Management's Discussion and Analysis
First quarter ended March 31, 2021

First Quantum Minerals Ltd. ("First Quantum" or "the Company") is engaged in the production of copper, nickel, gold and silver, and related activities including exploration and development. The Company has operating mines located in Zambia, Panama, Finland, Turkey, Spain, Australia and Mauritania. The Company is progressing the Taca Taca copper-gold-molybdenum project in Argentina and is exploring the Haquira copper deposit in Peru.

The Company's shares are publicly listed for trading on the Toronto Stock Exchange and the Company has depository receipts listed on the Lusaka Stock Exchange.

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited consolidated financial statements of First Quantum Minerals Ltd. ("First Quantum" or "the Company") for the three months ended March 31, 2021. The Company's results have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and are presented in United States dollars, tabular amounts in millions, except where noted.

For further information on First Quantum, reference should be made to its public filings (including its most recently filed Annual Information Form) which are available on SEDAR at www.sedar.com. Information is also available on the Company's website at www.first-quantum.com. This MD&A contains forward-looking information that is subject to risk factors, see *"Cautionary statement on forward-looking information"* for further discussion. Information on risks associated with investing in the Company's securities and technical and scientific information under National Instrument 43-101 – *Standards for Disclosure for Mineral Projects* ("NI 43-101") concerning the Company's material properties, including information about mineral resources and mineral reserves, are contained in its most recently filed Annual Information Form. This MD&A has been prepared as of April 27, 2021.

FIRST QUARTER HIGHLIGHTS AND OVERVIEW

Record copper production at Cobre Panama drove strong operational performance in the quarter. Financial performance in the quarter was driven by strong sales, with increased metal prices and low overall operating costs, resulting in a significant increase in comparative EBITDA[3] and net earnings, as well as a notable reduction in net debt[4].

- Total copper production for the quarter was 205,064 tonnes, 5% higher than the first quarter of 2020, attributable to record quarterly production at Cobre Panama of 82,042 tonnes, a 46% increase from the first quarter of 2020.
- Sentinel produced 58,252 tonnes of copper in the quarter, 3% higher than the first quarter of 2020, with a strong performance following successful completion of repairs to a ball mill trunnion during February, and despite higher rainfall. Sales volumes at Sentinel exceeded production and were 45% higher than the first quarter of 2020 with a further targeted reduction in finished goods inventory.
- Kansanshi performed consistently in the quarter. Copper production of 48,893 tonnes for the quarter was impacted by lower grades and the rainy season in Zambia. The Kansanshi smelter processed 329,862 dry metric tonnes ("DMT") of copper concentrate, produced 81,685 tonnes of copper anode and 328,000 tonnes of sulphuric acid with recoveries of 98% for the quarter.
- Total gold production for the quarter was 78,048 ounces, a 13% increase from the first quarter of 2020, attributable to record high production at Cobre Panama of 35,898 ounces.
- Gross profit of $540 million and comparative EBITDA of $811 million for the first quarter of 2021 were significantly higher than the first quarter of 2020, attributable to increased sales volumes at Cobre Panama, lower cash costs, as well as a 27% increase in the realized copper price.
- Cash flows from operating activities of $743 million ($1.08 per share) for the first quarter of 2021 were $270 million higher than the first quarter of 2020, and C1 cash cost of $1.24 per lb was 5% lower, with all major copper operations delivering a reduction in cash costs.
- Financial results include net earnings attributable to shareholders of the Company of $142 million ($0.21 earnings per share) and comparative earnings of $150 million ($0.22 comparative earnings per share).
- Construction of the Shoemaker Levy Project continued during the first quarter with the conveyor highway overpass erected late in the first quarter completing 9km of the conveyor. Civil works are predominantly complete, with focus now on the Shoemaker Levy Crushing facility and the tie-ins to the existing plant.
- Net debt decreased during the quarter by $347 million to $7,062 million as at March 31, 2021 and further reduction remains a key priority. With solid production and strong operational performance, the Company anticipates continued strong future cash flow and expects to be in a position to support increased dividend payments within the next two years. Actual distributions will be determined by annual free cash flow after prioritizing the reduction of the absolute levels of debt and providing for projected capital expenditure plans.
- The Company's credit rating at two agencies was recently upgraded. Fitch Ratings ("Fitch") upgraded the previous B- rating to B with a stable outlook, as announced on April 6, 2021. S&P Global Ratings ("S&P") upgraded the previous CCC+ rating to B with a stable outlook, as announced on April 9, 2021. The upgrade at both agencies was attributed to the Company's mitigation of the impacts of COVID-19 in 2020, continued improvements in the Company's financial profile and deleveraging, strong operational performance, and the positive outlook on copper prices driven by robust demand forecasts. In addition, Moody's Investor Service announced the withdrawal of the Company's unsolicited and non-participating rating on April 8, 2021. The rating has been unsolicited and non-participating for over three years.
- At March 31, 2021, the Company had 89,125 tonnes of unmargined copper forward sales contracts at an average price of $2.88 per lb outstanding with periods of maturity to December 2021. In addition, the Company had 182,950 tonnes of unmargined zero cost copper collar sales contracts with maturities to March 2022 at weighted average prices of $3.03 per

in United States dollars, tabular amounts in millions, except where noted

lb to $3.50 per lb outstanding. The Company also had unmargined nickel forward sales contracts for 1,092 tonnes at an average price of $7.13 per lb outstanding, with maturities to October 2021. In addition, the Company has zero cost nickel collar unmargined sales contracts for 500 tonnes at weighted average prices of $7.50 per lb to $8.55 per lb outstanding with maturities to August 2021.

Consolidated Operating Highlights	Q1 2021	Q4 2020	Q1 2020
Copper production (tonnes)[1]	205,064	203,171	195,285
Copper sales (tonnes)	210,734	217,041	189,953
Gold production (ounces)	78,048	68,747	68,788
Gold sales (ounces)[2]	77,391	70,905	73,782
Nickel production (contained tonnes)	4,642	5,603	-
Nickel sales (contained tonnes)	2,357	5,343	-
Consolidated Financial Highlights			
Sales revenues	1,678	1,601	1,182
Gross profit	540	443	147
Net earnings (loss) attributable to shareholders of the Company	142	9	(62)
Basic and diluted earnings (loss) per share	$0.21	$0.01	($0.09)
Cash flows from operating activities	743	533	473
Net debt[4]	7,062	7,409	7,615
Comparative EBITDA[3, 5]	811	725	434
Comparative earnings (loss)[3]	150	53	(79)
Comparative earnings (loss) per share[3]	$0.22	$0.08	($0.11)
Cash cost of copper production (C1)(per lb)[4]	$1.24	$1.28	$1.30
Total cost of copper production (C3)(per lb)[4]	$2.10	$2.20	$2.19
All-in sustaining cost (AISC)(per lb)[4]	$1.72	$1.77	$1.64
Realized copper price (per lb)[4]	$3.25	$2.97	$2.56

	Q1 2021	Q4 2020	Q1 2020
Net earnings (loss) attributable to shareholders of the Company	142	9	(62)
Adjustments attributable to shareholders of the Company:			
Adjustment for expected phasing of Zambian value-added tax ("VAT") receipts	(8)	(5)	(37)
Other, including loss on debt instruments	-	8	2
Total adjustments to comparative EBITDA excluding depreciation[5]	12	42	119
Tax and minority interest comparative adjustments	4	(1)	(101)
Comparative earnings (loss)[3]	150	53	(79)

[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*").

[3] Comparative earnings (loss) have been adjusted to exclude items from the corresponding IFRS measure, net earnings (loss) attributable to shareholders of the Company, which are not considered by management to be reflective of underlying performance. Comparative earnings (loss), comparative earnings (loss) per share, comparative EBITDA and cash flows per share are not measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS. The Company has disclosed these measures to assist with the understanding of results and to provide further financial information about the results to investors. See "*Regulatory Disclosures*" for a reconciliation of comparative EBITDA and comparative earnings (loss) to the IFRS measures. The use of comparative earnings (loss) and comparative EBITDA represents the Company's adjusted earnings (loss) metrics.

[4] These figures are non-GAAP financial measures and not recognized under IFRS. These measures are disclosed as they reflect those used by the Company's management in reviewing operational performance. The definition and reconciliation of these non-GAAP financial measures is included within *"Regulatory Disclosures"*.
[5] Adjustments to comparative EBITDA in the first quarter of 2021 relate principally to foreign exchange revaluations (foreign exchange revaluations in the first quarter of 2020).

SUSTAINABILITY

CLIMATE CHANGE POLICY

The Company has always been committed to extracting resources responsibly and the sustainability strategy is an intrinsic part of the Company's operations. Recently, to formalize this commitment the Company published its approach to climate change. The approach includes the integration of climate change and energy issues and impacts into the decision making and strategic planning.

In 2021, the Company is committed to:

- trial reporting in alignment with the Task Force on Climate-related Financial Disclosures ("TCFD") framework;
- set tangible and realistic targets with an identified pathway to achievement, for absolute emissions levels and the carbon intensity of the Company's operations; and
- integrate an internal carbon price and the expected determinant impacts on commodity prices in the evaluation of our new projects.

Full details of the Company's climate change approach, commitments to climate change, and other Environmental, Social & Governance ("ESG") related programs, policies and data can be found at https://www.first-quantum.com/English/sustainability/default.aspx.

HEALTH & SAFETY

The health and safety of all of the Company's employees and contractors is our top priority and the Company is focused on the continual strengthening and improvement of the safety culture at all of our operations. The Lost Time Injury Frequency Rates ("LTIFR") is an area of continued focus and a key performance metric for the Company. Our rolling 12-month LTIFR is 0.08 per 200,000 hours worked on average over the 12-month period to March 31, 2021 (2020: 0.05).

COVID-19

The Company continues to maintain health and sanitary protocols and to support the government health authorities in each jurisdiction to combat the spread of COVID-19. These measures continue to be reviewed and adjusted as needed.

In Panama, the Company has recently completed the donation of a medical laboratory to the Gorgas Institute's Centre of Epidemiological Study. The Company works closely with the institute, sharing its COVID-19 response data for wider country analysis. Overall, the number of COVID-19 cases in Panama reduced in March and April. However, the immediate province connected to the mine site is still seeing small community outbreaks and these communities, as well as the broader province, have limited access to resources. The Company supports the Provincial Government with aerial transport, food, medical supplies and other facility-based needs. In Zambia, the Company has provided COVID-19 testing equipment and treatment and isolation facilities for the community. The Company has also pledged financial support for the provision of medical logistics support in the Solwezi and Kalumbila districts of North-Western Zambia.

In addition to increased medical facility resilience initiatives at the mine clinics in Mauritania, Zambia and Panama, COVID-19 protective measures to minimize person-to-person transmission in the work place and protect business continuity have been implemented across all operations.

The Company has worked to manage the logistical challenges presented by the closure of, or bottlenecks at border crossings and ports by using alternative routes where feasible. In the fourth quarter of 2020, some sales shipments were delayed due to COVID-19 related port restrictions, and similar delays have been experienced to date in 2021. The Company has also experienced some minor disruptions and additional costs on freight shipments out of Asia. The Company has not experienced any other major disruptions to supply chains and product shipments since the onset of the pandemic and has no immediate expectation of further disruptions other than the port delays and potential for additional shipping costs as noted above.

As cases are identified amongst the workforce, they are contained and isolated according to the established protocols and in coordination with local health authorities, with limited impact to operations. The Company continues to employ measures to ensure minimal spread of the contagion, and the health and wellbeing of our workforce continues to be a priority.

OTHER DEVELOPMENTS

ZAMBIAN VAT

During the quarter ended March 31, 2021, the Company was granted offsets of $17 million with respect to VAT receivable balances. In the quarter ended March 31, 2020, offsets of $29 million were granted. For a detailed summary of the VAT receivable balance due to the Company's Zambian operations please see *"Zambian VAT"*.

ZAMBIAN POWER SUPPLY

Commissioning of the 750MW Kafue Gorge Lower Power Station has suffered delays that the contractor has attributed to COVID-19. Commissioning of the first of five 150MW hydro-generation units is now expected to generate commercially available power at the end of May 2021. The subsequent four units are expected to come online at four week intervals. The Itezhi Tezhi Dam, which serves the Kafue Gorge Lower Power Station, continues to recover satisfactorily from previous low water levels. Kariba Dam water levels also continues to recover but remains below multi-year expectations. No power restrictions are expected for the Company's mining operations.

EXPLORATION

The Company's global exploration program is focused on identifying high quality porphyry and sediment hosted copper deposits in prospective belts around the world. This program includes work at advanced stage exploration projects at Taca Taca in Argentina and Haquira in Peru.

At Taca Taca, located in the Salta province of Argentina, the Company is continuing with the project pre-development and feasibility activities. The primary Environmental and Social Impact Assessment for the project, which covers the principal proposed project sites, was submitted to the Secretariat of Mining of Salta Province in 2019. On November 30, 2020, the Company filed an updated NI 43-101 Technical Report for the Taca Taca Project, including an updated Mineral Resource statement and a maiden Mineral Reserve for the project. This increases the Company's total Mineral Reserves to over 29 million tonnes of contained copper which is one of the largest copper Mineral Reserve base, globally, and substantially increases the geographic diversification of the Company's copper reserves. On March 29, 2021, the Company filed an amended and restated NI 43-101 Technical Report for Taca Taca. The restated Technical Report now includes an after-tax cash flow model, although underlying pre-tax cash flow assumptions remained unchanged from the November 2020, and now superseded, report.

At the Haquira project, located in the Apurímac region of Peru, the focus remains on community resettlement process and environmental aspects.

The Company is engaged in the assessment and early stage exploration of a number of properties around the world, particularly focused on the Andean porphyry belt of Argentina, Chile, Peru, Ecuador and Colombia, as well as specific targets in other jurisdictions, including Australia and Papua New Guinea. Near-mine exploration programs are restricted to Las Cruces, in Spain, as well as on satellite targets around Kansanshi, in Zambia.

During the quarter, drilling programs continued in Argentina and Peru to test high priority porphyry targets. Quarantine and travel restrictions have impacted progress and increased costs. A proposed drill programme in Papua New Guinea has been impacted by escalating infection rates, which affects travel and permits for expatriate drillers and helicopter pilots. Exploration activities in Western Australia and South Australia are progressing relatively unaffected by the pandemic.

in United States dollars, tabular amounts in millions, except where noted

GUIDANCE

Guidance provided below is based on a number of assumptions and estimates as of March 31, 2021, including among other things, assumptions about metal prices and anticipated costs and expenditures. Guidance involves estimates of known and unknown risks, uncertainties and other factors which may cause the actual results to be materially different. The unprecedented challenges presented by COVID-19 pose some additional risk to the accuracy of forward looking information. Production guidance and cost guidance includes current assumptions on the impact of COVID-19 on operations.

Market guidance for production, cash costs and capital expenditure remains unchanged from expectations previously disclosed by the Company.

Production guidance

000's	2021
Copper (tonnes)	785 – 850
Gold (ounces)	280 – 300
Nickel (contained tonnes)	23 – 27

Production guidance by operation

Copper production guidance *(000's tonnes)*	2021
Cobre Panama	300 – 330
Kansanshi	210 – 225
Sentinel	230 – 250
Other sites	45
Gold production guidance *(000's ounces)*	**2021**
Cobre Panama	120 – 130
Kansanshi	120 – 130
Other sites	40
Nickel production guidance *(000's contained tonnes)*	**2021**
Ravensthorpe	23 – 27

Cash cost and all-in sustaining cost

Copper	2021
C1 (per lb)	$1.20 – $1.40
AISC (per lb)	$1.70 – $1.85
Nickel	**2021**
C1 (per lb)	$5.00 – $5.50
AISC (per lb)	$5.50 – $6.00

Capital expenditure

	2021
Capitalized stripping	250
Sustaining capital and other projects	700
Total capital expenditure	950

Capital expenditure expectation for the full year 2021 includes spend on secondary screening at Cobre Panama, the smelter expansion at Kansanshi, Shoemaker Levy development at Ravensthorpe and the fourth crusher at Sentinel. Sustaining capital expenditure is expected to be approximately $290 million including planned maintenance at the Kansanshi smelter.

Capital expenditure for the quarter ended March 31, 2021 was $180 million.

Interest

Interest expense for the quarter ended March 31, 2021 was $187 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 2021 is expected to range between $740 million and $780 million. This includes interest accrued on related party loans to Cobre Panama and a finance cost accreted on the precious metal streaming arrangement.

Cash outflow on interest paid for the quarter ended March 31, 2021 was $193 million and is expected to be approximately $525 million for the full year 2021. This figure excludes interest paid on related party loans to Cobre Panama.

Tax

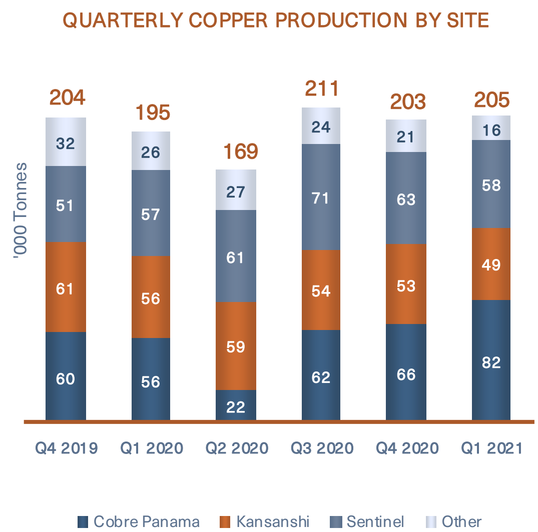
Excluding the impact of interest expense, the effective tax rate for the quarter ended March 31, 2021 was 29%. Excluding the impact of interest expense, the effective tax rate for the full year 2021 is expected to be approximately 30%.

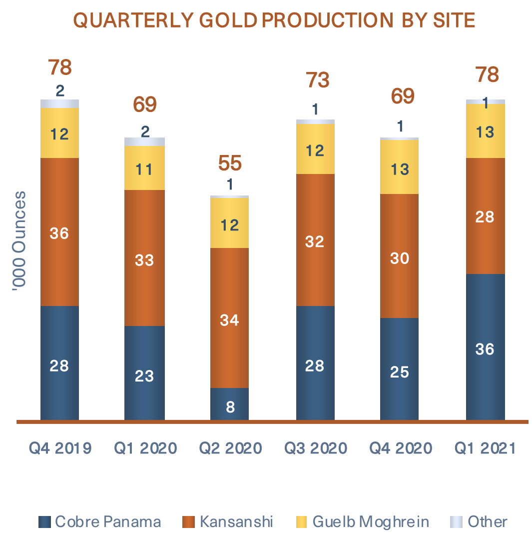
Depreciation

Depreciation expense for the quarter was $286 million. The full year 2021 depreciation expense is expected to be approximately $1,125 million.

SUMMARY OPERATIONAL RESULTS

PRODUCTION





Copper production in the first quarter of 2021 of 205,064 tonnes was 5% higher than the same period in 2020, attributable to the record quarterly production at Cobre Panama. Cobre Panama achieved a 46% increase in copper production compared to the first quarter of 2020.

Sentinel production was 3% higher than the first quarter of 2020 due to higher grades, despite the repair work to the Train 1 ball mill trunnion in February, as well as higher rainfall. Kansanshi copper production in the quarter was 12% lower than the first quarter of 2020, impacted by lower ore grades for all three circuits. The decline in the oxide ore grade was expected due to the depletion of higher-grade areas, and low grade ore from stockpiles and tarnished sulphides were processed through the oxide and mixed circuits, respectively.

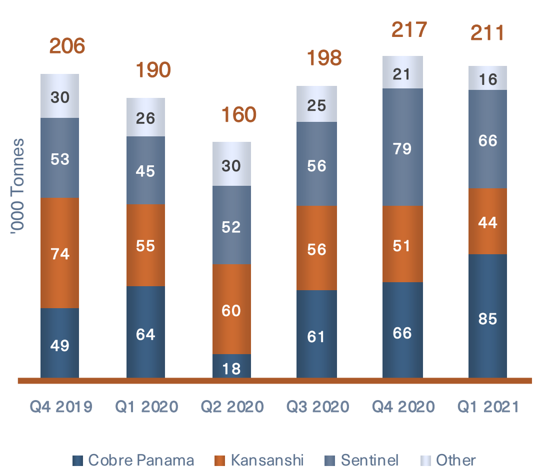
Production at Las Cruces decreased significantly compared to the first quarter of 2020, as mining activities at the operation ceased in August 2020 with ore depletion of Phase VI.

Total gold production was 13% higher than the comparable period in 2020. Cobre Panama produced 35,898 ounces of gold in the first quarter of 2021, a 55% increase compared to first quarter of 2020, as a result of increased throughput. Gold production at Kansanshi decreased by 14% compared to the same period in 2020, reflecting lower copper concentrate production and a decline in gravity recoverable gold.

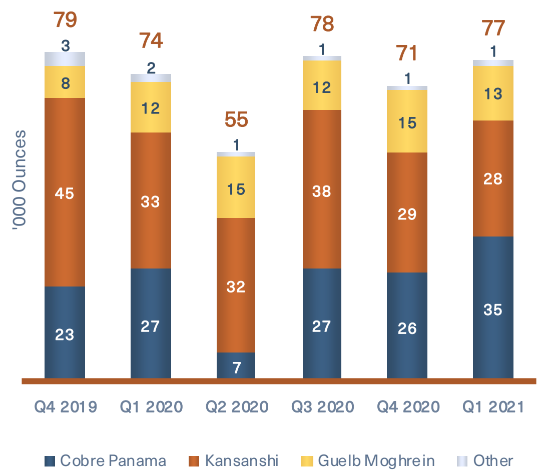
Ravensthorpe produced 4,642 contained tonnes of nickel in the first quarter of 2021 compared to 5,603 contained tonnes in the fourth quarter of 2020. Production in the quarter was impacted by an unplanned shutdown of an autoclave in January, and a planned shutdown of the other autoclave in February.

SALES VOLUMES

QUARTERLY COPPER SALES BY SITE



QUARTERLY GOLD SALES BY SITE



Total copper sales volumes of 210,734 tonnes for the first quarter of 2021 were 11% higher than the comparable period in 2020, due to increased copper sales volumes at Cobre Panama and Sentinel.

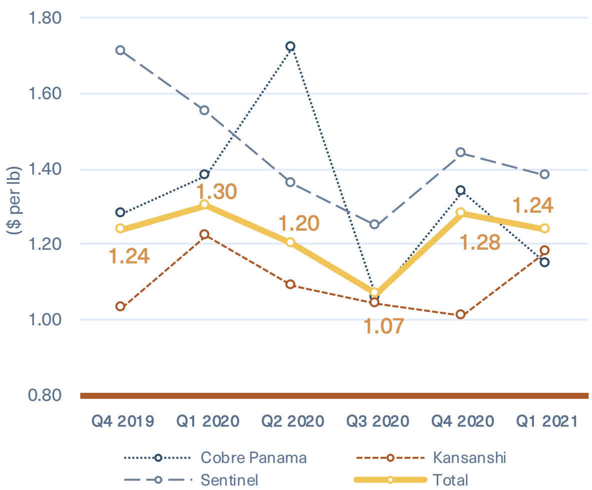
Copper sales volumes at Sentinel and Cobre Panama for the first quarter of 2021 were 45% and 33% higher than the comparable period in 2020, respectively. There was a further reduction in finished goods inventory at Sentinel following a build-up in the middle of 2020 after an outage at a third-party smelter.

Gold sales volumes of 77,391 ounces for the first quarter of 2021 were 5% higher, compared to the same quarter of 2020, mainly due to increased gold production at Cobre Panama.

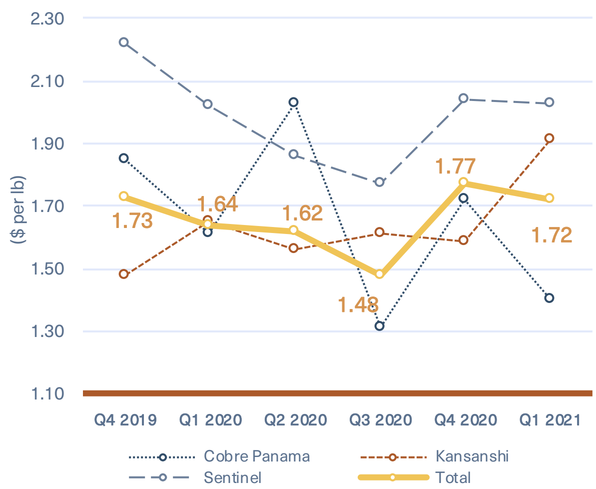
Nickel sales volumes at Ravensthorpe were 2,357 contained tonnes for the quarter. Global shipping congestion due to the COVID-19 pandemic has impacted the timing of nickel sales, with some sales volumes delayed until April.

CASH COSTS

QUARTERLY COPPER C1 CASH COST



QUARTERLY COPPER AISC



Total copper C1 cash cost of $1.24 per lb for the quarter was $0.06 per lb lower than the same quarter of 2020, with all operations excluding Pyhäsalmi and Las Cruces delivering lower copper cash costs. Cobre Panama C1 cash cost of $1.15 per lb reflects increased production. Sentinel and Kansanshi C1 cash costs benefitted from favourable foreign exchange impact and lower fuel costs, however Kansanshi unit cash costs were also impacted by lower production.

Total copper AISC of $1.72 per lb is $0.08 per lb higher than the first quarter of 2020. The increase in Zambian royalty payments, due to higher metal prices and the step-up in the Zambian royalty rate, accounted for $0.09 per lb increase in total AISC compared to the first quarter of 2020. This has been partially offset by lower C1 cash costs.

Please see the appendices from page 41 for further detail on production and sales volumes by operation as well as sales revenues and cash costs.

in United States dollars, tabular amounts in millions, except where noted

OPERATIONS REVIEW

COBRE PANAMA

	Q1 2021	Q4 2020	Q1 2020
Waste mined (000's tonnes)	12,674	12,576	12,255
Ore mined (000's tonnes)	24,817	20,348	18,933
Copper ore milled (000's tonnes)[1]	19,628	17,697	15,942
Copper ore grade processed (%)	0.46	0.41	0.39
Copper recovery (%)	90	91	91
Concentrate grade (%)	26.8	26.6	23.9
Copper production (tonnes)	82,042	65,520	56,240
Copper sales (tonnes)	85,288	65,770	64,136
Gold production (ounces)	35,898	25,295	23,232
Gold sales (ounces)[2]	35,198	25,669	27,337
Silver production (ounces)	623,451	500,806	429,294
Silver sales (ounces)[2]	647,422	504,002	480,524
All-in sustaining cost (AISC) (per lb)[3]	$1.40	$1.72	$1.61
Cash cost (C1) (per lb)[3]	$1.15	$1.34	$1.38
Total cost (C3) (per lb)[3]	$1.97	$2.22	$2.44
Revenues ($ millions)			
Copper in concentrates	672	432	324
Gold - mine production	56	44	40
Gold - precious metal stream	33	21	24
Silver - mine production	14	10	6
Silver - precious metal stream	5	3	4
Sales revenues	780	510	398
Gross profit	332	163	33
Comparative EBITDA[3]	464	268	157

[1] DMT

[2] Excludes refinery-backed gold and silver credits purchased and delivered under the precious metal streaming arrangement (see *Precious Metal Stream Arrangement"* .)

[3] AISC, C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. See "*Regulatory Disclosures*" for further information.

First quarter

During the quarter, 19.6 million tonnes of ore with an average grade of 0.46% were processed with recoveries of 90%. Despite the impact of unplanned downtime of the crushing circuit, Cobre Panama set quarterly production records for copper and gold with 82,042 tonnes and 35,898 ounces produced.

AISC and C1 cash cost of $1.40 per lb and $1.15 per lb, respectively, are lower than the first quarter of 2020, reflecting the increased production levels. Included within C1 cash costs and AISC are $8 million in increased operating costs associated with the health and safety protocols in place in response to COVID-19.

Sales revenues for the quarter were $780 million, an increase of $382 million from the same quarter of 2020, reflecting higher sales volumes and higher realized metal prices, excluding the impact of corporate sales hedge program.

Gross profit of $332 million for the quarter was $299 million higher than the comparable period in 2020, reflecting higher sales revenues and lower unit costs.

in United States dollars, tabular amounts in millions, except where noted

Outlook

The priority for Cobre Panama remains the health and safety of the workforce and surrounding communities. The operation continues to work towards improving throughput and finding efficiencies, with a focus on managing costs.

Cobre Panama is expected to achieve 85 million tonnes of mill throughput and annual production of between 300,000 and 330,000 tonnes of copper and between 120,000 and 130,000 ounces of gold in 2021.

KANSANSHI

	Q1 2021	Q4 2020	Q1 2020
Waste mined (000's tonnes)	12,511	13,481	12,491
Ore mined (000's tonnes)	7,519	8,221	7,420
Sulphide ore milled (000's tonnes)[1]	3,276	3,491	3,321
Sulphide ore grade processed (%)	0.82	0.79	0.89
Sulphide copper recovery (%)	93	90	93
Sulphide concentrate grade (%)	23.2	24.3	23.3
Mixed ore milled (000's tonnes)[1]	1,893	1,987	1,967
Mixed ore grade processed (%)	0.92	0.96	0.99
Mixed copper recovery (%)	87	81	82
Mixed ore concentrate grade (%)	23.0	24.1	26.2
Oxide ore milled (000's tonnes)[1]	1,672	1,654	1,697
Oxide ore grade processed (%)	0.71	1.02	0.97
Oxide copper recovery (%)	76	75	73
Oxide concentrate grade (%)	19.5	22.8	22.7
Copper production (tonnes)[2]	48,893	52,630	55,612
Copper smelter			
Concentrate processed[1, 3]	329,862	354,155	329,946
Copper anodes produced (tonnes)[3]	81,685	87,392	80,280
Smelter copper recovery (%)	98	99	97
Acid tonnes produced (000's)	328	341	315
Copper sales (tonnes)[4]	44,274	51,265	55,330
Gold production (ounces)	28,462	29,515	33,002
Gold sales (ounces)	27,510	29,021	32,694
All-in sustaining cost (AISC) (per lb)[5]	$1.91	$1.59	$1.65
Cash cost (C1) (per lb)[5]	$1.18	$1.01	$1.22
Total cost (C3) (per lb)[5]	$2.13	$1.81	$1.97
Copper	370	361	298
Gold	48	55	50
Other	-	-	1
Sales revenues	418	416	349
Gross profit	174	161	79
Comparative EBITDA[5]	221	216	151

[1] DMT

[2] Production presented on a copper concentrate basis, i.e. mine production only. Production does not include output from the smelter.

[3] Concentrate processed in smelter and copper anodes produced are disclosed on a 100% basis, inclusive of Sentinel and third-party concentrate processed. Concentrate processed is measured in DMT.

[4] Sales include third-party sales of concentrate, cathode and anode attributable to Kansanshi (excluding copper anode sales attributable to Sentinel).

[5] AISC, C1 cash cost, and C3 total cost and comparative EBITDA are not recognized under IFRS. See "*Regulatory Disclosures*" for further information.

First quarter

Copper production was 12% lower than the same quarter of 2020, mainly due to lower ore grades for all three circuits and higher than usual rainfall. The decline in the oxide ore grade was expected due to the depletion of higher-grade areas, and low grade ore from stockpiles and tarnished sulphides were processed through the oxide and mixed circuits, respectively.

The high-pressure leach (“HPL”) unit was in partial use during the quarter with one autoclave in operation.

Gold production decreased by 14% compared to the same period in 2020, due to lower copper concentrate production and a decline in gravity recoverable gold.

AISC was $0.26 per lb higher than the comparable period reflecting higher royalties of $0.22 per lb, as well as an increase in capitalized stripping. C1 cash cost was $0.04 per lb lower compared to the same period in 2020 due to increased gold prices and continued depreciation of the Zambian kwacha (“ZMW”).

Sales revenues of $418 million were 20% higher than the same quarter of 2020, reflecting higher realized copper and gold prices, excluding the impact of the corporate sales hedge program, offset by lower sales volumes.

Gross profit of $174 million was more than double the comparable period in 2020, reflecting the higher sales revenues.

Kansanshi Copper Smelter

First quarter

The smelter treated 329,862 DMT of concentrate and produced 81,685 tonnes of copper anode and 328,000 tonnes of sulphuric acid. The concentrate grade treated in the quarter was 25.5%.

Outlook

Production in 2021 is expected to be between 210,000 and 225,000 tonnes of copper, and between 120,000 and 130,000 ounces of gold.

The NI 43-101 Technical Report filed on September 14, 2020 includes the plan for a 25 million tonnes per annum (“Mtpa”) expansion of the sulphide ore processing facility and associated increase in mining capacity, increasing annual throughout to 52 Mtpa (the “S3 Expansion”). The timing of capital expenditure for the S3 Expansion is proposed for 2023-2024 and requires board approval. In addition to the processing plant expansion and upgrades, the Kansanshi smelter will be increased to 1.65 Mtpa capacity, an increase from current capacity level of 1.38 Mtpa. The capacity increase will be achieved partly through enhancing copper concentrate grades by lowering the carbon and pyrite content of the Kansanshi and Sentinel concentrate feeds. Concentrate processing capacity will be further expanded through modifications to the existing HPL circuit.

in United States dollars, tabular amounts in millions, except where noted

SENTINEL

	Q1 2021	Q4 2020	Q1 2020
Waste mined (000's tonnes)	24,318	26,152	24,849
Ore mined (000's tonnes)	12,960	14,002	15,667
Copper ore milled (000's tonnes)[1]	12,930	13,816	14,107
Copper ore grade processed (%)	0.51	0.51	0.45
Copper recovery (%)	89	90	89
Copper production (tonnes)	58,252	62,993	56,633
Concentrate grade (%)	27.4	26.7	26.2
Copper sales (tonnes)	65,682	78,975	45,183
All-in sustaining cost (AISC) (per lb)[2]	$2.03	$2.04	$2.02
Cash cost (C1) (per lb)[2]	$1.38	$1.44	$1.55
Total cost (C3) (per lb)[2]	$2.21	$2.28	$2.27
Sales revenues – Copper	531	526	235
Gross profit	237	194	21
Comparative EBITDA[2]	304	277	77

[1] DMT

[2] AISC, C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. See "*Regulatory Disclosures*" for further information.

First quarter

Copper production for the first quarter of 2021 was 58,252 tonnes, an increase of 3% compared to the same period in 2020 attributable to higher grades, which offset the lower throughput. Grade improved with the addition of fresher ore from the Stage 2 pit as well ore from the higher grade area in the Stage 1 pit. Throughput was limited as a result of Train 1 ball mill trunnion repairs during February, which required the SAG mill to operate in a closed circuit at reduced rates for most of the month. The repairs were completed at the end of February, and Sentinel achieved record monthly throughput in March subsequent to the repairs.

AISC and C1 cash costs for the first quarter were $2.03 per lb and $1.38 per lb, respectively. AISC remained consistent with the comparable period despite lower C1 cash costs, resulting from the higher Zambian royalties which increased AISC by $0.13 per lb, and higher sustaining capital expenditures. C1 cash costs decreased by $0.17 per lb from the comparable period in 2020, reflecting the depreciation of the ZMW and lower fuel costs.

Sales revenues of $531 million were $296 million higher than the same period in 2020, due to increased sales volumes combined with higher realized copper prices, excluding the impact of the corporate sales hedge program. Sales revenue comprised sales of both concentrate and anode with a higher proportion of revenue realized from copper anode.

Gross profit of $237 million was $216 million higher than the comparable period in 2020, reflecting higher sales revenues.

Outlook

Copper production in 2021 is expected to be between 230,000 and 250,000 tonnes.

Throughput rates are expected to be maintained with secondary crushing and consistent ore supply. The focus will be on maintaining consistent ore feed as well as the development of the pocket for the fourth in-pit crusher. Mining will continue to focus on operational improvements with expansion of the trolley assist system onto the north waste dump as well as extension into the Stage 1 pit. Grades in the second quarter are anticipated to be lower due to an increase in lower grade ore feed from the eastern extent of the Stage 2 pit. The fourth in-pit crusher is expected to be commissioned during the second half of 2021. The fourth in-pit crusher will enable the plant to ramp up throughput to 62 Mtpa in 2022. Optimization of the third flotation column cell is ongoing. Assembly of the fourth column cell was completed in April, with commissioning targeted for the second quarter of 2021.

in United States dollars, tabular amounts in millions, except where noted

GUELB MOGHREIN

	Q1 2021	Q4 2020	Q1 2020
Waste mined (000's tonnes)	549	906	3,204
Ore mined (000's tonnes)	1,007	1,189	936
Sulphide ore tonnes milled (000's)[1]	937	986	898
Sulphide ore grade processed (%)	0.73	0.82	0.88
Sulphide copper recovery (%)	91	91	89
Copper production (tonnes)	6,251	7,369	7,028
Copper sales (tonnes)	6,435	7,365	7,649
Gold production (ounces)	12,587	13,115	11,237
Gold sales (ounces)	13,378	14,885	12,106
Magnetite concentrate production (WMT)[2]	101,620	114,128	129,773
Magnetite concentrate sales (WMT)[2]	44,888	136,316	135,008
All-in sustaining cost (AISC) (per lb)[3]	$0.93	$0.36	$1.07
Cash cost (C1) (per lb)[3]	$0.62	$0.09	$0.66
Total cost (C3) (per lb)[3]	$1.63	$1.07	$1.42
Sales revenues	77	84	67
Gross profit	32	38	21
Comparative EBITDA[3]	42	45	30

[1] DMT

[2] Magnetite concentrate production and sales volumes are measured in wet metric tonnes ("WMT").

[3] AISC, C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. See "*Regulatory Disclosures*" for further information.

First quarter

Copper production decreased by 11% compared to the same quarter of 2020, as a result of 17% lower ore grade during the period.

Gold production was 12% higher than the first quarter of 2020, resulting from higher throughput and recovery following successful implementation of a number of gold recovery initiatives during the quarter.

The magnetite plant produced 101,620 WMT in the quarter, a 22% decrease from the same quarter of 2020, due to lower magnetite feed grade.

AISC for the first quarter of 2021 was $0.14 per lb lower than the same period in 2020. C1 cash cost was $0.04 per lb lower than the first quarter of 2020, due to higher gold by-product credits.

Sales revenues were 15% higher than the first quarter of 2020, resulting from higher gold sales volumes and higher realized metal prices, partially offset by lower magnetite sales volumes for the period due to shipping delays. Gross profit of $32 million was $11 million higher than the comparable period in 2020, attributable to higher sales revenues and lower cost of sales following cost initiatives that successfully reduced costs.

Outlook

Production in 2021 is expected to be approximately 20,000 tonnes of copper, 40,000 ounces of gold, and 400,000 WMT of magnetite concentrate.

Open pit mining is expected to conclude during 2021, and the operation will transition to treatment of lower grade ore stockpiles. Major cost saving initiatives over the past year have improved the cost profile of the site to maintain profitable operations despite the reduction in plant feed grades that will accompany the transition to stockpile treatment. The majority of the required reduction in mobile fleet was completed in phases during 2020 as ex-pit mining reduced, with little waste movement required in the mine during 2021.

in United States dollars, tabular amounts in millions, except where noted

RAVENSTHORPE

	Q1 2021	Q4 2020	Q1 2020
Beneficiated ore tonnes processed (000's)	632	728	-
Beneficiated ore grade processed (%)	1.06	0.99	-
Nickel recovery (%)	76	78	-
Nickel production (contained tonnes)	4,642	5,603	-
Nickel sales (contained tonnes)	2,357	5,343	-
Nickel production (payable tonnes)	3,843	4,534	-
Nickel sales (payable tonnes)	1,969	4,342	-
All-in sustaining cost (AISC) (per lb)[1]	$7.53	$6.09	-
Cash cost (C1) (per lb)[1]	$6.39	$5.39	-
Total cost (C3) (per lb)[1]	$7.94	$6.78	-
Sales revenues	39	75	-
Gross profit (loss)	(5)	7	(38)
Comparative EBITDA[1]	-	15	(36)

[1] AISC, C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. See "*Regulatory Disclosures*" for further information.

First quarter

Ravensthorpe recommenced operations in the first quarter of 2020 with the first high pressure acid leach circuit brought online mid-April 2020 and first nickel production in late-April 2020.

Nickel production in the first quarter of 2021 was 4,642 contained tonnes of nickel. Production was impacted by an unplanned shutdown of an autoclave due to an agitator failure in January, and a planned shutdown of the other autoclave in February. After both shutdowns, both autoclaves performed well and produced 1,852 contained tonnes of nickel in March. The beneficiation circuit continues to be optimized which has resulted in better beneficiation upgrade in the quarter compared to the first quarter of 2020.

Sales revenues in the first quarter were $39 million with the average London Metal Exchange ("LME") nickel price of $7.97 per lb. Global shipping congestion has impacted the timing of nickel sales, delaying the departure of the March shipment until early April resulting in the sale of 2,329 contained tonnes of nickel being recognized in second quarter. The lower sales volumes of the first quarter, compared to the fourth quarter of 2020, were partially offset by higher realized nickel prices, excluding the impact of corporate sales hedge program.

C1 cash cost of $6.39 per lb for the first quarter reflected lower production, higher sulphur prices and adverse movement in foreign exchange. Ravensthorpe incurred a gross loss of $5 million resulting from lower production and sales volumes, and higher costs.

Construction of the Shoemaker Levy Project continued during the first quarter with the conveyor highway overpass erected late in the first quarter, completing 9km of the conveyor. Civil works are predominantly complete, and the focus is now on the Shoemaker Levy crushing facility and the tie-ins to the existing plant. The mining fleet maintenance workshop and administration facilities were completed in the first quarter and commissioned in April.

Mining operations at Shoemaker Levy continued to focus on pit development work with commencement of waste stripping in the north and run-of-mine pad establishment works. Ore is already exposed and ready for commissioning in the south.

in United States dollars, tabular amounts in millions, except where noted

Outlook

Production guidance for 2021 is between 23,000 to 27,000 contained tonnes of nickel. The focus for the existing plant remains on improved availability, stability and recoveries. The planned transition to Shoemaker Levy is progressing and the associated risks have been mitigated.

Completion of construction and commissioning works at the Shoemaker Levy Project is the priority for the second quarter of 2021. First ore from Shoemaker Levy is still expected to be delivered to existing plant in the second quarter of 2021.

LAS CRUCES

	Q1 2021	Q4 2020	Q1 2020
Copper cathode production (tonnes)	4,726	10,234	15,293
Copper cathode sales (tonnes)	5,281	9,915	14,473
Cash cost (C1) (per lb)[2]	$2.01	$1.56	$0.87
Sales revenues	44	70	83
Gross profit (loss)	8	(11)	5
Comparative EBITDA[2]	20	35	54

[1] DMT

[2] AISC, C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. See "*Regulatory Disclosures*" for further information.

First quarter and Outlook

In August 2020, after 12 years of operations, mining activities ended with ore depletion of Phase VI. Processing of ore stockpiles completed in February 2021. Current mine life has been extended through the re-processing of high-grade tailings which commenced in February 2021 and is expected to continue until the end of 2022.

Despite significant reduction in production and sales revenues, and associated increase in unit cash costs, gross profit was $8 million for the quarter, an increase of $3 million from the first quarter of 2020.

Copper production guidance for 2021 is 12,000 tonnes.

The technical and study work on the polymetallic refinery project is expected to continue, as well as work to obtain permits required to carry out the project. The Company is also in the process of exploring the potential for commercial agreements with other mines in the region to enhance the value of the project. Environmental permits were received in 2020 and water permits are expected to be granted during 2021.

ÇAYELI

	Q1 2021	Q4 2020	Q1 2020
Copper production (tonnes)	3,947	3,534	2,990
Copper sales (tonnes)	2,786	2,672	1,776
Zinc production (tonnes)	1,747	1,943	765
Zinc sales (tonnes)	1,685	1,882	1,857
Cash cost (C1) (per lb)[1]	$0.75	$0.96	$1.62
Sales revenues	24	18	9
Gross profit (loss)	10	6	(4)
Comparative EBITDA[1]	14	9	1

[1] AISC, C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. See "*Regulatory Disclosures*" for further information.

in United States dollars, tabular amounts in millions, except where noted

First quarter and outlook

Copper production for the first quarter of 2021 was 32% higher than the same period in 2020 due to higher throughput and grade as a result of better selectivity of ore production from the block 2.

The C1 cash cost for the quarter decreased by $0.87 per lb, compared to the same quarter of 2020, mainly due to the impact of higher copper production and higher by-product credits.

The first quarter of 2021 generated a gross profit of $10 million attributable to higher sales revenues.

Production for 2021 is expected to be 11,000 tonnes of copper and 3,000 tonnes of zinc, reflecting a declining number of work areas as the mine approaches reserve depletion in 2024.

PYHÄSALMI

	Q1 2021	Q4 2020	Q1 2020
Copper production (tonnes)	953	891	1,489
Copper sales (tonnes)	988	1,079	1,406
Pyrite production (tonnes)	127,361	132,415	96,503
Pyrite sales (tonnes)	122,046	119,593	124,140
Cash cost (C1) (per lb)[1]	$1.56	$2.06	$0.86
Sales revenues	13	12	13
Gross profit	5	3	3
Comparative EBITDA[1]	5	4	4

[1] AISC, C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. See "*Regulatory Disclosures*" for further information.

First quarter and outlook

Copper production was lower in the first quarter of 2021, compared to the same quarter of 2020, mainly due to lower grade. This reflects the nearly depleted mineral reserve and the constraint on available work areas at this stage of the mine life. Gross profit for the quarter was $5 million, an increase of $2 million from the same quarter of 2020, attributable to higher realized metal prices.

Production guidance for 2021 is 2,000 tonnes of copper, 1,000 ounces of gold and 500 tonnes of zinc. The operation is also expected to produce approximately 250,000 tonnes of pyrite. Mining is expected to continue into the third quarter of 2021.

in United States dollars, tabular amounts in millions, except where noted

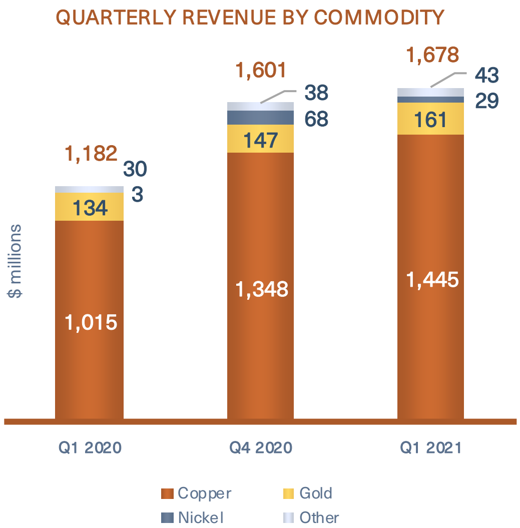
SUMMARY FINANCIAL RESULTS

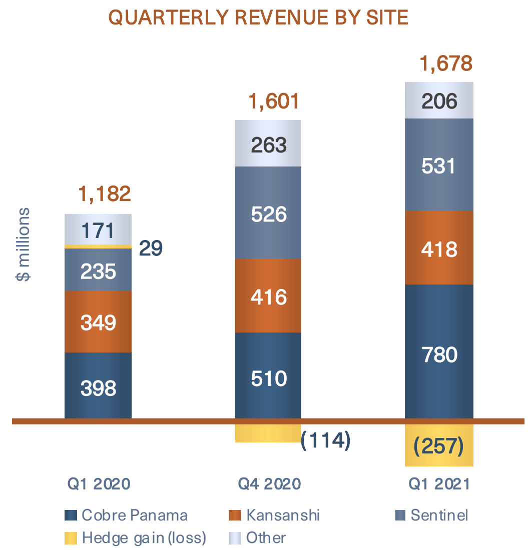
	Q1 2021	Q4 2020	Q1 2020
Sales revenues	1,678	1,601	1,182
Cost of sales	(1,138)	(1,158)	(1,035)
Gross profit	540	443	147
Exploration	(3)	(6)	(3)
General and administrative	(27)	(29)	(22)
Share of profit (loss) in joint venture	14	(4)	(16)
Other expense	(11)	(47)	(102)
Net finance expense	(171)	(189)	(184)
Loss on redemption of senior notes	-	(3)	(2)
Adjustment for expected phasing of Zambian VAT	8	5	37
Earnings before income taxes	350	170	(145)
Income tax credit (expense)	(156)	(147)	50
Net earnings (loss)	194	23	(95)
Net earnings (loss) attributable to:			
Non-controlling interests	52	14	(33)
Shareholders of the Company	142	9	(62)
Comparative earnings (loss)	150	53	(79)
Earnings (loss) per share			
Basic	$0.21	$0.01	($0.09)
Diluted	$0.21	$0.01	($0.09)
Comparative	$0.22	$0.08	($0.11)
Basic weighted average number of shares (in 000's)	688,771	688,939	688,093

in United States dollars, tabular amounts in millions, except where noted

SALES REVENUES

First Quarter





Sales revenues for the first quarter of 2021 of $1,678 million were 42%, or $496 million higher than the comparable quarter of 2020, reflecting an increase in copper sales revenues of $430 million and $26 million increase in nickel sales revenues following the restart of Ravensthorpe.

Copper sales revenues of $1,445 million were 42%, or $430 million, higher than the comparable period reflecting a significant increase in sales volumes at Cobre Panama, and a 29% higher net realized copper price. Copper sales revenues include a $250 million loss, $0.54 per lb, on the copper sales hedge program, compared with a gain of $26 million, $0.06 per lb, in the comparable period in 2020.

The realized price for copper of $3.25 per lb for the first quarter of 2021 was 27% higher than the same period in 2020. This compares to an increase of 51% in the average LME price of copper for the same period, to $3.86 per lb.

Copper selling price (per lb)	Q1 2021	Q4 2020	Q1 2020
Average LME cash price	$3.86	$3.25	$2.56
Realized copper price	$3.25	$2.97	$2.56
Treatment/refining charges ("TCRC") (per lb)	($0.12)	($0.11)	($0.11)
Freight charges (per lb)	($0.02)	($0.04)	($0.03)
Net realized copper price	$3.11	$2.82	$2.42

Gold sales revenues were 20%, or $27 million, higher than comparable period in 2020, reflecting a 5% increase in gold sales volumes, attributable to Cobre Panama, which contributed $89 million, an increase of $25 million, and higher realized gold prices. Cobre Panama gold and silver revenues of $108 million include $38 million of gold and silver revenues recognized under the precious metal stream, with an associated $56 million cost for the purchase of refinery-backed gold and silver credits to satisfy the obligation recognized within cost of sales.

in United States dollars, tabular amounts in millions, except where noted

Gold selling price (per oz)	Q1 2021	Q4 2020	Q1 2020
Average LMBA cash price	$1,796	$1,876	$1,583
Net realized gold price[1]	$1,661	$1,771	$1,488

[1] Excludes gold revenues recognized under the precious metal stream arrangement

Nickel sales revenues of $29 million for the first quarter of 2021 include a $7 million loss on the nickel sales hedge program, $1.52/lb. Sales in the quarter were impacted by global shipping congestion with one shipment delayed from March until April.

Nickel selling price (per payable lb)	Q1 2021	Q4 2020	Q1 2020
Average LME cash price	$7.97	$7.23	$5.77
Net realized nickel price	$6.67	$7.11	-

Given the volatility in commodity prices, significant variances can arise between average market price and net realized prices due to the timing of sales during the period. Realized metal prices are not measures recognized under IFRS. Refer to *"Regulatory Disclosures"*.

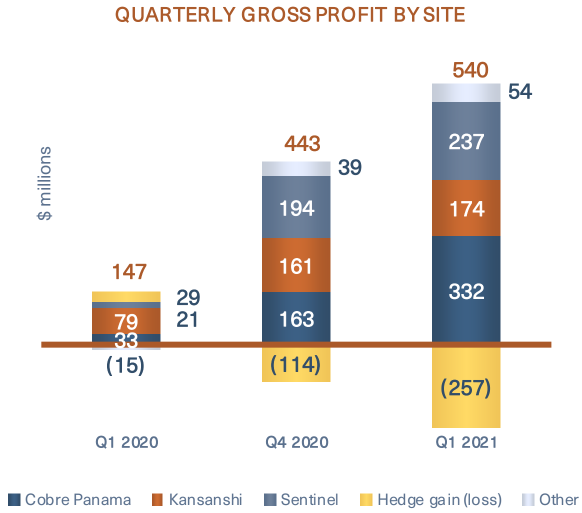
Details of the Company's hedging program and the contracts held are included on page 25.

GROSS PROFIT

Gross profit for the quarter of $540 million was $393 million higher than the first quarter of 2020, based on higher metal prices, higher contribution from Cobre Panama and lower operating costs.

Gross profit in Q1 2020	147
Higher metal prices	613
Movement in hedge program	(286)
Higher sales volumes	15
Higher by-product contribution	2
Lower cash costs	16
Higher Zambian royalty rate	(13)
Decrease in depreciation	25
Positive impact of foreign exchange on operating costs	21
Gross profit in Q1 2021[1]	540

[1] Gross profit is reconciled to comparative EBITDA by including exploration costs of $3 million, general and administrative costs of $27 million, other income of $4 million, adding back depreciation of $286 million, foreign exchange loss of $11 million (a reconciliation of comparative EBITDA is included in *"Regulatory Disclosures"*).



Gross profit for the first quarter of 2021 of $540 million, an increase of $393 million, or 267%, from the same period in 2020, is driven by an increase in sales volumes at Cobre Panama, higher realized prices, lower cash costs, favourable foreign exchange and restart costs incurred at Ravensthorpe in the comparative period. Gross profit included $332 million from Cobre Panama, compared with $33 million for the comparable period in 2020, reflecting increased sales volumes and realized prices. All copper operations reported increased gross profit. A loss of $257 million was recognized in the quarter on the corporate sales hedge program, compared to a $29 million gain in the first quarter of 2020.

NET EARNINGS

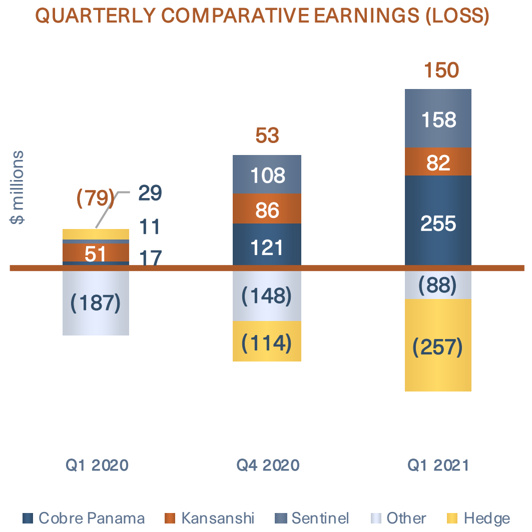
Net earnings attributable to shareholders of the Company of $142 million, was $204 million higher than the same period in 2020. Net finance expense of $171 million was $13 million lower than the first quarter of 2020 as debt levels continued to decrease.

An $8 million credit reflecting the expected phasing of the Zambian VAT has been recognized, compared with a credit of $37 million recognized in the first quarter of 2020, which represented the expected phasing of receipts, and the impact of foreign exchange, using a ZMW risk-free rate. Other expense of $11 million is principally attributable to foreign exchange losses arising on translating the Zambian VAT receivable. A $14 million share of the profit in Korea Panama Mining Corp ("KPMC") has been recognized in the period, for which a loss of $16 million was recognized in the comparable period in 2020.

An income tax expense of $156 million has been recognized in the first quarter of 2021, compared with an income tax credit of $50 million recognized in the first quarter of 2020, reflecting applicable statutory tax rates, which range from 20% to 35% for the Company's operations. No tax credits have been recognized with respect to losses of $257 million realized under the Company's copper and nickel sales hedge program. The effective tax rate for the quarter excluding the impact of interest expense was 29%.

in United States dollars, tabular amounts in millions, except where noted

COMPARATIVE EARNINGS



Comparative earnings for the quarter ended March 31, 2021 of $150 million is an increase from comparative loss of $79 million in the same period in 2020. Comparative earnings per share of $0.22 compares to comparative loss per share of $0.11 in the same period in 2020. Net finance expense of $171 million, compares to $184 million expensed in the same quarter of 2020. A reconciliation of comparative metrics is included in "*Regulatory Disclosures*".

LIQUIDITY AND CAPITAL RESOURCES

	Q1 2021	Q4 2020	Q1 2020
Cash flows from operating activities	743	533	473
Cash flows used by investing activities	(163)	(245)	(168)
Cash flows from (used by) financing activities	(506)	(291)	322
Exchange gains (losses) on cash and cash equivalents	-	2	(5)
Net cash inflow (outflow)	74	(1)	622
Cash balance	988	914	1,145
Total assets	24,265	24,236	25,064
Total current liabilities	2,525	2,435	2,267
Total long-term liabilities	11,623	11,766	12,002
Net debt[1]	7,062	7,409	7,615
Cash flows from operating activities per share[1]	$1.08	$0.77	$0.69

[1] Cash flows per share and Net debt are not recognized under IFRS. See "*Regulatory Disclosures*" for further information.

Cash flows from operating activities

Cash flows from operating activities of $743 million for the first quarter of 2021 were $270 million higher than the same quarter of 2020, reflecting higher earnings, partially offset by $40 million related to the purchase of treasury shares to satisfy long-term incentive plans.

Cash flows used by investing activities

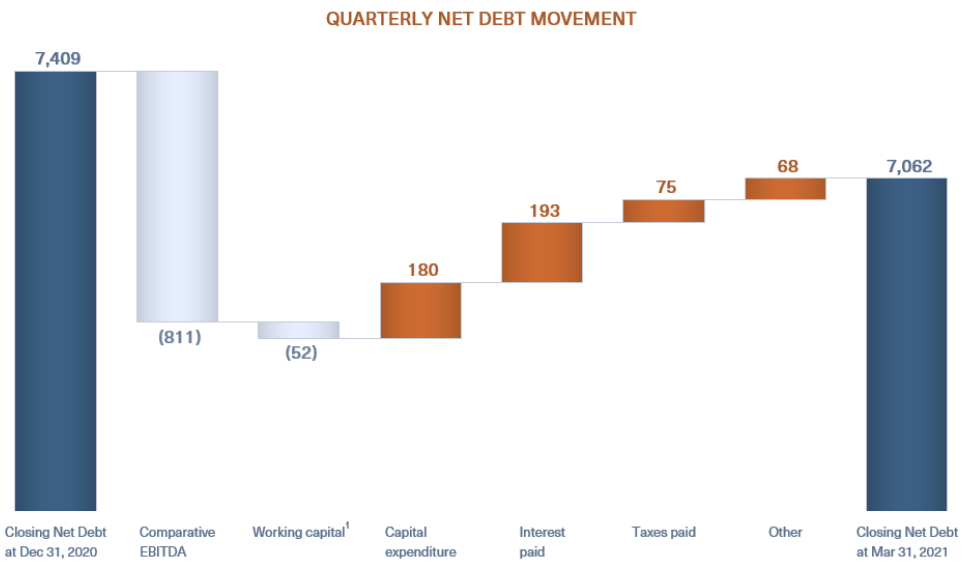
Cash flows used by investing activities in the first quarter of 2021 of $163 million were $5 million lower than the same period in 2020. Cash flows used mainly related to purchase and deposits on property, plant and equipment.

Cash flows from financing activities

Cash flows used by financing activities of $506 million for the first quarter of 2021 included $90 million proceeds of debt and $367 million repayments of debt and trading facilities.

Interest paid of $193 million is included within cash flows from financing activities in the year, comparable to $226 million of interest paid in first quarter of 2020. In addition, $31 million was paid to KPMC, a 50:50 joint venture between the Company and Korea Resources Corporation ("KORES").

Liquidity



[1] Includes $40 million outflow related to long-term incentive plans.

Net debt decreased by $347 million during the quarter, to $7,062 million. The Company signed a bilateral borrowing facility for $175 million in April, 2021, available for 12 months from the date of signing.

Foreign exchange risk arises from transactions denominated in currencies other than USD. The USD/ZMW exchange rate has had the greatest impact on the Company's cost of sales, as measured in USD. A 10% movement in the USD/ZMW exchange rate would impact the Company's cost of sales by approximately $20 million per year. Movements in the USD/ZMW exchange rate would also result in the revaluation of balance sheet items, including the VAT receivable by the Company's Zambian operations.

The Company actively manages all capital spending and operating costs while maintaining a high level of safety and productivity. Operating costs at all sites have been and are continuously being reviewed to identify opportunities to further reduce costs. As at March 31, 2021, the Company has hedged 15 million litres of Ultra Low Sulphur Diesel at an average price of $0.34 per litre with maturities to April 2021, as part of the companywide cost management strategy.

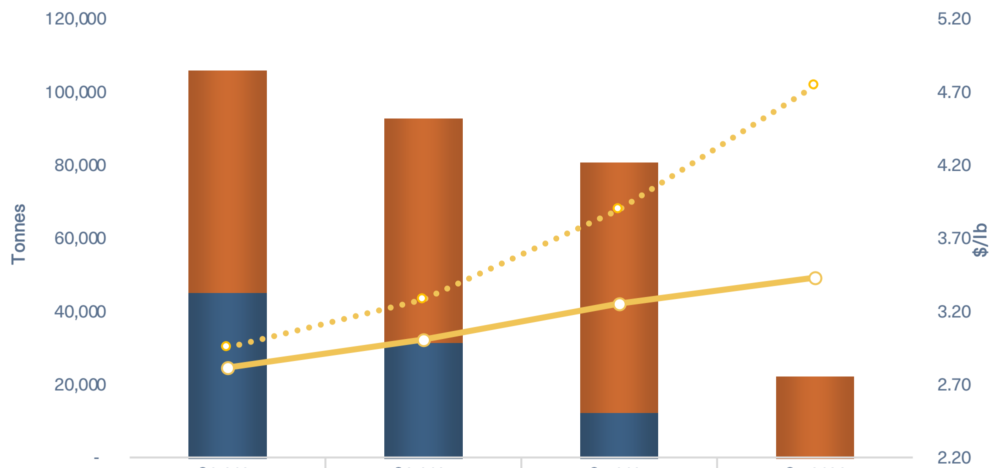
The Company's credit rating at two agencies was recently upgraded. Fitch upgraded the previous B- rating to B with a stable outlook, as announced on April 6, 2021. S&P upgraded the previous CCC+ rating to B with a stable outlook, as announced on April 9, 2021. The upgrade at both agencies was attributed to the Company's mitigation of the impacts of COVID-19 in 2020, continued improvements in the Company's financial profile and deleveraging, strong operational performance, and the positive outlook on copper prices driven by robust demand forecasts. In addition, Moody's Investor Service announced the withdrawal of the Company's unsolicited and non-participating rating on April 8, 2021. The rating has been unsolicited and non-participating for over three years.

in United States dollars, tabular amounts in millions, except where noted

The Company has entered into derivative contracts to ensure that the exposure to the price of copper on future sales is managed to ensure stability of cash flows. At April 27 2021, the Company had unmargined copper forward sales contracts for 89,125 tonnes at an average price of $2.88 per lb outstanding with periods of maturity to December 2021. In addition, the Company has zero cost copper collar unmargined sales contracts for 212,950 tonnes at weighted average prices of $3.10 per lb to $3.67 per lb outstanding with maturities to March 2022.

At April 27, 2021, the Company also had unmargined nickel forward sales contracts for 1,092 tonnes at an average price of $7.13 per lb outstanding with maturities to October 2021. In addition, the Company has zero cost nickel collar unmargined sales contracts for 500 tonnes at weighted average prices of $7.50 per lb to $8.55 per lb outstanding with maturities to August 2021.

Copper Sales Hedge Profile - April 27, 2021



	Q2 2021	Q3 2021	Q4 2021	Q1 2022
Collar contracts	60,825	61,375	68,250	22,500
Forward contracts	45,000	31,625	12,500	-
Floor	2.82	3.00	3.26	3.43
Potential Upside	2.96	3.28	3.90	4.74

Approximately 35% of expected copper sales for the next 12 months are hedged to unmargined forward and zero cost collar sales contracts, at an average floor price of $3.04 per lb.

These, together with expected future cash flows, support the Company's belief in its ability to meet current obligations as they become due, and to have sufficient liquidity through the next 12 months to carry out its operating and capital expenditure plans. The Company was in full compliance with all its financial covenants at March 31, 2021, and expects to remain in compliance throughout the next 12 months. The Company continues to take action to manage operational and price risk and further strengthen the balance sheet, including through strategic initiatives and use of the copper sales hedge program.

At March 31, 2021, the Company had total commitments of $130 million, all of which related to the 12 months following the period end.

in United States dollars, tabular amounts in millions, except where noted

Contractual and other obligations as at March 31, 2021 are as follows:

	Carrying Value	Contractual Cashflows	< 1 year	1 – 3 years	3 – 5 years	Thereafter
Debt – principal repayments	7,886	7,931	561	3,520	2,350	1,500
Debt – finance charges	-	1,949	499	799	445	206
Trading facilities	164	164	164	-	-	-
Trade and other payables	706	706	706	-	-	-
Derivative instruments	554	554	554	-	-	-
Liability to joint venture[1]	1,325	2,323	-	-	-	2,323
Joint venture consideration	96	100	100	-	-	-
Current taxes payable	234	234	234	-	-	-
Deferred payments	41	41	4	8	8	21
Leases	27	31	8	13	6	4
Commitments	-	130	130	-	-	-
Restoration provisions	808	1,147	40	49	48	1,010
	11,841	15,310	3,000	4,389	2,857	5,064

[1] Refers to distributions to KPMC, a joint venture that holds a 20% non-controlling interest in Minera Panama SA ("MPSA"), of which the Company has joint control, and not scheduled repayments.

EQUITY

At the date of this report, the Company had 690,414,689 shares outstanding.

HEDGING PROGRAMS

The Company has hedging programs in respect of future copper and nickel sales, future fuel purchases, and provisionally priced sales contracts. Below is a summary of the fair values of unsettled derivative financial instruments for commodity contracts recorded on the consolidated balance sheet.

Commodity contracts	March 31, 2021	December 31, 2020
Asset position	25	8
Liability position	(554)	(452)

	Open Positions (tonnes/ozs/ litres)	Average Contract price	Closing Market price	Maturities Through
Commodity contracts:				
Copper forward	89,125	$2.88/lb	$4.01/lb	December 2021
Copper zero cost collar	182,950	$3.03 - $3.50/lb	$4.01/lb	March 2022
Nickel forward	1,092	$7.13/lb	$7.30/lb	October 2021
Nickel zero cost collar	500	$7.50 - $8.55/lb	$7.30/lb	August 2021
Fuel forward	15,102,150	$0.34/lt	$0.47/lt	April 2021

During the quarter ended March 31, 2021, a loss for settled hedges of $257 million was realized through sales revenues. Fair value losses on outstanding contracts of $463 million have been recognized as a net derivative liability at March 31, 2021.

in United States dollars, tabular amounts in millions, except where noted

Provisional pricing and derivative contracts

A portion of the Company's metal sales is sold on a provisional pricing basis whereby sales are recognized at prevailing metal prices when title transfers to the customer and final pricing is not determined until a subsequent date, typically two months later. The difference between final price and provisional invoice price is recognized in net earnings. In order to mitigate the impact of these adjustments on net earnings, the Company enters into derivative contracts to directly offset the pricing exposure on the provisionally priced contracts. The provisional pricing gains or losses and offsetting derivative gains or losses are both recognized as a component of cost of sales. Derivative assets are presented in other assets and derivative liabilities are presented in other liabilities with the exception of copper and gold embedded derivatives which are included within accounts receivable.

As at March 31, 2021, the following derivative positions in provisionally priced sales and commodity contracts not designated as hedged instruments were outstanding:

	Open Positions (tonnes/ozs)	Average Contract price	Closing Market price	Maturities Through
Embedded derivatives in provisionally priced sales contracts:				
Copper	162,503	$3.91/lb	$4.01/lb	July 2021
Gold	48,404	$1,730/oz	$1,691/oz	July 2021
Nickel	482	$7.57/lb	$7.30/lb	May 2021
Commodity contracts:				
Copper	162,175	$3.91/lb	$4.01/lb	July 2021
Gold	48,404	$1,730/oz	$1,691/oz	July 2021
Nickel	482	$7.57/lb	$7.30/lb	May 2021

As at March 31, 2021, substantially all of the Company's metal sales contracts subject to pricing adjustments were hedged by offsetting derivative contracts.

Zambian VAT

The total VAT receivable accrued by the Company's Zambian operations as at March 31, 2021, was $373 million, of which $178 million relates to Kansanshi.

Offsets of $17 million against other taxes due have been granted during the quarter ended March 31, 2021. In the quarter ended March 31, 2020, offsets of $29 million were granted. Future recoveries of Zambian VAT receivable balances due to the Company may be received in cash, offset of other tax liabilities or similar forms.

The Company considers that the outstanding VAT claims are fully recoverable and all VAT balances due to the Zambian operations are non-current. The Minister of Finance has reaffirmed that the Government of the Republic of Zambia ("GRZ") remains committed to settling outstanding VAT claims and the Company continues to engage in regular discussions with the relevant government authorities.

An $8 million credit adjustment for Zambian VAT receipts was recognized, representing the expected phasing of receipts, and the impact of foreign exchange, using a ZMW risk-free rate. A credit of $80 million had previously been recognized in the twelve months ended December 31, 2020. An unrealized foreign exchange loss of $15 million has been recognized against the receivable in the quarter ended March 31, 2021.

in United States dollars, tabular amounts in millions, except where noted

	March 31, 2021	December 31, 2020
Receivable at date of claim	886	855
Impact of depreciation of Zambian Kwacha against U.S. dollar	(394)	(379)
Receivable at the period end exchange rate	492	476
Adjustment for expected phasing for non-current portion	(119)	(127)
Total VAT receivable	373	349
Consisting:		
Current portion, included within trade and other receivables	-	-
Non-current VAT receivable	373	349

Aging analysis of VAT receivable for the Company's Zambian operations

	< 1 year	1-3 years	3-5 years	5-8 years	Total
Receivable at date of claim[1]	199	359	118	210	886
Impact of depreciation of Zambian Kwacha against U.S. dollar	(25)	(156)	(67)	(146)	(394)
Non- current VAT due	174	203	51	64	492
Adjustment for expected phasing of Zambian VAT receipts	(40)	(51)	(12)	(16)	(119)
Total VAT receivable from Zambian operations	134	152	39	48	373

[1]The movement in VAT receivable at date of claim is net of offsets received in three months ended March 31, 2021, of $17 million.

Changes to Zambian VAT regime

There were no material changes to the mining tax and royalty regimes announced in the quarter. Mineral royalties continue to be non-deductible for tax, and tax rates remain unchanged.

Two previously unannounced changes were introduced by statutory instruments in January 2021. Firstly, a zero rating order for VAT on petrol and diesel, to reduce the VAT charged to 0%, previously charged at a rate of 16%. Secondly, the excise duty on petrol and diesel was suspended from January 15, 2021, until October 1, 2021. The Energy Regulation Board has also communicated increases of other tariffs charged on fuel. Overall, these changes do not appear to have a material impact on the overall cost of fuel.

Pre-February 2015 VAT Receivable

In February 2015, the GRZ implemented a change in the Statutory Instrument regarding VAT on exports from Zambia. Claims totalling ZMW 1,387 million (currently equivalent to $63 million) made by Kansanshi prior to this date remain outstanding. ZMW 357 million (currently equivalent to $16 million) of the VAT refunds for this period remain under dispute, stemming from the application of discretionary rules established and applied by the Zambia Revenue Authority. The Company is in regular discussions with the relevant government authorities and continues to consider that the outstanding claims are fully recoverable. ZMW 122 million (currently equivalent to $6 million) of offsets received in the fourth quarter of 2020 were allocated to pre February 2015 outstanding refunds. Cash and offsets totalling ZMW 3,696 million (equivalent to $314 million, based on the receivable value at date of claim) have been received to date for claims subsequent to February 2015 by Kansanshi.

JOINT VENTURE

On November 8, 2017, the Company completed the purchase of a 50% interest in KPMC from LS-Nikko Copper Inc. KPMC is jointly owned and controlled with KORES and holds a 20% interest in Cobre Panama. The purchase consideration of $664 million comprised the acquisition consideration of $635 million and the reimbursement of cash advances of $29 million with $179 million paid on closing. The remaining consideration is payable in November 2021 and included within trade and other payables.

A $558 million investment in the joint venture representing the discounted consideration value and the Company's proportionate share of the profit or loss in KPMC to date. For the quarter ended March 31, 2021, the profit attributable to KPMC was $28 million (March 31, 2020: loss of $32 million). The profit in KPMC relates to the 20% equity accounted share of profit reported by MPSA, a subsidiary of the Company. The material assets and liabilities of KPMC are an investment in MPSA of $297 million, shareholder loans receivable from the Company and shareholder loans payable of $1,325 million due to the Company and its joint venture partner KORES.

At March 31, 2021, the Company's subsidiary, Minera Panama SA., owed to KPMC $1,325 million (December 31, 2020: $1,327 million and December 31, 2019: $1,238 million). Interest is accrued at an annual interest rate of 9%, unpaid interest is capitalized to the outstanding loan on a semi-annual basis. The loan matures on June 30, 2029.

PRECIOUS METAL STREAM ARRANGEMENT

Arrangement overview

The Company, through its subsidiary, MPSA, has a precious metal streaming arrangement with Franco-Nevada. The arrangement comprises two tranches. Under the first phase of deliveries under the first tranche ("Tranche 1") Cobre Panama will supply Franco-Nevada 120 ounces of gold and 1,376 ounces of silver for each 1 million pounds of copper produced, deliverable within 5 days of eligible copper concentrate sales. Under the first phase of deliveries under the second tranche ("Tranche 2") Cobre Panama will supply Franco-Nevada a further 30 ounces of gold and 344 ounces of silver for each 1 million pounds of copper produced, deliverable within 5 days of eligible copper concentrate sales.

Tranche 1 was amended and restated on October 5, 2015, which provided for $1 billion of funding to the Cobre Panama project. Under the terms of Tranche 1, Franco-Nevada, through a wholly owned subsidiary, agreed to provide a $1 billion deposit to be funded on a pro-rata basis of 1:3 with the Company's 80% share of the capital costs of Cobre Panama in excess of $1 billion. The full Tranche 1 deposit amount has been fully funded to MPSA. Tranche 2 was finalized on March 16, 2018, and $356 million was received on completion. Proceeds received under the terms of the precious metals streaming arrangement are accounted for as deferred revenue.

In all cases, the amount paid is not to exceed the prevailing market price per ounce of gold and silver.

The Company commenced the recognition of delivery obligations under the terms of the arrangement in September 2019 following the first sale of copper concentrate. Deferred revenue will continue to be recognized as revenue over the life of the mine, which is expected to be 34 years. The amount of precious metals deliverable under both tranches is indexed to total copper-in-concentrate sold by Cobre Panama.

in United States dollars, tabular amounts in millions, except where noted

Gold Stream		
	TRANCHE 1	TRANCHE 2
Delivered (oz)	0 to 808,000	0 to 202,000
Delivery terms	120 oz of gold per one million pounds of copper	30 oz of gold per one million pounds of copper
Threshold	First 1,341,000 oz	First 604,000 oz
Ongoing cash payment	$437.37/oz (+1.5% inflation)	20% market price
Silver Stream		
	TRANCHE 1	TRANCHE 2
Delivered (oz)	0 to 9,842,000	0 to 2,460,500
Delivery terms	1,376 oz of silver per one million pounds of copper	344 oz of silver per one million pounds of copper
Threshold	First 21,510,000 oz	First 9,618,000 oz
Ongoing cash payment	$6.56/ oz (+1.5% inflation)	20% market price

Under the first threshold of deliveries, the above Tranche 1 ongoing cash payment terms are for approximately the first 20 years of expected deliveries, thereafter the greater of $437.37 per oz for gold and $6.56 per oz for silver, subject to an adjustment for inflation, and one half of the then prevailing market price. Under the first threshold of deliveries, the above Tranche 2 ongoing cash payment terms are for approximately the first 25 years of production, and thereafter the ongoing cash payment per ounce rises to 50% of the spot price of gold and silver.

Accounting

Gold and silver produced by the mine, either contained in copper concentrate or in doré form, are sold to off-takers and revenue recognized accordingly. 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.

Gold and silver revenues recognized under the terms of the precious metal streaming arrangement are indexed to copper sold from the Cobre Panama mine, and not gold or silver production. Gold and silver revenues recognized in relation to the precious metal streaming arrangement comprise two principal elements;

- the non-cash amortization of the deferred revenue balance,
- the ongoing cash payments received, as outlined in the above section.

Obligations under the precious metal streaming arrangement are satisfied with the purchase of refinery-backed gold and silver credits, the cost of which is recognized within cost of sales. Refinery-backed credits purchased and delivered are excluded from the gold and silver sales volumes disclosed and realized price calculations.

in United States dollars, tabular amounts in millions, except where noted

C1 and AISC include the impact of by-product credits which include both gold and silver revenues earned under the precious metal stream arrangement and revenues earned on the sales of mine production of gold and silver. Also included is the cost of refinery-backed gold and silver credits, purchased at market price, to give a net gold and silver by-product credit.

	Q1 2021	Q4 2020	Q1 2020
Gold and silver revenue – cash	15	9	9
Gold and silver revenue – non cash amortization	23	15	19
Total gold and silver revenues - precious metal stream	38	24	28
Cost of refinery-backed credits for precious metal stream included in cost of sales	(56)	(39)	(37)

MATERIAL LEGAL PROCEEDINGS

Panama constitutional proceedings

In February 1996, the Republic of Panama and MPSA, now a Panamanian subsidiary of the Company, entered into a mining concession contract in respect of the Cobre Panama project.

On February 26, 1997, Contract-Law No. 9 (“Law 9”) was passed by the Panamanian National Assembly. Law 9 granted the status of national law to the mining concession contract, establishing a statutory legal and fiscal regime for the development of the Cobre Panama project. On December 30, 2016, the Government of Panama signed and issued Resolution No. 128 by which it extended the mining concession contract held by MPSA for a second 20-year term commencing March 1, 2017 up to February 28, 2037. The Company remains eligible for consideration of a third 20-year term of the MPSA mining concession contract commencing March 1, 2037.

In September 2018, the Company became aware of a ruling of the Supreme Court of Panama (“Supreme Court”) in relation to the constitutionality of Law 9. The Company understands that the ruling of the Supreme Court with respect to the constitutionality of Law 9 relates to the enactment of Law 9 and does not affect the legality of the MPSA mining concession contract itself, which remains in effect, and allows continuation of the development and operation of the Cobre Panama project by MPSA.

In respect of the Supreme Court ruling on Law 9, which remains subject to various procedural processes, the Company notes the following:

- The ruling is not yet in effect.
- The Supreme Court decision was in respect of ongoing legal filings made since 2009 with regard to specific environmental petitions.
- In reviewing the process of approval of Law 9 of 1997, the Supreme Court found that the National Assembly had failed to consider whether Law 9 complied with applicable legislation at the time, namely Cabinet Decree 267 of 1969.
- The applicable Cabinet Decree of 1969, which was repealed in 1997 by Law 9, required the Ministry of Commerce and Industry (“MICI”) to issue a request for proposals before awarding the Law 9 mining concession.
- The Attorney General of Panama has provided two formal opinions favourable to the constitutionality of Law 9 as required in this type of proceedings by Panamanian law.
- The Supreme Court ruling did not make a declaration as to the annulment of the MPSA mining concession contract.

Subsequently, MPSA has submitted filings to the Supreme Court for ruling, which it has accepted, prior to the ruling in relation to the constitutionality of Law 9 taking effect. On September 26, 2018, the Government of Panama issued a news release affirming support for Cobre Panama. The release confirmed that MICI considers that the MPSA mining concession contract, and its extension, remains in effect in all its parts while the Company seeks to clarify the legal position. (The MICI release is available at www.twitter.com/MICIPMA/status/1044915730209222657).

The current Government of Panama, inaugurated on July 1, 2019, has established a multidisciplinary high-level commission including the Minister of Commerce and Industries (mining regulator), Minister of Environment, and Minister of Employment to discuss the Law 9 matter and seek resolution. Based on support from the Government of Panama, the Chamber of Commerce and Industries of Panama, the Panamanian Mining Chamber, other Panamanian business and industry chambers and its legal advice, the Company is confident of resolving the Law 9 matter in the near-medium term.

Zambian power

In June 2018, without any warning, ZESCO reduced power supply to the Kansanshi operation. The reduction was due to Kansanshi and Sentinel's rejection of ZESCO's demand for payment of higher tariffs, contrary to the existing contractual agreements between the parties.

On June 26, 2018, Kansanshi sought an injunction against ZESCO before the English courts, as the contracts on tariff are governed by English law. On June 28, 2018, ZESCO resisted the application and requested an extension to respond. On July 6, 2018, the Court awarded Kansanshi's request by way of a sanctioned consent order ("Order") which requires ZESCO to restore the full capacity as demanded by Kansanshi. In turn, Kansanshi is required to deposit the difference between the contractual tariff and the disputed higher tariff into a segregated account until an arbitration between Kansanshi and ZESCO on these facts are concluded. The Order continues to apply as ZESCO is restrained from making any reductions without incurring further sanction from the Court.

On August 22, 2018, Kansanshi served on ZESCO a Notice of Arbitration in respect of these facts. A procedural timetable of the arbitration has been agreed, with the merits hearing set for June 2020. Pursuant to the Procedural Order, Kansanshi has submitted its Statement of Claim and ZESCO has submitted its response and the parties have exchanged evidence. Following exchange of documents, witness statements were submitted on January 31, 2020. Due to the COVID-19 global pandemic the hearing, originally scheduled for the week of June 15, 2020 was rescheduled for the week of February 15, 2021. Kansanshi continues to be supported by the English Court Order against reductions in power supply until the arbitration dispute is resolved. Due to the continuing COVID-19 restrictions, the hearing has again been rescheduled for July 2021 in London.

Despite this dispute, the Company's operations generally maintain a constructive relationship with ZESCO, particularly with regards to the management of technical and supply issues. Operational and technical dialogue between the parties is expected to continue in the normal course.

Kansanshi minority partner

In October 2016, the Company, through its subsidiary Kansanshi Holdings Limited, received a Notice of Arbitration from ZCCM International Holdings PLC ("ZCCM") under the Kansanshi Mining PLC ("KMP") Shareholders Agreement. ZCCM is a 20% shareholder in KMP and filed the Notice of Arbitration against Kansanshi Holdings Limited ("KHL"), the 80% shareholder, and against KMP. The Company also received a Statement of Claim filed in the Lusaka High Court naming additional defendants, including the Company, and certain directors and an executive of the named corporate defendants. Aside from the parties, the allegations made in the Notice of Arbitration and the High Court for Zambia were the same. The Company is firmly of the view that the allegations are in their nature inflammatory, vexatious and untrue.

The dispute was stated as a request for a derivative action, requiring ZCCM to obtain permission to proceed in each forum of the Arbitration and the Lusaka High Court. The dispute arose from facts originating in 2007, and concerned the rate of interest paid on select deposits by KMP with the Company. The deposits were primarily retained for planned investment by KMP in Zambia. In particular, KMP deposits were used to fund a major investment program at Kansanshi, including the successful construction and commissioning of the Kansanshi smelter and expansion of the processing plant and mining operations. The entirety of the deposit sums has been paid down from the Company to KMP, with interest. The interest was based on an assessment of an arm's length fair market rate, which is supported by independent third-party analysis. ZCCM disputed that interest rate paid to KMP on the deposits was sufficient.

In July 2019, the Arbitral Tribunal issued a final award in favour of KMP (the "Arbitral Award"). The parties have reached an agreement on costs, in total exceeding US$1 million payable by ZCCM, bringing this particular matter to an end.

In parallel, several preliminary procedural applications to dismiss the High Court Action were lodged on behalf of the Company, and other defendants, in the Lusaka High Court. By a decision dated January 25, 2018, the Lusaka High Court used its discretion to rectify ZCCM's procedural errors. The Court granted leave to the Company, FQM Finance, a wholly-owned subsidiary of the Company, and the individual defendants to appeal against this decision and the litigants have agreed to a stay pending the appeal. The appeal hearing took place on November 21, 2018, with submissions made by all parties. The Court of Appeal delivered judgment on January 11, 2019, dismissing the appeal. An appeal to the Supreme Court of Zambia was heard on April 24, 2019, and has been dismissed. The High Court was scheduled to resume hearing two further procedural applications, including whether ZCCM is allowed to maintain the derivative action. However, before these hearings could take place the defendants brought an application requesting dismissal of the case on grounds of abuse of process/ res judicata, on the basis that the action cannot be allowed to continue for risk of producing conflicting judgment from the London arbitration, which has already adjudicated the facts of this particular complaint. ZCCM objected to the defendants' application. ZCCM also tried to bring an application to set aside the registration of the Arbitral Award in Zambia. The defendants' resisted this application. Both applications had an oral hearing in October 2019.

However, after the October 2019 hearing, ZCCM pursued a challenge to the registration of the Arbitral Award on grounds that it was not enforceable because it had complied with the costs payment order of the Arbitral Award. KMP opposed ZCCM's challenge and made submissions to the Registrar that an Arbitration Award is eligible for registration despite compliance with costs orders. On February 13, 2020, the Registrar accepted KMP's position and dismissed ZCCM's challenge to the registration of the Arbitration Award. Accordingly, the Lusaka High Court proceeded to rule on the abuse of process application. By way of a ruling dated March 23, 2020, the Lusaka High Court agreed with KMP's application that the process, if it were to be allowed to continue before it, would risk conflicting judgements and would be res judicata. Accordingly, ZCCM's derivative action case was dismissed, with costs awarded to KMP against ZCCM. On April 6, 2020, ZCCM sought permission to appeal to the Court of Appeal on grounds that the High Court judge erred in fact and in law. KMP objects to the appeal, and the matter remains pending. The Court of Appeal has delivered its judgment on January 13, 2021, dismissing all grounds of appeal with the exception of one ground raised by the ZCCM-IH and awarded costs to the Defendants. With regards to the remaining ground, the Court of Appeal held that the determination of this ground of appeal would be inconsequential as the matter should have been determined earlier than now and is therefore now moot. On February 9 2021, ZCCM sought leave to appeal the decision of the Court of Appeal to the Supreme Court of Zambia. The defendants challenge the leave application.

In addition, on November 11, 2019, Kansanshi Holding Ltd (KHL) filed a UNCITRAL Rules based Request for Arbitration against ZCCM and KMP (as Nominal Respondent) in connection with a Cash Management Services Agreement dated August 19, 2019. KHL seeks a declaration that the CMSA is an arm's length contract. The CMSA provides for cash management services whereby KMP would deposit with the Group's treasury subsidiary certain of its cash balances for management by FQML's treasury function. All cash managed and deposited is callable on demand by KMP and attracts commercial interest rates. Under the shareholder agreement between the Group and ZCCM, related party transactions are required to be on arms' length basis. This arbitration was held virtually in a hearing between October 19 to 23, 2020. On February 15, 2021, the Tribunal issued a Partial Final Award regarding contractual requirements for arm's length transactions. The partial decision is being reviewed and the parties await the Tribunal's subsequent directions in respect of the remaining issues.

Kansanshi Development Agreement

On May 19, 2020, KMP filed a Request for Arbitration against the GRZ with the International Centre for Settlement of International Disputes ("ICSID"). This arbitration is confidential. KMP's claims concern breaches of certain contractual provisions of a development agreement between GRZ and KMP (the "Development Agreement") and international law. The amount in dispute is to be quantified at a later stage, however it is believed to be material. The Tribunal is now fully consisted and has held its first Case Management Conference, setting the hearing date for the adjudication of the merits for March 14 to 18, 2022. KMP submitted its Memorial and corresponding documents on January 25, 2021.

REGULATORY DISCLOSURES

Seasonality

The Company's results as discussed in this MD&A are subject to seasonal aspects, in particular the wet season in Zambia. The wet season in Zambia generally starts in November and continues through April, with the heaviest rainfall normally experienced in the months of December, January, February and March. As a result of the wet season, pit access and the ability to mine ore is lower in the first quarter of the year than other quarters and the cost of mining is higher.

Off-balance sheet arrangements

The Company had no off-balance sheet arrangements as of the date of this report.

Non-GAAP financial measures

This document refers to cash cost (C1), all-in sustaining cost (AISC) and total cost (C3) per unit of payable production, operating cash flow per share, realized metal prices, comparative EBITDA, net debt and comparative earnings, which are not measures recognized under IFRS, do not have a standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other issuers. These measures are used internally by management in measuring the performance of the Company's operations and serve to provide additional information and should not be considered in isolation to measures prepared under IFRS.

C1, AISC and C3 are measures based on production and sales volumes for which there is no directly comparable measure under IFRS, though a reconciliation from the cost of sales, as stated in the Company's financial statements, and which should be read in conjunction with this Management Discussion and Analysis, to C1, AISC and C3 can be found on the following pages. These reconciliations set out the components of each of these measures in relation to the cost of sales for the Company as per the consolidated financial statements.

The calculation of these measures is described below, and may differ from those used by other issuers. The Company discloses these measures in order to provide assistance in understanding the results of the operations and to provide additional information to investors.

Calculation of cash cost, all-in sustaining cost, total cost, sustaining capital expenditure and deferred stripping costs capitalized

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.

Sustaining capital expenditure is defined as capital expenditure during the production phase, incurred to sustain and maintain the existing assets to achieve constant planned levels of production, from which future economic benefits will be derived. This includes expenditure for assets to retain their existing productive capacity, and to enhance assets to minimum reliability, environmental and safety standards.

in United States dollars, tabular amounts in millions, except where noted

Deferred stripping costs capitalized are defined as waste material stripping costs in excess of the strip ratio, for the production phase, and from which future economic benefits will be derived from future access to ore. Deferred stripping costs are capitalized to the mineral property, and will be depreciated on a units-of-production basis.

	Q1 2021	Q4 2020	Q1 2020
Purchase and deposits on property, plant and equipment	180	172	170
Sustaining capital expenditure and deferred stripping	85	100	63
Project capital expenditure	95	72	107
Total capital expenditure	180	172	170

in United States dollars, tabular amounts in millions, except where noted

Non-GAAP Reconciliation

The following tables provide a reconciliation of C1, C3 and AISC to the consolidated financial statements:

For the three months ended March 31, 2021	Cobre Panama	Kansanshi	Sentinel	Las Cruces	Guelb Moghrein	Çayeli	Pyhäsalmi	Copper	Corporate & other	Ravensthorpe	Total
Cost of sales[1]	**(448)**	**(244)**	**(294)**	**(36)**	**(45)**	**(14)**	**(8)**	**(1,089)**	**(5)**	**(44)**	**(1,138)**
Adjustments:											
Depreciation	134	49	69	13	10	5	-	**280**	1	5	**286**
By-product credits	108	48	-	-	27	5	4	**192**	-	3	**195**
Royalties	13	40	46	1	3	2	-	**105**	-	2	**107**
Treatment and refining charges	(29)	(6)	(14)	-	(3)	(1)	(1)	**(54)**	-	-	**(54)**
Freight costs	(1)	-	(7)	-	-	(1)	-	**(9)**	-	-	**(9)**
Finished goods	18	(14)	22	1	(3)	(2)	1	**23**	-	(23)	**-**
Other	6	2	1	-	3	(1)	1	**12**	4	1	**17**
Cash cost (C1)	(199)	(125)	(177)	(21)	(8)	(7)	(3)	**(540)**	-	(56)	**(596)**
Adjustments:											
Depreciation (excluding depreciation in finished goods)	(127)	(53)	(61)	(10)	(10)	(5)	-	**(266)**	-	(9)	**(275)**
Royalties	(13)	(40)	(46)	(1)	(3)	(2)	-	**(105)**	-	(2)	**(107)**
Other	(4)	(2)	(2)	-	-	-	-	**(8)**	-	(1)	**(9)**
Total cost (C3)	(343)	(220)	(286)	(32)	(21)	(14)	(3)	**(919)**	-	(68)	**(987)**
Cash cost (C1)	(199)	(125)	(177)	(21)	(8)	(7)	(3)	**(540)**	-	(56)	**(596)**
Adjustments:											
General and administrative expenses	(9)	(6)	(8)	(1)	-	-	-	**(24)**	-	(3)	**(27)**
Sustaining capital expenditure and deferred stripping	(22)	(26)	(33)	-	-	(1)	-	**(82)**	-	(3)	**(85)**
Royalties	(13)	(40)	(46)	(1)	(3)	(2)	-	**(105)**	-	(2)	**(107)**
Lease payments	(1)	-	-	-	-	-	-	**(1)**	-	-	**(1)**
AISC	(244)	(197)	(264)	(23)	(11)	(10)	(3)	**(752)**	-	(64)	**(816)**
AISC (per lb)	$1.40	$1.91	$2.03	$2.19	$0.93	$1.21	$1.66	**$1.72**		$7.53	
Cash cost – (C1) (per lb)	$1.15	$1.18	$1.38	$2.01	$0.62	$0.75	$1.56	**$1.24**		$6.39	
Total cost – (C3) (per lb)	$1.97	$2.13	$2.21	$3.06	$1.63	$1.68	$1.57	**$2.10**		$7.94	

[1] Total cost of sales per the interim Consolidated Statement of Earnings (Loss) in the Company's unaudited condensed interim Consolidated Financial Statements.

in United States dollars, tabular amounts in millions, except where noted

For three months ended March 31, 2020	Cobre Panama	Kansanshi	Sentinel	Las Cruces	Guelb Moghrein	Çayeli	Pyhäsalmi	Copper	Corporate & other	Ravensthorpe	Total
Cost of sales[1]	**(365)**	**(270)**	**(214)**	**(78)**	**(46)**	**(13)**	**(10)**	**(996)**	**(1)**	**(38)**	**(1,035)**
Adjustments:											
Depreciation	125	61	56	49	10	6	1	**308**	1	2	**311**
By-product credits	74	51	-	-	30	3	7	**165**	-	-	**165**
Royalties	6	24	19	1	2	-	-	**52**	-	-	**52**
Treatment and refining charges	(27)	(9)	(9)	-	(4)	(1)	(1)	**(51)**	-	-	**(51)**
Freight costs	(1)	(2)	(6)	-	-	(1)	-	**(10)**	-	-	**(10)**
Finished goods	19	(2)	(18)	(2)	(3)	(3)	-	**(9)**	-	-	**(9)**
Other	4	2	(7)	1	2	(1)	-	**1**	-	36[2]	**37**
Cash cost (C1)	(165)	(145)	(179)	(29)	(9)	(10)	(3)	**(540)**	-	-	**(540)**
Adjustments:											
Depreciation (excluding depreciation in finished goods)	(117)	(61)	(62)	(51)	(9)	(7)	(1)	**(308)**	-	(2)	**(310)**
Royalties	(6)	(24)	(19)	(1)	(2)	-	-	**(52)**	-	-	**(52)**
Other	(4)	(4)	(1)	(1)	-	-	-	**(10)**	-	-	**(10)**
Total cost (C3)	(292)	(234)	(261)	(82)	(20)	(17)	(4)	**(910)**	-	(2)	**(912)**
Cash cost (C1)	(165)	(145)	(179)	(29)	(9)	(10)	(3)	**(540)**	-	-	**(540)**
Adjustments:											
General and administrative expenses	(7)	(6)	(7)	(2)	-	-	-	**(22)**	-	-	**(22)**
Sustaining capital expenditure and deferred stripping	(14)	(18)	(25)	-	(4)	(1)	-	**(62)**	-	(1)	**(63)**
Royalties	(6)	(24)	(19)	(1)	(2)	-	-	**(52)**	-	-	**(52)**
Lease payments	(1)	(1)	(1)	-	-	-	-	**(3)**	-	-	**(3)**
Other	-	(2)	-	-	-	(1)	-	**(3)**	-	-	**(3)**
AISC	(193)	(196)	(231)	(32)	(15)	(12)	(3)	**(682)**	-	(1)	**(683)**
AISC (per lb)	$1.61	$1.65	$2.02	$0.96	$1.07	$1.94	$0.89	**$1.64**	-	-	
Cash cost – (C1) (per lb)	$1.38	$1.22	$1.55	$0.87	$0.66	$1.62	$0.86	**$1.30**	-	-	
Total cost – (C3) (per lb)	$2.44	$1.97	$2.27	$2.42	$1.42	$2.77	$1.07	**$2.19**	-	-	

[1] Total cost of sales per the interim Consolidated Statement of Earnings (Loss) in the Company's unaudited condensed interim Consolidated Financial Statements.

[2] Includes restart costs at Ravensthorpe

in United States dollars, tabular amounts in millions, except where noted

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 lb. Net realized metal price is inclusive of the treatment and refining charges (TC/RC) and freight charges per lb.

Comparative EBITDA and comparative earnings

Comparative EBITDA and comparative earnings are the Company's adjusted earnings metrics, and are used to evaluate operating performance by management. The Company believes that the comparative metrics presented are useful as the adjusted items do not reflect the underlying operating performance of its current business and are not necessarily indicative of future operating results.

Calculation of operating cash flow per share, net debt, comparative EBITDA and comparative earnings

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 comprises unrestricted cash and cash equivalents, bank overdrafts and total debt. Comparative EBITDA, comparative earnings and comparative earnings per share are non-GAAP measures which measure the performance of the Company. Comparative EBITDA, comparative earnings and comparative 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.

Net debt	Q1 2021	Q4 2020	Q1 2020
Cash and cash equivalents	1,058	950	1,515
Bank overdraft	70	36	370
Current debt	724	871	910
Debt	7,326	7,452	7,850
Net debt	7,062	7,409	7,615

Comparative EBITDA	Q1 2021	Q4 2020	Q1 2020
Operating profit	513	357	4
Depreciation	286	326	311
Other adjustments			
Foreign exchange loss	11	32	123
Other expense	-	8	2
Revisions in estimates of restoration provisions at closed sites	1	2	(6)
Total adjustments excluding depreciation	12	42	119
Comparative EBITDA	811	725	434

in United States dollars, tabular amounts in millions, except where noted

	Q1 2021	Q4 2020	Q1 2020
Net earnings (loss) attributable to shareholders of the Company	142	9	(62)
Adjustments attributable to shareholders of the Company:			
Adjustment for expected phasing of Zambian VAT	(8)	(5)	(37)
Other, including loss on debt instruments	-	8	2
Total adjustments to comparative EBITDA excluding depreciation	12	42	119
Tax and minority interest comparative adjustments	4	(1)	(101)
Comparative earnings (loss)	150	53	(79)
Earnings (loss) per share as reported	$0.21	$0.01	($0.09)
Comparative earnings (loss) per share	$0.22	$0.08	($0.11)

Significant judgments, estimates and assumptions

Many of the amounts disclosed in the financial statements involve the use of judgments, estimates and assumptions. These judgments and estimates are based on management's knowledge of the relevant facts and circumstances at the time, having regard to prior experience, and are continually evaluated. The significant judgements, estimates and assumptions applied in the preparation of the Company's interim financial statements are consistent with those disclosed in the Company's annual MD&A for the year ended December 31, 2020.

Financial instruments risk exposure

The Company's activities expose it to a variety of risks arising from financial instruments. These risks, and management's objectives, policies and procedures for managing these risks in the interim period are consistent with those disclosed in the Company's annual MD&A for the year ended December 31, 2020.

Market risks

The Company is subject to commodity price risk from fluctuations in the market prices of copper, nickel, gold, silver and other elements, interest rate risk, and foreign exchange risk. These market risks are consistent with those disclosed in the Company's annual MD&A for the year ended December 31, 2020.

Disclosure Controls and Procedures

The Company's disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is communicated to senior management, to allow timely decisions regarding required disclosure.

An evaluation of the effectiveness of the Company's disclosure controls and procedures, as defined under the rules of the Canadian Securities Administrators, was conducted as of December 31, 2020, under the supervision of the Company's Audit Committee and with the participation of management. Based on the results of the evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report in providing reasonable assurance that the information required to be disclosed in the Company's annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported in accordance with the securities legislation.

The Company's controls and procedures remain consistent with those disclosed in the Company's annual MD&A for the year ended December 31, 2020.

Internal Control over Financial Reporting

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements in compliance with IFRS. The Company's internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that accurately and fairly reflect the transactions of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS;
- ensure the Company's receipts and expenditures are made only in accordance with authorization of management and the Company's directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized transactions that could have a material effect on the annual or interim financial statements.

An evaluation of the effectiveness of the Company's internal control over financial reporting was conducted as of December 31, 2020 by the Company's management, including the Chief Executive Officer and Chief Financial Officer, based on the Control - Integrated Framework (2013) established by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. Based on this evaluation, management has concluded that the Company's internal controls over financial reporting were effective.

The Company's transactions with its related parties are disclosed in note 16 of the Company's annual financial statements for the year ended December 31, 2020.

There were no changes in the Company's business activities during the interim period ended March 31, 2021, that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable and not absolute assurance that the objectives of the control system are met. Further, the design of a control system reflects the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

in United States dollars, tabular amounts in millions, except where noted

SUMMARY QUARTERLY INFORMATION

The following unaudited tables set out a summary of quarterly and annual results for the Company:

Consolidated operations	Q2 19	Q3 19	Q4 19	2019	Q1 20	Q2 20	Q3 20	Q4 20	2020	Q1 21
Sales revenues										
Copper	836	877	1,120	**3,603**	1,015	864	1,150	1,348	**4,377**	1,445
Gold	67	86	132	**342**	134	98	158	147	**537**	161
Nickel	-	-	-	**-**	3	27	61	68	**159**	29
Other	36	24	32	**122**	30	25	33	38	**126**	43
Total sales revenues	939	987	1,284	**4,067**	1,182	1,014	1,402	1,601	**5,199**	1,678
Cobre Panama	-	210	314	**524**	398	107	440	510	**1,455**	780
Kansanshi	408	314	495	**1,581**	349	351	423	416	**1,539**	418
Sentinel	319	303	281	**1,199**	235	252	340	526	**1,353**	531
Guelb Moghrein	77	52	50	**243**	67	78	71	84	**300**	77
Ravensthorpe	-	-	-	**-**	-	19	62	75	**156**	39
Sales hedge program gain (loss)	19	18	(1)	**44**	29	86	(49)	(114)	**(48)**	(257)
Other	116	90	145	**476**	104	121	115	104	**444**	90
Total sales revenues	939	987	1,284	**4,067**	1,182	1,014	1,402	1,601	**5,199**	1,678
Gross profit	196	150	259	**790**	147	141	346	443	**1,077**	540
Comparative EBITDA	376	354	511	**1,609**	434	352	641	725	**2,152**	811
Net earnings (loss) attributable to shareholders of the Company	78	(73)	(115)	**(57)**	(62)	(156)	29	9	**(180)**	142
Comparative earnings (loss)	87	32	35	**249**	(79)	(84)	64	53	**(46)**	150
Net debt	7,304	7,579	7,675	**7,675**	7,615	7,658	7,545	7,409	**7,409**	7,062
Basic earnings (loss) per share	$0.11	($0.11)	($0.17)	**($0.08)**	($0.09)	($0.23)	$0.04	$0.01	**($0.26)**	$0.21
Comparative earnings (loss) per share	$0.13	$0.05	$0.05	**$0.36**	($0.11)	($0.12)	$0.09	$0.08	**($0.07)**	$0.22
Diluted earnings (loss) per share	$0.11	($0.11)	($0.17)	**($0.08)**	($0.09)	($0.23)	$0.04	$0.01	**($0.26)**	$0.21
Dividends declared per common share (CDN$ per share)	-	$0.005	-	**$0.010**	$0.005	-	$0.005	-	**$0.010**	$0.005
Cash flows per share from operating activities	$0.26	$0.22	$0.58	**$1.29**	$0.69	$0.23	$0.66	$0.77	**$2.34**	$1.08
Basic weighted average shares (000's)[1]	687,130	688,425	688,083	**687,596**	688,093	688,123	688,806	688,939	**688,469**	688,771
Copper statistics										
Total copper production (tonnes)	168,399	192,510	204,270	**702,148**	195,285	169,059	211,396	203,171	**778,911**	205,064
Total copper sales (tonnes)	149,333	203,827	205,964	**689,386**	189,953	159,944	197,533	217,041	**764,471**	210,734
Realized copper price (per lb)	$2.80	$2.62	$2.62	**$2.70**	$2.56	$2.60	$2.77	$2.97	**$2.74**	$3.25
TC/RC (per lb)	(0.10)	(0.12)	(0.12)	**(0.11)**	(0.11)	(0.10)	(0.10)	(0.11)	**(0.10)**	(0.12)
Freight charges (per lb)	(0.04)	(0.04)	(0.03)	**(0.04)**	(0.03)	(0.05)	(0.03)	(0.04)	**(0.04)**	(0.02)
Net realized copper price (per lb)	$2.66	$2.46	$2.47	**$2.55**	$2.42	$2.45	$2.64	$2.82	**$2.60**	$3.11
Cash cost – copper (C1) (per lb)	$1.32	$1.36	$1.24	**$1.31**	$1.30	$1.20	$1.07	$1.28	**$1.21**	$1.24
All-in sustaining cost (AISC) (per lb)	$1.77	$1.86	$1.73	**$1.78**	$1.64	$1.62	$1.48	$1.77	**$1.63**	$1.72
Total cost – copper (C3) (per lb)	$2.17	$2.20	$2.07	**$2.16**	$2.19	$2.08	$1.97	$2.20	**$2.11**	$2.10
Gold statistics										
Total gold production (ounces)	59,647	70,120	77,789	**256,913**	68,788	54,651	72,926	68,747	**265,112**	78,048
Total gold sales (ounces)[2]	56,922	71,664	79,409	**254,785**	73,782	54,591	78,013	70,905	**277,291**	77,391
Net realized gold price (per ounce)	$1,235	$1,388	$1,380	**$1,318**	$1,488	$1,604	$1,766	$1,771	**$1,662**	$1,661
Nickel statistics										
Nickel produced (contained tonnes)	-	-	-	**-**	-	1,979	5,113	5,603	**12,695**	4,642
Nickel produced (payable tonnes)	-	-	-	**-**	-	1,579	4,102	4,534	**10,215**	3,843
Nickel sales (contained tonnes)	-	-	-	**-**	-	1,791	4,986	5,343	**12,120**	2,357
Nickel sales (payable tonnes)	-	-	-	**-**	-	1,429	4,016	4,342	**9,787**	1,969
Net realized price (per payable lb)	-	-	-	**-**	-	$8.51	$6.88	$7.11	**$7.37**	$6.67

[1] Fluctuations in average weighted shares between quarters reflects shares issued and changes in levels of treasury shares held for performance share units.

[2] Excludes refinery-backed gold credits purchased and delivered under the precious metal streaming arrangement. See "*Precious Metal Stream Arrangement*".

in United States dollars, tabular amounts in millions, except where noted

APPENDIX

PRODUCTION

	Q1 2021	Q4 2020	Q1 2020
Copper production (tonnes)[1]			
Cobre Panama	82,042	65,520	56,240
Kansanshi cathode	*9,907*	*13,298*	*9,976*
Kansanshi concentrate	*38,986*	*39,332*	*45,636*
Kansanshi total	48,893	52,630	55,612
Sentinel	58,252	62,993	56,633
Guelb Moghrein	6,251	7,369	7,028
Las Cruces	4,726	10,234	15,293
Çayeli	3,947	3,534	2,990
Pyhäsalmi	953	891	1,489
Total copper production (tonnes)	205,064	203,171	195,285
Gold production (ounces)			
Cobre Panama	35,898	25,295	23,232
Kansanshi	28,462	29,515	33,002
Guelb Moghrein	12,587	13,115	11,237
Other sites[2]	1,101	822	1,317
Total gold production (ounces)	78,048	68,747	68,788
Nickel production (contained tonnes) – Ravensthorpe	4,642	5,603	-

[1] Production is presented on a contained basis, and is presented prior to processing through the Kansanshi smelter.
[2] Other sites include Çayeli and Pyhäsalmi.

in United States dollars, tabular amounts in millions, except where noted

SALES

	Q1 2021	Q4 2020	Q1 2020
Copper sales volume (tonnes)			
Cobre Panama	85,288	65,770	64,136
Kansanshi cathode	*9,259*	*13,115*	*7,610*
Kansanshi anode	*35,015*	*38,150*	*44,807*
Kansanshi concentrate	-	-	*2,913*
Total Kansanshi	44,274	51,265	55,330
Sentinel anode	*50,680*	*49,772*	*32,914*
Sentinel concentrate	*15,002*	*29,203*	*12,269*
Total Sentinel	65,682	78,975	45,183
Guelb Moghrein	6,435	7,365	7,649
Las Cruces	5,281	9,915	14,473
Çayeli	2,786	2,672	1,776
Pyhäsalmi	988	1,079	1,406
Total copper sales (tonnes)	210,734	217,041	189,953
Gold sales volume (ounces)			
Cobre Panama	35,198	25,669	27,337
Kansanshi	27,510	29,021	32,694
Guelb Moghrein	13,378	14,885	12,106
Other sites[1]	1,305	1,330	1,645
Total gold sales (ounces)[2]	77,391	70,905	73,782
Nickel sales volume (contained tonnes) – Ravensthorpe	2,357	5,343	-

[1] Other sites include Çayeli and Pyhäsalmi.

[2] Excludes refinery-backed gold credits purchased and delivered under precious metal streaming arrangement.

in United States dollars, tabular amounts in millions, except where noted

SALES REVENUES

		Q1 2021	Q4 2020	Q1 2020
Cobre Panama	- copper	672	432	324
	- gold	89	65	64
	- other	19	13	10
Kansanshi	- copper cathode	78	94	42
	- copper anode	292	267	244
	- copper concentrate	-	-	12
	- gold	48	55	50
	- other	-	-	1
Sentinel	- copper anode	420	350	178
	- copper concentrate	111	176	57
Las Cruces	- copper	44	70	83
Guelb Moghrein	- copper	50	47	37
	- gold	23	27	18
	- magnetite	4	10	12
Çayeli	- copper	19	14	6
	- other	5	4	3
Pyhäsalmi	- copper	9	9	6
	- other	4	3	7
Ravensthorpe	- nickel	36	71	-
	- cobalt	3	4	-
Corporate[1]		(248)	(110)	28
Sales revenues		1,678	1,601	1,182
	Copper	1,445	1,348	1,015
	Gold	161	147	134
	Nickel	29	68	3
	Silver	20	15	11
	Other	23	23	19
		1,678	1,601	1,182

[1] Corporate sales include sales hedges (see "Hedging programs" for further discussion).

in United States dollars, tabular amounts in millions, except where noted

UNIT CASH COSTS (per lb)[1]

Cobre Panama	Q1 2021	Q4 2020	Q1 2020
Mining	$0.36	$0.27	$0.39
Processing	0.54	0.77	0.65
Site administration	0.26	0.31	0.29
TC/RC and freight charges	0.27	0.27	0.32
By-product credits	(0.28)	(0.28)	(0.27)
Cash cost (C1) (per lb)	$1.15	$1.34	$1.38
All-in sustaining cost (AISC) (per lb)	$1.40	$1.72	$1.61
Total cost (C3) (per lb)	$1.97	$2.22	$2.44
Kansanshi			
Mining	$0.64	$0.60	$0.74
Processing	0.59	0.55	0.50
Site administration	0.10	0.07	0.08
TC/RC and freight charges	0.15	0.12	0.15
By-product credits	(0.48)	(0.48)	(0.41)
Total smelter costs	0.18	0.15	0.16
Cash cost (C1) (per lb)	$1.18	$1.01	$1.22
All-in sustaining cost (AISC) (per lb)	$1.91	$1.59	$1.65
Total cost (C3) (per lb)	$2.13	$1.81	$1.97
Sentinel			
Mining	$0.43	$0.40	$0.46
Processing	0.56	0.60	0.61
Site administration	0.09	0.10	0.17
TC/RC and freight charges	0.22	0.27	0.23
Total smelter costs	0.08	0.07	0.08
Cash cost (C1) (per lb)	$1.38	$1.44	$1.55
All-in sustaining cost (AISC) (per lb)	$2.03	$2.04	$2.02
Total cost (C3) (per lb)	$2.21	$2.28	$2.27
Ravensthorpe			
Mining	$2.27	$1.77	-
Processing	4.01	3.30	-
Site administration	0.61	0.45	-
TC/RC and freight charges	0.28	0.25	-
Cobalt credit	(0.78)	(0.38)	-
Cash cost (C1) (per lb)	$6.39	$5.39	-
All-in sustaining cost (AISC) (per lb)	$7.53	$6.09	-
Total cost (C3) (per lb)	$7.94	$6.78	-
Guelb Moghrein			
Cash cost (C1) (per lb)	$0.62	$0.09	$0.66
All-in sustaining cost (AISC) (per lb)	$0.93	$0.36	$1.07
Total cost (C3) (per lb)	$1.63	$1.07	$1.42
Las Cruces			
Cash cost (C1) (per lb)	$2.01	$1.56	$0.87
Çayeli			
Cash cost (C1) (per lb)	$0.75	$0.96	$1.62
Pyhäsalmi			
Cash cost (C1) (per lb)	$1.56	$2.06	$0.86

[1]AISC, C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. See "*Regulatory Disclosures*" for further information.

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 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.

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