



FIRST QUANTUM
MINERALS

Q3
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 (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.

Clive Newall

President and Director



Tristan Pascall

Director, Strategy



Normal Operations Resumed – Full Production Levels Attained in early August

- ▶ The priority at Cobre Panama continues to be the health and safety of the workforce and surrounding communities, the strict protocols and sanitary vigilance will remain in place.
- ▶ Resumption of normal operations began in early July and full production was reached ahead of schedule in early August
- ▶ August production was over 25,000 tpm
- ▶ 3,400 personnel now onsite
- ▶ 10 million man hours without an LTI
- ▶ Copper production guidance for 2020 has been upgraded to 190,000 – 205,000 tonnes.
- ▶ Gold production guidance for 2020 has been upgraded to 75,000 – 85,000 ounces.



Financial Review



Hannes Meyer

Chief Financial Officer



OVERVIEW

Record copper production at Cobre Panama and Sentinel drove the strong operational performance in the quarter, which, coupled with **increased metal prices** and **favorable operating costs** meant that the Company achieved a significant increase in comparative EBITDA and a return to **positive net earnings**, inclusive of net finance expense, as well as started to **reduce its net debt** position.

The resilient and robust operational and financial performance of the Company's operations has resulted in **increased total copper and gold production guidance** and **improved cash cost guidance**.

Total **copper production** 10% higher than the same period in 2019.

Exceptional performance at Sentinel achieving its highest ever quarterly production and record low cash costs.

Cobre Panama successfully ramped up to full production levels during August, achieving its highest quarterly production to date.

Higher production at **Las Cruces** and **Guelb Moghrein**.

Total **copper cash costs** were at their lowest level in four years, with total copper C1 cost at \$1.07 per lb.

Record low unit costs at Sentinel.

Guelb Moghrein lowest ever reported AISC.

Comparative EBITDA increased by 81% from the same period in 2019 reflecting:

- ▶ Increased commercial copper and gold sales volumes from Cobre Panama.
- ▶ Higher realized metal prices
- ▶ Lower operating costs.

The Company's **net debt reduced by \$113 million** to \$7,545 million at September 30, 2020.

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 \$850 million Senior Notes due 2022, completed on October 19, 2020.

Q3 SUMMARY – PRODUCTION^{1, 2}

Total Copper Production

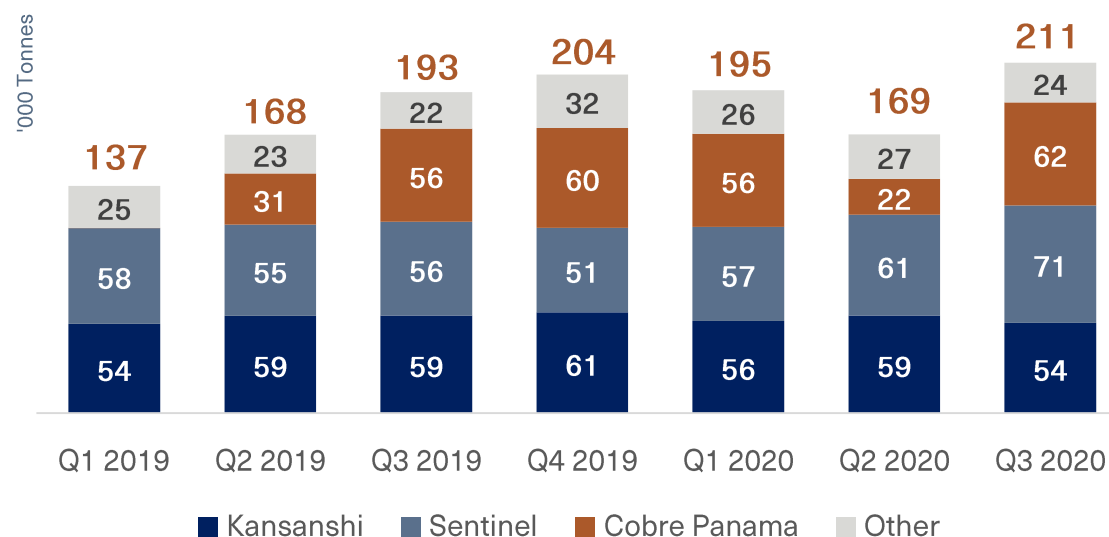
211k tonnes

10% higher than Q3 2019

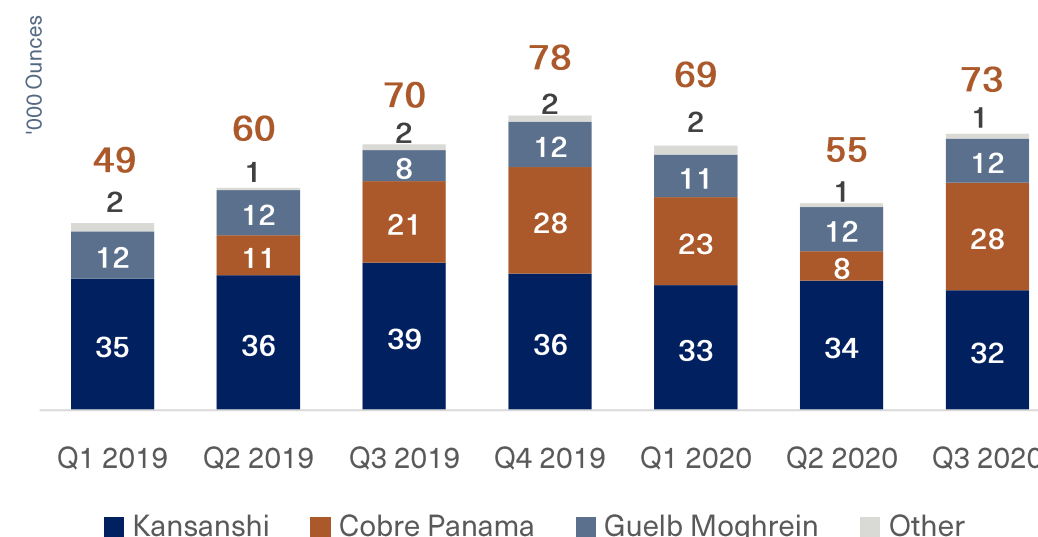
- ▶ Sentinel continued it's exceptional performance in the quarter, achieving 71kt, 25% higher than the same period in 2019 and surpassing the previous record in Q4 2018 by 16%.
- ▶ Strong performance at Cobre Panama coming out of preservation and safe maintenance in July, 10% higher than the same period in 2019.

- ▶ Total gold production of 73k ounces, 4% higher than the same quarter of 2019, reflecting the return to full production levels at Cobre Panama.

QUARTERLY COPPER PRODUCTION BY SITE



QUARTERLY GOLD PRODUCTION BY SITE



¹ Production is presented on a copper contained basis.

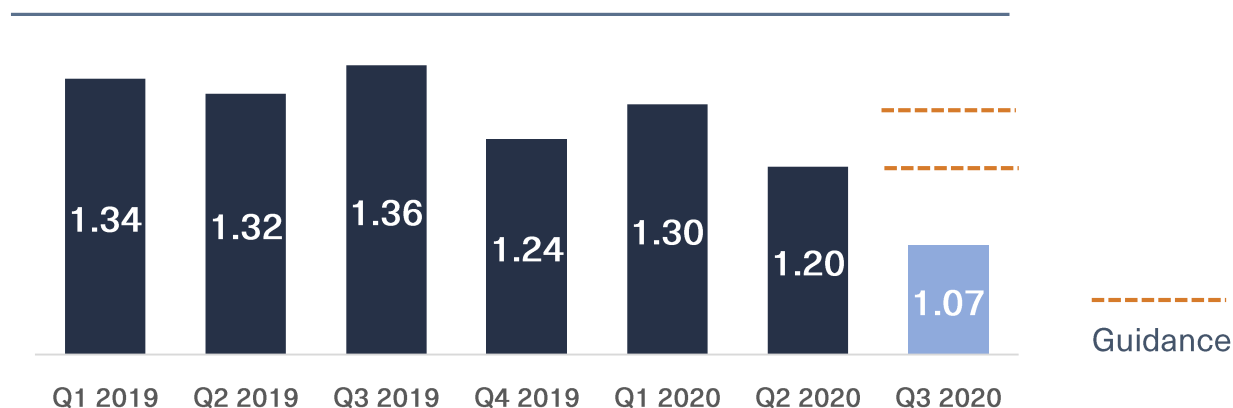
² Total full year 2019 and Q3 2019 copper production includes 67,704 tonnes and 36,783 tonnes of pre-commercial production from Cobre Panama respectively.

QUARTERLY UNIT CASH COSTS

Lowest cash costs in four years

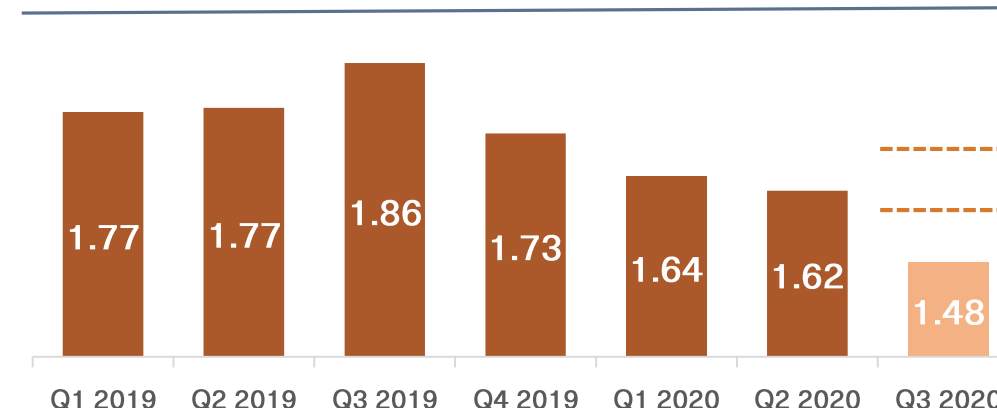
YTD C1 and AISC below guidance

TOTAL C1 COST



- ▶ Total C1 cost for the quarter is 21% lower than the comparable quarter last year reflecting favorable cash costs at Cobre Panama, higher production at Sentinel, and lower Zambian fuel and maintenance costs, with favorable FX movements.
- ▶ Sentinel achieved a record low C1 cost of \$1.25 per lb.
- ▶ Lowest C1 cost for over a decade at Guelb Moghrein of \$0.24 per lb with lower mining costs, fuel prices and higher realized gold prices.
- ▶ Total C1 cost includes contribution from Cobre Panama of \$1.06 per lb.

AISC



- ▶ Total AISC for the quarter is 20% lower than the comparable quarter last year, reflecting lower C1 cost combined with lower sustaining capex at Sentinel and Kansanshi.
- ▶ Sentinel achieved a record low AISC of \$1.77 per lb.
- ▶ Lowest reported AISC at Guelb Moghrein.

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

2020 GUIDANCE UPDATE

Production Guidance ¹	Updated 2020	Previous 2020
Copper ('000 tonnes)	750 – 785	725 – 770
Gold ('000 ounces)	245 – 260	230 – 250
Nickel ('000 tonnes)	13 – 15	15 – 17
Cost Guidance ² (Including Cobre Panama)	Updated 2020	Previous 2020
Copper C1 (\$ per lb)	1.20 – 1.30	1.20 – 1.35
Copper AISC (\$ per lb)	1.60 – 1.70	1.65 – 1.80

¹ Production is presented on a copper contained and nickel contained basis.

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

- ▶ Total copper production range has increased to 750,000 – 785,000 tonnes with increased guidance at Cobre Panama, Sentinel, Guelb Moghrein and Las Cruces.
- ▶ Gold production has increased to 245,000 – 260,000 ounces.
- ▶ Cash costs guidance has been reduced for AISC by \$0.05/lb at the lower range and \$0.10/lb at the higher range and narrowed for C1 cost by \$0.05/lb at the higher range. The improved guidance reflects the lower operating cost environment, as well as higher production and gold prices.
- ▶ Nickel production guidance at Ravensthorpe reduced to 13,000 – 15,000 tonnes.
- ▶ Total capital expenditure guidance is unchanged at \$675 million.

Q3 SUMMARY FINANCIAL OVERVIEW

Positive earnings per share of \$0.09, 80% higher than Q3 2019

\$ Million (except per share numbers)	Q3 2020	Q2 2020	Q1 2020	Q3 2019
Revenue	1,402	1,014	1,182	987
Gross Profit	346	141	147	150
Comparative EBITDA ¹	641	352	434	354
Comparative Earnings ¹	64	(84)	(79)	32
Comparative EPS \$	0.09	(0.12)	(0.11)	0.05
Net Debt	(7,545)	(7,658)	(7,615)	(7,579)

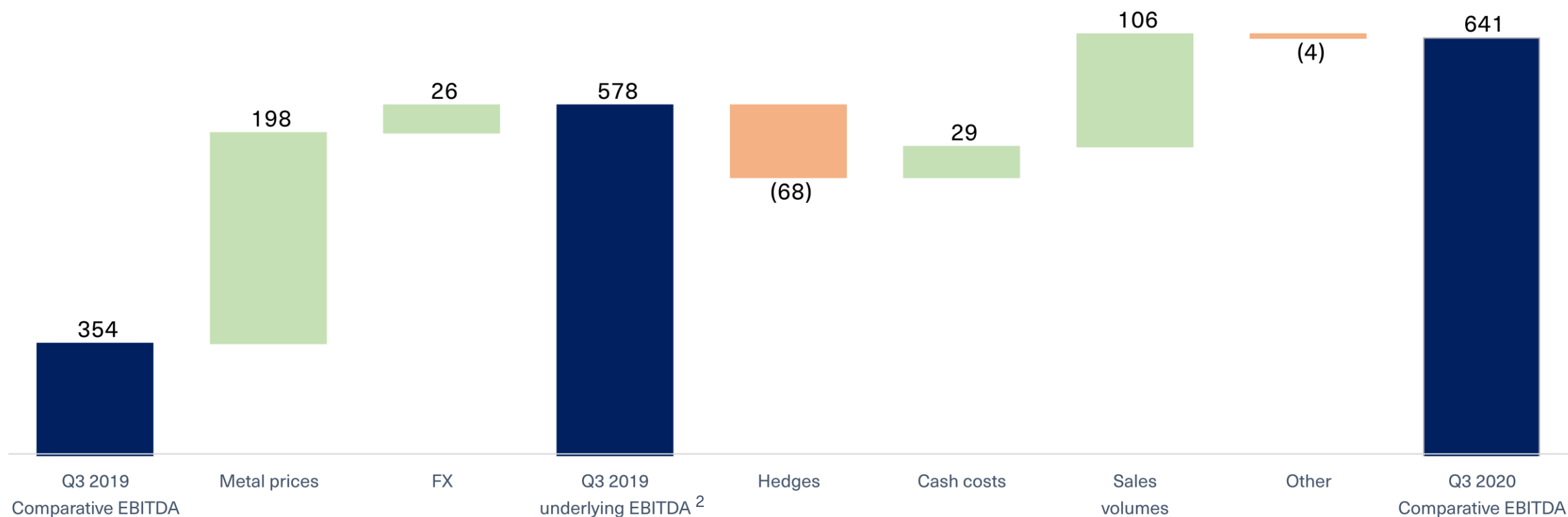
- Total comparative EBITDA of \$641 million was \$287 million higher than the same period of 2019:
 - ▶ Total contribution of \$230 million in the quarter from Cobre Panama.
 - ▶ 6% increase in the realized copper price.
 - ▶ Positive FX impact on operational costs, with lower underlying operational costs.

- Comparative EPS of 9 cents per share included net finance expense of \$179 million, compared to \$59 million expensed in the same quarter in 2019, when an additional \$146 million was also capitalized to Cobre Panama during pre-commercial production.
- Net debt reduced by \$113 million during the quarter to \$7,545 million, despite Cobre Panama not operating at full production throughout the entire quarter.

¹ 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 comparative EBITDA and earnings refer to the appendix.

CHANGES TO COMPARATIVE EBITDA ^{1,2}

81% increase in comparative EBITDA from higher revenues and lower cash costs

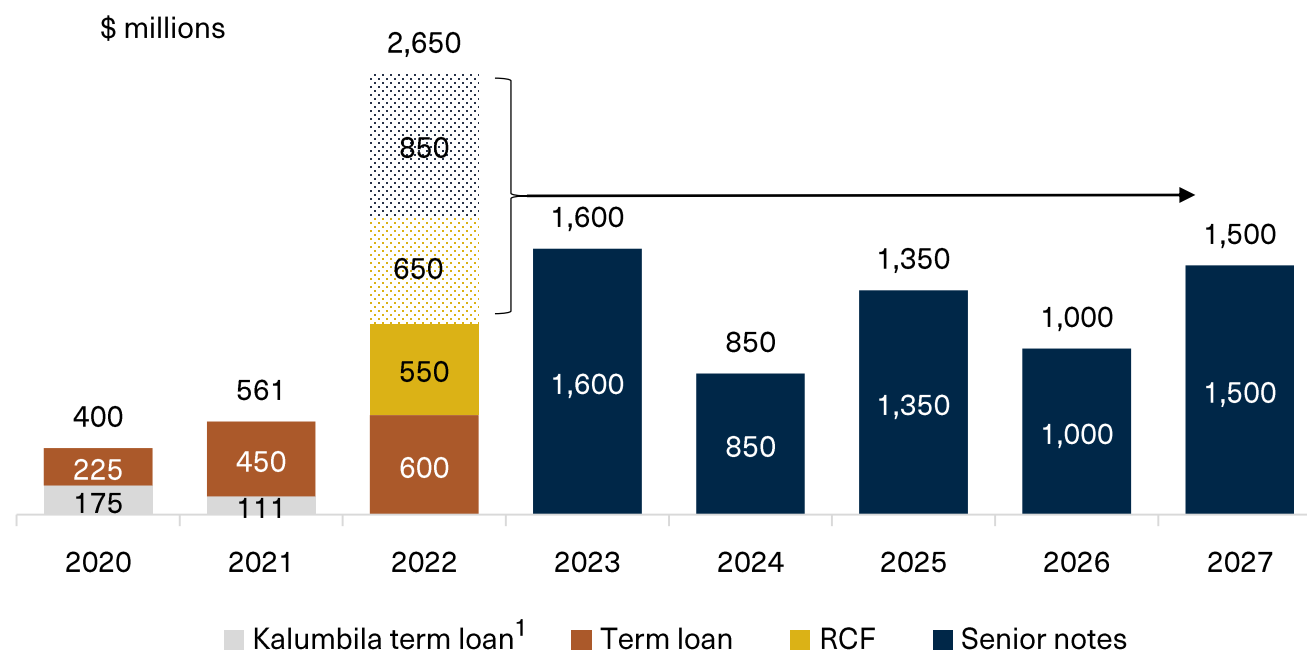


1 Comparative EBITDA is not a GAAP measure, a reconciliation to GAAP is presented in the appendix.

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

DEBT AND LIQUIDITY PROFILE

PRO FORMA DEBT MATURITY PROFILE



¹ The Kalumbila Term Loan revised repayment schedule is subject to final documentation.

October 2020 Re-financing

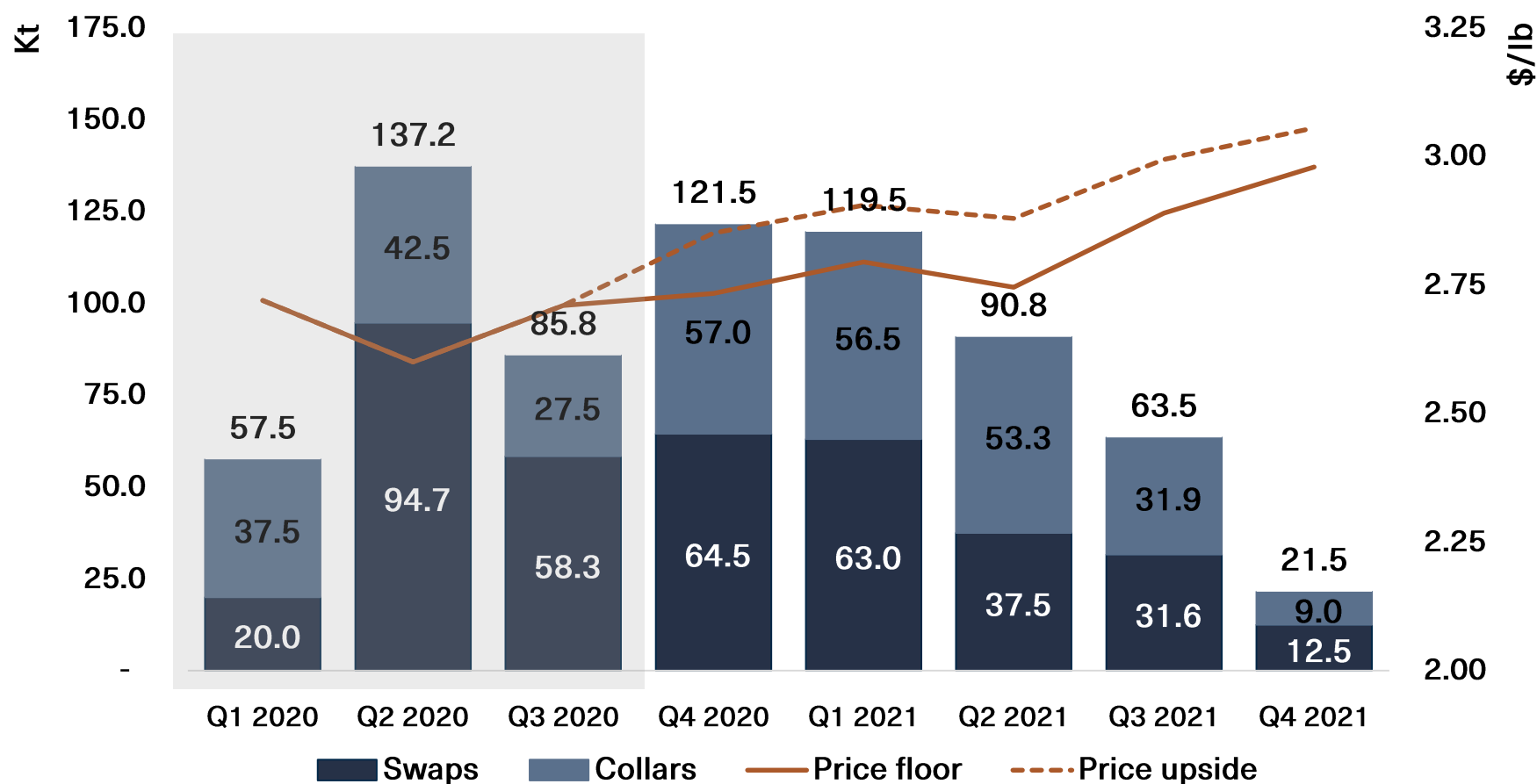
- On October 1, 2020 the Company completed the offering of \$1.5 billion of Senior Notes due 2027.
- The proceeds of the Offering were used towards the \$650 million repayment of the Company's existing Revolving Credit Facility, and the redemption in full of the Company's outstanding Senior Notes due 2022.

Covenant Ratio

Net debt/EBITDA covenant ratio at September 30, 2020 of 3.71x, well below covenant requirement of 5.00x.

COPPER HEDGING PROGRAM OUTLOOK¹

Approximately half of expected copper sales for the next 12 months hedged



- ▶ The Company also has **unmargined nickel forward sales contracts** for 6,099 tonnes at an average price of \$6.82 per lb outstanding with maturities to October 2021.

¹ Hedging outlook as at October 28, 2020.

APPENDIX



QUARTERLY NET DEBT MOVEMENT

Opening Net Debt at June 30, 2020 (\$ million)	(7,658)
Comparative EBITDA	641
Working capital	(131)
Capital expenditure	(138)
Net interest paid	(197)
Taxes paid	(46)
Other	(16)
Closing Net Debt at September 30, 2020 (\$ million)	(7,545)

Net Debt comprised of:	
Cash & cash equivalents ¹	942
Total debt and overdraft	(8,487)

¹ Excludes \$36m restricted cash.

2020 COPPER AND GOLD PRODUCTION GUIDANCE UPDATE BY SITE

Copper production Guidance ¹	Updated 2020	Previous 2020
Cobre Panama	190 – 205	180 – 200
Kansanshi	220 – 230	220 – 235
Sentinel	240 – 250	230 – 240
Las Cruces	55	52
Other sites	45	43
Gold production Guidance	Updated 2020	Previous 2020
Cobre Panama	75 – 85	70 – 80
Kansanshi	125 – 130	120 – 130
Other sites	45	40

¹ Production is presented on a copper contained basis.

Interest

Net interest expense for the quarter ended September 30, 2020, was \$179 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 2020 remains unchanged and 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 35% reflecting the impact of the Company's sales hedge program which is not tax effected.

Depreciation

Depreciation expense for the quarter was \$323 million. The full year 2020 depreciation expense is expected to be approximately \$1,250 million, unchanged from previous disclosure.

PRECIOUS METAL STREAM ARRANGEMENT

- 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.
- Stream gold and silver revenues are indexed to copper sold from the Cobre Panama mine, and not gold or silver production.
- Stream gold and silver revenues comprise two principal elements;
 - Non-cash amortization of the deferred revenue balance,
 - Ongoing cash payments received.
- Streaming arrangement obligations are satisfied with the purchase of refinery-backed gold and silver credits, the cost of which is recognized within cost of sales.
- C1 and AISC include the net by-product credit, inclusive of the above.

Revenues (\$ millions)	Q1 2020	Q2 2020	Q3 2020	YTD 2020
Gold - mine production	40	8	46	94
Gold - precious metal stream	24	11	20	55
Total Gold Revenue	64	19	66	149
Silver - mine production	6	3	9	18
Silver - precious metal stream	4	1	3	8
Total Silver Revenue	10	4	12	26
Total Revenues Recognized Under Precious Metal Stream, comprising:	28	12	23	63
<i>Ongoing cash payment</i>	9	5	8	22
<i>Non-cash amortisation of deferred revenue</i>	19	7	15	41
Cost of refinery-backed credits for precious metal stream included in cost of sales	(37)	(15)	(38)	(90)

On September 25, 2020, the Minister of Finance announced the 2021 Zambian Budget. 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.

The announcement has had no impact on the Company's forwarding looking cash cost, capital expenditure or tax rate guidance.

NON-GAAP MEASURES RECONCILIATION

COMPARATIVE EBITDA AND COMPARATIVE EARNINGS

	Q3 2020	Q3 2019
Operating profit	257	108
Depreciation	323	225
Foreign exchange loss	60	12
Revisions in estimates of restoration provisions at closed sites	-	1
Other expense	1	8
Comparative EBITDA (\$ million)	641	354

	Q3 2020	Q3 2019
Net earnings/(loss) attributable to shareholders of the Company	29	(73)
Movement in Zambian VAT discount	(16)	160
(Gain)/ loss on debt instruments	-	(3)
Total adjustments to comparative EBITDA excluding depreciation	61	21
Tax and minority interest comparative adjustments	(10)	(73)
Comparative earnings (\$ million)	64	32

NON-GAAP MEASURES RECONCILIATION: C1 and AISC

(\$ million)	Q3 2020	Q3 2019
Cost of sales	(1,056)	(837)
Depreciation	323	225
By-product credits	191	109
Royalties	75	48
Treatment and refining charges	(46)	(43)
Freight costs	(12)	(13)
Finished goods	(27)	40
Other	15	19
C1 Cost¹	(537)	(452)
General and administrative expenses	(25)	(21)
Sustaining capital expenditure and deferred stripping	(84)	(93)
Royalties	(75)	(48)
Lease payments	(1)	(3)
Other	1	-
AISC¹	(721)	(617)
Total copper C1 Cost \$ per lb ¹	1.07	1.36
Total copper AISC \$ per lb ¹	1.48	1.86

¹ Includes corporate, other and Ravensthorpe costs.

EBITDA SENSITIVITY

Assumption	Actual price/rate YTD September 2020	Impact on YTD EBITDA of a 10% change in price/ rate
Copper (includes hedge impact)	\$2.65/lb	\$135 million
Gold	\$1,736/oz	\$30 million
Zambian kwacha	17.47 ZMW/USD	\$15 million
Oil (Brent) (includes hedge impact)	\$38/bbl	\$4 million



FIRST QUANTUM
MINERALS

info@fqml.com

416-361-6400 | 1-888-688-6577

TSX **FM**