



Management's Discussion and Analysis

First quarter ended March 31, 2020

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited consolidated financial statements of First Quantum Minerals Ltd. ("First Quantum" or "the Company") for the three months ended March 31, 2020. The Company's results have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and are presented in United States dollars, tabular amounts in millions, except where noted.

For further information on First Quantum, reference should be made to its public filings (including its most recently filed Annual Information Form) which are available on SEDAR at www.sedar.com. Information is also available on the Company's website at www.first-quantum.com. This MD&A contains forward-looking information that is subject to risk factors, see "*Cautionary statement on forward-looking information*" for further discussion. Information on risks associated with investing in the Company's securities and technical and scientific information under National Instrument 43-101 concerning the Company's material properties, including information about mineral resources and reserves, are contained in its most recently filed Annual Information Form. This MD&A has been prepared as of April 27, 2020.

FIRST QUARTER HIGHLIGHTS

Operational and Financial

- Total copper production for the quarter was 195,285 tonnes, 43% or 58,316 tonnes higher than the comparable period in 2019, including a contribution of 56,240 tonnes from Cobre Panama.
- Kansanshi and Las Cruces achieved higher copper production for the quarter compared to 2019. Higher throughput and recoveries resulted in higher Kansanshi copper production. Las Cruces operated at more normal throughput levels in the current period, whereas the first quarter of 2019 was impacted by a land slippage.
- Ravensthorpe continued operational readiness work resulting in the restart of the acid plant and the atmospheric leaching operations ("AL") in March 2020. The first high pressure acid leach ("HPAL") circuit was brought online mid-April and the second HPAL circuit is scheduled to come online thereafter. Nickel mixed hydroxide product drying and containerizing also commenced in April.
- The Kansanshi smelter processed 329,946 dry metric tonnes ("DMT") of copper concentrate, produced 80,280 tonnes of copper anode and 315,000 tonnes of sulphuric acid and maintained a 97% recovery rate for the quarter.
- Total gold production of 68,788 ounces was 39% higher than the same quarter in 2019, reflecting Cobre Panama's contribution of 23,232 ounces.
- Gross profit of \$147 million and comparative EBITDA of \$434 million for the first quarter of 2020 included the contribution of \$33 million and \$157 million, respectively, from Cobre Panama. Results were impacted by an 8% decrease in the realized copper price compared to the first quarter of 2019, but benefitted from a \$26 million gain realized by the corporate copper sales hedge program.
- Financial results include comparative loss of \$79 million (\$0.11 per share), net loss attributable to shareholders of the Company of \$62 million (\$0.09 per share), and cash flows from operating activities of \$473 million (\$0.69 per share). Comparative loss includes net finance expense of \$184 million, of which a significant proportion would previously have been eligible for capitalization but is now expensed following declaration of commercial production at Cobre Panama effective September 1, 2019.
- Copper all-in sustaining cost ("AISC") was \$1.64 per lb and cash cost of copper production ("C1") was \$1.30 per lb for the first quarter of 2020, a \$0.13 per lb and \$0.04 per lb decrease, respectively, compared to the same period in 2019.

Consolidated Information	Q1 2020	Q4 2019	Q1 2019
Copper production (tonnes) ¹	195,285	204,270	136,969
Copper sales (tonnes) ²	189,953	205,964	130,262
Cash cost of copper production (C1)(per lb) ^{3, 4}	\$1.30	\$1.24	\$1.34
Total cost of copper production (C3)(per lb) ^{3, 4}	\$2.19	\$2.07	\$2.21
All-in sustaining cost (AISC)(per lb) ^{3, 4}	\$1.64	\$1.73	\$1.77
Realized copper price (per lb)	\$2.56	\$2.62	\$2.79
Gold production (ounces)	68,788	77,789	49,357
Gold sales (ounces) ⁵	73,782	79,409	46,790

Consolidated Financial Information	Q1 2020	Q4 2019	Q1 2019
Sales revenues	1,182	1,284	857
Gross profit	147	259	185
Net earnings (loss) attributable to shareholders of the Company	(62)	(115)	53
Basic and diluted earnings (loss) per share	(\$0.09)	(\$0.17)	\$0.08
Comparative EBITDA ^{6, 7}	434	511	368
Comparative earnings (loss) ⁶	(79)	35	95
Comparative earnings (loss) per share ⁶	(\$0.11)	\$0.05	\$0.14

	Q1 2020	Q4 2019	Q1 2019
Net earnings (loss) attributable to shareholders of the Company	(62)	(115)	53
Adjustments attributable to shareholders of the Company:			
Movement in Zambian VAT discount	(37)	22	-
Loss on debt instruments	2	4	25
Total adjustments to comparative EBITDA excluding depreciation ⁷	119	152	21
Tax and minority interest relating to foreign exchange revaluation and comparative adjustments	(101)	(28)	(4)
Comparative earnings (loss) ⁶	(79)	35	95

¹ Production is presented on a contained basis, and is presented prior to processing through the Kansanshi smelter.

² Copper 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 nil for the three months ended March 31, 2020 (1,182 tonnes for the three months ended March 31, 2019).

³ C1 cash cost, C3 total cost, AISC exclude third-party concentrate purchased at Kansanshi.

⁴ C1 cash cost, C3 total cost, AISC are not recognized under IFRS. These measures are disclosed as they reflect those used by the Company's management in reviewing operational performance. A reconciliation of these measures to the costs disclosed in the Company's Consolidated Statement of Earnings (Loss) is included within the "Regulatory Disclosures" section from page 38.

⁵ Excludes refinery-backed gold credits purchased and delivered under precious metal streaming arrangement.

⁶ Net earnings (loss) attributable to shareholders of the Company has been adjusted to exclude items which are not considered by management to be reflective of underlying performance to arrive at comparative earnings (loss). 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. See "Regulatory Disclosures" from page 38 for a reconciliation of comparative EBITDA and comparative earnings (loss) to the IFRS measures. The use of comparative earnings (loss) and comparative EBITDA represents the Company's adjusted earnings (loss) metrics.

⁷ Adjustments to comparative EBITDA in the first quarter of 2020 relate principally to foreign exchange (impairments, write-off of assets and other costs associated with the land slippage at Las Cruces in the comparative periods in 2019), and also include movements in restoration provision estimates at closed sites.

FINANCIAL SUMMARY

Sales revenues boosted by Cobre Panama

- Sales revenues of \$1,182 million for the quarter were 38% higher than the comparable period in 2019. Copper and gold sales contribution from Cobre Panama drove the increase, partially offset by the lower realized copper price.
- Realized price for copper of \$2.56 per lb for the first quarter of 2020 was 8% lower than the same period in 2019. This compares to a decrease of 9% in the average London Metal Exchange ("LME") price of copper for the same period. The Company's copper sales hedge program contributed \$26 million, \$0.06 per lb, to sales revenues in the quarter, compared to a \$8 million sales hedge gain, \$0.03 per lb, in the same quarter of 2019

Comparative EBITDA increased to \$434 million

- Comparative EBITDA for the quarter was \$434 million, compared to \$368 million for the same period in 2019. This excludes \$123 million of foreign exchange losses and gains of \$6 million from revisions in estimates of restoration provisions at closed sites.

Gross profit – Cobre Panama sales contribution offset by increase in depreciation, lower realized metal prices and ramp-up costs at Ravensthorpe

Gross profit in Q1 2019	185
Lower realized metal prices	(57)
Movement in hedge program	20
Higher sales volumes	136
Lower by-product contribution	(17)
Lower cash costs	10
Increase in depreciation	(117)
Ravensthorpe ramp-up	(32)
Positive impact of foreign exchange on operating costs	19
Gross profit in Q1 2020 ¹	147

¹ Gross profit is reconciled to comparative EBITDA by including exploration costs of \$3 million, general and administrative costs of \$22 million, other expense of \$118 million, adding back depreciation of \$311 million, foreign exchange loss of \$123 million and other expense of \$2 million, less revisions in estimates of restoration provision at closed sites of \$6 million (a reconciliation of comparative EBITDA is included on page 42).

Comparative loss of \$79 million

- Comparative loss for the quarter ended March 31, 2020, of \$79 million is a decrease from comparative earnings of \$95 million in the same period of 2019. A net finance expense of \$184 million has been recognized, of which a significant proportion would previously have been eligible for capitalization in the same period of 2019 but is now expensed following declaration of commercial production at Cobre Panama effective September 1, 2019. A reconciliation of comparative metrics is included from page 42.
- Net loss attributable to shareholders of \$62 million for the first quarter of 2020 compared to a net earnings attributable to shareholders of \$53 million in the same period in 2019. The 2020 result included a foreign exchange loss of \$123 million primarily due to the depreciation of the Zambian kwacha ("ZMW") against the US dollar ("USD") and the impact on the value-added tax ("VAT") balances due to Kansanshi and Sentinel. A \$37 million credit has been recognized on the discounting of Zambian VAT, driven by the depreciation of the Zambian kwacha against the US dollar.

COVID-19

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. The virus has brought unprecedented challenges to communities, industries and the global economy. First Quantum's priority is the health and safety of its employees and communities. Efforts by countries to control and mitigate the spread of the virus include travel restrictions, temporary border restrictions, and closure of non-essential business operations. The Company is managing the necessary country-by-country restrictions in order to assist in the protection of those most vulnerable. At its mine sites, preparations are in place for control, isolation and quarantine as necessary.

On April 6, 2020, the Ministry of Health of the Republic of Panama ("MINSA") ordered the temporary suspension of labour activities at the Cobre Panama operation, as a sanitary control measure due to COVID-19. The Company has decided to place the Cobre Panama operation onto preservation and safe maintenance from April 7, 2020, until MINSA are satisfied that the quarantine conditions are appropriate. The heightened quarantine conditions require that mining and processing operations be halted. The port and power plant have continued operations in order to supply essential electrical power into the Panama national grid, and to sustain the preservation and safe maintenance activities. Preservation and safe maintenance costs are estimated at between \$4 and 6 million per week assuming the suspension of labour contracts and other variable and fixed costs.

In light of the preservation and safe maintenance period, production guidance for Cobre Panama for 2020 has been reduced to 210,000 to 235,000 tonnes of copper and 90,000 to 100,000 oz of gold. Market guidance for production at all other operations remains unchanged from previously disclosed.

Mining operations at Las Cruces were shut down on March 30, 2020, following an order by the Spanish government, which designated mining as a non-essential operation. The plant continued to process the surface ore stockpile, sufficient for an expected two months of production at current levels. Las Cruces resumed operations on April 13, 2020, following the end of the government imposed shutdown on non-essential services on April 9, 2020. Production guidance for Las Cruces is unchanged.

With the closure of the South African and Zimbabwean borders, the export of the Company's Zambian production is currently being managed through alternate routes. To date, there has not been any significant disruption to sales, supply chains and product shipments at the Company's other operations however, its exploration programs have been affected by international and local travel restrictions associated with COVID-19.

With the slowdown of global economic activity, commodity prices have weakened. The copper LME price fell to a low of \$2.08 per lb in late March before recovering somewhat in April to \$2.32 per lb on supply disruptions and expectations of stronger demand. The Company's copper hedge program, which utilizes both unmargined copper forward sales and unmargined zero cost collar sales contracts, mitigates some of the price volatility in the near term. 157,200 tonnes of copper sales in the second quarter of 2020 are hedged to unmargined forward and zero cost collar sales contracts at an average floor price of \$2.60 per lb. The Company also has nickel hedges in place for a large proportion of its Ravensthorpe's forecast 2020 production at prices significantly above current LME prices. Gold market prices have increased from \$1,520/oz at the end of 2019 to \$1,720/oz during April 2020.

Under the assumption of an extended period of health protocols, travel restrictions and depressed commodity prices, the Company's main overall priority is the active management of all capital spending and operating costs while maintaining a high level of safety and productivity. Within this context, capital expenditure guidance for 2020 has been reduced by \$175 million, reflecting the deferral of some initiatives, and AISC guidance for 2020 has been reduced by \$0.05 per lb as part of the Company's cost management strategy.

FINANCIAL POSITION AND OPERATING CASH FLOW

- Following the successful bond issuance in January 2020, the Company completed the redemption of the remaining \$300 million of the senior notes due February 2021. During the three months ended March 31, 2020, the Company drew down fully on the senior Revolving Credit Facility ("RCF") and repaid and cancelled the Sentinel equipment financing facility. The Company ended the quarter with \$1,145 million of net unrestricted cash and cash equivalents and was in full compliance with all financial covenants.
- At March 31, 2020, the Company had unmarginated copper forward sales contracts for 193,025 tonnes at an average price of \$2.60 per lb outstanding with periods of maturity to January 2021. In addition, the Company has zero cost collar unmarginated sales contracts for 127,500 tonnes at weighted average prices of \$2.66 per lb to \$2.92 per lb outstanding with maturities to January 2021. The Company also had unmarginated nickel forward sales contracts for 11,000 tonnes at an average price of \$6.76 per lb outstanding with maturities to February 2021.
- On April 22, 2020, the Company announced the amendment of financial covenants under the senior Term Loan and RCF in response to uncertainty related to COVID-19. The Net Debt to EBITDA ratio has been increased and the Debt Service Cover Ratio has been decreased, for the remainder of 2020 and 2021. For further details, see *Liquidity and Capital Resources* on page 27.
- Capital spending has been and continues to be reviewed companywide with a reduction in guidance for capital expenditure for the year. Operating costs at all sites have been and are continuously being reviewed to identify opportunities to further reduce costs. Subsequent to the quarter end, the Company has hedged 180 million litres of Ultra Low Sulphur Diesel ("ULSD") at an average price of \$0.32 per litre with maturities to April 2021 as part of the companywide cost management strategy.
- Taking into account forecast operating cash inflows, capital expenditure outflows and available funds, the Company expects to have sufficient liquidity through the next 12 months to carry out its operating and capital expenditure plans and remain in full compliance with financial covenants. The Company continues to take action to manage operational and price risk and further strengthen the balance sheet.

OTHER DEVELOPMENTS

Changes to the Zambian tax regime

On March 27, 2020, changes to the Zambian tax regime were announced by the Minister of Finance, as part of the tax relief provisions in the statement on the impact of COVID-19 on the Zambian economy. These proposed changes include partial removal of the provisions introduced in January 2020 that deny claims of VAT on office costs, lubricants and spare parts and the suspension of export duties, currently at a rate of 15%, on precious metals such as gold. Further guidance on these changes has not yet been issued by the Zambia Revenue Authority and the Company is continuing to assess the expected impact of the proposed changes. It is expected that these provisions will be effective imminently, however these changes have not yet been enacted into law.

The Company's Zambian operations have continued to accrue VAT receivable amounts during the quarter with no cash refunds received, offsets of \$29 million against other taxes due have however been granted during the quarter. The Company considers that the outstanding VAT claims are fully recoverable and has reclassified all VAT balances due to the Zambian operations as non-current. A credit of \$37 million has been recognized in the quarter ended March 31, 2020, representing an adjustment to the discounting over the expected timeframe to repayment. A foreign exchange loss of \$125 million has been recognized against the receivable in the quarter ended March 31, 2020. The Minister of Finance reaffirmed that the Government of the Republic of Zambia ("GRZ") remains committed to settling outstanding VAT claims and the Company continues to engage in regular discussions with the relevant government authorities. See additional disclosure *Liquidity and Capital Resources* on page 27. The total amount of discounted VAT accrued by the Company's Zambian operations at March 31, 2020, was \$326 million, of which \$181 million is related to Kansanshi.

Zambian power supply

Despite having received above average rains over the past wet season, the lake levels at Kariba Dam, although recovering, remain low. This has resulted in the country's state-owned power utility company ("ZESCO") maintain, and in some cases extend, load shedding for domestic and some industrial electricity users. However, no restrictions are currently in place for the Company's mining operations.

MATERIAL LEGAL PROCEEDINGS

Panama constitutional proceedings

In February 1996, the Republic of Panama and Minera Panama SA ("MPSA"), now a Panamanian subsidiary of the Company, entered into a mining concession contract in respect of the Cobre Panama project.

On February 26, 1997, Contract-Law No. 9 ("Law 9") was passed by the Panamanian National Assembly. Law 9 granted the status of national law to the mining concession contract, establishing a statutory legal and fiscal regime for the development of the Cobre Panama project. On December 30, 2016, the Government of Panama signed and issued Resolution No. 128 by which it extended the mining concession contract held by MPSA for a second 20-year term commencing March 1, 2017 up to February 28, 2037. The Company remains eligible for consideration of a third 20-year term of the MPSA mining concession contract commencing March 1, 2037.

In September 2018, the Company became aware of a ruling of the Supreme Court of Panama ("Supreme Court") in relation to the constitutionality of Law 9. The Company understands that the ruling of the Supreme Court with respect to the constitutionality of Law 9 relates to the enactment of Law 9 and does not affect the legality of the MPSA mining concession contract itself, which remains in effect, and allows continuation of the development and operation of the Cobre Panama project by MPSA.

In respect of the Supreme Court ruling on Law 9, which remains subject to various procedural processes, the Company notes the following:

- The ruling is not yet in effect.
- The Supreme Court decision was in respect of ongoing legal filings made since 2009 with regard to specific environmental petitions.
- In reviewing the process of approval of Law 9 of 1997, the Supreme Court found that the National Assembly had failed to consider whether Law 9 complied with applicable legislation at the time, namely Cabinet Decree 267 of 1969.
- The applicable Cabinet Decree of 1969, which was repealed in 1997 by Law 9, required the Ministry of Commerce and Industry ("MICI") to issue a request for proposals before awarding the Law 9 mining concession.
- The Attorney General of Panama has provided two formal opinions favourable to the constitutionality of Law 9 as required in this type of proceedings by Panamanian law.
- The Supreme Court ruling did not make a declaration as to the annulment of the MPSA mining concession contract.

Subsequently, MPSA has submitted filings to the Supreme Court for ruling, which it has accepted, prior to the ruling in relation to the constitutionality of Law 9 taking effect. On September 26, 2018, the Government of Panama issued a news release affirming support for Cobre Panama. The release confirmed that MICI considers that the MPSA mining concession contract, and its extension, remains in effect in all its parts while the Company seeks to clarify the legal position. (The MICI release is available at [www.twitter.com/MICIPMA/status/1044915730209222657](https://twitter.com/MICIPMA/status/1044915730209222657)).

The current Government of Panama, inaugurated on July 1, 2019, has established a multidisciplinary high-level commission including the Minister of Commerce and Industries (mining regulator), Minister of Environment, and Minister of Employment to discuss the Law 9 matter and seek resolution. Based on support from the Government of Panama, the Chamber of Commerce and Industries of Panama, the Panamanian Mining Chamber, other Panamanian business and industry chambers and its legal advice, the Company is confident of resolving the Law 9 matter in the near-medium term.

Zambian power

In June 2018, without any warning, ZESCO reduced power supply to the Kansanshi operation. The reduction was due to Kansanshi and Sentinel's rejection of ZESCO's demand for payment of higher tariffs, contrary to the existing contractual agreements between the parties.

On June 26, 2018, Kansanshi sought an injunction against ZESCO before the English courts, as the contracts on tariff are governed by English law. On June 28, 2018, ZESCO resisted the application and requested an extension to respond. On July 6, 2018, the Court awarded Kansanshi's request by way of a sanctioned consent order ("Order") which requires ZESCO to restore the full capacity as demanded by Kansanshi. In turn, Kansanshi is required to deposit the difference between the contractual tariff and the disputed higher tariff into a segregated account until an arbitration between Kansanshi and ZESCO on these facts are concluded. The Order continues to apply as ZESCO is restrained from making any reductions without incurring further sanction from the Court.

On August 22, 2018, Kansanshi served on ZESCO a Notice of Arbitration in respect of these facts. A procedural timetable of the arbitration has been agreed, with the merits hearing set for June 2020. Pursuant to the Procedural Order, Kansanshi has submitted its Statement of Claim and ZESCO has submitted its response and the parties have exchanged evidence. Following exchange of documents, witness statements were submitted on January 31, 2020, and expert evidence will be concluded in the week of April 9, 2020. A hearing on the merits is scheduled for the week of June 15, 2020. The COVID-19 global pandemic is currently presenting challenges for hosting in-person hearings, and the parties will be directed by the arbitral tribunal whether the hearing should be deferred or held telephonically. In either event, Kansanshi continues to be supported by the English Court Order against reductions in power supply until the arbitration dispute is resolved.

Despite this dispute, the Company's operations generally maintain a constructive relationship with ZESCO, particularly with regards to the management of technical and supply issues. Operational and technical dialogue between the parties is expected to continue in the normal course.

Kansanshi minority partner

In October 2016, the Company, through its subsidiary Kansanshi Holdings Limited, received a Notice of Arbitration from ZCCM International Holdings PLC ("ZCCM") under the Kansanshi Mining PLC ("KMP") Shareholders Agreement. ZCCM is a 20% shareholder in KMP and filed the Notice of Arbitration against Kansanshi Holdings Limited ("KHL"), the 80% shareholder, and against KMP. The Company also received a Statement of Claim filed in the Lusaka High Court naming additional defendants, including the Company, and certain directors and an executive of the named corporate defendants. Aside from the parties, the allegations made in the Notice of Arbitration and the High Court for Zambia were the same. The Company is firmly of the view that the allegations are in their nature inflammatory, vexatious and untrue.

The dispute was stated as a request for a derivative action, requiring ZCCM to obtain permission to proceed in each forum of the Arbitration and the Lusaka High Court. The dispute arose from facts originating in 2007, and concerned the rate of interest paid on select deposits by KMP with the Company. The deposits were primarily retained for planned investment by KMP in Zambia. In particular, KMP deposits were used to fund a major investment program at Kansanshi, including the successful construction and commissioning of the Kansanshi smelter and expansion of the processing plant and mining operations. The entirety of the deposit sums has been paid down from the Company to KMP, with interest. The interest was based on an assessment of an arm's length fair market rate, which is supported by independent third-party analysis. ZCCM disputed that interest rate paid to KMP on the deposits was sufficient.

In July 2019, the Arbitral Tribunal issued a final award in favour of KMP. The parties have reached an agreement on costs, in total exceeding US\$1 million payable by ZCCM, bringing this particular matter to an end.

In parallel, several preliminary procedural applications to dismiss the High Court Action were lodged on behalf of the Company, and other defendants, in the Lusaka High Court. By a decision dated January 25, 2018, the Lusaka High Court used its discretion to rectify ZCCM's procedural errors. The Court granted leave to the Company, FQM Finance, a wholly-owned subsidiary of the

Company, and the individual defendants to appeal against this decision and the litigants have agreed to a stay pending the appeal. The appeal hearing took place on November 21, 2018, with submissions made by all parties. The Court of Appeal delivered judgment on January 11, 2019, dismissing the appeal. An appeal to the Supreme Court of Zambia was heard on April 24, 2019, and has been dismissed. The High Court was scheduled to resume hearing two further procedural applications, including whether ZCCM is allowed to maintain the derivative action. However, before these hearings could take place the defendants brought an application requesting dismissal of the case on grounds of abuse of process/ res judicata, on the basis that the action cannot be allowed to continue for risk of producing conflicting judgment from the London arbitration, which has already adjudicated the facts of this particular complaint. ZCCM objected to the defendants' application. ZCCM also tried to bring an application to set aside the registration of the Arbitral award in Zambia. The defendants' resisted this application. Both applications had an oral hearing in October 2019.

However, after the October 2019 hearing, ZCCM pursued a challenge to the registration of the Arbitral Award on grounds that it was not enforceable because it had complied with the costs payment order of the Arbitral Award. KMP opposed ZCCM's challenge and made submissions to the Registrar that an Arbitration Award is eligible for registration despite compliance with costs orders. On February 13, 2020, the Registrar accepted KMP's position and dismissed ZCCM's challenge to the registration of the Arbitration Award. Accordingly, the Lusaka High Court proceeded to rule on the abuse of process application. By way of a ruling dated March 23, 2020, the Lusaka High Court agreed with KMP's application that the process, if it were to be allowed to continue before it, would risk conflicting judgements and would be res judicata. Accordingly, ZCCM's derivative action case was dismissed, with costs awarded to KMP against ZCCM.

EXPLORATION

The Company's global exploration program is focused on identifying high quality porphyry and sediment hosted copper deposits in prospective belts around the world. This program includes work at advanced stage exploration projects at Taca Taca in Argentina and Haquira in Peru.

At Taca Taca, located in the Salta province of Argentina, the Company is continuing with the project pre-development and feasibility activities. The primary Environmental and Social Impact Assessment for the project, which covers the principal proposed project sites, was submitted to the Secretariat of Mining of Salta Province in 2019. At the Haquira project, located in the Apurímac region of Peru, the focus remains on community and environmental aspects.

The Company is engaged in the assessment and early stage exploration of a number of properties around the world, particularly focused on the Andean porphyry belt of Argentina, Chile, Peru, Ecuador and Colombia, as well as specific targets in other jurisdictions, including Australia and Papua New Guinea. Near-mine exploration programs are restricted to Las Cruces, in Spain, as well as on satellite targets around Kansanshi, in Zambia.

During the first quarter of 2020, exploration programs were active on greenfield targets in Argentina, Australia, Zambia and Papua New Guinea. Encouraging drill results from prospects in Argentina and Papua New Guinea justify follow up as conditions allow. Towards the end of the first quarter, most exploration programmes had been impacted by international and local travel restrictions associated with COVID-19.

HEALTH & SAFETY

The health and safety of all of the Company's employees and contractors is our top priority and the Company is focused on the continual strengthening and improvement of the safety culture at all of our operations. The Lost Time Injury Frequency Rates ("LTIFR") is an area of continued focus and a key performance metric for the Company, our rolling 12-month LTIFR is 0.05 per 200,000 hours worked on average over the 12-month period to March 31, 2020 (2019: 0.06).

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. The virus has brought unprecedented challenges to communities and industries. At 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. In Panama, the Company is supporting the wider community with donations of medical equipment and supplies, as well as responding to the Panamanian

Government's request to support families in need with food and supplies. In Zambia, the Company has pledged financial support for the provision of medical logistics support in the Solwezi and Kalumbila districts of North-Western Zambia.

GUIDANCE

Guidance provided below is based on a number of assumptions and estimates as of March 31, 2020, including among other things, assumptions about metal prices and anticipated costs and expenditures. 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 including the duration of the preservation and safe maintenance period at Cobre Panama. Guidance involves estimates of known and unknown risks, uncertainties and other factors which may cause the actual results to be materially different

Market guidance has been revised for copper production to 755,000 to 805,000 tonnes, a reduction of 75,000 tonnes and gold production to 250,000 to 270,000 ounces, a reduction of 30,000 ounces, to reflect current assumptions at Cobre Panama following its preservation and safe maintenance shutdown at the request of MINSA, in light of COVID-19. Market guidance for production at all other operations remains unchanged from expectations previously disclosed. For cash costs, AISC guidance range has been reduced by \$0.05 per lb, and the upper end of the guidance range for C1 has been reduced by \$0.05 per lb. Capital expenditure guidance has been reduced by \$175 million.

Production guidance

000's	2020
Copper (tonnes)	755 – 805
Gold (ounces)	250 – 270
Nickel (tonnes)	15 – 20

Production guidance by operation

Cobre Panama updated copper and gold guidance range is dependent upon receiving approval from MINSA to end the preservation and safe maintenance shutdown and to commence the restart of operations before or by the end of May. Normal production levels would then be expected to return in late June 2020 to early July 2020. A delay to this timeline would have an impact on the guidance range.

Copper

000's tonnes	2020
Cobre Panama	210 – 235
Kansanshi	220 – 235
Sentinel	230 – 240
Las Cruces	52
Other sites	43

Gold

000's ounces	2020
Cobre Panama	90 – 100
Kansanshi	120 – 130
Other sites	40

Nickel

000's tonnes

2020

Ravensthorpe	15 – 20
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Cash cost and all-in sustaining cost – including and excluding Cobre Panama

Copper

2020

C1 (per lb)	\$1.20 – \$1.35
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AISC (per lb)	\$1.65 – \$1.80
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Capital expenditure

2020

Capitalized stripping	225
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Sustaining capital and other projects	450
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Total capital expenditure	675
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Guidance for the Company's sustaining capital and other projects includes expenditure relating to Cobre Panama for construction work for the tailings management facility and development work associated with the expansion to 100 mtpa capacity. Other projects in 2020 include the Shoemaker Levy deposit at Ravensthorpe, and some spend on the fourth crusher at Sentinel. Reduction in capital expenditure includes moving construction work on the fourth crusher at Sentinel into 2021 as well as deferring some development project capital expenditure and some process improvement and sustaining maintenance programmes at operations. Underlying sustaining capital expenditure is expected to be approximately \$200 million in 2020.

Interest

Net interest expense for the quarter ended March 31, 2020, was \$184 million. The majority of the Company's interest expense is incurred by Canadian entities, where no tax credit is recognized. Interest expense for the full year 2020 is expected to range between \$770 million and \$810 million, this includes interest accrued on related party loans to Cobre Panama and a finance cost accreted on the precious metal streaming arrangement.

Tax

Excluding Cobre Panama and the impact of interest expense, the effective tax rate for 2020 is expected to be approximately 30%.

Depreciation

Depreciation expense for the quarter was \$311 million. The full year 2020 depreciation expense is expected to be approximately \$1,300 million.

OPERATING REVIEW

	Q1 2020	Q4 2019	Q1 2019
Copper production (tonnes)¹			
Cobre Panama	56,240	60,338	-
Kansanshi	55,612	60,808	53,913
Sentinel	56,633	50,874	57,716
Las Cruces	15,293	17,611	10,634
Guelb Moghrein	7,028	8,220	7,447
Çayeli	2,990	4,725	4,891
Pyhäsalmi	1,489	1,694	2,343
Total copper production (tonnes) – excluding pre-commercial production	195,285	204,270	136,944
Cobre Panama - pre-commercial	-	-	25
Total copper production (tonnes) – including pre-commercial production	195,285	204,270	136,969
Gold production (ounces)			
Cobre Panama	23,232	28,040	-
Kansanshi	33,002	36,105	34,743
Guelb Moghrein	11,237	12,027	12,498
Other sites ²	1,317	1,617	2,116
Total gold production (ounces)	68,788	77,789	49,357

¹ Production is presented on a contained basis, and is presented prior to processing through the Kansanshi smelter.

² Other sites include Çayeli and Pyhäsalmi.

First quarter

A 43% increase in copper production compared to the same period in 2019 was attributable to the contribution of Cobre Panama as well as higher production from Kansanshi and Las Cruces.

Higher Kansanshi copper production compared with the same period in 2019 was attributable to higher throughput. Copper production at Las Cruces was higher than the comparable period of 2019 in which a land slippage in January 2019 halted mining activity and processing activities.

Sentinel copper production was 2% lower than the same period in 2019 as a result of lower grades and recoveries, mitigated by higher throughput. Çayeli copper production was 39% below the comparable period of 2019 due to lower grades mined and ore processed.

Gold production was 39% higher than the comparable period in 2019. Cobre Panama produced 23,232 ounces of gold, while production at Kansanshi was 5% lower due to recoveries and Guelb Moghrein was 10% lower due to grades.

Ravensthorpe concluded operational readiness work and restarted operations in March 2020. Crushing, beneficiation, acid production and atmospheric leaching operations were brought online, ahead of first nickel production in April 2020.

	Q1 2020	Q4 2019	Q1 2019
Copper sales volume (tonnes)			
Cobre Panama	64,136	48,841	-
Kansanshi ¹	55,330	73,986	53,033
Sentinel	45,183	53,272	51,187
Las Cruces	14,473	16,284	11,443
Guelb Moghrein	7,649	6,010	7,924
Çayeli	1,776	5,553	3,814
Pyhäsalmi	1,406	2,018	2,861
Total copper sales (tonnes)	189,953	205,964	130,262
Gold sales volume (ounces)			
Cobre Panama	27,337	23,336	-
Kansanshi	32,694	45,342	31,082
Guelb Moghrein	12,106	8,415	13,301
Other sites ²	1,645	2,316	2,407
Total gold sales (ounces)³	73,782	79,409	46,790

¹ Copper 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 nil for the three months ended March 31, 2020 (1,182 tonnes for the three months ended March 31, 2019).

² Other sites include Çayeli and Pyhäsalmi.

³ Excludes refinery-backed gold credits purchased and delivered under precious metal streaming arrangement.

First quarter

Total copper sales volumes were 46% higher than the comparable period in 2019, reflecting the contribution from Cobre Panama as well as increased production at Las Cruces. Sentinel sales volumes were lower due to the timing of sales.

Similarly, increased gold sales volumes reflect Cobre Panama which sold 27,337 ounces in the period.

	Q1 2020	Q4 2019	Q1 2019
Copper C1 cash cost (\$ per lb)			
Cobre Panama	\$1.38	\$1.28	-
Kansanshi ¹	\$1.22	\$1.03	\$1.24
Sentinel	\$1.55	\$1.71	\$1.60
Las Cruces	\$0.87	\$0.73	\$1.31
Other sites ²	\$0.83	\$1.16	\$0.82
Total copper C1 cash cost (\$ per lb)¹	\$1.30	\$1.24	\$1.34
Copper AISC (\$ per lb)			
Cobre Panama	\$1.61	\$1.85	-
Kansanshi	\$1.65	\$1.48	\$1.73
Sentinel	\$2.02	\$2.22	\$2.07
Las Cruces	\$0.96	\$0.91	\$1.46
Other sites ²	\$1.18	\$1.51	\$1.04
Total copper AISC (\$ per lb)¹	\$1.64	\$1.73	\$1.77

¹ Copper 1 cash cost and AISC for Kansanshi and total copper exclude purchases of copper concentrate from third parties treated through the Kansanshi smelter.

² Other sites include Guelb Moghrein, Çayeli and Pyhäsalmi.

First quarter

Total copper C1 cash cost of \$1.30 per lb for the first quarter of 2020 includes the impact of a full quarter of contribution from Cobre Panama of \$1.38 per lb. Total C1 cash cost was \$0.04 per lb lower than the same period in 2019, reflecting decreases at Kansanshi and Sentinel due to lower maintenance costs and favourable foreign exchange impact.

Total AISC of \$1.64 per lb includes AISC for Cobre Panama of \$1.61 per lb for the quarter. Total AISC was \$0.13 per lb lower than the same period in 2019, reflecting the lower C1 cash cost and sustaining capital expenditure at Kansanshi, as well as lower C1 cash costs at Sentinel.

OPERATIONS

Cobre Panama	Q1 2020	Q4 2019	Q1 2019
Copper ore processed (000's tonnes) ¹	15,942	16,493	-
Copper ore grade processed (%)	0.39	0.41	-
Copper recovery (%)	91	89	-
Copper production (tonnes)	56,240	60,338	-
Copper sales (tonnes)	64,136	48,841	-
Gold production (ounces)	23,232	28,040	-
Gold sales (ounces) ²	27,337	23,336	-
Silver production (ounces)	429,294	452,663	-
Silver sales (ounces) ²	480,524	354,689	-
All-in sustaining cost (AISC) (per lb) ³	\$1.61	\$1.85	-
Cash cost (C1) (per lb) ³	\$1.38	\$1.28	-
Total cost (C3) (per lb) ³	\$2.44	\$2.12	-
Sales revenues	398	314	-
Gross profit	33	56	-
Comparative EBITDA ³	157	136	-

¹ DMT

² Excludes refinery-backed gold credits purchased and delivered under precious metal streaming arrangement.

³ AISC, C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. See "Regulatory Disclosures" for further information.

First quarter

Throughput was impacted by unplanned downtime of the crusher circuit during the first part of the quarter, which was later resolved.

Approximately 15.9 million tonnes of ore with an average grade of 0.39% were processed, and recoveries of 91% were achieved, which resulted in copper and gold production of 56,240 tonnes and 23,232 ounces, respectively.

AISC and C1 cash cost of \$1.61 per lb and \$1.38 per lb, respectively, for the three months ended March 31, 2020 were in line with expectations.

Sales revenues for the three months ended March 31, 2020, were \$398 million. A total of 64,136 tonnes of contained copper were sold in the first quarter. Gross profit for the same period was \$33 million, with comparative EBITDA of \$157 million.

Outlook

Cobre Panama's ramp-up of operations was on track to successfully deliver on its 2020 copper production guidance of between 285,000 and 310,000 tonnes. However, following the order from MINSA on April 6, 2020, to temporarily suspend labour activities due to COVID-19, the operation was placed on preservation and safe maintenance until MINSA are satisfied that the quarantine conditions are appropriate. Production guidance at Cobre Panama has been reduced to between 210,000 and 235,000 tonnes of copper and to between 90,000 and 100,000 ounces of gold.

Cobre Panama is evaluating the reduction of all operating costs on the site for the expected duration of increased quarantine. Suspension of labor contracts under the emergency labour code concessions have been applied for and granted. Preservation and safe maintenance costs are estimated at between \$4 and 6 million per week assuming suspension of labour contracts and other variable and fixed costs.

The port and power plant are continuing operations in order to supply essential electrical power into the Panama national grid, and to sustain the preservation and safe maintenance activities.

Kansanshi	Q1 2020	Q4 2019	Q1 2019
Sulphide ore milled (000's tonnes) ¹	3,321	3,211	3,084
Sulphide ore grade processed (%)	0.89	0.95	0.90
Sulphide copper recovery (%)	93	93	89
Mixed ore milled (000's tonnes) ¹	1,967	1,900	1,870
Mixed ore grade processed (%)	0.99	1.11	1.00
Mixed copper recovery (%)	82	79	75
Oxide ore milled (000's tonnes) ¹	1,697	1,893	1,534
Oxide ore grade processed (%)	0.97	1.07	1.14
Oxide copper recovery (%)	73	79	87
Copper production (tonnes) ²	55,612	60,808	53,913
Copper smelter			
Concentrate processed ^{1, 3}	329,946	342,550	342,307
Copper anodes produced (tonnes) ³	80,280	86,690	83,134
Smelter copper recovery (%)	97	97	97
Acid tonnes produced (000's)	315	327	322
Copper sales (tonnes) ^{4, 5}	55,330	73,986	53,033
Gold production (ounces)	33,002	36,105	34,743
Gold sales (ounces)	32,694	45,342	31,082
All-in sustaining cost (AISC) (per lb) ^{6, 7}	\$1.65	\$1.48	\$1.73
Cash costs (C1) (per lb) ^{6, 7}	\$1.22	\$1.03	\$1.24
Total costs (C3) (per lb) ^{6, 7}	\$1.97	\$1.68	\$1.98
Sales revenues	349	495	364
Gross profit	79	166	116
Comparative EBITDA ⁶	151	232	169

¹ DMT

² Production presented on a copper concentrate basis, i.e. mine production only. Production does not include output from the smelter.

³ Concentrate processed in smelter and copper anodes produced are disclosed on a 100% basis, inclusive of Sentinel and third-party concentrate processed. Concentrate processed is measured in DMT. There was no third-party purchased concentrate treated for the three months ended March 31, 2020 (1,881 DMT for the three months ended March 31, 2019).

⁴ Sales of copper anode attributable to anode produced from third-party purchased concentrate are excluded. There were no sales of copper anode attributable to third-party concentrate purchases in the three months ended March 31, 2020 (1,182 tonnes for the three months ended March 31, 2019).

⁵ Sales include third-party sales of concentrate, cathode and anode attributable to Kansanshi (excluding copper anode sales attributable to Sentinel).

⁶ AISC, C1 cash cost, and C3 total cost and comparative EBITDA are not recognized under IFRS. See "Regulatory Disclosures" for further information.

⁷ Excluding purchases of copper concentrate from third parties treated through the Kansanshi smelter.

Kansanshi Mining Operations

First quarter

Copper production was 3% higher than the comparable period in 2019. Higher throughput and recoveries on the sulphide and mixed ore circuits mitigated the impact of lower production on the oxide circuit. Improved recoveries were a result of continued work, including optimization of reagent usage and sulphide debottlenecking projects.

The decline in the oxide ore grade was expected due to the depletion of higher-grade areas as the mine ages. Lower oxide ore grade combined with high acid-consuming ore impacted the leach efficiencies and circuit recovery on the oxide circuit.

The high-pressure leach unit was in partial use during the quarter with one autoclave in operation.

Gold production decreased by 5% compared to the same period in 2019, due to planned down time and unusually high levels of iron which affected gravity concentration and tabling efficiency.

AISC was \$0.08 per lb lower than that of the same period in 2019, due to lower sustaining capital expenditure and royalties.

Sales revenues of \$349 million were 4% less than the same period in 2019, reflecting lower realized copper prices, excluding the impact of the corporate sales hedge program, and reduced acid sales. These were partially offset by the higher copper and gold sales volumes and realized gold prices.

Gross profit of \$79 million was 32% lower than the comparable period in 2019, reflecting lower sales revenue and the movement in the value of ore stockpiles processed in the quarter. These were partially offset by lower operating expenditures as a result of the depreciation of the Zambian kwacha against the US dollar.

Kansanshi Copper Smelter

First quarter

The smelter treated 329,946 DMT of concentrate, 4% lower than the same period of 2019, and produced 80,280 tonnes of copper anode and 315,000 tonnes of sulphuric acid. The concentrate grade treated in the quarter was 25.0%.

The lower concentrate throughput is a result of the smelter running at a lower feed rate due to high sulphur content in concentrate feed and deteriorating acid plant catalyst, which will be resolved during a shutdown during the second quarter.

Outlook

Production in 2020 is expected to be between 220,000 and 235,000 tonnes of copper, and between 120,000 and 130,000 ounces of gold.

A two-week shutdown of the smelter (mainly acid plant) is planned in the second quarter.

Sentinel	Q1 2020	Q4 2019	Q1 2019
Copper ore processed (000's tonnes) ¹	14,107	12,385	11,581
Copper ore grade processed (%)	0.45	0.47	0.54
Copper recovery (%)	89	87	92
Copper production (tonnes)	56,633	50,874	57,716
Copper sales (tonnes)	45,183	53,272	51,187
All-in sustaining cost (AISC) (per lb) ²	\$2.02	\$2.22	\$2.07
Cash cost (C1) (per lb) ²	\$1.55	\$1.71	\$1.60
Total cost (C3) (per lb) ²	\$2.27	\$2.45	\$2.34
Sales revenues	235	281	296
Gross profit	21	25	55
Comparative EBITDA ²	77	86	112

¹ DMT

² AISC, C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. See "Regulatory Disclosures" for further information.

First quarter

Record throughput was achieved with the reinstatement of secondary crushing with one of the secondary crushers coming back online in late December 2019. A higher proportion of soft material from the surface of the Eastern cutback also contributed to enhanced throughput rates. Despite achieving record quarterly throughput, copper production was 2% lower than the comparable period of 2019 due to lower grade and recoveries. Recoveries continue to be impacted by the treatment of transitional ore from the Eastern cutback though improvements are being noted as the blend and reagent usage are optimized.

AISC of \$2.02 per lb was \$0.05 per lb lower than the same period of 2019, reflecting lower C1 cash cost. C1 cash cost was \$0.05 per lb lower than the comparable period in 2019 due to lower maintenance costs and lower operating expenditures as a result of the depreciation of the Zambian kwacha against the US dollar as well as the benefit of a reduction in treatment and refining charges compared with the same period of 2019.

Sales revenues of \$235 million were 21% lower than the same period in 2019 due to lower sales volumes and realized copper price, excluding the impact of the corporate sales hedge program. Sales revenue comprised sales of both concentrate and anode with a higher proportion of revenue realized from copper anodes.

Gross profit of \$21 million was 62% lower than the comparable period in 2019, reflecting lower sales revenues.

Outlook

Production in 2020 is expected to be between 230,000 and 240,000 tonnes of copper.

Throughput rates are expected to be maintained with secondary crushing and consistent ore supply. Feed grades are expected to improve in the second half of the year. Recoveries are expected to continue to be impacted by the treatment of transitional ore from the Eastern cutback for the remainder of the year. Mining is expected to continue to benefit from the decongestion of the main pit as the Eastern cutback continues to expand. Waste stripping in the Eastern cutback is planned to continue throughout 2020 with more than 40% of ore expected to be sourced from the Eastern cutback in 2020.

Las Cruces	Q1 2020	Q4 2019	Q1 2019
Ore tonnes processed (000's tonnes) ¹	355	364	325
Copper ore grade processed (%)	4.97	5.71	3.75
Copper recovery (%)	87	85	87
Copper cathode production (tonnes)	15,293	17,611	10,634
Copper cathode sales (tonnes)	14,473	16,284	11,443
All-in sustaining cost (AISC) (per lb) ²	\$0.96	\$0.91	\$1.46
Cash cost (C1) (per lb) ²	\$0.87	\$0.73	\$1.31
Total cost (C3) (per lb) ²	\$2.42	\$2.43	\$3.19
Sales revenues	83	97	71
Gross profit	5	7	(6)
Comparative EBITDA ²	54	71	39

¹ DMT

² AISC, C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. See "Regulatory Disclosures" for further information.

First quarter

Copper production increased by 44% compared to the same quarter in 2019, primarily due to the lower production in the first quarter of 2019 following the land slippage in January 2019. Plant production has returned to normal throughput levels and the plant was fed with fresh ore from the mine.

AISC of \$0.96 per lb for the quarter was \$0.50 per lb lower than the comparable period in 2019, reflecting lower C1 cash cost as well as lower deferred stripping and sustaining capital expenditure. C1 cash cost was \$0.44 per lb lower, driven by higher copper production and cost reductions.

Sales revenues of \$83 million were 17% higher compared to the same period in 2019, due to higher sales volumes, partially offset by lower realized copper prices. The increase in revenues resulted in a gross profit of \$5 million in the quarter, compared to a gross loss of \$6 million in the first quarter of 2019.

Outlook

2020 is expected to be the final year of production for the open-pit. Copper production guidance for 2020 is 52,000 tonnes.

Ongoing remediation of the mine and cost optimization are expected to be the focus in 2020. Remediation activities in the pit are expected to be finalized in the second quarter of 2020.

Research on the technical and economic feasibility of the polymetallic refinery project is expected to continue, as well as permits required to carry out the project.

Guelb Moghrein	Q1 2020	Q4 2019	Q1 2019
Sulphide ore tonnes milled (000's) ¹	898	1,029	994
Sulphide ore grade processed (%)	0.88	0.89	0.85
Sulphide copper recovery (%)	89	89	88
Copper production (tonnes)	7,028	8,220	7,447
Copper sales (tonnes)	7,649	6,010	7,924
Gold production (ounces)	11,237	12,027	12,498
Gold sales (ounces)	12,106	8,415	13,301
Magnetite concentrate production (WMT) ²	129,773	152,202	119,169
Magnetite concentrate sales (WMT) ²	135,008	90,032	89,631
All-in sustaining cost (AISC) (per lb) ³	\$1.07	\$1.37	\$1.37
Cash costs (C1) (per lb) ³	\$0.66	\$0.98	\$1.11
Total costs (C3) (per lb) ³	\$1.42	\$1.78	\$2.22
Sales revenues	67	50	64
Gross profit	21	9	6
Comparative EBITDA ³	30	16	23

¹ DMT

² Magnetite concentrate production and sales volumes are measured in wet metric tonnes ("WMT").

³ AISC, C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. See "Regulatory Disclosures" for further information.

First quarter

Copper production decreased by 6% compared to the same period in 2019, as a result of 10% lower tonnes milled due to a planned maintenance shutdown during the period.

Gold production was 10% lower than the comparative period in 2019, due to fewer tonnes milled and lower feed grade.

The magnetite plant produced 129,773 WMT in the quarter, a 9% increase from the same quarter in 2019, due to higher tonnes milled.

AISC for the first quarter of 2020 was \$0.30 per lb lower than the same period in 2019, reflecting the lower C1 cash costs for the period. C1 cash cost was \$0.45 per lb lower than the first quarter in 2019, due to lower fuel prices and higher gold by-product credits.

Sales revenues were 5% higher than the first quarter of 2019, due to higher magnetite concentrate sales and higher realized gold prices, partially offset by lower copper sales volumes for the period. Gross profit of \$21 million was \$15 million higher than the comparable period in 2019, due to lower cost of sales related to higher equipment productivities and lower input prices, and lower depreciation.

Outlook

Production in 2020 is expected to be approximately 25,000 tonnes of copper, 40,000 ounces of gold, and 500,000 WMT of magnetite concentrate.

In 2020, the focus will continue to be on improving productivity of the mining fleet and pre-strip of the Oriental deposit. Cost-saving initiatives are underway including improving mining productivity improvements, optimization of plant equipment maintenance, review of contractors, and continuing working capital reductions in stores inventory and finished product inventory.

Planned plant shutdowns of approximately 490 hours are anticipated in 2020, relating to SAG mill reline, crusher reline, and monthly planned maintenance shutdowns.

Çayeli	Q1 2020	Q4 2019	Q1 2019
Copper production (tonnes) ¹	2,990	4,725	4,891
Copper sales (tonnes)	1,776	5,553	3,814
Zinc production (tonnes)	765	1,896	752
Zinc sales (tonnes)	1,857	2,046	-
All-in sustaining cost (AISC) (per lb) ²	\$1.94	\$1.51	\$1.68
Cash cost (C1) (per lb) ²	\$1.62	\$1.11	\$1.42
Total cost (C3) (per lb) ²	\$2.77	\$1.60	\$2.32
Sales revenues	9	32	18
Gross profit (loss)	(4)	11	3
Comparative EBITDA ²	1	16	17

¹ DMT

² AISC, C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. See "Regulatory Disclosures" for further information.

First quarter

Copper production decreased by 39% compared to the same period in 2019, mainly due to lower throughput as a result of production from fewer available work areas, as well as lower copper grade.

Zinc production was 2% higher than the comparative period in 2019, reflecting higher zinc grade and recovery.

AISC for the quarter increased by \$0.26 per lb compared to the first quarter of 2019, mainly driven by higher C1 cash cost and higher royalties. The C1 cash cost increased by \$0.20 per lb compared to the same period in 2019, primarily due to lower copper production, which was partially offset by lower operating costs as a result of the depreciation of the Turkish lira against the US dollar.

Sales revenues of \$9 million were lower than the comparable period in 2019, due to lower sales volumes because of availability of vessels and lower realized copper prices.

The first quarter of 2020 resulted in a gross loss of \$4 million mainly due to lower sales revenues.

Outlook

Production for 2020 is expected to be 15,000 tonnes of copper and 6,000 tonnes of zinc, reflecting a declining number of available work areas as the mine approaches reserve depletion in 2023.

Production is expected to be challenging due to poor ground conditions in the areas planned to be mined, therefore ground stabilization will continue to be critical to achieving the expected production levels.

Pyhäsalmi	Q1 2020	Q4 2019	Q1 2019
Copper production (tonnes)	1,489	1,694	2,343
Copper sales (tonnes)	1,406	2,018	2,861
Zinc production (tonnes)	1,072	566	5,566
Zinc sales (tonnes)	1,024	933	6,646
Pyrite production (tonnes)	96,503	120,687	152,475
Pyrite sales (tonnes)	124,140	110,823	124,667
All-in sustaining cost (AISC) (per lb) ²	\$0.89	\$2.11	(\$0.39)
Cash cost (C1) (per lb) ²	\$0.86	\$2.02	(\$0.39)
Total cost (C3) (per lb) ²	\$1.07	\$2.17	\$1.67
Sales revenues	13	17	36
Gross profit	3	5	11
Comparative EBITDA ²	4	5	22

¹ DMT

² AISC, C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. See "Regulatory Disclosures" for further information.

First quarter

Copper production decreased by 36% compared to the same period in 2019, primarily due to lower copper grade and throughput. Zinc production decreased by 81% compared to the same period in 2019, primarily due to lower zinc grade, recovery and throughput.

AISC for the quarter increased by \$1.28 per lb compared to the same period in 2019, mainly driven by higher C1 cash cost, which reflected lower by-product credits and lower copper production.

Sales revenues of \$13 million were lower than the comparable period in 2019, mainly due to lower sales volumes and the lower realized metal prices, excluding the impact of the corporate sales hedge program. Gross profit of \$3 million was lower than the comparable period in 2019, reflecting lower sales revenues, nearly depleted mineral reserves and the constraint on available work areas at this stage of the mine-life.

Outlook

Production guidance for the year 2020 is 3,000 tonnes of copper, 2,000 ounces of gold and 1,000 tonnes of zinc. The operation is also expected to produce 450,000 tonnes of pyrite.

Throughput is expected to be 700,000 tonnes in 2020 in line with the anticipated depletion of economic ore.

Two weeks of shutdown each month is planned for 2020 to optimize plant throughput.

Ravensthorpe

Ravensthorpe concluded operational readiness work and restarted operations in March 2020. During the first quarter of 2020, crushing, beneficiation, acid production and atmospheric leaching operations were brought online, ahead of first nickel production in late April 2020. The preparations for commissioning of the high pressure acid leach circuit were well advanced. The costs in the first quarter of 2020 were \$38 million.

Outlook

First HPAL circuit was brought online mid-April, and the second HPAL circuit is scheduled to come online thereafter. Production of product and bagging is expected to flow through as the AL and HPAL operations stabilize, with some production in late April and first shipment expected at the end of May 2020.

Ravensthorpe is expected to produce between 15,000 and 20,000 tonnes of nickel in 2020.

The development of Shoemaker Levy is in the final stages of government approvals, and detailed engineering design is progressing. The construction is expected to commence in the second half of 2020, with first ore to the plant scheduled for 2021.

SALES REVENUES

		Q1 2020	Q4 2019	Q1 2019
Cobre Panama ²	- copper	324	253	-
	- gold	64	53	-
	- other	10	8	-
Kansanshi	- copper	298	424	319
	- gold	50	65	39
	- acid	1	6	6
Sentinel	- copper	235	281	296
Las Cruces	- copper	83	97	71
Guelb Moghrein	- copper	37	30	42
	- gold	18	12	16
	- magnetite	12	8	6
Çayeli	- copper	6	26	18
	- zinc, gold and silver	3	6	-
Pyhäsalmi	- copper	6	10	16
	- other	7	7	20
Corporate ¹		28	(2)	8
Sales revenues		1,182	1,284	857
	Copper	1,015	1,120	770
	Gold	134	132	57
	Other	33	32	30
		1,182	1,284	857

¹ Corporate sales include sales hedges (see "Hedging programs" for further discussion).

² The Company determined that commercial production at Cobre Panama commenced effective September 1, 2019. Pre-commercial sales revenues attributable to Cobre Panama are capitalized and are excluded from earnings.

First quarter

Sales revenues were 38% higher than the comparable period of 2019, including a \$398 million contribution from Cobre Panama in the current quarter.

Copper sales revenues were 32%, or \$245 million, higher than 2019 reflecting a 46% increase in sales volumes from the contribution from Cobre Panama which more than offset the 9% lower net realized copper price in the quarter. Copper sales revenues include a \$26 million gain on the copper sales hedge program, compared with \$8 million in 2019.

Gold sales revenues were 135%, or \$77 million, higher than the comparable period of 2019, reflecting a 58% increase in gold sales volumes, mainly attributable to Cobre Panama which contributed \$64 million, as well as higher realized gold prices in the period compared to 2019.

REALIZED PRICES

Copper selling price (per lb)	Q1 2020	Q4 2019	Q1 2019
Average LME cash price	\$2.56	\$2.67	\$2.82
Realized copper price	\$2.56	\$2.62	\$2.79
Treatment/refining charges ("TC/RC") and freight charges	(\$0.14)	(\$0.15)	(\$0.13)
Net realized copper price	\$2.42	\$2.47	\$2.66

Given the volatility in copper prices, significant variances can arise between average LME cash price and net realized prices due to the timing of sales during the period.

The copper sales hedging program added \$26 million to the quarter copper revenues, an increase of \$0.06 per lb on the net realized copper price compared with a \$0.03 per lb increase in the comparable period of 2019.

Details of the Company's hedging program and the contracts held are included on page 29.

SUMMARY FINANCIAL RESULTS¹

	Q1 2020	Q4 2019	Q1 2019
Gross profit (loss)			
Cobre Panama	33	56	-
Kansanshi	79	166	116
Sentinel	21	25	55
Las Cruces	5	7	(6)
Guelb Moghrein	21	9	6
Çayeli	(4)	11	3
Pyhäsalmi	3	5	11
Ravensthorpe	(38)	(18)	(6)
Corporate ²	27	(2)	6
Total gross profit	147	259	185
Exploration	(3)	(7)	(4)
General and administrative	(22)	(25)	(18)
Impairment	-	(101)	-
Other expense	(118)	(57)	(10)
Net finance expense	(184)	(187)	(1)
Loss on redemption of senior notes	(2)	-	(25)
Movement in Zambian VAT discount	37	(22)	-
Income tax credit (expense)	50	17	(62)
Net earnings (loss)	(95)	(123)	65
Net earnings (loss) attributable to:			
Non-controlling interests	(33)	(8)	12
Shareholders of the Company	(62)	(115)	53
Comparative earnings (loss)	(79)	35	95
Basic	(\$0.09)	(\$0.17)	\$0.08
Diluted	(\$0.09)	(\$0.17)	\$0.08
Comparative	(\$0.11)	\$0.05	\$0.14
Basic weighted average number of shares (in 000's)	688,093	688,083	687,100

¹ The Company determined that commercial production at Cobre Panama commenced effective September 1, 2019. Pre-commercial production operating results attributable to Cobre Panama are capitalized and are excluded from earnings.

² Corporate gross profit (loss) relates primarily to the sales hedge contracts.

First quarter

Gross profit of \$147 million for the first quarter of 2020 includes the contribution of \$33 million from Cobre Panama subsequent to the declaration of commercial production, effective September 1, 2019. Despite this, gross profit was 21% lower than the first quarter of 2019, reflecting an 8% reduction in the realized copper price, and increased costs at Ravensthorpe as operational readiness work was concluded. A gain of \$26 million was recognized in the quarter on the corporate copper sales hedge program compared to an \$8 million gain in the first quarter of 2019.

The net loss for the quarter of \$95 million is \$160 million lower than the first quarter of 2019. Included within other expense for the quarter is a foreign exchange loss of \$123 million, primarily due to the depreciation of the Zambian kwacha against the US dollar and its impact on the VAT balances due to Kansanshi and Sentinel. In addition, the quarter includes a net finance expense of \$184 million, of which a significant proportion would previously have been eligible for capitalization but is now expensed following declaration of commercial production at Cobre Panama effective September 1, 2019.

A \$37 million movement in VAT discount has been recognized, driven by the depreciation of the Zambian kwacha against the US dollar.

An income tax credit of \$50 million has been recognized in the first quarter of 2020, compared with an income tax expense of \$62 million recognized in the first quarter of 2019, reflecting applicable statutory tax rates, which range from 20% to 35% for the Company's operations. A deferred tax charge has been recognized in other comprehensive income with a corresponding tax credit recognized in the statement of earnings with regard to the fair value gain recognized on derivatives designated as hedged instruments through accumulated other comprehensive income. This is expected to unwind in conjunction with the corresponding movement in the unrealized hedge position recognized in other comprehensive income.

LIQUIDITY AND CAPITAL RESOURCES

	Q1 2020	Q4 2019	Q1 2019
Cash flows from operating activities	473	400	159
Cash flows from (used by) investing activities			
Payments and deposits for property, plant and equipment	(170)	(325)	(447)
Capitalized borrowing costs paid in cash	-	-	(216)
Acquisition of KPMC	-	(100)	-
Other investing activities	2	9	5
Cash flows from (used by) financing activities			
Net movement in debt and trading facilities	559	203	555
Interest paid	(226)	(87)	(2)
Early redemption costs on senior notes	-	-	(14)
Other financing activities	(11)	17	29
Exchange gains (losses) on cash and cash equivalents	(5)	-	(7)
Net cash inflow	622	117	62
Cash balance	1,145	523	850
Total assets	25,064	24,747	24,313
Total current liabilities	2,267	2,523	1,674
Total non-current liabilities	12,002	11,562	11,882
Net debt ¹	7,615	7,675	7,007
Cash flows from operating activities per share ¹	\$0.69	\$0.58	\$0.23

¹ Cash flows per share and Net debt are not recognized under IFRS. See "Regulatory Disclosures" for further information.

Cash flows from operating activities in the quarter were \$314 million higher reflecting working capital inflows compared with outflows in the corresponding period of 2019, attributable to the ramp-up of Cobre Panama and favourable movements in trade receivables in the first quarter of 2020. Comparative EBITDA was \$66 million higher than the comparable period in 2019 as a result of the contribution from Cobre Panama, which flowed through to operating activities.

Cashflows used by investing activities in the first quarter of 2020 included a \$277 million reduction in capital expenditure compared to the same period in 2019, following completion of the Cobre Panama project construction and commissioning by the end of 2019.

Following the declaration of commercial production at Cobre Panama, effective September 1, 2019, and the cessation of capitalization of interest, interest paid of \$226 million is included within cash flows from financing activities in the first quarter of 2020, compared with \$216 million capitalized under investing activities in the comparative period in 2019.

The total VAT receivable accrued by the Company's Zambian operations at March 31, 2020, was \$326 million, of which \$181 million relates to Kansanshi. Offsets of \$29 million against other taxes due have been granted during the quarter ended March 31, 2020. A \$37 million movement in the VAT discount was recognized in the quarter, representing an adjustment to the discounting over the expected timeframe to repayment, using a Zambian kwacha risk-free rate. A charge of \$182 million had previously been recognized in the twelve months ended December 31, 2019, to reflect the impact of discounting the balance over the expected timeframe to repayment. In February 2015, the GRZ implemented a change in the Statutory Instrument regarding VAT. Claims totalling Zambian kwacha 1,585 million (currently equivalent to \$87 million) made by Kansanshi prior to this date remain outstanding. Cash totalling \$99 million has been received to date for claims subsequent to February 2015. The accrual for historical VAT receivables stems from the application of discretionary rules established and applied by the Commissioner General relating to exports from Zambia. The Company is in regular discussions with the relevant government authorities and continues to consider that the outstanding claims are fully recoverable.

	March 31, 2020	December 31, 2019
Zambian VAT		
Receivable at date of claim	863	847
Impact of depreciation of Zambian kwacha against US\$	(367)	(242)
	496	605
Impact of discounting non-current portion	(170)	(207)
Total receivable	326	398
<i>Comprising:</i>		
Current portion, included within trade and other receivables	-	2
Non-current VAT receivable	326	396

Liquidity outlook

Following the bond issuance in January 2020, the Company completed the redemption of the remaining \$300 million of the senior notes due February 2021. During the three months ended March 31, 2020, the Company drew down fully on the RCF and repaid and cancelled the Sentinel equipment financing facility. At March 31, 2020, the Company had \$1,145 million in net unrestricted cash and cash equivalents and current working capital of \$862 million.

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 has been reviewed companywide including deferring some capital spending originally planned for this year. Guidance on capital expenditure for the year has been reduced. Operating costs at all sites have and are continuing to be reviewed to identify opportunities to further reduce costs and subsequent to the quarter end, the Company has hedged 180 million litres of ULSD at an average price of \$0.32 per litre with maturities to April 2021 as part of the companywide cost management strategy. With the hedges in place, a 10% movement in current fuel prices would impact the Company's cost of sales by approximately \$5 million per annum. Without these hedges, this sensitivity would increase to \$10 million. The Company has reduced its guidance on AISC by \$0.05/lb.

Foreign exchange risk arises from transactions denominated in currencies other than USD. The USD/ZMW exchange rate has had the greatest impact on the Company's cost of sales, as measured in USD. A 10% movement in the USD/ZMW exchange rate would impact the Company's cost of sales by approximately \$20 million per annum. Furthermore, movements in the USD/ZMW exchange rate would also result in the revaluation of balance sheet items, including the VAT receivable by the Company's Zambian operations.

The Company has entered into derivative contracts to ensure that the exposure to the price of copper on future sales is managed to ensure stability of cash flows. At April 27, 2020, the Company had unmargined copper forward sales contracts for 175,525 tonnes at an average price of \$2.59 per lb outstanding with periods of maturity to January 2021. In addition, the Company has zero cost collar unmargined sales contracts for 127,500 tonnes at weighted average prices of \$2.66 per lb to \$2.92 per lb outstanding with maturities to January 2021. The Company also had unmargined nickel forward sales contracts for 11,000 tonnes at an average price of \$6.76 per lb outstanding with maturities to February 2021.

Approximately half of expected remaining copper sales in 2020 are hedged to unmargined forward and zero cost collar sales contracts, at an average floor price of \$2.62 per lb.

These, together with expected future cash flows, support the Company's belief in its ability to meet current obligations as they become due. The Company was in full compliance with all its financial covenants at March 31, 2020, and expects to remain in compliance throughout the next 12 months.

On April 22, 2020, the Company announced the amendment of financial covenants under the senior Term Loan and RCF in response to uncertainty related to COVID-19. The Net Debt to EBITDA Ratio has been increased to 5.00 for the third and fourth quarters of 2020, to 4.75 for the first and second quarters of 2021 and to 4.50 for the third and fourth quarters of 2021. The Debt Service Cover Ratio has been decreased to 1.00 for the second, third and fourth quarters of 2020 and to 1.10 for all quarters of 2021. The definitions of EBITDA and Cash Available for Debt Service have been amended to exclude the EBITDA and net cash flows from Ravensthorpe up to and including the second quarter of 2020, while the Company brings this operation out of care and maintenance and into commercial levels of production. The financial covenants will revert to the original ratios from 2022.

At March 31, 2020, the Company had total commitments of \$67 million, all of which related to the 12 months following the period end.

Contractual and other obligations as at March 31, 2020, are as follows:

	Carrying value	Contractual cashflows	< 1 year	1 – 3 years	3 – 5 years	Thereafter
Debt – principal repayments	8,641	8,693	793	4,700	2,200	1,000
Debt – finance charges	-	1,958	547	947	395	69
Trading facilities	119	119	119	-	-	-
Trade and other payables	582	582	582	-	-	-
Derivative instruments	2	2	2	-	-	-
Liability to joint venture ¹	1,265	2,334	-	-	-	2,334
Joint venture consideration	185	200	100	100	-	-
Current taxes payable	135	135	135	-	-	-
Deferred payments	42	42	4	8	8	22
Leases	32	27	7	10	6	4
Commitments	-	67	67	-	-	-
Restoration provisions	673	1,103	9	81	51	962

¹ Refers to distributions to KPMC, a joint venture that holds a 20% non-controlling interest in MPSA of which the Company has joint control, and not scheduled repayments.

Hedging programs

The Company has hedging programs in respect of future copper sales and provisionally priced sales contracts. Below is a summary of the fair values of unsettled derivative financial instruments for commodity contracts recorded on the consolidated balance sheet.

Commodity contracts	March 31, 2020	December 31, 2019
Asset position	384	9
Liability position	(2)	(31)

During the three months ended March 31, 2020, a gain for settled hedges of \$28 million was realized through sales revenues. Fair value gains on outstanding contracts of \$303 million have been recognized as a derivative asset at March 31, 2020.

Provisional pricing and derivative contracts

A portion of the Company's metal sales is sold on a provisional pricing basis whereby sales are recognized at prevailing metal prices when title transfers to the customer and final pricing is not determined until a subsequent date, typically two months later. The difference between final price and provisional invoice price is recognized in net earnings. In order to mitigate the impact of these adjustments on net earnings, the Company enters into derivative contracts to directly offset the pricing exposure on the provisionally priced contracts. The provisional pricing gains or losses and offsetting derivative gains or losses are both recognized as a component of cost of sales. Derivative assets are presented in other assets and derivative liabilities are presented in other liabilities with the exception of copper and gold embedded derivatives which are included within accounts receivable.

As at March 31, 2020, the following derivative positions in provisionally priced sales and commodity contracts not designated as hedged instruments were outstanding:

	Open Positions (tonnes/ozs)	Average Contract price	Closing Market price	Maturities Through
Embedded derivatives in provisionally priced sales contracts:				
Copper	105,136	\$2.50/lb	\$2.18/lb	July 2020
Gold	28,410	\$1,604/oz	\$1,609/oz	July 2020
Zinc	1,675	\$0.94/lb	\$0.85/lb	May 2020
Commodity contracts:				
Copper	105,125	\$2.50/lb	\$2.18/lb	July 2020
Gold	28,409	\$1,604/oz	\$1,609/oz	July 2020
Zinc	1,675	\$0.94/lb	\$0.85/lb	May 2020

As at March 31, 2020, substantially all of the Company's metal sales contracts subject to pricing adjustments were hedged by offsetting derivative contracts.

EQUITY

At the date of this report, the Company had 689,401,007 shares outstanding.

JOINT VENTURE

On November 8, 2017, the Company completed the purchase of a 50% interest in KPMC from LS-Nikko Copper Inc. KPMC is jointly owned and controlled with Korea Resources Corporation ("KORES") and holds a 20% interest in Cobre Panama. The purchase consideration of \$664 million comprised the acquisition consideration of \$635 million and the reimbursement of cash advances of \$29 million with \$179 million paid on closing. In the three months ended March 31, 2020, no consideration was paid, with the consideration paid to date being \$464 million. The remaining consideration is payable in two instalments in November 2020 and November 2021. \$100 million is included within trade and other payables and \$85 million within other non-current liabilities.

A \$573 million investment in the joint venture representing the discounted consideration value and the Company's proportionate share of the loss in KPMC to date. For the three month period ended March 31, 2020, the Company's proportionate share of the loss in KPMC was \$16 million (March 31, 2019: nil). The earnings in KPMC relate to the 20% equity accounted share of loss reported by MPSA, a subsidiary of the Company. The material assets and liabilities of KPMC are an investment in MPSA of \$359 million, shareholder loans receivable from the Company and shareholder loans payable of \$1,265 million due to the Company and its joint venture partner KORES.

PRECIOUS METAL STREAM ARRANGEMENT

The Company, through its subsidiary, MPSA, has a precious metal streaming arrangement with Franco-Nevada. The arrangement comprises two tranches, the first of which ("Tranche 1") was finalized on October 5, 2015. Under the terms of Tranche 1, Franco-Nevada, through a wholly owned subsidiary, agreed to provide a \$1 billion deposit to be funded on a pro-rata basis of 1:3 with the Company's 80% share of the capital costs of Cobre Panama in excess of \$1 billion. The full Tranche 1 deposit amount has been fully funded to MPSA. The second tranche ("Tranche 2") was finalized on March 16, 2018, and \$356 million was received on completion. Proceeds received under the terms of the precious metals streaming arrangement are accounted for as deferred revenue.

The amount of precious metals deliverable under both tranches is indexed to total copper-in-concentrate sold by Cobre Panama. Under the terms of Tranche 1 the ongoing payment of the Fixed Payment Stream is fixed per ounce payments of \$430.91 per oz gold and \$6.46 per oz silver subject to an annual inflation adjustment for the first 1,341,000 ounces of gold and 21,510,000 ounces of silver (approximately the first 20 years of expected deliveries). Thereafter the greater of \$430.91 per oz for gold and \$6.46 per oz for silver, subject to an adjustment for inflation, and one half of the then prevailing market price. Under Tranche 2 the ongoing price per ounce for deliveries is 20% of the spot price for the first 604,000 ounces of gold and 9,618,000 ounces of silver (approximately the first 25 years of production), and thereafter the price per ounce rises to 50% of the spot price of gold and silver.

In all cases, the amount paid is not to exceed the prevailing market price per ounce of gold and silver.

The Company commenced the recognition of delivery obligations under the terms of the arrangement in June 2019 following the first sale of copper concentrate. Deferred revenue will continue to be recognized as revenue over the life of the mine, which is expected to be 35 years.

Under the terms of the precious metal streaming arrangement the amortization of gold and silver revenues is indexed to copper produced and sold from the Cobre Panama mine. Gold and silver revenues recognized in relation to the precious metal streaming arrangement comprise the amortization of the deposit received, amortisation of non-cash interest accreted and the ongoing fixed payments received, as outlined above. Obligations under the precious metal streaming arrangement are satisfied with the purchase of refinery-backed gold and silver credits, the cost of which is recognized within cost of sales.

SUMMARY OF RESULTS

The following unaudited tables set out a summary of quarterly and annual results for the Company:

Consolidated operations	Q2 18	Q3 18	Q4 18	2018	Q1 19	Q2 19	Q3 19	Q4 19	2019	Q1 20
<i>Sales revenues</i>										
Copper	\$951	\$904	\$963	\$3,616	\$770	\$836	\$877	\$1,120	\$3,603	\$1,015
Gold	59	47	61	228	57	67	86	132	342	134
Other	39	27	30	122	30	36	24	32	122	33
Total sales revenues	1,049	978	1,054	3,966	857	939	987	1,284	4,067	1,182
Gross profit	271	246	280	978	185	196	150	259	790	147
Comparative EBITDA	466	427	481	1,737	368	376	354	511	1,609	434
Net earnings (loss) attributable to shareholders of the Company	135	61	198	441	53	78	(73)	(115)	(57)	(62)
Comparative earnings (loss)	128	128	182	487	95	87	32	35	249	(79)
Basic earnings (loss) per share	\$0.20	\$0.09	\$0.29	\$0.64	\$0.08	\$0.11	(\$0.11)	(\$0.17)	(\$0.08)	(\$0.09)
Comparative earnings (loss) per share	\$0.19	\$0.19	\$0.26	\$0.71	\$0.14	\$0.13	\$0.05	\$0.05	\$0.36	(\$0.11)
Diluted earnings (loss) per share	\$0.20	\$0.09	\$0.29	\$0.64	\$0.08	\$0.11	(\$0.11)	(\$0.17)	(\$0.08)	(\$0.09)
Dividends declared per common share (CDN\$ per share)	-	\$0.005	-	\$0.010	\$0.005	-	\$0.005	-	\$0.010	\$0.005
Basic weighted average shares ('000's) ¹	686,423	687,108	687,074	686,747	687,100	687,130	688,425	688,083	687,596	688,093
Cash flows per share from operating activities	\$0.59	\$0.64	\$0.49	\$2.88	\$0.23	\$0.26	\$0.22	\$0.58	\$1.29	\$0.69
<i>Copper statistics</i>										
Total copper production (tonnes) ²	150,950	151,241	158,304	605,853	136,969	168,399	192,510	204,270	702,148	195,285
Total copper sales (tonnes) ³	152,403	149,877	156,212	596,513	130,262	149,333	203,827	205,964	689,386	189,953
Realized copper price (per lb)	\$2.95	\$2.84	\$2.83	\$2.84	\$2.79	\$2.80	\$2.62	\$2.62	\$2.70	\$2.56
TC/RC (per lb)	(0.08)	(0.09)	(0.09)	(0.08)	(0.09)	(0.10)	(0.12)	(0.12)	(0.11)	(0.11)
Freight charges (per lb)	(0.04)	(0.04)	(0.05)	(0.05)	(0.04)	(0.04)	(0.04)	(0.03)	(0.04)	(0.03)
Net realized copper price (per lb)	\$2.83	\$2.71	\$2.69	\$2.71	\$2.66	\$2.66	\$2.46	\$2.47	\$2.55	\$2.42
Cash cost – copper (C1) (per lb) ²	\$1.28	\$1.31	\$1.23	\$1.28	\$1.34	\$1.32	\$1.36	\$1.24	\$1.31	\$1.30
All-in sustaining cost (AISC) (per lb) ²	\$1.76	\$1.80	\$1.68	\$1.74	\$1.77	\$1.77	\$1.86	\$1.73	\$1.78	\$1.64
Total cost – copper (C3) (per lb) ²	\$2.11	\$2.11	\$2.04	\$2.11	\$2.21	\$2.17	\$2.20	\$2.07	\$2.16	\$2.19
<i>Gold statistics</i>										
Total gold production (ounces)	46,467	44,979	48,039	185,414	49,357	59,647	70,120	77,789	256,913	68,788
Total gold sales (ounces)	48,172	42,864	53,221	193,072	46,790	56,922	71,664	79,409	254,785	73,782
Net realized gold price (per ounce)	\$1,227	\$1,086	\$1,151	\$1,181	\$1,226	\$1,235	\$1,388	\$1,380	\$1,318	\$1,488
<i>Zinc statistics</i>										
Zinc production (tonnes)	6,545	7,348	7,687	26,807	6,318	4,123	4,429	2,462	17,332	1,837
Zinc sales (tonnes)	6,856	6,178	8,268	26,112	6,646	4,450	2,297	2,979	16,372	2,881

¹ Fluctuations in average weighted shares between quarters reflects shares issued and changes in levels of treasury shares held for performance share units.

² The Company determined that commercial production at Cobre Panama commenced effective September 1, 2019. Pre-commercial production and sales volumes and operating results at Cobre Panama are not included in earnings or C1, C3 and AISC calculations.

³ Sales of copper anode attributable to anode produced from third-party purchased concentrate are excluded.

⁴ Excludes refinery-backed gold credits purchased and delivered under precious metal streaming arrangement.

in United States dollars, tabular amounts in millions, except where noted

Cobre Panama statistics	Q4 18	2018	Q1 19	Q2 19	Q3 19 ¹	Q3 19 ¹	Q4 19	2019	Q1 20
					Pre-commercial production	Post-commercial production			
<i>Mining</i>									
Waste mined (000's tonnes)	-	-	18,815	18,590	9,579	3,636	15,950	66,570	12,255
Ore mined (000's tonnes)	-	-	8,841	11,580	7,767	5,252	18,439	51,879	18,933
<i>Processing</i>									
Copper ore processed (000's tonnes)	-	-	1,055	8,223	8,375	4,437	16,493	38,583	15,942
Copper ore grade processed (%)	-	-	-	0.43	0.51	0.49	0.41	0.44	0.39
Copper recovery (%)	-	-	-	82	86	89	89	86	91
Concentrate grade (%)	-	-	-	21.5	22.0	21.8	22.1	21.9	23.9
Copper in concentrate produced (tonnes)	-	-	25	30,896	36,783	19,438	60,338	147,480	56,240
Gold produced (ounces)	-	-	-	10,550	13,570	7,914	28,040	60,074	23,232
Silver produced (ounces)	-	-	175	257,366	269,800	152,243	452,663	1,132,247	429,294
<i>Cash Costs (per lb)</i>									
Mining	-	-	-	-	-	\$0.44	\$0.33	\$0.36	\$0.39
Processing	-	-	-	-	-	0.46	0.57	0.54	0.65
Site administration	-	-	-	-	-	0.38	0.29	0.31	0.29
TC/RC and freight charges	-	-	-	-	-	0.32	0.36	0.34	0.32
By-product credits	-	-	-	-	-	(0.26)	(0.27)	(0.26)	(0.27)
Cash cost (C1) (per lb)	-	-	-	-	-	\$1.34	\$1.28	\$1.29	\$1.38
All-in sustaining cost (AISC) (per lb)	-	-	-	-	-	\$1.56	\$1.85	\$1.78	\$1.61
Total cost (C3) (per lb)	-	-	-	-	-	\$2.28	\$2.12	\$2.15	\$2.44
<i>Revenues (\$ millions)</i>									
Copper in concentrates	-	-	-	-	-	\$178	\$253	\$431	\$324
Gold - mine production	-	-	-	-	-	18	30	48	40
Gold - precious metal stream	-	-	-	-	-	8	23	31	24
Silver - mine production	-	-	-	-	-	4	5	9	6
Silver - precious metal stream	-	-	-	-	-	2	3	5	4
Total sales revenues	-	-	-	-	-	\$210	\$314	\$524	\$398
Cost of refinery-backed credits for precious metal stream	-	-	-	-	-	\$(11)	\$(33)	\$(44)	\$(37)
Copper sales (tonnes)	-	-	-	6,542	42,425	35,056	48,841	132,864	64,136
Gold sales (ounces) ²	-	-	-	2,627	16,032	13,074	23,336	55,069	27,337
Silver sales (ounces) ²	-	-	-	55,153	350,982	271,774	354,689	1,032,598	480,524

¹ The Company determined that commercial production at Cobre Panama commenced effective September 1, 2019.

² Excludes refinery-backed gold and silver credits purchased and delivered under precious metal streaming arrangement.

in United States dollars, tabular amounts in millions, except where noted

Kansanshi statistics	Q2 18	Q3 18	Q4 18	2018	Q1 19	Q2 19	Q3 19	Q4 19	2019	Q1 20
<i>Mining</i>										
Waste mined (000's tonnes)	14,692	13,175	9,911	48,719	10,249	12,210	17,232	13,077	52,768	12,491
Ore mined (000's tonnes)	10,082	9,631	8,922	38,481	7,363	11,252	8,995	8,715	36,325	7,420
<i>Processing</i>										
Sulphide ore processed (000's tonnes)	3,105	3,390	3,301	12,978	3,084	3,312	3,301	3,211	12,908	3,321
Sulphide ore grade processed (%)	0.81	0.72	0.81	0.78	0.90	0.85	0.86	0.95	0.89	0.89
Sulphide ore recovery (%)	91	95	88	91	89	91	92	93	91	93
Sulphide concentrate grade (%)	23.2	23.3	22.1	22.8	21.5	21.7	23.3	23.3	22.5	23.3
Mixed ore processed (000's tonnes)	1,930	2,082	2,165	8,186	1,870	1,990	1,939	1,900	7,699	1,967
Mixed ore grade processed (%)	0.93	1.04	1.08	1.06	1.00	1.06	1.02	1.11	1.05	0.99
Mixed ore recovery (%)	87	86	76	82	75	74	81	79	77	82
Mixed concentrate grade (%)	25.7	31.2	29.9	29.3	25.7	26.5	28.8	28.0	27.3	26.2
Oxide ore processed (000's tonnes)	1,708	1,749	1,668	6,916	1,534	1,856	1,918	1,893	7,201	1,697
Oxide ore grade processed (%)	1.53	1.31	1.33	1.44	1.14	1.24	1.04	1.07	1.12	0.97
Oxide ore recovery (%)	92	95	92	89	87	76	85	79	82	73
Oxide concentrate grade (%)	28.9	27.8	28.5	29.4	25.0	26.3	27.7	24.5	25.9	22.7
Copper cathode produced (tonnes)	18,528	16,303	15,049	72,394	10,705	11,325	11,526	11,490	45,046	9,976
Copper in concentrate produced (tonnes)	43,942	47,384	46,731	179,128	43,208	47,309	47,362	49,318	187,197	45,636
Total copper production (tonnes)	62,470	63,687	61,780	251,522	53,913	58,634	58,888	60,808	232,243	55,612
Gold produced (ounces)	33,536	30,938	33,465	130,019	34,743	35,613	38,925	36,105	145,386	33,002
<i>Smelting¹</i>										
Concentrate processed (DMT) ¹	326,187	355,435	349,424	1,381,637	342,307	351,169	281,800	342,550	1,317,826	329,946
Copper anodes produced (tonnes) ¹	80,097	90,269	89,894	347,037	83,134	84,505	69,952	86,690	324,281	80,280
Smelter copper recovery (%)	97	97	97	97	97	97	97	97	97	97
Acid tonnes produced (000's)	291	319	320	1,255	322	323	264	327	1,236	315
<i>Cash Costs (per lb)</i>										
Mining	\$0.58	\$0.52	\$0.53	\$0.55	\$0.64	\$0.64	\$0.68	\$0.59	\$0.64	\$0.74
Processing	0.49	0.47	0.49	0.49	0.58	0.49	0.50	0.45	0.51	0.50
Site administration	0.09	0.10	0.11	0.09	0.11	0.10	0.10	0.14	0.11	0.08
TC/RC and freight charges	0.14	0.14	0.14	0.14	0.16	0.18	0.14	0.14	0.15	0.15
By-product credits	(0.38)	(0.27)	(0.33)	(0.34)	(0.38)	(0.38)	(0.46)	(0.43)	(0.41)	(0.41)
Total smelter costs	0.10	0.10	0.10	0.10	0.13	0.12	0.14	0.14	0.13	0.16
Cash cost (C1) (per lb)	\$1.02	\$1.06	\$1.04	\$1.03	\$1.24	\$1.15	\$1.10	\$1.03	\$1.13	\$1.22
All-in sustaining cost (AISC) (per lb)	\$1.55	\$1.59	\$1.61	\$1.55	\$1.73	\$1.66	\$1.74	\$1.48	\$1.65	\$1.65
Total cost (C3) (per lb)	\$1.70	\$1.73	\$1.71	\$1.74	\$1.98	\$1.87	\$1.84	\$1.68	\$1.84	\$1.97
<i>Revenues (\$ millions)</i>										
Copper cathodes	\$128	\$97	\$82	\$452	\$57	\$71	\$65	\$78	\$271	\$42
Copper anode	251	295	289	1,029	245	252	200	346	1,043	244
Copper in concentrates	-	-	-	10	17	32	-	-	49	12
Gold	41	36	41	160	39	48	45	65	197	50
Acid	8	6	5	21	6	5	4	6	21	1
Total sales revenues	\$428	\$434	\$417	\$1,672	\$364	\$408	\$314	\$495	\$1,581	\$349
Copper cathode sales (tonnes)	19,172	16,461	13,698	70,665	9,452	12,160	11,412	13,285	46,309	7,610
Copper anode sales (tonnes) ²	37,828	48,357	42,632	157,663	40,220	42,610	35,726	60,701	179,257	44,807
Copper in concentrate sales (tonnes)	-	-	-	1,504	3,361	6,454	-	-	9,815	2,913
Total copper sales (tonnes)	57,000	64,818	56,330	229,832	53,033	61,224	47,138	73,986	235,381	55,330
Gold sales (ounces)	32,902	32,706	35,616	134,890	31,082	37,917	32,022	45,342	146,363	32,694

¹ Concentrate processed in smelter and copper anodes produced are disclosed on a 100% basis, inclusive of Sentinel and third-party concentrate processed.

² Sales of copper anode attributable to anode produced from third-party purchased concentrate are excluded.

in United States dollars, tabular amounts in millions, except where noted

Sentinel statistics	Q2 18	Q3 18	Q4 18	2018	Q1 19	Q2 19	Q3 19	Q4 19	2019	Q1 20
<i>Mining</i>										
Waste mined (000's tonnes)	23,744	25,931	24,321	95,607	19,335	23,609	24,970	24,912	92,826	24,849
Ore mined (000's tonnes)	11,996	11,334	12,016	45,518	11,507	12,017	12,704	14,035	50,263	15,667
<i>Processing</i>										
Copper ore processed (000's tonnes)	11,979	12,602	12,434	48,750	11,581	11,887	13,005	12,385	48,858	14,107
Copper ore grade processed (%)	0.51	0.49	0.53	0.50	0.54	0.50	0.47	0.47	0.50	0.45
Recovery (%)	92	91	92	91	92	92	91	87	91	89
Copper concentrate produced (tonnes)	56,080	56,426	60,840	223,656	57,716	54,977	56,439	50,874	220,006	56,633
Concentrate grade (%)	25.6	25.3	24.5	25.0	26.9	26.5	26.3	26.6	26.6	26.2
<i>Cash Costs (per lb)</i>										
Mining	\$0.62	\$0.61	\$0.42	\$0.58	\$0.55	\$0.51	\$0.47	\$0.53	\$0.52	\$0.46
Processing	0.66	0.65	0.68	0.67	0.61	0.61	0.61	0.70	0.63	0.61
Site administration	0.10	0.10	0.10	0.10	0.09	0.09	0.13	0.12	0.11	0.17
TC/RC and freight charges	0.23	0.25	0.24	0.23	0.23	0.23	0.28	0.27	0.25	0.23
Total smelter costs	0.13	0.11	0.11	0.12	0.12	0.11	0.09	0.09	0.10	0.08
Cash cost (C1) (per lb)	\$1.74	\$1.72	\$1.55	\$1.70	\$1.60	\$1.55	\$1.58	\$1.71	\$1.61	\$1.55
All-in sustaining cost (AISC) (per lb)	\$2.29	\$2.25	\$2.02	\$2.22	\$2.07	\$2.06	\$2.12	\$2.22	\$2.12	\$2.02
Total cost (C3) (per lb)	\$2.46	\$2.39	\$2.26	\$2.42	\$2.34	\$2.29	\$2.29	\$2.45	\$2.34	\$2.27
<i>Revenues (\$ millions)</i>										
Copper anode	\$321	\$254	\$266	\$1,169	\$237	\$251	\$198	\$190	\$876	\$178
Copper in concentrates	\$71	\$79	\$78	\$285	\$59	\$68	\$105	\$91	\$323	\$57
Total sales revenues	\$392	\$333	\$344	\$1,454	\$296	\$319	\$303	\$281	\$1,199	\$235
Copper anode sales (tonnes)	47,947	42,557	44,641	183,372	38,815	42,410	35,087	32,974	149,286	32,914
Copper concentrate sales (tonnes)	12,596	16,512	15,616	54,839	12,372	13,212	23,114	20,298	68,996	12,269

in United States dollars, tabular amounts in millions, except where noted

Las Cruces statistics	Q2 18	Q3 18	Q4 18	2018	Q1 19	Q2 19	Q3 19	Q4 19	2019	Q1 20
<i>Mining</i>										
Waste mined (000's tonnes)	4,835	6,268	2,202	14,936	460	-	2,082	342	2,884	194
Ore mined (000's tonnes)	368	410	256	1,682	96	-	355	446	897	361
<i>Processing</i>										
Copper ore processed (000's tonnes)	416	338	400	1,544	325	360	305	364	1,354	355
Copper ore grade processed (%)	4.87	4.84	5.00	4.95	3.75	3.35	3.73	5.71	4.17	4.97
Recovery (%)	93	93	93	93	87	86	83	85	85	87
Copper cathode produced (tonnes)	18,849	15,181	18,470	70,738	10,634	10,366	9,479	17,611	48,090	15,293
<i>Cash Costs (per lb)</i>										
Cash cost (C1) (per lb)	\$0.83	\$1.02	\$0.94	\$0.90	\$1.31	\$1.51	\$1.46	\$0.73	\$1.17	\$0.87
All-in sustaining cost (AISC) (per lb)	\$1.09	\$1.41	\$1.16	\$1.16	\$1.46	\$1.65	\$1.74	\$0.91	\$1.35	\$0.96
Total cost (C3) (per lb)	\$2.11	\$2.50	\$2.28	\$2.25	\$3.19	\$3.59	\$3.61	\$2.43	\$3.08	\$2.42
<i>Revenues (\$ millions)</i>										
Copper cathode	\$133	\$93	\$113	\$470	\$71	\$62	\$61	\$97	\$291	\$83
Copper cathode sales (tonnes)	19,269	15,138	18,345	71,523	11,443	10,112	10,405	16,284	48,244	14,473

Guelb Moghrein statistics	Q2 18	Q3 18	Q4 18	2018	Q1 19	Q2 19	Q3 19	Q4 19	2019	Q1 20
<i>Mining</i>										
Waste mined (000's tonnes)	2,737	4,277	4,087	15,062	3,581	3,107	2,528	1,917	11,133	3,204
Ore mined (000's tonnes)	296	445	752	1,590	953	1,345	1,265	1,561	5,124	936
<i>Processing</i>										
Sulphide ore processed (000's tonnes)	938	902	983	3,684	994	1,018	810	1,029	3,851	898
Sulphide ore grade processed (%)	0.73	0.94	0.93	0.85	0.85	0.84	0.88	0.89	0.87	0.88
Recovery (%)	85	94	91	90	88	90	87	89	89	89
Copper produced (tonnes)	5,781	7,902	8,319	28,137	7,447	7,750	6,203	8,220	29,620	7,028
Gold produced (ounces)	10,354	11,644	12,236	45,974	12,498	11,961	8,187	12,027	44,673	11,237
Magnetite concentrate produced (WMT)	123,100	111,765	97,052	425,389	119,169	163,555	106,634	152,202	541,560	129,773
<i>Cash Costs (per lb)</i>										
Mining	\$1.11	\$0.66	\$1.02	\$0.82	\$0.78	\$0.57	\$0.52	\$0.38	\$0.55	\$0.41
Processing	1.23	1.10	0.98	1.09	0.87	1.00	1.06	0.96	0.97	1.06
Site administration	0.24	0.17	0.17	0.19	0.18	0.18	0.22	0.16	0.18	0.18
TC/RC and freight charges	0.41	0.66	0.52	0.54	0.49	0.35	0.35	0.58	0.44	0.31
Gold and magnetite credit	(1.24)	(1.02)	(0.96)	(1.14)	(1.21)	(1.19)	(1.04)	(1.10)	(1.14)	(1.30)
Cash cost (C1) (per lb)	\$1.75	\$1.57	\$1.73	\$1.50	\$1.11	\$0.91	\$1.11	\$0.98	\$1.00	\$0.66
All-in sustaining cost (AISC) (per lb)	\$2.16	\$1.93	\$1.95	\$1.93	\$1.37	\$1.19	\$1.62	\$1.37	\$1.36	\$1.07
Total cost (C3) (per lb)	\$2.84	\$2.42	\$2.79	\$2.46	\$2.22	\$1.65	\$1.93	\$1.78	\$1.87	\$1.42
<i>Revenues (\$ millions)</i>										
Copper in concentrates	\$40	\$27	\$48	\$154	\$42	\$43	\$30	\$30	\$145	\$37
Gold	16	9	17	58	16	18	12	12	58	18
Magnetite concentrate	8	5	5	23	6	16	10	8	40	12
Total sales revenues	\$64	\$41	\$70	\$235	\$64	\$77	\$52	\$50	\$243	\$67
Copper sales (tonnes)	6,772	5,108	9,099	27,366	7,924	8,143	5,969	6,010	28,046	7,649
Gold sales (ounces)	12,863	8,100	14,224	48,195	13,301	14,156	9,074	8,415	44,946	12,106
Magnetite concentrate sold (WMT)	150,167	61,315	85,914	376,956	89,631	222,762	123,274	90,032	525,699	135,008

in United States dollars, tabular amounts in millions, except where noted

Çayeli statistics	Q2 18	Q3 18	Q4 18	2018	Q1 19	Q2 19	Q3 19	Q4 19	2019	Q1 20
Copper produced (tonnes)	4,684	5,056	5,931	19,896	4,891	3,872	3,218	4,725	16,706	2,990
Zinc produced (tonnes)	1,051	1,305	1,034	4,091	752	1,428	1,176	1,896	5,252	765
<i>Cash Costs (per lb)</i>										
Cash cost – Copper (C1) (per lb)	\$1.29	\$1.18	\$1.09	\$1.21	\$1.42	\$1.32	\$1.82	\$1.11	\$1.35	\$1.62
All-in sustaining cost (AISC) (per lb)	\$1.59	\$1.45	\$1.28	\$1.48	\$1.68	\$1.54	\$2.12	\$1.51	\$1.65	\$1.94
Total cost – Copper (C3) (per lb)	\$2.15	\$2.05	\$1.75	\$2.03	\$2.32	\$2.25	\$2.83	\$1.60	\$2.16	\$2.77
<i>Revenues (\$ millions)</i>										
Copper	\$31	\$13	\$44	\$87	\$18	\$28	\$13	\$26	\$85	\$6
Zinc	4	-	4	8	-	3	-	3	6	2
Other	1	-	4	5	-	1	-	3	4	1
Total sales revenues	\$36	\$13	52	\$100	\$18	\$32	\$13	\$32	\$95	\$9
Copper sales (tonnes)	5,491	2,753	9,153	17,397	3,814	5,817	2,934	5,553	18,118	1,776
Zinc sales (tonnes)	2,159	-	2,154	4,313	-	1,833	-	2,046	3,879	1,857

Pyhäsalmi statistics	Q2 18	Q3 18	Q4 18	2018	Q1 19	Q2 19	Q3 19	Q4 19	2019	Q1 20
Copper produced (tonnes)	3,086	2,989	2,964	11,904	2,343	1,904	2,062	1,694	8,003	1,489
Zinc produced (tonnes)	5,494	6,043	6,653	22,716	5,566	2,695	3,253	566	12,080	1,072
Pyrite produced (tonnes)	159,674	171,355	168,881	645,885	152,475	152,522	127,960	120,687	553,644	96,503
<i>Cash Costs (per lb)</i>										
Cash cost – Copper (C1) (per lb)	(\$0.02)	(\$0.48)	(\$0.59)	(\$0.46)	(\$0.39)	\$0.21	\$0.61	\$2.02	\$0.51	\$0.86
All-in sustaining cost (AISC) (per lb)	(\$0.02)	(\$0.48)	(\$0.59)	(\$0.46)	(\$0.39)	\$0.25	\$0.64	\$2.11	\$0.55	\$0.89
Total cost – Copper (C3) (per lb)	\$2.23	\$1.67	\$1.57	\$1.70	\$1.67	\$1.75	\$1.62	\$2.17	\$1.77	\$1.07
<i>Revenues (\$ millions)</i>										
Copper	\$21	\$16	\$17	\$70	\$16	\$10	\$9	\$10	\$45	\$6
Zinc	12	10	11	45	12	7	2	1	22	1
Pyrite	3	4	4	17	4	3	3	3	13	3
Other	2	4	2	12	4	1	2	3	10	3
Total sales revenues	\$38	\$34	\$34	\$144	\$36	\$21	\$16	\$17	\$90	\$13
Copper sales (tonnes)	3,328	2,991	3,028	12,184	2,861	1,873	1,699	2,018	8,451	1,406
Zinc sales (tonnes)	4,697	6,178	6,114	21,799	6,646	2,617	2,297	933	12,493	1,024
Pyrite sales (tonnes)	99,606	100,894	124,109	445,181	124,667	97,221	90,619	110,823	423,330	124,140

REGULATORY DISCLOSURES

Seasonality

The Company's results as discussed in this MD&A are subject to seasonal aspects, in particular the wet season in Zambia. The wet season in Zambia generally starts in November and continues through April, with the heaviest rainfall normally experienced in the months of December, January, February and March. As a result of the wet season, pit access and the ability to mine ore is lower in the first quarter of the year than other quarters and the cost of mining is higher.

Off-balance sheet arrangements

The Company had no off-balance sheet arrangements as of the date of this report.

Non-GAAP financial measures

This document refers to cash cost (C1), all-in sustaining cost (AISC) and total cost (C3) per unit of payable production, operating cash flow per share, comparative EBITDA, Net debt and comparative earnings, which are not measures recognized under IFRS, do not have a standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other issuers. These measures are used internally by management in measuring the performance of the Company's operations and serve to provide additional information and should not be considered in isolation to measures prepared under IFRS.

C1, AISC and C3 are measures based on production and sales volumes for which there is no directly comparable measure under IFRS, though a reconciliation from the cost of sales, as stated in the Company's financial statements, and which should be read in conjunction with this Management Discussion and Analysis, to C1, AISC and C3 can be found on the following pages. These reconciliations set out the components of each of these measures in relation to the cost of sales for the Company as per the consolidated financial statements.

The calculation of these measures is described below, and may differ from those used by other issuers. The Company discloses these measures in order to provide assistance in understanding the results of the operations and to provide additional information to investors.

Calculation of cash cost, all-in sustaining cost, total cost, sustaining capital expenditure and deferred stripping costs capitalized

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 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.

Sustaining capital expenditure is defined as capital expenditure during the production phase, incurred to sustain and maintain the existing assets to achieve constant planned levels of production, from which future economic benefits will be derived. This includes expenditure for assets to retain their existing productive capacity, and to enhance assets to minimum reliability, environmental and safety standards.

Deferred stripping costs capitalized are defined as waste material stripping costs in excess of the strip ratio, for the production phase, and from which future economic benefits will be derived from future access to ore. Deferred stripping costs are capitalized to the mineral property, and will be depreciated on a units-of-production basis.

	Q1 2020	Q4 2019	Q1 2019
Purchase and deposits on property, plant and equipment	170	325	447
Sustaining capital expenditure and deferred stripping	63	123	98
Project capital expenditure	107	202	315
Pre-commercial costs	-	-	34
Total capital expenditure	170	325	447

The following tables provide a reconciliation of C1, C3 and AISC to the consolidated financial statements:

For the three months ended March 31, 2020	Cobre Panama	Kansanshi	Sentinel	Las Cruces	Guelb Moghrein	Çayeli	Pyhäsalmi	Copper	Corporate & other	Ravensthorpe	Total
Cost of sales¹	(365)	(270)	(214)	(78)	(46)	(13)	(10)	(996)	(1)	(38)	(1,035)
Adjustments:											
Depreciation	125	61	56	49	10	6	1	308	1	2	311
By-product credits	74	51	-	-	30	3	7	165	-	-	165
Royalties	6	24	19	1	2	-	-	52	-	-	52
Treatment and refining charges	(27)	(9)	(9)	-	(4)	(1)	(1)	(51)	-	-	(51)
Freight costs	(1)	(2)	(6)	-	-	(1)	-	(10)	-	-	(10)
Finished goods	19	(2)	(18)	(2)	(3)	(3)	-	(9)	-	-	(9)
Other	4	2	(7)	1	2	(1)	-	1	-	36	37
Cash cost (C1)	(165)	(145)	(179)	(29)	(9)	(10)	(3)	(540)	-	-	(540)
Adjustments:											
Depreciation (excluding depreciation in finished goods)	(117)	(61)	(62)	(51)	(9)	(7)	(1)	(308)	-	(2)	(310)
Royalties	(6)	(24)	(19)	(1)	(2)	-	-	(52)	-	-	(52)
Other	(4)	(4)	(1)	(1)	-	-	-	(10)	-	-	(10)
Total cost (C3)	(292)	(234)	(261)	(82)	(20)	(17)	(4)	(910)	-	(2)	(912)
Cash cost (C1)	(165)	(145)	(179)	(29)	(9)	(10)	(3)	(540)	-	-	(540)
Adjustments:											
General and administrative expenses	(7)	(6)	(7)	(2)	-	-	-	(22)	-	-	(22)
Sustaining capital expenditure and deferred stripping	(14)	(18)	(25)	-	(4)	(1)	-	(62)	-	(1)	(63)
Royalties	(6)	(24)	(19)	(1)	(2)	-	-	(52)	-	-	(52)
Lease payments	(1)	(1)	(1)	-	-	-	-	(3)	-	-	(3)
Other	-	(2)	-	-	-	(1)	-	(3)	-	-	(3)
AISC	(193)	(196)	(231)	(32)	(15)	(12)	(3)	(682)	-	(1)	(683)
AISC (per lb)	\$1.61	\$1.65	\$2.02	\$0.96	\$1.07	\$1.94	\$0.89	\$1.64	-	-	
Cash cost – (C1) (per lb)	\$1.38	\$1.22	\$1.55	\$0.87	\$0.66	\$1.62	\$0.86	\$1.30	-	-	
Total cost – (C3) (per lb)	\$2.44	\$1.97	\$2.27	\$2.42	\$1.42	\$2.77	\$1.07	\$2.19	-	-	

¹ Total cost of sales per the Consolidated Statement of Earnings (Loss) in the Company's annual audited financial statements.

in United States dollars, tabular amounts in millions, except where noted

For the three months ended March 31, 2019	Cobre Panama	Kansanshi ¹	Sentinel	Las Cruces	Guelb Moghrein	Çayeli	Pyhäsalmi	Copper	Corporate & other	Ravensthorpe	Total
Cost of sales²	-	(248)	(241)	(77)	(58)	(15)	(25)	(664)	(2)	(6)	(672)
Adjustments:											
Depreciation	-	55	58	44	18	7	10	192	1	1	194
By-product credits	-	45	-	-	24	-	18	87	-	-	87
Royalties	-	26	24	1	2	1	-	54	-	-	54
Treatment and refining charges	-	(9)	(12)	-	(5)	(2)	(2)	(30)	-	-	(30)
Freight costs	-	(1)	(6)	-	-	(1)	-	(8)	-	-	(8)
Finished goods	-	(16)	(15)	1	1	(3)	1	(31)	-	-	(31)
Other	-	5	-	-	1	(1)	3	8	1	4	13
Cash cost (C1)	-	(143)	(192)	(31)	(17)	(14)	5	(392)	-	(1)	(393)
Adjustments:											
Depreciation (excluding depreciation in finished goods)	-	(57)	(62)	(43)	(15)	(8)	(10)	(195)	-	(1)	(196)
Royalties	-	(26)	(24)	(1)	(2)	(1)	-	(54)	-	-	(54)
Other	-	(2)	(2)	-	(1)	-	-	(5)	-	-	(5)
Total cost (C3)	-	(228)	(280)	(75)	(35)	(23)	(5)	(646)	-	(2)	(648)
Cash cost (C1)	-	(143)	(192)	(31)	(17)	(14)	5	(392)	-	(1)	(393)
Adjustments:											
General and administrative expenses	-	(6)	(9)	(1)	(1)	(1)	-	(18)	-	-	(18)
Sustaining capital expenditure and deferred stripping	-	(24)	(22)	(1)	(1)	(1)	-	(49)	-	-	(49)
Royalties	-	(26)	(24)	(1)	(2)	(1)	-	(54)	-	-	(54)
Lease payments	-	(1)	(1)	-	-	-	-	(2)	-	-	(2)
AISC	-	(200)	(248)	(34)	(21)	(17)	5	(515)	-	(1)	(516)
AISC (per lb)	-	\$1.73	\$2.07	\$1.46	\$1.37	\$1.68	(\$0.39)	\$1.77	-	-	
Cash cost – (C1) (per lb)	-	\$1.24	\$1.60	\$1.31	\$1.11	\$1.42	(\$0.39)	\$1.34	-	-	
Total cost – (C3) (per lb)	-	\$1.98	\$2.34	\$3.19	\$2.22	\$2.32	\$1.67	\$2.21	-	-	

¹ C1 cash cost, C3 total cost and AISC exclude third-party concentrate purchased at Kansanshi.

² Total cost of sales per the Consolidated Statement of Earnings (Loss) in the Company's annual audited financial statements.

Comparative EBITDA and comparative earnings

Comparative EBITDA and comparative earnings are the Company's adjusted earnings metrics, and are used to evaluate operating performance by management. The Company believes that the comparative metrics presented are useful as the adjusted items do not reflect the underlying operating performance of its current business and are not necessarily indicative of future operating results.

Calculation of operating cash flow per share, net debt, comparative EBITDA and comparative earnings

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 comprises unrestricted cash and cash equivalents, bank overdrafts and total debt. Comparative EBITDA, comparative earnings and comparative earnings per share are non-GAAP measures which measure the performance of the Company. Comparative EBITDA, comparative earnings and comparative 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 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 discounting of non-current VAT.

	Q1 2020	Q4 2019	Q1 2019
Operating profit from operations	4	69	153
Depreciation	311	290	194
Other adjustments:			
Impairment charges, write-off of assets and other costs associated with the mine interruption at Las Cruces	-	99	13
Foreign exchange loss	123	47	4
Loss on disposal of assets and liabilities	-	1	2
Other expense	2	-	-
Revisions in estimates of restoration provisions at closed sites	(6)	5	2
Total adjustments excluding depreciation	119	152	21
Comparative EBITDA	434	511	368

in United States dollars, tabular amounts in millions, except where noted

	Q1 2020	Q4 2019	Q1 2019
Net earnings (loss) attributable to shareholders of the Company	(62)	(115)	53
Adjustments attributable to shareholders of the Company:			
Movement in discounting of Zambian VAT	(37)	22	-
Loss on debt instruments	2	4	25
Total adjustments to comparative EBITDA excluding depreciation	119	152	21
Tax and minority interest relating to foreign exchange revaluation and comparative adjustments	(101)	(28)	(4)
Comparative earnings (loss)	(79)	35	95
Earnings (loss) per share as reported	(\$0.09)	(\$0.17)	\$0.08
Comparative earnings (loss) per share	(\$0.11)	\$0.05	\$0.14

Significant judgments, estimates and assumptions

Many of the amounts disclosed in the financial statements involve the use of judgments, estimates and assumptions. These judgments and estimates are based on management's knowledge of the relevant facts and circumstances at the time, having regard to prior experience, and are continually evaluated. The significant judgements, estimates and assumptions applied in the preparation of the Company's interim financial statements are consistent with those disclosed in the Company's annual MD&A for the year ended December 31, 2019.

Financial instruments risk exposure

The Company's activities expose it to a variety of risks arising from financial instruments. These risks, and management's objectives, policies and procedures for managing these risks in the interim period are consistent with those disclosed in the Company's annual MD&A for the year ended December 31, 2019.

Market risks

The Company is subject to commodity price risk from fluctuations in the market prices of copper, gold, nickel, zinc and other elements, interest rate risk, and foreign exchange risk. These market risks are consistent with those disclosed in the Company's annual MD&A for the year ended December 31, 2019.

Disclosure Controls and Procedures

The Company's disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is communicated to senior management, to allow timely decisions regarding required disclosure.

An evaluation of the effectiveness of the Company's disclosure controls and procedures, as defined under the rules of the Canadian Securities Administration, was conducted as of December 31, 2019, under the supervision of the Company's Audit Committee and with the participation of management. Based on the results of the evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report in providing reasonable assurance that the information required to be disclosed in the Company's annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported in accordance with the securities legislation.

The Company's controls and procedures remain consistent with those disclosed in the Company's annual MD&A for the year ended December 31, 2019.

Internal Control over Financial Reporting

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements in compliance with IFRS. The Company's internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that accurately and fairly reflect the transactions of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS;
- ensure the Company's receipts and expenditures are made only in accordance with authorization of management and the Company's directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized transactions that could have a material effect on the annual or interim financial statements.

An evaluation of the effectiveness of the Company's internal control over financial reporting was conducted as of December 31, 2019 by the Company's management, including the Chief Executive Officer and Chief Financial Officer, based on the Control - Integrated Framework (2013) established by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. Based on this evaluation, management has concluded that the Company's internal controls over financial reporting were effective.

There were no changes in the Company's business activities during the period ended March 31, 2020, that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable and not absolute assurance that the objectives of the control system are met. Further, the design of a control system reflects the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

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, 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, silver, nickel, zinc, pyrite, cobalt, iron 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, silver, nickel, zinc, pyrite, cobalt, iron 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.