

# Annual General Meeting

2018



FIRST QUANTUM  
MINERALS LTD.





**Philip  
Pascall**

**Chairman  
and CEO**







**Clive  
Newall**

**President  
and Director**



# CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

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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. The forward-looking statements include estimates, forecasts and statements as to the Company's expectations of production and sales volumes, and expected timing of completion of project development at Cobre Panama and Enterprise and are subject to the impact of ore grades on future production, the potential of production disruptions (including at Cobre Las Cruces as a result of the land slippage in February 2019), capital expenditure and mine production costs, the outcome of mine permitting, other required permitting, the outcome of legal proceedings which involve the Company, information with respect to the future price of copper, gold, nickel, zinc, pyrite, cobalt, iron 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, iron 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, Mauritania and Panama, labour disruptions, potential social and environmental challenges, 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.

# HISTORY OF FIRST QUANTUM



<sup>1</sup> Assets no longer part of the FQM producing portfolio due to closure or divestiture

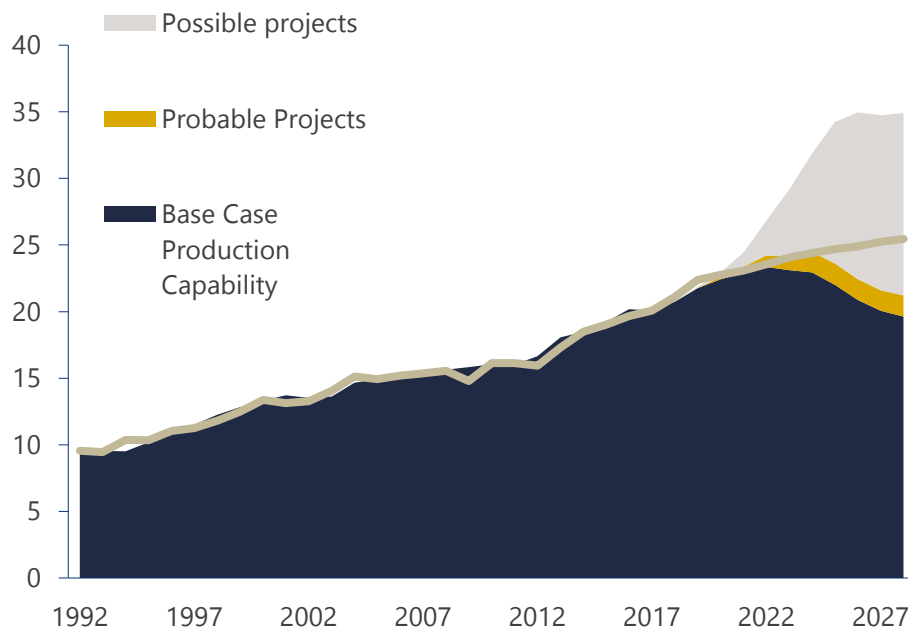
<sup>2</sup> Transaction to acquire Las Cruces, Çayeli, Pyhäsalmi and Cobre Panama assets.

Source: Company releases

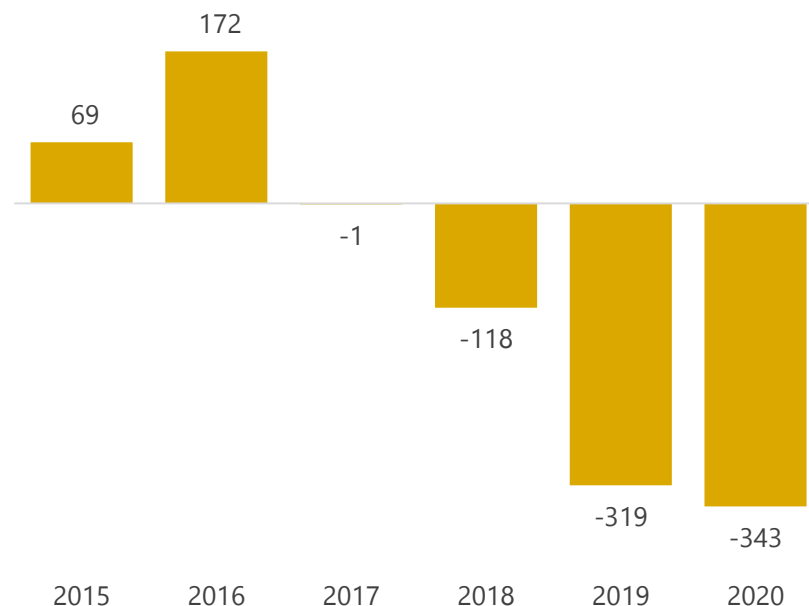
>850,000 tonnes of annual copper production expected once Cobre Panama is fully ramped up.

# STRONG LONG-TERM COPPER MARKET FUNDAMENTALS

## SUPPLY & DEMAND (Million tonnes)



## MARKET BALANCE (000's tonnes)



\*Source: WoodMac, Q4 2018

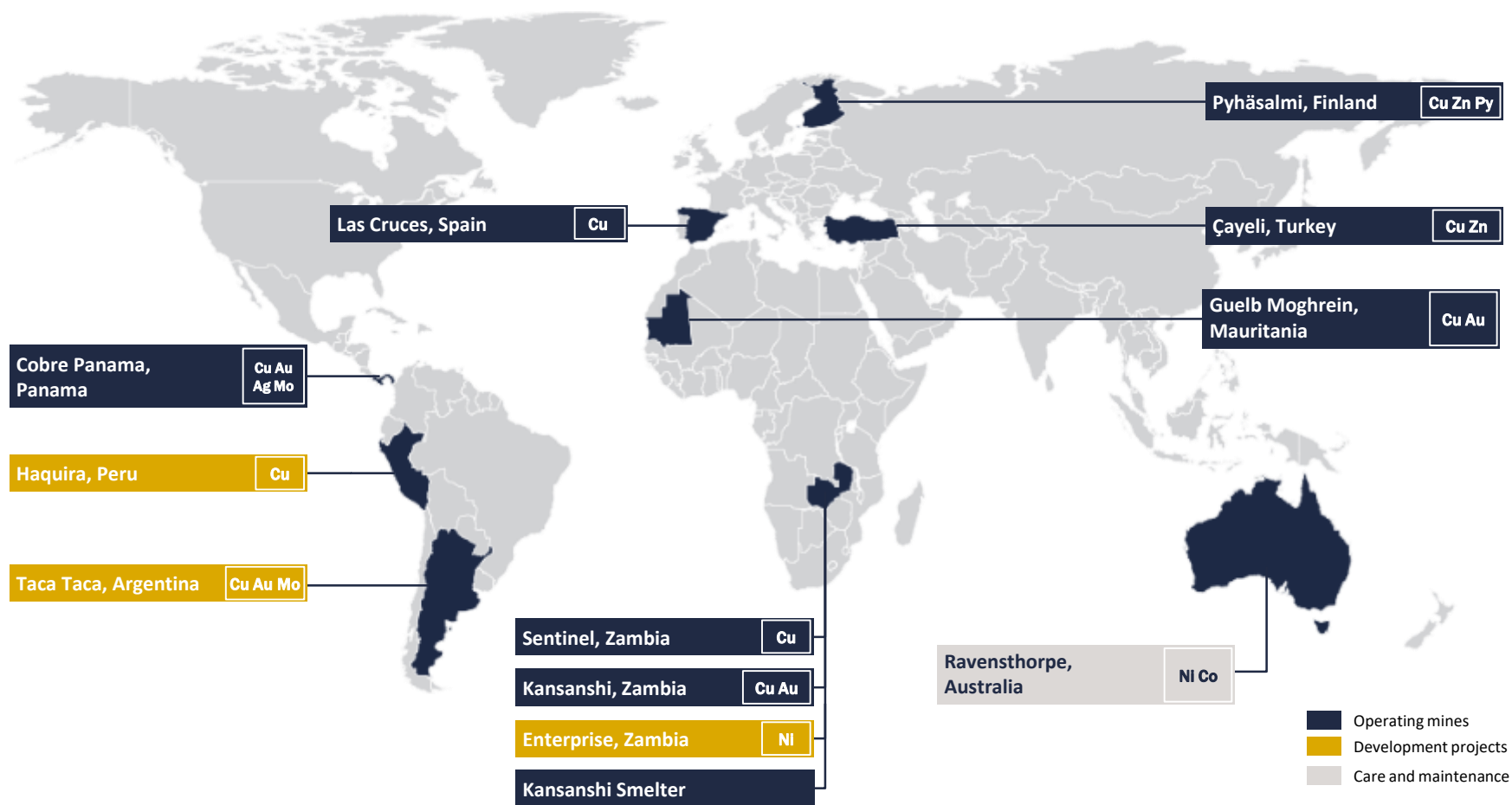
Market fundamentals remain strong for growing copper; supply deficit forecast 2019-2021

Long term copper price forecast of \$3.30



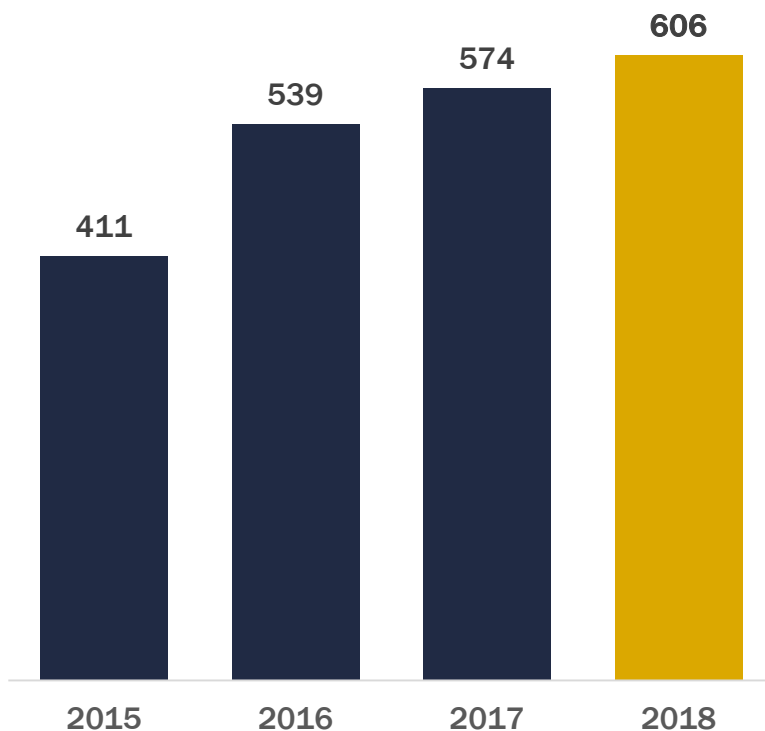


# HIGH-QUALITY COPPER-FOCUSSED PORTFOLIO



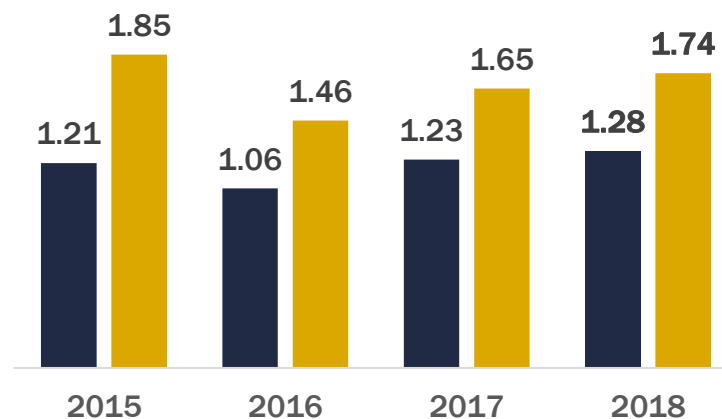
# 2018 REVIEW - PRODUCTION AND COSTS

Annual Copper Production  
(000's tonnes)



**2018 Production  
exceeded  
guidance with  
costs in line**

Annual C1 and AISC (\$/lb)



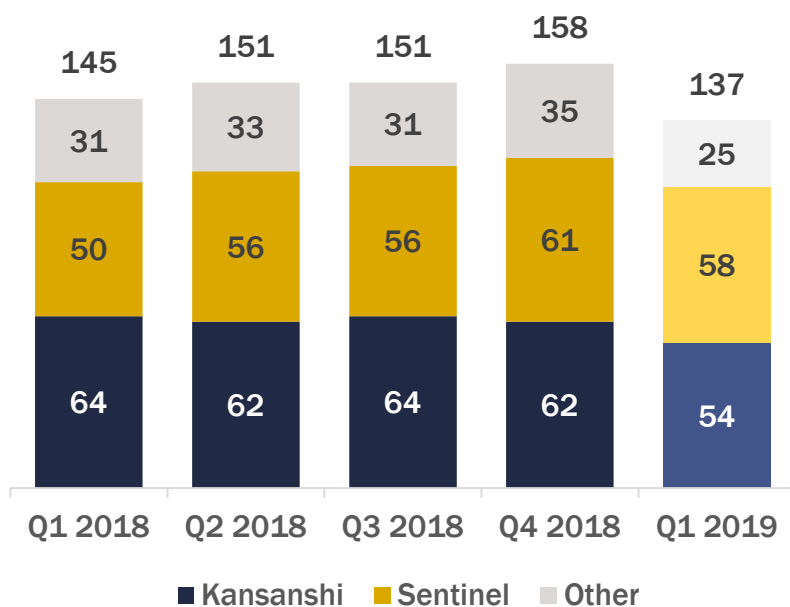
**Copper production expected to grow by more than 15% in 2019  
With further growth expected in 2020 & 2021**



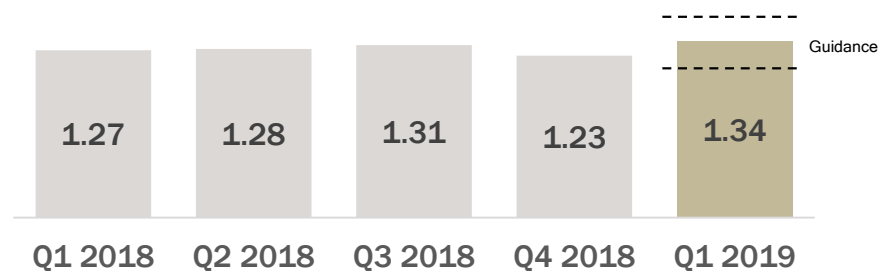
# Q1 2019 PRODUCTION AND COSTS

Record first quarter production at Sentinel<sup>1</sup>

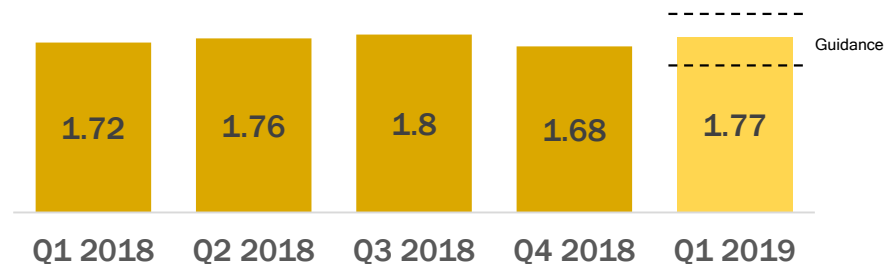
Q1 2019 C1 cost<sup>2</sup> and AISC<sup>2</sup> within full year guidance



## C1 costs



## AISC



<sup>1</sup> Production is presented on a copper contained basis.

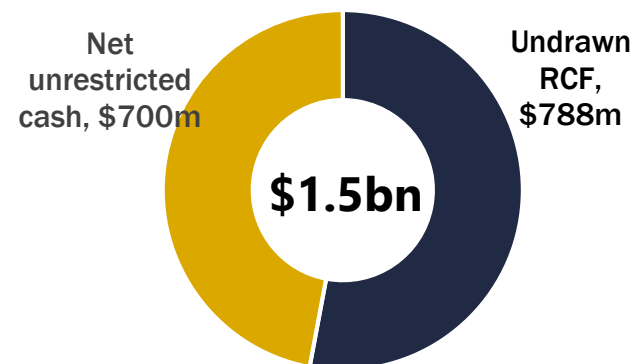
<sup>2</sup> Excluding purchase of copper concentrate from third parties treated through the Kansanshi smelter

# 2018 FINANCIAL REVIEW

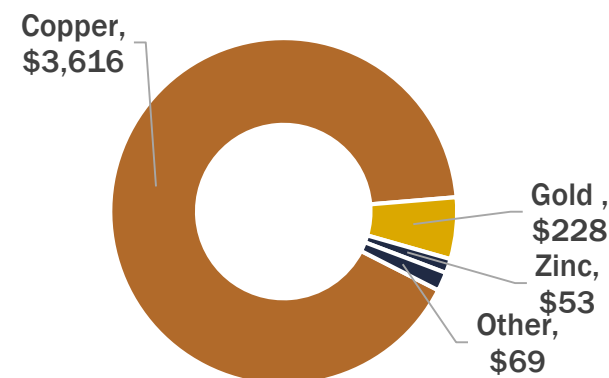
<b>\$ Million</b> (except per share numbers)	<b>FY 2018</b>
Revenue	3,966
Gross Profit	978
Comparative EBITA <sup>1</sup>	1,737
Comparative Earnings (Loss) <sup>1</sup> per share (\$)	487 0.71
Cash Flows from operating activities per share (\$)	1,980 2.88
Net Debt	(6,497)

**Over 90% of revenue generated from copper**

**Liquidity at  
December 31, 2019**



**Revenue by metal (\$M)**



<sup>1</sup>. Refer to the "Regulatory Disclosures" section in the MD&A year ended December 31, 2018 for further information.

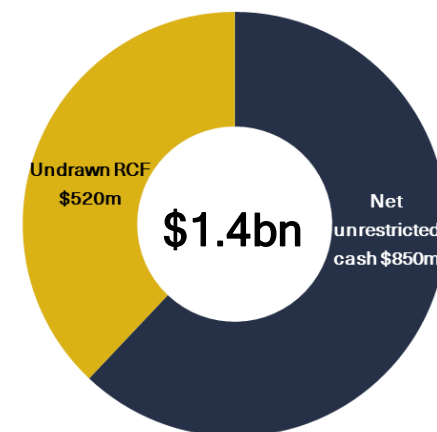
# Q1 2019 FINANCIAL REVIEW

<b>\$ Million</b> (except per share numbers)	<b>Q1 2019</b>
Revenue	857
Gross Profit	185
Comparative EBITA <sup>1</sup>	368
Comparative Earnings (Loss) <sup>1</sup>	95
per share (\$)	0.14
Cash Flows from operating activities	159
per share (\$) <sup>1</sup>	0.23
Net Debt	(7,007)

## 2019 Bank Facility

- \$1.5bn Term Loan & \$1.2bn RCF maturing 2022
- Accordion feature for \$3bn facility, (RCF increases to \$1.5bn)
- Improved covenants and access to liquidity
- Redemption of \$821 million of 2021 Notes at 101.75 plus accrued interest in March 2019

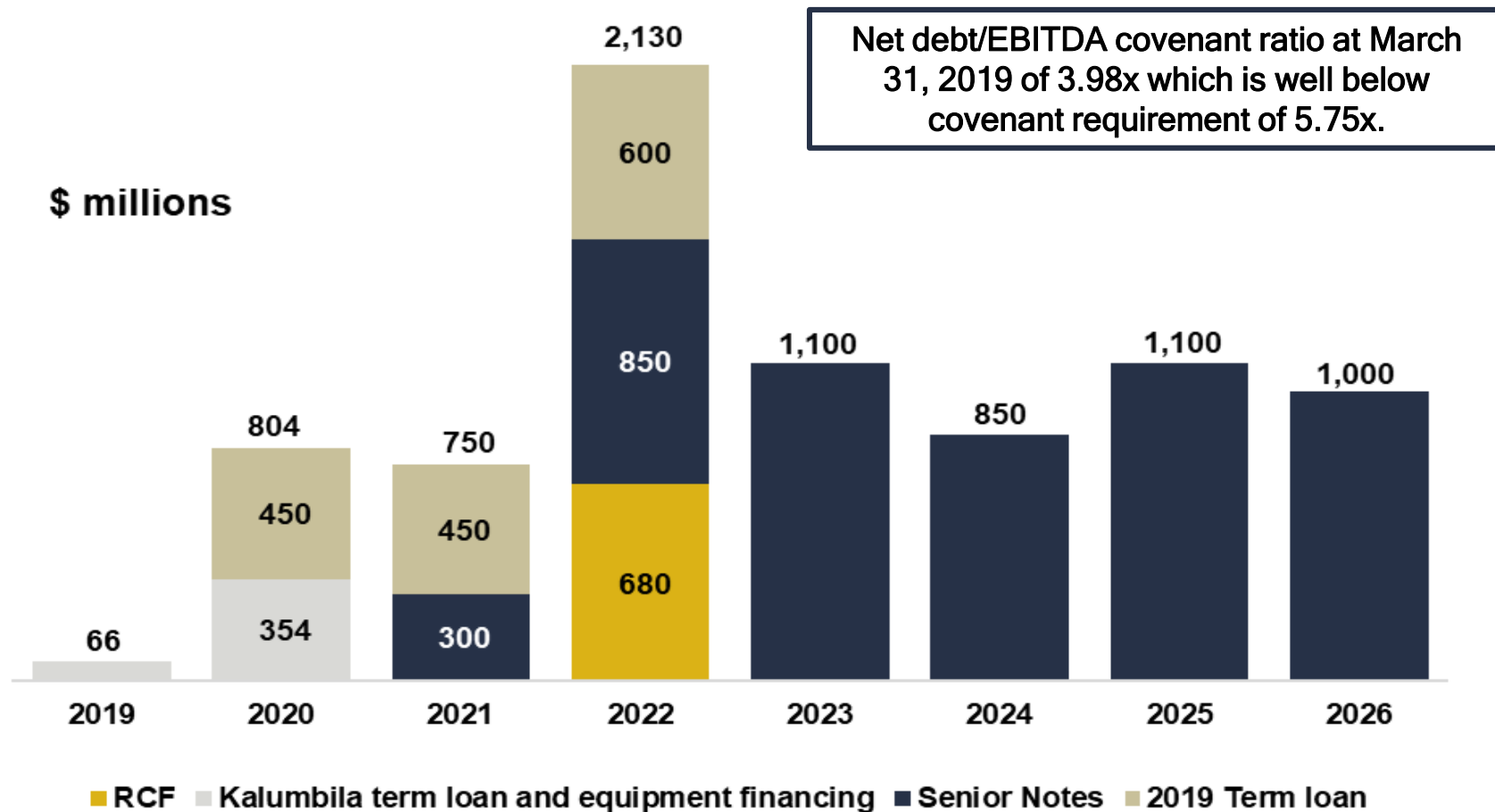
## Liquidity at March 31, 2019



<sup>1</sup>. Refer to the "Regulatory Disclosures" section in the MD&A for the quarter and year ended December 31, 2018 for further information.

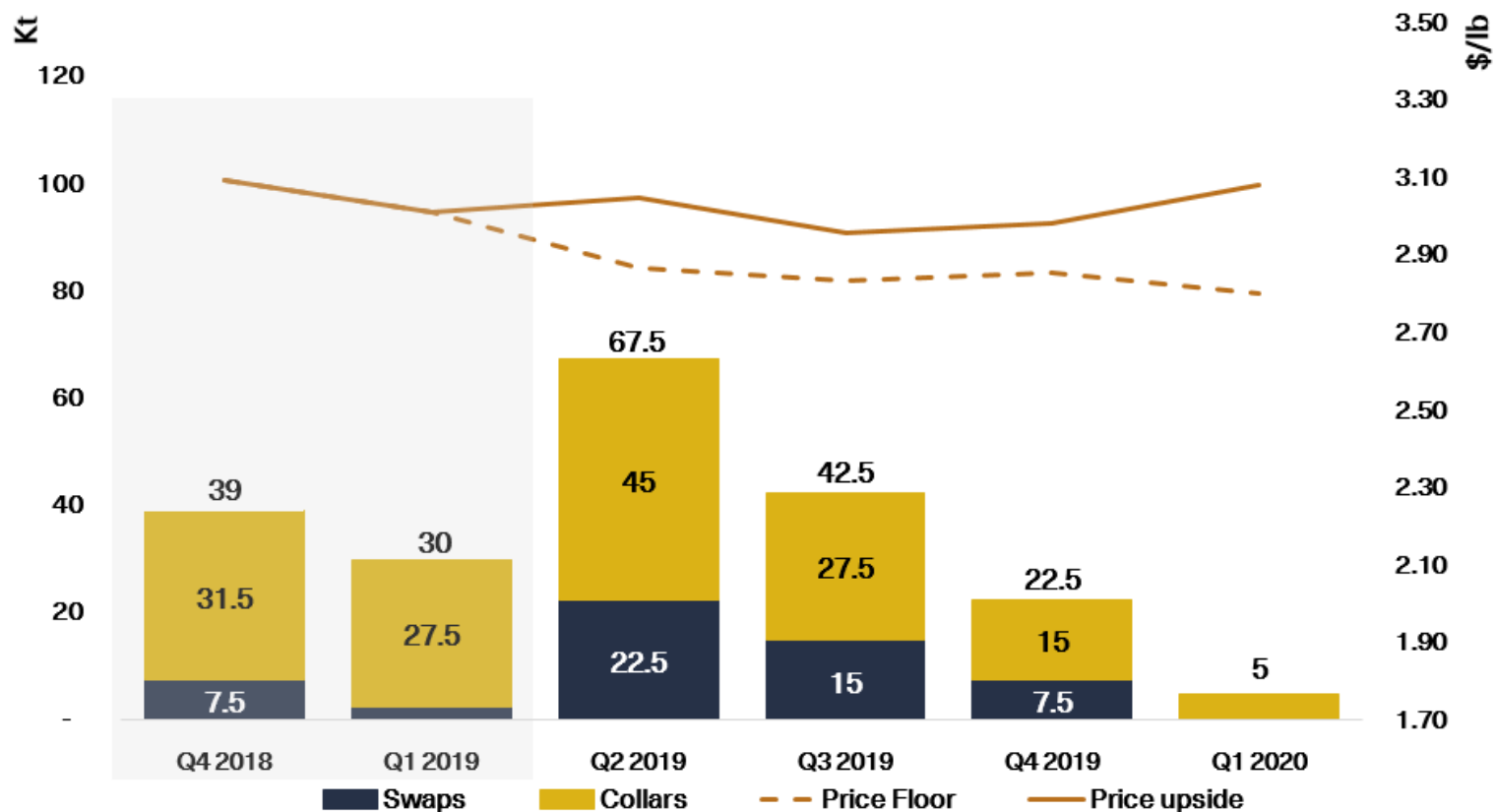


# DEBT PROFILE AT MARCH 31, 2019



# HEDGING PROGRAM OUTLOOK<sup>1</sup>

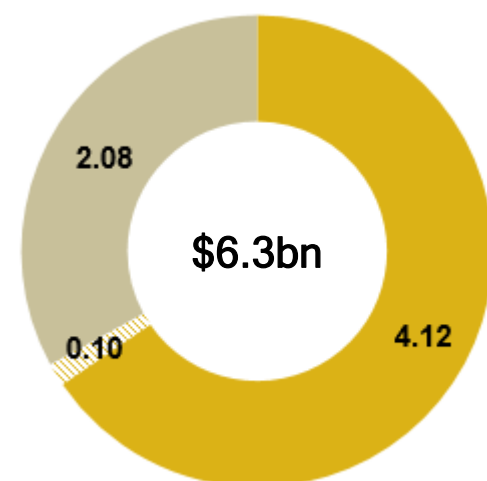
Average hedge floor of \$2.86/lb for remainder of 2019



# CAPITAL EXPENDITURE

\$ million	Capital Expenditure	2019 YTD Actual	2019 Guidance	2020 Guidance	2021 Guidance
	<i>Cobre Panama Project</i>	133	230	-	-
	First Quantum share of Cobre Panama Project	98	195	-	-
	Capitalized stripping costs	54	200	250	250
	Sustaining capital and other projects	226	650	600	600
	<b>Total First Quantum net capital spend<sup>1</sup></b>	<b>378</b>	<b>1,045</b>	<b>850</b>	<b>850</b>

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



\$ billion Cobre Panama Project	Total	Funded by	
		First Quantum	3rd Party
Capital spend to December 2018	6.07	4.03	2.04
Capital spend to March 2019	0.13	0.09	0.04
<i>Spend remaining</i>	<i>0.10</i>	<i>0.10</i>	<i>-</i>
<b>Total Cobre Panama</b>	<b>6.30</b>	<b>4.22</b>	<b>2.08</b>

3rd Party incurred  
 3rd Party to spend  
 First Quantum incurred  
 First Quantum to spend

<sup>1</sup>Net capital spend presented excludes capitalization of net pre-commercial production costs, revenue and interest of \$34m.



# KEY CORPORATE UPDATES

## Zambia

- **New tax and royalty regime**  
Effective Jan 1/19  
1.5% increase to all existing tiers  
No longer tax deductible
- **Precious metal export levy**  
15% on gold
- **Import duties**  
5% on copper concentrates
- **Sales tax effective July 1/19**  
9% on local goods  
16% on imported goods  
VAT abolished  
Non-refundable  
Expected to 0.10 to costs in 2019 and 0.15-0.18 in 2020 and 2021

Mineral Royalties from 01 Jan 2019 (Price/t of Cu)	
Less than \$4 500	5.5%
Greater than \$4 500, less than \$6 000	6.5%
Greater than \$6 000, less than \$7 500	7.5%
Greater than \$7 500, less than \$9 000	8.5%
Greater than \$9 000	10%

## Las Cruces land slippage

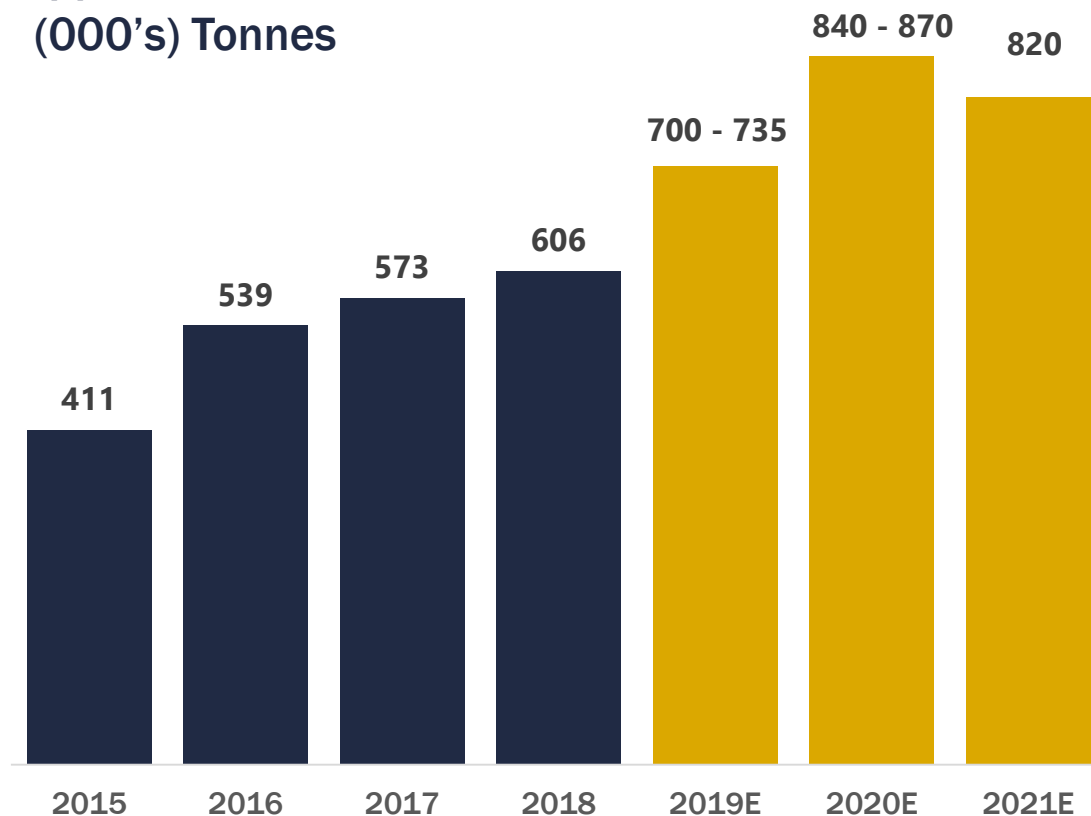
- Lower production by approximately 25,000 tonnes in 2019 and 2020
- Currently processing stockpiles
- Phase 6 mining planned once regulatory approval has been received

## Law 9 - Panama

- Ongoing issue
- Working closely with government to resolve
- Does not impact our ability to commission, ramp-up and operate

# GROWTH IN PRODUCTION

## Copper Production (000's) Tonnes

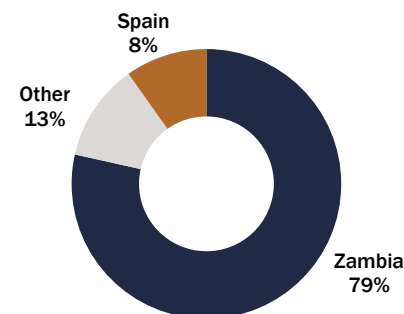


Gold production\* 2019E – 185,000 ozs

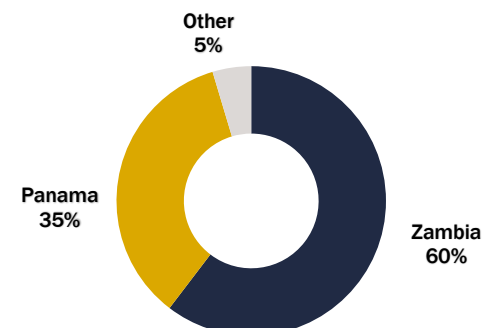
\*Excludes production from Cobre Panama

Zinc production 2019E – 12,000 tonnes

## 2018A Production by Region



## 2020E Production by Region






# Cobre Panama Provides Continuing Growth

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A large, conical pile of light-colored, granular copper concentrate is the central focus of the image. It is situated inside a vast industrial warehouse with a high, complex steel truss roof. Sunlight filters through the roof's translucent panels, creating a pattern of light and shadow across the pile and the floor. The perspective is from a low angle, looking up at the pile and the ceiling.

# **Cobre Panama produces first copper concentrate in Q1 2019**




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May 9, 2019

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# Cobre Panama – Significant milestones achieved in Q1



A high-angle photograph of a large industrial facility, likely a hydroelectric power plant. In the foreground, a yellow safety railing runs diagonally across the frame. Below it, a massive concrete structure, possibly a dam or a large storage tank, dominates the middle ground. The structure has a curved, ribbed design. In the background, a complex network of pipes, walkways, and structural steel is visible, leading up to a large glass-enclosed area. The overall scene is one of massive scale and industrial complexity.

# Cobre Panama - Ore commissioning of Train 1 complete






# Cobre Panama - Power station sets 100% complete

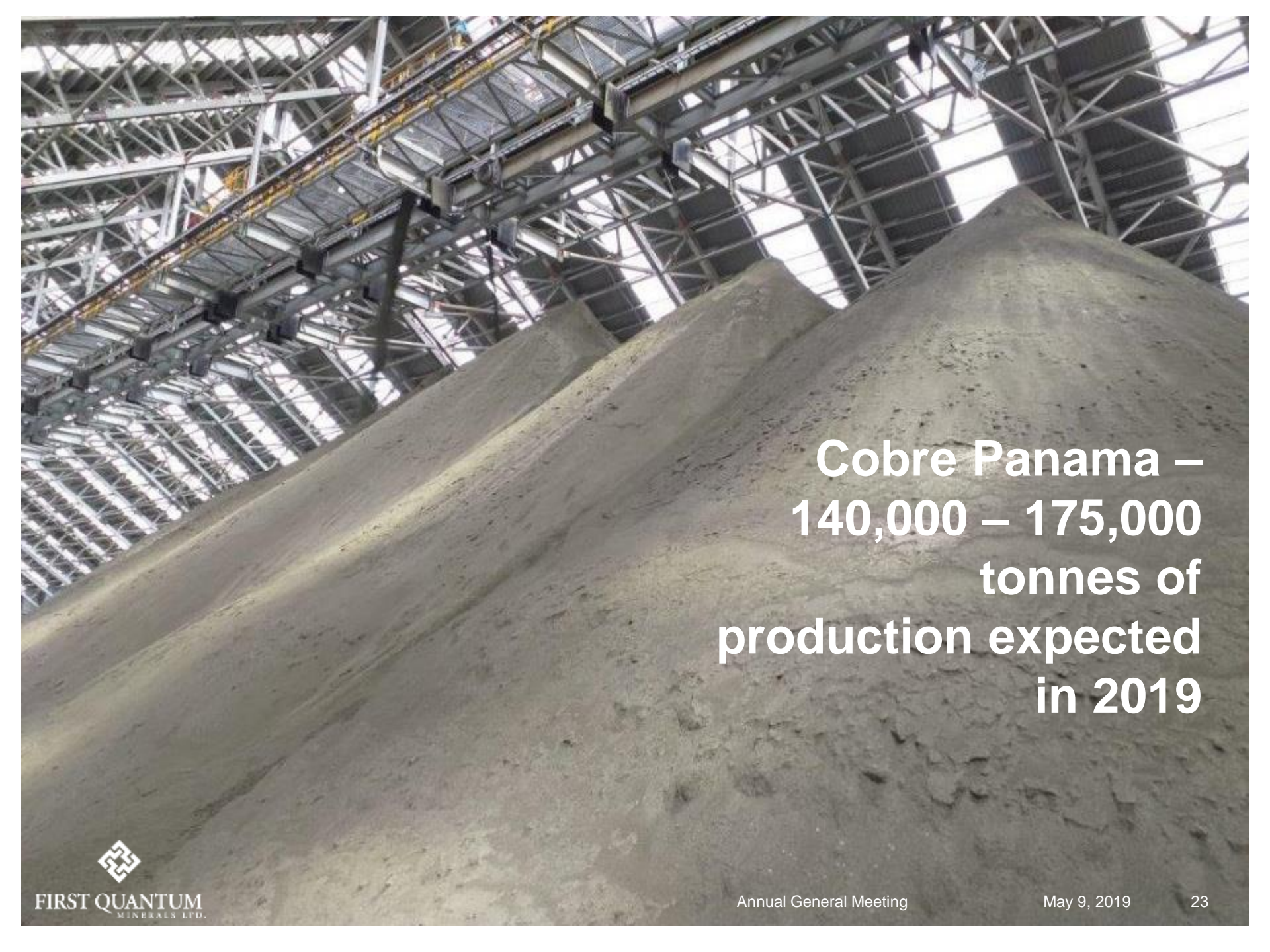




An aerial photograph of the Cobre Panama mining operation. The image shows a large, active open-pit mine in the upper half, with terraced levels and exposed rock. Below the mine is a complex industrial facility with numerous buildings, storage piles, and conveyor systems. The surrounding landscape is a mix of cleared mining areas and dense green forest. In the background, rolling hills and mountains are visible under a sky filled with large, white clouds.

**Cobre Panama —  
Over 80% of 2019  
production expected  
in H2 2019**





**Cobre Panama –  
140,000 – 175,000  
tonnes of  
production expected  
in 2019**



# TACA TACA PROJECT: ARGENTINA



**Copper-gold-molybdenum porphyry deposit  
acquired in August 2014**

**Located in the Puna region of Salta  
Province, Argentina**

**Work continues on the project:**

- **Environmental impact assessment studies continue**
- **Stakeholder engagement is ongoing**
- **Water supply studies progressing**
  - Includes the development of boreholes for pump testing sustainable groundwater resources.

# HAQUIRA PROJECT: PERU



**Large copper porphyry deposit acquired in December 2010**

**Located in Apurímac in southern Peru adjacent to Las Bambas**

- **Continued focus on community and environmental aspects of the project**
- **Reconsidering our relocation program with the communities**





# UNIQUELY POSITIONED GLOBAL COPPER PRODUCER

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- **Solid financial and operational results**
  - High quality copper focused portfolio
- **Copper Market**
  - Outlook continues to show supply deficit in the next few years
- **Delivering significant growth**
  - Cobre Panama ramping up to full production over next few years

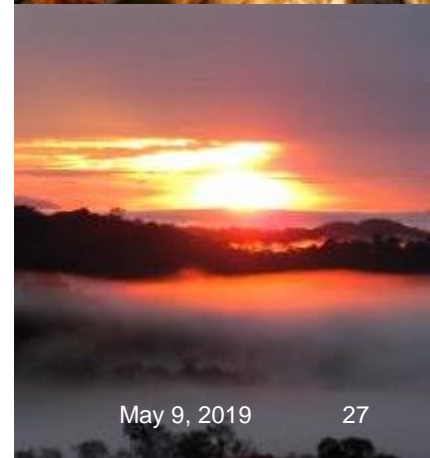




**Philip  
Pascall**

**Chairman  
and CEO**

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May 9, 2019

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# FIRST QUANTUM MINERALS

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