



NEWS RELEASE

22-15

July 26, 2022

www.first-quantum.com

FIRST QUANTUM MINERALS REPORTS SECOND QUARTER 2022 RESULTS

(In United States dollars, except where noted otherwise)

Toronto, Ontario (July 26, 2022) - First Quantum Minerals Ltd. ("First Quantum" or "the Company") (TSX: FM) today reports results for the three months ended June 30, 2022 ("Q2 2022") of net earnings attributable to shareholders of the Company of \$419 million (\$0.61 earnings per share) and adjusted earnings¹ of \$337 million (\$0.49 adjusted earnings per share²). As at June 30, 2022, First Quantum had achieved its debt reduction target of \$2 billion, from the peak in Q2 2020, and, as previously announced, continues to target a further \$1 billion reduction in debt in the medium term.

"While the restrictions from the global pandemic have largely eased, the macro environment has become more challenging due to a combination of continued high inflation and the emerging global economic slowdown. Our debt reduction over the last several years has placed our balance sheet in a better position for this turn of events. In order to build further resilience through these uncertain times, our focus will be on driving consistent operational performance, successful execution of our brownfield projects and discipline with our capital investments," commented Tristan Pascall, Chief Executive Officer. "It is the determination and commitment of our workforce that has enabled us to surmount the unprecedented obstacles that we have faced in recent years and means that we can tackle these new challenges with confidence. I thank the team for their continued commitment and efforts."

Q2 2022 SUMMARY

In Q2 2022, First Quantum reported gross profit of \$629 million, EBITDA¹ of \$906 million, net earnings attributable to shareholders of \$0.61 per share, and adjusted earnings of \$0.49 per share². Relative to the first quarter of this year ("Q1 2022"), second quarter financial results were impacted by a declining copper price, inflationary pressures on costs and lower sales volumes of copper, gold and nickel.

Total copper production for the second quarter was 192,668 tonnes, a 6% increase from Q1 2022. The quarter-over-quarter increase in production was entirely attributable to Cobre Panama, which achieved quarterly records in mining volumes, throughput, and production. At both Kansanshi and Sentinel, lower grades continued into Q2 2022, which contributed to lower copper production relative to the preceding quarter for both operations. Total copper production guidance for 2022 remains unchanged at 790,000 to 855,000 tonnes with full year production at Sentinel and Kansanshi expected to be towards the lower end of the guidance range.

Copper C1 cash cost² of \$1.74 per lb for Q2 2022 was \$0.13 per lb higher than Q1 2022. While global inflationary pressures were present in the first quarter of this year, second quarter costs were further impacted by higher energy and commodity prices resulting from the conflict in Ukraine. Costs for fuel, explosives, freight, mill balls, reagents and other consumables represent almost half of the Company's operational production cost base and unit costs in these areas continued to increase throughout the second quarter and rose above levels assumed in current guidance. Copper C1 unit costs were also impacted by lower production in Zambia. Copper C1 cash cost² guidance range remains unchanged at \$1.45 to \$1.60 per lb. Unit costs over the next six months will be dependent on market rates for fuel and other key supplies, the market price of gold and other by-products, as well as production levels.

¹ EBITDA and adjusted earnings are non-GAAP financial measures. These measures do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. Adjusted earnings and EBITDA were previously named comparative earnings and comparative EBITDA, respectively, and the composition remains the same. See "Regulatory Disclosures".

² Adjusted earnings per share and copper C1 cash cost (copper C1) are non-GAAP ratios which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

Q2 2022 OPERATIONAL HIGHLIGHTS

Total copper production for Q2 2022 was 192,668 tonnes, up from the 182,210 tonnes reported in Q1 2022, as Cobre Panama achieved record quarterly production while Kansanshi experienced lower production. Global logistical challenges persisted into the second quarter as a result of the flooding in parts of South Africa that affected the Port of Durban, the challenges posed by COVID-19 lockdowns in China, and the continued disruptions in marine traffic flow related to the Ukraine conflict. As a consequence of these constraints, copper sales volumes in Q2 2022 totaled 187,642 tonnes, approximately 5,000 tonnes lower than production during the quarter.

Copper C1 cash cost¹ averaged \$1.74 per lb in Q2 2022, up from \$1.61 per lb in Q1 2022. Various inputs and operational costs continued to increase further during the second quarter. These include costs for fuel, explosives, sulphur, freight, reagents, liners and steel. Global inflationary pressures have been impacted by the COVID-19 pandemic as well as supply chain disruptions. Second quarter costs were further impacted by the wide-reaching sanctions imposed upon Russia due to the conflict in Ukraine.

- Cobre Panama delivered record copper production of 90,778 tonnes in Q2 2022, representing a 16% increase over production levels in the previous quarter. Cobre Panama saw an improvement in truck availability and increased grades in the second quarter. In addition, record mill throughput of 21.2 million tonnes was achieved in the second quarter, attributable to increased plant stability and continuous improvement projects. Copper C1 cash cost¹ of \$1.54 per lb was \$0.11 per lb lower than the previous quarter as higher production volumes offset the impact of inflationary pressures for key consumables including explosives, fuel, steel for grinding media and liners, and higher freight charges. A collar structure for coal purchases continues to be in place with the ceiling price already exercised for July 2021 onwards, thereby limiting exposure to further increases in the thermal coal price until the end of 2023.
- Kansanshi's copper production of 39,719 tonnes in Q2 2022 was 2,180 tonnes lower than the previous quarter as a result of lower feed grades caused by current mining conditions. After an extended rainy season, higher than anticipated water levels in the M12 cutback restricted mining deployment, which led to supplementary plant feed from low grade stockpile. Water from this area is expected to be removed by the end of the third quarter of 2022, which will provide access to the scheduled oxide and mixed ore. In the quarter, a higher than normal proportion of sulphide feed came from narrow-veined regions as a result of the current mine layout and mining sequence. Recent detailed updates of the geological model confirm that a relatively small proportion, 20% of the sulphide ores, comprise vein-hosted areas and 80% from dominant stratiform mineralization. Ongoing reconciliation enhancements have elevated understanding of such areas, which will allow near-term mine plans and sequences to be improved and optimized. Copper C1 cash cost¹ of \$1.83 per lb was \$0.37 higher than Q1 2022 due to price increases in key consumables and lower production.
- Sentinel's copper production of 52,447 tonnes in Q2 2022 was 28 tonnes lower than the previous quarter. Sentinel's mine production of ore and waste remained behind the planned schedule in the second quarter of 2022, although progress has been made on preparing the pit for an improved second half of the year. As well, low truck availability and a backlog of truck maintenance continued from the first quarter. This was a direct impact of labour restrictions and resources during the COVID-19 pandemic, which is now subsiding. Copper C1 cash cost¹ of \$1.88 per lb was \$0.27 per lb higher than the preceding quarter reflecting higher employee, freight, fuel, explosives, and consumable costs.
- Ravensthorpe payable nickel production of 4,348 tonnes was 395 tonnes lower than the first quarter as production was impacted by wet weather, especially during April when heavy rainfall was experienced, which impacted materials handling and reduced beneficiation throughput in addition to low pre-leach extractions and limestone availability. Nickel C1 cash cost¹ was \$10.08 per lb, a \$3.30 per lb increase as a result of higher processing costs due to increases in sulphur and fuel prices.

¹ Copper C1 cash cost (copper C1) and Nickel C1 cash costs (nickel C1) are non-GAAP ratios which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

CONSOLIDATED OPERATING HIGHLIGHTS

	Q2 2022	Q1 2022	Q2 2021
Copper production (tonnes) ¹	192,668	182,210	199,689
Copper sales (tonnes) ⁸	187,642	196,702	203,790
Gold production (ounces)	74,959	70,357	81,375
Gold sales (ounces) ²	69,998	76,195	85,291
Nickel production (contained tonnes)	4,853	5,122	4,543
Nickel sales (contained tonnes)	2,892	4,350	6,910

CONSOLIDATED FINANCIAL HIGHLIGHTS

	Q2 2022	Q1 2022	Q2 2021
Sales revenues ³	1,904	2,163	1,782
Gross profit	629	908	625
Net earnings attributable to shareholders of the Company	419	385	140
Basic earnings per share	\$0.61	\$0.56	\$0.20
Diluted earnings per share	\$0.60	\$0.56	\$0.20
Cash flows from operating activities	904	666	679
Net debt ⁶	5,339	5,815	6,751
EBITDA ^{4,5}	906	1,180	902
Adjusted earnings ⁴	337	480	173
Adjusted earnings per share ⁷	\$0.49	\$0.70	\$0.25
Cash cost of copper production (C1) (per lb) ⁸	\$1.74	\$1.61	\$1.29
Total cost of copper production (C3) (per lb) ⁸	\$2.73	\$2.65	\$2.21
Copper all-in sustaining cost (AISC) (per lb) ⁸	\$2.37	\$2.27	\$1.91
Realized copper price (per lb) ⁷	\$4.19	\$4.45	\$3.55
Net earnings attributable to shareholders of the Company	419	385	140
Adjustments attributable to shareholders of the Company:			
Adjustment for expected phasing of Zambian value-added tax ("VAT") receipts	106	22	22
Total adjustments to EBITDA ⁴ excluding depreciation ⁵	(238)	103	28
Tax and minority interest adjustments	50	(30)	(17)
Adjusted earnings ⁴	337	480	173

¹ Production is presented on a contained basis, and is presented prior to processing through the Kansanshi smelter.

² Excludes refinery-backed gold credits purchased and delivered under the precious metal streaming arrangement (see "Precious Metal Stream Arrangement" within the Management's Discussion and Analysis).

³ Delivery of non-financial items (refinery-backed gold and silver credits) into the Company's precious metal stream arrangement have been netted within sales revenues rather than included in cost of sales. The quarter ended June 30, 2021 has been revised to reflect this change. Sales revenues and cost of sales for the quarter ended June 30, 2021 have been reduced by \$65 million compared to the previously reported values (see "Precious Metal Stream Arrangement" within the Management's Discussion and Analysis).

⁴ EBITDA and adjusted earnings are non-GAAP financial measures, which do not have a standardized meaning under IFRS and might not be comparable to similar financial measures disclosed by other issuers. Adjusted earnings and EBITDA were previously named comparative earnings and comparative EBITDA, respectively, and the composition remains the same. Adjusted earnings have been adjusted to exclude items from the corresponding IFRS measure, net earnings attributable to shareholders of the Company, which are not considered by management to be reflective of underlying performance. The Company has disclosed these measures to assist with the understanding of results and to provide further financial information about the results to investors and may not be comparable to similar financial measures disclosed by other issuers. The use of adjusted earnings and EBITDA represents the Company's adjusted earnings metrics. See "Regulatory Disclosures".

⁵ Adjustments to EBITDA in 2022 relate principally to foreign exchange revaluations and non-recurring costs relating to previously sold assets (2021 - foreign exchange revaluations).

⁶ Net debt is a supplementary financial measure, which does not have a standardized meaning under IFRS, and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

⁷ Adjusted earnings per share, realized metal prices, copper all-in sustaining cost (copper AISC), copper C1 cash cost (copper C1), and total cost of copper (copper C3) are non-GAAP ratios which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

⁸ Excludes purchases of copper concentrate from third parties treated through the Kansanshi smelter.

FINANCIAL HIGHLIGHTS

- Gross profit of \$629 million and EBITDA¹ of \$906 million for the second quarter were 31% and 23% lower, respectively, than Q1 2022 with the decline mainly attributable to lower metal prices, lower sales volumes and higher inflationary pressures on costs.
- Cash flows from operating activities of \$904 million (\$1.31 per share²) for the quarter were \$238 million higher than Q1 2022 with a favourable movement in receivables working capital balance at the end of the quarter.
- Net debt¹ decreased by \$476 million during the quarter, bringing the net debt¹ balance down to \$5,339 million as at June 30, 2022. As at June 30, 2022, total debt was \$7,164 million (March 31, 2022, total debt was \$7,763 million). As at June 30, 2022, First Quantum had achieved its debt reduction target of \$2 billion, from the peak in Q2 2020, and, as previously announced, continues to target a further \$1 billion reduction in debt in the medium term.
- During the second quarter, the Company redeemed at par an aggregate of \$1,000 million principal amount of the senior unsecured notes due 2023. \$500 million was redeemed on each of April 5, 2022, and June 7, 2022. No senior unsecured notes due 2023 remain outstanding post the redemptions.
- On July 26, 2022, the Company declared an interim dividend of CDN\$0.16 per share in respect of the financial year ended December 31, 2022 (July 27, 2021: CDN\$0.005 per share) to be paid on September 20, 2022 to shareholders of record on August 29, 2022.

2022 GUIDANCE

Total copper production guidance of 790,000 to 855,000 tonnes and total gold production guidance of 285,000 to 310,000 ounces remains unchanged.

- Cobre Panama year-to-date copper production of 169,115 tonnes is aligned to be within the full year guidance range of 330,000 to 360,000 tonnes.
- At Kansanshi, water from the M12 area is expected to be removed by the end of the third quarter of 2022, which will provide access to the scheduled oxide and mixed ore. Extensive work has been conducted on a new geological approach to narrower and lower mineralized veins that comprise around 20% of the sulphide ores at Kansanshi, which is expected to improve optimization of the mine plan in the near term. Kansanshi is tracking towards the lower end of the guidance range of 175,000 to 195,000 tonnes.
- Grades at Sentinel are expected to return to planned levels over the coming months with an improved grade profile in the second half of 2022 compared to the first six months, resulting in improved production levels over the course of the year. Full year production at Sentinel is tracking towards the lower end of the guidance range of 250,000 to 265,000 tonnes of copper.

Copper C1 cash cost² guidance range remains unchanged at \$1.45 to \$1.60 per lb. Copper C1 cash cost² recorded for the second quarter and for first six months of the year at \$1.74 per lb and \$1.67 per lb, respectively, are above the top end of current guidance. Costs for fuel, explosives, freight, mill balls, reagents and other consumables represent almost half of the Company's operational production cost base and unit costs in these areas continued to increase throughout the second quarter and rose above levels assumed in current guidance. Copper C1 unit costs have also been impacted by lower production at both Zambian operations. Unit costs over the next six months will be dependent on market rates for fuel and other key supplies, the market price of gold and other by-products as well as production levels.

¹ EBITDA is non-GAAP financial measure and net debt is a supplementary financial measure. These measures do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. Adjusted earnings and EBITDA were previously named comparative earnings and comparative EBITDA, respectively, and the composition remains the same. See "Regulatory Disclosures".

² Cash flows from operating activities per share and copper C1 cash cost (copper C1) are non-GAAP ratios which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

Copper AISC¹ cost guidance range remains unchanged at \$2.15 to \$2.30 per lb. Copper AISC¹ cost for the second quarter and first six months of the year at \$2.37 per lb and \$2.32 per lb, respectively, are above the top end of the guidance range. Royalties cost included within AISC¹ is dependent on the market price of copper and has therefore been relatively high for the first six months of the year.

Ravensthorpe nickel production and nickel C1 cash cost¹ and AISC¹ remains unchanged. The spot price for sulphur has fallen sharply in July 2022 compared to levels experienced in the first six months of 2022.

Guidance for total capital expenditure remains unchanged at \$1,250 million. In July, the Board approved the expansion of the Kansanshi smelter, which is included in the Company's three-year capital expenditure guidance issued in January 2022.

PRODUCTION GUIDANCE

000's	2022 Current Guidance
Copper (tonnes)	790 – 855
Gold (ounces)	285 – 310
Nickel (contained tonnes)	25 – 30

PRODUCTION GUIDANCE BY OPERATION²

Copper production guidance (000's tonnes)	2022 Current Guidance
Cobre Panama	330 – 360
Kansanshi	175 – 195
Sentinel	250 – 265
Other sites	35
Gold production guidance (000's ounces)	
Cobre Panama	135 – 150
Kansanshi	120 – 130
Other sites	30
Nickel production guidance (000's contained tonnes)	
Ravensthorpe	25 – 30

CASH COST¹ AND ALL-IN SUSTAINING COST¹

Copper	2022 Current Guidance
C1 ¹ (per lb)	\$1.45 – \$1.60
AISC ¹ (per lb)	\$2.15 – \$2.30
Nickel	2022 Current Guidance
C1 ¹ (per lb)	\$6.25 – \$7.00
AISC ¹ (per lb)	\$7.50 – \$8.50

At this stage, guidance assumes no change in royalties in Panama.

¹ C1 cash cost (C1), and all-in sustaining cost (AISC) are non-GAAP ratios, and do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

² Production is stated on a 100% basis as the Company consolidates all operations.

PURCHASE AND DEPOSITS ON PROPERTY, PLANT & EQUIPMENT

	2022 Current Guidance
Capitalized stripping ¹	250
Sustaining capital ¹	310
Project capital ¹	690
Total capital expenditure	1,250

¹ Capitalized stripping, sustaining capital and project capital are non-GAAP financial measures which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

ZAMBIAN VAT

During the second quarter, the Company reached an agreement with the Government of Zambia for repayment of the outstanding VAT claims based on offsets against future corporate income tax and mineral royalty tax payments, which commenced July 1, 2022.

PANAMA LAW 9 UPDATE

In recent days, Panama has experienced civil unrest, largely focused on temporary blockades to transport routes in the main cities. Production at Cobre Panama has been undisrupted and the Company continues to monitor the situation closely. The Company remains in contact with the Government of Panama regarding Law 9, but recognize that their attention is, quite properly, focused on resolving the civil disturbances. First Quantum and the Government of Panama remain committed to a swift conclusion of the Law 9 discussions on the basis of the agreed principles and on ensuring that the new contract and legislation are both durable and sustainable with downside copper price and production scenarios.

Once an agreement is concluded and the full contract is documented, it is expected that the newly drafted legislation would be put to the Panamanian National Assembly. The Company welcomes the transparency of the robust ministerial commission process and is hopeful that this matter can be concluded shortly.

ENVIRONMENT, SOCIAL AND GOVERNANCE

At the Company's Annual General Meeting on May 5, 2022, Clive Newall, co-founder of the Company, retired from the Board of Directors and Philip Pascall, co-founder and Chief Executive Officer ("CEO") since 1996, retired from the CEO role. Philip Pascall will continue to serve as Chairman of the Board.

On May 6, 2022, the Board of Directors appointed Tristan Pascall to the role of CEO. Tristan Pascall has also joined the Board. In addition, the Board announced the appointment of Alison Beckett as an independent director of the Board of Directors.

In May 2022, the Company published its principal annual Environment, Social and Governance ("ESG") report, the 2021 ESG Report, setting out the Company's performance in a range of environmental, health and safety, social and governance metrics against the Global Reporting Initiative and Sustainability Accounting Standards Board frameworks.

The Company's approach to sustainability in host communities is consistent with the United Nations Sustainable Development Goals and these are mapped against disclosures provided. The 2021 ESG Report provides further information on the range of social infrastructure and community development initiatives undertaken in the Company's host communities.

During the second quarter of 2022, the Company published the 2021 Tax Transparency and Contributions to Government Report. In 2021, the Company contributed \$1.6 billion to host governments through taxes, royalties and other payments, an increase of 44% from 2020.

The Company strongly supports the various transparency initiatives which provide all stakeholders with clear information of the contributions which are made to host governments by the Company. The report is intended to meet Canada's Extractive Sector Transparency Measures Act reporting obligations as well as Chapter 10 of the EU Accounting Directive.

The 2021 ESG Report, the 2021 Tax Transparency and Contributions to Government Report, policies and related programs, including the Taskforce on Climate-related Financial Disclosure-aligned Climate Change Report, can be found at: <https://www.first-quantum.com/English/sustainability/default.aspx>

COMPLETE FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

The complete Consolidated Financial Statements and Management's Discussion and Analysis for the three months and six months ended June 30, 2022 are available at www.first-quantum.com and at www.sedar.com and should be read in conjunction with this news release.

CONFERENCE CALL DETAILS

The Company will host a conference call and webcast to discuss the results on Wednesday, July 27, 2022 at 9:00 am (EDT).

Conference call and webcast details:

Toll-free North America: 1-800-319-4610

Toll-free International: +1-604-638-5340

Webcast: www.first-quantum.com

A replay of the webcast will be available on the First Quantum website.

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

Bonita To, Director, Investor Relations

(416) 361-6400 Toll-free: 1 (888) 688-6577

E-Mail: info@fqml.com

REGULATORY DISCLOSURES

Non-GAAP and Other Financial Measures

EBITDA, ADJUSTED EARNINGS AND ADJUSTED EARNINGS PER SHARE

EBITDA, adjusted earnings and adjusted earnings per share exclude certain impacts which the Company believes are not reflective of the Company's underlying performance for the reporting period. These include impairment and related charges, foreign exchange revaluation gains and losses, gains and losses on disposal of assets and liabilities, one-time costs related to acquisitions, dispositions, restructuring and other transactions, revisions in estimates of restoration provisions at closed sites, debt extinguishment and modification gains and losses, the tax effect on unrealized movements in the fair value of derivatives designated as hedged instruments, and adjustments for expected phasing of Zambian VAT receipts.

	QUARTERLY		
	Q2 2022	Q1 2022	Q2 2021
Operating profit	856	782	588
Depreciation	288	295	286
Other adjustments:			
Foreign exchange (gain) loss	(239)	56	23
Other expense	2	46 ¹	4
Revisions in estimates of restoration provisions at closed sites	(1)	1	1
Total adjustments excluding depreciation	(238)	103	28
EBITDA	906	1,180	902

¹ Other expenses includes a charge of \$40 million for non-recurring costs in connection with previously sold assets

	Q2 2022	Q1 2022	Q2 2021
Net earnings attributable to shareholders of the Company	419	385	140
Adjustments attributable to shareholders of the Company:			
Adjustment for expected phasing of Zambian VAT	106	22	22
Total adjustments to EBITDA excluding depreciation	(238)	103	28
Tax and minority interest adjustments	50	(30)	(17)
Adjusted earnings	337	480	173
Earnings per share as reported	\$0.61	\$0.56	\$0.20
Adjusted earnings per share	\$0.49	\$0.70	\$0.25

REALIZED METAL PRICES

Realized metal prices are used by the Company to enable management to better evaluate sales revenues in each reporting period. Realized metal prices are calculated as gross metal sales revenues divided by the volume of metal sold in lbs. Net realized metal price is inclusive of the treatment and refining charges (TC/RC) and freight charges per lb.

OPERATING CASHFLOW PER SHARE

In calculating the operating cash flow per share, the operating cash flow calculated for IFRS purposes is divided by the basic weighted average common shares outstanding for the respective period.

NET DEBT

Net debt comprises unrestricted cash and cash equivalents, bank overdrafts and total debt.

CASH COST, ALL-IN SUSTAINING COST, TOTAL COST

The consolidated cash cost (C1), all-in sustaining cost (AISC) and total cost (C3) presented by the Company are measures that are prepared on a basis consistent with the industry standard definitions by the World Gold Council and Brook Hunt cost guidelines but are not measures recognized under IFRS. In calculating the C1 cash cost, AISC and C3, total cost for each segment, the costs are measured on the same basis as the segmented financial information that is contained in the financial statements.

C1 cash cost includes all mining and processing costs less any profits from by-products such as gold, silver, zinc, pyrite, cobalt, sulphuric acid, or iron magnetite and is used by management to evaluate operating performance. TC/RC and freight deductions on metal sales, which are typically recognized as a component of sales revenues, are added to C1 cash cost to arrive at an approximate cost of finished metal.

AISC is defined as cash cost (C1) plus general and administrative expenses, sustaining capital expenditure, deferred stripping, royalties and lease payments and is used by management to evaluate performance inclusive of sustaining expenditure required to maintain current production levels.

C3 total cost is defined as AISC less sustaining capital expenditure, deferred stripping and general and administrative expenses net of insurance, plus depreciation and exploration. This metric is used by management to evaluate the operating performance inclusive of costs not classified as sustaining in nature such as exploration and depreciation.

For the three months ended June 30, 2022	Cobre Panama	Kansanshi	Sentinel	Guelb Moghrein	Las Cruces	Çayeli	Pyhäsalmi	Copper	Corporate & other	Ravensthorpe	Total
Cost of sales¹	(478)	(274)	(293)	(48)	(30)	(13)	(7)	(1,143)	(36)	(96)	(1,275)
Adjustments:											
Depreciation	155	48	66	3	-	4	1	277	1	10	288
By-product credits	49	55	-	31	-	1	7	143	-	5	148
Royalties	16	38	47	2	1	3	-	107	-	3	110
Treatment and refining charges	(34)	(6)	(12)	(2)	-	(1)	-	(55)	-	-	(55)
Freight costs	-	1	(10)	-	-	(2)	-	(11)	-	-	(11)
Finished goods	(3)	(32)	(15)	1	3	(3)	(2)	(51)	-	(25)	(76)
Other ¹	3	13	7	(1)	5	(1)	(1)	25	35	4	64
Cash cost (C1)¹	(292)	(157)	(210)	(14)	(21)	(12)	(2)	(708)	-	(99)	(807)
Adjustments:											
Depreciation (excluding depreciation in finished goods)	(156)	(56)	(68)	(3)	-	(4)	(1)	(288)	-	(12)	(300)
Royalties	(16)	(38)	(47)	(2)	(1)	(3)	-	(107)	-	(3)	(110)
Other	(3)	(4)	(2)	(1)	1	-	-	(9)	-	(1)	(10)
Total cost (C3)¹	(467)	(255)	(327)	(20)	(21)	(19)	(3)	(1,112)	-	(115)	(1,227)
Cash cost (C1)¹	(292)	(157)	(210)	(14)	(21)	(12)	(2)	(708)	-	(99)	(807)
Adjustments:											
General and administrative expenses	(11)	(6)	(8)	-	-	(1)	-	(26)	-	(3)	(29)
Sustaining capital expenditure and deferred stripping	(38)	(41)	(42)	(1)	-	-	-	(122)	-	(7)	(129)
Royalties	(16)	(38)	(47)	(2)	(1)	(3)	-	(107)	-	(3)	(110)
Lease payments	(1)	-	-	-	-	-	-	(1)	-	-	(1)
AISC	(358)	(242)	(307)	(17)	(22)	(16)	(2)	(964)	-	(112)	(1,076)
AISC (per lb) ¹	\$1.88	\$2.85	\$2.76	\$2.49	\$3.78	\$2.46	\$0.74	\$2.37	-	\$11.78	
Cash cost – (C1) (per lb) ¹	\$1.54	\$1.83	\$1.88	\$2.02	\$3.53	\$1.86	\$0.81	\$1.74	-	\$10.08	
Total cost – (C3) (per lb) ¹	\$2.46	\$3.00	\$2.94	\$2.81	\$3.61	\$2.96	\$1.25	\$2.73	-	\$12.05	

¹ Excludes purchases of copper concentrate from third parties treated through the Kansanshi Smelter

For the three months ended June 30, 2021	Cobre Panama	Kansanshi	Sentinel	Guelb Moghrein	Las Cruces	Çayeli	Pyhäsalmi	Copper	Corporate & other	Ravensthorpe	Total
Cost of sales	(416)	(239)	(279)	(64)	(18)	(18)	(7)	(1,041)	-	(116)	(1,157)
Adjustments:											
Depreciation	140	46	68	14	-	5	1	274	-	12	286
By-product credits	55	48	-	39	-	3	7	152	-	7	159
Royalties	17	42	51	3	-	2	-	115	-	5	120
Treatment and refining charges	(27)	(6)	(14)	(3)	-	(2)	-	(52)	-	-	(52)
Freight costs	(2)	-	(12)	-	-	(3)	-	(17)	-	-	(17)
Finished goods	8	(17)	7	9	1	2	(2)	8	-	25	33
Other	10	2	3	(1)	-	1	-	15	-	1	16
Cash cost (C1)	(215)	(124)	(176)	(3)	(17)	(10)	(1)	(546)	-	(66)	(612)
Adjustments:											
Depreciation (excluding depreciation in finished goods)	(134)	(53)	(66)	(10)	-	(6)	(1)	(270)	-	(8)	(278)
Royalties	(17)	(42)	(51)	(3)	-	(2)	-	(115)	-	(5)	(120)
Other	(2)	(3)	(2)	(1)	(1)	-	-	(9)	-	(1)	(10)
Total cost (C3)	(368)	(222)	(295)	(17)	(18)	(18)	(2)	(940)	-	(80)	(1,020)
Cash cost (C1)	(215)	(124)	(176)	(3)	(17)	(10)	(1)	(546)	-	(66)	(612)
Adjustments:											
General and administrative expenses	(11)	(6)	(9)	-	(1)	(1)	-	(28)	-	(3)	(31)
Sustaining capital expenditure and deferred stripping	(26)	(59)	(32)	(1)	-	(1)	-	(119)	-	(6)	(125)
Royalties	(17)	(42)	(51)	(3)	-	(2)	-	(115)	-	(5)	(120)
Lease payments	(1)	-	-	-	(1)	(1)	-	(3)	-	(1)	(4)
AISC	(270)	(231)	(268)	(7)	(19)	(15)	(1)	(811)	-	(81)	(892)
AISC (per lb)	\$1.57	\$2.18	\$2.26	\$0.95	\$2.94	\$1.82	\$0.27	\$1.91	-	\$9.52	
Cash cost – (C1) (per lb)	\$1.25	\$1.13	\$1.50	\$0.77	\$2.68	\$1.28	\$0.17	\$1.29	-	\$8.01	
Total cost – (C3) (per lb)	\$2.14	\$2.09	\$2.50	\$1.77	\$2.80	\$2.22	\$0.47	\$2.21	-	\$9.48	

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, 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; plans, targets and commitments regarding climate change-related physical and transition risks and opportunities (including intended actions to address such risks and opportunities), greenhouse gas emissions, energy efficiency and carbon intensity, use of renewable energy sources, design, development and operation of the Company's projects and future reporting regarding climate change and environmental matters; the Company's expectations regarding increased demand for copper; the Company's project pipeline and development and growth plans. 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, the success of Company's actions and plans to reduce greenhouse gas emissions and carbon intensity of its operations, 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 Panama, Zambia, Peru, Mauritania, Finland, Spain, Turkey, Argentina and Australia, adverse weather conditions in Panama, Zambia, Finland, Spain, Turkey, Mauritania, and Australia, 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. For mineral resource and mineral reserve figures appearing or referred to herein, varying cut-off grades have been used depending on the mine, method of extraction and type of ore contained in the orebody.

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 as 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 made and information contained herein are qualified by this cautionary statement.