



FIRST QUANTUM
MINERALS



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THIRD QUARTER ENDED SEPTEMBER 30, 2021

(unaudited) (In U.S. dollars, tabular amounts in millions, except where indicated)

Interim Consolidated Statements of Earnings (Loss)

(unaudited)

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



	Note	Three months ended September 30		Nine months ended September 30	
		2021	2020	2021	2020
Sales revenues	13	1,802	1,402	5,327	3,598
Cost of sales	14	(1,189)	(1,056)	(3,549)	(2,964)
Gross profit		613	346	1,778	634
Exploration		(6)	(3)	(13)	(9)
General and administrative		(31)	(24)	(89)	(70)
Other income (expense)	17	199	(62)	200	(217)
Operating profit		775	257	1,876	338
Finance income		17	19	49	52
Finance costs	15	(171)	(198)	(544)	(601)
Adjustment for expected phasing of Zambian VAT	3c	(4)	16	(18)	75
Loss on redemption of senior notes	8	-	-	-	(2)
Earnings (loss) before income taxes		617	94	1,363	(138)
Income tax expense	16	(235)	(62)	(573)	(109)
Net earnings (loss)		382	32	790	(247)
Net earnings (loss) attributable to:					
Non-controlling interests		79	3	205	(58)
Shareholders of the Company	12	303	29	585	(189)
Earnings (loss) per share attributable to the shareholders of the Company					
Net earnings (loss) (\$ per share)					
Basic	12	0.44	0.04	0.85	(0.27)
Diluted	12	0.44	0.04	0.85	(0.27)
Weighted average shares outstanding (000's)					
Basic	12	688,852	688,806	688,700	688,342
Diluted	12	692,069	689,407	691,925	688,342
Total shares issued and outstanding (000's)	11a	691,039	689,411	691,039	689,411

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

Interim Consolidated Statements of Comprehensive Income (Loss)

(unaudited)

(expressed in millions of U.S. dollars)



	Note	Three months ended September 30		Nine months ended September 30	
		2021	2020	2021	2020
Net earnings (loss) for the period		382	32	790	(247)
Other comprehensive income (loss)					
Items that have been/may subsequently be reclassified to net earnings (loss):					
Cash flow hedges reclassified to net earnings		(78)	(2)	(379)	(4)
Movements on unrealized cash flow hedge positions		316	(134)	710	(149)
Items that will not subsequently be reclassified to net earnings (loss):					
Unrealized gain (loss) on investments		-	1	(9)	(1)
Total comprehensive income (loss) for the period		620	(103)	1,112	(401)
Total comprehensive income (loss) for the period attributable to:					
Non-controlling interests		79	3	205	(58)
Shareholders of the Company		541	(106)	907	(343)
Total comprehensive income (loss) for the period		620	(103)	1,112	(401)

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

Interim Consolidated Statements of Cash Flows

(unaudited)
(expressed in millions of U.S. dollars)



		Three months ended September 30		Nine months ended September 30	
	Note	2021	2020	2021	2020
Cash flows from operating activities					
Net earnings (loss)		382	32	790	(247)
Adjustments for					
Depreciation	14	288	323	860	891
Income tax expense	16	235	62	573	109
Net finance expense		154	179	495	549
Adjustment for expected phasing of Zambian VAT		4	(16)	18	(75)
Unrealized foreign exchange loss (gain)		(207)	47	(196)	175
Loss on redemption of senior notes		-	-	-	2
Deferred revenue amortization	10	(24)	(15)	(74)	(41)
Share of loss (profit) in joint venture	17	(19)	5	(58)	41
Other		16	12	32	17
		829	629	2,440	1,421
Taxes paid		(124)	(46)	(364)	(217)
Movements in non-cash operating working capital		8	(131)	120	(124)
Long-term incentive plans		(10)	-	(71)	-
Net cash from operating activities		703	452	2,125	1,080
Cash flows from (used by) investing activities					
Purchase and deposits on property, plant and equipment	5,18	(274)	(138)	(718)	(438)
Other		(3)	6	(1)	10
Net cash used by investing activities		(277)	(132)	(719)	(428)
Cash flows from (used by) financing activities					
Net movement in trading facility	8	38	16	(273)	(71)
Movement in restricted cash		(3)	(2)	(9)	(8)
Proceeds from debt	8	-	-	1,054	1,813
Repayments of debt	8	(365)	(100)	(897)	(1,496)
Net proceeds from (payments to) joint venture (KPMC)	6,7,9b	(15)	-	(49)	14
Transaction with non-controlling interests	9c	240	-	240	-
Dividends paid to shareholders of the Company		(2)	(2)	(5)	(5)
Dividends paid to non-controlling interests		-	-	(6)	-
Interest paid		(189)	(197)	(450)	(489)
Other		(4)	(3)	(7)	(10)
Net cash used by financing activities		(300)	(288)	(402)	(252)
Increase in cash and cash equivalents and bank overdrafts		126	32	1,004	400
Cash and cash equivalents and bank overdrafts – beginning of period		1,792	882	914	523
Exchange gain (losses) on cash and cash equivalents		-	1	-	(8)
Cash and cash equivalents and bank overdrafts – end of period		1,918	915	1,918	915
Cash and cash equivalents and bank overdrafts comprising:					
Cash and cash equivalents		1,918	942	1,918	942
Bank overdrafts		-	(27)	-	(27)

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

Interim Consolidated Balance Sheets

(unaudited)

(expressed in millions of U.S. dollars)

	Note	September 30, 2021	December 31, 2020
Assets			(audited)
Current assets			
Cash and cash equivalents		1,918	950
Trade and other receivables	3	431	737
Inventories	4	1,370	1,333
Current portion of other assets	6	175	88
		3,894	3,108
Non-current assets			
Cash and cash equivalents - restricted cash		48	40
Non-current VAT receivable	3b	601	349
Property, plant and equipment	5	19,323	19,468
Goodwill		237	237
Investment in joint venture	7	601	544
Deferred income tax assets		170	152
Other assets	6	326	338
Total assets		25,200	24,236
Liabilities			
Current liabilities			
Bank overdrafts		-	36
Trade and other payables		800	762
Current taxes payable		233	164
Current debt	8	746	871
Current portion of provisions and other liabilities	9	280	602
		2,059	2,435
Non-current liabilities			
Debt	8	7,474	7,452
Provisions and other liabilities	9	2,339	2,286
Deferred revenue	10	1,398	1,433
Deferred income tax liabilities		752	595
Total liabilities		14,022	14,201
Equity			
Share capital	11	5,583	5,629
Retained earnings		4,275	3,695
Accumulated other comprehensive income (loss)		(133)	(455)
Total equity attributable to shareholders of the Company		9,725	8,869
Non-controlling interests		1,453	1,166
Total equity		11,178	10,035
Total liabilities and equity		25,200	24,236
Commitments & contingencies	20		

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

Interim Consolidated Statements of Changes in Equity

(unaudited)

(expressed in millions of U.S. dollars)



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	Share capital	Retained earnings	Accumulated other comprehensive income (loss)	Total equity attributable to shareholders of the Company	Non-controlling interests	Total Equity
Balance at January 1, 2021	5,629	3,695	(455)	8,869	1,166	10,035
Net earnings	-	585	-	585	205	790
Other comprehensive income	-	-	322	322	-	322
Total comprehensive income (loss)	-	585	322	907	205	1,112
Transactions with non-controlling interests	-	-	-	-	90	90
Share-based compensation expense	25	-	-	25	-	25
Acquisition of treasury shares	(77)	-	-	(77)	-	(77)
Net cash from share awards	6	-	-	6	-	6
Dividends	-	(5)	-	(5)	(8)	(13)
Balance at September 30, 2021	5,583	4,275	(133)	9,725	1,453	11,178

	Share capital	Retained earnings	Accumulated other comprehensive loss	Total equity attributable to shareholders of the Company	Non-controlling interests	Total Equity
Balance at January 1, 2020	5,615	3,880	(45)	9,450	1,212	10,662
Net earnings (loss)	-	(189)	-	(189)	(58)	(247)
Other comprehensive income (loss)	-	-	(154)	(154)	-	(154)
Total comprehensive income (loss)	-	(189)	(154)	(343)	(58)	(401)
Share-based compensation expense	21	-	-	21	-	21
Dividends	-	(5)	-	(5)	(1)	(6)
Balance at September 30, 2020	5,636	3,686	(199)	9,123	1,153	10,276

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

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

(expressed in millions of U.S. dollars)



1. NATURE OF OPERATIONS

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

The Company's shares are publicly listed for trading on the Toronto Stock Exchange and has Depositary Receipts listed on the Lusaka Stock Exchange.

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

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). Accordingly, certain disclosures included in the annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board have been condensed or omitted. The accounting policies applied in these condensed interim consolidated financial statements are consistent with those applied in the preparation of, and disclosed in, the consolidated annual financial statements for the year ended December 31, 2020.

These consolidated interim financial statements have been prepared on a going concern basis. In making the assessment that the Company is a going concern, management has taken into account all available information about the future, which is at least, but is not limited to, twelve months from September 30, 2021.

Following the declaration on March 11, 2020, of a pandemic by the World Health Organisation, the restrictions imposed by governments around the world has had a significant impact on the global economy, which have impacted the Company. Port congestion and a global shortage of containers in particular has led to delays and disruptions impacting sales shipments in Zambia of anode, but with bulk shipping of concentrates less affected. The Company has also experienced some minor disruptions and additional costs on freight shipments out of Asia. Expected credit losses on financial assets remain immaterial at September 30, 2021. Commodity price risk continues to be managed through the Company's hedging program (see note 19).

At September 30, 2021, the Company had \$365 million committed undrawn senior debt facilities and \$1,918 million of net unrestricted cash (inclusive of overdrafts), as well as future cash flows in order to meet all current obligations as they become due. The Company was in compliance with all existing facility covenants as at September 30, 2021.

3. TRADE RECEIVABLES

a) Trade and Other Receivables

	September 30, 2021	December 31, 2020
Trade receivables	254	583
VAT receivable (current)	15	13
Other receivables	162	141
	431	737

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

(expressed in millions of U.S. dollars)



b) VAT Receivable

	September 30, 2021	December 31, 2020
Kansanshi Mining PLC	276	178
Kalumbila Minerals Limited	294	154
First Quantum Mining and Operations Limited (Zambia)	31	17
VAT receivable from the Company's Zambian operations	601	349
Other	15	13
Total VAT receivable	616	362
Less: current portion, included within trade and other receivables	(15)	(13)
Non-current VAT receivable	601	349

c) VAT Receivable by the Company's Zambian Operations

	September 30, 2021	December 31, 2020
Receivable at date of claim	934	855
Impact of depreciation of Zambian Kwacha against U.S. dollar ¹	(188)	(379)
Receivable at the period end exchange rate	746	476
Adjustment for expected phasing for non-current portion ²	(145)	(127)
Total receivable	601	349
Consisting:		
Current portion, included within trade and other receivables	-	-
Non-current VAT receivable	601	349

¹ The impact of appreciation of the Zambian Kwacha against the U.S. dollar in the nine-months period ended September 30, 2021 on the Company's Zambian operations VAT receivable of \$191 million is equal to the unrealized foreign exchange gain on the total Kwacha receivable and is included within other expense (note 17) in the Statement of Earnings (Loss). It does not include foreign exchange losses realized on receipts.

² The adjustment for expected phasing for non-current portion represents the application of a Zambian risk-free rate to the expected phasing of VAT receipts twelve months or more from the reporting date. In assessing the expected phasing adjustment, management considers publicly available information with respect to the fiscal situation in Zambia as well as the level of refunds and offsets provided historically. This adjustment for expected phasing, an expense of \$18 million, has been recognized in the nine month period ended September 30, 2021, (September 30, 2020: credit of \$75 million). Discussions with the relevant government authorities are ongoing and management continues to consider that the outstanding VAT claims are fully recoverable, however final resolution may vary from the amounts recorded.

d) Aging Analysis of VAT Receivable for the Company's Zambian Operations

	< 1 year	1-3 years	3-5 years	5-8 years	> 8 years	Total
Receivable at date of claim	209	337	189	143	56	934
Impact of appreciation (depreciation) of Zambian Kwacha against U.S. dollar	63	(47)	(81)	(77)	(46)	(188)
Non-current VAT due	272	290	108	66	10	746
Adjustment for expected phasing	(51)	(55)	(23)	(10)	(6)	(145)
Total VAT receivable from Zambian operations	221	235	85	56	4	601

The movement in VAT receivable at date of claim is net of offsets received in the nine months ended September 30, 2021, of \$52 million.

Notes to the Condensed Interim Consolidated Financial Statements

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4. INVENTORIES

	September 30, 2021	December 31, 2020
Ore in stockpiles	185	196
Work-in-progress	39	29
Finished product	306	313
Total product inventory	530	538
Consumable stores	840	795
	1,370	1,333

5. PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment	Capital work- in-progress	Mineral properties and mine development costs		Total
			Operating mines	Development projects	
Net book value, as at January 1, 2021	10,278	804	7,239	1,147	19,468
Additions ¹	-	739	-	-	739
Disposals	(30)	-	-	-	(30)
Transfers between categories	175	(312)	128	9	-
Restoration provision	-	-	(7)	-	(7)
Depreciation charge	(490)	-	(357)	-	(847)
Net book value, as at September 30, 2021	9,933	1,231	7,003	1,156	19,323
Cost	15,716	1,231	9,591	1,156	27,694
Accumulated depreciation	(5,783)	-	(2,588)	-	(8,371)

¹ Includes \$2 million of interest capitalized for the three and nine months ended September 30, 2021.

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

Included within capital work-in-progress and mineral properties – operating mines at September 30, 2021, is an amount of \$811 million related to capitalized deferred stripping costs (December 31, 2020: \$720 million).

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

(expressed in millions of U.S. dollars)



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6. OTHER ASSETS

	September 30, 2021	December 31, 2020
Prepaid expenses	130	110
KPMC shareholder loan	286	292
Other investments	9	16
Derivative instruments (note 19)	76	8
Total other assets	501	426
Less: current portion of other assets	(175)	(88)
	326	338

7. JOINT VENTURE

On November 8, 2017, the Company completed the purchase of a 50% interest in KPMC from LS-Nikko Copper Inc. KPMC is jointly owned and controlled with Korea Mine Rehabilitation and Mineral Resources Corporation ("KOMIR") and holds a 20% interest in Cobre Panama. The purchase consideration of \$664 million comprised the acquisition consideration of \$635 million and the reimbursement of cash advances of \$29 million with \$179 million paid on closing. In the nine months ended September 30, 2021, no consideration was paid (year ended December 31, 2020: \$100 million). The remaining consideration is payable in November 2021.

A \$601 million investment in the joint venture representing the discounted consideration value and the Company's proportionate share of the profit or loss in KPMC to date is recognized. For the nine-month period ended September 30, 2021, the profit attributable to KPMC was \$116 million (September 30, 2020: \$82 million loss). The profit or loss in KPMC relates to the 20% equity accounted share of loss reported by MPSA, a subsidiary of the Company. The material assets and liabilities of KPMC are an investment in MPSA of \$385 million, shareholder loans receivable from the Company (note 9b) and shareholder loans payable of \$1,313 (note 19) million due to the Company and its joint venture partner KOMIR.

8. DEBT

	September 30, 2021	December 31, 2020
Drawn debt		
Senior notes:		
First Quantum Minerals Ltd. 7.25% due April 2023	1,599	1,599
First Quantum Minerals Ltd. 6.50% due March 2024	846	845
First Quantum Minerals Ltd. 7.50% due April 2025	1,347	1,346
First Quantum Minerals Ltd. 6.875% due March 2026	994	993
First Quantum Minerals Ltd. 6.875% due October 2027	1,488	1,487
First Quantum Minerals Ltd. senior debt facility	1,650	1,632
Bilateral borrowing facility ¹	175	-
Kalumbila term loan	83	110
Trading facilities	38	311
Total debt	8,220	8,323
Less: current maturities and short term debt	(746)	(871)
	7,474	7,452
Undrawn debt		
First Quantum Minerals Ltd. senior debt facility	365	600
Trading facilities	427	129

¹ The Company signed a bilateral borrowing facility for \$175 million in April, 2021, available for 12 months from the date of signing.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

(expressed in millions of U.S. dollars)

9. PROVISIONS AND OTHER LIABILITIES

a) Provisions and Other Liabilities

	September 30, 2021	December 31, 2020
Amount owed to joint venture (note 9b) ¹	1,313	1,327
Restoration provisions	758	821
Derivative instruments (note 19)	84	452
Other loans from non-controlling interests (note 9c)	150	-
Liabilities directly associated with assets held for sale	32	-
Leases	25	30
Retirement provisions	50	50
Deferred revenue (note 10)	100	91
Other deferred revenue	25	22
Other	82	95
Total other liabilities	2,619	2,888
Less: current portion	(280)	(602)
	2,339	2,286

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

b) Amount Owed to Joint Venture

	September 30, 2021	December 31, 2020
Balance at the beginning of the year	1,327	1,238
Funding provided to MPSA for the development of Cobre Panama	-	28
Interest accrued	88	115
Repayment	(102)	(54)
Balance at end of period due to KPMC	1,313	1,327

As at September 30, 2021, the accrual for interest payable is \$373 million (December 31, 2020: \$387 million) and is included in the carrying value of the amount owed to the joint venture, as this has been deferred under the loan agreement. Amounts due to KPMC are specifically excluded from the calculation of net debt as defined under the Company's banking covenant ratios.

c) Other Loans from Non-Controlling Interests

On September 30, 2021, the Company completed the sale of a 30% equity interest in Ravensthorpe. Consideration paid of \$240 million comprised cash for equity of \$90 million and loans acquired of \$150 million.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

(expressed in millions of U.S. dollars)



10. DEFERRED REVENUE

	September 30, 2021	December 31, 2020
Balance at the beginning of the year	1,524	1,516
Accretion of finance costs	48	64
Amortization of gold and silver revenue	(74)	(56)
Balance at the end of the year	1,498	1,524
Less: current portion (included within provisions and other liabilities)	(100)	(91)
Non-current deferred revenue	1,398	1,433

Franco-Nevada Precious Metal Stream Arrangement

The Company commenced the recognition of delivery obligations under the terms of the Franco Nevada precious metal stream arrangement in June 2019 following the first sale of copper concentrate. The Company uses refinery-backed credits as the mechanism for satisfying its delivery obligations under the arrangement. In the nine-month period ended September 30, 2021, \$176 million was recognized in cost of sales (nine-months ended September 30, 2020: \$90 million).

11. SHARE CAPITAL

a) Common Shares

Authorized

Unlimited common shares without par value

Issued

	Number of shares (000's)
Balance as at December 31, 2020	690,317
Shares issued through Dividend Reinvestment Plan	4
Shares issued through Share Option Plan	718
Balance as at September 30, 2021	691,039

b) Dividends

On February 16, 2021, the Company declared a final dividend of CDN\$0.005 per share, or \$3 million, in respect of the financial year ended December 31, 2020 (February 13, 2020: CDN\$0.005 per share or \$3 million) paid on May 6, 2021 to shareholders of record on April 15, 2021.

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

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

(expressed in millions of U.S. dollars)

12. EARNINGS (LOSS) PER SHARE

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Basic and diluted earnings (loss) attributable to shareholders of the Company	303	29	585	(189)
Basic weighted average number of shares outstanding (000's of shares)	688,852	688,806	688,700	688,342
Potential dilutive securities:	3,217	601	3,225	-
Diluted weighted average number of shares outstanding (000's of shares)	692,069	689,407	691,925	688,342
Earnings (loss) per common share – basic (expressed in \$ per share)	0.44	0.04	0.85	(0.27)
Earnings (loss) per common share – diluted (expressed in \$ per share)	0.44	0.04	0.85	(0.27)

13. SALES REVENUES

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Copper	1,513	1,150	4,483	3,029
Gold	167	158	507	390
Nickel	64	61	192	91
Silver	19	14	61	29
Other	39	19	84	59
	1,802	1,402	5,327	3,598

14. COST OF SALES

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Costs of production	(947)	(740)	(2,695)	(2,083)
Depreciation	(302)	(312)	(847)	(899)
Movement in inventory	46	7	6	10
Movement in depreciation in inventory	14	(11)	(13)	8
	(1,189)	(1,056)	(3,549)	(2,964)

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

(expressed in millions of U.S. dollars)



15. FINANCE COSTS

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Interest expense on financial liabilities measured at amortized cost	(152)	(178)	(488)	(543)
Finance cost accretion on deferred revenue	(16)	(16)	(48)	(49)
Accretion on restoration provision	(3)	(4)	(8)	(9)
Total finance costs	(171)	(198)	(544)	(601)

16. INCOME TAX

A tax expense of \$573 million was recorded for the nine months ended September 30, 2021, (nine months ended September 30, 2020: \$109 million tax expense) reflecting statutory tax rates. The statutory tax rates for the Company's operations range from 20% to 35%. No tax expenses or credits have been recognized with respect to losses incurred for the early repayment of borrowings or corporate sales hedge program.

17. OTHER INCOME (EXPENSE)

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Foreign exchange gains (losses) ¹	180	(60)	146	(193)
Change in restoration provision for closed properties	1	-	(1)	2
Share of profit (loss) in joint venture (note 7)	19	(5)	58	(41)
Other income (expenses)	(1)	3	(3)	15
	199	(62)	200	(217)

¹ The majority of foreign exchange gains are unrealized gains and include \$191 million for the nine-months ended September 30, 2021, arising on translating the Zambian VAT receivable (see note 3c) at the period end exchange rate. Realized losses include \$38 million arising on Zambian VAT offsets received in the nine-months ended September 30, 2021.

18. SEGMENTED INFORMATION

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

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

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

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(expressed in millions of U.S. dollars)

Earnings by Segment

For the three-month period ended September 30, 2021, segmented information for the statement of earnings (loss) is presented as follows:

	Revenue	Cost of sales (excluding depreciation)	Depreciation	Other	Operating profit (loss) ¹	Income tax (expense) credit
Cobre Panama ²	832	(322)	(151)	(3)	356	-
Kansanshi ³	505	(212)	(54)	80	319	(109)
Sentinel	449	(186)	(63)	86	286	(97)
Las Cruces	30	(18)	-	3	15	(4)
Guelb Moghrein	69	(43)	(6)	(1)	19	(4)
Çayeli	24	(10)	(5)	-	9	(4)
Pyhäsalmi	13	(8)	-	(1)	4	(1)
Ravensthorpe ⁴	71	(86)	(9)	1	(23)	15
Corporate & other ⁵	(191)	(16)	-	(3)	(210)	(31)
Total	1,802	(901)	(288)	162	775	(235)

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

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

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

⁴ Ravensthorpe is 30% owned by POSCO.

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

For the three-month period ended September 30, 2020, segmented information for the statement of earnings is presented as follows:

	Revenue	Cost of sales (excluding depreciation)	Depreciation	Other	Operating profit (loss) ¹	Income tax (expense) credit
Cobre Panama ²	440	(208)	(117)	(2)	113	-
Kansanshi ³	423	(208)	(64)	(31)	120	(45)
Sentinel	340	(172)	(58)	(25)	85	(31)
Las Cruces	82	(32)	(56)	(5)	(11)	3
Guelb Moghrein	71	(32)	(9)	(3)	27	(7)
Çayeli	25	(12)	(8)	1	6	(3)
Pyhäsalmi	10	(8)	(1)	(1)	-	1
Ravensthorpe	62	(60)	(10)	(3)	(11)	11
Corporate & other ⁴	(51)	(1)	-	(20)	(72)	9
Total	1,402	(733)	(323)	(89)	257	(62)

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

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

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

⁴ Revenue includes hedge gains and losses recognized on forward sales and zero cost collar options.

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(expressed in millions of U.S. dollars)



For the nine-month period ended September 30, 2021, segmented information for the statement of earnings (loss) is presented as follows:

	Revenue	Cost of sales (excluding depreciation)	Depreciation	Other	Operating profit (loss) ¹	Income tax (expense) credit
Cobre Panama ²	2,515	(977)	(425)	(8)	1,105	-
Kansanshi ³	1,381	(600)	(149)	57	689	(239)
Sentinel	1,505	(622)	(200)	65	748	(259)
Las Cruces	102	(59)	(13)	7	37	(9)
Guelb Moghrein	258	(128)	(30)	(2)	98	(24)
Çayeli	87	(32)	(15)	(1)	39	(21)
Pyhäsalmi	40	(22)	(1)	-	17	(5)
Ravensthorpe ⁴	217	(229)	(26)	2	(36)	26
Corporate & other ⁵	(778)	(20)	(1)	(22)	(821)	(42)
Total	5,327	(2,689)	(860)	98	1,876	(573)

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

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

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

⁴ Ravensthorpe is 30% owned by POSCO.

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

For the nine-month period ended September 30, 2020, segmented information for the statement of earnings is presented as follows:

	Revenue	Cost of sales (excluding depreciation)	Depreciation	Other	Operating profit (loss) ¹	Income tax (expense) credit
Cobre Panama ²	945	(541)	(293)	(7)	104	-
Kansanshi ³	1,123	(633)	(187)	(105)	198	(93)
Sentinel	827	(487)	(171)	(80)	89	(33)
Las Cruces	262	(97)	(167)	(1)	(3)	7
Guelb Moghrein	216	(120)	(31)	(5)	60	(15)
Çayeli	46	(27)	(19)	-	-	(13)
Pyhäsalmi	34	(25)	(4)	2	7	(3)
Ravensthorpe	81	(140)	(16)	(4)	(79)	31
Corporate & other ⁴	64	(3)	(3)	(96)	(38)	10
Total	3,598	(2,073)	(891)	(296)	338	(109)

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

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

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

⁴ Revenue includes hedge gains and losses recognized on forward sales and zero cost collar options.

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Balance Sheet by Segment

Segmented information on balance sheet items is presented as follows:

	September 30, 2021			December 31, 2020		
	Non-current assets ¹	Total assets	Total liabilities	Non-current assets ¹	Total assets	Total liabilities
Cobre Panama ²	11,742	12,367	3,200	11,919	12,505	3,201
Kansanshi ³	2,494	5,074	938	2,488	4,052	840
Sentinel	2,917	3,645	612	2,945	3,485	488
Las Cruces	31	65	117	32	102	153
Guelb Moghrein	30	114	34	48	154	48
Çayeli	53	80	51	64	105	37
Pyhäsalmi	9	34	46	10	34	46
Ravensthorpe ⁴	869	1,071	396	802	963	255
Corporate & other ⁵	1,494	2,750	8,628	1,483	2,836	9,133
Total	19,639	25,200	14,022	19,791	24,236	14,201

¹ Non-current assets include \$19,323 million of property plant and equipment (December 31, 2020: \$19,468 million) and exclude financial instruments, deferred tax assets, VAT receivable and goodwill.

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

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

⁴ Ravensthorpe is 30% owned by POSCO.

⁵ Included within the corporate segment are assets relating to the Haquira project, \$693 million (December 31, 2020: \$692 million), and to the Taca Taca project, \$450 million (December 31, 2020: \$445 million).

Capital Expenditure by Segment

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

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Cobre Panama	104	53	240	210
Kansanshi	71	33	185	82
Sentinel	59	35	165	105
Las Cruces	-	-	2	1
Guelb Moghrein	2	2	3	9
Çayeli	2	1	4	3
Ravensthorpe	31	12	106	19
Corporate & other	5	2	13	9
Total	274	138	718	438

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19. FINANCIAL INSTRUMENTS

The following provides the classification of financial instruments by category at September 30, 2021:

	Amortized cost	Fair value through profit or loss	Fair value through OCI	Total
Financial assets				
Trade and other receivables ¹	162	254	-	416
Due from KPMC (note 6)	286	-	-	286
Other derivative instruments ²	-	76	-	76
Investments ³	-	-	9	9
Financial liabilities				
Trade and other payables	800	-	-	800
Derivative instruments in designated hedge relationships	-	-	70	70
Other derivative instruments ²	-	14	-	14
Leases	25	-	-	25
Liability to joint venture	1,313	-	-	1,313
Other loans from non-controlling interest	150	-	-	150
Debt	8,220	-	-	8,220

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

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

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

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

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

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

(expressed in millions of U.S. dollars)

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

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

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

Fair Values

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

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

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

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

The following table sets forth the Company's assets and liabilities measured at fair value on the balance sheet at September 30, 2021:

	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Derivative instruments – LME contracts ¹	60	-	-	60
Derivative instruments – OTC contracts ²	-	16	-	16
Investments ³	9	-	-	9
Financial liabilities				
Derivative instruments – LME contracts ¹	14	-	-	14
Derivative instruments – OTC contracts ²	-	70	-	70

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

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

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

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

	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Derivative instruments – LME contracts ¹	4	-	-	4
Derivative instruments – OTC contracts ²	-	4	-	4
Investments ³	16	-	-	16
Financial liabilities				
Derivative instruments – LME contracts ¹	24	-	-	24
Derivative instruments – OTC contracts ²	-	428	-	428

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

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

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

Derivatives Designated as Hedged Instruments

The Company has elected to apply hedge accounting with the following contracts expected to be highly effective in offsetting changes in the cash flows of designated future sales. Commodity contracts outstanding as at September 30, 2021, were as follows:

	Open Positions (tonnes)	Average Contract price	Closing Market price	Maturities Through
Commodity contracts:				
Copper forward	12,500	\$3.01/lb	\$4.10/lb	December 2021
Copper zero cost collar	125,750	\$3.45-\$4.35/lb	\$4.10/lb	June 2022
Nickel forward	406	\$7.96/lb	\$8.25/lb	December 2021
Nickel zero cost collar	800	\$7.71-\$8.58/lb	\$8.25/lb	May 2022

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

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

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Other Derivatives

As at September 30, 2021, the Company had entered into the following derivative contracts for copper, gold and nickel in order to reduce the effects of fluctuations in metal prices between the time of the shipment of metal from the mine site when the sale is provisionally priced and the date agreed for pricing the final settlement.

Excluding the contracts noted above, as at September 30, 2021, the following derivative positions were outstanding:

	Open Positions (tonnes/oz)	Average Contract price	Closing Market price	Maturities Through
Embedded derivatives in provisionally priced sales contracts:				
Copper	123,452	\$4.24/lb	\$4.10/lb	January 2022
Gold	41,052	\$1,806/oz	\$1,743/oz	January 2022
Nickel	1,210	\$8.99/lb	\$8.25/lb	October 2021
Commodity contracts:				
Copper	123,450	\$4.24/lb	\$4.10/lb	January 2022
Gold	41,063	\$1,806/oz	\$1,743/oz	January 2022
Nickel	1,212	\$8.99/lb	\$8.25/lb	October 2021

As at December 31, 2020, the following derivative positions were outstanding:

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

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

	September 30, 2021	December 31, 2020
Commodity contracts:		
Asset position	76	8
Liability position	(84)	(452)

20. COMMITMENTS & CONTINGENCIES

Capital Commitments

The Company has committed to \$115 million (December 31, 2020: \$50 million) in capital expenditures.

Other Commitments & Contingencies

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

Panama Constitutional Proceedings

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

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

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

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

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

In 2018, MPSA submitted filings to the Supreme Court for ruling, prior to the ruling in relation to the constitutionality of Law 9 taking effect. On September 26, 2018, the Government of Panama issued a news release affirming support for Cobre Panama. The release confirmed that MICI considers that the MPSA Mining Concession contract, and its extension, remains in effect in all its parts. In July 2021, the Supreme Court responded to the requests for clarifications submitted by MPSA, ruling them inadmissible. This means that the original ruling that Law 9 is unconstitutional has been upheld, and the ruling will come into effect after it has been published in the Official Gazette in Panama. No reference is made in the Supreme Court ruling to the Concession Contract. The effect of the ruling is that Law 9 is no longer valid. The Company is advised that the Concession Contract remains valid and is not affected by the ruling.

The current Government of Panama, inaugurated on July 1, 2019, established a multidisciplinary commission including the Minister of Commerce and Industries (mining regulator), Minister of Environment, and Minister of Employment to discuss the Law 9 matter and seek resolution. In July 2021, the Government of Panama announced the appointment of a high-level commission of senior government ministers and officials, chaired by the Minister of Commerce, to discuss the Company's concession contract. During September 2021 the Company and the high-level commission were engaged in formal discussions in Panama. Over the course of the month the Ministry of Commerce publicly announced the culmination of the high level formal discussions on two topics being environmental and labour matters. Discussions primarily on financial matters were continuing

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as at the end of the quarter. The Company welcomes the transparency of the high-level commission process and the opportunity to resolve this matter in the medium term.

Kansanshi Minority Partner

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

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

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

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

However, after the October 2019 hearing, ZCCM pursued a challenge to the registration of the Arbitral Award on grounds that it was not enforceable because it had complied with the costs payment order of the Arbitral Award. KMP opposed ZCCM's challenge and made submissions to the Registrar that an Arbitration Award is eligible for registration despite compliance with costs orders. On February 13, 2020, the Registrar accepted KMP's position and dismissed ZCCM's challenge to the registration of the Arbitration Award. Accordingly, the Lusaka High Court proceeded to rule on the abuse of process application. By way of a ruling dated March 23, 2020, the Lusaka High Court agreed with KMP's application that the process, if it were to be allowed to continue before it, would risk conflicting judgements and would be res judicata. Accordingly, ZCCM's derivative action case was dismissed, with costs awarded to KMP against ZCCM. On April 6, 2020, ZCCM sought permission to appeal to the Court of Appeal on grounds that the High Court judge erred in fact and in law. KMP objects to the appeal. The Court of Appeal has delivered its judgment on January 13, 2021, dismissing all grounds of appeal with the exception of one ground raised by the ZCCM and awarded costs to the Defendants. With regards to the remaining ground, the Court of Appeal held that the determination of this ground of appeal would be inconsequential as the matter should have been determined earlier than now and is therefore now moot. On January 27, 2021, ZCCM filed a notice of motion for leave to appeal to the Supreme Court. ZCCM filed skeleton arguments in respect of the motion for leave to appeal to Supreme Court in reply to those of KMP on April 23, 2021, and the remaining defendants on April 26, 2021. A hearing on the matter was held on April 29, 2021, and judgement was reserved. On August 11, 2021, ZCCM submitted a new summons for leave to appeal to the Supreme Court. KMP submitted its response on August 27, 2021 opposing leave to appeal. On October 4, 2021, the Supreme Court dismissed ZCCM's application in its entirety with costs awarded to KMP.

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. The parties are now awaiting the Final Award in the arbitration. The Partial Final Award was issued in the first quarter of 2021. The arbitral panel held a Case Management Conference on June 25, 2021, with a focus on the legal issues expressly identified in the Partial Final Award for resolution and relief in a Final Award. The parties have conferred on the table of matters which remain to be determined, which are scheduled to be heard by the Tribunal on 9 November 2021.

21. POST BALANCE SHEET EVENTS

Refinancing

On October 14, 2021, the Company signed a new \$2.925 billion Term Loan and Revolving Credit Facility (the "Facility"). This new Facility replaces the existing \$2.7 billion Term Loan and Revolving Credit Facility due to mature December 2022. The new \$2.925 billion Facility comprises a \$1.625 billion Term Loan Facility and a \$1.3 billion Revolving Credit Facility, maturing in 2025. The Facility is syndicated to a group of long-standing relationship banks of the Company.

The refinancing extends the debt maturity profile of the business and removes all material debt maturities through to April 2023. The refinancing includes improved financial terms and reduced financial covenants, an extended amortization schedule for the Term Loan Facility beginning in December 2022 and improves the financial flexibility of the Company through the added liquidity.

The Facility will be used to fully prepay and cancel amounts outstanding on the existing facility (\$1.66 billion as at September 30, 2021), to fully prepay and cancel a bilateral bank facility for \$175 million and for general corporate purposes.