

# First Quantum Announces Comprehensive Refinancing Transactions As Part Of Its Balance Sheet Strengthening Initiatives

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(In United States dollars, except "C\$" for Canadian dollars where noted)

TORONTO, Feb. 21, 2024 - [First Quantum Minerals Ltd.](#) ("First Quantum" or the "Company") (TSX: FM) announces four balance sheet strengthening initiatives (the "Refinancing"):

- \$500 million copper prepayment agreement (announced yesterday and detailed in the Company's fourth quarter and year-end 2023 results)
- The amendment and extension of its \$2.2 billion corporate bank facilities that revises the leverage covenant and extends the maturity profile to April 2027 (the "Amendment and Extension")
- \$1,000 million bought deal offering of common shares (the "Common Share Offering")
- \$1,600 million senior secured second lien notes offering (the "Notes Offering" and, together with the Common Share Offering, the "Offerings")

These transactions will, when completed, provide the Company with strong liquidity, sustainable leverage, and a solid financial position on which to deliver its operational objectives. The Company will redeem all of its outstanding senior notes due 2025 (the "2025 Notes"), redeem all of its outstanding notes due 2026 (the "2026 Notes") and continue to fund the completion of the S3 Expansion project at Kansanshi with all material debt amortization being deferred until June 2025.

Highlights of the Refinancing:

- Enhances the Company's liquidity to \$2.0 billion (including the copper prepayment agreement);
- Reduces the Company's net leverage<sup>1</sup> to 2.3x;
- Increases the Company's financial flexibility;
- Provides covenant headroom, increasing net leverage<sup>1</sup> test from 3.50x to 5.75x for the near term; and
- Extends the Company's maturity profile, providing runway to complete the S3 Expansion and enable a pathway towards resolution in Panama.

"It is pleasing to announce these four transactions as part of our holistic approach to strengthen the balance sheet. Today's actions result in a capital structure that will enable us to deliver the S3 Expansion, which will return the Company to a position of strong free cash flow generation. We continue to be committed to working with the Government of Panama on the responsible stewardship of Cobre Panamá with the implementation of our preservation and safe management plan. At the same time, I remain confident that we can reach a resolution that will deliver the best outcome for the people of Panama and for First Quantum," commented Tristan Pascall, Chief Executive Officer of First Quantum. "I would like to thank our lenders, bondholders and shareholders for their support on these transactions and their confidence in the outlook of the Company."

The Company will continue to advance additional initiatives, including asset and stake sales, in a disciplined manner and only to the extent that is in the best interest of the Company.

The disclosure of material uncertainty in the Company's news release, Consolidated Financial Statements and Management's Discussion and Analysis dated February 20, 2024 did not take into account today's announced transactions and the revised covenants, which will be effective following the closing of these transactions.

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<sup>1</sup> "Net Leverage" is defined as the ratio of the Company's consolidated Net Debt to its consolidated EBITDA. Net Debt is calculated as Total Debt less cash and cash equivalents. Total Debt is defined as the total principal outstanding on debt classified as debt as defined in note 2 of the Group Financial Statements as at December 31, 2023, excluding any amortization or interest accrued and including amounts payable under trading facilities of \$144 million.

## AMENDMENTS TO BANK FACILITY

First Quantum announces that it has amended its original Term Loan and Revolving Credit Facility (the "Facility") to extend its maturity and defer the amortization of the Term Loan.

The amended and extended \$2.243 billion Facility is comprised of a \$943 million Term Loan Facility and a \$1.3 billion Revolving Credit Facility. The Facility is syndicated to a group of long-standing relationship banks of First Quantum, with all existing lenders consenting to the amendments in the new facility.

The amended terms, which will become effective upon completion of the Offerings and the 2025 Notes Redemption, will extend the debt maturity profile of the Facility to April 2027, removes all material debt amortization until June 2025 and reduces per annum debt amortization in the year which follows.

The amendments to the Facility also provide the Company with additional liquidity headroom and increases the net leverage<sup>1</sup> covenant from 3.50x to 5.75x Net Debt/EBITDA until June 30, 2025. The net leverage<sup>1</sup> covenant will be reduced to 5.00x between July 1, 2025 and December 31, 2025; 4.25x between January 1, 2026 and June 30, 2026; and 3.75x thereafter.

## \$1,000 Million Equity Bought Deal Offering

First Quantum also announces that it has entered into an agreement with a syndicate of underwriters led by RBC Capital Markets, BMO Capital Markets and Goldman Sachs as joint book-runners (collectively, the "Underwriters") pursuant to which the Underwriters have agreed to purchase, on a bought deal basis from the Company, 121,680,000 common shares of First Quantum ("Common Shares") at a price of C\$11.10 per Common Share, for aggregate gross proceeds of C\$1,351 million (approximately \$1,000 million).

This news release should be read in conjunction with the News Release dated February 21, 2024 "First Quantum Announces \$1,000 Million Equity Bought Deal Offering as Part of Comprehensive Refinancing".

## \$1,600 Million Senior Secured Second Lien Notes Offering

First Quantum further announces that it is launching an offering of \$1,600 million aggregate principal amount of senior secured second lien notes due 2029 (the "Notes") in a private offering, subject to market and other customary conditions. The Notes will be senior secured second lien obligations of the Company and will be guaranteed by certain of the Company's subsidiaries. The Notes will be offered solely to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "U.S. Securities Act"), and to non-U.S. persons in accordance with Regulation S under the U.S. Securities Act.

This news release should be read in conjunction with the News Release dated February 21, 2024 "First Quantum Announces \$1,600 Million Senior Secured Second Lien Notes Offering as Part of Comprehensive Refinancing".

Goldman Sachs acted as Strategic Financial Adviser to the Company with respect to its capital structure and the Holistic Balance Sheet Initiatives.

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This communication is only directed at (i) persons having professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, (the "Order"), or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order, or (iii) persons to whom it would otherwise be lawful to distribute to or direct at, all such persons together being referred to as "relevant persons". The securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this communication or any of its contents.

This announcement is not, and under no circumstances is to be construed as, a prospectus, an advertisement or a public offering of the Notes in Canada. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this announcement or the merits of the Notes, and any representation to the contrary is an offence.

#### CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain information contained in this news release constitutes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and "forward-looking information" under applicable Canadian securities legislation. The forward-looking statements and forward-looking information in this news release includes the Company's available liquidity upon completion of Amendment and Extension and the Offerings, the expected uses of proceeds of the Offerings, the 2025 Notes Redemption, the Company's intention regarding the S3 Expansion project at Kansanshi and its completion enabling the Company's return to strong free cash flow generation, the Company's intentions regarding asset and stakes sales and the Company's commitment to working with the Government of Panama on the preservation and safe and responsible stewardship of Cobre Panamá. 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

visit our website at [www.first-quantum.com](http://www.first-quantum.com) or contact: Bonita To, Director, Investor Relations, (416) 361-6400 Toll free: 1 (888) 688-6577. E-Mail: [info@fqm.com](mailto:info@fqm.com)

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