



FIRST QUANTUM
MINERALS LTD.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) ALIGNED

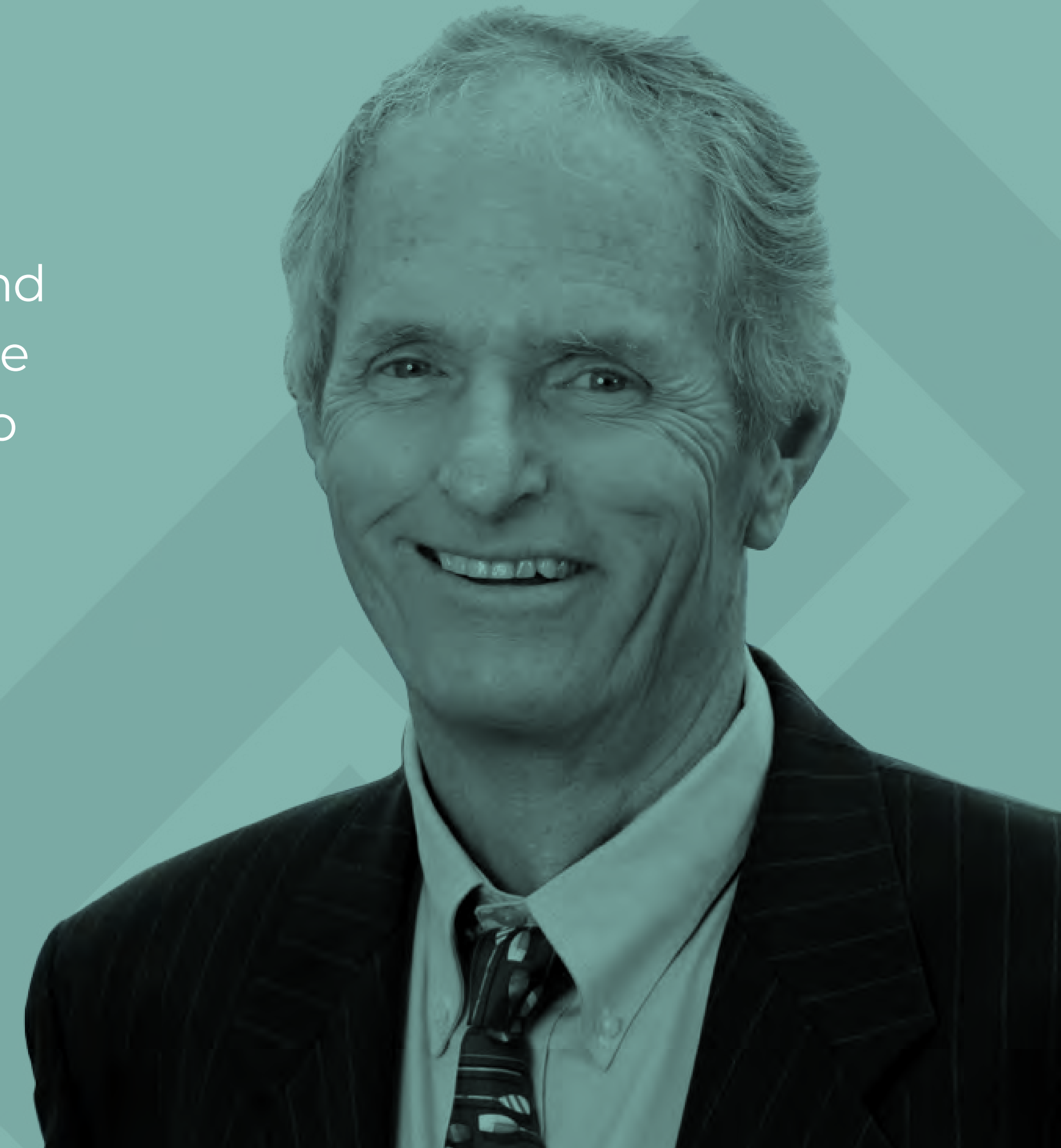
CLIMATE CHANGE REPORT

JANUARY 2022

I am pleased to present our first report setting out the impacts of climate change on our business. We place sustainability at the heart of our business and we are committed to the ongoing development of our reporting. This first report on Climate Change, aligned to the TCFD recommendations, sets out the potential challenges faced by our operations but also the resilience of our business. Copper and the performance and energy metals will be essential in meeting the global challenge to address climate change and First Quantum is well placed to meet these opportunities in a responsible manner.



Philip K. R. Pascall
Chief Executive Officer





At First Quantum, we are committed to extracting resources responsibly and the importance that we place on sustainability is an intrinsic part of everything we do. In February 2021, we published our Climate Change Position Statement, which sets out our approach to climate-related issues.

Our Commitments

- ◆ Identify and manage climate-related physical and transition risks and opportunities. The Company plans to invest appropriately to improve the climate resilience of our operations.
- ◆ Improve efficiency, energy intensity and reduce wastage and emissions by continually challenging the status quo, leveraging our innovative culture and new technologies as they become commercial.
- ◆ Prioritise the use of renewable energy sources for new and existing operations where they are achievable.
- ◆ Support the transition to a low carbon economy by mining the metals required to deliver this global initiative as responsibly as we can.
- ◆ Increase the transparency of our climate change reporting and communications, including continuing to disclose our data across a selection of ratings agencies and platforms.
- ◆ Report on our performance across a range of industry accepted metrics, including Scope 1 and 2 emissions, Global Reporting Initiative (GRI) and CDP.
- ◆ Improve our understanding of lifecycle emissions for the copper, nickel, gold and cobalt value chains and consider partnerships with suppliers and customers to reduce our value chain emissions.
- ◆ Set tangible targets through the execution of real projects to implement change as a strategic priority of the Company. We consider targets focusing on the absolute emission levels and carbon intensity of our operations as the most appropriate measures of our performance at this time.
- ◆ Integrate an internal carbon price and the expected determinant impacts on commodity prices in the evaluation of our new projects

- ◆ **This inaugural Climate Change Report, consistent with our commitment to further develop our Environmental, Social and Governance (ESG) reporting, demonstrates our continued commitment to communicate consistently and transparently. As part of this commitment, we will continue to develop our reporting under TCFD, incorporating detailed risk and opportunity analysis aligned and updated to the most appropriate climate change scenarios.**
- ◆ **We recognise that our major mines are located in developing countries so care with regards to their economies must be taken into account. We intend to work with our host governments on climate-related issues in the context of Nationally Determined Contributions (NDCs), through the transition to appropriate and sustainable alternative sources of energy, as well as through continued support for reforestation initiatives.**



Our primary product, copper, is fundamental for energy efficiency, security and climate change mitigation.

With copper being a catalyst to the global transition to a low carbon economy and a key driver for the socio-economic progression of developing economies, the positive impact of the copper mining sector will be significant to the achievement of the United Nations Sustainable Development Goals (UN SDGs). In the near term First Quantum is focused on brownfield growth then greenfields as the world is expected to require significantly more copper to achieve decarbonisation targets. As the world's 6th

largest producer with one of the largest copper resources, First Quantum Minerals is well placed to support the transition to a low carbon economy through our responsible approach to mining and our emphasis on UN SDGs.

We have a proven track record in delivering copper growth, more than doubling our production in the last decade, driven by the development and commissioning of the Sentinel copper mine in 2017, and more recently the Cobre Panama mine in 2019.

Growth in copper production remains important to First Quantum even as we seek to reduce the intensity of our environmental and climate impact. We believe that responsible growth is achievable by ensuring that our projects meet higher hurdles for environmental and climate impact into the future. For this reason, First Quantum has implemented a carbon price for the evaluation of new projects.



BY 2023

70,000

TONNES OF CARBON DIOXIDE EQUIVALENT (CO₂e) SAVED PER YEAR BY POWERING COBRE PANAMA'S EXPANSION WITH RENEWABLE ENERGY

BY 2025

-30%

REDUCTION OF OUR ABSOLUTE GREENHOUSE GAS (GHG) EMISSIONS

BY 2030

-50%

REDUCTION OF OUR ABSOLUTE GHG EMISSIONS

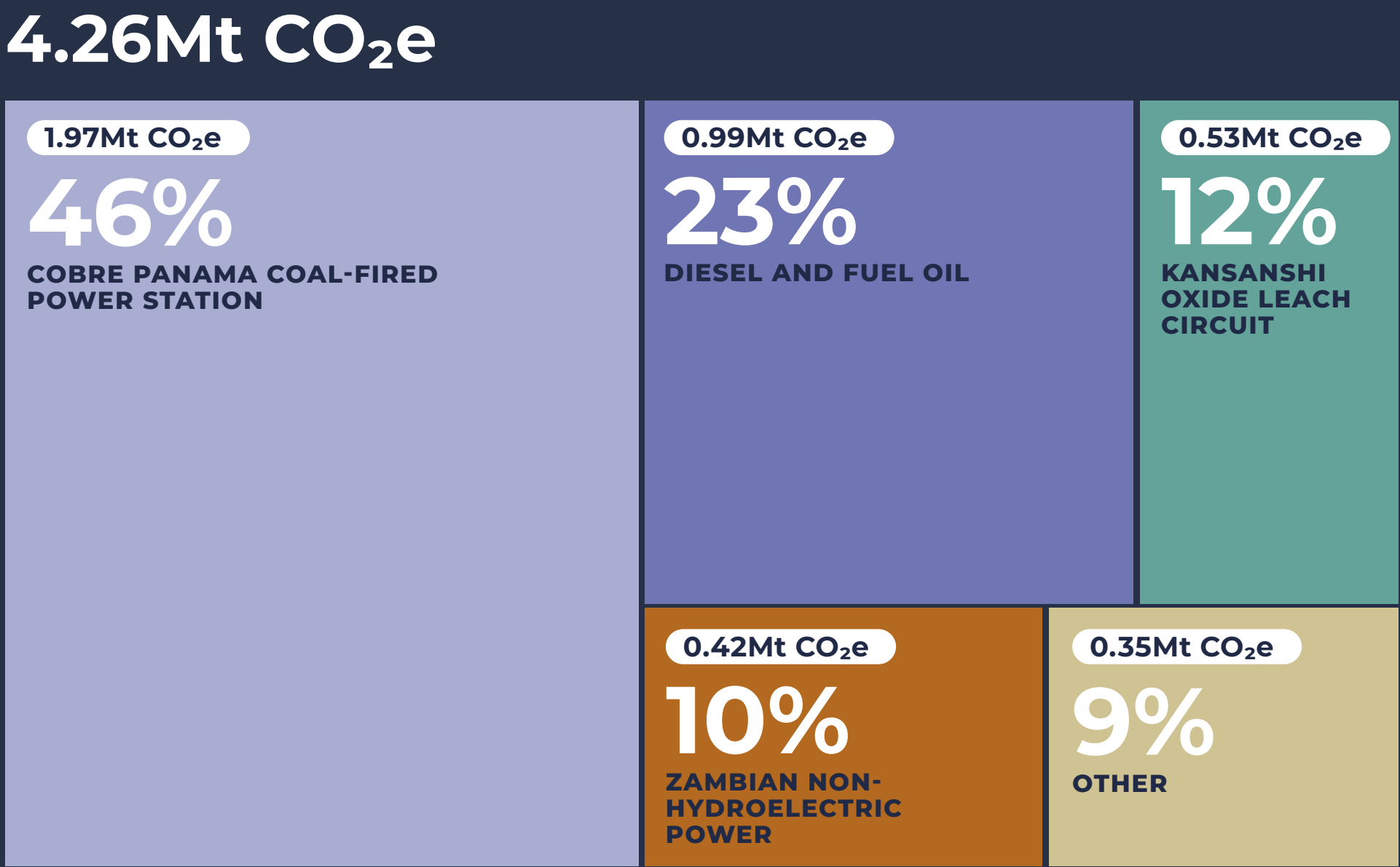
BY 2030

-50%

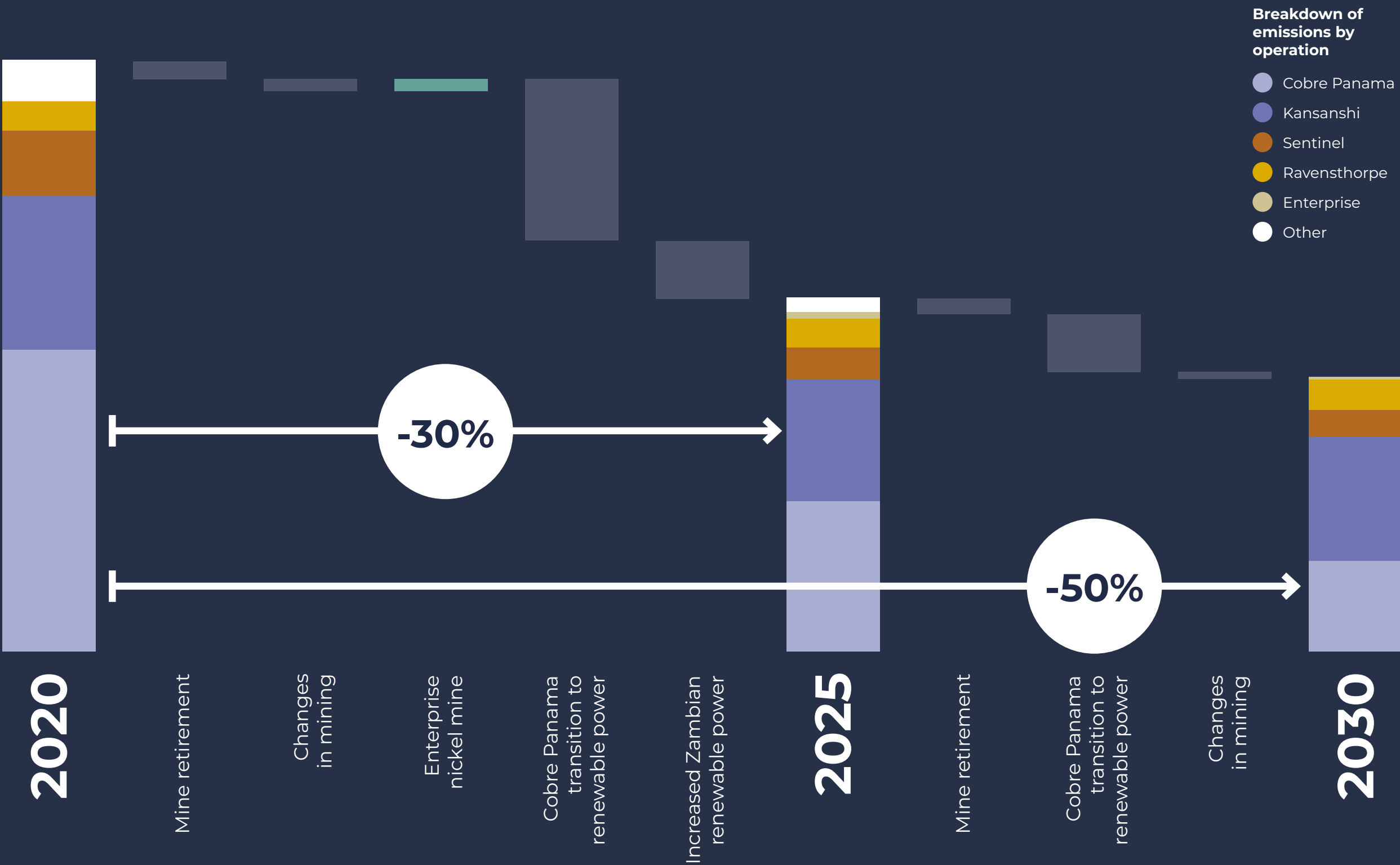
REDUCTION TARGET IN THE GHG INTENSITY OF THE COPPER MINED AT OUR OPERATIONS

The achievement of these targets is not expected to result in significant increases in operating costs, based on the current cost of power, inclusive of depreciation. No significant capital expenditure is expected to be required over the lives of mine to achieve these targets, with limited capital required prior to 2025.

FIRST QUANTUM 2020 ABSOLUTE SCOPE 1 & 2 CO₂e EMISSIONS (TONNES) – BASE



FIRST QUANTUM ABSOLUTE SCOPE 1 AND 2 GHG EMISSIONS REDUCTION TARGETS



IN 2020

OVER
1 000 000

TONNES OF CO₂E SAVED ANNUALLY THROUGH THE OPERATION OF THE KANSANSHI SMELTER

ALMOST
100 000

TONNES OF CO₂E SAVED ANNUALLY WITH THE IMPLEMENTATION OF MINING EFFICIENCIES IN ZAMBIA

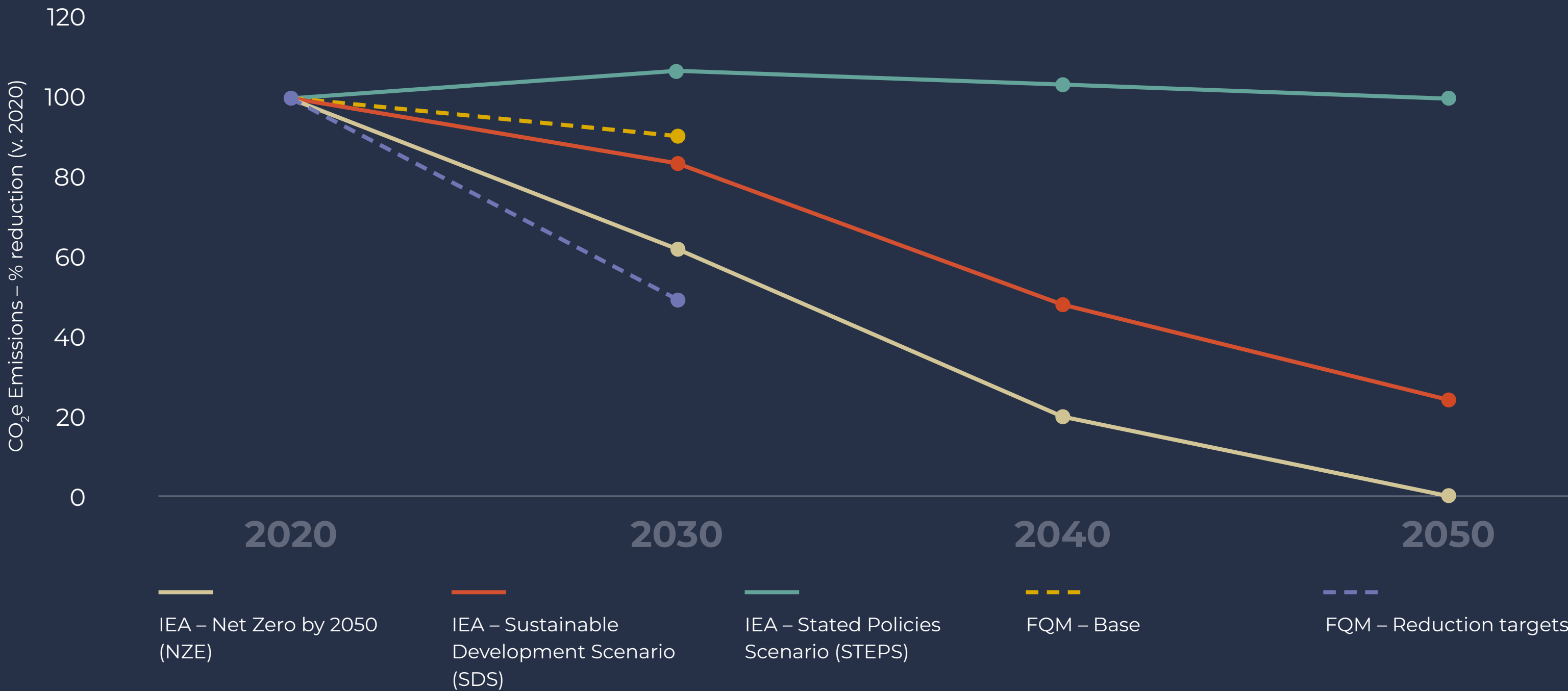
79%

OF PURCHASED ELECTRICITY CONSUMPTION IS FROM RENEWABLES

76%

OF THE GROUPS PURCHASED ELECTRICITY CONSUMPTION IS HYDRO-ELECTRICITY

FIRST QUANTUM TARGET PATHWAY COMPARED WITH CO₂e EMISSIONS REDUCTION PATHWAYS, IEA WEO 2021 CO₂e EMISSIONS
BASED ON DATA FROM INTERNATIONAL ENERGY AGENCY (IEA), (2021), AS MODIFIED BY FIRST QUANTUM



The Company's GHG emissions reduction targets have an identified pathway to achievement and are based on commercially available solutions. For this reason, we have not made a net zero commitment at this time. We will continue to monitor the development of new technologies for implementation at our operations as they become commercially viable, and where possible update our GHG emissions reduction targets accordingly.



The Board executes many of its responsibilities through its Committees.

The Environment, Health, Safety and Corporate Social Responsibility (EHS&CSR) Committee, comprising independent directors, is responsible for the review and monitoring of the suitability and effectiveness of the Company’s risk management policies and processes with respect to climate change as defined in the Committee charter.



**KATHLEEN
HOGENSON**
CHAIR



**SIMON
SCOTT**



**JOANNE
WARNER**



**KEVIN
MCARTHUR**

The EHS&CSR Committee also monitors adherence by the Company to its environment, health and safety and, social policies and practices in accordance with applicable environmental, health and safety laws and regulations in those countries and locations in which the Company operates.

Members of management responsible for climate change present reports to the EHS&CSR Committee at each meeting and are available to answer questions raised by EHS&CSR Committee members. This committee meets at least four times a year.









An in pit crusher and conveyor at the Company’s Sentinel mine, which contributed to GHG savings of almost 40,000 tonnes in 2020 through reduced use of the diesel-powered mining fleet.



The Compensation Committee is responsible for the review, identification and mitigation of risks associated with the Company’s compensation policies as well as for making any necessary determinations relating to executive compensation.

The Compensation Committee considers external relations as performance objectives in determining total compensation for executives. External relations encourages the development of responsible and effective business relationships with appropriate governments, agencies, regulators, financial institutions, and with our shareholders through our investor relations program and broader engagement initiatives, for example in respect of ESG, inclusive of climate change issues.

These external relations factors are summarised below:

 Environment 	<ul style="list-style-type: none">♦ Longer-term business strategy with project identification and approval influenced by potential impacts on the environment and climate change.	<ul style="list-style-type: none">♦ Measures linked to sustainable and innovative mine operations that are intended to reduce environmental impact.
 Social 	<ul style="list-style-type: none">♦ Measures linked to the performance and engagement of our workforce.	<ul style="list-style-type: none">♦ Measures linked to the health and growth of our relationships with external stakeholders, including the communities in which we operate.
 Governance 	<ul style="list-style-type: none">♦ Measures linked to safe operating procedures, mitigating workplace injuries.♦ Ensuring business practices and decisions are conducted with appropriate judgement.	<ul style="list-style-type: none">♦ Ensuring compensation decisions are made within an effective governance framework.



The assessment and management of climate-related issues is actively monitored by the Company’s management as part of regular operational and technical planning at each mine site through to consideration of regulatory, market and policy impacts and the integration of climate-related issues into strategic and financial planning.





Environmental and social impact of mining

We recognise the environmental and social impact of mining and at First Quantum, we seek to mine in the most responsible manner achievable.

Although mining can create significant economic benefit to its host countries, typically from a limited geographic footprint, this must be weighed against its impacts on surrounding communities and the environment.

Our ultimate goal everywhere we operate is to leave a place better than we found it, with greater protection of biodiversity, a responsible approach to climate change, enhanced public infrastructure and improved education and health care. Most importantly, we want to ensure the communities in which we operate, and which play such an important role in our success, become increasingly self-reliant and feel empowered to pursue a more rewarding way of life – today and for generations to come.

We're committed to develop, design and operate our mines in an environmentally sensitive manner, striving for protection and where reasonably possible, positive benefits to local biodiversity, protection of water resources and the efficient use of energy and other resources. Our approach to sustainability is an intrinsic part of

everything that we do and founded on four key pillars; economically viable investments, technically appropriate operations, environmentally sound practices and socially responsible actions.

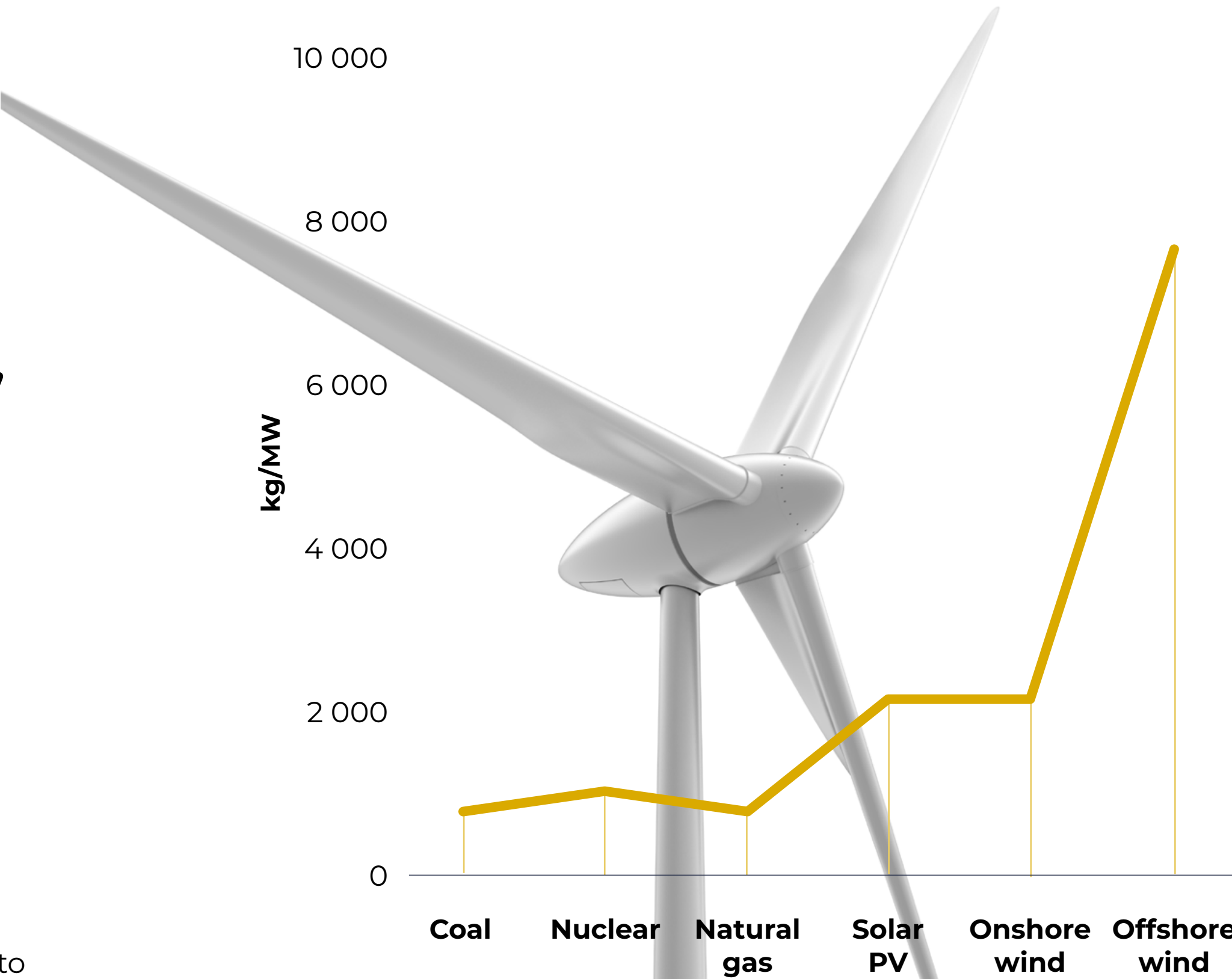
At First Quantum, we have never been comfortable with the transactional aspect of social license – the idea that stakeholders are compensated for granting us permission to develop and operate a mine. We've always seen the relationship as more of a social contract in which all parties participate in the collective effort and share in the rewards. This sense of common purpose is all the more evident as we increasingly join forces with our mining communities to confront major challenges, from alleviating poverty, to fostering inclusion and social equity (including racial justice and gender equality), to addressing the disruptive impacts of climate change. Even the remotest communities are more connected than ever to the wider world and feel the impacts of global issues; they're also more aware of the need to tackle these big problems together.



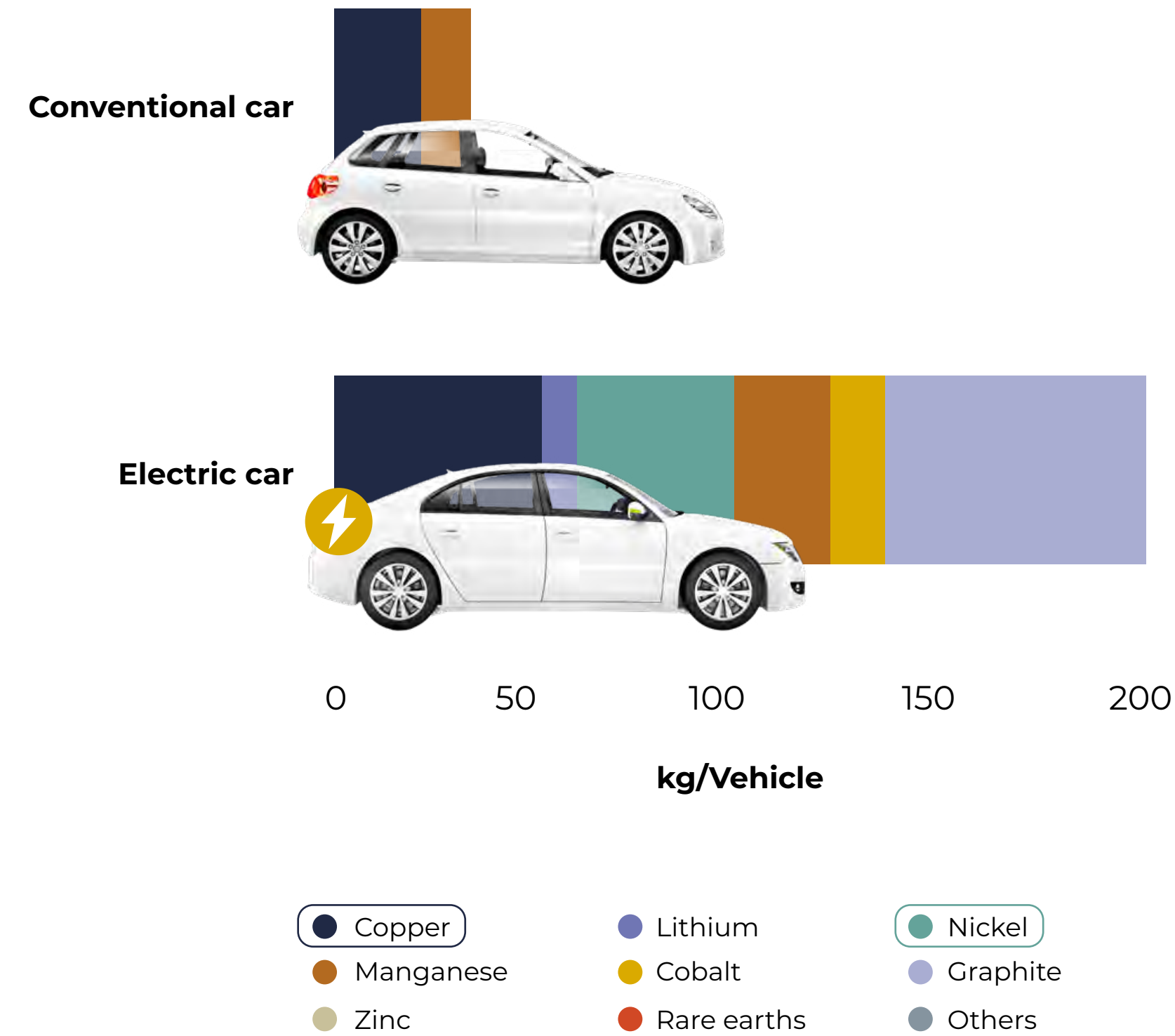
The global transition to a low carbon economy represents a fundamental shift in the materials required for energy generation, moving away from fuel to minerals.

This transition is expected to drive an increase in the demand for copper as the electrical infrastructure requirements to drive the necessary changes to the global energy markets are significant. This presents an opportunity for First Quantum, as the metals that we mine are essential for the global transition to a low carbon economy, as well as a crucial driver of socio-economic development, particularly in emerging economies.

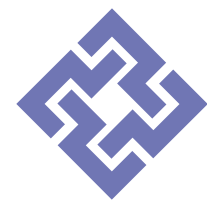
COPPER USED IN CLEAN ENERGY TECHNOLOGIES COMPARED TO OTHER POWER GENERATION SOURCES¹



MINERALS USED IN ELECTRIC CARS COMPARED TO CONVENTIONAL CARS¹



¹ Source: Based on IEA data from the IEA (2021), The Role of Critical Minerals in Clean Energy Transitions, IEA, Paris <https://www.iea.org/reports/the-role-of-critical-minerals-in-clean-energy-transitions>. All rights reserved; as modified by First Quantum Minerals Ltd.



The pace of development for the new supply of transition minerals, in particular copper, represents a very significant challenge for the global mining industry that may have to increase metal production by as much as 500%.¹ Increasing regulation required for new mining projects means that the time to develop a new project has increased by up to 16 years.²

The world will need more copper and at First Quantum, with our extensive experience in executing and delivering major copper projects, we want to be the partner of choice to develop new mines. In the last ten years, we have more than doubled our copper production to more than 800,000 tonnes per year.

The important role that emerging economies have to play in the production of the metals essential to the low carbon transition, such as copper, means that responsible

mining can be a key driver of economic development through increased government revenues, employment opportunities, infrastructure development and investment, and the transfer of knowledge and technology to host governments and communities. COVID-19 has been a particularly challenging period for many people around the world, with the World Bank calculating that 97 million people fell back into poverty in 2020 as a result of the pandemic.³ Mining provides investment and jobs in our host communities and revenue sources for the governments in the countries in which we operate. Our \$6.7 billion investment in Cobre Panama mine means approximately 34,000 direct and indirect jobs for Panama. In Zambia, where First Quantum has had operations for 25 years, mining accounts for 10% of the GDP of the country.

First Quantum has a strong project pipeline, with very significant copper resource bases, comprising both brownfield projects that would further grow our existing operations and also greenfield projects in Argentina and Peru that could add significant volumes of copper to global supply, which are as follows:

COBRE PANAMA

OVER

400,000 tonnes/year

**COPPER PRODUCTION
100MTPA EXPANSION PROJECT TO BE POWERED
WITH RENEWABLE ENERGY**

KANSANSHI

**SULPHIDE CIRCUIT EXPANSION: MAINTAIN LEVELS OF
PRODUCTION, GHG INTENSITY**

COBRE LAS CRUCES

UNDERGROUND PROJECT: POTENTIAL FOR ALMOST ZERO EMISSIONS MINE

TACA TACA

**POTENTIAL FOR LOW EMISSIONS; WELL-LOCATED FOR
RENEWABLE POWER, LOW COMMUNITY IMPACT**

HAQUIRA

**ONE OF THE WORLD'S MAJOR UNDEVELOPED
COPPER DEPOSITS**

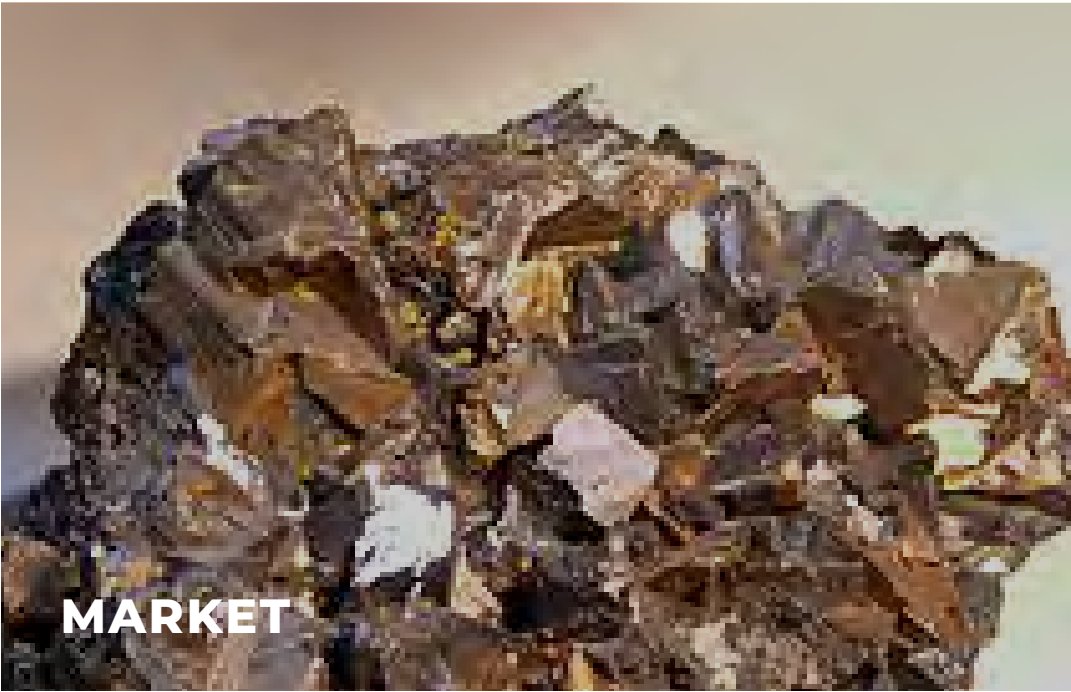
¹ 'How green bottlenecks threaten the clean energy business', The Economist, June 12th, 2021

² Source: IEA (2021), The Role of Critical Minerals in Clean Energy Transitions, IEA, Paris <https://www.iea.org/reports/the-role-of-critical-minerals-in-clean-energy-transitions>

³ Source: World Bank, June 2021, Updated estimates of the impact of COVID-19 on global poverty: Turning the corner on the pandemic in 2021? <https://blogs.worldbank.org/opendata/updated-estimates-impact-covid-19-global-poverty-turning-corner-pandemic-2021>



Climate-related opportunities for First Quantum

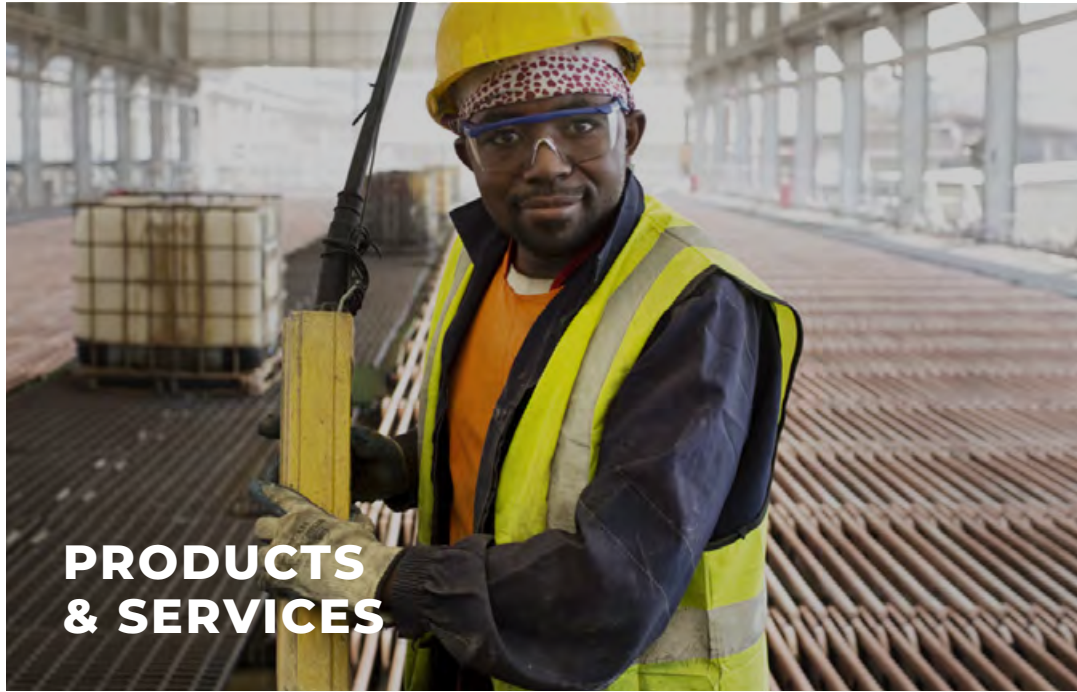


Additional demand for copper is expected to result from the continuing transition to renewable energy generation and electric vehicle propulsion, which are both much more intensive users of copper compared to existing technologies. First Quantum, as one of the largest global producers of copper, is well placed to take advantage of this with the ramp-up of Cobre Panama, the Kansanshi S3 expansion and two significant advanced exploration projects in Taca Taca and Haquira.



We are an industry leader in technology such as trolley-assist which significantly reduces diesel consumption and as a result GHG emissions. The trolley assist infrastructure offers the potential for future integration with battery technology.

Pit-electrification remains an area of focus as the Company looks to drive production and cost efficiencies through lower GHG emissions technology such as in pit crushing and conveying and electrical mining equipment, which include drills and shovels. A global push for decarbonisation represents an opportunity to further develop this approach and we are well-placed to capitalise on this as the technology is developed by equipment manufacturers.



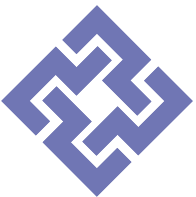
Our Zambian mines, largely powered by renewable energy supplied through the grid, have lower GHG intensity, resulting in Sentinel and Kansanshi being in the lower quartile and midpoint of the intensity curve respectively.¹ Although the Company’s Cobre Panama mine has a higher GHG emissions intensity due to the coal-fired power plant, the actions outlined in our report would reduce this and significantly improve the GHG intensity of our Panamanian copper production. Increased focus by consumers on the GHG emissions of their supply chain may result in opportunities for the Company.



The Company is reliant on hydroelectricity for two of our largest operations in Zambia. Climate risks incentivize the transition to alternative renewable sources of power, such as increased hydroelectric, solar or wind, that would improve the resilience of operations and limit exposure from an operational and financial perspective to the Zambian grid.

In Panama, a shift from reliance on coal power to renewable alternatives should deliver both environmental and economic benefits in the medium term and over the remaining life of the project through stable operating costs and limited additional capital expenditure. The Company has committed to work with the Government of Panama to perform a study into the feasibility of alternative sources of power over 2022 and 2023. This will provide increased clarity with respect to the options for further decarbonisation of power and the timelines to realize the construction and commissioning of these projects.

¹ Skarn and Associates, 2021



Responsible growth in copper

Growth in mining production remains important as the measured and indicated resources of each mine are limited and will eventually be exhausted. We believe that responsible growth in copper production is essential to replace exhausted resources and ensure that the world has adequate performance and energy metals in order to meet the challenges of the 21st century. First Quantum wants to be the partner of choice for new mining projects as we remain committed to the continuous improvement of our approach to responsible mining.

We believe responsible growth is achievable by ensuring each new mining project meet higher hurdles for environmental and social impact. In keeping with this approach, and as we seek to lower the GHG intensity of our copper production, we have implemented a carbon price for the evaluation of new projects to incentivize the use of lower carbon technologies and renewable sources of power.



Fundamental to First Quantum's philosophy is our ongoing commitment to innovation in mining, working in collaboration with equipment manufacturers to deliver benefits in productivity and profitability as well as incremental GHG emissions reductions and health & safety improvements.

This is evidenced by our successful implementation of new technologies in mining, crushing, processing, water management and concentrate grade improvements across our operations. For the last ten years, it has been a priority for First Quantum to create reliable, efficient and robust technologies that maximise the use of electrical power within the mining and haulage of waste and ore. First Quantum leads the industry in the implementation of several mining technologies which improve energy efficiency and reduction of emissions, including trolley assist and electric shovels and drills combined with in-pit crushing and conveying. We will continue to prioritise the use of renewable energy where possible as well as work with our partners to develop technology essential for decarbonisation.

In 2020, these innovations resulted in estimated savings of almost 100,000 tonnes CO₂e at our Zambian operations, where close to 80% of our electricity is renewable.

CASE STUDY

First Quantum is recognised as an industry leader in trolley assist technology.

Implementing trolley assist technology to drive energy efficiencies

GHG emissions are reduced at our Kansanshi and Sentinel mines through the use of trolley assist technology. The technology lowers overall diesel consumption and operating costs, saves on maintenance and increases productivity with a reduced GHG emissions profile.

The haul truck driving up a ramp to exit a pit will likely be powered by electricity rather than conventional diesel. Electrification of our pit operations at our mines is estimated to save tens of thousands of tonnes in CO₂e emissions each year.

The concept is relatively simple. Trucks are fitted with pantographs, which collect power through contact with overhead power lines installed on the up-ramps, just like the electric locomotives on many train networks. This means that for the part of each truck cycle when the truck is driving fully loaded uphill, and requiring the most energy, the truck's diesel-burning engine is switched off. In Zambia, this energy is more than 75% powered by hydroelectricity.

The execution is complex and the initial installation of lines, modifications to trucks and electrical infrastructure has taken several years of dedicated development work to achieve reliable trolley assist systems first

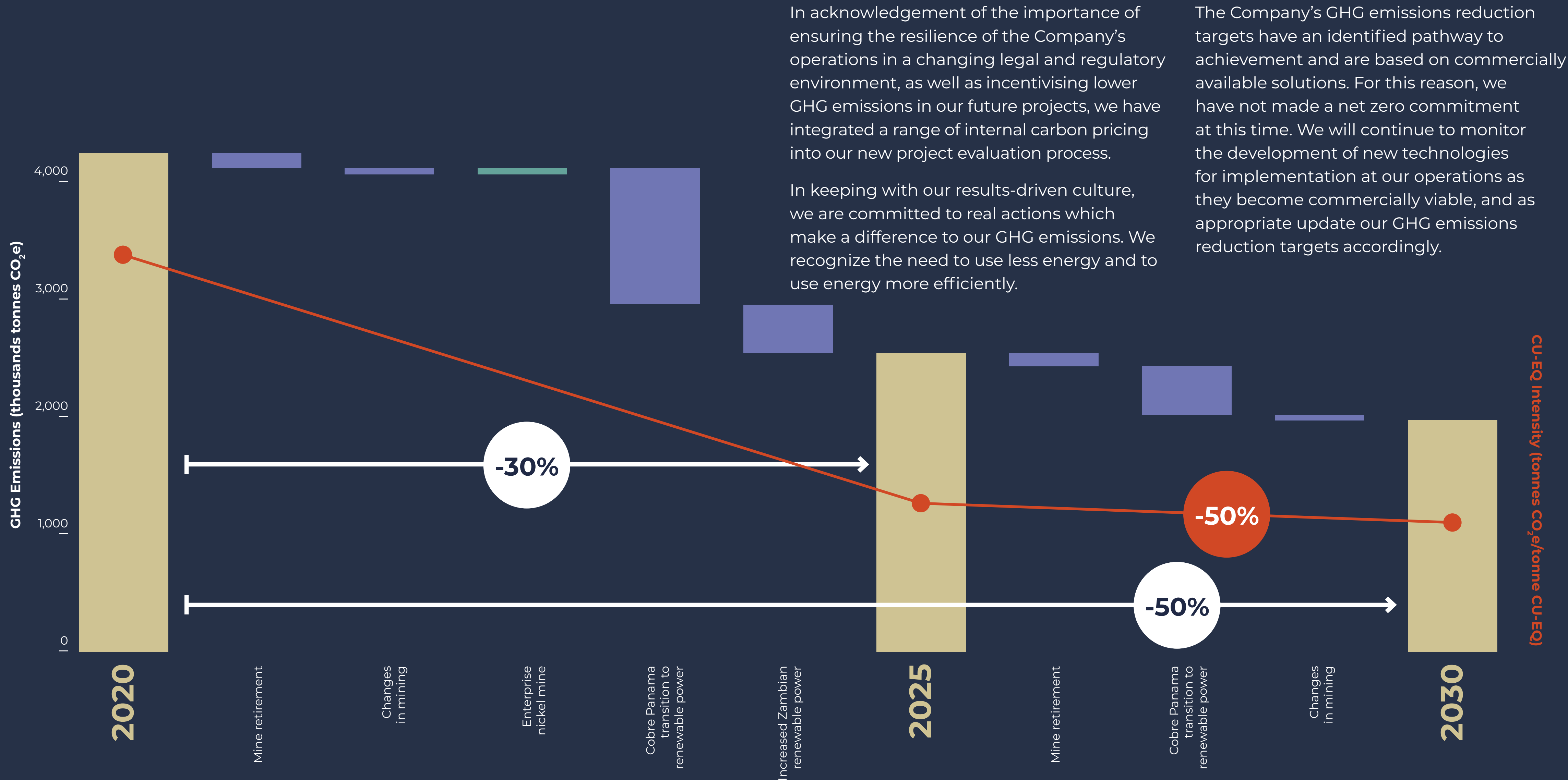
at Kansanshi and then Sentinel and Cobre Panama. The use of trolley assist is fundamental to the mine design and profile, and is now an integral aspect of these operations.

Our success, in collaboration with truck manufacturers, will enable other operators to implement this GHG emissions-saving technology.

Looking to the future, we see a number of ways that trolley assist technology can be used to further improve First Quantum's energy efficiency. Our long-term life-of-mine plans include trolley assist technology, taking dedicated permanent trolley ramps as deep as possible to make the most of the electrical power-assist.

Our trolley assist technology offers the potential for future integration with battery technology that will be key to the further abatement of GHG emissions.





Our targets for GHG reduction are based on 2020 as our base year, and on our operating mines and consistent with the mine lives, as published in our 2021 Annual Information Form. Our forecast includes the Kansanshi S3 expansion and the Enterprise nickel mine, both of which are subject to board approval.



Decarbonising power

Our focus is centred on continual improvement driving these efficiencies – in production, in cost profile and use of resources. Our commitment to decarbonisation is summarised below and focuses on our most significant GHG scope 1 and scope 2 emissions emanating from our current power requirements in Panama and Zambia.

The Cobre Panama coal-fired power station represents the Company’s single largest source of GHG emissions. The infrastructure was inherited by First Quantum when we acquired the partially constructed station in 2013. Although an appropriate choice at the time that it was designed and delivered given the lack of availability of reliable alternative power in Panama, we acknowledge the need to now reduce our carbon footprint and therefore make the following commitments to achieve this:



BY 2023

70,000

TONNES OF CO₂E SAVED

The expansion of operations to 100Mtpa at Cobre Panama is expected to be powered by renewable energy by 2023, saving approximately 70,000 tonnes of CO₂e per year.

BY 2025

-30%

REDUCTION OF OUR ABSOLUTE GHG EMISSIONS

By 2025, we plan to source alternative supply options of up to 50% of the energy currently provided by the Panama power station with renewable energy. This would contribute to a 30% reduction in the Company’s absolute GHG emissions.

BY 2030

-50%

REDUCTION OF OUR ABSOLUTE GHG EMISSIONS

By 2030, First Quantum expects to be able to reduce its absolute GHG emissions by 50% as it aims to increase the use of alternative power and further reduce reliance on coal at Cobre Panama.

BY 2030

-50%

REDUCTION TARGET IN THE GHG INTENSITY OF THE COPPER MINED

By 2030, we target a 50% reduction in the GHG intensity of the copper mined. We expect to achieve this through the reduced emissions associated with our power as well as maintaining our production through the Kansanshi S3 expansion and the 100Mtpa expansion at Cobre Panama.

- ♦ Due to power capacity considerations in Panama and the corresponding impact on pricing for our host communities, some power may be drawn from the existing power station, particularly in peak periods where baseload is required to support affordable power.
- ♦ At the Company’s other operations, we will continue to prioritise the use of renewable power, where feasible.
- ♦ In Zambia where close to 80% of power is renewable, we are actively evaluating the potential for renewable wind and solar power projects to reduce our consumption of domestic third-party coal power.
- ♦ First Quantum does not intend to develop the Sese coal power project.
- ♦ The Company expects that the operating cost of power associated with the transition to greener sources will be consistent with the current levels seen by our operations, inclusive of depreciation. No significant capital expenditure is expected to be required over the lives of mine to achieve these targets, with limited capital required prior to 2025.



Our assessment of the impacts of climate change on our operations has been informed by the IEA World Energy Outlook 2020 scenarios as well as climate data projections from the Intergovernmental Panel on Climate Change (IPCC), as recommended by the TCFD recommendations. Incorporating the following IEA scenarios, our climate change impact assessment considers two time horizons; an interim time frame through to 2030 as well as a long-term time frame to 2050.

- ♦ Stated Policies Scenario (STEPS) – this represents a more conservative scenario based on the national policy frameworks already outlined and announced.
The IPCC climate projections used in conjunction with this scenario is the Representative Concentration Pathway (RCP) 8.5
- ♦ Sustainable Development Scenarios (SDS) – representing our comparative scenario, this is aligned to a pathway consistent with the goals of the 2015 Paris agreement to limit global warming to 2C°, preferably 1.5C°, from pre-industrial temperatures.
The IPCC climate projections used in conjunction with this scenario is the RCP 4.5

Through the evaluation of the IPCC climate projection data for each scenario, the physical impacts associated with climate change, such as changes in average levels of precipitation, temperature and sea levels, as well as the changes in extreme weather events, have been considered in the assessment. These associated physical impacts have been evaluated based on the impact of the climate-related risk to each of the Company’s operations.

The potential impacts of climate change vary across all levels of our business and are specific to the geographies in which our operations are located. As such, with the support of specialist climate consultants, our assessment of the significance of potential climate change impacts is based on engagement with the site management of our long-life operating assets, senior and executive management and members of the board, including the chair of our EHS&CSR committee, COO, CEO and Chair.

For this assessment, the following areas were considered:

- ♦ Operational activities (mining, processing, tailings management, workforce and communities)
- ♦ Supply chain (logistics and power)
- ♦ Access to capital (debt and equity markets)
- ♦ Availability of appropriate technology
- ♦ Legal and regulatory requirements
- ♦ Commodity markets



The evaluation, update and monitoring of climate change risks will be integrated into the Company’s bi-annual risk assessment process in 2022. As part of this process, responsibilities for risk controls and management are assigned to each site and senior management and will be subject to an internal audit review. The risk register and the accompanying mitigating controls are reviewed twice a year by the Company’s Audit Committee.



The most significant climate physical and transition risks to First Quantum are summarised in the following tables and reflect the risk after considering the controls that we have implemented to mitigate the impact of the underlying risk.

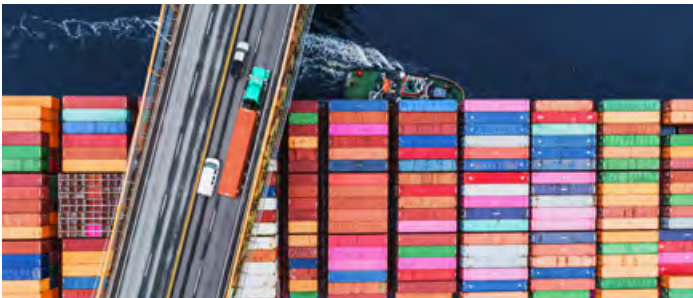


Our risk assessment framework is based on an assessment of the likelihood within the timeframes considered under each climate scenario assessed (a medium-term time frame to 2030 and a longer-term time frame to 2050), and the impact at either a corporate or a site level on a 1 – 5 rating scale. In which 1 represents a low risk and 5 a high risk.

Physical Risks – site specific

RISK	DESCRIPTION	SITES	ACTION
<div></div> <div>Tailings storage facilities and dams</div> <div><div>ACUTE</div><div>CHRONIC</div></div>	<p>The potential failure of a tailings storage facility or dam may be impacted by increased rainfall or variability in chronic rain and temperature. Changes in the intensity or frequency of extreme weather events can impact the operation of the facilities, requiring additional planning and infrastructure to manage the impacts.</p>	Cobre Panama Kansanshi Sentinel Ravensthorpe	<ul style="list-style-type: none">♦ Regular scenario modelling in the design and operation of facilities using climate data and forecasts.♦ Planning through design and management for extreme weather events to ensure resilience and capacity exists.♦ Continuous monitoring by site and corporate teams.♦ Frequent independent review and audit.♦ Monitoring and review of best practices to ensure ongoing optimum performance.
<div></div> <div>Mining activities</div> <div><div>ACUTE</div><div>CHRONIC</div></div>	<p>Increased intensity or frequency of extreme weather events (rain or wind storms, wildfires, lightning strikes) could present a health and safety risk to employees, or impact the ability to operate according to mine plans through damage to key equipment and/or the integrity of pit structures.</p>	Cobre Panama Kansanshi Sentinel Ravensthorpe	<ul style="list-style-type: none">♦ Design, engineering and construction of plant and machinery reflects the changing environments in which they operate.♦ Implementation of health and safety procedures designed to minimize the impact of extreme weather events and the vulnerability of the workforce and key equipment.♦ Weather data is monitored and extreme weather response plans are conducted by site management to ensure these are incorporated into mine planning.♦ Mitigating actions, such as ensuring that capacity exists for coping with surge weather events or monitoring mechanisms and protocols to reduce the vulnerability of our workforce or infrastructure to extreme weather events, have and continue to be implemented and reviewed by site management.



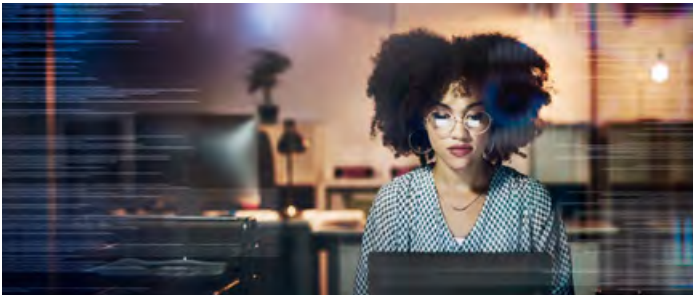



Physical Risks – site specific

RISK	DESCRIPTION	SITES	ACTION
<div></div> <div>Supply chain</div> <div>ACUTE</div>	Extreme weather events such as storms could result in interruptions or delays to the supply chain at ports and roads that are necessary for the provision of key inputs required for mine production.	Cobre Panama Sentinel Ravensthorpe	<ul style="list-style-type: none">Inventory of key supplies is actively managed in conjunction with a review of forecast weather data to maintain the resilience of operations to supply infrastructure interruptions.The Company engages with our host governments on the management of local infrastructure that supports the communities and the mines as well as contributing to the maintenance and upgrade of related infrastructure where appropriate.
<div></div> <div>Power</div> <div>ACUTE CHRONIC</div>	Zambia has a high degree of dependency on hydroelectricity where changes in levels of rainfall could affect the power supply in the country. In Panama, the power line connecting the power station to the mine, as well as the connection to the national grid, runs through an inaccessible area characterised by undulating topography, which could be affected by extreme weather events.	Kansanshi Sentinel Cobre Panama	<ul style="list-style-type: none">The Company is engaged with local and national governments in Zambia on the power supply to our mines.Projects focused on the establishment of alternative and renewable sources of power are under consideration in Zambia.In Panama, the powerline infrastructure was recently designed and was constructed for the environment in which it is located. It is subject to regular review and maintenance by the Company's teams.
<div></div> <div>Communities</div> <div>CHRONIC</div>	Our host communities in Zambia, an emerging economy, where livelihoods are more dependent on agriculture, may be more adversely impacted by the changes in weather patterns, such as rainfall or temperature on local resources. As a key contributor to the local and national economic development, there may be increased expectations of us by our communities.	Kansanshi Sentinel	<ul style="list-style-type: none">The Company maintains strong links with our host communities, through regular formal and informal engagement to ensure that any concerns are communicated and addressed in a timely fashion.A number of initiatives are undertaken by the Company, to assist in the availability of key resources such as water and access to education and training. Through these programs we seek to decrease the likelihood of shortages and/or interruptions impacting our host communities.The Company's Conservation Farming for Nutrition program works with our host communities to enhance farming techniques, maximising yields and minimising soil degradation and deforestation.







Transition Risks – Group Wide

RISK	DESCRIPTION	ACTION
<div></div> <div>Policy and regulatory</div> <div>GREENHOUSE GAS EMISSIONS</div> <div></div>	<p>As governments and regulatory bodies commit to decarbonisation, this may be accompanied by stricter laws and regulations linked to GHG emissions as well as carbon pricing and reporting requirements.</p> <p>Rapid changes to energy policy may impact the market price of electricity in the countries in which we operate.</p>	<ul style="list-style-type: none">◆ The Company has regular engagement with local and government authorities and agencies to ensure that we have visibility and understanding of changes to regulatory and policy frameworks.◆ Operations at the Company's major sites are focused on mining and processing efficiency projects that have a significant positive impact on its emissions profile thereby reducing exposure.◆ The Company has undertaken to set decarbonisation targets which are expected to significantly reduce its exposure over the longer term.◆ The Company monitors market prices for electricity and seeks long term contracts for offtake, as well as opportunities for self supply where reasonable and competitive.
<div></div> <div>Costs to transition to new technology and risk of success of new technologies</div> <div>TECHNOLOGY</div> <div></div>	<p>Key to efforts by the mining industry to decarbonise will be the reduction of emissions of mining fleets as well as the transition to renewable power sources.</p> <p>The transition of the mine fleet would require significant capital and development and advancements in existing technology. There is a risk that investment in a technology solution that is currently available results in reduced efficiency and increased costs compared with alternatives that could be developed.</p> <p>In Panama, there are currently limited low-carbon alternatives to thermal power, though this is improving, which represents a significant challenge to the Company's efforts to decarbonise.</p>	<ul style="list-style-type: none">◆ The Company is engaged with the original equipment manufacturers (OEM) to monitor the availability and commerciality of mine fleet in line with the Company's renewal program.◆ The Company is leading the industry on the use of trolley-assist which significantly reduces fuel consumption, as well as a broader focus on the electrification of pit machinery, which remains key to the Company's short and medium-term decarbonisation strategy. Trolley assist also offers potential future bridging technology for the implementation of commercially viable battery solutions to diesel-operated mine fleets.◆ The Company has committed to reduce its reliance on high-carbon fuels for power generation, as outlined in this report.



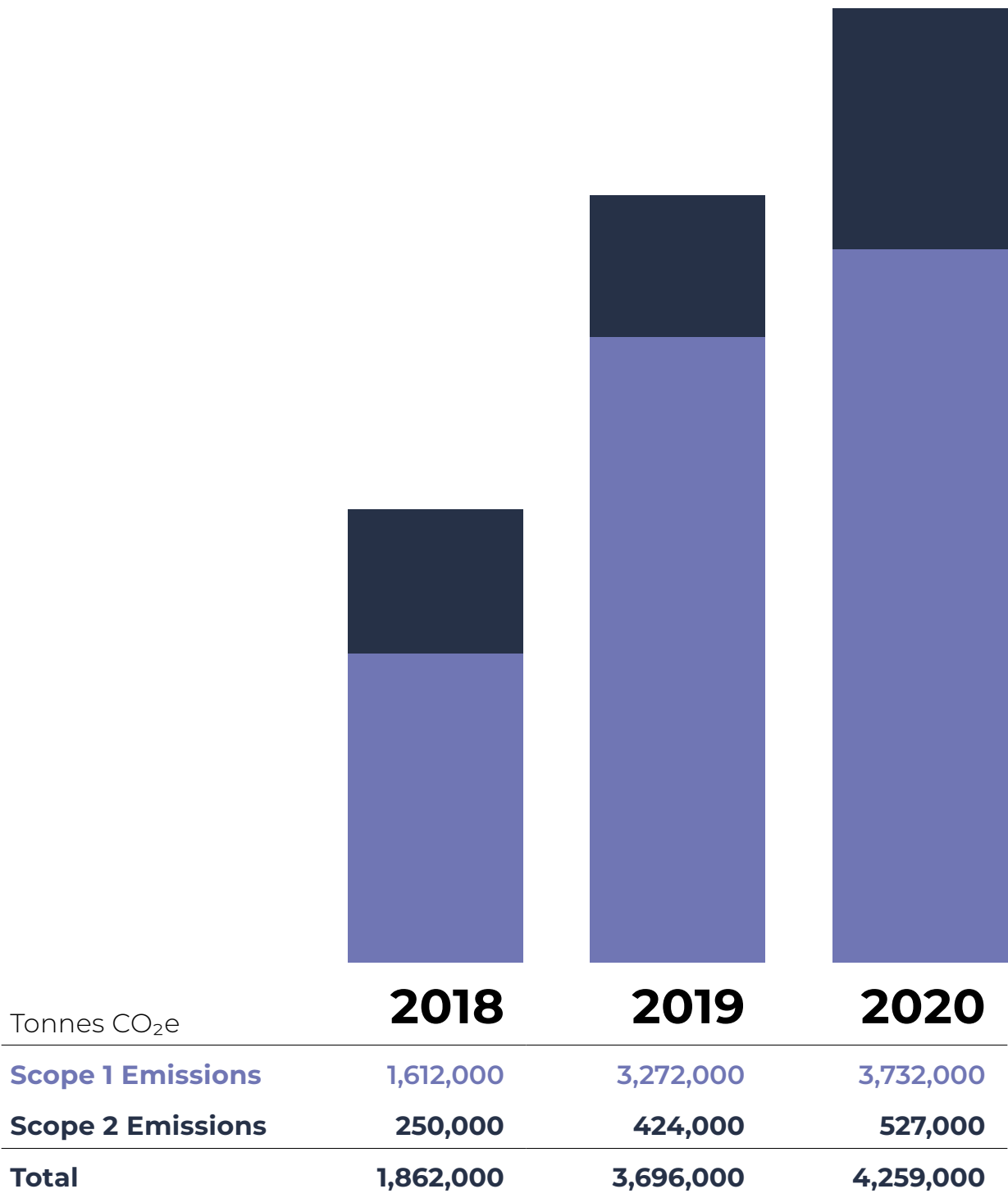
Transition Risks – Group Wide

RISK	DESCRIPTION	ACTION
<div></div> <div>Shifts in customer preferences and increased stakeholder concerns</div> <div>MARKET</div> <div></div>	<p>In the future, commodity market pricing mechanisms could assign a premium to products with lower embedded GHG emissions.</p> <p>Second order impacts from changes in the energy mix, for example the reduction in petroleum production may affect prices for key inputs to the business such as fuel, sulphur, ammonium nitrate.</p>	<ul style="list-style-type: none">♦ The GHG intensity of copper produced from the Company's operations in Zambia is lower than or comparable to the average. Further initiatives to reduce energy consumption and maximise productivity are expected to yield some improvement.♦ Actions to reduce our GHG emissions in Panama, centred on the coal-fired power station, will significantly reduce the GHG intensity of the operation.♦ Price monitoring and offtake agreements for key inputs.
<div></div> <div>Sector stigmatization/pressure to decarbonize resulting in a reduction in capital availability</div> <div>REPUTATION</div> <div></div>	<p>The continued use of coal for the power provided in Panama could hinder the ability of the Company to take advantage of strategic opportunities or limit access to capital markets, as stakeholder expectations for decarbonisation increase.</p>	<ul style="list-style-type: none">♦ The Company has committed to reduce its reliance on high-carbon fuels for power generation, as outlined in this report.♦ The Company has reported key climate-related metrics for a number of years and is committed to the transparency and ongoing development of our climate change and broader ESG reporting.♦ There is continuous engagement with key stakeholders and ratings agencies on our approach and actions relating to climate change to ensure that our strategy is communicated and understood.



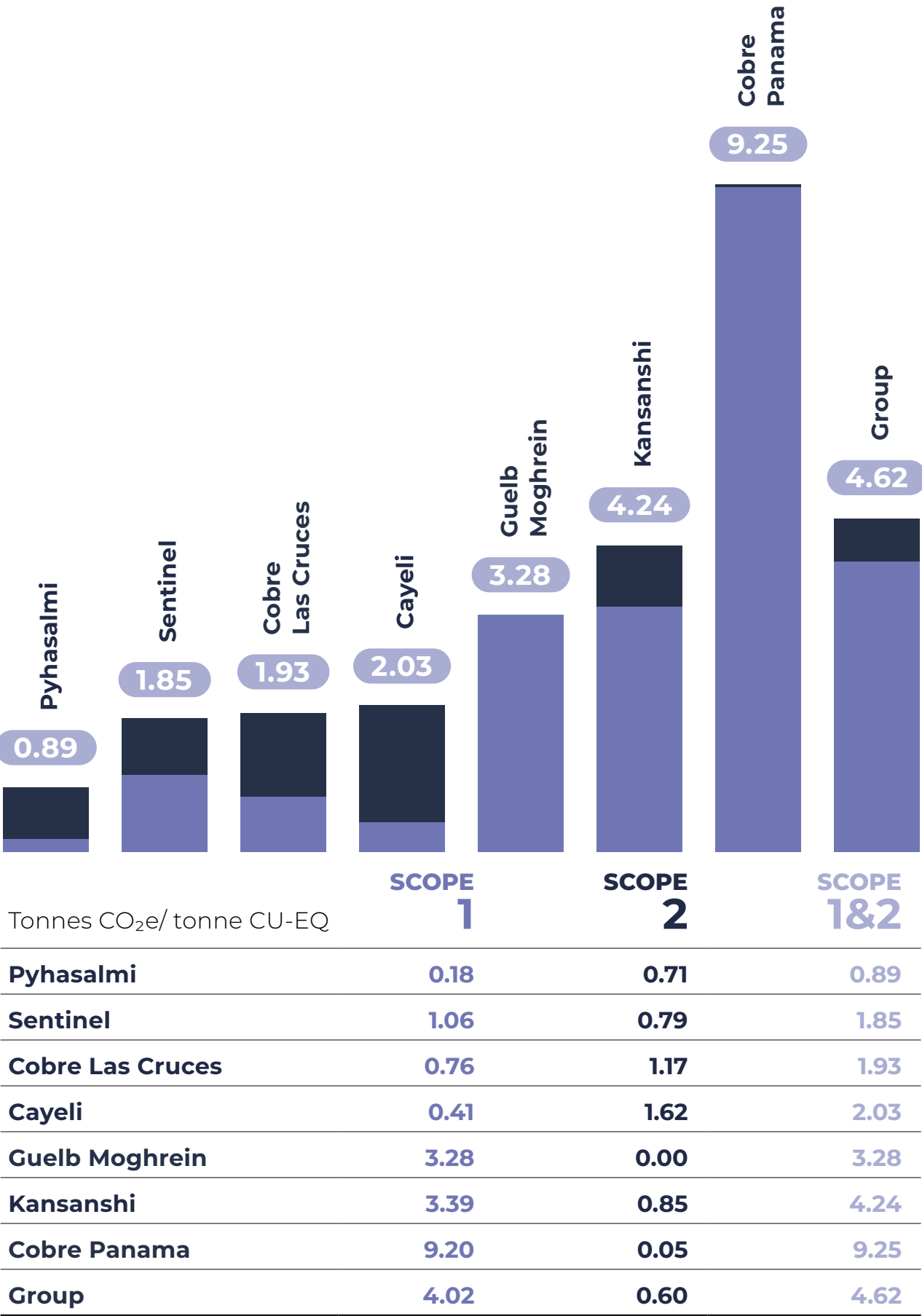
GHG and energy metrics: 2018 to 2020

FIRST QUANTUM SCOPE 1 & 2 CO₂e EMISSIONS

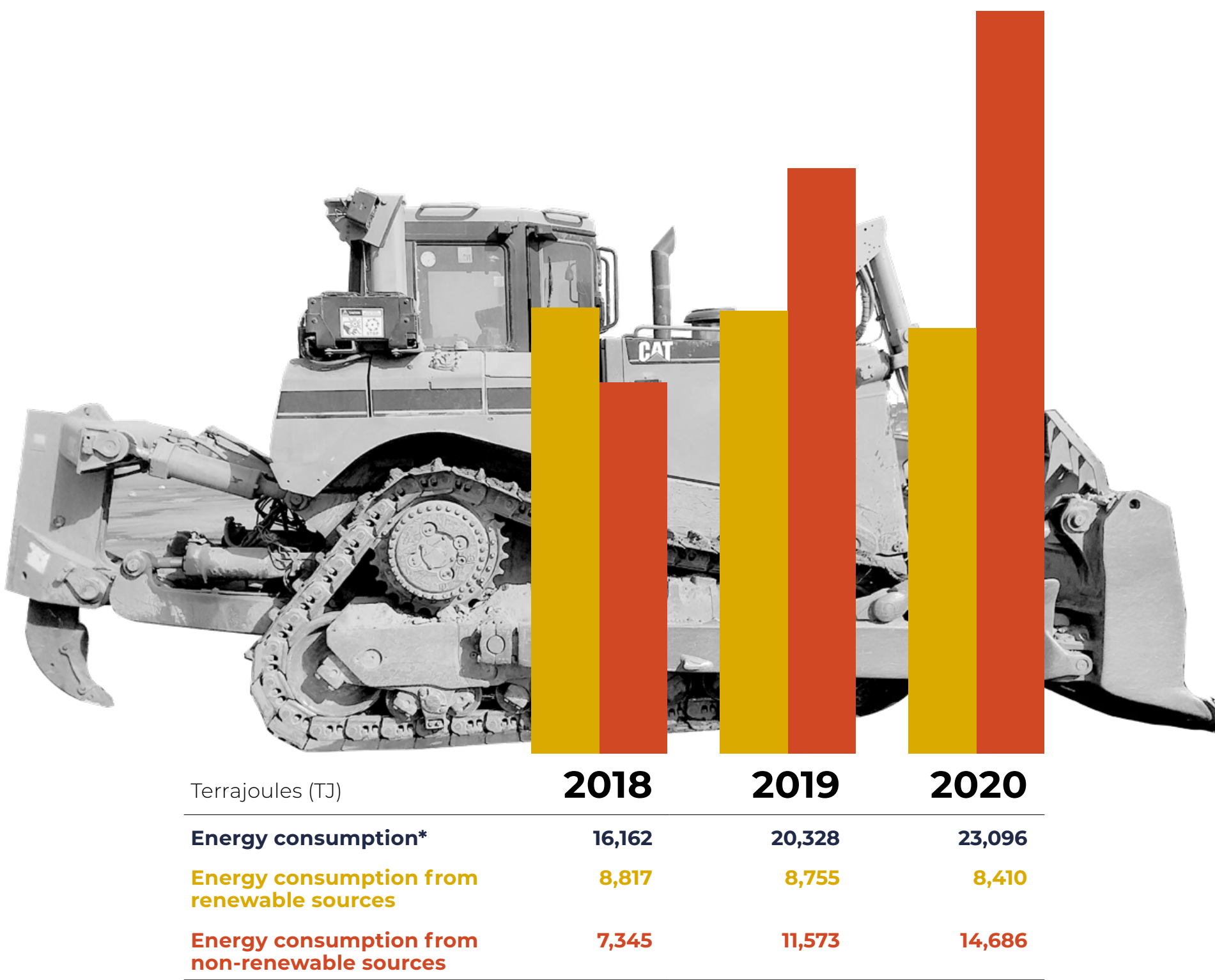


Commercial production was declared at the Cobre Panama mine in September 2019. The increase in emissions is principally attributable to the commissioning of the mine and the power station.

2020 FIRST QUANTUM GHG INTENSITY



FIRST QUANTUM ENERGY CONSUMPTION



* Includes energy consumed from all sources by the Company's operations (purchased electricity and on-site generation)



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 plans, targets and commitments regarding climate change-related physical and transition risks and opportunities (including intended actions to address such risks and opportunities), greenhouse gas emissions, energy efficiency and carbon intensity, use of renewable energy sources, design, development and operation of the Company's projects and future reporting regarding climate change and environmental matters; the Company's expectations regarding increased demand for copper; the Company's project pipeline and development and growth plans; . Often, but not always, forward-looking statements or information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" "believes", "targets" or "intends" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

With respect to forward-looking statements and information contained herein, the Company has made numerous assumptions including among other things, assumptions about continuing production at all operating facilities, the price of copper, gold, nickel, silver, iron, cobalt, pyrite, zinc and sulphuric acid, anticipated costs and expenditures, the success of Company's actions and plans to reduce greenhouse gas emissions and carbon intensity of its operations and the ability to achieve the Company's goals. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. These factors include, but are not limited to, future production volumes and costs, the temporary or permanent closure of uneconomic operations, costs for inputs such as oil, power and sulphur, political stability in Panama, Zambia, Peru, Mauritania, Finland, Spain, Turkey, Argentina and Australia, adverse weather conditions in Panama, Zambia, Finland, Spain, Turkey, Mauritania, and Australia, labour disruptions, potential social and environmental challenges

(including the impact of climate change), power supply, mechanical failures, water supply, procurement and delivery of parts and supplies to the operations, the production of off-spec material and events generally impacting global economic, political and social stability.

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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