



First Quantum Minerals: Why It Might Finally Be Time to Buy

Description

Despite the challenges of the past year, **First Quantum Minerals** ([TSX:FM](#)) achieved record annual production with the company's costs at the lowest level in four years. The company's 2020 total production of about 800,000 tonnes of copper represented an 11% increase over the previous year. This has increased intrinsic value and is a remarkable achievement for the company's shareholders.

The company intends to maintain a defensive stance on health and sanitary protocols, although it does expect that the impact of COVID-19 will begin to reduce following the worldwide roll-out of vaccines.

Robust global demand

Global demand for the company's key commodities, copper and nickel, is [looking strong](#). The company expects demand to strengthen further as governments in many nations seek to stimulate economic recovery via infrastructure and other stimulus spending.

Pent-up global consumer demand is also likely to have a positive bearing on First Quantum's commodity prices as households spend again after a period of reduced activity caused by COVID-19 lockdowns in many countries.

During the pandemic, First Quantum responded admirably to protect the company's workforce and the many communities in which it operates as the challenges of COVID-19 became apparent. The company developed the necessary [processes and procedures](#) so that it could protect employees. The company also formed strong partnerships with various health authorities and community support institutions.

Agility leading to continued growth

The impact of the virus on First Quantum's operations manifested itself differently in different countries, due to varied government responses, changes to border and quarantine controls, and the differing capacity of health systems. The company was agile in understanding the challenges and the only

major operational impact was a relatively brief shutdown at the company's Cobre Panama mine. Overall, the company finished 2020 in a strong position and is well prepared for continued growth in 2021.

Recently, First Quantum has achieved several important milestones. Acknowledging the global challenges in protecting the environment, the company recently formalized an approach to climate change. Its climate change position statement was published in early 2021 and is part of the company's broader commitment to environmental, social, and governance (ESG) reporting and communications.

The company realizes that mining has a significant impact on the environment through the emission of greenhouse gases and it recognises First Quantum's obligation to make creative improvements, and to report on the company's actions to address climate change.

Reduced environmental impact

Also, First Quantum has been finding innovative ways to improve efficiency and hence reduce the environmental impact of the company's operations. This is resulting in decreased energy use, waste reduction, and lowered greenhouse gas emissions.

In some areas, it leads the way in the development of new mining technologies and production processes. These are improving the company's performance and can be adopted by others in the mining sector.

Copper and nickel are now widely recognised as being essential components in driving the transition to a low-carbon economy. As this transition gathers pace around the world, First Quantum's minerals production will play an important part in delivering lower carbon-intensive economies.

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