



NEWS RELEASE

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FIRST QUANTUM MINERALS ANNOUNCES SALE OF 30% OF RAVENSTHORPE NICKEL FOR \$240 MILLION

(In United States dollars, except where noted otherwise)

TORONTO, Ontario (May 19, 2021) - **First Quantum Minerals Ltd. ("First Quantum" or the "Company") (TSX:FM)** today announced that it has entered into a binding agreement to sell a 30% equity interest in the Ravensthorpe Nickel Operation ("Ravensthorpe") in Western Australia for cash consideration of \$240 million to POSCO, one of the world's largest steel producers (the "Transaction"). First Quantum will retain a 70% interest in Ravensthorpe and continue to be the operator. The proceeds of the transaction will be used to reduce the Company's debt. In addition to the Transaction, POSCO and First Quantum have also agreed to evaluate a strategic partnership to produce battery precursor materials from production at Ravensthorpe.

TRANSACTION SUMMARY

Under the terms of the Transaction, POSCO will acquire a 30% equity interest in Ravensthorpe for cash consideration of \$240 million. POSCO will be provided with a long-term offtake agreement for 7,500 tonnes of nickel in mixed nickel-cobalt hydroxide precipitate ("MHP") per year produced at Ravensthorpe, beginning in 2024. The balance of Ravensthorpe's production will continue to be marketed by First Quantum. The Transaction is subject to certain conditions including approval by the Australian Foreign Investment Review Board ("FIRB"). The transaction is expected to close sometime in the third quarter of 2021. The proceeds of the Transaction will be applied to the outstanding amount on the Company's revolving credit facility, continuing the Company's debt reduction.

STRATEGIC PARTNERSHIP

POSCO is South Korea's largest, and the world's fourth largest, steel producer. POSCO is also a leading integrated producer of cathode and anode materials for the electric vehicle ("EV") battery sector and is undertaking an expansion of its secondary battery material business for which Ravensthorpe will provide a portion of the feed.

As part of the Transaction, First Quantum and POSCO have also entered into a Memorandum of Understanding ("MoU") to explore a partnership to produce battery cathode precursor materials, likely in the form of nickel sulphate, by utilizing the MHP from Ravensthorpe. First Quantum and POSCO will work together over the coming months to advance this potential partnership.

"We are pleased to welcome POSCO as our new long-term strategic partner in Ravensthorpe," Philip Pascall, Chairman and CEO said. "Our respective organizations have complementary skillsets which will allow us to maximize the strategic

value of Ravensthorpe as a key long-term supplier of nickel to the EV battery sector. We look forward to working closely with POSCO at Ravensthorpe and exploring options to broaden our relationship.”

ABOUT RAVENSTHORPE

Ravensthorpe is a large-scale, open pit nickel and cobalt operation located in Western Australia, 150km west of Esperance. Ravensthorpe produces a high quality MHP which is a sought-after feedstock for the production of EV battery cathode materials. Following a successful restart of operations in the first quarter of 2020, the mine is now transitioning to the Shoemaker Levy deposit which will provide stable feed to the plant for the next twenty years. Completion of construction and commissioning works at Shoemaker Levy, including a 10km conveyor, is expected this quarter.

Ravensthorpe is strategically-positioned as a clean, sustainable source of nickel for the EV battery value chain with industry leading ESG credentials and a small carbon emissions footprint.

These features are expected to become increasingly important to brand name manufacturers of EVs and include:

- Unique integrated design, including power generation using waste heat from the onsite acid plant, allowing Ravensthorpe to be self-sufficient with respect to power and water;
- Adherence to best in class water and discharge management with a closed water balance and zero discharge;
- Tailings storage facilities designed and built in accordance with the highest international standards;
- Ravensthorpe provides a supply of cobalt from an established mining jurisdiction with stringent ESG regulations;
- The ore from the newly accessed Shoemaker Levy deposit will be transported by overland conveyor to Ravensthorpe’s existing processing facility, further reducing reliance on the diesel haul truck fleet; and
- Potential to utilize renewable energy technologies within the current operational footprint.

OUR NICKEL BUSINESS

First Quantum has significant nickel resources which complement its world-class copper operations, underpinned by Ravensthorpe and the Enterprise Nickel Project in Zambia. Enterprise is a 100% owned, largely-constructed, high grade nickel sulphide project located 15km from the Company’s Sentinel Mine. The 4 million tonne per year process plant for Enterprise was completed in 2016 and was temporarily used to process copper ore during the commissioning of Sentinel. Enterprise is expected to produce an average of 28,000 tonnes of nickel concentrate per year over the estimated 11-year mine life. It is anticipated that Enterprise’s high grade concentrate will be suitable to feed into the battery metals supply chain. Dewatering and preliminary pre-strip works will commence at Enterprise in 2021 in anticipation of the Company making a final decision to proceed with the project later this year.

ADVISORS

Standard Chartered Bank served as financial advisor and MinterEllison served as legal advisor to the Company for the purpose of the Transaction.

For further information, visit our website at www.first-quantum.com or contact:

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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.