



FIRST QUANTUM

MINERALS LTD.

Condensed Interim Consolidated Financial Statements

Third Quarter – September 30, 2015

(unaudited)

(In U.S. dollars, tabular amounts in millions, except where indicated)

First Quantum Minerals Ltd.
Consolidated Statements of Earnings

(unaudited)

(expressed in millions of U.S. dollars)

	Note	Three months ended September 30		Nine months ended September 30	
		2015	2014	2015	2014
Sales revenues	11	673	885	1,933	2,721
Cost of sales	12	(570)	(644)	(1,750)	(1,906)
Gross profit		103	241	183	815
Exploration		(8)	(16)	(28)	(40)
General and administrative		(21)	(31)	(67)	(89)
Impairments and related charges	6	-	(16)	(189)	(16)
Other income (expense)	13	(35)	32	(61)	9
Operating profit (loss)		39	210	(162)	679
Finance income		-	8	16	26
Finance costs	14	(9)	(5)	(17)	(17)
Earnings (loss) before income taxes		30	213	(163)	688
Income tax expense	9	(566)	(83)	(561)	(268)
Net earnings (loss) for the period		(536)	130	(724)	420
Net earnings (loss) for the period attributable to:					
Non-controlling interests		(109)	9	(114)	38
Shareholders of the Company		(427)	121	(610)	382
Earnings (loss) per common share					
Basic	10b	(0.62)	0.21	(0.96)	0.65
Diluted	10b	(0.62)	0.20	(0.96)	0.64
Weighted average shares outstanding (000s)					
Basic	10b	684,513	591,244	634,280	588,220
Diluted	10b	689,003	595,349	638,648	592,027
Total shares issued and outstanding (000s)	10a	689,331	600,506	689,331	600,506

The accompanying notes are an integral part of these consolidated financial statements.

First Quantum Minerals Ltd.

Consolidated Statements of Comprehensive Income

(unaudited)

(expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Net earnings (loss) for the period	(536)	130	(724)	420
Other comprehensive income (loss)				
<i>Items that may be reclassified subsequently to net earnings:</i>				
Unrealized gain on cash flow hedge (Note 16)	28	-	28	-
Unrealized gain (loss) on available-for-sale investments	(1)	-	(1)	10
Tax on unrealized gain on available-for-sale investments	-	-	-	(1)
Reclassification to assets of available-for-sale investments (net of taxes of \$1 million)	-	(9)	-	(9)
Comprehensive income (loss) for the period	(509)	121	(697)	420
Total comprehensive income (loss) for the period attributable to:				
Non-controlling interests	(109)	9	(114)	38
Shareholders of the Company	(400)	112	(583)	382
Total comprehensive income (loss) for the period	(509)	121	(697)	420

The accompanying notes are an integral part of these consolidated financial statements.

First Quantum Minerals Ltd.

Consolidated Statements of Cash Flows

(unaudited)

(expressed in millions of U.S. dollars)

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Cash flows from operating activities				
Net earnings (loss) for the period	(536)	130	(724)	420
Items not affecting cash				
Depreciation	139	157	414	433
Income tax expense	566	83	561	268
Share-based compensation expense	6	6	19	19
Impairments and related charges	-	16	189	16
Net finance expense (income)	9	(3)	1	(9)
Unrealized foreign exchange	84	(1)	97	(2)
Other	(5)	(48)	(6)	(46)
	263	340	551	1,099
Taxes paid	(16)	(59)	(77)	(221)
Change in non-cash operating working capital				
(Increase) decrease in trade, other receivables and derivatives	9	44	(28)	(91)
(Increase) decrease in inventories	3	(40)	(16)	(84)
Increase (decrease) in trade and other payables	(79)	(3)	6	(134)
Long term incentive plan contributions ¹	(10)	(31)	(10)	(43)
	170	251	426	526
Cash flows used by investing activities				
Purchase and deposits on property, plant and equipment	(375)	(786)	(1,166)	(1,993)
Interest paid and capitalized to property, plant and equipment	(93)	(110)	(261)	(181)
Partial repayment and prepaid interest on ENRC Promissory note	215	-	215	110
Interest received	-	2	3	22
Other	10	-	(4)	4
	(243)	(894)	(1,213)	(2,038)
Cash flows from financing activities				
Net movement in trading facilities	130	(45)	142	20
Movement in restricted cash	(19)	(1)	(20)	(4)
Proceeds from debt	237	621	1,043	2,574
Repayments of debt	(265)	(141)	(1,525)	(1,141)
Dividends paid to the shareholders of the Company	(16)	(28)	(39)	(78)
Dividends paid to non-controlling interest	-	-	(2)	(100)
Proceeds on issuance of common shares	-	-	1,121	-
Other	(7)	(1)	(8)	(10)
	60	405	712	1,261
Decrease in cash and cash equivalents	(13)	(238)	(75)	(251)
Cash and cash equivalents – beginning of period	289	682	357	695
Exchange gains (losses) on cash and cash equivalents	-	8	(6)	8
Cash and cash equivalents – end of period	276	452	276	452

¹ Treasury shares are purchased via a trust which is consolidated in the results of the Company. The purchases are made to fund future long term incentive plan contributions.

The accompanying notes are an integral part of these consolidated financial statements.

First Quantum Minerals Ltd.

Consolidated Balance Sheets

(unaudited)

(expressed in millions of U.S. dollars)

	Note	September 30, 2015	December 31, 2014 (audited)
Assets			
Current assets			
Cash and cash equivalents		276	357
Trade and other receivables		323	344
Inventories	3	1,242	1,197
Promissory note receivable	6	85	426
Current portion of other assets	5	207	137
		2,133	2,461
Cash and cash equivalents - restricted cash		94	79
Non-current VAT receivable	13	137	246
Property, plant and equipment	4	15,678	14,719
Goodwill		237	237
Other assets	5	62	82
Total assets		18,341	17,824
Liabilities			
Current liabilities			
Trade and other payables		521	553
Current taxes payable		123	69
Current debt	7	196	53
Current portion of provisions and other liabilities		19	22
		859	697
Debt	7	5,495	5,929
Provisions and other liabilities	8	679	711
Deferred income tax liabilities	9	821	399
Total liabilities		7,854	7,736
Equity			
Share capital	10	5,524	4,392
Retained earnings		3,871	4,522
Accumulated other comprehensive income (loss)		26	(1)
Total equity attributable to shareholders of the Company		9,421	8,913
Non-controlling interests		1,066	1,175
Total equity		10,487	10,088
Total liabilities and equity		18,341	17,824
Commitments and contingencies	17		

The accompanying notes are an integral part of these consolidated financial statements.

First Quantum Minerals Ltd.

Consolidated Statements of Changes in Equity

(unaudited)

(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Share capital				
Common shares				
Balance – beginning of period	5,640	4,303	4,519	4,303
Shares issued	2	216	1,123	216
Balance – end of period	5,642	4,519	5,642	4,519
Treasury shares				
Balance – beginning of period	(171)	(149)	(174)	(138)
Restricted and performance stock units vested	15	-	18	1
Shares purchased	(10)	(31)	(10)	(43)
Balance – end of period	(166)	(180)	(166)	(180)
Contributed surplus				
Balance – beginning of period	57	51	47	39
Share-based compensation expense for the period	6	6	19	19
Restricted and performance stock units vested	(15)	-	(18)	(1)
Balance – end of period	48	57	48	57
Total share capital	5,524	4,396	5,524	4,396
Retained earnings				
Balance – beginning of period	4,316	3,976	4,522	3,765
Earnings (loss) for the period attributable to shareholders of the Company	(427)	121	(610)	382
Dividends	(18)	(28)	(41)	(78)
Balance – end of period	3,871	4,069	3,871	4,069
Accumulated other comprehensive income (loss)				
Balance – beginning of period	(1)	8	(1)	(1)
Unrealized gain on cash flow hedge	28	-	28	-
Unrealized loss on available-for-sale investments	(1)	(9)	(1)	-
Balance – end of period	26	(1)	26	(1)
Non-controlling interests				
Balance – beginning of period	1,175	1,049	1,175	1,120
Earnings (loss) attributable to non-controlling interests	(109)	9	(114)	38
Dividends	-	-	(2)	(100)
Acquisition of African Energy	-	-	7	-
Balance – end of period	1,066	1,058	1,066	1,058

The accompanying notes are an integral part of these consolidated financial statements.

First Quantum Minerals Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

1 Nature of operations

First Quantum Minerals Ltd. ("First Quantum" or "the Company") is engaged in the production of copper, nickel, gold, zinc, platinum-group elements ("PGE") and acid, and related activities including exploration and development. The Company has operating mines located in Zambia, Australia, Finland, Turkey, Spain and Mauritania. The Company is developing the Trident project in Zambia, the Cobre Panama copper project in Panama, exploring the Haquira copper deposit in Peru and the Taca Taca copper-gold-molybdenum porphyry deposit in Argentina.

The Company has its primary listing on the Toronto Stock Exchange and secondary listings on the London Stock Exchange and the Lusaka Stock Exchange. The Company is registered and domiciled in Canada, and its registered office is the 14th Floor – 543 Granville Street, Vancouver, BC, Canada, V6C 1X8.

2 Significant Accounting Policies

Basis of presentation

These condensed interim consolidated financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS"), including IAS 34 – *Interim Financial Reporting*. For these purposes, IFRS comprise the standards issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the IFRS Interpretations Committee ("IFRICs") and the former Standing Interpretations Committee ("SICs"). The accounting policies applied in these condensed interim consolidated financial statements are consistent with those applied in the preparation of, and disclosed in, the consolidated annual financial statements for the year ended December 31, 2014, except that the Company has applied hedge accounting in the period ended September 30, 2015.

These condensed interim consolidated financial statements have been prepared on a going concern basis. In making the assessment that the Company is a going concern, management have taken account all available information about the future, which is at least, but is not limited to, twelve months from September 30, 2015.

The Company has been impacted by market volatility and significant falls in commodity prices, particularly copper and nickel. This, along with possible further power restrictions in Zambia, may have a negative impact on the Company's projected EBITDA, potentially putting at risk the Company's ability to meet the Net Debt to EBITDA ratio covenant under the \$3 billion term loan and revolving facility, the \$350 million Kansanshi facility and the \$100 million equipment financing facility.

The Company has undertaken a number of actions to reduce cash outflows, and manage its debt and working capital. The Company has the ability to further reduce uncommitted capital expenditure to improve Net Debt, which management will continue to review. The Company is managing the situation closely and remains vigilant for all opportunities to reduce cash outflows and improve cash generation.

The Company was in full compliance with all existing facility covenants as at September 30, 2015, and expects to remain in full compliance with all covenants.

At September 30, 2015, the Company has \$1,600 million of committed undrawn facilities and \$276 million of unrestricted cash, as well as future cash flows in order to meet current obligations as they become due.

Commercial production

The Company has considered a number of factors in determining the basis for assessing the achievement of commercial production including the completion of a reasonable period of commissioning, achievement of consistent operating results at a pre-determined level of design capacity and recoveries at or near expected levels.

During the three months ended September 30, 2015, the Company concluded that the Kansanshi smelter was operating in a manner intended by management and commercial production was effective from July 1, 2015.

Hedge accounting

At the inception of a designated hedge relationship, the Company documents the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the Statement of Earnings within 'Other expense'.

Amounts accumulated in equity are reclassified to the Statement of Earnings in the periods when the hedged item affects profit or loss.

Approval

These condensed interim consolidated financial statements were approved for issue on November 9, 2015 by the Audit Committee on behalf of the Board of Directors.

First Quantum Minerals Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

3 Inventories

	September 30, 2015	December 31, 2014
Ore in stockpiles	258	273
Work-in-progress ¹	64	272
Finished product	414	155
Total product inventory	736	700
Consumable stores	506	497
	1,242	1,197

¹ \$38 million copper concentrate owned by Kansanshi is classified as work in progress (December 31, 2014: \$242 million).

4 Property, plant and equipment

	Plant and equipment	Capital work- in-progress	Mineral properties and mine development costs		Total
			Operating mines	Development projects	
Net book value					
As at January 1, 2015	3,920	6,798	1,547	2,454	14,719
Additions	-	1,211	-	-	1,211
Disposals	(7)	-	-	-	(7)
Transfers between categories	1,063	(1,204)	118	23	-
Restoration provision	-	-	(40)	2	(38)
Capitalized interest	-	293	-	-	293
Depreciation charge	(327)	-	(116)	-	(443)
Impairment	(12)	(45)	-	-	(57)
As at September 30, 2015	4,637	7,053	1,509	2,479	15,678
Cost	6,911	7,053	2,238	2,479	18,681
Accumulated depreciation	(2,274)	-	(729)	-	(3,003)

First Quantum Minerals Ltd.

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(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

	Plant and equipment	Capital work-in-progress	Mineral properties and mine development costs		Total
			Operating mines	Development projects	
Net book value					
As at January 1, 2014	3,087	5,389	1,524	1,986	11,986
Additions	-	2,472	-	423	2,895
Disposals	(13)	-	-	-	(13)
Transfers between categories	1,226	(1,425)	185	14	-
Restoration provision	-	-	52	31	83
Capitalized interest	-	362	-	-	362
Depreciation charge	(380)	-	(214)	-	(594)
As at December 31, 2014	3,920	6,798	1,547	2,454	14,719
Cost	5,826	6,798	2,133	2,454	17,211
Accumulated depreciation	(1,906)	-	(586)	-	(2,492)

During the nine months ended September 30, 2015, \$293 million of interest (September 30, 2014: \$278 million) was capitalized relating to qualifying assets. The amount capitalized to September 30, 2015, was determined by applying the weighted average cost of borrowings of 7.1% (September 30, 2014: 5.7%) to the accumulated qualifying expenditures.

Included within capital work-in-progress and mineral properties – operating mines at September 30, 2015, is \$152 million and \$396 million respectively related to capitalized deferred stripping costs (December 31, 2014: \$121 million and \$321 million respectively).

5 Other assets

	September 30, 2015	December 31, 2014
Deposits on property, plant and equipment	-	18
Deferred income tax assets	26	23
Derivative instruments	54	22
Prepaid expenses	154	115
Prepaid income taxes	10	8
Investments	25	33
Total other assets	269	219
Less: current portion of other assets	(207)	(137)
	62	82
Current portion consists of:		
Derivative instruments	54	22
Prepaid income taxes	10	8
Prepaid expenses	143	107
	207	137

During the nine months ended September 30, 2015, the Company recorded an impairment of \$10 million relating to equity security investments held at cost (September 30, 2014: nil).

First Quantum Minerals Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

6 Impairments

The Company reviews the carrying value of assets each reporting period for indicators of impairment using both external and internal sources of information. Management make significant estimates, judgements and assumptions based on information available at the time and with regard to prior experience, changes to which are considered reasonably likely to occur from period to period, and which could materially affect the consolidated financial statements.

As at September 30, 2015, a detailed review of impairment indicators was performed by management across all operations. No impairment indicators were identified but management continuously monitor commodity prices, discount rates, operating costs, capital expenditure, in addition to any other key factors that may result in an indicator of impairment.

It should be noted that, particularly given the current volatility in commodity markets, the Company's longer life assets and operations are more likely to be impacted by changes in long term commodity prices.

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Impairment of Guelb Moghrein magnetite plant	-	-	62	-
Impairment of ENRC Promissory note	-	-	117	-
Impairment of investments	-	16	10	16
	-	16	189	16

The Company recorded an impairment charge in respect of the Guelb Moghrein magnetite plant and related charges of \$62 million for the nine months ended September 30, 2015 (September 30, 2014: nil).

Promissory note

On March 20, 2014, a subsidiary of Eurasian Natural Resources Corporation PLC ("ENRC" and now Eurasian Resources Group "ERG") issued a \$430 million Promissory note secured against the shares in a subsidiary holding ENRC's Mozambique coal assets and is guaranteed by ENRC Congo B.V., a wholly owned subsidiary of ERG.

On July 7, 2015, the Company agreed an amendment with ERG in respect of the \$430 million Promissory note, which had a term to final maturity of December 31, 2015. Under the revised terms the Promissory note was reduced from \$430 million to \$300 million. A cash payment of \$215 million was received in July 2015 and the balance of \$85 million is outstanding at September 30, 2015. All existing security remains in place until final settlement.

An impairment of \$117 million (after amortization of prepaid interest) was recorded in the statement of earnings in the period ended June 30, 2015.

First Quantum Minerals Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

7 Debt

		September 30, 2015	December 31, 2014
Drawn debt			
Senior notes:			
First Quantum Minerals Ltd. (formerly Inmet Mining Corporation ("Inmet")) 8.75% due June 2020 & 7.50% due June 2021	(a)	33	33
First Quantum Minerals Ltd. 6.75% due February 2020	(b)	1,077	1,068
First Quantum Minerals Ltd. 7.00% due February 2021	(c)	1,075	1,067
First Quantum Minerals Ltd. 7.25% due October 2019	(d)	343	342
First Quantum Minerals Ltd. 7.25% due May 2022	(e)	839	838
Kansanshi senior term loans and revolving facility	(f)	350	350
First Quantum Minerals Ltd. senior debt facility	(g)	1,349	1,899
Amount owed to related party	(h)	362	253
Trading facilities	(i)	177	35
Equipment financing	(j)	86	97
Total debt		5,691	5,982
Less: Current maturities and short term debt		(196)	(53)
		5,495	5,929
Undrawn debt			
First Quantum Minerals Ltd. senior debt facility	(g)	1,600	1,040
Trading facilities	(i)	113	220
Equipment financing	(j)	-	3

a) First Quantum Minerals Ltd. (formerly Inmet) senior notes – 8.75% (\$33 million) and 7.50% (\$0.3 million)

On May 18, 2012, Inmet issued \$1,500 million in unsecured senior notes due in June 2020, bearing interest at an annual rate of 8.75%. On December 18, 2012, Inmet issued \$500 million in unsecured senior notes due in June 2021, bearing interest at an annual rate of 7.50%.

The carrying value of the notes represents the post-acquisition valuation of those notes which remain outstanding following an exchange offer which expired on February 24, 2014, and in the case of the notes expiring in 2021 only, a subsequent note purchase by the Company.

The Company and its subsidiaries are subject to certain restrictions on asset sales, payments, incurrence of indebtedness and issuance of preferred stock.

b) First Quantum Minerals Ltd. senior notes – 6.75%

On February 12, 2014, the Company issued \$1,115 million in senior notes due in 2020, bearing interest at an annual rate of 6.75%. The notes are guaranteed on a subordinated basis by certain subsidiaries of the Company.

On February 27, 2014, the Company issued an additional \$6 million aggregate principal amount of new 6.75% senior notes due 2020 to eligible holders of Inmet notes who validly tendered their existing notes in the exchange offer after the early tender time in the exchange offer but prior to the expiration time.

The Company may redeem some or all of the notes at any time on or after February 15, 2017 at redemption prices ranging from 103.375% in the first year to 100% in the final year, plus accrued interest. Although part of this redemption feature indicates the existence of an embedded derivative, the value of this derivative is not significant. Prior to February 15, 2017, the notes may be redeemed at 100% plus a make-whole premium, and accrued interest. Prior to February 15, 2017, the Company may redeem up to 35% of the aggregate principal amount of the notes (including any additional notes issued after the issue date) at a redemption price equal to 106.75% plus accrued interest, with all or a portion of the net proceeds of one or more equity offerings.

First Quantum Minerals Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

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The Company is subject to certain restrictions on asset sales, payments, and incurrence of indebtedness and issuance of preferred stock.

c) First Quantum Minerals Ltd. senior notes – 7.00%

On February 12, 2014, the Company issued \$1,115 million in senior notes due in 2021, bearing interest at an annual rate of 7.00%. The notes are guaranteed on a subordinated basis by certain subsidiaries of the Company.

On February 27, 2014, the Company issued an additional \$6 million aggregate principal amount of new 7.00% senior notes due 2021 to eligible holders of Inmet notes who validly tendered their existing notes in the exchange offer after the early tender time in the exchange offer but prior to the expiration time.

The Company may redeem some or all of the notes at any time on or after February 15, 2018 at redemption prices ranging from 103.5% in the first year to 100% in the final year, plus accrued interest. Although part of this redemption feature indicates the existence of an embedded derivative, the value of this derivative is not significant. Prior to February 15, 2018, the notes may be redeemed at 100% plus a make-whole premium, and accrued interest. Prior to February 15, 2018, the Company may redeem up to 35% of the aggregate principal amount of the notes (including any additional notes issued after the issue date) at a redemption price equal to 107% plus accrued interest, with all or a portion of the net proceeds of one or more equity offerings.

The Company is subject to certain restrictions on asset sales, payments, and incurrence of indebtedness and issuance of preferred stock.

d) First Quantum Minerals Ltd. senior notes – 7.25%

On October 10, 2012, the Company issued \$350 million in senior notes due in 2019, bearing interest at an annual rate of 7.25%.

The Company is subject to certain restrictions on asset sales, payments, and incurrence of indebtedness and issuance of preferred stock.

Under a consent solicitation dated January 27, 2014, the terms of these notes were subsequently aligned with those of the Company's notes issued in February 2014.

e) First Quantum Minerals Ltd. senior notes – 7.25%

On May 13, 2014, the Company issued \$850 million in senior notes due in 2022, bearing interest at an annual rate of 7.25%.

The Company may redeem some or all of the notes at any time on or after May 15, 2017 at redemption prices ranging from 105.438% in the first year to 100% in the final year, plus accrued interest. Although part of this redemption feature indicates the existence of an embedded derivative, the value of this derivative is not significant. Prior to May 15, 2017, the notes may be redeemed at 100% plus a make-whole premium, and accrued interest. In addition, until May 15, 2017, the Company may redeem up to 35% of the principal amount of notes, in an amount not greater than the net proceeds of certain equity offerings, at a redemption price of 107.25% plus accrued interest.

The Company is subject to certain restrictions on asset sales, payments, and incurrence of indebtedness and issuance of preferred stock.

f) Kansanshi senior term loans and revolving facility

On March 27, 2014, Kansanshi entered into a \$350 million term loan which was available from April 3, 2014 and fully drawn at that date. The loan is repayable in six equal semi-annual instalments commencing on September 27, 2016 and interest is calculated at a rate equal to LIBOR plus a margin.

g) First Quantum Minerals Ltd. senior debt facility

On April 15, 2014, the Company announced that it had signed and drawn down on its \$2,500 million Five-Year Term Loan and Revolving Facility ("the Facility"). The Facility was syndicated during Q2 2014, which resulted in an upsizing of the Facility to \$3,000 million. The Facility comprises a \$1,200 million term loan facility available to draw until April 8, 2016 with interest at LIBOR plus a margin and a \$1,800 million revolving credit facility available to draw until March 8, 2019 also with interest at LIBOR plus a margin. All outstanding loans on these facilities must be repaid no later than April 8, 2019.

h) Amount owed to related party

In September 2013, the Company entered into a loan agreement with Korea Panama Mining Corp. ("KPMC") who own a 20% interest in Minera Panama S.A. ("MPSA") and is therefore a related party. Interest is due semi-annually at an annual rate of 9%. As of September 30, 2015, the accrual for interest payable is \$32 million (December 31, 2014: \$15 million) and is included in the carrying value of the debt as this has been deferred under the loan agreement.

First Quantum Minerals Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

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(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

i) Trading facilities

The Company's metal marketing division has four uncommitted borrowing facilities totalling \$290 million. The facilities are used to finance purchases and the term hedging of copper, gold and other metals, undertaken by the metal marketing division. Interest on the facilities is calculated at the bank's benchmark rate plus approximately 1.75%. The loans are collateralized by physical inventories.

j) Equipment financing

On April 2, 2014, Kalumbila Minerals Ltd., a subsidiary of the Company which owns the Trident project, entered into an agreement with Caterpillar Financial Services Corporation ("Caterpillar") to finance equipment purchases up to \$102 million. The agreement is secured by equipment that is purchased from Caterpillar, incurs interest at LIBOR plus a margin and amounts are repayable over a period to 2021. Of the amount outstanding at September 30, 2015, \$20 million (December 31, 2014, \$19 million) is due within 12 months of the balance sheet date.

8 Restoration provisions

The Company has restoration and remediation obligations associated with its operating mines and processing facilities. During the three months ended September 30, 2015, the provision reduced by \$12 million to \$557 million (included in provisions and other liabilities on the balance sheet) due to movement in the foreign exchange rate where the estimate of the liability is not in U.S. dollars and offset by accretion of the liability and additional disturbance incurred during the period.

The restoration provisions have been recorded initially as a liability based on management's best estimate of cash flows, using a risk-free discount rate between 1.4% and 4.2% and an inflation factor between 1.7% and 3.2%. Payments are expected to occur over the life of each of the operating mines, with the majority payable in the years following the cessation of mining operations.

9 Income taxes

During the three months ended September 30, 2015, the Government of the Republic of Zambia passed through parliament changes, effective from July 1, 2015, which reduced mineral royalties to 9% for open pit and underground mines and reinstated corporate tax of 30% and variable profits tax up to 15%. The reintroduction of corporation tax has required a revaluation to the Company's deferred tax balances in Zambia resulting in a tax charge of \$471 million in the period.

10 Share capital

a) Common shares

Authorized

Unlimited common shares without par value

Issued

	Number of shares (000's)
Balance as at December 31, 2014	600,506
Shares issued on equity raise	88,461
Shares issued through Dividend Reinvestment Plan	364
Balance as at September 30, 2015	689,331

First Quantum Minerals Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

b) Earnings per share

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Basic and diluted earnings (loss) attributable to shareholders of the Company	(427)	121	(610)	382
Basic weighted average number of shares outstanding (000s of shares)	684,513	591,244	634,280	588,220
Effect of dilutive securities:				
Treasury shares ¹	4,490	4,105	4,368	3,807
Diluted weighted average shares outstanding	689,003	595,349	638,648	592,027
Earnings per common share – basic	(0.62)	0.21	(0.96)	0.65
Earnings per common share – diluted	(0.62)	0.20	(0.96)	0.64

¹ Treasury shares are anti-dilutive for the three- and nine-month periods ended September 30, 2015.

c) Equity issue

On June 4, 2015 the Company completed a public offering of common shares. Inclusive of an overallotment option 88.5 million shares were issued at a price of \$16.25 Canadian dollars (“CAD”). Gross proceeds were \$1,156 million, with net proceeds after related fees of \$1,121 million. Upon receipt of proceeds \$1,000 million was used to repay the Facility (see Note 7).

d) Dividends

On February 20, 2015, the Company declared a final dividend payment of \$0.0487 CAD per share, or \$23 million, in respect of the financial year ended December 31, 2014 (February 20, 2014: \$0.0930 CAD per share or \$50 million) paid to shareholders of record on April 15, 2015.

The Company established a Dividend Reinvestment Plan (“the Plan”) effective on March 25, 2015. The Plan permits eligible shareholders to acquire additional common shares through the reinvestment of cash dividends by the Company. In the three months ended September 30, 2015, 363,920 shares were issued under the Plan.

On July 29, 2015, the Company declared an interim dividend payment of \$0.0330 CAD per share, or \$16 million, in respect of the financial year ended December 31, 2015 (July 30, 2014 - \$0.0504 CAD per share, or \$28 million) paid to shareholders of record on August 28, 2015 that did not elect or were not eligible to elect for the Plan.

11 Sales revenues by nature

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Copper ¹	494	628	1,444	1,957
Nickel	85	157	233	451
Gold	66	59	171	181
Zinc	9	23	34	57
Other	19	18	51	75
	673	885	1,933	2,721

¹ Copper excludes \$10 million of revenues from pre-commercial production at Trident for the period ended September 30, 2015.

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(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

12 Cost of sales

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Costs of production	(433)	(509)	(1,321)	(1,524)
Depreciation	(153)	(160)	(443)	(446)
Movement in inventory	2	22	(15)	51
Movement in depreciation in inventory	14	3	29	13
	(570)	(644)	(1,750)	(1,906)

13 Other income (expenses)

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Insurance recoveries – business interruption	49	-	49	-
Insurance recoveries – asset damage	9	-	9	-
Foreign exchange losses – Kansanshi VAT receivable	(94)	(3)	(123)	(20)
Other net foreign exchange gains	-	32	17	18
Other	1	3	(13)	11
	(35)	32	(61)	9

14 Finance costs

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Interest expense on financial liabilities measured at amortized cost	(103)	(119)	(300)	(283)
Interest expense other	-	(1)	-	(2)
Accretion on restoration provision	(4)	(3)	(10)	(10)
Total finance costs	(107)	(123)	(310)	(295)
Less: interest capitalized (note 4)	98	118	293	278
	(9)	(5)	(17)	(17)

First Quantum Minerals Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

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(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

15 Segmented information

The Company's reportable operating segments are individual mine development projects or mine operations. Each of the mines and development projects report information separately to the CEO, the chief operating decision maker.

The Corporate & other segment is responsible for the evaluation and acquisition of new mineral properties, regulatory reporting, treasury and finance and corporate administration. Included in the Corporate & other segment is the Company's metal marketing division which purchases and sells third party material, and the exploration projects.

The Kansanshi smelter is included within the Kansanshi segment.

The Company's operations are subject to seasonal aspects, in particular the rain season in Zambia. The rain season in Zambia generally starts in November and continues through April, with the heaviest rainfall normally experienced in the months of January, February and March. As a result of the rain season, mine 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.

For the three month period ended September 30, 2015, segmented information for the statement of earnings is presented as follows:

	Revenue ¹	Cost of sales (excluding depreciation)	Depreciation	Other ²	Operating profit ³	Income taxes
Kansanshi	310	(198)	(42)	(96)	(26)	(501)
Las Cruces	94	(35)	(36)	(1)	22	5
Guelb Moghrein	102	(57)	(20)	(2)	23	(9)
Ravensthorpe	69	(74)	(14)	60	41	1
Kevitsa	41	(34)	(4)	(1)	2	1
Çayeli	27	(18)	(9)	3	3	(17)
Pyhäsalmi	30	(15)	(14)	-	1	(1)
Corporate & other	-	-	-	(27)	(27)	(45)
Total	673	(431)	(139)	(64)	39	(566)

¹ Excludes intersegment revenues of \$15 million.

² Business interruption insurance recoveries of \$49 million and a further \$9 million for insurance recoveries relating to assets recognized in 'Other' for Ravensthorpe.

³ Operating profit less net finance costs and taxes equals net earnings for the period on the consolidated statement of earnings.

⁴ No segmented information for Trident and Cobre Panama is disclosed for the statement of earnings as these projects were under development at September 30, 2015. The exploration and development costs for these properties are capitalized.

For the three month period ended September 30, 2014, segmented information for the statement of earnings is presented as follows:

	Revenue ¹	Cost of sales (excluding depreciation)	Depreciation	Other	Operating profit ²	Income taxes
Kansanshi	409	(249)	(51)	4	113	(38)
Las Cruces	126	(43)	(37)	72	118	(16)
Guelb Moghrein	71	(49)	(10)	1	13	(2)
Ravensthorpe	132	(78)	(19)	3	38	(11)
Kevitsa	53	(33)	(10)	(6)	4	(12)
Çayeli	60	(27)	(14)	1	20	(17)
Pyhäsalmi	34	(14)	(13)	26	33	(4)
Corporate & other	-	6	(3)	(132)	(129)	17
Total	885	(487)	(157)	(31)	210	(83)

¹ Excludes intersegment revenues of \$37 million

² Operating profit less net finance costs and taxes equals net earnings for the period on the consolidated statement of earnings

³ No segmented information for Trident and Cobre Panama is disclosed for the statement of earnings as these projects were under development at September 30, 2014. The exploration and development costs for these properties are capitalized.

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(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

For the nine month period ended September 30, 2015, segmented information for the statement of earnings is presented as follows:

	Revenue ¹	Cost of sales (excluding depreciation)	Depreciation	Other ²	Operating profit ³	Income taxes
Kansanshi	892	(722)	(120)	(135)	(85)	(508)
Las Cruces	311	(114)	(116)	13	94	(21)
Guelb Moghrein	223	(129)	(44)	(60)	(10)	-
Ravensthorpe	181	(174)	(34)	44	17	10
Kevitsa	141	(102)	(33)	(5)	1	1
Çayeli	95	(56)	(27)	1	13	(29)
Pyhäsalmi	90	(39)	(40)	3	14	(4)
Corporate & other	-	-	-	(206)	(206)	(10)
Total	1,933	(1,336)	(414)	(345)	(162)	(561)

¹ Excludes intersegment revenues of \$50 million.

² Business interruption insurance recoveries of \$49 million and a further \$9 million for insurance recoveries relating to assets recognized in 'Other' for Ravensthorpe.

³ Operating profit less net finance costs and taxes equals net earnings for the period on the consolidated statement of earnings.

⁴ No segmented information for Trident and Cobre Panama is disclosed for the statement of earnings as these projects were under development at September 30, 2015. The exploration and development costs for these properties are capitalized.

For the nine month period ended September 30, 2014, segmented information for the statement of earnings is presented as follows:

	Revenue ¹	Cost of sales (excluding depreciation)	Depreciation	Other	Operating profit ²	Income taxes
Kansanshi	1,316	(767)	(118)	(24)	407	(164)
Las Cruces	387	(128)	(115)	85	229	(46)
Guelb Moghrein	167	(113)	(22)	(3)	29	(6)
Ravensthorpe	382	(229)	(50)	2	105	(23)
Kevitsa	205	(131)	(41)	(10)	23	(18)
Çayeli	155	(70)	(37)	(2)	46	(23)
Pyhäsalmi	109	(46)	(43)	27	47	(5)
Corporate & other	-	11	(7)	(211)	(207)	17
Total	2,721	(1,473)	(433)	(136)	679	(268)

¹ Excludes intersegment revenues of \$83 million

² Operating profit less net finance costs and taxes equals net earnings for the period on the consolidated statement of earnings

³ No segmented information for Trident and Cobre Panama is disclosed for the statement of earnings as these projects were under development at September 30, 2014. The exploration and development costs for these properties are capitalized.

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Balance sheet by segment

Segmented information on balance sheet items is presented as follows:

	September 30, 2015			December 31, 2014		
	Non-current assets ¹	Total assets	Total liabilities	Non-current assets ¹	Total assets	Total liabilities
Kansanshi ²	3,363	4,317	1,156	3,289	4,299	666
Las Cruces	990	1,272	370	1,082	1,322	388
Guelb Moghrein	222	363	53	287	455	57
Ravensthorpe	810	970	170	850	977	202
Kevitsa	920	909	37	904	928	43
Trident	2,715	2,855	203	2,294	2,381	174
Çayeli	188	649	139	210	660	137
Pyhäsalmi	224	414	94	261	411	99
Cobre Panama ³	5,143	5,404	515	4,461	4,728	405
Corporate & other ⁴	1,116	1,188	5,117	1,090	1,663	5,565
Total	15,691	18,341	7,854	14,728	17,824	7,736

¹ Non-current assets include \$15,678 million of property plant and equipment (December 31, 2014: \$14,719 million) and exclude financial instruments, deferred tax assets, VAT receivable and goodwill.

² Kansanshi Mining Plc, the most significant contributor to the Kansanshi segment, is 20% owned by ZCCM, a Zambian government owned entity.

³ Cobre Panama is 20% owned by KPMC, a related party.

⁴ Included within the Corporate & other segment non-current assets are assets relating to the Haquira project, \$656 million, (December 31, 2014: \$649 million), and to the Taca Taca project, \$426 million (December 31, 2014: \$424 million).

Capital expenditure by segment

Additions to non-current assets other than financial instruments, deferred tax assets and goodwill represent additions to property, plant and equipment, for which capital expenditure is presented as follows:

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Kansanshi	23	188	259	620
Las Cruces	9	27	22	42
Guelb Moghrein	7	17	32	76
Ravensthorpe	7	3	18	7
Kevitsa	9	23	43	74
Trident	148	180	351	575
Çayeli	2	1	6	7
Pyhäsalmi	-	2	4	3
Cobre Panama	166	155	420	387
Corporate & other	4	-	11	12
Total ¹	375	596	1,166	1,803

¹ Not included within the above figure is \$7 million representing the cash consideration paid for African Energy Resource Limited.

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Notes to the Condensed Interim Consolidated Financial Statements

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(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

16 Financial Instruments

The Company classifies its financial assets as fair value through profit or loss, available-for-sale, or loans and receivables. Financial liabilities are classified as either fair value through profit or loss, or other financial liabilities.

The Company, during the three months ended September 30, 2015, adopted a hedging strategy to protect future sales. Commodity contracts for 170,000 tonnes of copper sales have been entered into during the period ended September 30, 2015 at an average price of \$2.41 per pound maturing from December 2015 to September 2016. The Company has elected to apply hedge accounting with these contracts expected to be highly effective in offsetting changes in the cash flows of future sales. At September 30, 2015, a fair value gain of \$28 million has been recognized on the hedged positions through accumulated other comprehensive income.

The following provides a comparison of carrying and fair values of each classification of financial instrument at September 30, 2015:

	Loans and receivables	Available-for- sale	Fair value through profit or loss	Other financial liabilities	Total carrying amount	Total fair value
Financial assets						
Cash and cash equivalents	276	-	-	-	276	276
Cash and cash equivalents – restricted cash	94	-	-	-	94	94
Trade and other receivables ¹	234	-	-	-	234	234
Derivative instruments in designated hedge relationships	28	-	-	-	28	28
Other derivative instruments ²	-	-	26	-	26	26
Investments						
At cost ³	-	16	-	-	16	n/a
At fair value	-	9	-	-	9	9
Promissory note receivable ⁴	85	-	-	-	85	85
Financial liabilities						
Trade and other payables	-	-	-	521	521	521
Other derivative instruments ²	-	-	2	-	2	2
Finance leases	-	-	-	25	25	25
Debt	-	-	-	5,691	5,691	4,482

¹ Commodity products are sold under pricing arrangements where final prices are set at a specified future date based on market commodity prices. Changes between the prices recorded upon recognition of revenue and the final price due to fluctuations in commodity market prices give rise to an embedded derivative in the accounts receivable related to the provisionally priced sales contracts.

² Other derivative instruments related to provisionally priced sales contracts are classified as fair value through profit or loss and recorded at fair value, with changes in fair value recognized as a component of cost of sales.

³ The Company holds investments in privately held entities which are measured at cost as the fair value cannot be reliably measured.

⁴ The Promissory note from a subsidiary of ENRC is classified as a loan or receivable and carried at amortized cost. The fair value is calculated by reference to the amendment in July 2015 (see Note 6).

First Quantum Minerals Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

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(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

The following provides a comparison of carrying and fair values of each classification of financial instrument at December 31, 2014:

	Loans and receivables	Available-for- sale	Fair value through profit or loss	Other financial liabilities	Total carrying amount	Total fair value
Financial assets						
Cash and cash equivalents	357	-	-	-	357	357
Cash and cash equivalents - restricted cash	79	-	-	-	79	79
Trade and other receivables ¹	268	-	-	-	268	268
Derivative instruments ²	-	-	22	-	22	22
Investments						
At cost ³	-	23	-	-	23	n/a
At fair value	-	10	-	-	10	10
Promissory note receivable ⁴	426	-	-	-	426	403
Financial liabilities						
Trade and other payables	-	-	-	553	553	553
Derivative instruments ²	-	-	2	-	2	2
Finance leases	-	-	-	31	31	31
Debt	-	-	-	5,982	5,982	5,768

¹ Commodity products are sold under pricing arrangements where final prices are set at a specified future date based on market commodity prices. Changes between the prices recorded upon recognition of revenue and the final price due to fluctuations in commodity market prices give rise to an embedded derivative in the accounts receivable related to the provisionally priced sales contracts.

² Derivatives related to provisionally priced sales contracts are classified as fair value through profit or loss and recorded at fair value, with changes in fair value recognized as a component of cost of sales.

³ The Company holds investments in privately held entities which are measured at cost as the fair value cannot be reliably measured.

⁴ The Promissory note from a subsidiary of ENRC is classified as loans and receivables and carried at amortized cost. The fair value is calculated by reference to the principal value as the interest due on the note has been pre-paid.

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Fair Values

The following table sets forth the Company's assets and liabilities measured at fair value on the balance sheet at September 30, 2015, in the fair value hierarchy:

	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Derivative instruments – LME contracts ¹	25	-	-	25
Derivative instruments – OTC contracts ²	-	29	-	29
Investments ³	9	-	-	9
Financial liabilities				
Derivative instruments – LME contracts ¹	1	-	-	1
Derivative instruments – OTC contracts ²	-	1	-	1

¹ Futures for copper, nickel, gold, zinc, platinum and palladium were purchased on the London Metal Exchange ("LME") and London Bullion Market and have direct quoted prices, therefore these contracts are classified within Level 1 of the fair value hierarchy.

² The Company's derivative instruments are valued by the Company's brokers using pricing models based on active market prices. All forward swap contracts held by the Company are OTC and therefore the valuation models require the use of assumptions concerning the amount and timing of estimated future cash flows and discount rates using inputs which can generally be verified and do not involve significant management judgment. Such instruments are classified within Level 2 of the fair value hierarchy. Derivative assets are included within other assets on the balance sheet and derivative liabilities are included within provisions and other liabilities on the balance sheet.

³ The Company's investments in marketable equity securities are valued using quoted market prices in active markets and as such are classified within Level 1 of the fair value hierarchy. The fair value of the marketable equity securities is calculated as the quoted market price of the marketable security multiplied by the quantity of shares held by the Company.

The following table sets forth the Company's assets and liabilities measured at fair value on the balance sheet at December 31, 2014, in the fair value hierarchy (as described in the notes to the annual consolidated financial statements):

	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Derivative instruments – LME contracts ¹	21	-	-	21
Derivative instruments – OTC contracts ²	-	1	-	1
Investments ³	10	-	-	10
Financial liabilities				
Derivative instruments – LME contracts ¹	1	-	-	1
Derivative instruments – OTC contracts ²	-	1	-	1

¹ Futures for copper, nickel, gold, zinc, platinum and palladium were purchased on the London Metal Exchange ("LME") and London Bullion Market and have direct quoted prices, therefore these contracts are classified within Level 1 of the fair value hierarchy.

² The Company's derivative instruments are valued by the Company's brokers using pricing models based on active market prices. All forward swap contracts held by the Company are OTC and therefore the valuation models require the use of assumptions concerning the amount and timing of estimated future cash flows and discount rates using inputs which can generally be verified and do not involve significant management judgment. Such instruments are classified within Level 2 of the fair value hierarchy. Derivative assets are included within other assets on the balance sheet and derivative liabilities are included within provisions and other liabilities on the balance sheet.

³ The Company's investments in marketable equity securities are valued using quoted market prices in active markets and as such are classified within Level 1 of the fair value hierarchy. The fair value of the marketable equity securities is calculated as the quoted market price of the marketable security multiplied by the quantity of shares held by the Company.

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(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

Derivatives designated as hedged instruments

The Company has elected to apply hedge accounting with the following contracts expected to be highly effective in offsetting changes in the cash flows of future sales:

	Open Positions (tonnes/ounces)	Average Contract price	Closing Market price	Maturities Through
Commodity contracts:				
Copper	170,000	\$2.41/lb	\$2.31/lb	September 2016

At September 30, 2015, a fair value gain of \$28 million has been recognized on derivatives designated as hedged instruments through accumulated other comprehensive income.

Other derivatives

As at September 30, 2015, the following derivative positions in provisionally priced sales and commodity contracts not designated as hedged instruments were outstanding:

	Open Positions (tonnes/ounces)	Average Contract price	Closing Market price	Maturities Through
Embedded derivatives in provisionally priced sales contracts:				
Copper	59,941	\$2.44/lb	\$2.31/lb	January 2016
Nickel	2,210	\$4.52/lb	\$4.57/lb	October 2015
Gold	22,918	\$1,133/oz	\$1,118/oz	January 2016
Zinc	1,150	\$0.80/lb	\$0.75/lb	November 2015
Platinum	3,622	\$958/oz	\$916/oz	October 2015
Palladium	2,787	\$628/oz	\$664/oz	October 2015
Commodity contracts:				
Copper	60,042	\$2.44/lb	\$2.31/lb	January 2016
Nickel	2,210	\$4.52/lb	\$4.57/lb	October 2015
Gold	22,918	\$1,133/oz	\$1,118/oz	January 2016
Zinc	1,150	\$0.80/lb	\$0.75/lb	November 2015
Platinum	3,622	\$958/oz	\$916/oz	October 2015
Palladium	2,787	\$628/oz	\$664/oz	October 2015

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(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

As at December 31, 2014, the following derivative positions were outstanding:

	Open Positions (tonnes/ounces)	Average Contract price	Closing Market price	Maturities Through
Embedded derivatives in provisionally priced sales contracts:				
Copper	53,866	\$2.97/lb	\$2.88/lb	April 2015
Nickel	2,293	\$7.28/lb	\$6.77/lb	January 2015
Gold	13,664	\$1,195/oz	\$1,199/oz	April 2015
Zinc	3,100	\$1.01/lb	\$0.98/lb	February 2015
Platinum	5,096	\$1,038/oz	\$1,210/oz	January 2015
Palladium	4,088	\$803/oz	\$798/oz	January 2015
Commodity contracts:				
Copper	53,475	\$2.97/lb	\$2.88/lb	April 2015
Nickel	2,580	\$7.28/lb	\$6.77/lb	January 2015
Gold	13,327	\$1,195/oz	\$1,199/oz	April 2015
Zinc	3,100	\$1.01/lb	\$0.98/lb	February 2015
Platinum	5,115	\$1,038/oz	\$1,210/oz	January 2015
Palladium	4,109	\$803/oz	\$798/oz	January 2015

A summary of the fair values of unsettled derivative financial instruments for commodity contracts recorded on the consolidated balance sheet:

	September 30, 2015	December 31, 2014
Commodity contracts:		
Asset position	54	22
Liability position	(2)	(2)

17 Commitments and contingencies

Capital commitments

In conjunction with the development of Trident and Cobre Panama, the Company has committed to \$1,000 million (December 31, 2014: \$1,092 million) in capital expenditures.

Revenue stream commitment

The Company's subsidiary MPSA has an agreement with Franco-Nevada Corporation ("Franco-Nevada") for the delivery of precious metals from the Cobre Panama project. Under the terms of the agreement a wholly-owned subsidiary of Franco-Nevada has agreed to provide a \$1,000 million deposit to be funded on a pro-rata of 1:3 with certain of the Company's funding contributions to MPSA.

The amount of precious metals deliverable is indexed to the copper in concentrate produced from the Cobre Panama project and based on the mine plan at the time the agreement was entered into approximates 86% of the estimated payable precious metals attributable to the Company's 80% ownership during the first 31 years of mine life. Beyond the first 31 years of the currently contemplated mine life, the precious metals deliverable will be based on a fixed percentage of the precious metals in concentrate.

Franco-Nevada will pay MPSA an amount for each ounce of precious metals delivered equal to \$400 per ounce for gold and \$6 per ounce for silver (subject to an annual adjustment for inflation) for the first 1,341,000 ounces of gold and 21,510,000 ounces of silver (approximately the first 20 years of expected deliveries) and thereafter the greater of \$400 per ounce for gold and \$6 per ounce for silver (subject to an adjustment for inflation) or one half of the then prevailing market price. In all cases the amount paid is not to exceed the prevailing market price per ounce of gold and silver.

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Finalization of terms was announced on October 5, 2015. The changes from the original agreement have largely addressed standardizing reporting requirements and providing a mechanism for the Company to utilize the Cobre Panama project as collateral whilst still maintaining the Franco-Nevada subsidiary security. No funds have been drawn on this agreement.

Other commitments & contingencies

Due to the size, complexity and nature of the Company's operations, various legal and tax matters are outstanding from time to time. The Company is routinely subject to audit by tax authorities in the countries in which it operates and has received a number of tax assessments in various locations, including Zambia, which are currently at various stages of progress with the relevant authorities. The outcome of these audits and assessments are uncertain however the Company is confident of its position on the various matters under review.

Cobre Panama is subject to a claim from a third party but has made a counterclaim greater than the amount claimed and no loss is expected.

18 Post balance sheet events

Post period end the company has entered into additional commodity contracts in respect of future copper sales. The Company has commodity contracts outstanding for 208,575 tonnes of copper at an average price of \$2.41/lb with maturities from November 2015 – September 2016.

Management's Discussion and Analysis

Third quarter ended September 30, 2015

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the condensed interim consolidated financial statements of First Quantum Minerals Ltd. ("First Quantum" or "the Company") for the three and nine months ended September 30, 2015. The Company's results have been prepared in accordance with International Financial Reporting Standards ("IFRS") 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 AIF) 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 "Regulatory Disclosures" 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 AIF and its Technical Reports for Kansanshi and Las Cruces filed on July 16, 2015, and for Cobre Panama filed on July 22, 2015, on SEDAR. This MD&A has been prepared as of November 9, 2015.

Highlights

- The first full quarter of commercial operations for the Kansanshi smelter:
 - Concentrate processed of 254,709 tonnes, average copper recovery above design at 97.8%, production totaled 57,085 tonnes of copper anode and 229,000 tonnes of sulphuric acid.
- Copper production, sales and C1¹ cash cost better than both comparative 2014 quarter and Q2 2015:
 - Results reflect mainly the ramp-up of Sentinel, benefits of the Kansanshi smelter, the company-wide cost improvement program and lower fuel cost.
 - Production – 107,485 tonnes, sales – 104,613 tonnes, C1¹ cash cost – \$1.18 per pound
- Best quarterly nickel production since Q3 2014 on higher output at Kevitsa and the steady improvement at Ravensthorpe:
 - Production – 9,955 tonnes, sales – 10,733 tonnes, C1¹ cash cost – \$4.56 per pound
- Realized per pound prices for copper \$2.28 and nickel \$4.81 below comparative 2014 quarter and Q2 2015:
 - Q3 2014 = copper \$3.11, nickel \$8.47; Q2 2015 = copper \$2.65, nickel \$5.98
- Changes to the Zambian taxation regime effective July 1, 2015, whereby mineral royalties were lowered from 20% to 9% for open pit mines, and corporate tax of 30% and variable profits tax of up to 15% were reinstated.
- Net loss attributable to shareholders of the Company² of \$427 million includes a \$471 million deferred income tax charge triggered by the reinstatement of corporate tax in Zambia effective July 1, 2015, and an unrealized foreign exchange loss of \$94 million on the revaluation of the Zambian Value Added Tax ("VAT") receivable due to the depreciation of the kwacha against the US dollar in the quarter.
- Updated full year Guidance:
 - **Production:** 2015 guidance for copper and gold lowered while nickel remains within previous guidance range.
 - **C1¹ cash cost:** 2015 guidance lowered to between \$1.20 and \$1.35 per pound copper and between \$4.40 and \$4.70 per pound for nickel.
 - **Capital expenditures:** 2015 estimate unchanged at \$1.4 billion inclusive of approximately \$600 million for Cobre Panama (First Quantum's share \$360 million), \$230 million for capitalized stripping and \$200 million for each of Sentinel and sustaining capital. 2016 estimated at \$1.2 billion inclusive of \$880 million for Cobre Panama (First Quantum's share \$528 million), \$200 million for capitalized stripping and \$100 million for sustaining capital.
- As disclosed on October 5, 2015:
 - Cobre Panama: terms of a revised precious metals stream agreement finalized; capital costs estimate lowered 7% to \$5.95 billion; project progressed to approximately 35% overall completion.
 - Zambian power supply stabilizing: full power currently being provided to the Kansanshi complex and to the one power line currently connected to Sentinel. Second power line to Sentinel completed and expected to be

¹ C1 cost is recognized under IFRS. See "Regulatory disclosures" for further information.

² Net earnings (loss) attributable to shareholders of the Company have been adjusted to exclude impacts which are not reflective of underlying performance to arrive at comparative earnings. Comparative earnings and comparative earnings per share are not measures recognized under International Financial Reporting Standards ("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" on page 33 of the MD&A for a reconciliation of comparative earnings.

energized shortly which would allow Sentinel to ramp up towards commercial production levels by the end of 2015.

- o Further strengthening and protecting cash flows: in addition to initiatives already successfully implemented, a commitment to reduce net debt by over \$1 billion through a combination of asset sales and other strategic initiatives (together “strategic initiatives”) by the end of Q1 2016.

SUMMARIZED OPERATING AND FINANCIAL RESULTS

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
<i>(USD millions unless otherwise noted)</i>				
Copper production (tonnes) ^{1,2}	107,485	101,553	308,036	322,479
Copper sales (tonnes) ¹	104,613	99,132	284,180	316,367
Cash cost of copper production (C1) ³ (per lb)	\$1.18	\$1.44	\$1.27	\$1.42
Total cost of copper production (C3) ³ (per lb)	\$2.09	\$2.26	\$2.24	\$2.15
Realized copper price (per lb)	\$2.28	\$3.11	\$2.49	\$3.06
Nickel production (contained tonnes)	9,955	11,884	25,282	35,945
Nickel sales (contained tonnes)	10,733	10,812	25,160	35,560
Cash cost of nickel production (C1) ³ (per lb)	\$4.56	\$4.52	\$4.57	\$4.38
Total cost of nickel production (C3) ³ (per lb)	\$5.62	\$5.77	\$5.99	\$5.77
Realized nickel price (per payable lb)	\$4.81	\$8.47	\$5.61	\$7.71
Gold production (ounces)	56,887	51,446	166,394	172,333
Gold sales (ounces)	63,411	52,235	164,095	165,496
Sales revenues	673	885	1,933	2,721
Gross profit	103	241	183	815
Net earnings (loss) attributable to shareholders of the Company	(427)	121	(610)	382
Earnings (loss) per share	(\$0.62)	\$0.21	(\$0.96)	\$0.65
Diluted earnings (loss) per share	(\$0.62)	\$0.20	(\$0.96)	\$0.64
Comparative earnings ⁴	70	133	76	415
Comparative earnings per share ⁴	\$0.10	\$0.22	\$0.12	\$0.71
Comparative EBITDA ^{3, 4}	261	355	542	1,130

¹ Total copper production includes initial production at Sentinel of 10,979 tonnes for the three months ended September 30, 2015, and 17,781 tonnes for the nine months ended September 30, 2015. Total copper sales includes initial sales at Sentinel of 2,474 tonnes for the three and nine months ended September 30, 2015. Sentinel production and sales are pre-commercial production and therefore excluded from earnings.

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

³ C1 cash cost, C3 total cost and earnings before interest, tax, depreciation, amortization and impairment (“EBITDA”) are not recognized under IFRS. See “Regulatory disclosures” for further information. C3 total cost is defined as C1 cash cost plus depreciation, exploration, insurance and royalties.

⁴ Net earnings (loss) attributable to shareholders of the Company and EBITDA have been adjusted to exclude impacts which are not reflective of underlying performance to arrive at comparative earnings and comparative EBITDA. Comparative earnings, comparative earnings per share and comparative EBITDA 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” on page 33 of the MD&A for a reconciliation of comparative EBITDA and comparative earnings.

Third quarter 2015

Operational highlights

Higher copper production reflects mainly the ramp-up at Sentinel

- Copper production increased by 5,932 tonnes over Q3 2014 from the contribution of 10,979 tonnes from Sentinel and higher throughput combined with a full quarter of operations at Guelb Moghrein. These were partially offset by lower output from Kansanshi due primarily to temporary power restrictions and lower feed grades.
- The smelter recorded its first quarter of commercial production with the processing of 254,709 tonnes of concentrate for the production of 57,085 tonnes of copper anode and over 229,000 tonnes of sulphuric acid.
- Sentinel continued its ramp-up with an 89% increase in copper production over Q2 2015 despite a temporary power interruption. During the quarter, a permanent solution to deal with the deleterious material in the ore was started and completion is planned for Q4 2015.

Nickel production records its highest quarterly level since Q3 2014

- Nickel production of 9,955 tonnes benefited from higher output at Kevitsa and the continued steady increase at Ravensthorpe as planned.

Gold production up 11% mainly on higher production at Guelb Moghrein compared to Q3 2014

- Gold production of 56,887 ounces benefited from 81% higher output at Guelb Moghrein and an increase at Kevitsa. These were partially offset by lower gold production at Kansanshi.

Copper sales higher while nickel sales of 10,733 tonnes were on par with Q3 2014

- Copper sales volumes of 104,613 tonnes were 6% higher than Q3 2014, primarily reflecting higher copper sales at Guelb Moghrein and pre-commercial sales of 2,474 tonnes of copper at Sentinel. These were partially offset by lower copper sales at Kansanshi and Çayeli.

Copper C1 cash cost lowered to \$1.18 per pound

- The average copper production C1 cash cost of \$1.18 per lb was lower than C1 cash cost of \$1.44 per lb in Q3 2014. These results reflect benefits of the ongoing focus on cost reduction and efficiencies, smelter operations, lower fuel costs and appreciation of the US dollar.

Nickel C1 cash cost of \$4.56 per pound

- The average nickel production C1 cash cost of \$4.56 per lb was up slightly from \$4.52 per lb in Q3 2014. Compared to last year, lower C1 cash cost at Ravensthorpe was offset by lower by-product credits at Kevitsa on lower metal prices and higher refining charges.

Financial highlights

Sales revenues decreased by 24% in Q3 2015 due to lower metal prices

- Sales revenues of \$673 million decreased by \$212 million compared to Q3 2014 due to lower copper and nickel prices, partially offset by higher sales volumes. The average LME cash prices for copper and nickel were 25% and 43% lower, respectively, in Q3 2015 compared to Q3 2014.

Gross profit impacted by lower market prices

- Gross profit was impacted mainly by lower realized metal prices. The increased royalty rate in Zambia from 6% in Q3 2014 to 9% in Q3 2015 further reduced gross profit by \$14 million. Gross profit was positively impacted by lower operating costs and depreciation, and foreign exchange gains.

(USD millions unless otherwise noted)

Gross profit in Q3 2014	\$241
Lower realized metal prices	(232)
Lower costs excluding depreciation and change in royalty	49
Foreign exchange	43
Increase in royalty rate	(14)
Decrease in depreciation	16
Gross profit in Q3 2015 ¹	\$103

¹ Gross profit is reconciled to comparative EBITDA by including: exploration costs of \$8 million, general and administrative costs of \$21 million and other income of \$48 million, and excluding depreciation of \$139 million.

Net loss reflects non-recurring charges

- Net loss attributable to shareholders of the Company of \$427 million includes a \$471 million deferred income tax charge on the revaluation of the Company's Zambian net deferred tax liability, triggered by the Zambian government's reinstatement of corporate tax to 30% effective July 1, 2015. Net loss also includes an unrealized foreign exchange loss of \$94 million on the revaluation of the Company's Zambian VAT receivable due to the depreciation of the Zambian kwacha against the US dollar in the quarter.

Comparative EBITDA of \$261 million in Q3 2015

- Comparative EBITDA of \$261 million excludes the impact of foreign exchange losses and a \$9 million gain for the asset recovery portion of the Ravensthorpe insurance proceeds relating to the atmospheric leach tank failure.

Financial position and operating cash flow

- On October 5, 2015, the Company finalized the terms of a replacement precious metals stream agreement with Franco-Nevada Corporation ("Franco-Nevada") for the Company's Cobre Panama project. The revised agreement was signed on November 2, 2015, and payment of \$338 million was received by November 6, 2015. The initial funding represents the first payment towards the \$1 billion in funding that FN Barbados, a subsidiary of Franco-Nevada, will provide against future deliveries of gold and silver from the project, to be funded on a pro-rata basis of 1:3 with the Company's 80% share of the capital costs in excess of \$1 billion.
- In September 2015, the Company received \$58 million in insurance proceeds in relation to the December 2014 atmospheric leach tank failure at Ravensthorpe. The insurance recovery was comprised of \$49 million in business interruption proceeds and \$9 million relating to assets that were written off as a result of the failure.
- During the quarter, the Company received \$215 million in respect of the amended Promissory Note due from Eurasian Resources Group SARL (formerly Eurasian Natural Resources Corporation PLC "ENRC"). On November 3, the Company received a \$21.25 million payment of the \$85 million remaining due under the terms of the revised Promissory Note from ENRC and Mozambique Coal Limited. The Company has agreed to receive a fee of \$1.25 million to be paid on December 1, 2015 and six additional equal payments of \$10.625 million starting January 1, 2016. Annual interest of 10% is payable on the outstanding balance until paid.
- The Company has been impacted by market volatility and significant falls in commodity prices, particularly copper and nickel. This, along with possible power restrictions in Zambia, may have a negative impact on the Company's estimated EBITDA, potentially putting at risk the Company's ability to meet the Net Debt to EBITDA ratio covenant under the debt financing facilities. The Company has undertaken a number of actions to reduce cash outflows, and manage its debt and working capital, including:
 - o A detailed review of the Cobre Panama capital budget, which resulted in a revised capital cost estimate of \$5.95 billion, approximately 7% below the previous estimate with potential for further improvements;
 - o Reductions or re-phasing of other capital programs by approximately \$800 million;
 - o Work force and salary reductions, which, when combined with a detailed review of all operating costs, has led to annual savings of approximately \$420 million;
 - o Hedging of 208,575 tonnes of copper sales at an average price of \$2.41 per pound over the balance of 2015 and well into 2016;
 - o Plans to realize up to \$150 million through the reduction of working capital; and
 - o Disclosed its commitment to reduce its net debt position by over \$1 billion by the end of Q1 2016 through a combination of asset sales and other strategic initiatives.

The Company was in full compliance with all existing facility covenants as at September 30, 2015 and expects to remain in full compliance with all covenants for the foreseeable future.

- At quarter end, unrestricted cash and cash equivalents stood at \$276 million in addition to \$1,600 million of committed undrawn facilities.
- Operating cash inflows before changes in working capital and tax paid of \$263 million compared to \$340 million in Q3 2014.

Development Projects

- Sentinel's commissioning continued during the quarter within the constraints of less than its full power requirement. Nevertheless, good progress was made in achieving steady state operation within the process circuit with continued periods of above nameplate design throughput. A permanent solution to address the higher proportion of fines, including carbon, which has impeded flotation performance, is in progress. The solution to remove the deleterious material by introducing finer cut cyclones at the semi-autogenous grinding ("SAG") and Ball mills will be completed in Q4 2015. The solution will allow this fine material to be either discarded, if the copper losses from this stream are low, or retreated in another part of the circuit if the copper losses in this stream are higher. The second power line, which would enable the facility to be provided its full power requirement, is completed and expected to be energized shortly. Once this is accomplished, all aspects of the facility are planned to be ramped up towards commercial production levels.
- At Cobre Panama, development in all areas of the project is moving ahead as planned and the project was approximately 35% complete overall at quarter end. The project remains on track for introduction of first ore in late 2017 with first concentrate production by end of 2017, and a phased commissioning and ramp-up schedule over 2018.

Zambian developments

- On August 14, 2015, the Zambian government passed into law changes to the taxation regime that were effective from July 1, 2015. The changes resulted in a decrease in mineral royalties from 20% to 9% for open pit mines and the reinstatement of corporate tax to 30% with variable profits tax of up to 15%.
- On July 25, 2015, reductions to the electricity supply at Kansanshi mine, smelter and Sentinel were imposed by ZESCO, Zambia's state-run power company. Full power was restored on August 6, 2015, to 153MW provided to the Kansanshi mine and smelter and 55MW to the one power line that was connected at Sentinel. During the 12 days the power limitations were in place, the majority of electricity allocated to Sentinel was transferred to the Kansanshi mine and smelter to lessen the production impact. ZESCO has commenced supplementary power imports from neighbouring countries. Kansanshi and Sentinel have been offered additional power at a premium for a portion of their total power requirements which are being met by ZESCO through additional power imports. This is expected to result in an overall power cost increase of approximately 5% for Kansanshi and 10% for Sentinel until March 2016, when the normal power supply and tariff regime is expected to be restored.
- The amount of VAT accrued by the Company's Zambian operations at September 30, 2015, was \$204 million, of which \$182 million related to Kansanshi inclusive of \$46 million in 2015 VAT claims. The VAT receivable balance at the end of Q3 2015 reflects a foreign exchange loss of \$94 million resulting from the depreciation of the Zambian kwacha against the US dollar in the quarter. While the government of Zambia has begun to issue refunds in relation to 2015 VAT claims, to date the Company has not received any refunds related to Kansanshi.

First nine months 2015

Operational highlights

- Copper production of 308,036 tonnes was 4% lower than the comparable period in 2014, primarily reflecting lower copper production at Kansanshi. This was partially offset by higher copper production at Guelb Moghrein due to higher throughput achieved with the SAG mill and 17,781 tonnes of copper contributed by Sentinel.
- Nickel production of 25,282 tonnes was 30% lower than the comparable period in 2014, primarily due to the reduced operating capacity at Ravensthorpe.
- Gold production of 166,394 ounces was 3% lower than the comparable period in 2014 primarily due to lower production at Kansanshi, partially offset by an increase at Guelb Moghrein of 11,815 ounces due to higher throughput achieved with the SAG mill and improved recoveries.
- Copper sales of 284,180 tonnes were 10% lower than the comparable period of 2014, while nickel sales of 25,160 tonnes were 29% lower. The decrease in copper sales primarily reflects lower production at Kansanshi. This was partially offset by higher copper sales at Guelb Moghrein and 2,474 tonnes of pre-commercial sales at Sentinel.
- Average copper production C1 cash cost of \$1.27 per lb decreased from \$1.42 per lb in the comparable period of 2014, while average nickel production C1 cash cost of \$4.57 per lb increased from \$4.38 per lb. The impact of lower mining and processing costs achieved from the Company's focus on cost reduction and efficiencies, partially offset by the impact of lower copper production, resulted in improved copper C1 cash cost for the first nine months of 2015. Lower nickel production volumes resulted in increased nickel C1 cash cost for the same period.

Financial highlights

- Sales revenues of \$1,933 million were 29% lower than the comparable period of 2014, reflecting lower sales volumes and metals prices.
- Gross profit of \$183 million was \$632 million lower compared to the first nine months of 2014, reflecting the reduction in sales revenues as well as higher royalty costs at Kansanshi due to the increase in royalty rate from 6% to 20% that was in effect from January 1, 2015 to June 30, 2015, and the 9% royalty that came into effect July 1, 2015. Had the 9% royalty been applied for the nine months ended September 30, 2015, the impact would have been to reduce royalty charges by \$76 million for the same period.
- Net loss attributable to shareholders of the Company of \$610 million reflects the decrease in gross profit in the period; a \$471 million deferred income tax charge relating to the revaluation of the Company's Zambian net deferred tax liability, resulting from the Zambian government's reinstatement of corporate tax to 30%; a \$94 million foreign exchange loss on the Company's Zambian VAT receivable due to the depreciation of the Zambian kwacha against the US dollar in the quarter; and a \$117 million impairment to the Promissory Note from ENRC.
- Comparative EBITDA of \$542 million excludes the impact of foreign exchange losses, impairment and other write-downs, restructuring costs, and revisions in estimates of closed site restoration provisions.

UPDATED OPERATIONAL OUTLOOK FOR 2015

	Copper (000's tonnes)	Nickel (000's contained tonnes)	Gold (000's ounces)	Zinc (000's tonnes)	Platinum (000's ounces)	Palladium (000's ounces)
Group (excluding Sentinel)	380-400	33-37	210-231	36-41	27-32	22-24
Kansanshi	220-230	-	130-145	-	-	-
Las Cruces	69-71	-	-	-	-	-
Guelb Moghrein	43-45	-	60-62	-	-	-
Ravensthorpe	-	25-28	-	-	-	-
Kevitsa	16-17	8-9	11-13	-	27-32	22-24
Çayeli	20-25	-	4	17-20	-	-
Pyhäsalmi	12	-	5-7	19-21	-	-

Guidance
Production:

- Copper production is expected to be between 380,000 and 400,000 tonnes for the full year. Gold production is forecast to be between 210,000 and 231,000 ounces in 2015. Production guidance for both nickel and platinum remains within previous guidance but the ranges have been narrowed for both metals. Zinc production is expected to be between 36,000 and 41,000 tonnes. Guidance for palladium production has increased to between 22,000 and 24,000 ounces.
- In addition to production in the above table and as reported on October 5, total physical production at Sentinel in 2015 is expected to be between 30,000 and 40,000 tonnes of copper and the facility is expected to be operating towards commercial production levels by the end of 2015.

Cash operating cost (C1):

- Expected average C1 cash cost has decreased to approximately \$1.20 to \$1.35 per pound of copper.
- As a result of lower costs than planned, the expected average C1 cash cost has decreased to approximately \$4.40 to \$4.70 per pound of nickel.

Capital expenditures:

- Total capital expenditure, excluding capitalization of any pre-commercial production costs and capitalized interest, is unchanged and estimated to be approximately \$1.4 billion, including \$600 million for Cobre Panama (First Quantum's share \$360 million), \$230 million for capitalized stripping and \$200 million for each of Sentinel and sustaining site capital.
- Total capital expenditure in 2016 estimated at \$1.2 billion, reflecting \$900 million for growth capital expenditure inclusive of \$880 million for Cobre Panama (First Quantum's share \$528 million), \$200 million for capitalized stripping and \$100 million for sustaining capital.

OPERATIONS

Kansanshi Copper and Gold Operation

Kansanshi copper and gold production are presented as mine production, prior to any smelter throughput. Copper and gold sales volumes reflect third party sales of concentrate, cathode and anode relating to Kansanshi. The Kansanshi smelter processes material from Kansanshi and Sentinel, with sales attributable to Sentinel material processed allocated to the Sentinel segment.

Smelter production statistics have been included in the table below to provide information regarding the smelter's operating performance in the period.

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Sulphide ore tonnes milled (000's)	2,478	1,366	5,370	6,414
Sulphide ore grade processed (%)	0.8	1.0	0.8	0.9
Sulphide copper recovery (%)	91	91	91	91
Mixed ore tonnes milled (000's)	2,359	3,064	8,989	6,151
Mixed ore grade processed (%)	1.0	1.2	1.1	1.2
Mixed copper recovery (%)	71	74	71	74
Oxide ore tonnes milled (000's)	1,773	1,853	4,900	6,224
Oxide ore grade processed (%)	1.3	1.6	1.5	1.8
Oxide copper recovery (%)	82	85	79	83
Copper production (tonnes) ¹	54,512	63,518	165,074	200,363
Copper smelter				
Concentrate processed (DMT) ²	254,709	-	480,761	-
Copper anodes produced (tonnes) ²	57,085	-	103,799	-
Smelter copper recovery (%)	98	-	98	-
Acid tonnes produced (000's)	229	-	431	-
Copper sales (tonnes) ³	54,556	58,313	152,348	194,591
Gold production (ounces) ¹	34,474	36,232	102,248	117,726
Gold sales (ounces) ³	31,542	33,366	93,308	114,878
Cash cost (C1) (per lb) ⁴	\$1.34	\$1.57	\$1.50	\$1.61
Total cost (C3) (per lb) ⁴	\$2.23	\$2.21	\$2.49	\$2.15
Sales revenues	310	409	892	1,316
Gross profit before royalties	112	135	229	520
Gross profit (loss)	70	109	50	431
Comparative EBITDA ⁴	109	169	158	551

¹ Production presented on a copper concentrate basis, i.e. mine production only. Production does not include output from the smelter.

² Concentrate processed in smelter and copper anodes produced are disclosed on a 100% basis, inclusive of Sentinel concentrate processed. Concentrate processed is measured in dry metric tonnes ("DMT").

³ Sales include third party sales of concentrate, cathode and anode attributable to Kansanshi (excluding copper cathode and anode sales attributable to Sentinel).

⁴ C1 cash cost, C3 total cost, and comparative EBITDA are not recognized under IFRS. See "Regulatory Disclosures" for further information. C3 total cost includes royalties, exploration, insurance and depreciation.

Kansanshi Mining Operations

Copper production in Q3 2015 was 14% lower than Q3 2014, due primarily to the impact of temporary power restrictions imposed by ZESCO, a ZESCO maintenance shutdown and lower feed grades.

The process plant continues to feed additional acid soluble tailings from the mixed circuit into the leaching circuit to boost cathode production. The volume of acid soluble tails processed depends on the availability of acid. Cathode from the tails constituted 14% of cathode produced during the quarter. The volume of copper cathode produced in Q3 2015 decreased by

27% from Q3 2014. To date, over 431,000 tonnes of sulphuric acid produced by the smelter have been used in the mine's leaching circuit.

Gold production was 5% lower than Q3 2014 due to lower concentrate production and lower head grade.

C1 cash cost decreased by \$0.23 per lb compared to Q3 2014 mainly due to reduced processing costs reflective of increased acid consumed from the smelter and lower fuel costs, which together contributed a \$0.17 per lb decrease. Further cost reduction measures implemented in 2015 include review of service contracts, plant efficiencies and labour productivity. The introduction of smelter processing costs in Q3 was more than offset by the decrease in treatment and refining charges in the quarter. The impact of lower operating costs was partially offset by the impact of lower copper production in the quarter.

Total C3 cost including royalties and depreciation was in line with Q3 2014 reflecting higher royalty charges and increased depreciation. Royalty costs were \$14 million higher this quarter compared to Q3 2014 as a result of the enactment of the revised mineral royalty regime effective July 1, 2015, which increased the royalty rate from 6%, the rate in effect in Q3 2014, to 9%.

Sales revenues decreased by 24% from Q3 2014 reflecting lower copper and gold sales volumes combined with the impact of lower realized copper and gold prices.

Gross profit of \$70 million in the quarter decreased from \$109 million in Q3 2014, driven by the decrease in sales revenues and increase in royalty costs.

Comparative EBITDA of \$109 million in Q3 2015 excluded \$94 million unrealized foreign exchange loss on the revaluation of the Zambian VAT recoverable balance following a weakening of the Zambian kwacha during the quarter.

On August 14, 2015, the Zambian government passed into law changes to the taxation regime that were effective from July 1, 2015. The changes resulted in a decrease in mineral royalties to 9% for open pit and to 6% for underground mines and the reinstatement of corporate tax to 30% with variable profits tax of up to 15%. The reintroduction of corporation tax resulted in an income tax charge of \$471 million in the statement of earnings related to the revaluation of the Company's deferred tax balances in Zambia, which primarily represents the reversal of the net tax credit that arose in Q4 2014 as a consequence of the reduction in corporate tax to 0%. The impact of the new royalty rate had the 9% been applied for the nine months ended September 30, 2015, would have been to reduce royalty charges by \$76 million for the same period.

Kansanshi Copper Smelter

The smelter completed its first quarter following the declaration of commercial production on July 1, 2015. During Q3 2015, the smelter recorded throughput of 254,709 tonnes. A total of 93,297 tonnes was smelted in the month of August at an average throughput rate of 3,010 tonnes per day, achieving 87% of the design throughput rate. Excluding periods of power restrictions imposed by ZESCO, the average throughput rate in August was 3,113 tonnes per day or 90% of design throughput. Concentrate treatment in September reduced to 74,398 tonnes as a result of restricted concentrate availability. The smelter produced 57,085 tonnes of anode in the quarter and achieved overall copper recoveries of 97.8% against planned recoveries of 97%.

Kansanshi's copper concentrate stockpile has decreased to 10,502 tonnes at September 30, 2015, with a valuation of \$38 million, from 33,007 tonnes at June 30, 2015, valued at \$107 million. Kansanshi held copper anode inventory of \$294 million at September 30, 2015, reflecting an increase of \$141 million from June 30, 2015.

Outlook

Production in 2015 is expected to be between 220,000 and 230,000 tonnes of copper, and 130,000 and 145,000 ounces of gold.

The focus remains on the development of the mine to expose oxide ore and optimization of the plant to maximize the benefit from the acid produced from the smelter, optimization of the smelter and continued process improvements and cost reduction measures.

Kansanshi has been offered additional power at a premium for a portion of its total power requirement which is being met by ZESCO through additional power imports from neighbouring countries. This is expected to result in an overall power cost increase of approximately 5% until March 2016, when the normal power supply and tariff regime is expected to be restored.

Las Cruces Copper Operation	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Ore tonnes processed (000's)	370	413	1,120	1,160
Copper ore grade processed (%)	5.2	4.8	5.1	5.1
Copper recovery (%)	90	89	90	90
Copper cathode production (tonnes)	17,365	17,693	51,421	53,565
Copper cathode sales (tonnes)	17,484	18,002	53,682	55,526
Cash cost (C1) ¹ (per lb)	\$0.73	\$1.03	\$0.86	\$0.96
Total cost (C3) ¹ (per lb)	\$1.84	\$2.04	\$1.94	\$1.98
Sales revenues	94	126	311	387
Gross profit	23	46	81	144
Comparative EBITDA ¹	57	84	193	267

¹ C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. See "Regulatory Disclosures" for further information.

Copper production of 17,365 tonnes was slightly lower compared to Q3 2014, a result of a 10% decrease in throughput, partially offset by higher feed grade and recoveries. Throughput was impacted by a planned maintenance shutdown in September of 6.5 days. Improved performance of the new pressure filters resulted in an overall increase in recoveries this quarter, despite slower leaching kinetics from a higher quantity of primary sulphide ore in the feed early in the period.

C1 cash cost in Q3 2015 was lower compared to Q3 2014, primarily due to favourable processing costs reflecting processing efficiencies from various debottlenecking initiatives implemented in 2014 and 2015. C1 cash cost also benefited from the appreciation in the US dollar against the euro this quarter compared to Q3 2014.

Sales revenues decreased by 25% in comparison to Q3 2014 due to lower copper cathode sales volumes and lower realized copper prices. This decrease flowed through to gross profit, which was 50% lower than Q3 2014.

Outlook

The guidance on copper production in 2015 is between 69,000 and 71,000 tonnes. The plant performed well in Q3 2015 and is expected to process higher throughput and similar copper grade throughout the remainder of the year. The improving performance of the new pressure filters that were installed in late 2014 will ensure design-level copper recovery is sustained.

Permitting approval for additional surface waste dump space, necessary for the current life of mine plan, is expected to be granted in Q4 2015. Permit approval will allow for efficient stripping of successive phases of the mine.

Guelb Moghrein Copper and Gold Operation	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Sulphide ore tonnes milled (000's)	979	621	2,994	2,088
Sulphide ore grade processed (%)	1.3	1.1	1.2	1.2
Sulphide copper recovery (%)	92	92	92	93
Copper production (tonnes)	11,373	6,395	33,156	23,311
Copper sales (tonnes)	17,614	9,152	36,094	21,576
Gold production (ounces)	16,154	8,942	46,862	35,047
Gold sales (ounces)	26,585	13,917	54,013	32,480
Cash cost (C1) ¹ (per lb)	\$1.09	\$2.11	\$1.07	\$1.83
Total cost (C3) ¹ (per lb)	\$1.70	\$2.94	\$1.73	\$2.54
Sales revenues	102	71	223	167
Gross profit	25	12	50	32
Comparative EBITDA ¹	43	24	94	51

¹ C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. See "Regulatory Disclosures" for further information.

Copper production in Q3 2015 was 78% higher than Q3 2014 as a result of a 58% increase in throughput achieved with the SAG mill commissioned in July 2014, which has significantly improved the milling rate, and higher copper feed grade. Copper production in Q3 2014 was negatively impacted by the suspension of work operations caused by industrial action that was in effect for 21 days. Copper recoveries were in line with Q3 2014.

Gold production was 81% higher than Q3 2014 due to improved recoveries and increased tonnes milled over the prior year quarter, which was negatively impacted by the 21-day industrial action.

C1 cash cost in Q3 2015 decreased by \$1.02 per lb compared to Q3 2014 mainly due to a \$0.64 per lb decrease in processing costs and a \$0.29 per lb decrease in mining costs, reflecting the impact of higher copper production. C1 cash costs benefited from a reduction in the cost of fuel and ongoing cost reductions including a reduction in external contractors, procurement improvement initiatives, and mining and plant optimization initiatives. The decrease in C1 cash cost per pound was partially offset by a slightly reduced gold credit due to a lower average realized gold price.

Sales revenues increased by 44% compared to Q3 2014 due to higher copper and gold sales volumes, partially offset by lower average realized metals prices. The increase in sales revenues flowed through to gross profit in Q3 2015, which was partially offset by higher depreciation resulting from the increase in sales volumes.

Outlook

Copper production in 2015 is expected to be between 43,000 and 45,000 tonnes. Gold in copper concentrate production is expected to be between 60,000 and 62,000 ounces.

Ravensthorpe Nickel Operation	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Beneficiated ore tonnes processed (000's)	687	829	1,584	2,418
Beneficiated ore grade processed (%)	1.4	1.5	1.5	1.6
Nickel recovery (%)	85	84	89	84
Nickel production (contained tonnes)	7,662	9,728	19,015	28,709
Nickel sales (contained tonnes)	8,062	8,824	18,350	28,069
Nickel production (payable tonnes)	5,893	7,619	14,680	22,413
Nickel sales (payable tonnes)	6,270	6,937	14,357	21,858
Cash cost (C1) (per lb) ¹	\$4.60	\$4.79	\$4.65	\$4.36
Total cost (C3) (per lb) ¹	\$5.93	\$6.44	\$6.08	\$5.83
Sales revenues	69	132	181	382
Gross profit (loss)	(19)	35	(27)	103
Comparative EBITDA ¹	45	56	50	155

¹ C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. See "Regulatory Disclosures" for further information.

Production in Q3 2015 was 21% lower than Q3 2014 due to the atmospheric leach tank failure in December 2014. The atmospheric leach circuit recommenced on July 19, 2015, albeit at reduced capacity, while out-of-service leach tanks continued to be refurbished throughout Q3 2015. The re-commissioning of the atmospheric leach circuit, including repairs and relining of the out-of-service leach tanks, has progressed on schedule.

Production volumes have steadily increased throughout Q3 as planned, as limonite and saprolite ore blending trials were optimized. Production has primarily been processed through the two high pressure acid leaching circuits with a reduction in preleach material compared to 2014.

Ravensthorpe received \$58 million in insurance proceeds in Q3 2015 in relation to the atmospheric leach tank failure, comprised of \$49 million in business interruption proceeds and a \$9 million recovery relating to assets that were written off as a result of the failure. The total proceeds of \$58 million have been included within other income in Q3 2015.

C1 cash cost in Q3 2015 was \$0.19 per lb lower in comparison to Q3 2014, with the cost saving initiatives implemented across the business resulting in significant reductions in fixed costs and lower pricing for two sulphur shipments received in the quarter being partially offset by lower nickel production volumes. The weakening of the Australian dollar against the US dollar in Q3 2015 also aided the reduction in C1 cash cost. The C1 cash cost per pound has started to normalize with the atmospheric leach circuit being re-commissioned in this quarter.

Sales revenues for Q3 2015 decreased by 48% compared to Q3 2014, due to a lower average realized nickel price and lower sales volumes. Ravensthorpe incurred a gross loss of \$19 million in Q3 2015 driven by the decrease in sales revenues, partially offset by lower cost of operations and depreciation.

Outlook

Production for 2015 is expected to be between 25,000 and 28,000 tonnes of nickel.

The atmospheric leach circuit is forecast to operate at 50% of production capacity throughout Q4 2015, while refurbishment of the out-of-service leach tanks continues. Following the re-commissioning of the atmospheric leach circuit, overall recoveries are expected to return to normal levels.

The cost of operations remains highly correlated to the price of sulphur, which declined throughout Q3 2015.

Cost saving initiatives continue to be the focus across the business. Significant fixed costs reductions have been made in many areas of the business, and will continue to remain a critical focus for the operation in Q4 2015.

Kevitsa Nickel-Copper-PGE ¹ Operation	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Ore tonnes milled (000's)	1,811	1,666	4,874	5,002
Nickel ore grade processed (%)	0.2	0.2	0.2	0.2
Nickel recovery (%)	67	56	66	61
Nickel production (tonnes)	2,293	2,156	6,267	7,236
Nickel sales (tonnes)	2,671	1,989	6,810	7,491
Copper ore grade processed (%)	0.3	0.3	0.3	0.3
Copper recovery (%)	90	87	89	88
Copper production (tonnes)	4,196	4,798	12,897	13,434
Copper sales (tonnes)	3,254	2,973	12,061	13,997
Gold production (ounces)	3,324	3,208	9,216	9,751
Platinum production (ounces)	9,142	6,712	21,714	24,779
Palladium production (ounces)	7,426	5,271	17,134	18,756
Nickel cash cost (C1) (per lb) ²	\$4.41	\$3.24	\$4.32	\$4.45
Nickel total cost (C3) (per lb) ²	\$4.54	\$4.41	\$5.75	\$5.55
Copper cash cost (C1) (per lb) ²	\$1.56	\$2.19	\$1.36	\$1.50
Copper total cost (C3) (per lb) ²	\$1.68	\$3.01	\$1.99	\$2.26
Sales revenues	41	53	141	205
Gross profit	3	10	6	33
Comparative EBITDA ²	6	20	35	70

¹ Platinum-group elements ("PGE")

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

Nickel production increased by 6% in Q3 2015 compared to Q3 2014 primarily due to improved throughput and nickel recoveries, partially offset by lower feed grades. Copper production decreased by 13% compared to Q3 2014 as a result of lower feed grade, partially offset by the increase in throughput and improved recoveries.

Nickel C1 cash cost increased by \$1.17 per lb compared to Q3 2014, primarily due to the impact of lower by-product credits and higher treatment and refining charges per pound, partially offset by the impact of higher nickel production and lower processing costs resulting from production efficiencies, improvements in energy costs and an appreciation in the US dollar against the euro.

Copper C1 cash cost decreased by \$0.63 per lb compared to Q3 2014, primarily due to lower processing costs resulting from production efficiencies, improvements in energy costs and an appreciation in the US dollar against the euro, partially offset by the impact of lower copper production.

Sales revenues were 23% lower compared to Q3 2014 due to lower realized metal prices. The lower sales revenues flowing through to gross profit were partially offset by lower cost of sales in Q3 2015 compared to Q3 2014.

Outlook

Production in 2015 is expected to be between 16,000 and 17,000 tonnes of copper, 8,000 and 9,000 tonnes of nickel, 11,000 and 13,000 ounces of gold, 27,000 and 32,000 ounces of platinum and between 22,000 and 24,000 ounces of palladium.

Key to future process improvements continues to be the development of the ore characterization project with respect to optimization of flotation operations, with the aim of copper and nickel recovery improvement. A number of plant configuration changes are also expected to be explored in the fourth quarter and into 2016 in order to further improve nickel recoveries. The blast optimization program initiated in Q1 2015 has resulted in increased milling rates and the operation continues to refine the blasting strategy in recognition of geo-technical variations in the ore body in order to further improve milling rates.

On the mining side, fleet operating and maintenance efficiency initiatives continue with a focus on unit cost reduction.

Çayeli Copper and Zinc Operation	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Ore tonnes milled (000's)	312	324	959	993
Copper ore grade processed (%)	2.4	2.5	2.4	2.7
Copper recovery (%)	78	77	80	80
Zinc ore grade processed (%)	3.2	4.7	3.1	4.3
Zinc recovery (%)	54	65	55	64
Copper production (tonnes)	5,816	6,169	18,698	21,540
Copper sales (tonnes)	5,672	7,847	18,139	20,822
Zinc production (tonnes)	5,477	10,016	16,030	27,705
Zinc sales (tonnes)	4,499	10,228	14,632	27,936
Cash cost (C1) (per lb) ¹	\$1.43	\$1.04	\$1.26	\$0.85
Total cost (C3) (per lb) ¹	\$2.53	\$2.43	\$2.24	\$1.89
Sales revenues	27	60	95	155
Gross profit	-	19	12	48
Comparative EBITDA ¹	8	33	37	82

¹ C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. See "Regulatory Disclosures" for further information.

Copper production in Q3 2015 decreased by 6% compared to Q3 2014 due to lower copper grade and throughput, partially offset by higher copper recovery. Zinc production in Q3 2015 was 45% lower than Q3 2014, reflecting a decrease in zinc grade and associated decrease in recovery due to the processing of more zinc-poor stockwork ore. Throughput in Q3 2015 was negatively impacted by long haulage distances, poor ground conditions and an increased amount of waste rock mined to access the current work areas.

Collective bargaining discussions with Çayeli's mining workers' union regarding remuneration failed to reach an agreement at the end of the third quarter. As a result, the union implemented strike action on October 30, 2015, during which time activity at the mine site was limited to the areas of environment and safety, mine dewatering and underground rehabilitation. On November 8, 2015, the Company reached an agreement with the union within the parameters of the Company's cost constraints and considering the prevailing base metals market. Mining operations resumed on November 9, 2015.

C1 cash cost increased by \$0.39 per lb compared to Q3 2014, primarily due to a decrease in by-product credits resulting from lower zinc sales and the impact of lower copper production, partially offset by lower mining and processing costs which benefited from the appreciation of the US dollar against the Turkish lira.

Sales revenues were 55% lower than Q3 2014 due to lower copper and zinc sales volumes and realized metals prices. Gross profit was nil in Q3 2015 primarily due to the decrease in sales revenues, despite lower operating costs and depreciation in the quarter.

Outlook

Production in 2015 is expected to be between 20,000 and 25,000 tonnes of copper and between 17,000 and 20,000 tonnes of zinc. Throughput is expected to decline slightly compared to 2014. This decrease is mainly due to the strike action and in line with a declining number of work areas and an increased amount of waste rock to be mined to access these areas as the mine reserves are depleted, which is typical of a mature operation. Copper and zinc grades are forecast to decline compared to 2014 due to a greater percentage of ore mined from the lower grade stopes.

Ore haulage distances are increasing as mining blocks at a greater distance from the main hoisting facilities are extracted. Action plans to mitigate these effects have been developed, including the reconfiguration of loading facilities expected to be completed by the end of 2015, and the acquisition of additional haulage trucks in the fourth quarter to increase hauling capacity from near-surface stopes.

Pyhäsalmi Copper and Zinc Operation	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Ore tonnes milled (000's)	347	345	1,034	1,034
Copper ore grade processed (%)	1.0	0.9	0.9	1.0
Copper recovery (%)	96	95	97	96
Zinc ore grade processed (%)	1.6	1.5	1.7	1.7
Zinc recovery (%)	89	90	91	90
Copper production (tonnes)	3,245	2,980	9,011	10,266
Copper sales (tonnes)	3,561	2,847	9,384	9,856
Zinc production (tonnes)	4,862	4,780	15,504	15,719
Zinc sales (tonnes)	5,619	5,100	15,951	15,670
Pyrite production (tonnes)	220,327	219,224	623,675	640,496
Pyrite sales (tonnes)	198,224	211,949	532,496	619,994
Cash cost (C1) ¹ (per lb)	\$0.55	\$0.09	\$0.27	\$0.28
Total cost (C3) ¹ (per lb)	\$2.62	\$2.24	\$2.39	\$2.35
Sales revenues	30	34	90	109
Gross profit (loss)	1	7	11	20
Comparative EBITDA ¹	15	21	50	63

¹ C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. See "Regulatory Disclosures" for further information.

Copper production in Q3 2015 increased by 9% compared to Q3 2014 primarily due to higher copper grades as well as higher throughput and recoveries. Zinc production was 2% higher than Q3 2014 mainly due to higher zinc grades, partially offset by lower zinc recoveries.

C1 cash cost in the quarter was \$0.46 per lb higher compared to Q3 2014 primarily due to lower by-product credits relating to decreased pyrite sales volumes and realized zinc prices. The increase in C1 cash costs per pound was partially offset by lower mining and processing costs this quarter compared to Q3 2014, and the impact of higher copper production volumes.

Sales revenues decreased by 12% in Q3 2015 compared to Q3 2014, reflecting lower realized copper and zinc prices, partially offset by higher copper and zinc sales volumes. Pyhäsalmi generated gross profit of \$1 million in the quarter resulting from the decrease in sales revenues and an increase in depreciation, partially offset by a decrease in operating costs.

Outlook

Production in 2015 is expected to be 12,000 tonnes of copper and 19,000 and 21,000 tonnes of zinc. Pyrite production is expected to be approximately 830,000 tonnes.

A continuing emphasis on maintaining a low underground void volume and the placement of additional hydraulic backfill to increase the volume and density of tailings backfill and further stabilize active work areas will continue to be emphasized in order to ensure the execution of the mine plan.

DEVELOPMENT ACTIVITIES

Trident Project, Zambia

Progress during Q3 2015 has been positive on achieving steady state operation within the process circuit. Continued periods of well above nameplate design throughput were achieved for Train 1. Cumulative copper production to the end of Q3 was 17,781 tonnes.

Ore reporting to the plant during the production ramp-up includes softer and more transitional material containing a higher proportion of fines, including carbon, which has impeded flotation performance. In order to overcome this early transition metallurgy, a trial using existing cyclones to discard some of this finer material resulted in marked performance improvements. A permanent solution to remove the deleterious material by introducing finer cut cyclones at the SAG and Ball mills will be completed in Q4. The solution will allow this fine material to be either discarded, if the copper losses from this stream are low, or retreated in another part of the circuit if the copper losses in this stream are higher.

Construction of the power lines project was completed in Q3. Lusaka West and Sentinel sub stations have been energized and the power line between them is expected to be energized by ZESCO shortly. Once the second power line is energized, Sentinel is expected to receive its full power requirement of 160MW. The second in-pit crusher is in position and first ore feed occurred during October 2015. The Train 2 milling circuit is now operational and progressively ramping up. Once full power is available and minor maintenance works are completed on Train 1 mills and the first primary crusher, full operation will commence on both trains. Sentinel is expected to be operating towards commercial production levels by the end of 2015.

On July 25, 2015, the electricity supply to Sentinel was reduced to 42 megawatts from 55 megawatts following the imposed power reduction by ZESCO. The imposed power limit was not sufficient to efficiently operate Train 1 and consequently, milling operations at Sentinel ceased on July 27, 2015, and unused power was allocated to Kansanshi to compensate for a similar reduction imposed there. The mining operation was maintained at full capacity during the imposed power reduction. The power limitation was lifted on August 6, 2015, and normal operations resumed at Sentinel.

ZESCO has commenced supplementary power imports into Zambia from neighbouring countries. Furthermore, domestic load reduction programs, as well as mine closures and cut-backs, have reduced electrical demand in Zambia. This has allowed ZESCO to maintain full supply levels for Kansanshi and Sentinel. Kansanshi and Sentinel have been offered additional power at a premium for a portion of their total power requirements which are being met by ZESCO through additional power imports. This is expected to result in an overall power cost increase of approximately 5% for Kansanshi and 10% for Sentinel until March 2016, when the normal power supply and tariff regime is expected to be restored. The Company is also assisting ZESCO with efforts to expedite the grid connections of new power generation in the country. It is expected that Zambia's generating capacity will improve moving into the rainy season starting in November and approximately 420MW of new power generation capacity is expected online in Zambia in 2016 from projects nearing completion.

Total physical production at Sentinel in 2015 was previously expected to be between 80,000 and 100,000 tonnes of copper. However, after the challenges faced by Sentinel on securing power and optimizing transitional ore types in the process plant, total production for 2015 is now expected to be between 30,000 and 40,000 tonnes of copper.

The Enterprise nickel mine is located approximately 12 kilometres north-west of Sentinel, and site construction work for the process plant is well underway, ramping up as construction personnel are released from Sentinel. Commissioning is expected to take place during Q1 2016, initially on Sentinel copper ore, and changed onto Enterprise nickel ore when market conditions are favourable.

Cobre Panama Project, Panama

At Cobre Panama, development in all areas of the project continues to move ahead as planned. The power station and associated infrastructure has been given priority for early completion, taking advantage of virtually all required materials being available on-site. The project is approximately 35% complete overall and remains on track for introduction of first ore in late 2017 with first concentrate production by end of 2017, and a phased commissioning and ramp-up schedule over 2018.

Detailed engineering and design is approaching 80% completion. Engineering of the power station, marine facilities and tailing management facility are essentially completed.

Construction contracts for the tailings dam decant tunnel and power station boiler erection were awarded during Q3. Awards for the power station cooling water intake structure and installation of the steam turbine generator are planned during Q4.

Construction progress continued well during Q3 with earthworks at the process plant over 83% complete and port earthworks completed. Earthworks of 50 million m³ have been completed to date. Pre-strip earthworks at the Botija pit commenced during Q3 with 1.5 million m³ completed in the quarter. Total concrete placement to the end of Q3 was 110,000 m³, which represents approximately 46% of the project total. All seven mill foundations are essentially complete and concrete completion of the three stockpile vaults is targeted to be achieved by year end. Structural steel erection is underway at both the port and plant site, with a total of 6,500 tonnes of structural steel erected to date, representing 13% of the project total. The port is now fully operational and has received international shipments comprising of construction materials and equipment.

Tailings management facility earthworks, including starter dams, quarry and waste dump reached 39% completion in Q3.

A revised precious metal stream agreement with Franco-Nevada was signed on November 2, 2015 and payment of \$338 million received by November 6, 2015.

The Company's planned capital expenditures for Cobre Panama in 2015 is expected to remain at \$600 million. At the end of Q3 2015, the actual capital expenditure drawn against the annual plan was 68% compared to a target of 72%. The estimated total project capital cost was reviewed considering prevailing construction efficiencies, continued optimization of detailed design and lower costs for equipment and bulk materials such as rebar and structural steel. This review resulted in a reduced total project estimated cost of \$5.95 billion, approximately 7% below previous estimates with potential for further improvements. Project costs incurred to date amount to \$2.62 billion, including \$532 million contributed by Korea Panama Mining Corporation ("KPMC"), which owns a 20% interest in the project. The estimated costs for completion of \$3.33 billion are expected to be met by an additional contribution from KPMC of \$666 million, \$1.0 billion payable by Franco-Nevada under the precious metal stream agreement and \$1.66 billion by the Company.

EXPLORATION

In Q3 2015, the Company pursued its exploration strategy encompassing advanced stage exploration projects at Haquira and Taca Taca; near mine resource expansion around Kevitsa, Pyhäsalmi, Kansanshi and Çayeli; and an early stage exploration program concentrated on the search of high quality porphyry and sediment-hosted copper deposits.

The Company is currently focused on the community and environmental aspects of the Haquira project in Peru. Resettlement negotiations with local communities for land acquisition continued during Q3 2015. Continued unfavourable socio-political conditions, including protests at a neighbouring mine, have delayed the negotiation process. Once completed, the negotiated resettlement will enable exploration to be prioritized in areas of interest both within and nearby to the Haquira deposits.

A detailed review of geology, exploration and development options for the Taca Taca project in Argentina is largely complete. The terms of reference for the Environmental Impact Assessment for construction permitting were addressed and the consultant was selected. The study started in Q3 2015. Drilling on potential aquifers indicated that further programs are warranted to investigate the potential of more nearby water sources for the project.

Early stage exploration activities were scaled back considerably during the period, commensurate with the economic climate. The Company has ceased drilling and withdrawn from most major joint ventures programs in Alaska, Namibia and Zambia. Residual low expenditure programs continue in the near mine environment. Exploration budgets and personnel have been adjusted to minimize cash burn rate and focus on identifying longer term opportunities through grassroots prospecting.

SALES REVENUES

		Three months ended September 30		Nine months ended September 30	
		2015	2014	2015	2014
Kansanshi	- copper	276	371	794	1,190
	- gold	34	38	98	126
Las Cruces	- copper	94	126	311	387
Guelb Moghrein	- copper	74	54	164	128
	- gold	28	17	59	39
Ravensthorpe	- nickel	65	129	173	371
	- cobalt	4	3	8	11
Kevitsa	- nickel	19	28	60	79
	- copper	13	16	54	80
	- gold, PGE and cobalt	9	9	27	46
Çayeli	- copper	22	42	76	112
	- zinc, gold and silver	5	18	19	43
Pyhäsalmi	- copper	15	18	45	60
	- zinc	6	8	20	21
	- pyrite, gold and silver	9	8	25	28
		673	885	1,933	2,721

Three month review of sales revenues

Q3 2015 total sales revenues were 24% lower than Q3 2014 due to lower average metal prices. The average LME copper and nickel cash prices were 25% and 43% lower than Q3 2014 respectively. This was partly offset by an increase in copper sales volumes of 6%, driven mainly by increased volumes at Guelb Moghrein. Nickel sales volumes were in line with Q3 2014.

Nine month review of sales revenues

Sales revenues for the nine months ended September 30, 2015, were 29% lower than the same period in 2014. This was the result of lower average metal prices as well as lower copper and nickel sales volumes.

The Company's revenues are recognized at provisional prices when title passes to the customer. Subsequent adjustments for final pricing are materially offset by derivative adjustments and shown on a net basis in cost of sales (see "Hedging Program" for further discussion).

Copper selling price (per lb)	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Average LME cash price	2.39	3.17	2.58	3.14
Realized copper price	2.28	3.11	2.49	3.06
Treatment/refining charges (“TC/RC”) and freight charges	(0.16)	(0.24)	(0.24)	(0.25)
Net realized copper price	2.12	2.87	2.25	2.81

Nickel selling price (per lb)	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Average LME cash price	4.79	8.42	5.71	7.99
Realized nickel price per payable lb	4.81	8.47	5.61	7.71
TC/RC charges	(0.18)	(0.03)	(0.14)	(0.38)
Net realized nickel price per payable lb	4.63	8.44	5.47	7.33

SUMMARY FINANCIAL RESULTS

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Gross profit				
Kansanshi	70	109	50	431
Las Cruces	23	46	81	144
Guelb Moghrein	25	12	50	32
Ravensthorpe	(19)	35	(27)	103
Kevitsa	3	10	6	33
Çayeli	-	19	12	48
Pyhäsalmi	1	7	11	20
Other	-	3	-	4
Total gross profit	103	241	183	815
Exploration	(8)	(16)	(28)	(40)
General and administrative	(21)	(31)	(67)	(89)
Impairment and related charges	-	(16)	(72)	(16)
Impairment to ENRC Promissory Note	-	-	(117)	-
Other income (expense)	(35)	32	(61)	9
Net finance income (expense)	(9)	3	(1)	9
Income tax expense	(566)	(83)	(561)	(268)
Net earnings (loss) for the period	(536)	130	(724)	420
Net earnings (loss) for the period attributable to:				
Non-controlling interests	(109)	9	(114)	38
Shareholders of the Company	(427)	121	(610)	382
Comparative earnings	70	133	76	415
Earnings (loss) per share				
Basic	(\$0.62)	\$0.21	(\$0.96)	\$0.65
Diluted	(\$0.62)	\$0.20	(\$0.96)	\$0.64
Comparative	\$0.10	\$0.22	\$0.12	\$0.71
Basic weighted average number of shares (in '000s)	684,513	591,244	634,280	588,220

Copper cost (\$/lb)	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Cash cost (C1)	\$1.18	\$1.44	\$1.27	\$1.42
Total cost (C3) ¹	\$2.09	\$2.26	\$2.24	\$2.15

Nickel cost (\$/lb)	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Cash cost (C1)	\$4.56	\$4.52	\$4.57	\$4.38
Total cost (C3) ¹	\$5.62	\$5.77	\$5.99	\$5.77

¹Total cost (C3) is defined as cash cost (C1) plus depreciation, mineral royalties, insurance and exploration.

Three month review of financial results

Gross profit for the quarter was \$138 million lower than Q3 2014, reflecting lower revenues resulting from lower realized average metal prices, partly offset by higher copper sales volumes.

Cost of sales was 11% lower than Q3 2014 resulting from a focus on cost reductions and a detailed review of all operating costs. Lower cost of sales reflect operating efficiencies, lower fuel costs and the benefit of foreign exchange and, at Kansanshi, a significant saving from the reduction in acid purchased from third parties. Consequently, C1 copper cash cost was \$0.26 per lb lower than Q3 2014.

Total copper cost (C3) including depreciation and royalties was \$2.09 per lb, a decrease of \$0.17 per lb from Q3 2014. The decrease in cash costs was partly offset by an increase in the Kansanshi royalty rate from 6% to 9%, which had an impact of \$14 million in Q3 2015 compared to Q3 2014. Total nickel costs (C3) of \$5.62 per lb were \$0.15 per lb lower than Q3 2014, despite a 16% reduction in production.

Exploration costs and general and administrative costs were significantly lower than Q3 2014, reflecting a reduction in headcount and salary reductions of up to 20%, as well as favourable exchange rate movements.

Other expense of \$35 million includes a \$94 million foreign exchange loss recorded on Zambia VAT recoverable, resulting from the significant weakening of the Zambian kwacha in the period. Offsetting this in the quarter was an insurance claim in respect of the Ravensthorpe atmospheric leach tank failure in December 2014. Total proceeds of \$58 million have been included within other expense, of which \$49 million related to business interruption and \$9 million to asset recovery.

During Q3 2015, the Zambia government passed into law changes, effective from July 1, 2015, which reduced mineral royalties to 9% for open pit and to 6% for underground mines and reinstate corporate tax to 30% with variable profits tax of up to 15%. The reintroduction of corporation tax has required a revaluation to the Company's deferred tax balances in Zambia, resulting in a tax charge of \$471 million. This reverses the income tax credit through the statement of earnings which arose in Q4 2014 as a consequence of the reduction in corporate tax to 0%. At the new rates the Company estimates a full year 2015 effective consolidated tax rate of 20% - 30%.

Nine month review of financial results

Gross profit for the nine months ended September 30, 2015, was \$632 million lower than the same period in 2014, reflecting lower revenues from lower realized metal prices and lower sales volumes. The contribution from Ravensthorpe was impacted by the atmospheric leach tank failure in December 2014, with a 35% reduction in sales volumes.

Total copper cost (C3) including depreciation and royalties was \$2.24 per lb, reflecting an increase of \$0.09 per lb from the same period in 2014. This increase was due to higher Kansanshi royalty costs, with a royalty rate of 20% from January 1, 2015 to June 30, 2015, and 9% from July 1, 2015, versus a 6% rate throughout 2014. This change in rates resulted in additional royalty charges of \$111 million compared to the same period in 2014, which more than offset the impact of lower mining and processing costs achieved from the Company's focus on cost reduction and efficiencies. If the new royalty rate of 9% had applied for the nine months to September 30, 2015, the impact would have been to reduce royalty charges by \$76 million.

Lower exploration costs and general and administrative costs reflect reductions in head count and salary, as well as favourable exchange rate movements.

Impairments and related charges of \$189 million include an impairment of \$62 million in respect of the magnetite plant at Guelb Moghrein in light of the uncertain outlook for iron ore as well as a \$10 million impairment of investments. The Company recorded a \$117 million impairment to the ENRC Promissory Note during Q2 2015, following an amendment agreed with ERG (formerly ENRC) on July 7, 2015.

Income tax expense for the nine months in 2015 of \$561 million includes the \$471 million deferred tax charge resulting from the reintroduction of corporate tax in Zambia.

LIQUIDITY AND CAPITAL RESOURCES

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Cash flows from operating activities				
- before changes in working capital and tax paid	263	340	551	1,099
- after changes in working capital and tax paid	170	251	426	526
Cash flows from investing activities				
Payments and deposits for property, plant and equipment	(375)	(596)	(1,166)	(1,803)
Asset acquisition of Lumina	-	(190)	-	(190)
Capitalized borrowing costs paid in cash	(93)	(110)	(261)	(181)
Partial repayment and prepaid interest from ENRC	215	-	215	110
Other investing activities	10	2	(1)	26
Cash flows from financing activities				
Proceeds on issuance of common shares	-	-	1,121	-
Net movement in debt and trading facilities	102	435	(340)	1,453
Dividends paid	(16)	(28)	(41)	(178)
Other financing activities	(26)	(2)	(28)	(14)
Exchange gains (losses) on cash and cash equivalents	-	8	(6)	8
Net cash outflows	(13)	(230)	(81)	(243)
Cash balance	276	452	276	452
Cash balance including restricted cash	370	534	370	534
Total assets	18,341	17,337	18,341	17,337
Total current liabilities	859	776	859	776
Total long-term liabilities	6,995	7,038	6,995	7,038
Cash flows from operating activities per share ¹				
before working capital (per share)	\$0.38	\$0.58	\$0.87	\$1.87
after working capital (per share)	\$0.25	\$0.42	\$0.67	\$0.89

¹ Cash flows per share is not recognized under IFRS. See "Regulatory Disclosures" for further information.

Q3 2015 operating cash flows before changes in working capital and taxes paid are lower than Q3 2014 due to lower realized metal prices, partially offset by increased sales volumes and lower operating costs.

Changes in working capital during Q3 2015 resulted in a decrease in cash of \$93 million largely due to a decrease in payables of \$79 million.

Since June 2013, no VAT refunds have been received in Zambia related to Kansanshi. VAT refunds have not been received as a result of the application of discretionary rules established and applied by the Commissioner General relating to exports from Zambia. On February 20, 2015, the Commissioner General of the ZRA issued an amendment to VAT Rule 18 which became effective February 23, 2015. The amendment intends to ease the documentary and payment requirements for an export to be considered "zero rated" and VAT refundable. The amendment will only be applied on a prospective basis so does not address historical VAT refunds. The VAT amount accrued by the Company's Zambian operations at September 30, 2015, was \$204 million, of which \$182 million related to Kansanshi. The Company continues to consider the VAT refunds as fully recoverable. It is the Company's view that as the timing of the receipt of the historic VAT refund relating to the period before the amendment remains uncertain, \$137 million of the Kansanshi VAT refund has been classified as non-current and \$46 million as current at September 30, 2015.

Included within the prepaid expenses asset, within other assets on the balance sheet, is \$32 million relating to amounts invoiced by ZESCO for electricity above the agreed-upon rates per the prevailing power supply agreement. The Company and ZESCO have agreed to resolve this dispute through arbitration in London and the Company has continued to pay at higher rates whilst arbitration is on-going.

Capital expenditure, excluding capitalized interest, on the Company's key development projects totalled \$375 million for the three months ended September 30, 2015, (compared to \$596 million for the same period in 2014) and comprised primarily:

- \$166 million at Cobre Panama for project development

- \$148 million at Trident, including commissioning and pre-commercial overheads
- \$23 million at Kansanshi, including mine pit development costs

Cash flows from financing activities of \$60 million include draw downs on debt facilities during the period, partly offset by dividends to shareholders of the Company of \$16 million. From time to time, First Quantum may reduce our outstanding debt, including through prepayments, redemptions, opportunistic market purchases and other means.

Liquidity outlook

Under its financing arrangements the Company is required to satisfy certain financial covenants, the most sensitive of which is the ratio of Net Debt to EBITDA. The definitions of both Net Debt and EBITDA used in computing the ratio under the covenant are defined in the financing agreements and are not the same as those used by management for the purposes of this document in discussing the Company's quarterly results.

The Company has been impacted by market volatility and significant falls in commodity prices, particularly copper and nickel. This, along with possible further power restrictions in Zambia, may have a negative impact on the Company's projected EBITDA, potentially putting at risk the Company's ability to meet the Net Debt to EBITDA ratio covenant in future periods. The Company has undertaken a number of actions to reduce cash outflows, and manage its debt and working capital. Actions include:

- A detailed review of the Cobre Panama capital budget, which resulted in a revised capital cost estimate of \$5.95 billion, approximately 7% below the previous estimate with potential for further improvements;
- Reductions or re-phasing of other capital programs by approximately \$800 million;
- Hedging 208,575 tonnes of copper sales at an average price of \$2.41 per lb over the balance of 2015 and well into 2016;
- Agreed a revised precious metal stream agreement with Franco-Nevada, with payment of \$338 million received as of November 6, 2015;
- Reduced the work force and lowered salaries by up to 20% which, when combined with a detailed review of all operating costs, has led to annual savings of approximately \$420 million;
- Realized \$215 million from the settlement of the ENRC Promissory Note during the quarter, with a further \$21.25 million received on November 3, 2015. The remaining \$63.75 million is fully secured and scheduled to be paid by the end of Q2 2016;
- Plans to realize up to \$150 million through the reduction of working capital; and
- Disclosed a commitment to reduce net debt by over \$1 billion through a combination of asset sales and other strategic initiatives by the end of Q1 2016.

The Company is and expects to remain in full compliance with all covenants. Accordingly, the condensed interim consolidated financial statements have been prepared on a going concern basis. In making the assessment that the Company is a going concern, management have taken account all available information about the future, which is at least, but is not limited to, twelve months from September 30, 2015.

Management has made certain judgements and estimates in forecasting covenant compliance which may be uncertain and beyond the control of management. Although management has made its best estimate of these factors, it is possible that changes could occur which would adversely impact forecasts and could result in covenants not being in compliance. It is possible that continued volatility in commodity markets could result in a reduction in the commodity prices of copper and nickel below management assumptions. There is also a risk that the commissioning and commercial production of the Sentinel operation could be delayed or impacted by power restrictions. This would adversely affect EBITDA and Net Debt such that there is a risk covenants would not be met.

The Company has the ability to further reduce uncommitted capital expenditure to improve Net Debt, which management will continue to review. The Company is managing the situation closely and remains vigilant for all opportunities to reduce cash outflows and improve cash generation.

The Company's liquidity position as at September 30, 2015, remains positive. At September 30, 2015, the Company has \$1,600 million of committed undrawn facilities and \$276 million of unrestricted cash, as well as future cash flows in order to meet current obligations as they become due.

As at September 30, 2015, the Company had the following contractual obligations outstanding:

	Carrying Value	Contractual Cashflows	< 1 year	1 – 3 years	3 – 5 years	Thereafter
Debt	5,691	7,580	518	1,778	1,616	3,668
Trade and other payables	521	521	521	-	-	-
Current taxes payable	123	123	123	-	-	-
Deferred payments	35	35	4	4	4	23
Finance leases	25	37	5	9	7	16
Commitments	-	1,000	135	847	7	11
Restoration provisions	557	960	6	22	26	906
Total	6,952	10,256	1,312	2,660	1,660	4,624

At September 30, 2015, the Company had total commitments of \$1,000 million, of which approximately \$135 million relates to the next twelve months, and is comprised primarily of capital expenditure for property, plant and equipment related to the development of Cobre Panama. In addition, the Company's Board of Directors has approved, but has not yet committed to, further capital expenditure which is being carefully managed in line with available cash resources and debt facilities.

Hedging programs

The Company has hedging programs in respect of future copper sales and provisionally priced sales contracts:

Hedging of future copper sales

During Q3 2015, the Company entered into derivative contracts to ensure that the Company's exposure to the price of copper on future sales is managed so as to limit price volatility. As at September 30, 2015, the Company had entered into forward contracts to hedge 170,000 tonnes of copper at an average price of \$2.41/lb with maturities from December 2015 to September 2016. The Company has elected to apply hedge accounting, with the hedges expected to be highly effective in offsetting changes in cash flows of future sales. At September 30, 2015, a fair value gain of \$28 million has been recognized on the hedged positions through accumulated other comprehensive income.

As at the date of this MD&A, the Company had derivative contracts for 208,575 tonnes of copper at an average price of \$2.41/lb with maturities from November 2015 to September 2016.

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, gold and nickel embedded derivatives which are included within accounts receivable.

Derivatives designated as hedged instruments

The Company has elected to apply hedge accounting with the following contracts expected to be highly effective in offsetting changes in the cash flows of future sales:

	Open Positions (tonnes/ounces)	Average Contract price	Closing Market price	Maturities Through
Commodity contracts:				
Copper	170,000	\$2.41/lb	\$2.31/lb	September 2016

At September 30, 2015, a fair value gain of \$28 million has been recognized on derivatives designated as hedged instruments through accumulated other comprehensive income.

Other derivatives

As at September 30, 2015, the following derivative positions in provisionally priced sales and commodity contracts not designated as hedged instruments were outstanding:

	Open Positions (tonnes/ounces)	Average Contract price	Closing Market price	Maturities Through
Embedded derivatives in provisionally priced sales				
Copper	59,941	\$2.44/lb	\$2.31/lb	January 2016
Nickel	2,210	\$4.52/lb	\$4.57/lb	October 2015
Gold	22,918	\$1,133/oz	\$1,118/oz	January 2016
Zinc	1,150	\$0.80/lb	\$0.75/lb	November 2015
Platinum	3,622	\$958/oz	\$916/oz	October 2015
Palladium	2,787	\$628/oz	\$664/oz	October 2015
Commodity contracts:				
Copper	60,042	\$2.44/lb	\$2.31/lb	January 2016
Nickel	2,210	\$4.52/lb	\$4.57/lb	October 2015
Gold	22,918	\$1,133/oz	\$1,118/oz	January 2016
Zinc	1,150	\$0.80/lb	\$0.75/lb	November 2015
Platinum	3,622	\$958/oz	\$916/oz	October 2015
Palladium	2,787	\$628/oz	\$664/oz	October 2015

A summary of the fair values of unsettled derivative financial instruments for commodity contracts recorded on the consolidated balance sheet:

	September 30, 2015	December 31, 2014
Commodity contracts:		
Asset position	54	22
Liability position	(2)	(2)

EQUITY

At the date of this report, the Company has 689,331,082 shares outstanding.

SUMMARY OF RESULTS

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

Consolidated operating statistics	Q4 13	2013	Q1 14	Q2 14	Q3 14	Q4 14	2014	Q1 15	Q2 15	Q3 15	2015
<i>Sales revenues</i>											
Copper	\$644	\$2,590	\$644	\$685	\$628	\$583	\$2,540	\$501	\$449	\$494	\$1,444
Nickel	138	531	146	148	157	146	597	62	86	85	233
Gold	57	282	56	66	59	48	229	52	53	66	171
PGE and other elements	58	150	45	46	41	44	176	35	22	28	85
Total sales revenues	897	3,553	891	945	885	821	3,542	650	610	673	1,933
Gross profit	320	1,134	282	292	241	183	998	26	54	103	183
EBITDA ¹	367	1,373	364	381	383	309	1,437	105	158	178	441
Comparative EBITDA ¹	393	1,420	373	402	355	278	1,408	120	161	261	542
Net earnings attributable to shareholders of the Company	131	459	127	134	121	453	835	(82)	(101)	(427)	(610)
Comparative earnings	154	521	130	152	133	58	473	(12)	18	70	76
Basic earnings per share	\$0.22	\$0.82	\$0.22	\$0.23	\$0.21	\$0.76	\$1.40	(\$0.14)	(\$0.16)	(\$0.62)	(\$0.96)
Comparative earnings per share	\$0.26	\$0.93	\$0.22	\$0.26	\$0.22	\$0.10	\$0.79	(\$0.02)	\$0.03	\$0.10	\$0.12
Diluted earnings per share	\$0.22	\$0.81	\$0.21	\$0.23	\$0.20	\$0.75	\$1.39	(\$0.14)	(\$0.16)	(\$0.62)	(\$0.96)
Dividends declared per common share (\$CDN per share)	-	\$0.1730	\$0.0930	-	\$0.0504	-	\$0.1434	\$0.0487	-	\$0.0330	\$0.0817
Basic weighted average # shares (000's) ²	587,456	560,009	587,191	587,164	591,244	595,994	595,994	595,986	621,686	684,513	634,280
<i>Cash flows per share from operating activities</i>											
Before working capital movements	\$0.72	\$2.57	\$0.63	\$0.67	\$0.58	\$0.44	\$2.28	\$0.22	\$0.25	\$0.38	\$0.87
After working capital movements	\$0.34	\$1.55	\$0.15	\$0.32	\$0.42	\$0.36	\$1.25	\$0.25	\$0.17	\$0.25	\$0.67
<i>Copper statistics</i>											
Total copper production (tonnes)	114,791	412,281	113,118	107,808	101,553	105,176	427,655	96,318	104,233	107,485	308,036
Total copper sales (tonnes)	95,598	386,057	102,786	114,449	99,132	94,836	411,203	95,185	84,382	104,613	284,180
Realized copper price (per lb)	3.26	3.22	3.10	2.97	3.11	2.91	3.03	2.56	2.65	2.28	2.49
TC/RC (per lb)	(0.08)	(0.09)	(0.14)	(0.15)	(0.14)	(0.15)	(0.14)	(0.16)	(0.18)	(0.14)	(0.16)
Freight charges (per lb)	(0.12)	(0.14)	(0.12)	(0.11)	(0.10)	(0.09)	(0.11)	(0.12)	(0.10)	(0.02)	(0.08)
Net realized copper price (per lb)	3.06	2.99	2.84	2.71	2.87	2.67	2.78	2.28	2.37	2.12	2.25
Cash cost – copper (C1) (per lb) ¹	\$1.23	\$1.30	\$1.38	\$1.45	\$1.44	\$1.35	\$1.41	\$1.39	\$1.22	\$1.18	\$1.27
Total cost – copper (C3) (per lb) ¹	\$1.81	\$1.92	\$2.03	\$2.16	\$2.26	\$2.06	\$2.12	\$2.35	\$2.24	\$2.09	\$2.24
<i>Nickel statistics</i>											
Nickel production (contained tonnes)	12,634	47,066	11,838	12,223	11,884	9,934	45,879	6,268	9,059	9,955	25,282
Nickel sales (contained tonnes)	13,795	49,105	14,097	10,651	10,812	12,189	47,749	5,706	8,721	10,733	25,160
Nickel production (payable tonnes)	9,964	37,224	9,503	9,900	9,316	7,767	36,486	4,851	7,026	7,608	19,485
Nickel sales (payable tonnes)	11,008	38,376	11,113	8,344	8,417	9,374	37,248	4,360	6,662	8,299	19,321
Realized nickel price (per payable lb)	6.37	6.82	6.57	8.45	8.47	7.20	7.58	6.56	5.98	4.81	5.61
TC/RC (per payable lb)	(0.67)	(0.54)	(0.60)	(0.41)	(0.03)	(0.12)	(0.31)	(0.13)	(0.08)	(0.18)	(0.14)
Net realized nickel price (per payable lb)	5.70	6.28	5.97	8.04	8.44	7.08	7.27	6.43	5.90	4.63	5.47
Cash cost – nickel (C1) (per payable lb) ¹	\$4.51	\$5.02	\$4.37	\$4.16	\$4.52	\$4.49	\$4.40	\$4.40	\$4.68	\$4.56	\$4.57
Total cost – nickel (C3) (per payable lb) ¹	\$5.46	\$6.20	\$5.65	\$5.51	\$5.77	\$6.06	\$5.82	\$5.99	\$6.39	\$5.62	\$5.99
<i>Gold statistics</i>											
Total gold production (ounces)	63,199	248,078	60,164	60,723	51,446	57,480	229,813	52,782	56,725	56,887	166,394
Total gold sales (ounces)	50,399	228,962	53,126	60,135	52,235	48,608	214,104	49,880	50,804	63,411	164,095
Net realized gold price (per ounce)	1,124	1,231	1,056	1,102	1,124	989	1,071	1,036	1,044	1,042	1,041
<i>Platinum statistics</i>											
Platinum production (ounces)	7,993	30,403	8,857	9,210	6,712	9,311	34,090	6,468	6,104	9,142	21,714
Platinum sales (ounces)	11,375	28,930	9,931	10,558	5,079	8,330	33,898	7,310	7,223	8,486	23,019
<i>Palladium statistics</i>											
Palladium production (ounces)	6,600	24,639	6,485	7,000	5,271	7,234	25,990	4,977	4,731	7,426	17,134
Palladium sales (ounces)	8,167	23,420	7,769	7,285	4,536	6,256	25,846	5,342	5,431	6,447	17,220
<i>Zinc statistics</i>											
Zinc production (tonnes)	15,393	49,933	14,841	13,787	14,795	12,557	55,980	12,975	8,220	10,339	31,534
Zinc sales (tonnes)	17,866	51,925	12,858	15,420	15,327	12,663	56,268	13,054	7,411	10,117	30,582

¹ Cash cost (C1), total cost (C3) and EBITDA are not recognized under IFRS. See “Regulatory Disclosures” for further information. Total cost (C3) is defined as C1 cash cost plus depreciation, exploration, insurance and royalties.

² Fluctuations in average weighted shares between quarters reflects shares issued and changes in levels of treasury shares held for performance share units.

Kansanshi statistics	Q4 13	2013	Q1 14	Q2 14	Q3 14	Q4 14	2014	Q1 15	Q2 15	Q3 15	2015
<i>Mining</i>											
Waste mined (000's tonnes)	18,850	84,388	9,343	11,927	17,725	15,971	54,966	12,043	17,119	21,816	50,978
Ore mined (000's tonnes)	9,868	36,275	5,688	6,563	7,859	6,835	26,945	6,838	9,166	9,057	25,061
<i>Processing</i>											
Sulphide ore processed (000's tonnes)	2,790	11,089	2,701	2,347	1,366	1,530	7,944	1,389	1,503	2,478	5,370
Sulphide ore grade processed (%)	0.9	0.8	1.0	0.8	1.0	1.0	0.9	0.9	0.9	0.8	0.8
Sulphide ore recovery (%)	92	92	92	91	91	89	91	90	92	91	91
Mixed ore processed (000's tonnes)	1,997	7,677	1,316	1,770	3,064	3,263	9,413	3,288	3,342	2,359	8,989
Mixed ore grade processed (%)	1.2	1.2	1.1	1.1	1.2	1.1	1.1	1.1	1.0	1.0	1.1
Mixed ore recovery (%)	71	71	72	75	74	70	73	68	68	71	71
Oxide ore processed (000's tonnes)	1,660	6,662	1,923	2,448	1,853	1,753	7,977	1,367	1,760	1,773	4,900
Oxide ore grade processed (%)	2.4	2.2	2.2	1.7	1.6	1.6	1.8	1.5	1.6	1.3	1.5
Oxide ore recovery (%)	87	86	82	83	85	81	83	89	79	82	79
Copper cathode produced (tonnes)	27,118	99,834	28,022	29,813	25,162	19,365	102,362	14,915	18,750	18,434	52,099
Copper cathode tolled produced (tonnes)	14,489	64,675	2,560	-	-	-	2,560	-	-	-	-
Copper in concentrate produced (tonnes)	30,994	106,214	39,967	36,483	38,356	42,559	157,365	38,631	38,266	36,078	112,975
Total copper production	72,602	270,724	70,549	66,296	63,518	61,924	262,287	53,546	57,016	54,512	165,074
Concentrate grade (%)	23.2	24.6	24.2	22.5	23.9	22.2	23.3	23.4	22.5	20.8	22.0
Concentrate processed (DMT) ²	-	-	-	-	-	-	-	21,367	204,685	254,709	480,761
Copper anodes produced (tonnes) ²	-	-	-	-	-	-	-	3,086	43,628	57,085	103,799
Gold produced (ounces)	43,508	167,395	39,734	41,760	36,232	36,705	154,431	32,592	35,182	34,474	102,248
<i>Cash Costs (per lb)¹</i>											
Mining	\$0.46	\$0.52	\$0.64	\$0.73	\$0.57	\$0.61	\$0.64	\$0.67	\$0.56	\$0.67	\$0.64
Processing	0.77	0.79	0.78	0.84	0.91	0.93	0.86	0.88	0.69	0.61	0.73
Site administration	0.08	0.07	0.07	0.09	0.08	0.05	0.07	0.09	0.06	0.06	0.07
TC/RC and freight charges	0.30	0.34	0.37	0.34	0.30	0.31	0.33	0.40	0.59	0.20	0.38
Gold credit	(0.33)	(0.34)	(0.29)	(0.30)	(0.29)	(0.22)	(0.27)	(0.27)	(0.33)	(0.28)	(0.29)
Total smelter costs	-	-	-	-	-	-	-	-	(0.20)	0.08	(0.03)
Cash cost (C1) (per lb) ¹	\$1.28	\$1.38	\$1.57	\$1.70	\$1.57	\$1.68	\$1.63	\$1.77	\$1.37	\$1.34	\$1.50
Total cost (C3) (per lb) ¹	\$1.70	\$1.83	\$2.04	\$2.22	\$2.21	\$2.17	\$2.16	\$2.75	\$2.38	\$2.23	\$2.49
<i>Revenues (\$ millions)</i>											
Copper cathodes	\$267	\$1,245	\$207	\$244	\$229	\$228	\$908	\$137	\$124	\$108	\$369
Copper anode	-	-	-	-	-	-	-	16	-	139	155
Copper in concentrates	129	401	183	185	142	108	618	129	112	29	270
Gold	42	186	40	48	38	26	152	32	32	34	98
Total sales revenues	\$438	\$1,832	\$430	\$477	\$409	\$362	\$1,678	\$314	\$268	\$310	\$892
Copper cathode sales (tonnes)	28,199	115,778	27,153	36,580	32,921	31,386	128,040	20,202	19,372	20,036	59,610
Copper tolled cathode sales (tonnes)	14,489	64,675	2,560	-	-	-	2,560	-	-	-	-
Copper anode sales (tonnes)	-	-	-	-	-	-	-	2,922	127	27,338	30,387
Copper in concentrate sales (tonnes)	15,003	68,292	33,357	36,629	25,391	21,335	116,712	30,380	24,789	7,182	62,351
Gold sales (ounces)	36,844	152,632	37,728	43,784	33,366	27,731	142,609	31,307	30,459	31,542	93,308

¹ Cash cost (C1) and total cost (C3) are not recognized under IFRS. See "Regulatory Disclosures" for further information. Total cost (C3) is defined as C1 cash cost plus depreciation, exploration, insurance and royalties.

² Concentrate processed in smelter and copper anodes produced are disclosed on a 100% basis, inclusive of Sentinel concentrate processed.

Las Cruces statistics	Q4 13	2013	Q1 14	Q2 14	Q3 14	Q4 14	2014	Q1 15	Q2 15	Q3 15	2015
<i>Mining</i>											
Waste mined (000's tonnes) ¹	3,273	17,066	852	4,476	7,096	6,629	19,053	2,615	3,154	7,190	12,959
Ore mined (000's tonnes)	149	1,173	362	558	422	350	1,692	298	566	476	1,340
<i>Processing</i>											
Copper ore processed (000's tonnes)	334	1,253	375	372	413	379	1,539	362	388	370	1,120
Copper ore grade processed (%)	6.0	6.2	5.5	5.1	4.8	5.2	5.1	5.1	5.1	5.2	5.1
Recovery (%)	91	89	91	90	89	89	90	91	88	90	90
Copper cathode produced (tonnes)	18,346	69,304	18,675	17,197	17,693	17,525	71,090	16,694	17,362	17,365	51,421
<i>Cash Costs (per lb)²</i>											
Cash cost (C1) (per lb) ²	\$1.24	\$1.14	\$0.98	\$0.89	\$1.03	\$0.95	\$0.96	\$0.97	\$0.87	\$0.73	\$0.86
Total cost (C3) (per lb) ²	\$2.15	\$2.13	\$1.92	\$2.00	\$2.04	\$1.94	\$1.97	\$1.90	\$2.07	\$1.84	\$1.94
<i>Revenues (\$ millions)</i>											
Copper cathode	\$121	\$490	\$132	\$129	\$126	\$104	\$491	\$116	\$101	\$94	\$311
Copper cathode sales (tonnes)	16,883	66,806	18,657	18,867	18,002	15,594	71,120	19,598	16,600	17,484	53,682

¹ Waste mined has been restated to include development tonnes, not previously included, in order to align with other sites' mine statistics.

² Cash cost (C1) and total cost (C3) are not recognized under IFRS. See "Regulatory Disclosures" for further information. Total cost (C3) is defined as C1 cash cost plus depreciation, exploration insurance and royalties.

Guelb Moghrein statistics	Q4 13	2013	Q1 14	Q2 14	Q3 14	Q4 14	2014	Q1 15	Q2 15	Q3 15	2015
<i>Mining</i>											
Waste mined (000's tonnes)	5,653	22,313	4,390	4,755	3,394	4,601	17,140	2,972	6,198	4,245	13,415
Ore mined (000's tonnes)	735	2,891	682	730	703	971	3,086	829	840	751	2,420
<i>Processing</i>											
Sulphide ore processed (000's tonnes)	714	2,847	738	729	621	969	3,057	1,001	1,014	979	2,994
Sulphide ore grade processed (%)	1.3	1.4	1.3	1.2	1.1	1.1	1.2	1.2	1.2	1.3	1.2
Recovery (%)	93	94	93	92	92	91	92	92	91	92	92
Copper in concentrate produced	8,866	37,970	8,847	8,069	6,395	9,768	33,079	10,642	11,141	11,373	33,156
Gold produced (ounces)	13,336	58,191	13,849	12,256	8,942	13,901	48,948	14,468	16,240	16,154	46,862
<i>Cash Costs (per lb)¹</i>											
Mining	\$0.55	\$0.50	\$0.56	\$0.78	\$0.67	\$0.43	\$0.60	\$0.43	\$0.32	\$0.38	\$0.38
Processing	1.30	1.18	1.06	1.14	1.32	0.94	1.09	0.68	0.67	0.68	0.68
Site administration	0.24	0.32	0.21	0.24	0.37	0.21	0.25	0.18	0.16	0.19	0.18
TC/RC and freight charges	0.54	0.57	0.52	0.57	0.61	0.57	0.57	0.58	0.67	0.59	0.60
Gold credit	(0.77)	(0.99)	(0.79)	(0.86)	(0.86)	(0.84)	(0.84)	(0.76)	(0.83)	(0.75)	(0.77)
Cash cost (C1) (per lb) ¹	\$1.86	\$1.58	\$1.56	\$1.87	\$2.11	\$1.31	\$1.67	\$1.11	\$0.99	\$1.09	\$1.07
Total cost (C3) (per lb) ¹	\$2.11	\$2.11	\$2.20	\$2.62	\$2.94	\$2.07	\$2.41	\$1.80	\$1.70	\$1.70	\$1.73
<i>Revenues (\$ millions)</i>											
Copper in concentrates	\$41	\$239	\$39	\$35	\$54	\$48	\$176	\$44	\$46	\$74	\$164
Gold	10	76	10	12	17	15	54	14	17	28	59
Total sales revenues	\$51	\$315	\$49	\$47	\$71	\$63	\$230	\$58	\$63	\$102	\$223
Copper in concentrate sales (tonnes)	6,327	36,585	6,360	6,064	9,152	8,519	30,095	9,010	9,470	17,614	36,094
Gold sales (ounces)	8,281	56,040	9,075	9,488	13,917	13,421	45,901	12,860	14,568	26,585	54,013

¹ Cash cost (C1) and total cost (C3) are not recognized under IFRS. See "Regulatory Disclosures" for further information. Total cost (C3) is defined as C1 cash cost plus depreciation, exploration, insurance and royalties.

Ravensthorpe statistics	Q4 13	2013	Q1 14	Q2 14	Q3 14	Q4 14	2014	Q1 15	Q2 15	Q3 15	2015
<i>Processing</i>											
Beneficiated ore processed (000's tonnes)	845	3,119	761	828	829	710	3,128	369	528	687	1,584
Beneficiated ore grade processed (%)	1.6	1.6	1.6	1.5	1.5	1.4	1.5	1.4	1.5	1.4	1.5
Nickel recovery – leach feed to NI produced (%) ¹	81	82	85	83	84	82	84	92	93	85	89
Nickel produced (contained tonnes)	10,244	38,103	9,370	9,611	9,728	7,736	36,445	4,238	7,115	7,662	19,015
Nickel produced (payable tonnes)	7,808	29,137	7,266	7,528	7,619	6,059	28,472	3,274	5,513	5,893	14,680
<i>Cash Costs (per lb)²</i>											
Mining	\$0.85	\$0.77	\$0.74	\$0.74	\$0.80	\$0.94	\$0.80	\$0.86	\$0.81	\$0.84	\$0.83
Processing	2.72	3.47	2.76	2.99	3.39	3.64	3.18	3.24	3.12	3.25	3.20
Site administration	0.27	0.34	0.26	0.28	0.32	0.29	0.29	0.43	0.42	0.32	0.38
TC/RC and freight charges	0.51	0.54	0.48	0.48	0.49	0.41	0.46	0.39	0.60	0.46	0.50
Cobalt credit	(0.12)	(0.13)	(0.22)	(0.23)	(0.22)	(0.24)	(0.23)	(0.26)	(0.25)	(0.27)	(0.26)
Cash cost (C1) (per lb) ²	\$4.23	\$4.99	\$4.02	\$4.26	\$4.79	\$5.04	\$4.50	\$4.66	\$4.70	\$4.60	\$4.65
Total cost (C3) (per lb) ²	\$5.39	\$6.18	\$5.38	\$5.66	\$6.44	\$6.57	\$5.98	\$6.28	\$6.13	\$5.93	\$6.08
<i>Revenues (\$ millions)</i>											
Nickel	\$112	\$465	\$115	\$127	\$129	\$121	\$492	\$41	\$67	\$65	\$173
Cobalt	2	9	4	4	3	4	15	2	2	4	8
Total sales revenues	\$114	\$474	\$119	\$131	\$132	\$125	\$507	\$43	\$69	\$69	\$181
Nickel sales (contained tonnes)	10,142	40,612	10,420	8,825	8,824	9,912	37,981	3,732	6,556	8,062	18,350
Nickel sales (payable tonnes)	8,021	30,972	8,042	6,879	6,937	7,688	29,546	2,962	5,125	6,270	14,357

¹ The Company has retrospectively changed how nickel recovery is calculated and disclosed to better reflect the mine process.

² Cash cost (C1) and total cost (C3) are not recognized under IFRS. See "Regulatory Disclosures" for further information. Total cost (C3) is defined as C1 cash cost plus depreciation, exploration, insurance and royalties.

Kevitsa statistics	Q4 13	2013	Q1 14	Q2 14	Q3 14	Q4 14	2014	Q1 15	Q2 15	Q3 15	2015
<i>Mining</i>											
Total tonnes mined (000's tonnes)	6,071	21,604	5,626	7,357	6,880	8,302	28,165	8,514	10,072	9,029	27,615
<i>Processing</i>											
Ore tonnes milled (000's tonnes)	1,670	6,314	1,527	1,809	1,666	1,709	6,711	1,504	1,559	1,811	4,874
Nickel ore grade processed (%)	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Nickel recovery (%)	64	63	65	61	56	63	61	64	66	67	66
Nickel production (tonnes)	2,390	8,963	2,469	2,611	2,156	2,197	9,433	2,030	1,944	2,293	6,267
Copper ore grade processed (%)	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Copper recovery (%)	84	83	88	89	87	84	87	89	89	90	89
Copper production (tonnes)	4,015	14,775	3,988	4,648	4,798	4,101	17,535	4,408	4,293	4,196	12,897
Gold production (ounces)	3,008	11,723	3,029	3,514	3,208	3,093	12,844	3,002	2,890	3,324	9,216
Platinum production (ounces)	7,993	30,403	8,857	9,210	6,712	9,311	34,090	6,468	6,104	9,142	21,714
Palladium production (ounces)	6,600	24,639	6,485	7,000	5,271	7,234	25,990	4,977	4,731	7,426	17,134
Cash cost – Nickel (C1) (per lb) ^{1,2}	\$5.15	\$5.24	\$5.19	\$4.02	\$3.24	\$2.66	\$4.07	\$3.87	\$4.61	\$4.41	\$4.32
Total cost – Nickel (C3) (per lb) ^{1,2}	\$5.35	\$6.41	\$6.23	\$5.13	\$4.41	\$4.31	\$5.29	\$5.49	\$7.32	\$4.54	\$5.75
Cash cost – Copper (C1) (per lb) ^{1,2}	\$1.49	\$1.68	\$1.52	\$0.97	\$2.19	\$1.11	\$1.42	\$1.32	\$1.22	\$1.56	\$1.36
Total cost – Copper (C3) (per lb) ^{1,2}	\$1.78	\$2.44	\$2.30	\$1.66	\$3.01	\$2.24	\$2.27	\$2.04	\$2.23	\$1.68	\$1.99
<i>Revenues (\$ millions)</i>											
Nickel	\$27	\$66	\$31	\$20	\$28	\$25	\$104	\$20	\$21	\$19	\$60
Copper	17	79	31	33	16	29	109	19	22	13	54
Gold	1	8	3	4	1	3	11	2	3	2	7
PGE and other	16	45	16	14	8	9	47	7	6	7	20
Total sales revenues	\$61	\$198	\$81	\$71	\$53	\$66	\$271	\$48	\$52	\$41	\$141
Nickel sales (tonnes)	3,652	8,493	3,677	1,825	1,989	2,277	9,768	1,974	2,165	2,671	6,810
Copper sales (tonnes)	2,938	12,652	5,237	5,787	2,973	5,545	19,542	4,103	4,704	3,254	12,061
Gold sales (ounces)	1,182	7,358	2,749	3,485	1,413	3,229	10,876	2,611	3,383	2,132	8,126
Platinum sales (ounces)	11,375	28,930	9,931	10,558	5,079	8,330	33,898	7,310	7,223	8,486	23,019
Palladium sales (ounces)	8,167	23,420	7,769	7,285	4,536	6,256	25,846	5,342	5,431	6,447	17,220

¹ Cash cost (C1) and total cost (C3) are not recognized under IFRS. See “Regulatory Disclosures” for further information. Total cost (C3) is defined as C1 cash cost plus depreciation, exploration, insurance and royalties.

² C1 cash cost and C3 total cost are calculated on a co-product basis for nickel and copper. Common costs are allocated to each product based on the ratio of production volumes multiplied by budget metal prices. By-product credits are allocated based on the finished product concentrate in which they are produced.

Çayeli statistics	Q4 13	2013	Q1 14	Q2 14	Q3 14	Q4 14	2014	Q1 15	Q2 15	Q3 15	2015
<i>Mining</i>											
Ore mined (000's tonnes)	340	1,330	332	337	321	366	1,356	327	303	313	943
<i>Processing</i>											
Ore milled (000's tonnes)	342	1,333	337	332	324	348	1,341	332	315	312	959
Copper ore grade processed (%)	2.8	3.1	2.7	3.0	2.5	2.8	2.7	2.6	2.2	2.4	2.4
Copper ore recovery (%)	78	77	80	83	77	81	80	81	81	78	80
Zinc ore grade processed (%)	4.5	4.9	4.4	3.8	4.7	4.1	4.3	3.3	2.7	3.2	3.1
Zinc ore recovery (%)	63	66	66	62	65	60	63	55	55	54	55
Copper produced (tonnes)	7,538	31,510	7,142	8,229	6,169	7,820	29,360	7,136	5,746	5,816	18,698
Zinc produced (tonnes)	9,837	43,097	9,791	7,898	10,016	8,513	36,218	5,954	4,599	5,477	16,030
<i>Cash Costs (per lb)^{1,2}</i>											
Cash cost – Copper (C1) (per lb) ¹	\$0.87	\$0.76	\$0.76	\$0.80	\$1.04	\$1.02	\$0.90	\$1.02	\$1.34	\$1.43	\$1.26
Total cost – Copper (C3) (per lb) ¹	\$1.89	\$1.64	\$1.72	\$1.63	\$2.43	\$1.66	\$1.83	\$2.04	\$2.19	\$2.53	\$2.24
<i>Revenues (\$ millions)</i>											
Copper	\$46	\$185	\$32	\$38	\$42	\$43	\$155	\$24	\$30	\$22	\$76
Zinc	14	48	10	11	15	11	47	6	5	4	15
Other	3	15	1	3	3	3	10	2	1	1	4
Total sales revenues	\$63	\$248	\$43	\$52	\$60	\$57	\$212	\$32	\$36	\$27	\$95
Copper sales (tonnes)	7,940	31,370	5,711	7,264	7,847	8,419	29,241	5,720	6,747	5,672	18,139
Zinc sales (tonnes)	12,179	43,354	8,639	9,069	10,228	9,362	37,298	5,166	4,967	4,499	14,632

¹ Cash cost (C1) and total cost (C3) are not recognized under IFRS. See “Regulatory Disclosures” for further information. Total cost (C3) is defined as C1 cash cost plus depreciation, exploration, insurance and royalties.

Pyhäsalmi statistics	Q4 13	2013	Q1 14	Q2 14	Q3 14	Q4 14	2014	Q1 15	Q2 15	Q3 15	2015
<i>Mining</i>											
Ore mined (000's tonnes)	348	1,382	342	360	340	360	1,402	341	341	350	1,032
<i>Processing</i>											
Ore milled (000's tonnes)	348	1,382	342	347	345	343	1,377	341	346	347	1,034
Copper ore grade processed (%)	1.0	1.1	1.2	1.0	0.9	1.2	1.1	0.9	0.9	1.0	0.9
Copper ore recovery (%)	98	97	97	96	95	97	96	97	97	96	97
Zinc ore grade processed (%)	1.7	1.7	1.6	1.9	1.5	1.3	1.6	2.2	1.2	1.6	1.7
Zinc ore recovery (%)	92	92	90	91	90	89	90	92	90	89	91
Copper produced (tonnes)	3,422	14,854	3,917	3,369	2,980	4,038	14,304	2,889	2,877	3,245	9,011
Zinc produced (tonnes)	5,556	21,679	5,050	5,889	4,780	4,043	19,762	7,021	3,621	4,862	15,504
Pyrite produced (tonnes)	202,688	825,821	196,884	224,388	219,224	200,433	840,929	198,855	204,493	220,327	623,675
<i>Cash Costs (per lb)¹</i>											
Cash cost – Copper (C1) (per lb) ¹	\$0.03	\$0.14	\$0.52	\$0.18	\$0.09	(\$0.49)	\$0.06	(\$0.52)	\$0.84	\$0.55	\$0.27
Total cost – Copper (C3) (per lb) ¹	\$2.51	\$1.82	\$2.54	\$2.24	\$2.24	\$1.49	\$2.11	\$1.64	\$2.96	\$2.62	\$2.39
<i>Revenues (\$ millions)</i>											
Copper	\$25	\$101	\$22	\$20	\$18	\$24	\$84	\$17	\$13	\$15	\$45
Zinc	7	27	5	8	8	5	27	11	3	6	20
Pyrite	15	33	5	6	6	11	27	8	2	5	15
Other	4	13	5	4	2	4	15	3	3	4	10
Total sales revenues	\$51	\$174	\$37	\$38	\$34	\$44	\$153	\$39	21	30	90
Copper sales (tonnes)	3,819	15,221	3,750	3,259	2,847	4,038	13,894	3,250	2,573	3,561	9,384
Zinc sales (tonnes)	5,687	22,339	4,219	6,351	5,100	3,300	18,970	7,888	2,444	5,619	15,951
Pyrite sales (tonnes)	454,665	769,919	191,801	216,244	211,949	320,849	940,843	229,353	104,919	198,224	532,496

¹ Cash cost (C1) and total cost (C3) are not recognized under IFRS. See “Regulatory Disclosures” for further information. Total cost (C3) is defined as C1 cash cost plus depreciation, exploration, insurance and royalties.

Production of copper during Sentinel’s commissioning phase is shown below for information purposes.

Sentinel statistics	Q4 13	2013	Q1 14	Q2 14	Q3 14	Q4 14	2014	Q1 15	Q2 15	Q3 15	2015
<i>Processing</i>											
Copper produced (tonnes)	-	-	-	-	-	-	-	1,003	5,799	10,979	17,781

REGULATORY DISCLOSURES

Seasonality

The Company's results as discussed in this MD&A are subject to seasonal aspects, in particular the rain season in Zambia. The rain season in Zambia generally starts in November and continues through April, with the heaviest rainfall normally experienced in the months of January, February and March. As a result of the rain 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) and total cost (C3) per unit of payable production, operating cash flow per share, EBITDA and comparative earnings, which are not measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS.

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 and total cost

The consolidated cash cost (C1) 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 and C3 total cost for each segment, the costs are prepared 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, cobalt or platinum group elements. 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. C3 total cost is C1 cash cost plus depreciation, exploration, insurance and royalties.

Group Cost of Sales	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Copper	(450)	(527)	(1,429)	(1,540)
Nickel	(120)	(117)	(321)	(366)
Total cost of sales	(570)	(644)	(1,750)	(1,906)

Copper Operations	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Cost of sales	(450)	(527)	(1,429)	(1,540)
Adjustments:				
Depreciation	122	135	363	365
Gold credit	84	90	235	280
Royalties	48	33	199	106
Treatment and refining charges and freight costs	(41)	(52)	(154)	(177)
Other	(5)	6	(1)	(23)
Cash cost (C1)	(242)	(315)	(787)	(989)
Adjustments:				
Depreciation (excluding depreciation in finished goods)	(139)	(136)	(393)	(380)
Royalties	(48)	(33)	(199)	(106)
Other	(5)	(9)	(11)	(13)
Total cost (C3)	(434)	(493)	(1,390)	(1,488)
Copper production (tonnes) ¹	107,485	101,553	308,036	322,479
Copper sales (tonnes) ¹	104,613	99,132	284,180	316,367
Cash cost – copper (C1) (per lb) ²	\$1.18	\$1.44	\$1.27	\$1.42
Total cost – copper (C3) (per lb) ²	\$2.09	\$2.26	\$2.24	\$2.15

¹ Total copper production includes initial production at Sentinel of 10,979 tonnes for the three months ended September 30, 2015 and 17,781 tonnes for the nine months ended September 30, 2015. Total copper sales includes initial sales at Sentinel of 2,474 tonnes for the three and nine months ended September 30, 2015.

² C1 cash cost and C3 total cost are calculated by applying either copper sales or production tonnages to the associated cost.

Nickel Operations	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Cost of sales	(120)	(117)	(321)	(366)
Adjustments:				
Depreciation	17	22	51	68
Gold credit	9	8	21	30
Royalties	3	6	8	17
Treatment and refining charges and freight costs	(3)	-	(6)	(22)
Other	17	(12)	51	(3)
Cash cost (C1)	(77)	(93)	(196)	(276)
Adjustments:				
Depreciation (excluding depreciation in finished goods)	(14)	(24)	(50)	(66)
Royalties	(3)	(6)	(8)	(17)
Other	(1)	(1)	(3)	(5)
Total cost (C3)	(95)	(124)	(257)	(364)
Nickel production (payable tonnes)	7,608	9,316	19,485	28,719
Nickel sales (payable tonnes)	8,299	8,417	19,321	27,874
Cash cost – copper (C1) (per lb) ¹	\$4.56	\$4.52	\$4.57	\$4.38
Total cost – copper (C3) (per lb) ¹	\$5.62	\$5.77	\$5.99	\$5.77

¹ C1 cash cost and C3 total cost are calculated by applying either nickel sales or production tonnages to the associated cost.

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

In calculating the operating cash flow per share, before and after working capital movements, the operating cash flow calculated for IFRS purposes is divided by the basic weighted average common shares outstanding for the respective period. EBITDA is calculated as operating profit before depreciation and impairment charges.

Comparative EBITDA, comparative earnings and comparative earnings per share are non-GAAP measures which determine the performance of the Company, excluding certain impacts which the Company believes are not reflective of the Company's underlying performance for the reporting period. These include foreign exchange gains and losses, gains and losses on disposal of assets, one-time costs related to acquisitions, dispositions, restructuring and other transactions and revisions in estimates of restoration provisions at closed sites.

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Operating profit (loss)	39	210	(162)	679
Add back:				
Depreciation	139	157	414	433
Impairment of ENRC Promissory Note	-	-	117	-
Impairment of Guelb Moghrein magnetite plant	-	-	62	-
Impairment of investments	-	8	10	8
Equity share of impairment loss on associate	-	8	-	8
EBITDA	178	383	441	1,128
Adjustments:				
Foreign exchange (gain) loss	94	(28)	105	2
Leach tank failure at Ravensthorpe	(9)	-	(1)	-
Restructuring costs	-	-	2	-
Loss on disposal of assets	2	-	4	1
Revisions in estimates of restoration provisions on closed sites	(4)	-	(9)	(1)
Total adjustments to EBITDA	83	(28)	101	2
Comparative EBITDA	261	355	542	1,130

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Net earnings (loss) attributable to shareholders of the Company	(427)	121	(610)	382
Adjustments attributable to shareholders of the Company:				
Total adjustments to EBITDA including impairment	83	(12)	290	18
Tax on adjustments	541	23	530	18
Minority interest share of adjustments	(127)	-	(134)	(3)
Other	-	1	-	-
Comparative earnings	70	133	76	415
Earnings (loss) per share as reported	(\$0.62)	\$0.21	(\$0.96)	\$0.66
Comparative earnings per share	\$0.10	\$0.22	\$0.12	\$0.71

Significant judgments, estimates and assumptions in applying accounting policies

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 best knowledge of the relevant facts and circumstances at the time, having regard to prior experience, and are continually evaluated.

(i) Significant judgments

- Determination of ore reserves and resources

Judgments about the amount of product that can be economically and legally extracted from the Company's properties are made by management using a range of geological, technical and economic factors, history of conversion of mineral deposits to proven and probable reserves as well as data regarding quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates. This process may require complex and difficult geological judgments to interpret the data. The Company uses qualified persons (as defined by the Canadian Securities Administrators' National Instrument 43-101) to compile this data.

Changes in the judgments surrounding proven and probable reserves may impact the carrying value of property, plant and equipment, restoration provisions, recognition of deferred income tax amounts and depreciation.

- Achievement of commercial production

Once a mine or smelter reaches the operating levels intended by management, depreciation of capitalized costs begins. Significant judgment is required to determine when certain of the Company's assets reach this level; management consider several factors including: completion of a reasonable period of commissioning; consistent operating results are being achieved at a pre-determined level of design capacity and indications exist that this level will continue; mineral recoveries are at or near expected production level; and the transfer of operations from development personnel to operational personnel has been completed.

- Taxes

Judgment is required in determining the recognition and measurement of deferred income tax assets and liabilities on the balance sheet. In the normal course of business the Company is subject to assessment by taxation authorities in various jurisdictions. These authorities may have different interpretations of tax legislation or tax agreements than those applied by the Company in computing current and deferred income taxes. These different interpretations may alter the timing or amounts of taxable income or deductions. The final amount of taxes to be paid or recovered depends on a number of factors including the outcome of audits, appeals and negotiation. The Company provides for potential differences in interpretation based a best estimate of the probable outcome of these matters. Changes in these estimates could result in material adjustments to the Company's current and deferred income taxes.

- Functional currency

The functional currency of the Company and for each of the Company's subsidiaries is the United States dollar ("USD"), which is the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgments to determine the primary economic environment and this is re-evaluated for each new entity, or if conditions change.

(ii) Significant accounting estimates and assumptions

Estimates are inherently uncertain and therefore actual results may differ from the amounts included in the financial statements, potentially having a material future effect on the Company's consolidated financial statements. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

- Determination of ore reserves and life of mine plan

Reserves are estimates of the amount of product that can be economically and legally extracted from the Company's properties. Estimating the quantity and/or grade of reserves requires the size, shape and depth of ore bodies or fields to be determined by analyzing geological data such as drilling samples. Following this, the quantity of ore that can be extracted in an economical manner is calculated using data regarding the life of mine plans and forecast sales prices (based on current and long-term historical average price trends).

The majority of the Company's property, plant and equipment are depreciated over the estimated lives of the assets on a units-of-production basis. The calculation of the units-of-production rate, and therefore the annual depreciation expense could be materially affected by changes in the underlying estimates which are driven by the life of mine plans. Changes in estimates can be the result of actual future production differing from current forecasts of future production, expansion of mineral reserves through exploration activities, differences between estimated and actual costs of mining and differences in the commodity prices used in the estimation of mineral reserves.

Changes in the proven and probable reserves estimates may impact the carrying value of property, plant and equipment, restoration provisions, recognition of deferred income tax amounts and depreciation.

- Review of asset carrying values and impairment charges

The Company reviews the carrying value of assets each reporting period to determine whether there is any indication of impairment using both internal and external sources of information. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in net earnings. The Company has determined that each mine location is a cash-generating unit. Goodwill is not amortized, but rather the cash-generating-unit ("CGU") to which the goodwill has been allocated is tested for impairment on an annual basis to ensure that the carrying value exceeds the recoverable amount.

External sources of information regarding indications of impairment include considering the changes in market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount or timing of mining interests. Internal sources of information include changes to the life of mine plans and economic performance of the assets.

Management's determination of recoverable amounts include estimates of mineral prices, recoverable reserves, and operating, capital and restoration costs are subject to certain risks and uncertainties that may affect the recoverability of mineral property costs. The calculation of the recoverable amount can also include assumptions regarding the appropriate discount rate and inflation and exchange rates. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its projects.

- Estimation of the amount and timing of restoration and remediation costs

Accounting for restoration provisions requires management to make estimates of the future costs the Company will incur to complete the restoration and remediation work required to comply with existing laws, regulations and agreements in place at each mining operation and any environmental and social principles the Company is in compliance with. The calculation of the present value of these costs also includes assumptions regarding the timing of restoration and remediation work, applicable risk-free interest rate for discounting those future cash outflows, inflation and foreign exchange rates and assumptions relating to probabilities of alternative estimates of future cash outflows. Actual costs incurred may differ from those amounts estimated. Also, future changes to environmental laws and regulations could increase the extent of restoration work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for restoration.

The provision represents management's best estimate of the present value of the future restoration and remediation costs. The actual future expenditures may differ from the amounts currently provided; any increase in future costs could materially impact the amounts included in the liability disclosed in the consolidated balance sheet.

- Taxes

The Company operates in a specialized industry and in several tax jurisdictions. As a result, its income is subject to various rates of taxation. The breadth of its operations and the global complexity and interpretation of tax regulations require assessments of uncertainties and estimates of the taxes that the Company will ultimately pay. Final taxes payable and receivable are dependent on many factors, including negotiations with tax authorities in various jurisdictions, outcomes of tax litigation and resolution of disputes. The resolution of these uncertainties may result in adjustments to the Company's tax assets and liabilities.

The Company recognizes deferred income tax assets arising from unutilized tax losses which require management to assess the likelihood that the Company will generate taxable earnings in future periods in order to utilize those losses, and the timing of this. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. Forecast cash flows are based on life of mine projections.

To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred income tax assets recorded at the balance sheet date could be impacted. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods from deferred income tax assets.

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 are disclosed as follows:

Credit risk

The Company's credit risk is primarily attributable to cash and bank balances, short-term deposits, derivative instruments, trade and other receivables and Promissory Note receivable. The Company's exposure to credit risk is represented by the carrying amount of each class of financial assets, including commodity contracts, recorded in the consolidated balance sheet.

The Company limits its credit exposure on cash held in bank accounts by holding its key transactional bank accounts with highly rated financial institutions. The Company manages its credit risk on short-term deposits by only investing with counterparties that carry investment grade ratings as assessed by external rating agencies and spreading the investments across these counterparties. Under the Company's risk management policy, allowable counterparty exposure limits are determined by the level of the rating unless exceptional circumstances apply. A rating of "A-" grade or equivalent is the minimum allowable rating required as assessed by international credit rating agencies. Likewise, it is the Company's policy to deal with banking counterparties for derivatives who are rated "A-" grade or above by international credit rating agencies and graduated counterparty limits are applied depending upon the rating.

Exceptions to the policy for dealing with relationship banks with ratings below "A-" are reported to, and approved by, the Audit Committee. As at September 30, 2015, substantially all cash and short-term deposits are with counterparties with ratings "A-" or higher.

The Company's credit risk associated with trade accounts receivable is managed through establishing long-term contractual relationships with international trading companies using industry-standard contract terms. Other accounts receivable consist of amounts owing from government authorities in relation to the refund of value-added taxes applying to inputs for the production process and property, plant and equipment expenditures.

At September 30, 2015, the Company held a receivable balance of \$85 million in respect of the amended ENRC Promissory Note, following the receipt of \$215 million proceeds on July 15, 2015. Of the remaining \$85 million due on the note, the Company received a \$21.25 million payment on November 3, 2015. The Company has agreed to receive a fee of \$1.25

million to be paid on December 1, 2015, and six additional equal payments of \$10.625 million starting January 1, 2016. Annual interest of 10% is payable on the outstanding balance until paid. The Promissory Note is classified as current on the balance sheet at September 30, 2015.

Liquidity risk

The Company manages liquidity risk by maintaining cash and cash equivalent balances and available credit facilities to ensure that it is able to meet its short-term and long-term obligations as and when they fall due. Company-wide cash projections are managed centrally and regularly updated to reflect the dynamic nature of the business and fluctuations caused by commodity price and exchange rate movements.

In addition, the Company was obligated under its corporate revolving credit and term loan facility to maintain liquidity and satisfy various covenant ratio tests on an historical and prospective cash flow basis. These ratios were in compliance during the period ended September 30, 2015, and are expected to be for the foreseeable future. See “*Liquidity and Capital Resources*” on page 22 for further discussion of the Company’s liquidity risk.

Market risks

a) Commodity price risk

The Company is subject to commodity price risk from fluctuations in the market prices of copper, gold, nickel, zinc and PGE and other elements. The Company is also exposed to commodity price risk on diesel fuel required for mining operations and sulphur required for acid production. The Company’s risk management policy allows for the management of these exposures through the use of derivative financial instruments.

As at September 30, 2015, the Company had entered into derivative contracts for copper, gold, nickel, zinc, platinum and palladium in order to reduce the effects of fluctuations in metal prices between the time of the shipment of metal from the mine site and the date agreed for pricing the final settlement. In addition, during the period the Company has entered into derivative contracts in respect of future copper sales (see “*Hedging Programs*”).

As at September 30, 2015, the Company had not entered into any diesel or sulphur derivatives.

The Company’s commodity price risk related to changes in fair value of embedded derivatives in accounts receivable reflecting copper, nickel, gold and zinc sales provisionally priced based on the forward price curve at the end of each quarter.

b) Interest rate risk

The Company’s interest rate risk arises from interest paid on floating rate debt and the interest received on cash and short-term deposits. The Company currently capitalizes the majority of interest charges, and therefore the risk exposure to net earnings is primarily on cash interest payable, and net earnings in relation to the subsequent depreciation of capitalized interest charges.

Deposits are invested on a short-term basis to ensure adequate liquidity for payment of operational and capital expenditures. To date no interest rate management products, such as swaps, are used in relation to deposits.

The Company manages its interest rate risk on borrowings on a net basis. The Company has a policy allowing floating-to-fixed interest rate swaps targeting 50% of exposure over a five-year period. As at September 30, 2015, the Company held no floating-to-fixed interest rate swaps.

c) Foreign exchange risk

The Company’s functional and reporting currency is USD. As virtually all of the Company’s revenues are derived in USD and the majority of its business is conducted in USD, foreign exchange risk arises from transactions denominated in currencies other than USD. Commodity sales are denominated in USD, the majority of borrowings are denominated in USD and the majority of operating expenses are denominated in USD. The Company’s primary foreign exchange exposures are to the local currencies in the countries where the Company’s operations are located, principally the Zambian kwacha (“ZMW”), Australian dollar (“A\$”) Mauritanian ouguiya (“MRO”), the euro (“EUR”), the Turkish lira (“TRY”) and the Argentine peso (“ARS”); and to the local currencies of suppliers who provide capital equipment for project development, principally the A\$, EUR and the South African rand (“ZAR”).

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, 2014 under the supervision of the Company’s Disclosure Committee and with the participation of management. Based on the results of that 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 the securities legislation.

Since the December 31, 2014 evaluation, there have been no adverse changes to the Company’s controls and procedures and they continue to remain effective.

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, 2014 by the Company's management, including the Chief Executive Officer and Chief Financial Officer based on the framework and criteria 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 September 30, 2015, 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. These forward-looking statements are principally included in the Development activities section and are also disclosed in other sections of the document. The forward looking statements include estimates, forecasts and statements as to the Company's expectations of production and sales volumes, expected timing of completion of project development at Sentinel, Enterprise and Cobre Panama, the impact of ore grades on future production, the potential of production disruptions, capital expenditure and mine production costs, the outcome of mine permitting, the outcome of legal proceedings which involve the Company, information with respect to the future price of copper, gold, cobalt, nickel, zinc, pyrite, PGE, 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 the price of copper, gold, nickel, zinc, pyrite, PGE, cobalt 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, 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 and Mauritania, labour disruptions, mechanical failures, water supply, procurement and delivery of parts and supplies to the operations, and the production of off-spec material.

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.