



FIRST QUANTUM
MINERALS

2019
**Tax Transparency
and Contributions to
Government Report**

About First Quantum

First Quantum Minerals Ltd. (“**First Quantum**” or the “**Company**”) is a leading and fast growing copper company founded more than 20 years ago with a strong conviction in the long-term fundamentals for copper. Beginning with the 1996 purchase of a mining licence in Zambia to reprocess tailings from past mining activities, our assets and operations now span nine countries and five continents. Today we are one of the world’s top 10 copper producers.

In 2019, we recorded our eighth consecutive year of copper production growth with 702,148 tonnes of copper produced. In addition, we produced 256,913 ounces of gold. The Company’s largest development project to date, Cobre Panama, achieved commercial production in September 2019, less than seven months after the introduction of first ore into the milling circuit.

Corporate Offices

Vancouver (Registered Office),
Toronto, London, Perth, Johannesburg

Ownership

Publicly Traded Company

Exchange Listings

Common Shares:
Toronto Stock Exchange (FM)

Depository Receipts:
Lusaka Stock Exchange (FQMZ)





At a glance 2019

Principal Products

Copper, Gold, Zinc and Nickel

Sales Revenues

\$4,067 million

Copper Production

702,148 tonnes

Employees

26,349

About this report

First Quantum makes significant contributions to the public finances of the countries in which we operate. We strongly support the various transparency initiatives which provide all stakeholders with clear information of the contributions which First Quantum makes to our host governments. The *2019 Tax Transparency and Contributions to Government Report* highlights First Quantum's contributions to our host Governments which helps to illustrate the positive impact we strive to create everywhere we do business.

This report is intended to meet Canada's *Extractive Sector Transparency Measures Act* ("ESTMA") reporting obligations as well as Chapter 10 of the EU Accounting Directive as noted in Appendix A of this report. All amounts in this report are expressed in U.S. dollars unless otherwise noted.



Message from Chief Financial Officer



On behalf of the Board, I am pleased to present First Quantum's Tax Transparency and Contributions to Government Report for 2019. This report has been prepared in accordance with Canada's Extractive Sector Transparency Measures Act ("**ESTMA**") and Chapter 10 of the EU Accounting Directive, and is intended to provide greater clarity in relation to First Quantum's tax and economic contributions made in the countries that we operate.

First Quantum's approach to tax and royalty payments reflects its underlying core values which focuses on building open and transparent relationships with relevant stakeholders including tax authorities in those countries.

Of course, our contribution does not stop at paying tax and royalty. Since we started operations in 1996, for example, we have invested millions in projects in Zambia to improve education outcomes, support the role of women, address health and housing issues, protect the environment and support local communities including business and agriculture. We employ thousands of local people in our operations, providing ongoing, stable and well-paid employment with high safety standards and support for our employees and their families with access to health care and other services.

In 2019, our contributions under ESTMA reporting amounted to \$460 million. Compared to 2018, our payments of taxes decreased by 13%, mostly attributable to lower copper price and lower copper production at our mines in Spain and Turkey. At our Las Cruces mine in Spain, production was impacted by an interruption to mining activity due to a land slippage in January 2019.

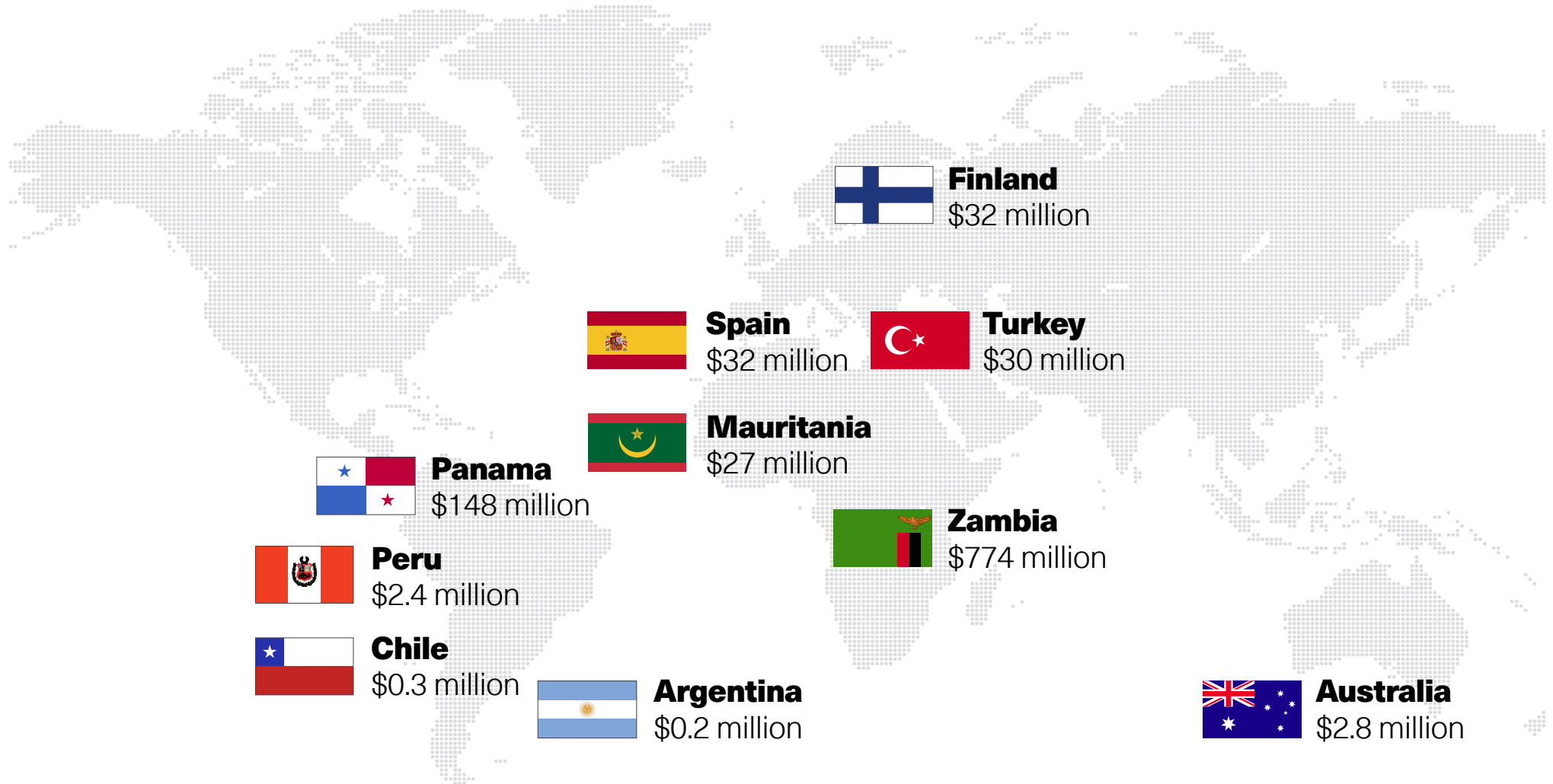
In addition to the \$460 million ESTMA reportable payments, we voluntarily report payments in respect of consumptions and import taxes, payroll taxes, withholding taxes, CSR and infrastructure that are outside the scope of ESTMA reporting. In 2019, our voluntarily reported payments totalled \$588.5 million. The increased voluntarily reported payments were up 14% on 2018 after excluding VAT payments of \$190.3 million, the refund of which has been significantly delayed and not refunded in 2019. First Quantum's total direct contributions to governments in 2019 totalled \$1.049 billion. These payments represent direct contributions to our host countries and a significant proportion of government revenues.

This significant tax and economic contribution to the countries in which we operate gives local governments the opportunity to provide essential services to their citizens and invest in their communities for the future.

Hannes Meyer
Chief Financial Officer

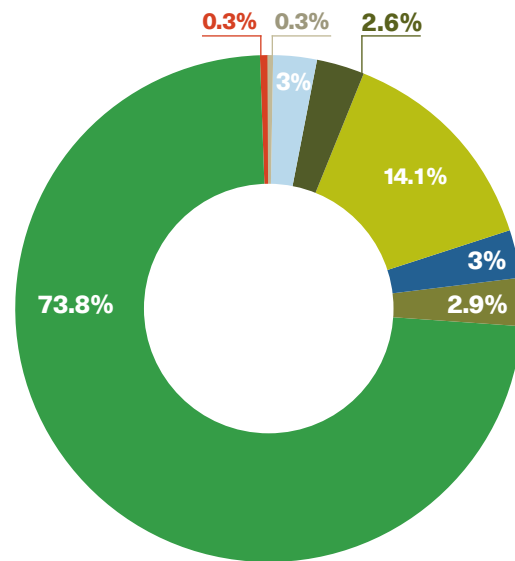
Our global economic contribution in 2019

Total \$1.049 billion



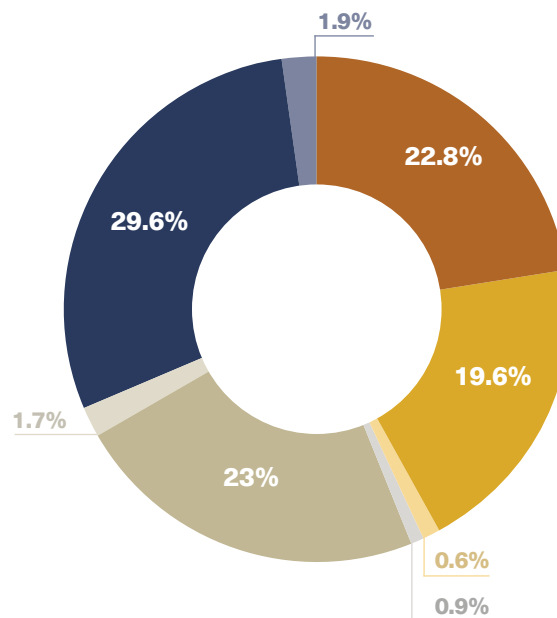
2019 Tax Transparency and Contributions to Government Report

TOTAL BY COUNTRY 2019



- Australia
- Finland
- Mauritania
- Panama
- Spain
- Turkey
- Zambia
- Non-operating

TOTAL BY CATEGORY 2019



- Taxes
- Royalties
- Fees
- Other ESTMA payments
- Payroll taxes
- Withholding taxes
- Consumption & Import taxes
- CSR and Infrastructure

2019 Tax Transparency and Contributions to Government Report

Country	Project Name	Taxes	Royalties	Fees	Other Estma Payments	Total Estma Payments ¹	Payroll Taxes ²	Withholding Taxes	Consumption & Import Taxes ³	CSR & Infrastructure ⁴	Total Contribution
Argentina	Taca Taca	-	-	-	-	-	194,191	-	-	-	194,191
Australia	Ravensthorpe	1,116,826	-	296,190	-	1,413,017	1,346,370	-	-	10,425	2,769,812
Chile	Various early stage exploration	113,270	-	-	-	113,270	213,718	-	-	-	326,988
Finland	Pyhäsalmi	10,048,503	-	-	-	10,048,503	3,829,439	-	18,271,126	45,978	32,195,047
Mauritania	Guelb Moghrein	8,944,659	7,173,456	-	-	16,118,115	10,004,947	-	-	906,913	27,029,975
Panama	Cobre Panama	-	-	3,062,296	-	3,062,296	137,457,270	776,923	-	6,887,586	148,184,075
Peru	Haquira	-	-	859,437	-	859,437	827,442	-	-	682,830	2,369,709
Spain	Las Cruces	23,926,913	-	-	123,131	24,050,044	7,185,922	284,715	-	96,107	31,616,788
Turkey	Çayeli	18,425,118	6,537,101	-	-	24,962,218	4,741,990	103,157	20,834	131,894	29,960,094
Zambia	FQMO	6,165,129	-	306,555	-	6,471,684	26,400,769	782,918	67,410,830	1,718,854	102,785,055
Zambia	Kansanshi	156,359,907	104,282,040	80,055	9,606,028	270,328,030	27,406,439	3,081,246	128,375,310	3,916,343	433,107,369
Zambia	Trident (including the Sentinel mine)	13,755,693	87,556,915	1,410,862	-	102,723,469	21,147,086	12,881,919	96,248,944	5,074,479	238,075,898
TOTAL		238,856,019	205,549,511	6,015,394	9,729,159	460,150,083	240,755,583	17,910,879	310,327,045	19,471,409	1,048,614,999

¹ Relates to fees, bonuses and infrastructure improvements reportable under ESTMA.

² Includes employer and employee burden.

³ This figure only includes VAT that is non-refundable and import taxes, except for Zambia where the amount also includes \$190.3m refundable VAT remitted in 2019 and pending repayment. The Company's Zambian operations have continued to accrue VAT receivable amounts with minimal cash refunds received or offsets to other tax liabilities approved. The inclusion of the 2019 VAT in Zambia reflects the risk that VAT repayments owed to the Company have been significantly delayed.

⁴ This figure includes CSR directly to communities and infrastructure improvement payments where the primary user is the Company.

Extractive Sector Transparency Measures Act - Annual Report

Reporting Entity Name	First Quantum Minerals Ltd.					
Reporting Year	From	2019-01-01	To	2019-12-31	Date Submitted	2020-06-09
Reporting Entity ESTMA Identification Number	E332692		<input checked="" type="radio"/> Original Submission <input type="radio"/> Amended Report			
Other Subsidiaries Included (optional field)	FQM Australia Nickel Pty Ltd., First Quantum Mining & Operations Limited, Kalumbila Minerals Limited, Kansanshi Mining Plc, Mauritanian Copper Mines S.A., Pyhäsalmi Mine Oy, Çayeli Bakir İşletmeleri A.S., Cobre Las Cruces S.A., Minera Panama S.A., Minera Antares Peru S.A.C., Corriente Argentina S.A., FQM Exploration (Chile) S.A.					
Not Consolidated						
Not Substituted						
Attestation by Reporting Entity						

In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest I have reviewed the information contained in the ESTMA report for the entity(ies) listed above. Based on my knowledge, and having exercised reasonable diligence, the information in the ESTMA report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Full Name of Director or Officer of Reporting Entity	Hannes Meyer	Date	2020-06-09
Position Title	Chief Financial Officer		

Extractive Sector Transparency Measures Act - Annual Report

Reporting Year	From	2019-01-01	To	2019-12-31	Date Submitted	2020-06-09
Reporting Entity Name	First Quantum Minerals Ltd.		Currency of the Report		USD	
Reporting Entity ESTMA Identification Number	E332692					
Subsidiary Reporting Entities (if necessary)						

Payments by Payee

Country	Payee Name ¹	Departments, Agency, etc... within Payee that Received Payments ²	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes ^{3a}
Australia	Shire of Ravensthorpe		536,170	-	-	-	-	-	-	536,170	
Australia	State of Western Australia	Department of Mines, Industry Regulation & Safety	489,168	-	194,420	-	-	-	-	683,588	
Australia	State of Western Australia	Department of Environment Regulation	-	-	74,784	-	-	-	-	74,784	
Australia	State of Western Australia	Department of Finance	91,488	-	-	-	-	-	-	91,488	
Australia	State of Western Australia	Department of Transport	-	-	26,986	-	-	-	-	26,986	
Chile	Government of Chile	General Treasury of the Republic	113,270	-	-	-	-	-	-	113,270	
Finland	Government of Finland	Finnish Tax Administration	10,048,503	-	-	-	-	-	-	10,048,503	
Mauritania	Government of Mauritania	Ministry of Finance	8,944,659	-	-	-	-	-	-	8,944,659	
Mauritania	Government of Mauritania	Ministry of Mines, Energy & Petroleum	-	7,173,456	-	-	-	-	-	7,173,456	

Extractive Sector Transparency Measures Act - Annual Report

Payments by Payee

Country	Payee Name ¹	Departments, Agency, etc... within Payee that Received Payments ²	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes ^{3a}
Panama	Government of Panama	National Treasury	-	-	408,670	-	-	-	-	408,670	
Panama	Government of Panama	Maritime Authority	-	-	480,779	-	-	-	-	480,779	
Panama	Government of Panama	Environmental Ministry	-	-	1,736,743	-	-	-	-	1,736,743	
Panama	Government of Panama	Ministry of Public Works	-	-	-	-	-	-	-	-	
Panama	Municipality of Donoso		-	-	436,104	-	-	-	-	436,104	
Peru	Government of Peru	Mining & Metallurgical Geological Institute	-	-	859,437	-	-	-	-	859,437	
Spain	Gerena Town Hall		508,100	-	-	-	-	-	-	508,100	
Spain	Government of Spain	Spanish Revenue Agency	23,267,497	-	-	-	-	-	-	23,267,497	
Spain	Government of Spain	Hydrographic Confederation	151,316	-	-	-	-	-	-	151,316	
Spain	La Algaba Town Hall		-	-	-	-	-	-	123,131	123,131	
Turkey	Eti Maden Isletmeleri		-	6,537,101	-	-	-	-	-	6,537,101	Eti Maden Isletmeleri is a Turkish majority state owned company.
Turkey	Government of Turkey	Turkish Revenue Agency/Ministry of Finance	17,274,513	-	-	-	-	-	-	17,274,513	
Turkey	Madenli Municipality		235,002	-	-	-	-	-	-	235,002	
Turkey	Rize Province		915,603	-	-	-	-	-	-	915,603	

Extractive Sector Transparency Measures Act - Annual Report

Payments by Payee

Country	Payee Name ¹	Departments, Agency, etc... within Payee that Received Payments ²	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes ^{3*}
Zambia	Government of Zambia	Zambia Revenue Authority	174,645,793	191,838,955	-	-	-	-	-	366,484,747	
Zambia	Government of Zambia	Ministry of Mines and Mineral Development	-	-	240,814	-	-	-	-	240,814	
Zambia	Government of Zambia	Ministry of Lands & Natural Resources	-	-	211,184	-	-	-	-	211,184	
Zambia	Government of Zambia	ZCCM Investments Holdings Plc	-	-	-	-	-	9,400,000	-	9,400,000	ZCCM Investments Holdings Plc is a company majority owned by the Republic of Zambia.
Zambia	Government of Zambia	Mines Safety Department	-	-	1,235,138	-	-	-	-	1,235,138	
Zambia	Zambia Environmental Management Agency		-	-	110,335	-	-	-	-	110,335	
Zambia	Solwezi Municipal Government		1,634,937	-	-	-	-	-	206,028	1,840,964	
TOTAL			238,856,019	205,549,511	6,015,394	-	-	9,400,000	329,159	460,150,083	

Additional Notes

¹ Above numbers are reported in USD. When a payment is made in a foreign currency by a subsidiary which uses USD as its accounting functional currency, the payment is generally reported using the exchange rate existing at the time the payment is made. For those subsidiaries whose accounting functional currency is their local currency, payments reported have been translated using the yearly average exchange rates which are as follows:

Currency	USD
Argentine peso	48.2318
Australian dollar	1.4387
Canadian dollar	1.3268
Chilean peso	703.2751
Euro	0.8934
Peruvian nuevo sol	3.3369
Turkish lira	5.6764
Zambian kwacha	12.9010

² The Company reported all payments in excess of USD \$76,799 (CAD \$100,000/1.3268 year-end exchange rate) per payee per category.

³ Infrastructure improvement payments include in-kind contributions. The method for calculating the value of the payments is at cost.

Extractive Sector Transparency Measures Act - Annual Report

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Reporting Entity Name	First Quantum Minerals Ltd.		Currency of the Report	USD		
Reporting Entity ESTMA Identification Number	E332692					
Subsidiary Reporting Entities (if necessary)						

Payments by Project

Country	Project Name ¹	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes ^{2,3}
Australia	Ravensthorpe	1,116,826	-	296,190	-	-	-	-	1,413,017	Ravensthorpe remained on care and maintenance throughout the year following the suspension of operations at the mine in October 2017.
Chile	Various early stage exploration	113,270	-	-	-	-	-	-	113,270	
Finland	Pyhäsalmi	10,048,503	-	-	-	-	-	-	10,048,503	
Mauritania	Guelb Moghrein	8,944,659	7,173,456	-	-	-	-	-	16,118,115	
Panama	Cobre Panama	-	-	3,062,296	-	-	-	-	3,062,296	Cobre Panama declared commercial production on September 1, 2019.
Peru	Haquira	-	-	859,437	-	-	-	-	859,437	
Spain	Las Cruces	23,926,913	-	-	-	-	-	123,131	24,050,044	
Turkey	Çayeli	18,425,118	6,537,101	-	-	-	-	-	24,962,218	Royalty was paid to Eti Maden, a majority state owned company.

Extractive Sector Transparency Measures Act - Annual Report

Payments by Project

Country	Project Name ¹	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes ^{2,3}
Zambia	FQMO	6,165,129	-	306,555	-	-	-	-	6,471,684	
Zambia	Kansanshi	156,359,907	104,282,040	80,055	-	-	9,400,000	206,028	270,328,030	Dividends were paid to ZCCM Investments Holdings Plc, a company majority owned by the Republic of Zambia.
Zambia	Trident (including the Sentinel mine)	13,755,693	87,556,915	1,410,862	-	-	-	-	102,723,469	
TOTAL		238,856,019	205,549,511	6,015,394	-	-	9,400,000	329,159	460,150,083	

Additional Notes³

¹ Above numbers are reported in USD. When a payment is made in a foreign currency by a subsidiary which uses USD as its accounting functional currency, the payment is generally reported using the exchange rate existing at the time the payment is made. For those subsidiaries whose accounting functional currency is their local currency, payments reported have been translated using the yearly average exchange rates which are as follows:

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Turkish lira	5.6764
Zambian kwacha	12.9010

² The Company reported all payments in excess of USD \$7 6,799 (CAD \$100,000/1.3268 year-end exchange rate) per payee per category.

³ Infrastructure improvement payments include in-kind contributions. The method for calculating the value of the payments is at cost.

About this report

Basis of preparation and scope

This report has been prepared as required by the ESTMA and the EU Transparency and Accounting Directive with respect to disclosure of Payments to Governments, along with voluntary additional reporting of contributions relating to payroll tax, consumption tax and social contributions. Taxes, production entitlements, royalties and other payments to governments are presented on a cash-paid basis during the reporting period. In-kind payments are converted into monetary value at the date of settlement. The report includes all such payments for activities which relate to exploration, discovery, development and extraction of minerals for each of our projects.

First Quantum Minerals Ltd., as parent of the group, reports the activity of any of its subsidiary undertakings that are active in the extractive industry. Unless noted otherwise in the report, the following terms have the meanings noted below:

Government

Any national, regional or local authority of a country and includes any department, agency or undertaking controlled by such an authority. Also included are any crown corporations and other state-owned enterprises that are exercising or performing a power, duty or function of government.

Project

Project means the operational activities that are governed by a single contract, license, lease, concession or similar legal agreement and form the basis for payment liabilities with a government. Nonetheless, if multiple such agreements are substantially interconnected, this shall be considered a project.

Tax

Tax generally means any type of government charge that is enforceable by law, imposed under statutory authority, levied by a public body and intended for a public purpose.

Royalties

Payments to governments in respect of revenue or production related to the extraction of mineral, coal, oil and gas reserves.

Fees

Payments to governments where no specific service is attached, but rather 'levies' on the initial or ongoing right to use an area for exploration, development and/or production. Such fees include licenses, rentals, entry fees and other consideration for licences and concessions.

Production Entitlements

A payee's share of oil, gas or mineral production under a production sharing agreement or similar contractual or legislated arrangement should be categorized as a production entitlement under ESTMA. The Company does not currently pay any production entitlements.

Bonuses

Signing, discovery, production and any other type of bonuses paid to a payee in relation to the commercial development of oil, gas or minerals must be reported under the Act.

Dividends

Payments so named to governments, other than dividends to government units in their capacity as ordinary shareholders in an enterprise.

Infrastructure Improvements

Payments to governments, comprising of the provision of public access infrastructure, such as roads and bridges. Payments are either in the form of cash or in kind contributions (the completed infrastructure). Payments in respect of social or community programs such as building/providing a hospital, school or playground are excluded.

Disclosure threshold - payments to the "same payee" that meet or exceed CAD \$100,000 in one category of payment are disclosed.

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