FIRST QUANTUM
MINERALS

CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS

THIRD QUARTER SEPTEMBER 30, 2023

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

Interim Consolidated Statements of Earnings

(unaudited)

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

	Note	Three months ended September 30 2023	Three months ended September 30 2022	Nine months ended September 30 2023	Nine months ended September 30 2022
Sales revenues	13	**2,029**	1,727	**5,238**	5,794
Cost of sales	14	**(1,369)**	(1,425)	**(4,033)**	(3,955)
Gross profit		**660**	302	**1,205**	1,839
Exploration		**(6)**	(9)	**(17)**	(17)
General and administrative		**(39)**	(35)	**(105)**	(96)
Other income (expense)	17	**(30)**	31	**(21)**	201
Operating profit		**585**	289	**1,062**	1,927
Finance income		**22**	23	**78**	55
Finance costs	15	**(180)**	(160)	**(545)**	(490)
Adjustment for expected phasing of Zambian VAT	3c	**15**	(6)	**69**	(134)
Earnings before income taxes		**442**	146	**664**	1,358
Income tax expense	16	**(67)**	(34)	**(115)**	(326)
Net earnings		**375**	112	**549**	1,032
Net earnings (loss) attributable to:					
Non-controlling interests		**50**	(1)	**56**	115
Shareholders of the Company	12	**325**	113	**493**	917
Earnings per share attributable to the shareholders of the Company					
Net earnings ($ per share)					
Basic	12	**0.47**	0.16	**0.71**	1.33
Diluted	12	**0.47**	0.16	**0.71**	1.32
Weighted average shares outstanding (000's)					
Basic	12	**691,137**	690,726	**690,607**	690,335
Diluted	12	**693,916**	692,582	**693,516**	692,667
Total shares issued and outstanding (000's)	11a	**693,599**	692,440	**693,599**	692,440

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

Interim Consolidated Statements of Comprehensive Income

(unaudited)

(expressed in millions of U.S. dollars)

	Note	Three months ended September 30		Nine months ended September 30	
		2023	2022	**2023**	2022
Net earnings		**375**	112	**549**	1,032
Other comprehensive income (loss)					
Items that have been/may subsequently be reclassified to net earnings:					
Cash flow hedges reclassified to net earnings	19	**–**	(2)	**–**	9
Fair value gain on investments	6	**–**	–	**–**	5
Total comprehensive income for the period		**375**	110	**549**	1,046
Total comprehensive income (loss) for the period attributable to:					
Non-controlling interests		**50**	(1)	**56**	115
Shareholders of the Company		**325**	111	**493**	931
Total comprehensive income for the period		**375**	110	**549**	1,046

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

Interim Consolidated Statements of Cash Flows

(unaudited)

(expressed in millions of U.S. dollars)

FIRST QUANTUM MINERALS

	Note	Three months ended September 30		Nine months ended September 30	
		2023	2022	**2023**	2022
Cash flows from operating activities					
Net earnings		**375**	112	**549**	1,032
Adjustments for					
Depreciation	14	**323**	320	**895**	903
Income tax expense	16	**67**	34	**115**	326
Share-based compensation expense		**14**	13	**37**	34
Net finance expense		**158**	137	**467**	435
Adjustment for expected phasing of Zambian VAT	3c	**(15)**	6	**(69)**	134
Foreign exchange		**31**	(10)	**22**	(189)
Deferred revenue amortization	10	**(27)**	(23)	**(76)**	(72)
Share of profit in joint venture	7,17	**(29)**	(6)	**(40)**	(40)
Other		**(10)**	(6)	**6**	43
Taxes paid		**(24)**	(74)	**(124)**	(506)
Movements in operating working capital					
Movements in trade and other receivables		**(144)**	225	**68**	185
Movements in inventories		**(17)**	(8)	**(35)**	(136)
Movements in trade and other payables		**(56)**	(161)	**(72)**	36
Long-term incentive plans		**(52)**	(34)	**(131)**	(90)
Net cash from operating activities		**594**	525	**1,612**	2,095
Cash flows used by investing activities					
Purchase and deposits on property, plant and equipment	5,18	**(370)**	(296)	**(956)**	(850)
Acquisition of La Granja	5	**(105)**	–	**(105)**	–
Interest paid and capitalized to property, plant and equipment	5	**(7)**	(7)	**(20)**	(16)
Interest received		**8**	10	**36**	8
Net cash used by investing activities		**(474)**	(293)	**(1,045)**	(858)
Cash flows from (used by) financing activities					
Net movement in trading facility	8	**60**	(58)	**63**	58
Movement in restricted cash		**–**	–	**(24)**	41
Proceeds from debt	8	**300**	309	**2,009**	959
Repayments of debt	8	**–**	(300)	**(2,573)**	(1,823)
Net payments to joint venture (KPMC)	7,9b	**(36)**	(9)	**(79)**	(36)
Transactions with non-controlling interests	9c	**–**	–	**–**	4
Dividends paid to shareholders of the Company		**(36)**	(72)	**(93)**	(75)
Dividends paid to non-controlling interests		**–**	–	**–**	(60)
Interest paid		**(28)**	(134)	**(297)**	(366)
Other		**(1)**	(4)	**(6)**	(7)
Net cash from (used by) financing activities		**259**	(268)	**(1,000)**	(1,305)
Increase (decrease) in cash and cash equivalents and bank overdrafts		**379**	(36)	**(433)**	(68)
Cash and cash equivalents and bank overdrafts – beginning of period		**878**	1,825	**1,688**	1,859
Exchange losses on cash and cash equivalents		**(2)**	–	**–**	(2)
Cash and cash equivalents and bank overdrafts – end of period		**1,255**	1,789	**1,255**	1,789
Cash and cash equivalents and bank overdrafts comprising:					
Cash and cash equivalents		**1,265**	1,789	**1,265**	1,789
Bank overdrafts		**(10)**	–	**(10)**	–

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

Interim Consolidated Statements of Financial Position

(unaudited)

(expressed in millions of U.S. dollars)

		September 30, 2023	December 31, 2022
Assets			
Current assets			
Cash and cash equivalents		**1,265**	1,688
Trade and other receivables	3	**683**	890
Inventories	4	**1,463**	1,458
Current portion of other assets	6	**197**	133
		3,608	4,169
Non-current assets			
Cash and cash equivalents - restricted cash		**33**	9
Non-current VAT receivable	3b	**546**	519
Property, plant and equipment	5	**19,279**	19,053
Goodwill		**237**	237
Investment in joint venture	7	**703**	663
Deferred income tax assets		**205**	163
Other assets	6	**230**	267
Total assets		**24,841**	25,080
Liabilities			
Current liabilities			
Bank overdrafts		**10**	–
Trade and other payables		**838**	771
Current taxes payable		**28**	53
Current debt	8	**808**	575
Current portion of provisions and other liabilities	9	**267**	339
		1,951	1,738
Non-current liabilities			
Debt	8	**6,084**	6,805
Provisions and other liabilities	9	**2,033**	2,106
Deferred revenue	10	**1,309**	1,337
Deferred income tax liabilities		**893**	857
Total liabilities		**12,270**	12,843
Equity			
Share capital		**5,412**	5,492
Retained earnings		**6,342**	5,468
Accumulated other comprehensive loss		**(59)**	(59)
Total equity attributable to shareholders of the Company		**11,695**	10,901
Non-controlling interests		**876**	1,336
Total equity		**12,571**	12,237
Total liabilities and equity		**24,841**	25,080

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

Interim Consolidated Statements of Changes in Equity

(unaudited)

(expressed in millions of U.S. dollars)

	Share capital	**Retained earnings**	**Accumulated other comprehensive loss**	**Total equity attributable to shareholders of the Company**	**Non-controlling interests**	**Total**
Balance at December 31, 2022	**5,492**	**5,468**	**(59)**	**10,901**	**1,336**	**12,237**
Net earnings	**–**	**493**	**–**	**493**	**56**	**549**
Other comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income	**–**	**493**	**–**	**493**	**56**	**549**
Share-based compensation expense	**37**	**–**	**–**	**37**	**–**	**37**
Acquisition of treasury shares and cash from share awards	**(131)**	**–**	**–**	**(131)**	**–**	**(131)**
Dividends	**14**	**(109)**	**–**	**(95)**	**–**	**(95)**
Transactions with non-controlling interests (Note: 5, 20)	**–**	**490**	**–**	**490**	**(516)**	**(26)**
Balance at September 30, 2023	**5,412**	**6,342**	**(59)**	**11,695**	**876**	**12,571**

	Share capital	Retained earnings	Accumulated other comprehensive loss	Total equity attributable to shareholders of the Company	Non-controlling interests	Total
Balance at December 31, 2021	5,568	4,522	(72)	10,018	1,476	11,494
Net earnings	–	917	–	917	115	1,032
Other comprehensive income	–	–	14	14	–	14
Total comprehensive income	–	917	14	931	115	1,046
Share-based compensation expense	34	–	–	34	–	34
Acquisition of treasury shares and cash from share awards	(85)	–	–	(85)	–	(85)
Dividends	–	(88)	–	(88)	(60)	(148)
Balance at September 30, 2022	5,517	5,351	(58)	10,810	1,531	12,341

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

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

1. NATURE OF OPERATIONS

First Quantum Minerals Ltd. (“First Quantum” or “the Company”) is engaged in the production of copper, nickel, gold and silver, and related activities including exploration and development. The Company has operating mines located in Zambia, Panamá, Turkey, 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 La Granja and the Haquira copper deposits in Peru.

The Company’s shares are publicly listed for trading on the Toronto Stock Exchange.

The Company is registered and domiciled in Canada, and its registered office is 1133 Melville Street, Suite 3500, The Stack, Vancouver, BC, Canada, V6E 4E5.

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, 2022. Amendments to IAS 12, effective January 1, 2023, have had no material impact on the financial statements.

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, 2023. Expected credit losses on financial assets remain immaterial at September 30, 2023.

At September 30, 2023, the Company had $1,000 million committed undrawn senior debt facilities and $1,255 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 financial covenants as at September 30, 2023.

3. TRADE RECEIVABLES

a) Trade and other receivables

	September 30, 2023	December 31, 2022
Trade receivables	**357**	491
VAT receivable (current)	**186**	135
Other receivables	**140**	264
	683	890

b) VAT receivable

	September 30, 2023	December 31, 2022
Kansanshi Mining Plc ("KMP")	**334**	287
FQM Trident Limited	**318**	297
First Quantum Mining and Operations Limited (Zambia)	**45**	55
VAT receivable from the Company’s Zambian operations	**697**	639
Other	**35**	15
Total VAT receivable	**732**	654
Less: current portion, included within trade and other receivables	**(186)**	(135)
Non-current VAT receivable	**546**	519

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

c) VAT receivable by the Company's Zambian operation

	September 30, 2023
Balance at beginning of the year	**639**
Movement in claims, net of foreign exchange movements	**(11)**
Adjustment for expected phasing for non-current portion	**69**
At September 30, 2023	**697**

During the nine months ended September 30, 2023, the Company was granted offsets of $136 million and cash refunds of $69 million with respect to VAT receivable balances. During the nine months ended September 30, 2022, offsets of $96 million were granted and cash refunds of $46 million were received.

In 2022, the Company reached agreement in respect of the outstanding Zambian value-added tax receivable sum including an approach for repayment based on offsets against future corporate income taxes and mineral royalties. The adjustment for expected phasing for the non-current portion represents the application of an appropriate discount rate to the expected recovery of VAT. This adjustment for expected phasing, a credit of $69 million, has been recognized in net earnings in the nine months ended September 30, 2023 (nine months ended September 30, 2022: expense of $134 million). As at September 30, 2023, amounts totalling $151 million are presented as current.

On April 4, 2023 the Company's subsidiary, KMP and ZCCM Investments Holdings Plc "ZCCM-IH" completed the agreement to convert ZCCM-IH's dividend rights to a 3.1% royalty interest in KMP. The transaction also provides for 20% of the KMP VAT refunds as at June 30, 2022 to be paid to ZCCM-IH, as and when these are received by KMP from the Zambia Revenue Authority ("ZRA)". As at September 30, 2023, a VAT payable to ZCCM-IH of $52 million, net of adjustment for expected phasing of payments, has been recognized. See note 20.

d) Aging analysis of VAT receivable for the Company's Zambian operations

	< 1 year	1-3 years	3-5 years	5-8 years	> 8 years	Total
Receivable at the period end	97	299	299	89	177	961
Adjustment for expected phasing	–	(117)	(85)	(21)	(41)	(264)
Total VAT receivable from Zambian operations	97	182	214	68	136	697

4. INVENTORIES

	September 30, 2023	December 31, 2022
Ore in stockpiles	**164**	177
Work-in-progress	**47**	48
Finished product	**282**	289
Total product inventory	**493**	514
Consumable stores	**970**	944
	1,463	1,458

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

5. PROPERTY, PLANT AND EQUIPMENT

			Mineral properties and mine development costs		
	Plant and equipment	Capital work-in-progress	Operating mines	Exploration and development projects	Total
Net book value, as at December 31, 2022	9,892	1,356	6,631	1,174	19,053
Additions	–	1,004	–	–	1,004
Acquisitions	–	–	–	201	201
Disposals	(33)	–	–	–	(33)
Transfers between categories	602	(835)	218	15	–
Conversion of non-controlling interest rights (note 20)	–	–	(75)	–	(75)
Restoration provision	–	–	(6)	–	(6)
Capitalized interest (note 15)	–	20	–	–	20
Depreciation charge (note 14)	(535)	–	(350)	–	(885)
Net book value, as at September 30, 2023	9,926	1,545	6,418	1,390	19,279
Cost	16,767	1,545	10,156	1,186	29,654
Accumulated depreciation	(6,841)	–	(3,738)	204	(10,375)

			Mineral properties and mine development costs		
	Plant and equipment	Capital work-in-progress	Operating mines	Exploration and development projects	Total
Net book value, as at December 31, 2021	10,032	1,181	6,920	1,150	19,283
Additions	–	1,157	–	–	1,157
Disposals	(17)	–	–	–	(17)
Transfers between categories	615	(1,006)	369	22	–
Restoration provision	–	–	(167)	2	(165)
Capitalized interest (note 15)	–	24	–	–	24
Depreciation charge (note 14)	(738)	–	(491)	–	(1,229)
Net book value, as at December 31, 2022	9,892	1,356	6,631	1,174	19,053
Cost	16,463	1,356	9,826	1,174	28,819
Accumulated depreciation	(6,571)	–	(3,195)	–	(9,766)

Included within capital work-in-progress and mineral properties – operating mines at September 30, 2023, is an amount of $948 related to capitalized deferred stripping costs (December 31, 2022: $913 million). For the nine months September 30, 2023, $20 million of interest was capitalized (nine months ended September 30, 2022: $16 million). The amount of capitalized interest was determined by applying the weighted average cost of borrowings of 7.5% (December 31, 2022: 9%) to the accumulated qualifying expenditures.

On August 27, 2023 the Company announced that it had acquired a 55% stake in the La Granja project in Peru from Rio Tinto for $105 million, becoming the operator. The transaction has been accounted for as asset acquisition with the principal asset acquired, the La Granja project, recorded as an addition to mineral properties in the period. Accordingly, an $86 million non-controlling interest has been recognized in the consolidated financial statements. The Company is responsible for $546 million of initial funding, part of which will be used to complete a feasibility study, following which the remaining majority of the initial funding is expected to be spent on construction of the project following a positive investment decision. Upon satisfaction of the initial funding amount, all subsequent expenditures will be applied on a pro-rata basis according to equity ownership of the project.

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

6. OTHER ASSETS

	September 30, 2023	December 31, 2022
Prepaid expenses	**172**	152
KPMC shareholder loan	**179**	216
Other investments	**17**	17
Derivative instruments (note 19)	**59**	15
Total other assets	**427**	400
Less: current portion of other assets	**(197)**	(133)
	230	267

7. JOINT VENTURE

A $703 million investment in the joint venture representing the discounted consideration value and the Company's proportionate share of the profit or loss in Korea Panamá Mining Corporation ("KPMC") to date is recognized. For the nine months ended September 30, 2023, the profit attributable to KPMC was $79 million (September 30, 2022: $81 million). The profit in KPMC relates to the 20% equity accounted share of profit reported by Minera Panamá S.A. ("MPSA"), a subsidiary of the Company. The material assets and liabilities of KPMC are an investment in MPSA of $587 million, shareholder loans receivable of $1,182 million from the Company (note 9b) and shareholder loans payable of $1,182 million due to the Company and its joint venture partner KOMIR.

8. DEBT

	September 30, 2023	December 31, 2022
Drawn debt Senior Notes:		
First Quantum Minerals Ltd. 6.50% due March 2024	**–**	848
First Quantum Minerals Ltd. 7.50% due April 2025	**1,049**	1,348
First Quantum Minerals Ltd. 6.875% due March 2026	**996**	996
First Quantum Minerals Ltd. 6.875% due October 2027	**1,492**	1,490
First Quantum Minerals Ltd. 8.625% due June 2031	**1,285**	–
First Quantum Minerals Ltd. senior debt facility	**1,463**	2,155
FQM Trident term loan	**424**	423
Trading facilities	**183**	120
Total debt	**6,892**	7,380
Less: current maturities and short term debt	**(808)**	(575)
	6,084	6,805
Undrawn debt		
First Quantum Minerals Ltd. senior debt facility	**1,000**	530
Trading facilities	**597**	610

In the current year, the Company redeemed at par an aggregate of $850 million principal amount of the Senior Notes due in 2024. $450 million was redeemed on February 25, 2023, and $400 million on March 28, 2023. No Senior Notes due in 2024 remain outstanding post the redemptions.

On May 17, 2023 the Company announced the offering and pricing of $1,300 million of 8.625% Senior Notes due 2031 at an issue price of 100.00%. Settlement took place on May 30, 2023. The notes are part of the senior obligations of the Company and are guaranteed by certain subsidiaries of the Company. Interest is payable semi-annually. The Company and its subsidiaries are subject to certain restrictions on asset sales, payments, incurrence of indebtedness and issuance of preferred stock.

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

The Company may redeem some or all of the notes at any time on or after June 1, 2026, at redemption prices ranging from 104.313% in the first year to 100.000% from June 1 2028, plus accrued interest. In addition, until June 1, 2026, the Company may redeem up to 35% of the principal amount of notes, in an amount not greater than the net proceeds of certain equity offerings, at a redemption price of 108.625% plus accrued interest.

On May 18, 2023 the Company issued a notice of partial redemption of $300 million of Senior Notes due 2025. The 2025 notes were redeemed at 100% of the principal amount, plus accrued and unpaid interest to the redemption date on May 31, 2023.

9. PROVISIONS AND OTHER LIABILITIES

a) Provisions and other liabilities

	September 30, 2023	December 31, 2022
Amount owed to joint venture (note 9b)[1]	**1,182**	1,256
Restoration provisions	**576**	555
VAT payable to ZCCM-IH [2]	**52**	–
Derivative instruments (note 19)	**27**	117
Other loans owed to non-controlling interests (note 9c)	**197**	190
Liabilities directly associated with assets held for sale	**19**	20
Leases	**28**	29
Retirement provisions	**22**	40
Deferred revenue (note 10)	**116**	118
Other deferred revenue	**7**	6
Other	**74**	114
Total other liabilities	**2,300**	2,445
Less: current portion	**(267)**	(339)
	2,033	2,106

[1] The shareholder loan is due from the Company's Cobre Panamá operation to KPMC, a 50:50 joint venture between the Company and KOMIR.
[2] On April 4, 2023 the Company's subsidiary, KMP and ZCCM-IH completed the agreement to convert ZCCM-IH's dividend rights to a 3.1% royalty interest in KMP. The transaction also provides for 20% of the KMP VAT refunds as at June 30, 2022 to be paid to ZCCM-IH, as and when these are received by KMP from the ZRA. Refer to note 20.

b) Amount owed to joint venture

	September 30, 2023	December 31, 2022
Balance at the beginning of the period	**1,256**	1,310
Interest accrued (note 15)	**83**	114
Repayment	**(157)**	(168)
Balance at end of period due to KPMC	**1,182**	1,256

As at September 30, 2023, the accrual for interest payable is $242 million (December 31, 2022: $316 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.

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

c) Other loans owed to non-controlling interests

On September 30, 2021, the Company completed the sale of a 30% equity interest in Ravensthorpe. Consideration paid of $240 million comprised cash for equity of $90 million and loans acquired of $150 million. Additional subsequent loans and accrued interest to date amounted to $28 million and $19 million respectively.

During the third quarter, the Company's interest in Ravensthorpe increased from 70.0% to 75.7% following an equity raise which POSCO, the minority shareholder, elected not to participate in.

10. DEFERRED REVENUE

	September 30, 2023	December 31, 2022
Balance at the beginning of the period	**1,455**	1,489
Accretion of finance costs (note 15)	**46**	63
Amortization of gold and silver revenue	**(76)**	(97)
Balance at the end of the period	**1,425**	1,455
Less: current portion (included within provisions and other liabilities)	**(116)**	(118)
Non-current deferred revenue	**1,309**	1,337

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 by Cobre Panamá. The Company uses refinery-backed credits as the mechanism for satisfying its delivery obligations under the arrangement. In the nine months ended September 30, 2023, $189 million was delivered under the stream the cost of which are presented net within sales revenues (nine months ended September 30, 2022: $171 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, 2022	**692,505**
Shares issued through Dividend Reinvestment Plan	**586**
Shares issued through Share Option Plan	**508**
Balance as at September 30, 2023	**693,599**

b) Dividends

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

On July 25, 2023, the Company declared an interim dividend of CDN$0.08 per share, in respect of the financial year ended December 31, 2023 (July 26, 2022: CDN$0.16 per share), paid on September 19, 2023 to shareholders of record on August 28, 2023.

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

12. EARNINGS PER SHARE

	Three months ended September 30		Nine months ended September 30	
	2023	2022	**2023**	2022
Basic and diluted earnings attributable to shareholders of the Company	**325**	113	**493**	917
Basic weighted average number of shares outstanding (000's of shares)	**691,137**	690,726	**690,607**	690,335
Potential dilutive securities	**2,779**	1,856	**2,909**	2,332
Diluted weighted average number of shares outstanding (000's of shares)	**693,916**	692,582	**693,516**	692,667
Earnings per common share – basic (expressed in $ per share)	**0.47**	0.16	**0.71**	1.33
Earnings per common share – diluted (expressed in $ per share)	**0.47**	0.16	**0.71**	1.32

13. SALES REVENUES

	Three months ended September 30		Nine months ended September 30	
	2023	2022	**2023**	2022
Copper	**1,791**	1,469	**4,588**	5,001
Gold	**114**	87	**253**	305
Nickel	**84**	109	**271**	284
Silver	**15**	11	**37**	36
Other	**25**	51	**89**	168
	2,029	1,727	**5,238**	5,794

14. COST OF SALES

	Three months ended September 30		Nine months ended September 30	
	2023	2022	**2023**	2022
Costs of production	**(1,025)**	(1,067)	**(3,109)**	(3,093)
Depreciation	**(325)**	(317)	**(885)**	(904)
Movement in inventory	**(21)**	(38)	**(29)**	41
Movement in depreciation in inventory	**2**	(3)	**(10)**	1
	(1,369)	(1,425)	**(4,033)**	(3,955)

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

15. FINANCE COSTS

	Three months ended September 30		Nine months ended September 30	
	2023	2022	**2023**	2022
Interest expense on debt	**(136)**	(115)	**(412)**	(351)
Interest expense on other financial liabilities	**(4)**	(4)	**(13)**	(12)
Interest expense on financial liabilities measured at amortized cost	**(140)**	(119)	**(425)**	(363)
Related party interest (note 9b)	**(27)**	(29)	**(83)**	(86)
Finance cost accretion on deferred revenue (note 10)	**(16)**	(16)	**(46)**	(48)
Accretion on restoration provision	**(4)**	(3)	**(11)**	(9)
Total finance costs	**(187)**	(167)	**(565)**	(506)
Less: interest capitalized (note 5)	**7**	7	**20**	16
	(180)	(160)	**(545)**	(490)

16. INCOME TAX

A tax expense of $115 million was recorded for nine months ended September 30, 2023, (nine months ended September 30, 2022: $326 million tax expense) reflecting statutory tax rates. The statutory tax rates for the Company's operations range from 20% to 30%.

17. OTHER INCOME (EXPENSE)

	Three months ended September 30		Nine months ended September 30	
	2023	2022	**2023**	2022
Foreign exchange gains (losses)	**(23)**	26	**(24)**	209
Change in restoration provision for closed properties	**1**	3	**(8)**	3
Share in profit in joint venture (note 7)	**29**	6	**40**	40
Restructuring expense [1]	**(31)**	–	**(31)**	–
Other income (expenses)	**(6)**	(4)	**2**	(51)
	(30)	31	**(21)**	201

[1] During the quarter ended September 30, 2023, following a corporate reorganization within the Kansanshi segment a restructuring expense of $31 million was recorded.

18. SEGMENTED INFORMATION

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

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

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

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

Earnings by segment

For the three months ended September 30, 2023, segmented information for the statement of earnings (loss) is presented as follows:

	Revenue [1]	**Cost of sales (excluding depreciation)**	**Depreciation**	**Other**	**Operating profit (loss) [2]**	**Income tax (expense) credit**
Cobre Panamá [3]	**930**	**(327)**	**(170)**	**(5)**	**428**	**–**
Kansanshi [4]	**475**	**(304)**	**(58)**	**(55)**	**58**	**(18)**
Trident [5]	**468**	**(237)**	**(73)**	**(6)**	**152**	**(49)**
Ravensthorpe [6]	**85**	**(100)**	**(14)**	**1**	**(28)**	**13**
Corporate & other [7]	**71**	**(78)**	**(8)**	**(10)**	**(25)**	**(13)**
Total	**2,029**	**(1,046)**	**(323)**	**(75)**	**585**	**(67)**

[1] Refinery-backed credits presented net within revenue – see note 10.
[2] Operating profit (loss) less net finance costs and taxes equals net earnings for the period on the consolidated statement of earnings.
[3] Cobre Panamá is 20% owned by KPMC, a joint venture.
[4] On April 4, 2023 the Company's subsidiary, KMP and ZCCM-IH completed the agreement to convert ZCCM-IH's dividend rights to a 3.1% royalty interest in KMP. Refer to note 20.
[5] Trident includes Sentinel copper mine and the Enterprise Nickel development project. $2m of Enterprise Nickel pre-commercial production revenues are included in the three months ended September 30, 2023.
[6] Ravensthorpe is 24.3% owned by POSCO – see note 9c.
[7] Corporate & other includes Guelb Moghrein, Las Cruces, Çayeli and Pyhäsalmi.

For the three months ended September 30, 2022, segmented information for the statement of earnings (loss) is presented as follows:

	Revenue [1]	Cost of sales (excluding depreciation)	Depreciation	Other	Operating profit (loss) [2]	Income tax expense (credit)
Cobre Panamá [3]	707	(331)	(160)	(2)	214	–
Kansanshi	359	(300)	(59)	(2)	(2)	23
Trident [4]	437	(262)	(80)	–	95	(26)
Ravensthorpe [5]	117	(116)	(11)	1	(9)	8
Corporate & other [6]	107	(96)	(10)	(10)	(9)	(39)
Total	1,727	(1,105)	(320)	(13)	289	(34)

[1] Refinery-backed credits presented net within revenue – see note 10.
[2] Operating profit (loss) less net finance costs and taxes equals net earnings for the period on the consolidated statement of earnings.
[3] Cobre Panamá is 20% owned by KPMC, a joint venture.
[4] Trident includes Sentinel copper mine and the Enterprise Nickel development project.
[5] Ravensthorpe is 24.3% owned by POSCO (2022: 30%) – see note 9c.
[6] Corporate & other includes Guelb Moghrein, Las Cruces, Çayeli and Pyhäsalmi, which were previously reported separately.

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

For the nine months ended September 30, 2023, segmented information for the statement of earnings (loss) is presented as follows:

	Revenue [1]	**Cost of sales (excluding depreciation)**	**Depreciation**	**Other**	**Operating profit (loss) [2]**	**Income tax (expense) credit**
Cobre Panamá [3]	**2,233**	**(940)**	**(451)**	**(11)**	**831**	**–**
Kansanshi [4]	**1,221**	**(933)**	**(168)**	**(47)**	**73**	**(33)**
Trident [5]	**1,227**	**(700)**	**(207)**	**(19)**	**301**	**(87)**
Ravensthorpe [6]	**279**	**(304)**	**(44)**	**3**	**(66)**	**36**
Corporate & other [7]	**278**	**(261)**	**(25)**	**(69)**	**(77)**	**(31)**
Total	**5,238**	**(3,138)**	**(895)**	**(143)**	**1,062**	**(115)**

[1] Refinery-backed credits presented net within revenue – see note 10.
[2] Operating profit (loss) less net finance costs and taxes equals net earnings for the period on the consolidated statement of earnings.
[3] Cobre Panamá is 20% owned by KPMC, a joint venture.
[4] On April 4, 2023 the Company's subsidiary, KMP and ZCCM-IH completed the agreement to convert ZCCM-IH's dividend rights to a 3.1% royalty interest in KMP. Refer to note 20.
[5] Trident includes Sentinel copper mine and the Enterprise Nickel development project. $2m of Enterprise Nickel pre-commercial production revenues are included in the nine months ended September 30, 2023.
[6] Ravensthorpe is 24.3% owned by POSCO – see note 9c.
[7] Corporate & other includes Guelb Moghrein, Las Cruces, Çayeli and Pyhäsalmi.

For the nine months ended September 30, 2022, segmented information for the statement of earnings (loss) is presented as follows:

	Revenue [1,2]	Cost of sales (excluding depreciation)	Depreciation	Other	Operating profit (loss)[3]	Income tax expense
Cobre Panamá [4]	2,285	(952)	(457)	(8)	868	–
Kansanshi	1,350	(785)	(166)	126	525	(100)
Trident [5]	1,445	(726)	(223)	19	515	(128)
Ravensthorpe [6]	312	(273)	(29)	2	12	6
Corporate & other [7]	402	(316)	(28)	(51)	7	(104)
Total	5,794	(3,052)	(903)	88	1,927	(326)

[1] Revenue includes hedge gains and losses recognized on forward sales and zero cost collar options
[2] Refinery-backed credits presented net within revenue – see note 10.
[3] Operating profit (loss) less net finance costs and taxes equals net earnings for the period on the consolidated statement of earnings.
[4] Cobre Panamá is 20% owned by KPMC, a joint venture.
[5] Trident includes Sentinel copper mine and the Enterprise Nickel development project.
[6] Ravensthorpe is 24.3% owned by POSCO (September 30, 2022: 30%) – see note 9c.
[7] Corporate & other includes Guelb Moghrein, Las Cruces, Çayeli and Pyhäsalmi, which were previously reported separately.

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

Balance sheet by segment

Segmented information on balance sheet items is presented as follows:

	September 30, 2023			December 31, 2022		
	Non-current assets [1]	**Total assets**	**Total liabilities**	Non-current assets [1]	Total assets	Total liabilities
Cobre Panamá [2]	**11,551**	**12,334**	**3,027**	11,637	12,339	3,127
Kansanshi [3]	**2,491**	**3,813**	**721**	2,435	3,907	725
Trident [4]	**2,927**	**3,639**	**1,057**	2,885	3,599	1,053
Ravensthorpe [5]	**758**	**1,029**	**366**	784	1,033	361
Corporate & other [6,7]	**1,870**	**4,026**	**7,099**	1,560	4,202	7,577
Total	**19,597**	**24,841**	**12,270**	19,301	25,080	12,843

[1] Non-current assets include $19,279 million of property plant and equipment (December 31, 2022: $19,053 million) and exclude financial instruments, deferred tax assets, VAT receivable and goodwill.
[2] Cobre Panamá is 20% owned by KPMC, a joint venture.
[3] On April 4, 2023 the Company's subsidiary, KMP and ZCCM-IH completed the agreement to convert ZCCM-IH's dividend rights to a 3.1% royalty interest in KMP. This transaction also provides for 20% of the KMP VAT refunds as at June 30, 2022 to be paid to ZCCM-IH, as and when they are received by KMP from the ZRA. Refer to note 20.
[4] Trident includes Sentinel copper mine and the Enterprise Nickel development project.
[5] Ravensthorpe is 24.3% owned by POSCO (2022: 30%)
[6] Included within the corporate segment are assets relating to the Haquira project, $706 million (December 31, 2022: $702 million), to the Taca Taca project, $483 million (December 31, 2022: $474 million), and to the La Granja project, $207 million (December 31, 2022: nil).
[7] Corporate & other includes Guelb Moghrein, Las Cruces, Çayeli and Pyhäsalmi.

Purchase and deposits on property, plant and equipment by segment

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

	Three months ended September 30		**Nine months ended September 30**	
	2023	2022	**2023**	2022
Cobre Panamá	**113**	141	**341**	439
Kansanshi	**137**	63	**276**	159
Trident [1]	**90**	54	**259**	159
Ravensthorpe	**8**	6	**21**	29
Corporate & other [2]	**22**	32	**59**	64
Total	**370**	296	**956**	850

[1] Trident includes Sentinel copper mine and the Enterprise Nickel development project.
[2] Corporate & Other additions exclude the asset acquisition of La Granja recorded as an addition of $105 million to mineral properties in the three and nine months ended September 30 2023 (See note 5).

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

19. FINANCIAL INSTRUMENTS

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

The following provides the classification of financial instruments by category at September 30, 2023:

	Amortized cost [4]	Fair value through profit or loss	Fair value through OCI	Total
Financial assets				
Trade and other receivables [1]	**140**	**357**	**–**	**497**
Due from KPMC (note 6)	**179**	**–**	**–**	**179**
Other derivative instruments [2]	**–**	**59**	**–**	**59**
Investments [3]	**–**	**–**	**17**	**17**
Financial liabilities				
Trade and other payables	**838**	**–**	**–**	**838**
Other derivative instruments [2]	**–**	**27**	**–**	**27**
Leases	**28**	**–**	**–**	**28**
Liability to joint venture	**1,182**	**–**	**–**	**1,182**
Other loans owed to non-controlling interest	**197**	**–**	**–**	**197**
Debt	**6,892**	**–**	**–**	**6,892**

[1] Commodity products are sold under pricing arrangements where final prices are set at a specified future date based on market commodity prices. Changes between the prices recorded upon recognition of revenue and the final price due to fluctuations in commodity market prices give rise to an embedded derivative in the accounts receivable related to the provisionally priced sales contracts.
[2] Other derivative instruments related to provisionally priced sales contracts are classified as fair value through profit or loss and recorded at fair value, with changes in fair value recognized as a component of cost of sales.
[3] Investments held by the Company are held at fair value through other comprehensive income.
[4] The fair value of financial assets and liabilities measured at amortized cost is comparable to the carrying value due to the short term to maturities or due to the rates of interest approximating market rates.

The following provides the classification of financial instruments by category at December 31, 2022:

	Amortized cost[4]	Fair value through profit or loss	Fair value through OCI	Total
Financial assets				
Trade and other receivables [1]	264	491	–	755
Due from KPMC (note 6)	216	–	–	216
Other derivative instruments [2]	–	15	–	15
Investments [3]	–	–	17	17
Financial liabilities				
Trade and other payables	771	–	–	771
Other derivative instruments [2]	–	117	–	117
Leases	29	–	–	29
Liability to joint venture	1,256	–	–	1,256
Other loans owed to non-controlling interest	190	–	–	190
Debt	7,380	–	–	7,380

[1] Commodity products are sold under pricing arrangements where final prices are set at a specified future date based on market commodity prices. Changes between the prices recorded upon recognition of revenue and the final price due to fluctuations in commodity market prices give rise to an embedded derivative in the accounts receivable related to the provisionally priced sales contracts.
[2] Other derivative instruments related to provisionally priced sales contracts are classified as fair value through profit or loss and recorded at fair value, with changes in fair value recognized as a component of cost of sales.
[3] Investments held by the Company are held at fair value through other comprehensive income.
[4] The fair value of financial assets and liabilities measured at amortized cost is comparable to the carrying value due to the short term to maturities or due to the rates of interest approximating market rates.

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

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, 2023:

	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Derivative instruments – LME contracts [1]	**46**	**–**	**–**	**46**
Derivative instruments – OTC contracts [2]	**–**	**13**	**–**	**13**
Investments [3]	**1**	**–**	**16**	**17**
Financial liabilities				
Derivative instruments – LME contracts [1]	**22**	**—**	**—**	**22**
Derivative instruments – OTC contracts [2]	**—**	**5**	**—**	**5**

[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 classified within Level 1 and Level 3 of the fair value hierarchy. The investments classified within Level 1 of the fair value hierarchy are valued using quoted market prices in active markets. The fair value of the marketable equity securities is calculated as the quoted market price of the marketable security multiplied by the quantity of shares held by the Company. The investments in equity securities in non-public companies are classified within Level 3 of the fair value hierarchy as the valuation is based on unobservable inputs, supported by little or no market activity.

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

	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Derivative instruments – LME contracts [1]	15	–	–	15
Investments [3]	–	–	17	17
Financial liabilities				
Derivative instruments – LME contracts [1]	101	–	–	101
Derivative instruments – OTC contracts [2]	–	16	–	16

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

[2] The Company's derivative instruments are valued by the Company's brokers using pricing models based on active market prices. All forward swap contracts held by the Company are OTC and therefore the valuation models 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 classified within Level 1 and Level 3 of the fair value hierarchy. The investments classified within Level 1 of the fair value hierarchy are valued using quoted market prices in active markets. The fair value of the marketable equity securities is calculated as the quoted market price of the marketable security multiplied by the quantity of shares held by the Company. The investments in equity securities in non-public companies are classified within Level 3 of the fair value hierarchy as the valuation is based on unobservable inputs, supported by little or no market activity.

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

Derivatives designated as hedged instruments

As at September 30, 2023 and December 31, 2022, the Company held no commodity contracts designated as hedged instruments.

Other derivatives

As at September 30, 2023, 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, 2023, 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	**182,881**	**$3.79/lb**	**$3.73/lb**	**Jan-24**
Gold	**46,390**	**$1,950/oz**	**$1,871/oz**	**Oct-23**
Nickel	**1,229**	**$9.21/lb**	**$8.40/lb**	**Nov-23**
Commodity contracts:				
Copper	**182,976**	**$3.79/lb**	**$3.73/lb**	**Jan-24**
Gold	**46,405**	**$1,950/oz**	**$1,871/oz**	**Oct-23**
Nickel	**1,224**	**$9.21/lb**	**$8.40/lb**	**Nov-23**

As at December 31, 2022, the following derivative positions were outstanding:

	Open Positions (tonnes/oz)	Average Contract price	Closing Market price	Maturities Through
Embedded derivatives in provisionally priced sales contracts:				
Copper	206,653	$3.73/lb	$3.80/lb	April 2023
Gold	51,109	$1,792/oz	$1,814/oz	February 2023
Commodity contracts:				
Copper	206,925	$3.73/lb	$3.80/lb	April 2023
Gold	51,109	$1,792/oz	$1,814/oz	February 2023

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

	September 30, 2023	December 31, 2022
Commodity contracts:		
Asset position	**59**	15
Liability position	**(27)**	(117)

20. COMMITMENTS AND CONTINGENCIES

Capital commitments

The Company has committed to $437 million (December 31, 2022: $426 million) in capital expenditures, principally related to the S3 project at Kansanshi.

Other commitments & contingencies

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

Cobre Panamá

Refreshed Concession Agreement

In March 2023, the Company and the Government of Panamá ("GOP") reached agreement on the terms and conditions of a refreshed concession contract that will govern the relationship of the parties once it enters into effect, for which purposes the approval from the National Assembly of Panamá is required ("Refreshed Concession Contract"). The Refreshed Concession Contract provides for an initial 20-year term with a 20-year extension option and possible additional extension for life of mine. In April 2023, the Refreshed Concession Contract was subjected to a public consultation process. Having successfully completed such process, the Company and the GOP signed the Refreshed Concession Contract on June 26, 2023, and it was subsequently countersigned by the National Comptroller of Panamá. The Refreshed Concession Contract was presented before the Commerce Committee of the National Assembly of Panamá, who recommended the amendment of certain terms of the contract. The Company and GOP agreed to modifications to the agreement based on these recommendations after a brief period of negotiation, the GOP cabinet approved the amended terms of the Refreshed Concession Contract on October 10, 2023. The Refreshed Concession Contract, with amended terms, was resubmitted to and approved by the Commerce Committee of the National Assembly of Panamá on October 17, 2023. On October 20, 2023, the National Assembly in Panamá approved Bill 1100, being the proposal for approval of the Refreshed Concession Contract for the Cobre Panamá mine, in the third debate of the plenary session with a vote of 47 in favour out of a total of 55 votes registered. On the same day, President Laurentino Cortizo sanctioned Bill 1100 into Law 406 and this was subsequently published in the Official Gazette. The enactment of Law 406 marks the final step in revising the legal framework for the Cobre Panamá mine.

With publication in the Official Gazette, payments to cover taxes and royalties up to the year-end 2022 of approximately $395 million and certain amounts payable for 2023 corporate tax instalments, withholding taxes and quarterly royalty payments will be due within 30 days.

Introduction

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

On February 26, 1997, the Concession Contract was approved by the National Assembly of Panamá through Law 9 of 1997 ("Law 9"), approving the terms of the Concession Contract. Law 9 was published in the Official Gazette on February 28, 1997. Approval through Law 9 was required given the special benefits granted in the concession contract for the development of the Cobre Panamá project. On December 30, 2016, the GOP signed and issued Resolution No. 128 by which it extended the Concession Contract held by MPSA for a second 20-year term commencing March 1, 2017 up to February 28, 2037.

The current GOP, inaugurated on July 1, 2019, established a multidisciplinary commission including the Minister of Commerce and Industries (mining regulator), Minister of Environment, and Minister of Employment to discuss the Law 9 matter and seek resolution arising from a Supreme Court Ruling, which declared Law 9 to be unconstitutional. In July 2021, the GOP announced the appointment of a high-level commission of senior government ministers and officials, chaired by the Minister of Commerce, to discuss the Company's concession contract.

On March 8, 2023, MPSA and the Republic of Panamá announced they had reached agreement on the terms and conditions of the Refreshed Concession Contract. MPSA and the GOP signed the Refreshed Concession Contract on June 26, 2023, and it was subsequently countersigned by the National Comptroller of Panamá. The Refreshed Concession Contract was presented before the Commerce Committee of the National Assembly of Panamá, who recommended the amendment of certain terms of the contract. The Company and GOP agreed to modifications to the agreement based on these recommendations after a brief period of negotiation. The GOP cabinet approved the amended terms of the Refreshed Concession Contract on October 10, 2023. On October 20, 2023, the National Assembly in Panamá approved Bill 1100, being the proposal for approval of the Refreshed Concession Contract for the Cobre Panamá mine. On the same day, President Laurentino Cortizo sanctioned Bill 1100 into Law 406 and this was subsequently published in the Official Gazette.

Panamá Constitutional Proceedings

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

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

- The Supreme Court decision was in respect of legal filings made since 2009.
- In reviewing the process of approval of Law 9 of 1997, the Supreme Court found that the National Assembly had failed to consider Cabinet Decree 267 of 1969 in said approval process.
- The applicable Cabinet Decree of 1969, which was repealed in 1997 by Law 9, required the Ministry of Commerce and Industries (“MICI”) to issue a request for proposals before awarding mining concessions in the Petaquilla area.
- Two Attorney Generals (Procuradores Generales de la Nación, in Spanish) provided 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, staying the legal effects of the ruling in relation to the constitutionality of Law 9. On September 26, 2018, the Government of Panamá issued a news release affirming support for Cobre Panamá. The release confirmed that MICI considers that the MPSA Mining Concession contract, and its extension, remains in effect in all its parts. As a matter of fact, MICI, among other actions taken in relation to the contract´s continued validity, submitted its own filings to the Supreme Court, prior to the ruling in relation to the constitutionality of Law 9 taking effect. In July 2021, the Supreme Court responded to the requests for clarifications submitted by MPSA and MICI, ruling them inadmissible on procedural grounds, upholding its ruling that Law 9 is unconstitutional. The unconstitutionality ruling came into legal effect upon its publication in the Official Gazette on December 22, 2021. The Company, however, understands that the ruling’s effects are non-retrospective, pursuant to article 2573 of the Judicial Code.

Nullity Actions by Third Parties

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

The Company refutes the claims made in the aforementioned nullity motions and has been advised by external counsel that the extension process followed by the MICI in 2016 was correct. In both proceedings, the State’s Attorney of Panamá has provided a favourable formal opinion as to the legality of the resolution, which approved the extension of MPSA’s Concession Contract, as required for such proceedings under Panamanian law. However, on January 11, 2023, the Administration’s Attorney filed in both proceedings of the nullity actions, motions requesting that the Supreme Court, based on the ruling that declared Law 9 to be unconstitutional, declares “constitutional res judicata” in each proceeding, to avoid contradictory results in the different proceedings, resulting in that the Extension Resolution is deemed without legal effect. MPSA is challenging these motions which remain pending resolution. Following the approval of the Refreshed Concession Contract and the enactment of Law 406, the Company will review the status of these proceedings with counsel.

Administrative Proceedings

In November 2022, the State began to claim that the Concession Contract was invalid based on the Supreme Court ruling, and mandated negotiations for a refreshed Concession Contract.

Also in November 2022, the State set a unilateral and arbitrary deadline of December 14, 2022 to conclude negotiations on a potential refreshed Concession Contract. As the parties were unable to attain consensus on all key economic and legal terms which would govern their relationship into the future, on December 15, 2022, the Cabinet Council (comprised of the President of the Republic of Panamá, together with all Ministers) issued Resolution No. 144 instructing the Ministry of Commerce and Industries, the Ministry of Employment, and the Ministry of the Environment to take certain actions in relation to the ruling that declared Law 9 unconstitutional, including an instruction to the Ministry of Commerce and Industries to order MPSA to prepare and execute a plan to put the mine under “care and maintenance”. MPSA filed legal motions to stay the effects of Resolution No. 144, which remain pending resolution. However, complying with said instruction in Resolution No. 144, on December 19, 2022, the National Directorate of Mineral Resources of the Ministry of Commerce and Industries issued Resolution No. 2022-234, by which it ordered MPSA to prepare and submit to the Ministry of Commerce and Industries within 10 business days a plan to put the mine in “care and maintenance”. MPSA filed recourses, appeals, and other motions against these resolutions, staying their legal effect; and, as a result, the term provided for the filing of the care and maintenance plan is currently suspended. Furthermore, and notwithstanding the aforementioned and other legal motions, on March 15, 2023, MPSA filed a request that the administrative proceedings resulting from Resolution No. 144 and Resolution No. 2022-234, respectively, be acknowledged and declared to be moot, due to the fact that, as it was made public by a joint press release, on March, 8, 2023, MPSA and the GOP had reached agreement on the terms and conditions for a Refreshed Concession Contract (which, as mentioned above, is subject to approval by law). The foregoing requests are pending resolution.

The GOP has not pursued any further actions in this administrative proceeding. Following the approval of the Refreshed Concession Contract and the enactment of Law 406, the Company intends to liaise with the GOP with a view to the cessation of the administrative proceeding.

On January 26, 2023, the Panamá Maritime Authority (“AMP”) issued a resolution (Resolution No. 007-2023) that ordered the suspension of concentrate loading operations at the Cobre Panamá port, Punta Rincón, until evidence was provided, to the satisfaction of AMP, that the process of certification of the calibration of the scales by an accredited company had been initiated. As a consequence of AMP´s measures, on February 23, 2023, it became necessary for MPSA to shut down the Cobre Panamá mine, due to limited storage capacity on site. On March 8, 2023, AMP issued a new resolution, which revoked the prior resolution ordering the suspension of concentrate loading operations. Mining and port operations resumed in full shortly after this.

Arbitration Proceedings

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

1. On December 23, 2022, First Quantum submitted a letter to the GOP initiating the consultation period required under the Canada-Panamá Free Trade Agreement (FTA). Under the terms of the FTA, First Quantum and the GOP are required to engage in consultations to resolve the dispute for a period of six months. First Quantum is entitled to seek any and all relief appropriate in arbitration, including but not limited to damages and reparation for Panamá’s breaches of the Canada-Panamá FTA by curtailing Minera’s ability to mine under its Concession Contract.

2. Also on December 23, 2022, First Quantum submitted a Notice of Arbitration pursuant to the Rules of Procedure of the Inter-American Commercial Arbitration Commission (the “IACAC Rules”) and Clause 23 of the Concession Contract. In light of having reached agreement on the terms and conditions of the Refreshed Concession Agreement, the parties executed a standstill agreement on March 10, 2023 (the “Standstill Agreement”) to toll any applicable time periods and deadlines relating to the arbitration proceeding to allow time for the Refreshed Concession Contract to undergo public consultation, receive government approvals and approval from Panamá´s National Assembly. Pursuant to the terms of the Standstill Agreement, following the enactment of Law 406, First Quantum has notified the IACAC that it wishes to discontinue these arbitration proceedings.

Kansanshi Development Agreement

In May 2020, KMP filed a Request for Arbitration against the GRZ with the International Centre for Settlement of International Disputes. KMP's claims concerned breaches of certain contractual provisions of a development agreement between GRZ and KMP and international law. Pursuant to the wider reset arrangements concluded between the Company and GRZ in May 2022, these proceedings have now been settled.

Kansanshi – conversion of ZCCM dividend rights to royalty rights

On April 4, 2023 the Company's subsidiary, Kansanshi Mining Plc and ZCCM-IH completed the agreement to convert ZCCM-IH's dividend rights to a 3.1% royalty interest in Kansanshi Mining Plc. The transaction also provides for 20% of the KMP VAT refunds as at June 30, 2022 to be paid to ZCCM-IH, as and when these are received by KMP from the ZRA.

Accordingly, the non-controlling interest in the consolidated financial statements has been derecognized, with no gain or loss arising. An adjustment has been made against the book value of Kansanshi Mining Plc's mineral property within Property, Plant and Equipment (note 5) and ZCCM IH's right to VAT refunds has been recognized as a liability (note 9).