



FIRST QUANTUM MINERALS LTD.

NOTICE OF ANNUAL MEETING

NOTICE is hereby given that the annual general meeting of the shareholders (the "Meeting") of First Quantum Minerals Ltd. (the "Company") will be held at the Fairmont Waterfront Vancouver, 900 Canada Place Way, Vancouver, British Columbia, Canada on Thursday, May 14th, 2009 at 2:00 p.m. (Vancouver time) for the following purposes:

1. To receive the audited consolidated Financial Statements of the Company for the fiscal year ended December 31, 2008 together with the Company's auditors report thereon;
2. To determine the number of directors at eight (8);
3. To elect the Company's directors for the ensuing year;
4. To appoint PricewaterhouseCoopers LLP, chartered accountants, as auditors for the Company to hold office until the next annual general meeting and to authorize the Directors of the Company to fix their remuneration;
5. To approve the Long Term Incentive (Treasury) Plan, as more particularly described in the Company's Management Information Circular dated April 9, 2009; and
6. To transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Accompanying this notice is the Management Information Circular, a form of proxy, and a request form for printed copies of the Annual and Interim Financial Statements. For those shareholders having so requested them, audited Financial Statements of the Company for the fiscal year ended December 31, 2008, including the auditor's report thereon and Management's Discussion & Analysis in respect thereof, were previously mailed separately.

Shareholders of record as at the close of business on April 7, 2009 are entitled to receive notice of, and vote at, the Meeting.

Shareholders unable to attend the Meeting in person are requested to read the enclosed Management Information Circular and Proxy, and then complete and deposit the Proxy with the Company's transfer agent, Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, no later than 2:00 p.m PDT on May 12, 2009.

DATED at Vancouver, British Columbia, this 9th day of April, 2009.

ON BEHALF OF THE BOARD OF DIRECTORS

OF

FIRST QUANTUM MINERALS LTD.

"Philip K.R. Pascall"

Philip K.R. Pascall
Chairman and Chief Executive Officer



FIRST QUANTUM MINERALS LTD.

MANAGEMENT INFORMATION CIRCULAR

(Containing information as at April 9, 2009 (unless otherwise noted))

SOLICITATION OF PROXIES

This information circular (the “Circular”) is furnished in connection with the solicitation of proxies by the management of First Quantum Minerals Ltd. (the “Company”) for use at the annual meeting of shareholders of the Company (the “Meeting”), and any adjournment thereof, to be held on Thursday, May 14, 2009 at the time and place and for the purposes set forth in the accompanying notice of meeting (the “Notice”). While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the directors and regular employees of the Company at nominal cost. All costs of solicitation by management will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXIES

The individuals named in the accompanying form of proxy (the “Proxy” or Proxies”, as the case may be), are the Chairman and Chief Executive Officer, and the President, respectively, of the Company. **A shareholder wishing to appoint some other person (who need not be a shareholder) to represent the shareholder at the Meeting has the right to do so, by striking out the names of those persons named in the accompanying form of Proxy and inserting the desired person’s name in the blank space provided in the form of Proxy or by completing another form of Proxy.**

Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Registered shareholders electing to submit a Proxy may do so by:

- (a) completing, dating and signing the enclosed form of proxy and returning it to the Company’s transfer agent, Computershare Investor Services Inc. (“Computershare”) by fax within North America at 1-866-249-7775 outside North America at 1-416-263-9524, or by mail to Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1;
- (b) using a touch-tone phone to transmit voting choices to a toll free number. Shareholders must follow the instructions of the voice response system and refer to the enclosed Proxy for the toll free number, the holder’s account number and the Proxy access number; or
- (c) using the internet through the website of Computershare at www.investorvote.com. Shareholders must follow the instructions that appear on the screen and refer to the enclosed Proxy for the holder’s account number and the Proxy access number.

A Proxy will not be valid unless the completed form of proxy is received by Computershare, no later than 2:00 p.m. (Vancouver time) Tuesday, May 12, 2009.

A registered shareholder who has given a Proxy may revoke it by an instrument in writing executed by the shareholder or by his attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to the offices of Computershare, 2nd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9, at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or, if adjourned, any reconvening thereof or in any other manner provided by law. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

Management of the Company is not aware of any other matters which are to come before the Meeting other than the matters referred to in the Notice. However, if any matters other than those referred to herein should be presented at the Meeting, the persons named in the enclosed Proxy are authorized to vote the shares (each a "Share" or collectively "Shares") represented by the Proxy in accordance with their best judgment.

NON-REGISTERED HOLDERS

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders because the Shares they own are not registered in their names but are instead registered in the name of a brokerage firm, bank or trust company. A person is not a registered shareholder (a "Non-Registered Holder") in respect of Shares which are held either: (a) in the name of an intermediary (an "Intermediary") that the Non-Registered Holder deals with in respect of the Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("CDS")), of which the Intermediary is a participant.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as "NOBOs". Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as "OBOs". In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Company has elected to send the Notice of Meeting, this Circular and the Proxy (collectively, the "Meeting Materials") directly to the NOBOs, and indirectly through Intermediaries to the OBOs. The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to each OBO, unless the OBO has waived the right to receive them.

Intermediaries will frequently use service companies to forward the Meeting Materials to the OBOs. Generally, an OBO who has not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the OBO and must be completed, but not signed, by the OBO and deposited with Computershare; or
- (b) more typically, be given a voting instruction form ("VIF") which is not signed by the Intermediary, and which, when properly completed and signed by the OBO and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow.

These Meeting Materials are being sent to both registered shareholders and Non-Registered Holders. If you are a Non-Registered Holder, and the Company or its agent has sent these Meeting Materials to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send these Meeting Materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instruction.

The Meeting Materials sent to NOBOs who have not waived the right to receive them are accompanied by a VIF or a form of proxy already signed by the Intermediary. By returning the VIF, or form of proxy, in accordance with the instructions noted on it, a NOBO is able to instruct the voting of the Shares owned by it.

VIFs, whether provided by the Company or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF. The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Shares which they beneficially own.

Should a Non-Registered Holder who receives a VIF wish to attend the Meeting or have someone else attend on his or her behalf, the Non-Registered Holder may request a legal proxy as set forth in the VIF, which will grant the Non-Registered Holder, or his or her nominee, the right to attend and vote at the Meeting.

Please return your voting instructions as specified in the VIF. Non-Registered Holders should carefully follow the instructions set out in the VIF, including those regarding when and where the VIF is to be delivered.

Non-Registered holders who received and return a completed VIF may revoke their instructions in accordance with the requirements of their Intermediary.

VOTING OF PROXIES

Shares represented by properly executed Proxies in favour of persons designated in the enclosed form of Proxy will, where a choice with respect to any matter to be acted upon has been specified in the form of Proxy, be voted in accordance with the specification made. Such Shares will be voted in favour of each matter for which no choice has been specified by the shareholder.

The enclosed form of Proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the persons appointed as a proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice, and with respect to other matters which may properly come before the Meeting.

In the event that amendments or variations to matters identified in the Notice are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the enclosed form of Proxy to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Circular, management of the Company knew of no such amendment, variation or other matter which might be presented to the Meeting.

VOTING SECURITIES

The authorized capital of the Company is an unlimited number of common shares without par value (each a "Share" and collectively, the "Shares"). Each Share carries the right to one vote. Only registered holders of Shares are entitled to attend and vote at any meetings of the shareholders of the Company. As at April 7, 2009, there were 78,219,823 Shares issued and outstanding.

PRINCIPAL HOLDERS OF OUR SHARES

To the knowledge of the executive officers of the Company, there were no persons or companies who beneficially own, directly or indirectly, or exercise control or direction over, securities carrying more than 10% of the right to vote at the Meeting.

RECORD DATE

Only shareholders of record at the close of business on April 7, 2009 who either personally attend the Meeting or who have completed and delivered a form of Proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Shares voted at the Meeting.

Each shareholder is entitled to one vote for each Share registered in his, her or its name on the list of shareholders, which is available for inspection during normal business hours at the offices of Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, and at the Meeting.

ANNUAL FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended December 31, 2008, together with the report of the Company's auditors thereon, will be presented to the Company's shareholders at the Meeting.

ELECTION OF DIRECTORS AND INFORMATION REGARDING PROPOSED DIRECTORS

Management of the Company proposes to nominate the persons named in the following table (the "Nominees") for election to the Board of Directors of the Company (the "Board"). The term of each of the current directors of the Company will expire at the conclusion of the Meeting and each director elected at the Meeting will begin to hold office immediately after the Meeting and continue to hold office until the next annual general meeting of the Company or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the articles of the Company or he becomes disqualified to act as a director.

Shareholder approval will be sought to fix the number of directors of the Company at eight (8).

Five (5) of the Nominees are independent directors, ensuring that the Company will continue to be served by a majority of independent directors.

Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote for the election of the Nominees. Management does not contemplate that any of the nominees will be unable to serve as a director.

The following table sets forth the names of the Nominees, their respective province/state and country of residence, their principal occupation and directorships, the date they first became a director of the Company, if applicable, and the number of shares and restricted and performance share units beneficially owned by each Nominee. The statement as to the Common Shares and restricted and performance share units beneficially owned, directly or indirectly, or over which control or direction is exercised by the Nominees is in each instance based upon information furnished by the Nominee concerned.

Name, Province or State and Country of Residence and Age	Principal Occupation and Directorships ⁽⁵⁾	Company Director Since	Securities ⁽⁶⁾
Philip K. R. Pascall⁽⁴⁾ Western Australia, Australia Age: 61	Chairman and Chief Executive Officer of the Company	June 19, 1996	1,159,469 Shares 2,462 Restricted Share Units 32,816 Performance Share Units
G. Clive Newall⁽⁴⁾ London, England Age: 59	President of the Company; non-executive director of Gemfields Resources plc	May 1, 1996	590,740 Shares 970 Restricted Share Units 12,726 Performance Share Units
Martin R. Rowley Western Australia, Australia Age: 54	Executive Director of Business Development for the Company; non-executive chairman and director of Forsys Metals Corp.	March 25, 1997	250,000 Shares ⁽⁷⁾ 4,476 Shares 2,239 Restricted Share Units 20,521 Performance Share Units

Name, Province or State and Country of Residence and Age	Principal Occupation and Directorships⁽⁵⁾	Company Director Since	Securities⁽⁶⁾
Rupert Pennant-Rea ⁽¹⁾⁽³⁾⁽⁴⁾ United Kingdom Age: 61	Chairman of Henderson Group plc; non-executive director of PGI plc, Acuity VCT plc, Acuity VCT 2 plc, Go-Ahead Group plc, Gold Fields Limited	May 16, 2001	30,650 Shares 536 Restricted Share Units
Peter St. George ⁽¹⁾⁽²⁾⁽³⁾ New South Wales, Australia Age: 62	Non-executive director of Boart Longyear Limited	October 20, 2003	106,650 Shares 536 Restricted Share Units
Andrew B. Adams ⁽¹⁾⁽²⁾⁽³⁾ Ontario, Canada Age: 52	Corporate director; non-executive director of Uranium One Inc.	June 6, 2006	4,650 Shares 536 Restricted Share Units
Michael Martineau ⁽²⁾⁽³⁾⁽⁴⁾ London, England Age: 64	Director and Deputy Chairman of Axmin Inc.; director of Golden Star Resources Limited; chairman of Eurasia Mining Plc	October 1, 2007	508 Shares 1,018 Restricted Share Units
Paul Brunner Utah, USA Age: 58	Former President and CEO of Boart Longyear Company; former managing director of Boart Longyear Limited; former regional director for Boart Longyear Limited	N/A	10,000 Shares

(1) Denotes member of Audit Committee, as described under the heading “Board Committees”.

(2) Denotes member of Compensation Committee, as described under the heading “Board Committees”.

(3) Denotes member of Nominating and Governance Committee, as described under the heading “Board Committees”.

(4) Denotes member of EH & S Committee, as described under the heading “Board Committees”.

(5) Includes occupations for preceding five years unless the director was elected at the previous annual general meeting of the Company’s shareholders and was shown as a nominee for election as a director in the information circular for that meeting.

(6) The number of Shares of the Company is the number of Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by, each proposed nominee as of the date of this Circular. The number of Restricted Share Units (“RSUs”) and Performance Share Units (“PSUs”) are the number of RSUs and PSUs granted under the Long Term Incentive Plan as described below under “Statement of Executive Compensation”.

(7) These shares are held by Jaeger Investments, a company wholly-owned by Mr. Rowley.

Except as noted below, to the knowledge of the Company no proposed director of the Company is, or has been within the ten (10) years before the date of the Circular, (a) a director, chief executive officer or chief financial officer of any company that (i) was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation (collectively, an “Order”), which Order was in effect for a period of more than thirty (30) consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and resulted from an event that occurred while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or compromise with or had a receiver, receiver manager or trustee appointed to hold its assets; or (c) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets or the proposed director.

To the knowledge of the Company, as at the date of this Circular, no proposed director of the Company has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for the proposed director.

Until his resignation from the board of directors of Tahera Diamond Corporation (“Tahera”) on March 20, 2008, Andrew Adams was a director of Tahera. Tahera sought protection under the *Companies’ Creditors Arrangement Act* (the “CCAA”) in January, 2008 and the court proceedings under the CCAA relating to Tahera, to the best of the knowledge of the Company, are ongoing.

APPOINTMENT OF AUDITORS

As directed by the Board, management of the Company proposes to nominate PricewaterhouseCoopers LLP, Chartered Accountants (“PwC”), for appointment as auditors of the Company to hold office until the next annual general meeting of the shareholders at remuneration to be fixed by the audit committee of the Board (the “Audit Committee”).

The auditor is appointed by the Company’s shareholders and reports the results of its audit in the Company’s annual financial statements to the shareholders. The auditor is required to confirm to the Audit Committee its independence from management in connection with the audit. PwC has confirmed its independence from management in connection with the audit of the consolidated financial statements for the period ending December 31, 2008.

In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by management of the Company will be voted in favour of the appointment of PwC as auditors of the Company.

BOARD AND BOARD COMMITTEES

A. Frequency of Meetings

The Board ordinarily meets in person at a minimum on a quarterly basis and also has meetings by telephone. However, the frequency of and agenda items for Board meetings will vary depending on the state of affairs and opportunities available to the Company and the risks or issues which the Company faces.

B. Committees

In addition to the Audit Committee, the Board has a compensation committee (the “Compensation Committee”), a nominating and corporate governance committee (the “Nominating and Governance Committee”), and an environmental, health and safety committee (the “EH&S Committee”).

Further information on the Audit Committee, including a copy of its Charter, can be found in the Company’s AIF, which is available on SEDAR, the System for Electronic Document Analysis and Retrieval, the publicly accessible database used for the filing of public securities information as required by securities regulatory agencies in Canada, at www.sedar.com.

C. Meetings Held in 2008

The information below sets out formal⁽¹⁾ Board and committee meetings held and the attendance of directors for the period January 1, 2008 to December 31, 2008.

Summary of Number of Board of Director and Committee Meetings Held

Board	8
Audit Committee	8
Compensation Committee	4
Nominating and Governance Committee	4
Environmental, Health & Safety Committee	4

Summary of Board of Director Meeting Attendance

Name of Director	Board Meetings Attended	Attendance (%)
Philip K.R. Pascall, executive director	8 of 8	100%
Martin R. Rowley, executive director	8 of 8	100%
G. Clive Newall, executive director	8 of 8	100%
Rupert Pennant-Rea, independent director	8 of 8	100%
Peter St George, independent director	8 of 8	100%
Andrew B. Adams, independent director	8 of 8	100%
Michael Martineau, independent director	8 of 8	100%

- (1) “Formal” means meetings for which notice has been provided and which are attended in person or by telephone conference call. Attendance % is based on the number of Board or committee meetings, as the case may be, which a director attended during the year divided by the actual number of Board or committee meetings, as the case may be, which a director could attend during the year.

Summary of Committee Meeting Attendance

Name of Member	Audit Committee Meetings	Compensation Committee Meetings	Nominating & Governance Committee Meetings	EH&S Committee Meetings
Philip K.R. Pascall	Not Applicable	Not Applicable	Not Applicable	4 of 4
Martin R. Rowley	Not Applicable	Not Applicable	Not Applicable	Not Applicable
G. Clive Newall	Not Applicable	Not Applicable	Not Applicable	4 of 4
Rupert Pennant-Rea	8 of 8	Not Applicable	4 of 4	4 of 4
Peter St. George	8 of 8	4 of 4	4 of 4	Not Applicable
Andrew B. Adams	8 of 8	4 of 4	4 of 4	Not Applicable
Michael Martineau	Not Applicable	4 of 4	4 of 4	4 of 4

D. Meetings of the Independent Directors

The Company’s independent directors meet, in person and without management and non-independent directors present, at a minimum at each quarterly meeting of the Board and at such other times as the independent directors deem necessary. Other than in person, these meetings may also take place formally or informally over the telephone. The independent directors also communicate with each other regularly or electronically by way of e-mail. During the 2008 financial year, the Company’s independent directors met (in person) without Management and the non-independent directors four times.

CORPORATE GOVERNANCE

The Board believes that sound corporate governance practices and the regular review thereof are essential to the well being of the Company and its shareholders. National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”) requires disclosure concerning an issuer’s corporate governance practices. The Company operates under the guidelines set out below which address the requirements of NI 58-101 and the guidance suggested under National Policy 58-201.

A. Composition of the Board of Directors and Board Independence

The Company currently has seven directors, four of whom are independent (Rupert Pennant-Rea, Peter St. George, Andrew Adams, and Michael Martineau), meaning they have no direct or indirect relationship which could be reasonably expected to interfere with their exercise of independent judgment. In determining whether a director is independent, the Board applies the definition of “independence” as set out in Section 1.2 of NI 58-101.

Philip K.R. Pascall, G. Clive Newall, and Martin R. Rowley do not qualify as independent directors due to their management positions with the Company. They make up the Company’s executive management committee.

As at the date of the Circular, four of the seven directors of the Company are independent. Since a majority vote is necessary to approve matters before the Board, the support of at least one independent director is required.

The Board believes that adequate structures and processes are in place to facilitate the functioning of the Board independently of the Company's management. The Audit Committee, the Compensation Committee and the Nominating and Governance Committee consist entirely of directors who are independent of the Company's management. The EH&S Committee consists of two non-independent directors and two independent directors. As noted above, the Company's independent directors meet regularly without management. In addition, as noted below, one of the independent directors serves as a lead director.

To the knowledge of the Board, the Company does not have a significant shareholder with the ability to vote a majority of the outstanding Shares of the Company for the election of directors.

B. Chairman and Lead Director

(a) *Chairman*

The Board's Chairman is Philip K.R. Pascall, who, as noted above, also serves as the Company's Chief Executive Officer and is therefore not an independent director of the Company.

(b) *Lead Director*

The Board's policy is that, as the Chairman is not an independent director, one of its independent directors should be appointed as lead director of the Board. The Board appoints, from among the independent directors, a lead director on an annual basis. It is the lead director's responsibility to provide leadership to enhance the functioning of the Board and its committees and the effectiveness of its individual members including through Board evaluation.

Mr. Pennant-Rea is, as of the date of the Circular, lead director of the Board. He is also Chairman of the Nominating and Governance Committee. Mr. St. George is expected to replace Mr. Pennant-Rea as lead director following the Annual General Meeting on May 14, 2009.

C. Responsibilities of the Board of Directors and Mandate

Under the *Business Corporations Act* (British Columbia), the Board is required to supervise the management of the affairs and business of the Company.

Generally, the Board's responsibilities include (i) the review and approval of corporate strategies, financial statements and its annual budget; (ii) monitoring management performance; (iii) appointing and assessing the performance of the Chief Executive Officer; (iv) ensuring effective management processes are in place; and (v) ensuring risks are properly identified and appropriate procedures for risk mitigation are in place.

The Board reviews the Board's composition on an annual basis to ensure that it has the mix of skills and competencies needed for the Company's current and future plans. It also meets a minimum of four times a year in person and, where necessary, by telephone conference call.

The Board's written mandate is categorized into five major functions. These are:

(a) *Selection of the Senior Management*

- (i) Appointing and replacing the CEO, monitoring the CEO's performance, determining CEO's compensation and providing advice and counsel in the execution of the CEO's duties;
- (ii) Approving the appointment and remuneration of all corporate officers, having taken advice from the CEO;
- (iii) Regularly reviewing plans for management succession; and
- (iv) Satisfying itself as to the integrity of the CEO and other executive officers and ensuring that the CEO and other executive officers create a culture of integrity throughout the Company.

(b) *Monitoring and Acting*

- (i) Monitoring the Company's progress towards its goals, and if necessary, revising and altering its direction;
- (ii) Requiring management to take action when the Company's performance falls short of its goals or when other special circumstances arise that warrant change (for example, mergers and acquisitions or changes in control); and
- (iii) Approving any payment of dividends to shareholders.

(c) *Strategy Determination*

- (i) Participating with management in developing and providing the mission of the business, its objectives and goals, and the strategy by which it proposes to reach those goals; and
- (ii) Ensuring that management has correctly identified the principal risks of the Company's business and is implementing systems that will manage these risks.

(d) *Policies and Procedures*

- (i) Ensuring that the Company operates at all times within applicable laws and regulations, and to the highest ethical and moral standards; and
- (ii) Monitoring compliance with significant policies and procedures for the Company's operations.

(e) *Reporting to Shareholders*

- (i) Ensuring that the financial performance of the Company is adequately reported to shareholders, other security holders and regulators on a timely and regular basis and within applicable laws and regulations;
- (ii) Ensuring that the Company's financial results are reported fairly and in accordance with generally accepted accounting standards and in compliance with applicable laws and regulations;
- (iii) Ensuring the timely reporting of any other developments that have a significant and material impact on the value of the Company, and in compliance with applicable laws and regulations; and
- (iv) Reporting annually to shareholders on the Company's stewardship for the preceding year.

D. Company Goals

The Company's primary goals are to operate low cost mines, leverage its advantage in Africa, use management's experience and expertise to construct cost efficient new operations and expand internationally through the exploration and acquisition of deposits to which the Company can add value. The Company will also continually investigate, monitor and seek out other opportunities worldwide where it can apply its expertise and which may provide balance to its geographic and commodity profile.

E. Board Committees

(a) *Audit Committee*

The Audit Committee is composed of three independent directors: Messrs. Adams, Pennant-Rea and St. George. The Chairman of the Audit Committee is Mr. Adams.

The Audit Committee operates under the Audit Committee Charter, which provides that each member of the Audit Committee is to be considered financially literate and that at least one member must have considerable accounting and related financial experience. The Audit Committee reviews the annual and quarterly financial statements of the Company, oversees the annual audit process and the Company's internal accounting controls and the resolution of issues identified by the Company's auditors. It recommends to the Board a firm of independent auditors to be nominated for appointment by the shareholders at the Company's next annual general meeting. In addition, the Audit Committee meets at least once annually, and usually quarterly, with the external auditors of the Company, both with and without the presence of members of management. Further information on the Audit Committee, including a copy of its Charter, can be found in the Company's AIF, which is available on SEDAR at www.sedar.com.

On October 1, 2008, the Audit Committee recommended, and the Company subsequently adopted on October 6, 2008, a *Corporate Control Policy* to set out the authority and approval mechanisms in place for the conduct of the Company and the individual operations and departments within the Company. The *Corporate Control Policy* confirms that the Board approves all policies but it allows management to further implement procedures and systems which will help give practical effect to those policies approved by the Board.

(b) *Compensation Committee*

The Compensation Committee is composed entirely of independent directors: Messrs. St. George, Adams and Martineau. The Chairman of the Compensation Committee is Mr. St. George.

The Compensation Committee is responsible for reviewing and approving corporate goals and objectives relevant to Chief Executive Officer's compensation and making recommendations to the Board with respect to the compensation of the Company's executive officers. The Board, exclusive of any executive Board member to whom the recommendation applies, reviews such recommendations and is responsible for determining executive compensation. The Compensation Committee discusses executive compensation throughout the year and determines (usually prior to the annual general meeting of the Company) executive compensation.

The Compensation Committee is responsible for obtaining information on executive compensation from a variety of sources, including independent consultants, compensation surveys and information from companies similar in size and function to that of the Company and then takes recommendations to the Board on compensation and all of its various elements.

(c) *Nominating and Governance Committee*

The Nominating and Governance Committee is composed of all four independent directors: Messrs. Pennant-Rea, St. George, Adams and Martineau. The Chairman of the Nominating and Governance Committee is Mr. Pennant-Rea.

The Nominating and Governance Committee reviews the Company's corporate governance practices in light of the standards and guidelines recommended or required by applicable corporate and/or securities regulatory authorities and stock exchanges and identifies and nominates potential director candidates to the Board. The Nominating and Governance Committee is responsible for reviewing corporate governance practices against securities requirements, monitoring the effectiveness of the Company's corporate governance and where necessary, recommending improvements for adoption by the Board. It also reviews the directors' relationship with management, assesses the independence and performance of each member of the Board, and evaluates and recommends nominees for the Board in consultation with the Company's Chairman and its Lead Director, with assistance from third party consultants as the Committee may determine. In coordination with the Board as a whole, it will also review the amount and form of compensation for the independent directors, for determination by the Board.

On November 25, 2008, the Nominating and Governance Committee recommended, and the Board subsequently adopted, a *Majority Voting Policy* whereby any nominee for election as a director at the Annual Meeting of Shareholders, for whom the number of votes withheld exceeds the number of votes cast in his or her favor, will be deemed not to have received the support of shareholders, even if he or she is elected. A director elected in such circumstances is expected to tender his or her resignation to the Board. The Board will accept the resignation as soon as possible, consistent with an orderly transition and, in any event, within 90 days. However, the Board retains the right to decline to accept a resignation in exceptional circumstances. In addition, the *Majority Voting Policy* does not apply during the circumstances of an election proxy battle.

(d) *EH&S Committee*

The EH&S Committee is composed of four directors: Mr. Pascall, Chairman and Chief Executive Officer of the Company and Mr. Newall, President of the Company, and Messrs. Pennant-Rea and Martineau, who are independent directors of the Company. The Chairman of the EH&S Committee is Mr. Pascall.

The EH&S Committee reviews adherence by the Company to its health and safety policies and practices in accordance with applicable environmental, health and safety laws and regulations. The EH&S Committee is responsible for reviewing the Company's environmental, health and safety policies and practices in the context of

applicable laws and regulations in those countries in which the Company operates. In addition, the EH&S Committee will require the Company to undertake on a regular basis a full and independent environmental, health and safety risk assessment at each of locations in which it carries out its operations.

F. Position Descriptions

The Board has developed written position descriptions for each of the Chairman, the Chief Executive Officer, the President, and the Chief Financial Officer, and for each of the committee chairmen.

G. Orientation and Continuing Education

The Board reviews its own composition on an annual basis. The Board expects that a prospective candidate will fully understand the role of the Board and the contribution expected of him or her. Once appointed or elected, new directors are provided with a Company orientation, which includes briefings, on an initial and ongoing basis, on the activities of the Company. As part of the orientation new directors are required to attend site visits. In addition, ongoing site visits are organized and attendance is encouraged. Directors are also encouraged to participate in continuing education relevant to their roles as directors and committee members. Directors are reimbursed for reasonable out-of-pocket expenses, including any continuing education courses, in connection with their duties as directors. Annually, each director is provided with a Company *Board Manual*.

H. Shareholder Feedback and Concerns

The Company manages a shareholder relations program under the direction of its President, Mr. Newall. The program involves meeting with a broad spectrum of investors, including briefing sessions for analysts, investment fund managers, members of the press and the public to discuss reported financial results and other announcements by the Company. Shareholders, other stakeholders and the public are informed of developments in the Company by the issuance of news releases, all of which are reviewed and approved by the Company's Disclosure Committee and, in most cases, the Board.

Management of the Company is available routinely to shareholders to respond to questions and concerns. Shareholder concerns are dealt with on an individual basis. The response will depend on the kind of information requested. Significant concerns are brought to the attention of the management of the Company or the Board.

Under its written mandate, the Board is required to oversee the Company's *Corporate Disclosure Policy*. The Board monitors the policy and the procedures that are in place to provide for effective communication by the Company with its shareholders and with the public generally.

I. Expectations of Management

The Board expects management of the Company to conduct the business of the Company in accordance with the Company's ongoing strategic plan and to meet or surpass the annual and long-term goals of the Company set by the Board in consultation with management. As part of its annual strategic planning process, the Board establishes its expectations of management both over the next financial year and in the context of the Company's long-term goals. The Board then reviews management's progress in meeting these expectations throughout the calendar year and in connection with determining compensation.

J. Ethical Business Conduct

(a) *Code of Conduct*

The Board has approved and adopted a code of conduct (the "*Code of Conduct*") for directors, officers and other employees of the Company. A copy of the *Code of Conduct* can be found on SEDAR at www.sedar.com. Compliance with the *Code of Conduct* is expected at every level of the Company. Employees who are aware of *Code of Conduct* breaches must, under the *Code of Conduct*, report them to their supervisors or superiors, as the case may be. Employees who breach the *Code of Conduct* may be subject to disciplinary action up to and including termination of their employment. Matters of a serious nature are brought to the attention of the Board.

The *Code of Conduct* contains conflict of interest provisions which require employees (including officers) to disclose in writing to their immediate supervisors all business, commercial or financial interests or activities which might reasonably be regarded as creating an actual or potential conflict with their duties of employment. An employee in a situation of conflict of interest is given sufficient time to address the conflict.

The Company's policy relating to directors specifically requires that where a director has any direct or indirect interest in a proposed contract or transaction with the Company, or holds any office or possesses any property, directly or indirectly, which may create a conflict with his or her duty or interest as a director to the Company, the director must disclose the nature and extent of that interest and any conflict associated therewith at the earliest opportunity at a meeting of the Board. The Company maintains a *Register of Declared Related Party Transactions*, which is reviewed at each quarterly Board meeting.

(b) *Social Commitment and Responsibility*

The Company has adopted a *Social Policy* with the objective of maximizing socio-economic opportunities and benefits for the communities in which it operates while minimizing potential negative social impacts. The Company also subscribes to the *Equator Principles*. The Company maintains policies relating to the social and well-being of its employees, including policies such as an *HIV/Aids Policy*, *Environmental Policy*, *Whistleblower Policy* and a *Human Rights Policy*. Management and the Board believe that the existence of the *Code of Conduct* together with these policies is important to promote a culture of ethical business conduct, both within the Company and by the Company.

(c) *Insider Trading Policy*

The Board has approved an *Insider Trading Policy* which applies to its directors, officers, employees and consultants. The *Insider Trading Policy* prohibits both the unauthorized disclosure of any non-public information by these persons and any trading of shares by them while they are in possession of material information which has not been disclosed to the public. It also provides for the application of "no-trade" periods following completion of a financial quarter until two trading days following the filing of a news release announcing the results for that quarter.

(d) *Conflicts of Interest*

All directors are required to comply with the provisions governing conflicts of interests in the *British Columbia Business Corporations Act*. A director who has a disclosable interest in a contract or transaction is not entitled to vote on the approval of the contract or transaction. The Company maintains a *Register of Related Party Transactions*, which is reviewed and updated on a quarterly basis.

K. Assessments of Directors

Directors of the Company are assessed on an annual basis by the Chairman for effectiveness and contribution to the Company. The assessment may include the completion by each director of a comprehensive questionnaire, the review and evaluation by the Chairman of each completed questionnaire, and a subsequent "one-on-one" session between the Chairman and each director in which the Chairman and the director discuss the director's role on the Board and his contribution to the Board and the Company. In 2008, the Company commissioned a third party assessment of the effectiveness of the Board. The Board reviewed the assessment in February 2008 and completed a follow-up assessment in November 2008.

L. Minimum Share Ownership

All directors are encouraged to own Shares.

STATEMENT OF EXECUTIVE COMPENSATION

A. General

This section discloses all direct and indirect compensation provided to certain executive officers and directors for services they have provided to the Company as required by Form 51-102F6 under National Instrument 51-102.

B. Compensation Discussion and Analysis

(a) *Compensation Discussion and Analysis*

The Compensation Committee develops and oversees the implementation of executive compensation plans and policies that are intended to:

- (i) attract and retain skilled and experienced executives and senior managers;
- (ii) motivate executives and senior managers to achieve corporate objectives and create shareholder value; and
- (iii) encourage executives and senior managers to link their personal financial interest to those of the shareholders.

The compensation of executives and senior management is based on competitive rates in the marketplace, taking account of location and conditions of employment, and achievement of performance-related objectives. Senior executive compensation packages include salary, a discretionary annual performance-related bonus and, at the discretion of the Compensation Committee, a long-term incentive component through the Company's Long Term Incentive Program ("LTIP").

The Compensation Committee reviews and recommends the compensation for the following senior executives: Chief Executive Officer, President, Chief Financial Officer, Executive Director of Business Development and General Counsel and Corporate Secretary (the "Named Executive Officers", as that term is defined in Form 51-102F6 under National Instrument 51-102 (each a "NEO")).

The Compensation Committee meets quarterly in person and as required from time to time. In its consideration and review of salaries and management fees for the NEOs, the Compensation Committee examines the compensation of executives in other mining companies in Canada and throughout the world and in particular, those companies included in the TSX/S&P Diversified Metals and Mining Index and certain mining companies listed on the London Stock Exchange. The Compensation Committee also reviews the growth and development of the Company over the preceding year and any specific initiatives taken during that period to promote the growth and progress of the Company and the enhancement of shareholder value. The Compensation Committee also considers performance targets, quantitative and qualitative measures in determining a NEO's total remuneration. Performance objectives generally address six areas of importance: Safety, Business Development/Financial Results, Business Execution, Strategy Advancement, People Performance and External Relations. For the current period, the Compensation Committee considered the total remuneration for executives from an index of representative companies as noted above. While the Company retains the services of independent compensation consultants to assist in benchmarking the total remuneration package, the Committee also always maintains the flexibility to compensate the NEO's in light of the unique roles they play within the Company and recognizes that benchmarking may not always serve these purposes.

The Company retained Hay Group Limited in 2006, 2007 and 2008 as consultants to provide data to help determine adequate levels of compensation for executives, including the Chief Executive Officer, Chief Financial Officer, President, Executive Director – Business Development and General Counsel and Corporate Secretary. The Company also retained Towers Perrin in 2005 and 2006 as consultants to advise on the establishment of the terms and conditions of the Company's LTIP. In making its determination of the total remuneration packages for the President, Chief Financial Officer, Executive Director - Business Development, and General Counsel and Corporate Secretary for 2008, the Compensation Committee considered performance targets for each role, changes to the external market, the performance of the Company throughout 2008, and the recommendations of the CEO.

The Chief Executive Officer's compensation must be approved by Board, based on a recommendation from the Compensation Committee, in accordance with the same principles applied to other senior executive officers. Given this, the Compensation Committee considers the total compensation of the Chief Executive Officer in light of data compiled by Hay Group Limited for the Compensation Committee. The total compensation of the Chief Executive Officer is evaluated and determined in light of this data and the performance of the Chief Executive Officer generally and compared against performance targets approved by the Compensation Committee.

The Compensation Committee's objective in considering and reviewing executive compensation is to ensure that executive compensation is fair and reasonable but also sufficient to attract and retain qualified and experienced executives. For this reason it aims to reward at the higher end of the market. For the NEOs, the target percentage of base salary available as short term incentive is 100% of base and the same percentage for long term incentive, except in the case of the Chief Executive Officer where a total of 150% of base salary is achievable under exceptional circumstances in long term incentives.

All NEO bonuses are approved by the Compensation Committee in May and are paid in July. Bonuses paid to NEOs during the current year shown were determined based on the NEOs' performance for the preceding year. Performance objectives relating to the previously noted areas of importance were agreed with each NEO at the beginning of the preceding year with each performance objective contributing an agreed percentage towards the overall target bonus. Assessments were then conducted to determine the extent to which each performance objective was met and this assessment used to determine the bonus amount. The maximum target bonus was 100% of annual base salary.

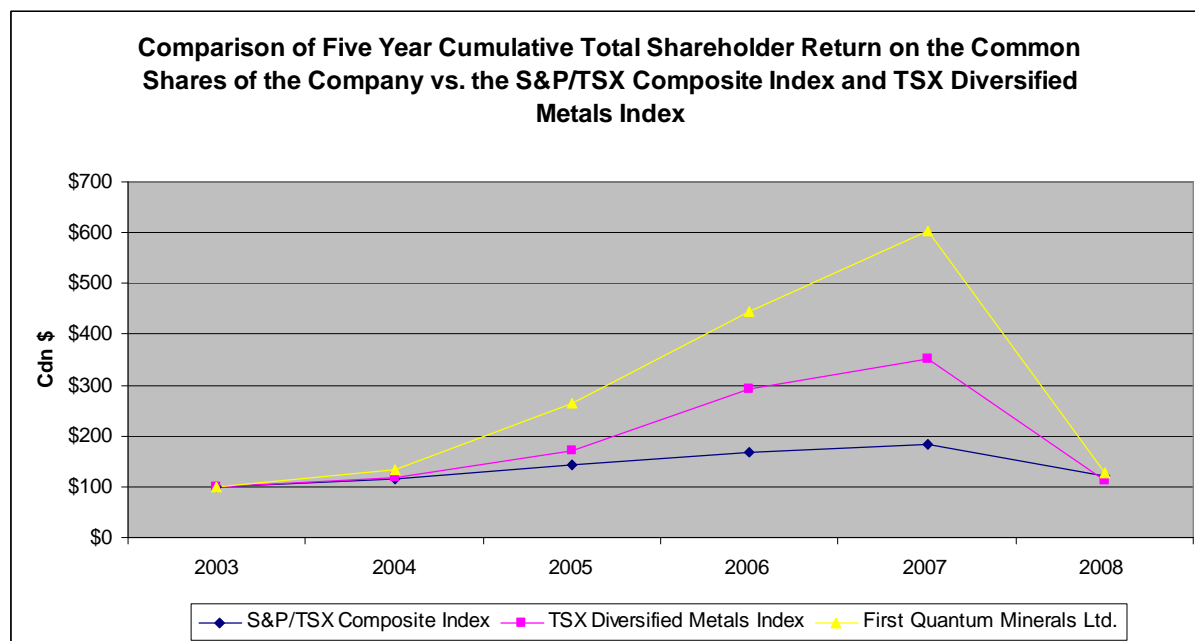
LTIP Awards given to the Company NEOs in the current year shown were determined based on the NEOs' performance in the previous year. The previous year's performance objectives as described above and the perceived contribution to shareholder value and longevity of the Company determined a percentage towards a total target of 100% of base salary for all NEOs with the exception of the CEO whose total target for long term incentive purposes was 150% of base.

Each NEO received an annual bonus, LTIP award and pay increase commensurate with their performance during 2008. The Compensation Committee believes the NEOs' compensation for 2008 was fair and reasonable, given the Company's growth both organically and through acquisition. Increases in base salaries, where applicable, were made effective July 1, 2008.

In light of the rapid deterioration of global economic conditions in the latter part of 2008, and the resulting impact on both the Company's share price and financial outlook for 2009, as well as the appreciation of the \$US, in November 2008 the Compensation Committee considered and approved a recommendation from Management to implement a 20% base salary reduction for the Executive Directors (who are all NEOs) in line with proposed reductions for salaried employees paid in \$US. These decreases were made effective December 1, 2008.

(b) *Performance Graph*

The following information and chart compares the Company's five year share price performance had Cdn\$100 been invested in the Company on December 31, 2003 with the performance of the S&P/TSX Composite Index and the TSX Diversified Metals Index over the five most recently completed financial years.



	2003	2004	2005	2006	2007	2008
S&P/TSX Composite Index	\$100	\$114.48	\$142.10	\$166.63	\$182.86	\$122.61
TSX Diversified Metals Index	\$100	\$116.77	\$171.89	\$291.85	\$352.96	\$112.09
First Quantum Minerals Ltd.	\$100	\$132.55	\$264.75	\$445.98	\$604.12	\$126.41

(1) All amounts expressed are in CDN\$.

During this period the Company emerged from being a junior mining company with one operation, to a S&P/TSX 60 listed company with a secondary listing on the London Stock Exchange. From 2003 to 2007, the rate of growth in the Company's production and in shareholder value far exceeded increases in NEOs' compensation. However, the rapid deterioration of global economic conditions and worldwide equity markets resulted in an unexpected decline in the Company's share price during the latter part of 2008. While this decline in the Company's share price was the result of external global forces and did not reflect the operational performance of the Company, Management nevertheless recommended and the Board approved a 20% reduction in most salaried employees' base salaries (including the NEOs who are paid in \$US) effective December 1, 2008.

(c) *Option-based Awards*

While the Company has a stock option plan (the "2004 Stock Option Plan") (See Part D – Incentive Plan Awards), the Company has not granted stock options since 2006.

(d) *Long Term Incentive (Treasury) Plan*

The Board has determined to establish, subject to obtaining approval of the shareholders at the Meeting, a Long Term Incentive (Treasury) Plan ("LTITP"), providing for awards of Restricted Share Units ("RSUs") and Performance Share Units ("PSUs"), with such awards to be settled in the form of shares issued from treasury (see below under **PARTICULARS OF OTHER MATTERS TO BE ACTED UPON**).

C. Summary Compensation Table

(a) *Compensation of NEOs and Summary Compensation Table*

The following table sets forth particulars concerning the compensation of the NEOs for the Company's financial period ended December 31, 2008. In light of the significant changes made in the requirements, content and format of Form 51-102F6 in 2008 by the Canadian Securities Administrators, the Company has not reported compensation for 2006 or 2007. Prior years' NEO compensation can be found in the Company's *2008 Management Information Circular*, which is available on SEDAR at www.sedar.com. All calculations referenced are in US dollar currency.

Name and Principal Position	Year	Salary (\$)	Share Awards (\$)⁽¹⁾⁽³⁾	Annual Incentive Plans (\$)	All Other Compensation (\$)⁽²⁾⁽⁵⁾	Total Compensation (\$)
PHILIP K. R. PASCALL Chairman, Chief Executive Officer	2008	772,916	154,801	350,000	22,974	1,300,691
MARTIN R. ROWLEY Executive Director of Business Development	2008	513,437	77,120	310,000	15,877	916,434
G CLIVE NEWALL President	2008	385,250	58,056	175,000	8,990	627,296
DAVID MORONEY Chief Financial Officer ⁽⁴⁾	2008	395,500	56,759	128,333	8,029	588,621
CHRISTOPHER LEMON General Counsel and Corporate Secretary	2008	236,025 ⁽²⁾	77,278	75,528 ⁽²⁾	2,142	390,973

(1) For disclosure purposes, all share awards paid in Canadian dollars have been converted as follows (the exchange rate on the date of grant): CDN\$1.00 = USD\$0.99000 for 2008 (as at July 1, 2008).

(2) For disclosure purposes, any compensation, annual incentive plans or other compensation paid in Canadian dollars have been converted as follows: CDN\$1.00 = USD\$0.94410 for 2008 (year average).

(3) Messrs. Pascall, Moroney, Rowley and Newall all received share awards in the form of PSUs. Mr. Lemon received a combination of PSUs and RSUs. Both the PSUs and RSUs were valued on the Grant Date at Fair Market Value.

(4) Mr. Moroney resigned from his position as CFO on March 13, 2009, and was replaced by Interim CFO Troy Hayden.

(5) Dividend equivalency payments made on all RSUs / PSUs on May 2, 2008 for \$0.54 per unit and on September 15, 2008 for \$0.26 per unit.

(b) *Narrative Discussion*

The *All Other Compensation* consists of dividends paid on unvested Share Awards. The Company pays dividends on all unvested Share Awards in accordance with the Company's Dividend Policy which, in recent years, has paid 10% of net after tax profits. There were no perquisites worth in aggregate \$50,000 or more provided to any of the NEO's.

(c) *Currencies*

All of the NEOs' base salaries and annual incentives are paid in US\$ other than the General Counsel and Corporate Secretary, who is paid in CDN\$. All compensation paid in CDN\$ has been converted into US\$ unless otherwise stated.

(d) *Officers Who Also Act as Directors*

The CEO, President and Executive Director Business Development also act as directors of the Company. The CEO is also the Chairman. They are not paid additional compensation as directors or as Chairman.

D. Incentive Plan Awards

(a) *Outstanding Share Awards and Option Awards*

Name	Share Awards			
	Number of Unvested		Market Value of Unvested ⁽¹⁾	
	PSUs	RSUs	PSUs	RSUs
Philip K.R. Pascall	32,816	2,462	\$577,890	\$43,356
David Moroney	10,653	2,829	\$187,599	\$49,819
G. Clive Newall	12,726	970	\$224,105	\$17,082
Martin R. Rowley	20,521	2,239	\$361,375	\$39,429
Christopher Lemon	2,680	1,399	\$47,195	\$24,636

(1) Amounts shown are in CDN\$ based on a share price of CDN\$17.61 as at December 31, 2008 and assuming all PSUs and RSUs vest.

The purpose of the Long Term Incentive Program ("LTIP") is to promote the long-term success of the Company by providing equity based incentive awards to eligible employees, including the NEOs, and to assist the Company in attracting and retaining individuals with superior experience and ability.

In the past, the long-term incentive component consisted of stock option grants under the Company's 2004 Stock Option Plan. This component has been supplemented by LTIP awards (collectively "LTIP Awards"). Under the LTIP, the Company has created two types of awards to be granted to employees. These awards are:

- RSUs
- PSUs

RSUs are shares of the Company that will be awarded to the holder of the grant based on vesting rights assigned by the Company. Upon vesting of these units, the employee receives shares of the Company, based on the award granted. The vesting rights of these units are time based, such as, they will vest based on time served as an employee of the Company.

PSUs are shares of the Company that will be awarded to the holder of the grant based on vesting rights assigned by the Company. Upon vesting of these units, the employee receives shares of the Company, based on the award granted. The vesting rights of these units are performance based and the vesting terms are set out in the PSU grant agreement. The performance measure for the LTIP awards is based on the performance of the Company's share price measured against an index of mining companies listed on both the Toronto and London stock exchanges.

Since NEOs have the potential to significantly influence shareholder value, NEOs receive LTIP Awards primarily in PSUs. This directly aligns the NEO's incentive compensation to the creation of shareholder value.

The awards granted to NEOs, other than the CEO, are based on recommendations made to the Compensation Committee by the CEO, while the Compensation Committee alone recommends the quantum of award granted to the CEO for approval by the Board.

The Company uses the Monte Carlo Simulation to value PSU awards. The Monte Carlo Simulation is a technique used to approximate the probability of certain outcomes by running multiple scenarios, called simulations, based on normally distributed random variables (“NDRV”). The stock price at the end of each simulation is the product of the initial stock price times a rate of return based on these assumptions. The Grant Date Fair Value for an individual PSU LTIP Award is equal to the number of shares awarded multiplied by the market price on the grant date (June 30) then multiplied by the probability of vesting determined using the Monte Carlo Simulation. The Grant Date Fair Value is the same as the Accounting Fair Value. The Company’s aggregate LTIP liability derived by the Monte Carlo Simulation is discounted annually to account for individual forfeitures during the vesting period for each LTIP Award as a result of employees leaving the Company. RSUs are valued at the number of shares awarded multiplied by the Grant Date Fair Value on the grant date (June 30).

Under the LTIP Plan, the Company has established an independent trust (the “Trust”) under an agreement dated August 25th, 2006 (the “Agreement”) and has appointed a Trustee to the Trust. Company shares are purchased by the Trust through the facilities of the TSX during the year to settle the LTIP Awards.

(b) *Value on Pay-Out or Vesting of Incentive Plan Awards*

Name	Share Awards Value during the Year on Vesting⁽¹⁾	Non-Equity Incentive Plan Compensation Payout During the Year⁽²⁾
Philip K.R. Pascall	\$173,202	\$350,000
David Moroney	\$99,475	\$128,333
G. Clive Newall	\$68,240	\$175,000
Martin R. Rowley	\$157,443	\$310,000
Christopher Lemon	\$20,964	\$75,528

(1) Amounts shown are in CDN\$ based on closing market price on June 30, 2008 of CDN\$70.35, which was the date the RSUs vested.

(2) Amounts shown are in US\$.

(c) *Options and Stock Appreciation Rights (“SARs”)*

The LTIP program is discussed under paragraph D(a).

The Company has a stock option plan (the “2004 Stock Option Plan”), which also permits the issuance of SARs, the purpose of which is to provide incentives to directors, officers, senior management and certain consultants of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per Share value created for the Company’s shareholders. Options under the 2004 Stock Option Plan have been typically granted in such numbers as reflect the level of responsibility of the particular optionee and his or her contribution to the business and activities of the Company.

Options granted under the 2004 Stock Option Plan typically have a five (5) year term and are fully vested after three (3) years. The maximum term of an option under the 2004 Stock Option Plan is ten (10) years. Options are generally not assignable and, except in certain specified circumstances, terminate upon the optionee ceasing to be employed by or associated with the Company. If Shares are not issued under an option for any reason, the Shares in respect of such option will be made available and will not reduce the maximum number of Shares available for issuance under the plan. The maximum number of shares that may be issued is 6,000,000 shares. The number of Shares issuable to insiders shall not exceed in the aggregate ten percent (10%) of the Company’s total issued and outstanding Shares. The terms of the 2004 Stock Option Plan further provide that the price at which Shares may be issued under the 2004 Stock Option Plan cannot be less than the current market price of the Shares on the date immediately preceding the date of grant. The 2004 Stock Option Plan was amended to confirm that, in addition to time-based vesting conditions, options may be subject to

performance based vesting conditions. In the case of termination with or without cause all options are terminated. However, in the event of a change of control, if an employee is terminated within six months of the change of control, all options vest.

The 2004 Stock Option Plan cannot be amended in any respect without shareholder approval.

None of the NEOs have outstanding options. SARs have never been issued under the plan.

E. Retirement Benefit Plans

The Company does not provide retirement or pension benefits for directors, officers or employees and does not have a deferred compensation plan.

F. Termination and Change Of Control Benefits

Name	Estimated Cash Payout on Termination (\$)		Estimated Value Vested Share Awards on Termination without Cause ⁽²⁾ (\$)
	Without Cause	Change of Control and Termination	
Philip K.R. Pascall	350,000	\$1,750,000	621,246
David Moroney	168,000	\$840,000	237,418
G. Clive Newall	174,000	\$870,000	241,187
Martin Rowley	232,500	\$1,162,500	400,804
Christopher Lemon	N/A ⁽¹⁾	N/A ⁽¹⁾	71,831

(1) Mr. Lemon does not have a specified cash payout on termination or change of control.

(2) Amounts shown are in CDN\$ based on a share price of CDN\$17.61 as at December 31, 2008 and assuming all PSUs and RSUs vest.

The Company has management services or employment agreements with each of the NEOs or their holding companies (as the case may be, and for the purposes of this Part, each NEO or his holding company, is referred to as an “Executive Officer”) in respect of their positions with the Company. Each Executive Officer is engaged for an indefinite term and remains bound by confidentiality obligations. The CEO and CFO are required to provide their services exclusively to the Company (except with the prior written consent of the Company).

The following is a general summary of the termination and change of control or responsibility provisions applicable to each of the CEO, CFO, President and Executive Director of Business Development, under existing agreements:

- (a) The Company may terminate the Executive Officer’s engagement for cause following five (5) days’ written notice, and all compensation and benefits will cease accruing on the Executive Officer’s termination date. In this instance “cause” includes: any breach of the agreement, or inadequate performance of the Executive Officer’s duties that is not cured within five (5) days following written notice by the Company; unauthorized possession of the Company’s property, theft or dishonesty, being under the influence of alcohol or illegal drugs on the Company’s operational premises, assault or fighting where the Executive Officer is an active participant, being charged with a civil or serious criminal offence, unethical practices, intentional disloyalty, a serious breach of the Company’s policies and procedures, being absent without prior agreement for three or more days, or behaviour that brings the Company into disrepute.
- (b) The Company may terminate the Executive Officer’s engagement at any time without cause following six (6) months written notice, or payment of six months salary and benefits in lieu of such notice. The Executive Officer is not obligated to mitigate any damages that may be suffered by reason of the termination without cause by the Company.

- (c) If the Executive Officer is terminated by the Company, or if there is a material change in the Executive Officer's conditions of employment, at any time within the period commencing on the date of a change of control and ending twenty four (24) months thereafter, the Company is required to pay the Executive Officer an amount equivalent to thirty (30) months of the Executive Officer's compensation package for or paid in relation to the previous calendar year and any stock options or incentive awards held by or granted to the Executive Officer immediately vest.
- (d) The Executive Officer may terminate his engagement without cause only upon one hundred twenty (120) days advance written notice to the Company. All compensation will cease accruing upon the Executive Officer's termination date for any termination by the Executive Officer without cause.

In the case of the General Counsel and Corporate Secretary, the Company may only terminate his employment without notice or compensation in the event of serious misconduct or other circumstances where summary dismissal is justified. His PSUs and RSUs vest upon a change of control, unless a replacement plan is implemented.

For each of the CEO, CFO, President and Executive Director of Business Development, upon disability, the Company may terminate his services or make such other arrangements as the Company, in its sole discretion, deems necessary to accommodate the Executive Officer. The term "disability" is defined as any health condition or other cause beyond the reasonable control of the Executive Officer that reasonably prevents the Executive Officer from performing his duties for a period of 120 days within any twelve (12) month period.

G. Directors' Compensation

(a) *Compensation of Directors*

<u>Name</u>	<u>Fees Earned</u> (<u>\$</u>)	<u>Share Awards</u>	<u>All Other Compensation</u>	<u>Total</u> (<u>\$</u>)
Rupert Pennant-Rea	140,000	Nil	Nil	140,000
Michael Martineau	120,000	Nil	Nil	120,000
Peter St. George	140,000	Nil	Nil	140,000
Andrew Adams	140,000	Nil	Nil	140,000

(b) *Narrative Discussion*

In 2008, each independent director of the Company received an annual fee of USD\$120,000 cash for serving as a director. Each of the Chairman of the Audit Committee, the Chairman of the Compensation Committee and the Lead Independent Director received an additional annual fee of USD\$20,000. Committee members receive no fee for attending committee meetings. All annual directors' fees are pro-rated. Directors are also reimbursed for their out-of-pocket expenses incurred in attending director and committee meetings.

In light of the rapid deterioration of global economic conditions in the later part of 2008, and the resulting impact on both the Company's share price and financial outlook for 2009, as well as the appreciation of the \$US, in November 2008 the Nominating and Governance Committee considered and approved a recommendation from the Independent Directors to implement an annual fee reduction to \$100,000, and a reduction of the Lead Director and Audit and Compensation Committee Chair fees to \$10,000. The decreases in annual fees were made effective January 1, 2009.

All directors are eligible to be granted stock options under the Company's 2004 Stock Option Plan and RSUs under the LTIP adopted by the Company in 2006. No options or share awards were granted to any of the directors of the Company during 2008.

(c) *Share Awards, Option Awards and Non-Equity Incentive Plan Compensation*

(i) Outstanding Share Awards and Option Awards

Name	Option Awards		Share Awards	
	Number of Unexercised Options	Market Value of Unexercised in-the-money Options	Number of Unvested PSUs/RSUs	Market Value of Unvested RSUs ⁽²⁾
Andrew Adams	100,000 ⁽¹⁾	Nil	Nil / 536	\$9,439
Michael Martineau	Nil	Nil	Nil / 1018	\$17,927
Rupert Pennant-Rea	Nil	Nil	Nil / 536	\$9,439
Peter St. George	Nil	Nil	Nil / 536	\$9,439

(1) Options were granted on June 6, 2005 and expire on June 6, 2010. The options vested on June 6, 2008 and are exercisable at price of CDN \$20.88 per share.

(2) Amounts shown are in CDN\$ based on a share price CDN\$17.61 as at December 31, 2008.

(ii) Value on Pay-Out or Vesting of Incentive Plan Awards

Name	Share Awards Value during the Year on Vesting ⁽¹⁾ (\$)	Non-Equity Incentive Plan Compensation Payout During the Year
Andrew Adams	27,788	Nil
Michael Martineau	35,738	Nil
Rupert Pennant-Rea	27,788	Nil
Peter St. George	27,788	Nil

(1) Amounts shown are in CDN\$ based on closing market price on June 30, 2008 of CDN\$70.35, which was the date certain RSUs granted to directors vested.

(d) *Directors' and Officers' Liability Insurance*

In 2008, the Company maintained directors' and officers' liability insurance with a US\$30,000,000 combined aggregate annual and per occurrence limit at an annual premium for the period June 30, 2008 to June 30, 2009 of US\$165,249. Generally, under this insurance, the Company would be reimbursed for payments made under corporate indemnity provisions on behalf of its directors and officers and individual directors and officers would be reimbursed for losses arising during the performance of their duties for which they are not indemnified by the Company. Excluded from coverage are illegal acts and those acts which result in personal profit. Retention under the Company's directors' and officers' insurance policy is USD\$100,000.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out those securities of the Company which have been authorized for issuance under equity compensation plans as at the 2008 financial year end:

Plan Category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options⁽¹⁾ (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by the securityholders	669,500	\$24.12	3,141,833
Equity compensation plans not approved by the securityholders	Nil	N/A	Nil
Total	669,500	\$24.12	3,141,833

(1) Amounts shown are in CDN\$.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Approval of LTITP

As part of a review of the Company's executive compensation plans, the Board has adopted the LTITP. Shareholders will be asked at the Meeting to consider, and if thought advisable, approve the LTITP by an ordinary resolution.

The principal purpose of the LTITP is to promote the long term success of the Company by providing equity incentive awards to eligible Staff. The LTITP is designed to provide eligible Staff a proprietary interest in the Group and thereby encourage such persons to perform their duties or provide their services to the best of their abilities and to devote their business time and efforts to further the growth and development of the Group and retaining individuals with superior expertise and ability.

The LTITP authorizes the Compensation Committee of the Board ("Committee") to grant awards ("Awards") of RSUs and PSUs to Staff (as defined in the LTITP) of the Company with such Awards to be settled in the form of Shares of the Company issued from treasury. The LTITP will supplement the LTIP and provide more flexibility to the Company in determining whether it is in the best interest of the Company to purchase shares or to issue shares out of treasury.

Eligible participants under the definition of Staff include employees of the Company and its direct and indirect subsidiaries (the "Group") and non-employee staff who are independent contractors engaged by a member of the Group. Non-employee members of the Board are not eligible for Awards under the LTITP.

Under the terms of the LTITP, eligible Staff may be granted Awards consisting of either RSUs or PSUs. Each Share Unit entitles the participant the right to receive one Share of the Company issued from treasury, subject to adjustment as described below, and subject to meeting vesting conditions.

Under the LTITP, the Committee determines a dollar grant value for each Award, with the number of RSUs or PSUs determined by dividing the grant value for such Award by the Market Value of a Share at the grant date. For the

purposes of the LTITP, Market Value is the weighted average price per Share on the Stock Exchange on the immediately preceding 20 days on which the Shares actually traded (or such shorter period as the Committee may determine).

Each Award of RSUs will vest in accordance with applicable Time Vesting conditions (relating to the continued service within the Group and which may be graduated by percentages of a Award, including a percentage in excess of 100%) and the holder will be entitled to exercise such Award so as to be issued the number of Shares pursuant to such vesting conditions designated in the Award. Each Award of PSUs will vest in accordance with applicable Performance Vesting conditions, and the holder will be entitled to exercise such Award so as to be issued the number of Shares pursuant to such vesting conditions designated in the Award. For this purpose, Performance Vesting conditions may mean any performance-related conditions in respect of vesting, which may include performance of the Group or a member of the Group, and measured in total, incrementally or cumulatively over a specified performance period, on an absolute basis or relative to a pre-established target, to previous yearly results or a designated comparison group and which may be graduated by percentages, including a percentage in excess of 100%. Pursuant to the LTITP, the Committee may in its sole and absolute discretion impose additional or different vesting conditions to the Time Vesting or Performance Vesting conditions.

The LTITP provides that the maximum expiry date for an Award shall not exceed ten years from the Grant Date, subject to extension in the event of a blackout period imposed upon a participant, in which case such expiry date shall be extended to the date which is ten business days from the date that the blackout period ends. For this purpose, a blackout period is a period of time imposed by the Board pursuant to the Company's insider trading and disclosure policies on certain designated persons during which those persons may not trade in any securities of the Company.

The LTITP provides that the maximum number of Shares that are reserved for issuance from time to time pursuant to Awards shall be 1,000,000 (approximately 1.28% of the Shares outstanding as at April 9, 2009). The aggregate number of Shares issuable to any single member of the Staff pursuant to outstanding Awards is not to exceed 5% of the issued and outstanding Shares, calculated on an undiluted basis. In addition, the number of Shares issuable to insiders (as defined by the TSX for this purpose) at any time, under all security based compensation arrangements of the Company, is not to exceed 10% of the issued and outstanding Shares and the number of Shares issued to insiders, within any one year period, under all security based compensation arrangements of the Company, is not to exceed 10% of the issued and outstanding Shares.

The LTITP provides that an Award may provide for an adjustment to the number of Shares to be issued pursuant to Awards reflecting the divided equivalent amounts. If an Award so provides, when and if cash dividends are paid on Shares, a number of additional Share Units should be credited to a participant, determined on the basis of the amount of dividends paid on a number of Shares equal to the number of Share Units held by a participant on the record date for such dividend divided by the Market Value per Share at the time.

In the event of a re-organization (as defined in the LTITP and which includes a change of control), the Board may vest any or all Awards.

Pursuant to the LTITP, unless otherwise determined by the Committee or unless otherwise provided in a Award agreement pertaining to a particular grant or any written employment agreement, if a participant ceases to be a member of Staff for any reason, including as a result of termination for cause, termination without cause, retirement or voluntary resignation, all outstanding Award agreements under which Awards have been made to such participant, whether PSUs or RSUs, shall be immediately terminated and all rights to receive Shares thereunder shall be forfeited by the participant.

The right to receive Shares pursuant to an Award may only be exercised by such participant personally and no assignment, sale, transfer, pledge or charge of a Award, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Award whatsoever in any assignee or transferee and, immediately upon any assignment, sale, transfer, pledge or charge or attempt to assign, sell, transfer, pledge or charge, such Award shall terminate and be of no further force or effect, provided that rights of a participant in respect of an Award are transferable upon death; and a participant may transfer or assign the rights of a Award to minor children or minor grandchildren or the spouse of the grantee, or a trust or holding company of which the participant is a trustee or director and the beneficiaries or shareholders of which are a combination of the participant, participant's spouse or

participant's minor children or minor grandchildren, subject to and in accordance with such requirements as the Board may from time to time determine.

The Board has the right to amend from time to time or to terminate the terms and conditions of the LTITP without Shareholder approval. However, the LTITP, or any Award granted under it, may not be amended without Shareholder approval to (a) increase the number of Shares under the LTITP issuable on exercise of Awards, (b) extend the expiry date of any outstanding Award, (c) permit a participant to transfer or assign Awards other than as permitted under the LTITP, (d) increase the number of Shares that may be issued to insiders above the restrictions set forth in the LTITP, (e) extend the maximum expiry date under the LTITP beyond ten years, (f) add additional categories of participants to the LTITP, or (g) amend the amendment provisions of the LTITP to delete any of the foregoing matters requiring Shareholder approval. No amendment of the LTITP or Awards granted pursuant to the LTITP may be made without the consent of the participant, if it adversely alters or impairs the rights of the participant in respect of any Award previously granted to such participant under the LTITP.

Approval of the LTITP requires approval of Shareholders by ordinary resolution, being a majority of the votes cast by Shareholders on the resolution.

In the event the LTITP is not approved by Shareholders at the Meeting, the Company will consider the provision of comparable compensation to the Executives in the form of cash or by other appropriate arrangements.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve the following ordinary resolution:

“BE IT RESOLVED, as an ordinary resolution of the Shareholders of the Company, that the Long Term Incentive (Treasury) Plan (“LTITP”), as described in the Company’s Management Information Circular dated April 9, 2009, be and is hereby approved.

In the absence of instructions, the persons named in the accompanying form of proxy intend to vote in favour of approval of the LTITP.

If the LTITP is approved, the maximum number of Shares reserved for issuance under the LTITP and the 2004 Stock Option Plan will not in the aggregate exceed 10% of the Company’s issued and outstanding Shares.”

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Financial information about the Company is provided by the Company’s comparative annual financial statements to December 31, 2008, together with the Management’s Discussion and Analysis thereon. Copies of the Company’s financial statements and its Management’s Discussion and Analysis for the year ended December 31, 2008 may be obtained by any shareholder of the Company free of charge by request to the Company at:

8th Floor
543 Granville Street
Vancouver, British Columbia
Canada V6C 1X8

The contents and sending of this Circular have been approved by the Board.

DATED at Vancouver, British Columbia, this 9th day of April, 2009.

ON BEHALF OF THE BOARD OF DIRECTORS

“Philip K.R. Pascall”

**Philip K.R. Pascall
Chairman and Chief Executive Officer**



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