

FIRST QUANTUM MINERALS



CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENT

Some of the statements contained in the following material are forward-looking statements and not statement of facts. Such statements are based on the current beliefs of management, as well as assumptions based on management information currently available.

Forward-looking statements are subject to various risks, uncertainties and other factors that could cause actual results to differ materially from expected results.

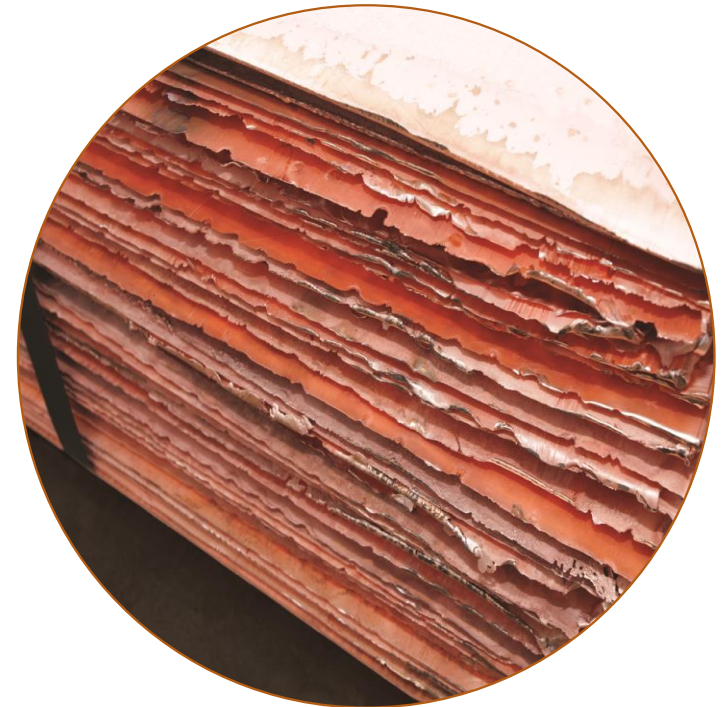
Readers must rely on their own evaluation of these uncertainties.

Note: all dollar amounts in US dollars unless otherwise indicated



OUR ACTION PLAN AMID VOLATILE MARKET CONDITIONS

- Operate safe and efficient facilities
- Strengthen and protect the balance sheet
- Ensure profitability and cash flow from operations are maximized and protected
- Limit cash outflows to essential and economically attractive projects





IMPLEMENTED A WIDE-RANGING ACTION PLAN VERY EARLY

ACTIONS TAKEN	
Re-phased and lowered the 2015 capital program by ~ \$700M	Q1'15
Reduced workforce company-wide ~ 440 positions	Q1'15
Lowered salaries by up to 20%	Q1'15
Reduced dividend payout ratio	Q1'15
Launched a dividend re-investment and share purchase plan	Q1'15



AS CONDITIONS WEAKENED, WE STRENGTHENED OUR DEFENCE

ACTIONS TAKEN

Completed an equity issue for ~ Cdn\$1.4B	Q2'15
Renegotiated the ENRC Promissory Note for ~\$300M	Q3'15
Signed the revised precious metals stream agreement – \$1B	Q3'15
Reduced remaining three-year capital program – \$800M	Q3'15
Started a copper hedge program	Q3'15
Committed to reduce net debt through asset sales & other strategic initiatives	Q3'15
Reduced Cobre Panama capital estimate by 15% – ~\$940M	Q4'15



RESULTS - CORPORATE

- Agreed sale for Kevitsa
- Strengthened financial position
- Compliant with financial covenants
- Platform of higher cash generating operations
- Effective copper sales hedge program
- Continued support from lending syndicate





RESULTS – OPERATIONS¹ – Q1 2016

- Strong operations
- 4th successive quarter of higher copper production & lower unit production cost
- All-in sustaining cost well below a year ago
 - Copper by 39% to US\$1.36
 - Nickel by 11% to US\$4.93
- Highest quarterly copper production & sales



¹ Continuing operations which exclude Kevitsa

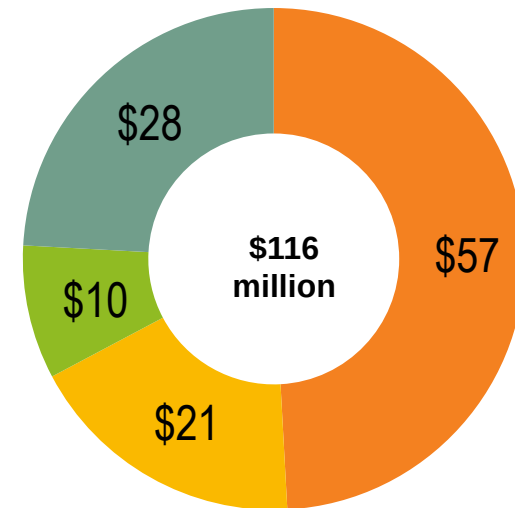


RESULTS – COST SAVINGS¹ – Q1 2016 VS. Q1 2015

- Net acid costs \$28m lower driven by Kansanshi smelter production of sulphuric acid
- Lower employee, contractor and maintenance costs
- Lower consumable, fuel, power and freight costs across the group
- General and administration and exploration costs \$10m lower excluding the impact of FX
- In addition, royalty costs \$38m lower due to rate change

¹ Adjusted to remove the impact of FX

Savings Q1'16 vs Q1'15
\$ millions



- Employee/Contractors/Maintenance costs
- Fuel/Power/Freight/Consumables
- G&A + Exploration
- Smelter savings



PLATFORM OF HIGHER CASH GENERATING OPERATIONS

- **Kansanshi smelter** – exceptional start-up and continuing operation
- **Kansanshi mine** – benefitting from having a dedicated smelter
- **Las Cruces** – steady strong operation
- **Guelb Moghrein** – significantly stronger
- **Ravensthorpe** – one of the lowest cost nickel producers
- **Çayeli** – well-managed mature operation
- **Pyhäsalmi** – recognized as one of the most efficient underground mines in the world





SENTINEL RAMPING UP

- Progressively higher production every quarter since Q1 2015
- Expected to be able to run at or near design throughput capacity with the current 120MW allocation
- Awaiting electrification of 2nd power line expected in Q2 2016





COBRE PANAMA DEVELOPMENT ON TRACK

- Most challenging aspect of the project is well under control
- Priority given to the power station and associated infrastructure
- Revenues from power sales expected in 2nd half 2017
- Expenditures being managed to suit market conditions
- Capex lowered to \$5.48 billion





A POSITIVE OUTLOOK

- Power situation in Zambia has stabilized
- Focus on cost and process optimization continue
- Advancing the process to put in place up to US\$2.5 billion of project financing for Cobre Panama
- Changes to Zambian mining tax regime expected during 2016:
 - Repeal of the variable profits tax
 - Lowering of the current 20% royalty to between 4-6% depending on the monthly average LME copper trading price



**First Quantum
is a stronger
company with
a platform of
high-quality assets**



FIRST QUANTUM MINERALS