



NEWS RELEASE

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www.first-quantum.com

FIRST QUANTUM MINERALS REPORTS SECOND QUARTER 2021 RESULTS

(In United States dollars, except where noted otherwise)

TORONTO, Ontario (July 27, 2021) - **First Quantum Minerals Ltd. ("First Quantum" or the "Company") (TSX:FM)** today reported results for the three and six months ended June 30, 2021. The Company reported, for the three months ended June 30, 2021 ("Q2"), comparative earnings¹ of \$173 million (\$0.25 per share¹), net earnings attributable to shareholders of the Company¹ of \$140 million (\$0.20 per share¹) and cash flows from operating activities of \$679 million (\$0.99 per share¹), which represent a significant improvement on the same quarter of 2020.

"The second quarter saw continued strong operational and financial performance. We are pleased to see the progress at Cobre Panama as it ramps up to the targeted 85 million tonnes of throughput in 2021. This will position it strongly to build to the longer term target of 100 million tonnes per annum. Debt reduction remains a focus, and we are well on our way to achieving our targeted gross debt reduction of at least \$2bn during 2022 as a result of the strong operational performance and robust commodity prices," commented Philip Pascall, Chairman and CEO. "The tapering of the hedging program will further benefit financial results in the remainder of this year. The expected close of the sale of the 30% stake in Ravensthorpe in Q3 will also contribute to the debt reduction program. I am proud of how our workforce has continued to focus on executing in a safe and sustainable manner in the face of ongoing logistical and operational challenges resulting from the COVID-19 pandemic."

SECOND QUARTER SUMMARY:

- **Operational Highlights:**

- Total copper production² was 199,689 tonnes in the quarter, an increase of 18% from Q2 2020, due to near record production at Cobre Panama of 81,686 tonnes, 276% higher than the same period in 2020, which was impacted by a COVID-19 related reduction in production.
- Similar to production, copper sales volumes increased by 27% relative to Q2 2020 as 2020 results reflected the impact of the COVID-19 related shutdown at Cobre Panama.
- Q2 copper production costs³: cash cost ("C1") of \$1.29, and all-in sustaining cost ("AISC") of \$1.91 per lb, an increase of \$0.09 and \$0.29, respectively, from Q2 2020. Higher C1 costs were driven by lower production at both Zambian operations and cessation of open-pit mining at Las Cruces in August 2020. AISC was impacted by higher royalties, higher capex related to deferrals from 2020 and the higher C1 costs.
- Realized copper price⁶ was \$3.55 per lb in the quarter, an increase of 37% from Q2 2020 and reflecting the hedge profile in place during the quarter.
- Total gold production for the quarter was 81,375 ounces, a 49% increase from the same period in 2020, attributable to record production at Cobre Panama of 36,290 ounces and consistent delivery from Kansanshi of 32,942 ounces.
- Nickel production at Ravensthorpe in Q2 was 4,543 tonnes while construction of Shoemaker Levy continued during the quarter. The mine pre-strip at Shoemaker Levy is advanced with the first mining area cleared and ready for first ore delivery which is expected to be delivered to the plant in the third quarter of 2021. Improved ore characteristics at Shoemaker Levy are expected to improve overall process plant performance.

- Sentinel continued to work through expected lower grades in the first half of 2021. Sentinel remains well on track to perform within guidance, however, guidance for Kansanshi has been modestly reduced. The Kansanshi planned smelter shutdown proceeded as planned with the smelter returning to operation in early July 2021.
- In May 2021, the Company announced that it has entered into a binding agreement to sell a 30% equity interest in Ravensthorpe for cash consideration of \$240 million to POSCO, one of the world's leading integrated producers of materials for the electric vehicle sector. The Company will retain a 70% interest in Ravensthorpe and continue to be the operator. The transaction is expected to complete in the third quarter of 2021.

	Three months ended		Six months ended	
	June 30		June 30	
<i>(U.S. dollars where applicable)</i>	2021	2020	2021	2020
COPPER				
- Production (tonnes) ²	199,689	169,059	404,753	364,344
- Sales (tonnes)	203,790	159,944	414,524	349,897
- Cost of production ³				
o AISC (per lb)	\$1.91	\$1.62	\$1.81	\$1.63
o C1 (per lb)	\$1.29	\$1.20	\$1.26	\$1.25
- Realized price (per lb) ⁶	\$3.55	\$2.60	\$3.39	\$2.58
GOLD				
- Production (ounces)	81,375	54,651	159,423	123,439
- Sales (ounces) ⁴	85,291	54,591	162,682	128,373
NICKEL				
- Production (tonnes)	4,543	1,979	9,185	1,979
- Sales (tonnes)	6,910	1,791	9,267	1,791

● Financial Highlights

- Gross profit of \$625 million and comparative EBITDA of \$902 million for the second quarter of 2021 were significantly higher (343% and 156%, respectively) than the same period in 2020, attributable to increased sales volumes at Cobre Panama, as well as a 37% increase in the realized copper price.
- Sales revenues for the quarter of \$1,847 million represented an increase of \$833 million or 82% from the comparable period of 2020, reflecting increased sales volumes of copper, gold and nickel, and a significant increase in the realized copper price.
- Cash flows from operating activities of \$679 million (\$0.99 per share) for the second quarter of 2021 were \$524 million higher than the same period in 2020.
- At June 30, 2021, the Company had 44,125 tonnes of unmargined copper forward sales contracts at an average price of \$2.96 per lb outstanding with periods of maturity to December 2021. In addition, the Company had 152,125 tonnes of unmargined zero cost copper collar sales contracts with maturities to March 2022 at weighted average prices of \$3.21 per lb to \$3.92 per lb outstanding. Copper sales in the quarter were 52% hedged. Approximately one quarter 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 and average ceiling price of \$3.16 per lb and \$3.70 per lb, respectively.

- The Company also had unmargined nickel forward sales contracts for 1,110 tonnes at an average price of \$7.74 per lb outstanding, with maturities to December 2021. In addition, the Company has zero cost nickel collar unmargined sales contracts for 1,299 tonnes at weighted average prices of \$7.68 per lb to \$8.58 per lb outstanding with maturities to May 2022.
- Net debt decreased during the six month period by \$658 million to \$6,751 million as at June 30, 2021, including a \$311 million reduction in the second quarter. With the current strength in the copper price, a significant further reduction is expected in the second half of this year. On the basis of ongoing strong operational performance, the Company anticipates continued strong future cash flow and expects to be in a position to support increased dividend payments in 2022.
- The Company ended the quarter with \$1,792 million in net unrestricted cash and cash equivalents and in full compliance with all financial covenants.
- On July 27, 2021, the Company declared an interim dividend of CDN\$0.005 per share, in respect of the financial year ended December 31, 2021 (July 28, 2020: CDN\$0.005 per share), to be payable on September 21, 2021 to shareholders of record on August 30, 2021.

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
<i>(U.S. dollars millions, except where noted otherwise)</i>				
Sales revenues	1,847	1,014	3,525	2,196
Gross profit	625	141	1,165	288
Net earnings (loss) attributable to shareholders of the Company	140	(156)	282	(218)
Basic and diluted earnings (loss) per share	\$0.20	(\$0.23)	\$0.41	(\$0.32)
Comparative EBITDA ^{1,5}	902	352	1,713	786
Comparative earnings (loss) ¹	173	(84)	323	(163)
Comparative earnings (loss) per share ¹	\$0.25	(\$0.12)	\$0.47	(\$0.24)
Cash flow from operating activities	679	155	1,422	628
Cash flow from operating activities per share ¹	\$0.99	\$0.23	\$2.06	\$0.91

¹ 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. Refer to the "Regulatory Disclosures" section in the MD&A for the quarter ended June 30, 2021 for further information. The use of comparative earnings (loss) and comparative EBITDA represents the Company's adjusted earnings (loss) metrics.

² Production is presented on a contained basis and is presented prior to processing through the Kansanshi smelter.

³ AISC and C1 costs per pound are not recognized under IFRS. Refer to the "Regulatory Disclosures" section in the MD&A for the quarter ended June 30, 2021 for further information.

⁴ Excludes refinery-backed gold credits purchased and delivered under the precious metal streaming arrangement. Refer to MD&A for the quarter ended June 30, 2021.

⁵ Adjustments to comparative EBITDA in the second quarter of 2021 relate principally to foreign exchange revaluations (foreign exchange revaluations in the second quarter of 2021).

⁶ Realized metal prices are not recognized under IFRS and defined within the "Regulatory Disclosures" section of MD&A.

2021 GUIDANCE UPDATE

Guidance provided below is based on a number of assumptions and estimates as of June 30, 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.

Total copper production guidance remains unchanged, with Cobre Panama guidance range increasing 5,000 and 10,000 tonnes to between 310,000 and 335,000 tonnes, respectively, Sentinel unchanged at 230,000 to 250,000 tonnes, while Kansanshi guidance range has been reduced 10,000 tonnes to between 200,000 and 215,000 tonnes. The other sites upper level for guidance has been increased by 5,000 tonnes.

Total gold production guidance remains unchanged, with Cobre Panama guidance range increasing 5,000 ounces to between 125,000 and 135,000 ounces, while Kansanshi guidance range has been reduced 5,000 ounces to between 115,000 to 125,000 ounces.

Whilst copper C1 costs for the second quarter and for the first six months of the year have been in the middle of guidance range, AISC has been rising, particularly in the second quarter, from higher Zambian royalty rates due to higher copper prices. Accordingly AISC guidance for 2021 has been increased by 10 cents to allow for higher royalty expense which for the quarter has exceeded prior year levels by 12 cents.

Ravensthorpe nickel production guidance has been reduced to between 20,000 and 24,000 contained tonnes in 2021. The reduction in guidance has resulted from delays experienced for supply of key components for the Shoemaker Levy crushing and conveyor project, which has resulted in an extended period of ore feed from the Hale Bopp and Halley's pit, as opposed to higher value Shoemaker Levy ore feed.

Based on actual equipment delivery dates achieved, the delivery of first ore from Shoemaker Levy into the RNO process plant is now expected to be in the third quarter of 2021. The reduced proportion of Shoemaker Levy ore volumes across the 2021 production profile for RNO has had a commensurate impact on nickel production and costs for the year.

Cash costs guidance for Nickel has therefore been increased, with C1 cost range increasing to between \$6.50 per lb and \$7.00 per lb and AISC range increasing to between \$7.75 per lb and \$8.50 per lb. The update to guidance reflects the lower production guidance, the appreciation of the Australian dollar against the U.S. dollar since the beginning of the year, the increase in the price of sulphur, and higher freight charges resulting from global shipping congestion.

Guidance for total capital expenditure is unchanged at \$950 million. Other projects capital expenditure guidance increases \$40 million, while capitalized stripping guidance decreases \$40 million, with some reallocation of pre-strip expenditures at Cobre Panama.

Production guidance

<i>000's</i>	2021 Previous Guidance	2021 Updated Guidance
Copper (tonnes)	785 – 850	785 – 850
Gold (ounces)	280 – 300	280 – 300
Nickel (tonnes)	23 – 27	20 – 24

Production guidance by operation

	2021 Previous Guidance	2021 Updated Guidance
Copper production guidance (000's tonnes)		
Cobre Panama	300 – 330	310 – 335
Kansanshi	210 – 225	200 – 215
Sentinel	230 – 250	230 – 250
Other sites	45	45 – 50
Gold production guidance (000's ounces)		
Cobre Panama	120 – 130	125 – 135
Kansanshi	120 – 130	115 – 125
Other sites	40	40
Nickel production guidance (000's tonnes)		
Ravensthorpe	23 – 27	20 – 24

Cash cost and all-in sustaining cost

	2021 Previous Guidance	2021 Updated Guidance
Copper		
C1 (per lb)	\$1.20 – \$1.40	\$1.20 – \$1.40
AISC (per lb)	\$1.70 – \$1.85	\$1.80 – \$1.95
Nickel		
C1 (per lb)	\$5.00 – \$5.50	\$6.50 – \$7.00
AISC (per lb)	\$5.50 – \$6.00	\$7.75 – \$8.50

Capital expenditure

	2021 Previous Guidance	2021 Updated Guidance
Capitalized stripping	250	210
Sustaining capital and other projects	700	740

Total capital expenditure	950	950
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Capital expenditure expectation for the full year 2021 includes spend on secondary screening at Cobre Panama, concentrate grade upgrade project 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 June 30, 2021 was \$264 million and for the first six months of the year was \$444 million.

Interest

Interest expense for the quarter was \$186 million and for the first six months of the year was \$373 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 three and six months ended June 30, 2021 was \$68 million and \$261 million, respectively, 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 June 30, 2021 was 31% and for the first six months of the year was 30%. Excluding the impact of interest expense, the effective tax rate for the full year 2021 is expected to be approximately 30%.

Depreciation

Depreciation expense the quarter ended June 30, 2021 was \$286 million and for the first six months of the year was \$572 million. The full year 2021 depreciation expense is expected to be between \$1,125 million and \$1,150 million.

PANAMA LAW 9 UPDATE

Earlier this month, the Government of Panama announced the appointment of a high-level commission of senior government ministers and officials to discuss the contract. The public acknowledgement of these ongoing discussions ensures transparency in the outcome of the process. The ministers of commerce, finance, labour and environment were confirmed as representatives on the commission. The Company welcomes the appointment of the commission and the opportunity for all stakeholders to resolve this matter in the medium term.

In June, the Supreme Court ruled on the clarification motions presented by the Company to the Court in relation to its law 9 decision announced in September 2018, which have not yet come into effect. The Supreme Court upheld its ruling and the Company understands the decision will be enacted once published in the Gazette of the Supreme Court in the near future. The Company is reviewing these developments and expects the Government announced process to result in a mutually agreed new law to be presented to, and approved by, the National Assembly.

SUSTAINABILITY

The Company recently published its primary ESG report, the annual Environment, Safety and Social Data Report ("ESSDR"), and ESG Data Summary which set out the Company's 2020 performance in a number of key environmental, safety and social metrics. The report is now available on the Company's website.

This year's ESSDR highlights for the first time the significant CO₂ emissions savings realized by some of the Company's innovative mining technology in areas such as on-site smelting, trolley-assist and in-pit crushing and conveying. These initiatives saved an estimated 1.1 million tonnes CO₂ emissions in 2020 and are part of First Quantum's approach to place

innovation and operational excellence at the core of our business. The scope of this year's ESSDR has been expanded to reflect the Company's downstream Scope 3 CO₂ emissions.

The Company also published its 2020 ETSMA tax transparency report during the quarter, which is now available on the Company's website. The 2020 ETSMA details close to \$1.1 billion in direct tax and economic contributions made by the Company's operations in their host countries.

The Company continues to progress projects towards delivering on the 2021 commitments related to climate change:

- Commencement of the program for reporting in alignment with the TCFD framework;
- Our program to set tangible and realistic CO₂ emissions targets is progressing and an update on decarbonisation efforts will be provided later in the year; and
- The Company's efforts on integration of an internal carbon price and the expected determinant impacts on commodity prices in the evaluation of our new projects remains on schedule.

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 continued to partner with Government in providing support for testing, equipment, contact tracing and food parcels across the country, particularly in the Company's related communities of Cocolé and Colon. During the quarter, the Company expanded its contribution to support the Government of Panama's COVID-19 vaccination program, in particular through funding to the Club Activo 20-30 effort for vaccination logistics in the Colon and Cocolé Provinces. Strict protocols and sanitary control measures remain in place at Cobre Panama with isolation prior to site entry an important cornerstone in the continuity of operations, together with contact tracing and control testing regimes.

In Zambia, the Company has provided testing and medical equipment and assisted with the construction of isolation facilities for the community. On-going support includes the provision of oxygen, consumables, face mask and sanitation stations and transportation of medical supplies. Frequent interaction and sensitization with the surrounding communities is achieved via multiple communication platforms. The Company is also supporting the Government of Zambia's COVID-19 vaccination program.

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 due to the global pandemic 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. There have been some challenges in labour availability due to COVID-19 related travel restrictions in Western Australia; however, the impact was limited to the Shoemaker Levy Project in the quarter.

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 well-being of our workforce continues to be a priority.

COMPLETE FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

The complete Consolidated Financial Statements and Management's Discussion and Analysis for the three and six months ended June 30, 2021 are available at www.first-quantum.com and at www.sedar.com and should be read in conjunction with this news release.

CONFERENCE CALL & WEBCAST

The Company will host a conference call and webcast to discuss the results on Wednesday, July 28, 2021 at 9:00 am (EDT).

Conference call and webcast details:

Toll-free North America:	1-800-952-5114
Toronto Local and International:	416-406-0743
Toll-free UK:	00-80042228835
Passcode:	7903230#
Webcast:	www.first-quantum.com

Conference call replay:

Toll-free North America:	1-800-408-3053
Toronto Local and International:	905-694-9451
Passcode:	3301666#

The conference call replay will be available from July 28, 2021 until 11:59pm EDT on August 11, 2021.

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

Ryan MacWilliam, Director, Business Development and Investor Relations
(416) 361-3400 Toll-free: 1 (888) 688-6577
E-Mail: info@fqml.com

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 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.