

First Quantum Minerals Ltd. Provides Update

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TORONTO, March 24, 2020 - [First Quantum Minerals Ltd.](#) ("First Quantum" or the "Company") (TSX:FM) today announced that its production and sales remain stable in the current environment and maintains its production guidance for the year.

“Our key priorities are the health of our employees and to ensure the business remains robust in the midst of a challenging commodity price environment,” stated Philip Pascall, CEO. “We are doing everything we can to care for our staff, their families and the communities around us in relation to the COVID-19 pandemic. It is also our responsibility that we continue our contribution to the economies of the countries in which we operate and supply the products on which our customers depend. We will continue to operate our mines responsibly, providing employment and generating revenues, and we will ensure that our business withstands this period of downturn.”

COVID-19 update

Several members of the contractor workforce at the Cobre Panama operation have been confirmed as having contracted the COVID-19 virus. The affected personnel are being cared for in the public healthcare system as per the Panama Ministry of Health requirements. Cobre Panama has already implemented the appropriate control, isolation and quarantine measures in line with Government guidelines and its site-specific conditions. On Friday March 20, the Government of Panama by means of Executive Decree 500 clarified that Cobre Panama is specifically authorized to continue operating, albeit with strict adherence to the protocols established by the Ministry of Health which will require a reduced labour force operating on 12 hour shifts.

Similarly, on other mine sites the Company is prepared for control, isolation and quarantine as necessary. As more countries take action to manage and mitigate the impact of COVID-19, First Quantum is managing the necessary country-by-country restrictions in order to assist in the protection of those most vulnerable.

Production and sales

The Company has not experienced any significant disruption to sales, supply chains and product shipments since the onset of the COVID-19 pandemic. The Company’s production and cost expectations as previously guided remain current [see Company release dated January 9, 2020].

Year-to-date operations in Zambia have been slightly better than expected with good grades and recoveries within the mixed and sulphide ores at Kansanshi and improved mining volumes and ore grades at Sentinel. Following the announcement of heightened restrictions in South Africa, including controls on ports and transit routes, the Company is managing the export of its Zambian production through alternate routes.

Cobre Panama continues to ramp-up and expectations for 2020 copper production remain unchanged at 285,000 - 310,000 tonnes. However, as a result of the implementation of the health protocols at the operation, the pace of ramp-up may be slightly slower than originally planned and will impact first half production. At this stage, it is expected that the annual production expectation can still be met with better than planned second half production levels. The Punta Rincon international port at Cobre Panama remains open for import and export.

The restart of operations at Ravensthorpe has continued with the first shipment expected to be within the first half of the year. At Las Cruces in Spain, the focus is on mining out the remaining in-pit ore which is progressing to plan. All other operations are operating normally.

Cost management

The Company continues to actively manage all site operating costs while focusing on productivity and cost efficiency and is preparing for an extended period of health protocols and travel restrictions, and commodity prices that could remain depressed into 2021. Capital spending is being reviewed companywide with the potential to defer some capital spending originally planned for this year. Operating costs at all sites are being reviewed to identify opportunities to further reduce costs.

As part of its immediate cost reduction efforts the Company has implemented a temporary salary reduction of 20% for certain senior staff including the CEO.

Liquidity and funding

The Company had \$523 million in net unrestricted cash at December 31, 2019. Following the successful bond issuance in January 2020, the Company repaid (without cancelling) the senior Revolving Credit Facility resulting in approximately \$700 million available in undrawn committed credit facilities and no near term debt maturities following the repayment of the remaining outstanding bonds due February 2021 giving the Company a total of \$1.2 billion in pro-forma cash and available credit. Additionally, the Company has mitigated some of the copper price volatility in the near term with a solid copper hedge position of 343,025 tonnes of copper sales to January 2021 using both unmargined copper forward sales and unmargined zero cost collar sales contracts. 174,700 tonnes in Q2 are currently hedged at an average floor price of \$2.61 per pound, 75,825 tonnes in Q3 are hedged at an average floor price of \$2.62 per pound, and 60,000 tonnes in Q4 are hedged at an average floor of \$2.66 per pound. The Company also has 4,183 tonnes of nickel in H1 2020 hedged at an average floor price of \$6.78 per pound and 5,938 tonnes of nickel in H2 2020 hedged at an average floor price of \$6.76 per pound. The commitment to deleveraging the balance sheet remains and a plan is in place to deleverage and manage debt in the current commodity price environment.

“We remain committed to deliver growth in copper production at low costs and to de-lever our balance sheet,” stated Philip Pascall, CEO. “These times are unprecedented, they require adaptability and flexibility which are part of the culture we’ve built at First Quantum. We are well positioned to execute our plans through this period of uncertainty and continue to believe in the long-term fundamentals of copper.”

The Company will continue to provide updates as required.

For further information visit our website at www.first-quantum.com

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