First Quantum Minerals Reports First Quarter 2023 Results

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TORONTO, April 25, 2023 - First Quantum Minerals Ltd. ("First Quantum" or "the Company") (TSX: FM) today reports results for the three months ended March 31, 2023 ("Q1 2023" or the "first quarter") of net earnings attributable to shareholders of the Company of $75 million ($0.11 earnings per share) and adjusted earnings[1] of $76 million ($0.11 adjusted earnings per share[2]).

"The first quarter was difficult with production impacted at our three largest operations. At Cobre Panamá, production was interrupted by a temporary suspension of exports but returned to full production rates once the suspension was lifted. Our Zambian operations experienced a seasonal impact, however, the rainy season is nearing an end. We are focused on improving operational performance and expect production to recover over the course of the year and, as such, we remain committed to our guidance for 2023," commented Tristan Pascall, Chief Executive Officer. "The first quarter also had important milestones, including a refreshed contract with the Government of Panamá and a new partnership with Rio Tinto to progress the La Granja project in northern Peru. The Company also successfully executed on two of our brownfield projects. Commissioning of the CP100 Expansion was completed ahead of schedule and remains on track to achieve 100 million tonnes of throughput per annum by the end of this year and we introduced first ore through the Enterprise nickel plant. Both of these projects will increase our copper and nickel production, two metals that are critical to the global transition to cleaner energy."

Q1 2023 SUMMARY

In Q1 2023, First Quantum reported gross profit of $280 million, EBITDA[1] of $518 million, net earnings attributable to shareholders of $0.11 per share, and adjusted earnings of $0.11 per share[2]. Relative to the fourth quarter of last year ("Q4 2022"), first quarter financial results were impacted by lower sales volumes as a result of lower production that was partially mitigated by lower input costs and stronger realized copper and gold prices.

Total copper production for the first quarter was 138,753 tonnes, a 33% decrease from Q4 2022. The quarter-over-quarter decrease in production was attributable to a 15-day temporary suspension of production at Cobre Panamá and the rainy season in Zambia, with Sentinel receiving its highest rainfall in 25 years. Kansanshi continued to experience lower feed grades across all three circuits.

Copper C1 cash cost[2] of $2.24 per lb for Q1 2023 was $0.38 per lb higher than Q4 2022. While market rates for fuel and freight were, on average, lower in the first quarter of 2023, these benefits were more than offset by lower production levels.

2023 guidance on production, C1 cash costs[2], all-in sustaining cost ("AISC")[2] and capital expenditures that was previously disclosed on January 16, 2023 remains unchanged. For 2023, copper production is forecast to be 770,000 to 840,000 tonnes. Production is expected to recover for each of the next three quarters, particularly in the second half of the year. Copper C1 cash costs[1] are guided to be $1.65 to $1.85 per lb. Capital cost guidance for 2023 is $1,600 million.

[1] EBITDA and adjusted earnings are non-GAAP financial measures. These measures do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".
[2] Adjusted earnings per share, copper C1 cash cost (copper C1), and all-in sustaining costs (AISC) are non-GAAP ratios which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

Q1 2023 OPERATIONAL HIGHLIGHTS

Total copper production for Q1 2023 was 138,753 tonnes, down from the 206,007 tonnes reported in Q4 2022 as each of the Company's three largest operations had negative production impacts during the period. Copper sales volumes in Q1 2023 totalled 150,287 tonnes, 11,534 tonnes higher than production.

- Cobre Panamá produced 65,427 tonnes of copper in Q1 2023, a decrease of 24,225 tonnes from the previous quarter as production was interrupted on February 23, 2023 for 15 days as a result of export restrictions imposed by the Maritime Port Authority ("AMP"). Following a resolution issued by the AMP, concentrate loading recommenced on March 9, 2023 with a record number of vessels loaded in March. Throughput returned to full capacity on March 10, 2023, two days after the restart of operations. Copper C1 cash cost[1] of $1.65 per lb was $0.02 per lb higher than the previous quarter mainly attributable to lower production levels. The commissioning of the CP100 Expansion was completed in the first quarter and the annualized throughput rate of 100 million tonnes per annum ("Mtpa") remains on schedule for the end of the year. 2023 Production guidance for Cobre Panamá remains unchanged at 350,000 to 380,000 tonnes of copper and 140,000 to 160,000 ounces of gold. For the full year 2023, grades and recoveries are expected to be broadly consistent with 2022 regardless of the increased processing throughput, with some fluctuation from quarter to quarter. Construction of the molybdenum plant is progressing well, with completion of construction and commencement of commissioning expected by the end of 2023 with first production expected in Q1 2024.
- Kansanshi's copper production of 28,683 tonnes in Q1 2023 was 6,119 tonnes lower than the previous quarter due to the seasonal impact of the rainy season and lower feed grades across all three circuits, particularly from the M11 area at lower elevations in the main pit. Variability of grades in ore stockpiles and lower grades from narrow-veined regions were the main drivers behind the lower grades. Copper C1 cash cost[1] of $2.88 per lb was $0.07 higher than Q4 2022 mainly due to lower production volumes despite an improvement in input costs. Production in 2023 is expected to be 130,000 to 150,000 tonnes of copper and 95,000 to 105,000 ounces of gold. Mining fleet deployment changes over the past six months have enabled the operation to open up mining areas, placing less reliance on variable grade ore stockpiles, as well as mining cutbacks M15 and M17 at upper elevations in the main pit with historically higher grades, which will benefit production through the rest of 2023. An extensive drilling campaign is ongoing in areas associated with vein mineralization prior to mining.
- Sentinel reported copper production of 36,232 tonnes in Q1 2023, 37,177 tonnes lower than the previous quarter due to the intense rainy season, resulting in the accumulation of water in the Stage 1 pit. Saturated ground conditions significantly impacted mining rates due to poor road conditions and water in the pit prevented access to working faces, particularly in the lower benches of Stage 1. Copper C1 cash cost[1] of $2.70 per lb was $1.15 per lb higher than the preceding quarter reflecting the lower production volumes. Despite the challenges encountered during the first quarter, copper production for 2023 remains unchanged at 260,000 to 280,000 tonnes as higher feed grades are expected in the second half of the year, with grades showing improvement already in April. The current focus on deploying additional dewatering capacity in Stage 1 to regain access to the high-grade ore is already yielding results early in the second quarter. The mine plan has been rescheduled, even if total volumes remain substantively the same and higher grade zones will be dispatched across the remaining three quarters of the year. This is to be complemented by a change in location of the in-pit ramps to liberate high-grade ore by mining the saddle zones between Stage 1 and Stage 2. There will also be a redistribution of loading equipment to better suit working areas and truck fleet capacity is planned to increase in the second quarter with the commissioning of an additional Liebherr T284, followed by two more in the second half of the year.
- Ravensthorpe payable nickel production of 4,344 tonnes was 106 tonnes lower than the fourth quarter. A major two week High Pressure Acid Leach train shutdown was performed during February. The shutdown ran according to schedule with all works being completed on time. Nickel C1 cash cost[1] was $9.34 per lb relatively unchanged from the preceding quarter. Production guidance for 2023 remains at 23,000 to 28,000 contained tonnes of nickel.

[1] C1 cash costs (C1) is a non-GAAP ratio which does not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

COBRE PANAMÁ UPDATE

During the quarter, the Company continued to engage in good faith discussions with the Government of Panamá ("GOP") and, on March 8, 2023, the Company and the GOP issued a press release announcing that an agreement was reached on the terms and conditions of the draft of a concession contract (the "Refreshed Concession Contract"). The Refreshed Contract will have an initial 20-year term with a 20-year extension option and additional extensions for life of mine. The Refreshed Concession Contract is expected to be presented before the National Assembly of Panamá in the legislative term that commences on July 1, 2023, after having gone through a public consultation process and receipt of all required prior governmental approvals.

Once the agreement is signed and passed into law, payments to cover taxes and royalties up to the year-end 2022 of approximately $395 million are expected to be made within 30 days of the Refreshed Concession Contract being enacted into law. In addition, past due amounts payable for 2023 corporate tax instalments, withholding taxes and quarterly royalty payments will also be due 30 days after being enacted, without penalty or interest. It is intended that the charge relating to taxes and royalties up to the year-end 2022 be excluded from 2023 adjusted earnings. The expected taxes and royalties to the GOP relating to 2023 is $375 million. Any non-profit based top-up tax to meet the proposed minimum contribution is expected to be recognized within operating profit and impact AISC[1]. The AISC[1] guidance range is unchanged and is able to accommodate the expected impact of between $0.00 per lb to $0.05 per lb. At current consensus pricing, the adjusted effective tax rate for the Group for the full year 2023 is expected to be between 35% and 40%.

[1] All-in sustaining costs (AISC) is a non-GAAP ratio which does not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

KANSANSHI - CONVERSION OF ZCCM DIVIDEND RIGHTS TO ROYALTY RIGHTS

During the fourth quarter of 2022, an agreement was entered into between KMP and ZCCM-IH to convert ZCCM-IH's dividend rights in KMP into royalty rights. The transaction was completed on April 4, 2023.

LA GRANJA

On March 30, 2023, the Company entered into an agreement with Rio Tinto to progress the next phase of the La Granja copper project in northern Peru. La Granja is one of the largest undeveloped copper resources in the world with a published Inferred mineral resource of 4.32 billion tonnes at 0.51% copper, and has potential for substantial expansion.

Under the terms of the agreement, the Company will acquire a 55% interest in La Granja for a consideration of $105 million and will become the operator of the project. The Company will then be responsible for the next $546 million of initial funding. Part of the initial funding will be used to complete a feasibility study, following which the remaining majority of the initial funding is expected to be spent on construction of the project following a positive investment decision. The transaction is expected to close before the end of the third quarter.

Work over the initial years is planned to continue to progress community engagement and the feasibility study. The feasibility study will focus on developing an updated geological resource and reserve model, which will require additional infill drilling to upgrade Inferred resources to Measured and Indicated categories. Additional metallurgical studies to establish optimal processing configurations are expected to be carried out in parallel, together with a high-level project layout and configuration of associated infrastructure requirements and logistical routes.

Further to the agreement on La Granja, First Quantum and Rio Tinto have also entered into a memorandum of understanding to support co-operation in relation to base metals development opportunities and the sharing of technology and know-how on certain mining methods, such as the application of trolley-assist and autonomous mining fleets.

BROWNFIELD PROJECTS

Construction for the CP100 Expansion project was completed seven weeks ahead of schedule and commissioning was completed in the first quarter. With these facilities now in daily operation, focus has moved onto ramping up these facilities over the course of the year to achieve a throughput rate of 100 Mtpa by the end of 2023. Significant progress has been made on the pre-strip work for the Colina pit and earthworks for the associated overland conveyor and in-pit crushing facility. The first crusher at Colina is expected to be commissioned in 2024.

At the S3 Expansion, detail design is progressing well. Long-lead mining fleet and long-lead process plant equipment have been ordered with deliveries commencing in the second half of 2023. Overall project procurement is approximately 25% committed as at the end of the quarter. The majority of the capital spend on the S3 Expansion is expected in late-2023 and 2024.

First ore through the Enterprise nickel plant was achieved on schedule in February 2023. Plant refurbishment, completion and commissioning activities were completed on schedule. First production of nickel is expected in the second quarter of 2023 and ramp up to commercial production will continue over the course of 2023, with ramp up to full plant throughput in 2024. 2023 production guidance for Enterprise is 5,000 to 10,000 contained tonnes of nickel.

At the Las Cruces Underground Project, the water concession license was granted in March 2023 and all permits are in place for project approval. The technical and study work on the polymetallic refinery project are expected to continue with all permits required to carry out the project now granted. The Las Cruces Underground Project is awaiting Board approval, which is not expected before the end of 2023 and will take into consideration prevailing economic conditions and the Company's debt reduction objectives.

FINANCIAL HIGHLIGHTS

- Gross profit of $280 million and EBITDA[1] of $518 million for the first quarter were 22% and 20% lower, respectively, than the fourth quarter of last year due to lower metal sales volumes.
- Cash flows from operating activities of $299 million ($0.43 per share[2]) for the quarter were $62 million higher than the fourth quarter of last year due mainly to working capital movements related to trade and other receivables.
- Net debt[1] increased by $88 million during the quarter, taking the net debt[1] balance to $5,780 million as at March 31, 2023. As at March 31, 2023, total debt was $6,878 million (December 31, 2022, total debt was $7,380 million). The increase in net debt[1] and total debt[1] was attributable to timing of working capital cash flow and continued investment in the business. The Company continues to target a further $1 billion reduction in debt in the medium term.
- In the first quarter of 2023, the Company redeemed at par an aggregate principal amount of $850 million of the senior unsecured notes due 2024. $450 million was redeemed on February 25, 2023 and the remaining $400 million was redeemed on March 28, 2023. Following the redemptions, there are no outstanding senior unsecured notes due in 2024.

[1] EBITDA is a non-GAAP financial measures and net debt is a supplementary financial measure. These measures do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures"
[2] Cash flows from operating activities per share, copper C1 cash cost (copper C1), and copper all-in sustaining cost (copper AISC) are non-GAAP ratios which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

ENVIRONMENT, SOCIAL AND GOVERNANCE ("ESG")

Reporting - The Company will publish its primary sustainability report, the 2022 ESG Report, in May 2023. The latest reports can be found in the ESG Analyst Centre on the Company's website: https://www.first-quantum.com/English/sustainability/esg-analyst-centre/default.aspx. These include the TCFD-aligned Climate Change Reports, ESG Reports, Tax Transparency and Contributions to Government Reports, as well as Company's sustainability policies.

Innovation driving sustainability - On March 1, 2023, Hitachi Construction Machinery Co. Ltd ("Hitachi") and the Company announced a technology partnership for the development of Hitachi Construction Machinery's first battery mining trucks at the Kansanshi mine. As First Quantum seeks to lower the greenhouse gas ("GHG") intensity of copper produced, this initiative represents an important milestone towards future commercialization of battery technology to further decarbonize mining operations, consistent with the Company's 2025 30% and 2030 50% GHG emissions reduction targets. It is expected that these battery dump trucks will be supplied to Kansanshi by December 2023 for feasibility trials as part of the commissioning of the Kansanshi S3 Expansion.

Health & Safety - The health and safety of the Company's employees and contractors is a top priority and the Company is focused on the continuous strengthening and improvement of the safety culture at all of its operations. Tragically, on February 1, 2023, there was a fatal road traffic accident in the Sentinel pit involving a dump truck and a light vehicle. The site emergency response team attended immediately and the relevant local authorities were notified. This tragic incident is subject to internal and external investigation, as well as a Board review, and the Company is committed to improve practices from this incident.

CONSOLIDATED OPERATING HIGHLIGHTS

	QUARTERLY		
	Q1 2023	Q4 2022	Q1 2022
Copper production (tonnes)[1]	138,753	206,007	182,210
Cobre Panamá	65,427	89,652	78,337
Kansanshi	28,683	34,802	41,899
Sentinel	36,232	73,409	52,475
Other Sites	8,411	8,144	9,499
Copper sales (tonnes)	150,287	198,912	196,702
Cobre Panamá	70,028	85,330	74,885
Kansanshi[2]	31,538	32,496	53,240
Sentinel	40,313	71,642	58,550
Other Sites	8,408	9,444	10,027
Gold production (ounces)	47,874	70,493	70,357
Cobre Panamá	23,878	38,302	29,947
Kansanshi	15,960	24,479	32,640
Guelb Moghrein	7,585	7,434	6,912
Other sites	451	278	858
Gold sales (ounces)[3]	51,941	59,568	76,195
Cobre Panamá	28,853	34,208	30,168
Kansanshi	17,244	16,156	38,828
Guelb Moghrein	5,482	8,601	5,523
Other sites	362	603	1,676
Nickel production (contained tonnes)	5,917	5,705	5,122
Nickel sales (contained tonnes)	5,846	6,840	4,350
Cash cost of copper production (C1) (per lb)[4,5]	$ 2.24	$ 1.86	$ 1.61
Total cost of copper production (C3) (per lb)[4,5]	$ 3.30	$ 2.79	$ 2.65
Copper all-in sustaining cost (AISC) (per lb)[4,5]	$ 2.87	$ 2.42	$ 2.27

[1] Production is presented on a contained basis, and is presented prior to processing through the Kansanshi smelter.
[2] Sales include third-party sales of concentrate, cathode and anode attributable to Kansanshi (excluding copper anode sales attributable to Trident). Sales exclude the sale of copper anode produced from third-party concentrate purchased at Kansanshi. Sales of copper anode attributable to third party concentrate purchases were 9,120 tonnes for the three months ended March 31, 2023 (nil tonnes for the three months ended March 31, 2022).
[3] Excludes refinery-backed gold credits purchased and delivered under the precious metal streaming arrangement (see "Precious Metal Stream Arrangement").
[4] Copper all-in sustaining cost (copper AISC), copper C1 cash cost (copper C1), and total cost of copper (copper C3) are non-GAAP ratios, which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".
[5] Excludes the sale of copper anode produced from third-party concentrate purchased at Kansanshi. Sales of copper anode attributable to third-party concentrate purchases were 9,120 tonnes for the three months ended March 31, 2023 (nil for the three months ended March 31, 2022).

REALIZED METAL PRICES[1]

	QUARTERLY		
	Q1 2023	Q4 2022	Q1 2022
Average LME copper cash price (per lb)	$4.05	$3.63	$4.53
Realized copper price (per lb)	$3.95	$3.56	$4.45
Treatment/refining charges ("TC/RC") (per lb)	($0.14	($0.12	($0.12
Freight charges (per lb)	($0.02	($0.04	($0.04
Net realized copper price[1] (per lb)	$3.79	$3.40	$4.29
Average LBMA cash price (per oz)	$1,890	$1,728	$1,877
Net realized gold price[1,2] (per oz)	$1,766	$1,574	$1,772
Average LME nickel cash price	$11.79	$11.47	$11.97
Net realized nickel price[1,3]	$10.25	$13.67	$13.52

1 Realized metal prices are a non-GAAP ratio, do not have standardized meanings under IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures" for further information.

2 Excludes gold revenues recognized under the precious metal stream arrangement.

3 The premium to the average LME cash price arose from the timings of sales across the periods, their respective quotation pricing periods and the impact from the Company's decision to temporarily suspend its nickel hedging program following the failure of the LME nickel platform in March 2023.

CONSOLIDATED FINANCIAL HIGHLIGHTS

	QUARTERLY		
	Q1 2023	Q4 2022	Q1 2022
Sales revenues	1,558	1,832	2,163
Gross profit	280	361	908
Net earnings attributable to shareholders of the Company	75	117	385
Basic earnings per share	$0.11	$0.17	$0.56
Diluted earnings per share	$0.11	$0.17	$0.56
Cash flows from operating activities	299	237	666
Net debt[1]	5,780	5,692	5,815
EBITDA[2,3]	518	647	1,180
Adjusted earnings[3]	76	151	480
Adjusted earnings per share[4]	$ 0.11	$ 0.22	$ 0.70
Realized copper price (per lb)[4]	$ 3.95	$ 3.56	$ 4.45
Net earnings attributable to shareholders of the Company	75	117	385
Adjustments attributable to shareholders of the Company:			
Adjustment for expected phasing of Zambian value-added tax ("VAT") receipts	(23)	56	22
Loss on redemption of debt	-	-	-
Total adjustments to EBITDA[2] excluding depreciation[3]	22	6	103
Tax and minority interest adjustments	2	(28)	(30)
Adjusted earnings[4]	76	151	480

[1] Net debt is a supplementary financial measure which does not have a standardized meaning under IFRS, and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures.

[2] EBITDA and adjusted earnings are non-GAAP financial measures, which do not have a standardized meaning under IFRS and might not be comparable to similar financial measures disclosed by other issuers. Adjusted earnings have been adjusted to exclude items from the corresponding IFRS measure, net earnings attributable to shareholders of the Company, which are not considered by management to be reflective of underlying performance. The Company has disclosed these measures to assist with the understanding of

results and to provide further financial information about the results to investors and may not be comparable to similar financial measures disclosed by other issuers. The use of adjusted earnings and EBITDA represents the Company's adjusted earnings metrics. See "Regulatory Disclosures".
[3] Adjustments to EBITDA in 2023 relate principally to foreign exchange revaluations (2022 - foreign exchange revaluations and non-recurring costs relating to previously sold assets).
[4] Adjusted earnings per share, realized metal prices, copper all-in sustaining cost (copper AISC), copper C1 cash cost (copper C1), and total cost of copper (copper C3) are non-GAAP ratios which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

COMPLETE FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

The complete Consolidated Financial Statements and Management's Discussion and Analysis for the three months ended March 31, 2023 are available at www.first-quantum.com and at www.sedar.com and should be read in conjunction with this news release.

CONFERENCE CALL DETAILS

The Company will host a conference call and webcast to discuss the results on Wednesday, April 26, 2023 at 9:00 am (ET).

Conference call and webcast details:
Toll-free North America: 1-800-319-4610
Toll-free International: +1-604-638-5340
Webcast: Direct link or on our website

A replay of the webcast will be available on the First Quantum website.

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

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REGULATORY DISCLOSURES

Non-GAAP and Other Financial Measures

EBITDA, ADJUSTED EARNINGS AND ADJUSTED EARNINGS PER SHARE

EBITDA, adjusted earnings and adjusted earnings per share exclude certain impacts which the Company believes are not reflective of the Company's underlying performance for the reporting period. These include impairment and related charges, foreign exchange revaluation gains and losses, gains and losses on disposal of assets and liabilities, one-time costs related to acquisitions, dispositions, restructuring and other transactions, revisions in estimates of restoration provisions at closed sites, debt extinguishment and modification gains and losses, the tax effect on unrealized movements in the fair value of derivatives designated as hedged instruments, and adjustments for expected phasing of Zambian VAT receipts.

	QUARTERLY		
	Q1 2023	Q4 2022	Q1 2022
Operating profit	225	314	782
Depreciation	271	327	295
Other adjustments:			
Foreign exchange loss	16	25	56

Impairment expense	-	-	-
Other expense (income)[1]	6	(5)	46
Revisions in estimates of restoration provisions at closed sites	-	(14)	1
Total adjustments excluding depreciation	22	6	103
EBITDA	518	647	1,180

[1] Other expenses includes a charge of $40 million for non-recurring costs in connection with previously sold assets for the quarter ended March 31, 2022.

	QUARTERLY		
	Q1 2023	Q4 2022	Q1 2022
Net earnings attributable to shareholders of the Company	75	117	385
Adjustments attributable to shareholders of the Company:			
Adjustment for expected phasing of Zambian VAT	(23)	56	22
Total adjustments to EBITDA excluding depreciation	22	6	103
Tax and minority interest adjustments	2	(28)	(30)
Adjusted earnings	76	151	480
Basic earnings per share as reported	$ 0.11	$ 0.17	$ 0.56
Adjusted earnings per share	$ 0.11	$ 0.22	$ 0.70

REALIZED METAL PRICES

Realized metal prices are used by the Company to enable management to better evaluate sales revenues in each reporting period. Realized metal prices are calculated as gross metal sales revenues divided by the volume of metal sold in lbs. Net realized metal price is inclusive of the treatment and refining charges (TC/RC) and freight charges per lb.

OPERATING CASHFLOW PER SHARE

In calculating the operating cash flow per share, the operating cash flow calculated for IFRS purposes is divided by the basic weighted average common shares outstanding for the respective period.

NET DEBT

Net debt is comprised of bank overdrafts and total debt less unrestricted cash and cash equivalents.

CASH COST, ALL-IN SUSTAINING COST, TOTAL COST

The consolidated cash cost (C1), all-in sustaining cost (AISC) and total cost (C3) presented by the Company are measures that are prepared on a basis consistent with the industry standard definitions by the World Gold Council and Brook Hunt cost guidelines but are not measures recognized under IFRS. In calculating the C1 cash cost, AISC and C3, total cost for each segment, the costs are measured on the same basis as the segmented financial information that is contained in the financial statements.

C1 cash cost includes all mining and processing costs less any profits from by-products such as gold, silver, zinc, pyrite, cobalt, sulphuric acid, or iron magnetite and is used by management to evaluate operating performance. TC/RC and freight deductions on metal sales, which are typically recognized as a component of sales revenues, are added to C1 cash cost to arrive at an approximate cost of finished metal.

AISC is defined as cash cost (C1) plus general and administrative expenses, sustaining capital expenditure, deferred stripping, royalties and lease payments and is used by management to evaluate performance inclusive of sustaining expenditure required to maintain current production levels.

C3 total cost is defined as AISC less sustaining capital expenditure, deferred stripping and general and administrative expenses net of insurance, plus depreciation and exploration. This metric is used by management to evaluate the operating performance inclusive of costs not classified as sustaining in nature such as exploration and depreciation.

For the three months ended March 31, 2023	Cobre Panamá	Kansanshi	Sentinel	Guelb Moghrein	Las Cruces	Çayeli
Cost of sales[1]	(425)	(365)	(263)	(56)	(24)	(17)
Adjustments:						
Depreciation	133	54	60	3	-	4
By-product credits	44	33	-	33	-	2
Royalties	12	21	23	2	-	2
Treatment and refining charges	(36)	(6)	(8)	(2)	-	(1)
Freight costs	-	-	(2)	-	-	(1)
Finished goods	10	4	(26)	3	-	-
Other[4]	27	81	4	1	5	(1)
Cash cost (C1)[2]	(235)	(178)	(212)	(16)	(19)	(12)
Adjustments:						
Depreciation (excluding depreciation in finished goods)	(129)	(52)	(64)	(2)	-	(4)
Royalties	(12)	(21)	(23)	(2)	-	(2)
Other	(3)	(3)	(2)	(1)	-	-
Total cost (C3)[2]	(379)	(254)	(301)	(21)	(19)	(18)
Cash cost (C1)[2]	(235)	(178)	(212)	(16)	(19)	(12)
Adjustments:						
General and administrative expenses	(11)	(7)	(9)	-	(1)	(1)
Sustaining capital expenditure and deferred stripping[3]	(39)	(30)	(30)	(1)	-	(1)
Royalties	(12)	(21)	(23)	(2)	-	(2)
Lease payments	(1)	-	-	-	-	-
AISC[2,4]	(298)	(236)	(274)	(19)	(20)	(16)
AISC (per lb)[2,4]	$2.09	$3.80	$3.47	$2.62	$4.42	$2.55
Cash cost - (C1) (per lb)[2,4]	$1.65	$2.88	$2.70	$2.20	$4.09	$1.92
Total cost - (C3) (per lb)[2,4]	$2.66	$4.08	$3.82	$2.88	$4.19	$2.96

[1] Total cost of sales per the Consolidated Statement of Earnings in the Company's unaudited condensed interim consolidated financial statements.
[2] C1 cash cost (C1), total costs (C3), and all-in sustaining costs (AISC) are non-GAAP ratios which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".
[3] Sustaining capital and deferred stripping are non-GAAP financial measures which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".
[4] Excludes purchases of copper concentrate from third parties treated through the Kansanshi Smelter.

For the three months ended March 31, 2022	Cobre Panamá	Kansanshi	Sentinel	Guelb Moghrein	Las Cruces	Çayeli	Pyhäsa
Cost of sales[1]	(440)	(318)	(314)	(36)	(24)	(22)	(7
Adjustments:							
Depreciation	142	59	77	2	-	6	1
By-product credits	44	72	-	26	-	10	6

Royalties	15	54	56	1	-	2	-
Treatment and refining charges	(28)	(7)	(13)	(1)	-	(3)	(1
Freight costs	-	(1)	(10)	-	-	(4)	-
Finished goods	(10)	14	15	(8)	(3)	5	(1
Other	6	3	4	2	5	1	-
Cash cost (C1)[2]	(271)	(124)	(185)	(14)	(22)	(5)	(2
Adjustments:							
Depreciation (excluding depreciation in finished goods)	(146)	(54)	(67)	(3)	-	(5)	(1
Royalties	(15)	(54)	(56)	(1)	-	(2)	-
Other	(4)	(2)	(2)	-	(1)	-	-
Total cost (C3)[2]	(436)	(234)	(310)	(18)	(23)	(12)	(3
Cash cost (C1)[2]	(271)	(124)	(185)	(14)	(22)	(5)	(2
Adjustments:							
General and administrative expenses	(12)	(6)	(8)	(1)	(1)	-	-
Sustaining capital expenditure and deferred stripping[3]	(30)	(43)	(32)	(1)	-	(1)	-
Royalties	(15)	(54)	(56)	(1)	-	(2)	-
Lease payments	(1)	-	-	-	(1)	-	-
AISC[2]	(329)	(227)	(281)	(17)	(24)	(8)	(2
AISC (per lb)[2]	$2.00	$2.47	$2.41	$1.58	$4.73	$1.40	$0.68
Cash cost - (C1) (per lb)[2]	$1.65	$1.46	$1.61	$1.13	$4.38	$0.99	$0.54
Total cost - (C3) (per lb)[2]	$2.66	$2.55	$2.67	$1.85	$4.49	$1.92	$1.07

[1] Total cost of sales per the Consolidated Statement of Earnings in the Company's unaudited condensed interim consolidated financial statements.
[2] C1 cash cost (C1), total costs (C3) and all-in sustaining costs (AISC) are non-GAAP ratios which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".
[3] Sustaining capital and deferred stripping are non-GAAP financial measures which do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Regulatory Disclosures".

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, the public consultation process with respect to the Company's agreement with the Government of Panamá regarding the long term future of Cobre Panamá and approval of the same by the National Assembly of Panamá, expected timing of completion of project development at Enterprise and post-completion construction activity at Cobre Panamá 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, 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; 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" 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, 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 Panamá, Zambia, Peru, Mauritania, Finland, Spain, Turkey, Argentina and Australia, adverse weather conditions in Panamá, 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. For mineral resource and mineral reserve figures appearing or referred to herein, varying cut-off grades have been used depending on the mine, method of extraction and type of ore contained in the orebody.

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.