



FIRST QUANTUM
MINERALS LTD.

NEWS RELEASE

10-08

February 01, 2010

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FIRST QUANTUM MINERALS ANNOUNCES COMMENCEMENT OF INTERNATIONAL ARBITRATION REGARDING THE CANCELLATION OF THE KOLWEZI PROJECT

First Quantum Minerals Ltd. (“First Quantum” or the “Company”, TSX Symbol “FM”, LSE Symbol “FQM”) today announced that it has, along with its partners the IFC (International Finance Corporation) and IDC (Industrial Development Corporation of South Africa), commenced international arbitration under the facilities of the International Chamber of Commerce International Court of Arbitration in Paris, France against La Générale des carrières et des mines (“Gécamines”) and the Democratic Republic of Congo (“DRC”).

The Kolwezi Project Tailings Exploitation Permit is held under the terms of a Contract of Association, by Kingamyambo Musonoi Tailings SARL (“KMT”), which is owned by the Company’s subsidiary Congo Mineral Developments Limited (“CMD”) and its partners IFC and IDC, who collectively own 82.5% of KMT, and Gécamines and the DRC who own the balance of 17.5%.

On August 21, 2009, the DRC Prime Minister wrote to Gécamines and to CMD to advise that “... the Council of Ministers had noted and taken act of the impossibility of continuing this partnership and the requirement for the subsequent retrocession without condition, to Gécamines, of the title bearing on Tailings Exploitation Permit n°652” (translation). On August 25, 2009 the DRC mining registry issued a notice to KMT cancelling Tailings Exploitation Permit n°652 and on September 15 and 16, the DRC ordered closed and sealed the offices and work sites of KMT, thus preventing any further pursuit of KMT’s activities. Despite numerous efforts by the Company, the IFC and IDC, attempting to resolve the dispute amicably and advising the DRC and Gécamines of the illegality of their actions and of the validity of the Contract of Association, the DRC and Gécamines have purported to unilaterally and illegally put an end to the Contract of Association and have stopped the KMT operations, thus placing out of work almost 1,000 employees, of which 700 are Congolese employees working on the construction of KMT’s plant.

The Company, the IFC and IDC are firmly of the view that the DRC and Gécamines have breached the terms of the Contract of Association, which provides for recourse to resolve disputes through international arbitration. Notwithstanding, on January 11, 2010 CMD received a letter from Gécamines advising they were cancelling the Contract of Association. The Company believes international arbitration is now necessary to protect the investment of CMD, IFC and IDC, including seeking interim orders to protect and preserve the KMT site.

While the Company, IFC and IDC have commenced international arbitration pursuant to the Contract of Association, the Company will continue to seek a negotiated solution to the foregoing dispute and will provide further updates as warranted.

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

**12g3-2b-82-4461
Listed in Standard and Poor's**

For further information visit our web site at 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, 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” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate” or “believes” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

With respect to forward-looking statements and information contained herein, we have made numerous assumptions including among other things, assumptions about the price of copper and gold, 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.