



FIRST QUANTUM  
MINERALS LTD.

# NEWS RELEASE

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[www.first-quantum.com](http://www.first-quantum.com)

## FIRST QUANTUM MINERALS REPORTS THIRD 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<sup>1</sup> of \$37 million (\$0.05 per share) and cash flows from continuing operating activities<sup>1</sup> of \$263 million (\$0.38 per share<sup>1</sup>) for the three months ended September 30, 2016.

### THIRD QUARTER 2016 HIGHLIGHTS<sup>1</sup>

- Copper production and sales<sup>2,3</sup> of 142,721 tonnes and 136,051 tonnes, respectively:
  - Exceeded both the Q2 2016 and Q3 2015 levels.
  - Reflect a new production record at Las Cruces, increased output at Kansanshi and the continued ramp up of the Sentinel project which is on track to produce 130,000 tonnes of copper for the full year 2016.
- A total of 276,368 tonnes of copper concentrate processed at the Kansanshi copper smelter which achieved an average recovery of 97% for the quarter despite a 17-day repairs and maintenance shutdown in August.
- Sustainable cost savings reflected in cash cost (“C1”)<sup>4</sup> = \$0.97, All-in sustaining (“AISC”)<sup>4</sup> = \$1.36 and total cost (“C3”)<sup>4</sup> = \$1.74 per pound of copper production.
- Realized average prices for copper and nickel of \$2.23 per pound and \$4.68 per pound, respectively, exceeded the average LME prices on account of the Company’s sales hedge programs.
  - Sales hedge positions outstanding as at October 27, 2016 totalled 417,800 tonnes of copper at an average price of \$2.18 per pound and 6,456 tonnes of nickel at an average price of \$4.69 per pound.
- Received \$69 million in final proceeds from the sale of the Kevitsa operation on October 3, 2016.
- Strong financial position maintained with \$810 million in unrestricted cash, \$593 million in committed and undrawn facilities and \$520 million in working capital.
- Energization of the second power line into the Sentinel project occurred on September 16, 2016. Power supply to the project is therefore expected to be progressively increased to its full requirement from the current 126MW level. It is anticipated that commercial production for Sentinel, contingent on the consistent provision of adequate power, will be achieved in the fourth quarter of 2016.
- The development of Cobre Panama continues on track for a phased commissioning in 2018 and continued ramp-up in 2019.
  - A portion of the stripping of the pit, originally scheduled for later years in the project’s development, has been brought forward to 2016.
  - As a result, planned capital expenditure for 2016 has been increased to \$450 million from \$390 million.
  - The total capital expenditure for the project is unchanged at \$5.48 billion.
  - The process to put in place project financing continues to advance.
- Changes to 2016 guidance are:
  - Increased copper production, excluding Sentinel, based on performance to date to 385,000 tonnes (Sentinel’s estimated production revised to 130,000 tonnes).
  - Lowered copper C1 and AISC per pound estimates based on performance to date:
    - excluding Sentinel C1 = \$1.00 to \$1.05; AISC = \$1.35 to \$1.45 (marginal increase expected if commercial production is declared at Sentinel in Q4 2016)
  - Net capital expenditure estimate, after contributions from third-parties, increased to approximately \$770 million, inclusive of net capital expenditure of \$450 million for the Cobre Panama project, \$140 million for capitalized stripping and \$180 million for other projects and sustaining capital.

<sup>1</sup> Net earnings (loss) attributable to shareholders of the Company and Earnings before interest, tax, depreciation, amortization and impairment (“EBITDA”) have been adjusted to exclude items which are not reflective of underlying performance to arrive at comparative earnings and comparative EBITDA. EBITDA, comparative earnings, comparative earnings per share, comparative EBITDA and cash flows per share 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 the “Regulatory Disclosures” section in the MD&A for the quarter ended September 30, 2016 for further information. Furthermore, performance measures exclude the Kevitsa mine which was sold on June 1, 2016.

<sup>2</sup> Copper production includes production at Sentinel of 38,926 tonnes and 91,815 tonnes for the three and nine months ended September 30, 2016, respectively (10,979 tonnes and 17,781 tonnes for three and nine months ended September 30, 2015, respectively). Copper sales include sales at Sentinel of 35,552 tonnes and 76,288 tonnes for the three and nine months ended September 30, 2016, respectively (2,474 tonnes for three and nine months ended September 30, 2015). Production and sales at Sentinel are pre-commercial production and therefore excluded from earnings, C1 cash cost, AISC & C3 total cost.

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

<sup>4</sup> 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 September 30, 2016 for further information.

## CEO'S COMMENTS

"We are pleased with the results of the quarter. Generally excellent operational performance, augmented by our sales hedging programs, continues to deliver solid results. Hence, the Company's strong financial position is being maintained. Meanwhile, we are making progress with the project financing for Cobre Panama," commented Philip Pascall, Chairman and CEO.

"With this financial background, we are making great progress with the development of the Cobre Panama project. Its additional copper production capacity will be valuable and timely. Being able to develop Cobre Panama now, is consistent with First Quantum's long-held strategy to add capacity during periods of low metal prices, and thus to benefit fully when metal markets improve."

## OPERATING HIGHLIGHTS – CONTINUING OPERATIONS

(U.S. dollars where applicable)	Three months ended September 30 (Unaudited)		Nine months ended September 30 (Unaudited)	
	2016	2015	2016	2015
<b>COPPER</b>				
- Production (tonnes)	142,721	103,289	393,357	295,139
- Sales (tonnes)	136,051	101,359	399,348	272,119
- Cost of production:				
o C1 (per lb)	\$0.97	\$1.16	\$0.99	\$1.27
o AISC (per lb)	\$1.36	\$1.72	\$1.35	\$1.96
o C3 (per lb)	\$1.74	\$2.10	\$1.80	\$2.25
- Realized price (per lb)	\$2.23	\$2.36	\$2.27	\$2.53
<b>NICKEL</b>				
- Production (contained tonnes)	5,330	7,662	17,418	19,015
- Sales (contained tonnes)	5,454	8,062	19,809	18,350
- Cost of production:				
o C1 (per lb)	\$5.01	\$4.60	\$4.72	\$4.65
o AISC (per lb)	\$5.90	\$5.29	\$5.39	\$5.46
o C3 (per lb)	\$6.71	\$5.93	\$6.40	\$6.08
- Realized price (per payable lb)	\$4.68	\$4.83	\$4.17	\$5.59
<b>GOLD</b>				
- Production (ounces)	52,957	53,563	159,778	157,178
- Sales (ounces)	54,124	61,279	187,163	155,969

**FINANCIAL HIGHLIGHTS**

	Three months ended September 30 (Unaudited)		Nine months ended September 30 (Unaudited)	
	2016	2015	2016	2015
<i>(U.S. dollars millions, except where noted otherwise)</i>				
Sales revenues	605	632	1,984	1,792
Gross profit	80	100	287	177
Net earnings (loss) from continuing operations	39	(539)	229	(726)
Net earnings (loss) from discontinued operations	-	3	(267)	2
Net earnings (loss) per share from continuing operations attributable to shareholders of the Company	\$0.05	(\$0.63)	\$0.31	(\$0.96)
Net earnings (loss) per share	\$0.05	(\$0.62)	(\$0.08)	(\$0.96)
Basic and diluted earnings (loss) per share	\$0.05	(\$0.62)	(\$0.08)	(\$0.96)
Comparative EBITDA	220	254	746	508
Comparative earnings	37	66	138	74
Comparative earnings per share	\$0.05	\$0.10	\$0.20	\$0.12
Cash flows from continuing operating activities	263	141	821	351

**CONFERENCE CALL & WEBCAST**

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

Date: October 28, 2016  
Time: 9:00 am (EDT); 2:00 pm (BST); 6:00 am (PDT)  
Webcast: [www.first-quantum.com](http://www.first-quantum.com)  
Dial in: North America: (toll free) 1 877 648 7976  
North America and international: 1 617 826 1698  
United Kingdom: (toll free) 0 800 917 4860

Replay: North America: (toll free) 1 855 859 2056  
North America and international: 1 404 537 3406  
Passcode: 96721885

The conference call replay will be available from noon (EDT) until 11:59 pm (EDT) on November 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 September 30, 2016 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)

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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 of the Management's Discussion and Analysis for the quarter ended September 30, 2016 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, 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, 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.