



FIRST QUANTUM
MINERALS

Q1
2020

TSX FM

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, 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, silver, nickel, zinc, pyrite, cobalt, iron 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, silver, nickel, zinc, pyrite, cobalt, iron 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.

Clive Newall

President and Director



Financial Review





Hannes Meyer

Chief Financial Officer



During these unprecedented times, the **Company is actively focused on the management of all capital spending and operating costs** while maintaining a high level of safety and productivity

- ▶ **Capex guidance** for 2020 has been reduced by \$175 million
- ▶ **AISC guidance** for 2020 reduced by \$0.05 per lb

Hedge programs in place to manage price volatility

- ▶ Approximately **half of expected remaining copper sales in 2020 are hedged**, at an average floor price of \$2.62 per lb
- ▶ **11,000 tonnes of nickel hedges** at an average price of \$6.76 per lb, with maturities to February 2021
- ▶ Subsequent to the quarter end the Company **hedged 180 million litres of Ultra Low Sulphur Diesel (“ULSD”)** at an average price of \$0.32 per litre, until April 2021

Amended financial covenants

under senior term loan and revolving credit facility:

- ▶ The Net Debt to EBITDA Covenant Ratio¹ has been increased
- ▶ The Debt Service Cover Covenant Ratio¹ has been decreased

- ▶ **Net debt decreased** for the first quarter since June 2016
- ▶ **Improved liquidity** with net cash and cash equivalents of \$1.15 billion at March 31, 2020

Ravensthorpe concluded operational readiness and restarted operations in March 2020, with **production commencing in late April**

¹ Refer to the Debt and Liquidity profile slide for details of the amended covenants.

COBRE PANAMA PLACED ONTO PRESERVATION AND SAFE MAINTENANCE

The Company decided to place the **Cobre Panama** operation onto preservation and safe maintenance

Effective April 7, 2020

- ▶ **Copper production guidance for 2020 has been reduced** to 210,000 – 235,000 tonnes
- ▶ **Gold production guidance for 2020 has been reduced** to 90,000 – 100,000 ounces
- ▶ Preservation and safe maintenance costs are estimated at between **\$4 and 6 million per week** assuming the suspension of labour contracts and other variable and fixed costs
- ▶ Production guidance is dependent upon receiving approval from the Ministry of Health of the Republic of Panama (“MINSA”) to end the preservation and safe maintenance shutdown and to **commence the restart of operations before or by the end of May 2020**



2020 GUIDANCE UPDATE

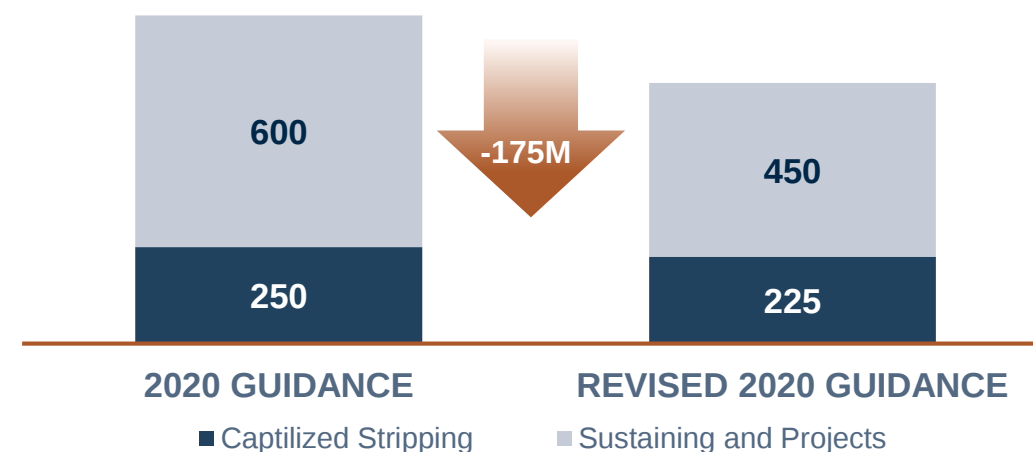
Capital Expenditure Guidance	2020
Sustaining capital and other projects	450
Capitalized stripping	225
Total	675
Production Guidance ¹	2020
Copper ('000 tonnes)	755 - 805
Gold ('000 ounces)	250 - 270
Nickel ('000 tonnes)	15 - 20
Cost Guidance ²	2020
Copper C1 (\$ per lb)	1.20 – 1.35
Copper AISC (\$ per lb)	1.65 – 1.80

¹ Production is presented on a copper contained basis.

² Guidance on nickel C1 and AISC is not given in year of ramp-up from care and maintenance.

- ▶ Capital expenditure guidance has been reduced by \$175 million
- ▶ Copper and gold production ranges in respect of Cobre Panama have decreased by 75,000 tonnes and 30,000 ounces respectively
- ▶ The upper range of copper C1 guidance has decreased by \$0.05 per lb and AISC guidance range has decreased by \$0.05 per lb

CAPITAL EXPENDITURE



Q1 SUMMARY – PRODUCTION^{1,2}

Total Copper Production

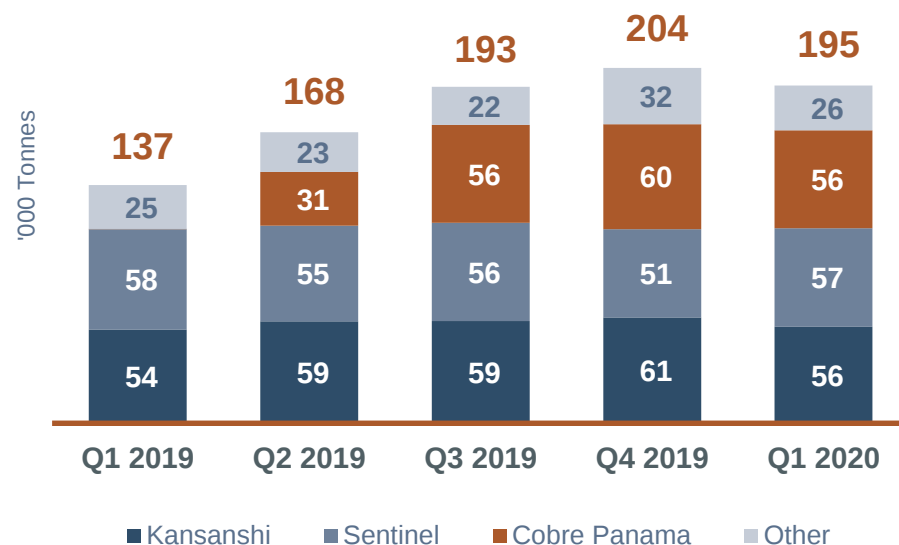
195k tonnes

43% higher than
Q1 2019

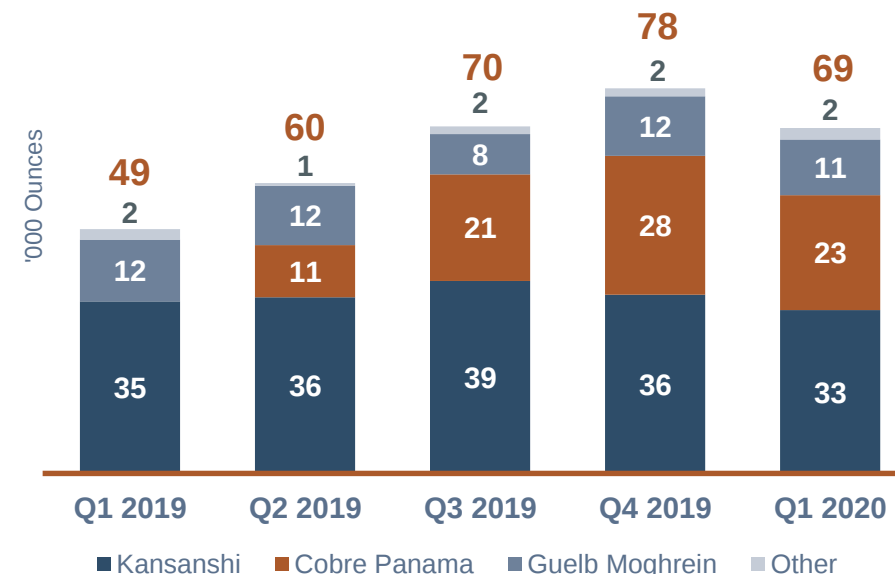
- Q1 higher copper production includes a contribution of **56k tonnes from Cobre Panama**

- Total **gold production of 69k ounces was 39% higher** than in the same quarter in 2019, reflecting Cobre Panama's contribution of 23k ounces

QUARTERLY COPPER PRODUCTION BY SITE



QUARTERLY GOLD PRODUCTION BY SITE



1 Production is presented on a copper contained basis.

2 Total full year 2019 copper production includes 67,704 tonnes of pre-commercial production from Cobre Panama.

Q1 SUMMARY FINANCIAL OVERVIEW

\$434M

Comparative
EBITDA^{1,2} Q1 2020

18%

higher than Q1 2019
despite lower copper price

Comparative EBITDA of \$434 million is \$66 million higher than same quarter of 2019 with:

- ▶ \$157M comparative EBITDA contribution from Cobre Panama
- ▶ 8% lower realized copper prices
- ▶ Despite higher comparative EBITDA, a comparative EPS loss of 11 cents per share resulted from the \$184 million net finance expense of which a significant portion would have been eligible for capitalization in the same quarter last year

Net debt decreases across the quarter for the first time since June 30, 2016:

- ▶ Favourable EBITDA and working capital movements more than offset the interest, capital expenditure and taxes paid in the quarter

¹ Pre-commercial production sales revenues and operating costs attributable to Cobre Panama are capitalized and are excluded from revenue and earnings.

² Earnings attributable to shareholders of the Company and EBITDA have been adjusted to exclude items which are not reflective of underlying performance to arrive at comparative earnings and comparative EBITDA. For further detail on the comparative EBITDA and earnings refer to the appendix.

\$ Million (except per share numbers)	Q1 2019	Q4 2019	Q1 2020
Revenue ¹	857	1,284	1,182
Gross Profit ¹	185	259	147
Comparative EBITDA ^{1,2}	368	511	434
Comparative Earnings ^{1,2}	95	35	(79)
Comparative EPS \$	0.14	0.05	(0.11)
Net Debt	(7,007)	(7,675)	(7,615)

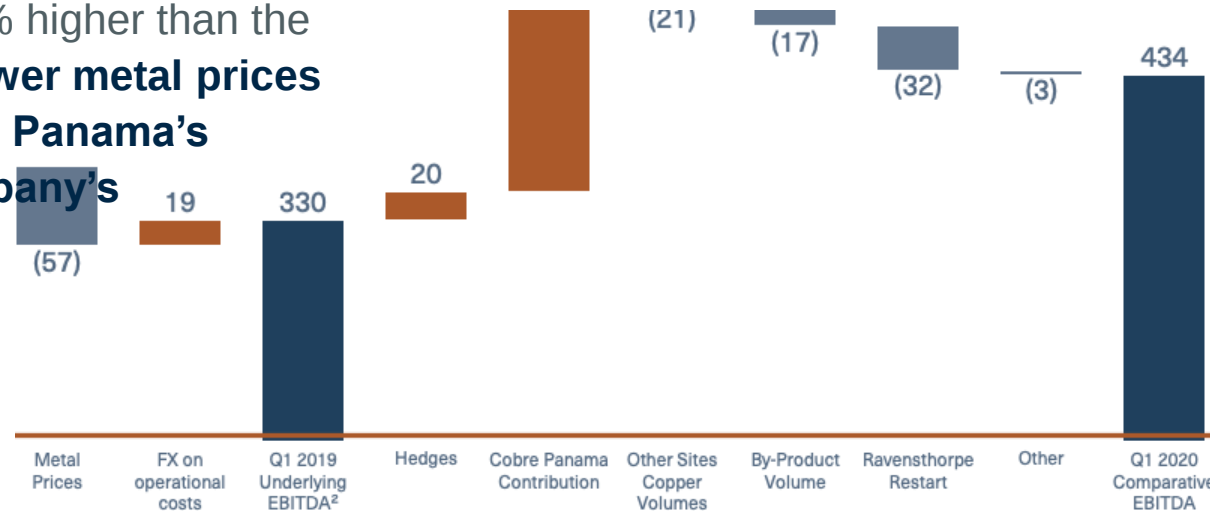
Capital expenditure Net interest paid Taxes paid Other Closing Net Debt Mar 31, 20

CHANGES TO COMPARATIVE EBITDA

**Higher Underlying
Comparative EBITDA^{1,2}**

18% higher than the
comparable quarter

Comparative EBITDA is 18% higher than the comparable quarter, with **lower metal prices more than offset by Cobre Panama's contribution and the Company's hedge program.**



¹ Comparative EBITDA is not a GAAP measure, a reconciliation to GAAP is presented in the appendix.

² Underlying comparative EBITDA is shown after impact of market metal prices and foreign exchange movements on operating costs.

QUARTERLY UNIT CASH COSTS

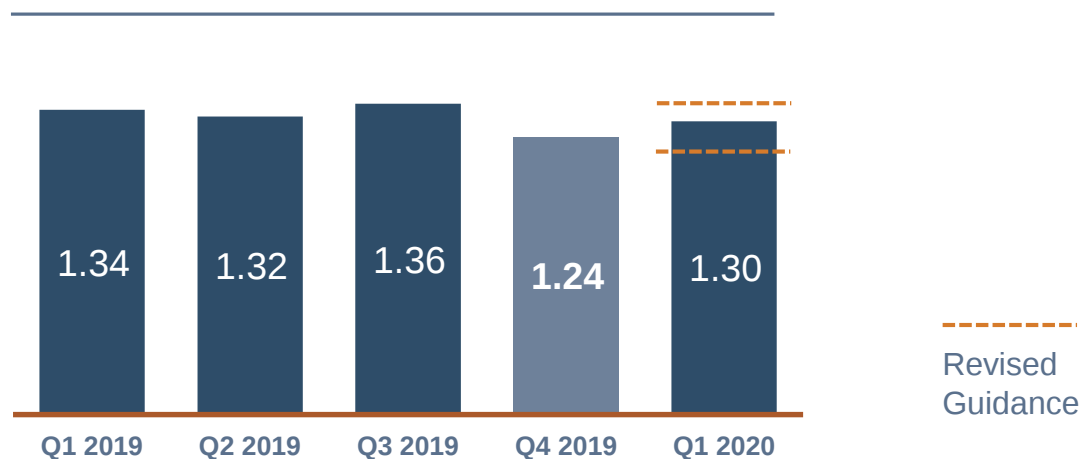
Within Guidance

Q1 2020
C1 Cost

Lowest AISC

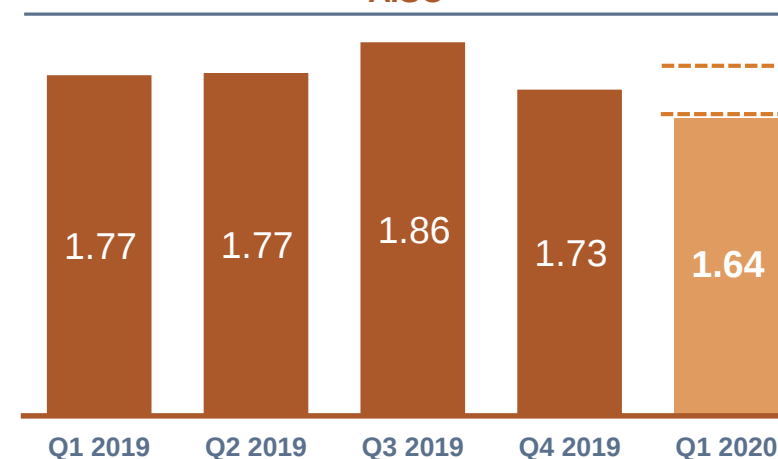
For Past
12 Months

TOTAL C1 COST



- ▶ C1 cost for the quarter is 3% lower than Q1 2019, reflecting **lower maintenance costs and favourable foreign exchange impact**
- ▶ The C1 cost includes the impact of a full quarter of contribution from Cobre Panama of **\$1.38 per lb**
- ▶ **Upper end of guidance** range for C1 has been reduced by \$0.05 per lb

AISC



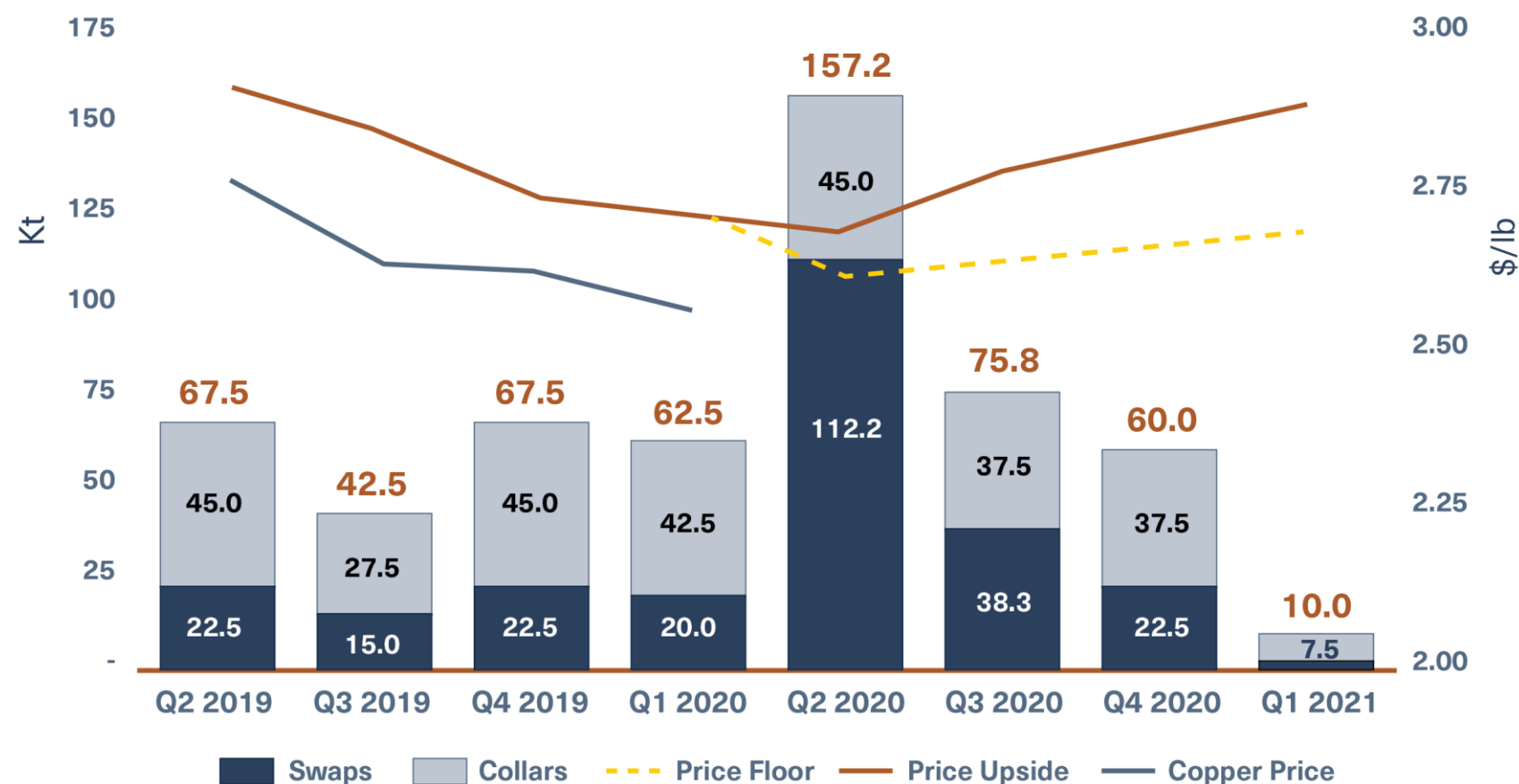
- ▶ AISC for the quarter is **7% lower than Q1 2019**, reflecting lower C1 cost combined with lower sustaining capital expenditure
- ▶ **AISC guidance range** for 2020 has been reduced by \$0.05 per lb

1 2019 C1 cost and AISC excludes purchases of copper concentrate from third parties treated through the Kansanshi smelter.

COPPER HEDGING PROGRAM OUTLOOK¹

Approximately half of expected copper sales in 2020 are hedged

Average floor price of \$2.62 per lb, exceeding the current market price



- ▶ The Company also has **unmargined nickel forward sales contracts** for 11,000 tonnes at an average price of \$6.76 per lb outstanding with maturities to February 2021

¹ Hedging outlook as at April 28, 2020.

DEBT AND LIQUIDITY PROFILE AT MARCH 31, 2020

Liquidity Outlook

- ▶ Following \$750 million bond tap issuance in January 2020, the Company completed the redemption of the remaining \$300 million of senior notes due February 2021 and repaid and cancelled the \$11 million Sentinel equipment financing
- ▶ In the quarter, the Company drew down fully on the senior Revolving Credit Facility

Renegotiated Covenants

On April 22, 2020, the financial covenants under \$2.7 billion Term Loan and Revolving Credit Facility have been amended.

The Net Debt to EBITDA ratio has been increased as follows:

- ▶ to 5.00 for the 3rd and 4th quarters of 2020;
- ▶ to 4.75 for the 1st and 2nd quarters of 2021; and
- ▶ to 4.50 for the 3rd and 4th quarters of 2021

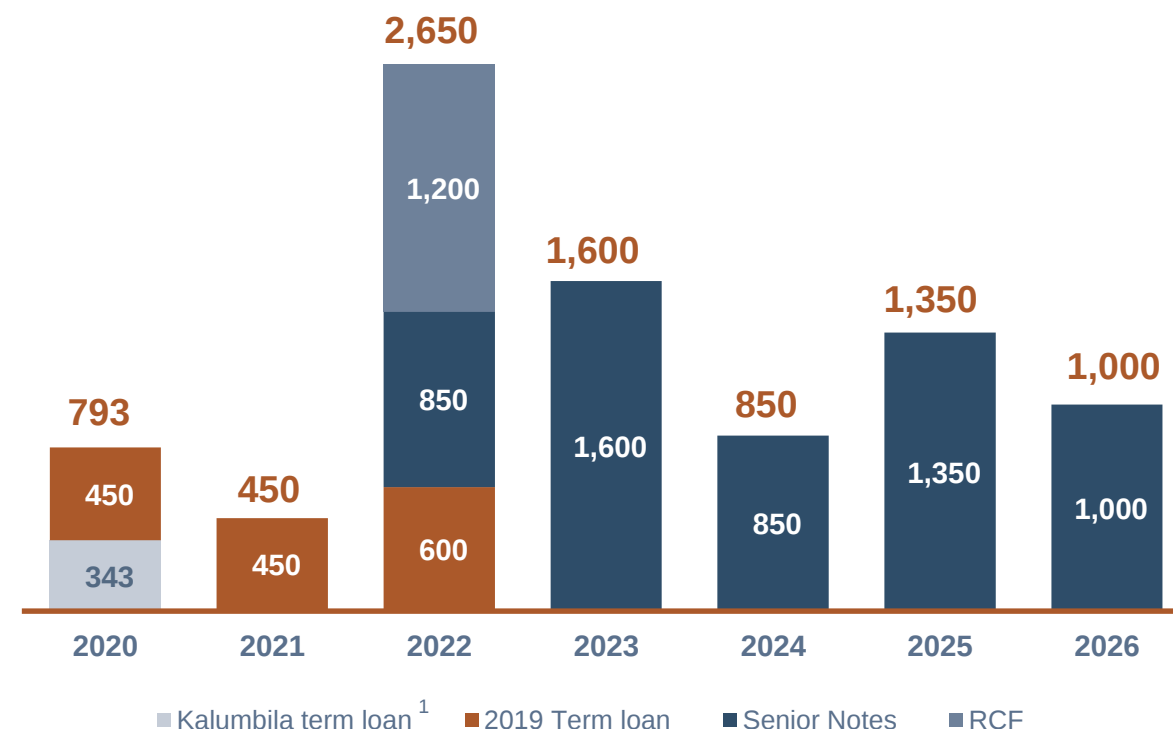
The Debt Service Cover Ratio has been decreased as follows:

- ▶ to 1.00 for the 2nd, 3rd and 4th quarters of 2020; and
- ▶ to 1.10 for all quarters of 2021

Covenants Ratio

Net debt/EBITDA covenant ratio at March 31, 2020 of **4.35x**, well below covenant requirement of 5.25x.

DEBT AND LIQUIDITY PROFILE (\$ millions)



¹ Request submitted to extend the Kalumbila term loan to December 2021.

APPENDIX



First Quantum's priority is the **health and safety of its employees and the communities** in which it operates.

Global Economic Slow Down

The Company has sought to mitigate some of the volatility in the market by continuing the copper hedge program. The Company has entered in Ultra Low Sulphur Diesel ("ULSD") hedges to cover approximately 50% of 2020 fuel cost. As additional measures the Company has nickel hedges in place for Ravensthorpe's production.

Some of the defensive measures, taken to date, include ULSD hedges and additional copper hedges, restriction of business travel and other cost savings, and the reduction of non essential capital expenditure.

Export and Import Difficulties

With the closure of the South African and Zimbabwean borders, the export of the Company's Zambian production is currently being managed through alternate routes. To date, there has not been any significant disruption to sales, supply chains and product shipments.

Cobre Panama

Following an order from the Ministry of Health of the Republic of Panama, Cobre Panama was placed under preservation and safe maintenance effective April 7, 2020. Preservation and safe maintenance costs are estimated at between \$4 and 6 million per week assuming the suspension of labour contracts and other variable and fixed costs.

Corporate Social Responsibility

First Quantum is managing the necessary country-by-country restrictions in order to assist in the protection of those most vulnerable. 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 pledged financial support for the provision of medical logistics support in the Solwezi and Kalumbila districts of North-Western Zambia.

Las Cruces

Ceased mining operations on March 30, 2020 following an order by the Spanish government. During this time the plant continued to process the surface ore stockpile. Mining resumed on April 13, 2020. Production guidance for Las Cruces remains unchanged.

QUARTERLY NET DEBT MOVEMENT

Opening Net Debt at December 31, 2019 (\$ million)	(7,675)
Comparative EBITDA	434
Working capital	104
Capital expenditure	(170)
Net interest paid	(226)
Taxes paid	(61)
Other	(21)
Closing Net Debt at March 31, 2020 (\$ million)	(7,615)

Net Debt comprised of:	
Net cash & cash equivalents ¹	1,145
Total debt	(8,760)

¹ Excludes \$33m restricted cash.

STREAMING – ADDITIONAL DISCLOSURE

Under the terms of the precious metal streaming arrangement, the amortization of gold and silver revenues is indexed to the copper produced and sold from the Cobre Panama mine. Gold and silver revenues recognized in relation to the precious metal streaming arrangement comprise the amortization of the

deposit received, amortization of non-cash interest accreted and the ongoing fixed payments received. 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.

Additional disclosure has been added with respect to Cobre Panama revenues relating to the precious metal streaming arrangement, as well as the cost of precious metal credits purchased to satisfy obligations arising from the agreement. These disclosures are included on the Cobre Panama summary of historical statistics within the MD&A.

Revenues (\$ millions)	Q3 2019	Q4 2019	FY 2019	Q1 2020
Gold - mine production	18	30	48	40
Gold - precious metal stream	8	23	31	24
Total Gold Revenue	26	53	79	64
Silver - mine production	4	5	9	6
Silver - precious metal stream	2	3	5	4
Total Revenues Recognized Under Precious Metal Stream	10	26	36	28

COST SENSITIVITIES

Fuel cost is not completely linked to oil/fuel price movements, with transportation costs, importation duties and cost premiums part of the underlying cost base. Subsequent to the quarter end, the Company has hedged 180 million litres of Ultra Low Sulphur Diesel (“ULSD”) at an average price of \$0.32 per litre with maturities to April 2021 as part of the

companywide cost management strategy. This represents approximately 50% of the Company’s operational annual usage.

In terms of foreign exchange (“FX”) movements, the Company’s cost of sales is most sensitive to movements in the Zambian kwacha (“ZMW”) against the US dollar (“USD”).

Annualized Impact	\$M
FX ¹	
10% movement on the USD/ZMW rate	20
Fuel	
10% movement in oil price ² (including hedge impact)	5
10% movement in oil price ² (excluding hedge impact)	10

1 In addition a FX movement will impact balance sheet items, principally VAT, denominated in kwacha.

2 Based on a market oil price of \$0.25/litre.

Interest

Net interest expense for the quarter ended March 31, 2020, was \$184 million. The majority of the Company's interest expense is incurred by Canadian entities, where no tax credit is recognized. Interest expense for the full year 2020 is expected to range between \$770 million and \$810 million, this includes interest accrued on related party loans to Cobre Panama and a finance cost accreted on the precious metal streaming arrangement.

Tax

Excluding Cobre Panama, and the impact of interest expense, the effective tax rate for 2020 is expected to be approximately 30%.

Depreciation

Depreciation expense for the quarter was \$311 million. The full year 2020 depreciation expense is expected to approximately \$1,300 million.

On March 27, 2020, changes to the Zambian tax regime were announced, as part of the tax relief provisions in the statement on the impact of COVID-19. 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 and the suspension of gold export duties.

The changes are expected to be effective imminently, however these changes have not yet been enacted into law. The remaining taxes relating to the January 1, 2020 change are:

The estimated impact of these changes on 2020 full year has been revised down from the previous estimate, with Total C1 impact expected to be \$0.01 per lb and AISC impact of \$0.03 per lb.

Tax Type	Change
VAT	0% Import VAT on capital equipment and machinery for the mining sector
	VAT relief for VAT on diesel reduced from 90% to 70%
	VAT relief for VAT on electricity reduced from 100% to 80%
Import Duty	10% import duty on specified capital equipment and machinery imported by mining companies replacing rates of 0% and 5%
Income Tax	Tax relief for capital spend (capital allowances) to be spread over 5 years rather than 4

NON-GAAP MEASURES RECONCILIATION COMPARATIVE EBITDA AND COMPARATIVE EARNINGS

	Q1 2020	Q1 2019
Operating profit	4	153
Depreciation	311	194
Impairment charges, write-off of assets and other costs associated with the mine interruption at Las Cruces	-	13
Foreign exchange loss	123	4
Loss on disposal of assets and liabilities	-	2
Revisions in estimates of restoration provisions at closed sites	(6)	2
Other expense	2	-
Comparative EBITDA (\$ million)	434	368

	Q1 2020	Q1 2019
Net earnings/(loss) attributable to shareholders of the Company	(62)	53
Movement in discounting of Zambian VAT	(37)	-
Loss on debt instruments	2	25
Total adjustments to comparative EBITDA excluding depreciation	119	21
Tax and minority interest relating to foreign exchange revaluation and comparative adjustments	(101)	(4)
Comparative earnings/(loss) (\$ million)	(79)	95

NON-GAAP MEASURES RECONCILIATION: C1 and AISC

(\$ million)	Q4 2019	Q1 2019 ¹
Cost of sales	(1,035)	(672)
Depreciation	311	194
By-product credits	165	87
Royalties	52	54
Treatment and refining charges	(51)	(30)
Freight costs	(10)	(8)
Finished goods	(9)	(31)
Other ¹	37	13
C1 Cost	(540)	(393)
General and administrative expenses	(22)	(18)
Sustaining capital expenditure and deferred stripping	(63)	(49)
Royalties	(52)	(54)
Lease payments	(3)	(2)
Other	(3)	-
AISC	(683)	(516)
C1 Cost \$ per lb¹	1.30	1.34
AISC \$ per lb¹	1.64	1.77

¹ Q1 2019 C1 cash cost and AISC exclude third-party concentrate purchased at Kansanshi.



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