





## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENT

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.

# COBRE PANAMA – POWER PLANT & PORT OVERVIEW #1



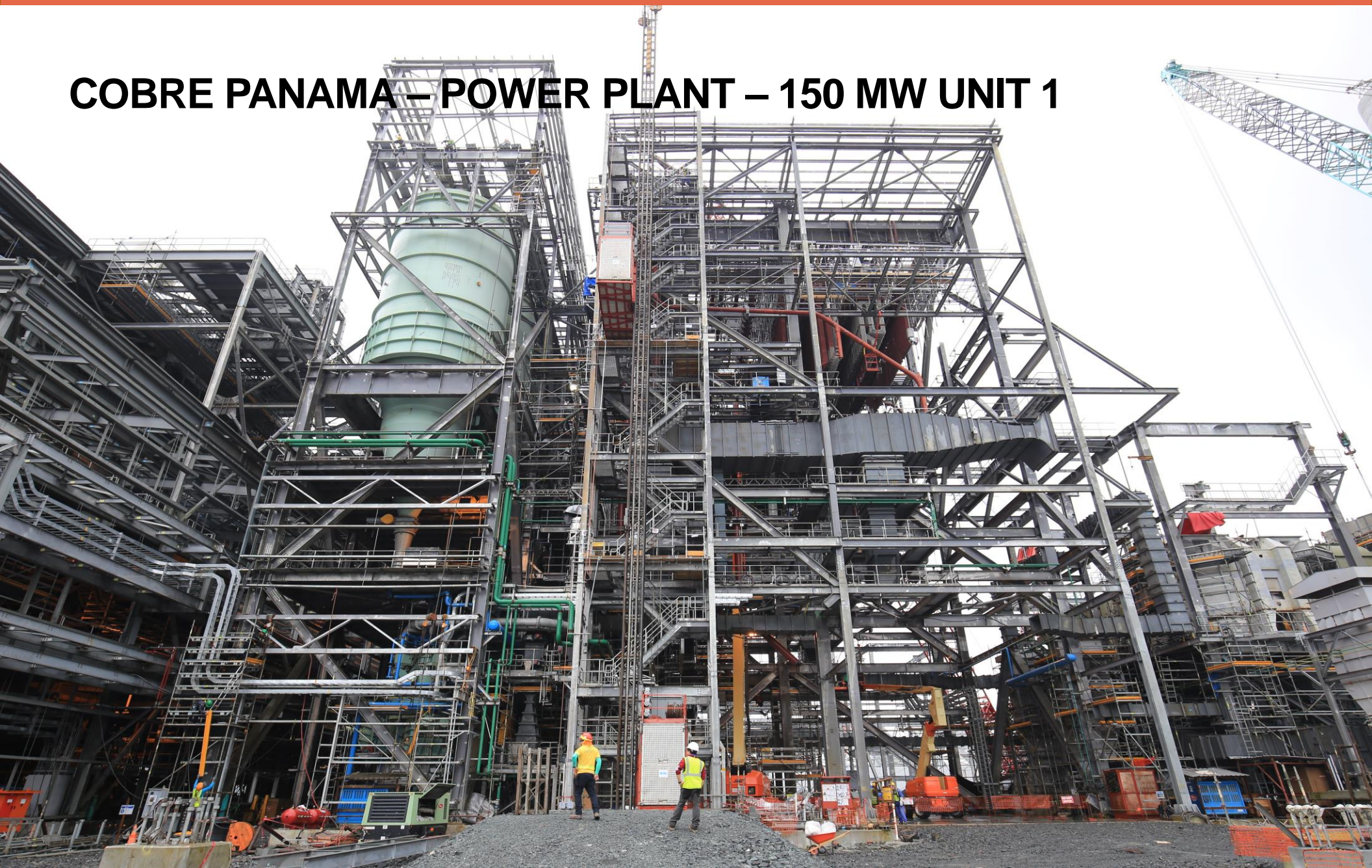


# COBRE PANAMA – POWER PLANT & PORT OVERVIEW #2





# COBRE PANAMA – POWER PLANT – 150 MW UNIT 1





# COBRE PANAMA – POWER PLANT – TURBINE INSTALLATION





# COBRE PANAMA – MILL AREA – WEST SIDE





# COBRE PANAMA – BALL MILL AND MOTOR INSTALLATION





# COBRE PANAMA – THICKENER INSTALLATION





# FINANCIAL REVIEW





# Q2 2016 Highlights – Continuing operations<sup>1</sup>

**Record quarterly copper production with pre-commercial Sentinel production and higher Kansanshi**

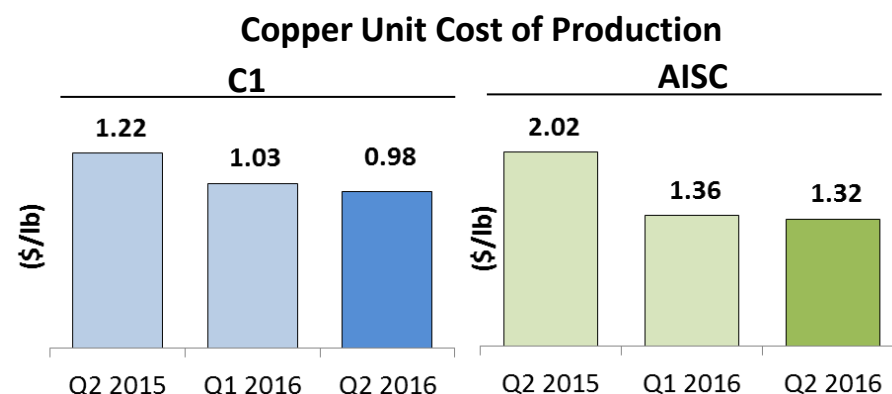
Production	Q2 2016	vs Q1 2016	vs Q2 2015
Copper ('000 tonnes)	131.3	+12.1	+31.4
Nickel ('000 tonnes)	5.0	-2.1	-2.1
Gold ('000 ounces)	50.6	-5.6	-3.2

**Record quarterly copper sales were significantly higher than Q2 2015 driven by anode sell down at Kansanshi and higher production**

Sales	Q2 2016	vs Q1 2016	vs Q2 2015
Copper ('000 tonnes)	132.0	+0.8	+52.4
Nickel ('000 contained tonnes)	5.4	-3.5	-1.1
Gold ('000 ounces)	69.9	+6.8	+22.5

**Copper C1 cost significantly below Q2 2015 due to continued focus on cost savings and efficiencies and higher production**

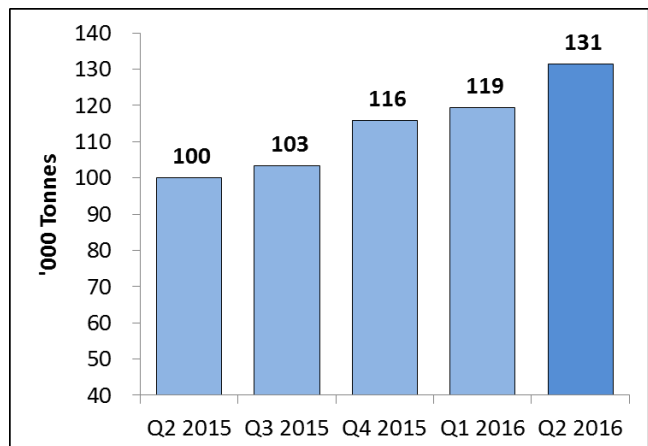
**Copper AISC below both Q1 2016 and Q2 2015 on lower C1, royalties and sustaining capex**



<sup>1</sup> Results are presented on a continuing operations basis and therefore exclude Kevitsa. In Q2 2016, Kevitsa produced 3.0kt of copper, 1.9kt of nickel and 2.5koz of gold. In Q2 2016 Kevitsa sold 2.7kt of copper, 1.4kt of nickel and 1.8koz of gold.

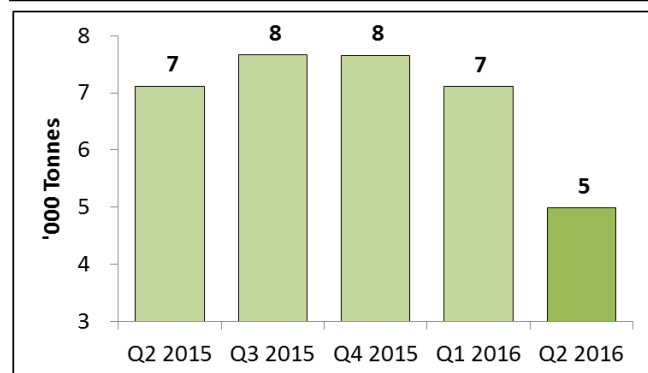


# Production – Continuing operations<sup>1</sup>



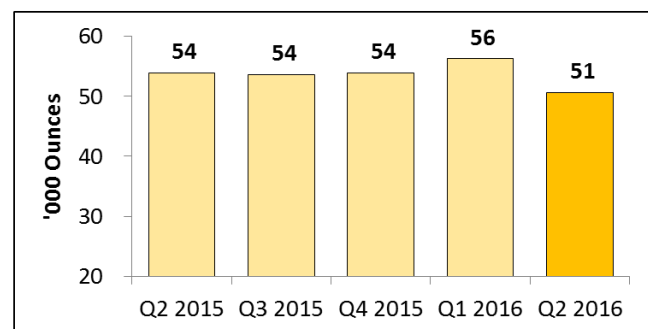
## Copper production 31% above Q2 2015

- Primarily reflects continued ramp up of Sentinel to increasingly higher operating levels and strong performance across continuing operations
- Sentinel production of 32kt (Q2 2015: 6kt)
- Kansanshi production of 62kt was 9% higher than Q2 2015
- Kansanshi smelter processed 309kt of concentrate, produced 69kt of copper anode and 309kt of sulphuric acid, with copper recovery at 97%



## Nickel production reflects lower grades and maintenance shutdown

- Production 2kt below Q2 2015 production due to the impact of lower grades as anticipated in the mining plan and lower recoveries with planned maintenance shutdown



## Gold production 6% below Q2 2015

- Guelb Moghrein 18% lower than Q2 2015 due to a drop in grade of ore treated and lower throughput
- Kansanshi 2% lower than Q2 2015 on lower head grade

<sup>1</sup> Results are presented on a continuing operations basis and therefore exclude Kevitsa. In Q2 2016, Kevitsa produced 3.0kt of copper, 1.9kt of nickel and 2.5koz of gold.



# Financial Overview – Continuing operations<sup>1</sup>

**Impact of lower market metal prices more than offset by cost savings, higher sales volumes, lower royalties and sales hedges**

\$ million	Q2 2016	Q1 2016	Q2 2015
Revenue	659	720	558
Gross Profit	102	105	54
Comparative EBITDA <sup>1</sup>	257	269	148
Comparative Earnings <sup>1</sup>	38	63	20
Comparative EPS (Basic) <sup>1</sup>	\$0.06	\$0.09	\$0.03
Net Debt	(4,123)	(4,795)	(4,967)

Gross profit \$48m above Q2 2015 as the impact of lower market prices and higher depreciation was more than offset by cost savings, sales volumes, lower royalties and sales hedges.

Comparative EBITDA \$109m higher than Q2 2015 on cost savings (smelter acid, fuel and power, consumables, contractor and employee costs).

Comparative earnings for Q2 excluded \$19m of FX gains in the period (Q1 2016: \$11m FX losses excluded).

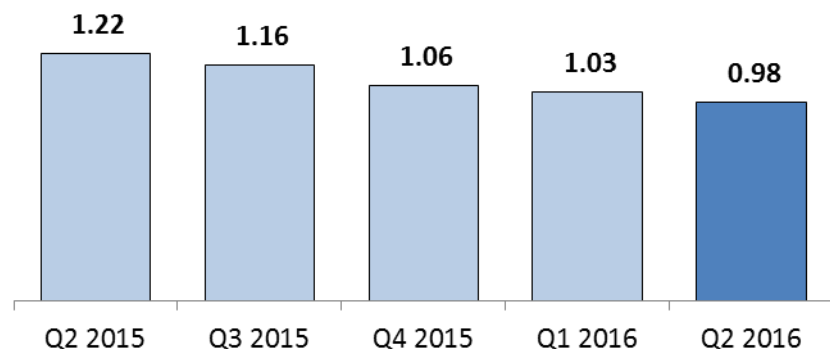
Net debt reduced by \$844m to \$4.1bn with initial sales proceeds from Kevitsa and comparative EBITDA contribution.

<sup>1</sup> Earnings 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. Items excluded from comparative measures include impairment charges, foreign exchange and revisions in estimates of closed site restoration provisions. A reconciliation of comparative EBITDA and comparative earnings is provided in the Q2 2016 MD&A.



# Cash Costs – Continuing operations

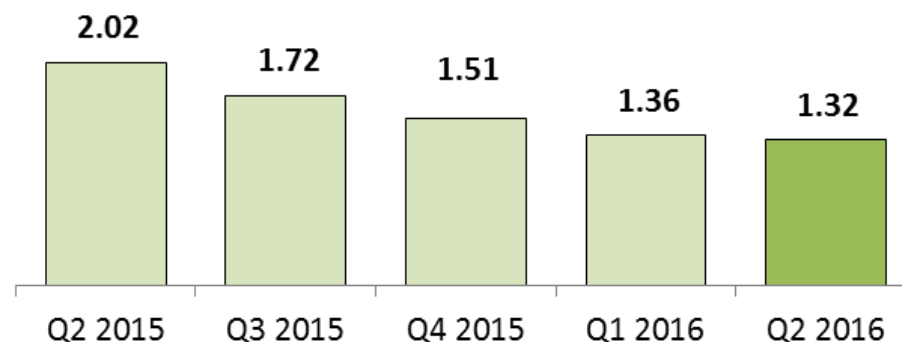
## Copper C1 cost (\$/lb)



### Q2 2016 copper C1 cost 20% lower than Q2 2015

- Continued focus on cost reductions and efficiencies
- Lower fuel costs
- Savings on acid cost at Kansanshi
- Supply chain initiatives and plant optimization
- Benefit from appreciation of the US dollar against local currencies
- Benefit of higher production

## Copper AISC (\$/lb)



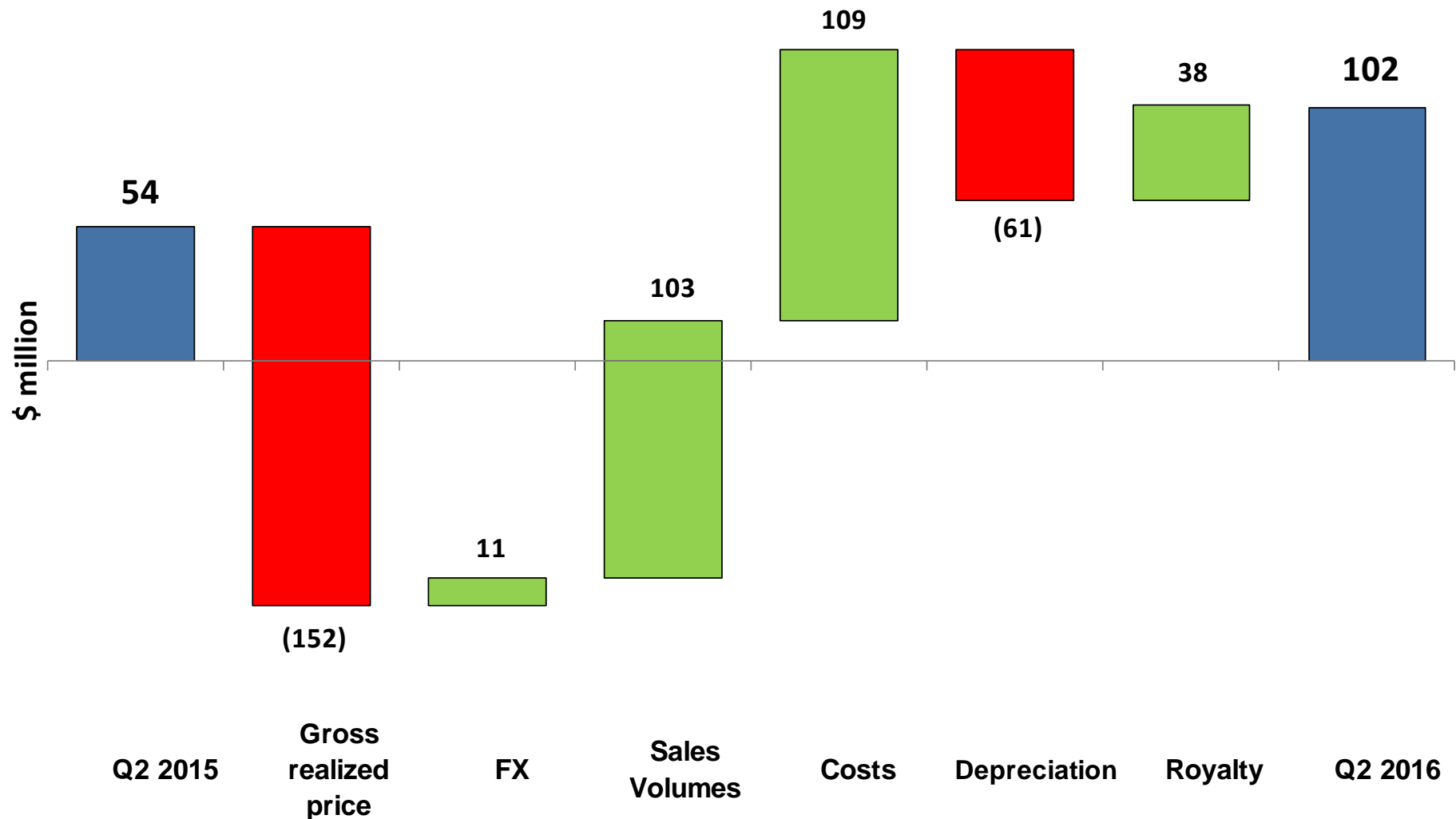
### Q2 2016 AISC 35% lower than Q2 2015

- Lower C1 cost
- Lower royalty costs - 20% Zambian royalty effective in Q2 2015 changed to 9% effective from Q3 2015, further reduced to 5% in June 2016
- Reduction in sustaining capex
- Reduction in exploration and general and administrative expenses



# Q2 2016 Gross Profit versus Q2 2015 – Continuing operations

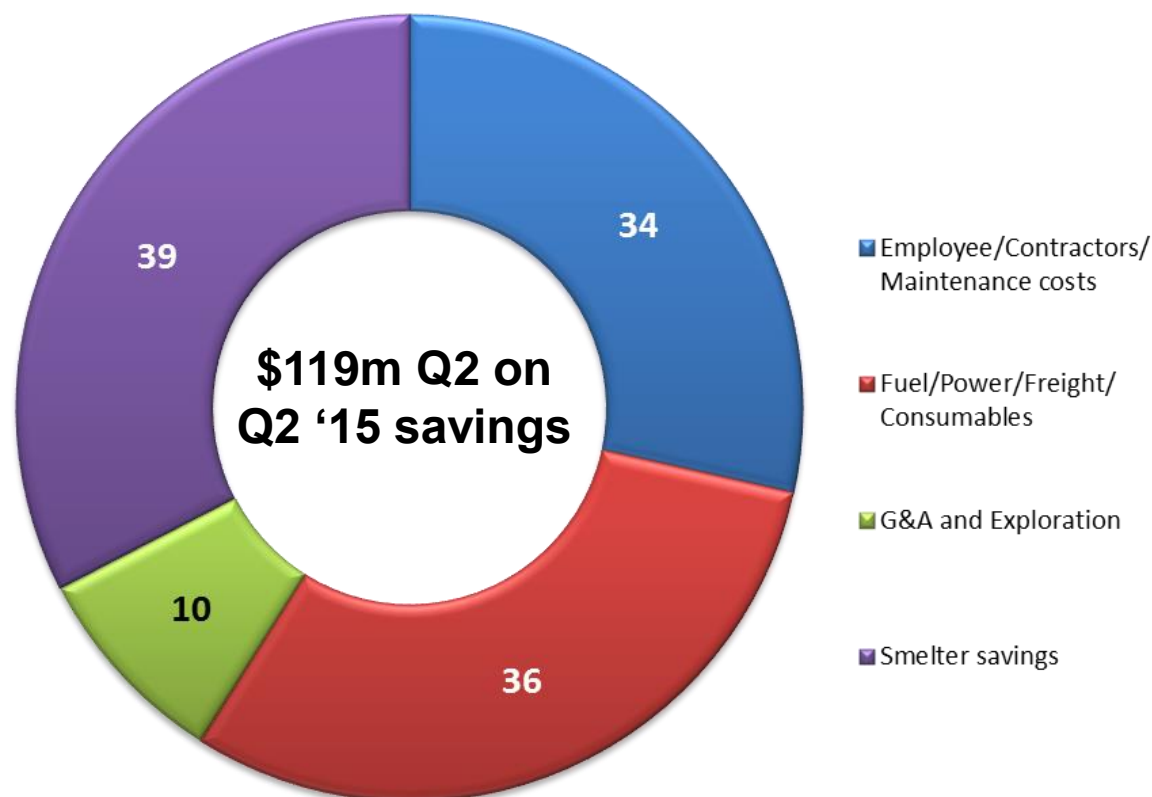
Gross profit \$48m above Q2 2015 as lower realized metal prices are more than offset by cost savings, higher sales volumes, favorable FX and reduced royalties





# Q2 2016 vs. Q2 2015 Cost Savings<sup>1</sup>

- Net acid costs \$39m lower driven by Kansanshi smelter production of sulphuric acid
- Lower employee, contractor and maintenance costs
- Lower consumable, fuel, power and freight costs across the group
- General and administration and exploration costs \$10m lower excluding the impact of FX
- In addition, Zambian royalty costs \$38m lower as Zambian royalty rate was 20% in Q2 2015 and reduced to 9% in April/May 2016 falling to 5% in June 2016



<sup>1</sup> Adjusted to remove the impact of FX

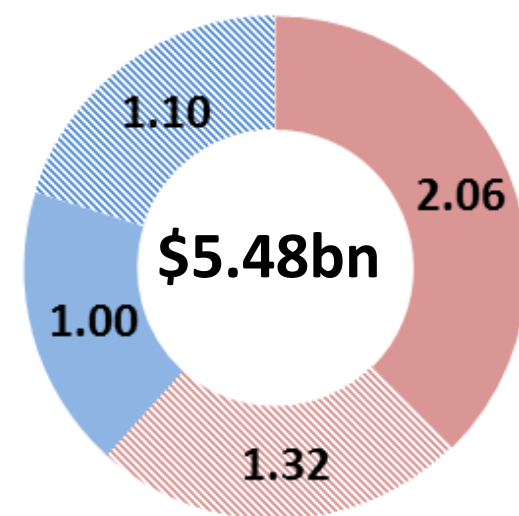


# Capital Expenditure - Total capital spend within guidance

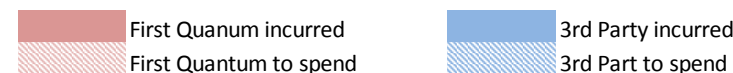
US\$ million	Q2 2016	YTD 2016
Cobre Panama	187	341
Net to First Quantum	112	205
Trident project	26	54
Stripping costs	27	43
Other sustaining capex and other projects	29	52
<b>Total net capex<sup>1</sup></b>	<b>194</b>	<b>354</b>

**Cobre Panama capex on track with full year guidance**

**Cobre Panama Funding (\$bn)**



US\$ billion	Total	Funded by	
		First Quantum	3rd Party
<b>Cobre Panama project</b>			
Capital spend to December 2015	2.72	1.86	0.86
H1 2016 spend incurred	0.34	0.20	0.14
Estimated 2016 remaining capital spend	0.31	0.19	0.12
Estimated post 2016 capital spend	2.11	1.13	0.98
<b>Total Cobre Panama</b>	<b>5.48</b>	<b>3.38</b>	<b>2.10</b>



<sup>1</sup> Capital expenditure excludes capitalized interest, capitalized pre-production costs and all capital expenditures related to discontinued operations (Kevitsa) up to the date of sale.



# Long Term Debt Profile

## Debt Maturity Profile (\$m)

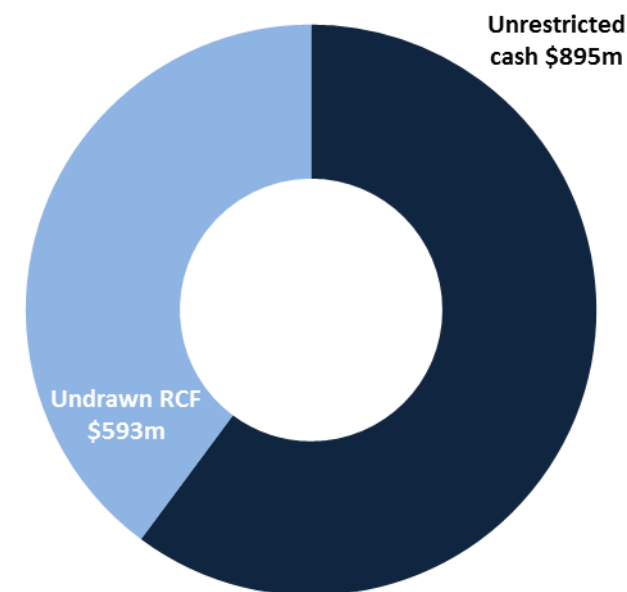
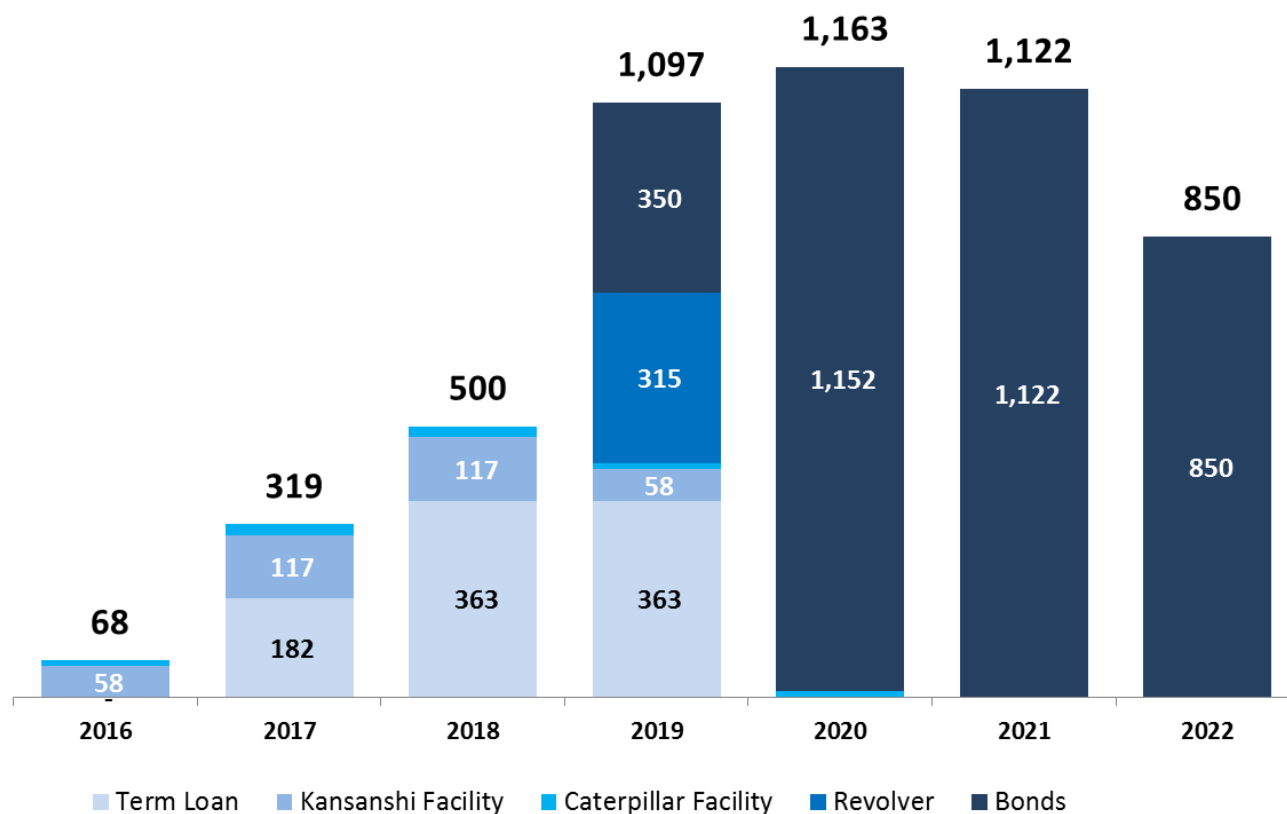
No bond principle due until 2019

## Covenant Ratio

Net debt/EBITDA covenant ratio of 4.0x - within bank covenant of 5.5x

## Liquidity




Q2 2016 liquidity:  
\$895m unrestricted cash  
\$593m undrawn RCF (expires 2019)





## Zambian Developments

- Changes to the mining tax regime were approved by Parliament with the effective date of June 1, 2016
- Copper mineral royalties reduced to 4-6% sliding scale based on monthly average LME price
- Corporate tax retained at 30%

	Previous	From June 1, 2016	
Royalty Rate	9%	4-6%	
Corporate Tax	30%	30%	
Variable Profits Tax	up to 15%	Repealed	

- \$241m total Zambian VAT accrued at end of June (\$217m relating to Kansanshi), all amounts deemed recoverable
- In December 2015, Kansanshi and Sentinel were advised by ZESCO that power tariffs were to be increased to 10.35 cent per kWh effective January 1, 2016. These increases are being disputed and discussions with ZESCO are ongoing



# Market Guidance 2016

## 2016 Production guidance from continuing operations

- Production guidance is shown for continuing operations and therefore excludes Kevitsa
- Overall group production guidance for all metals on a continuing basis is unchanged

### Cu production<sup>1</sup>

380k tonnes

### Sentinel Cu production

135 - 155k tonnes

### Ni production

23k contained tonnes

### Zn production

26k tonnes

### Au production

210k ounces

## Copper cost guidance<sup>2</sup> reduced

C1

AISC<sup>3</sup>

### Cu

\$1.05 – 1.15/lb

\$1.40 – 1.60/lb

## Nickel C1 guidance increased

### Ni

\$4.50 – 4.70/lb

\$5.00 – 5.30/lb

**Total capex guidance on a continuing basis is unchanged, with net capital expenditure of approximately \$710m consisting of: \$390m on Cobre Panama, \$160m on capitalized stripping and \$160m sustaining and other project capital**

<sup>1</sup> Copper production excludes Sentinel.

<sup>2</sup> C1 and AISC cost guidance excludes Sentinel in 2016, including Sentinel: C1 \$1.15/lb - \$1.30/lb; AISC \$1.55/lb - \$1.75/lb.

<sup>3</sup> All-in sustaining costs includes C1, royalties, allocation of general and administrative expenses and sustaining capital expenditure including stripping costs.

# APPENDIX



# Quarterly Net Debt Movement

<b>Opening Net Debt at March 31, 2016 (\$ million)</b>	<b>(4,795)</b>
Comparative EBITDA	257
Working capital	23
Gross capital expenditure including pre-commercial	(305)
Net interest <sup>1</sup>	(98)
Payment of ENRC promissory note	32
Franco-Nevada	38
KMPC contribution	38
Initial proceeds on sale of Kevitsa	663
Other	24
<b>Closing Net Debt at June 30, 2016 (\$ million)</b>	<b>(4,123)</b>
Net Debt comprised of:	
Cash & cash equivalents <sup>2</sup>	895
Total debt	(5,018)
Available committed undrawn debt facilities at June 30, 2016 <sup>3</sup>	593

<sup>1</sup> Includes \$75m of capitalized interest

<sup>2</sup> Excludes \$75m restricted cash

<sup>3</sup> \$593m on the senior debt facility

