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First Quantum Minerals Ltd. (FM.CA)

Q4 2025 Earnings Call

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A. Tristan Pascall

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MANAGEMENT DISCUSSION SECTION

Operator: Thank you for standing by. My name is Carly and I will be your conference operator today. At this time, I would like to welcome everyone to the First Quantum Minerals Q4 2025 Results Conference Call. All lines have been placed on mute to prevent any background noise. After the speakers' remarks, there will be a question and answer session. [Operator Instructions] Thank you.

I will now turn the call over to Ms. Bonita To, Director Investor Relations and Capital Markets. Please go ahead.

Bonita To

Director-Investor Relations, First Quantum Minerals Ltd.

Thank you, Operator, and thank you, everyone, for joining us today to discuss our fourth quarter results. During the call, we will be making forward-looking statements. As such, I encourage you to read the cautionary notes that accompany this presentation, our MD&A, and the related news release. As a reminder, the presentation is available on our website and that all dollar references are in US dollars unless otherwise noted.

On today's call are Tristan Pascall, our Chief Executive Officer; Ryan MacWilliam, our Chief Financial Officer; and Rudi Badenhorst, our Chief Operating Officer.

And with that, I will hand the call over to Tristan for opening remarks. Thank you.

A. Tristan Pascall

Chief Executive Officer & Director, First Quantum Minerals Ltd.

Thank you, Bonita, and thank you, everybody, for joining us today to discuss our fourth quarter and year-end results. We entered 2025 with four clear priorities, and our steady delivery on these throughout the year has now positioned us well for a strong 2026.

Firstly, we set out to strengthen our balance sheet and enhance our financial flexibility, and this was achieved through the support of our investors in a series of bond transactions that extended the company's debt maturities and reduced our cost of capital. Additionally, we completed a \$1 billion streaming transaction with Royal Gold that also represents the largest US corporate investment in Zambia to date. Our hedging program, which we put in place in 2024, fulfilled its intended role as risk mitigation during the construction of the Kansanshi S3 Expansion, and we expect to regain full exposure to spot copper prices by the second half of the year, on which Ryan will speak in his financial review.

Our next priority, safe and productive operational performance, remains a continued focus, and the company achieved its 2025 production targets, which Rudi will cover in his operational review. Also a priority in 2025 was the execution and delivery of the S3 Expansion project at Kansanshi. I'm very pleased with our progress at S3, which achieved a major milestone with a declaration of commercial production last December, and I will speak in more detail on this towards the end of my prepared remarks.

Our fourth priority continues to be achieving a long term resolution for Cobre Panamá. Whilst we await the start of formal discussions with the Government of Panama on this matter, we have made meaningful progress on the Preservation and Safe Management Plan to ensure the assets remain in good condition and the site is safely and well environmentally managed.

During the fourth quarter, Unit 2 at the power plant was successfully hot commissioned and synchronized to the grid. The unit achieved its full design capacity of 150 megawatts output in December, reflecting the effectiveness of the maintenance program undertaken at site over the past two years. The plant is currently operating steadily at an average output of around 120 megawatts, consistent with the site's power requirements and broader national grid demand. The remaining unit, Unit 1, moved into commissioning in early February and is performing according to expectations.

Subsequent to quarter end. In January, the President of Panama announced that the government would approve the removal, processing, and export of stockpiled ore at Cobre Panamá. It is important to emphasize that processing of the old stockpiles does not constitute a restart of mining operations, and processing of this material is intended to address environmental and operational risks linked to the long-term stockpile storage, such as acid rock drainage, while also supplying necessary material for reinforcement of our tailings management facility. We continue to await formal approvals. However, on a preliminary basis, we expect the processing of the stockpiles could begin roughly three months after receiving formal regulatory notice and would take approximately one year to complete. From this stockpile, we estimate production of approximately 70,000 tonnes of copper, and this activity would support the costs of ongoing asset and environmental management of the mine.

We are pleased with the government's decision to authorize the processing of the stockpiles. Alongside allowing proper environmental stewardship, this will generate significant income for the country and create jobs for over 1,000 additional Panamanians, along with broader indirect employment across local procurement such as equipment supply, transportation, logistics, camp and food services. We continue to await the formal approvals for removal and processing the stockpiles, which will be carried out in close coordination with the Government of Panama and in full compliance with our Preservation and Safe Management plan. It is important to reiterate that

the processing of stockpiles is not a reopening mine, and we echo the President's call for transparency and engagement. The resources at Cobre Panamá belong to the people of Panama. We remain committed to dialogue to achieve and remain – achieve an amicable and durable resolution of the mine for the country and the Panamanian people.

In parallel, the integral order conducted by SGS commenced in the fourth quarter. Our team in Panama continues to cooperate fully with the audit, providing all requested documentation and cooperating in the field visit inspections. We welcome the audit and we are confident that it will confirm that Cobre Panamá has always operated at the highest environmental standards. The integral audit is expected to be concluded in April 2026. Separate to the integral audit, and as part of our ESIA obligations, the authorities continued with the statutory biannual audits of Cobre Panamá's compliance. We are pleased to share that the most recently published audit achieved 100% compliance. The latest external audit fields via field phase was completed in November, and we expect to file a report during the first quarter.

I will now pass the call to Rudi for his operational review.

Rudi Badenhorst

Chief Operating Officer, First Quantum Minerals Ltd.

Thank you, Tristan. We are happy to have closed our 2025, achieving our revised guidance ranges. For the year, we achieved copper production of 396,000 tonnes within the revised copper guidance range, while annual gold production of 152,000 ounces and annual nickel production of 23,000 tonnes were above the top end of the respective revised guidance ranges. Looking to 2026, we remain focused on cost management and safe operational execution across all our sites.

During the fourth quarter, total copper production was approximately 100,000 tonnes, a 4% decrease from the previous quarter, as Sentinel continued to be impacted by bolt fatigue maintenance and rainy season power interruptions. Copper sales were strong at 108,000 tonnes, exceeding production by approximately 8,000 tonnes. At Kansanshi, we delivered a solid quarter with 48,000 tonnes of copper, up 774 tonnes from the previous quarter. This improvement was driven by a successful ramp up of S3 Expansion, which contributed to higher overall mill throughput. Notably, the site achieved a record monthly mill tonnes in October.

Following successful commissioning and strong performance across all key production indicators, S3 declared commercial production as of December the 1st. The crushing and milling circuit performed well, with significant improvements in stability and uptime as enhancements to the conveyor route took effect. Work on Tailings Storage Facility 2 is progressing well and remains on track for completion in the second quarter of this year.

In 2026, Kansanshi is expected to produce 175,000 tonnes to 205,000 tonnes of copper and 110,000 ounces to 120,000 ounces of gold. Of this, S3 is expected to contribute over 84,000 tonnes of copper, sourced evenly from low-grade stockpiles and fresh ore from the South East Dome.

At Sentinel, copper production totaled 48,000 tonnes in Q4, a reduction of 3,000 tonnes from the previous quarter. This decrease was due to lower throughput and lower grades. Throughput was impacted by ongoing maintenance related to bolt fatigue on Ball Mill 2, while grades were affected by a higher proportion of material from Stage 3. Looking ahead of 2026, production at Sentinel is expected to be between 190,000 tonnes and 220,000 tonnes of copper. The operational focus will continue to be on increasing throughputs and improving consistency through optimization of blast fragmentation, maintaining stable crushed ore stockpile volumes, improving milling rates, and the flotation recovery.

Rates are expected to strengthen modestly as we access previously sterilized Stage 1 and Stage 2 ore, following the crusher relocations. Stage 4 ore is expected to come online in the second half of this year.

Regarding Ball Mill 2, in collaboration with the original equipment manufacturer and specialist consultants, we have established the long-term fatigue management strategy. We will continue managing the fatigue through this year, with full remedial work planned for the first half of 2027, when new paths become available. This approach ensures ongoing performance while enabling a permanent solution through next year's planned upgrades.

Enterprise delivered excellent performance, achieving a record quarterly production of 9,000 tonnes of nickel, a 52% increase from quarter three. This improvement was driven by improved recoveries and mining of fresh, higher-grade sulfide zones at lower elevations to the bottom of the pit. For 2026, Enterprise is expected to produce 30,000 tonnes to 40,000 tonnes of contained nickel. Our focus at Enterprise remains on maximizing ore supply, improving communication efficiency and maintaining an optimum run-of-mine stockpile to support blending and stable throughput. Grade control drilling will continue to help reduce dilution and improve recoveries.

At Cobre Panamá, we continued detailed inspections and preservation activities during the quarter. Working closely with original equipment manufacturer teams, we completed reviews of the ultra-class haul trucks, production drills, and roadshows. Their findings are being integrated into our ongoing preservation strategies to ensure equipment is – to ensuring equipment integrate – integrity and future reliability. Thank you.

With that, I'll hand the call over to Ryan for his financial review.

Ryan MacWilliam

Chief Financial Officer, First Quantum Minerals Ltd.

Thank you, Rudi. Starting with commodity markets, which ended the year on a buoyant note, a sentiment which has continued into 2026.

During Q4, the copper price averaged \$5.03 per pound, peaking at \$5.71, the strong performance driven by both supply and demand. On the supply side, four of the world's top 20 largest copper mines, are currently running at reduced production. And on the demand side, copper stockpiles continue to grow in the US, due to the threat of potential tariffs on future imports. We would note that it is important in times like these, with prices start to rise, that we remain laser-focused on costs. This helps avoid the margin compression that can occur, as the benefit of stronger commodity prices on the revenue line are offset by a rising cost base. In this respect, it is helpful that despite generally strong commodity markets, oil prices remain fairly subdued, with a resilient US and OPEC production keeping the market well supplied.

Turning to our fourth quarter results. Revenue was up 10% quarter-over-quarter, underpinned by higher metal prices. This drove a 7% increase in EBITDA and a \$73 million improvement in net earnings. Copper C1 costs rose by 13% to \$2.21 per pound, reflecting the lower production that really spoke to, along with higher power, labor and maintenance costs. Gold price tailwinds resulted in elevated byproduct credits providing a \$0.14 offset. The Enterprise quarterly nickel all-in sustaining costs came in at \$3.96 per pound against nickel prices, which averaged \$7.27 per pound. These strong margins are a reminder of the high grade nature of the Enterprise nickel sulfide body. Nickel prices were depressed for much of last year, with the market being in surplus, but have recently rallied following production cuts announced in Indonesia.

At Cobre Panamá, the P&SM program continues to incur between \$15 million and \$17 million per month to support the environmental stewardship of the mine and local procurement. \$45 million was incurred in Q4 and \$400 million has been spent since the mine was placed on P&SM. Operating costs to process the stockpiled ore

will cost between \$12 and \$12.50 per tonne milled. Upfront cash investment will be required with cash outflows peaking at around \$250 million. On the basis that formal approval is received shortly for the stockpiles, we would expect to be broadly cash flow neutral by year-end at Cobre Panamá, inclusive of P&SM costs.

Further on care and maintenance, the sale of Las Cruces both simplifies our portfolio and delivers approximately \$30 million in annual cost savings, while paving the way for development of the project under a new owner.

On the balance sheet. It is pleasing to announce our new syndicated term loan and revolving credit facility. This frees up about \$260 million of liquidity in this year, while also securing a larger RCF and extending both maturities to 2029. The refinancing process has underscored the strong backing we continue to receive from our banks, with the participation of several new lenders in a highly oversubscribed transaction. Availability of the facilities is subject to customary closing conditions. Furthermore, we've also announced a new \$1.35 billion, 10-year unsecured bond offering this morning.

And lastly, I'm pleased to highlight that this week, the rating agency S&P has moved our B rating to a positive outlook, recognizing our progress in strengthening the balance sheet and their positive expectations on the return of Cobre Panamá later this year.

Moving on to guidance. Across the three-year guidance period, we've listed our Copper C1 and all-in cost guidance ranges to reflect the updated production cut guidance, higher costs, and the incorporation of inflationary pressures, which are somewhat offset by stronger gold prices. These higher costs are driven by the appreciation of the kwacha, the Zambian collective bargaining agreements, and increased maintenance across Sentinel and Kansanshi. Both Copper C1 and all-in cost trend downwards across the three-year guidance period, as production improves with higher grades expected to be fed into the Kansanshi S3 circuit from the new South East Dome pit.

While cash cost guidance in 2026 and 2027 benefited from higher assumed gold prices. Guelb Moghrein gold sales will no longer be treated as byproduct credits, as gold production is expected to pause from Q2 2026. On CapEx guidance, we spent about \$240 million less in 2025 than initially guided on, but some of that moving into 2026, such as planned replacements at Kansanshi. 2026 guidance also includes added work on Sentinel's Ball Mill 2 input crusher for relocation and a third tailings pipeline. CapEx reduces over the course of the three-year guidance period, driven by the wind down of South East Dome pre-stripping at Kansanshi and the completion of Zambian tailings facility works, as well as the crush installation at Kansanshi and the crusher relocation at Sentinel.

On to hedging. The collars that rolled off in Q4 yielded copper and gold hedged losses of \$42 million in aggregate. Our 2026 planned copper and gold production both remain roughly 20% hedged for the full year and 50% hedged for the first half of the year. Our current spot prices anticipate losses of around \$220 million and \$23 million, respectively, on our copper and gold hedged positions. Hedging has been an important tool in providing us with stability and downside protection during the S3 construction and ramp up. However, at this stage, our existing hedge is expired by mid-year and we do not anticipate adding more hedges given our strong margins at these copper prices.

During the quarter, net debt increased by \$441 million to \$5.2 billion. This was driven by two key factors. Firstly, an increase in working capital as accounts receivable increased due to late shipments in December. And secondly, the sharp rise in copper prices at the year-end necessitated higher margin deposits associated with our short-term customer QP hedges. Both of these are expected to unwind through the current quarter at stable

copper prices. Liquidity remains very strong at \$1.9 billion, comprising of \$644 million in cash and a fully undrawn credit resolve – revolver of \$1.3 billion at quarter end.

In short, we closed the year with supportive copper and gold markets, a disciplined cost management approach, a strength in balance sheet, and solid liquidity, positioning us very well for 2026.

I will now hand the call back to Tristan.

A. Tristan Pascal

Chief Executive Officer & Director, First Quantum Minerals Ltd.

Thank you, Ryan. Over the last two years, it has been a highlight of my prepared remarks to speak on the progress at S3. However, with the announcement of commercial production, this will be part of Rudy's operational review going forward. I am extremely proud of our delivery of the Kansanshi S3 Expansion project. This has been a product of huge collaborative effort across our projects and operations teams and a supportive investment climate delivered by the Government of Zambia.

As Rudi noted, the S3 Expansion delivered strong performance across all key production indicators, which supported the declaration of commercial production. Broadly speaking, while several metrics were considered, commercial production was declared once S3 demonstrated consistent performance at 90% of its designed capacity. This was accomplished within five months of initial production. This is a significant achievement for a project of this size. At a throughput capacity of 25 million tonnes per annum, S3 is one of the largest global brownfield copper projects delivered in recent years, and I would like to congratulate and express my gratitude to the entire team that delivered this successful outcome.

In terms of new project opportunities for the First Quantum, I am pleased to announce that we will be shortly releasing an updated NI 43-101 technical report for the Taca Taca project later this month. Taca Taca is one of the world's largest undeveloped copper assets, and Argentina is emerging as an increasingly competitive mining jurisdiction, supported by recent economic reforms aimed at attracting greater foreign direct investment. Globally, there are several growth projects being advanced to address the anticipated supply deficit in the copper market. However, I firmly believe that First Quantum is uniquely positioned to deliver on this growth. We expect Taca Taca to follow First Quantum's tested and proven design and construction approach of large scale SAG mill processing trains with expansion optionality. Taca Taca will involve, for example, installation of First Quantum's seventh and eighth SAG mill at the 40-foot size and will leverage from the company's extensive experience in development and operations at Sentinel, Cobre Panamá and most recently, the S3 Expansion at Kansanshi.

We look forward to sharing the updated technical report, which represents an important step in de-risking the project as we continue to advance the ESIA, prepare our RIGI application, and evaluate the optimal financing strategy for the project.

Whilst Taca Taca is important to First Quantum's long-term growth options, and similarly this year we will also advance the La Granja and Haquira projects on their own merits, I want to clearly state that our priorities for this year 2026 remain: firstly, progressing towards resolution at Cobre Panamá. Secondly, to ensure continued safe and productive performance at our operations, including ramp up of the Kansanshi S3 Expansion project. And thirdly, to strengthen the balance sheet to ensure that the company is well positioned to support future growth.

We had meaningful achievements in our priorities for 2025, and I'm extremely proud and grateful for the dedication of the entire team of First Quantum. Our position today is a direct result of their hard work. We have collectively accomplished a lot over the last couple of years, and I'm confident the outlook for First Quantum

because of the deep talent pool within the company, our meaningful participation and long term relationships in our host countries, and the growing strategic importance of copper.

Thank you. Operator, I'm happy to open the lines for questions.

QUESTION AND ANSWER SECTION

Operator: [Operator Instructions] We'll pause for just a moment to compile the Q&A roster. Your first question comes from Ralph Profiti with Stifel.

Ralph M. Profiti

Analyst, Stifel Nicolaus Canada, Inc.

Q

Thanks, Operator, and good morning, team. Tristan and Rudi, when it comes to the potential for the same remedial work and permanent solutions that you're seeking in Ball Mill number 2 at Sentinel, transferring that over into Ball Mill number 1, are you going to wait for the review to make that conclusion? And when will that be – when will that you'd be concluded?

A. Tristan Pascall

Chief Executive Officer & Director, First Quantum Minerals Ltd.

A

Yeah. Thanks very much for the question, Ralph. Rudi, you want to take that one?

Rudi Badenhorst

Chief Operating Officer, First Quantum Minerals Ltd.

A

Yeah, no problem, Tristan. Hi, Ralph. The final repairs to Ball Mill 2 as established with the OEM and ourselves will take place in the first half of 2027. Now we have ordered a – an additional end can and discharge – upgraded discharge end period to make – take advantage of the foundry slot that we've had. And we've effectively run with one strategic spare. Ball Mill 1 is getting a review, principally because it's from the same vendor and no other reason. And that is currently performing well, and we do not have any issues with it.

Ralph M. Profiti

Analyst, Stifel Nicolaus Canada, Inc.

Q

I see. And it looks as though that there's going to be some degree of throttle back on the throughput, but also really some of your comments in your pre-prepared comments talked about increasing total throughput as well. Just wondering how you're balancing the two between risk mitigation and desire to increase throughput.

A. Tristan Pascall

Chief Executive Officer & Director, First Quantum Minerals Ltd.

A

Rudi?

Rudi Badenhorst

Chief Operating Officer, First Quantum Minerals Ltd.

A

Yes. Thanks, Tristan. We indicated that we will be doing a couple of projects at Sentinel this year, primarily to the bottleneck, the back end of the circuit, and that does relate to the installation of upgraded feed wells to our tailings thickeners, but also the installation of a new tailings line and the reline of an existing one. Effectively, what that does, it helps us to increase throughput through the back end, which is currently the bottleneck. So in – the first

one of those have already been replaced in January, the second one will be replaced this quarter, and the third one during the end of the second quarter, followed by the tails gear, so tailings throughout the Q3. So bottleneck in the circuit allows for the opportunity to increase throughput, albeit maintenance stoppages on Ball Mill 2.

Operator: Your next question is from Orest Wowkodaw with Scotiabank.

Orest Wowkodaw

Analyst, Scotiabank

Q

Hi. Good morning. A couple of questions on Cobre Panamá, please. You mentioned, Tristan, that the company has yet to start formal discussions on a new agreement in Panama. Can you give us an idea of what the hurdles are? Is it – are you just basically waiting for the completion of the environmental audit? Is that expected to kick the process off?

A. Tristan Pascall

Chief Executive Officer & Director, First Quantum Minerals Ltd.

A

Hi, Orest. Thanks. I think in Panama, over the last – since the middle of last year, you've seen concrete milestones passing and that revolves around approval of the Preservation and Safe Management Plan, export of the concentrate, the restart of the power plant, and the commencement of the environmental audits. And then most recently, the announcement by the President that the government will approve the removal of the stockpiles and processing associated with that. Looking forward, the President has made announcements around dealing with the matters at Cobre Panamá. And I think, as you point out, the environmental audit is one of the key elements in that timetable. So we do expect the audit will be completed in April. We'll have to assess the next steps and timing from there. But certainly that does seem to be like, one of the key elements in terms of the pathway from here.

Orest Wowkodaw

Analyst, Scotiabank

Q

Okay. Thank you. And as a follow-up, thank you for the disclosure around some of the partial restart costs here to turn on one mill train to process these ore stockpiles, the \$230 million to \$280 million range. I'm just curious, is that a good rule of thumb in terms of incremental costs to eventually restart all the mill trains?

A. Tristan Pascall

Chief Executive Officer & Director, First Quantum Minerals Ltd.

A

Yeah, Orest. It's a little bit of a moving target at the moment because you can paint different scenarios to restart around the timing and ramp up of that in terms of stage of approvals. But if we follow a pathway, well, if we just look at the stockpiles and the restart of the plant is important to that stockpile reprocessing, that allows us to remove that material, which does cause some acid rock drainage and will greatly improve our water quality control at Sediment Pond 2 and the discharge in the particular site. And also in terms of feed to the tailings dam and be able to cope with high rainfall and erosion. And so on that, we do get on the tailings dam. If we just look at that, it's probably three months to get that moving. And it would be on the basis of the cost that we outlined there, around \$12 to \$12.50 per pound – per tonne milled, and hence those capital costs that you refer to there. If something else comes through in terms of timetable and we don't have that clear as yet, that would shift around disclosure from the government of Panama around that.

Operator: Your next question comes from Chris LaFemina with Jefferies.

Christopher LaFemina

Analyst, Jefferies LLC

Q

Hi. Thanks, Operator. Hi, guys, thanks for taking my questions. So I just wanted to ask about the overall unit cost guidance. You guys have a lot of operational improvements that you're going to be delivering across the portfolio over the next couple of years. If I look at Sentinel, for example, where you're commissioning the rail run conveyor system, you're expanding the trolley assist network, you're expecting slightly higher grades. Volumes across the business are going to be rising, which should lead to some fixed cost dilution. Yet your unit cost guidance is effectively at the middle of the guidance range or you're basically guidance cost being flat over the next few years. And I'm wondering, is there a potential for cost to be significantly lower than what you're guiding to? Is the guidance conservative? And if not, I'm wondering what are the offsetting inflationary factors? And you mentioned some of the cost inflation that you're seeing in the business now. But I'm wondering what the inflationary factors are that you're kind of baking into your assumptions here, where those inflationary factors are offsetting the benefits of some of these operational improvements that you guys are expected to deliver. Thank you.

A. Tristan Pascall

Chief Executive Officer & Director, First Quantum Minerals Ltd.

A

Thanks, Chris. Hi. And I'm sure Ryan will add comment. But just, I mean big picture the trade off at Sentinel is between volume and you're seeing the throughput, you're seeing the effort that's being put in there into deliver throughput. And you're seeing that in terms of the front end of the plants and the dry plant pushing there. And as Rudi mentioned, debottlenecking in the back end to continue that trend. We have had, that is offset by grade and our management of that as we get into fresh material beneath Stage 3 and also open up Stage 4 over the next year, couple of years, we'll be able to offset that grade and we'll see good material come through. On the cost side, it's really a story around commodity inflation, as Ryan pointed out, and labor. But Ryan, do you have anything else to add there?

Ryan MacWilliam

Chief Financial Officer, First Quantum Minerals Ltd.

A

Sure. Thanks for the question, Chris. So we do see cost guidance fall, albeit fairly slightly, through the three-year period from \$1.95 to \$2.20 for 2026, down to \$1.85 to \$2.10 in 2028. And in terms of the swings and roundabouts, as Tristan notes, we will – in 2028, we actually see slightly weaker production from Sentinel due to lower grades that year, which somewhat offsets the fact by that at that stage, we expect to be fully feeding S3 from South East Dome higher grade material. So some positives and negatives on the production side there and similar on the cost side, where we're seeing strong gold byproduct credits, albeit our gold price guidance is potentially conservative, it's quite a lot below current spot prices. The flip side is we're seeing a stronger kwacha in Zambia as they make continued progress with reforming their economy. The kwacha now sub-20 kwacha to the dollar, that has impacts on our labor costs and slightly higher contract and maintenance costs through the period.

We've also been cautious and fairly conservative in our electricity cost guidance, where we assumed through most of the guidance period that we'll continue to buy power from external sources. And if we see stronger rainfalls in Zambia and we move more back to the ZESCO contract as a portion, that will be another cost tailwind through the period relative to what we have in our guidance.

Christopher LaFemina

Analyst, Jefferies LLC

Q

That's very helpful. Thank you. Good luck, guys.

Operator: Your next question comes from Cody Hayden with Deutsche Bank. Cody, your line is open.

Cody Hayden

Analyst, Deutsche Bank AG (Broker UK)

Hello. Can you hear me?

Operator: Yes. Please go ahead.

Cody Hayden

Analyst, Deutsche Bank AG (Broker UK)

Great. Thank you and apologies for that. Two questions for me, if I may. First, considering greenfield projects and specifically Taca Taca. You kind of alluded to it earlier, but does Cobre Panamá need to be up and running before you consider any major new investments here or, say, at any other greenfield projects? And then second, given the ongoing activity in the sector, are you seeing any interest in your assets at the project partnership level, say beyond the JV with Rio? Thank you.

A. Tristan Pascall

Chief Executive Officer & Director, First Quantum Minerals Ltd.

Hi, Cody. Thanks for those questions. Yeah. Look, so our progress on Taca Taca this year will be on its own on the project's own merits. And what I mean by that is, we will pursue the RIGI application. We'll first, as a reference, will be releasing the Taca Taca, the 43-101 technical report very shortly. This month we expect. And then that builds a pathway towards RIGI application. And in the meantime and around that timetable, we'd like to see the ESIA and the water permitting come through. And really, that builds an underlying pathway for a financing to explore financing options. I think Cobre Panamá is important to that, but we do need to make progress on those on their own standing. The balance sheet and our financial capacity is also important to that. But again, the more that we're able to progress the project on the own merits, the market does appear strong in terms of supporting that. And we'd like to progress it and see where that gets to.

RIGI is a timetable and we are anticipating that timetable as well. But balancing all of that through, we have a clear plan and it revolves around our execution capability in terms of developing a strong plan and something that meets the expectations of Argentina. And again, while also reflecting the stronger investment climate in Argentina.

In terms of interest around the project – around our projects. Look, we wouldn't speculate on that too much other than to say, I think that buy versus build is a strong challenge. And pipeline where you have options to be able to develop copper projects in the very near future and the capacity to do that with the execution capability that is, for example, available at First Quantum is hard to find. We're taking a team that built Sentinel, that built Cobre Panamá, that has just completed S3. They're currently looking at the maintenance and the preservation of consent of Cobre Panamá. And all of that lends itself to a capacity to look at something like Taca Taca or indeed La Granja in the long term. And that's just not readily available out there in terms of their execution capability.

Operator: Your next question comes from Myles Allsop with UBS.

Myles Allsop

Analyst, UBS AG (London Branch)

Yeah, just a few quick questions. Maybe just a bit of clarity on that last Taca Taca question. What was the best case for FID if we kind of put Cobre Panamá aside? But in terms of getting RIGI through and then the

environmental and water permits, is best case kind of early 2027, or is it going to take longer? That's the first question.

A. Tristan Pascall

Chief Executive Officer & Director, First Quantum Minerals Ltd.

A

Thanks, Myles. Look, I mean, focus is de-risking. But Ryan, do you want to comment further on that?

Ryan MacWilliam

Chief Financial Officer, First Quantum Minerals Ltd.

A

Sure. Hi, Myles. I mean, to be clear, before Cobre Panamá was placed on P&SM, our priority focus as a company on debt reduction – was on debt reduction. Nothing has changed in that regard. So we continue to be focused on debt reduction. It's pleasing that despite Cobre Panamá being on P&SM over the last two years, we've actually made progress in debt reduction. But that continues to be the focus. As Tristan said, pleasing to have a variety of growth options within the portfolio. But those need to come in due course as we focus on deleveraging the balance sheet. Clearly, strong commodity prices help in that respect. Clearly, if Cobre Panamá comes back online, that would help, but we're not yet at the point where we're talking to specific timing milestones for approving Taca Taca because we first need to work through that deleveraging pathway that's ahead of us.

Myles Allsop

Analyst, UBS AG (London Branch)

Q

Okay. And the second question, maybe just related to that as well Ryan. In terms of the balance sheet, I mean, where do you want to get to? Is it investment grade kind of metrics? Is there a net debt target where you kind of think job done, let's kind of pivot the focus?

Ryan MacWilliam

Chief Financial Officer, First Quantum Minerals Ltd.

A

Yeah. I don't think, Myles, we're ever going to be complacent on the balance sheet, and I don't think I'll ever be job done. What we've talked to is being responsible and prudent in managing the balance sheet. A big part of that is looking to work with others on our project. A good example of that was the partnership at La Granja, which was referenced in the previous question. So that – when we do get to these future project goals, we don't put all of that on our balance sheet. We finished last year at 3.3 times net debt to EBITDA and we've generally talked about you want to be around the – around or below the one times net debt to EBITDA before you start a next greenfield project build. That being said, at Taca Taca at the moment, the work is really focused around de-risking the project. We're focused around bolstering the balance sheet and we'll make decisions in due course when that moment comes. But we're not there yet and we don't expect to be there in the near-term.

Operator: Your next question comes from Marcio Farid with Goldman Sachs.

Marcio Farid

Analyst, Goldman Sachs do Brasil CTVM SA

Q

Thank you. Good morning, everyone. Couple of follow-ups on my side. Maybe first one on Panama, you obviously provided some details around cost and CapEx to start the billing process, which is great. Just wondering if you have early estimates in terms of total CapEx for a full restart as well, including the – on the mining side. And if you can comment on how the momentum has been for the news to restart the power plants, obviously not as relevant but just to try and understand the state of the preservation of equipment. And then maybe secondly, Las Cruces just got sold a few months back. Just wondering if you want to – there's

consideration to settle other minor operations as well and to focus on the core operations, Zambia, Panama, and eventually Argentina and Peru as well? Thank you.

A. Tristan Pascall

Chief Executive Officer & Director, First Quantum Minerals Ltd.

A

Hi, Marcio. Thank you for that question. And we'll try and cover all of that. So firstly on cost to restart for the full – possibility of restarting Panama. Look, I think it's, again, we're following a process in Panama that will be governed by the President and by the Government of Panama. It requires transparency and engagement, and that is our focus. The stockpile restart, as we spoke about there, I think there's a good amount disclosure there to paint that picture. But in terms of restart beyond that, it's really around working capital deployment and it will depend on the condition in the plant. We've been doing a lot of work in that Preservation and Safe Management to make sure that areas are in good condition. But we haven't been – so we've certainly looked after the big major assets really well, the mills, the major elements, rope shovels and so on. But there will be work to do on small bore piping on reticulation pumping, these kind of elements. And – so getting to grips with that, it's the major area in the plant. And then, working capital of getting suppliers in Panama re-established credit terms around their employees, local Panamanians coming to work and so on is where the major costs. And that's potentially sort of \$300 million to \$500 million in that range. How much of that is borne out in the stockpiles versus a restart down the track, will have to come to bear.

In terms of the power plant, that needs to restart. It's really been pretty neutral because of the selling power into the grid. But the fuel costs at the moment is at a higher level. And so generally, it comes out roughly neutral. We haven't seen any large major CapEx in that area. Our main focus was on the boiler and making sure that that was in good condition. It was nitrogen-filled, and there were some areas where we did some work on the soot blowers, erosion on the soot blowers that had – was present, but that wasn't major in terms of capital work. But that's the kind of level of work that went into it. I think by and large, the team's done a fantastic job of looking after that asset, and you see that in terms of the ramp up that we've seen on Unit 2, and we're now switching over to Unit 1. It's already in hot commissioning as we stated, and we're working through that unit.

On Las Cruces and that sale, maybe Ryan, if you take over from there on that question around asset sale – asset sales and other operations.

Ryan MacWilliam

Chief Financial Officer, First Quantum Minerals Ltd.

A

So, hi Marcio. Yeah, we're pleased to conclude the Las Cruces sale in Q4. Obviously, that had been in the mix for a long time. So to have that completed is pleasing, one, because it further simplifies our portfolio. Two, it removes the \$30 million of care and maintenance costs per year that we were bearing. And three, it allows that project to be developed under a new owner for the benefit of the team there for the benefit of Andalusia and Spain more broadly. Beyond that, we're not proactively looking to sell any of our other assets, but of course, when it comes to some of our smaller assets, we'll always assess what makes sense for shareholders.

We're pleased that at Guelb, we see strong EBITDA driven by the gold price. And maybe referencing a question that Chris asked earlier, why we see our cost guidance increased through the next couple of years? Part of that is just because Guelb is becoming purely a gold mine. We therefore don't get the byproduct credits. As a byproduct, we just get them in as additional revenue. So we don't see it in our C1 numbers, but we certainly see the benefit of Guelb in our cash flows. And then lastly, on Çayeli, that's been one of the real success stories in First Quantum over the last 12 months in terms of the extension to the mine life. So we're pleased that both those assets are part of the portfolio. But as other people externally expressed interest, we'll always make an assessment as to what serves our shareholders best.

Operator: Your next question comes from Lawson Winder with Bank of America.

Lawson Winder

Analyst, Bank of America

Thank you, Operator. And hello, Tristan, Rudi, and Ryan. On Taca Taca, you noted that there'll be a feasibility study update in Q1 of this year. So, first of all, do we expect that will be filed in Q1 2026? And then, are there any changes to the scope of any aspects of – at all of the project that will be part of that updated TR?

A. Tristan Pascall

Chief Executive Officer & Director, First Quantum Minerals Ltd.

Hi, Lawson. Thanks for the question. Yeah, we – look, Taca Taca remains a strong project on its own merits, and we're seeing that the investment climate in Argentina is really developing. The reason for the technical report now, and it will be – we expect it later this month inside Q1, is part of the application for RIGI. And as you point out there, painting a clear picture of the engineering study for what the project can look like. Beyond that, in terms of scope and otherwise, I wouldn't want to steal from that report and the impact of that. But there's – there isn't any major sort of change in scope or otherwise. It remains a robust project that extends on beyond 40 years and with inferred resources towards 70 years. It continues to be a project that will, in the first 10 years, deliver very strong copper production. And then after 10 years, the – this reason for – a good reason for expansion at that point in time. So that is consistent with a previous technical report that put out. This is really an update that gives clarity around capital, around the development pathway. And it's pretty clearly what is an asset that is one of the strongest potential projects for copper in the world in a region now that's attracting a high level of interest in terms of investment.

Lawson Winder

Analyst, Bank of America

Fantastic. If I could ask one more question, it would just be on the Kansanshi stream that you guys signed in August, and it – that's worked really well. It's done a lot to shore up the balance sheet. Now that your debt metrics have improved and are continuing to improve, how do you think about prioritizing the buyback of the 30% interest in that, particularly in light of the higher gold price?

A. Tristan Pascall

Chief Executive Officer & Director, First Quantum Minerals Ltd.

Thanks, Lawson. That's a great question. Ryan, do you want to take that one?

Ryan MacWilliam

Chief Financial Officer, First Quantum Minerals Ltd.

Sure. We know – we liked the stream from a financial perspective when we entered into to it. But we also liked it from a structural perspective. The fact that it was equity rather than debt, the fact that the copper price we get paid will increase over time. And most importantly, that there was a buyback option we were able to embed into it. So Lawson, we still have to make more progress on deleveraging. There are leverage thresholds that we have to meet in order to exercise that buyback option. We don't expect to meet those in 2026 but certainly as we come into 2027, we hope to be in a position to exercise, initially, the 20% buyback and ultimately the second buyback, which is for an incremental 10%.

Operator: Your next question comes from Anita Soni with CIBC.

Anita Soni*Analyst, CIBC World Markets, Inc.*

Q

Hi. Good morning, Tristan and team. Thanks for taking my question. I just wanted to get a little bit more color on the question Marcio asked, because I was going to ask that as well. It's – so the restart costs for the entire project. I know you don't want to get ahead of yourself, but it sounded like you were saying around \$300 million to \$500 million total. And would that include the \$230 million to \$280 million that you just announced, or would that be additional?

A. Tristan Pascall*Chief Executive Officer & Director, First Quantum Minerals Ltd.*

A

Yeah, Anita. We don't want to get ahead of ourselves. The – it's important to follow the pathway outlined by government. And there is a headline on that in terms of the President announcing that beyond the environmental audit coming back in April, but we'll have to assess those next steps and the timing from there. And it will require engagement, it requires transparency. And with a broader population in Panama, that's our prime focus. But in terms of that capital and those indications, yes, the stockpile processing would net off against that. So the \$300 million to \$500 million would include the \$250 million, \$280 million.

Anita Soni*Analyst, CIBC World Markets, Inc.*

Q

Okay. And then just a question on the \$12 to \$12.50 per tonne in processing costs. Could you help frame that in dollars per pound? Does that include your G&A and TCR seeds? And I understand there will be some non-cash component because it's – or is already been mined, but I'm just looking for sort of the cash component of what it would be in dollars per pound?

A. Tristan Pascall*Chief Executive Officer & Director, First Quantum Minerals Ltd.*

A

Ryan, do you have that to hand? I don't have it at hand.

Ryan MacWilliam*Chief Financial Officer, First Quantum Minerals Ltd.*

A

Sure. We expect it to be around \$2.90 per pound from a cost – unit cost perspective. And what we would expect is at the moment, we're incurring around \$15 million to \$17 million in P&SM costs of Cobre Panamá. Once we receive formal approval for the stockpiles, we would expect to produce around 70,000 tonnes of copper, and the sales from that will contribute towards the P&SM and other environmental-related activities that are ongoing at site. And we would end the year broadly cash neutral at Cobre Panamá.

Operator: Your next question comes from Ian Rossouw with Barclays.

Ian Rossouw*Analyst, Barclays Capital Securities Ltd.*

Q

Thank you. And just a follow-up on Cobre Panamá and around the operational readiness and some of the comments really made at the site visit last year. If you do get approvals to start treating these stockpiles, does that change the operational readiness for the eventual restart? Obviously, I understand these two are two separate processes, but can you actually test switch between the processing trains and ultimately be able to restart the entire plant once that decision comes much quicker than previously expected?

A. Tristan Pascall

Chief Executive Officer & Director, First Quantum Minerals Ltd.

A

Yeah. Thanks, Ian. So our focus on the stockpile restart will be environmental. And that is removing that material that does have some acid rock drainage elements and pushing that through one circuit of processed plants at Cobre Panamá. So our focus is around that. We do have the opportunity to cycle through the trains. And I think that's useful in terms of ensuring good preservation and safe management practices. The common areas obviously are needed for one or for three trains. So, that's the cleaner circuit, the columns, the concentrate areas and so on are needed for and most importantly, the cyclone plant for the tailings facility. Again, the focus will be environmental. And the cyclone plant gives us the opportunity to produce the sands that are needed at the tailings dam in order to ensure that we can deal with erosion and so on that's built up over the last two years. So that's the focus. But having the plants in a condition that's able to run on one train solidly and cycle through the trains, I think, is overall good in terms of ensuring the ability of the plant to start up well in the event that we get to that.

Ian Rossouw

Analyst, Barclays Capital Securities Ltd.

Q

Okay, great. And then just a follow-up on Taca Taca, just Ryan's comments around the balance sheet. And I guess the priority to degear the balance sheet in your comments around buy versus build, Tristan, is ultimately the sort of options around funding. When you get to that decision, will you look at the balance sheet and decide whether, I guess, you funded a loan or you consider a stake sale? Obviously, value will be one option to consider, but do you actually think of sort of Panama, I'm sorry, Argentina as a sort of from a risk mitigation perspective, it would make sense to sell, or you're just trying to think how you would think about the funding options at that stage once you get to that?

A. Tristan Pascall

Chief Executive Officer & Director, First Quantum Minerals Ltd.

A

Yeah. Thanks, Ian. Look, again, the reason to be progressing the technical report is it's part of the RIGI process and that's important. There's some deadlines around that and we're conscious of those. It also underlines the opportunities when we come to looking at funding options. But again, our priority is on Cobre Panamá and we spelled that out very clearly in terms of what our focus is this year. And on debt reduction, before we would be ready, getting the balance sheet into the right position in terms of progressing the project on its own merits. So if I put those two elements aside and just look at the project and progress it on our – on its own merits, it's appropriate, that is push forward, lodge the RIGI application, get the 43-101 out, which is the pathway for RIGI application. Look at options around financing, what could be done. The market is looking at Argentina more. And there's opportunity in that in terms of making progress on that. But again, we have a clear milestones there around the balance sheet and around the Cobre Panamá that leaned into that.

In terms of broader opportunities in the business to make Argentina happy – happen, we'll look through options of partnership. We've been – we've said that publicly before, but there's a number of tools in the toolkit in terms of looking at – and we've used those, for example, at Kansanshi on the Gold Stream. We've been deploying those tools. But really, this is about making sure that Taca Taca on its own merits. It begins to stand as a project which we believe it is, which is really worth looking at. It stands up very well compared to any of the other projects out there for copper development in the near future.

Operator: Your final question comes from Dalton Baretto with Canaccord Genuity.

Dalton Baretto

Analyst, Canaccord Genuity Corp.

Q

Thanks. Good morning, guys. Thanks for squeezing me in. A couple of quick ones, if I may. But just first on Cobre Panamá. Tristan, your disclosure referenced support at 75% to 80% in the communities around the mine. Can you perhaps speak to sort of the broader country, particularly in Panama City, just what the – what your metrics are showing you and maybe where some of the historical opposition is, the soon trucks, the NGOs, those sorts of things? Thanks.

A. Tristan Pascall

Chief Executive Officer & Director, First Quantum Minerals Ltd.

A

Thanks, Dalton. Yeah. So, that's a very much a focus of our activities in Panama. And broader support for the mine is around 50%, 55% that's been steady at that level for some time now. And we see that key element of it is really around transparency and engagement as to what the process from here looks like and walking through clear pathways. What we are seeing is a huge amount of curiosity. So last year, there were some 241,000 engagements, 1:1 between people at Panama, our employees, our advocates, our people that are speaking directly to the community. And in those, what we hear is a lot of curiosity about the mine, its place. We know, for example, discussion in Panama on the interconnector between Panama and Colombia. And that's a big power line and connection between really to connect all the way the grid from North America through Mexico and into Costa Rica and Panama for the first time to connect to – across Latin America to South America. That's a huge interconnected for the continent and underlines the impact that electricity can provide in terms of uplifting communities and uplifting standards of living, and provide the opportunity for things like datacenters, modern technology and opportunities, employment to come through.

But of course, interconnectors and electricity require copper. And it's that debate with society around responsibly and in an environmental and with strong biodiversity program and community programs. That's important now in terms of Panama. Again, we're probably 50%, 55% in the broader community. We'd like to see that lift up. And what we're seeing is a level of curiosity to understand the mind and understand how Panama can play into what is a global theme.

Operator: There are no further questions at this time. I'll now turn the call back to Mr. Tristan Pascall for any closing remarks.

A. Tristan Pascall

Chief Executive Officer & Director, First Quantum Minerals Ltd.

Thanks, Carly, and thank you, everybody for joining the call. We're looking forward to a strong 2026. I hope you have a great day. Thank you.

Operator: This concludes today's conference call. Thank you all for participating. You may now disconnect.

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