arbitration. The Court of Appeal has reserved judgement which is expected to be released this quarter.

In addition, on November 11, 2019, Kansanshi Holding Ltd (KHL) filed a UNCITRAL Rules based Request for Arbitration against ZCCM and KMP (as Nominal Respondent) in connection with a Cash Management Services Agreement dated August 19, 2019. KHL seeks a declaration that the CMSA is an arm's length contract. The CMSA provides for cash management services whereby KMP would deposit with the Group's treasury subsidiary certain of its cash balances for management by FQML's treasury function. All cash managed and deposited is callable on demand by KMP and attracts commercial interest rates. Under the shareholder agreement between the Group and ZCCM, related party transactions are required to be on arms' length basis. This arbitration was held virtually in a hearing between October 19 to 23, 2020 and the decision of the arbitral Tribunal has been reserved.

Kansanshi Development Agreement

On May 19, 2020, KMP filed a Request for Arbitration against the Government of the Republic of Zambia ("GRZ") with the International Centre for Settlement of International Disputes ("ICSID"). This arbitration is confidential. KMP's claims concern breaches of certain contractual provisions of a development agreement between GRZ and KMP (the "Development Agreement") and international law. The amount in dispute is to be quantified at a later stage, however it is believed to be material. The Tribunal is now fully consisted and has held its first Case Management Conference, setting the hearing date for the adjudication of the merits for March 14 to 18, 2022.

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. This program includes work at advanced stage exploration projects at Taca Taca in Argentina and Haquira in Peru.

At Taca Taca, located in the Salta province of Argentina, the Company is continuing with the project pre-development and feasibility activities. The primary Environmental and Social Impact Assessment for the project, which covers the principal proposed project sites, was submitted to the Secretariat of Mining of Salta Province in 2019. At the Haquira project, located in the Apurímac region of Peru, the focus remains on community and environmental aspects.

The Company is engaged in the assessment and early stage exploration of a number of properties around the world, particularly focused on the Andean porphyry belt of Argentina, Chile, Peru, Ecuador and Colombia, as well as specific targets in other jurisdictions, including Australia and Papua New Guinea. Near-mine exploration programs are restricted to Las Cruces, in Spain, as well as on satellite targets around Kansanshi, in Zambia.

During the third quarter of 2020, travel restrictions and lockdowns associated with COVID-19 gradually eased in most jurisdictions. In Zambia, activities have continued unaffected with several drill programs active in the quarter. Drilling operations recommenced in Papua New Guinea in September with local contractors. Field work re-commenced in Peru and Chile towards the end of the quarter. Preparations are underway for a full summer drill program for projects near Taca Taca in Argentina.

GUIDANCE

Guidance provided below is based on a number of assumptions and estimates as of September 30, 2020, including among other things, assumptions about metal prices and anticipated costs and expenditures. The unprecedented challenges presented by COVID-19 pose some additional risk to the accuracy of forward looking information. Production guidance and cost guidance includes current assumptions on the impact of COVID-19 on operations. Guidance involves estimates of known and unknown risks, uncertainties and other factors which may cause the actual results to be materially different.

Guidance has been increased for copper production to between 750,000 and 785,000 tonnes, an increase of 25,000 to the lower range and 15,000 tonnes to the upper range. In particular, the copper production guidance has been increased at Sentinel following a particularly strong six months and also at Cobre Panama, following a successful ramp-up during the third quarter. Las Cruces and Guelb Moghrein have also seen increases to guidance following strong performance year to date.

Gold production guidance has been increased to between 245,000 and 260,000 ounces, an increase of 15,000 ounces to the lower range and 10,000 ounces to the upper range. Guidance on nickel production has been reduced to between 13,000 and 15,000 contained tonnes.

Cash costs guidance, including Cobre Panama, has been narrowed for C1 cost to $1.20 per lb to $1.30 per lb, a reduction of $0.05 per lb to the upper end range and reduced for AISC to $1.60 per lb to $1.70 per lb, a reduction of $0.05 per lb to the lower range and $0.10 per lb to the upper range. The improved guidance reflects the lower operating cost environment, with favourable foreign exchange movements, lower fuel prices, and other cost control measures, coupled with the impact of higher gold prices.

Guidance for total capital expenditure is unchanged at $675 million.

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

Production guidance

000's	2020 Previous guidance	2020 Updated guidance
Copper (tonnes)	725 – 770	750 – 785
Gold (ounces)	230 – 250	245 – 260
Nickel (contained tonnes)	15 – 17	13 – 15

Production guidance by operation

Copper

000's tonnes	2020 Previous guidance	2020 Updated guidance
Cobre Panama	180 – 200	190 – 205
Kansanshi	220 – 235	220 – 230
Sentinel	230 – 240	240 – 250
Las Cruces	52	55
Other sites	43	45

Gold

000's ounces	2020 Previous guidance	2020 Updated guidance
Cobre Panama	70 – 80	75 – 85
Kansanshi	120 – 130	125 – 130
Other sites	40	45

Nickel

000's tonnes (contained)	2020 Previous guidance	2020 Updated guidance
Ravensthorpe	15 – 17	13 – 15

Cash cost and all-in sustaining cost – including Cobre Panama

Copper	2020 Previous guidance	2020 Updated guidance
C1 (per lb)	$1.20 - $1.35	$1.20 – $1.30
AISC (per lb)	$1.65 - $1.80	$1.60 – $1.70

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

Capital expenditure

	2020
Capitalized stripping	175
Sustaining capital and other projects	500
Total capital expenditure	675

Guidance for the Company's sustaining capital and other projects includes expenditure relating to Cobre Panama for construction work for the tailings management facility and development work associated with the expansion to 100 mtpa capacity. Other projects in 2020 include the Shoemaker Levy deposit at Ravensthorpe, and some spend on the fourth crusher at Sentinel. Underlying sustaining capital expenditure is expected to be approximately $220 million in 2020.

Interest

Net interest expense for the quarter ended September 30, 2020, was $179 million. A significant proportion of the Company's interest expense is incurred in jurisdictions where no tax credit is recognized. Interest expense for the full year 2020 remains unchanged and is expected to range between $770 million and $810 million. This includes interest accrued on related party loans to Cobre Panama and a finance cost accreted on the precious metal streaming arrangement.

Tax

Excluding Cobre Panama and the impact of interest expense, the effective tax rate for 2020 is expected to be approximately 35% reflecting the impact of the Company's sales hedge program which is not tax effected.

Depreciation

Depreciation expense for the quarter was $323 million. The full year 2020 depreciation expense is expected to be approximately $1,250 million, unchanged from previous disclosure.

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

OPERATING REVIEW

	Three months ended September 30		Nine months ended September 30	
	2020	2019	2020	2019
Copper production (tonnes)[1]				
Cobre Panama	62,055	19,438	140,028	19,438
Kansanshi	54,430	58,888	168,857	171,435
Sentinel	70,829	56,439	188,223	169,132
Las Cruces	12,259	9,479	44,118	30,479
Guelb Moghrein	6,702	6,203	21,122	21,400
Çayeli	4,199	3,218	9,800	11,981
Pyhäsalmi	922	2,062	3,592	6,309
Total copper production (tonnes) – excluding pre-commercial production	211,396	155,727	575,740	430,174
Cobre Panama - pre-commercial	-	36,783	-	67,704
Total copper production (tonnes) – including pre-commercial production	211,396	192,510	575,740	497,878
Gold production (ounces)				
Cobre Panama	28,346	7,914	59,372	7,914
Kansanshi	31,715	38,925	98,894	109,281
Guelb Moghrein	11,620	8,187	34,522	32,646
Other sites[2]	1,245	1,524	3,577	5,163
Total gold production (ounces) – excluding pre-commercial production	72,926	56,550	196,365	155,004
Cobre Panama - pre-commercial	-	13,570	-	24,120
Total gold production (ounces) – including pre-commercial production	72,926	70,120	196,365	179,124
Nickel production (contained tonnes) – Ravensthorpe	5,113	-	7,092	-

[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.

Third quarter

Copper production in the current quarter was 36% higher than the comparable period of 2019 due to record production at both Sentinel and Cobre Panama, excluding the impact of pre-commercial production at Cobre Panama in the third quarter of 2019.

Copper production in the third quarter of 2020 was 10% higher than the same period in 2019, including the impact of pre-commercial production at Cobre Panama.

Sentinel achieved record quarterly copper production of 70,829 tonnes, 25% higher than the comparable period in 2019, attributable to higher throughput and grade. Cobre Panama resumed full production during the quarter, also achieving record production, reflective of higher throughput compared to the same quarter in 2019. Copper production at Las Cruces was higher than the comparable period of 2019, which was impacted by a land slippage in January 2019. Higher throughput at Guelb Moghrein resulted in 8% higher production compared with 2019. Lower grades and recoveries impacted Kansanshi copper production in the quarter, compared with 2019.

Total gold production was 4% higher than the comparable period in 2019, including the impact of pre-commercial production at Cobre Panama. Cobre Panama produced 28,346 ounces of gold in the third quarter of 2020, compared to 21,484 ounces of gold in the same period in 2019. Gold production at Kansanshi was 19% lower due to processing of stockpiled oxide ore, which yields less gold. Processing improvements at Guelb Moghrein coupled with the introduction of ore from the Oriental phase of the mine resulted in a 42% increase in gold production in the quarter compared with the same period of 2019.

Ravensthorpe continued to ramp up and produced 5,113 contained tonnes of nickel compared with 1,979 contained tonnes in the second quarter.

Nine months

Copper production in the nine months ended September 30, 2020, was 34% higher than the comparable period of 2019, excluding pre-commercial production, due to the contribution from Cobre Panama and the performance at Sentinel, which achieved record production in the third quarter following a strong second quarter. Furthermore, copper production at Las Cruces increased by 45% compared with 2019, as the first half of 2019 was impacted by a land slippage. Copper production at Cobre Panama was impacted, in particular during the second quarter of 2020, when it was placed on preservation and safe maintenance following COVID-19 restrictions. During the third quarter, Cobre Panama ramped up successfully to full production levels.

Copper production in the nine months ended September 30, 2020 increased by 16% compared to the same period in 2019, including pre-commercial production at Cobre Panama, despite significantly reduced production levels as a result of COVID-19 restrictions in the second quarter of 2020.

Total gold production was 10% higher than the comparable period in 2019, including pre-commercial production at Cobre Panama. Cobre Panama produced 59,372 ounces of gold in 2020, compared to 32,034 ounces of gold in the comparable period of 2019, despite significantly reduced production levels as a result of COVID-19 restrictions in the second quarter of 2020. Gold production at Kansanshi was 10% lower due to planned maintenance and reduced recoveries from the oxide ore processed.

Ravensthorpe recommenced operations with the first nickel production in late-April. The first HPAL circuit was brought online in April, followed by the second circuit in May as the operation ramped up. Nickel production for the period to September 30, 2020, was 7,092 contained tonnes.

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

	Three months ended September 30		Nine months ended September 30	
	2020	2019	2020	2019
Copper sales volume (tonnes)[1]				
Cobre Panama	61,049	35,056	143,017	35,056
Kansanshi[1]	56,290	47,138	171,882	161,395
Sentinel	55,515	58,201	152,756	165,010
Las Cruces	12,646	10,405	44,937	31,960
Guelb Moghrein	6,715	5,969	22,534	22,036
Çayeli	4,451	2,934	8,771	12,565
Pyhäsalmi	867	1,699	3,533	6,433
Total copper sales (tonnes) – excluding pre-commercial sales	197,533	161,402	547,430	434,455
Cobre Panama - pre-commercial	-	42,425	-	48,967
Total copper sales (tonnes) – including pre-commercial sales	197,533	203,827	547,430	483,422
Gold sales volume (ounces)				
Cobre Panama	27,182	13,074	61,193	13,074
Kansanshi	37,524	32,022	102,227	101,021
Guelb Moghrein	11,698	9,074	38,332	36,531
Other sites[2]	1,609	1,462	4,634	6,091
Total gold sales (ounces) – excluding pre-commercial sales	78,013	55,632	206,386	156,717
Cobre Panama - pre-commercial	-	16,032	-	18,659
Total gold sales (ounces)[3] **–** including pre-commercial sales	78,013	71,664	206,386	175,376
Nickel sales volume (contained tonnes) – Ravensthorpe	4,986	-	6,777	-

[1] Copper 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 nil for the nine months ended September 30, 2020 (nil and 1,182 tonnes for the three and nine months ended September 30, 2019, respectively).
[2] Other sites include Çayeli and Pyhäsalmi.
[3] Excludes refinery-backed gold credits purchased and delivered under the precious metal streaming arrangement (see page 38).

Third quarter

Total copper sales volumes were 3% lower than the comparable period in 2019 which includes pre-commercial sales, due to lower sales by Cobre Panama as production ramped up during the quarter, more than offsetting higher Kansanshi sales volumes. Furthermore, some sales at Sentinel were delayed due to an outage at a third party smelter in the previous quarter. Sentinel received a permit from the Zambian Ministry of Mines in September 2020 for export sales of up to approximately 100,000 DMT copper concentrate, and is planning additional sales in the fourth quarter to sell down inventory. The first export sales occurred mid-October.

Gold sales volumes increased by 9% in the third quarter of 2020, compared to the same period in 2019, which includes pre-commercial sales, due to the timing of sales at Kansanshi.

Nickel sales volumes at Ravensthorpe were 4,986 contained tonnes for the quarter.

Nine months

Copper sales in the period were 13% higher compared to the same period in 2019, including pre-commercial sales from Cobre Panama. This reflects the contribution from Cobre Panama as well as higher copper sales at Las Cruces.

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

Gold sales volumes, including pre-commercial sales in the second quarter of 2019, increased by 18% reflecting the contribution from Cobre Panama.

	Three months ended September 30		Nine months ended September 30	
	2020	2019	2020	2019
Copper C1[3] cash cost ($ per lb)				
Cobre Panama	$1.06	$1.34	$1.29	$1.34
Kansanshi[1]	$1.04	$1.10	$1.12	$1.17
Sentinel	$1.25	$1.58	$1.38	$1.58
Las Cruces	$1.12	$1.46	$0.93	$1.43
Other sites[2]	$0.68	$1.23	$0.77	$1.01
Total copper C1 cash cost ($ per lb)[1]	$1.07	$1.36	$1.19	$1.34
Copper AISC ($ per lb)				
Cobre Panama	$1.31	$1.56	$1.54	$1.56
Kansanshi	$1.61	$1.74	$1.61	$1.71
Sentinel	$1.77	$2.12	$1.87	$2.09
Las Cruces	$1.22	$1.74	$1.02	$1.61
Other sites[2]	$0.90	$1.60	$1.06	$1.28
Total copper AISC ($ per lb)[1]	$1.48	$1.86	$1.58	$1.80

[1] Copper C1 cash cost and AISC for Kansanshi and total copper exclude purchases of copper concentrate from third parties treated through the Kansanshi smelter.
[2] Other sites include Guelb Moghrein, Çayeli and Pyhäsalmi.
[3] Copper production for the three and nine months ended September 30, 2019 includes 36,783 tonnes and 67,704 tonnes, respectively, of pre-commercial production from Cobre Panama, which is not included in C1, C3 and AISC calculations.

Third quarter

All operations excluding Pyhasalmi delivered lower copper cash costs. Sentinel achieved a record low C1 cash cost of $1.25 per lb and Cobre Panama delivered a notably low C1 cash cost of $1.06 per lb as it ramped up production during the quarter.

Total copper cash costs were at their lowest level in four years. Total copper C1 cash cost of $1.07 per lb for the quarter was $0.29 per lb lower than the same period in 2019, reflecting in particular, favourable cash costs at Cobre Panama and decreases at Sentinel and Kansanshi due to favourable foreign exchange impact, lower fuel costs, lower maintenance costs, and higher production at Sentinel. Cobre Panama C1 cash cost of $1.06 also reflects increased production as operations ramped back up. In addition, C1 cash cost at Las Cruces was significantly lower with higher production and cost reductions. Guelb Moghrein also achieved a notable reduction to C1 cash cost with lower mining costs, lower fuel prices and higher realized gold price resulting in the lowest C1 cash cost for over a decade, and the lowest reported AISC.

Total copper AISC of $1.48 per lb is $0.38 per lb lower than the comparable period in 2019, reflecting lower C1 cash costs as well as lower sustaining capex at Sentinel and Kansanshi but with higher Zambian royalties as a result of higher copper prices.

Nine months

Copper C1 cash cost of $1.19 per lb for the nine months ended September 30, 2020 is $0.15 per lb lower than the same period in 2019, reflecting decreases at Sentinel and Kansanshi due to favourable foreign exchange impact, lower maintenance costs and lower fuel costs, as well as higher production at Sentinel. In addition, C1 cash cost at Las Cruces was significantly lower with higher production and cost reductions. There was a full nine-month contribution from Cobre Panama at $1.29 per lb, which included reduced production levels during the period of preservation and safe maintenance between April and July.

Total copper AISC of $1.58 per lb was $0.22 per lb lower than the comparable period of 2019 due to decreased C1 cash costs as well as lower sustaining capex at Kansanshi and Sentinel.

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

OPERATIONS

Cobre Panama	Three months ended September 30 2020	2019 Post-commercial production	2019[4] Pre-commercial production	Nine months ended September 30 2020	2019 Post-commercial production	2019[4] Pre-commercial production
Copper ore milled (000's tonnes)[1]	14,661	4,437	8,375	36,760	4,437	17,653
Copper ore grade processed (%)	0.47	0.49	0.51	0.42	0.49	0.47
Copper recovery (%)	90	89	86	90	89	85
Copper production (tonnes)	62,055	19,438	36,783	140,028	19,438	67,704
Copper sales (tonnes)	61,049	35,056	42,425	143,017	35,056	48,967
Gold production (ounces)	28,346	7,914	13,570	59,372	7,914	24,120
Gold sales (ounces)[2]	27,182	13,074	16,032	61,193	13,074	18,659
Silver production (ounces)	501,012	152,243	269,800	1,094,755	152,243	527,341
Silver sales (ounces)[2]	470,989	271,774	350,982	1,077,879	271,774	406,135
All-in sustaining cost (AISC) (per lb)[3]	$1.31	$1.56	-	$1.54	$1.56	-
Cash cost (C1) (per lb)[3]	$1.06	$1.34	-	$1.29	$1.34	-
Total cost (C3) (per lb)[3]	$2.03	$2.28	-	$2.34	$2.28	-
Sales revenues	440	210	-	945	210	-
Gross profit	115	36	-	111	36	-
Comparative EBITDA[3]	230	67	-	399	67	-

[1] DMT
[2] Excludes refinery-backed gold and silver credits purchased and delivered under the precious metal streaming arrangement (see page 38).
[3] AISC, C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. See "*Regulatory Disclosures*" for further information.
[4] Represents pre-commercial production and sales volumes. Pre-commercial production and sales volumes at Cobre Panama are not included in earnings, C1, C3 and AISC calculations.

Third quarter

On July 7, 2020, the Company announced that normal operations could resume at Cobre Panama after the temporary suspension orders were lifted. The reopening plan commenced, however, the priority for Cobre Panama remains the health and safety of the workforce and surrounding communities and the strict protocols and sanitary vigilance that have been introduced as a result of COVID-19 continue in line with the Ministry of Health of the Republic of Panama ("MINSA") guidelines. On August 8, 2020, full production with three mill trains resumed ahead of schedule. The primary focus was on getting mined ore to the crushers, with waste volumes expected to ramp up over the coming months.

During the quarter, approximately 14.7 million tonnes of ore with an average grade of 0.47% were processed and recoveries of 90% were achieved, which resulted in record copper and gold production of 62,055 tonnes and 28,346 ounces, respectively.

The first sale of gold doré occurred in September 2020.

AISC and C1 cash cost of $1.31 per lb and $1.06 per lb, respectively, reflect the improved reduced production levels for the three months ended September 30, 2020. Included within C1 cash costs and AISC are $7 million in increased operating costs associated with increased health and safety protocols in response to COVID-19.

Sales revenues for the quarter were $440 million. A total of 61,049 tonnes of contained copper were sold in the third quarter. Comparative EBITDA for the same period was $230 million, and gross profit was $115 million, with a depreciation charge of $117 million.

Nine months

During the first quarter of 2020, throughput was impacted by unplanned downtime of the crusher circuit. On April 6, 2020, MINSA ordered the temporary suspension of labour activities on site due to COVID-19, as a result, the Company placed Cobre Panama on preservation and safe maintenance beginning April 7, 2020, operating at much reduced levels of activity consistent with ensuring safety and the protection of the environment and the assets. Operations ramped back up to full production in August.

For the period ended September 30, 2020, approximately 36.8 million tonnes of ore with an average grade of 0.42% were processed, and recoveries of 90% were achieved, which resulted in copper and gold production of 140,028 tonnes and 59,372 ounces, respectively.

AISC and C1 cash cost were $1.54 per lb and $1.29 per lb, respectively, for the nine months ended September 30, 2020.

Sales revenues for the nine months ended September 30, 2020, were $945 million and a total of 143,017 tonnes of contained copper were sold in this period. Comparative EBITDA was $399 million and gross profit for the same period was $111 million.

Outlook

The priority for Cobre Panama remains the health and safety of the workforce and surrounding communities. The mine is producing at planned production capacity. When it is possible to increase manning at mine site, the backlog of non-critical maintenance tasks which was caused by the labor restrictions will be addressed.

Reflecting the strong operational performance since ramp up from preservation and safe maintenance operation in July, Cobre Panama has increased copper production guidance to between 190,000 to 205,000 tonnes, an increase of 10,000 tonnes to the lower end of the range and 5,000 tonnes to the upper end of the range, and gold production guidance has also been increased to between 75,000 to 85,000 ounces, an increase of 5,000 ounces.

Cobre Panama operations were impacted in October by a 7-day, infrequent but normal, maintenance shutdown to SAG Mills and SAG Mill feeder system which reduced monthly throughput.
Although cash costs and copper production for the month of October were affected, total copper production for Cobre Panama for the year 2020 remains in line with the above guidance. In October, Cobre Panama reached 10 million manhours (across 8 months) without a lost time incident, the first achievement of this milestone in the commercial operations phase of the mine. The workforce at Cobre Panama for the shutdown reached full 'new normal' capacity of 3,400 personnel onsite.

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

Kansanshi	Three months ended September 30 2020	Three months ended September 30 2019	Nine months ended September 30 2020	Nine months ended September 30 2019
Sulphide ore milled (000's tonnes)[1]	3,415	3,301	10,036	9,697
Sulphide ore grade processed (%)	0.85	0.86	0.85	0.87
Sulphide copper recovery (%)	91	92	93	91
Mixed ore milled (000's tonnes)[1]	2,053	1,939	6,180	5,799
Mixed ore grade processed (%)	1.03	1.02	1.02	1.03
Mixed copper recovery (%)	79	81	81	77
Oxide ore milled (000's tonnes)[1]	2,079	1,918	5,786	5,308
Oxide ore grade processed (%)	0.80	1.04	0.90	1.14
Oxide copper recovery (%)	70	85	76	82
Copper production (tonnes)[2]	54,430	58,888	168,857	171,435
Copper smelter				
Concentrate processed[1, 3]	362,554	281,800	966,173	975,276
Copper anodes produced (tonnes)[3]	89,090	69,952	236,275	237,591
Smelter copper recovery (%)	98	97	97	97
Acid tonnes produced (000's)	342	264	921	909
Copper sales (tonnes)[4, 5]	56,290	47,138	171,882	161,395
Gold production (ounces)	31,715	38,925	98,894	109,281
Gold sales (ounces)	37,524	32,022	102,227	101,021
All-in sustaining cost (AISC) (per lb)[6, 7]	$1.61	$1.74	$1.61	$1.71
Cash cost (C1) (per lb)[6, 7]	$1.04	$1.10	$1.12	$1.17
Total cost (C3) (per lb)[6, 7]	$1.85	$1.84	$1.88	$1.90
Sales revenues	423	314	1,123	1,086
Gross profit	151	74	303	306
Comparative EBITDA[6]	213	126	496	473

[1] DMT

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

[3] Concentrate processed in smelter and copper anodes produced are disclosed on a 100% basis, inclusive of Sentinel and third-party concentrate processed. Concentrate processed is measured in DMT. There was no third-party purchased copper concentrate treated for the nine months ended September 30, 2020 (nil and 1,881 DMT for the three and nine months ended September 30, 2019, respectively).

[4] Sales of copper anode attributable to anode produced from third-party purchased concentrate are excluded. Sales of copper anode produced from purchased concentrate were nil for the nine months ended September 30, 2020 (nil and 1,182 tonnes for the three and nine months ended September 30, 2019, respectively).

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

[6] AISC, C1 cash cost, and C3 total cost and comparative EBITDA are not recognized under IFRS. See "*Regulatory Disclosures*" for further information.

[7] Excluding purchases of copper concentrate from third parties treated through the Kansanshi smelter.

Kansanshi Mining Operations

Third quarter

Copper production was 8% lower than the comparable period in 2019, mainly due to lower ore grade on the oxide circuit combined with the impact of lower grade on recoveries. The decline in the oxide ore grade was expected due to the depletion of higher-grade areas as the mine ages. Overall throughput was 5% higher despite the planned shutdowns and power outages related to problems with the interconnector between the Democratic Republic of Congo and Zambia in the third quarter.

The high-pressure leach unit was in partial use during the quarter with one autoclave in operation.

Gold production decreased by 19% compared to the same period in 2019, due to processing of stockpiled oxide ore, which yields less gold.

AISC was $0.13 per lb lower than the comparable period reflecting lower C1 cash cost and reduced capital expenditure. C1 cash cost was $0.06 per lb lower compared to the same period in 2019, due to depreciation of the ZMW and lower fuel prices.

Sales revenues of $423 million were 35% higher than the same period in 2019, reflecting higher realized copper and gold prices, excluding the impact of the corporate sales hedge program, and higher copper sales volumes.

Gross profit of $151 million was more than double the comparable period in 2019, reflecting higher sales revenues and lower operating expenditures.

Nine months

Copper production during the first nine months of the year was 2% lower than the comparable period in 2019, as a result of lower grade processed through the oxide circuit and the resulting lower recoveries.

AISC was $0.10 per lb lower than the comparable period reflecting lower C1 cash cost and reduced sustaining capital expenditure. C1 cash cost was $0.05 per lb lower compared to the same period in 2019, due to depreciation of the ZMW and lower maintenance costs and lower fuel prices.

Sales revenues of $1,123 million were 3% higher despite lower copper realized prices, compared to the same period in 2019, reflecting higher copper and gold sales volumes and higher realized gold prices, excluding the impact of the corporate sales hedge program.

Gross profit of $303 million was comparable to the same period in 2019.

Kansanshi Copper Smelter

Third quarter

The smelter treated 362,554 DMT of concentrate, 29% higher than the same period of 2019, and produced 89,090 tonnes of copper anode and 342,000 tonnes of sulphuric acid. The concentrate grade treated in the quarter was 24.4%.

The higher concentrate throughput is a result of higher availabilities and increased concentrate grade, which resulted in lower sulphur content, as well as due to the acid plant shutdown during the third quarter of 2019.

Nine months

In the first nine months of 2020, the smelter treated 966,173 DMT of concentrate, representing a 1% decrease from 2019, and produced 236,275 tonnes of copper in anode and 921,000 tonnes of sulphuric acid.

Outlook

Kansanshi has narrowed copper production to between 220,000 and 230,000 with a 5,000 reduction to the upper end of the range, and gold production has been revised to between 125,000 to 130,000, an increase of 5,000 ounces to the lower end of the range.

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

	Three months ended September 30		Nine months ended September 30	
Sentinel	**2020**	**2019**	**2020**	**2019**
Copper ore milled (000's tonnes)[1]	14,669	13,005	42,773	36,473
Copper ore grade processed (%)	0.53	0.47	0.49	0.51
Copper recovery (%)	90	91	90	92
Copper production (tonnes)	70,829	56,439	188,223	169,132
Copper sales (tonnes)	55,515	58,201	152,756	165,010
All-in sustaining cost (AISC) (per lb)[2]	$1.77	$2.12	$1.87	$2.09
Cash cost (C1) (per lb)[2]	$1.25	$1.58	$1.38	$1.58
Total cost (C3) (per lb)[2]	$1.98	$2.29	$2.08	$2.30
Sales revenues	340	303	827	918
Gross profit	110	40	169	151
Comparative EBITDA[2]	167	110	337	337

[1] DMT

[2] AISC, C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. See "*Regulatory Disclosures*" for further information.

Third quarter

Sentinel achieved its highest ever quarterly copper production of 70,829 tonnes, an increase of 25% compared to the same period in 2019, reflecting higher throughput and grade. A higher proportion of softer ore from the Eastern cutback contributed to the enhanced throughput rates. Feed grade improved due to higher grade from the deeper mining areas in the main pit as well as improved grade from the Eastern cutback as the pit progresses through the transitional ore. Recoveries continued to be impacted by the treatment of transitional ore from the Eastern cutback though improvements are expected with the mining of fresher ore.

Both AISC and C1 cash costs were at record quarterly lows. AISC of $1.77 per lb was $0.35 per lb lower than the same period of 2019, reflecting lower C1 cash cost and sustaining capital expenditure, offset by higher royalties due to the timing of anode shipments and higher realized copper price. C1 cash cost was $0.33 per lb lower than the comparable period of 2019, mainly due to the depreciation of the ZMW, lower fuel prices, and lower maintenance costs, as well as increased production levels.

Sales revenues of $340 million were 12% higher than the same period in 2019 due to higher realized copper prices despite lower sales volumes, excluding the impact of the corporate sales hedge program. Sales revenues comprised sales of both concentrate and anode with a higher proportion of revenue realized from copper anode.

Gross profit of $110 million was 175% higher than the comparable period in 2019, reflecting higher sales revenues and lower costs.

Nine months

Copper production for the nine months ended September 30, 2020, increased by 11% compared to the same period in 2019, reflecting higher throughput, partially offset by lower copper grade and recoveries.

AISC of $1.87 per lb was $0.22 per lb lower than the same period of 2019, reflecting lower C1 cash cost and sustaining capital expenditure, partially offset by higher capitalized stripping and higher royalties. C1 cash cost was $0.20 per lb lower than the comparable period of 2019, mainly due to the depreciation of the ZMW, lower maintenance costs and lower fuel costs, as well as higher production levels.

Sales revenues of $827 million were 10% lower than the same period in 2019, due to both lower sales volumes and realized copper prices, excluding the impact of the corporate sales hedge program. Sales revenues comprised sales of both concentrate and anode, with a higher proportion of revenue realized from copper anode.

Gross profit of $169 million was 12% higher than the comparable period in 2019, reflecting lower costs.

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

Outlook

Sentinel has increased copper production to between 240,000 to 250,000, an increase of 10,000 tonnes, reflecting the record quarterly production and strong performance throughout the year.

Throughput rates are expected to be maintained with secondary crushing and consistent ore supply. Feed grade and recovery for the fourth quarter will remain in line with the third quarter as fresher ore is mined from the Eastern cutback. A planned 5-day maintenance shutdown took place in the beginning of October. The focus will be on maintaining consistent ore feed from both the Main pit and the Eastern cutback as well as the development of the pocket for the fourth in-pit crusher. The fourth in-pit crusher is expected to be commissioned during the second half of 2021.

Sales volumes were impacted during the last two quarters by a third party smelter maintenance shutdown but Sentinel received a permit from the Zambian Ministry of Mines in September 2020, for the export sales of up to approximately 100,000 DMT copper concentrate. It is expected that the sell down of inventory and the realization of these sales will be completed during the fourth quarter. First export sales occurred mid-October.

	Three months ended September 30		Nine months ended September 30	
Las Cruces	**2020**	**2019**	**2020**	**2019**
Ore tonnes milled (000's tonnes)[1]	343	305	1,081	990
Copper ore grade processed (%)	4.24	3.73	4.75	3.60
Copper recovery (%)	84	83	86	86
Copper cathode production (tonnes)	12,259	9,479	44,118	30,479
Copper cathode sales (tonnes)	12,646	10,405	44,937	31,960
All-in sustaining cost (AISC) (per lb)[2]	$1.22	$1.74	$1.02	$1.61
Cash cost (C1) (per lb)[2]	$1.12	$1.46	$0.93	$1.43
Total cost (C3) (per lb)[2]	$3.24	$3.61	$2.68	$3.46
Sales revenues	82	61	262	194
Gross loss	(6)	(20)	(2)	(45)
Comparative EBITDA[2]	52	29	169	96

[1] DMT

[2] AISC, C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. See "*Regulatory Disclosures*" for further information.

Third quarter

In August, after 12 years of operations, mining activities ended with ore depletion of Phase VI.

Copper production increased by 29% compared to the same quarter in 2019, primarily due to lower production in the third quarter of 2019 following the land slippage in January 2019.

AISC of $1.22 per lb for the quarter was $0.52 per lb lower than the same period in 2019, reflecting lower C1 cash cost as well as lower deferred stripping. C1 cash cost was $0.34 per lb lower, driven by higher production and cost reductions.

Sales revenues of $82 million were 34% higher compared to the same period in 2019, due to higher sales volumes, excluding the impact of the corporate sales hedge program. The increase in revenues and lower cost resulted in a gross loss of $6 million in the quarter, compared to a gross loss of $20 million in the third quarter of 2019.

Backfill activities related to the restoration plan continue as planned.

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

Nine months

Copper production for the nine months ended September 30, 2020 increased by 45% compared to the same period in 2019. During the first nine months of 2020, plant production returned to normal throughput levels following the land slippage in January 2019.

AISC of $1.02 per lb was $0.59 per lb lower than the same period in 2019, reflecting lower C1 cash cost driven by higher copper production, lower operating costs and deferred stripping.

Sales revenues of $262 million increased by 35% compared to same period in 2019, due to higher sales volumes, excluding the impact of the corporate sales hedge program. The increase in revenues resulted in a gross loss of $2 million in the period compared to a gross loss of $45 million in the nine months ended September 30, 2019. In the nine months ended September 30, 2019, $13 million of write-off of assets and other costs associated with the mining interruption caused by the land slippage were recognized.

Outlook

2020 is expected to be the final full year of production for the open-pit. Following the completion of open-pit mining, copper production will continue until early 2021 with the processing of stockpiled ore. Copper production guidance for 2020 has been increased by 3,000 tonnes to 55,000 tonnes.

Extension of the current mine life through the re-processing of high grade tailings is being assessed by the Company.

The technical and study work on the polymetallic refinery project is expected to continue, as well as permits required to carry out the project. Environmental permits are expected to be received before the end of the year, and water permits are expected in 2021.

	Three months ended September 30		Nine months ended September 30	
Guelb Moghrein	**2020**	**2019**	**2020**	**2019**
Sulphide ore tonnes milled (000's)[1]	889	810	2,802	2,822
Sulphide ore grade processed (%)	0.87	0.88	0.86	0.86
Sulphide copper recovery (%)	86	87	88	88
Copper production (tonnes)	6,702	6,203	21,122	21,400
Copper sales (tonnes)	6,715	5,969	22,534	22,036
Gold production (ounces)	11,620	8,187	34,522	32,646
Gold sales (ounces)	11,698	9,074	38,332	36,531
Magnetite concentrate production (WMT)[2]	175,237	106,634	465,444	389,358
Magnetite concentrate sales (WMT)[2]	138,582	123,274	453,697	435,667
All-in sustaining cost (AISC) (per lb)[3]	$0.47	$1.62	$0.82	$1.38
Cash cost (C1) (per lb)[3]	$0.24	$1.11	$0.47	$1.03
Total cost (C3) (per lb)[3]	$0.94	$1.93	$1.25	$1.93
Sales revenues	71	52	216	193
Gross profit	30	12	65	36
Comparative EBITDA[3]	38	19	94	71

[1] DMT
[2] Magnetite concentrate production and sales volumes are measured in wet metric tonnes ("WMT").
[3] AISC, C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. See "*Regulatory Disclosures*" for further information.

Three and nine months

Copper production for the quarter was 8% higher than the same period in 2019, as a result of higher throughput, with similar grade and recoveries. Copper production for the nine months ended September 30, 2020, was comparable to the same period in 2019. Gold production for the three and nine months ended September 30, 2020, were 42% and 6% higher, respectively, compared to the same periods in 2019. The increases resulted from higher gold recoveries due to improvements in flotation and gravity gold operations, in addition to improved mineralogy with the introduction of first ore from the Oriental deposit during the third quarter.

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

The magnetite plant production for three and nine months ended September 30, 2020, were 64% and 20% higher, respectively, than the same periods in 2019 due to steady magnetite plant operations.

AISC for the three and nine months ended September 30, 2020, decreased significantly by $1.15 per lb and $0.56 per lb, respectively, compared to the same periods in 2019, mainly driven by lower C1 cash costs for the period. C1 cash cost for the three and nine months ended September 30, 2020 decreased by $0.87 per lb and $0.56 per lb, respectively, decreasing significantly from the prior year due to major cost reduction initiatives during the period, in addition to higher gold and magnetite sales and higher realized gold prices.

Sales revenues for the quarter ended September 30, 2020, were 37% higher than the same period in 2019 due to higher realized copper, gold and magnetite prices. Sales revenues for the nine months ended September 30, 2020, were 12% higher than the same period in 2019, due to higher gold and magnetite prices. Gross profit for the three and nine months ended September 30, 2020 was $18 million and $29 million higher than the comparable period in 2019, reflecting lower costs and higher revenues.

Outlook

Production guidance in 2020 has been increased by 2,000 tonnes to 27,000 tonnes of copper, and gold production guidance has been increased by 2,000 ounces to 42,000 ounces of gold. Production guidance for magnetite concentrate has been increased to 580,000 WMT.

Gold recovery and production improvements are expected to continue, with the completion of several process improvement initiatives and the addition of a significant portion of ore feed from the Oriental deposit. The Oriental pre-strip was completed on an accelerated schedule in the third quarter to provide earlier access to higher grade ore with improved recovery characteristics. Cost saving initiatives which began in the first quarter of 2020 have delivered significant benefits and are anticipated to continue over the coming months.

	Three months ended September 30		Nine months ended September 30	
Çayeli	**2020**	**2019**	**2020**	**2019**
Copper production (tonnes)[1]	4,199	3,218	9,800	11,981
Copper sales (tonnes)	4,451	2,934	8,771	12,565
Zinc production (tonnes)	951	1,176	2,569	3,356
Zinc sales (tonnes)	1,625	-	3,482	1,833
All-in sustaining cost (AISC) (per lb)[2]	$1.29	$2.12	$1.57	$1.71
Cash cost (C1) (per lb)[2]	$1.07	$1.82	$1.32	$1.46
Total cost (C3) (per lb)[2]	$1.91	$2.83	$2.36	$2.39
Sales revenues	25	13	46	63
Gross profit (loss)	5	(1)	-	11
Comparative EBITDA[2]	12	4	17	39

[1] DMT

[2] AISC, C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. See "*Regulatory Disclosures*" for further information.

Three and nine months

Copper production for the three months ended September 30, 2020, was 30% higher than the same period in 2019 due to higher throughput and higher grade. For the nine months ended September 30, 2020, copper production was 18% lower than the comparable period due to lower throughput, related to 26 days of shutdown resulting from a strike in the second quarter of 2020 which was resolved on June 6, 2020, and the main ramp rehabilitation during the first quarter. This was mitigated by higher copper grade.

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

Zinc production for the three months ended September 30, 2020, was 19% lower due to lower grade and recovery, despite higher throughput. For the nine months ended September 30, 2020, zinc production was 23% lower due to lower throughput and lower recovery.

AISC for the three and nine months ended September 30, 2020, decreased by $0.83 per lb and $0.14 per lb, respectively, compared to the same periods in 2019, mainly driven by lower C1 cash cost. The C1 cash cost for the three and nine months ended September 30, 2020, decreased by $0.75 per lb and $0.14 per lb, respectively, compared to the same periods in 2019, mainly due to the impact of favourable exchange rate fluctuations as well as higher by-product credits.

Sales revenues for the quarter ended September 30, 2020, were $12 million higher, compared to the same period in 2019 due to higher sales volumes and higher realized copper prices, which resulted in a gross profit of $5 million for the three months ended September 30, 2020.

Sales revenues for the nine months ended September 30, 2020, were $17 million lower, compared to the same period in 2019 due to lower sales volumes as a result of lower production and lower realized copper prices.

Outlook

Copper production guidance in 2020 has been decreased by 1,000 tonnes to 14,000 tonnes of copper, and production guidance for zinc has been decreased by 2,000 tonnes to 4,000 tonnes.

Production is expected to be challenging due to poor ground conditions in the areas planned to be mined, therefore ground stabilization will continue to be critical to achieving the expected production levels.

	Three months ended September 30		Nine months ended September 30	
Pyhäsalmi	2020	2019	2020	2019
Copper production (tonnes)[1]	922	2,062	3,592	6,309
Copper sales (tonnes)	867	1,699	3,533	6,433
Zinc production (tonnes)	521	3,253	2,677	11,514
Zinc sales (tonnes)	377	2,297	2,230	11,560
Pyrite production (tonnes)	124,913	127,960	329,745	432,957
Pyrite sales (tonnes)	99,386	90,619	341,285	312,507
All-in sustaining cost (AISC) (per lb)[2]	$1.90	$0.64	$1.40	$0.08
Cash cost (C1) (per lb)[2]	$1.82	$0.61	$1.35	$0.05
Total cost (C3) (per lb)[2]	$2.33	$1.62	$1.81	$1.61
Sales revenues	10	16	34	73
Gross profit	1	3	5	19
Comparative EBITDA[2]	2	10	8	43

[1] DMT

[2] AISC, C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. See "*Regulatory Disclosures*" for further information.

Three and nine months

Copper production was lower in three and nine months ended September 30, 2020, respectively, compared to the same periods in 2019 due to lower throughput and grade. Zinc production for the three and nine months ended September 30, 2020 decreased, compared to the same periods in 2019, due to lower throughput and grade.

AISC of $1.90 per lb and $1.40 per lb for the three and nine months ended September 30, 2020, were higher than the comparable periods of 2019, due to higher C1 cash cost, which reflected lower by-product credits and the impact of lower copper production.

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

Sales revenues for the three and nine months ended September 30, 2020, were 38% and 53% lower than the comparable periods of 2019, reflecting lower sales volumes.

Outlook

Copper production guidance in 2020 has been increased by 1,000 tonnes to 4,000 tonnes of copper. Gold production guidance is unchanged at 2,000 ounces, and zinc production guidance has been increased to 3,000 tonnes. The operation is also expected to produce 425,000 tonnes of pyrite. Mining is expected to continue until mid-2021.

	Three months ended September 30		Nine months ended September 30	
Ravensthorpe	2020	2019	2020	2019
Beneficiated ore tonnes processed (000's)	769	-	1,226	-
Beneficiated ore grade processed (%)	1.01	-	0.98	-
Nickel recovery (%)	73	-	71	-
Nickel production (contained tonnes)	5,113	-	7,092	-
Nickel sales (contained tonnes)	4,986	-	6,777	-
Nickel production (payable tonnes)	4,102	-	5,681	-
Nickel sales (payable tonnes)	4,016	-	5,445	-
All-in sustaining cost (AISC) (per lb)[1]	$6.53	-	$6.75	-
Cash cost (C1) (per lb)[1]	$5.88	-	$5.99	-
Total cost (C3) (per lb)[1]	$7.36	-	$7.52	-
Sales revenues	62	-	81	-
Gross loss	(8)	(8)	(75)	(20)
Comparative EBITDA[1]	(2)	(7)	(63)	(16)

[1] AISC, C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. See "*Regulatory Disclosures*" for further information.

Three and nine months

Ravensthorpe recommenced operations in the first quarter of 2020 with the first HPAL circuit brought online mid-April and first nickel production in late-April. The second HPAL circuit was brought online in May as the operations ramped up. Nickel production for the three and nine months ended September 30, 2020, was 5,113 and 7,092 contained tonnes, respectively.

Nickel production in the third quarter was impacted by two unplanned HPAL heater descales. Nickel recovery increased to 73% from 68% in the previous quarter as the plant continues to stabilize post start up.

Sales revenues in the third quarter of 2020, excluding the impact of the corporate sales hedge program, were $62 million with the average LME nickel price of $6.45 per lb. Sales revenues for the nine months was $81 million with the average LME nickel price of $5.93 per lb.

C1 cash cost of $5.88 per lb and $5.99 per lb for the three and nine months ended September 30, 2020, respectively, were adversely affected by lower production and costs associated with the HPAL heater descales. Gross loss for the quarter was $8 million. Gross loss of $75 million for the nine months ended September 30, 2020, excluded commissioning costs of $56 million associated with restarting the operation.

Construction of the Shoemaker Levy Project commenced during the quarter with clearing of the overland conveyor corridor, concrete works at the primary crusher area, and assembly of conveyor modules and detailed mine planning.

Outlook

Production guidance in 2020 has been reduced by 2,000 tonnes to between 13,000 and 15,000 contained tonnes of nickel.

The focus in the forth quarter remains on incremental increases in plant throughout achieved by higher availability, better utilization and improved recovery. The plant is expected to run without interruption with the exception of planned descales of the HPAL heaters later in the year. Shipments for offtake are scheduled for each month in the fourth quarter.

Shoemaker Levy Project will progress with major mechanical and electrical installations commencing on the primary crusher and overland conveyor including overhead power lines and conveyor belt splicing. Pre-strip of the ore body will also commence during the fourth quarter. First ore is expected to be delivered to existing plant during the first half of 2021.

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

SALES REVENUES

		Three months ended September 30		Nine months ended September 30	
		2020	2019	2020	2019
Cobre Panama[2]	- copper	362	178	770	178
	- gold	66	26	149	26
	- other	12	6	26	6
Kansanshi	- copper	352	265	948	939
	- gold	71	45	174	132
	- acid	-	4	1	15
Sentinel	- copper	340	303	827	918
Las Cruces	- copper	82	61	262	194
Guelb Moghrein	- copper	38	30	114	115
	- gold	21	12	62	46
	- magnetite	12	10	40	32
Çayeli	- copper	22	13	39	59
	- zinc, gold and silver	3	-	7	4
Pyhäsalmi	- copper	5	9	17	35
	- zinc	-	2	2	21
	- pyrite, gold and silver	5	5	15	17
Ravensthorpe	- nickel	59	-	77	-
	- cobalt	3	-	4	-
Corporate[1]		(51)	18	64	46
Sales revenues		1,402	987	3,598	2,783
	Copper	1,150	877	3,029	2,483
	Gold	158	86	390	210
	Nickel	61	-	91	-
	Other	33	24	88	90
		1,402	987	3,598	2,783

[1] Corporate sales include sales hedges (see “Hedging programs” for further discussion).
[2] The Company determined that commercial production at Cobre Panama commenced effective September 1, 2019. Pre-commercial sales revenues attributable to Cobre Panama are capitalized and are excluded from earnings.

Third quarter review of sales revenues

Sales revenues of $1,402 million for the quarter were $415 million, or 42% higher than the comparable period in 2019, driven by higher commercial sales volumes at Cobre Panama, reflecting a full quarter contribution, increased sales volumes at Kansanshi, higher realized copper and gold prices, and nickel contribution from Ravensthorpe.

Copper sales revenues were 31%, or $273 million, higher than the comparable period of 2019 reflecting a $196 million increase in commercial sales volumes, and $77 million increase from higher net realized price. The increase in commercial sales volumes at Cobre Panama reflects a full quarter contribution, and Kansanshi recognized a 19% increase in copper sales volumes. The net realized copper price of $2.64 per lb for the third quarter of 2020 was 7% higher than the same period in 2019, and includes a $51 million loss on the copper sales hedge program, compared with a gain of $18 million in 2019.

Gold sales revenues were 84%, or $72 million, higher than the comparable period of 2019, primarily due to a 108% increase of commercial sales volumes at Cobre Panama, reflecting a full quarter contribution, as well as higher realized gold prices and a 17% increase in sales volumes at Kansanshi.

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

Cobre Panama gold and silver revenues of $78 million include $23 million of gold and silver revenues associated with the unwind of deferred revenue under the precious metal stream, with the $38 million cost of purchase of refinery-backed gold and silver credits to satisfy the obligation recognized within cost of sales.

Nickel sales revenues of $61 million have been recognized in the quarter, reflecting continued ramp up at the Ravensthorpe operation and include a $2 million gain on the nickel sales hedge program.

Nine month review of sales revenues

Sales revenues were $815 million, or 29% higher than the comparable period of 2019, reflecting a full nine months of commercial sales at Cobre Panama, where commercial production commenced effective September 1, 2019.

Copper sales revenues were 22%, or $546 million, higher than the comparable period of 2019 reflecting a 26% increase in commercial sales volumes, following the contribution from Cobre Panama, which more than offset the 3% lower net realized copper price in the period. Copper sales revenues include a $52 million gain on the copper sales hedge program, compared with $45 million in 2019.

Gold sales revenues were 86%, or $180 million, higher than the comparable period of 2019, reflecting a 32% increase in commercial gold sales volumes, attributable to Cobre Panama, which contributed $149 million, following declaration of commercial production at Cobre Panama effective September 1, 2019, as well as higher realized gold prices in the period compared to 2019. Cobre Panama contributed $26 million of gold revenue in the three and nine month periods ended September 30, 2019. Cobre Panama gold and silver revenues of $175 million include $63 million of gold and silver revenues associated with the unwind of deferred revenue under the precious metal stream, with the $90 million cost of purchase of refinery-backed gold and silver credits to satisfy the obligation recognized within cost of sales.

Nickel sales revenues of $91 million have been recognized in the nine months ended September 30, 2020, reflecting continued ramp up at the Ravensthorpe operation and include a $14 million gain on the nickel sales hedge program.

REALIZED PRICES

	Three months ended September 30		Nine months ended September 30	
Copper selling price (per lb)	2020	2019	2020	2019
Average LME cash price	$2.96	$2.63	$2.65	$2.74
Realized copper price	$2.77	$2.62	$2.65	$2.73
Treatment/refining charges (“TC/RC”) and freight charges	($0.13)	($0.16)	($0.14)	($0.14)
Net realized copper price	$2.64	$2.46	$2.51	$2.59

Given the volatility in copper prices, significant variances can arise between average LME cash price and net realized prices due to the timing of sales during the period.

The copper sales hedging program resulted in a loss of $51 million and a gain of $52 million to the copper revenues in the quarter and nine months, respectively, compared with gains of $18 million and $45 million in the comparable periods of 2019. The impact on net realized copper price was a decrease of $0.12 per lb and increase of $0.04 per lb for the quarter and the nine months, respectively, and an increase of $0.05 per lb for both the quarter and the nine months of 2019.

Details of the Company’s hedging program and the contracts held are included on page 34.

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

	Three months ended September 30		Nine months ended September 30	
Nickel selling price (per payable lb)	2020	2019	2020	2019
Average LME cash price	$6.45	$7.05	$5.93	$6.09
Net realized nickel price	$6.88	-	$7.58	-

Given the volatility in nickel prices, significant variances can arise between average LME cash price and net realized prices due to the timing of sales during the period.

The nickel sales hedging program added $2 million and $14 million to the nickel revenues in the quarter and nine months, respectively. This included the $10 million impact of ineffective hedges for the nine months ended September 30, 2020, as a result of the timing of the ramp up of the Ravensthorpe production. The impact of the sales hedging program on net realized nickel price was an increase of $0.25 per lb and $1.17 per lb for the quarter and the nine months, respectively.

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

SUMMARY FINANCIAL RESULTS[1]

	Three months ended September 30		Nine months ended September 30	
	2020	2019	2020	2019
Gross profit (loss)				
Cobre Panama[1]	115	36	111	36
Kansanshi	151	74	303	306
Sentinel	110	40	169	151
Las Cruces	(6)	(20)	(2)	(45)
Guelb Moghrein	30	12	65	36
Çayeli	5	(1)	-	11
Pyhäsalmi	1	3	5	19
Ravensthorpe	(8)	(8)	(75)	(20)
Corporate[2]	(52)	14	58	37
Total gross profit	346	150	634	531
Exploration	(3)	(4)	(9)	(12)
General and administrative	(24)	(21)	(70)	(57)
Share of loss in joint venture	(5)	(1)	(41)	(1)
Other expense	(57)	(16)	(176)	(56)
Net finance expense	(179)	(59)	(549)	(61)
Loss on redemption of senior notes	-	-	(2)	(25)
Movement in Zambian VAT discount	16	(160)	75	(160)
Income tax credit (expense)	(62)	33	(109)	(87)
Net earnings (loss)	32	(78)	(247)	72
Net earnings (loss) attributable to:				
Non-controlling interests	3	(5)	(58)	14
Shareholders of the Company	29	(73)	(189)	58
Comparative earnings (loss)	64	32	(99)	214
Earnings (loss) per share				
Basic	$0.04	($0.11)	($0.27)	$0.08
Diluted	$0.04	($0.11)	($0.27)	$0.08
Comparative	$0.09	$0.05	($0.14)	$0.31
Basic weighted average number of shares (in 000's)	688,806	688,425	688,342	687,556

[1] The Company determined that commercial production at Cobre Panama commenced effective September 1, 2019. Pre-commercial production operating results attributable to Cobre Panama are capitalized and are excluded from earnings.

[2] Corporate gross profit (loss) relates primarily to the sales hedge contracts.

Third quarter review of financial results

Gross profit for the third quarter of 2020 of $346 million was $196 million, or 131% higher than the same period of 2019, driven by an increase in commercial sales volumes at Cobre Panama, reflecting a full quarter contribution, increased sales volumes at Kansanshi, higher realized prices, and cost reductions at Sentinel. Gross profit of $346 million included $115 million from Cobre Panama, reflecting a full quarter contribution compared with $36 million for the comparable period in 2019, reflecting earnings subsequent to commercial production, effective September 1, 2019. All copper operations, excluding Pyhäsalmi, reported increased gross profit. A loss of $51 million was recognized in the quarter on the corporate copper sales hedge program compared to a $18 million gain in the third quarter of 2019.

Net profit attributable to shareholders of the Company of $29 million, was $102 million higher than the same period of 2019. Net finance expense of $179 million, of which a significant proportion would previously have been eligible for capitalization but is now expensed following declaration of commercial production at Cobre Panama, on September 1, 2019, was $120 million higher than the third quarter of 2019, which included capitalization of finance costs of $146 million.

A $16 million credit reflecting the movement in the Zambian VAT discount has been recognized, compared with an expense of $160 million recognized in the third quarter of 2019, which represented the discounting adjustment of the Zambian VAT receivable balance. Movements in the discount in the current quarter have largely been driven by the USD/ZMW exchange rate, which further depreciated during the quarter. Other expense of $57 million includes a foreign exchange loss of $60 million, principally attributable to ZMW denominated VAT receivable balances.

An income tax expense of $62 million has been recognized in the third quarter of 2020, compared with an income tax credit of $33 million recognized in the third quarter of 2019, reflecting applicable statutory tax rates, which range from 20% to 35% for the Company's operations. No tax credits have been recognized with respect to losses of $51 million realized under the Company's copper sales hedge program.

Nine month review of financial results

Gross profit of $634 million for the first nine months of 2020, was $103 million, or 19% higher than the same period of 2019, principally due to an increase in commercial sales volumes following the declaration of commercial production at Cobre Panama, effective September 1, 2019, partially offset by a 3% reduction in net realized copper price. A gain of $52 million was recognized on the corporate copper sales hedge program compared to a $45 million gain in the comparable period of 2019. The nine months ended September 30, 2019 included a gross loss of $45 million at Las Cruces, following the land slippage in January 2019.

Net loss attributable to shareholders of the Company of $189 million, includes net finance expense of $549 million, of which a significant proportion would previously have been eligible for capitalization but is now expensed following declaration of commercial production at Cobre Panama effective September 1, 2019, and a foreign exchange loss of $193 million, principally attributable to ZMW denominated VAT receivable balances. In the nine months ended September 30, 2019, $7 million of general and administrative costs were capitalized to the Cobre Panama project.

A $75 million credit adjustment to the Zambian VAT discount was recognized representing the expected timeframe to repayment and the impact of foreign exchange, using a ZMW risk-free rate. A $41 million share of the loss in KPMC was recognized in the period resulting from lower site earnings, driven by reduced Cobre Panama production during the period of preservation and safe maintenance, and shareholder loan interest expense.

An income tax expense of $109 million has been recognized compared with an income tax expense of $87 million recognized in the comparable period of 2019, reflecting applicable statutory tax rates, which range from 20% to 35% for the Company's operations. The effective tax rate for the period, excluding the net interest expense and Cobre Panama results was 35%.

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

LIQUIDITY AND CAPITAL RESOURCES

	Three months ended September 30		Nine months ended September 30	
	2020	2019	2020	2019
Cash flows from operating activities	452	151	1,080	489
Cash flows from (used by) investing activities				
Payments and deposits for property, plant and equipment	(138)	(270)	(438)	(1,130)
Capitalized borrowing costs paid in cash	-	(101)	-	(388)
Other investing activities	6	2	10	14
Cash flows from (used by) financing activities				
Net movement in debt and trading facilities	(84)	(122)	246	680
Interest paid	(197)	(89)	(489)	(94)
Early redemption costs on senior notes	-	-	-	(14)
Other financing activities	(7)	33	(9)	61
Exchange gains (losses) on cash and cash equivalents	1	-	(8)	-
Net cash inflow (outflow)	33	(396)	392	(382)
Cash balance	915	406	915	406
Total assets	24,092	24,453	24,092	24,453
Total current liabilities	2,873	2,081	2,873	2,081
Total long-term liabilities	10,943	11,614	10,943	11,614
Net debt[1]	7,545	7,579	7,545	7,579
Cash flows from operating activities per share[1]	$0.66	$0.22	$1.57	$0.71

[1] Cash flows per share and Net debt are not recognized under IFRS. See "Regulatory Disclosures" for further information.

Cash flows from operating activities in the quarter ended September 30, 2020, were $301 million higher than the same period of 2019, principally as a result of an increase in cash generated from operations. Cash flows used by investing activities in the quarter included capital expenditure of $138 million, a $132 million reduction compared to the same period in 2019, following completion of the Cobre Panama project construction and commissioning by the end of 2019.

Following the declaration of commercial production at Cobre Panama, effective September 1, 2019, and the cessation of capitalization of interest, interest paid of $197 million is included within cash flows from financing activities in the quarter, compared with $89 million of interest paid and $101 million of interest paid and capitalized under investing activities in the comparative period in 2019. Cash flows used by financing activities included a $100 million repayment on the senior debt facility in the quarter. Net debt decreased by $113 million during the quarter to $7,545 million at September 30, 2020.

Liquidity outlook

At September 30, 2020, the Company had $915 million in net unrestricted cash and cash equivalents and current working capital of $1,132 million.

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. On September 18, 2020 the Company issued a notice of redemption of the outstanding Senior Notes due 2022 to be redeemed at par. Proceeds of the new bond were used to partially repay the existing revolving credit facility and redeem in full the Company's outstanding Senior Notes due 2022 on October 19, 2020, the next business day following the redemption date.

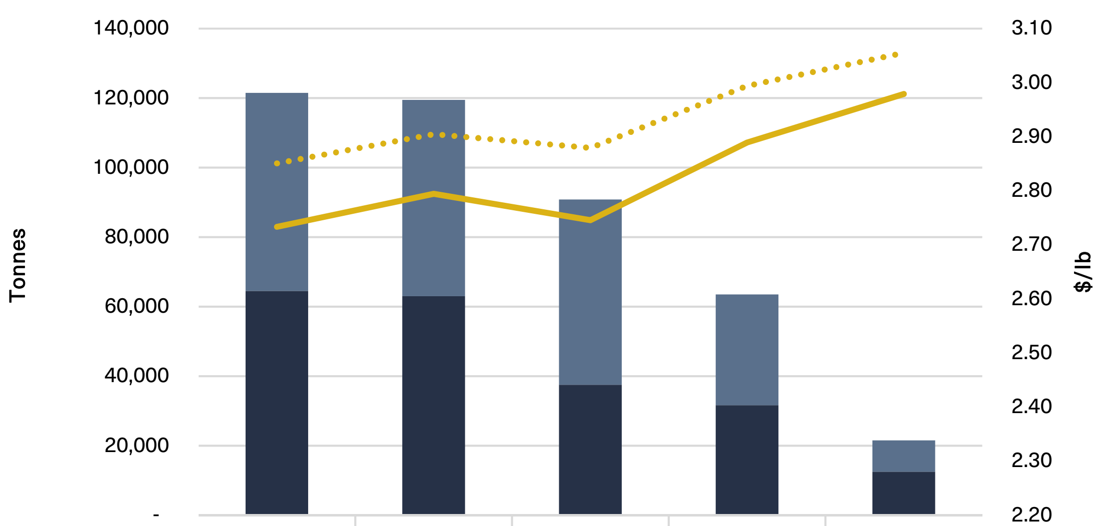
in United States dollars, tabular amounts in millions, except where noted

The Company continues to actively manage all site operating costs while focusing on productivity and cost efficiency. Operating costs at all sites have and are continuing to be reviewed to identify opportunities to further reduce costs and as at September 30, 2020, the Company has hedged 106 million litres of ULSD with maturities to April 2021 at an average price of $0.34 per litre. With the fuel hedges in place, a 10% movement in current fuel prices would impact the Company's cost of sales by approximately $5 million per annum. Without these hedges, this sensitivity would increase to $10 million. Capital spending has been reviewed companywide including deferring some capital spending originally planned for this year.

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

The Company has entered into derivative contracts to ensure that the exposure to the price of copper on future sales is managed to ensure stability of cash flows. At October 28, 2020, the Company had unmargined copper forward sales contracts for 209,125 tonnes at an average price of $2.82 per lb outstanding with periods of maturity to December 2021. In addition, the Company has zero cost collar unmargined sales contracts for 207,650 tonnes at weighted average prices of $2.76 per lb to $2.99 per lb outstanding with maturities to December 2021. The Company also had unmargined nickel forward sales contracts for 6,099 tonnes at an average price of $6.82 per lb outstanding with maturities to October 2021.

Copper Sales Hedge Profile - October 28, 2020



	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Collars	57,000	56,450	53,325	31,875	9,000
Swaps	64,500	63,000	37,500	31,625	12,500
Floor	2.73	2.79	2.75	2.89	2.98
Potential Upside	2.85	2.90	2.88	2.99	3.06

Approximately half of expected copper sales for the next 12 months are hedged to unmargined forward and zero cost collar sales contracts, at an average floor price of $2.78 per lb.

These, together with expected future cash flows, support the Company's belief in its ability to meet current obligations as they become due. The Company was in full compliance with all its financial covenants at September 30, 2020, and expects to remain in compliance throughout the next 12 months.

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

On April 22, 2020, the Company announced the amendment of financial covenants under the senior Term Loan and Revolving Credit Facility ("RCF") in response to uncertainty related to COVID-19. The Net Debt to EBITDA Ratio has been increased to 5.00 for the third and fourth quarters of 2020, to 4.75 for the first and second quarters of 2021 and to 4.50 for the third and fourth quarters of 2021. The Debt Service Cover Ratio has been decreased to 1.00 for the second, third and fourth quarters of 2020 and to 1.10 for all quarters of 2021. The financial covenants will revert to the original ratios from 2022.

At September 30, 2020, the Company had total commitments of $79 million, all of which related to the 12 months following the period end.

Contractual and other obligations as at September 30, 2020, are as follows:

	Carrying value	Contractual cashflows	< 1 year	1 – 3 years	3 – 5 years	Thereafter
Debt – principal repayments	8,269	8,311	1,586	3,525	2,200	1,000
Debt – finance charges	-	1,571	484	736	317	34
Trading facilities	191	191	191	-	-	-
Trade and other payables	498	498	498	-	-	-
Derivative instruments	156	156	156	-	-	-
Liability to joint venture[1]	1,351	2,430	-	-	-	2,430
Joint venture consideration	192	200	100	100	-	-
Current taxes payable	157	157	157	-	-	-
Deferred payments	43	43	4	9	9	21
Leases	31	36	15	12	5	4
Commitments	-	79	79	-	-	-
Restoration provisions	709	1,103	9	81	51	962

[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.

Hedging programs

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

Commodity contracts	September 30, 2020	December 31, 2019
Asset position	12	9
Liability position	(156)	(31)

	Open Positions (tonnes/ozs/ litres)	Average Contract price	Closing Market price	Maturities Through
Commodity contracts:				
Copper forward	184,125	$2.79/lb	$3.00/lb	December 2021
Copper zero cost collar	185,150	$2.73/lb-$2.97lb	$3.00/lb	December 2021
Nickel forward	4,809	$6.75/lb	$6.52/lb	February 2021
Fuel forward	105,715,050	$0.34/lt	$0.30/lt	April 2021

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

During the nine months ended September 30, 2020, a gain for settled hedges of $66 million was realized through sales revenues. Fair value losses on outstanding contracts of $145 million have been recognized as a derivative liability at September 30, 2020.

Provisional pricing and derivative contracts

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

As at September 30, 2020, the following derivative positions in provisionally priced sales and commodity contracts not designated as hedged instruments were outstanding:

	Open Positions (tonnes/ozs)	Average Contract price	Closing Market price	Maturities Through
Embedded derivatives in provisionally priced sales contracts:				
Copper	132,727	$3.02/lb	$3.00/lb	January 2021
Gold	40,585	$1,969/oz	$1,887/oz	November 2020
Nickel	1,421	$6.68/lb	$6.51/lb	November 2020
Zinc	200	$1.05/lb	$1.09/lb	November 2020
Commodity contracts:				
Copper	131,825	$3.02/lb	$3.00/lb	January 2021
Gold	40,348	$1,969/oz	$1,887/oz	November 2020
Nickel	1,422	$6.68/lb	$6.51/lb	November 2020
Zinc	200	$1.05/lb	$1.09/lb	November 2020

As at September 30, 2020, substantially all of the Company's metal sales contracts subject to pricing adjustments were hedged by offsetting derivative contracts.

Zambian VAT

The total VAT receivable accrued by the Company's Zambian operations at September 30, 2020, was $328 million, of which $174 million relates to Kansanshi.

Offsets of $85 million against other taxes due have been granted and cash recoveries of $1 million were received during the nine-months ended September 30, 2020. Future recoveries of Zambian VAT receivable balances due to the Company may be received in cash, offset of other tax liabilities or similar forms.

The Company considers that the outstanding VAT claims are fully recoverable and has reclassified all VAT balances due to the Zambian operations as noncurrent. The Minister of Finance has reaffirmed that the Government of the Republic of Zambia ("GRZ") remains committed to settling outstanding VAT claims and the Company continues to engage in regular discussions with the relevant government authorities.

A $75 million movement in the VAT discount was recognized in the nine-months ended September 30, 2020, representing an adjustment to the discounting over the expected timeframe to repayment and the impact of foreign exchange, using a ZMW risk-free rate. A charge of $182 million had previously been recognized in the twelve months ended December 31, 2019, to reflect the impact of discounting the balance over the expected timeframe to repayment. A foreign exchange loss of $158 million has been recognized against the receivable in the nine months ended September 30, 2020.

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

	September 30, 2020	December 31, 2019
Receivable at date of claim	860	847
Impact of depreciation of Zambian Kwacha against U.S. dollar	(400)	(242)
	460	605
Impact of discounting non-current portion	(132)	(207)
Total VAT receivable from Zambian operations	328	398
Consisting:		
Current portion, included within trade and other receivables	-	2
Non-current VAT receivable	328	396

An ageing of the undiscounted VAT receivable balance to the Company's Zambian operations at September 30, 2020, is as follows:

	< 1 year	1-3 years	3-5 years	5-8 years	Total
Receivable at date of claim	192	406	36	226	860
Impact of depreciation of Zambian Kwacha against U.S. dollar	(37)	(191)	(21)	(151)	(400)
Non- current VAT due	155	215	15	75	460
Impact of discounting	(40)	(65)	(5)	(22)	(132)
Total VAT receivable from Zambian operations	115	150	10	53	328

Changes to Zambian VAT regime

On September 25, 2020, the Minister of Finance announced the 2021 Zambian Budget. There were no material changes to the mining tax and royalty regimes announced. Mineral royalties continue to be non-deductible for tax, and tax rates remain unchanged.

On March 27, 2020, changes to the Zambian tax regime were announced by the Minister of Finance, as part of the tax relief provisions in the statement on the impact of COVID-19 on the Zambian economy. These proposed changes include partial removal of the provisions introduced in January 2020 that deny claims of VAT on office costs, lubricants and spare parts. In addition to the changes in the Zambian VAT regime, the suspension of export duties, currently at a rate of 15%, on precious metals such as gold was also announced with the changes being enacted into law on April 27, 2020. The impact of the 2020 Budget changes on Group C1 and AISC was previously estimated at approximately $0.04 per lb. With the recent COVID-19 changes the revised estimated impact of the 2020 Budget changes on Group C1 and AISC is approximately $0.03 per lb.

Pre-February 2015 VAT Receivable

In February 2015, the GRZ implemented a change in the Statutory Instrument regarding VAT on exports from Zambia. Claims totalling ZMW 1,509 million (currently equivalent to $74 million) made by Kansanshi prior to this date remain outstanding. ZMW 357m (currently equivalent to $17 million) of the VAT refunds for this period remain under dispute, stemming from the application of discretionary rules established and applied by the Zambia Revenue Authority. The Company is in regular discussions with the relevant government authorities and continues to consider that the outstanding claims are fully recoverable. Cash and offsets totalling ZMW 3,158 million (equivalent to $287 million, based on the receivable value at date of claim) have been received to date for claims subsequent to February 2015.

EQUITY

At the date of this report, the Company had 689,410,794 shares outstanding.

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 Resources Corporation ("KORES") and holds a 20% interest in Cobre Panama. The purchase consideration of $664 million comprised the acquisition consideration of $635 million and the reimbursement of cash advances of $29 million with $179 million paid on closing. In the three and nine month periods ended September 30, 2020, no consideration was paid, with the consideration paid to date being $464 million. The remaining consideration is payable in two instalments in November 2020 and November 2021. $100 million is included within trade and other payables and $92 million within other non-current liabilities.

A $547 million investment in the joint venture representing the discounted consideration value and the Company's proportionate share of the loss in KPMC to date. For the nine month period ended September 30, 2020, the loss attributable to KPMC was $82 million (September 30, 2019: $2 million). The loss in KPMC relates to the 20% equity accounted share of loss reported by MPSA, a subsidiary of the Company. The material assets and liabilities of KPMC are an investment in MPSA of $277 million, shareholder loans receivable from the Company and shareholder loans payable of $1,351 million due to the Company and its joint venture partner KORES.

PRECIOUS METAL STREAM ARRANGEMENT

Arrangement overview

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

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

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

The Company commenced the recognition of delivery obligations under the terms of the arrangement in September 2019 following the first sale of copper concentrate. Deferred revenue will continue to be recognized as revenue over the life of the mine, which is expected to be 35 years.

The amount of precious metals deliverable under both tranches is indexed to total copper-in-concentrate sold by Cobre Panama.

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

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	$430.91/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	$6.46/ 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 $430.91 per oz for gold and $6.46 per oz for silver, subject to an adjustment for inflation, and one half of the then prevailing market price. Under the first threshold of deliveries, the above Tranche 2 ongoing cash payment terms are for approximately the first 25 years of production, and thereafter the ongoing cash payment per ounce rises to 50% of the spot price of gold and silver.

Accounting

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

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

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

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

C1 and AISC 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.

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

	Three months ended September 30		Nine months ended September 30	
	2020	2019	2020	2019
Gold and silver revenue – cash	8	3	22	3
Gold and silver revenue – non cash amortization	15	7	41	7
Total gold and silver revenues - precious metal stream	23	10	63	10
Cost of refinery–backed credits for precious metal stream included in cost of sales	(38)	(11)	(90)	(11)

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

SUMMARY OF RESULTS

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

Consolidated operations	Q4 18	2018	Q1 19	Q2 19	Q3 19	Q4 19	2019	Q1 20	Q2 20	Q3 20	2020
Sales revenues											
Copper	$963	**$3,616**	$770	$836	$877	$1,120	**$3,603**	$1,015	$864	$1,150	**$3,029**
Gold	61	**228**	57	67	86	132	**342**	134	98	158	**390**
Nickel	-	**-**	-	-	-	-	**-**	3	27	61	**91**
Other	30	**122**	30	36	24	32	**122**	30	25	33	**88**
Total sales revenues	1,054	**3,966**	857	939	987	1,284	**4,067**	1,182	1,014	1,402	**3,598**
Gross profit	280	**978**	185	196	150	259	**790**	147	141	346	**634**
Comparative EBITDA	481	**1,737**	368	376	354	511	**1,609**	434	352	641	**1,427**
Net earnings (loss) attributable to shareholders of the Company	198	**441**	53	78	(73)	(115)	**(57)**	(62)	(156)	29	**(189)**
Comparative earnings (loss)	182	**487**	95	87	32	35	**249**	(79)	(84)	64	**(99)**
Basic earnings (loss) per share	$0.29	**$0.64**	$0.08	$0.11	($0.11)	($0.17)	**($0.08)**	($0.09)	($0.23)	$0.04	**($0.27)**
Comparative earnings (loss) per share	$0.26	**$0.71**	$0.14	$0.13	$0.05	$0.05	**$0.36**	($0.11)	($0.12)	$0.09	**($0.14)**
Diluted earnings (loss) per share	$0.29	**$0.64**	$0.08	$0.11	($0.11)	($0.17)	**($0.08)**	($0.09)	($0.23)	$0.04	**($0.27)**
Dividends declared per common share (CDN$ per share)	-	**$0.010**	$0.005	-	$0.005	-	**$0.010**	$0.005	-	$0.005	**$0.010**
Basic weighted average shares (000's)[1]	687,074	**686,747**	687,100	687,130	688,425	688,083	**687,596**	688,093	688,123	688,806	**688,342**
Cash flows per share from operating activities	$0.49	**$2.88**	$0.23	$0.26	$0.22	$0.58	**$1.29**	$0.69	$0.23	$0.66	**$1.57**
Copper statistics											
Total copper production (tonnes)[2]	158,304	**605,853**	136,969	168,399	192,510	204,270	**702,148**	195,285	169,059	211,396	**575,740**
Total copper sales (tonnes)[3]	156,212	**596,513**	130,262	149,333	203,827	205,964	**689,386**	189,953	159,944	197,533	**547,430**
Realized copper price (per lb)	$2.83	**$2.84**	$2.79	$2.80	$2.62	$2.62	**$2.70**	$2.56	$2.60	$2.77	**$2.65**
TC/RC (per lb)	(0.09)	**(0.08)**	(0.09)	(0.10)	(0.12)	(0.12)	**(0.11)**	(0.11)	(0.10)	(0.10)	**(0.10)**
Freight charges (per lb)	(0.05)	**(0.05)**	(0.04)	(0.04)	(0.04)	(0.03)	**(0.04)**	(0.03)	(0.05)	(0.03)	**(0.04)**
Net realized copper price (per lb)	$2.69	**$2.71**	$2.66	$2.66	$2.46	$2.47	**$2.55**	$2.42	$2.45	$2.64	**$2.51**
Cash cost – copper (C1) (per lb)[2]	$1.23	**$1.28**	$1.34	$1.32	$1.36	$1.24	**$1.31**	$1.30	$1.20	$1.07	**$1.19**
All-in sustaining cost (AISC) (per lb)[2]	$1.68	**$1.74**	$1.77	$1.77	$1.86	$1.73	**$1.78**	$1.64	$1.62	$1.48	**$1.58**
Total cost – copper (C3) (per lb)[2]	$2.04	**$2.11**	$2.21	$2.17	$2.20	$2.07	**$2.16**	$2.19	$2.08	$1.97	**$2.08**
Nickel statistics											
Nickel produced (contained tonnes)	-	-	-	-	-	-	**-**	-	1,979	5,113	**7,092**
Nickel produced (payable tonnes)	-	-	-	-	-	-	**-**	-	1,579	4,102	**5,681**
Nickel sales (contained tonnes)	-	-	-	-	-	-	**-**	-	1,791	4,986	**6,777**
Nickel sales (payable tonnes)									1,429	4,016	**5,445**
Net realized price (per payable lb)	-	-	-	-	-	-	**-**	-	$8.51	$6.88	**$7.58**
Cash cost – (C1) (per lb)	-	-	-	-	-	-	**-**	-	$6.26	$5.88	**$5.99**
All-in sustaining cost (AISC) (per lb)	-	-	-	-	-	-	**-**	-	$7.30	$6.53	**$6.75**
Total cost – nickel (C3) (per lb)	-	-	-	-	-	-	**-**	-	$7.93	$7.36	**$7.52**
Gold statistics											
Total gold production (ounces)	48,039	**185,414**	49,357	59,647	70,120	77,789	**256,913**	68,788	54,651	72,926	**196,365**
Total gold sales (ounces)[4]	53,221	**193,072**	46,790	56,922	71,664	79,409	**254,785**	73,782	54,591	78,013	**206,386**
Net realized gold price (per ounce)	$1,151	**$1,181**	$1,226	$1,235	$1,388	$1,380	**$1,318**	$1,488	$1,604	$1,766	**$1,624**
Zinc statistics											
Zinc production (tonnes)	7,687	**26,807**	6,318	4,123	4,429	2,462	**17,332**	1,837	1,937	1,472	**5,246**
Zinc sales (tonnes)	8,268	**26,112**	6,646	4,450	2,297	2,979	**16,372**	2,881	829	2,002	**5,712**

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

[2] The Company determined that commercial production at Cobre Panama commenced effective September 1, 2019. Pre-commercial production and sales volumes and operating results at Cobre Panama are not included in earnings or C1, C3 and AISC calculations.

[3] Sales of copper anode attributable to anode produced from third-party purchased concentrate are excluded.

[4] Excludes refinery-backed gold credits purchased and delivered under the precious metal streaming arrangement (page 38).

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

Cobre Panama statistics	Q2 19	Q3 19[1] Pre-commercial production	Q3 19[1] Post-commercial production	Q4 19	2019	Q1 20	Q2 20	Q3 20	2020
Mining									
Waste mined (000's tonnes)	18,590	9,579	3,636	15,950	**66,570**	12,255	1,467	8,355	**22,077**
Ore mined (000's tonnes)	11,580	7,767	5,252	18,439	**51,879**	18,933	6,426	13,317	**38,676**
Processing									
Copper ore milled (000's tonnes)	8,223	8,375	4,437	16,493	**38,583**	15,942	6,157	14,661	**36,760**
Copper ore grade processed (%)	0.43	0.51	0.49	0.41	**0.44**	0.39	0.41	0.47	**0.42**
Copper recovery (%)	82	86	89	89	**86**	91	86	90	**90**
Concentrate grade (%)	21.5	22.0	21.8	22.1	**21.9**	23.9	22.9	25.6	**24.5**
Copper in concentrate produced (tonnes)	30,896	36,783	19,438	60,338	**147,480**	56,240	21,733	62,055	**140,028**
Gold produced (ounces)	10,550	13,570	7,914	28,040	**60,074**	23,232	7,794	28,346	**59,372**
Silver produced (ounces)	257,366	269,800	152,243	452,663	**1,132,247**	429,294	164,449	501,012	**1,094,755**
Cash Costs (per lb)									
Mining	-	-	$0.44	$0.33	**$0.36**	$0.39	$0.44	$0.38	**$0.40**
Processing	-	-	0.46	0.57	**0.54**	0.65	0.73	0.48	**0.58**
Site administration	-	-	0.38	0.29	**0.31**	0.29	0.46	0.23	**0.29**
TC/RC and freight charges	-	-	0.32	0.36	**0.34**	0.32	0.30	0.26	**0.29**
By-product credits	-	-	(0.26)	(0.27)	**(0.26)**	(0.27)	(0.21)	(0.29)	**(0.27)**
Cash cost (C1) (per lb)	-	-	$1.34	$1.28	**$1.29**	$1.38	$1.72	$1.06	**$1.29**
All-in sustaining cost (AISC) (per lb)	-	-	$1.56	$1.85	**$1.78**	$1.61	$2.03	$1.31	**$1.54**
Total cost (C3) (per lb)	-	-	$2.28	$2.12	**$2.15**	$2.44	$2.99	$2.03	**$2.34**
Revenues ($ millions)									
Copper in concentrates	-	-	$178	$253	**$431**	$324	$84	$362	**$770**
Gold - mine production			18	30	**48**	40	8	46	**94**
Gold - precious metal stream	-	-	8	23	**31**	24	11	20	**55**
Silver - mine production	-	-	4	5	**9**	6	3	9	**18**
Silver - precious metal stream	-	-	2	3	**5**	4	1	3	**8**
Total sales revenues	-	-	$210	$314	**$524**	$398	$107	$440	**$945**
Cost of refinery- backed credits for precious metal stream	-	-	($11)	($33)	**($44)**	($37)	($15)	($38)	**($90)**
Copper sales (tonnes)	6,542	42,425	35,056	48,841	**132,864**	64,136	17,832	61,049	**143,017**
Gold sales (ounces)[2]	2,627	16,032	13,074	23,336	**55,069**	27,337	6,674	27,182	**61,193**
Silver sales (ounces)[2]	55,153	350,982	271,774	354,689	**1,032,598**	480,524	126,366	470,989	**1,077,879**

[1] The Company determined that commercial production at Cobre Panama commenced effective September 1, 2019.

[2] Excludes refinery-backed gold and silver credits purchased and delivered under precious metal streaming arrangement (page 38).

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

Kansanshi statistics	Q4 18	2018	Q1 19	Q2 19	Q3 19	Q4 19	2019	Q1 20	Q2 20	Q3 20	2020
Mining											
Waste mined (000's tonnes)	9,911	**48,719**	10,249	12,210	17,232	13,077	**52,768**	12,491	16,897	19,103	**48,491**
Ore mined (000's tonnes)	8,922	**38,481**	7,363	11,252	8,995	8,715	**36,325**	7,420	10,303	8,479	**26,202**
Processing											
Sulphide ore milled (000's tonnes)	3,301	**12,978**	3,084	3,312	3,301	3,211	**12,908**	3,321	3,300	3,415	**10,036**
Sulphide ore grade processed (%)	0.81	**0.78**	0.90	0.85	0.86	0.95	**0.89**	0.89	0.80	0.85	**0.85**
Sulphide ore recovery (%)	88	**91**	89	91	92	93	**91**	93	93	91	**93**
Sulphide concentrate grade (%)	22.1	**22.8**	21.5	21.7	23.3	23.3	**22.5**	23.3	22.4	22.5	**22.8**
Mixed ore milled (000's tonnes)	2,165	**8,186**	1,870	1,990	1,939	1,900	**7,699**	1,967	2,160	2,053	**6,180**
Mixed ore grade processed (%)	1.08	**1.06**	1.00	1.06	1.02	1.11	**1.05**	0.99	1.03	1.03	**1.02**
Mixed ore recovery (%)	76	**82**	75	74	81	79	**77**	82	82	79	**81**
Mixed concentrate grade (%)	29.9	**29.3**	25.7	26.5	28.8	28.0	**27.3**	26.2	28.0	25.6	**26.6**
Oxide ore milled (000's tonnes)	1,668	**6,916**	1,534	1,856	1,918	1,893	**7,201**	1,697	2,010	2,079	**5,786**
Oxide ore grade processed (%)	1.33	**1.44**	1.14	1.24	1.04	1.07	**1.12**	0.97	0.96	0.80	**0.90**
Oxide ore recovery (%)	92	**89**	87	76	85	79	**82**	73	84	70	**76**
Oxide concentrate grade (%)	28.5	**29.4**	25.0	26.3	27.7	24.5	**25.9**	22.7	19.8	18.4	**20.3**
Copper cathode produced (tonnes)	15,049	**72,394**	10,705	11,325	11,526	11,490	**45,046**	9,976	16,007	12,672	**38,655**
Copper in concentrate produced (tonnes)	46,731	**179,128**	43,208	47,309	47,362	49,318	**187,197**	45,636	42,808	41,758	**130,202**
Total copper production (tonnes)	61,780	**251,522**	53,913	58,634	58,888	60,808	**232,243**	55,612	58,815	54,430	**168,857**
Gold produced (ounces)	33,465	**130,019**	34,743	35,613	38,925	36,105	**145,386**	33,002	34,177	31,715	**98,894**
Smelting[1]											
Concentrate processed (DMT)[1]	349,424	**1,381,637**	342,307	351,169	281,800	342,550	**1,317,826**	329,946	273,673	362,554	**966,173**
Copper anodes produced (tonnes)[1]	89,894	**347,037**	83,134	84,505	69,952	86,690	**324,281**	80,280	66,905	89,090	**236,275**
Smelter copper recovery (%)	97	**97**	97	97	97	97	**97**	97	97	98	**97**
Acid tonnes produced (000's)	320	**1,255**	322	323	264	327	**1,236**	315	264	342	**921**
Cash Costs (per lb)											
Mining	$0.53	**$0.55**	$0.64	$0.64	$0.68	$0.59	**$0.64**	$0.74	$0.57	$0.61	**$0.63**
Processing	0.49	**0.49**	0.58	0.49	0.50	0.45	**0.51**	0.50	0.50	0.60	**0.54**
Site administration	0.11	**0.09**	0.11	0.10	0.10	0.14	**0.11**	0.08	0.09	0.10	**0.09**
TC/RC and freight charges	0.14	**0.14**	0.16	0.18	0.14	0.14	**0.15**	0.15	0.19	0.16	**0.17**
By-product credits	(0.33)	**(0.34)**	(0.38)	(0.38)	(0.46)	(0.43)	**(0.41)**	(0.41)	(0.39)	(0.55)	**(0.45)**
Total smelter costs	0.10	**0.10**	0.13	0.12	0.14	0.14	**0.13**	0.16	0.13	0.12	**0.14**
Cash cost (C1) (per lb)	$1.04	**$1.03**	$1.24	$1.15	$1.10	$1.03	**$1.13**	$1.22	$1.09	$1.04	**$1.12**
All-in sustaining cost (AISC) (per lb)	$1.61	**$1.55**	$1.73	$1.66	$1.74	$1.48	**$1.65**	$1.65	$1.56	$1.61	**$1.61**
Total cost (C3) (per lb)	$1.71	**$1.74**	$1.98	$1.87	$1.84	$1.68	**$1.84**	$1.97	$1.82	$1.85	**$1.88**
Revenues ($ millions)											
Copper cathodes	$82	**$452**	$57	$71	$65	$78	**$271**	$42	$79	$88	**$209**
Copper anode	289	**1,029**	245	252	200	346	**1,043**	244	165	237	**646**
Copper in concentrates	-	**10**	17	32	-	-	**49**	12	54	27	**93**
Gold	41	**160**	39	48	45	65	**197**	50	53	71	**174**
Acid	5	**21**	6	5	4	6	**21**	1	-	-	**1**
Total sales revenues	$417	**$1,672**	$364	$408	$314	$495	**$1,581**	$349	$351	$423	**1,123**
Copper cathode sales (tonnes)	13,698	**70,665**	9,452	12,160	11,412	13,285	**46,309**	7,610	15,304	13,854	**36,768**
Copper anode sales (tonnes)[2]	42,632	**157,663**	40,220	42,610	35,726	60,701	**179,257**	44,807	32,785	37,503	**115,095**
Copper in concentrate sales (tonnes)	-	**1,504**	3,361	6,454	-	-	**9,815**	2,913	12,173	4,933	**20,019**
Total copper sales (tonnes)	56,330	**229,832**	53,033	61,224	47,138	73,986	**235,381**	55,330	60,262	56,290	**171,882**
Gold sales (ounces)	35,616	**134,890**	31,082	37,917	32,022	45,342	**146,363**	32,694	32,009	37,524	**102,227**

[1] Concentrate processed in smelter and copper anodes produced are disclosed on a 100% basis, inclusive of Sentinel and third-party concentrate processed.

[2] Sales of copper anode attributable to anode produced from third-party purchased concentrate are excluded.

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

Sentinel statistics	Q4 18	2018	Q1 19	Q2 19	Q3 19	Q4 19	2019	Q1 20	Q2 20	Q3 20	2020
Mining											
Waste mined (000's tonnes)	24,321	**95,607**	19,335	23,609	24,970	24,912	**92,826**	24,849	22,480	24,489	**71,818**
Ore mined (000's tonnes)	12,016	**45,518**	11,507	12,017	12,704	14,035	**50,263**	15,667	15,230	15,199	**46,096**
Processing											
Copper ore milled (000's tonnes)	12,434	**48,750**	11,581	11,887	13,005	12,385	**48,858**	14,107	13,997	14,669	**42,773**
Copper ore grade processed (%)	0.53	**0.50**	0.54	0.50	0.47	0.47	**0.50**	0.45	0.49	0.53	**0.49**
Recovery (%)	92	**91**	92	92	91	87	**91**	89	89	90	**90**
Copper concentrate produced (tonnes)	60,840	**223,656**	57,716	54,977	56,439	50,874	**220,006**	56,633	60,761	70,829	**188,223**
Concentrate grade (%)	24.5	**25.0**	26.9	26.5	26.3	26.6	**26.6**	26.2	26.5	26.8	**26.5**
Cash Costs (per lb)											
Mining	$0.42	**$0.58**	$0.55	$0.51	$0.47	$0.53	**$0.52**	$0.46	$0.42	$0.38	**$0.41**
Processing	0.68	**0.67**	0.61	0.61	0.61	0.70	**0.63**	0.61	0.59	0.51	**0.57**
Site administration	0.10	**0.10**	0.09	0.09	0.13	0.12	**0.11**	0.17	0.01	0.07	**0.08**
TC/RC and freight charges	0.24	**0.23**	0.23	0.23	0.28	0.27	**0.25**	0.23	0.25	0.20	**0.23**
Total smelter costs	0.11	**0.12**	0.12	0.11	0.09	0.09	**0.10**	0.08	0.09	0.09	**0.09**
Cash cost (C1) (per lb)	$1.55	**$1.70**	$1.60	$1.55	$1.58	$1.71	**$1.61**	$1.55	$1.36	$1.25	**$1.38**
All-in sustaining cost (AISC) (per lb)	$2.02	**$2.22**	$2.07	$2.06	$2.12	$2.22	**$2.12**	$2.02	$1.86	$1.77	**$1.87**
Total cost (C3) (per lb)	$2.26	**$2.42**	$2.34	$2.29	$2.29	$2.45	**$2.34**	$2.27	$2.02	$1.98	**$2.08**
Revenues ($ millions)											
Copper anode	$266	**$1,169**	$237	$251	$198	$190	**$876**	$178	$176	$275	**$629**
Copper in concentrates	$78	**$285**	$59	$68	$105	$91	**$323**	$57	$76	$65	**$198**
Total sales revenues	$344	**$1,454**	$296	$319	$303	$281	**$1,199**	$235	$252	$340	**$827**
Copper anode sales (tonnes)	44,641	**183,372**	38,815	42,410	35,087	32,974	**149,286**	32,914	33,859	42,936	**109,709**
Copper concentrate sales (tonnes)	15,616	**54,839**	12,372	13,212	23,114	20,298	**68,996**	12,269	18,199	12,579	**43,047**

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

Las Cruces statistics	Q4 18	2018	Q1 19	Q2 19	Q3 19	Q4 19	2019	Q1 20	Q2 20	Q3 20	2020
Mining											
Waste mined (000's tonnes)	2,202	**14,936**	460	-	2,082	342	**2,884**	194	219	613	**1,026**
Ore mined (000's tonnes)	256	**1,682**	96	-	355	446	**897**	361	271	189	**821**
Processing											
Copper ore milled (000's tonnes)	400	**1,544**	325	360	305	364	**1,354**	355	383	343	**1,081**
Copper ore grade processed (%)	5.00	**4.95**	3.75	3.35	3.73	5.71	**4.17**	4.97	4.99	4.24	**4.75**
Recovery (%)	93	**93**	87	86	83	85	**85**	87	87	84	**86**
Copper cathode produced (tonnes)	18,470	**70,738**	10,634	10,366	9,479	17,611	**48,090**	15,293	16,566	12,259	**44,118**
Cash Costs (per lb)											
Cash cost (C1) (per lb)	$0.94	**$0.90**	$1.31	$1.51	$1.46	$0.73	**$1.17**	$0.87	$0.84	$1.12	**$0.93**
All-in sustaining cost (AISC) (per lb)	$1.16	**$1.16**	$1.46	$1.65	$1.74	$0.91	**$1.35**	$0.96	$0.93	$1.22	**$1.02**
Total cost (C3) (per lb)	$2.28	**$2.25**	$3.19	$3.59	$3.61	$2.43	**$3.08**	$2.42	$2.50	$3.24	**$2.68**
Revenues ($ millions)											
Copper cathode	$113	**$470**	$71	$62	$61	$97	**$291**	$83	$97	$82	**$262**
Copper cathode sales (tonnes)	18,345	**71,523**	11,443	10,112	10,405	16,284	**48,244**	14,473	17,818	12,646	**44,937**

Guelb Moghrein statistics	Q4 18	2018	Q1 19	Q2 19	Q3 19	Q4 19	2019	Q1 20	Q2 20	Q3 20	2020
Mining											
Waste mined (000's tonnes)	4,087	**15,062**	3,581	3,107	2,528	1,917	**11,133**	3,204	3,502	2,578	**9,284**
Ore mined (000's tonnes)	752	**1,590**	953	1,345	1,265	1,561	**5,124**	936	1,079	1,150	**3,165**
Processing											
Sulphide ore milled (000's tonnes)	983	**3,684**	994	1,018	810	1,029	**3,851**	898	1,015	889	**2,802**
Sulphide ore grade processed (%)	0.93	**0.85**	0.85	0.84	0.88	0.89	**0.87**	0.88	0.83	0.87	**0.86**
Recovery (%)	91	**90**	88	90	87	89	**89**	89	88	86	**88**
Copper produced (tonnes)	8,319	**28,137**	7,447	7,750	6,203	8,220	**29,620**	7,028	7,392	6,702	**21,122**
Gold produced (ounces)	12,236	**45,974**	12,498	11,961	8,187	12,027	**44,673**	11,237	11,665	11,620	**34,522**
Magnetite concentrate produced (WMT)	97,052	**425,389**	119,169	163,555	106,634	152,202	**541,560**	129,773	160,434	175,237	**465,444**
Cash Costs (per lb)											
Mining	$1.02	**$0.82**	$0.78	$0.57	$0.52	$0.38	**$0.55**	$0.41	$0.33	$0.30	**$0.35**
Processing	0.98	**1.09**	0.87	1.00	1.06	0.96	**0.97**	1.06	1.02	1.13	**1.07**
Site administration	0.17	**0.19**	0.18	0.18	0.22	0.16	**0.18**	0.18	0.17	0.19	**0.18**
TC/RC and freight charges	0.52	**0.54**	0.49	0.35	0.35	0.58	**0.44**	0.31	0.37	0.45	**0.37**
Gold and magnetite credit	(0.96)	**(1.14)**	(1.21)	(1.19)	(1.04)	(1.10)	**(1.14)**	(1.30)	(1.41)	(1.83)	**(1.50)**
Cash cost (C1) (per lb)	$1.73	**$1.50**	$1.11	$0.91	$1.11	$0.98	**$1.00**	$0.66	$0.48	$0.24	**$0.47**
All-in sustaining cost (AISC) (per lb)	$1.95	**$1.93**	$1.37	$1.19	$1.62	$1.37	**$1.36**	$1.07	$0.87	$0.47	**$0.82**
Total cost (C3) (per lb)	$2.79	**$2.46**	$2.22	$1.65	$1.93	$1.78	**$1.87**	$1.42	$1.34	$0.94	**$1.25**
Revenues ($ millions)											
Copper in concentrates	$48	**$154**	$42	$43	$30	$30	**$145**	$37	$39	$38	**$114**
Gold	17	**58**	16	18	12	12	**58**	18	23	21	**62**
Magnetite concentrate	5	**23**	6	16	10	8	**40**	12	16	12	**40**
Total sales revenues	$70	**$235**	$64	$77	$52	$50	**$243**	$67	$78	$71	**$216**
Copper sales (tonnes)	9,099	**27,366**	7,924	8,143	5,969	6,010	**28,046**	7,649	8,170	6,715	**22,534**
Gold sales (ounces)	14,224	**48,195**	13,301	14,156	9,074	8,415	**44,946**	12,106	14,528	11,698	**38,332**
Magnetite concentrate sold (WMT)	85,914	**376,956**	89,631	222,762	123,274	90,032	**525,699**	135,008	180,107	138,582	**453,697**

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

Çayeli statistics	Q4 18	2018	Q1 19	Q2 19	Q3 19	Q4 19	2019	Q1 20	Q2 20	Q3 20	2020
Copper produced (tonnes)	5,931	**19,896**	4,891	3,872	3,218	4,725	**16,706**	2,990	2,611	4,199	**9,800**
Zinc produced (tonnes)	1,034	**4,091**	752	1,428	1,176	1,896	**5,252**	765	853	951	**2,569**
Cash Costs (per lb)											
Cash cost – Copper (C1) (per lb)	$1.09	**$1.21**	$1.42	$1.32	$1.82	$1.11	**$1.35**	$1.62	$1.39	$1.07	**$1.32**
All-in sustaining cost (AISC) (per lb)	$1.28	**$1.48**	$1.68	$1.54	$2.12	$1.51	**$1.65**	$1.94	$1.61	$1.29	**$1.57**
Total cost – Copper (C3) (per lb)	$1.75	**$2.03**	$2.32	$2.25	$2.83	$1.60	**$2.16**	$2.77	$2.60	$1.91	**$2.36**
Revenues ($ millions)											
Copper	$44	**$87**	$18	$28	$13	$26	**$85**	$6	$11	$22	**$39**
Zinc	4	**8**	-	3	-	3	**6**	2	-	1	**3**
Other	4	**5**	-	1	-	3	**4**	1	1	2	**4**
Total sales revenues	$52	**$100**	$18	$32	$13	$32	**$95**	$9	$12	$25	**$46**
Copper sales (tonnes)	9,153	**17,397**	3,814	5,817	2,934	5,553	**18,118**	1,776	2,544	4,451	**8,771**
Zinc sales (tonnes)	2,154	**4,313**	-	1,833	-	2,046	**3,879**	1,857	-	1,625	**3,482**

Pyhäsalmi statistics	Q4 18	2018	Q1 19	Q2 19	Q3 19	Q4 19	2019	Q1 20	Q2 20	Q3 20	2020
Copper produced (tonnes)	2,964	**11,904**	2,343	1,904	2,062	1,694	**8,003**	1,489	1,181	922	**3,592**
Zinc produced (tonnes)	6,653	**22,716**	5,566	2,695	3,253	566	**12,080**	1,072	1,084	521	**2,677**
Pyrite produced (tonnes)	168,881	**645,885**	152,475	152,522	127,960	120,687	**553,644**	96,503	108,329	124,913	**329,745**
Cash Costs (per lb)											
Cash cost – Copper (C1) (per lb)	($0.59)	**($0.46)**	($0.39)	$0.21	$0.61	$2.02	**$0.51**	$0.86	$1.55	$1.82	**$1.35**
All-in sustaining cost (AISC) (per lb)	($0.59)	**($0.46)**	($0.39)	$0.25	$0.64	$2.11	**$0.55**	$0.89	$1.62	$1.90	**$1.40**
Total cost – Copper (C3) (per lb)	$1.57	$1.70	$1.67	$1.75	$1.62	$2.17	$1.77	$1.07	$2.30	$2.33	**$1.81**
Revenues ($ millions)											
Copper	$17	**$70**	$16	$10	$9	$10	**$45**	$6	$6	$5	**$17**
Zinc	11	**45**	12	7	2	1	**22**	1	1	-	**2**
Pyrite	4	**17**	4	3	3	3	**13**	3	3	2	**8**
Other	2	**12**	4	1	2	3	**10**	3	1	3	**7**
Total sales revenues	$34	**$144**	$36	$21	$16	$17	**$90**	$13	$11	$10	**$34**
Copper sales (tonnes)	3,028	**12,184**	2,861	1,873	1,699	2,018	**8,451**	1,406	1,260	867	**3,533**
Zinc sales (tonnes)	6,114	**21,799**	6,646	2,617	2,297	933	**12,493**	1,024	829	377	**2,230**
Pyrite sales (tonnes)	124,109	**445,181**	124,667	97,221	90,619	110,823	**423,330**	124,140	117,759	99,386	**341,285**

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

Ravensthorpe statistics	Q4 18	2018	Q1 19	Q2 19	Q3 19	Q4 19	2019	Q1 20	Q2 20	Q3 20	2020
Processing											
Beneficiated ore (000's tonnes)	-	-	-	-	-	-	-	-	457	769	**1,226**
Beneficiated ore grade (%)	-	-	-	-	-	-	-	-	0.93	1.01	**0.98**
Nickel recovery – leach feed to Nickel produced (%)	-	-	-	-	-	-	-	-	68	73	**71**
Nickel produced (contained tonnes)	-	-	-	-	-	-	-	-	1,979	5,113	**7,092**
Nickel produced (payable tonnes)	-	-	-	-	-	-	-	-	1,579	4,102	**5,681**
Cash Costs (per lb)											
Mining	-	-	-	-	-	-	-	-	$2.57	$1.89	**$2.08**
Processing	-	-	-	-	-	-	-	-	3.13	3.51	**3.41**
Site administration	-	-	-	-	-	-	-	-	0.71	0.57	**0.61**
TC/RC and freight charges	-	-	-	-	-	-	-	-	0.20	0.25	**0.23**
Cobalt credit	-	-	-	-	-	-	-	-	(0.35)	(0.34)	**(0.34)**
Cash cost (C1) (per lb)	-	-	-	-	-	-	-	-	$6.26	$5.88	**$5.99**
All-in sustaining cost (AISC) (per lb)	-	-	-	-	-	-	-	-	$7.30	$6.53	**$6.75**
Total cost (C3) (per lb)	-	-	-	-	-	-	-	-	$7.93	$7.36	**$7.52**
Revenues ($ millions)											
Nickel	-	-	-	-	-	-	-	-	$18	$59	**$77**
Cobalt	-	-	-	-	-	-	-	-	1	3	**4**
Total sales revenues	-	-	-	-	-	-	-	-	$19	$62	**$81**
Nickel sales (contained tonnes)	-	-	-	-	-	-	-	-	1,791	4,986	**6,777**
Nickel sales (payable tonnes)	-	-	-	-	-	-	-	-	1,429	4,016	**5,445**

REGULATORY DISCLOSURES

Seasonality

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

Off-balance sheet arrangements

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

Non-GAAP financial measures

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, comparative EBITDA, Net debt and comparative 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 and should not be considered in isolation to measures prepared under IFRS.

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

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

Calculation of cash cost, all-in sustaining cost, total cost, sustaining capital expenditure and deferred stripping costs capitalized

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

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

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

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

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

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

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

	Three months ended September 30		Nine months ended September 30	
	2020	2019	2020	2019
Purchase and deposits on property, plant and equipment	138	270	438	1,130
Sustaining capital expenditure and deferred stripping	84	93	222	289
Project capital expenditure	54	314	216	932
Pre-commercial costs	-	(137)	-	(91)
Total capital expenditure	138	270	438	1,130

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

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

For the three months ended September 30, 2020	Cobre Panama	Kansanshi	Sentinel	Las Cruces	Guelb Moghrein	Çayeli	Pyhäsalmi	Copper	Corporate & other	Ravensthorpe	Total
Cost of sales[1]	**(325)**	**(272)**	**(230)**	**(88)**	**(41)**	**(20)**	**(9)**	**(985)**	**(1)**	**(70)**	**(1,056)**
Adjustments:											
Depreciation	117	64	58	56	9	8	1	**313**	-	10	**323**
By-product credits	78	71	-	-	33	3	3	**188**	-	3	**191**
Royalties	7	30	32	2	-	1	-	**72**	-	3	**75**
Treatment and refining charges	(22)	(8)	(10)	-	(3)	(2)	(1)	**(46)**	-	-	**(46)**
Freight costs	(2)	(3)	(6)	-	-	(1)	-	**(12)**	-	-	**(12)**
Finished goods	3	(1)	(25)	-	(5)	2	-	**(26)**	-	(1)	**(27)**
Other	5	-	1	-	4	-	2	**12**	1	2[2]	**15**
Cash cost (C1)	(139)	(119)	(180)	(30)	(3)	(9)	(4)	**(484)**	-	(53)	**(537)**
Adjustments:											
Depreciation (excluding depreciation in finished goods)	(117)	(63)	(69)	(56)	(9)	(7)	(1)	(322)	-	(10)	**(332)**
Royalties	(7)	(30)	(32)	(2)	-	(1)	-	(72)	-	(3)	**(75)**
Other	(3)	(2)	(1)	-	(2)	-	-	(8)	-	-	**(8)**
Total cost (C3)	(266)	(214)	(282)	(88)	(14)	(17)	(5)	**(886)**	-	(66)	**(952)**
Cash cost (C1)	(139)	(119)	(180)	(30)	(3)	(9)	(4)	**(484)**	-	(53)	**(537)**
Adjustments:											
General and administrative expenses	(7)	(6)	(8)	(1)	(1)	-	-	**(23)**	-	(2)	**(25)**
Sustaining capital expenditure and deferred stripping	(18)	(31)	(30)	-	(3)	(1)	-	**(83)**	-	(1)	**(84)**
Royalties	(7)	(30)	(32)	(2)	-	(1)	-	**(72)**	-	(3)	**(75)**
Lease payments	-	(1)	-	-	-	-	-	**(1)**	-	-	**(1)**
Other	-	1	-	-	-	-	-	**1**	-	-	**1**
AISC	(171)	(186)	(250)	(33)	(7)	(11)	(4)	**(662)**	-	(59)	**(721)**
AISC (per lb)	$1.31	$1.61	$1.77	$1.22	$0.47	$1.29	$1.90	**$1.48**	-	$6.53	
Cash cost – (C1) (per lb)	$1.06	$1.04	$1.25	$1.12	$0.24	$1.07	$1.82	**$1.07**	-	$5.88	
Total cost – (C3) (per lb)	$2.03	$1.85	$1.98	$3.24	$0.94	$1.91	$2.33	**$1.97**	-	$7.36	

[1] Total cost of sales per the interim Consolidated Statement of Earnings (Loss) in the Company's unaudited condensed interim Consolidated Financial Statements.
[2] Includes restart costs at Ravensthorpe

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

For the nine months ended September 30, 2020	Cobre Panama	Kansanshi	Sentinel	Las Cruces	Guelb Moghrein	Çayeli	Pyhäsalmi	Copper	Corporate & other	Ravensthorpe	Total
Cost of sales[1]	**(834)**	**(820)**	**(658)**	**(264)**	**(151)**	**(46)**	**(29)**	**(2,802)**	**(6)**	**(156)**	**(2,964)**
Adjustments:											
Depreciation	293	187	171	167	31	19	4	**872**	3	16	**891**
By-product credits	175	175	-	-	102	7	15	**474**	-	4	**478**
Royalties	15	81	67	4	5	1	-	**173**	-	4	**177**
Treatment and refining charges	(55)	(28)	(31)	-	(10)	(4)	(2)	**(130)**	-	-	**(130)**
Freight costs	(3)	(11)	(22)	(1)	-	(3)	-	**(40)**	-	-	**(40)**
Finished goods	12	14	(44)	1	1	(1)	1	**(16)**	-	-	**(16)**
Other	15	2	(12)	3	4	-	-	**12**	3	57[2]	**72**
Cash cost (C1)	(382)	(400)	(529)	(90)	(18)	(27)	(11)	**(1,457)**	-	(75)	**(1,532)**
Adjustments:											
Depreciation (excluding depreciation in finished goods)	(290)	(189)	(195)	(166)	(29)	(20)	(4)	**(893)**	-	(16)	**(909)**
Royalties	(15)	(81)	(67)	(4)	(5)	(1)	-	**(173)**	-	(4)	**(177)**
Other	(7)	(8)	(4)	(1)	(2)	-	1	**(21)**	-	(1)	**(22)**
Total cost (C3)	(694)	(678)	(795)	(261)	(54)	(48)	(14)	**(2,544)**	-	(96)	**(2,640)**
Cash cost (C1)	(382)	(400)	(529)	(90)	(18)	(27)	(11)	**(1,457)**	-	(75)	**(1,532)**
Adjustments:											
General and administrative expenses	(18)	(19)	(24)	(4)	(2)	(1)	-	**(68)**	-	(3)	**(71)**
Sustaining capital expenditure and deferred stripping	(39)	(76)	(92)	-	(9)	(3)	-	**(219)**	-	(3)	**(222)**
Royalties	(15)	(81)	(67)	(4)	(5)	(1)	-	**(173)**	-	(4)	**(177)**
Lease payments	(2)	(3)	(1)	(1)	-	-	-	**(7)**	-	-	**(7)**
Other	-	(1)	-	-	-	-	-	**(1)**	-	-	**(1)**
AISC	(456)	(580)	(713)	(99)	(34)	(32)	(11)	**(1,925)**	-	(85)	**(2,010)**
AISC (per lb)	$1.54	$1.61	$1.87	$1.02	$0.82	$1.57	$1.40	**$1.58**	-	$6.75	
Cash cost – (C1) (per lb)	$1.29	$1.12	$1.38	$0.93	$0.47	$1.32	$1.35	**$1.19**	-	$5.99	
Total cost – (C3) (per lb)	$2.34	$1.88	$2.08	$2.68	$1.25	$2.36	$1.81	**$2.08**	-	$7.52	

[1] Total cost of sales per the interim Consolidated Statement of Earnings (Loss) in the Company's unaudited condensed interim Consolidated Financial Statements.

[2] Includes restart costs at Ravensthorpe

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

For the three months ended September 30, 2019	Cobre Panama	Kansanshi	Sentinel	Las Cruces	Guelb Moghrein	Çayeli	Pyhäsalmi	Copper	Corporate & other	Ravensthorpe	Total
Cost of sales	**(174)**	**(240)**	**(263)**	**(81)**	**(40)**	**(14)**	**(13)**	**(825)**	**(4)**	**(8)**	**(837)**
Adjustments:											
Depreciation	32	55	72	47	8	6	4	**224**	-	1	**225**
By-product credits	32	49	-	-	22	(1)	7	**109**	-	-	**109**
Royalties	3	25	17	1	2	-	-	**48**	-	-	**48**
Treatment and refining charges	(14)	(7)	(17)	-	(3)	(1)	(1)	**(43)**	-	-	**(43)**
Freight costs	-	-	(12)	-	-	(1)	-	**(13)**	-	-	**(13)**
Finished goods	63	(27)	8	3	(3)	(3)	(1)	**40**	-	-	**40**
Other	2	2	4	(1)	(1)	2	-	**8**	4	7	**19**
Cash cost (C1)	(56)	(143)	(191)	(31)	(15)	(12)	(4)	**(452)**	-	-	**(452)**
Adjustments:											
Depreciation (excluding depreciation in finished goods)	(35)	(62)	(68)	(44)	(9)	(6)	(5)	**(229)**	-	(1)	**(230)**
Royalties	(3)	(25)	(17)	(1)	(2)	-	-	**(48)**	-	-	**(48)**
Other	(2)	(1)	(2)	-	-	1	-	**(4)**	-	-	**(4)**
Total cost (C3)	(96)	(231)	(278)	(76)	(26)	(17)	(9)	**(733)**	-	(1)	**(734)**
Cash cost (C1)	(56)	(143)	(191)	(31)	(15)	(12)	(4)	**(452)**	-	-	**(452)**
Adjustments:											
General and administrative	(3)	(6)	(9)	(1)	(1)	(1)	-	**(21)**	-	-	**(21)**
Sustaining capital expenditure and deferred stripping	(6)	(42)	(40)	(2)	(2)	(1)	-	**(93)**	-	-	**(93)**
Royalties	(3)	(25)	(17)	(1)	(2)	-	-	**(48)**	-	-	**(48)**
Lease payments	-	-	(1)	(1)	(1)	-	-	**(3)**	-	-	**(3)**
AISC	(68)	(216)	(258)	(36)	(21)	(14)	(4)	**(617)**	-	-	**(617)**
AISC (per lb)	$1.56	$1.74	$2.12	$1.74	$1.62	$2.12	$0.64	**$1.86**	-	-	
Cash cost – (C1) (per lb)	$1.34	$1.10	$1.58	$1.46	$1.11	$1.82	$0.61	**$1.36**	-	-	
Total cost – (C3) (per lb)	$2.28	$1.84	$2.29	$3.61	$1.93	$2.83	$1.62	**$2.20**	-	-	

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

For the nine months ended September 30, 2019[1]	Cobre Panama	Kansanshi	Sentinel	Las Cruces	Guelb Moghrein	Çayeli	Pyhäsalmi	Copper	Corporate & other	Ravensthorpe	Total
Cost of sales	**(174)**	**(780)**	**(767)**	**(239)**	**(157)**	**(52)**	**(54)**	**(2,223)**	**(9)**	**(20)**	**(2,252)**
Adjustments:											
Depreciation	32	174	190	137	37	21	20	**611**	2	4	**617**
By-product credits	32	147	-	-	78	4	38	**299**	-	-	**299**
Royalties	3	79	66	3	6	1	-	**158**	-	-	**158**
Treatment and refining charges	(14)	(27)	(42)	-	(12)	(7)	(4)	**(106)**	-	-	**(106)**
Freight costs	-	(4)	(24)	-	-	(4)	(1)	**(33)**	-	-	**(33)**
Finished goods	63	(24)	6	3	1	(2)	(1)	**46**	-	-	**46**
Other[1]	2	5	5	-	1	2	2	**17**	7	16	**40**
Cash cost (C1)	(56)	(430)	(566)	(96)	(46)	(37)	-	**(1,231)**	-	-	**(1,231)**
Adjustments:											
Depreciation (excluding depreciation in finished goods)	(35)	(181)	(191)	(134)	(34)	(22)	(21)	**(618)**	-	(4)	**(622)**
Royalties	(3)	(79)	(66)	(3)	(6)	(1)	-	**(158)**	-	-	**(158)**
Other	(2)	(4)	(4)	-	(1)	-	-	**(11)**	-	-	**(11)**
Total cost (C3)	(96)	(694)	(827)	(233)	(87)	(60)	(21)	**(2,018)**	-	(4)	**(2,022)**
Cash cost (C1)	(56)	(430)	(566)	(96)	(46)	(37)	-	**(1,231)**	-	-	**(1,231)**
Adjustments:											
General and administrative expenses	(3)	(20)	(26)	(4)	(2)	(2)	-	**(57)**	-	-	**(57)**
Sustaining capital expenditure and deferred stripping	(6)	(95)	(89)	(4)	(6)	(3)	-	**(203)**	-	-	**(203)**
Royalties	(3)	(79)	(66)	(3)	(6)	(1)	-	**(158)**	-	-	**(158)**
Lease payments	-	(3)	(2)	(1)	(2)	-	-	**(8)**	-	-	**(8)**
AISC	(68)	(627)	(749)	(108)	(62)	(43)	-	**(1,657)**	-	-	**(1,657)**
AISC (per lb)	$1.56	$1.71	$2.09	$1.61	$1.38	$1.71	$0.08	**$1.80**	-	-	
Cash cost – (C1) (per lb)	$1.34	$1.17	$1.58	$1.43	$1.03	$1.46	$0.05	**$1.34**	-	-	
Total cost – (C3) (per lb)	$2.28	$1.90	$2.30	$3.46	$1.93	$2.39	$1.61	**$2.19**	-	-	

[1] C1 cash cost, C3 total cost and AISC exclude third-party concentrate purchased at Kansanshi.

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

Comparative EBITDA and comparative earnings

Comparative EBITDA and comparative earnings are the Company's adjusted earnings metrics, and are used to evaluate operating performance by management. The Company believes that the comparative metrics presented are useful as the adjusted items do not reflect the underlying operating performance of its current business and are not necessarily indicative of future operating results.

Calculation of operating cash flow per share, net debt, comparative EBITDA and comparative earnings

In calculating the operating cash flow per share, the operating cash flow calculated for IFRS purposes is divided by the basic weighted average common shares outstanding for the respective period.

Net debt comprises unrestricted cash and cash equivalents, bank overdrafts and total debt. Comparative EBITDA, comparative earnings and comparative earnings per share are non-GAAP measures which measure the performance of the Company. Comparative EBITDA, comparative earnings and comparative earnings per share 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 discounting of non-current VAT.

	Three months ended September 30		Nine months ended September 30	
	2020	2019	2020	2019
Operating profit	257	108	338	405
Depreciation	323	225	891	617
Other adjustments				
Write-off of assets and other costs associated with land slippage	-	-	-	13
Foreign exchange loss	60	12	193	49
Other expense	1	8	7	11
Revisions in estimates of restoration provisions at closed sites	-	1	(2)	3
Total adjustments excluding depreciation	61	21	198	76
Comparative EBITDA	641	354	1,427	1,098

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

	Three months ended September 30		Nine months ended September 30	
	2020	2019	2020	2019
Net earnings (loss) attributable to shareholders of the Company	29	(73)	(189)	58
Adjustments attributable to shareholders of the Company:				
Movement in Zambian VAT discount	(16)	160	(75)	160
(Gain) loss on debt instruments	-	(3)	2	19
Total adjustments to comparative EBITDA excluding depreciation	61	21	198	76
Tax and minority interest comparative adjustments	(10)	(73)	(35)	(99)
Comparative earnings (loss)	64	32	(99)	214
Earnings (loss) per share as reported	$0.04	($0.11)	($0.27)	$0.08
Comparative earnings (loss) per share	$0.09	$0.05	($0.14)	$0.31

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. The significant judgements, estimates and assumptions applied in the preparation of the Company's interim financial statements are consistent with those disclosed in the Company's annual MD&A for the year ended December 31, 2019.

Financial instruments risk exposure

The Company's activities expose it to a variety of risks arising from financial instruments. These risks, and management's objectives, policies and procedures for managing these risks in the interim period are consistent with those disclosed in the Company's annual MD&A for the year ended December 31, 2019.

Market risks

The Company is subject to commodity price risk from fluctuations in the market prices of copper, gold, nickel, zinc and other elements, interest rate risk, and foreign exchange risk. These market risks are consistent with those disclosed in the Company's annual MD&A for the year ended December 31, 2019.

Disclosure Controls and Procedures

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

An evaluation of the effectiveness of the Company's disclosure controls and procedures, as defined under the rules of the Canadian Securities Administration, was conducted as of December 31, 2019, under the supervision of the Company's Audit Committee and with the participation of management. Based on the results of the evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report in providing reasonable assurance that the information required to be disclosed in the Company's annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported in accordance with the securities legislation.

The Company's controls and procedures remain consistent with those disclosed in the Company's annual MD&A for the year ended December 31, 2019.

Internal Control over Financial Reporting

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.

An evaluation of the effectiveness of the Company's internal control over financial reporting was conducted as of December 31, 2019 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.

There were no changes in the Company's business activities during the period ended September 30, 2020, that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

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.

Cautionary statement on forward-looking information

Certain statements and information herein, including all statements that are not historical facts, contain forward-looking statements and forward-looking information within the meaning of applicable securities laws. The forward-looking statements include estimates, forecasts and statements as to the Company's expectations of production and sales volumes, and expected timing of completion of project development at Enterprise and post-completion construction activity at Cobre Panama and are subject to the impact of ore grades on future production, the potential of production disruptions, potential production, operational, labour or marketing disruptions as a result of the COVID-19 global pandemic (including but not limited to the temporary suspension of labour activities at Cobre Panama implemented in April 2020), capital expenditure and mine production costs, the outcome of mine permitting, other required permitting, the outcome of legal proceedings which involve the Company, information with respect to the future price of copper, gold, nickel, silver, iron, cobalt, pyrite, zinc and sulphuric acid, estimated mineral reserves and mineral resources, First Quantum's exploration and development program, estimated future expenses, exploration and development capital requirements, the Company's hedging policy, and goals and strategies. Often, but not always, forward-looking statements or information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

With respect to forward-looking statements and information contained herein, the Company has made numerous assumptions including among other things, assumptions about continuing production at all operating facilities, the price of copper, gold, nickel, silver, iron, cobalt, pyrite, zinc and sulphuric acid, anticipated costs and expenditures and the ability to achieve the Company's goals. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. These factors include, but are not limited to, future production volumes and costs, the temporary or permanent closure of uneconomic operations, costs for inputs such as oil, power and sulphur, political stability in Zambia, Peru, Mauritania, Finland, Spain, Turkey, Panama, Argentina and Australia, adverse weather conditions in Zambia, Finland, Spain, Turkey, Mauritania, Australia and Panama, 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 to be 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 and information made herein are qualified by this cautionary statement.