FIRST QUANTUM
MINERALS LTD.

Management's Discussion and Analysis
Year ended December 31, 2020

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited consolidated financial statements of First Quantum Minerals Ltd. ("First Quantum" or "the Company") for the year ended December 31, 2020. The Company's results have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and are presented in United States dollars, tabular amounts in millions, except where noted.

For further information on First Quantum, reference should be made to its public filings (including its most recently filed Annual Information Form) which are available on SEDAR at www.sedar.com. Information is also available on the Company's website at www.first-quantum.com. This MD&A contains forward-looking information that is subject to risk factors, see *"Cautionary statement on forward-looking information"* for further discussion. Information on risks associated with investing in the Company's securities and technical and scientific information under National Instrument 43-101 concerning the Company's material properties, including information about mineral resources and reserves, are contained in its most recently filed Annual Information Form. This MD&A has been prepared as of February 16, 2021.

OVERVIEW

Although 2020 was a challenging year, the Company's operations demonstrated resilience in dealing with the challenges brought about by the COVID-19 pandemic. The Company moved quickly to introduce health and sanitation protocols across its sites in compliance with both local and international guidelines, and continues to focus on ensuring the health and safety of the workforce and managing the necessary country-by-country restrictions in order to assist in the protection of the workforce and the wider community.

Despite the additional challenges faced in the year, the Company achieved its highest ever annual copper production, attributable to record-breaking production at Sentinel and strong contribution from Cobre Panama. The cash cost of production ("C1")[1] for the year was at its lowest level in four years, with Sentinel and Guelb Moghrein showing record low annual copper all-in sustaining cost ("AISC")[1] and C1 cash costs.

Cobre Panama, in its first full-year of commercial production, was placed on preservation and safe maintenance in April and operated at much reduced levels of activity for most of the second quarter and into the start of the third quarter. The operation successfully ramped up ahead of expectation in August, and in the fourth quarter set new quarterly mill throughput and copper production records.

In September, the Company filed an updated NI 43-101 Technical Report for Kansanshi. Updated Mineral Reserve and Resource estimates show an increase of 70% and 40%, respectively, over Mineral Reserves and Resources reported in the last update in May 2015, and extends the mine life to 24 years. In addition to the processing plant expansion and upgrades, the Kansanshi smelter capacity will be increased. Whilst Kansanshi's copper production for 2020 was 5% lower than 2019, it was able to reduce the impact of lower grades by achieving a 5% increase in throughput.

The Ravensthorpe nickel mine recommenced operations in the first quarter of 2020, with the first shipment of nickel in May. The focus for 2021 is on incremental increases in nickel production achieved by higher availability, better utilization and improved recovery. The planning and optimization of the existing plant to allow for the transition to Shoemaker Levy is progressing. First ore from Shoemaker Levy is expected to be delivered to the existing plant in the second quarter of 2021.

There was a significant increase in comparative EBITDA[1] to $2,152 million with operating cash flow of $1,613 million and a reduction in net debt[1] of $266 million, despite the challenges during the year.

The Company continuously manages its capital structure and assesses its liquidity and financing sources regularly. Following the bond issuance in January 2020, the Company completed the redemption of the remaining $300 million of the senior notes due February 2021. On October 1, 2020, the Company completed the offering of $1.5 billion of Senior Notes due 2027, and the proceeds of the offering were used towards the partial repayment of the Company's existing revolving credit facility, and the redemption in full of the Company's outstanding Senior Notes due 2022.

The Company utilizes a hedge program to manage commodity price risk and to provide pricing certainty for a proportion of future cash receipts in support of the Company's commitment to materially reduce project related debt. The market price for copper fluctuated during the year from a low of $2.09 per lb to a high of $3.61 per lb on the London Metal Exchange ("LME"). The average copper price for the year was $2.80 per lb, 3% higher than 2019. As at December 31, 2020, the Company had 152,125 tonnes of unmargined copper forward sales contracts at an average price of $2.86 per lb outstanding with periods of maturity to December 2021. In addition, the Company had 174,400 tonnes of unmargined zero cost copper collar sales contracts with maturities to December 2021 at weighted average floor and ceiling prices of $2.83 per lb to $3.07 per lb, respectively, outstanding. The Company also had unmargined nickel forward sales contracts for 3,213 tonnes at an average price of $6.89 per lb outstanding, with maturities to October 2021. Due to already significant carry forward tax losses in Canada, the jurisdiction in which the Company's hedging program is located, any losses realized are not subject to tax relief.

In November, the Company filed an updated NI 43-101 Technical Report for the Taca Taca Project, including an updated Mineral Resource statement and a maiden Mineral Reserve for the project. This increases the Company's total Mineral Reserves base to over 29 million tonnes of contained copper, which represents one of the largest Mineral Reserve positions amongst global copper producers and substantially increases the geographic diversification of the Company's Mineral Reserves.

[1] C1, ASIC, comparative EBITDA and net debt are not measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS. The Company has disclosed these measures to assist with the understanding of results and to provide further financial information about the results to investors. See "*Regulatory Disclosures*" from page 40 for further information and reconciliations to the IFRS measures.

FULL YEAR HIGHLIGHTS

Operational and Financial

- Total copper production for the year was 778,911 tonnes, an increase of 11% from 2019 and within the guidance range.

- Sentinel had an outstanding year and achieved record copper production of 251,216 tonnes, delivering a significant increase in throughput and operating at record low unit C1 cash cost of $1.40 per lb. Sales volumes in the fourth quarter of 2020 were 48% higher than the comparable period and included an additional 50,000 dry metric tonnes ("DMT") of copper concentrate export sales.

- Performance at Cobre Panama was strong, despite the temporary suspension of labour activities that began in April due to COVID-19. Cobre Panama was placed on preservation and safe maintenance, operating at much reduced levels of activity in the second quarter. Operations successfully ramped up ahead of expectation in August, setting a daily record for crushing and copper production in December. Copper production in the year was 39% higher than 2019, including pre-commercial production, and in the fourth quarter the operation set new quarterly records for both mill throughput and copper production.

- Kansanshi performed consistently during the year. Copper production was lower as a result of reduced grades and recoveries, but throughput increased as a result of improvement initiatives. The Kansanshi smelter processed 1,320,238 DMT of copper concentrate, produced 323,667 tonnes of copper anode and 1,262,000 tonnes of sulphuric acid with recoveries of 98% for the year.

- Total gold production for 2020 was 265,112 ounces, 3% higher than 2019. This reflected increased gold production at Cobre Panama despite reduced production levels as a result of COVID-19 restrictions in the second quarter of 2020.

- Ravensthorpe recommenced operations in the first quarter of 2020, with the first shipment of nickel in May. Nickel production for the year was 12,695 contained tonnes. As the plant continued to stabilize post start-up, nickel recoveries increased to 78% in the fourth quarter, from 68% in the second quarter of 2020.

- C1 cash cost of $1.21 per lb for the year was at its lowest level in four years with almost all copper operations delivering a reduction. AISC for 2020 was $1.63 per lb, a $0.15 per lb decrease compared to 2019. Sentinel achieved a record low AISC for the year of $1.92 per lb, and C1 cash cost of $1.40 per lb. There was also a notable reduction in C1 and AISC cash cost at Guelb Moghrein in 2020 to $0.38 per lb and $0.70 per lb, respectively, the lowest reported annual C1 cash cost and AISC.

- Gross profit of $1,077 million and comparative EBITDA of $2,152 million for 2020 reflected the strong operational performance and were both significantly higher than 2019 with increased sales volumes, higher metal prices and lower costs.

- Net debt decreased by $266 million during 2020 and cash flows from operating activities were $1,613 million ($2.34 per share). There was a significant increase in trade receivable balances at the year-end, due principally to the timing of shipments in the final week of December, cash was received in January 2021. Capital expenditure of $610 million was $65 million below guidance.

- Financial results include comparative loss of $46 million ($0.07 comparative loss per share) and net loss attributable to shareholders of the Company of $180 million ($0.26 loss per share). Net loss attributable to shareholders of the Company include a net finance expense of $738 million, compared to $248 million in 2019, where $549 million of finance costs were capitalized. Following declaration of commercial production at Cobre Panama effective September 1, 2019, finance costs are now expensed. For a reconciliation of comparative earnings (loss), see page 47.

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

- On October 1, 2020, the Company completed the offering of $1.5 billion of Senior Notes due 2027. The proceeds of the Offering were used towards the partial repayment of the Company's existing revolving credit facility, and the redemption in full of the Company's outstanding Senior Notes due 2022.

- At February 16, 2021, the Company had unmargined copper forward sales contracts for 128,625 tonnes at an average price of $2.86 per lb outstanding with periods of maturity to December 2021. In addition, the Company has zero cost copper collar unmargined sales contracts for 198,500 tonnes at weighted average prices of $2.93 per lb to $3.25 per lb outstanding with maturities to December 2021. This represents approximately 40% of the Company's expected sales for the next 12 months.

Consolidated Information	Q4 2020	Q3 2020	Q4 2019	2020	2019
Copper production (tonnes)[2,3]	203,171	211,396	204,270	778,911	702,148
Copper sales (tonnes)[2, 4]	217,041	197,533	205,964	764,471	689,386
Cash cost of copper production (C1)(per lb)[5, 6]	$1.28	$1.07	$1.24	$1.21	$1.31
Total cost of copper production (C3)(per lb)[5, 6]	$2.20	$1.97	$2.07	$2.11	$2.16
All-in sustaining cost (AISC)(per lb)[5, 6]	$1.77	$1.48	$1.73	$1.63	$1.78
Realized copper price (per lb)[7]	$2.97	$2.77	$2.62	$2.74	$2.70
Gold production (ounces)[2]	68,747	72,926	77,789	265,112	256,913
Gold sales (ounces)[2,8]	70,905	78,013	79,409	277,291	254,785
Nickel production (contained tonnes)	5,603	5,113	-	12,695	-
Nickel sales (contained tonnes)	5,343	4,986	-	12,120	-

Consolidated Financial Information[2]	Q4 2020	Q3 2020	Q4 2019	2020	2019
Sales revenues	1,601	1,402	1,284	5,199	4,067
Gross profit	443	346	259	1,077	790
Net earnings (loss) attributable to shareholders of the Company	9	29	(115)	(180)	(57)
Basic and diluted earnings (loss) per share	$0.01	$0.04	($0.17)	($0.26)	($0.08)
Comparative EBITDA[1, 9]	725	641	511	2,152	1,609
Comparative earnings (loss)[1]	53	64	35	(46)	249
Comparative earnings (loss) per share[1]	$0.08	$0.09	$0.05	($0.07)	$0.36

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

	Q4 2020	Q3 2020	Q4 2019	2020	2019
Net earnings (loss) attributable to shareholders of the Company	9	29	(115)	(180)	(57)
Adjustments attributable to shareholders of the Company:					
Adjustment for expected phasing of Zambian value-added tax ("VAT") receipts	(5)	(16)	22	(80)	182
Other, including loss on debt instruments	8	-	4	10	23
Total adjustments to comparative EBITDA excluding depreciation[9]	42	61	152	240	228
Tax and minority interest comparative adjustments	(1)	(10)	(28)	(36)	(127)
Comparative earnings (loss)[1]	53	64	35	(46)	249

[1] Comparative earnings (loss) have been adjusted to exclude items from the corresponding IFRS measure, net earnings (loss) attributable to shareholders of the Company, which are not considered by management to be reflective of underlying performance. Comparative earnings (loss), comparative earnings (loss) per share, comparative EBITDA and cash flows per share are not measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS. The Company has disclosed these measures to assist with the understanding of results and to provide further financial information about the results to investors. See "*Regulatory Disclosures*" from page 40 for a reconciliation of comparative EBITDA and comparative earnings (loss) to the IFRS measures. The use of comparative earnings (loss) and comparative EBITDA represents the Company's adjusted earnings (loss) metrics.

[2] Cobre Panama declared commercial production effective September 1, 2019. Copper production volumes includes pre-commercial production from Cobre Panama of nil and 67,704 tonnes for the three months and year ended December 31, 2019, respectively. Copper sales volumes include pre-commercial sales from Cobre Panama of nil and 48,967 tonnes for the three months and year ended December 31, 2019, respectively. Gold production volumes includes pre-commercial production from Cobre Panama of nil and 24,120 ounces for the three months and year ended December 31, 2019, respectively. Gold sales volumes include pre-commercial sales from Cobre Panama of nil and 18,659 ounces for the three months and year ended December 31, 2019, respectively. Pre-commercial production and sales volumes at Cobre Panama are not included in earnings, C1, C3 and AISC calculations.

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

[4] Copper sales exclude the sale of copper anode produced from third-party concentrate purchased at Kansanshi. Sales of copper anode attributable to third-party concentrate purchases were nil for year ended December 31, 2020 (nil and 1,182 tonnes for the three months and year ended December 31, 2019, respectively).

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

[6] C1 cash cost, C3 total cost, AISC are not recognized under IFRS. These measures are disclosed as they reflect those used by the Company's management in reviewing operational performance. A reconciliation of these measures to the costs disclosed in the Company's Consolidated Statement of Earnings (Loss) is included within the "*Regulatory Disclosures*" section from page 40.

[7] Realized metal prices are not recognized under IFRS and defined within the *"Regulatory Disclosures"* section from page 40.

[8] Excludes refinery-backed gold credits purchased and delivered under the precious metal streaming arrangement (see page 35).

[9] Adjustments to comparative EBITDA in 2020 relate principally to foreign exchange revaluations (foreign exchange revaluations and impairment of assets in 2019).

FULL YEAR FINANCIAL SUMMARY

Sales revenues boosted by record-breaking production at Sentinel and contribution from Cobre Panama

- Sales revenues of $5,199 million for the full year were 28% higher than 2019. Commercial copper and gold sales volumes from Cobre Panama and increased sales volumes at Sentinel drove the increase, as well as higher realized copper and gold prices.
- Realized price for copper of $2.74 per lb for the year was slightly higher than $2.70 per lb in 2019. This compares to an increase in the average LME price of copper of 3% for the same period to $2.80 per lb. The Company's copper sales hedge program reduced sales revenues in the year by $59 million, or $0.04 per lb, compared to an addition of $44 million, $0.03 per lb, in 2019. The Company's nickel sales hedge program increased sales revenues by $11 million in 2020.

Comparative EBITDA increased by 34% to $2,152 million

- Comparative EBITDA for the year ended December 31, 2020 increased to $2,152 million, compared to $1,609 million for 2019. Results benefited from higher revenue and lower cash costs. A reconciliation of comparative EBITDA is included on page 46.

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

The most significant adjustment was a foreign exchange loss of $225 million, principally attributable to Zambian Kwacha ("ZMW") denominated VAT receivable balances.

Gross profit – $287 million higher based on improved metal prices, higher contribution from Cobre Panama and lower operating costs

Gross profit in 2019	790
Higher metal prices	334
Movement in hedge program	(92)
Higher sales volumes	209
Lower by-product contribution	(34)
Lower cash costs	74
Increase in depreciation	(310)
Positive impact of foreign exchange on operating costs	106
Gross profit in 2020[1]	1,077

[1] Gross profit is reconciled to comparative EBITDA by including exploration costs of $15 million, general and administrative costs of $99 million, share of loss in joint venture of $45 million, and adding back depreciation of $1,217 million and other expense of $17 million *(a reconciliation of comparative EBITDA is included on page* 46*)*.

Comparative loss of $46 million and net loss attributable to shareholders of $180 million

- Comparative loss for the year of $46 million is a decrease from comparative earnings of $249 million in 2019. Net finance expense in 2020 was $738 million, compared to $248 million in 2019, where $549 million of finance costs were capitalized. A reconciliation of comparative metrics is included on pages 46 and 47.

- Net loss attributable to shareholders is $180 million in 2020, compared to a net loss attributable to shareholders of $57 million in 2019. The 2020 result includes a foreign exchange loss of $225 million primarily due to the depreciation of the ZMW against the US dollar ("USD") and the impact on the VAT balances due to Kansanshi and Sentinel. An $80 million credit adjustment for Zambian VAT receipts was recognized, representing the expected phasing of receipts, and the impact of foreign exchange, using a ZMW risk-free rate. The 2019 result included a charge of $182 million for expected phasing of Zambian VAT receipts, $101 million in impairments and $11 million write-off of assets and other costs, and $96 million in foreign exchange losses.

FOURTH QUARTER FINANCIAL SUMMARY

- Sales revenues in the fourth quarter of $1,601 million were 25% higher than the same period in 2019 reflecting increased sales volumes, particularly at Sentinel and Cobre Panama, as well as higher metal prices.

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

Gross profit – $184 million higher based on improved metal prices and lower operating costs

Gross profit in Q4 2019	259
Higher metal prices	283
Movement in hedge program	(113)
Higher sales volumes	25
Lower by-product contribution	(26)
Lower cash costs	19
Increase in depreciation	(36)
Positive impact of foreign exchange on operating costs	32
Gross profit in Q4 2020[1]	443

[1] Gross profit is reconciled to comparative EBITDA by including exploration costs of $6 million, general and administrative costs of $29 million, other expenses of $7 million, share of loss in joint venture of $4 million, and adding back depreciation of $326 million and revisions in estimates of restoration provision at closed sites of $2 million (*a reconciliation of comparative EBITDA is included on page* 46*)*.

Comparative earnings of $53 million and net earnings attributable to shareholders of $9 million

- Comparative earnings for the fourth quarter of $53 million is an increase of 51% compared to comparative earnings of $35 million in the same period of 2019. A reconciliation of comparative metrics to the consolidated financial statements is included on pages 46 and 47.

- Net earnings attributable to shareholders of $9 million for the quarter compared to a net loss attributable to shareholders of $115 million in the same period in 2019. The fourth quarter of 2020 included an adjustment of $5 million for expected phasing of Zambian VAT receipts, and foreign exchange losses of $32 million. The fourth quarter of 2019 included impairments of $101 million, an adjustment of $22 million for expected phasing of Zambian VAT receipts, and foreign exchange losses of $32 million.

FINANCIAL POSITION AND OPERATING CASH FLOW

- At December 31, 2020, the Company had 152,125 tonnes of unmargined copper forward sales contracts at an average price of $2.86 per lb outstanding with periods of maturity to December 2021. In addition, the Company had 174,400 tonnes of unmargined zero cost copper collar sales contracts with maturities to December 2021 at weighted average prices of $2.83 per lb to $3.07 per lb outstanding. The Company also had unmargined nickel forward sales contracts for 3,213 tonnes at an average price of $6.89 per lb outstanding, with maturities to October 2021.

- The Company actively manages all capital spending and operating costs while maintaining a high level of safety and productivity. Operating costs at all sites have been and are continuously being reviewed to identify opportunities to further reduce costs. As at December 31, 2020, the Company has hedged 60 million litres of Ultra Low Sulphur Diesel ("ULSD") at an average price of $0.34 per litre with maturities to April 2021, as part of the companywide cost management strategy.

- On October 1, 2020, the Company completed the offering of $1.5 billion of Senior Notes due 2027. Interest is accrued at the rate of 6.875% per annum and will be payable semi-annually. The proceeds of the Offering were used towards the partial repayment of the Company's existing revolving credit facility, and the redemption in full of the Company's outstanding Senior Notes due 2022.

- Net debt decreased during the year by $266 million to $7,409 million at December 31, 2020. Taking into account forecast operating cash inflows, capital expenditure outflows and available funds, the Company expects to have sufficient liquidity through the next 12 months to carry out its operating and capital expenditure plans and remain in full compliance with financial covenants. The Company continues to take action to manage operational and price risk and further strengthen the balance sheet, including through strategic initiatives and use of the copper sales hedge program.

COVID-19

When COVID-19 was declared an international public health emergency by the World Health Organization in late January, the Company moved quickly to introduce health and sanitary protocols across its sites in compliance with both local and international guidelines. These health protocol measures continue to be reviewed and adjusted as needed. The Company continues to maintain defensive health and sanitary protocols and to support the government health authorities in each jurisdiction according to the needs across all of its sites and operations to combat the spread of COVID-19.

In Panama, the Company is supporting the wider community with donations of medical equipment and supplies, as well as responding to the Panamanian Government's request to support families in need with food and supplies. In Zambia, the Company has provided COVID-19 testing equipment and treatment and isolation facilities for the community, and pledged financial support for the provision of medical logistics support in the Solwezi and Kalumbila districts of North-Western Zambia.

In addition to increased medical facility resilience initiatives at the mine clinics in Mauritania, Zambia and Panama, COVID-19 protective measures to minimize person-to-person transmission in the work place and protect business continuity have been implemented across all operations.

COVID-19 had a direct impact at Cobre Panama where the operation was placed on preservation and safe maintenance beginning April 7, 2020 following Panamanian government restrictions related to COVID-19. On July 7, 2020, the Company announced the resumption of normal operations and successfully ramped up ahead of expectation, on August 8, 2020. Cobre Panama continues to operate while adhering to the strictest protocols that have been implemented to protect the health of the workforce and communities. The Company's other operations have not been significantly impacted by restrictions arising from COVID-19.

The Company is working to manage the logistical challenges presented by the closure of trade borders, using alternative routes where feasible. Some sales shipments were delayed in the fourth quarter due to COVID-19 related port restrictions and similar delays have also been experienced to date in 2021. The Company has also experienced some disruption and additional costs on freight shipments out of Asia. The Company has not experienced any other major disruptions to supply chains and product shipments since the onset of the pandemic and has no immediate expectation of further disruption other than port delays and additional shipping costs noted above.

As the pandemic has worsened globally, the Company has identified cases amongst the workforce. All of the cases have been effectively contained and isolated, according to the established protocols and in coordination with local health authorities, with limited impact to operations. The Company will continue to employ measures to ensure minimal spread of the contagion and the health and wellbeing of our workforce continues to be a priority.

HEALTH & SAFETY

The health and safety of all of the Company's employees and contractors is our top priority and the Company is focused on the continual strengthening and improvement of the safety culture at all of our operations. The Lost Time Injury Frequency Rates ("LTIFR") is an area of continued focus and a key performance metric for the Company, our rolling 12-month LTIFR is 0.06 per 200,000 hours worked on average over the 12-month period to December 31, 2020 (2019: 0.05).

OTHER DEVELOPMENTS

Dividends

In recent years, the Company has invested heavily in the construction of Cobre Panama. During this period, a policy of paying only nominal dividends was adopted.

With the successful ramp-up of Cobre Panama and overall higher production, the Company anticipates stronger future cash flow and expects to be in a position to support increased dividend payments within the next two years. Actual distributions will be determined by annual free cash flow after prioritizing the reduction of the absolute levels of debt and providing for projected capital expenditure plans.

The Company has declared a final dividend of CDN$0.005 per share, in respect of the financial year ended December 31, 2020. The final dividend together with the interim dividend of CDN$0.005 per share is a total of CDN$0.01 per share for the 2020 financial year.

Zambian tax regime

Following the 2021 National Budget, presented on September 25 2020, the Government of the Republic of Zambia ("GRZ") has enacted the proposed changes into law, with effect from January 1, 2021. There were no material changes to the mining tax and royalty regimes announced. Mineral royalties continue to be non-deductible for tax, and tax rates remain unchanged.

Two previously unannounced changes were introduced by statutory instruments. Firstly, a zero rating order for VAT on petrol and diesel, to reduce the VAT charged to 0%, previously charged at a rate of 16%. Secondly, the excise duty on petrol and diesel was suspended from January 15, 2021, until October 1, 2021. The Energy Regulation Board has also communicated increases of other tariffs charged on fuel. Overall, these changes do not appear to have a material impact on the overall cost of fuel, however, the Company is continuing to refine its assessment of the estimated impact of the proposed changes.

Zambian VAT

During the year ended December 31, 2020, the Company received offsets of $110 million and cash receipts of $1 million with respect to VAT receivable balances (year-ended December 31, 2019, $8 million and $3 million, respectively). For a detailed summary of the VAT receivable balance due to the Company's Zambian operations please see page 33.

Zambian power supply

Construction on the 750MW Kafue Gorge Lower Power Station is nearing completion despite having suffered additional recent delays. Commissioning of the first of five 150MW hydro-generation units is underway and it is expected to generate commercially available power by the end of February 2021. However, similar to Lake Kariba, the Itezhi Tezhi Dam which serves the Kafue Gorge Lower Power Station, continues to recover from previous lows. Kariba Dam water levels also continue to recover steadily, but remain below multi-year expectations. This year's rains in Zambia have been good, and recovery is expected to be satisfactory. No power restrictions are currently in place for the Company's mining operations.

EXPLORATION

The Company's global exploration program is focused on identifying high quality porphyry and sediment hosted copper deposits in prospective belts around the world. This program includes work at advanced stage exploration projects at Taca Taca in Argentina and Haquira in Peru.

At Taca Taca, located in the Salta province of Argentina, the Company is continuing with the project pre-development and feasibility activities. The primary Environmental and Social Impact Assessment for the project, which covers the principal proposed project sites, was submitted to the Secretariat of Mining of Salta Province in 2019. On November 30, 2020, the Company filed an updated NI 43-101 Technical Report for the Taca Taca Project, including an updated Mineral Resource statement and a maiden Mineral Reserve for the project. This increases the Company's total Mineral Reserves to over 29 million tonnes of contained copper which is one of the largest copper Mineral Reserve base, globally, and substantially increases the geographic diversification of the Company's copper reserves.

At the Haquira project, located in the Apurímac region of Peru, the focus remains on community resettlement process and environmental aspects.

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

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

During the second half of 2020, travel restrictions and lockdowns associated with the COVID-19 pandemic gradually eased in most jurisdictions. In Zambia, exploration activities have continued unaffected throughout the year, with several drill programs continuing into the fourth quarter ahead of the annual rainy season. Drill programs to test high priority porphyry prospects in Papua New Guinea, Argentina and Chile were active during the fourth quarter and will continue into 2021, together with commencement of drilling on a new target in Southern Peru.

GUIDANCE

Guidance for the three years following is given once a year as part of year-end reporting. On a quarterly basis, guidance for the current year will be updated as necessary or reaffirmed.

Guidance provided below is based on a number of assumptions and estimates as of December 31, 2020, including among other things, assumptions about metal prices and anticipated costs and expenditures. Guidance involves estimates of known and unknown risks, uncertainties and other factors which may cause the actual results to be materially different. The unprecedented challenges presented by COVID-19 pose some additional risk to the accuracy of forward looking information. Production guidance and cost guidance includes current assumptions on the impact of COVID-19 on operations.

Production guidance

000's	2021	2022	2023
Copper (tonnes)	785 – 850	805 – 860	820 – 880
Gold (ounces)	280 – 300	280 – 300	290 – 310
Nickel (contained tonnes)	23 – 27	25 – 30	27 – 32

Production guidance by operation

Copper

000's tonnes	2021	2022	2023
Cobre Panama	300 – 330	310 – 340	330 – 360
Kansanshi	210 – 225	200 – 210	210 – 220
Sentinel	230 – 250	265 – 280	270 – 290
Other sites	45	30	10

Gold

000's ounces	2021	2022	2023
Cobre Panama	120 – 130	135 – 145	145 – 155
Kansanshi	120 – 130	115 – 125	115 – 125
Other sites	40	30	30

Nickel

000's tonnes (contained)	2021	2022	2023
Ravensthorpe	23 – 27	25 – 30	27 – 32

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

Cash cost and all-in sustaining cost

Copper	2021	2022	2023
C1 (per lb)	$1.20 – $1.40	$1.20 – $1.40	$1.20 – $1.40
AISC (per lb)	$1.70 – $1.85	$1.70 – $1.85	$1.70 – $1.85

Nickel	2021	2022	2023
C1 (per lb)	$5.00 - $5.50	$4.40 - $4.90	$4.20 - $4.70
AISC (per lb)	$5.50 - $6.00	$4.90 - $5.40	$4.70 - $5.20

Capital expenditure

	2021	2022	2023
Capitalized stripping	250	250	250
Sustaining capital and other projects	700	700	800
Total capital expenditure	950	950	1,050

Capital expenditure in 2020 was $65 million lower than the previously issued guidance of $675 million.

Capital expenditure of $950 million is expected in 2021 and 2022, which includes $40 million in each year on the smelter expansion at Kansanshi. 2021 and 2022 also includes a total of approximately $100 million in capital expenditures deferred from 2020. Other projects in 2021 include Shoemaker Levy development at Ravensthorpe and some spend on the fourth crusher at Sentinel.

In 2023, capital expenditure is expected to be $1,050 million and includes $270 million for the proposed S3 expansion at Kansanshi. This project is subject to board approval and the timing could be accelerated or delayed depending on capital availability, commodity prices and the Zambian fiscal regime. Project capital expenditure across the three years also provides for the expansion to 100 million tonnes per annum ("mtpa") at Cobre Panama. The majority of this capital is for pre-strip and mine fleet for Colina pit and process plant upgrades including the secondary crushing screening plant and the sixth ball mill. Sustaining capital expenditure is on average approximately $250 million per year, but is expected to be up to $40 million higher in 2021 with planned maintenance of the Kansanshi smelter.

Interest

Net interest expense for the year ended December 31, 2020, was $738 million. A significant proportion of the Company's interest expense is incurred in jurisdictions where no tax credit is recognized. Interest expense for the full year 2021 is expected to range between $740 million and $780 million. This includes interest accrued on related party loans to Cobre Panama and a finance cost accreted on the precious metal streaming arrangement.

Cash outflow on interest paid for the year ended December 31, 2020 was $574 million and is expected to be approximately $525 million for the full year 2021. This figure excludes interest paid on related party loans to Cobre Panama.

Tax

Excluding the impact of interest expense, the effective tax rate for 2020 was 33%. Excluding the impact of interest expense, the effective tax rate for 2021 is expected to be approximately 30%.

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

Depreciation

Depreciation expense for the year ended December 31, 2020 was $1,217 million. The full year 2021 depreciation expense is expected to be approximately $1,125 million.

OPERATING REVIEW

	Q4 2020	Q3 2020	Q4 2019	2020	2019
Copper production (tonnes)[1]					
Cobre Panama	65,520	62,055	60,338	205,548	79,776
Kansanshi	52,630	54,430	60,808	221,487	232,243
Sentinel	62,993	70,829	50,874	251,216	220,006
Las Cruces	10,234	12,259	17,611	54,352	48,090
Guelb Moghrein	7,369	6,702	8,220	28,491	29,620
Çayeli	3,534	4,199	4,725	13,334	16,706
Pyhäsalmi	891	922	1,694	4,483	8,003
Total copper production (tonnes) – excluding pre-commercial production	203,171	211,396	204,270	778,911	634,444
Cobre Panama - pre-commercial	-	-	-	-	67,704
Total copper production (tonnes) – including pre-commercial production	203,171	211,396	204,270	778,911	702,148
Gold production (ounces)					
Cobre Panama	25,295	28,346	28,040	84,667	35,954
Kansanshi	29,515	31,715	36,105	128,409	145,386
Guelb Moghrein	13,115	11,620	12,027	47,637	44,673
Other sites[2]	822	1,245	1,617	4,399	6,780
Total gold production (ounces) – excluding pre-commercial production	68,747	72,926	77,789	265,112	232,793
Cobre Panama - pre-commercial	-	-	-	-	24,120
Total gold production (ounces) – including pre-commercial production	68,747	72,926	77,789	265,112	256,913
Nickel production (contained tonnes) – Ravensthorpe	5,603	5,113	-	12,695	-

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

Fourth quarter

Copper production in the fourth quarter was comparable to the same period in 2019. Strong performance at Sentinel and Cobre Panama was offset by lower production at Kansanshi.

Sentinel achieved quarterly production of 62,993, a 24% increase compared to the fourth quarter of 2019, reflecting higher throughput, grade and recoveries. Cobre Panama set new quarterly records for both mill throughput and copper production, and saw an increase of 9% in copper production from the comparable period, despite a 7-day planned maintenance shutdown in October.

Lower grades and lower sulphide and oxide recoveries impacted Kansanshi copper production in the quarter, which was 13% lower than the fourth quarter of 2019.

Total gold production was 12% lower than the comparable period in 2019. Cobre Panama produced 25,295 ounces of gold in the fourth quarter of 2020, a 10% decrease compared to fourth quarter of 2019, due to lower grade. Gold production at Kansanshi was 18% lower due to lower gravity recoverable gold produced and processing of stockpiled ore.

Ravensthorpe continued to ramp up and produced 5,603 contained tonnes of nickel in the fourth quarter of 2020, compared with 5,113 contained tonnes in the third quarter of 2020.

Full year

Copper production in the year ended December 31, 2020, was 11% higher than 2019, including pre-commercial production, due to exceptionally strong performance at Sentinel, which achieved annual production at 251,216 tonnes, and the contribution from Cobre Panama. Copper production at Cobre Panama was impacted, in particular during the second quarter of 2020, when it was placed on preservation and safe maintenance as a result of COVID-19 restrictions. In August, Cobre Panama ramped up successfully ahead of expectation, reaching a daily record for crushing and copper production at the end of December. Cobre Panama operations achieved annual copper production of 205,548 tonnes. Copper production at Las Cruces increased by 13% compared to 2019, as the first half of 2019 was impacted by a land slippage.

Total gold production for 2020 was 3% higher than 2019, including pre-commercial production at Cobre Panama. Cobre Panama produced 84,667 ounces of gold in 2020, compared to 60,074 ounces of gold in 2019, despite significantly reduced production levels as a result of COVID-19 restrictions in the second and third quarters of 2020. Gold production at Kansanshi was 12% lower, mainly as a result of a decline in the gold concentrates produced by the gravity concentrates and processing of stockpiled oxide ore, which yields less gold.

Ravensthorpe recommenced operations with the first nickel production in late-April. The first high pressure acid leach ("HPAL") circuit was brought online in April, followed by the second circuit in May as the operation ramped up. Nickel production for the year was 12,695 contained tonnes.

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

	Q4 2020	Q3 2020	Q4 2019	2020	2019
Copper sales volume (tonnes)[1]					
Cobre Panama	65,770	61,049	48,841	208,787	83,897
Kansanshi[1]	51,265	56,290	73,986	223,147	235,381
Sentinel	78,975	55,515	53,272	231,731	218,282
Las Cruces	9,915	12,646	16,284	54,852	48,244
Guelb Moghrein	7,365	6,715	6,010	29,899	28,046
Çayeli	2,672	4,451	5,553	11,443	18,118
Pyhäsalmi	1,079	867	2,018	4,612	8,451
Total copper sales (tonnes) – excluding pre-commercial sales	217,041	197,533	205,964	764,471	640,419
Cobre Panama - pre-commercial	-	-	-	-	48,967
Total copper sales (tonnes) – including pre-commercial sales	217,041	197,533	205,964	764,471	689,386
Gold sales volume (ounces)					
Cobre Panama	25,669	27,182	23,336	86,862	36,410
Kansanshi	29,021	37,524	45,342	131,248	146,363
Guelb Moghrein	14,885	11,698	8,415	53,217	44,946
Other sites[2]	1,330	1,609	2,316	5,964	8,407
Total gold sales (ounces) – excluding pre-commercial sales	70,905	78,013	79,409	277,291	236,126
Cobre Panama - pre-commercial	-	-	-	-	18,659
Total gold sales (ounces)[3] **–** including pre-commercial sales	70,905	78,013	79,409	277,291	254,785
Nickel sales volume (contained tonnes) – Ravensthorpe	5,343	4,986	-	12,120	-

[1] Copper sales exclude the sale of copper anode produced from third-party concentrate purchased at Kansanshi. Sales of copper anode attributable to third-party concentrate purchases were nil for the year ended December 31, 2020 (nil and 1,182 tonnes for the three months and year ended December 31, 2019, respectively).
[2] Other sites include Çayeli and Pyhäsalmi.
[3] Excludes refinery-backed gold credits purchased and delivered under the precious metal streaming arrangement (see page 35).

Fourth quarter

Total copper sales volumes were 5% higher than the comparable period in 2019, due to increased copper sales volumes at Sentinel and at Cobre Panama.

Sentinel sales volumes in the fourth quarter of 2020 were 48% higher than the comparable period and included concentrate export sales of copper concentrate. In September 2020, following a third-party smelter maintenance shutdown, Sentinel received a permit from the Zambian Ministry of Mines to export up to approximately 100,000 DMT copper concentrate to sell down the inventory build up. Fourth quarter sales included over 50,000 DMT of copper concentrate which was sufficient to successfully reduce inventory levels.

Gold sales volumes decreased by 11% in the fourth quarter of 2020, compared to the same period in 2019, mainly due to decreased gold production at Kansanshi.

Nickel sales volumes at Ravensthorpe were 5,343 contained tonnes for the quarter.

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

Full year

Copper sales in the period were 11% higher compared to the same period in 2019, including pre-commercial sales from Cobre Panama. This reflects the record annual copper production at Sentinel as well as strong contribution from Cobre Panama in 2020.

Gold sales volumes for the year ended December 31, 2020 increased by 9% compared to 2019 including pre-commercial sales, reflecting the contribution from Cobre Panama.

	Q4 2020	Q3 2020	Q4 2019	2020	2019
Copper C1 cash cost ($ per lb)[1, 4]					
Cobre Panama	$1.34	$1.06	$1.28	$1.31	$1.29
Kansanshi[2]	$1.01	$1.04	$1.03	$1.09	$1.13
Sentinel	$1.44	$1.25	$1.71	$1.40	$1.61
Las Cruces	$1.56	$1.12	$0.73	$1.05	$1.17
Other sites[3]	$0.42	$0.68	$1.16	$0.68	$1.05
Total copper C1 cash cost ($ per lb)[1,2]	$1.28	$1.07	$1.24	$1.21	$1.31
Copper AISC ($ per lb)[1]					
Cobre Panama	$1.72	$1.31	$1.48	$1.60	$1.78
Kansanshi	$1.59	$1.61	$2.22	$1.60	$1.65
Sentinel	$2.04	$1.77	$1.85	$1.92	$2.12
Las Cruces	$1.70	$1.22	$0.91	$1.15	$1.35
Other sites[3]	$0.72	$0.90	$1.51	$0.97	$1.33
Total copper AISC ($ per lb)[1,2]	$1.77	$1.48	$1.73	$1.63	$1.78

[1] C1 cash cost and AISC are not recognized under IFRS. Refer to "*Regulatory Disclosures*" section from page 40.
[2] Copper C1 cash cost and AISC for Kansanshi and total copper exclude purchases of copper concentrate from third parties treated through the Kansanshi smelter.
[3] Other sites include Guelb Moghrein, Çayeli and Pyhäsalmi.
[4] Copper production for the three months and year ended December 31, 2019 includes nil and 67,704 tonnes, respectively, of pre-commercial production from Cobre Panama, which is not included in C1, C3 and AISC calculations.

Fourth quarter

Total copper C1 cash costs of $1.28 per lb for the fourth quarter of 2020 is $0.04 per lb higher than the same period in 2019. C1 cash costs at Cobre Panama was $0.06 per lb higher in the fourth quarter of 2020 compared to the same period in 2019, reflecting additional operating costs associated with increased health and safety protocols in response to COVID-19. Sentinel and Kansanshi saw decreases to C1 cash costs reflecting favourable foreign exchange impacts and lower fuel costs. Guelb Moghrein reported quarterly C1 cash cost of $0.09, the lowest level in a decade, through major cost reduction initiatives, along with higher realized gold prices. Guelb Moghrein achieved its lowest recorded quarterly AISC of $0.36 per lb.

Total copper AISC for the quarter of $1.77 per lb is $0.04 per lb higher than the comparable period in 2019, reflecting the higher C1 cash costs. Higher Zambian royalties on the increased copper price were offset by lower sustaining capital expenditure and deferred stripping.

Full year

Total copper C1 cash cost of $1.21 per lb for the year ended December 31, 2020 was the lowest in four years, and was $0.10 per lb lower than 2019. In 2020, Sentinel achieved a record low C1 cash cost of $1.40 per lb, a $0.21 per lb decrease from 2019, reflecting significantly higher production as well as favourable foreign exchange impacts, and lower maintenance and fuel costs. C1 cash cost at Kansanshi of $1.09 per lb was $0.04 per lb lower than the previous year, as a result of higher by-product credits and favourable foreign exchange impacts. There was a notable reduction in C1 cash cost at Guelb Moghrein in 2020 to $0.38 per lb, the lowest reported annual C1 cash cost and AISC. In addition, C1 cash cost at Las Cruces was significantly lower with higher production and cost reductions. There was a full year contribution from Cobre Panama at $1.31 per lb, which included reduced production levels during the period of preservation and safe maintenance between April and July.

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

Total copper AISC of $1.63 per lb was $0.15 per lb lower than the comparable period of 2019 due to decreased C1 cash costs as well as lower sustaining capex at Kansanshi and Sentinel.

OPERATIONS

Cobre Panama	Q4 2020	Q3 2020	Q4 2019	2020	2019 Post-commercial production	2019[4] Pre-commercial production
Copper ore milled (000's tonnes)[1]	17,697	14,661	16,493	54,457	20,930	17,653
Copper ore grade processed (%)	0.41	0.47	0.41	0.42	0.43	0.47
Copper recovery (%)	91	90	89	90	89	85
Copper production (tonnes)	65,520	62,055	60,338	205,548	79,776	67,704
Copper sales (tonnes)	65,770	61,049	48,841	208,787	83,897	48,967
Gold production (ounces)	25,295	28,346	28,040	84,667	35,954	24,120
Gold sales (ounces)[2]	25,669	27,182	23,336	86,862	36,410	18,659
Silver production (ounces)	500,806	501,012	452,663	1,595,561	604,906	527,341
Silver sales (ounces)[2]	504,002	470,989	354,689	1,581,881	626,463	406,135
All-in sustaining cost (AISC) (per lb)[3]	$1.72	$1.31	$1.85	$1.60	$1.78	-
Cash cost (C1) (per lb)[3]	$1.34	$1.06	$1.28	$1.31	$1.29	-
Total cost (C3) (per lb)[3]	$2.22	$2.03	$2.12	$2.30	$2.15	-
Sales revenues	510	440	314	1,455	524	-
Gross profit	163	115	56	274	92	-
Comparative EBITDA[3]	268	230	136	667	203	-

[1] DMT
[2] Excludes refinery-backed gold and silver credits purchased and delivered under the precious metal streaming arrangement (see page 35).
[3] AISC, C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. See "*Regulatory Disclosures*" for further information.
[4] Pre-commercial production and sales volumes at Cobre Panama are not included in earnings, C1, C3 and AISC calculations.

Fourth quarter

During the quarter, approximately 17.7 million tonnes of ore with an average grade of 0.41% were processed and recoveries of 91% were achieved, which resulted in copper production of 65,520 tonnes. Cobre Panama operations set new quarterly records for both mill throughput and copper production despite the challenges faced during the year.

Operations continued under strict protocols in line with COVID-19 guidelines from MINSA. There was a continued focus on waste mining and addressing the backlog of non-critical maintenance caused by the COVID-19 related restrictions during the first half of 2020. Cobre Panama operations were impacted in October by a planned 7-day, infrequent but normal, maintenance shutdown to SAG mills and SAG mill feeder system which reduced monthly throughput. However, throughput improved to record high levels for the year in November and December, driven by increased mill rates due to higher secondary crushing utilization and consistent pebble crushing operations. A daily record for crushing and copper production was reached at the end of December, of 301,000 tonnes and 1,301 tonnes contained copper, respectively. Recoveries and concentrate grades continued to improve, benefiting from consistent and stable operations.

AISC and C1 cash cost for the fourth quarter were $1.72 per lb and $1.34 per lb, respectively. C1 cash cost at Cobre Panama was $0.06 per lb higher in the fourth quarter of 2020 compared to the same period in 2019, reflecting additional operating costs associated with increased health and safety protocols in response to COVID-19. AISC of $1.72 per lb is $0.13 per lb lower than the same period in 2019, due to lower sustaining capex and deferred stripping. Included within C1 cash costs and AISC are $10 million in increased operating costs, reflected within C1 cash costs, associated with increased health and safety protocols in response to COVID-19.

The fourth quarter was the strongest quarter to date for Cobre Panama. Sales revenues for the quarter were $510 million, benefitting from high metal prices and increased sales volumes. A record high of 65,770 tonnes of contained copper were sold in the fourth quarter. Comparative EBITDA for the quarter was $268 million, and gross profit was $163 million.

Full year

During the first quarter of 2020, throughput was impacted by unplanned downtime of the crusher circuit. On April 6, 2020, MINSA ordered the temporary suspension of labour activities on site due to COVID-19, as a result, the Company placed Cobre Panama on preservation and safe maintenance beginning April 7, 2020, operating at much reduced levels of activity consistent with ensuring safety and the protection of the environment and the assets. Operations successfully ramped up ahead of expectation in August. In the fourth quarter, throughput continued to improve, setting new quarterly mill throughput and copper production records despite a 7-day planned maintenance shutdown to the milling circuit in October.

For the year ended December 31, 2020, approximately 54.5 million tonnes of ore with an average grade of 0.42% were processed, and recoveries of 90% were achieved, resulting in copper and gold production of 205,548 tonnes and 84,667 ounces, respectively.

AISC and C1 cash cost were $1.60 per lb and $1.31 per lb, respectively, for the year ended December 31, 2020.

Sales revenues for the year ended December 31, 2020, were $1,455 million and a total of 208,787 tonnes of contained copper were sold in this period. Comparative EBITDA was $667 million and gross profit for the same period was $274 million.

Outlook

The priority for Cobre Panama remains the health and safety of the workforce and surrounding communities. The operation continues to work towards improving throughput and finding efficiencies, with a focus on managing costs.

Cobre Panama is expected to achieve 85 million tonnes of mill throughput and annual production of between 300,000 and 330,000 tonnes of copper and between 120,000 and 130,000 ounces of gold in 2021.

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

Kansanshi	Q4 2020	Q3 2020	Q4 2019	2020	2019
Sulphide ore milled (000's tonnes)[1]	3,491	3,415	3,211	13,527	12,908
Sulphide ore grade processed (%)	0.79	0.85	0.95	0.83	0.89
Sulphide copper recovery (%)	90	91	93	92	91
Mixed ore milled (000's tonnes)[1]	1,987	2,053	1,900	8,167	7,699
Mixed ore grade processed (%)	0.96	1.03	1.11	1.00	1.05
Mixed copper recovery (%)	81	79	79	81	77
Oxide ore milled (000's tonnes)[1]	1,654	2,079	1,893	7,440	7,201
Oxide ore grade processed (%)	1.02	0.80	1.07	0.93	1.12
Oxide copper recovery (%)	75	70	79	76	82
Copper production (tonnes)[2]	52,630	54,430	60,808	221,487	232,243
Copper smelter					
Concentrate processed[1, 3]	354,155	362,554	342,550	1,320,328	1,317,826
Copper anodes produced (tonnes)[3]	87,392	89,090	86,690	323,667	324,281
Smelter copper recovery (%)	99	98	97	98	97
Acid tonnes produced (000's)	341	342	327	1,262	1,236
Copper sales (tonnes)[4, 5]	51,265	56,290	73,986	223,147	235,381
Gold production (ounces)	29,515	31,715	36,105	128,409	145,386
Gold sales (ounces)	29,021	37,524	45,342	131,248	146,363
All-in sustaining cost (AISC) (per lb)[6, 7]	$1.59	$1.61	$1.48	$1.60	$1.65
Cash cost (C1) (per lb)[6, 7]	$1.01	$1.04	$1.03	$1.09	$1.13
Total cost (C3) (per lb)[6, 7]	$1.81	$1.85	$1.68	$1.86	$1.84
Sales revenues	416	423	495	1,539	1,581
Gross profit	161	151	166	464	472
Comparative EBITDA[6]	216	213	232	712	705

[1] DMT

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

[3] Concentrate processed in smelter and copper anodes produced are disclosed on a 100% basis, inclusive of Sentinel and third-party concentrate processed. Concentrate processed is measured in DMT. There was no third-party purchased copper concentrate treated for the year ended December 31, 2020 (nil and 1,881 DMT for the three months and year ended December 31, 2019, respectively).

[4] Sales of copper anode attributable to anode produced from third-party purchased concentrate are excluded. There was no sales of copper anode produced from purchased concentrate for the year ended December 31, 2020 (nil and 1,182 tonnes for the three months and year ended December 31, 2019, respectively).

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

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

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

Kansanshi Mining Operations

Fourth quarter

Copper production for the fourth quarter of 2020 was 13% lower than the comparable period in 2019, mainly due to lower feed grades. The lower ore grade negatively impacted sulphide and oxide recoveries. The decline in the oxide ore grade was expected due to the depletion of higher-grade areas as the mine ages. Mixed recovery benefitted from the treatment of tarnished copper sulphides.

Gold production was 18% lower than the fourth quarter of 2019, mainly as a result of a decline in the gold concentrates produced by the gravity concentrators and processing of stockpiled oxide ore, which yields less gold.

AISC of $1.59 per lb was $0.11 per lb higher than that of the same period in 2019, due to the increased royalty rate associated with higher copper price. C1 cash cost was $0.02 per lb lower than the same period in 2019, mainly due to the depreciation of the ZMW and lower fuel prices.

Sales revenues of $416 million were 16% lower for the same period in 2019, reflecting lower copper and gold sales volumes. Gross profit of $161 million was 3% lower than the same period in 2019 due to lower costs offsetting the lower revenues.

Full year

On September 14, 2020, the Company filed an updated NI 43-101 Technical Report for Kansanshi. Updated Mineral Reserve and Resource estimates show an increase of 70% and 40%, respectively, over those reported in the last update in May 2015, and extends the mine life to 24 years. In addition to the processing plant expansion and upgrades, the Kansanshi smelter capacity will be increased.

Copper production during the year was 5% lower compared to 2019, mainly due to lower grade. Throughput was 5% higher than 2019, reflecting the successful implementation of throughput improvement projects.

Gold production was 12% lower than 2019, mainly as a result of a decline in the gold concentrates produced by the gravity concentrators and processing of stockpiled oxide ore, which yields less gold.

AISC of $1.60 per lb was $0.05 per lb lower than 2019, due to lower C1 cash costs and reduced capex, partially offset by increased royalty rates as a result of the higher copper price. C1 cash cost was $0.04 per lb lower than the same period in 2019, as a result of higher by-product credits, the depreciation of the ZMW and lower fuel prices.

Sales revenues of $1,539 million were 3% lower than 2019, reflecting lower copper and gold volumes sold, partially offset by the higher realized gold and copper prices, excluding the impact of the corporate sales hedge program. Gross profit of $464 million was comparable to the same period in 2019.

Kansanshi Copper Smelter

Fourth quarter

The smelter treated 354,155 DMT of concentrate, 3% higher than the same period of 2019, and produced 87,392 tonnes of copper anode and 341,000 tonnes of sulphuric acid.

Full year

The smelter treated 1,320,238 DMT of concentrate, produced 323,667 tonnes of copper in anode and 1,262,000 tonnes of sulphuric acid and maintained a consistent overall copper recovery rate of 98%, in line with 2019 performance.

Outlook

Production in 2021 is expected to be between 210,000 and 225,000 tonnes of copper, and between 120,000 and 130,000 ounces of gold.

The NI 43-101 Technical Report filed on September 14, 2020 includes the plan for a 25 mtpa expansion of the sulphide ore processing facility and associated increase in mining capacity, increasing annual throughout to 52 mtpa (the “S3 Expansion”). The timing of capital expenditure for the S3 Expansion is proposed for 2023-2024 and requires board approval. In addition to the processing plant expansion and upgrades, the Kansanshi smelter will be increased to 1.65 mtpa capacity, an increase from current capacity level of 1.38 mtpa. The capacity increase will be achieved partly through enhancing copper concentrate grades by lowering the carbon and pyrite content of the Kansanshi and Sentinel concentrate feeds. Concentrate processing capacity will be further expanded through modifications to the existing HPL circuit. Capital expenditure in 2021 and 2022 includes $40 million in each year on the smelter expansion.

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

Sentinel	Q4 2020	Q3 2020	Q4 2019	2020	2019
Copper ore milled (000's tonnes)[1]	13,816	14,669	12,385	56,589	48,858
Copper ore grade processed (%)	0.51	0.53	0.47	0.49	0.50
Copper recovery (%)	90	90	87	90	91
Copper production (tonnes)	62,993	70,829	50,874	251,216	220,006
Copper sales (tonnes)	78,975	55,515	53,272	231,731	218,282
All-in sustaining cost (AISC) (per lb)[2]	$2.04	$1.77	$2.22	$1.92	$2.12
Cash cost (C1) (per lb)[2]	$1.44	$1.25	$1.71	$1.40	$1.61
Total cost (C3) (per lb)[2]	$2.28	$1.98	$2.45	$2.14	$2.34
Sales revenues	526	340	281	1,353	1,199
Gross profit	194	110	25	363	176
Comparative EBITDA[2]	277	167	86	614	423

[1] DMT

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

Fourth quarter

Copper production for the quarter increased by 24% compared to the same period in 2019, reflecting higher throughput, grade and recoveries. A higher proportion of softer ore from the Eastern cutback contributed to the enhanced throughput rates. Feed grade improved due to higher grade from the deeper mining areas in the as the pit progresses through the transitional ore.

AISC of $2.04 per lb was $0.18 per lb lower than the same period in 2019, reflecting lower C1 cash cost partially offset by the increased royalty rate associated with higher copper price. C1 cash cost was $0.27 per lb lower than the comparable period of 2019 reflecting the depreciation of the ZMW and lower fuel costs.

Sales revenues of $526 million for the quarter were 87% higher than the same period in 2019 due to increased copper sales volumes combined with higher realized copper prices, excluding the impact of the corporate sales hedge program. In September 2020, following a third-party smelter maintenance shutdown, Sentinel received a permit from the Zambian Ministry of Mines to export up to approximately 100,000 DMT copper concentrate to sell down the inventory build up. The sell down of inventory was successfully completed during the quarter, and was made up of concentrate export sales of over 50,000 DMT and regular in-country sales. Sales revenues comprised sales of both concentrate as well as anode, with a higher proportion of revenue realized from copper anode. Gross profit of $194 million was $169 million higher than the comparable period in 2019, reflecting higher revenues and lower costs.

Full year

Sentinel achieved record copper production of 251,216 tonnes for the full year, 14% higher than 2019, reflecting a significant increase in throughput to 57 million tonnes in 2020.

Sentinel achieved a record low AISC and C1 cash cost. AISC of $1.92 per lb was $0.20 per lb lower than 2019, reflecting lower C1 cash cost and sustaining capital expenditure, somewhat offset by higher capitalized stripping and higher royalties. C1 cash cost was $0.21 per lb lower than 2019, mainly due to the depreciation of the ZMW, and lower fuel and maintenance costs.

Sales revenues of $1,353 million were 13% higher than 2019, attributable to both higher sales volumes and realized copper prices, excluding the impact of the corporate sales hedge program. Sales revenues comprised sales of both concentrate and anode, with a higher proportion of revenue realized from copper anode. Gross profit of $363 million was 106% higher than the comparable period in 2019, reflecting both higher sales revenues and lower costs.

Outlook

Copper production in 2021 is expected to be between 230,000 and 250,000 tonnes.

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

Throughput rates are expected to be maintained with secondary crushing and consistent ore supply. The focus will be on maintaining consistent ore feed as well as the development of the pocket for the fourth in-pit crusher. Mining will continue to focus on operational improvements with expansion of the trolley assist system onto the north waste dump as well as extension into the Stage 1 pit. The fourth in-pit crusher is expected to be commissioned during the second half of 2021. The fourth in-pit crusher will enable the plant to ramp up throughput towards 62 mtpa in 2022.

Guelb Moghrein	Q4 2020	Q3 2020	Q4 2019	2020	2019
Sulphide ore tonnes milled (000's)[1]	986	889	1,029	3,788	3,851
Sulphide ore grade processed (%)	0.82	0.87	0.89	0.85	0.87
Sulphide copper recovery (%)	91	86	89	89	89
Copper production (tonnes)	7,369	6,702	8,220	28,491	29,620
Copper sales (tonnes)	7,365	6,715	6,010	29,899	28,046
Gold production (ounces)	13,115	11,620	12,027	47,637	44,673
Gold sales (ounces)	14,885	11,698	8,415	53,217	44,946
Magnetite concentrate production (WMT)[2]	114,128	175,237	152,202	579,572	541,560
Magnetite concentrate sales (WMT)[2]	136,316	138,582	90,032	590,013	525,699
All-in sustaining cost (AISC) (per lb)[3]	$0.36	$0.47	$1.37	$0.70	$1.36
Cash cost (C1) (per lb)[3]	$0.09	$0.24	$0.98	$0.38	$1.00
Total cost (C3) (per lb)[3]	$1.07	$0.94	$1.78	$1.20	$1.87
Sales revenues	84	71	50	300	243
Gross profit	38	30	9	103	45
Comparative EBITDA[3]	45	38	16	139	87

[1] DMT

[2] Magnetite concentrate production and sales volumes are measured in wet metric tonnes ("WMT").

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

Fourth quarter and full year

Copper production for the fourth quarter and year ended December 31, 2020 was 10% and 4% lower, respectively, than the same periods in 2019 as a result of lower grade and lower throughput. Gold production for the quarter and year ended December 31, 2020 was 9% and 7% higher, respectively, compared to the same periods in 2019. Increased gold production resulted from higher gold recoveries due to improvements in flotation and gravity gold operations, in addition to improved mineralogy with the introduction of ore from the Oriental deposit during the year.

The magnetite plant production for the quarter was 25% lower than the same period in 2019 due to lower throughput and recovery. The magnetite plant production for the year ended December 31, 2020 was 7% higher due to higher throughput for the full year as a result of steady plant operations.

AISC for the quarter and year ended December 31, 2020 decreased by $1.01 per lb and $0.66 per lb, respectively, compared to the same periods in 2019, mainly driven by lower C1 cash costs for the periods. C1 cost for the quarter and year ended December 31, 2020 benefited from major cost reduction initiatives, in addition to higher gold and magnetite sales and higher realized gold prices.

Sales revenues for the quarter and year ended December 31, 2020 were 68% and 23% higher respectively compared to the same period in 2019 due to higher sales volumes and realized metal prices. Gross profit for the quarter and year ended December 31, 2020 was $29 million and $58 million higher than the comparable periods in 2019, reflecting the lower costs and higher sales revenues.

Outlook

Production in 2021 is expected to be approximately 20,000 tonnes of copper, 40,000 ounces of gold, and 400,000 WMT of magnetite concentrate.

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

Open pit mining is expected to conclude during 2021, and the operation will transition to treatment of lower grade stockpiled materials. The focus will be on improving efficiency and plant operations to maximize operating hours and recovery from the stockpile feed. Several major cost initiatives were concluded in 2020 which successfully reduced costs. Further initiatives will continue in to 2021.

Las Cruces	Q4 2020	Q3 2020	Q4 2019	2020	2019
Ore tonnes milled (000's tonnes)[1]	381	343	364	1,462	1,354
Copper ore grade processed (%)	3.22	4.24	5.71	4.35	4.17
Copper recovery (%)	83	84	85	85	85
Copper cathode production (tonnes)	10,234	12,259	17,611	54,352	48,090
Copper cathode sales (tonnes)	9,915	12,646	16,284	54,852	48,244
All-in sustaining cost (AISC) (per lb)[2]	$1.70	$1.22	$0.91	$1.15	$1.35
Cash cost (C1) (per lb)[2]	$1.56	$1.12	$0.73	$1.05	$1.17
Total cost (C3) (per lb)[2]	$3.76	$3.24	$2.43	$2.88	$3.08
Sales revenues	70	82	97	332	291
Gross profit (loss)	(11)	(6)	7	(13)	(38)
Comparative EBITDA[2]	35	52	71	204	167

[1] DMT

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

Fourth quarter and full year

In August, after 12 years of operations, mining activities ended with the depletion of ore in Phase VI. The plant was fed surface stockpiles from August. The stockpiled ore has impacted plant throughput, grade and recoveries during the last part of the year, due to challenges of processing sticky ore and lower grades than previously fed fresh ore.

Copper production for the fourth quarter of 2020 decreased by 42% compared to the same period in 2019, due to lower ore grade processed and decreased recoveries related to mineral characteristics. Copper production for 2020 increased by 13% compared to 2019. In 2020, plant production returned to normal throughput levels following the land slippage in January 2019. Plant throughput in 2019 was further impacted by the ball mil failure in September.

AISC of $1.70 per lb for the quarter was $0.79 per lb higher than the same period in 2019, reflecting higher C1 cash cost. The C1 cash cost was impacted by lower copper production. This was partially mitigated by lower total operating costs. AISC of $1.15 per lb for the year ended December 31, 2020 was $0.20 per lb lower than 2019, reflecting lower C1 cash cost driven by higher copper production, lower operating costs and lower deferred stripping.

Sales revenues for the quarter of $70 million were 28% lower than the comparable period in 2019, due to lower sales volumes, excluding the impact of the corporate sales hedge program. The decrease in sales revenues resulted in a gross loss of $11 million in the quarter, compared to a gross profit of $7 million in the fourth quarter of 2019.

Sales revenues of $332 million for the year were 14% higher compared to 2019, due to higher sales volumes and higher realized copper prices, excluding the impact of the corporate sales hedge program. The increase in revenues resulted in a gross loss of $13 million in 2020, compared to a gross loss of $38 million in 2019.

Backfilling activities related to the restoration plan continue.

Outlook

2020 was the final year of production for the open-pit. In the beginning of 2021, ore in surface was processed. Current mine life has been extended through the re-processing of high grade tailings which commenced in February 2021 and is expected to continue until the end of 2022.

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

Production in 2021 is 12,000 tonnes of copper, with cost optimization being the focus.

The technical and study work on the polymetallic refinery project is expected to continue, as well as work to obtain permits required to carry out the project. The Company is also in the process of exploring the potential for commercial agreements with other mines in the region to enhance the value of the project. Environmental permits were received in 2020 and water permits are expected to be granted during 2021.

Çayeli	Q4 2020	Q3 2020	Q4 2019	2020	2019
Copper production (tonnes)	3,534	4,199	4,725	13,334	16,706
Copper sales (tonnes)	2,672	4,451	5,553	11,443	18,118
Zinc production (tonnes)	1,943	951	1,896	4,512	5,252
Zinc sales (tonnes)	1,882	1,625	2,046	5,364	3,879
All-in sustaining cost (AISC) (per lb)[1]	\$1.37	\$1.29	\$1.51	\$1.53	\$1.65
Cash cost (C1) (per lb)[2]	\$0.96	\$1.07	\$1.11	\$1.24	\$1.35
Total cost (C3) (per lb)[2]	\$1.52	\$1.91	\$1.60	\$2.14	\$2.16
Sales revenues	18	25	32	64	95
Gross profit	6	5	11	6	22
Comparative EBITDA[2]	9	12	16	26	55

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

Fourth quarter and full year

Copper production for the fourth quarter was 25% lower than the same period in 2019 due to lower throughput, grade, and recovery. For the year ended December 31, 2020, copper production was 20% lower than 2019 due to lower throughput related to 26 days of shutdown resulting from a strike in the second quarter of 2020 which was resolved on June 6, 2020, the main ramp rehabilitation during the first quarter, as well as lower copper ore grade through the end of the life of mine.

AISC for the quarter and year ended December 31, 2020 decreased by \$0.14 per lb and \$0.12 per lb, respectively, compared to the same periods in 2019, mainly driven by lower C1 cash cost, and lower sustaining capital expenditure for the year. C1 cash costs for the quarter and year ended December 31, 2020 benefited from the depreciation of the Turkish Lira, lower fuel costs and higher by-product credits.

Sales revenues for the fourth quarter of 2020, were \$14 million lower, compared to the same period in 2019 due to lower sales volumes and grades, which resulted in a gross profit of \$6 million. Sales revenues for the year, were \$31 million lower, compared to 2019 due to lower sales volumes as a result of lower production and lower realized copper and zinc prices.

Outlook

Production for 2021 is expected to be 11,000 tonnes of copper and 3,000 tonnes of zinc, reflecting a declining number of work areas as the mine approaches reserve depletion in 2024.

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

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

Pyhäsalmi	Q4 2020	Q3 2020	Q4 2019	2020	2019
Copper production (tonnes)	891	922	1,694	4,483	8,003
Copper sales (tonnes)	1,079	867	2,018	4,612	8,451
Zinc production (tonnes)[1]	-	380	566	2,536	12,080
Zinc sales (tonnes)	-	377	933	2,230	12,493
Pyrite production (tonnes)	132,415	124,913	120,687	462,160	553,644
Pyrite sales (tonnes)	119,593	99,386	110,823	460,878	423,330
All-in sustaining cost (AISC) (per lb)[2]	$2.21	$1.90	$2.11	$1.55	$0.55
Cash cost (C1) (per lb)[2]	$2.06	$1.82	$2.02	$1.48	$0.51
Total cost (C3) (per lb)[2]	$2.93	$2.33	$2.17	$2.03	$1.77
Sales revenues	12	10	17	46	90
Gross profit	3	1	5	8	24
Comparative EBITDA[2]	4	2	5	12	45

[1] Zinc production for the three months ended September 30, 2020 has been adjusted from 521 tonnes to 380 tonnes, and for the year-ended December 31, 2020 has been adjusted from 2,677 tonnes to 2,536 tonnes.

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

Fourth quarter and full year

Copper production was lower for the quarter and year ended December 31, 2020, compared to the same periods in 2019, mainly due to lower copper grade and throughput. The lower throughput and grades in 2020 reflect the nearly depleted mineral reserve and the constraint on available work areas at this stage of the mine life.

AISC of $2.21 per lb and $1.55 per lb for the quarter and year ended December 31, 2020, respectively, were higher than the comparable periods in 2019 mainly due to higher C1 cash cost, which reflected lower by-product credits and lower copper production.

Sales revenues for the quarter and year ended December 31, 2020, of $12 million and $46 million, respectively, were lower than the comparable periods, due to lower copper and zinc sales volumes, resulting in lower gross profit in both periods.

Outlook

Production guidance for 2021 is 2,000 tonnes of copper, 1,000 ounces of gold and 500 tonnes of zinc. The operation is also expected to produce approximately 250,000 tonnes of pyrite. Mining is expected to continue into the second half of 2021.

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

Ravensthorpe	Q4 2020	Q3 2020	Q4 2019	2020	2019
Beneficiated ore tonnes processed (000's)	728	769	-	1,954	-
Beneficiated ore grade processed (%)	0.99	1.01	-	0.98	-
Nickel recovery (%)	78	73	-	74	-
Nickel production (contained tonnes)	5,603	5,113	-	12,695	-
Nickel sales (contained tonnes)	5,343	4,986	-	12,120	-
Nickel production (payable tonnes)	4,534	4,102	-	10,215	-
Nickel sales (payable tonnes)	4,342	4,016	-	9,787	-
All-in sustaining cost (AISC) (per lb)[1]	$6.09	$6.53	-	$6.46	-
Cash cost (C1) (per lb)[1]	$5.39	$5.88	-	$5.72	-
Total cost (C3) (per lb)[1]	$6.78	$7.36	-	$7.19	-
Sales revenues	75	62	-	156	-
Gross profit (loss)	7	(8)	(18)	(68)	(38)
Comparative EBITDA[1]	15	(2)	(17)	(48)	(33)

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

Fourth quarter and full year

Ravensthorpe recommenced operations in the first quarter of 2020. Nickel production for the fourth quarter was 5,603 contained tonnes of nickel with the focus continuing on stabilizing plant operations, already resulting in recovery increases from 73% in the third quarter to 78% in the fourth quarter. Despite a power outage in October, nickel production for the fourth quarter was higher than the previous quarter.

Sales revenues in the fourth quarter of 2020 were $75 million with the average LME nickel price of $7.11per lb. Sales revenue for the twelve months were $156 million with the average LME nickel price of $6.25 per lb.

C1 cash cost of $5.39 per lb for the fourth quarter is lower than the third quarter of $5.88 per lb due to increased production. Gross loss of $68 million for the year ended December 31, 2020, excluded commissioning costs of $56 million associated with restarting the operation in the first half of the year.

Construction of the Shoemaker Levy Project continued during the fourth quarter with further steel work at the primary crusher and sizer building at 40% complete, over 90% of the overland conveyor installed and belt splicing commenced. Work commenced on the earthworks and concrete for the mining fleet maintenance workshop and administration facilities. Civil works are well advanced for the overland conveyor system.

Mining operations Shoemaker Levy included pre stripping, grade control and production drilling and the maiden blast took place late in the quarter.

Outlook

Production in 2021 is expected to be between 23,000 and 27,000 tonnes of nickel. Shipments for offtake are scheduled for each month in 2021. The focus for 2021 is on incremental increases in nickel production achieved by higher availability, better utilization and improved recovery.

Shoemaker Levy Project is now at peak and the material deliveries, previously impacted by COVID-19 related shipping demands, have been resolved. The metallurgical test work of the Shoemaker Levy drilling indicate encouraging results. The planning and optimization of the existing plant to allow for the transition to Shoemaker Levy is progressing and the associated risks have been mitigated. First ore from Shoemaker Levy is expected to be delivered to existing plant in the second quarter of 2021.

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

SALES REVENUES

		Q4 2020	Q3 2020	Q4 2019	2020	2019	2018
Cobre Panama[2]	- copper	432	362	253	1,202	431	-
	- gold	65	66	53	214	79	-
	- other	13	12	8	39	14	-
Kansanshi	- copper	361	352	424	1,309	1,363	1,491
	- gold	55	71	65	229	197	160
	- acid	-	-	6	1	21	21
Sentinel	- copper	526	340	281	1,353	1,199	1,454
Las Cruces	- copper	70	82	97	332	291	470
Guelb Moghrein	- copper	47	38	30	161	145	154
	- gold	27	21	12	89	58	58
	- magnetite	10	12	8	50	40	23
Çayeli	- copper	14	22	26	53	85	87
	- other	4	3	6	11	10	13
Pyhäsalmi	- copper	9	5	10	26	45	70
	- zinc	-	-	1	2	22	45
	- other	3	5	6	18	23	29
Ravensthorpe	- nickel	71	59	-	148	-	-
	- cobalt	4	3	-	8	-	-
Corporate[1]		(110)	(51)	(2)	(46)	44	(109)
Sales revenues		1,601	1,402	1,284	5,199	4,067	3,966
	Copper	1,348	1,150	1,120	4,377	3,603	3,616
	Gold	147	158	132	537	342	228
	Nickel	68	61	-	159	-	-
	Other	38	33	32	126	122	122
		1,601	1,402	1,284	5,199	4,067	3,966

[1] Corporate sales include copper and nickel sales hedges (see “Hedging programs” for further discussion).

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

Full year

Sales revenues of $5,199 million were 28%, or $1,132 million higher than 2019, reflecting a full twelve months of commercial sales at Cobre Panama, where commercial production commenced September 1, 2019, and $159 million of nickel sales revenues following the restart of Ravensthorpe.

Copper sales revenues were 21%, or $774 million, higher than 2019 reflecting a 19% increase in commercial sales volumes, following the contribution from Cobre Panama, and a 2% higher net realized copper price. Copper sales revenues include a $59 million loss on the copper sales hedge program, compared with a gain of $44 million in 2019.

Gold sales revenues were 57%, or $195 million, higher than 2019, reflecting a 17% increase in commercial gold sales volumes, attributable to Cobre Panama, which contributed $214 million, as well as higher realized gold prices in the period compared to 2019. Cobre Panama gold and silver revenues of $253 million include $87 million of gold and silver revenues recognized under the precious metal stream, with an associated $129 million cost of purchase of refinery-backed gold and silver credits to satisfy the obligation recognized within cost of sales.

Nickel sales revenues of $159 million have been recognized in the year ended December 31, 2020, reflecting continued ramp up at Ravensthorpe and include an $11 million gain on the nickel sales hedge program.

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

Fourth quarter

Sales revenues of $1,601 million for the quarter were 25%, or $317 million higher than the comparable period in 2019, driven by higher sales volumes at Cobre Panama and Sentinel, higher realized copper and gold prices, and nickel revenue contribution from Ravensthorpe.

Copper sales revenues were 20%, or $228 million, higher than the comparable period of 2019 reflecting a $60 million increase in sales volumes, and $168 million increase from higher net realized price. The net realized copper price of $2.82 per lb for the fourth quarter of 2020 was $0.35 higher than the same period in 2019, and includes the impact of a $111 million loss on the copper sales hedge program, compared with a loss of $1 million in 2019.

Gold sales revenues of $147 million were 11%, or $15 million, higher than the comparable period of 2019, as the higher realized gold prices in the period more than offset the reduction in sales volumes. Cobre Panama gold and silver revenues of $78 million include $24 million of gold and silver revenues recognized under the precious metal stream, with an associated $39 million cost of purchase of refinery-backed gold and silver credits to satisfy the obligation recognized within cost of sales.

Nickel sales revenues of $68 million have been recognized in the quarter, reflecting continued ramp up at the Ravensthorpe operation and include a $3 million loss on the nickel sales hedge program.

REALIZED PRICES

Realized metal prices are not measures recognized under IFRS. Refer to *"Regulatory Disclosures"* section from page 40.

Copper selling price (per lb)	Q4 2020	Q3 2020	Q4 2019	2020	2019
Average LME cash price	$3.20	$2.96	$2.67	$2.80	$2.72
Realized copper price	$2.97	$2.77	$2.62	$2.74	$2.70
Treatment/refining charges ("TC/RC") and freight charges	($0.15)	($0.13)	($0.15)	($0.14)	($0.15)
Net realized copper price	$2.82	$2.64	$2.47	$2.60	$2.55

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

The copper sales hedging program resulted in losses of $111 million and $59 million to the copper revenues in the quarter and full year ended December 31, 2020, respectively, compared with a loss of $1 million and gain of $44 million in the comparable periods of 2019. The impact on net realized copper price was a decrease of $0.23 per lb and $0.04 per lb for the quarter and the full year ended December 31, 2020, respectively, and an increase of $0.03 per lb for the full year of 2019.

Details of the Company's hedging program and the contracts held are included on page 32.

Nickel selling price (per payable lb)	Q4 2020	Q3 2020	Q4 2019	2020	2019
Average LME cash price	$7.11	$6.45	$7.01	$6.25	$6.32
Net realized nickel price	$7.11	$6.88	-	$7.37	-

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

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

The nickel sales hedging program resulted in losses of $3 million and gains of $11 million to the nickel revenues in the quarter and year, respectively. This included the $10 million impact of ineffective hedges for the year ended December 31, 2020, as a result of the timing of the ramp up of the Ravensthorpe production. The impact of the sales hedging program on net realized nickel price was a decrease of $0.32 per lb and increase of $0.51 per lb for the quarter and the full year, respectively.

SUMMARY FINANCIAL RESULTS[1]

	Q4 2020	Q3 2020	Q4 2019	2020	2019	2018
Gross profit (loss)						
Cobre Panama[1]	163	115	56	274	92	-
Kansanshi	161	151	166	464	472	623
Sentinel	194	110	25	363	176	288
Las Cruces	(11)	(6)	7	(13)	(38)	116
Guelb Moghrein	38	30	9	103	45	30
Çayeli	6	5	11	6	22	23
Pyhäsalmi	3	1	5	8	24	40
Ravensthorpe	7	(8)	(18)	(68)	(38)	(16)
Corporate[2]	(118)	(52)	(2)	(60)	35	(126)
Total gross profit	443	346	259	1,077	790	978
Exploration	(6)	(3)	(7)	(15)	(19)	(26)
General and administrative	(29)	(24)	(25)	(99)	(82)	(74)
Impairment	-	-	(101)	-	(101)	-
Share of loss in joint venture	(4)	(5)	(10)	(45)	(11)	-
Other expense	(47)	(57)	(47)	(223)	(103)	(69)
Net finance expense	(189)	(179)	(187)	(738)	(248)	(13)
Loss on redemption of senior notes	(3)	-	-	(5)	(25)	-
Adjustment for expected phasing of Zambian VAT receipts	5	16	(22)	80	(182)	(5)
Income tax credit (expense)	(147)	(62)	17	(256)	(70)	(283)
Net earnings (loss)	23	32	(123)	(224)	(51)	508
Net earnings (loss) attributable to:						
Non-controlling interests	14	3	(8)	(44)	6	67
Shareholders of the Company	9	29	(115)	(180)	(57)	441
Comparative earnings (loss)	53	64	35	(46)	249	487
Earnings (loss) per						
Basic	$0.01	$0.04	($0.17)	($0.26)	($0.08)	$0.64
Diluted	$0.01	$0.04	($0.17)	($0.26)	($0.08)	$0.64
Comparative	$0.08	$0.09	$0.05	($0.07)	$0.36	$0.71
Basic weighted average number of shares (in 000's)	688,939	688,806	688,083	688,469	687,596	686,747

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

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

Full year

Gross profit of $1,077 million for the year was $287 million, or 36% higher than 2019, principally due to an increase in sales revenues and lower operating costs, including lower fuel costs and favorable impact of foreign exchange rates. A loss of $48 million was recognized on the corporate copper and nickel sales hedge program compared to a $44 million gain in the comparable period of 2019.

Net loss attributable to shareholders of the Company of $180 million includes net finance expense of $738 million, of which a significant proportion would previously have been eligible for capitalization but is now expensed following declaration of commercial production at Cobre Panama effective September 1, 2019. Other expense of $223 million includes a foreign exchange loss of $225 million, principally attributable to ZMW denominated VAT receivable balances

An $80 million credit adjustment for Zambian VAT receipts was recognized, representing the expected phasing of receipts, and the impact of foreign exchange, using a ZMW risk-free rate. A $45 million share of the loss in KPMC was recognized in the period resulting from lower site earnings, driven by reduced Cobre Panama production during the period of preservation and safe maintenance, and shareholder loan interest expense. In the year ended December 31, 2019, $7 million of general and administrative costs were capitalized to the Cobre Panama project.

An income tax expense of $256 million has been recognized compared with an income tax expense of $70 million recognized in the comparable period of 2019, reflecting applicable statutory tax rates, which range from 20% to 35% for the Company's operations. The effective tax rate for the period, excluding the net interest expense was 33%. No tax credits have been recognized with respect to net losses of $48 million realized under the Company's copper and nickel sales hedge program.

Fourth quarter

Gross profit for the fourth quarter of 2020 of $443 million was $184 million, or 71% higher than the same period of 2019, driven by higher copper sales volumes, higher realized prices and lower operating costs. A net loss of $114 million was recognized in the quarter on the corporate copper and nickel sales hedge program compared to a loss of $1 million in the fourth quarter of 2019.

Net profit attributable to shareholders of the Company of $9 million included net finance expense of $189 million, $2 million higher than the fourth quarter of 2019.

A $5 million credit adjustment for Zambian VAT receipts was recognized, compared with an expense of $22 million recognized in the fourth quarter of 2019. Movements in the current quarter have largely been driven by the USD/ZMW exchange rate, which further depreciated during the quarter. Other expense of $47 million includes a foreign exchange loss of $32 million, principally attributable to ZMW denominated VAT receivable balances.

An income tax expense of $147 million has been recognized in the fourth quarter of 2020, compared with an income tax credit of $17 million recognized in the fourth quarter of 2019, reflecting applicable statutory tax rates, which range from 20% to 35% for the Company's operations. No tax credits have been recognized with respect to net losses of $114 million realized under the Company's copper and nickel sales hedge program.

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

LIQUIDITY AND CAPITAL RESOURCES

	Q4 2020	Q3 2020	Q4 2019	2020	2019	2018
Cash flows from operating activities	533	452	400	1,613	889	1,980
Cash flows from (used by) investing activities						
Payments and deposits for property, plant and equipment	(172)	(138)	(325)	(610)	(1,455)	(2,143)
Capitalized borrowing costs paid in cash	-	-	-	-	(388)	(441)
Acquisition of KPMC	(100)	-	(100)	(100)	(100)	(185)
Other investing activities	27	6	9	37	23	17
Cash flows from (used by) financing activities						
Net movement in debt and trading facilities	(143)	(84)	203	103	883	948
Interest paid	(85)	(197)	(87)	(574)	(181)	-
Early redemption costs on senior notes	-	-	-	-	(14)	-
Other financing activities	(63)	(7)	17	(72)	78	(68)
Exchange gains (losses) on cash and cash equivalents	2	1	-	(6)	-	(22)
Net cash inflow (outflow)	(1)	33	117	391	(265)	86
Cash balance	914	915	523	914	523	788
Total assets	24,236	24,092	24,747	24,236	24,747	23,537
Total current liabilities	2,435	2,873	2,523	2,435	2,523	1,644
Total long-term liabilities	11,766	10,943	11,562	11,766	11,562	11,171
Net debt[1]	7,409	7,545	7,675	7,409	7,675	6,497
Cash flows from operating activities per share[1]	$0.77	$0.66	$0.58	$2.34	$1.29	$2.88

[1] Cash flows per share and Net debt are not recognized under IFRS. Net debt comprises unrestricted cash and cash equivalents, bank overdrafts and total debt. See "Regulatory Disclosures" for further information.

Net debt decreased by $266 million during the year, and by $136 million in the fourth quarter, to $7,409 million. Trade receivables balances increased by 45% in the quarter to $583 million at the year-end. This was principally attributable to the timing of shipments in the final week of December, as well as movements in provisional pricing for the increased copper price. Cash receipts relating to these shipments were received in January 2021.

Cash flows from operating activities in the year were $724 million higher than 2019, reflecting higher comparative EBITDA and lower working capital outflows.

Capital expenditure of $610 million is $845 million lower than 2019, following completion of the Cobre Panama project construction and commissioning by the end of 2019. Cash flows used by investing activities also include $100 million penultimate instalment payment in respect of the acquisition of KPMC in 2017.

Following the declaration of commercial production at Cobre Panama, effective September 1, 2019, and the cessation of capitalization of interest, interest paid of $574 million is included within cash flows from financing activities in the year, comparable to $181 million of interest paid and $388 million of interest paid and capitalized under investing activities in 2019. Cash flows used by financing activities include redemptions of the remaining 2021 and 2022 Notes, issuance of additional 2023 and 2025 Notes, and $1,500 million 2027 Notes issued in October 2020.

Liquidity outlook

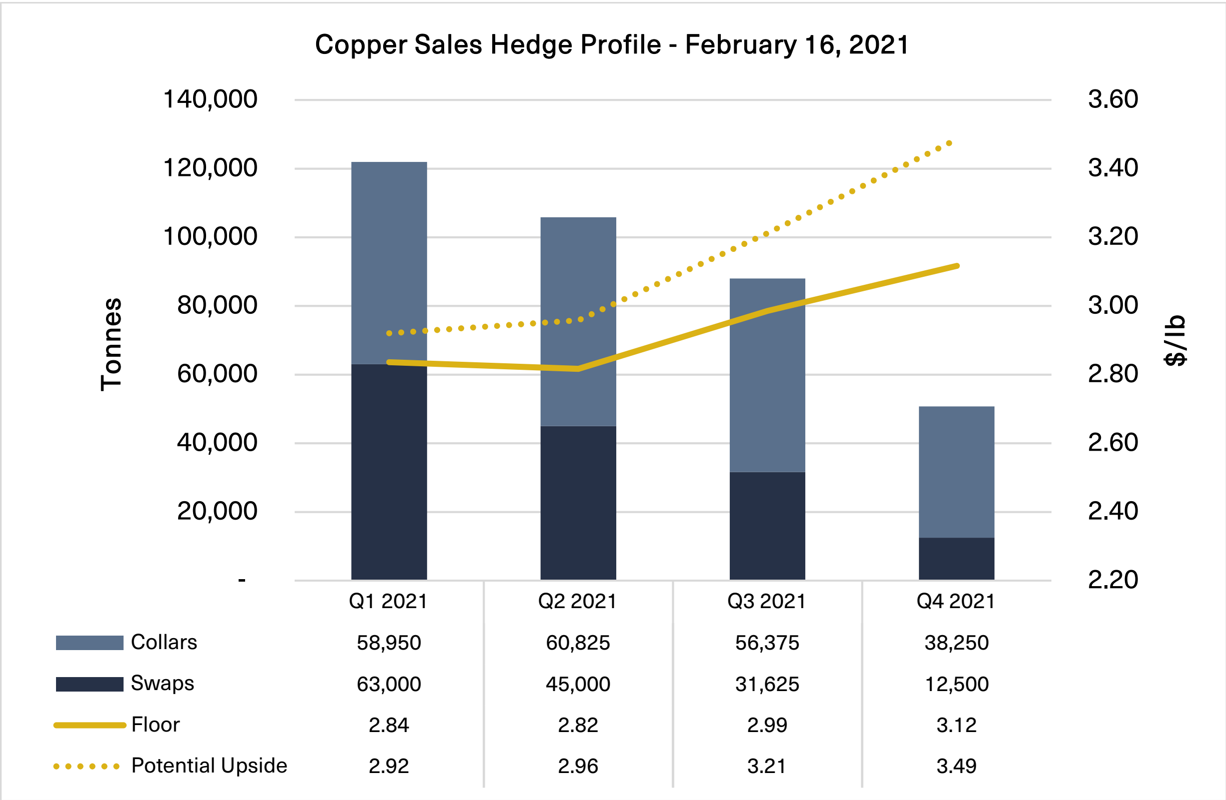
At December 31, 2020, the Company had $914 million in net unrestricted cash and cash equivalents and current working capital of $1,107 million.

The Company continues to actively manage all site operating costs while focusing on productivity and cost efficiency. Operating costs at all sites have and are continuing to be reviewed to identify opportunities to further reduce costs and as at December 31, 2020, the Company has hedged 60 million litres of ULSD with maturities to April 2021 at an average price of $0.34 per litre.

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

The Company has entered into derivative contracts to ensure that the exposure to the price of copper on future sales is managed to ensure stability of cash flows. At February 16, 2021, the Company had unmargined copper forward sales contracts for 128,625 tonnes at an average price of $2.86 per lb outstanding with periods of maturity to December 2021. In addition, the Company has zero cost copper collar unmargined sales contracts for 198,500 tonnes at weighted average prices of $2.93 per lb to $3.25 per lb outstanding with maturities to December 2021. Furthermore, subsequent to December 31, 2020, the Company realized, in January 2021, unmargined copper forward sales contracts for 23,500 tonnes and zero cost copper collar unmargined sales contracts for 15,900 tonnes, at an average price of $2.91 per lb.

At February 16, 2021, the Company also had unmargined nickel forward sales contracts for 2,251 tonnes at an average price of $6.96 per lb outstanding with maturities to October 2021. In addition, the Company has zero cost nickel collar unmargined sales contracts for 600 tonnes at weighted average prices of $7.50 per lb to $8.55 per lb outstanding with maturities to August 2021.



Approximately 40% of expected copper sales for the next 12 months are hedged to unmargined forward and zero cost collar sales contracts, at an average floor price of $2.90 per lb.

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

These, together with expected future cash flows, support the Company's belief in its ability to meet current obligations as they become due. The Company was in full compliance with all its financial covenants at December 31, 2020, and expects to remain in compliance throughout the next 12 months.

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

At December 31, 2020, the Company had total commitments of $50 million, all of which related to the 12 months following the period end.

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

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

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

Hedging programs

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

Commodity contracts	December 31, 2020	December 31, 2019
Asset position	8	9
Liability position	(452)	(31)

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

	Open Positions (tonnes/ozs/	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

During the year ended December 31, 2020, a loss for settled hedges of $48 million was realized through sales revenues. Fair value losses on outstanding contracts of $401 million have been recognized as a net derivative liability at December 31, 2020.

Provisional pricing and derivative contracts

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

As at December 31, 2020, the following derivative positions in provisionally priced sales and commodity contracts not designated as hedged instruments were outstanding:

	Open Positions (tonnes/ozs)	Average Contract price	Closing Market price	Maturities Through
Embedded derivatives in provisionally priced sales contracts:				
Copper	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

As at December 31, 2020, substantially all of the Company's metal sales contracts subject to pricing adjustments were hedged by offsetting derivative contracts.

Zambian VAT

The total VAT receivable accrued by the Company's Zambian operations at December 31, 2020, was $349 million, of which $178 million relates to Kansanshi.

Offsets of $110 million against other taxes due have been granted and cash recoveries of $1 million were received during the year ended December 31, 2020. In the year-ended December 31, 2019, offsets of $8 million were granted and cash recoveries of $3 million received. Future recoveries of Zambian VAT receivable balances due to the Company may be received in cash, offset of other tax liabilities or similar forms.

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

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

An $80 million credit adjustment for Zambian VAT receipts was recognized, representing the expected phasing of receipts, and the impact of foreign exchange, using a ZMW risk-free rate. A charge of $182 million had previously been recognized in the twelve months ended December 31, 2019. An unrealized foreign exchange loss of $137 million has been recognized against the receivable in the year ended December 31, 2020.

	December 31, 2020	December 31, 2019
Receivable at date of claim	855	847
Impact of depreciation of Zambian Kwacha against U.S. dollar	(379)	(242)
	476	605
Adjustment for expected phasing of Zambian VAT receipts	(127)	(207)
Total VAT receivable from Zambian operations	349	398
Consisting:		
Current portion, included within trade and other receivables	-	2
Non-current VAT receivable	349	396

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

	< 1 year	1-3 years	3-5 years	5-8 years	Total
Receivable at date of claim[1]	167	373	107	208	855
Impact of depreciation of Zambian Kwacha against U.S. dollar	(24)	(154)	(59)	(142)	(379)
Non- current VAT due	143	219	48	66	476
Adjustment for expected phasing of Zambian VAT receipts	(36)	(60)	(13)	(18)	(127)
Total VAT receivable from Zambian	107	159	35	48	349

Changes to Zambian VAT regime

Following the 2021 National Budget, presented on September 25 2020, the Government of the Republic of Zambia ("GRZ") has enacted the proposed changes into law, with effect from January 1, 2021. There were no material changes to the mining tax and royalty regimes announced. Mineral royalties continue to be non-deductible for tax, and tax rates remain unchanged.

Two previously unannounced changes were introduced by statutory instruments. Firstly, a zero rating order for VAT on petrol and diesel, to reduce the VAT charged to 0%, previously charged at a rate of 16%. Secondly, the excise duty on petrol and diesel was suspended from January 15, 2021, until October 1, 2021. The Energy Regulation Board has also communicated increases of other tariffs charged on fuel. Overall, these changes do not appear to have a material impact on the overall cost of fuel, however, the Company is continuing to refine its assessment of the estimated impact of the proposed changes.

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

Pre-February 2015 VAT Receivable

In February 2015, the GRZ implemented a change in the Statutory Instrument regarding VAT on exports from Zambia. Claims totalling ZMW 1,387 million (currently equivalent to $66 million) made by Kansanshi prior to this date remain outstanding. ZMW 357 million (currently equivalent to $17 million) of the VAT refunds for this period remain under dispute, stemming from the application of discretionary rules established and applied by the Zambia Revenue Authority. The Company is in regular discussions with the relevant government authorities and continues to consider that the outstanding claims are fully recoverable. ZMW 122 million (currently equivalent to $6 million) of offsets received in the fourth quarter of 2020 were allocated to pre February 2015 outstanding refunds. Cash and offsets totalling ZMW 3,379 million (equivalent to $299 million, based on the receivable value at date of claim) have been received to date for claims subsequent to February 2015 by Kansanshi.

EQUITY

At the date of this report, the Company had 690,316,773 shares outstanding.

JOINT VENTURE

On November 8, 2017, the Company completed the purchase of a 50% interest in KPMC from LS-Nikko Copper Inc. KPMC is jointly owned and controlled with Korea Resources Corporation ("KORES") and holds a 20% interest in Cobre Panama. The purchase consideration of $664 million comprised the acquisition consideration of $635 million and the reimbursement of cash advances of $29 million with $179 million paid on closing. Consideration of $100 million was paid in the year ended December 31, 2020 (year ended December 31, 2019: $100 million). The remaining consideration is payable in November 2021 and included within trade and other payables.

A $544 million investment in the joint venture representing the discounted consideration value and the Company's proportionate share of the loss in KPMC to date. For the year ended December 31, 2020, the loss attributable to KPMC was $90 million (December 31, 2019: $22 million). The loss in KPMC relates to the 20% equity accounted share of loss reported by MPSA, a subsidiary of the Company. The material assets and liabilities of KPMC are an investment in MPSA of $269 million, shareholder loans receivable from the Company and shareholder loans payable of $1,327 million due to the Company and its joint venture partner KORES.

At December 31, 2020, the Company's subsidiary, Minera Panama SA., owed to KPMC $1,327 million (December 31, 2019: $1,238 million and December 31, 2018: $946 million). Interest is accrued at an annual interest rate of 9%, unpaid interest is capitalized to the outstanding loan on a semi-annual basis. The loan matures on June 30, 2029.

PRECIOUS METAL STREAM ARRANGEMENT

Arrangement overview

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

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

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

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

The Company commenced the recognition of delivery obligations under the terms of the arrangement in September 2019 following the first sale of copper concentrate. Deferred revenue will continue to be recognized as revenue over the life of the mine, which is expected to be 34 years. The amount of precious metals deliverable under both tranches is indexed to total copper-in-concentrate sold by Cobre Panama.

Gold Stream		
	TRANCHE 1	TRANCHE 2
Delivered (oz)	0 to 808,000	0 to 202,000
Delivery terms	120 oz of gold per one million pounds of copper	30 oz of gold per one million pounds of copper
Threshold	First 1,341,000 oz	First 604,000 oz
Ongoing cash payment	$437.37/oz (+1.5% inflation)	20% market price
Silver Stream		
	TRANCHE 1	TRANCHE 2
Delivered (oz)	0 to 9,842,000	0 to 2,460,500
Delivery terms	1,376 oz of silver per one million pounds of copper	344 oz of silver per one million pounds of copper
Threshold	First 21,510,000 oz	First 9,618,000 oz
Ongoing cash payment	$6.56/ oz (+1.5% inflation)	20% market price

Under the first threshold of deliveries, the above Tranche 1 ongoing cash payment terms are for approximately the first 20 years of expected deliveries, thereafter the greater of $437.37 per oz for gold and $6.56 per oz for silver, subject to an adjustment for inflation, and one half of the then prevailing market price. Under the first threshold of deliveries, the above Tranche 2 ongoing cash payment terms are for approximately the first 25 years of production, and thereafter the ongoing cash payment per ounce rises to 50% of the spot price of gold and silver.

Accounting

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

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

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

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

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

C1 and AISC include the impact of by-product credits which include both gold and silver revenues earned under the precious metal stream arrangement and revenues earned on the sales of mine production of gold and silver. Also included is the cost of refinery-backed gold and silver credits, purchased at market price, to give a net gold and silver by-product credit.

	Q4 2020	Q3 2020	Q4 2019	2020	2019
Gold and silver revenue – cash	**9**	8	9	31	12
Gold and silver revenue – non cash amortization	**15**	15	17	56	24
Total gold and silver revenues - precious metal stream	24	23	26	87	**36**
Cost of refinery–backed credits for precious metal stream included in cost of sales	(39)	(38)	(33)	(129)	**(44)**

MATERIAL LEGAL PROCEEDINGS

Panama constitutional proceedings

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

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

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

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

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

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

The current Government of Panama, inaugurated on July 1, 2019, has established a multidisciplinary high-level commission including the Minister of Commerce and Industries (mining regulator), Minister of Environment, and Minister of Employment to discuss the Law 9 matter and seek resolution. Based on support from the Government of Panama, the Chamber of Commerce and Industries of Panama, the Panamanian Mining Chamber, other Panamanian business and industry chambers and its legal advice, the Company is confident of resolving the Law 9 matter in the near-medium term.

Zambian power

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

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

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

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

Kansanshi minority partner

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

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

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

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

However, after the October 2019 hearing, ZCCM pursued a challenge to the registration of the Arbitral Award on grounds that it was not enforceable because it had complied with the costs payment order of the Arbitral Award. KMP opposed ZCCM's challenge and made submissions to the Registrar that an Arbitration Award is eligible for registration despite compliance with costs orders. On February 13, 2020, the Registrar accepted KMP's position and dismissed ZCCM's challenge to the registration of the Arbitration Award. Accordingly, the Lusaka High Court proceeded to rule on the abuse of process application. By way of a ruling dated March 23, 2020, the Lusaka High Court agreed with KMP's application that the process, if it were to be allowed to continue before it, would risk conflicting judgements and would be res judicata. Accordingly, ZCCM's derivative action case was dismissed, with costs awarded to KMP against ZCCM. On April 6, 2020, ZCCM sought permission to appeal to the Court of Appeal on grounds that the High Court judge erred in fact and in law. KMP objects to the appeal, and the matter remains pending. The Court of Appeal has delivered its judgment on January 13, 2021, dismissing all grounds of appeal with the exception of one ground raised by the ZCCM-IH 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 February 9 2021, ZCCM sought leave to appeal the decision of the Court of Appeal to the Supreme Court of Zambia. The defendants challenge the leave application.

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. On February 15, 2021, the Tribunal issued a Partial Final Award regarding contractual requirements for arm's length transactions. The partial decision is being reviewed and the parties await the Tribunal's subsequent directions in respect of the remaining issues.

Kansanshi Development Agreement

On May 19, 2020, KMP filed a Request for Arbitration against the Government of the Republic of Zambia ("GRZ") with the International Centre for Settlement of International Disputes ("ICSID"). This arbitration is confidential. KMP's claims concern breaches of certain contractual provisions of a development agreement between GRZ and KMP (the "Development Agreement") and international law. The amount in dispute is to be quantified at a later stage, however it is believed to be material. The Tribunal is now fully consisted and has held its first Case Management Conference, setting the hearing date for the adjudication of the merits for March 14 to 18, 2022. KMP submitted its Memorial and corresponding documents on January 25, 2021.

REGULATORY DISCLOSURES

Seasonality

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

Off-balance sheet arrangements

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

Non-GAAP financial measures

This document refers to cash cost (C1), all-in sustaining cost (AISC) and total cost (C3) per unit of payable production, operating cash flow per share, realized metal prices, comparative EBITDA, net debt and comparative earnings, which are not measures recognized under IFRS, do not have a standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other issuers. These measures are used internally by management in measuring the performance of the Company's operations and serve to provide additional information and should not be considered in isolation to measures prepared under IFRS.

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

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

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

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

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

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

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

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

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

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

	Q4 2020	Q3 2020	Q4 2019	2020	2019
Purchase and deposits on property, plant and equipment	172	138	325	610	1,455
Sustaining capital expenditure and deferred stripping	100	84	123	322	412
Project capital expenditure	72	54	202	288	1,134
Pre-commercial costs	-	-	-	-	(91)
Total capital expenditure	172	138	325	610	1,455

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

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

For the three months ended December 31, 2020	Cobre Panama	Kansanshi	Sentinel	Las Cruces	Guelb Moghrein	Çayeli	Pyhäsalmi	Copper	Corporate & other	Ravensthorpe	Total
Cost of sales[1]	**(347)**	**(255)**	**(332)**	**(81)**	**(46)**	**(12)**	**(9)**	**(1,082)**	**(8)**	**(68)**	**(1,158)**
Adjustments:											
Depreciation	107	60	90	48	9	3	1	**318**	-	8	**326**
By-product credits	78	54	-	-	37	3	5	**177**	-	4	**181**
Royalties	9	30	45	1	4	1	-	**90**	-	3	**93**
Treatment and refining charges	(24)	(6)	(17)	-	(3)	(1)	(1)	**(52)**	-	-	**(52)**
Freight costs	(1)	-	(18)	-	-	(1)	-	**(20)**	-	-	**(20)**
Finished goods	(12)	(1)	26	(1)	-	(2)	-	**10**	-	(2)	**8**
Other	3	4	1	(2)	(3)	1	1	**5**	8	1	**14**
Cash cost (C1)	(187)	(114)	(205)	(35)	(2)	(8)	(3)	**(554)**	-	(54)	**(608)**
Adjustments:											
Depreciation (excluding depreciation in finished goods)	(110)	(57)	(75)	(49)	(11)	(3)	(1)	**(306)**	-	(9)	**(315)**
Royalties	(9)	(30)	(45)	(1)	(4)	(1)	-	**(90)**	-	(3)	**(93)**
Other	(3)	(3)	(2)	1	1	1	(1)	**(6)**	-	(1)	**(7)**
Total cost (C3)	(309)	(204)	(327)	(84)	(16)	(11)	(5)	**(956)**	-	(67)	**(1,023)**
Cash cost (C1)	(187)	(114)	(205)	(35)	(2)	(8)	(3)	**(554)**	-	(54)	**(608)**
Adjustments:											
General and administrative expenses	(8)	(5)	(10)	(3)	1	-	-	**(25)**	-	(3)	**(28)**
Sustaining capital expenditure and deferred stripping	(35)	(29)	(34)	-	(1)	(1)	-	**(100)**	-	-	**(100)**
Royalties	(9)	(30)	(45)	(1)	(4)	(1)	-	**(90)**	-	(3)	**(93)**
Lease payments	(1)	-	(1)	-	-	-	-	**(2)**	-	(1)	**(3)**
Other	-	(1)	-	-	-	-	-	**(1)**	-	(1)	**(2)**
AISC	(240)	(179)	(295)	(39)	(6)	(10)	(3)	**(772)**	-	(62)	**(834)**
AISC (per lb)	$1.72	$1.59	$2.04	$1.70	$0.36	$1.37	$2.21	$1.77	-	$6.09	
Cash cost – (C1) (per lb)	$1.34	$1.01	$1.44	$1.56	$0.09	$0.96	$2.06	$1.28	-	$5.39	
Total cost – (C3) (per lb)	$2.22	$1.81	$2.28	$3.76	$1.07	$1.52	$2.93	$2.20	-	$6.78	

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

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

For the year ended December 31, 2020	Cobre Panama	Kansanshi	Sentinel	Las Cruces	Guelb Moghrein	Çayeli	Pyhäsalmi	Copper	Corporate & other	Ravensthorpe	Total
Cost of sales[1]	**(1,181)**	**(1,075)**	**(990)**	**(345)**	**(197)**	**(58)**	**(38)**	**(3,884)**	**(14)**	**(224)**	**(4,122)**
Adjustments:											
Depreciation	400	247	261	215	40	22	5	**1,190**	3	24	**1,217**
By-product credits	253	229	-	-	139	10	20	**651**	-	8	**659**
Royalties	24	111	112	5	9	2	-	**263**	-	7	**270**
Treatment and refining charges	(79)	(34)	(48)	-	(13)	(5)	(3)	**(182)**	-	-	**(182)**
Freight costs	(4)	(11)	(40)	(1)	-	(4)	-	**(60)**	-	-	**(60)**
Finished goods	-	13	(18)	-	1	(3)	1	**(6)**	-	(2)	**(8)**
Other	18	6	(11)	1	1	1	1	**17**	11	58[2]	**86**
Cash cost (C1)	(569)	(514)	(734)	(125)	(20)	(35)	(14)	**(2,011)**	-	(129)	**(2,140)**
Adjustments:											
Depreciation (excluding depreciation in finished goods)	(400)	(246)	(270)	(215)	(40)	(23)	(5)	**(1,199)**	-	(25)	**(1,224)**
Royalties	(24)	(111)	(112)	(5)	(9)	(2)	-	**(263)**	-	(7)	**(270)**
Other	(10)	(11)	(6)	-	(1)	1	-	**(27)**	-	(2)	**(29)**
Total cost (C3)	(1,003)	(882)	(1,122)	(345)	(70)	(59)	(19)	**(3,500)**	-	(163)	**(3,663)**
Cash cost (C1)	(569)	(514)	(734)	(125)	(20)	(35)	(14)	**(2,011)**	-	(129)	**(2,140)**
Adjustments:											
General and administrative expenses	(26)	(24)	(34)	(7)	(1)	(1)	-	**(93)**	-	(6)	**(99)**
Sustaining capital expenditure and deferred stripping	(74)	(105)	(126)	-	(10)	(4)	-	**(319)**	-	(3)	**(322)**
Royalties	(24)	(111)	(112)	(5)	(9)	(2)	-	**(263)**	-	(7)	**(270)**
Lease payments	(3)	(3)	(2)	(1)	-	-	-	**(9)**	-	(1)	**(10)**
Other	-	(2)	-	-	-	-	-	**(2)**	-	(1)	**(3)**
AISC	(696)	(759)	(1,008)	(138)	(40)	(42)	(14)	**(2,697)**	-	(147)	**(2,844)**
AISC (per lb)	$1.60	$1.60	$1.92	$1.15	$0.70	$1.53	$1.55	$1.63		$6.46	
Cash cost – (C1) (per lb)	$1.31	$1.09	$1.40	$1.05	$0.38	$1.24	$1.48	$1.21		$5.72	
Total cost – (C3) (per lb)	$2.30	$1.86	$2.14	$2.88	$1.20	$2.14	$2.03	$2.11		$7.19	

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

[2] Includes restart costs at Ravensthorpe

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

For the three months ended December 31, 2019	Kansanshi	Sentinel	Cobre Panama	Las Cruces	Guelb Moghrein	Çayeli	Pyhäsalmi	Copper	Corporate & other	Ravensthorpe	Total
Cost of sales[1]	**(329)**	**(256)**	**(258)**	**(90)**	**(41)**	**(21)**	**(12)**	**(1,007)**	**-**	**(18)**	**(1,025)**
Adjustments:											
Depreciation	70	62	81	61	7	6	1	**288**	-	2	**290**
By-product credits	71	-	61	-	20	6	7	**165**	-	-	**165**
Royalties	29	22	6	1	2	1	-	**61**	-	-	**61**
Treatment and refining charges	(11)	(15)	(23)	-	(4)	(3)	(2)	**(58)**	-	-	**(58)**
Freight costs	1	(10)	(2)	(1)	-	(2)	-	**(14)**	-	-	**(14)**
Finished goods	39	2	(29)	(2)	(4)	3	1	**10**	-	-	**10**
Other	2	9	4	3	-	(1)	(2)	**15**	-	16	**31**
Cash cost (C1)	(128)	(186)	(160)	(28)	(20)	(11)	(7)	**(540)**	-	-	**(540)**
Adjustments:											
Depreciation (excluding depreciation in finished goods)	(59)	(59)	(96)	(64)	(10)	(4)	-	**(292)**	-	(2)	**(294)**
Royalties	(29)	(22)	(6)	(1)	(2)	(1)	-	**(61)**	-	-	**(61)**
Other	(3)	(1)	(4)	(2)	(1)	-	-	**(11)**	-	-	**(11)**
Total cost (C3)	(219)	(268)	(266)	(95)	(33)	(16)	(7)	**(904)**	-	(2)	**(906)**
Cash cost (C1)	(128)	(186)	(160)	(28)	(20)	(11)	(7)	**(540)**	-	-	**(540)**
Adjustments:											
General and administrative	(6)	(9)	(7)	(2)	(1)	-	-	**(25)**	-	-	**(25)**
Sustaining capital expenditure and deferred stripping	(29)	(26)	(58)	(4)	(3)	(3)	-	**(123)**	-	-	**(123)**
Royalties	(29)	(22)	(6)	(1)	(2)	(1)	-	**(61)**	-	-	**(61)**
Lease payments	(1)	(1)	(1)	-	-	-	-	**(3)**	-	-	**(3)**
AISC	(193)	(244)	(232)	(35)	(26)	(15)	(7)	**(752)**	-	-	**(752)**
AISC (per lb)	$1.48	$2.22	$1.85	$0.91	$1.37	$1.51	$2.11	**$1.73**	-	-	
Cash cost – (C1) (per lb)	$1.03	$1.71	$1.28	$0.73	$0.98	$1.11	$2.02	**$1.24**	-	-	
Total cost – (C3) (per lb)	$1.68	$2.45	$2.12	$2.43	$1.78	$1.60	$2.17	**$2.07**	-	-	

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

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

For the year ended December 31, 2019	Kansanshi[1]	Sentinel	Cobre Panama	Las Cruces	Guelb Moghrein	Çayeli	Pyhäsalmi	Copper	Corporate & other	Ravensthorpe	Total
Cost of sales[2]	**(1,109)**	**(1,023)**	**(432)**	**(329)**	**(198)**	**(73)**	**(66)**	**(3,230)**	**(9)**	**(38)**	**(3,277)**
Adjustments:											
Depreciation	244	252	113	198	44	27	21	**899**	2	6	**907**
By-product credits	218	-	93	-	98	10	45	**464**	-	-	**464**
Royalties	108	88	9	4	8	2	-	**219**	-	-	**219**
Treatment and refining charges	(38)	(57)	(37)	-	(16)	(10)	(6)	**(164)**	-	-	**(164)**
Freight costs	(3)	(34)	(2)	(1)	-	(6)	(1)	**(47)**	-	-	**(47)**
Finished goods	15	8	34	1	(3)	1	-	**56**	-	-	**56**
Other	7	14	6	3	1	1	-	**32**	7	32	**71**
Cash cost (C1)	(558)	(752)	(216)	(124)	(66)	(48)	(7)	**(1,771)**	-	-	**(1,771)**
Adjustments:											
Depreciation (excluding depreciation in finished goods)	(240)	(250)	(131)	(198)	(44)	(26)	(21)	**(910)**	-	(6)	**(916)**
Royalties	(108)	(88)	(9)	(4)	(8)	(2)	-	**(219)**	-	-	**(219)**
Other	(7)	(5)	(6)	(2)	(2)	-	-	**(22)**	-	-	**(22)**
Total cost (C3)	(913)	(1,095)	(362)	(328)	(120)	(76)	(28)	**(2,922)**	-	(6)	**(2,928)**
Cash cost (C1)	(558)	(752)	(216)	(124)	(66)	(48)	(7)	**(1,771)**	-	-	**(1,771)**
Adjustments:											
General and administrative	(26)	(35)	(10)	(6)	(3)	(2)	-	**(82)**	-	-	**(82)**
Sustaining capital expenditure and deferred stripping	(124)	(115)	(64)	(8)	(9)	(6)	-	**(326)**	-	-	**(326)**
Royalties	(108)	(88)	(9)	(4)	(8)	(2)	-	**(219)**	-	-	**(219)**
Lease payments	(4)	(3)	(1)	(1)	(2)	-	-	**(11)**	-	-	**(11)**
AISC	(820)	(993)	(300)	(143)	(88)	(58)	(7)	**(2,409)**	-	-	**(2,409)**
AISC (per lb)	$1.65	$2.12	$1.78	$1.35	$1.36	$1.65	$0.55	**$1.78**	-	-	
Cash cost – (C1) (per lb)	$1.13	$1.61	$1.29	$1.17	$1.00	$1.35	$0.51	**$1.31**	-	-	
Total cost – (C3) (per lb)	$1.84	$2.34	$2.15	$3.08	$1.87	$2.16	$1.77	**$2.16**	-	-	

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

[2] Total cost of sales per the Consolidated Statement of Earnings (Loss) in the Company's annual audited financial statements.

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

Realized metal prices

Realized metal prices are used by the Company to enable management to better evaluate sales revenues in each reporting period. Realized metal prices are calculated as gross metal sales revenues divided by the volume of metal sold in lb. Net realized metal price is inclusive of the treatment and refining charges (TC/RC) and freight charges per lb.

Comparative EBITDA and comparative earnings

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

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

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

Net debt comprises unrestricted cash and cash equivalents, bank overdrafts and total debt. Comparative EBITDA, comparative earnings and comparative earnings per share are non-GAAP measures which measure the performance of the Company. Comparative EBITDA, comparative earnings and comparative earnings per share exclude certain impacts which the Company believes are not reflective of the Company's underlying performance for the reporting period. These include impairment and related charges, foreign exchange revaluation gains and losses, gains and losses on disposal of assets and liabilities, one-time costs related to acquisitions, dispositions, restructuring and other transactions, revisions in estimates of restoration provisions at closed sites, debt extinguishment and modification gains and losses, the tax effect on unrealized movements in the fair value of derivatives designated as hedged instruments, and adjustments for expected phasing of Zambian VAT receipts.

	Q4 2020	Q3 2020	Q4 2019	Q4 2018
Cash and cash equivalents	950	942	1,138	1,255
Bank overdraft	36	27	615	467
Current debt	871	1,774	838	174
Debt	7,452	6,686	7,360	7,111
Net debt	**7,409**	**7,545**	**7,675**	**6,497**

	Q4 2020	Q3 2020	Q4 2019	2020	2019
Operating profit	357	257	69	695	474
Depreciation	326	323	290	1,217	907
Other adjustments					
Impairment charges, write-off of assets and other costs associated with the mine interruption at Las Cruces	-	-	99	-	112
Foreign exchange loss	32	60	47	225	96
Other expense	8	1	1	15	12
Revisions in estimates of restoration provisions at closed sites	2	-	5	-	8
Total adjustments excluding depreciation	42	61	152	240	228
Comparative EBITDA	725	641	511	2,152	1,609

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

	Q4 2020	Q3 2020	Q4 2019	2020	2019
Net earnings (loss) attributable to shareholders of the Company	9	29	(115)	(180)	(57)
Adjustments attributable to shareholders of the Company:					
Adjustment for expected phasing of Zambian VAT receipts	(5)	(16)	22	(80)	182
Other, including loss on debt instruments	8	-	4	10	23
Total adjustments to comparative EBITDA excluding depreciation	42	61	152	240	228
Tax and minority interest comparative adjustments	(1)	(10)	(28)	(36)	(127)
Comparative earnings (loss)	53	64	35	(46)	249
Earnings (loss) per share as reported	$0.01	$0.04	($0.17)	($0.26)	($0.08)
Comparative earnings (loss) per share	$0.08	$0.09	$0.05	($0.07)	$0.36

Significant judgments, estimates and assumptions

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

(i) Significant judgments

- Determination of ore reserves and resources

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

  Changes in the judgments surrounding proven and probable reserves may impact the carrying value of property, plant and equipment (note 6), restoration provisions included in provisions and other liabilities (note 11), recognition of deferred income tax amounts (note 13) and depreciation (note 6).

- Achievement of commercial production

  Once a mine or smelter reaches the operating levels intended by management, depreciation of capitalized costs begins. Significant judgment is required to determine when certain of the Company's assets reach this level.

  Management considers several factors, including, but not limited to the following:

  - completion of a reasonable period of commissioning;
  - consistent operating results achieved at a pre-determined level of design capacity and indications exist that this level will continue;
  - mineral recoveries at or near expected levels;
  - and the transfer of operations from development personnel to operational personnel has been completed.

- Taxes

  Judgment is required in determining the recognition and measurement of deferred income tax assets and liabilities on the balance sheet. In the normal course of business, the Company is subject to assessment by taxation authorities in various jurisdictions. These authorities may have different interpretations of tax legislation or tax agreements than those applied by the Company in computing current and deferred income taxes. These different judgments may alter the timing or amounts of taxable income or deductions. The final amount of taxes to be paid or recovered depends on a number of factors including the outcome of audits, appeals and negotiation. Amounts to be recovered and the timings of recoveries with respect to indirect taxes, such as VAT, are subject to judgment which, in the instance of a change of circumstances, could result in material adjustments.

The Company operates in a specialized industry and in a number of tax jurisdictions. As a result, its income is subject to various rates of taxation. The breadth of its operations and the global complexity and interpretation of tax regulations require assessment and judgement of uncertainties and of the taxes that the Company will ultimately pay. These are dependent on many factors, including negotiations with tax authorities in various jurisdictions, outcomes of tax litigation and resolution of disputes. The resolution of these uncertainties may result in adjustments to the Company's tax assets and liabilities.

Management assesses the likelihood and timing of taxable earnings in future periods in recognizing deferred income tax assets on unutilized tax losses. Future taxable income is based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. Forecast cash flows are based on life of mine projections.

To the extent that future cash flows and taxable income differ significantly from forecasts, the ability of the Company to realize the net deferred income tax assets recorded at the balance sheet date could be impacted. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods from deferred income tax assets are disclosed in note 13.

- Precious metal stream arrangement

  On October 5, 2015, the Company finalized an agreement with Franco-Nevada Corporation ("Franco-Nevada") for the delivery of precious metals from the Cobre Panama project. Franco-Nevada have provided $1 billion deposit to the Cobre Panama project against future deliveries of gold and silver produced by the mine. A further stream was completed on March 26, 2018, with an additional $356 million received from Franco-Nevada.

  Management has determined that the under the terms of the agreement the Company meets the 'own-use' exemption criteria under *IFRS 9: Financial Instruments*. The Company also retains significant business risk relating to the operation of the mine and as such has accounted for the proceeds received as deferred revenue.

  Management has exercised judgement in determining the appropriate accounting treatment for the Franco-Nevada streaming agreement. Management has determined, with reference to the agreed contractual terms in conjunction with the Cobre Panama reserves and mine plan, that funds received from Franco-Nevada constitute a prepayment of revenues deliverable from future Cobre Panama production.

- Assessment of impairment indicators

  Management applies significant judgement in assessing each cash-generating units and assets for the existence of indicators of impairment at the reporting date. Internal and external factors are considered in assessing whether indicators of impairment are present that would necessitate impairment testing. Significant assumptions regarding commodity prices, production, operating costs, capital expenditures and discount rates are used in determining whether there are any indicators of impairment. These assumptions are reviewed regularly by senior management and compared, where applicable, to relevant market consensus views.

  The Company's most significant cash generating units ("CGU") are longer-term assets and therefore their value is assessed on the basis of longer-term pricing assumptions. Shorter-term assets are more sensitive to short term commodity prices assumptions that are used in the review of impairment indicators.

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

  Asset impairments are disclosed in note 20.

- Derecognition of financial liabilities

  Judgment is required when determining if an exchange of instruments or modification of debt constitute an extinguishment of the original financial liability and establishment of a new financial liability. In 2020, qualitative factors such as new terms and changes to the existing lending group were considered for both the Company's tap issuance in January and for the issuance of $1,500 million 2027 bonds in October (see note 10).

(ii) Significant accounting estimates

Estimates are inherently uncertain and therefore actual results may differ from the amounts included in the financial statements, potentially having a material future effect on the Company's consolidated financial statements. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

- Determination of ore reserves and life of mine plan

  Reserves are estimates of the amount of product that can be economically and legally extracted from the Company's properties. Estimating the quantity and/or grade of reserves requires the size, shape and depth of ore bodies or fields to be determined by analyzing geological data such as drilling samples. Following this, the quantity of ore that can be extracted in an economical manner is calculated using data regarding the life of mine plans and forecast sales prices (based on current and long-term historical average price trends).

  The majority of the Company's property, plant and equipment are depreciated over the estimated lives of the assets on a units-of-production basis. The calculation of the units-of-production rate, and therefore the annual depreciation expense could be materially affected by changes in the underlying estimates which are driven by the life of mine plans. Changes in estimates can be the result of actual future production differing from current forecasts of future production, expansion of mineral reserves through exploration activities, differences between estimated and actual costs of mining and differences in the commodity prices used in the estimation of mineral reserves.

  Management made significant estimates of the strip ratio for each production phase. Waste material stripping costs in excess of this ratio, and from which future economic benefit will be derived from future access to ore, will be capitalized to mineral property and depreciated on a units-of-production basis.

  Changes in the proven and probable reserves estimates may impact the carrying value of property, plant and equipment (note 6), restoration provisions (note 11), recognition of deferred income tax amounts (note 13) and depreciation (note 6).

- Review of asset carrying values and impairment charges

  The Company reviews the carrying value of assets each reporting period to determine whether there is any indication of impairment using both internal and external sources of information. The Company has determined that each mining operation and smelter is a CGU.

  External sources of information regarding indications of impairment include considering the changes in market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of, or the timing of economic benefits from mining assets. Internal sources of information include changes to the life of mine plans and economic performance of the assets.

  Management's determination of recoverable amounts includes estimates of mineral prices, recoverable reserves, and operating, capital and restoration costs are subject to certain risks and uncertainties that may affect the recoverability of mineral property costs. The calculation of the recoverable amount can also include assumptions regarding the appropriate discount rate and inflation and exchange rates. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its projects.

- Estimation of the amount and timing of restoration and remediation costs

  Accounting for restoration provisions requires management to make estimates of the future costs the Company will incur to complete the restoration and remediation work required to comply with existing laws, regulations and agreements in place at each mining operation and any environmental and social principles the Company is in compliance with. The calculation of the present value of these costs also includes assumptions regarding the timing of restoration and remediation work, applicable risk-free interest rate for discounting those future cash outflows, inflation and foreign exchange rates and assumptions relating to probabilities of alternative estimates of future cash outflows. Actual costs incurred may differ from those amounts estimated. Also, future changes to environmental laws and regulations could increase the extent of restoration work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for restoration. A 10% increase in costs would result in an increase to restoration provisions of $81 million at December 31, 2020.

  The provision represents management's best estimate of the present value of the future restoration and remediation costs. The actual future expenditures may differ from the amounts currently provided; any increase in future costs could materially impact the amounts included in the liability disclosed in the consolidated balance sheet. The carrying amount of the Company's restoration provision is disclosed in note 11c.

- Estimation and assumptions relating to the timing of VAT receivables in Zambia

  In addition to the recoverability of VAT receivables being a key judgment, certain assumptions are determined by management in calculating the present value of these recoveries regarding the timing of recoveries. In assessing the timing of recoveries, management considers publicly available information with respect to the fiscal situation in Zambia as well as the level of refunds and offsets provided historically, and a Zambian risk-free rate is then applied to calculate the valuation to calculate the present value. Changes to the timings could materially impact the amounts charged to finance costs. The impact of repayments being one year later than estimated at December 31, 2020, would lead to a decrease to the carrying value and an increase to finance costs of $36 million. The carrying amount of the Company's VAT receivables is disclosed in note 4b.

Financial risk management

Credit risk

The Company's credit risk is primarily attributable to cash and bank balances, short-term deposits, derivative instruments and trade and other receivables. The Company's exposure to credit risk is represented by the carrying amount of each class of financial assets, including commodity contracts, recorded in the consolidated balance sheet.

The Company limits its credit exposure on cash held in bank accounts by holding its key transactional bank accounts with highly rated financial institutions. The Company manages its credit risk on short-term deposits by only investing with counterparties that carry investment grade ratings as assessed by external rating agencies and spreading the investments across these counterparties. Under the Company's risk management policy, allowable counterparty exposure limits are determined by the level of the rating unless exceptional circumstances apply. A rating of investment grade or equivalent is the minimum allowable rating required as assessed by international credit rating agencies. Likewise, it is the Company's policy to deal with banking counterparties for derivatives who are rated investment grade or above by international credit rating agencies and graduated counterparty limits are applied depending upon the rating.

Exceptions to the policy for dealing with relationship banks with ratings below investment grade are reported to, and approved by, the Audit Committee. As at December 31, 2020, substantially all cash and short-term deposits are with counterparties of investment grade.

The Company's credit risk associated with trade accounts receivable is managed through establishing long-term contractual relationships with international trading companies using industry-standard contract terms. 33% of the Company's trade receivables are outstanding from three customers together representing 27% of the total sales for the year. No amounts were past due from these customers at the balance sheet date. The Company continues to trade with these customers. Revenues earned from these customers are included within the Kansanshi, Sentinel, Panama and Çayeli segments. Other accounts receivable consist of amounts owing from government authorities in relation to the refund of value-added taxes applying to inputs for the production process and property, plant and equipment expenditures, prepaid taxes and amounts held in broker accounts.

Liquidity risk

The Company manages liquidity risk by maintaining cash and cash equivalent balances and available credit facilities to ensure that it is able to meet its short-term and long-term obligations as and when they fall due. Company-wide cash projections are managed centrally and regularly updated to reflect the dynamic nature of the business and fluctuations caused by commodity price and exchange rate movements.

In addition, the Company was obligated under its corporate revolving credit and term loan facility to maintain liquidity and satisfy various covenant ratio tests on a historical cash flow basis. These ratios were in compliance during the year ended December 31, 2020, and December 31, 2019. If the Company breaches a covenant in its Financing Agreements, this would be an event of default which, if un-addressed, would entitle the lenders to make the related borrowings immediately due and payable and if made immediately due and payable all other borrowings would also be due and payable.

The VAT receivable due from government authorities includes $349 million at December 31, 2020, which is past due (December 31, 2019: $396 million). See note 4c.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk. Expected credit losses on trade and other receivables at December 31, 2020, amount to nil.

Market risks

Commodity price risk

The Company is subject to commodity price risk from fluctuations in the market prices of copper, gold, nickel, zinc and other elements.

As part of the hedging program, the Company has elected to apply hedge accounting for a portion of copper and nickel sales. For the year ended December 31, 2020, a fair value loss of $401 million (2019: fair value gain of $8 million) has been recognized on derivatives designated as hedged instruments through accumulated other comprehensive income and a fair value loss of $48 million (2019: fair value gain of $44 million) has been recognized through sales revenues.

For the year ended December 31, 2020, the Company had unmargined copper forward sales contracts for 152,125 tonnes at an average price of $2.86 per lb outstanding with periods of maturity to December 2021. In addition, the Company has zero cost collar unmargined sales contracts for 174,400 tonnes at weighted average prices of $2.83 per lb to $3.07 per lb outstanding with maturities to December 2021. The Company also had unmargined nickel forward sales contracts for 3,213 tonnes at an average price of $6.89 per lb outstanding with maturities to October 2021.

The Company is also exposed to commodity price risk on diesel fuel required for mining operations and sulphur required for acid production. The Company's risk management policy allows for the management of these exposures through the use of derivative financial instruments. As at December 31, 2020, and December 31, 2019, the Company had not entered into any sulphur derivatives. At December 31, 2020, the Company had entered into fuel forward contracts over 60,408,600 litres at an average price of $0.34 per litre.

The Company's commodity price risk related to changes in fair value of embedded derivatives in accounts receivable reflecting copper, nickel, gold and zinc sales provisionally priced based on the forward price curve at the end of each quarter.

Interest rate risk

The majority of the Company's interest expense is fixed however it is also exposed to an interest rate risk arising from interest paid on floating rate debt and the interest received on cash and short-term deposits.

Deposits are invested on a short-term basis to ensure adequate liquidity for payment of operational and capital expenditures. To date, no interest rate management products are used in relation to deposits.

The Company manages its interest rate risk on borrowings on a net basis. The Company has a policy allowing floating-to-fixed interest rate swaps targeting 50% of exposure over a five-year period. As at December 31, 2020, and December 31 2019, the Company held no floating-to-fixed interest rate swaps.

Foreign exchange risk

The Company's functional and reporting currency is USD. As virtually all of the Company's revenues are derived in USD and the majority of its business is conducted in USD, foreign exchange risk arises from transactions denominated in currencies other than USD. Commodity sales are denominated in USD, the majority of borrowings are denominated in USD and the majority of operating expenses are denominated in USD. The Company's primary foreign exchange exposures are to the local currencies in the countries where the Company's operations are located, principally the Zambian kwacha ("ZMW"), Australian dollar ("A$") Mauritanian ouguiya ("MRU"), the euro ("EUR") and the Turkish lira ("TRY"); and to the local currencies suppliers who provide capital equipment for project development, principally the A$, EUR and the South African rand ("ZAR").

The Company's risk management policy allows for the management of exposure to local currencies through the use of financial instruments at a targeted amount of up to 100% for exposures within one year down to 50% for exposures in five years.

Disclosure Controls and Procedures

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

An evaluation of the effectiveness of the Company's disclosure controls and procedures, as defined under the rules of the Canadian Securities Administration, was conducted as of December 31, 2020, under the supervision of the Company's Audit Committee and with the participation of management. Based on the results of the evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report in providing reasonable assurance that the information required to be disclosed in the Company's annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported in accordance with the securities legislation.

Since the December 31, 2020 evaluation, there have been no adverse changes to the Company's controls and procedures and they continue to remain effective.

Capital management

The Company's objectives when managing capital are to continue to provide returns for shareholders, and comply with lending requirements while safeguarding the Company's ability to continue as a going concern. The Company considers the items included in equity to be capital.

The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The Company uses a combination of short-term and long-term debt to finance its operations and development projects. Typically, floating rates of interest are attached to short-term debt, and fixed rates on senior notes.

Internal Control over Financial Reporting

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements in compliance with IFRS. The Company's internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that accurately and fairly reflect the transactions of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS;
- ensure the Company's receipts and expenditures are made only in accordance with authorization of management and the Company's directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized transactions that could have a material effect on the annual or interim financial statements.

An evaluation of the effectiveness of the Company's internal control over financial reporting was conducted as of December 31, 2020 by the Company's management, including the Chief Executive Officer and Chief Financial Officer, based on the Control - Integrated Framework (2013) established by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. Based on this evaluation, management has concluded that the Company's internal controls over financial reporting were effective.

There were no changes in the Company's business activities during the period ended December 31, 2020, that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

Limitations of Controls and Procedures

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

Cautionary statement on forward-looking information

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

With respect to forward-looking statements and information contained herein, the Company has made numerous assumptions including among other things, assumptions about continuing production at all operating facilities, the price of copper, gold, nickel, silver, iron, cobalt, pyrite, zinc and sulphuric acid, anticipated costs and expenditures and the ability to achieve the Company's goals. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. These factors include, but are not limited to, future production volumes and costs, the temporary or permanent closure of uneconomic operations, costs for inputs such as oil, power and sulphur, political stability in Zambia, Peru, Mauritania, Finland, Spain, Turkey, Panama, Argentina and Australia, adverse weather conditions in Zambia, Finland, Spain, Turkey, Mauritania, Australia and Panama, labour disruptions, potential social and environmental challenges (including the impact of climate change), power supply, mechanical failures, water supply, procurement and delivery of parts and supplies to the operations, the production of off-spec material and events generally impacting global economic, political and social stability.

See the Company's Annual Information Form for additional information on risks, uncertainties and other factors relating to the forward-looking statements and information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of these factors are beyond First Quantum's control. Accordingly, readers should not place undue reliance on forward-looking statements or information. The Company undertakes no obligation to reissue or update forward-looking statements or information as a result of new information or events after the date hereof except as may be required by law. All forward-looking statements and information made herein are qualified by this cautionary statement.

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

SUMMARY OF RESULTS

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

Consolidated operations	2018	Q1 19	Q2 19	Q3 19	Q4 19	2019	Q1 20	Q2 20	Q3 20	Q4 20	2020
Sales revenues											
Copper	**$3,616**	$770	$836	$877	$1,120	**$3,603**	$1,015	$864	$1,150	$1,348	**$4,377**
Gold	**228**	57	67	86	132	**342**	134	98	158	147	**537**
Nickel	**-**	-	-	-	-	**-**	3	27	61	68	**159**
Other	**122**	30	36	24	32	**122**	30	25	33	38	**126**
Total sales revenues	**3,966**	857	939	987	1,284	**4,067**	1,182	1,014	1,402	1,601	**5,199**
Gross profit	**978**	185	196	150	259	**790**	147	141	346	443	**1,077**
Comparative EBITDA	**1,737**	368	376	354	511	**1,609**	434	352	641	725	**2,152**
Net earnings (loss) attributable to shareholders of the Company	**441**	53	78	(73)	(115)	**(57)**	(62)	(156)	29	9	**(180)**
Comparative earnings (loss)	**487**	95	87	32	35	**249**	(79)	(84)	64	53	**(46)**
Basic earnings (loss) per share	**$0.64**	$0.08	$0.11	($0.11)	($0.17)	**($0.08)**	($0.09)	($0.23)	$0.04	$0.01	**($0.26)**
Comparative earnings (loss) per share	**$0.71**	$0.14	$0.13	$0.05	$0.05	**$0.36**	($0.11)	($0.12)	$0.09	$0.08	**($0.07)**
Diluted earnings (loss) per share	**$0.64**	$0.08	$0.11	($0.11)	($0.17)	**($0.08)**	($0.09)	($0.23)	$0.04	$0.01	**($0.26)**
Dividends declared per common share (CDN$ per share)	**$0.010**	$0.005	-	$0.005	-	**$0.010**	$0.005	-	$0.005	-	**$0.010**
Basic weighted average shares (000's)[1]	**686,747**	687,100	687,130	688,425	688,083	**687,596**	688,093	688,123	688,806	688,939	**688,469**
Cash flows per share from operating activities	**$2.88**	$0.23	$0.26	$0.22	$0.58	**$1.29**	$0.69	$0.23	$0.66	$0.77	**$2.34**
Copper statistics											
Total copper production (tonnes)[2]	**605,853**	136,969	168,399	192,510	204,270	**702,148**	195,285	169,059	211,396	203,171	**778,911**
Total copper sales (tonnes)[3]	**596,513**	130,262	149,333	203,827	205,964	**689,386**	189,953	159,944	197,533	217,041	**764,471**
Realized copper price (per lb)	**$2.84**	$2.79	$2.80	$2.62	$2.62	**$2.70**	$2.56	$2.60	$2.77	$2.97	**$2.74**
TC/RC (per lb)	**(0.08)**	(0.09)	(0.10)	(0.12)	(0.12)	**(0.11)**	(0.11)	(0.10)	(0.10)	(0.11)	**(0.10)**
Freight charges (per lb)	**(0.05)**	(0.04)	(0.04)	(0.04)	(0.03)	**(0.04)**	(0.03)	(0.05)	(0.03)	(0.04)	**(0.04)**
Net realized copper price (per lb)	**$2.71**	$2.66	$2.66	$2.46	$2.47	**$2.55**	$2.42	$2.45	$2.64	$2.82	**$2.60**
Cash cost – copper (C1) (per lb)[2]	**$1.28**	$1.34	$1.32	$1.36	$1.24	**$1.31**	$1.30	$1.20	$1.07	$1.28	**$1.21**
All-in sustaining cost (AISC) (per lb)[2]	**$1.74**	$1.77	$1.77	$1.86	$1.73	**$1.78**	$1.64	$1.62	$1.48	$1.77	**$1.63**
Total cost – copper (C3) (per lb)[2]	**$2.11**	$2.21	$2.17	$2.20	$2.07	**$2.16**	$2.19	$2.08	$1.97	$2.20	**$2.11**
Nickel statistics											
Nickel produced (contained tonnes)	-	-	-	-	-	**-**	-	1,979	5,113	5,603	**12,695**
Nickel produced (payable tonnes)	-	-	-	-	-	**-**	-	1,579	4,102	4,534	**10,215**
Nickel sales (contained tonnes)	-	-	-	-	-	**-**	-	1,791	4,986	5,343	**12,120**
Nickel sales (payable tonnes)								1,429	4,016	4,342	**9,787**
Net realized price (per payable lb)	-	-	-	-	-	**-**	-	$8.51	$6.88	$7.11	**$7.37**
Cash cost – (C1) (per lb)	-	-	-	-	-	**-**	-	$6.26	$5.88	$5.39	**$5.72**
All-in sustaining cost (AISC) (per lb)	-	-	-	-	-	**-**	-	$7.30	$6.53	$6.09	**$6.46**
Total cost – nickel (C3) (per lb)	-	-	-	-	-	**-**	-	$7.93	$7.36	$6.78	**$7.19**
Gold statistics											
Total gold production (ounces)	**185,414**	49,357	59,647	70,120	77,789	**256,913**	68,788	54,651	72,926	68,747	**265,112**
Total gold sales (ounces)[4]	**193,072**	46,790	56,922	71,664	79,409	**254,785**	73,782	54,591	78,013	70,905	**277,291**
Net realized gold price (per ounce)	**$1,181**	$1,226	$1,235	$1,388	$1,380	**$1,318**	$1,488	$1,604	$1,766	$1,771	**$1,662**
Zinc statistics											
Zinc production (tonnes)[5]	**26,807**	6,318	4,123	4,429	2,462	**17,332**	1,837	1,937	1,331	1,943	**7,048**
Zinc sales (tonnes)	**26,112**	6,646	4,450	2,297	2,979	**16,372**	2,881	829	2,002	1,882	**7,594**

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

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

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

[4] Excludes refinery-backed gold credits purchased and delivered under the precious metal streaming arrangement (page 35).

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

Cobre Panama statistics	Q3 19[1]	Q3 19[1]	Q4 19	2019	Q1 20	Q2 20	Q3 20	Q4 20	2020
	Pre-commercial production	Post-commercial production							
Mining									
Waste mined (000's tonnes)	9,579	3,636	15,950	**66,570**	12,255	1,467	8,355	12,576	**34,653**
Ore mined (000's tonnes)	7,767	5,252	18,439	**51,879**	18,933	6,426	13,317	20,348	**59,024**
Processing									
Copper ore milled (000's tonnes)	8,375	4,437	16,493	**38,583**	15,942	6,157	14,661	17,697	**54,457**
Copper ore grade processed (%)	0.51	0.49	0.41	**0.44**	0.39	0.41	0.47	0.41	**0.42**
Copper recovery (%)	86	89	89	**86**	91	86	90	91	**90**
Concentrate grade (%)	22.0	21.8	22.1	**21.9**	23.9	22.9	25.6	26.6	**25.1**
Copper in concentrate produced (tonnes)	36,783	19,438	60,338	**147,480**	56,240	21,733	62,055	65,520	**205,548**
Gold produced (ounces)	13,570	7,914	28,040	**60,074**	23,232	7,794	28,346	25,295	**84,667**
Silver produced (ounces)	269,800	152,243	452,663	**1,132,247**	429,294	164,449	501,012	500,806	**1,595,561**
Cash Costs (per lb)									
Mining	-	$0.44	$0.33	**$0.36**	$0.39	$0.44	$0.38	$0.27	**$0.36**
Processing	-	0.46	0.57	**0.54**	0.65	0.73	0.48	0.77	**0.64**
Site administration	-	0.38	0.29	**0.31**	0.29	0.46	0.23	0.31	**0.30**
TC/RC and freight charges	-	0.32	0.36	**0.34**	0.32	0.30	0.26	0.27	**0.28**
By-product credits	-	(0.26)	(0.27)	**(0.26)**	(0.27)	(0.21)	(0.29)	(0.28)	**(0.27)**
Cash cost (C1) (per lb)	-	$1.34	$1.28	**$1.29**	$1.38	$1.72	$1.06	$1.34	**$1.31**
All-in sustaining cost (AISC) (per lb)	-	$1.56	$1.85	**$1.78**	$1.61	$2.03	$1.31	$1.72	**$1.60**
Total cost (C3) (per lb)	-	$2.28	$2.12	**$2.15**	$2.44	$2.99	$2.03	$2.22	**$2.30**
Revenues ($ millions)									
Copper in concentrates	-	$178	$253	**$431**	$324	$84	$362	$432	**$1,202**
Gold - mine production		18	30	**48**	40	8	46	44	**138**
Gold - precious metal stream	-	8	23	**31**	24	11	20	21	**76**
Silver - mine production	-	4	5	**9**	6	3	9	10	**28**
Silver - precious metal stream	-	2	3	**5**	4	1	3	3	**11**
Total sales revenues	-	$210	$314	**$524**	$398	$107	$440	$510	**$1,455**
Cost of refinery- backed credits for precious metal stream	-	($11)	($33)	**($44)**	($37)	($15)	($38)	($39)	**($129)**
Copper sales (tonnes)	42,425	35,056	48,841	**132,864**	64,136	17,832	61,049	65,770	**208,787**
Gold sales (ounces)[2]	16,032	13,074	23,336	**55,069**	27,337	6,674	27,182	25,669	**86,862**
Silver sales (ounces)[2]	350,982	271,774	354,689	**1,032,598**	480,524	126,366	470,989	504,002	**1,581,881**

[1] The Company determined that commercial production at Cobre Panama commenced effective September 1, 2019.
[2] Excludes refinery-backed gold and silver credits purchased and delivered under precious metal streaming arrangement (page 35).

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

Kansanshi statistics	2018	Q1 19	Q2 19	Q3 19	Q4 19	2019	Q1 20	Q2 20	Q3 20	Q4 20	2020
Mining											
Waste mined (000's tonnes)	**48,719**	10,249	12,210	17,232	13,077	**52,768**	12,491	16,897	19,103	13,481	**61,972**
Ore mined (000's tonnes)	**38,481**	7,363	11,252	8,995	8,715	**36,325**	7,420	10,303	8,479	8,221	**34,423**
Processing											
Sulphide ore milled (000's tonnes)	**12,978**	3,084	3,312	3,301	3,211	**12,908**	3,321	3,300	3,415	3,491	**13,527**
Sulphide ore grade processed (%)	**0.78**	0.90	0.85	0.86	0.95	**0.89**	0.89	0.80	0.85	0.79	**0.83**
Sulphide ore recovery (%)	**91**	89	91	92	93	**91**	93	93	91	90	**92**
Sulphide concentrate grade (%)	**22.8**	21.5	21.7	23.3	23.3	**22.5**	23.3	22.4	22.5	24.3	**23.1**
Mixed ore milled (000's tonnes)	**8,186**	1,870	1,990	1,939	1,900	**7,699**	1,967	2,160	2,053	1,987	**8,167**
Mixed ore grade processed (%)	**1.06**	1.00	1.06	1.02	1.11	**1.05**	0.99	1.03	1.03	0.96	**1.00**
Mixed ore recovery (%)	**82**	75	74	81	79	**77**	82	82	79	81	**81**
Mixed concentrate grade (%)	**29.3**	25.7	26.5	28.8	28.0	**27.3**	26.2	28.0	25.6	24.1	**26.0**
Oxide ore milled (000's tonnes)	**6,916**	1,534	1,856	1,918	1,893	**7,201**	1,697	2,010	2,079	1,654	**7,440**
Oxide ore grade processed (%)	**1.44**	1.14	1.24	1.04	1.07	**1.12**	0.97	0.96	0.80	1.02	**0.93**
Oxide ore recovery (%)	**89**	87	76	85	79	**82**	73	84	70	75	**76**
Oxide concentrate grade (%)	**29.4**	25.0	26.3	27.7	24.5	**25.9**	22.7	19.8	18.4	22.8	**20.8**
Copper cathode produced (tonnes)	**72,394**	10,705	11,325	11,526	11,490	**45,046**	9,976	16,007	12,672	13,298	**51,953**
Copper in concentrate produced (tonnes)	**179,128**	43,208	47,309	47,362	49,318	**187,197**	45,636	42,808	41,758	39,332	**169,534**
Total copper production (tonnes)	**251,522**	53,913	58,634	58,888	60,808	**232,243**	55,612	58,815	54,430	52,630	**221,487**
Gold produced (ounces)	**130,019**	34,743	35,613	38,925	36,105	**145,386**	33,002	34,177	31,715	29,515	**128,409**
Smelting[1]											
Concentrate processed (DMT)[1]	**1,381,637**	342,307	351,169	281,800	342,550	**1,317,826**	329,946	273,673	362,554	354,155	**1,320,328**
Copper anodes produced (tonnes)[1]	**347,037**	83,134	84,505	69,952	86,690	**324,281**	80,280	66,905	89,090	87,392	**323,667**
Smelter copper recovery (%)	**97**	97	97	97	97	**97**	97	97	98	99	**98**
Acid tonnes produced (000's)	**1,255**	322	323	264	327	**1,236**	315	264	342	341	**1,262**
Cash Costs (per lb)											
Mining	**$0.55**	$0.64	$0.64	$0.68	$0.59	**$0.64**	$0.74	$0.57	$0.61	$0.60	**$0.62**
Processing	**0.49**	0.58	0.49	0.50	0.45	**0.51**	0.50	0.50	0.60	0.55	**0.54**
Site administration	**0.09**	0.11	0.10	0.10	0.14	**0.11**	0.08	0.09	0.10	0.07	**0.09**
TC/RC and freight charges	**0.14**	0.16	0.18	0.14	0.14	**0.15**	0.15	0.19	0.16	0.12	**0.16**
By-product credits	**(0.34)**	(0.38)	(0.38)	(0.46)	(0.43)	**(0.41)**	(0.41)	(0.39)	(0.55)	(0.48)	**(0.46)**
Total smelter costs	**0.10**	0.13	0.12	0.14	0.14	**0.13**	0.16	0.13	0.12	0.15	**0.14**
Cash cost (C1) (per lb)	**$1.03**	$1.24	$1.15	$1.10	$1.03	**$1.13**	$1.22	$1.09	$1.04	$1.01	**$1.09**
All-in sustaining cost (AISC) (per lb)	**$1.55**	$1.73	$1.66	$1.74	$1.48	**$1.65**	$1.65	$1.56	$1.61	$1.59	**$1.60**
Total cost (C3) (per lb)	**$1.74**	$1.98	$1.87	$1.84	$1.68	**$1.84**	$1.97	$1.82	$1.85	$1.81	**$1.86**
Revenues ($ millions)											
Copper cathodes	**$452**	$57	$71	$65	$78	**$271**	$42	$79	$88	$94	**$303**
Copper anode	**1,029**	245	252	200	346	**1,043**	244	165	237	267	**913**
Copper in concentrates	**10**	17	32	-	-	**49**	12	54	27	-	**93**
Gold	**160**	39	48	45	65	**197**	50	53	71	55	**229**
Acid	**21**	6	5	4	6	**21**	1	-	-	-	**1**
Total sales revenues	**$1,672**	$364	$408	$314	$495	**$1,581**	$349	$351	$423	$416	**1,539**
Copper cathode sales (tonnes)	**70,665**	9,452	12,160	11,412	13,285	**46,309**	7,610	15,304	13,854	13,115	**49,883**
Copper anode sales (tonnes)[2]	**157,663**	40,220	42,610	35,726	60,701	**179,257**	44,807	32,785	37,503	38,150	**153,245**
Copper in concentrate sales (tonnes)	**1,504**	3,361	6,454	-	-	**9,815**	2,913	12,173	4,933	-	**20,019**
Total copper sales (tonnes)	**229,832**	53,033	61,224	47,138	73,986	**235,381**	55,330	60,262	56,290	51,265	**223,147**
Gold sales (ounces)	**134,890**	31,082	37,917	32,022	45,342	**146,363**	32,694	32,009	37,524	29,021	**131,248**

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

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

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

Sentinel statistics	2018	Q1 19	Q2 19	Q3 19	Q4 19	2019	Q1 20	Q2 20	Q3 20	Q4 20	2020
Mining											
Waste mined (000's tonnes)	**95,607**	19,335	23,609	24,970	24,912	**92,826**	24,849	22,480	24,489	26,152	**97,970**
Ore mined (000's tonnes)	**45,518**	11,507	12,017	12,704	14,035	**50,263**	15,667	15,230	15,199	14,002	**60,098**
Processing											
Copper ore milled (000's tonnes)	**48,750**	11,581	11,887	13,005	12,385	**48,858**	14,107	13,997	14,669	13,816	**56,589**
Copper ore grade processed (%)	**0.50**	0.54	0.50	0.47	0.47	**0.50**	0.45	0.49	0.53	0.51	**0.49**
Recovery (%)	**91**	92	92	91	87	**91**	89	89	90	90	**90**
Copper concentrate produced (tonnes)	**223,656**	57,716	54,977	56,439	50,874	**220,006**	56,633	60,761	70,829	62,993	**251,216**
Concentrate grade (%)	**25.0**	26.9	26.5	26.3	26.6	**26.6**	26.2	26.5	26.8	26.7	**26.6**
Cash Costs (per lb)											
Mining	**$0.58**	$0.55	$0.51	$0.47	$0.53	**$0.52**	$0.46	$0.42	$0.38	$0.40	**$0.43**
Processing	**0.67**	0.61	0.61	0.61	0.70	**0.63**	0.61	0.59	0.51	0.60	**0.57**
Site administration	**0.10**	0.09	0.09	0.13	0.12	**0.11**	0.17	0.01	0.07	0.10	**0.08**
TC/RC and freight charges	**0.23**	0.23	0.23	0.28	0.27	**0.25**	0.23	0.25	0.20	0.27	**0.24**
Total smelter costs	**0.12**	0.12	0.11	0.09	0.09	**0.10**	0.08	0.09	0.09	0.07	**0.08**
Cash cost (C1) (per lb)	**$1.70**	$1.60	$1.55	$1.58	$1.71	**$1.61**	$1.55	$1.36	$1.25	$1.44	**$1.40**
All-in sustaining cost (AISC) (per lb)	**$2.22**	$2.07	$2.06	$2.12	$2.22	**$2.12**	$2.02	$1.86	$1.77	$2.04	**$1.92**
Total cost (C3) (per lb)	**$2.42**	$2.34	$2.29	$2.29	$2.45	**$2.34**	$2.27	$2.02	$1.98	$2.28	**$2.14**
Revenues ($ millions)											
Copper anode	**$1,169**	$237	$251	$198	$190	**$876**	$178	$176	$275	$350	**$979**
Copper in concentrates	**$285**	$59	$68	$105	$91	**$323**	$57	$76	$65	$176	**$374**
Total sales revenues	**$1,454**	$296	$319	$303	$281	**$1,199**	$235	$252	$340	$526	**$1,353**
Copper anode sales (tonnes)	**183,372**	38,815	42,410	35,087	32,974	**149,286**	32,914	33,859	42,936	49,772	**159,481**
Copper concentrate sales (tonnes)	**54,839**	12,372	13,212	23,114	20,298	**68,996**	12,269	18,199	12,579	29,203	**72,250**

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

Guelb Moghrein statistics	2018	Q1 19	Q2 19	Q3 19	Q4 19	2019	Q1 20	Q2 20	Q3 20	Q4 20	2020
Mining											
Waste mined (000's tonnes)	**15,062**	3,581	3,107	2,528	1,917	**11,133**	3,204	3,502	2,578	906	**10,190**
Ore mined (000's tonnes)	**1,590**	953	1,345	1,265	1,561	**5,124**	936	1,079	1,150	1,189	**4,354**
Processing											
Sulphide ore milled (000's tonnes)	**3,684**	994	1,018	810	1,029	**3,851**	898	1,015	889	986	**3,788**
Sulphide ore grade processed (%)	**0.85**	0.85	0.84	0.88	0.89	**0.87**	0.88	0.83	0.87	0.82	**0.85**
Recovery (%)	**90**	88	90	87	89	**89**	89	88	86	91	**89**
Copper produced (tonnes)	**28,137**	7,447	7,750	6,203	8,220	**29,620**	7,028	7,392	6,702	7,369	**28,491**
Gold produced (ounces)	**45,974**	12,498	11,961	8,187	12,027	**44,673**	11,237	11,665	11,620	13,115	**47,637**
Magnetite concentrate produced (WMT)	**425,389**	119,169	163,555	106,634	152,202	**541,560**	129,773	160,434	175,237	114,128	**579,572**
Cash Costs (per lb)											
Mining	**$0.82**	$0.78	$0.57	$0.52	$0.38	**$0.55**	$0.41	$0.33	$0.30	$0.36	**$0.36**
Processing	**1.09**	0.87	1.00	1.06	0.96	**0.97**	1.06	1.02	1.13	1.08	**1.07**
Site administration	**0.19**	0.18	0.18	0.22	0.16	**0.18**	0.18	0.17	0.19	0.16	**0.18**
TC/RC and freight charges	**0.54**	0.49	0.35	0.35	0.58	**0.44**	0.31	0.37	0.45	0.26	**0.34**
Gold and magnetite credit	**(1.14)**	(1.21)	(1.19)	(1.04)	(1.10)	**(1.14)**	(1.30)	(1.41)	(1.83)	(1.77)	**(1.57)**
Cash cost (C1) (per lb)	**$1.50**	$1.11	$0.91	$1.11	$0.98	**$1.00**	$0.66	$0.48	$0.24	$0.09	**$0.38**
All-in sustaining cost (AISC) (per lb)	**$1.93**	$1.37	$1.19	$1.62	$1.37	**$1.36**	$1.07	$0.87	$0.47	$0.36	**$0.70**
Total cost (C3) (per lb)	**$2.46**	$2.22	$1.65	$1.93	$1.78	**$1.87**	$1.42	$1.34	$0.94	$1.07	**$1.20**
Revenues ($ millions)											
Copper in concentrates	**$154**	$42	$43	$30	$30	**$145**	$37	$39	$38	$47	**$161**
Gold	**58**	16	18	12	12	**58**	18	23	21	27	**89**
Magnetite concentrate	**23**	6	16	10	8	**40**	12	16	12	10	**50**
Total sales revenues	**$235**	$64	$77	$52	$50	**$243**	$67	$78	$71	$84	**$300**
Copper sales (tonnes)	**27,366**	7,924	8,143	5,969	6,010	**28,046**	7,649	8,170	6,715	7,365	**29,899**
Gold sales (ounces)	**48,195**	13,301	14,156	9,074	8,415	**44,946**	12,106	14,528	11,698	14,885	**53,217**
Magnetite concentrate sold (WMT)	**376,956**	89,631	222,762	123,274	90,032	**525,699**	135,008	180,107	138,582	136,316	**590,013**

Las Cruces statistics	2018	Q1 19	Q2 19	Q3 19	Q4 19	2019	Q1 20	Q2 20	Q3 20	Q4 20	2020
Mining											
Waste mined (000's tonnes)	**14,936**	460	-	2,082	342	**2,884**	194	219	613	108	**1,134**
Ore mined (000's tonnes)	**1,682**	96	-	355	446	**897**	361	271	189	-	**821**
Processing											
Copper ore milled (000's tonnes)	**1,544**	325	360	305	364	**1,354**	355	383	343	381	**1,462**
Copper ore grade processed (%)	**4.95**	3.75	3.35	3.73	5.71	**4.17**	4.97	4.99	4.24	3.22	**4.35**
Recovery (%)	**93**	87	86	83	85	**85**	87	87	84	83	**85**
Copper cathode produced (tonnes)	**70,738**	10,634	10,366	9,479	17,611	**48,090**	15,293	16,566	12,259	10,234	**54,352**
Cash Costs (per lb)											
Cash cost (C1) (per lb)	**$0.90**	$1.31	$1.51	$1.46	$0.73	**$1.17**	$0.87	$0.84	$1.12	$1.56	**$1.05**
All-in sustaining cost (AISC) (per lb)	**$1.16**	$1.46	$1.65	$1.74	$0.91	**$1.35**	$0.96	$0.93	$1.22	$1.70	**$1.15**
Total cost (C3) (per lb)	**$2.25**	$3.19	$3.59	$3.61	$2.43	**$3.08**	$2.42	$2.50	$3.24	$3.76	**$2.88**
Revenues ($ millions)											
Copper cathode	**$470**	$71	$62	$61	$97	**$291**	$83	$97	$82	$70	**$332**
Copper cathode sales (tonnes)	**71,523**	11,443	10,112	10,405	16,284	**48,244**	14,473	17,818	12,646	9,915	**54,852**

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

Çayeli statistics	2018	Q1 19	Q2 19	Q3 19	Q4 19	2019	Q1 20	Q2 20	Q3 20	Q4 20	2020
Copper produced (tonnes)	**19,896**	4,891	3,872	3,218	4,725	**16,706**	2,990	2,611	4,199	3,534	**13,334**
Zinc produced (tonnes)	**4,091**	752	1,428	1,176	1,896	**5,252**	765	853	951	1,943	**4,512**
Cash Costs (per lb)											
Cash cost – Copper (C1) (per lb)	**$1.21**	$1.42	$1.32	$1.82	$1.11	**$1.35**	$1.62	$1.39	$1.07	$0.96	**$1.24**
All-in sustaining cost (AISC) (per lb)	**$1.48**	$1.68	$1.54	$2.12	$1.51	**$1.65**	$1.94	$1.61	$1.29	$1.37	**$1.53**
Total cost – Copper (C3) (per lb)	**$2.03**	$2.32	$2.25	$2.83	$1.60	**$2.16**	$2.77	$2.60	$1.91	$1.52	**$2.14**
Revenues ($ millions)											
Copper	**$87**	$18	$28	$13	$26	**$85**	$6	$11	$22	$14	**$53**
Zinc	**8**	-	3	-	3	**6**	2	-	1	3	**6**
Other	**5**	-	1	-	3	**4**	1	1	2	1	**5**
Total sales revenues	**$100**	$18	$32	$13	$32	**$95**	$9	$12	$25	$18	**$64**
Copper sales (tonnes)	**17,397**	3,814	5,817	2,934	5,553	**18,118**	1,776	2,544	4,451	2,672	**11,443**
Zinc sales (tonnes)	**4,313**	-	1,833	-	2,046	**3,879**	1,857	-	1,625	1,882	**5,364**

Pyhäsalmi statistics	2018	Q1 19	Q2 19	Q3 19	Q4 19	2019	Q1 20	Q2 20	Q3 20	Q4 20	2020
Copper produced (tonnes)	**11,904**	2,343	1,904	2,062	1,694	**8,003**	1,489	1,181	922	891	**4,483**
Zinc produced (tonnes)[1]	**22,716**	5,566	2,695	3,253	566	**12,080**	1,072	1,084	380	-	**2,536**
Pyrite produced (tonnes)	**645,885**	152,475	152,522	127,960	120,687	**553,644**	96,503	108,329	124,913	132,415	**462,160**
Cash Costs (per lb)											
Cash cost – Copper (C1) (per lb)	**($0.46)**	($0.39)	$0.21	$0.61	$2.02	**$0.51**	$0.86	$1.55	$1.82	$2.06	**$1.48**
All-in sustaining cost (AISC) (per lb)	**($0.46)**	($0.39)	$0.25	$0.64	$2.11	**$0.55**	$0.89	$1.62	$1.90	$2.21	**$1.55**
Total cost – Copper (C3) (per lb)	$1.70	$1.67	$1.75	$1.62	$2.17	$1.77	$1.07	$2.30	$2.33	$2.93	**$2.03**
Revenues ($ millions)											
Copper	**$70**	$16	$10	$9	$10	**$45**	$6	$6	$5	$9	**$26**
Zinc	**45**	12	7	2	1	**22**	1	1	-	-	**2**
Pyrite	**17**	4	3	3	3	**13**	3	3	2	3	**11**
Other	**12**	4	1	2	3	**10**	3	1	3	-	**7**
Total sales revenues	**$144**	$36	$21	$16	$17	**$90**	$13	$11	$10	$12	**$46**
Copper sales (tonnes)	**12,184**	2,861	1,873	1,699	2,018	**8,451**	1,406	1,260	867	1,079	**4,612**
Zinc sales (tonnes)	**21,799**	6,646	2,617	2,297	933	**12,493**	1,024	829	377	-	**2,230**
Pyrite sales (tonnes)	**445,181**	124,667	97,221	90,619	110,823	**423,330**	124,140	117,759	99,386	119,593	**460,878**

[1] Zinc production for the three months ended September 30, 2020 has been adjusted from 521 tonnes to 380 tonnes, and for the year-ended December 31, 2020 has been adjusted from 2,677 tonnes to 2,536 tonnes.

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

Ravensthorpe statistics	2018	Q1 19	Q2 19	Q3 19	Q4 19	2019	Q1 20	Q2 20	Q3 20	Q4 20	2020
Processing											
Beneficiated ore (000's tonnes)	-	-	-	-	-	-	-	457	769	728	**1,954**
Beneficiated ore grade (%)	-	-	-	-	-	-	-	0.93	1.01	0.99	**0.98**
Nickel recovery – leach feed to Nickel produced (%)	-	-	-	-	-	-	-	68	73	78	**74**
Nickel produced (contained tonnes)	-	-	-	-	-	-	-	1,979	5,113	5,603	**12,695**
Nickel produced (payable tonnes)	-	-	-	-	-	-	-	1,579	4,102	4,534	**10,215**
Cash Costs (per lb)											
Mining	-	-	-	-	-	-	-	$2.57	$1.89	$1.77	**$1.94**
Processing	-	-	-	-	-	-	-	3.13	3.51	3.30	**3.36**
Site administration	-	-	-	-	-	-	-	0.71	0.57	0.45	**0.54**
TC/RC and freight charges	-	-	-	-	-	-	-	0.20	0.25	0.25	**0.24**
Cobalt credit	-	-	-	-	-	-	-	(0.35)	(0.34)	(0.38)	**(0.36)**
Cash cost (C1) (per lb)	-	-	-	-	-	-	-	$6.26	$5.88	$5.39	**$5.72**
All-in sustaining cost (AISC) (per lb)	-	-	-	-	-	-	-	$7.30	$6.53	$6.09	**$6.46**
Total cost (C3) (per lb)	-	-	-	-	-	-	-	$7.93	$7.36	$6.78	**$7.19**
Revenues ($ millions)											
Nickel	-	-	-	-	-	-	-	$18	$59	$71	**$148**
Cobalt	-	-	-	-	-	-	-	1	3	4	**8**
Total sales revenues	-	-	-	-	-	-	-	$19	$62	$75	**$156**
Nickel sales (contained tonnes)	-	-	-	-	-	-	-	1,791	4,986	5,343	**12,120**
Nickel sales (payable tonnes)	-	-	-	-	-	-	-	1,429	4,016	4,342	**9,787**