



**FIRST QUANTUM**  
MINERALS LTD.

# NEWS RELEASE

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## **FIRST QUANTUM MINERALS ANNOUNCES BOARD APPROVAL FOR DEVELOPMENT OF KEVITSA PROJECT, FINLAND**

### **ENHANCED MINERAL RESERVES WITH INCREASED TONNES AND IMPROVED GRADES**

(All dollar amounts are expressed in United States dollars, unless noted otherwise)

**First Quantum Minerals Ltd.** (“**First Quantum**” or the “**Company**”, TSX Symbol “**FM**”, LSE Symbol “**FQM**”) is pleased to report that its Board of Directors has approved the development of the Kevitsa nickel-copper-PGE project in northern Finland.

#### **Highlights**

- Estimated mine life of over 20 years with robust economics
- Life of mine C1 cash operating cost estimated at approximately \$2.50 per pound nickel, net of by-product credits
- Capital cost estimate of approximately \$400 million
- Process facilities will be designed for 5 million tonnes per annum with built in expansion capabilities
- Significantly enhanced mineral reserves estimate of 107 million tonnes grading 0.296% nickel (Ni); 0.272 nickel sulphide (Ni (S)); 0.418% copper (Cu); using a Ni (S) cut-off grade of 0.147%
- Detailed engineering planned to start before year end 2009 with commercial production targeted for mid 2012
- All material mining permits have been received
- Assumptions include: long term nickel price of \$6.75 per pound; copper price of \$2.00 per pound; Euro/US dollar of 1.35
- Expected workforce of approximately 200 during commercial operations
- Drilling program continues to deliver encouraging results
- Financing expected to be a combination of equity and loan, including Nordic institutions

“We are very pleased to be able to confidently approve the development of the Kevitsa project within just 18 months of the acquisition of the project. This accomplishment is a testament to the quality of the asset and to the cooperation of the Finnish government at all levels, regulatory agencies and local communities,” said Philip Pascall, Chairman and CEO of First Quantum. “We believe that Kevitsa is going to be a long-life operation that will be a meaningful contributor to the growth of the Company and yield significant benefits to all of its stakeholders. We look forward to applying our expertise to the development of one of the world's major undeveloped sulphide nickel deposits and one of the largest mineral discoveries in Finland's history. This development is a major step in our goal of becoming a globally diversified base metals company.”

#### **Project Overview**

The Kevitsa mineral reserve has been evaluated in terms of the development of an open pit mine and the construction of an ore treatment plant with a permitted capacity of 5 million tonnes per annum with built in expansion capabilities. The open pit mine is planned to employ large-scale electrically powered mining equipment to deliver ore to the primary

gyratory crusher. After crushing the ore will be autogenously milled prior to the two-staged flotation process. Two concentrates will be produced – a copper/gold concentrate and a nickel concentrate that will contain the majority of the platinum group elements (“PGE’s”).

The respective recoveries of each metal have been based on the data obtained from the detailed pilot plant work conducted at the Geological Survey of Finland (GTK) facilities during 2006-2008. The circuit will comprise primary and secondary crushing of run of mine ore, autogenous milling and pebble milling to a particle size of 80% passing 75 micron, followed by a sequential flotation circuit. Two flotation concentrates will be generated – a copper concentrate containing approximately 28% copper and a nickel concentrate at approximately 12% nickel. Gold values will be contained in the copper concentrate and the PGE’s will mainly report to the nickel concentrate.

Off-take arrangements for the separate treatment of both concentrates will target international as well as local smelters.

A recently completed Engineering Study, based on the new mineral resource estimate has defined the new mineral reserves estimate, the mineral processing methodology and the project development timeframe and costs. The financial evaluation indicates that the project is robust (see the Key Financial Findings section of this document) using long-term metals prices of \$6.75 per pound nickel and \$2.00 per pound copper.

The Company expects to employ a workforce of approximately 200 during commercial operations. Financing for the project is expected to be a combination of equity and loan, including Nordic institutions

### Qualified Person and NI 43-101 Compliant Mineral Resource

Since June 2008, First Quantum has conducted a major drilling campaign to upgrade the geological certainty associated with the Kevitsa resource. The results from this extensive drilling campaign have been included in a new mineral resource which was prepared by Galen White, CSA Global, and Markku Lappalainen, Kevitsa Mining Oy, both Qualified Persons for the purpose of National Instrument 43-101 "Standards of Disclosure for Mineral Projects" ("NI 43-101"). The estimate has been made in accordance with the standards specified in NI 43-101.

The NI 43-101 compliant mineral resource for the Kevitsa deposit, using 0.1% Ni (total) cut-off is shown in Table 1.0. Grade interpolation was conducted by ordinary Kriging or using the Inverse Distance method, depending on domain characteristics.

**Table 1.0 Mineral Resource Kevitsa Project – September 21, 2009**

Resource class	Tonnes		%			Grams per tonne			
	(millions)	Ni (total)	Ni (Sulphide)	Cu	Au	Pt	Pd	Co	
Measured	66.0	0.31	0.29	0.41	0.12	0.22	0.17	146	
Indicated	99.0	0.30	0.27	0.43	0.11	0.18	0.13	150	
Subtotal	165.0	0.30	0.27	0.42	0.11	0.20	0.15	148	
Inferred	43.0	0.31	0.28	0.43	0.10	0.16	0.13	148	
Resources are estimated down to -496 metre resource level, corresponding to a depth of 730 metres below average surface									
Density - 3.17									

**Note:** The mineral reserves are included in the mineral resources

The new mineral resource shows an increase in both nickel and copper grades compared to earlier mineral resources. The improved confidence associated with the geological interpretation has allowed further exploration to be targeted at areas where the mineral resource has not been closed off. Hence, infill drilling as well as further delineation continues. Drilling continues to deliver encouraging results and it is expected that at least a part of the inferred resource will be converted to measured and indicated. It is further anticipated that this drilling could identify further extensions to the mineral resource.

## Mineral Reserve Update

The new mineral reserve estimate has been compiled by Nick Journet, Dumpsolver Pty Ltd., who is a Qualified Person for the purpose of NI 43-101. The estimate has been made in accordance with the standards specified in NI 43-101.

A detailed Whittle Optimization has been performed on the new geological model which has identified the economically recoverable portion of the mineral resource. This optimization technique utilizes the economic and physical project parameters derived during the Engineering Study to determine the open pit limits. Mining and ore dilution factors have been applied to the mineral resource to determine the extent of the mineral reserves. The large-scale mine will be developed in a series of strategic cutbacks over the life of mine (“LoM”) which should allow a constant feed rate of 5.0 million tonnes per annum to be maintained. Waste mining will be managed to enhance operational performance and to satisfy the requirements of the prevailing environmental permits.

The NI 43-101 compliant mineral reserves are shown in Table 2.0 and are defined using a Ni (S) cut off grade of 0.147%. Only the measured and indicated mineral resource categories have been considered during the evaluation of mineral reserves and all inferred resource material has been considered as waste. Ongoing drilling should bring some of the inferred resource to measured and indicated status providing an opportunity to increase reserves and reduce the strip ratio.

**Table 2.0 Mineral Reserves Kevitsa Project – November 2009**

Category	Tonnes (millions)	%			Grams per tonne			
		Ni (Total)	Ni (Sulphide)	Cu	Au	Pt	Pd	Co
Proven	52.1	0.296	0.272	0.406	0.13	0.23	0.18	144
Probable	55.4	0.296	0.273	0.431	0.12	0.21	0.16	150
Total	107.5	0.296	0.272	0.418	0.12	0.22	0.17	147
Waste	440.2							
Pit Size	547.7							
S/Ratio	4.1							

At 107.5 million tonnes, the new mineral reserves are considerably larger than the previous estimate of 66.6 million tonnes, and in addition nickel and copper grades have improved compared to the mineral reserves previously published by Scandinavian Minerals Ltd. in July, 2006.

## Project Construction Timeframe

The schedule for the construction of Kevitsa takes into consideration the seasonal climatic environment within the Arctic Circle. The detailed engineering phase is planned to commence before year end 2009 with commercial production targeted for mid 2012.

Apart from the main access road that has been completed, all project infrastructure will be installed during the construction phase of the project.

## Permits and Mining Concession

The environmental permit for Kevitsa was granted in July 2009, and the mining concession in September 2009. All material permits for mining have now been granted. The Engineering Study has taken cognizance of the requirements of these permits during the preliminary design and evaluation phase.

## Key Financial Findings

The capital cost of the project is based on the mining, processing and infrastructure requirements to treat 5 million tonnes per annum but also taking into account the possibility of further expansions should conditions allow. The capital, which is sensitive to currency exchange rates, is estimated at approximately \$400 million and the average LoM C1 operating cost at approximately \$2.50 per pound of nickel, net of credits for copper, gold and PGE's. At a long term nickel price of \$6.75 per pound and copper price of \$2.00 per pound, the project has an internal rate of return of approximately 18% and a net present value of \$300 million at a discount rate of 8%.

### **NI 43-101 for the Updated Independent Nickel-Copper-PGE Resource**

CSA Global and Galen White, as well as Dumpsolver Pty Ltd. and Nick Journet are all independent of the Company. A NI 43-101 compliant technical report will be filed on SEDAR within 45 days.

In accordance with the requirements of NI 43-101, readers are cautioned that mineral resources that are not mineral reserves do not have demonstrated economic viability. The Company is not aware of any environmental, permitting, legal, title, taxation or other relevant issue which may materially affect the estimate of the mineral resources and mineral reserves contained in this news release other than those which have been disclosed in the documents it files from time to time with the relevant securities regulatory and listings authorities in Canada, the United States and the United Kingdom.

**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](http://www.first-quantum.com)

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Certain statements and information herein, including all statements that are not historical facts, contain forward-looking statements and forward-looking information within the meaning of applicable U.S. and Canadian securities laws. Such forward-looking statements or information include but are not limited to statements or information with respect to future price of copper or gold, estimation of mineral reserves and mineral resources, our exploration and development program, estimated future expenses including estimated cash operating costs and capital costs, timing of engineering, construction and commercial production, methods of mining, estimated internal rate of return and net present value of the Kevitsa project, exploration and development capital requirements, and our goals and strategies. Often, but not always, forward-looking statements or information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "believes" or variations (including negative and grammatical variations) of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

With respect to forward-looking statements and information contained herein, we have made numerous assumptions including among other things, assumptions about the price of copper and gold, ore types, throughput and recovery rates, exchange rates and discount rates, anticipated costs and expenditures and our ability to achieve our goals. Although our management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that a forward-looking statement or information herein will prove to be accurate. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause 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.

See our annual information form and our quarterly and annual management's discussion and analysis 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 that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond our control. Accordingly, readers should not place undue reliance on forward-looking statements or information. We undertake no obligation to reissue or update forward-looking statements or information as a result of new information or events after the date hereof except as may be required by law. All forward-looking statements and information made herein, are qualified by this cautionary statement.