



FIRST QUANTUM  
MINERALS LTD.

# NEWS RELEASE

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www.first-quantum.com

## FIRST QUANTUM MINERALS REPORTS THIRD QUARTER 2015 RESULTS

(In United States dollars, except where noted otherwise)

First Quantum Minerals Ltd. (“First Quantum” or the “Company”, TSX Symbol “FM”, LSE Symbol “FQM”) today announced comparative earnings<sup>1</sup> of \$70 million and cash flows from operations, before changes in working capital and tax paid, of \$263 million for the three months ended September 30, 2015. On a per share basis, these equate to \$0.10 and \$0.38<sup>2</sup>, respectively using the weighted average shares outstanding of 684.5 million for the quarter. The weighted average shares outstanding for the prior year quarter was 591.2 million.

### THIRD QUARTER 2015 HIGHLIGHTS

- The first full quarter of commercial operations for the Kansanshi smelter:
  - Concentrate processed of 254,709 tonnes, average copper recovery above design at 97.8%, production totaled 57,085 tonnes of copper anode and 229,000 tonnes of sulphuric acid
- Copper production, sales and C1<sup>2</sup> cash cost better than both comparative 2014 quarter and Q2 2015:
  - Results reflect mainly the ramp-up of Sentinel, benefits of the Kansanshi smelter, the company-wide cost improvement program and lower fuel cost
  - Production – 107,485 tonnes, sales – 104,613 tonnes, C1<sup>2</sup> cash cost - \$1.18 per pound
- Best quarterly nickel production since Q3 2014 on higher output at Kevitsa and the steady improvement at Ravensthorpe:
  - Production – 9,955 tonnes, sales – 10,733 tonnes, C1<sup>2</sup> cash cost - \$4.56 per pound
- Realized per pound prices for copper \$2.28 and nickel \$4.81 below comparative 2014 quarter and Q2 2015:
  - Q3 2014 = copper \$3.11, nickel \$8.47; Q2 2015 = copper \$2.65, nickel \$5.98
- Changes to the Zambian taxation regime effective July 1, 2015 whereby mineral royalties were lowered from 20% to 9% for open pit mines and corporate tax of 30% and variable profits tax of up to 15% were reinstated.
- Net loss attributable to shareholders of the Company<sup>1</sup> of \$427 million includes a \$471 million deferred income tax charge triggered by the reinstatement of corporate tax in Zambia effective July 1, 2015 and an unrealized foreign exchange loss of \$94 million on the revaluation of the Zambian Value Added Tax receivable due to the depreciation of the kwacha against the US dollar in the quarter.
- Updated full year Guidance:
  - **Production:** 2015 guidance for copper and gold lowered while nickel remains within previous guidance range.
  - **C1<sup>2</sup> cash cost:** 2015 guidance lowered to between \$1.20 and \$1.35 per pound copper and between \$4.40 and \$4.70 per pound for nickel.
  - **Capital expenditures:** 2015 estimate unchanged at \$1.4 billion inclusive of approximately \$600 million for Cobre Panama (First Quantum’s share \$360 million), \$230 million for capitalized stripping and \$200 million for each of Sentinel and sustaining capital.  
2016 estimated at \$1.2 billion inclusive of \$880 million for Cobre Panama (First Quantum’s share \$528 million), \$200 million for capitalized stripping and \$100 million for sustaining capital.
- As disclosed on October 5, 2015:
  - Cobre Panama: terms of a revised precious metals stream agreement finalized; capital costs estimate lowered 7% to \$5.95 billion; project progressed to approximately 35% overall completion.
  - Zambian power supply stabilizing: full power currently being provided to the Kansanshi complex and to the one power line currently connected to Sentinel.

<sup>1</sup> Net earnings (loss) attributable to shareholders of the Company have been adjusted to exclude impacts which are not reflective of underlying performance to arrive at comparative earnings. Comparative earnings and comparative earnings per share are not measures recognized under International Financial Reporting Standards (“IFRS”) and do not have a standardized meaning prescribed by IFRS. The Company has disclosed these measures to assist with the understanding of results and to provide further financial information about the results to investors. Refer to the “Regulatory Disclosures” section in the MD&A for the three and nine months ended September 30, 2015 for further information.

<sup>2</sup> Cash flows per share and C1 cash cost are not recognized under IFRS. Refer to the “Regulatory Disclosures” section in the MD&A for the three and nine months ended September 30, 2015 for further information.

Second power line to Sentinel completed and expected to be energized shortly which would allow Sentinel to ramp-up towards commercial production levels by the end of 2015.

- Further strengthening and protecting cash flows: in addition to initiatives already successfully implemented a commitment to reduce net debt by over \$1 billion through a combination of asset sales and other strategic initiatives by the end of Q1 2016.

## CEO'S COMMENTS

“Good operations at all our facilities combined with the benefits from our cost and cash containment efforts and the excellent operation of our new smelter yielded solid results for the quarter. While we are pleased with this, further strengthening of the balance sheet and cost reductions remain key priorities for the entire Company,” commented Philip Pascall, First Quantum’s Chairman and CEO.

“In an earlier release we noted the finalization of revised terms for the precious metals stream agreement with Franco-Nevada and detailed some of the initiatives already implemented, including the implementation of a copper hedge program and our commitment to reduce net debt. Since then, the initial contribution of \$338 million was received from Franco-Nevada on the Cobre Panama stream agreement, we increased the size of the hedge program and put in place the team to carry out a detailed review of our assets and evaluate other strategic initiatives for the planned debt reduction program. We intend to disclose progress and further details on all of these initiatives as appropriate.”

## FINANCIAL HIGHLIGHTS

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
<i>(U.S. dollars millions, except where noted otherwise)</i>				
Sales revenues	673	885	1,933	2,721
Gross profit	103	241	183	815
Net earnings (loss) attributable to shareholders of the Company <sup>1</sup>	(427)	121	(610)	382
Earnings (loss) per share	(\$0.62)	\$0.21	(\$0.96)	\$0.65
Diluted earnings (loss) per share	(\$0.62)	\$0.20	(\$0.96)	\$0.64
Comparative earnings <sup>1</sup>	70	133	76	415
Comparative earnings per share <sup>1</sup>	\$0.10	\$0.22	\$0.12	\$0.71
Comparative EBITDA <sup>1</sup>	261	355	542	1,130
Cash flow from operations, before changes in working capital and tax paid	263	340	551	1,099

<sup>1</sup> Net earnings (loss) attributable to shareholders of the Company and EBITDA have been adjusted to exclude impacts which are not reflective of underlying performance to arrive at comparative earnings and comparative EBITDA. Comparative earnings, comparative earnings per share and comparative EBITDA are not measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS. The Company has disclosed these measures to assist with the understanding of results and to provide further financial information about the results to investors. Refer to “Regulatory Disclosures” section in the MD&A for the three and nine months ended September 30, 2015 for further information.

**OPERATING HIGHLIGHTS**

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
<i>(U.S. dollars where applicable)</i>				
Copper production (tonnes) <sup>1</sup>	107,485	101,553	308,036	322,479
Copper sales (tonnes) <sup>1</sup>	104,613	99,132	284,180	316,367
Cash cost of copper production (C1) <sup>2</sup> (per lb)	\$1.18	\$1.44	\$1.27	\$1.42
Total cost of copper production (C3) <sup>2</sup> (per lb)	\$2.09	\$2.26	\$2.24	\$2.15
Realized copper price (per lb)	\$2.28	\$3.11	\$2.49	\$3.06
Nickel production (contained tonnes)	9,955	11,884	25,282	35,945
Nickel sales (contained tonnes)	10,733	10,812	25,160	35,560
Cash cost of nickel production (C1) <sup>2</sup> (per lb)	\$4.56	\$4.52	\$4.57	\$4.38
Total cost of nickel production (C3) <sup>2</sup> (per lb)	\$5.62	\$5.77	\$5.99	\$5.77
Realized nickel price (per payable lb)	\$4.81	\$8.47	\$5.61	\$7.71
Gold production (ounces)	56,887	51,446	166,394	172,333
Gold sales (ounces)	63,411	52,235	164,095	165,496

<sup>1</sup> Copper production includes initial production at Sentinel of 10,979 tonnes for the three months ended September 30, 2015, and 17,781 tonnes for the nine months ended September 30, 2015. Copper sales includes initial sales at Sentinel of 2,474 tonnes for the three and nine months ended September 30, 2015. Sentinel production and sales are pre-commercial production and therefore excluded from earnings.

<sup>2</sup> C1 cash cost and C3 total cost are not recognized under IFRS. C3 total cost is defined as C1 cash cost plus depreciation, exploration, insurance and royalties. Refer to the "Regulatory Disclosures" section in the MD&A for the three and nine months ended September 30, 2015 for further information.

**UPDATED FULL YEAR 2015 GUIDANCE**

- Total production
  - Copper between 380,000 and 400,000 tonnes
  - Nickel between 33,000 and 37,000 tonnes
  - Gold between 210,000 and 231,000 ounces
  - Zinc between 36,000 and 41,000 tonnes
  - Platinum between 27,000 and 32,000 ounces
  - Palladium between 22,000 and 24,000 ounces
  - In addition, total physical production at Sentinel is expected to be between 30,000 and 40,000 tonnes of copper.
- C1 cash cost
  - Copper between \$1.20 and \$1.35 per pound
  - Nickel between \$4.40 and \$4.70 per pound
- Capital expenditures, excluding capitalization of any pre-commercial production costs and capitalized interest, of approximately \$1.4 billion including \$600 million for Cobre Panama (First Quantum share \$360 million), \$230 million for capitalized stripping and \$200 million for each of Sentinel and sustaining capital.

**CONFERENCE CALL & WEBCAST**

The Company will host a conference call and webcast to discuss the results on November 10, 2015.

Date: November 10, 2015  
 Time: 9:00 am (EST); 2:00 pm (GMT); 6:00 am (PST)  
 Webcast: [www.first-quantum.com](http://www.first-quantum.com)  
 Dial in: North America: (toll free) 1 800 909 4804  
 International and North America: 1 647 722 6853  
 United Kingdom: 0 800 5280641 (toll free) or 44 2078558979  
 Replay: Canada and international: 1 416 626 4100  
 North America (toll free): 1 800 558 5253  
 United Kingdom: 0800 692 0831 (toll free) or 44 0 870 000 3081  
 Passcode: 21783525

The conference call replay will be available from 11:00 am (EST) on November 10 until 11:59 pm (EST) on November 17, 2015.

## COMPLETE FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

The complete unaudited condensed interim consolidated financial statements, and MD&A for the three and nine months ended September 30, 2015 are available at [www.first-quantum.com](http://www.first-quantum.com) and should be read in conjunction with this news release.

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

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Listed in Standard and Poor's

For further information visit our website at [www.first-quantum.com](http://www.first-quantum.com)

North American contact: Sharon Loung, Director, Investor Relations  
Tel: (647) 346-3934 Fax: (604) 688-3818 Toll Free: 1 (888) 688-6577 E-Mail: [sharon.loung@fqml.com](mailto:sharon.loung@fqml.com)

United Kingdom contact: Clive Newall, President  
Tel: +44 140 327 3484 Fax: +44 140 327 3494 E-Mail: [clive.newall@fqml.com](mailto:clive.newall@fqml.com)

### Cautionary statement on forward-looking information

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 securities laws. These forward-looking statements are principally included in the Development activities section and are also disclosed in other sections of the document. The forward looking statements include estimates, forecasts and statements as to the Company's expectations of production and sales volumes, expected timing of completion of project development at Kansanshi, Sentinel, Enterprise and Cobre Panama, the impact of ore grades on future production, the potential of production disruptions, capital expenditure and mine production costs, the outcome of mine permitting, the outcome of legal proceedings which involve the Company, information with respect to the future price of copper, gold, cobalt, nickel, zinc, pyrite, PGE, and sulphuric acid, estimated mineral reserves and mineral resources, First Quantum's exploration and development program, estimated future expenses, exploration and development capital requirements, the Company's hedging policy, and 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, the Company has made numerous assumptions including among other things, assumptions about the price of copper, gold, nickel, zinc, pyrite, PGE, cobalt and sulphuric acid, anticipated costs and expenditures and the ability to achieve the Company's goals. 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 the 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. These factors include, but are not limited to, future production volumes and costs, costs for inputs such as oil, power and sulphur, political stability in Zambia, Peru, Mauritania, Finland, Spain, Turkey, Panama, Argentina and Australia, adverse weather conditions in Zambia, Finland, Spain, Turkey and Mauritania, labour disruptions, mechanical failures, water supply, procurement and delivery of parts and supplies to the operations, and the production of off-spec material.

See the Company's Annual Information Form for additional information on risks, uncertainties and other factors relating to the forward-looking statements and information. Although the Company has 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 these factors are beyond First Quantum's control. Accordingly, readers should not place undue reliance on forward-looking statements or information. The Company undertakes 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.