

# The New Leader in Global Copper

May 2, 2014



## First Quarter 2014



**FIRST QUANTUM**  
MINERALS LTD.

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In accordance with applicable Canadian securities regulatory requirements, all mineral reserve and mineral resource estimates disclosed herein have been prepared in accordance with Canadian National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"), classified in accordance with Canadian Institute of Mining Metallurgy and Petroleum's "CIM Standards on Mineral Resources and Reserves Definitions and Guidelines" (the "CIM Guidelines"). The terms "mineral resources", "measured mineral resources", "indicated mineral resources" and "inferred mineral resources" are recognized by Canadian securities regulatory authorities, however, they may not be recognized by the securities regulatory authorities of other jurisdictions. Pursuant to the CIM Guidelines, mineral resources have a higher degree of uncertainty than mineral reserves as to their existence as well as their economic and legal feasibility. Inferred mineral resources, when compared with measured or indicated mineral resources, have the least certainty as to their existence, and it cannot be assumed that all or any part of an inferred mineral resource will be upgraded to an indicated or measured mineral resource as a result of continued exploration. Pursuant to NI 43-101, inferred mineral resources may not form the basis of any economic analysis, including any feasibility study. Accordingly, readers are cautioned not to assume that all or any part of a mineral resource exists, will ever be converted into a mineral reserve, or is or will ever be economically or legally mineable or recovered.

Note: all dollar amounts in US dollars unless otherwise indicated; C\$ indicates Canadian dollars



# Phase 1 Smelter - Overview





## Phase 1 Smelter – Cold Box Lifts – April 2014



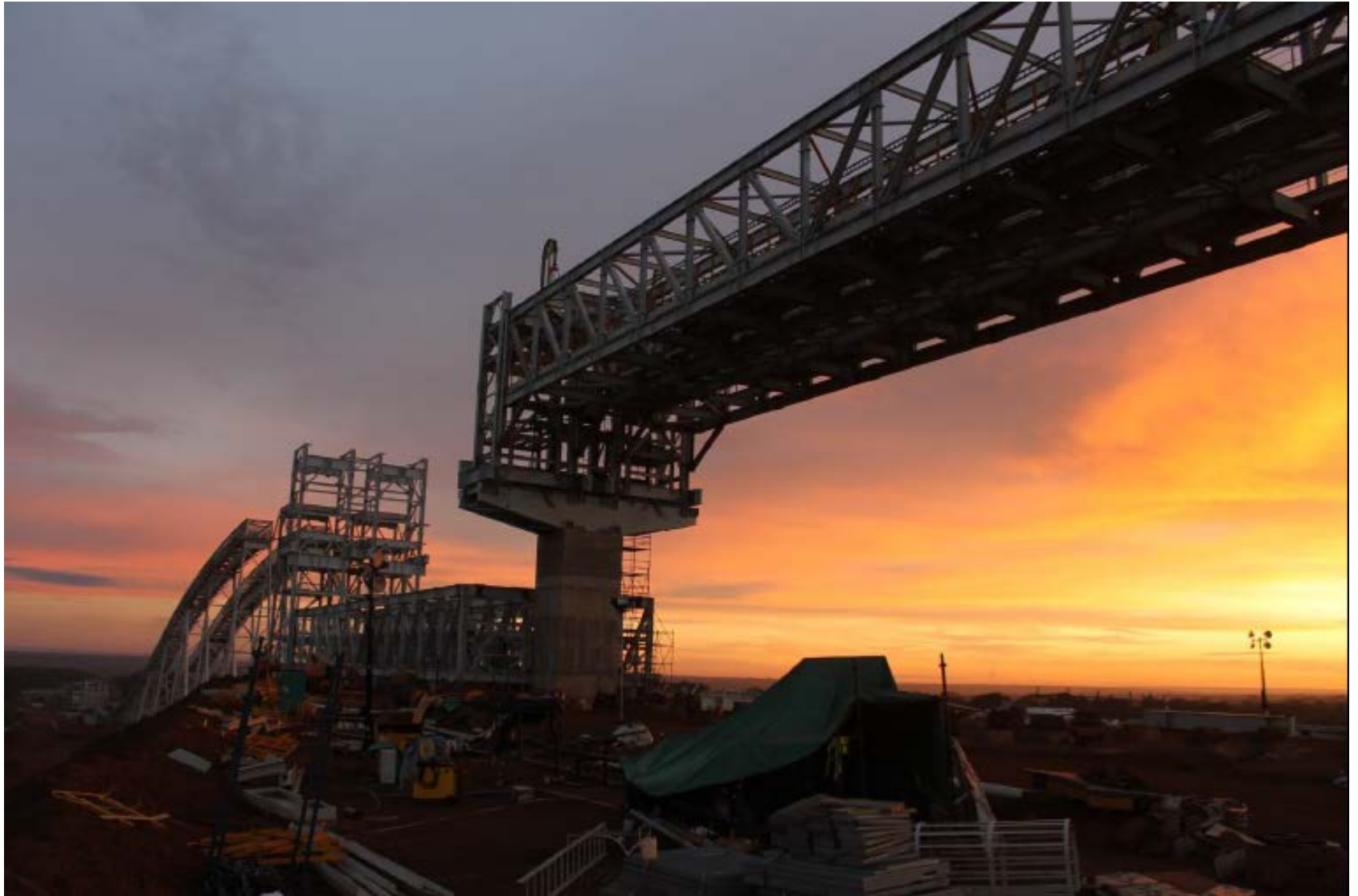


# Sentinel - Overview



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# Sentinel – 80 Meter Feed Shuttle Conveyor Truss - April 2014





## Sentinel – 80 Meter Feed Shuttle Conveyor Truss - April 2014



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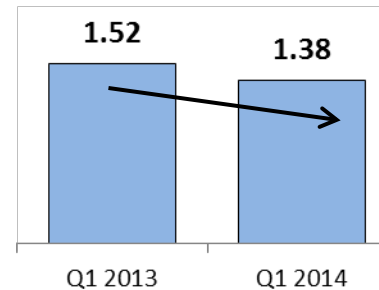
# Q1 2014 Highlights

**Production higher in all core metals**

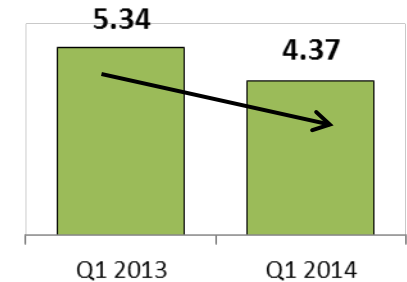
Production	Q1 2014	Increase vs Q1 2013
Copper ('000 tonnes)	113k	+ 34k
Nickel ('000 tonnes)	11.8k	+ 0.8k
Gold ('000 ounces)	60k	+ 4k

**Reduction in both  
copper and nickel C1 Costs**

**Copper C1 Cost 9% lower**



**Nickel C1 Cost 18% lower**

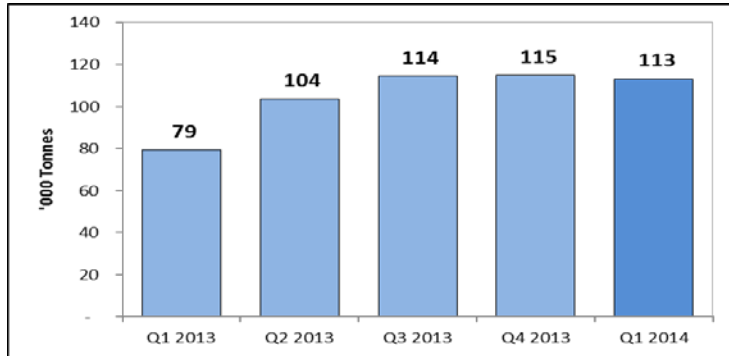


**Weaker prices and lower sales volumes  
partially offset by gross profit  
contribution from acquired operations**

- Weaker metal prices (\$118m)<sup>(1)</sup>
- Lower sales volumes (\$28m)<sup>(1)</sup>
- Lower mine costs \$57m<sup>(1)</sup>
- Acquired operations contribution \$83m



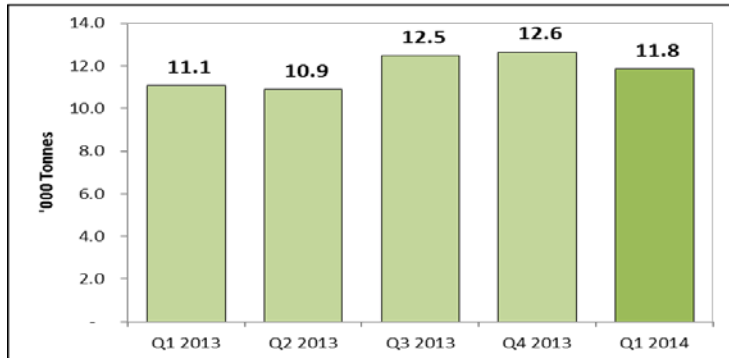
# Production



## Pre-acquisition copper production +10% vs Q1 2013

Pre-acquisition operations higher with increased production at Kansanshi despite an unusually harsh wet season

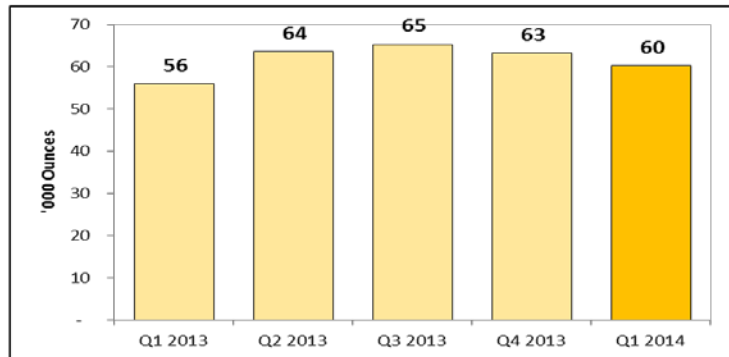
A full quarter contribution from acquired operations of 30k tonnes



## Nickel production +7% vs Q1 2013

Ravensthorpe higher throughput offset by lower grade and recovery rates

Kevitsa higher with grade benefiting from an increase in ore availability and an improved recovery rate



## Gold production +8% vs Q1 2013

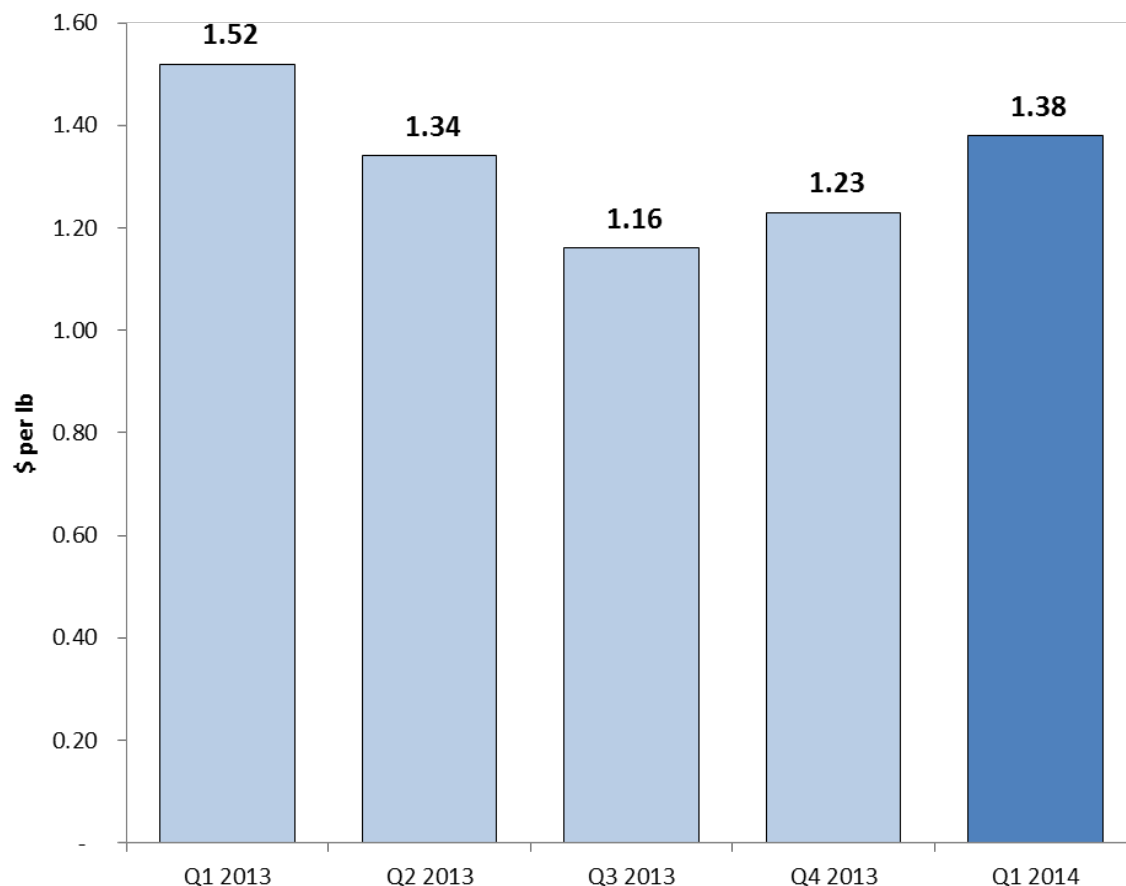
Pre-acquisition operations +2% vs Q1 2013 with Kansanshi 8% higher

A full quarter contribution from acquired operations of 3.5k ounces



# Copper C1 Cost

**Lower cost acquired operations driving Group lower on comparative quarter**



## **Pre-acquisition C1 Cost similar to Q1 2013**

Kevitsa lower processing costs and higher production

Kansanshi operating costs lower partially offset by higher treatment charges as lower volumes of concentrate were sold to or toll treated through a smelter

Lower gold credits at both Kansanshi and Guelb Moghrein

## **Acquired operations C1 Cost \$0.91/lb lower than Q4 2013**

Las Cruces lower operating costs

Çayeli lower processing costs and higher zinc credits

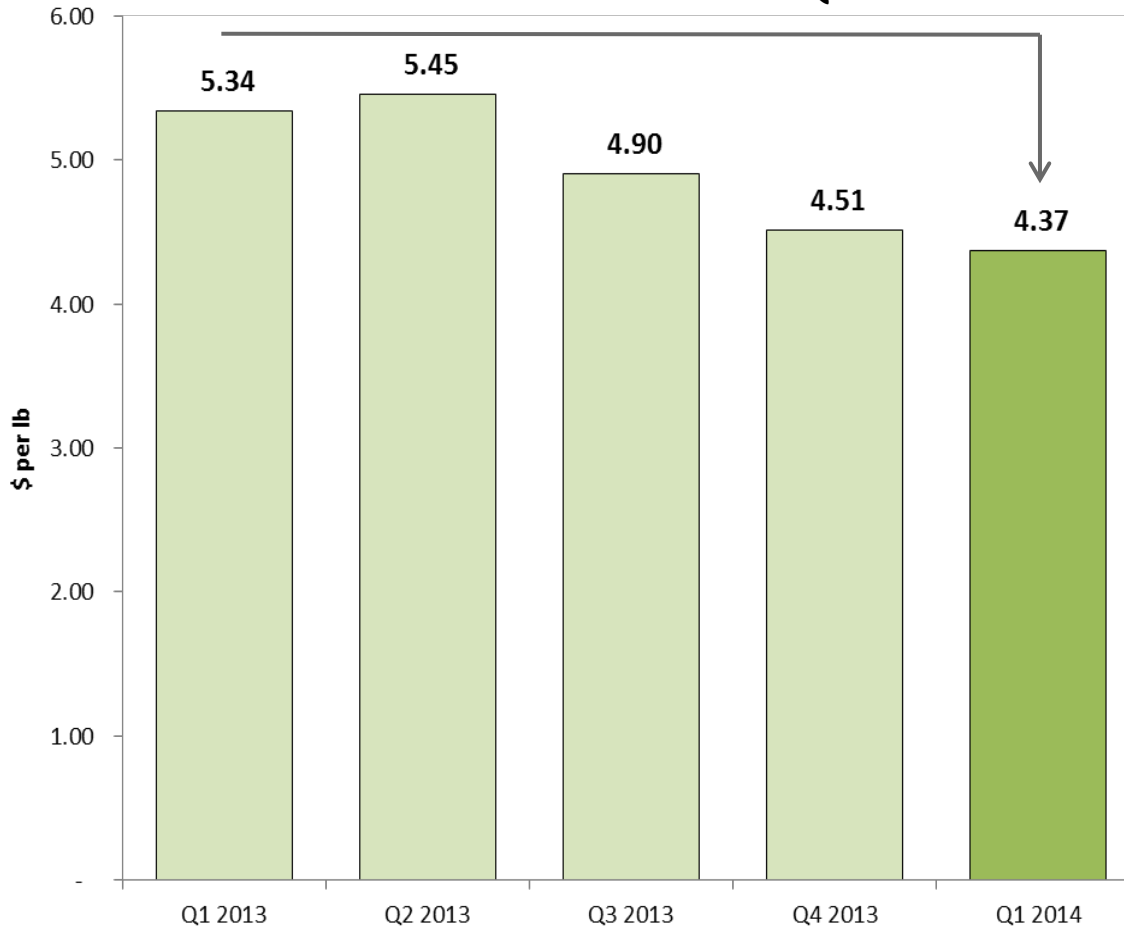
Pyhasalmi lower by-product credits



# Nickel C1 Cost

**Ravensthorpe processing efficiencies and weaker Australian Dollar driving Group lower**

**Nickel C1 Cost 18% lower vs Q1 2013**



## **Ravensthorpe \$1.34/lb lower vs Q1 2013**

Processing efficiencies mainly from maintenance and operational improvements

Lower cost sulphur

Weaker Australian Dollar

## **Kevitsa \$0.10/lb lower vs Q1 2013**

Lower contractor costs within the processing circuit

Lower by-product credits

# Financial Overview

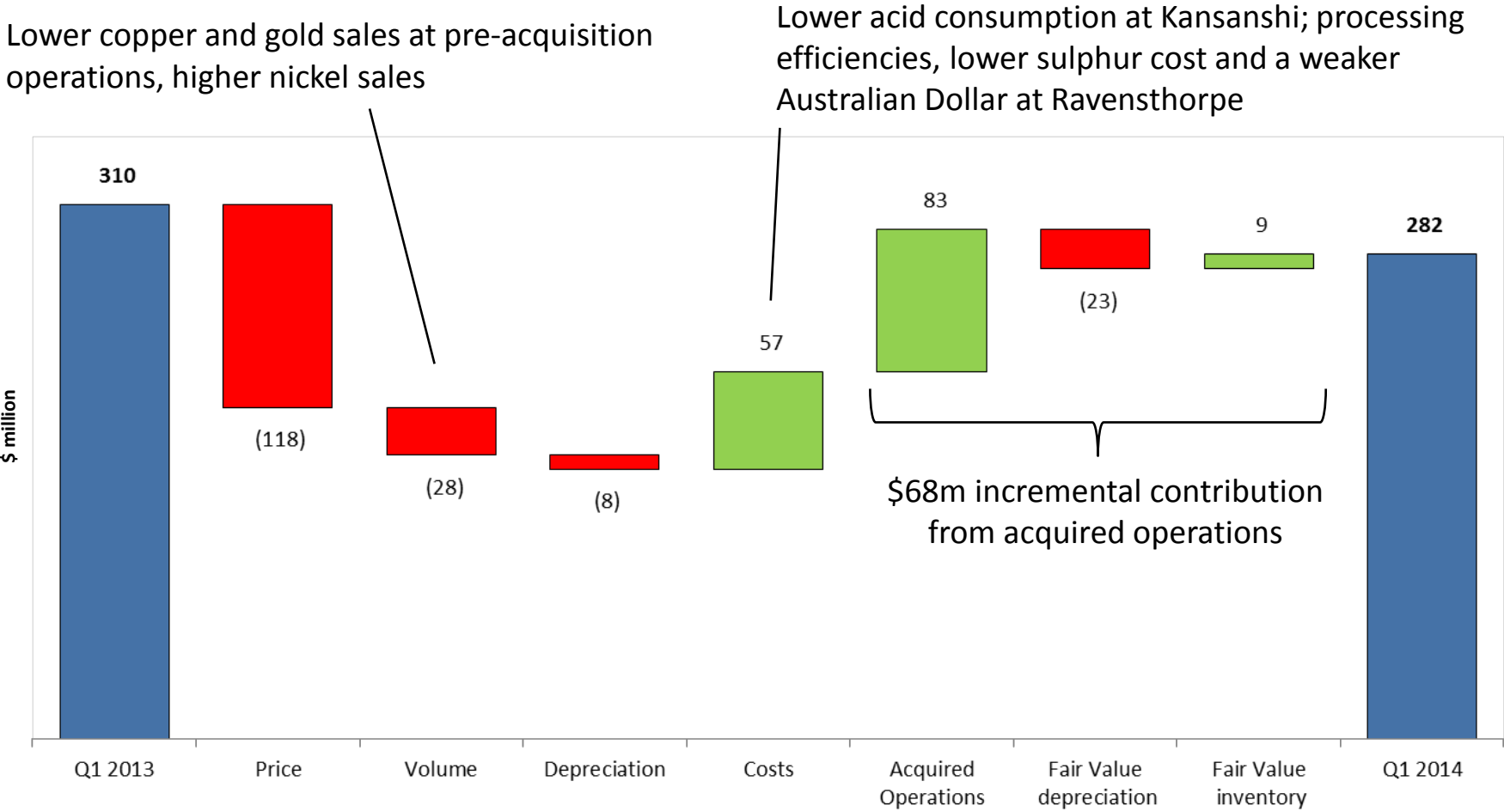
## Comparative EBITDA in line with Q1 2013 and prior quarter despite weaker metal prices

\$ million	Q1 2014	Q1 2013	Q4 2013	
Revenue	891	901	897	
Gross Profit before fair value adj <sup>(1)</sup>	308	323	350	<b>Gross profit before fair value adjustments 4% lower vs Q1 2013</b>
Gross Profit	282	310	319	
Operating Profit	234	243	245	Lower prices on all core metals
EBITDA	364	310	364	Lower copper and gold sales at pre-acquisition operations, higher nickel sales
Comparative EBITDA <sup>(2)</sup>	364	358	367	Lower costs at pre-acquisition operations
Comparative Earnings <sup>(2)</sup>	127	154	134	Full quarter contribution from acquired operations
Comparative EPS (Basic) (\$) <sup>(2)</sup>	0.22	0.32	0.23	
Comparative Effective Tax Rate (%) <sup>(2)</sup>	39	39	42	
Net Cash (Debt)	(3,728)	(794)	(3,295)	



# Gross Profit

## Lower prices and sales offset by cost savings and contribution from acquired operations



# Quarterly Net Debt Movement

<b>Opening Net Debt at start of Quarter (\$m)</b>	<b>(3,295)</b>
<b>EBITDA</b>	<b>364</b>
Working capital	(171)
Taxes paid	(97)
Capital expenditure	(588)
Net interest paid <sup>(1)</sup>	(46)
ENRC principal & interest <sup>(2)</sup>	125
Other	(20)
<b>Net cash (debt) movement</b>	<b>(433)</b>
<b>Closing Net Debt at end of Quarter (\$m)</b>	<b>(3,728)</b>
Net Debt comprised of:	
Cash & cash equivalents <sup>(3)</sup>	833
Total debt <sup>(4)</sup>	(4,561)
Available committed undrawn debt facilities at end of Quarter	1,019

(1) Includes \$46m of capitalized interest and excludes \$45m interest received from ENRC.

(2) \$70m partial repayment of promissory note, \$15m interest outstanding on balance due, \$40m interest received in advance on re-issued \$430m promissory note.

(3) Includes cash and cash equivalents (\$747m) and restricted cash (\$86m).

(4) Includes \$139m shareholder loan from minority partner.



# 2014 Market Guidance

**Production guidance unchanged; all mines in line with expectation**

**Copper production<sup>(1)</sup>**

418 – 444k tonnes

**Nickel production**

42 – 47k contained tonnes

**Gold production**

221 – 246k ounces

**Zinc production**

59 – 65k tonnes

**Palladium & Platinum**

22 – 24k ounces (each)

**Copper C1 Cost guidance unchanged**

**Copper C1 Cost<sup>(1)</sup>**

\$1.32 - \$1.48 per lb

**Nickel C1 Cost guidance unchanged**

**Nickel C1 Cost**

\$4.40 - \$4.90 per lb

## Capital Expenditure

Expected total 2014 capital expenditure is approximately **\$2.1 to \$2.2 billion**, excluding capitalization of any pre-commercial production costs and capitalized interest

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