



NEWS RELEASE

FIRST QUANTUM
MINERALS LTD.

08-18

August 12, 2008

www.first-quantum.com

FIRST QUANTUM MINERALS REPORTS OPERATIONAL AND FINANCIAL RESULTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2008

(All figures expressed in US dollars)

First Quantum Minerals Ltd. (“First Quantum” or the “Company”, TSX Symbol “FM”, LSE Symbol “FQM”) is pleased to announce its results for the three and six months ended June 30, 2008. The complete financial statements and management discussion and analysis are available for review at www.first-quantum.com and should be read in conjunction with this news release.

Key features		Q2 2008	YTD 2008
Production	t Cu	80,977	156,593
Sales	t Cu	84,007	146,810
Net sales	USD	652.6	1,164.1
Operating profit	USD	408.0	762.1
Net profit	USD	208.0	390.0
Earnings per share	USD	3.06	5.74

Unless otherwise indicated, all comparisons of performance throughout this report are to the comparative period for the prior year.

- Quarterly and YTD copper production rise on the back of Frontier’s operations and Kansanshi’s expansions
- Operating costs increase due to higher stripping, inflationary pressures and logistical issues
- Quarterly operating profit increases on overall production and reduction of Frontier’s concentrate stockpile
- Completed acquisition of 100% of Scandinavian Minerals Limited (“SML”)
- Discussions continued in relation to the new Zambian tax regime but uncertainties remain

Near term outlook

- Expected production for 2008 remains at 310,000 tonnes

Longer term outlook

- Kansanshi expansion project and gold plant construction will drive further increases in production
- Kolwezi project construction continued towards commercial start-up in the first quarter of 2010
- Kevitsa project in Finland undergoing detailed engineering review

Q2 2008 operating results

	Q2 2008	Q2 2007	Q2 2006
NET SALES (after TC/RC charges)	USD M	USD M	USD M
Kansanshi - copper	367.0	255.9	251.9
- gold	13.0	4.7	6.0
Frontier - copper	192.0	-	-
Guelb Moghrein - copper	51.1	41.2	-
- gold	13.3	7.6	-
Bwana/Lonshi - copper	15.4	41.2	104.4
- acid	0.8	0.2	0.2
Net sales	652.6	350.8	362.5
Copper provisional pricing adjustment included above	1.2	22.6	60.4
OPERATING PROFIT	USD M	USD M	USD M
Kansanshi	243.8	178.7	205.7
Frontier	125.8	-	-
Guelb Moghrein	45.1	30.8	-
Bwana/Lonshi	(6.7)	1.3	77.3
Total operating profit	408.0	210.8	283.0
COPPER SELLING PRICE	USD/lb	USD/lb	USD/lb
Current period sales	3.72	3.28	3.14
Prior period provisional pricing adjustment	0.01	0.23	0.57
TC/RC and freight parity charges	(0.35)	(0.13)	(0.35)
Realized copper price	3.38	3.38	3.36
UNIT COSTS	USD/lb	USD/lb	USD/lb
Cash costs (C1)	1.18	1.12	0.89
Total costs (C3)	1.87	1.38	1.09

Group operating profit driven by significant sales increase

Group operating profit increased over the comparative period as a result of higher sales volume and stronger commodity prices. Sales volume increased 85% due to a 62% increase in production and a reduction in the copper inventory stockpiles. The increase in production was driven by Frontier, which accounted for 75% of this increase, while Kansanshi contributed the balance of the increase due to facility upgrades and expansions, and the processing of higher grade ore. Frontier was not operational in the comparative quarter. Operating profits were negatively impacted by higher stripping and cost inflation which resulted in an increase in the average unit cost of production (C1). The way that the new Zambian taxes have been accounted for resulted in an increase in C3 costs with an offsetting tax recovery recognized in operating profit.

New Zambian tax regime

Background

As previously reported and set out in the attached financial statements the Government of the Republic of Zambia (“GRZ”) announced in January 2008 a number of proposed changes to the tax regime in the country in relation to mining companies. These changes were passed by parliament in late March and the majority of changes took effect from April 1, 2008.

The Company, through its Zambian subsidiaries, is party to Development Agreements with the GRZ for its existing operations which provide an express right to full and fair compensation for any loss, damages or costs (including interest) incurred by the Company by reason of the GRZ's failure to comply with the tax stability guarantees set out in the Development Agreements, and rights of international arbitration in the event of any dispute.

Update

Whilst the Company has recorded the full liability for these taxes in its accounts for the period ended June 30, 2008 in accordance with the new legislation, it has also recognized as a receivable an amount in respect of the excess taxes recoverable in accordance with the Development Agreements. Following greater clarity in relation to the new taxes obtained from the issuance of a practice note by the Zambian Revenue Authority (“ZRA”) in May 2008 the various taxes have been accounted for as follows:

- Windfall tax – treated as a non-deductible royalty expense (C3 cost);
- Variable tax – none recognized in these accounts as this tax does not apply when windfall tax applies, but it will be recorded as an income tax expense if payable in the future;
- Concentrate export levy – treated as a deductible operating expense (C3 cost);
- Increased royalty – treated as a deductible royalty expense (C3 cost); and
- Change in timing of deduction of capital allowances and quarantine of hedging activities from operating results – accounted for in the calculation of income tax expense.

The Company has, following the recent tax changes, obtained legal advice on its rights under the Development Agreements. This advice has confirmed that the Company has rights of recovery for any taxes which are levied in excess of those permitted under the Development Agreements. In the light of the detailed advice received, the Company has assessed there to be a high probability of recovery from the GRZ of certain payments made in respect of these taxes. Accordingly, the Company has recognized a receivable from the GRZ for an amount in respect of the expected ultimate repayment of taxes in excess of the taxes permitted under the Development Agreements. As required by the financial instruments standards, this receivable has initially been recorded at fair value based on management’s best estimate of the timing of receipts and amounts due. At June 30, 2008 this receivable amounts to \$67.3 million.

Currently, the Company, along with other mining companies operating in Zambia with similar agreements, is engaged in discussions with the GRZ to find an alternative solution to arbitration or litigation. The timing and outcome of these discussions is uncertain.

The Company has recently received letters from the ZRA confirming that the Company “will with immediate effect be required to pay windfall tax on a provisional basis at a flat rate of 25% at any price above the first trigger price for both copper and cobalt”. This advice is inconsistent with the legislation referred to above which provides for windfall tax rates of 50% above \$3.00/lb and 75% above \$3.50/lb. The letters go on further to state that this “is an interim arrangement and, we expect at the end of the tax year, necessary adjustments will be effected accordingly”. Because of this inconsistency with duly passed legislation, the purported capping of the windfall tax rate has not been taken into account in the liability calculations for this quarter’s financial statements. The Company’s accounts for the period ended June 30, 2008 reflect tax liabilities consistent with the legislation passed by parliament, although a payment of windfall tax made on July 14, 2008 in respect of the June quarter was calculated in accordance with the instructions received from the ZRA using a capped 25% windfall tax rate.

Kansanshi production output increases due to expansion activities

Kansanshi copper production increased 31%. This, combined with the stockpiling of concentrate production in the comparative quarter, led to a 39% increase in tonnes of contained copper sold.

Copper production increased due to a combination of an 8% increase in ore throughput and higher grade ores processed. Despite downtime related to repairs on the sulphide SAG mill, ore throughput continued to benefit from the facility expansions completed during 2007. The availability of higher grade ore for processing was the direct result of the build up of the mining fleet in 2007. This, combined with relatively low waste stripping activities throughout 2007 and the first quarter of 2008, enabled higher grade oxide and sulphide ore to be mined and stockpiled for processing during the current quarter.

Operational issues at the Mufulira smelter improved during the quarter resulting in tolled cathode output increase of 7% over the comparative quarter and a 59% increase over the first quarter of 2008. Kansanshi continued to focus on achieving a steady state of production from the high pressure leach system, which contributed approximately 2,660 tonnes of copper in concentrate to cathode production, an increase of 60% over the previous quarter. Of the remaining balance of copper in concentrate production, approximately 4,400 tonnes were sold without further processing and approximately 2,100 tonnes were added to the inventory stockpiles.

Kansanshi's average cash unit cost of production (C1) increased 13% as ore and processing costs were negatively impacted by rising cost pressures related to oil based consumables, sulphur, wages and appreciation of the Zambian Kwacha against the US dollar. The significantly increased global price of oil contributed to cost increases in all areas of production and the shortfall of skilled labour continued to drive increases in wages. Ore costs were also impacted by an increase in waste stripping during the current quarter as Kansanshi's mining operations focus on exposing new areas of the ore body.

Kansanshi's total cost of production (C3) was significantly impacted by the way that the new Zambian tax regime has been accounted for, specifically for the windfall tax, export levy and royalties. These new taxes contributed approximately \$0.71/lb to the average C3 cost.

Frontier operating profit driven by strong production and reduction of inventory stockpiles

Frontier's operating profit benefited from increased production, drawdown of the copper in concentrate stockpile and reduced unit cash costs as operations have ramped up since achieving commercial production during the fourth quarter of 2007.

Frontier achieved concentrate production at designed production rates, recoveries and quality during the quarter. Mining activities improved significantly with the end of the wet season resulting in higher ore grades available for processing. Ore throughput increased by 20% from the previous quarter due to an improvement in ore types processed. This resulted in copper in concentrate production increasing by 72% over the first quarter of 2008.

Frontier finalized new off-take agreements during the quarter resulting in the sale of all of the previously stockpiled concentrates and over half of the current quarter's production. The copper in concentrate stockpile was reduced by approximately 5,500 tonnes since the previous quarter end, which contributed to the significant increase in sales revenues. With the increase in concentrate production and mining activities, cash costs (C1) were 17% lower than the previous quarter. This was driven by higher ore grades processed and an increase in total copper output resulting in lower costs on a per unit basis. However, these positive impacts were partially offset by increased freight costs principally related to higher global oil prices.

Guelb Moghrein benefits from increases in production

Guelb Moghrein's sales revenues were 32% higher due to increased copper and gold production and higher commodity prices. Guelb Moghrein continued to operate above throughput design level. Copper in concentrate production increased by 25% due to a 6% increase in the tonnes of ore processed and an improvement in the recovery process.

The average unit cost of production (C1) remained relatively consistent with the comparative quarter as rising costs such as freight, oil-based consumables, power and wages, were offset by an increased gold credit related to the increased gold price.

Bwana/Lonshi suffers from Democratic Republic of Congo ("DRC") border closure

For the entire quarter the border between the Lonshi mine and Zambia remained closed. As in the previous quarter, this required the Bwana treatment plant to continue to process low grade ore purchased from external vendors, which resulted in low copper production and increased average cash unit (C1) and total unit (C3) costs of production.

Meanwhile, mining operations continued at the Lonshi mine increasing the stockpile to approximately 147,000 tonnes of ore at an average ore grade of approximately 5.6% at quarter end. The Company believes it has satisfied all requirements to allow the shipment of ore to Bwana from Lonshi. On July 23, 2008, as provided for in the Mining Code, Lonshi filed a notice of *force majeure* with the Cadastre Minier in respect of the closure in relation to its obligations for tax payments and other commitments. Discussions are ongoing but the border remains closed as of the date of this report.

Provisional pricing adjustment positive following increase in copper price during final settlement periods

The provisional pricing adjustments reflect the quarter's final settlement prices for prior period copper sales at an average of \$3.91/lb compared to the March 31, 2008 provisional forward average LME price of \$3.85/lb.

As at June 30, 2008, there were 20,192 tonnes of contained copper that were provisionally priced at an average LME copper price of \$3.94/lb. This revenue will be subject to future adjustments as a result of movements in the copper price. Of this amount, 13,844 tonnes had the final price determined in July at \$3.82/lb resulting in a negative provisional pricing adjustment of approximately \$4.0 million, 3,195 tonnes will be determined in August and 3,153 tonnes will be determined in September.

Q2 2008 net profit

	Q2 2008	Q2 2007	Q2 2006
	USD M	USD M	USD M
Operating profit	408.0	210.8	283.0
Corporate costs and other expenses/income	(9.2)	(4.5)	(6.4)
Derivative losses (net)	(2.2)	1.1	(34.0)
Exploration	(4.2)	(2.4)	(4.9)
Interest (net)	(6.6)	(5.0)	(3.7)
Tax expense	(134.9)	(45.0)	(64.1)
Minority interests	(42.9)	(31.9)	(20.4)
Net profit	208.0	123.1	149.5
Earnings per share			
- basic	\$3.06	\$1.83	\$2.32
- diluted	\$3.02	\$1.79	\$2.27
Weighted average shares outstanding			
- basic	68.0	67.5	64.6
- diluted	68.9	68.9	66.0

Net profit driven by operational results but affected by Zambian tax rate increases

Net profit and earnings per share were up 69% and 67%, respectively, due to the higher operating results at Kansanshi, Frontier and Guelb Moghrein. In particular, the Frontier operating results were a major contributor as the mine was under development during the comparative quarter.

Income tax expense up on increased earnings and Zambian income tax rate increases

The Company's effective tax rate increased mainly as a result of the increase in the corporate tax rate in Zambia from 25% to 30%, which was applied to both the current quarter's operating result and future tax liabilities. In addition, a future tax asset of \$6.5 million at Lonshi was written off due to the uncertainty regarding its recoverability. Tax expense at the statutory rate of 30% was recognized in respect of the earnings of the Frontier operation

Minority interests directly impacted by increased profit at Frontier

In addition to the minority interest charges at Kansanshi and Guelb Moghrein, Frontier is subject to a 5% minority interest charge on net income. This accounted for most of the increase in minority interest expense over the comparative quarter.

Q2 2008 cash flows

	Q2 2008	Q2 2007	Q2 2006
	USD M	USD M	USD M
Cash inflows from operating activities			
- before working capital	303.0	175.2	213.5
- after working capital	316.1	40.5	142.5
Cash inflows from financing activities	211.0	38.0	32.1
Cash outflows from investing activities	(403.3)	(114.8)	(91.8)
Net cash inflows (outflows)	123.8	(36.3)	82.8
Cash inflows per share			
- before working capital	\$4.45	\$2.59	\$3.31
- after working capital	\$4.64	\$0.60	\$2.21

Cash inflows from operating activities increase on net profit

Operating cash inflows before working capital movements increased due to the Company's operating results. Non-cash related expenses including depreciation, minority interests and future tax expense were significantly higher than the comparative quarter due to the increase in capital assets, increase in profits and increase in the Zambian tax rate accounted for.

Operating cash inflows after working capital movements for the quarter were impacted by a build up inventory of \$19.9 million and an increase in accounts receivable of \$54.4 million and the newly recorded tax recovery provision of \$67.3 million, which were offset by an increase in accounts payables of \$104.0 million (including the windfall tax and export levy tax payable accrual) and an increase in current taxes payable of \$53.3 million.

The significant increase in cash inflows over the comparative quarter was due, primarily, to a significant increase in accounts receivables during the comparative quarter.

Cash inflows from financing activities increase due to new debt facilities draw down

Financing activities included the draw down of the new debt facilities of \$250 million to assist in the funding of the SML acquisition. This was also a primary reason for the increase in cash inflow over the comparative quarter. Cash outflows included the payment of \$36.1 million in dividends.

Cash outflows from investing activities increase on acquisition of Scandinavian Minerals Limited

The Company spent \$215.7 million on the acquisition of SML (net of cash acquired) with financing from the new debt facility. Capital expenditure and upgrades at all operations accounted for \$73.7 million, and \$37.2 million was spent on the Kolwezi development project, including payment of the second instalment for the acquisition of the tailings exploitation permit under the Contract of Association between the government of the DRC, Gecamines and the financially contributing parties. In addition, \$36.3 million was spent on acquiring investments in marketable securities and \$40.4 million was classified as restricted cash to service the next debt repayment. Capital expenditures continued at Kansanshi on the sulphide expansion, while Guelb Moghrein continued investment in the gold plant and other expansion projects. The increase in cash outflow from the comparative quarter was due to the acquisition of SML, increased capital investment in operations, and an increase in investments in marketable securities.

YTD 2008 operating results

	YTD 2008	YTD 2007	YTD 2006
NET SALES (after TC/RC charges)	USD M	USD M	USD M
Kansanshi - copper	740.4	474.3	372.3
- gold	21.8	9.5	10.5
Frontier - copper	224.6	-	-
Guelb Moghrein - copper	118.3	54.0	-
- gold	29.7	10.7	-
Bwana/Lonshi - copper	28.5	63.3	166.5
- acid	0.8	0.3	0.4
Net sales	1,164.1	612.1	549.7
Copper provisional pricing adjustment included above	44.5	(9.7)	30.7
OPERATING PROFIT	USD M	USD M	USD M
Kansanshi	531.8	323.7	292.3
Frontier	143.9	-	-
Guelb Moghrein	99.5	41.2	-
Bwana/Lonshi	(13.1)	(8.3)	112.7
Total operating profit	762.1	356.6	405.0
COPPER SELLING PRICE	USD/lb	USD/lb	USD/lb
Current period sales	3.60	3.20	3.04
Prior period provisional pricing adjustment	0.14	(0.05)	0.16
TC/RC and freight parity charges	(0.30)	(0.16)	(0.32)
Realized copper price	3.44	2.99	2.88
UNIT COSTS	USD/lb	USD/lb	USD/lb
Cash costs (C1)	1.09	1.09	0.85
Total costs (C3)	1.57	1.35	1.05

Group operating profit increase driven by production increases and copper price

Group operating profit increased 114% as a result of higher sales volume and a higher realized copper price received. Sales volume increased 64% due to a 63% increase in production. Production was positively impacted by Frontier achieving commercial production in late 2007 and accounted for 60% of the gross increase over the comparative period, while Kansanshi and Guelb Moghrein both contributed with increased production output. However, the impact of cost inflation resulted in higher costs, which partially offset the increased profit margins resulting from the higher realized copper price received.

Kansanshi benefits from capital investment in expansion upgrades

Kansanshi copper production increased 40% directly resulting from the capital investments in expanding Kansanshi's facilities during 2007. This increased production combined with the higher realized copper price resulted in net sales increasing 58%.

Investment in additional mining equipment throughout 2007 allowed for increased mining and access to higher grade ores for processing during this current period. The processing facility upgrades and expansions allowed for a 21% increase in ore throughput over the comparative period. The combination of these items resulted in the increased production output.

Tolled cathode production from the Mufulira smelter increased by 20% as the upgraded Mufulira smelter began to ramp up production. With the significantly increased concentrate production and the production issues encountered at the Mufulira smelter during the early part of the current period, Kansanshi stockpiled an additional 8,000 tonnes of copper in concentrate since December 31, 2007.

The impacts of the rising cost pressures related to oil based consumables, sulphur, and wages were compensated by the processing of higher grade ore and an increase in overall copper output. This resulted in similar average unit cash costs (C1) between the comparative periods. However, accounting for the new Zambian tax regime during the second quarter resulted in a 29% increase in the average unit total costs (C3) compared to the same period in 2007.

Frontier production achieves design levels; becomes second biggest contributor to the group operating results

Frontier's operations continued to ramp up to design level since achieving commercial production in late 2007. This resulted in a significant increase in production and operating profit to the Company's results.

Mining and copper production were impacted by Frontier's first wet season during the early part of the period as the heavy rains hampered mining activities leading to low quality ore available for processing. As the wet season ended, mining was able to expose higher grade ore leading to increased concentrate production during the latter part of the period.

With the lack of available production capacity at the Mufulira smelter, Frontier entered into a number of new off take agreements during the latter part of the period resulting in a significant increase in sales. This, combined with declining average cash unit costs (C1) related to higher ore grades being processed and increased output, resulted in Frontier division becoming the second biggest contributor to the Company's operating profit.

Guelb Moghrein boosted by increased sales

Guelb Moghrein's sales volumes were 104% higher as the sales issues of the earlier part of the comparative period were settled during the latter part of 2007. This, combined with increased copper and gold prices, a further reduction of the concentrate stockpile and an increase in copper production, all led to the significant increase in operating profit.

The average unit cost of production (C1) for the period was 44% lower due, primarily, to the gold credit and the increase in sales volumes. After removing this credit, cash costs increased by approximately 5% due to the rising costs noted in the quarterly discussion.

Bwana/Lonshi DRC border remained closed

As previously mentioned the DRC border remained closed to ore shipments from the Lonshi mine for the entire period, while the Lonshi operation continued to mine and stockpile ore. Bwana processed low grade ore purchased from third parties throughout this period.

YTD 2008 net profit

	YTD 2008	YTD 2007	YTD 2006
	USD M	USD M	USD M
Operating profit	762.1	356.6	405.0
Corporate costs and other expenses/income	(20.5)	(10.7)	(11.4)
Derivative losses (net)	(3.6)	-	(52.6)
Exploration	(10.0)	(5.0)	(7.0)
Interest (net)	(13.5)	(9.5)	(8.9)
Tax expense	(232.9)	(76.7)	(89.1)
Minority interests	(91.6)	(53.3)	(30.7)
Net profit	390.0	201.4	205.3
Earnings per share			
- basic	\$5.74	\$2.99	\$3.25
- diluted	\$5.67	\$2.93	\$3.18
Weighted average shares outstanding			
- basic	67.9	67.4	63.2
- diluted	68.8	68.7	64.5

Net profit grows with capital investments

Net profit and basic earnings per share were 94% and 92% higher than the comparative period as the capital investments in Kansanshi, Frontier and Guelb Moghrein all contributed to the net profit of the Company.

Corporate costs impacted by foreign exchange losses

In addition to the rising corporate costs related to the growth of the Company, the increase over the comparative period also includes a foreign exchange loss of \$5.6 million versus a foreign exchange gain of \$0.8 million included in the comparative period. The foreign exchange loss was a result of the weakening of the US dollar since the beginning of the period.

Exploration costs increase with exploration in Mauritania

The Company's increase in exploration costs was principally the result of exploring new opportunities in Mauritania.

Interest expense up on higher outstanding debt balance

The outstanding long-term debt for the current period was higher than the comparative period resulting in the increase in interest charges for the period.

Income tax expense higher on increased earnings and tax rate changes

Due to the increased earnings, the increase in the Zambian tax rate referred to previously and an increase in the proportion of income subject to the higher statutory tax rates in DRC, tax expense was higher than the comparative period.

YTD 2008 cash flows

	YTD 2008	YTD 2007	YTD 2006
	USD M	USD M	USD M
Cash inflows from operating activities			
- before working capital	575.6	294.1	317.3
- after working capital	459.6	115.1	226.4
Cash inflows from financing activities	237.0	12.2	18.9
Cash outflows from investing activities	(503.2)	(216.8)	(137.9)
Net cash inflows	193.4	(89.5)	107.4
Cash inflows per share			
- before working capital	\$8.47	\$4.36	\$5.02
- after working capital	\$6.76	\$1.71	\$3.58

Cash inflows from operating activities direct result of net profit

As noted in the quarterly discussion, operating cash flows before working capital movements benefited from the Company's operating results with non-cash related expenses increasing over the comparative period due to the general growth in depreciable operating assets, profits applicable to minority interests and the Zambian tax rate increase.

Net working capital movements were lower in the current period mainly due to the timing of tax payments, as cash outflows related to the payment of taxes in the comparative period were higher than in the current period. This contributed to the higher cash flows compared to the same period of 2007.

Cash inflows from financing activities increase due to new debt facilities draw down

The increase in cash inflow from financing activities was directly related to the draw down of the new debt facilities in the second quarter utilized for the purpose of acquiring SML.

Cash outflows from investing activities increase on acquisition of Scandinavian Minerals Limited

The acquisition of SML during the second quarter and a 47% increase in capital expenditure over the comparative period resulted in the significant increase in investing cash outflows over the comparative period.

Q2 2008 balance sheet

	Q2 2008	YE 2007	YE 2006
	USD M	USD M	USD M
Cash	393.4	200.0	249.5
Property, plant and equipment	1,786.6	1,320.5	1,078.0
Total assets	3,629.2	2,682.7	1,719.7
Long term debt	635.2	361.2	294.9
Total liabilities	1,767.0	1,096.7	799.9
Shareholders' equity	1,862.2	1,586.0	919.8
Net working capital	472.2	457.3	312.8
Net debt to net debt plus equity	11%	9%	5%

Group assets rise on positive cash flows, acquisition of Scandinavian Minerals Limited and continuing capital investment

The Company's positive operating cash flow and the draw down of the new finance facilities was used by the Company to acquire SML and continue with capital expenditure and investment. Working capital also rose significantly during the period.

Due to the increased sales, accounts receivables increased by \$156.8 million with Frontier operations representing approximately 70% of the increase.

Inventory increases consisted of an additional \$16.0 million in finished products, \$33.2 million in consumable stores and \$28.7 million in ore stockpiles. The Company had stockpiles of approximately 28,700 tonnes of copper in concentrate at quarter end, which was a decrease of 2,900 tonnes since the end of the previous quarter. With the completion of new off take agreements, stockpiled concentrates at Frontier were reduced by approximately 5,500 tonnes of copper in concentrate. Kansanshi's inventory balance increased by approximately 2,100 tonnes since December 31, 2007. Of the closing stockpiled copper in concentrate total, approximately 14,600 tonnes of Kansanshi production remain stockpiled at the Mufulira smelter awaiting further treatment, an increase of 6,600 tonnes from the previous quarter end. The remaining balance consisted of 1,700 tonnes onsite at Kansanshi, 10,900 tonnes at Frontier, and 1,500 tonnes at Guelb Moghrein.

The total investment in marketable securities at cost amounted to \$366.4 million. Due to the market price of the marketable securities at the end of the period, the Company recognized a fair value loss of \$42.5 million in the current quarter and a total of \$119.3 million for the year to date through comprehensive income.

Property, plant and equipment balances increased by \$466.1 million, net of depreciation, with the acquisition of SML accounting for \$306.1 million of this increase. The balance of the increase was due to continued capital investment in Kansanshi, the Kolwezi development project and expansions at Guelb Moghrein.

Group liabilities increase on current taxes, future tax adjustments, debt draw down and minority interests

Current tax payable increased due to the positive operating results, the increased Zambian tax rate and the timing of payments. Future tax liability increased by approximately \$96.6 million due to the acquisition of SML and the increase in the Zambian tax rate. Long-term debt increased due to the draw downs of the new facility during the quarter. Minority interests increased due to the positive operating results at Kansanshi, Frontier and Guelb Moghrein.

Shareholders' equity increases on net earnings

Shareholders' equity increased on the positive net earnings and was negatively impacted by a decline in fair value of the Company's investments in marketable securities resulting in a comprehensive loss after tax of \$101.3 million for the year to date. In addition, \$19.8 million of common shares were issued as part of the SML acquisition.

As at the date of this report the Company has 68,721,941 shares outstanding.

Growth activities

Scandinavian Minerals Limited acquisition completed

In June 2008, the Company acquired all of the outstanding common shares of SML for consideration of CA\$9.00 in cash plus 0.01 common shares of the Company for each SML common share. SML's main asset was the 100% owned Kevitsa nickel-copper-PGE project in northern Finland.

The Kevitsa project fits the Company's strategy of acquiring projects to which it can apply its expertise in both development and financing to bring to commercial production. The acquisition is also consistent with the Company's goal of diversifying its investments geographically.

The acquisition of SML has been accounted for as an asset purchase.

The total purchase cost was \$279.0 million comprising:

	\$
Cash	255.4
Issuance of common shares	19.8
Transaction costs	3.8
	279.0

- a) The Company issued 284,491 common shares at CA\$71.28 per share for the acquisition of SML. The measurement of the common share component of the consideration is based on the average share price of the Company's common shares immediately before and after the date of acquisition.
- b) The cash paid to acquire SML including transaction costs less the cash received was \$215.7 million.

The preliminary allocation of the purchase price to the assets and liabilities acquired is as follows:

	\$
Assets	
Cash	43.5
Restricted cash	23.6
Accounts receivable	0.2
Property, plant and equipment	306.1
Liabilities	
Accounts payable and accrued liabilities	(1.5)
Other liabilities	(14.6)
Future income tax liability	(78.3)
Net assets acquired	279.0

The purchase price allocation is based on preliminary estimated fair values at the date of acquisition. The Company has commenced the process of assessing fair values for the assets acquired and liabilities assumed. The purchase price allocation is subject to change as the valuation process is completed.

Kevitsa development in Finland

A complete engineering review of the project commenced during the period. The mining and environmental permitting process continued and should be complete by the last quarter of 2008.

Site preparation, including tree clearing and access road and bridge construction, continued.

Kolwezi development in DRC

The Board of Kingamyambo Musonoi Tailings SARL (“KMT”) (owned by First Quantum 65%, La Generale Des Carrieres et Des Mines (“Gecamines”) 12.5%, Industrial Development Corporation of South Africa (“IDC”) 10%, the International Finance Corporation (“IFC”) 7.5% and the Government of the DRC 5%) committed in November 2007 to proceed with the development of the Kolwezi tailings project (“Kolwezi”). First Quantum with support from its contributing equity partners of KMT (“IDC and IFC”) will finance or procure third party debt project financing totalling up to \$593 million. This satisfied the obligations of First Quantum, the IDC and the IFC under the Contract of Association to complete feasibility studies, carry out an environmental impact assessment, prepare an environmental management plan and to obtain commitments with respect to the financing of the project.

Progress has continued on the detailed design for the project with Lycopodium Engineering in Perth and as at end of Q2 the engineering design was approximately 76% complete and detailed drafting was approximately 61% complete. The acid plant design has progressed substantially and the majority of long lead equipment items have been ordered. Substantial design completion for the project is estimated for late 2008.

Approximately \$213 million of the project budget has been committed. It was previously reported that construction works were underway for infrastructure items, and a number of those infrastructure items have now been substantially completed – for example plant access roads, construction power, warehousing facilities and construction camp are all now in use. In addition to continued construction of other project infrastructure during the quarter, the construction works for the process plant commenced. As of the close of the quarter, the process plant earthworks were well progressed, concrete works had commenced with first major concrete pours undertaken, onsite tankage fabrication commenced and first deliveries of structural steel had been dispatched from the fabricator and were en route to site. Project construction completion and commencement of pre-commissioning is estimated for the fourth quarter of 2009.

Commercial start-up remains expected for the first quarter of 2010. The plant will commence operations at 35,000 tonnes per year copper and 7,000 tonnes per year of cobalt hydroxide at an estimated capital cost of \$553 million. The plant will be designed and constructed such that its capacity can be doubled for an incremental capital cost of \$40 million. The mine life is expected to be 22 years at an annual production rate of 70,000 tonnes of copper cathode per year. The future development of a cobalt metal facility and the expansion of copper and cobalt capacity will be considered in light of practical experience on site and on commodity market conditions.

The Environmental and Social Impact Assessment and Environmental and Social Management Plan have been updated by SRK to reflect plant capacity and flowsheet changes and the updated document has been submitted to the Direction de Protection de l’Environnement Minier.

The Government of the DRC announced during 2007 a review of over 60 mining agreements entered into over the last decade with foreign companies. The Kolwezi mining convention was included in this review and on February 19, 2008 formal notification of the outcome of the review was received by the Company. The notification listed a number of conditions to be met by the Company. The Company, and its contributing partners IFC and IDC, have legal advice that the convention is valid and binding and that KMT has complied with all its terms. The convention provides a dispute resolution mechanism through international arbitration. The Company through KMT responded to the letter and awaits a response from a panel set up by the government to manage the review process. Such response was expected during July 2008, but has yet to be received.

Kansanshi sulphide expansion project in commissioning

The Kansanshi sulphide circuit expansion project (to an annual throughput in excess of 12 million tonnes) progressed into commissioning. Commissioning commenced in May with the flotation area of the plant. In June, the crushing area was commissioned with first introduction of ore and the commissioning effort continued into the milling area with first introduction of ore into the SAG mill occurring on June 29. Ore commissioning continued in July, with an expected ramp up to steady state operation and design throughput tonnages.

Kansanshi fourth 35,000 tonne per year electrowinning tank house nears completion

The construction of the fourth 35,000 tonne per year electrowinning tank house at Kansanshi is close to completion. The fourth tankhouse will bring electrowinning capacity to 140,000 tonnes of copper cathode per year. Construction of the tankhouse is almost complete, and outstanding works are expected to be completed during July. Some of the ancillary equipment has already been commissioned and is in use, and the balance of the tankhouse will be completed during July. The key tie-ins required to allow process commissioning of the tankhouse took place in the last week of July, and the fourth tankhouse is now operational. While it is not expected that Kansanshi will utilize the full tank house capacity, it will provide flexibility in the event of power disruptions.

Guelb Moghrein plant expansion study underway

The Company has approved the Guelb Moghrein plant expansion to 3.8 Mtpa. Milling capacity will increase by 73% with the addition of a ball mill and rougher flotation capacity will be more than doubled. Additional services will be provided by a new 20 MW power station and dedicated saline and fresh water pipelines.

The additional mining fleet for the increased mine production is scheduled to arrive in the third and fourth quarter of 2008.

Construction of the gold circuit continued; earthworks on the new carbon-in-leach tailings storage facility are complete and the liner and drainage are due to be completed in the third quarter. Installation of a fifth Mirlees genset is still in progress as part of the power station expansion and the saline borefield pipeline installation has been completed. Design of the new flotation tailings storage facility has commenced.

Lonshi underground evaluation approved

The cost of an investigating decline has been approved by the Company. This decline will examine the mining conditions for extracting the significant underground resource at Lonshi. If underground mining is viable, the Company will study the option of transporting the sulphide ore to Frontier for processing.

Outlook**Group copper production estimate for 2008 remains at 310,000 tonnes**

The Company continues to expect total production of approximately 310,000 tonnes of copper in 2008, although the contribution from various operations has changed from previous guidance. This expected production includes approximately 185,000 tonnes from Kansanshi, approximately 84,000 tonnes from Frontier, approximately 33,000 tonnes from Guelb Moghrein and approximately 8,000 tonnes from Bwana/Lonshi.

For the 2008 year, the Company anticipates group average cash unit cost of production (C1) to be in the range of \$1.20 to \$1.25 per pound of copper. This is higher than unit costs for the year to date due to higher waste stripping charges at Kansanshi in the second half of the year and forecast higher leach costs from increased market prices for sulphur, higher TC RC and freight parity charges (concentrate transport) for Frontier, and increased diesel prices.

During July, total copper production was about 28,200 tonnes sourced as follows:

- Kansanshi – 17,100 tonnes;
- Frontier – 7,500 tonnes;
- Guelb Moghrein – 2,800 tonnes;
- Bwana/Lonshi – 800 tonnes.

The Company sold approximately 31,200 tonnes of copper in July.

Bwana/Lonshi border issues continue to impact production

The DRC border has been closed for the export of copper ores and exploration core samples from the Lonshi mine into Zambia since November 2007. Mining operations at the Lonshi mine will continue until early in the fourth quarter of this year and ore is being stockpiled in anticipation of the ore export embargo being lifted. Capacity at Bwana is such that any production backlog should be recouped were the border to reopen in Q3 2008.

Evaluations of alternative options for the continued commercial operation of the Bwana processing facility, beyond the completion of the Lonshi oxide resource, are currently being undertaken. The planning for a trial decline at the Lonshi mine, to gather geotechnical information for the evaluation of an underground sulphide operation to augment the Frontier feed with high grade ore, is underway.

**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

North American contact: Sharon Loung
8th Floor, 543 Granville Street, Vancouver, British Columbia, Canada V6C 1X8
Tel: (604) 688-6577 Fax: (604) 688-3818 Toll Free: 1 (888) 688-6577 E-Mail: info@fqml.com

United Kingdom contact: Clive Newall, President
1st Floor, Mill House Mill Bay Lane Horsham West Sussex RH12 1TQ United Kingdom
Tel: +44 140 327 3484 Fax: +44 140 327 3494 E-Mail: clive.newall@fqml.com.

Or

Harriet Pask or Sarah MacLeod
Hogarth Partnership Ltd. Tel: +44 (0) 20 7357 9477

Certain information contained in this news release constitutes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and forward-looking information under applicable Canadian securities legislation. Such forward-looking statements or information, including but not limited to those with respect to the prices of gold, copper, cobalt and sulphuric acid, estimated future production, estimated costs of future production, the Company's hedging policy and permitting time lines, involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Such factors include, among others, the actual prices of copper, gold, cobalt and sulphuric acid, the factual results of current exploration, development and mining activities, changes in project parameters as plans continue to be evaluated, as well as those factors disclosed in the Company's documents filed from time to time with the Alberta, British Columbia, and Ontario Securities Commissions, the Autorité des marchés financiers in Quebec, the United States Securities and Exchange Commission and the London Stock Exchange.

Summary of quarterly and current year to date results

The following unaudited table sets out a summary of the quarterly results for the Company for the last eight quarters and the current year to date:

Statement of Operations and Retained Earnings (millions, except where indicated)	2006 Q2	2006 Q3	2006 Q4	2007 Q1	2007 Q2	2007 Q3	2007 Q4	2008 Q1	2008 Q2
Revenues									
Current period copper sales ⁽¹⁾	\$295.9	\$311.4	\$243.7	\$270.9	\$315.7	\$460.2	\$448.4	\$441.8	\$624.3
Prior period provisional copper adjustments ⁽²⁾	60.4	11.7	(31.7)	(17.6)	22.6	3.2	(34.7)	44.5	1.2
Other revenues	6.2	5.3	4.4	8.0	12.5	20.4	29.6	25.2	27.1
Total revenues	362.5	328.4	216.4	261.3	350.8	483.8	443.3	511.5	652.6
Cost of sales	65.2	81.7	88.5	101.9	121.3	152.6	168.4	137.1	219.0
Net earnings	149.5	133.2	60.9	78.3	123.1	183.6	135.3	182.0	208.0
Basic earnings per share	\$2.32	\$2.00	\$0.93	\$1.16	\$1.83	\$2.71	\$2.00	\$2.68	\$3.06
Diluted earnings per share	\$2.27	\$1.96	\$0.91	\$1.14	\$1.79	\$2.66	\$1.97	\$2.65	\$3.02
Copper selling price									
Current period copper sales (per lb)	\$3.14	\$3.37	\$2.89	\$2.96	\$3.28	\$3.58	\$2.97	\$3.43	\$3.72
Prior period provisional adjustments (per lb)	0.57	0.11	(0.35)	(0.18)	0.23	0.02	(0.21)	0.32	0.01
Gross copper selling price (per lb)	3.71	3.48	2.54	2.78	3.51	3.60	2.76	3.75	3.73
Tolling and refining charges (per lb)	(0.19)	(0.19)	(0.08)	(0.06)	(0.03)	(0.05)	(0.06)	(0.05)	(0.06)
Freight parity charges (per lb)	(0.16)	(0.12)	(0.14)	(0.13)	(0.10)	(0.10)	(0.14)	(0.19)	(0.29)
Realized copper price (per lb)	3.36	3.17	2.32	2.59	3.38	3.45	2.56	3.51	3.38
Average LME cash copper price (per lb)	3.29	3.48	3.21	2.69	3.46	3.50	3.28	3.52	3.83
Realized gold price (per oz)	\$631	\$581	\$628	\$661	\$629	\$700	\$736	\$868	\$982
Average gold price (per oz)	\$627	\$622	\$614	\$650	\$667	\$681	\$788	\$927	\$895
Total copper sold (tonnes) ⁽³⁾	48,094	46,302	41,454	44,315	45,366	60,904	73,322	62,802	84,007
Total copper produced (tonnes) ⁽³⁾	49,180	45,480	46,531	46,403	49,979	57,565	72,746	75,616	80,977
Total gold sold (ounces) ⁽³⁾	9,611	8,864	6,944	12,004	19,422	29,182	40,081	29,071	26,797
Cash Costs (C1) (per lb) ^{(4) (5)}	\$0.89	\$1.00	\$1.14	\$1.06	\$1.12	\$0.98	\$0.98	\$0.99	\$1.18
Total Costs (C3) (per lb) ^{(4) (5)}	\$1.09	\$1.23	\$1.38	\$1.30	\$1.38	\$1.22	\$1.19	\$1.25	\$1.87
Financial Position									
Working capital (restated)	\$245.6	\$308.0	\$312.8	\$246.7	\$390.8	\$464.8	\$457.3	\$575.0	\$472.2
Copper in concentrate inventory (tonnes)									
Kansanshi	8,389	7,242	9,046	7,102	10,578	9,733	8,325	14,243	16,342
Guelb Moghrein	-	2,345	6,068	10,182	10,897	8,483	2,867	1,057	1,546
Frontier	-	-	-	-	-	-	7,104	16,328	10,850
Total copper in concentrate inventory (tonnes)	8,389	9,587	15,114	17,284	21,475	18,216	18,296	31,628	28,738
Total assets	\$1,398.1	\$1,574.0	\$1,719.7	\$1,797.1	\$2,035.4	\$2,300.4	\$2,682.7	\$2,917.9	\$3,629.2
Weighted average # shares (000's)	64,564	66,615	67,287	67,318	67,531	67,681	67,689	67,837	68,046
Cash Flows from									
Operating activities									
Before working capital movements	\$213.5	\$176.3	\$70.6	\$118.9	\$175.2	\$256.9	\$220.8	\$272.6	\$303.0
After working capital movements	142.5	118.3	129.3	74.6	40.5	201.6	224.1	143.5	316.1
Financing activities	32.1	(58.6)	53.1	(25.8)	38.0	(42.8)	50.6	26.0	211.0
Investing activities	(91.8)	(60.1)	(122.8)	(102.0)	(114.8)	(96.2)	(297.3)	(99.9)	(403.3)
Cash Flows from Operating activities per share									
Before working capital movements	\$3.31	\$2.65	\$1.05	\$1.77	\$2.59	\$3.80	\$3.26	\$4.02	\$4.45
After working capital movements	\$2.21	\$1.77	\$1.92	\$1.11	\$0.60	\$2.98	\$3.29	\$2.12	\$4.64

	2006 Q2	2006 Q3	2006 Q4	2007 Q1	2007 Q2	2007 Q3	2007 Q4	2008 Q1	2008 Q2
Kansanshi Production Statistics									
<i>Mining</i>									
Waste mined (000's tonnes)	5,516	6,683	7,123	5,316	6,681	6,482	6,482	3,671	10,167
Ore mined (000's tonnes)	2,552	3,220	2,380	2,600	3,371	4,650	4,867	5,433	3,306
Ore grade (%)	1.4	1.4	1.4	1.5	1.6	1.6	1.8	1.6	1.8
<i>Processing</i> ⁽³⁾									
Sulphide Ore processed (000's tonnes)	1,140	1,277	1,212	1,171	1,372	1,759	1,830	1,891	1,548
Oxide Ore processed (000's tonnes)	1,246	1,401	1,080	1,263	1,499	1,465	1,538	1,455	1,541
Contained copper (tonnes)	36,981	32,882	31,545	38,231	36,766	41,605	51,572	55,995	47,945
Sulphide ore grade processed (%)	1.6	1.2	0.9	0.8	1.1	1.0	1.3	1.3	1.4
Oxide ore grade processed (%)	1.5	1.2	1.6	1.8	1.4	1.7	1.6	1.8	1.6
Recovery (%)	94	95	92	93	99	99	99	93	93
Copper cathode produced (tonnes)	17,501	17,158	17,201	22,823	20,322	23,705	26,399	27,522	25,430
Copper cathode tolled produced (tonnes)	1,186	3,036	1,805	5,521	12,204	14,314	16,142	8,219	13,039
Copper in concentrate produced (tonnes)	16,924	11,984	10,015	7,056	3,727	3,140	8,471	16,562	9,154
Total copper production	35,611	32,178	29,021	35,400	36,253	41,159	51,012	52,303	47,623
Concentrate grade (%)	25.8	26.4	26.9	25.2	26.6	27.8	28.3	27.6	28.7
<i>Combined Costs (per lb)</i> ^{(4) (5)}									
Mining	\$0.14	\$0.23	\$0.21	\$0.20	\$0.24	\$0.24	\$0.20	\$0.20	\$0.36
Processing	0.44	0.50	0.62	0.54	0.59	0.59	0.53	0.50	0.69
Site Administration	0.04	0.04	0.04	0.03	0.02	0.03	0.03	0.02	0.03
TC RCs and freight parity charges	0.42	0.31	0.27	0.14	0.16	0.15	0.18	0.15	0.12
Gold / Acid credit	(0.08)	(0.07)	(0.05)	(0.06)	(0.06)	(0.07)	(0.09)	(0.08)	(0.13)
Combined Total Cash Costs (C1)	\$0.96	\$1.01	\$1.09	\$0.85	\$0.95	\$0.94	\$0.85	\$0.79	\$1.07
Combined Total Costs (C3)	\$1.13	\$1.23	\$1.28	\$1.05	\$1.17	\$1.13	\$0.86	\$0.92	\$1.92
<i>Oxide Circuit Costs (per lb)</i> ^{(4) (5)}									
Mining	\$0.13	\$0.19	\$0.15	\$0.16	\$0.22	\$0.19	\$0.18	\$0.16	\$0.32
Processing	0.52	0.54	0.70	0.56	0.68	0.64	0.64	0.59	0.86
Site Administration	0.01	0.02	0.04	0.03	0.02	0.03	0.03	0.03	0.02
Oxide Circuit Total Cash Costs (C1)	\$0.66	\$0.75	\$0.89	\$0.75	\$0.92	\$0.86	\$0.85	\$0.78	\$1.20
Oxide Circuit Total Costs (C3)	\$0.84	\$0.96	\$1.05	\$0.92	\$1.12	\$1.02	\$0.86	\$0.88	\$1.99
<i>Sulphide Circuit Costs (per lb)</i> ^{(4) (5)}									
Mining	\$0.13	\$0.20	\$0.20	\$0.28	\$0.26	\$0.32	\$0.23	\$0.24	\$0.41
Processing	0.35	0.45	0.52	0.45	0.48	0.52	0.39	0.39	0.49
Site Administration	0.02	0.02	0.04	0.03	0.02	0.03	0.03	0.02	0.02
TC RCs and freight parity charges	0.89	0.73	0.62	0.42	0.39	0.35	0.39	0.33	0.26
Gold / Acid credit	(0.17)	(0.16)	(0.13)	(0.18)	(0.14)	(0.17)	(0.20)	(0.17)	(0.27)
Sulphide Circuit Total Cash Costs (C1)	\$1.22	\$1.24	\$1.25	\$1.00	\$1.01	\$1.05	\$0.84	\$0.81	\$0.91
Sulphide Circuit Total Costs (C3)	\$1.39	\$1.47	\$1.49	\$1.25	\$1.24	\$1.29	\$0.86	\$0.95	\$1.84
<i>Revenues (\$ millions)</i> ⁽³⁾									
Copper cathodes	\$142.3	\$158.6	\$110.9	\$175.8	\$249.0	\$307.1	\$268.0	\$305.5	\$338.1
Copper in concentrates	109.6	65.3	20.1	42.6	6.9	16.0	37.2	67.9	28.9
Gold	6.0	5.2	2.8	4.8	4.7	6.3	10.2	8.8	13.0
Total revenues	\$257.9	\$229.1	\$133.8	\$223.2	\$260.6	\$329.4	\$315.4	\$382.2	\$380.0
Copper cathode sold (tonnes)	17,568	17,181	17,360	22,798	20,207	24,909	27,897	29,811	28,063
Copper tolled cathode sold (tonnes)	1,186	3,036	1,805	5,521	12,204	14,314	16,142	8,219	13,039
Copper in concentrate sold (tonnes)	15,692	13,131	8,215	9,000	250	2,696	7,927	8,981	4,393
Gold sold (ounces)	9,611	8,864	4,428	7,764	7,118	9,862	16,053	11,995	11,995

	2006 Q2	2006 Q3	2006 Q4	2007 Q1	2007 Q2	2007 Q3	2007 Q4	2008 Q1	2008 Q2
Guelb Moghrein Production Statistics									
<i>Mining</i>									
Waste mined (000's tonnes)	1,721	1,660	1,719	1,610	1,400	1,487	1,358	1,388	1,018
Ore mined (000's tonnes)	144	179	400	462	539	674	650	662	626
Ore grade (%)	1.9	1.8	1.5	1.4	1.4	1.3	1.4	1.3	1.6
<i>Processing</i> ⁽³⁾									
Sulphide Ore processed (000's tonnes)	-	-	334	410	464	509	470	517	491
Contained copper (tonnes)	-	-	6,552	7,791	8,894	10,006	8,410	9,241	9,423
Sulphide ore grade processed (%)	-	-	2.0	1.9	1.9	2.0	1.8	1.8	1.9
Recovery (%)	-	-	78	83	79	81	85	83	86
Copper in concentrate produced (tonnes)	-	-	5,031	6,446	7,050	8,101	7,158	7,668	8,722
Gold in concentrate produced (ounces)	-	-	10,355	13,588	12,814	14,699	13,060	14,191	16,300
<i>Sulphide Circuit Costs (per lb)</i> ⁽⁴⁾⁽⁵⁾									
Mining	-	-	\$0.40	\$0.21	\$0.17	\$0.12	\$0.20	\$0.20	\$0.19
Processing	-	-	0.77	0.56	0.52	0.47	0.64	0.63	0.60
Site Administration	-	-	0.08	0.07	0.06	0.07	0.22	0.13	0.10
TC RCs and freight parity charges	-	-	0.86	0.66	0.43	0.38	0.57	0.38	0.57
Gold / Acid credit	-	-	(0.15)	(0.21)	(0.48)	(0.78)	(1.26)	(0.97)	(0.75)
Sulphide Circuit Total Cash Costs (C1)	-	-	\$1.96	\$1.29	\$0.71	\$0.26	\$0.37	\$0.37	\$0.71
Sulphide Circuit Total Costs (C3)	-	-	\$2.45	\$1.66	\$1.09	\$0.76	\$1.05	\$0.89	\$1.14
<i>Revenues (\$ millions)</i> ⁽³⁾									
Copper in concentrates	-	-	\$5.6	\$12.8	\$41.2	\$74.1	\$55.3	\$67.2	\$51.1
Gold	-	-	1.6	3.1	7.6	14.1	19.3	16.4	13.3
Total revenues	-	-	\$7.2	\$15.9	\$48.8	\$88.2	\$74.6	\$83.6	\$64.4
Copper in concentrate sold (tonnes)	-	-	1,308	2,332	6,336	10,514	12,774	9,757	7,953
Gold sold (ounces)	-	-	2,516	4,240	12,304	19,320	24,028	17,076	14,802
Frontier Production Statistics									
<i>Mining</i>									
Waste mined (000's tonnes)	-	-	-	888	2,857	3,619	2,810	2,195	3,740
Ore mined (000's tonnes)	-	-	-	81	160	1,442	2,042	638	1,860
Ore grade (%)	-	-	-	1.1	0.9	1.0	1.2	2.1	1.4
<i>Processing</i> ⁽³⁾									
Sulphide Ore processed (000's tonnes)	-	-	-	-	-	-	835	1,499	1,794
Contained copper (tonnes)	-	-	-	-	-	-	11,872	18,238	25,308
Sulphide ore grade processed (%)	-	-	-	-	-	-	1.4	1.2	1.4
Recovery (%)	-	-	-	-	-	-	73	74	91
Copper in concentrate produced (tonnes)	-	-	-	-	-	-	8,712	13,437	23,136
<i>Sulphide Circuit Costs (per lb)</i> ⁽⁴⁾									
Mining	-	-	-	-	-	-	\$0.41	\$0.61	\$0.33
Processing	-	-	-	-	-	-	0.32	0.29	0.26
Site Administration	-	-	-	-	-	-	0.17	0.15	0.12
TC RCs and freight parity charges	-	-	-	-	-	-	0.39	0.65	0.69
Sulphide Circuit Total Cash Costs (C1)	-	-	-	-	-	-	\$1.29	\$1.70	\$1.40
Sulphide Circuit Total Costs (C3)	-	-	-	-	-	-	\$1.59	\$2.18	\$1.70
<i>Revenues (\$ millions)</i> ⁽³⁾									
Copper in concentrates	-	-	-	-	-	-	\$16.1	\$32.6	\$192.0
Copper in concentrate sold (tonnes)	-	-	-	-	-	-	2,684	4,214	28,615

	2006 Q2	2006 Q3	2006 Q4	2007 Q1	2007 Q2	2007 Q3	2007 Q4	2008 Q1	2008 Q2
Bwana/Lonshi Production Statistics									
<i>Mining</i>									
Waste mined (000's tonnes)	5,607	5,915	4,081	2,105	3,425	2,992	1,732	898	1,079
Ore mined (000's tonnes)	183	110	80	16	94	160	82	37	89
Ore grade (%)	10.7	11.9	10.4	7.5	6.1	6.8	6.1	4.4	5.3
<i>Processing</i>									
Oxide Ore processed (000's tonnes)	314	322	294	242	327	353	355	242	234
Contained copper (tonnes)	15,625	15,011	13,037	5,007	7,653	9,819	6,787	2,279	1,778
Oxide ore grade processed (%)	5.0	4.7	4.3	2.1	2.3	2.8	1.9	0.9	0.8
Recovery (%)	87	89	96	91	87	85	86	97	84
Copper cathode produced (tonnes)	13,569	13,302	12,479	4,557	6,676	8,305	5,864	2,208	1,496
Acid produced (tonnes)	71,421	63,830	73,901	67,227	69,108	67,537	72,477	66,414	74,699
Surplus acid (tonnes)	910	508	8	586	1,483	11	-	10	2,174
<i>Oxide Circuit Costs (per lb) ⁽⁴⁾ ⁽⁵⁾</i>									
Mining	\$0.32	\$0.50	\$0.60	\$1.49	\$1.57	\$1.04	\$1.37	\$1.65	\$1.61
Processing	0.35	0.38	0.43	1.05	0.81	0.65	0.90	2.15	3.20
Site Administration	0.10	0.10	0.07	0.20	0.15	0.21	0.35	0.58	0.39
Gold / Acid credit	(0.08)	(0.06)	(0.09)	(0.24)	(0.14)	(0.09)	(0.17)	(0.78)	(1.26)
Oxide Circuit Total Cash Costs (C1)	\$0.69	\$0.92	\$1.01	\$2.50	\$2.39	\$1.81	\$2.45	\$3.60	\$3.94
Oxide Circuit Total Costs (C3)	\$0.98	\$1.18	\$1.26	\$2.92	\$2.77	\$2.25	\$2.81	\$4.13	\$5.47
<i>Revenues (\$ millions)</i>									
Copper cathodes	\$104.4	\$99.2	\$75.4	\$22.1	\$41.2	\$66.1	\$37.1	\$13.1	\$15.4
Copper cathodes sold (tonnes)	13,648	12,954	12,766	4,664	6,369	8,471	5,898	1,820	1,944

⁽¹⁾ Recognized at the settlement price or the LME copper price at the end of the respective period

⁽²⁾ The provisional adjustment reflects the settlement or provisional price adjustment of prior period copper sales, therefore the sum of the periods will not equal the year to date

⁽³⁾ Copper sold or produced does not include tonnes sold or produced prior to achieving commercial production

⁽⁴⁾ For the definition of cash and total costs, reference should be made to the regulatory disclosures section.

⁽⁵⁾ Mining costs included in cash and total costs have been restated to reflect the removal of the deferred stripping accounting policy and the retroactive restatement of prior period balances.

Consolidated Balance Sheets

(unaudited)

(expressed in millions of US dollars, except where indicated)

	June 30, 2008	December 31, 2007
Assets		
Current assets		
Cash and cash equivalents	393.4	200.0
Restricted cash	63.9	22.5
Accounts receivable (note 2)	428.8	272.0
Inventory (note 5)	359.8	279.4
Current portion of other assets (note 8)	11.7	12.7
	<hr/> 1,257.6	<hr/> 786.6
Available-for-sale investments (note 6)	506.0	567.0
Property, plant and equipment (note 7)	1,786.6	1,320.5
Other assets (note 8)	79.0	8.6
	<hr/> 3,629.2	<hr/> 2,682.7
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 2)	198.5	104.9
Current taxes payable	229.9	127.2
Current portion of long-term debt (note 9)	336.8	73.7
Current portion of other liabilities (note 10)	20.2	23.5
	<hr/> 785.4	<hr/> 329.3
Long-term debt (note 9)	298.4	287.5
Other liabilities (note 10)	52.1	40.1
Future income tax liabilities	321.0	224.4
	<hr/> 1,456.9	<hr/> 881.3
Minority interests	310.1	215.4
	<hr/> 1,767.0	<hr/> 1,096.7
Shareholders' equity		
Capital stock	419.6	396.0
Retained earnings	1,341.3	987.4
Accumulated other comprehensive income	101.3	202.6
	<hr/> 1,862.2	<hr/> 1,586.0
	<hr/> 3,629.2	<hr/> 2,682.7
Commitments and contingencies (notes 14 and 15)		

Approved by the Board of Directors

Peter St George
Director

Andrew Adams
Director

The accompanying notes are an integral part of these consolidated financial statements.
For a copy of the notes visit the Company's website at www.first-quantum.com.

Consolidated Statements of Earnings and Comprehensive Income

(unaudited)

(expressed in millions of US dollars, except where indicated)

	Three months ended June 30		Six months ended June 30	
	2008	2007	2008	2007
Sales revenues				
Copper	625.5	338.3	1,111.8	591.6
Gold	26.3	12.3	51.5	20.2
Acid	0.8	0.2	0.8	0.3
	652.6	350.8	1,164.1	612.1
Cost of sales	(199.7)	(118.3)	(325.5)	(218.5)
Depletion and amortization	(25.6)	(18.7)	(45.9)	(32.3)
Royalties, windfall taxes and export levies (note 3)	(86.6)	(3.0)	(97.9)	(4.7)
Zambian taxes recovery (note 3)	67.3	-	67.3	-
	408.0	210.8	762.1	356.6
Other expenses/income				
Exploration	(4.2)	(2.4)	(10.0)	(5.0)
General and administrative	(8.2)	(6.5)	(14.9)	(12.2)
Interest	(7.9)	(7.5)	(16.5)	(15.1)
Other expenses/income (note 12)	(1.9)	5.6	(6.2)	7.1
	(22.2)	(10.8)	(47.6)	(25.2)
Earnings before income taxes and minority interests	385.8	200.0	714.5	331.4
Income taxes	(134.9)	(45.0)	(232.9)	(76.7)
Minority interests	(42.9)	(31.9)	(91.6)	(53.3)
Net earnings for the period	208.0	123.1	390.0	201.4
Other comprehensive income				
Unrealized (loss) gain on available-for-sale investments, net of tax	(36.1)	53.3	(101.3)	68.1
Realized gain on available-for-sale investments, net of tax	-	(0.5)	-	(0.5)
	(36.1)	52.8	(101.3)	67.6
Comprehensive income	171.9	175.9	288.7	269.0
Earnings per common share				
Basic	\$3.06	\$1.83	\$5.74	\$2.99
Diluted	\$3.02	\$1.79	\$5.67	\$2.93
Weighted average shares outstanding (000's)				
Basic	68,046	67,531	67,941	67,425
Diluted	68,938	68,856	68,790	68,681
Total shares issued and outstanding (000's)	68,696	67,654	68,696	67,654

The accompanying notes are an integral part of these consolidated financial statements.
For a copy of the notes visit the Company's website at www.first-quantum.com.

Consolidated Statements of Changes in Shareholders' Equity

(unaudited)

(expressed in millions of US dollars, except where indicated)

	Three months ended June 30		Six months ended June 30	
	2008	2007	2008	2007
Capital stock				
Common shares				
Balance – beginning of period	416.9	402.6	415.2	399.6
Stock options exercised	4.2	2.0	5.9	5.0
Acquisition of Scandinavian Minerals Limited (note 4)	19.8	-	19.8	-
Balance – end of period	440.9	404.6	440.9	404.6
Treasury shares				
Balance – beginning of period	(36.8)	(19.6)	(34.3)	(15.6)
Shares purchased	(2.8)	(13.6)	(5.3)	(17.6)
Restricted stock units vested	0.1	-	0.1	-
Balance – end of period	(39.5)	(33.2)	(39.5)	(33.2)
Contributed surplus				
Balance – beginning of period	17.1	13.5	15.1	12.0
Compensation expense for the period	2.4	2.2	4.8	4.5
Transfers upon exercise of stock options	(1.2)	(0.5)	(1.6)	(1.3)
Restricted stock units vested	(0.1)	-	(0.1)	-
Balance – end of period	18.2	15.2	18.2	15.2
Total capital stock	419.6	386.6	419.6	386.6
Retained earnings				
Balance – beginning of period	1,133.3	560.7	987.4	518.8
Net earnings for the period	208.0	123.1	390.0	201.4
Dividends	-	-	(36.1)	(36.4)
Balance – end of period	1,341.3	683.8	1,341.3	683.8
Accumulated other comprehensive income				
Balance – beginning of period	137.4	12.3	202.6	(2.5)
Change in fair value of available-for-sale investments	(36.1)	52.8	(101.3)	67.6
Balance – end of period	101.3	65.1	101.3	65.1
Retained earnings and accumulated other comprehensive income	1,442.6	748.9	1,442.6	748.9

The accompanying notes are an integral part of these consolidated financial statements.

For a copy of the notes visit the Company's website at www.first-quantum.com.

Consolidated Statements of Cash Flows

(unaudited)

(expressed in millions of US dollars, except where indicated)

	Three months ended June 30		Six months ended June 30	
	2008	2007	2008	2007
Cash flows from operating activities				
Net earnings for the period	208.0	123.1	390.0	201.4
Items not affecting cash				
Depletion and amortization	25.6	18.7	45.9	32.3
Minority interests	42.9	31.9	91.6	53.3
Unrealized foreign exchange (gain) loss	(0.4)	(0.1)	3.8	0.8
Future income tax expense	24.1	1.9	39.4	3.6
Stock-based compensation expense	2.4	2.2	4.8	4.5
Unrealized derivative instruments gain	(1.0)	(3.7)	(2.8)	(5.0)
Other	1.4	1.2	2.9	3.2
	303.0	175.2	575.6	294.1
Change in non-cash operating working capital				
Increase in accounts receivable and other	(121.7)	(91.4)	(222.0)	(98.6)
Increase in inventory	(19.9)	(23.6)	(80.4)	(46.3)
Increase (decrease) in accounts payable and accrued liabilities	104.0	6.4	88.8	(13.1)
Increase (decrease) in current taxes payable	53.3	(12.6)	102.7	(3.3)
Long term incentive plan contributions	(2.8)	(13.6)	(5.3)	(17.6)
	315.9	40.4	459.4	115.2
Cash flows from financing activities				
Proceeds from long-term debt	244.4	75.0	294.4	75.0
Repayments of long-term debt	(0.3)	-	(25.6)	(25.6)
Proceeds on issuance of common shares	3.0	1.6	4.3	3.8
Dividends paid	(36.1)	(36.4)	(36.1)	(36.4)
Other	-	(2.2)	-	(4.6)
	211.0	38.0	237.0	12.2
Cash flows from investing activities				
Restricted cash	(40.4)	(22.5)	(17.9)	(7.5)
Payments for property, plant and equipment	(110.9)	(88.6)	(211.4)	(144.0)
Acquisition of Scandinavian Minerals Limited (note 4)	(215.7)	-	(215.7)	-
Acquisition of available-for-sale investments	(36.3)	(3.7)	(58.2)	(65.3)
	(403.3)	(114.8)	(503.2)	(216.8)
Effect of exchange rate changes on cash	0.2	0.1	0.2	(0.1)
Increase (decrease) in cash and cash equivalents	123.8	(36.3)	193.4	(89.5)
Cash and cash equivalents - beginning of period	269.6	196.3	200.0	249.5
Cash and cash equivalents - end of period	393.4	160.0	393.4	160.0

The accompanying notes are an integral part of these consolidated financial statements.

For a copy of the notes visit the Company's website at www.first-quantum.com.

Segmented Information

(unaudited)

(expressed in millions of US dollars, except where indicated)

For the three month period ended June 30, 2008, segmented information is presented as follows:

	Kansanshi	Guelb Moghrein	Frontier	Bwana/ Lonshi	Kolwezi	Kevitsa	Corporate	Total
Segmented revenues	380.0	64.4	192.0	44.5	-	-	6.2	687.1
Less inter-segment revenues	-	-	-	(28.3)	-	-	(6.2)	(34.5)
Revenues	380.0	64.4	192.0	16.2	-	-	-	652.6
Cost of sales	(187.0)	(14.9)	(60.5)	(23.9)	-	-	-	(286.3)
Depletion and amortization	(14.0)	(4.4)	(5.7)	(1.5)	-	-	-	(25.6)
Zambian taxes recovery	64.8	-	-	2.5	-	-	-	67.3
Operating profit (loss)	243.8	45.1	125.8	(6.7)	-	-	-	408.0
Interest on long-term debt	(1.8)	(0.1)	(4.3)	-	-	-	(1.7)	(7.9)
Other	(3.0)	(2.2)	(0.3)	(1.7)	-	-	(7.1)	(14.3)
Segmented profit before underrated items	239.0	42.8	121.2	(8.4)	-	-	(8.8)	385.8
Income taxes	(86.4)	-	(38.5)	(11.9)	-	-	1.9	(134.9)
Minority interests	(30.9)	(8.3)	(3.7)	-	-	-	-	(42.9)
Segmented profit (loss)	121.7	34.5	79.0	(20.3)	-	-	(6.9)	208.0
Property, plant and equipment	581.3	125.6	248.3	49.4	471.8	306.1	4.1	1,786.6
Total assets	1,137.8	230.1	423.4	152.1	474.0	368.1	843.7	3,629.2
Capital expenditures	24.6	20.7	9.1	6.2	37.2	306.1	0.2	404.1

For the three month period ended June 30, 2007, segmented information is presented as follows:

	Kansanshi	Guelb Moghrein	Frontier	Bwana/ Lonshi	Kolwezi	Kevitsa	Corporate	Total
Segmented revenues	260.6	48.8	-	52.2	-	-	4.4	366.0
Less inter-segment revenues	-	-	-	(10.8)	-	-	(4.4)	(15.2)
Revenues	260.6	48.8	-	41.4	-	-	-	350.8
Cost of sales	(71.3)	(14.3)	-	(35.7)	-	-	-	(121.3)
Depletion and amortization	(10.6)	(3.7)	-	(4.4)	-	-	-	(18.7)
Operating profit (loss)	178.7	30.8	-	1.3	-	-	-	210.8
Interest on long-term debt	(4.5)	(1.5)	-	-	-	-	(1.5)	(7.5)
Other	0.7	-	-	(0.6)	-	-	(3.4)	(3.3)
Segmented profit before underrated items	174.9	29.3	-	0.7	-	-	(4.9)	200.0
Income taxes	(47.2)	-	-	0.4	-	-	1.8	(45.0)
Minority interests	(26.1)	(5.8)	-	-	-	-	-	(31.9)
Segmented profit (loss)	101.6	23.5	-	1.1	-	-	(3.1)	123.1
Property, plant and equipment	455.0	102.1	190.6	44.5	393.1	-	0.7	1,186.0
Total assets	745.9	194.0	197.7	156.3	394.0	-	347.5	2,035.4
Capital expenditures	41.2	1.3	41.3	2.1	2.1	-	-	88.0

For the six month period ended June 30, 2008, segmented information is presented as follows:

	Kansanshi	Guelb Moghrein	Frontier	Bwana/ Lonshi	Kolwezi	Kevitsa	Corporate	Total
Segmented revenues	762.2	148.0	224.6	71.0	-	-	12.6	1,218.4
Less inter-segment revenues	-	-	-	(41.7)	-	-	(12.6)	(54.3)
Revenues	762.2	148.0	224.6	29.3	-	-	-	1,164.1
Cost of sales	(266.8)	(41.3)	(73.9)	(41.4)	-	-	-	(423.4)
Depletion and amortization	(28.4)	(7.2)	(6.8)	(3.5)	-	-	-	(45.9)
Zambian taxes recovery	64.8	-	-	2.5	-	-	-	67.3
Operating profit (loss)	531.8	99.5	143.9	(13.1)	-	-	-	762.1
Interest on long-term debt	(3.8)	(0.7)	(8.7)	-	-	-	(3.3)	(16.5)
Other	(9.6)	(4.8)	-	(3.2)	-	-	(13.5)	(31.1)
Segmented profit before undernoted items	518.4	94.0	135.2	(16.3)	-	-	(16.8)	714.5
Income taxes	(173.0)	-	(50.3)	(13.0)	-	-	3.4	(232.9)
Minority interests	(69.6)	(18.2)	(3.8)	-	-	-	-	(91.6)
Segmented profit (loss)	275.8	75.8	81.1	(29.3)	-	-	(13.4)	390.0
Property, plant and equipment	581.3	125.6	248.3	49.4	471.8	306.1	4.1	1,786.6
Total assets	1,137.8	230.1	423.4	152.1	474.0	368.1	843.7	3,629.2
Capital expenditures	77.6	28.4	22.4	10.6	67.6	306.1	0.2	512.9

For the six month period ended June 30, 2007, segmented information is presented as follows:

	Kansanshi	Guelb Moghrein	Frontier	Bwana/ Lonshi	Kolwezi	Kevitsa	Corporate	Total
Segmented revenues	483.8	64.7	-	82.7	-	-	7.8	639.0
Less inter-segment revenues	-	-	-	(19.1)	-	-	(7.8)	(26.9)
Revenues	483.8	64.7	-	63.6	-	-	-	612.1
Cost of sales	(140.2)	(18.4)	-	(64.6)	-	-	-	(223.2)
Depletion and amortization	(19.9)	(5.1)	-	(7.3)	-	-	-	(32.3)
Operating profit (loss)	323.7	41.2	-	(8.3)	-	-	-	356.6
Interest on long-term debt	(8.8)	(2.9)	-	(0.1)	-	-	(3.3)	(15.1)
Other	(1.3)	(0.1)	-	(1.0)	-	-	(7.7)	(10.1)
Segmented profit before undernoted items	313.6	38.2	-	(9.4)	-	-	(11.0)	331.4
Income taxes	(82.1)	-	-	2.5	-	-	2.9	(76.7)
Minority interests	(45.8)	(7.5)	-	-	-	-	-	(53.3)
Segmented profit (loss)	185.7	30.7	-	(6.9)	-	-	(8.1)	201.4
Property, plant and equipment	455.0	102.1	190.6	44.5	393.1	-	0.7	1,186.0
Total assets	745.9	194.0	197.7	156.3	394.0	-	347.5	2,035.4
Capital expenditures	62.9	2.9	74.4	2.8	2.8	-	6.6	152.4