

Lundin Foundation

Non-consolidated Financial Statements
(Expressed in United States dollars)
December 31, 2021

INDEPENDENT AUDITOR'S REPORT

To the Directors of Lundin Foundation:

Report on the Audit of the Financial Statements

Opinion

We have audited the non-consolidated financial statements of Lundin Foundation (the "Foundation"), which comprise the non-consolidated statement of financial position as at December 31, 2021 and the non-consolidated statement of operations, non-consolidated statement of changes in net assets and non-consolidated statement of cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2021, and its results of operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements* section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
April 14, 2022

Lundin Foundation

Non-consolidated Statement of Financial Position
(Amounts expressed in United States dollars)

As at December 31

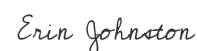
	<i>note</i>	<u>2021</u>	<u>2020</u>
ASSETS			
Current			
Cash and cash equivalents		\$ 1,325,565	\$ 2,493,184
Accounts receivable	7(a), 7(c), 7(d)	621,702	524,271
Prepaid expenses and deposits		11,504	70,276
Total current assets		1,958,771	3,087,731
Long-term investment	4	-	141,595
Property and equipment, net	5	35,720	26,919
Restricted cash - loan guarantees	6	188,715	285,120
Total assets		\$ 2,183,206	\$ 3,541,365
LIABILITIES AND NET ASSETS			
Current			
Accounts payable and accrued liabilities	7(e)	\$ 125,674	\$ 365,446
Deferred revenue		28,000	-
Total current liabilities		153,674	365,446
Commitments	10		
Net assets			
Unrestricted net assets		2,029,532	3,175,919
Total liabilities and net assets		\$ 2,183,206	\$ 3,541,365

See accompanying notes to these non-consolidated financial statements.

Approved on behalf of the Board:



Paul Conibear
Director



Erin Johnston
Director

Lundin Foundation

Non-consolidated Statement of Operations
(Amounts expressed in United States dollars)

For the year ended December 31

	<i>note</i>	<u>2021</u>	<u>2020</u>
Revenue			
Contributions	7(d)	\$ 4,637,067	\$ 3,991,605
Grants		325,783	-
COVID emergency subsidy		-	7,175
Expense recovery	7(a), 7(c)	415,822	1,012,310
		<u>5,378,672</u>	<u>5,011,090</u>
Project costs		3,006,023	3,194,373
Grant expense		-	6,270
		<u>3,006,023</u>	<u>3,200,643</u>
Excess of revenue over expenses before general and administration expenses		<u>2,372,649</u>	<u>1,810,447</u>
General and administrative expenses (Schedule 1)			
Amortization of property and equipment	7(a), 7(c) 5	8,348	12,954
Audit and tax		43,297	38,914
Bank charges and interest		17,105	20,266
Board and portfolio meetings		-	6,676
Conferences		100	4,269
Legal fees		26,716	36,943
Memberships		2,450	5,053
Office supplies and services	7(e)	13,939	25,205
Rent and utilities	7(e)	115,191	172,608
Salaries, benefits and staffing services		919,555	1,095,873
Sustainability summit		-	675
Telephone and internet		6,346	15,225
Travel		5,659	7,236
Website and communication		43,169	53,555
		<u>1,201,875</u>	<u>1,495,452</u>
Excess of revenue over expenses from operations before other income (loss)		<u>1,170,774</u>	<u>314,995</u>
Other income (loss)			
Foreign exchange loss		(26,831)	(53,169)
Investment income		40,159	2,356
Loss on disposal of capital asset		(5,183)	-
Donations	7(b)	(2,325,306)	(648,233)
		<u>(2,317,161)</u>	<u>(699,046)</u>
Deficiency of revenue over expenses for the year		<u>\$ (1,146,387)</u>	<u>\$ (384,051)</u>

See accompanying notes to these non-consolidated financial statements.

Lundin Foundation

Non-consolidated Statement of Changes in Net Assets
(Amounts expressed in United States dollars)

For the year ended December 31

	<u>2021</u>	<u>2020</u>
Net assets, beginning of year	\$ 3,175,919	\$ 3,559,970
Deficiency of revenue over expenses for the year	(1,146,387)	(384,051)
Net assets, end of year	\$ 2,029,532	\$ 3,175,919

See accompanying notes to these non-consolidated financial statements.

Lundin Foundation

Non-consolidated Statement of Cash Flows (Amounts expressed in United States dollars)

For the year ended December 31

	2021	2020
Operating activities		
Deficiency of revenue over expenses for the year	\$ (1,146,387)	\$ (384,051)
Add items not affecting cash		
Amortization of property and equipment	8,348	12,954
Contribution draw-back on project loans	96,883	-
Guarantee draw-down on project loans, net of bank charges and interests	-	39,049
Write-off of capital assets	5,183	-
Foreign exchange loss	26,831	53,169
	<u>(1,009,142)</u>	<u>(278,879)</u>
Changes in non-cash working capital		
Decrease (increase) in accounts receivable	(97,431)	782,523
(Increase) decrease in prepaid expenses and deposits	58,772	(54,997)
Increase (decrease) in accounts payable in accrued liabilities	(239,772)	51,928
Increase in deferred revenue	28,000	-
Cash provided by (used in) operating activities	<u>(1,259,573)</u>	<u>500,575</u>
Investing activities		
Capital distributions received on investment	141,595	82,777
Repayment of note receivable from related party	-	548,589
Purchase of software	(22,191)	(7,355)
Cash provided by investing activities	<u>119,404</u>	<u>624,011</u>
Financing activities		
Repayment of loan guarantee	-	129,841
Cash provided by financing activities	<u>-</u>	<u>129,841</u>
Net increase (decrease) in cash during the year	(1,140,169)	1,254,427
Effect of foreign exchange on cash and cash equivalents	(27,450)	(57,771)
Cash and cash equivalents, beginning of year	2,493,184	1,296,528
Cash and cash equivalents, end of year	<u>\$ 1,325,565</u>	<u>\$ 2,493,184</u>
Cash and cash equivalents consists of:		
Cash	\$ 1,233,716	\$ 2,401,442
Cash equivalents	91,849	91,742
	<u>\$ 1,325,565</u>	<u>\$ 2,493,184</u>

See accompanying notes to these non-consolidated financial statements.

Lundin Foundation

Notes to Non-consolidated Financial Statements

(Amounts expressed in United States dollars unless otherwise noted)

For the year ended December 31, 2021

1. Purpose of the organization

The Lundin Foundation (the "Foundation"), incorporated under the *Canada Corporations Act* in 2005, is a registered non-profit corporation headquartered in Vancouver, British Columbia. The Foundation is affiliated with the Lundin Group of Companies.

The Foundation works with contributing partners, governments, and local communities to improve the management of, and benefit streams from, resource development projects in targeted countries. The Foundation is exempt from income taxes in Canada.

2. Basis of preparation

Basis of presentation

The non-consolidated financial statements of the Foundation have been prepared by management in accordance with *CPA Canada Handbook – Accounting, Part III, Accounting Standards for Not-for-Profit Organizations ("ASNPO")*.

3. Summary of significant accounting policies

Use of estimates

The preparation of the non-consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Accordingly, actual results could differ from these estimates.

Foreign currency translation

Amounts denominated in foreign currencies have been translated into USD as follows:

- (a) Monetary assets and liabilities are translated at the rate of exchange in effect as at the date of the statement of financial position;
- (b) Non-monetary assets and liabilities, at the rates of exchange prevailing on the transaction dates; and
- (c) Revenue and expenses, excluding amortization, which are translated at the same rate as the related asset, at the rates of exchange prevailing on the transaction dates.

Foreign exchange gains and losses are included in the statement of operations.

Financial instruments

Arm's Length Transactions

Measurement of financial instruments

The Foundation measures its financial assets and financial liabilities at fair value at the acquisition date, except for financial assets and financial liabilities acquired in related party transactions.

The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost.

Related Party Transactions

Measurement of related party financial instruments

The Foundation measures all related party financial instruments recognized in these non-consolidated financial statements at either the cost of the related party financial instrument, or at the cost of the consideration exchanged for the related party financial instrument. Measurement is based on the nature of the financial instrument and depends on

Lundin Foundation

Notes to Non-consolidated Financial Statements

(Amounts expressed in United States dollars unless otherwise noted)

For the year ended December 31, 2021

whether the instrument has repayment terms. Foundation has no related party financial instruments required to be measured at fair value.

When the instrument has repayment terms, the cost is determined using the undiscounted cash flows, excluding interest and dividend payments, and less any impairment losses previously recognized by the transferor.

When the related party financial instrument has no repayment terms, the cost of the instrument is determined using the consideration transferred or received.

Related party financial instruments initially measured at cost are subsequently measured using the cost method.

Transaction Costs

Transaction costs related to the acquisition or issuance of financial instruments subsequently measured at fair value and to instruments originated or exchanged in a related party transaction are recognized in the non-consolidated statement of operations when incurred. The carrying amounts of financial instruments not subsequently measured at fair value are adjusted by the amount of the transaction costs directly attributable to the acquisition or issuance of the instrument, and the adjustment is recognized in the non-consolidated statement of operations over the life of the instrument using the straight-line method.

Impairment

Financial assets measured at amortized cost and related party financial assets measured using the cost method are assessed for indications of impairment at the end of each reporting period. If impairment is identified, the amount of the write-down is recognized as an impairment loss in the non-consolidated statement of operations. Previously recognized impairment losses are reversed when the extent of the impairment decreases, provided that the adjusted carrying amount is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the non-consolidated statement of operations.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances with financial institutions and short-term deposits that are highly liquid.

Investments

Investments in which the Foundation does not have control or significant influence are accounted for using the cost method whereby the investment is initially recorded at cost and earnings from the investment are recognized only to the extent received or receivable.

Property and equipment

Property and equipment are recorded at cost, less accumulated amortization. Contributed assets are recorded at fair market value at the date of contribution. Amortization is calculated using the straight-line method at the following annual rates:

Office improvements	over lease period
Office furniture and equipment	5 years
Software	10 years

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Notes to Non-consolidated Financial Statements

(Amounts expressed in United States dollars unless otherwise noted)

For the year ended December 31, 2021

When an item of property and equipment no longer has any long-term service potential to the Foundation, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

Revenue recognition

Contributions

Contributions and government grants are recognized using the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are deferred and recognized as revenue in the period in which the related expenses are incurred.

Interest income

Interest income on interest-bearing note receivable from related party is accrued when earned.

Contributed materials and services

From time to time, the Foundation receives contributions of materials. Contributed materials are recorded at fair value when a fair value can be reasonably estimated, and the materials would otherwise be purchased.

From time to time, individuals contribute time and expertise to the Foundation's operations. Because of the difficulty in determining the fair value of the contributed services, the value of contributed services is not recognized in the non-consolidated financial statements.

Change in Accounting Policy

The Foundation has adopted the amendments to *CPA Handbook* Section 3856, Financial Instruments. The amendments have been adopted effective January 1, 2020, the beginning of the earliest comparative period in these non-consolidated financial statements (the "transition date"). The amendments provide guidance on the accounting for financial instruments arising from transactions between both arm's-length and related parties, and require disclosure of enterprise-specific information related to significant risks arising from financial instruments.

The Foundation has applied the amendments retrospectively, in accordance with the transition provisions. The amendments provide transition relief for instruments without repayment terms to be measured at their pre-adoption carrying amount less impairment at the transition date. Transition relief is also provided for instruments extinguished or derecognized prior to the transition date, such that only instruments existing on the transition date need to be assessed.

The adoption of the amendments had no impact on the Foundation's non-consolidated financial statements other than the enterprise-specific risk disclosures related to significant risks arising from the Foundation's financial instruments (see Note 9).

4. Long-term investment

The Foundation holds 7.82% equity interest in Central Africa SME Fund C.V. ("CASME"), over which it does not have control or significant influence. Over the period since the original investment was made, CASME has fully repaid the original investment through distributions. CAMSE is a Dutch limited partnership that invests in small to medium sized enterprises in Central Africa.

Lundin Foundation

Notes to Non-consolidated Financial Statements

(Amounts expressed in United States dollars unless otherwise noted)

For the year ended December 31, 2021

5. Property and equipment

	2021			2020
	Cost	Accumulated amortization	Net book value	Net book value
Office improvements	\$ -	\$ -	\$ -	\$ 10,257
Office furniture and equipment	-	-	-	452
Software	38,661	2,941	35,720	16,210
	<u>\$ 38,661</u>	<u>\$ 2,941</u>	<u>\$ 35,720</u>	<u>\$ 26,919</u>

6. Restricted cash – loan guarantees

		2021	2020
Northern Initiatives ("CDFI") (a)	\$	188,715	\$ 188,260
Association of Los Helados (the "Association") (b)		-	96,860
	<u>\$</u>	<u>188,715</u>	<u>\$ 285,120</u>

- (a) CDFI is to provide loans for the benefit of individuals or companies with 1 to 20 employees resident or operating in Marquette County, Michigan, USA and whose loan is partially guaranteed by the Eagle Emerging Entrepreneurs Fund ("Clients").

In 2013, the Foundation deposited \$250,000 in an insured depository institution selected by the CDFI, fully collateralising the Foundation's guarantee of loans that will be granted by CDFI to Clients. The Foundation will guarantee 75% of each loan granted by CDFI to eligible Clients, in accordance with the terms of the guarantee.

As at December 31, 2021, CDFI has disbursed an aggregate of \$2,324,768 (2020 – \$2,224,768) in business loans. To date, CDFI has drawn down \$67,123 (2020 - \$67,123) from the loan guarantee balance.

- (b) The Association is a non-profit entity with its main goal to develop and support plans and programs to micro-entrepreneurs for Copiapo and Tierra Amarilla in Chile ("Participants"), and whose loan is partially guaranteed by a financing program.

The Foundation deposited the US dollar equivalent of CLP75,000,000 to an insured depository institution selected by the Association, fully collateralising the Foundation's guarantee of loans that will be granted by the Association to Participants. The Foundation will guarantee 75% of each loan granted by the Association to eligible Participants, in accordance with the terms of the guarantee.

To date, the balance has been drawn down and the remaining balance was returned to the funder. The Foundation is no longer participating in the program.

7. Related party transactions

Related party transactions that are in the normal course of operations are recorded at the exchange amount, which is the consideration established and agreed to by the related parties. Related party transactions that are not in the normal course of operations are recorded at the exchange amount.

Lundin Foundation

Notes to Non-consolidated Financial Statements

(Amounts expressed in United States dollars unless otherwise noted)

For the year ended December 31, 2021

- (a) During the year ended December 31, 2021, the Foundation incurred \$172,030 (2020 - \$318,605) of salaries, rent and other office expenses on behalf of LGIF. As at December 31, 2021, the Foundation had a receivable balance due from LGIF of \$36,664 (2020 - \$101,704). The receivable balance is non-interest bearing and unsecured with payment due on demand.
- (b) During the year ended December 31, 2021, the Foundation donated \$2,325,306 (2020 - \$598,375) to LGIF.
- (c) During the year ended December 31, 2021, the Foundation incurred \$243,791 (2020 - \$693,705) of salaries, rent and other office expenses on behalf of AHLCF. As at December 31, 2021, the Foundation had a receivable balance due from AHLCF of \$85,161 (2020 - \$214,211). The receivable balance is non-interest bearing and unsecured with payment due on demand.
- (d) During the year ended December 31, 2021, the Foundation received total contributions of \$4,635,941 (2020 - \$3,977,022) from companies in the Lundin group, where the Directors of the Foundation also serve as Directors on the board or as members of senior management in the companies. Of this amount, \$403,547 (2020 - \$206,608) is recorded in accounts receivable as at December 31, 2021. The receivable balance is non-interest bearing and unsecured with payment due on demand.
- (e) Included in rent and utilities and office supplies and services expenses is \$116,348 (2020 - \$141,552) to a private corporation ("Namdo Management Services Ltd.") owned by a member of the Board of Directors. Namdo Management Services Ltd. charges the Foundation the rent for office space and the cost of shared support staff and recovers out-of-pocket expenses related to the Foundation's activities. As at December 31, 2021, \$943 (2020 - \$561) is included in accounts payable and accrued liabilities.

8. Financial summaries of controlled entity

The Foundation controls 100% of LGIF. LGIF, a charitable foundation, was incorporated under the Canada Not-for-profit Corporations Act in 2005. It is a registered charity exempt from income taxes in Canada.

LGIF provides financing and makes equity investments to businesses and entrepreneurs with innovative solutions to pressing, social and environmental challenges to relieve poverty in developing nations.

There are no significant differences in accounting policies between the Foundation and LGIF. LGIF's assets are not subject to restrictions. Financial summaries of this unconsolidated entity as at December 31, 2021 and 2020 and for the years then ended are as follows:

Lundin Foundation

Notes to Non-consolidated Financial Statements

(Amounts expressed in United States dollars unless otherwise noted)

For the year ended December 31, 2021

	2021	2020
Financial position		
Total assets	\$ 3,699,614	\$ 2,487,091
Total liabilities	\$ 57,301	\$ 129,260
Total unrestricted net assets	3,642,313	2,357,831
	\$ 3,699,614	\$ 2,487,091
Results of operations		
Total revenue	\$ 2,324,707	\$ 598,375
Total expenses	(1,040,225)	(972,684)
Deficiency of revenue over expenses for the year	\$ 1,284,482	\$ (374,309)
Cash flows		
Cash provided by operating activities	\$ 1,358,625	\$ 851,078
Cash (used in) investing activities	(1,848,833)	(266,671)
Cash (used in) provided by financing activities	(68,423)	(160,182)
Increase (decrease) in cash during the year	\$ (558,631)	\$ 424,225

9. Financial instruments

Items that meet the definition of a financial instrument include cash and cash equivalents, accounts receivable, restricted cash – loan guarantees, and accounts payable and accrued liabilities.

Financial instrument transactions, such as purchasing and receiving foreign currency, collecting receivables, settling payables and accruals may result in exposure to significant financial risks and concentrations of risk.

The nature and extent of significant risks as at December 31, 2021 are described below. There have been no changes to the significant risks from the prior year.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. There is a concentration of credit risk in respect of the accounts receivable as all of it is due from related parties.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes currency risk.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation undertakes transactions in foreign currencies and, consequently, certain of its financial instruments are exposed to foreign currency fluctuations. There is a concentration of currency risk as 26% (2020: 17%) of the Foundation's cash at December 31, 2021 was in Canadian dollars and was unhedged. Financial instruments include the following amounts, presented in U.S dollars, which are denominated in Australian Dollars (AUD), Chilean Peso (CLP), Kenyan Shilling (KES), Canadian dollars (CAD), Euros (EUR) and Great Britain Pound (GBP):

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Notes to Non-consolidated Financial Statements

(Amounts expressed in United States dollars unless otherwise noted)

For the year ended December 31, 2021

	2021					
	AUD	CAD	CLP	EUR	GBP	KES
Cash and cash equivalents	-	351,026	-	-	-	17,448
Accounts receivable	-	37,084	-	-	-	-
Accounts payable and accrued liabilities	(7,971)	(86,927)	-	(530)	(1,093)	(12,881)
	(7,971)	304,201	-	(530)	(1,093)	5,383

	2020					
	AUD	CAD	CLP	EUR	GBP	KES
Cash and cash equivalents	-	426,659	-	-	-	29,130
Accounts receivable	-	103,452	-	-	-	-
Restricted cash - loan guarantees	-	-	96,860	-	-	-
Accounts payable and accrued liabilities	(27,269)	(63,999)	(25,217)	-	-	(20,330)
	(27,269)	466,112	71,643	-	-	8,800

10. Commitments

The Foundation is committed to disbursements of project costs by 2021 in the form of service agreements totaling \$220,240 (2020 - \$580,771).

The Foundation's operating lease commitments for its offices as at December 31, 2021 are as follows:

2022	\$ 147,757
2023	\$ 8,945

Lease commitments for 2022 includes \$117,785 due to Namdo Management Services Ltd., a related party of the Foundation.

11. Update on COVID-19 pandemic

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Foundation's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Foundation's future operations.

As of the date of the approval of the non-consolidated financial statements, update on the COVID-19 pandemic have continued to lead to a reduction in funding and project activities compared to the pre-pandemic years. Accordingly, the program spending has been reduced to align with the funding level and general and administrative costs, by reducing contract staff and office space.

The Foundation cannot estimate the length and gravity of the COVID-19 pandemic. If the pandemic continues, it may have a material effect on the Foundation's future results. The Foundation is continually monitoring and assessing new information and recommendations from health and government authorities as it becomes available and will continue to respond accordingly.

Lundin Foundation

Schedule of general and administrative expenses

(Amounts expressed in United States dollars unless otherwise noted)

For the year ended December 31, 2021

General and administrative expenses, net of expense recoveries of \$415,822 (notes 7(a) and 7(c)) (2020 - \$1,012,310) are as follows:

		<u>2021</u>	<u>2020</u>
	<i>note</i>		
Amortization of property and equipment	5	\$ 8,348	\$ 12,954
Audit and tax		36,210	30,031
Bank charges and interest		18,716	14,347
Conferences		100	1,158
Legal fees		13,568	11,468
Memberships		2,450	2,854
Office supplies and services	7(e)	11,967	18,433
Rent and utilities	7(e)	102,842	139,586
Salaries, benefits and staffing services		536,678	186,898
Sustainability summit		-	675
Telephone and internet		6,346	8,510
Travel		5,659	2,894
Website and communication		43,169	53,334
		<u>\$ 786,053</u>	<u>\$ 483,142</u>

See accompanying notes to these non-consolidated financial statements.