FIRST QUANTUM
MINERALS LTD.

NEWS RELEASE

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FIRST QUANTUM MINERALS REPORTS SECOND QUARTER 2016 RESULTS

(In United States dollars, except where noted otherwise)

First Quantum Minerals Ltd. ("First Quantum" or the "Company", TSX Symbol "FM") today announced comparative earnings[1] of $38 million ($0.06 per share) and cash flows from continuing operating activities[2] of $304 million ($0.44 per share[1]) for the three months ended June 30, 2016.

SECOND QUARTER 2016 HIGHLIGHTS[2]

- Set new quarterly records for copper production and sales of 131,349 tonnes and 132,030 tonnes, respectively, surpassing previous records set in the first quarter of the year:
  - 53% increase in copper production at Sentinel over Q1 2016 reflective of steady operational and power supply improvements.
  - Highest quarterly production since Q3 2014 achieved at Kansanshi due to the increased smelter availability and sulphuric acid supply from the operation of the Kansanshi smelter.
  - Higher sales volume compared to Q1 2016 was mostly due to Sentinel's increased production.
- Fifth consecutive quarter of lower copper cash cost ("C1"), All-in sustaining ("AISC") and total cost ("C3") per pound[3]:
  - Copper Q2 2016: C1 = $0.98; AISC = $1.32; C3 = $1.80
- Realized average price for copper of $2.21 per pound exceeded the average LME price of $2.15 per pound primarily on account of the Company's copper sales hedge program.
- Completed two main initiatives in the strategy to protect the Company in volatile market conditions and sustained lower commodity prices:
  - Put in place a new $1.815 billion debt Facility, comprised of equal amounts Term Loan and Revolving Credit Facility. This new Facility has improved financial covenants and amortization schedule, matures in December 2019 and replaces the previous $3.0 billion Facility.
  - Completed the sale of the Kevitsa mine to Boliden AB for $712 million in cash plus restricted cash and working capital adjustments of which $663 million was received on June 1. The remaining amount is due to be received in Q3 2016.
- Received the remaining $32 million owed on the amended ENRC Promissory Note.
- Ended the quarter with $895 million in unrestricted cash, $593 million in committed, undrawn facilities, working capital of $553 million and in full compliance with all financial covenants.
- The development of Cobre Panama continues on track for a phased commissioning and ramp-up over 2018. The process to put in place up to $2.5 billion of project financing is advancing.
- Changes to the Zambian mining tax regime, effective June 1, include the reduction of the royalty rate for open pit mines from 9% to a sliding scale of between 4% to 6%, based on the copper LME price, and the repeal of the variable profits tax. As a result, a $78 million credit relating to the revaluation of deferred tax balances in Zambia was recognized in the quarter.
- Further reduced copper C1 cash cost and AISC guidance for the year 2016 while C1 cash cost for nickel has been increased for years 2016, 2017 and 2018 based on performance to date.
- Delisting and cancellation of First Quantum's common shares from the London Stock Exchange, as requested by the Company, became effective on May 31, 2016.
- Declared an interim dividend of CDN $0.005 per share in respect of the financial year ended December 31, 2016. The dividend will be paid on September 19, 2016 to shareholders of record on August 26, 2016. The ex-dividend date is August 24, 2016.

[1] *Net earnings (loss) attributable to shareholders of the Company have been adjusted to exclude items which are not reflective of underlying performance to arrive at comparative earnings. Comparative earnings, comparative earnings per share and cash flows 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 quarter ended June 30, 2016, for further information.*

[2] *Performance measures exclude the Kevitsa mine which was sold on June 1, 2016.*

[3] *C1, AISC and C3 cost per pound are not recognized under IFRS. Refer to the "Regulatory Disclosures" section in the MD&A for the quarter ended June 30, 2016, for further information.*

CEO'S COMMENTS

"Strong performance by all parts of First Quantum continues, as focus on two of our most important priorities pay off," noted Philip Pascall, Chairman and CEO.

"Firstly, all our Company's operations have shown improvements in costs and efficiency. The greatest impact was attributable to Kansanshi, and the operation of its smelter. This provides the mine with more acid than previously available, and at virtually no cost. The extra acid helps recovery of mixed and high acid consuming oxide ores. The combination of higher recoveries, negligible acid cost, and the lower smelting treatment costs, make a significant difference. Other aspects of Kansanshi, particularly mining, have also improved markedly, as they have across the Company.

"Secondly, successful completion of the sale of Kevitsa, and refinancing the senior debt facility have further strengthened the Company's financial position, and hence its ability to continue developing the Cobre Panama project, amid volatile market conditions and sustained lower commodity prices.

"Going forward, we are making progress with the complex process of arranging project financing for Cobre Panama. We will continue to be alert to any opportunities for further cost savings and improvements in profitability and cash flow."

OPERATING HIGHLIGHTS – CONTINUING OPERATIONS[1]

	Three months ended June 30		Six months ended June 30	
(U.S. dollars where applicable)	**2016**	**2015**	**2016**	**2015**
COPPER				
- Production (tonnes)[2,3]	131,349	99,940	250,636	191,850
- Sales (tonnes)[2]	132,030	79,678	263,297	170,760
- Cost of production:				
○ C1 (per lb)[4]	$0.98	$1.22	$1.00	$1.32
○ AISC (per lb)[4]	$1.32	$2.02	$1.33	$2.10
○ C3 (per lb)[4]	$1.80	$2.25	$1.83	$2.37
- Realized price (per lb)	$2.21	$2.67	$2.29	$2.63
NICKEL				
- Production (contained tonnes)	4,982	7,115	12,088	11,353
- Sales (contained tonnes)	5,415	6,556	14,355	10,288
- Cost of production:				
○ C1 (per lb)[4]	$4.73	$4.70	$4.59	$4.69
○ AISC (per lb)[4]	$5.49	$5.56	$5.17	$5.57
○ C3 (per lb)[4]	$6.63	$6.13	$6.26	$6.19
- Realized price (per payable lb)	$4.15	$5.98	$3.98	$6.18
GOLD				
- Production (ounces)	50,630	53,835	106,821	103,615
- Sales (ounces)	69,898	47,421	133,039	94,690

[1] Operating metrics exclude the Kevitsa mine.

[2] Copper production includes production at Sentinel of 31,987 tonnes and 52,889 tonnes for the three and six months ended June 30, 2016, respectively. Copper sales includes sales at Sentinel of 21,940 tonnes and 40,736 tonnes for the three and six months ended June 30, 2016, respectively. Production and sales at Sentinel are pre-commercial and therefore excluded from earnings.

[3] Production is presented on a copper concentrate basis (mine production only), and does not include output from the Kansanshi smelter.

[4] C1 cash cost, AISC and C3 total cost are not recognized under IFRS. Refer to the "Regulatory Disclosures" section in the MD&A for the quarter ended June 30, 2016, for further information.

FINANCIAL HIGHLIGHTS[1]

(U.S. dollars millions, except where noted otherwise)	Three months ended June 30 2016	Three months ended June 30 2015	Six months ended June 30 2016	Six months ended June 30 2015
Sales revenues	659	558	1,379	1,160
Gross profit	102	54	207	77
Net earnings (loss) from continuing operations	142	(97)	190	(187)
Net earnings (loss) from discontinued operations	(1)	3	(267)	(1)
Net earnings (loss) per share from continuing operations attributable to shareholders of the Company	$0.18	($0.17)	$0.25	($0.30)
Net earnings (loss) per share	$0.18	($0.16)	($0.14)	($0.30)
Basic and diluted earnings (loss) per share	$0.18	($0.16)	($0.14)	($0.30)
Comparative EBITDA[2]	257	148	526	254
Comparative earnings[2]	38	20	101	8
Cash flows from continuing operating activities	304	76	558	210

[1] Financial metrics, other than Net earnings (loss) from discontinued operations, exclude the Kevitsa mine.

[2] Net earnings (loss) attributable to shareholders of the Company and EBITDA have been adjusted to exclude items 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 quarter ended June 30, 2016, for a reconciliation of comparative EBITDA and comparative earnings.

UPDATED GUIDANCE – CONTINUING OPERATIONS[1]

000's	2016	2017	2018
Copper (tonnes) – excluding Sentinel	380	380	385
Nickel (contained tonnes)	23	28	28
Gold (ounces)	210	208	208
Zinc (tonnes)	26	20	20
Sentinel – copper (tonnes)	135-155	210-240	230-260

Capital expenditure

- Guidance on total capital expenditure for 2016 to 2018 is unchanged.
- 2016 net capital expenditure, after contributions from third-parties, is expected to be approximately $710 million, inclusive of net capital expenditure of $390 million for the Cobre Panama project, $160 million for capitalized stripping and $160 million for other projects and sustaining capital. This excludes capitalization of any net pre-commercial production costs and capitalized interest but includes capital expenditure at Kevitsa to the date of sale.
- 2017 and 2018 net capital expenditure, after contributions from third-parties, is estimated at approximately $820 million per annum, with Cobre Panama net capital expenditure of approximately $480 million per annum, excluding capitalization of any net pre-commercial production costs and capitalized interest.

Cash cost and all-in sustaining cost

Both C1 and AISC for copper have been reduced from previous guidance to reflect embedded cost savings throughout the Company.

C1:

- Expected average cash cost of copper in 2016 (excluding Sentinel) reduced to approximately $1.05 to $1.15 per lb (including Sentinel reduced to approximately $1.15 to $1.30 per lb). Guidance is the same on a continuing operations or including discontinued operations basis.
- Expected average cash cost of copper in 2017 and 2018 remains at approximately $1.20 to $1.40 per lb, including Sentinel.
- Expected average cash cost of nickel on a continuing basis excluding Kevitsa is approximately $4.50 to $4.70 per lb for 2016, 2017 and 2018.

AISC:

- Expected average AISC of copper reduced to approximately $1.40 to $1.60 per lb for 2016 (excluding Sentinel) on a continuing basis, and reduced to approximately $1.55 to $1.75 per lb (including Sentinel) on a continuing basis. Guidance is the same on a continuing operations or including discontinued operations basis.
- Expected average AISC of copper of approximately $1.70 to $1.90 per lb for 2017 and 2018 (including Sentinel).
- Expected average AISC of nickel is approximately $5.00 to $5.30 per lb for 2016, 2017 and 2018.

[1] *Excludes the Kevitsa mine.*

CONFERENCE CALL & WEBCAST

The Company will host a conference call and webcast to discuss the results on Thursday July 28, 2016.

Date:	July 28, 2016
Time:	9:00 am (EDT); 2:00 pm (BST); 6:00 am (PDT)
Webcast:	www.first-quantum.com
Dial in:	North America: (toll free) 1 866 393 4306 North America and international: 1 617 826 1698 United Kingdom: (toll free) 0 800 917 4860
Replay:	North America and international: 1 416 621 4642 North America: (toll free) 1 800 585 8367
Passcode:	47226558

The conference call replay will be available from noon (EDT) until 11:59 pm (EDT) on August 4, 2016.

COMPLETE FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

The complete unaudited consolidated financial statements and Management's Discussion and Analysis for the quarter ended June 30, 2016 are available at 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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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, commissioning and reaching commercial production at Sentinel and expected timing of completion of project development at Enterprise and Cobre Panama and are subject to 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 continuing production at all operating facilities, 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, the temporary or permanent closure of uneconomic operations, 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, power supply, 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.