



FIRST QUANTUM
MINERALS LTD.

NEWS RELEASE

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www.first-quantum.com

FIRST QUANTUM MINERALS PROVIDES UPDATE ON ITS COBRE PANAMA COPPER PROJECT AND FUNDING ARRANGEMENTS

(In United States dollars, except where noted otherwise)

First Quantum Minerals Ltd. ("First Quantum" or the "Company", TSX Symbol "FM", LSE Symbol "FQM") is pleased to provide the following update on the development of its Cobre Panama copper project and progress in the optimization of the Company's capital structure.

The Company will be hosting a conference call and webcast on January 28, 2014 at 8:00 AM Eastern Standard Time to further discuss the update.

KEY POINTS

Since First Quantum's acquisition of Inmet Mining Corporation ("Inmet") in March 2013, the prime focus has been to critically review and stabilize all activities and focus on the key elements of the Cobre Panama project development, construction and contracting plan, and implementation of practical site infrastructure.

This update on the project covers mainly the planned operating parameters, capital estimate and development timeframe. The Company intends to disclose in due course outcomes of the reviews currently underway of other aspects of the project, including the potential sale of excess power, and validation of the Measured and Indicated Resources estimate reported and filed in May, 2010 by Inmet.

Planned Operating Parameters

- The review has used Measured and Indicated Resources estimate of 3,271 million tonnes, inclusive of Reserves and on a 100% basis as reported and filed in May, 2010 by Inmet.
- The revised project will have installed capacity of about 70 million tonnes per annum ("Mtpa") for the first 10 years; approximately 17% higher than the Inmet plan. Further expansion up to 100 Mtpa beyond Year 10.
- On the basis of the current Resource estimate and the planned installed capacity of about 70 Mtpa, the project would produce an average of approximately 320,000 tonnes of copper annually on a life-of-mine basis; approximately 20% higher than the Inmet plan.
- Average annual life-of-mine by-product production of 100,000 ounces gold; 1,800,000 ounces silver and 3,500 tonnes molybdenum.
- Average copper grade of 0.5% total copper for first 10 years and 0.37% for remaining mine life.
- Average life-of-mine strip ratio of 0.7:1.
- Mine life of 34 years.

Capital Cost Estimate

- Capital estimate of \$6.4 billion inclusive of \$913 million incurred prior to acquisition; \$1,465 million incurred at November 30, 2013; \$1,578 million committed at November 30, 2013.

- Capital per installed tonne of capacity of approximately \$17,125.

	Incurred Pre- Acquisition	Incurred at Nov 30, 2013	Total Capex
	(US\$M)	(US\$M)	(US\$M)
Mine, Port & Infrastructure	480	867	3,034
Power Plant	209	276	664
Owners Cost	162	223	567
Process Plant	62	99	1,739
Contingency	-	-	421
Total Project	913	1,465	6,425

Progress to Date

- The project has transformed from an out-sourced approach to a complete in-house, self-perform arrangement where third-party engineers and contractors are now utilized only for identified specific tasks, and work within the Company's preferred project execution model.

The earthworks have been the subject of critical review, as has the methodology of subsequent excavation and construction. Significant quantities of on-site equipment have been purchased by First Quantum from contractors whose contracts have been either cancelled or modified. This enables First Quantum to fully control all site development activities which provides for greater flexibility and significantly reduced risk. Site accommodation, road access, communications and management are now all fully functional and allowing the major activities to advance efficiently.

The locations of key site infrastructure including the processing facilities have been reviewed and an alternate, more practical plant site has been selected which should be more cost effective to construct and allow for better access to the proposed in-pit crushing and conveyor systems for life-of-mine pits, and to the main access road.

Development Timeframe

- The re-engineered and larger project is scheduled for construction completion and commissioning in the second half of 2017.

Activity	Target Timeframe
Coast road available for use	Q1 2014
230KV overland power line complete	Q4 2015
300MW power station complete	Q1 2017
Tailings management facility complete	Q2 2017
Process plant construction complete	Q3 2017
Process commissioning and first concentrate production	Q4 2017

John Gregory, First Quantum's Group Consulting Engineer and a Qualified Person as defined by National Instrument 43-101, has supervised the preparation of the scientific and technical information (other than the Cobre Panama Resource estimate) contained herein and has approved its disclosure.

Funding Update

- The Company advanced its objective to optimize its capital structure and financial flexibility and to achieve *pari passu* ranking and credit support among all classes of its capital markets indebtedness to appropriately suit its future growth and investment plans.
 - Inmet Bonds**
The Company and a subsidiary company are making an exchange offer to Inmet note holders. As part of this offer, existing 2020 and 2021 Notes which were issued by Inmet will be exchanged for New Notes which will be issued by the Company. As part of the consideration for the exchange, the Company is soliciting customary consents from Eligible Holders of Existing Notes. Highlights of the offer are as follows:

- Offer to exchange Inmet Notes as follows:
 - US\$1.5 billion Notes maturing 2020 with 8.75% coupon
 - US\$500 million Notes maturing 2021 with 7.5% coupon
 - Exchanged into two Notes of US\$1.14 billion each
 - 6.75% coupon maturing 2020
 - 7.00% coupon maturing 2021
- o **Signed term sheet to refinance US\$2.5 billion**
 - US\$2.5 billion refinanced and announced in a separate news release on January 27, 2014
 - Facility at the Company level
 - Current Facility expiring June 30, 2014
 - To be replaced by new five-year facilities:
 - US\$1 billion Term Loan (amortizing to start in 2 ½ years' time)
 - US\$1.5 billion Revolving Credit Financing
 - Interest calculated at a rate equal to LIBOR plus 2.75%
- o **Kevitsa facility will be terminated (US\$215 million available)**
- o **Kansanshi US\$1 billion facility**
 - Work in progress to replace this with an US\$350 million unsecured facility at the Kansanshi level
- o **Korea Panama Mining Corporation**
 - Contributing and part of future funding plan
- o **Franco Nevada**
 - Discussions to effect changes to the existing security and reporting requirements

CONFERENCE CALL & WEBCAST

Conference call and webcast details are as follows:

Date: January 28, 2014

Time: 8:00 am (EST); 1:00 pm (GMT); 5:00 am (PST)

Webcast: www.first-quantum.com

Dial in: North America: 800 786 7015 (toll free)
 International and North America: 1 647 722 6879
 United Kingdom: 0800 528 0280 (toll free) or 44 2081962146

Replay: Canada and international: 1 416 626 4100
 OR
 Toll free North America: 800 558 5253

Passcode: 21705806

The conference call replay will be available from 11:00 am (EST) until 11:59 pm (EST) on February 4, 2014.

ABOUT THE COBRE PANAMA PROJECT

Cobre Panama is a large open-pit copper development project in Panama. The concession is located 120 kilometres west of Panama City and 20 kilometres from the Caribbean Sea coast, in the district of Donoso, Colon province, in the Republic of Panama. The concession consists of four zones totalling 13,600 hectares.

Following the completion of First Quantum's acquisition of Inmet Mining in April 2013, it assumed an 80% equity interest in Minera Panamá, S.A. ("MPSA"), the Panamanian company that holds the Cobre Panama concession. MPSA was incorporated under the laws of the Republic of Panama in January 1997 and has a mineral concession to explore and exploit the Cobre Panama property.

Access to the project area is via the Pan-American Highway system from Panama City to Penonome, surfaced all-weather roads to Llano Grande, and gravel roads via the town of Coclecito. The topography in the concession area is low elevation (less than 300 metres) but rugged with considerable local relief covered by dense rainforest. Climatic conditions are tropical with high precipitation levels, high humidity and relatively high temperatures of 25°C to 30°C year-round.

FORWARD LOOKING INFORMATION

Certain statements and information in this press release, including all statements that are not historical facts, contain forward-looking statements and forward-looking information within the meaning of applicable securities laws. Such forward-looking statements or information include but are not limited to statements or information with respect to the anticipated completion of the proposed Offer and the anticipated strategic and operational benefits of the Offer. 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", "projects", "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 in this press release, First Quantum has made numerous assumptions including, among other things, assumptions about the price of copper, gold, cobalt, nickel, PGE, and sulphuric acid, and other anticipated costs and expenditures. Although management of First Quantum believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that any forward-looking statement or information herein will prove to be accurate. Forward-looking statements and information by their nature involve known and unknown risks, uncertainties and other factors which may cause our 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 risks, uncertainties and other factors include, but are not limited to; availability of financing and access to capital, financing costs, operating cash flows, future production volumes and costs, costs for inputs, including oil, power and sulphur, retaining key personal, political stability in Zambia and Panama, adverse weather conditions, labour costs and disruptions, mechanical failures, water supply, procurement and delivery of parts and supplies to the project sites and operations, inherent uncertainty in estimating mineral reserves and resources, discrepancies between actual and estimated mineral reserves and resources, unanticipated grade, geological, metallurgical or processing problems, and other financial, construction, mining and production risks.

See First Quantum's annual information form for additional information on risks, uncertainties and other factors relating to the forward-looking statements and information. Although we have 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, many of which are beyond the control of First Quantum, which might cause actual results, performances, achievements or events to differ from those anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking statements or information.

While First Quantum may elect to update the forward-looking statements at any time, First Quantum does not undertake to update them at any particular time or in response to any particular event, other than as may be required by applicable securities laws. Investors and others should not assume that any forward-looking statement in this press release represent management's estimate as of any date other than the date of this press release

**On Behalf of the Board of Directors
of First Quantum Minerals Ltd.
G. Clive Newall
President**

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For further information visit our web site at www.first-quantum.com

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