



FIRST QUANTUM
MINERALS

Q2
2020

TSX FM

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

Certain statements and information herein, including all statements that are not historical facts, contain forward-looking statements and forward-looking information within the meaning of applicable securities laws. The forward-looking statements include estimates, forecasts and statements as to the Company's expectations of production and sales volumes, and expected timing of completion of project development at Enterprise and post-completion construction activity at Cobre Panama and are subject to the impact of ore grades on future production, the potential of production disruptions, potential production, operational, labour or marketing disruptions as a result of the COVID-19 global pandemic (including but not limited to the temporary suspension of labour activities at Cobre Panama implemented in April 2020), capital expenditure and mine production costs, the outcome of mine permitting, other required permitting, the outcome of legal proceedings which involve the Company, information with respect to the future price of copper, gold, silver, nickel, zinc, pyrite, cobalt, iron and sulphuric acid, estimated mineral reserves and mineral resources, First Quantum's exploration and development program, estimated future expenses, exploration and development capital requirements, the Company's hedging policy, and goals and strategies. Often, but not always, forward-looking statements or information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

With respect to forward-looking statements and information contained herein, the Company has made numerous assumptions including among other things, assumptions about continuing production at all operating facilities, the price of copper, gold, silver, nickel, zinc, pyrite, cobalt, iron and sulphuric acid, anticipated costs and expenditures and the ability to achieve the Company's goals. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. These factors include, but are not limited to, future production volumes and costs, the temporary or permanent closure of uneconomic operations, costs for inputs such as oil, power and sulphur, political stability in Zambia, Peru, Mauritania, Finland, Spain, Turkey, Panama, Argentina and Australia, adverse weather conditions in Zambia, Finland, Spain, Turkey, Mauritania, Australia and Panama, labour disruptions, potential social and environmental challenges (including the impact of climate change), power supply, mechanical failures, water supply, procurement and delivery of parts and supplies to the operations, the production of off-spec material and events generally impacting global economic, political and social stability.

See the Company's Annual Information Form for additional information on risks, uncertainties and other factors relating to the forward-looking statements and information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of these factors are beyond First Quantum's control. Accordingly, readers should not place undue reliance on forward-looking statements or information. The Company undertakes no obligation to reissue or update forward-looking statements or information as a result of new information or events after the date hereof except as may be required by law. All forward-looking statements and information made herein are qualified by this cautionary statement.

Clive Newall

President and Director





Tristan Pascall

Director, Strategy

RESUMPTION OF NORMAL OPERATIONS AT COBRE PANAMA

The reopening plan is now underway, with ramp up to full production expected by mid-August 2020

- ▶ The priority at Cobre Panama continues to be the health and safety of the workforce and surrounding communities, the strict protocols and sanitary vigilance will remain in place.
- ▶ July 7, 2020 – it was announced Cobre Panama could resume normal operations after being placed on preservation and safe maintenance beginning April 7, 2020.
- ▶ 1,450 personnel currently onsite from approximately 800 during P&SM, increasing to over 3,000
- ▶ **Copper production guidance for 2020 has been revised to 180,000 – 200,000 tonnes.**
- ▶ **Gold production guidance for 2020 has been revised to 70,000 – 80,000 ounces.**



Financial Review





Hannes Meyer

Chief Financial Officer



OVERVIEW

Total **copper production** comparable with the same period in 2019.

Exceptional quarter at Sentinel with highest production since Q4 2018.

Robust performances at both Kansanshi and Guelb Moghrein, with Las Cruces operating at normal throughput levels.

Reduced production at Cobre Panama while on preservation and safe maintenance.

Copper hedge program extended to manage price volatility.

- ▶ 416,200 tonnes of copper at average floor price of \$2.70 per lb with maturities to December 2021.
- ▶ 7,862 tonnes of nickel hedged at average price of \$6.76 per lb, with maturities to February 2021.
- ▶ 151 million litres of Ultra Low Sulphur Diesel at average price of \$0.33 per litre, with maturities to April 2021.

Lowest total unit costs for three years.

Record low unit costs at Sentinel.

Guelb Moghrein lowest C1 for over a decade and lowest reported AISC.

Ravensthorpe completed commissioning of the two high pressure acid leach circuits in April and May.

First shipments of nickel in the quarter.

Production to continue to ramp up during third quarter.

Q2 SUMMARY – PRODUCTION^{1,2}

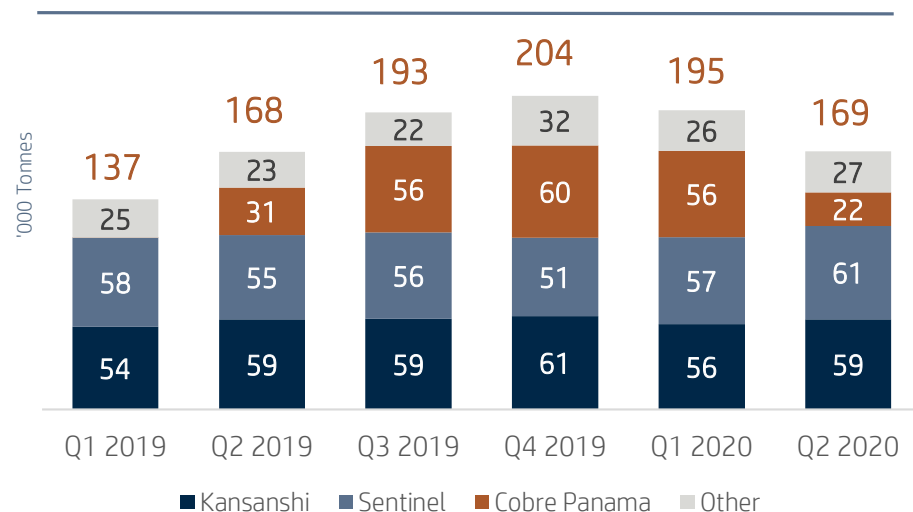
Total Copper Production

169k tonnes

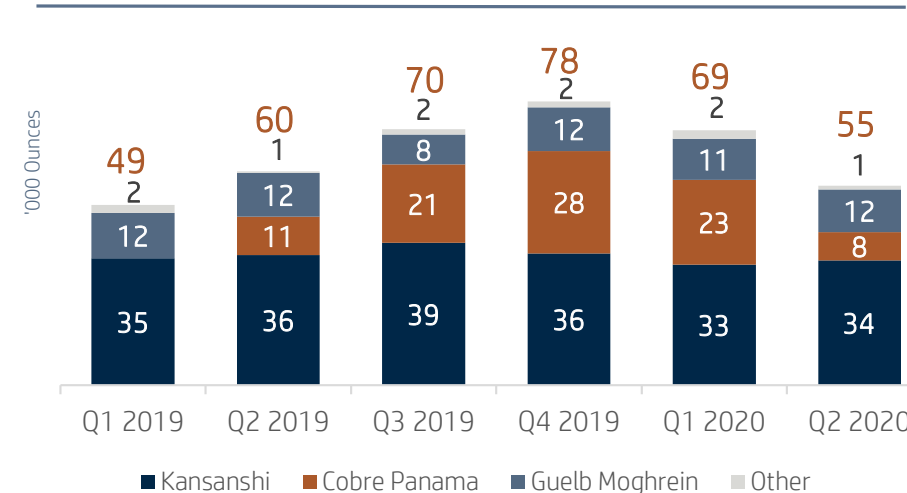
Comparable with Q2 2019

- ▶ Sentinel performed exceptionally in the quarter, in line with its highest production in fourth quarter of 2018.
- ▶ Robust performances at both Kansanshi and Guelb Moghrein.
- ▶ Cobre Panama impacted by preservation and safe maintenance.
- ▶ Total gold production of 55k ounces, lower than the same quarter of 2019, reflecting preservation and safe maintenance at Cobre Panama and planned maintenance at Kansanshi.

QUARTERLY COPPER PRODUCTION BY SITE



QUARTERLY GOLD PRODUCTION BY SITE



¹ Production is presented on a copper contained basis.

² Total full year 2019 and Q2 2019 copper production includes 67,704 tonnes and 30,896 tonnes of pre-commercial production from Cobre Panama respectively.

Q2 SUMMARY FINANCIAL OVERVIEW

Lower realized copper price mitigated by copper sales hedge program

\$ Million (except per share numbers)	Q2 2019	Q1 2020	Q2 2020
Revenue ¹	939	1,182	1,014
Gross Profit ¹	196	147	141
Comparative EBITDA ^{1,2}	376	434	352
Comparative Earnings ^{1,2}	87	(79)	(84)
Comparative EPS \$	0.13	(0.11)	(0.12)
Net Debt	(7,304)	(7,615)	(7,658)

- Net debt was marginally higher than the previous quarter, impacted by timing of sales, preservation and safe maintenance period at Cobre Panama and ramp up costs at Ravensthorpe.

- Total comparative EBITDA of \$352 million was \$24 million lower than the same period of 2019 with:
 - ▶ 12% lower market copper price, but benefitted from;
 - ▶ \$67 million favourable movement in the corporate sales hedge program,
 - ▶ Favourable FX impact on operational costs.
- The comparative EPS loss of 12 cents per share impacted by the \$186 million net finance expense, compared to second quarter of 2019 in which \$205 million of finance costs were capitalized to Cobre Panama.

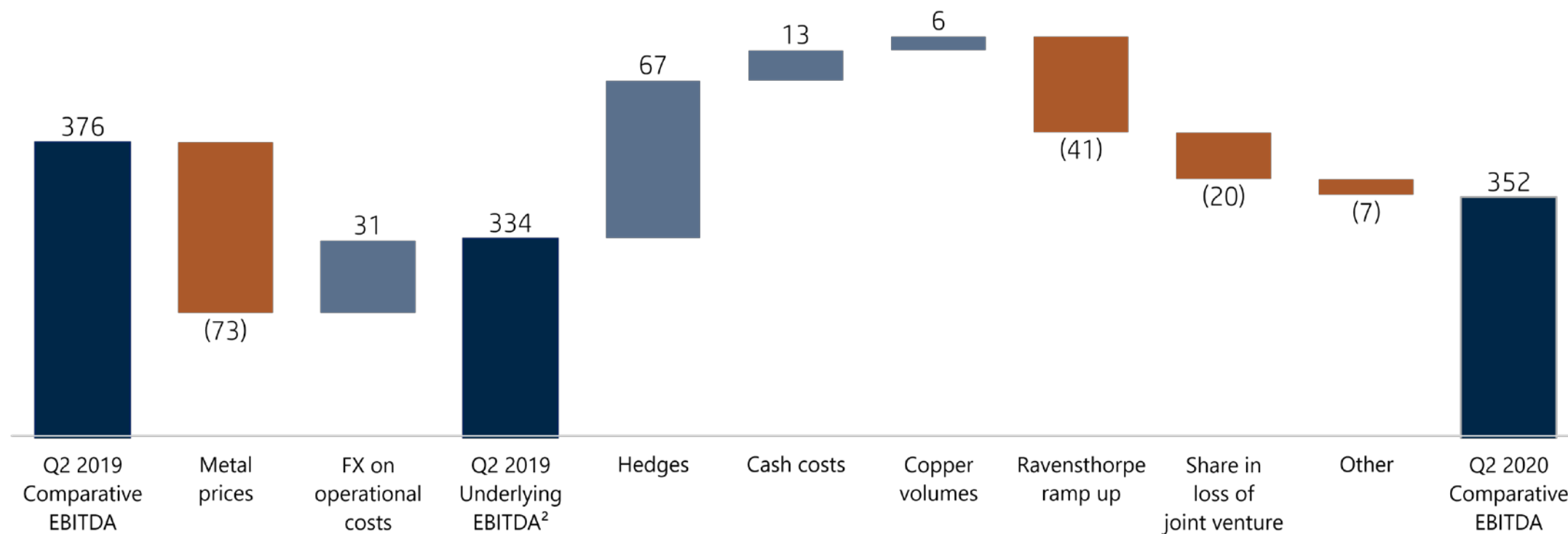
¹ Pre-commercial production sales revenues and operating costs attributable to Cobre Panama were capitalized and are excluded from revenue and earnings.

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



CHANGES TO COMPARATIVE EBITDA ^{1,2}

Hedge program and lower costs including favourable FX mitigate impact of lower market prices and Ravensthorpe ramp up



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

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

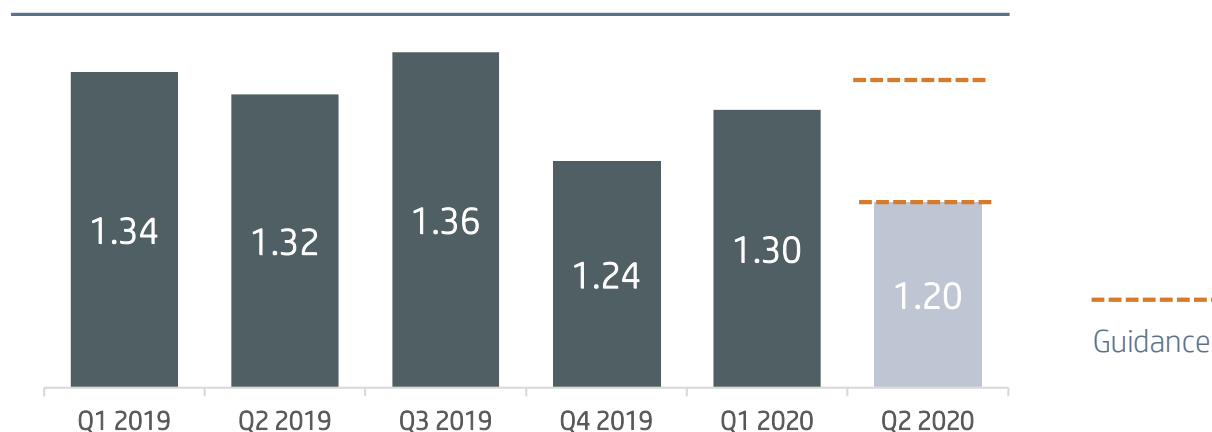
QUARTERLY UNIT CASH COSTS

Lowest C1 and AISC

For past 3 years

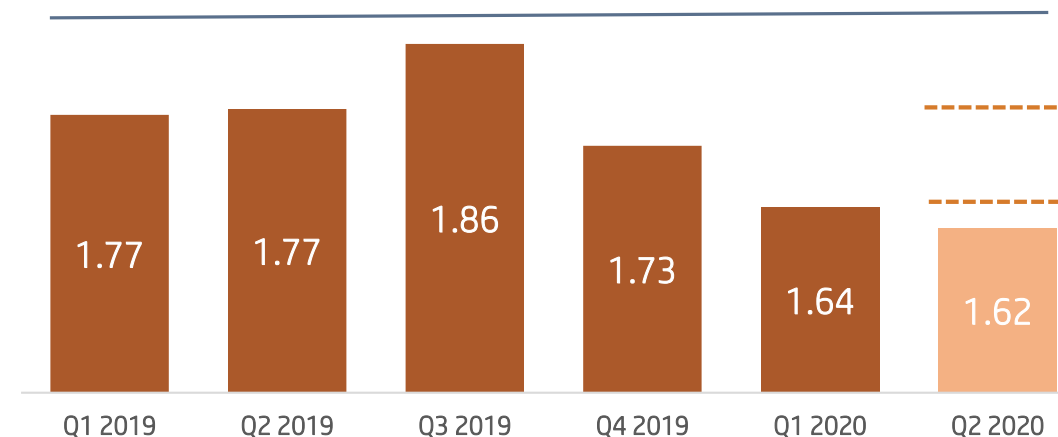
YTD AISC Below Guidance

TOTAL COPPER C1 COST



- ▶ Total C1 cost for the quarter is 9% lower than the comparable quarter last year, reflecting in particular decreases at Zambian operations due to lower fuel costs, favourable FX, lower maintenance costs at Kansanshi and increased production at Sentinel.
- ▶ Sentinel achieved a record low C1 cost of \$1.36 per lb.
- ▶ Lowest C1 cost for over a decade at Guelb Moghrein with lower mining costs, fuel prices and higher realized gold prices.
- ▶ Total C1 cost includes contribution from Cobre Panama of \$1.72 per lb.

TOTAL COPPER AISC



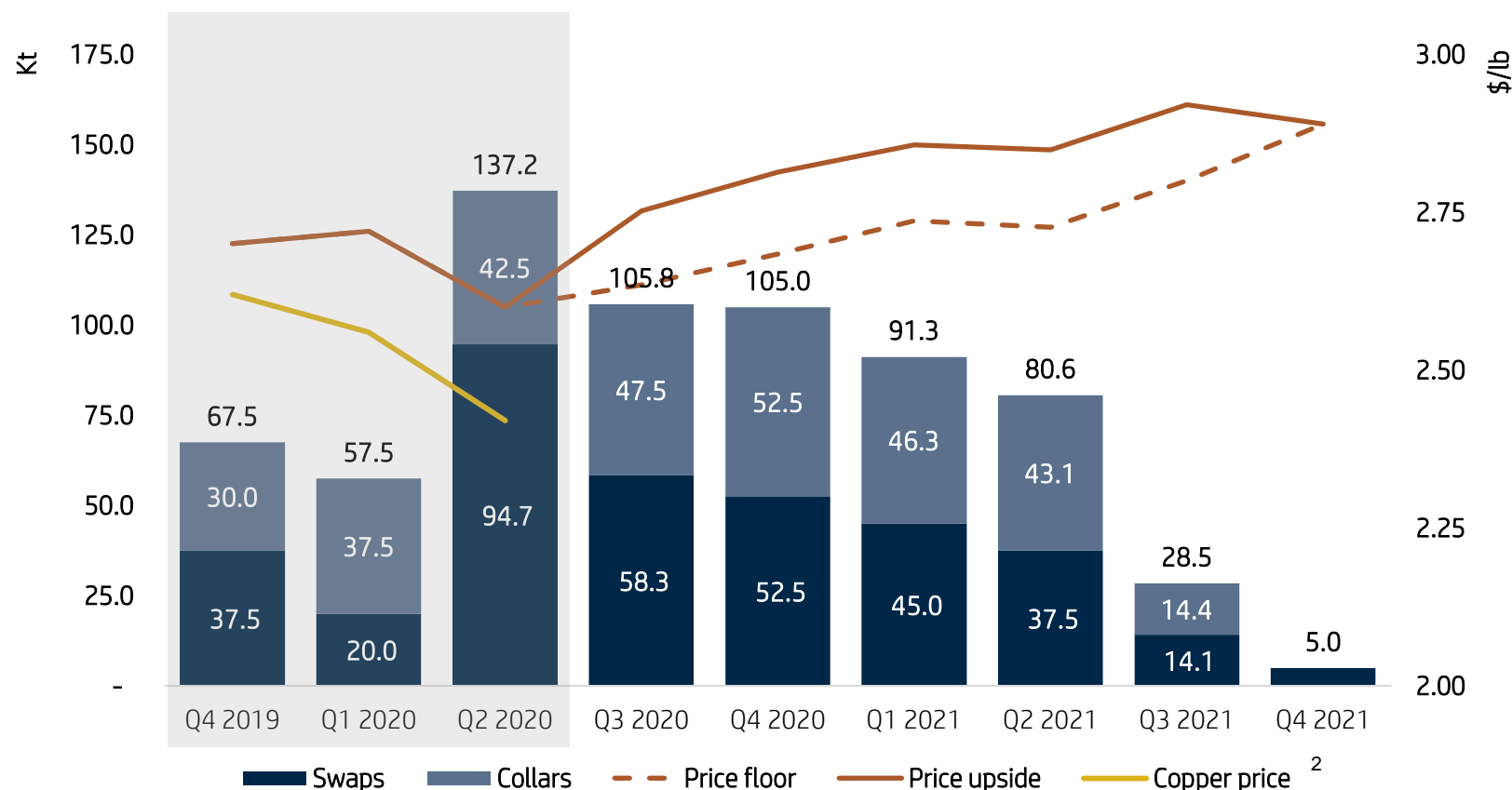
- ▶ Total AISC for the quarter is 8% lower than the comparable quarter last year, reflecting lower C1 cost combined with lower royalties.
- ▶ Sentinel achieved a record low AISC of \$1.86 per lb.
- ▶ Lowest reported AISC at Guelb Moghrein.

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

COPPER HEDGING PROGRAM OUTLOOK¹

Extended into 2021 with approximately **half** of expected sales for the next 12 months hedged

Average floor price of \$2.70 per lb and maturities to 31 December 2021



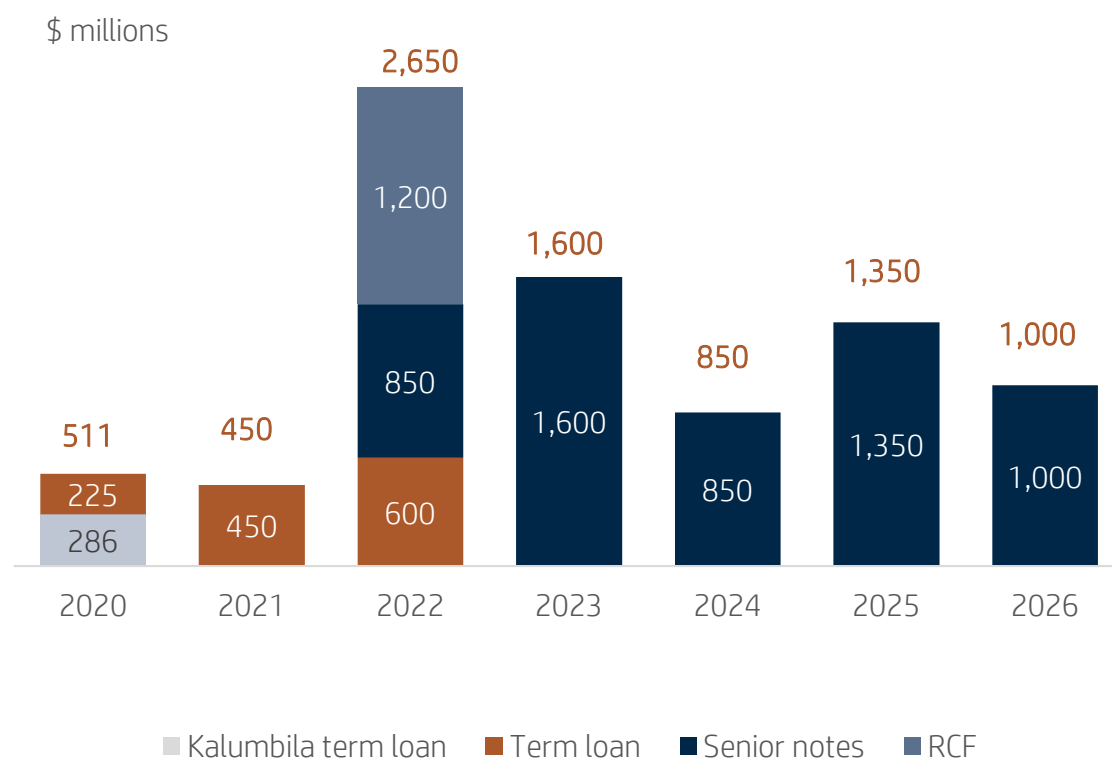
- ▶ The Company also has **unmargined nickel forward sales contracts** for 7,862 tonnes at an average price of \$6.76 per lb outstanding with maturities to February 2021

¹ Hedging outlook as at July 28, 2020.

² Average LME copper price for the quarter.

DEBT AND LIQUIDITY PROFILE AT JUNE 30, 2020

DEBT AND LIQUIDITY PROFILE (\$ millions)



Covenant Ratio

Net debt/EBITDA covenant ratio at June 30, 2020 of 4.38x, well below covenant requirement of 5.25x.

Renegotiated Covenants

On April 22, 2020, the financial covenants under the senior Term Loan and Revolving Credit Facility were amended.

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

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

The Debt Service Cover Ratio has been decreased as follows:

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

2020 GUIDANCE UPDATE

Production Guidance ¹		2020
Copper ('000 tonnes)		725 - 770
Gold ('000 ounces)		230 - 250
Nickel ('000 tonnes)		15 - 17
Cost Guidance ² (including Cobre Panama)		2020
Copper C1 (\$ per lb)		1.20 – 1.35
Copper AISC (\$ per lb)		1.65 – 1.80
Capital Expenditure Guidance		2020
Sustaining capital and other projects		500
Capitalized stripping		175
Total		675

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

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

- ▶ Copper and gold production ranges at Cobre Panama reduced by 30,000 - 35,000 tonnes and 20,000 ounces respectively.
- ▶ Nickel production guidance at Ravensthorpe narrowed to 15,000 – 17,000 tonnes.
- ▶ Cash costs guidance unchanged.
- ▶ Total capital expenditure guidance unchanged, but with reallocation to reflect essential sustaining expenditure and phasing of expenditure as well as reduced capitalized stripping at Cobre Panama.
- ▶ Full year 2020 depreciation expense guidance reduced by \$50 million to reflect reduced Cobre Panama production.

APPENDIX



QUARTERLY NET DEBT MOVEMENT

Opening Net Debt at March 31, 2020 (\$ million)	(7,615)
Comparative EBITDA	352
Working capital	(97)
Capital expenditure	(130)
Net interest paid	(66)
Taxes paid	(110)
Other	8
Closing Net Debt at June 30, 2020 (\$ million)	(7,658)

Net Debt comprised of:	
Net cash & cash equivalents ¹	919
Total debt	(8,577)

¹ Excludes \$34m restricted cash.

EBITDA SENSITIVITY

Assumption	Actual price/rate YTD June 2020	Impact on YTD EBITDA of a 10% change in price
Copper (includes hedge impact)	\$2.49/lb	\$72 million
Gold	\$1,646/oz	\$19 million
Zambian kwacha	16.76 ZMW/USD	\$10 million
Oil (Brent) (includes hedge impact)	\$37/bbl	\$2.5 million



Interest

Net interest expense for the quarter ended June 30, 2020, was \$186 million. A significant proportion of the Company's interest expense is incurred in jurisdictions where no tax credit is recognized. Interest expense for the full year 2020 is expected to range between \$770 million and \$810 million, and this includes interest accrued on related party loans to Cobre Panama and a finance cost accreted on the precious metal streaming arrangement.

Tax

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

Depreciation

Depreciation expense for the quarter was \$257 million. The full year 2020 depreciation expense is revised to be approximately \$1,250 million, a reduction of \$50 million to reflect reduced production at the Cobre Panama operation.

PRECIOUS METAL STREAM ARRANGEMENT

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

Revenues (\$ millions)	Q1 2020	Q2 2020	YTD 2020
Gold - mine production	40	8	48
Gold - precious metal stream	24	11	35
Total Gold Revenue	64	19	83
Silver - mine production	6	3	9
Silver - precious metal stream	4	1	5
Total Silver Revenue	10	4	14
Total Revenues Recognized Under Precious Metal Stream, comprising:	28	12	40
<i>Ongoing cash payment</i>	<i>9</i>	<i>5</i>	<i>14</i>
<i>Non-cash amortisation of deferred revenue</i>	<i>19</i>	<i>7</i>	<i>26</i>
Cost of refinery-backed credits for precious metal stream included in cost of sales	(37)	(15)	(52)

NON-GAAP MEASURES RECONCILIATION

COMPARATIVE EBITDA AND COMPARATIVE EARNINGS

	Q2 2020	Q2 2019
Operating profit	77	144
Depreciation	257	198
Foreign exchange loss	10	33
Revisions in estimates of restoration provisions at closed sites	4	-
Other expense	4	1
Comparative EBITDA (\$ million)	352	376

	Q2 2020	Q2 2019
Net earnings/(loss) attributable to shareholders of the Company	(156)	78
Movement in discounting of Zambian VAT	(22)	-
Loss on debt instruments	-	(3)
Total adjustments to comparative EBITDA excluding depreciation	18	34
Reversal of tax effect of unrealized hedge position recognized in other comprehensive income	67	-
Tax and minority interest comparative adjustments	9	(22)
Comparative earnings/(loss) (\$ million)	(84)	87

NON-GAAP MEASURES RECONCILIATION: C1 and AISC

(\$ million)	Q2 2020	Q2 2019 ¹
Cost of sales	(873)	(743)
Depreciation	257	198
By-product credits	122	103
Royalties	50	56
Treatment and refining charges	(33)	(33)
Freight costs	(18)	(12)
Finished goods	20	37
Other ¹	20	8
C1 Cost²	(455)	(386)
General and administrative expenses	(24)	(18)
Sustaining capital expenditure and deferred stripping	(75)	(61)
Royalties	(50)	(56)
Lease payments	(3)	(3)
Other	1	-
AISC²	(606)	(524)
Total copper C1 Cost \$ per lb ¹	1.20	1.32
Total copper AISC \$ per lb ¹	1.62	1.77

¹ Q2 2019 C1 cash cost and AISC exclude third-party concentrate purchased at Kansanshi.

² Includes corporate, other and Ravensthorpe costs.



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