



FIRST QUANTUM

MINERALS LTD.

Condensed Interim Consolidated Financial Statements

First Quarter – March 31, 2016

(unaudited)

(In U.S. dollars, tabular amounts in millions, except where indicated)

First Quantum Minerals Ltd.

Condensed Interim Consolidated Statements of Earnings

(unaudited)

(expressed in millions of U.S. dollars)

	Note	Three months ended March 31	
		2016	2015
Sales revenues	11	720	602
Cost of sales	12	(615)	(579)
Gross profit		105	23
Exploration		(3)	(8)
General and administrative		(17)	(24)
Impairment and related charges		-	(72)
Other expense		(15)	(22)
Operating profit (loss)		70	(103)
Finance income		2	7
Finance costs	13	(4)	(5)
Earnings (loss) before income taxes		68	(101)
Income tax credit (expense)		(20)	11
Net earnings (loss) from continuing operations		48	(90)
Net loss from discontinued operations	4	(266)	(4)
Net loss		(218)	(94)
Net earnings (loss) from continuing operations attributable to:			
Non-controlling interests		(1)	(12)
Shareholders of the Company		49	(78)
Net loss attributable to:			
Non-controlling interests		(1)	(12)
Shareholders of the Company		(217)	(82)
Earnings (loss) per common share attributable to the Shareholders of the Company			
Net earnings (loss) from continuing operations (expressed in \$ per share)			
Basic	10b)	0.07	(0.13)
Diluted	10b)	0.07	(0.13)
Net Loss (expressed in \$ per share)			
Basic	10b)	(0.32)	(0.14)
Diluted	10b)	(0.32)	(0.14)
Weighted average shares outstanding (000's)			
Basic	10b)	685,795	595,986
Diluted	10b)	685,795	595,986
Total shares issued and outstanding (000's)	10a)	689,331	600,506

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

First Quantum Minerals Ltd.**Condensed Interim Consolidated Statements of Comprehensive Income**

(unaudited)

(expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

		Three months ended March 31	
		2016	2015
Net loss		(218)	(94)
Other comprehensive income			
Realized net gain on cash flow hedge reclassified to net earnings in revenues		(72)	-
<i>Items that may be reclassified subsequently to net earnings:</i>			
Unrealized net gain on cash flow hedge		19	-
Unrealized loss on available-for-sale investments		-	(1)
Total comprehensive loss		(271)	(95)
Total comprehensive loss attributable to:			
Non-controlling interests		(1)	(12)
Shareholders of the Company		(270)	(83)
Total comprehensive loss		(271)	(95)

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

First Quantum Minerals Ltd.

Condensed Interim Consolidated Statements of Cash Flows

(unaudited)

(expressed in millions of U.S. dollars)

	Note	Three months ended March 31,	
		2016	2015
Cash flows from operating activities			
Net earnings (loss) from continuing operations		48	(90)
Items not affecting cash			
Depreciation		184	126
Income tax expense (credit)		20	(11)
Share-based compensation expense		6	7
Impairment and related charges		-	72
Net finance income (expense)		2	(2)
Other		32	21
		292	123
Taxes paid		(17)	(20)
Change in non-cash operating working capital			
Increase in trade, other receivables and derivatives		(57)	(30)
Decrease in inventories		77	27
Increase (decrease) in trade and other payables		(41)	34
Net cash from operating activities of continuing operations		254	134
Net cash from (used by) operating activities of discontinued operations	4	(13)	18
Cash flows used by investing activities			
Purchase and deposits on property, plant and equipment		(259)	(380)
Interest paid and capitalized to property, plant and equipment		(113)	(100)
Repayments on ENRC Promissory Note	7	32	-
Interest received		2	1
Other		1	(9)
Net cash used by investing activities of continuing operations		(337)	(488)
Net cash used by investing activities of discontinued operations	4	(9)	(18)
Cash flows from financing activities			
Net movement in trading facilities		(2)	(14)
Proceeds from Korea-Panama Mining Corporation ("KPMC")		38	22
Proceeds from debt		-	450
Repayments of debt		(5)	(155)
Other		(2)	(2)
Net cash from financing activities of continuing operations		29	301
Decrease in cash and cash equivalents		(76)	(53)
Cash and cash equivalents – beginning of period		365	357
Exchange losses on cash and cash equivalents		(14)	(2)
Cash and cash equivalents – end of period		275	302
Less cash and cash equivalents held for sale – end of period		6	-
Cash and cash equivalents excluding held for sale – end of period		269	302

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

First Quantum Minerals Ltd.
Condensed Interim Consolidated Balance Sheets

(unaudited)

(expressed in millions of U.S. dollars)

	Note	March 31, 2016	December 31, 2015 (audited)
Assets			
Current assets			
Cash and cash equivalents		269	365
Trade and other receivables		355	303
Inventories	3	1,035	1,184
Promissory Note receivable	7	32	64
Assets held for sale	4	764	-
Current portion of other assets	6	169	241
		2,624	2,157
Cash and cash equivalents – restricted cash		77	93
Non-current VAT receivable		147	158
Property, plant and equipment	5	15,234	15,923
Goodwill		237	237
Other assets	6	42	50
Total assets		18,361	18,618
Liabilities			
Current liabilities			
Trade and other payables		502	568
Current taxes payable		103	108
Current debt	8	380	386
Liabilities relating to assets held for sale	4	32	-
Current provisions and other liabilities		25	32
		1,042	1,094
Debt	8	4,684	4,675
Provisions and other liabilities	9	1,114	1,065
Deferred revenue		338	338
Deferred income tax liabilities		819	813
Total liabilities		7,997	7,985
Equity			
Share capital		5,538	5,531
Retained earnings		3,763	3,985
Accumulated other comprehensive loss		(1)	52
Total equity attributable to shareholders of the Company		9,300	9,568
Non-controlling interests		1,064	1,065
Total equity		10,364	10,633
Total liabilities and equity		18,361	18,618
Commitments and contingencies	16		

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

First Quantum Minerals Ltd.**Condensed Interim Consolidated Statements of Changes in Equity**

(unaudited)

(expressed in millions of U.S. dollars)

	Note	Three months ended March 31	
		2016	2015
Share capital			
Common shares			
Balance – beginning and end of period		5,642	4,518
Treasury shares			
Balance – beginning and end of period		(167)	(174)
Contributed surplus			
Balance – beginning of period		56	47
Share-based compensation expense for the period		7	7
Balance – end of period		63	54
Total share capital		5,538	4,398
Retained earnings			
Balance – beginning of period		3,985	4,522
Loss for the period attributable to shareholders of the Company		(217)	(82)
Dividends	10	(5)	(23)
Balance – end of period		3,763	4,417
Accumulated other comprehensive income (loss)			
Balance – beginning of period		52	(1)
Other comprehensive loss for the period		(53)	(1)
Balance – end of period		(1)	(2)
Non-controlling interests			
Balance – beginning of period		1,065	1,175
Loss attributable to non-controlling interests		(1)	(12)
Balance – end of period		1,064	1,163

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

First Quantum Minerals Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

1 Nature of operations

First Quantum Minerals Ltd. ("First Quantum" or "the Company") is engaged in the production of copper, nickel, gold, zinc, and acid, and related activities including exploration and development. The Company has operating mines located in Zambia, Australia, Finland, Turkey, Spain and Mauritania. The Company is developing the Trident project in Zambia, the Cobre Panama copper project in Panama, exploring the Haquira copper deposit in Peru and the Taca Taca copper-gold-molybdenum porphyry deposit in Argentina.

The Company has its primary listing on the Toronto Stock Exchange a secondary listing on the London Stock Exchange and has Depository Receipts listed on the Lusaka Stock Exchange. As at the date of this document, the Company has requested the cancellation of admission of the Company's shares to the standard segment of the UK Listing Authority's Official List and to trading of the Company's shares on the London Stock Exchange's main market for listed securities. The cancellation notice period has now commenced and cancellation is expected to take effect from 8:00 am on May 31, 2016. The Company is registered and domiciled in Canada, and its registered office is the 14th Floor – 543 Granville Street, Vancouver, BC, Canada, V6C 1X8.

2 Significant Accounting Policies

Basis of presentation

These condensed interim consolidated financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS"), including *IAS 34 – Interim Financial Reporting*. For these purposes, IFRS comprise the standards issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the IFRS Interpretations Committee ("IFRICs") and the former Standing Interpretations Committee ("SICs"). The accounting policies applied in these condensed interim consolidated financial statements are consistent with those applied in the preparation of, and disclosed in, the consolidated annual financial statements for the year ended December 31, 2015.

The consolidated annual financial statements for the year ended December 31, 2015, were prepared on a going concern basis but indicated a material uncertainty that cast significant doubt about the Company's ability to continue as a going concern in relation to a possible breach of a financial covenant. Following actions taken by management during the three months ended March 31, 2016, there is no longer a material uncertainty. These actions include the agreed sale of Kevitsa as well as cost savings across the Company, and current forecasts for 2016 do not indicate a breach of financial covenants. However, there are risks outside of management control, such as commodity prices, and so uncertainty does remain. There are various options available to management to further mitigate the impact of these risks, including additional reductions to uncommitted capital expenditure, renegotiation of financial covenants with the Company's principal bankers and further asset sales. These options are necessarily based on the agreement of other parties and, although believed to be reasonable, are nevertheless outside the Company's direct control.

Therefore, these condensed interim consolidated financial statements have been prepared on a going concern basis. In making the assessment that the Company is a going concern, management has taken into account all available information about the future, which is at least, but is not limited to, twelve months from March 31, 2016. The Company was in full compliance with all existing financial covenants as at March 31, 2016.

At March 31, 2016, the Company has \$1,800 million of committed undrawn facilities and \$269 million of unrestricted cash, as well as future cash flows in order to meet current obligations as they become due.

These condensed interim consolidated financial statements were approved for issue on April 28, 2016, by the Audit Committee on behalf of the Board of Directors.

3 Inventories

	March 31, 2016	December 31, 2015
Ore in stockpiles	218	238
Work-in-progress	63	51
Finished product	291	383
Total product inventory	572	672
Consumable stores	463	512
	1,035	1,184

First Quantum Minerals Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

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4 Kevitsa sale

On March 10, 2016, the Company entered into a share purchase agreement with Boliden to sell the Kevitsa nickel-copper-platinum group elements mine ("Kevitsa"), for cash consideration of \$712 million before normal closing adjustments. This is considered the fair value measurement of Kevitsa, a Level 3 unobservable input.

The transaction strengthens the Company's balance sheet and improves the capital structure of the Company in line with the timetable for the Cobre Panama project. A post-tax loss of \$236 million has been recognized on re-measurement to fair value less cost of disposal for Kevitsa.

The results from operations for Kevitsa have, together with restated comparatives, been presented as discontinued operations within the Consolidated Statements of Earnings and the Consolidated Statements of Cash Flows.

	Three months ended March 31	
	2016	2015
Sales revenues	25	48
Cost of sales	(39)	(45)
Other expense	(2)	(3)
Loss from discontinued operation before income taxes	(16)	-
Income tax recovery (expense)	(14)	(4)
Net loss from discontinued operations	(30)	(4)
Loss on re-measurement to fair value less costs to sell	(236)	-
Net loss from discontinued operations	(266)	(4)

The assets and liabilities of Kevitsa meet the criteria for held for sale assets at March 31, 2016, and as such these are presented as current assets and liabilities held for sale at the balance sheet date. These assets have been re-measured to fair value less cost of disposal with the loss recognized in the Consolidated Statement of Earnings for the three months ended March 31, 2016.

	March 31, 2016
Assets	
Cash and cash equivalents	6
Restricted cash	21
Trade and other receivables	2
Inventories	43
Property, plant and equipment	692
Total assets held for sale	764
Liabilities	
Trade and other payables	(11)
Provisions and other liabilities	(21)
Total liabilities held for sale	(32)
Net assets held for sale	732

First Quantum Minerals Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

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(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

5 Property, plant and equipment

	Plant and equipment	Capital work-in-progress	Mineral properties and mine development costs		Total
			Operating mines	Development projects	
Net book value					
As at January 1, 2016	4,845	7,047	1,526	2,505	15,923
Additions	-	279	-	-	279
Disposals	(3)	-	-	-	(3)
Transfers between categories	-	(39)	39	-	-
Transfer to assets held for sale	(365)	(13)	(314)	-	(692)
Restoration provision	-	-	17	-	17
Capitalized interest	-	102	-	-	102
Depreciation charge	(105)	-	(51)	-	(156)
Revaluation of assets held for sale	(189)	(6)	(41)	-	(236)
As at March 31, 2016	4,183	7,370	1,176	2,505	15,234
Cost	6,513	7,370	1,969	2,505	18,357
Accumulated depreciation	(2,330)	-	(793)	-	(3,123)

	Plant and equipment	Capital work-in-progress	Mineral properties and mine development costs		Total
			Operating mines	Development projects	
Net book value					
As at January 1, 2015	3,920	6,798	1,547	2,454	14,719
Additions	-	1,532	-	-	1,532
Disposals	(13)	-	-	-	(13)
Transfers between categories	1,433	(1,663)	192	38	-
Restoration provision	-	-	(55)	13	(42)
Capitalized interest	-	380	-	-	380
Depreciation charge	(438)	-	(158)	-	(596)
Impairment	(57)	-	-	-	(57)
As at December 31, 2015	4,845	7,047	1,526	2,505	15,923
Cost	7,225	7,047	2,307	2,505	19,084
Accumulated depreciation	(2,380)	-	(781)	-	(3,161)

During the three months ended March 31, 2016, \$102 million of interest (three months ended March 31, 2015: \$94 million) was capitalized relating to qualifying assets. The amount capitalized to March 31, 2016, was determined by applying the weighted average cost of borrowings of 7.6% (three months ended March 31, 2015: 5.9 %) to the accumulated qualifying expenditures.

Included within capital work-in-progress and mineral properties – operating mines at March 31, 2016, is \$512 million related to capitalized deferred stripping costs (December 31, 2015: \$526 million).

First Quantum Minerals Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

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(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

6 Other assets

	March 31, 2016	December 31, 2015
Prepaid expenses	144	162
Derivative instruments	26	81
Deferred income tax assets	18	25
Investments	23	23
Total other assets	211	291
Less: current portion of other assets	(169)	(241)
	42	50

During the three months ended March 31, 2016, the Company recorded no impairment relating to equity securities held at cost (three months ended March 31, 2015: \$10 million).

7 Promissory Note receivable

In March 2014, a subsidiary of Eurasian Natural Resources Corporation PLC (“ENRC” and now Eurasian Resources Group “ERG”) issued a \$430 million Promissory Note (the “Promissory Note”) secured against the shares in a subsidiary holding ENRC’s Mozambique coal assets and a guarantee by ENRC Congo B.V., a wholly owned subsidiary of ERG.

In July 2015, the Company agreed an amendment with ERG in respect of the \$430 million Promissory Note, which had a term to final maturity of December 31, 2015. Under the revised terms the Promissory Note was reduced from \$430 million to \$300 million. A cash payment of \$215 million was received in July 2015 and a further payment of \$21 million was received in November 2015 when the repayment terms were renegotiated. A balance of \$32 million is outstanding at March 31, 2016, (December 31, 2015: \$64 million) following receipt of three monthly instalments during the quarter.

Subsequent to the period end, one of the remaining three monthly instalments was received from ERG, totaling \$11 million plus interest at 10% per annum. The remaining principal balance of \$22 million plus interest at 10% per annum is to be paid in two equal monthly instalments on May 1, 2016, and June 1, 2016. All existing security remains in place until final settlement.

First Quantum Minerals Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

8 Debt

		March 31, 2016	December 31, 2015
Drawn debt			
Senior notes:			
First Quantum Minerals Ltd. 8.75% due June 2020 & 7.50% due June 2021	(a)	33	33
First Quantum Minerals Ltd. 6.75% due February 2020	(b)	1,082	1,079
First Quantum Minerals Ltd. 7.00% due February 2021	(c)	1,080	1,078
First Quantum Minerals Ltd. 7.25% due October 2019	(d)	344	344
First Quantum Minerals Ltd. 7.25% due May 2022	(e)	839	839
Kansanshi senior term loan	(f)	346	346
First Quantum Minerals Ltd. senior debt facility	(g)	1,156	1,152
Trading facilities	(h)	106	108
Equipment financing	(i)	78	82
Total debt		5,064	5,061
Less: Current maturities and short term debt		(380)	(386)
		4,684	4,675
Undrawn debt			
First Quantum Minerals Ltd. senior debt facility	(g)	1,800	1,800
Trading facilities	(h)	204	202

a) First Quantum Minerals Ltd. 8.75% due June 2020 & 7.50% due June 2021

In May 2012, Inmet Mining Corporation ("Inmet"), a company subsequently acquired by First Quantum, issued \$1,500 million in unsecured senior notes due in June 2020, bearing interest at an annual rate of 8.75%. In December 2012, Inmet issued \$500 million in unsecured senior notes due in June 2021, bearing interest at an annual rate of 7.50%. These are referred to as "Inmet notes".

The carrying value of the notes represents the valuation of those notes after the acquisition of Inmet by the Company which remain outstanding following an exchange offer which expired on February 24, 2014, and in the case of the notes expiring in June 2021 only, a subsequent note purchase by the Company.

The Company and its subsidiaries are subject to certain restrictions on asset sales, payments, incurrence of indebtedness and issuance of preferred stock.

b) First Quantum Minerals Ltd. 6.75% due February 2020

In February 2014, the Company issued \$1,115 million in senior notes due in 2020, bearing interest at an annual rate of 6.75%. The notes are guaranteed on a subordinated basis by certain subsidiaries of the Company.

In February 2014, the Company issued an additional \$6 million aggregate principal amount of new 6.75% senior notes due 2020 to eligible holders of Inmet notes who validly tendered their existing notes in the exchange offer after the early tender time in the exchange offer but prior to the expiration time.

The Company may redeem some or all of the notes at any time on or after February 15, 2017, at redemption prices ranging from 103.375% in the first year to 100% in the final year, plus accrued interest. Although part of this redemption feature indicates the existence of an embedded derivative, the value of this derivative is not significant. Prior to February 15, 2017, the notes may be redeemed at 100% plus a make-whole premium, and accrued interest. Prior to February 15, 2017, the Company may redeem up to 35% of the aggregate principal amount of the notes (including any additional notes issued after the issue date) at a redemption price equal to 106.75% plus accrued interest, with all or a portion of the net proceeds of one or more equity offerings.

The Company is subject to certain restrictions on asset sales, payments, and incurrence of indebtedness and issuance of preferred stock.

c) First Quantum Minerals Ltd. 7.00% due February 2021

In February 2014, the Company issued \$1,115 million in senior notes due in 2021, bearing interest at an annual rate of 7.00%. The notes are guaranteed on a subordinated basis by certain subsidiaries of the Company.

In February 2014, the Company issued an additional \$6 million aggregate principal amount of new 7.00% senior notes due 2021 to eligible holders of Inmet notes who validly tendered their existing notes in the exchange offer after the early tender time in the exchange offer but prior to the expiration time.

First Quantum Minerals Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

The Company may redeem some or all of the notes at any time on or after February 15, 2018, at redemption prices ranging from 103.5% in the first year to 100% in the final year, plus accrued interest. Although part of this redemption feature indicates the existence of an embedded derivative, the value of this derivative is not significant. Prior to February 15, 2018, the notes may be redeemed at 100% plus a make-whole premium, and accrued interest. Prior to February 15, 2018, the Company may redeem up to 35% of the aggregate principal amount of the notes (including any additional notes issued after the issue date) at a redemption price equal to 107% plus accrued interest, with all or a portion of the net proceeds of one or more equity offerings.

The Company is subject to certain restrictions on asset sales, payments, and incurrence of indebtedness and issuance of preferred stock.

d) First Quantum Minerals Ltd. 7.25% due October 2019

In October 2012, the Company issued \$350 million in senior notes due in 2019, bearing interest at an annual rate of 7.25%.

The Company is subject to certain restrictions on asset sales, payments, and incurrence of indebtedness and issuance of preferred stock.

Under a consent solicitation dated January 27, 2014, the terms of these notes were subsequently aligned with those of the Company's notes issued in February 2014.

e) First Quantum Minerals Ltd. 7.25% due May 2022

In May 2014, the Company issued \$850 million in senior notes due in 2022, bearing interest at an annual rate of 7.25%.

The Company may redeem some or all of the notes at any time on or after May 15, 2017, at redemption prices ranging from 105.438% in the first year to 100% in the final year, plus accrued interest. Although part of this redemption feature indicates the existence of an embedded derivative, the value of this derivative is not significant. Prior to May 15, 2017, the notes may be redeemed at 100% plus a make-whole premium, and accrued interest. In addition, until May 15, 2017, the Company may redeem up to 35% of the principal amount of notes, in an amount not greater than the net proceeds of certain equity offerings, at a redemption price of 107.25% plus accrued interest.

The Company is subject to certain restrictions on asset sales, payments, and incurrence of indebtedness and issuance of preferred stock.

f) Kansanshi senior term loan

In March 2014, Kansanshi entered into a \$350 million term loan which was available from April 3, 2014, and fully drawn at that date. The loan is repayable in six equal semi-annual instalments commencing on September 27, 2016, and interest is calculated at a rate equal to LIBOR plus a margin.

g) First Quantum Minerals Ltd. senior debt facility

In April 2014, the Company announced that it had signed and drawn down on its \$2,500 million Five-Year Term Loan and Revolving Facility ("the Facility"). The Facility was syndicated during Q2 2014, which resulted in an upsizing of the Facility to \$3,000 million. The Facility comprises a \$1,200 million term loan facility available to draw until April 8, 2016, with interest at LIBOR plus a margin and a \$1,800 million revolving credit facility available to draw until March 8, 2019, also with interest at LIBOR plus a margin. All outstanding loans under these facilities must be repaid no later than April 8, 2019.

Of the amount outstanding at March 31, 2016, \$200 million relating to the Term Loan (December 31, 2015: \$200 million) is due within 12 months of the balance sheet date.

h) Trading facilities

The Company's metal marketing division has four uncommitted borrowing facilities totalling \$310 million. The facilities are used to finance purchases and the term hedging of copper, gold and other metals, undertaken by the metal marketing division. Interest on the facilities is calculated at the bank's benchmark rate plus approximately 1.75%. The loans are collateralized by physical inventories.

i) Equipment financing

In April 2014, Kalumbila Minerals Ltd., a subsidiary of the Company which owns the Trident project, entered into an agreement with Caterpillar Financial Services Corporation ("Caterpillar") to finance equipment purchases up to \$102 million. The agreement is secured by equipment that is purchased from Caterpillar, incurs interest at LIBOR plus a margin and amounts are repayable over a period to 2021. Of the amount outstanding at March 31, 2016, \$20 million (December 31, 2015: \$20 million) is due within 12 months of the balance sheet date.

First Quantum Minerals Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

9 Provisions and other liabilities

	March 31, 2016	December 31, 2015
Restoration provisions	553	552
Amount owed to related party	437	390
Derivative instruments (note 15)	4	4
Other	145	151
Total other liabilities	1,139	1,097
Less: current portion	(25)	(32)
	1,114	1,065

Restoration provisions

During the three months ended March 31, 2016, the restoration provision increased by \$1 million to \$553 million including the reclassification of the \$21 million restoration obligation for Kevitsa to liabilities held for sale. Periodic changes in the provision represent movement in the foreign exchange rate (where the estimate of the liability is not in U.S. dollars), accretion of the liability and additional disturbance incurred during the period.

The restoration provisions have been recorded initially as a liability based on management's best estimate of cash flows, using a risk-free discount rate between 1.4% and 4.2% and an inflation factor between 1.7% and 3.2%. Payments are expected to occur over the life of each of the operating mines, with the majority payable in the years following the cessation of mining operations.

Amount owed to related party

In September 2013, the Company and KPMC entered into a shareholder loan agreement with MPSA. Interest is due semiannually at an annual rate of 9%. As of March 31, 2016, the accrual for interest payable is \$52 million (December 31, 2015: \$43 million) and is included in the carrying value of the debt as this has been deferred under the loan agreement. Amounts due to KPMC are specifically excluded from the calculation of Net Debt covenant ratios.

10 Share capital

a) Common shares

Authorized

Unlimited common shares without par value

Issued

	Number of shares (000's)
Balance as at December 31, 2015 and March 31, 2016	689,331

First Quantum Minerals Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

b) Earnings per share

	Three months ended March 31	
	2016	2015
Basic and diluted earnings (losses) from continuing operations attributable to shareholders of the Company	49	(78)
Basic weighted average number of shares outstanding (000's of shares)	685,795	595,986
Effect of potential dilutive securities:		
Treasury shares	3,536	4,520
Diluted weighted average shares outstanding	689,331	595,986
Earnings per common share from continuing operations – basic (expressed in \$ per share)	0.07	(0.13)
Earnings per common share from continuing operations – diluted (expressed in \$ per share)	0.07	(0.13)

	Three months ended March 31	
	2016	2015
Basic and diluted losses attributable to shareholders of the Company	(217)	(82)
Basic weighted average number of shares outstanding (000's of shares)	685,795	595,986
Effect of potential dilutive securities:		
Treasury shares	3,536	4,520
Diluted weighted average shares outstanding	685,795	595,986
Earnings per common share – basic and diluted (expressed in \$ per share)	(0.32)	(0.14)

c) Dividends

On February 18, 2016, the Company declared a final dividend payment of CDN\$0.01 per share, or \$5 million, in respect of the financial year ended December 31, 2015 (February 20, 2015: CDN\$0.0487 per share or \$23 million) to be paid to shareholders of record on April 13, 2016.

11 Sales revenues by nature

	Three months ended March 31	
	2016	2015
Copper ¹	576	482
Nickel	57	41
Gold	69	50
Zinc	6	17
Other	12	12
	720	602

¹ Copper revenues excludes \$49 million of proceeds from pre-commercial production at Trident for the three months ended March 31, 2016 (three months ended March 31, 2015: nil)

First Quantum Minerals Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

12 Cost of sales

	Three months ended March 31	
	2016	2015
Costs of production	(358)	(407)
Depreciation	(156)	(121)
Movement in inventory	(73)	(46)
Movement in depreciation in inventory	(28)	(5)
	(615)	(579)

13 Finance costs

	Three months ended March 31	
	2016	2015
Interest expense	(104)	(96)
Accretion on restoration provision	(2)	(3)
Total finance costs	(106)	(99)
Less: interest capitalized (note 5)	102	94
	(4)	(5)

14 Segmented information

The Company's reportable operating segments are individual mine development projects or mine operations. Each of the mines and development projects report information separately to the CEO, the chief operating decision maker.

The Corporate & other segment is responsible for the evaluation and acquisition of new mineral properties, regulatory reporting, treasury and finance and corporate administration. Included in the Corporate & other segment is the Company's metal marketing division which purchases and sells third party material and enters into sales hedge contracts, as well as the cost of exploration projects that are not eligible to be capitalized.

The Company's operations are subject to seasonal aspects, in particular the rainy season in Zambia. The rain season in Zambia generally starts in November and continues through April, with the heaviest rainfall normally experienced in the months of January, February and March. As a result of the rainy season, mine pit access and the ability to mine ore is lower in the first quarter of the year than other quarters and the cost of mining is higher.

For the three month period ended March 31, 2016, segmented information for the statement of earnings is presented as follows:

	Revenue ¹	Cost of sales (excluding depreciation)	Depreciation	Other	Operating profit ²	Income taxes
Kansanshi	373	(264)	(91)	(5)	13	(13)
Las Cruces	89	(36)	(41)	(2)	10	(6)
Guelb Moghrein	51	(26)	(10)	-	15	(9)
Ravensthorpe	60	(71)	(15)	-	(26)	7
Çayeli	29	(17)	(9)	-	3	3
Pyhäsalmi	32	(14)	(17)	-	1	(1)
Corporate & other	86	(3)	(1)	(28)	54	(1)
Total	720	(431)	(184)	(35)	70	(20)

¹ Excludes intersegment revenues of \$5 million

² Operating profit less net finance costs and taxes equals net earnings for the period on the consolidated statement of earnings

⁴ No segmented information for Trident and Cobre Panama are disclosed for the statement of earnings as these projects were under development at March 31, 2016. The exploration and development costs for these properties are capitalized.

⁵ Earnings relating to the Kevitsa segment have been presented as discontinued operations (note 4).

First Quantum Minerals Ltd.

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(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

For the three month period ended March 31, 2015, segmented information for the statement of earnings is presented as follows:

	Revenue ¹	Cost of sales (excluding depreciation)	Depreciation	Other	Operating profit ²	Income taxes
Kansanshi	314	(302)	(46)	(39)	(73)	(1)
Las Cruces	116	(43)	(38)	25	60	(29)
Guelb Moghrein ³	58	(40)	(11)	(61)	(54)	14
Ravensthorpe	43	(34)	(9)	(18)	(18)	8
Çayeli	32	(20)	(9)	(2)	1	(2)
Pyhäsalmi	39	(14)	(13)	6	18	(5)
Corporate & other	-	-	-	(37)	(37)	26
Total	602	(453)	(126)	(126)	(103)	11

¹ Excludes intersegment revenues of \$17 million

² Operating profit less net finance costs and taxes equals net earnings for the period on the consolidated statement of earnings

³ Included within other is the impairment charge of \$62 million with respect the magnetite plant and related costs.

⁴ No segmented information for Trident and Cobre Panama are disclosed for the statement of earnings as these projects were under development at March 31, 2015. The exploration and development costs for these properties are capitalized.

⁵ Earnings relating to the Kevitsa segment have been presented as discontinued operations (note 4).

Balance sheet by segment

Segmented information on balance sheet items is presented as follows:

	March 31, 2016			December 31, 2015		
	Non-current assets ¹	Total assets	Total liabilities	Non-current assets ¹	Total assets	Total liabilities
Kansanshi ²	3,191	4,311	1,190	3,305	4,220	1,150
Las Cruces	924	1,247	383	965	1,300	368
Guelb Moghrein	211	350	60	216	351	58
Ravensthorpe	783	865	174	786	890	167
Kevitsa	-	764	32	756	845	44
Trident	3,041	3,171	215	2,874	2,996	223
Çayeli	175	639	119	183	654	140
Pyhäsalmi	193	409	84	211	407	77
Cobre Panama ³	5,586	5,855	934	5,326	5,604	860
Corporate & other ⁴	1,132	750	4,806	1,303	1,351	4,898
Total	15,236	18,361	7,997	15,925	18,618	7,985

¹ Non-current assets include \$15,234 million of property plant and equipment (December 31, 2015: \$15,923 million) and exclude financial instruments, deferred tax assets, VAT receivable and goodwill.

² Kansanshi Mining Plc, the most significant contributor to the Kansanshi segment, is 20% owned by ZCCM, a Zambian government owned entity. This segment includes the Kansanshi smelter.

³ Cobre Panama is 20% owned by KPMC, a related party.

⁴ Included within the corporate and other segment are assets relating to the Haquira project, \$662 million, (December 31, 2015: \$661 million) and the Taca Taca project, \$426 million (December 31, 2015: \$426 million).

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Notes to the Condensed Interim Consolidated Financial Statements

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(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

Capital expenditure by segment

Additions to non-current assets other than financial instruments, deferred tax assets and goodwill represent additions to property, plant and equipment, for which capital expenditure is presented as follows:

	Three months ended March 31	
	2016	2015
Kansanshi	21	133
Las Cruces	1	13
Guelb Moghrein	7	10
Ravensthorpe	1	3
Trident	71	99
Çayeli	1	2
Pyhäsalmi	1	4
Cobre Panama	154	109
Corporate & other ¹	2	7
Total	259	380

First Quantum Minerals Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

15 Financial Instruments

The Company classifies its financial assets as fair value through profit or loss, available-for-sale, or loans and receivables. Financial liabilities are classified as either fair value through profit or loss, or other financial liabilities.

The following provides a comparison of carrying and fair values of each classification of financial instrument at March 31, 2016:

	Loans and receivables	Available-for- sale	Fair value through profit or loss	Other financial liabilities	Total carrying amount	Total fair value
Financial assets						
Trade and other receivables ¹	244	-	-	-	244	244
Derivative instruments in designated hedge relationships	-	-	19	-	19	19
Other derivative instruments ²	-	-	7	-	7	7
Investments						
At cost ³	-	13	-	-	13	n/a
At fair value	-	10	-	-	10	10
Promissory Note receivable ⁴	32	-	-	-	32	32
Financial liabilities						
Trade and other payables	-	-	-	502	502	502
Other derivative instruments	-	-	4	-	4	4
Finance leases	-	-	-	27	27	27
Liability to related party	-	-	-	437	437	437
Debt	-	-	-	5,064	5,064	4,062

¹ Commodity products are sold under pricing arrangements where final prices are set at a specified future date based on market commodity prices. Changes between the prices recorded upon recognition of revenue and the final price due to fluctuations in commodity market prices give rise to an embedded derivative in the accounts receivable.

² This derivative is classified as fair value through profit or loss and recorded at fair value, with changes in fair value recognized as a component of cost of sales.

³ The Company holds investments in privately held entities which are measured at cost as the fair value cannot be reliably measured.

⁴ The Promissory Note, as described in note 7, is classified as a loan or receivable and carried at amortized cost. Due to the short life of the asset, fair value approximates the carrying value.

First Quantum Minerals Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

The following provides a comparison of carrying and fair values of each classification of financial instrument at December 31, 2015:

	Loans and receivables	Available-for-sale	Fair value through profit or loss	Other financial liabilities	Total carrying amount	Total fair value
Financial assets						
Trade and other receivables ¹	213	-	-	-	213	213
Derivative instruments in designated hedge relationships	-	-	72	-	72	72
Other derivative instruments ²	-	-	9	-	9	9
Investments						
At cost ³	-	13	-	-	13	n/a
At fair value	-	10	-	-	10	10
Promissory Note receivable ⁴	64	-	-	-	64	64
Financial liabilities						
Trade and other payables	-	-	-	568	568	568
Other derivative instruments	-	-	4	-	4	4
Finance leases	-	-	-	26	26	26
Liability to related party	-	-	-	390	390	390
Debt	-	-	-	5,061	5,061	3,904

¹ Commodity products are sold under pricing arrangements where final prices are set at a specified future date based on market commodity prices. Changes between the prices recorded upon recognition of revenue and the final price due to fluctuations in commodity market prices give rise to an embedded derivative in the accounts receivable.

² This derivative is classified as fair value through profit or loss and recorded at fair value, with changes in fair value recognized as a component of cost of sales.

³ The Company holds investments in privately held entities which are measured at cost as the fair value cannot be reliably measured.

⁴ The Promissory Note, as described in note 7, is classified as a loan or receivable and carried at amortized cost. The fair value was calculated by reference to the principal value as the interest due on the note was pre-paid.

Fair Values

The following table sets forth the Company's assets and liabilities measured at fair value on the balance sheet at March 31, 2016, in the fair value hierarchy as described in the annual consolidated financial statements for the year ended December 31, 2016:

	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Derivative instruments – LME contracts ¹	7	-	-	7
Derivative instruments – OTC contracts ²	-	19	-	19
Investments ³	10	-	-	10
Financial liabilities				
Derivative instruments – LME contracts ¹	3	-	-	3
Derivative instruments – OTC contracts ²	-	1	-	1

¹ Forward contracts for copper, nickel, gold, zinc, platinum and palladium were purchased on the London Metal Exchange ("LME") and London Bullion Market and have direct quoted prices, therefore these contracts are classified within Level 1 of the fair value hierarchy.

² The Company's derivative instruments are valued by the Company's brokers using pricing models based on active market prices. All forward contracts held by the Company are OTC and therefore the valuation models require the use of assumptions concerning the amount and timing of estimated future cash flows and discount rates using inputs which can generally be verified and do not involve significant management judgment. Such instruments are classified within Level 2 of the fair value hierarchy. Derivative assets are included within other assets on the balance sheet and derivative liabilities are included within provisions and other liabilities on the balance sheet.

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(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

The following table sets forth the Company's assets and liabilities measured at fair value on the balance sheet at December 31, 2015, in the fair value hierarchy:

	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Derivative instruments – LME contracts ¹	9	-	-	9
Derivative instruments – OTC contracts ²	-	72	-	72
Investments ³	10	-	-	10
Financial liabilities				
Derivative instruments – LME contracts ¹	2	-	-	2
Derivative instruments – OTC contracts ²	-	2	-	2

¹ Forward contracts for copper, nickel, gold, zinc, platinum and palladium were purchased on the London Metal Exchange ("LME") and London Bullion Market and have direct quoted prices, therefore these contracts are classified within Level 1 of the fair value hierarchy.

² The Company's derivative instruments are valued by the Company's brokers using pricing models based on active market prices. All forward contracts held by the Company are OTC and therefore the valuation models require the use of assumptions concerning the amount and timing of estimated future cash flows and discount rates using inputs which can generally be verified and do not involve significant management judgment. Such instruments are classified within Level 2 of the fair value hierarchy. Derivative assets are included within other assets on the balance sheet and derivative liabilities are included within provisions and other liabilities on the balance sheet.

Derivatives designated as hedged instruments

The Company has elected to apply hedge accounting with the following contracts expected to be highly effective in offsetting changes in the cash flows of future sales. Commodity contracts outstanding as at March 31, 2016, were as follows:

	Open Positions (tonnes/ounces)	Average Contract price	Closing Market price	Maturities Through
Commodity contracts:				
Copper	171,250	\$2.24/lb	\$2.20/lb	August 2016
Nickel	4,992	\$4.10/lb	\$3.76/lb	June 2016

Other derivatives

As at March 31, 2016, the following derivative positions were outstanding:

	Open Positions (tonnes/ounces)	Average Contract price	Closing Market price	Maturities Through
Embedded derivatives in provisionally priced sales contracts:				
Copper	87,755	\$2.20/lb	\$2.20/lb	July 2016
Nickel	2,188	\$3.84/lb	\$3.76/lb	May 2016
Gold	27,428	\$1,231/oz	\$1,235/oz	June 2016
Zinc	1,600	\$0.80/lb	\$0.81/lb	May 2016
Platinum	4,952	\$976/oz	\$973/oz	April 2016
Palladium	3,844	\$564/oz	\$570/oz	April 2016
Commodity contracts:				
Copper	89,130	\$2.20/lb	\$2.20/lb	July 2016
Nickel	2,188	\$3.84/lb	\$3.76/lb	May 2016
Gold	27,473	\$1,231/oz	\$1,235/oz	June 2016
Zinc	1,600	\$0.80/lb	\$0.81/lb	May 2016
Platinum	4,952	\$976/oz	\$973/oz	April 2016
Palladium	3,844	\$564/oz	\$570/oz	April 2016

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As at December 31, 2015, the following derivative positions were outstanding:

	Open Positions (tonnes/ounces)	Average Contract price	Closing Market price	Maturities Through
Embedded derivatives in provisionally priced sales contracts:				
Copper	72,078	\$2.13/lb	\$2.13/lb	June 2016
Nickel	3,061	\$3.94/lb	\$3.93/lb	January 2016
Gold	25,307	\$1,069/oz	\$1,062/oz	June 2016
Zinc	3,300	\$0.70/lb	\$0.73/lb	March 2016
Platinum	6,240	\$849/oz	\$872/oz	January 2016
Palladium	4,869	\$549/oz	\$547/oz	January 2016
Commodity contracts:				
Copper	74,103	\$2.13/lb	\$2.13/lb	June 2016
Nickel	3,061	\$3.94/lb	\$3.93/lb	January 2016
Gold	25,352	\$1,069/oz	\$1,062/oz	June 2016
Zinc	3,300	\$0.70/lb	\$0.73/lb	March 2016
Platinum	6,240	\$849/oz	\$872/oz	January 2016
Palladium	4,869	\$549/oz	\$547/oz	January 2016

A summary of the fair values of unsettled derivative financial instruments for commodity contracts recorded on the consolidated balance sheet:

	March 31, 2016	December 31, 2015
Commodity contracts:		
Asset position	26	81
Liability position	(4)	(4)

16 Commitments and contingencies

Capital commitments

In conjunction with the development of Trident, Cobre Panama and other projects, the Company has committed to \$724 million (December 31, 2015: \$714 million) in capital expenditures. Commitments in relation to Kevitsa at March 31, 2016, total \$21 million.

Precious metal revenue stream arrangement

The Company's subsidiary, Minera Panama S.A. ("MPSA"), has an agreement with Franco-Nevada Corporation ("Franco-Nevada") for the purchase and sale of precious metals from the Cobre Panama project. Under the terms of the agreement a wholly-owned subsidiary of Franco-Nevada has agreed to provide a \$1 billion deposit to be funded on a pro-rata basis of 1:3 with the Company's 80% share of the capital costs of Cobre Panama in excess of \$1 billion. The amount of gold and silver deliverable is indexed to the copper in concentrate produced from the Cobre Panama project. Beyond approximately the first 30 years of the current life of mine, the precious metals deliverable under the new agreement will be based on a fixed percentage of the precious metals in concentrate.

Franco-Nevada will pay MPSA an amount for each ounce of gold and silver delivered equal to \$406 per ounce for gold and \$6.09 per ounce for silver, subject to an annual adjustment for inflation, for the first 1,341,000 ounces of gold and 21,510,000 ounces of silver (approximately the first 20 years of expected deliveries) and thereafter the greater of \$406 per ounce for gold and \$6.09 per ounce for silver, subject to an adjustment for inflation, and one half of the then prevailing market price. Although the market price feature represents an embedded derivative, the value of this derivative is not material. In all cases the amount paid is not to exceed the prevailing market price per ounce of gold and silver.

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(amounts expressed in millions of U.S. dollars, except where indicated and share and per share amounts)

Other commitments & contingencies

Due to the size, complexity and nature of the Company's operations, various legal and tax matters are outstanding from time to time. The Company is routinely subject to audit by tax authorities in the countries in which it operates and has received a number of tax assessments in various locations, including Zambia, which are currently at various stages of progress with the relevant authorities. The outcome of these audits and assessments are uncertain however the Company is confident of its position on the various matters under review.

Cobre Panama is subject to a claim from a third party but has made a counterclaim greater than the amount claimed and no loss is expected.

Management's Discussion and Analysis

For the quarter ended March 31, 2016

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed interim consolidated financial statements of First Quantum Minerals Ltd. ("First Quantum" or "the Company") for the three months ended March 31, 2016. The Company's results have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and are presented in United States dollars, tabular amounts in millions, except where noted.

For further information on First Quantum, reference should be made to its public filings (including its most recently filed AIF) which are available on SEDAR at www.sedar.com. Information is also available on the Company's website at www.first-quantum.com. This MD&A contains forward-looking information that is subject to risk factors, see "*Regulatory Disclosures*" for further discussion. Information on risks associated with investing in the Company's securities and technical and scientific information under National Instrument 43-101 concerning the Company's material properties, including information about mineral resources and reserves, are contained in its most recently filed AIF. This MD&A has been prepared as of April 28, 2016.

FIRST QUARTER 2016 HIGHLIGHTS¹

- Achieved the highest quarterly copper production and sales for our continuing operations of 119,287 tonnes and 131,267 tonnes, respectively:
 - Progressively higher production at Sentinel each quarter since start-up in Q1 2015 combined with continued strong operations at all the mines.
 - Increased throughput at the Kansanshi smelter by 7% over Q4 2015 and achieved an average copper recovery of 98%.
- C1, All-in sustaining ("AISC") and C3 cost per pound² for both copper and nickel all substantially below Q1 2015:
 - Copper Q1 2016: C1 cash cost = \$1.03; AISC = \$1.36; C3 total cost = \$1.86
 - Nickel Q1 2016: C1 cash cost = \$4.48; AISC = \$4.93; C3 total cost = \$6.00
- Realized average price for copper of \$2.38 per pound exceeded the average LME price of \$2.11 primarily on account of the Company's copper sales hedge program.
- As previously disclosed on March 10, 2016, the Company and Boliden entered into a share purchase agreement for the Kevitsa mine for cash consideration of \$712 million subject to requisite competition approvals and other typical closing conditions. As of today's date all required competition authority approvals have been received and the transaction is expected to close on or before June 1, 2016.
- Advanced other strategic initiatives aimed at further strengthening the balance sheet and improving the capital structure. Among these initiatives is the process to put in place up to \$2.5 billion of project financing for Cobre Panama.
- The Company has requested the cancellation of admission of its shares to the standard segment of the UK Listing Authority's Official List and of trading in its shares on the London Stock Exchange's main market for listed securities. Pursuant to UK Listing Rule 5.2.8, the cancellation notice period has now commenced and cancellation is expected to take effect from 8:00 am (BST) on May 31, 2016.
- At quarter end, the Company was in full compliance with all financial covenants with unrestricted cash and cash equivalents of \$269 million in addition to \$1,800 million of committed undrawn facilities.
- The material uncertainty regarding the Company's ability to meet the Net Debt to EBITDA ratio covenant under the debt financing agreements, previously noted in the year-end 2015 financial statements, has been removed as current forecasts do not indicate a breach of the covenant over the next 12 months. This development reflects the agreed sale of Kevitsa, the advanced stages in the project financing and other strategic initiatives processes and ongoing effectiveness of cost improvement and copper sales hedge programs.
- The development of Cobre Panama continues with priority given to the power station and associated infrastructure and expenditures being managed to suit market conditions.
- Changes to the Zambian mining tax regime, including 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, have been presented to the country's Parliament with the intention of having them passed in the current sitting.
- Updates to guidance for year 2016 are reductions for C1 and AISC cost per pound for copper to reflect the sustainable cost improvements achieved and an increase to the gold production estimate.

Continuing operations¹	Q1 2016	Q4 2015	Q1 2015
Copper production (tonnes) ^{3,4}	119,287	115,886	91,910
Copper sales (tonnes) ³	131,267	119,534	91,082
Cash cost of copper production (C1)(per lb) ²	\$1.03	\$1.06	\$1.41
All-in sustaining cost (AISC)(per lb) ²	\$1.36	\$1.51	\$2.22
Total cost of copper production (C3)(per lb) ²	\$1.86	\$1.85	\$2.39
Realized copper price (per lb)	\$2.38	\$2.40	\$2.58
Nickel production (contained tonnes)	7,106	7,653	4,238
Nickel sales (contained tonnes)	8,940	8,583	3,732
Cash cost of nickel production (C1)(per lb) ²	\$4.48	\$4.49	\$4.66
All-in sustaining cost (AISC)(per lb) ²	\$4.93	\$4.94	\$5.56
Total cost of nickel production (C3)(per lb) ²	\$6.00	\$5.82	\$6.28
Realized nickel price (per payable lb)	\$3.88	\$4.29	\$6.53
Gold production (ounces)	56,191	53,889	49,780
Gold sales (ounces)	63,141	57,958	47,269
Consolidated Financial Information	Q1 2016	Q4 2015	Q1 2015
Sales revenues	720	719	602
Gross profit ⁵	105	110	23
Net earnings (loss) from continuing operations	48	111	(90)
Net earnings (loss) from discontinued operations	(266)	3	(4)
Net earnings (loss) per share from continuing operations attributable to shareholders of the Company	\$0.07	\$0.16	(\$0.13)
Net earnings (loss) per share	(\$0.32)	\$0.17	(\$0.14)
Basic and diluted earnings (loss) per share	(\$0.32)	\$0.17	(\$0.14)
Comparative earnings (loss) ⁶	63	182	(12)
Comparative earnings (loss) per share ⁶	\$0.09	\$0.27	(\$0.02)
Comparative EBITDA ^{2,6}	269	224	106

¹ Operating performance measures exclude Kevitsa. In accordance with the requirement of IFRS 5 - *Non-current assets Held for Sale and Discontinued Operations*, Kevitsa has been classified as a discontinued operation for the quarter ended March 31, 2016 and accordingly, comparative 2015 financial information has been re-presented. For further discussion on Kevitsa, please see "Kevitsa Nickel-Copper-PGE Discontinued Operation" below and note 4 "Kevitsa Sale" of the condensed interim consolidated financial statements for the three months ended March 31, 2016.

² C1 cash cost, AISC, C3 total cost and earnings before interest, tax, depreciation, amortization and impairment ("EBITDA") are not recognized under IFRS. See "Regulatory disclosures" for further information.

³ Total copper production includes production at Sentinel of 20,902 tonnes for Q1 2016. Total copper sales include sales at Sentinel of 18,796 tonnes for Q1 2016. Production and sales at Sentinel are pre-commercial production and therefore excluded from earnings.

⁴ Production is presented on a copper concentrate basis, i.e. mine production only, and does not include output from the Kansanshi smelter.

⁵ While gross profit in Q1 2016 of \$105 million is at a similar level to Q4 2015 of \$110 million, Q1 2016 net earnings are lower as Q1 2016 has a tax charge of \$20 million (compared to a tax credit in Q4 2015 of \$31 million) and foreign exchange losses and other revisions in estimates of \$15 million, which are excluded from comparative earnings.

	Q1 2016	Q4 2015	Q1 2015
Gross profit	105	110	23
Exploration and General and administrative	(20)	(22)	(32)
Impairment and other expenses	(15)	(1)	(94)
Income tax and finance costs	(22)	24	13
Net earnings (loss) from continuing operations	48	111	(90)

⁶ 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. See "Regulatory Disclosures" for a reconciliation of comparative EBITDA and comparative earnings.

Operational

Copper production from continuing operations 30% higher from production at Sentinel

- Copper production from continuing operations of 119,287 tonnes was 30% higher than Q1 2015 by 27,377 tonnes as a result of the continued ramp-up at Sentinel. Copper production at Sentinel totalled 20,902 tonnes for Q1 2016 compared to 15,190 tonnes for Q4 2015 and 1,003 tonnes for Q1 2015. First filtered concentrate was produced at Sentinel in January 2015 and production ramped up over the course of 2015, with higher copper production achieved in each successive quarter of 2015.
- For Q1 2016, the Kansanshi smelter processed 244,144 tonnes of concentrate, produced 52,506 tonnes of copper anode and 239,000 tonnes of sulphuric acid and achieved an overall copper recovery of 98%.

Nickel production higher in Q1 2016 due to resumption of production at Ravensthorpe

- Nickel production from continuing operations of 7,106 tonnes was 68% higher over Q1 2015 which was impacted by the atmospheric leach tank structural failure at Ravensthorpe that occurred in December 2014 and resulted in reduced production in Q1 2015.

Gold production 13% higher in Q1 2016 from higher grade and recoveries

- Gold production from continuing operations of 56,191 ounces for Q1 2016 was 6,411 ounces higher than Q1 2015 primarily due to higher head grade at Kansanshi and higher recoveries at Guelb Moghrein.

Copper and nickel sales volumes significantly higher

- Copper sales volumes from continuing operations of 131,267 tonnes for Q1 2016 were significantly higher than Q1 2015, reflecting higher copper sales volumes at Kansanshi primarily due to reduction of throughput and lower feed grades on the sulphide and oxide circuits in Q1 2015. The throughput on the oxide circuit was intentionally reduced in Q1 2015 to limit consumption of costly third-party acid purchases prior to the commissioning of the smelter.
- Nickel sales volumes from continuing operations of 8,940 tonnes for Q1 2016 was higher by 5,208 tonnes compared to Q1 2015 due to recommencement of production at Ravensthorpe in February 2015 at reduced capacity.

Copper C1 cash cost lowered to \$1.03 per lb and full year guidance reduced

- The average copper production C1 cash cost from continuing operations of \$1.03 per lb was 27% lower than C1 cash cost of \$1.41 per lb in Q1 2015, reflecting the benefits of the Company's ongoing focus on cost reduction and efficiencies, sulphuric acid production from the Kansanshi smelter, lower fuel costs and the appreciation in the US dollar.
- Full year 2016 guidance (excluding Sentinel) reduced to approximately \$1.10 to \$1.25 per lb (including Sentinel reduced to approximately \$1.20 to \$1.35 per lb).

Nickel C1 cash cost lowered to \$4.48 per lb

- The average nickel production C1 cash cost from continuing operations of \$4.48 per lb was consistent with C1 cash cost for Q4 2015. Compared to Q1 2015, C1 cash cost for Q1 2016 was lower as Ravensthorpe experienced lower nickel production volumes in Q1 2015.

Financial and corporate developments

Sale of Kevitsa

- As announced on March 10, 2016, the Company entered into a share purchase agreement with Boliden to sell its Kevitsa nickel-copper-platinum group elements mine. Under the terms of the sale, Boliden will acquire Kevitsa for a cash consideration of \$712 million subject to requisite competition approvals and other typical closing conditions. All required competition authority approvals have been received and the transaction is expected to close on or before June 1, 2016.

Action plan progressing

- For fiscal year 2015, the financial statements were prepared on a going concern basis but the Company indicated a material uncertainty relating to its ability to meet the Net Debt to EBITDA ratio covenant under the debt financing agreements (the \$3.0 billion facility, the \$350 million Kansanshi facility and the \$102 million Caterpillar facility, together the "Financing Agreements"). Actions taken during Q1 2016, including the agreed sale of Kevitsa as well as embedded additional cost savings and sales hedges, have removed the material uncertainty such that the Company's current forecasts for 2016 do not indicate a potential breach of financial covenants over the next 12 months. There are risks outside management's control such as commodity prices and so uncertainty remains and this is noted in the financial statements for Q1 2016. However there are number of options available to management to further mitigate these risks, including additional reductions to uncommitted capital expenditure, renegotiation of covenants with the Company's principal bankers and further asset sales.

- Strategic initiatives have been advancing to further strengthen the balance sheet and improve the capital structure of the Company. During Q1 2016, the Company initiated the process to put in place project financing for the Cobre Panama project following the finalization of the related precious metals stream agreement. Total financing of up to \$2.5 billion is targeted to be completed by the end of the 2016 calendar year. Positive discussions continue with the Company's wider banking group in relation to existing facilities. Other initiatives also include delisting from the London Stock Exchange as part of the overall cost saving strategy.

Sales revenues increased due to higher sales volumes offset by lower metal prices

- Sales revenues of \$720 million increased by \$118 million compared to Q1 2015 principally due to higher sales volumes offset by lower copper and nickel prices. The average LME cash prices for copper and nickel were 20% and 41% lower, respectively, in Q1 2016 compared to Q1 2015. The impact of lower copper prices was partially mitigated through hedging 119,500 tonnes of copper sales at \$2.41 per lb, which settled in the current quarter generating \$82 million in additional revenue. At as March 31, 2016, the Company had 171,250 tonnes of unsettled hedged copper sales priced at an average price of \$2.24 per lb and had 4,992 tonnes of unsettled hedged nickel sales priced at an average price of \$4.10 per lb.

Higher gross profit as cost savings and higher sales volumes offset significantly lower metal prices

- The higher gross profit of \$105 million for Q1 2016 compared to gross profit of \$23 million for Q1 2015 was primarily from higher sales volumes, lower operating costs, favourable foreign exchange resulting from the appreciation in the US dollar, and lower Zambian royalty costs, offset by lower metal prices. Sales volumes were higher for Q1 2016 compared to Q1 2015 with increased copper and gold production at Kansanshi as well as higher production at Ravensthorpe as Q1 2015 was impacted by the atmospheric leach tank failure.

	Continuing operations
Gross profit in Q1 2015	\$23
Lower realized metal prices	(101)
Lower costs	106
Higher sales volumes	71
Decrease in royalty rate	38
Foreign exchange	26
Increase in depreciation	(58)
Gross profit in Q1 2016 ¹	\$105

¹ Gross profit is reconciled to comparative EBITDA by including: exploration costs of \$3 million, general, administrative and other costs of \$32 million, and adding back depreciation of \$184 million, foreign exchange loss of \$11 million and other costs of \$4 million.

- Excluding the impact of foreign exchange, exploration and general and administrative costs were \$10 million lower in Q1 2016 compared to Q1 2015.
- Cost savings of \$116 million, excluding the impact of foreign exchange, achieved in Q1 2016 compared to the same period in 2015.

Comparative EBITDA on a continuing basis of \$269 million in Q1 2016

- Comparative EBITDA on a continuing basis of \$269 million excludes the impact of foreign exchange losses, impairment charges and revisions in estimates of closed site restoration provisions and is \$163 million higher than the same period last year.
- Comparative earnings of \$63 million are after tax and finance charges of \$22 million, and general and administrative and exploration costs of \$20 million. Comparative earnings in the previous quarter, Q4 2015, benefited from tax credits largely relating to realization of losses previously incurred.
- Net loss attributable to shareholders of the Company of \$217 million (including discontinued operations) includes a post-tax loss of \$236 million on re-measurement to fair value less costs to sell for Kevitsa as well as foreign exchange and other revaluation losses of \$15 million.

Financial position and operating cash flow

- The Company ended the quarter with \$269 million of unrestricted cash and cash equivalents in addition to \$1,800 million of committed undrawn facilities and was in full compliance with all financial covenants. Taking into account forecast operating cash inflows, capital expenditure outflows and available committed facilities, the Company expects to have sufficient liquidity through 2016 to carry out its operating and growth plans.
- In Q1 2016, the Company received \$32 million in principal repayments on the Promissory Note from Eurasian Resources Group (“ERG”). The remaining principal balance of \$32 million, plus interest at 10%, is expected to be received in Q2 2016.
- The amount of VAT accrued by the Company’s Zambian operations at March 31, 2016 was \$236 million, of which \$220 million related to Kansanshi. During the period March 2015 to March 2016, Kansanshi made VAT claims and accruals of \$102 million of which \$29 million has been received and \$73 million remains outstanding at March 31, 2016. Management is in regular discussions with the relevant government authorities and continues to consider that the outstanding VAT claims are fully recoverable.

Development projects

Sentinel project, Zambia

- Production ramp-up continued in Q1 2016 with positive progress toward achieving steady-state operation within the process circuit. Both Train 1 and Train 2 milling circuits are now in continuous operation with periods of above nameplate throughput being achieved separately, and in combined operation. Construction of the power lines project was completed in September 2015, and is partially energized from Lusaka West to Mumbwa substations. ZESCO, Zambia’s state-run power company, has advised that full energization of the power lines has been delayed to the second quarter of 2016. Although Sentinel has been able to reach design capacity at times with the current 120MW allocation, the full power requirement is progressively increasing with harder ore from the mine. Sentinel is expected to reach commercial production levels in the second quarter of 2016. A declaration of commercial production will be made when the operation attains a sustained level of operating performance.

Cobre Panama project, Panama

- The power station and associated infrastructure continues to receive priority, with mechanical and piping disciplines ramping up in the period. Commercial power from the power station is planned during the second half of 2017, which will then initiate a revenue stream from the project. Key management appointments for port and powerstation operations have been made, and will be on site starting Q2 2016. The balance of the project is scheduled for a phased commissioning and ramp-up beginning in the first half of 2018, with commercial production throughput levels expected by the end of 2018.

Zambian developments

- The Company’s Zambian operations are currently being provided a total of 285MW, which allows for normal operations at the Kansanshi mine and smelter complex, and for Sentinel to achieve nameplate capacity throughput for periods. ZESCO imports supplementary power and power supplied to the mines includes imported power at an increased tariff. In December 2015, Kansanshi and Sentinel were advised by ZESCO that power tariffs were to be increased to 10.35 cents per kWh effective January 1, 2016, and invoices for power supply under this new tariff have been received in Q1 2016. These increases are being disputed and discussions with ZESCO and the Government of Zambia are ongoing. There has been some recent uncertainty across the mining sector with respect to electricity tariff increases. The regulatory authorities in Zambia remain closely engaged with the Company and the industry, and affordability and stability remain central themes of these discussions.
- On February 18, 2016, the Government of Zambia announced that the Cabinet had approved changes to the mining tax regime, including: retaining corporate tax on profits from mining at 30%; repealing the variable profits tax at up to 15% applicable to profits from mining; suspension of the 10% export duty on ores and concentrates applicable to nickel for which there are no processing facilities in Zambia; reduction in the mining royalty rates for open pit mining from 9% to a sliding scale of 4% to 6% depending on the LME monthly average price. On April 13, 2016, the Government of Zambia introduced a Bill into Parliament (“Bill”) detailing the above changes. The Bill indicates that the proposed changes will take effect on April 1, 2016.

GUIDANCE SUMMARY

Guidance is based on a number of assumptions and estimates as of March 31, 2016, including among other things, assumptions about metal prices and anticipated costs and expenditures, and involve known and unknown risks, uncertainties and other factors which may cause the actual results to be materially different.

Production guidance – continuing operations

Production guidance is shown for continuing operations and therefore excludes Kevitsa. Copper and zinc production guidance on a continuing basis for 2016 to 2018 is unchanged from guidance given in February 2016. Gold production for 2016 on a continuing basis has been increased from February 2016 guidance and is unchanged for 2017 and 2018. Nickel production guidance for 2016 has been decreased to 23,000 tonnes from February 2016 guidance of 28,000 tonnes to reflect revised operational plans given current market prices.

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

Guidance on precise production during the ramp-up and commissioning phases at the Cobre Panama project will depend on a number of factors which can only be properly assessed closer to the time but at this stage there is no reason to vary from published production estimates of 320,000 tonnes per annum when fully commissioned.

Indicative production guidance by continuing operations

Copper – 000's tonnes	2016	2017	2018
Kansanshi	235	235	240
Las Cruces	70	70	70
Guelb Moghrein	40	40	40
Çayeli	22	22	22
Pyhäsalmi	12	11	11
Sentinel	135-155	210-240	230-260

Nickel – 000's contained tonnes	2016	2017	2018
Ravensthorpe	23	28	28

Gold – 000's ounces	2016	2017	2018
Kansanshi	150	150	150
Guelb Moghrein	50	50	50
Pyhäsalmi	7	7	6
Çayeli	2	-	-

Zinc – 000's tonnes	2016	2017	2018
Çayeli	6	6	5
Pyhäsalmi	20	14	15

Capital expenditure guidance

- 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, \$200 million for capitalized stripping and \$120 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 assumed 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 guidance

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

Cash operating cost (C1):

- Expected average cash cost of copper in 2016 (excluding Sentinel) reduced to approximately \$1.10 to \$1.25 per lb (including Sentinel reduced to approximately \$1.20 to \$1.35 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 remains at approximately \$4.00 to \$4.40 per lb for 2016, 2017 and 2018.

All-In Sustaining Cost ('AISC'):

- Expected average AISC of copper reduced to approximately \$1.50 to \$1.70 per lb for 2016 (excluding Sentinel) on a continuing basis, and reduced to approximately \$1.65 to \$1.85 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 remains at approximately \$4.80 to \$5.10 per lb for 2016, 2017 and 2018.

AISC is not recognized under IFRS – see “Regulatory disclosures” for further information.

OPERATIONS

Kansanshi Copper and Gold Operation	Q1 2016	Q4 2015	Q1 2015
Sulphide ore tonnes milled (000's)	2,888	2,926	1,389
Sulphide ore grade processed (%)	0.7	0.7	0.9
Sulphide copper recovery (%)	88	92	90
Mixed ore tonnes milled (000's)	1,990	1,960	3,288
Mixed ore grade processed (%)	1.0	1.1	1.1
Mixed copper recovery (%)	88	73	68
Oxide ore tonnes milled (000's)	1,637	1,895	1,367
Oxide ore grade processed (%)	1.5	1.7	1.5
Oxide copper recovery (%)	92	83	89
Copper production (tonnes) ¹	58,075	61,600	53,546
Copper smelter			
Concentrate processed (DMT) ²	244,144	228,427	-
Copper anodes produced (tonnes) ²	52,506	46,493	-
Smelter copper recovery (%)	98	97	-
Acid tonnes produced (000's)	239	214	-
Copper sales (tonnes) ³	72,222	77,845	53,504
Gold production (ounces)	35,743	34,009	32,592
Gold sales (ounces)	44,132	38,664	31,307
Cash costs (C1) (per lb) ⁴	\$1.18	\$1.09	\$1.77
Total costs (C3) (per lb) ⁴	\$1.94	\$1.82	\$2.75
All-in sustaining cost (AISC) (per lb) ⁴	\$1.59	\$1.57	\$2.91
Sales revenues	373	393	314
Gross profit before royalties	49	100	33
Gross profit (loss)	18	62	(34)
Comparative EBITDA ⁴	109	107	8

¹ Production presented on a copper concentrate basis, i.e. mine production only. Production does not include output from the smelter.

² Concentrate processed in smelter and copper anodes produced are disclosed on a 100% basis, inclusive of Sentinel concentrate processed. Concentrate processed is measured in dry metric tonnes ("DMT").

³ Sales include third-party sales of concentrate, cathode and anode attributable to Kansanshi (excluding copper cathode and anode sales attributable to Sentinel).

⁴ C1 cash cost, C3 total cost, AISC and comparative EBITDA are not recognized under IFRS. See "Regulatory Disclosures" for further information.

Kansanshi Mining Operations

Copper production in Q1 2016 was 8% higher than Q1 2015 reflecting an 8% increase in milling volumes and higher plant recoveries on the oxide and mixed ore circuits. Production for Q1 2016 reflects sulphide ore processed through the 12 mtpa milling circuit and acid soluble tails from the mixed ore circuit processed through the leaching circuit. Total plant recovery increased from 77% for Q1 2015 to 89% for Q1 2016. The increase in overall plant recovery is mainly attributable to the higher volumes of sulphide ore processed at higher recovery rates and acid soluble tails processed through the leaching circuit.

Gold production was 10% higher compared to Q1 2015 as a result of higher head grade.

C1 cash cost decreased by \$0.59 per lb compared to Q1 2015 primarily due to reduced processing costs reflecting the impact of acid consumed from the smelter, lower fuel costs, lower treatment charges associated with external smelters, reduced freight charges and additional cost savings achieved through the review of service contracts, plant efficiencies and labour productivity. Cash cost includes electricity accrued at the new power tariff rate of 10.35 cents per kWh announced in 2015 effective for January 1, 2016.

Total C3 cash cost including royalties and depreciation was \$0.81 per lb lower compared to Q1 2015, primarily due to the decrease in C1 cash cost and lower royalty costs and depreciation. Royalty charges were lower than Q1 2015 due to the changes in the mineral royalty regime in Zambia effective July 1, 2015, decreasing from 20% for Q1 2015 to 9% for Q1 2016.

Sales revenues increased by 19% compared to Q1 2015 reflecting higher copper and gold sales volumes, partially offset by lower realized metals prices. Gross profit of \$18 million reflects a \$52 million change from the \$34 million loss recorded in Q1 2015.

Kansanshi Copper Smelter

In Q1 2016, the smelter treated 244,144 tonnes of concentrate, representing an increase of 7% from Q4 2015 and produced 52,506 tonnes of copper anode and 239,000 tonnes of sulphuric acid. The overall copper recovery rate achieved for Q1 2016 was 98%.

Outlook

Production in 2016 is expected to be approximately 235,000 tonnes of copper, and approximately 150,000 ounces of gold. In terms of quarterly phasing of annual production, it is expected that Kansanshi's production will be at its lowest in the first quarter.

ZESCO increased the power tariff to 10.35 cents per kWh effective January 1, 2016. These increases are being disputed and discussions with ZESCO and the Government of Zambia are ongoing. The regulatory authorities in Zambia remain closely engaged with the Company and the industry, and affordability and stability remain central themes of these discussions.

Las Cruces Operation	Q1 2016	Q4 2015	Q1 2015
Ore tonnes processed (000's)	378	380	362
Copper ore grade processed (%)	5.2	5.3	5.1
Copper recovery (%)	92	93	91
Copper cathode production (tonnes)	18,045	18,608	16,694
Copper cathode sales (tonnes)	18,972	16,884	19,598
Cash cost (C1)(per lb) ¹	\$0.84	\$1.03	\$0.97
Total cost (C3)(per lb) ¹	\$1.82	\$1.90	\$1.90
All-in sustaining cost (AISC) (per lb) ¹	\$0.96	\$1.36	\$1.16
Sales revenues	89	83	116
Gross profit	12	10	35
Comparative EBITDA ¹	53	51	72

¹ C1 cash cost, C3 total cost, AISC and comparative EBITDA are not recognized under IFRS. See "Regulatory Disclosures" for further information.

Copper production increased by 8% compared to Q1 2015 as a result of a 4% increase in throughput and a slight increase in overall copper recovery. Higher plant availability and improved dewatering pressure filter performance with the commissioning of the pulp cooling towers in Q1 2016 contributed to the higher throughput and recovery.

C1 cash cost in Q1 2016 was \$0.13 per lb lower than in Q1 2015, due to higher copper production and lower mining and processing costs. Lower costs of electricity were achieved by directly purchasing from the market and cost reduction initiatives resulted in lower mining cost due to favorable escalation and change in preventive maintenance in new press filters.

Sales revenues in Q1 2016 decreased by \$27 million or 23% compared to Q1 2015 due to lower realized copper prices and lower copper cathode sales volumes due to timing of deliveries. Despite the improvements in operating costs, the fall in sale revenues in Q1 2016 lowered gross profit by \$23 million compared to Q1 2015.

Outlook

The guidance on copper production for 2016 is approximately 70,000 tonnes.

The commissioning of the pulp cooling towers in Q1 2016 is expected to enhance the performance of the pressure filters and further increase copper recovery. Improvements to the overall plant water balance, primarily due to low grinding thickener underflow densities, are planned to be targeted in 2016 to improve throughput.

Cost optimization and capital expenditure deferral is expected to continue for the balance of 2016.

Obtaining the necessary permit approvals related to accessing additional surface waste dump space is expected to continue to be a focus in 2016 in order to ensure timely and efficient pit waste stripping of successive phases of the mine.

Guelb Moghrein Copper and Gold Operation	Q1 2016	Q4 2015	Q1 2015
Sulphide ore tonnes milled (000's)	1,014	1,021	1,001
Sulphide ore grade processed (%)	1.2	1.3	1.2
Sulphide copper recovery (%)	93	91	92
Copper production (tonnes)	11,062	11,845	10,642
Copper sales (tonnes)	9,622	11,228	9,010
Gold production (ounces)	17,240	17,145	14,468
Gold sales (ounces)	15,573	16,667	12,860
Cash costs (C1)(per lb) ¹	\$0.68	\$0.83	\$1.11
Total costs (C3)(per lb) ¹	\$1.31	\$1.49	\$1.80
All-in sustaining cost (AISC) (per lb) ¹	\$1.13	\$1.28	\$1.55
Sales revenues	51	62	58
Gross profit	15	17	7
Comparative EBITDA ¹	24	26	18

¹ C1 cash cost, C3 total cost, AISC and comparative EBITDA are not recognized under IFRS. See "Regulatory Disclosures" for further information.

Copper production in Q1 2016 was 4% higher than Q1 2015 as a result of a 1% increase in throughput, higher feed grade, and an improved plant recovery of 93% compared to 92% in the comparative period. Gold production was 19% higher than Q1 2015, as a result of higher gold recovery due to the increased availability of gravity concentrators.

C1 cash costs in Q1 2016 of \$0.68 per lb decreased by 39% compared to Q1 2015, mainly as a result of higher gold credit, lower processing costs and improved copper production. The lower cash cost was driven by lower fuel cost, optimization of the supply chain, resulting in a reduction in buying prices, and a favourable exchange rate of the US dollar versus local currency.

Sales revenues for Q1 2016 were lower than Q1 2015 by 12% due to lower realized metal prices partially offset by higher sales volumes for both copper and gold. Gross profit in Q1 2016 improved considerably, benefiting from lower costs.

Outlook

Copper production in 2016 is expected to be approximately 40,000 tonnes. Gold in copper concentrate production is expected to be approximately 50,000 ounces.

In 2016, cost reduction initiatives are planned to continue by sourcing of generic consumables and spares. Optimization of operations is ongoing with a focus on increasing availability of equipment and retiring aged, inefficient equipment. Guelb Moghrein's fuel supply contract with a third-party will expire in April 2016 and thereafter move to a self-perform arrangement which is expected to significantly reduce fuel costs.

Reagent tests aimed at increasing the concentrate grade were completed during Q1 2016 with plant trials planned to follow. An additional Knelson concentrator to increase the gold recovery by 2% to 3% has been approved with commissioning expected in Q2 2016.

Ravensthorpe Nickel Operation	Q1 2016	Q4 2015	Q1 2015
Beneficiated ore tonnes processed (000's)	709	750	369
Beneficiated ore grade processed (%)	1.3	1.4	1.4
Nickel recovery (%)	84	84	92
Nickel production (contained tonnes)	7,106	7,653	4,238
Nickel sales (contained tonnes)	8,940	8,583	3,732
Nickel production (payable tonnes)	5,295	5,887	3,274
Nickel sales (payable tonnes)	6,813	6,716	2,962
Cash costs (C1) (per lb) ¹	\$4.48	\$4.49	\$4.66
Total costs (C3) (per lb) ¹	\$6.00	\$5.82	\$6.28
All-in sustaining cost (AISC) (per lb) ¹	\$4.93	\$4.94	\$5.56
Sales revenues	60	65	43
Gross loss	(26)	(24)	-
Comparative EBITDA ¹	(11)	(8)	1

¹ C1 cash cost, C3 total cost, AISC and comparative EBITDA are not recognized under IFRS. See "Regulatory Disclosures" for further information.

Production in Q1 2016 was 68% higher than Q1 2015. Production for Q1 2015 was impacted by the atmospheric leach tank failure in December 2014. Production recommenced in February 2015 at reduced capacity using only the autoclaves while refurbishment of the atmospheric leach circuit continued in the first half of 2015. Production for Q1 2016 was primarily processed through the two high pressure acid leaching circuits, including optimizing the limonite and saprolite ore blending. The atmospheric leach circuit, which was re-commissioned in July 2015, was used at approximately 50% capacity.

C1 cost for Q1 2016 of \$4.48 per lb was \$0.18 per lb lower than Q1 2015 mainly reflecting higher nickel production in Q1 2016 partially offset by the sole use of the more efficient autoclaves in Q1 2015. This is reflected by the higher nickel recovery of 92% in Q1 2015 compared to 84% in Q1 2016 with the less efficient atmospheric leach circuit also operating at reduced rates during Q1 2016.

Sales revenues for Q1 2016 increased by 40% compared to Q1 2015, reflecting higher sales volumes offset by lower realized nickel prices. Ravensthorpe incurred a gross loss of \$26 million in Q1 2016 driven primarily by the lower realized nickel prices. Despite production and sales being higher in Q1 2016 than Q1 2015, the significant reduction in the nickel price has severely impacted revenue and gross profit in Q1 2016. The average LME nickel price has fallen 41% from an average of \$6.51 per lb in Q1 2015 to \$3.85 per lb in Q1 2016.

Outlook

Given the low nickel prices currently being achieved, strategic initiatives have been implemented in order to reduce and defer significant cash outflows expected for the remainder of the year. The mining operation's move into the Hale Bopp resource has been deferred until Q3 2016. The atmospheric leach circuit is planned to continue to operate at 50% of production capacity with the refurbishment of the remaining out-of-service atmospheric leach tanks deferred until 2017. With the significant maintenance costs involved in cleaning the high pressure acid leaching trains, the shutdown time of both circuits has been extended. Until Q4 2016, only one high pressure acid leaching train is planned to operate while the other train undergoes shutdown maintenance. Both trains are expected to be back operating at full capacity in Q4 2016.

As such production forecast for 2016 has been reduced to approximately 23,000 tonnes of nickel.

The cost of operations is highly sensitive to the price of sulphur, which fluctuates with market factors. The sulphur price has softened in Q1 2016, however whilst the nickel price remains low, minimizing cash outflow remains the critical focus for the operation and as such, capital projects have been put on hold and further cost saving initiatives continue to be explored.

Cost saving opportunities continue to be implemented site-wide and are expected to remain a critical focus for the operation in 2016.

Çayeli Copper and Zinc Operation	Q1 2016	Q4 2015	Q1 2015
Ore tonnes milled (000's)	326	270	332
Copper ore grade processed (%)	2.5	2.6	2.6
Copper recovery (%)	86	81	81
Zinc ore grade processed (%)	1.7	2.8	3.3
Zinc recovery (%)	39	51	55
Copper production (tonnes)	6,878	5,606	7,136
Copper sales (tonnes)	7,295	4,262	5,720
Zinc production (tonnes)	2,170	3,778	5,954
Zinc sales (tonnes)	2,062	4,847	5,166
Cash cost (C1) (per lb) ¹	\$1.18	\$1.41	\$1.02
Total cost (C3) (per lb) ¹	\$1.83	\$1.79	\$2.04
All-in sustaining cost (AISC) (per lb) ¹	\$1.36	\$1.65	\$1.53
Sales revenues	29	21	32
Gross profit	3	-	3
Comparative EBITDA ¹	12	2	12

¹ C1 cash cost, C3 total cost, AISC and comparative EBITDA are not recognized under IFRS. See "Regulatory Disclosures" for further information.

Copper production in Q1 2016 was 4% lower than in Q1 2015 due to a 2% drop in throughput and a 4% decrease in copper grade. A 6% increase in the copper recovery helped mitigate the decreased throughput and grade. Zinc production in Q1 2016 was 64% lower than in Q1 2015, reflecting a 48% decrease in the zinc grade and 29% decrease in the zinc recovery. The lower zinc production was a result of the processing of more zinc-poor stockwork zone ore. In many cases, the zinc circuit was bypassed, contributing to the decline in zinc recovery. Difficult ground conditions in several high grade work areas also impacted mine throughput and grades.

Cash costs in Q1 2016 increased by \$0.16 per lb compared to Q1 2015, primarily due to a decrease in by-product credits, partly offset by lower site operating costs as a result of cost cutting projects in operations.

Sales revenues were 9% lower than Q1 2015 due to lower zinc sales volumes and realized copper and zinc prices, partially offset by an increase in copper sales volumes. Gross profit in Q1 2016 was consistent with Q1 2015.

Outlook

Production in 2016 is expected to be approximately 22,000 tonnes of copper and approximately 6,000 tonnes of zinc.

Throughput is expected to decline slightly in 2016, in line with a declining number of work areas and an increased amount of waste rock to be mined to access these areas as the mine reserves are depleted, which is typical of a mature operation. Copper and zinc grades are forecast to remain consistent with Q1 2016 for the balance of 2016.

A reconfigured hoisting facility on the intermediate level of the mine is expected to be commissioned in Q2 2016 and to improve productivity from the upper levels of the mine, where the majority of the future ore reserves are located. Management of the impact of surface ground movement on the functionality of the mine's hoisting facilities remains critical to maintaining the mine's production levels.

Pyhäsalmi Copper and Zinc Operation	Q1 2016	Q4 2015	Q1 2015
Ore tonnes milled (000's)	343	345	341
Copper ore grade processed (%)	1.3	0.9	0.9
Copper recovery (%)	98	97	97
Zinc ore grade processed (%)	1.3	1.9	2.2
Zinc recovery (%)	88	90	92
Copper production (tonnes)	4,325	3,035	2,889
Copper sales (tonnes)	4,361	2,892	3,250
Zinc production (tonnes)	4,053	5,827	7,021
Zinc sales (tonnes)	3,935	6,188	7,888
Pyrite production (tonnes)	177,149	216,031	198,855
Pyrite sales (tonnes)	210,183	218,233	229,353
Cash cost (C1) (per lb) ¹	\$0.14	\$0.42	(\$0.52)
Total cost (C3) (per lb) ¹	\$2.04	\$2.53	\$1.64
All-in sustaining cost (AISC) (per lb) ¹	\$0.22	\$0.75	\$0.06
Sales revenues	32	24	39
Gross profit (loss)	1	(3)	12
Comparative EBITDA ¹	19	11	25

¹ C1 cash cost, C3 total cost, AISC and comparative EBITDA are not recognized under IFRS. See "Regulatory Disclosures" for further information.

Copper production for Q1 2016 increased by 50% compared to Q1 2015 due to higher copper grades. Zinc production was 42% lower than Q1 2015 driven by lower zinc grades and recoveries. The fluctuation in copper and zinc grades reflects the constraint on available work areas at the mine.

C1 cash cost in Q1 2016 was \$0.66 per lb higher compared to Q1 2015 primarily due to lower by-product credits reflecting lower pyrite and zinc sales volumes, partially offset by the impact of higher copper production.

Sales revenues in Q1 2016 decreased by 18% compared to Q1 2015, reflecting lower realized copper and zinc prices and zinc sales volumes partially offset by higher copper sales volumes. Gross profit was lower in Q1 2016 compared to Q1 2015, reflecting the decline in sales revenues and higher depreciation, partially offset by lower operating costs.

Outlook

Production in 2016 is expected to be approximately 12,000 tonnes of copper and 20,000 tonnes of zinc. Pyrite production is expected to be approximately 800,000 tonnes.

Mining conditions are expected to remain challenging in the final few years of the mine life as remnant boundary and sill pillar stopes form a larger part of the throughput. A continuing emphasis on maintaining a low underground void ratio and sustaining higher volumes of tailings backfill will be paramount. A focus on dilution reduction and control remains a priority.

Kevitsa Nickel-Copper-PGE¹ Discontinued Operation	Q1 2016	Q4 2015	Q1 2015
Ore tonnes milled (000's)	1,640	1,791	1,504
Nickel ore grade processed (%)	0.2	0.2	0.2
Nickel recovery (%)	65	69	64
Nickel production (tonnes)	1,725	2,538	2,030
Nickel sales (tonnes)	1,509	2,611	1,974
Copper ore grade processed (%)	0.2	0.3	0.3
Copper recovery (%)	88	89	89
Copper production (tonnes)	3,398	4,307	4,408
Copper sales (tonnes)	3,128	5,020	4,103
Gold production (ounces)	2,525	3,631	3,002
Platinum production (ounces)	6,094	10,185	6,468
Palladium production (ounces)	4,899	8,062	4,977
Nickel cash costs (C1) (per lb) ²	\$5.27	\$3.78	\$3.87
Nickel total costs (C3) (per lb) ²	\$6.33	\$5.03	\$5.49
Copper cash costs (C1) (per lb) ²	\$2.04	\$1.46	\$1.32
Copper total costs (C3) (per lb) ²	\$2.64	\$1.67	\$2.04
Sales revenues	25	46	48
Gross profit (loss)	(14)	-	3
Net earnings (loss) for the period - discontinued operations	(266)	3	(4)
Comparative EBITDA ²	(8)	5	11

¹ Platinum-group elements ("PGE")

² C1 cash cost, C3 total cost and comparative EBITDA are not recognized under IFRS. See "Regulatory Disclosures" for further information.

As noted above, Kevitsa has been classified as a discontinued operation and accordingly, comparative 2015 financial information contained in the condensed interim Consolidated Statements of Earnings and of Cash Flows has been re-presented.

Nickel production decreased by 15% in Q1 2016 compared to Q1 2015, primarily due to lower feed grades, offset by higher throughput. Despite the lower feed grades in Q1 2016, nickel recovery maintained owing to improved metallurgical efficiencies. Copper production was similarly affected resulting in a 23% decrease compared to Q1 2015. The reduction in feed grade is characteristic of the transition between pit stages one and two which progressed through the period. Additionally, planning for the quarter was focussed on the progression of the stripping program to provide access to higher ore volumes and grades for subsequent quarters.

Nickel C1 cash cost increased by \$1.40 per lb compared to Q1 2015, primarily due to significantly lower nickel production and sales volumes driven by the transition between pit stages. The increase in nickel C1 cash cost was partially offset by lower freight charges and a reduction in processing costs.

Copper C1 cash cost increased by \$0.72 per lb compared to Q1 2015, primarily due to significantly lower copper production and sales volumes driven by the transition between pit stages. The increase in Copper C1 cash cost was partially offset by lower processing costs and higher by-product credits.

Sales revenues decreased by \$23 million compared to Q1 2015, mainly reflecting lower realized metal prices and sales volumes across all metals. Gross loss of \$14 million in Q1 2016 was \$17 million lower than gross profit achieved in Q1 2015, driven principally by the decrease in sales revenues and partially offset by lower underlying operating costs.

Outlook

Progress made with pit development in Q1 2016 provides flexibility in terms of access to material type and mineable grade, and in turn facilitates improved metallurgical performance and metal outputs from Q2 2016 onwards.

The mine-to-mill program will continue, with a particular focus on optimizing blast fragmentation of harder ore zones. This is to be supplemented by other planned modifications to the comminution circuit, aiming to increase utilization of crushing power for improved milling efficiency. As well, focus will be put on maximizing mill power utilization through development and optimization of higher level automation.

Focus will remain on increasing the recovery of nickel currently lost in the fines fraction. The impact of trials initiated in Q1 2016 will be measured throughout the remainder of 2016. The outlook on feed grades throughout 2016 is to improve as Stage 2 development continues to deeper and higher grade ore.

Subject to completing the closing conditions, the sale of Kevitsa is expected to close on or before June 1, 2016.

DEVELOPMENT ACTIVITIES

Sentinel Project, Zambia

Production ramp-up continued in Q1 2016 with positive progress toward achieving steady state operation within the process circuit. Both Train 1 and Train 2 milling circuits are now in continuous operation with periods of above nameplate throughput being achieved separately, and in combined operation. Cumulative copper production for Q1 2016 was 20,902 tonnes, with full year 2016 production guidance ranging from 135,000 to 155,000 tonnes.

Ore reporting to the plant during 2015 and Q1 2016 includes softer and more transitional material which demonstrates higher throughputs but poorer flotation performance. Despite the challenging ore, recoveries have progressively improved in line with the stabilization of plant operations, optimization of reagents for transitional ore, and introduction of new flexibility in the process circuit flowsheet providing additional optionality for treatment of transitional ores. These enhancements and improvements in operational control facilitated improved flotation performance with copper recoveries of up to 70% and 80%, which were in line with laboratory test work for the ore being treated. This is expected to progressively improve toward design recoveries throughout 2016 as the mine works through the remaining transitional ore zones and begins to access higher proportions of fresh primary sulphide ore from Q2 2016 onwards. Flotation test work has confirmed anticipated recoveries of above 90% from the primary sulphide ore.

Construction of the power lines project was completed on September 22, 2015. The power line between Lusaka West and Sentinel substations was partially energized by ZESCO on November 26, 2015. The energized section is between Lusaka West and Mumbwa substation. The 400 kilometers section of the power line between Mumbwa and Sentinel has not yet been energized and ZESCO have advised that full energization will be delayed to Q2 2016 when equipment installation at Mumbwa substation is completed, as a result of unexpected voltage concerns relating to the lower than normal hydro-electric generation in the country. ZESCO has progressively increased power supply to Sentinel on the single active 330kV power line, with increments from 90MW to 112MW on November 24, 2015, and to 120MW on January 9, 2016. Once the second power line is energized, Sentinel is expected to receive its full power requirement of 160MW. In Q2 2016, Sentinel is expected to be able to run at or near design throughput capacity with the current 120MW allocation, as a result of lower power requirements for the early transitional ore.

Kansanshi and Sentinel have been offered additional power at a premium for a portion of their total power requirements which are being met by ZESCO through imported power. 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 and the Government of Zambia are ongoing.

The Enterprise nickel mine is located approximately 12 kilometers north-west of Sentinel. Commissioning is underway for the process plant sections of Enterprise that can be incorporated into the Sentinel copper processing plant, offering additional processing flexibility in the short term. This includes the Enterprise flotation, thickening and concentrate filtration circuits. Other areas of the Enterprise plant such as milling, crushing and conveying are well advanced and are being worked as a lower priority, although full completion of these other areas along with the pre-strip mining activities remains deferred.

Cobre Panama Project, Panama

The development of Cobre Panama continued in Q1 2016. The power station and associated infrastructure continues to receive priority, with mechanical and piping disciplines ramping up in the period. Commercial power from the power station is planned during the second half of 2017, with Unit 1 commissioning scheduled ahead of Unit 2, which is planned to then initiate a revenue

stream from the project from the sale of power. Key management appointments for port and powerstation operations have been made, and are expected to be on site starting Q2 2016. The balance of the project is scheduled for a phased commissioning and ramp-up beginning in the first half of 2018, achieving commercial production throughput levels by the end of 2018.

Detailed engineering and design exceeds 80% completion. Engineering is now focused on completion of the process plant and secondary infrastructure.

Procurement activities are taking advantage of the current subdued market environment with shorter equipment deliveries and reduced pricing opportunities being realized for equipment and bulk commodities. The remaining key outstanding contract award for the power station cooling water intake structure is planned for Q2 2016.

Bulk earthworks at the process plant are on track for completion in Q2 2016. Mine pre-strip earthworks during Q1 2016 totalled 4.7 million bank cubic meters ("BCM"), including a record monthly volume of 1.64 million BCM in March 2016. The total pre-strip volume completed to end of Q1 2016 is 9.6 million BCM out of the estimated total of approximately 55 million BCM.

Total project earthworks carried out to date is 77 million m³. Total concrete placement was 157,700 m³, which represents approximately 65% of the project total. Structural steel erection is progressing well at both the port and plant site, with a total of 13,800 tonnes of structural steel erected, representing 30% of the project total. Two of the seven mill shells are installed, installation of the third mill is commencing, and mechanical works have commenced in the flotation area with overhead crane installation. During the quarter, construction also commenced in the main process plant switchyard.

Tailings management facility earthworks, including starter dams, quarry and waste dump reached 51% completion.

A revised precious metal stream agreement with Franco-Nevada was signed on November 2, 2015, and total payment of \$338 million has been received from Franco-Nevada up to the end of Q1 2016.

The Company's planned expenditure for 2016 is expected to be approximately \$650 million (First Quantum's share \$390 million). A detailed review of the Cobre Panama capital budget was performed early in the current quarter, which resulted in a revised capital cost estimate of \$5.48 billion down from the previous estimate of \$5.95 billion, leading to a total reduction of 15% from the original estimate of \$6.42 billion. The savings result from efficiencies achieved to date in the critical earthworks, concrete and construction aspects of the project, better pricing on materials and equipment procurement, together with a number of smaller cumulative savings opportunities.

Project spending to the end of Q1 2016 amounts to \$2.9 billion, including \$0.5 billion contributed by Korea Panama Mining Corporation ("KPMC"), which owns a 20% interest in the project. For the year to date the spending is \$154 million and is on track against the 2016 expenditure plan of \$650 million. The estimated costs for completion of \$2.6 billion are expected to be met by an additional contribution from KPMC of \$0.5 billion, \$0.6 billion payable by Franco-Nevada under the precious metal stream agreement and \$1.5 billion by the Company.

EXPLORATION

The Company's exploration strategy encompasses advanced stage exploration projects at Haquira in Peru and Taca Taca in Argentina; near mine resource expansion around Pyhäsalmi, Kansanshi and Çayeli; and an early stage exploration program concentrated on the search of high quality porphyry and sediment-hosted copper deposits.

In 2016, the Company continues to focus on the community and environmental aspects of the Haquira project in Peru. The Environmental Impact Assessment studies and Environmental Monitoring progressed despite underlying unfavourable socio-political conditions related to a neighbouring mine and the electoral process in Peru.

At Taca Taca, the Environmental Impact Studies continued as planned with the completion of an Alternatives study (for siting of infrastructure) and collection of baseline data. Engineering studies for purposes of the EIA are being planned for implementation in Q2 or Q3 2016. Various commercial and logistical aspects of the Taca Taca project are being examined.

During Q1 2016, near-mine exploration activities were limited to Pyhäsalmi in Finland. At Kansanshi in Zambia, a new resource definition program designed to upgrade near mine oxide reserves is planned to commence in Q2 2016. A series of targets extending laterally beyond the current mine reserve have been identified for drill testing based on detailed pit mapping and structural modelling. Elsewhere in the Kansanshi district a number of opportunities for satellite oxide resources have been identified and are to be investigated with surface geochemistry and reconnaissance drilling during the coming dry season.

Early stage exploration activities have been scaled back considerably in 2016 to commensurate with the continuing tougher economic climate. Exploration budgets and personnel have been reduced to support the Company's management of cash outflows. Some geoscience staff from the exploration group are currently involved in a number of mine-geology related

initiatives designed to improve the Company's ore-control and recovery efficiency at operational and development sites. Elsewhere, the focus has moved onto identifying longer term counter-cyclical opportunities through generative studies and grassroots prospecting. Residual low-cost data collection and reconnaissance work continues in Peru, Chile and Zambia. The Company is currently funding a drill program on a copper target at Calingiri in Western Australia as part of a joint venture with Caravel Resources.

SALES REVENUES

	Q1 2016	Q4 2015	Q1 2015
Kansanshi - copper	323	352	282
- gold	50	41	32
Las Cruces - copper	89	83	116
Guelb Moghrein - copper	35	45	44
- gold	16	17	14
Ravensthorpe - nickel	57	61	41
- cobalt	3	4	2
Çayeli - copper	26	16	24
- zinc, gold and silver	3	5	8
Pyhäsalmi - copper	17	11	17
- zinc	4	5	11
- pyrite, gold and silver	11	8	11
Corporate ¹	86	71	-
Sales revenues – continuing operations	720	719	602
Kevitsa - nickel	7	15	20
- copper	11	18	19
- gold, PGE and cobalt	7	13	9
Sales revenues – discontinued operations	25	46	48

¹ Corporate sales relate to sales hedges

Q1 2016 sales revenues from continuing operations were 20% higher than Q1 2015 due to a 44% increase in copper sales volumes, principally driven by Kansanshi, and a 140% increase in nickel sales volumes. This is offset by the impact of a 20% and 41% drop in the average LME copper and nickel prices, respectively.

The Company's revenues are recognized at provisional prices when title passes to the customer. Subsequent adjustments for final pricing are materially offset by derivative adjustments and shown on a net basis in cost of sales (see "*Hedging Program*" for further discussion).

Copper selling price (per lb) - continuing operations	Q1 2016	Q4 2015	Q1 2015
Average LME cash price	2.11	2.22	2.64
Realized copper price	2.38	2.40	2.58
Treatment/refining charges ("TC/RC") and freight charges	(0.12)	(0.12)	(0.29)
Net realized copper price	2.26	2.28	2.29

In September 2015, the Company established a sales hedging program at an average price of \$2.41. These hedges positively impacted sales revenues between November 2015 and March 2016. The impact on the average realized price for the three months ended March 31, 2016 was \$0.28 per pound (three months ended December 2015: \$0.20 per pound).

Given the recent volatility in copper prices, significant variances can arise between average LME and net realized copper price due to the timing of sales during the period.

Nickel selling price (per lb) – continuing operations	Q1 2016	Q4 2015	Q1 2015
Average LME cash price	3.85	4.28	6.51
Realized nickel price per payable lb	3.88	4.29	6.53
TC/RC and freight charges	(0.09)	(0.15)	(0.18)
Net realized nickel price per payable pound	3.79	4.14	6.35

SUMMARY FINANCIAL RESULTS

	Q1 2016	Q4 2015	Q1 2015
Gross profit (loss)			
Kansanshi	18	62	(34)
Las Cruces	12	10	35
Guelb Moghrein	15	17	7
Ravensthorpe	(26)	(24)	-
Çayeli	3	-	3
Pyhäsalmi	1	(3)	12
Corporate ¹	82	48	-
Total gross profit – continuing operations	105	110	23
Exploration	(3)	(5)	(8)
General and administrative	(17)	(17)	(24)
Impairment and related charges	-	(1)	(72)
Other expense	(15)	-	(22)
Net finance income (expense)	(2)	(7)	2
Income tax credit (expense)	(20)	31	11
Net earnings (loss) for the period – continuing operations	48	111	(90)
Net earnings (loss) for the period – discontinued operations	(266)	3	(4)
Net earnings (loss) for the period – including discontinued operations	(218)	114	(94)
Net earnings (loss) for the period from continuing operations attributable to:			
Non-controlling interests	(1)	-	(12)
Shareholders of the Company	49	111	(78)
Comparative earnings (loss)	63	182	(12)
Earnings (loss) per share – continuing operations			
Basic	\$0.07	\$0.16	(\$0.13)
Diluted	\$0.07	\$0.16	(\$0.13)
Comparative	\$0.09	\$0.27	(\$0.02)
Basic weighted average number of shares (in 000's)	685,795	684,652	595,986

¹ Corporate gross profit relates primarily to sales hedge revenue

Gross profit was 357% higher in Q1 2016 compared to Q1 2015. This is principally due to higher copper and nickel sales revenues driven by increased sales volumes, offset by lower realized average copper and nickel prices, as well as cost-saving initiatives across the organization. Gross profit for the corporate segment is driven by copper sales hedge contracts realized during the period.

Also impacting gross profit in the current quarter compared to the corresponding prior year quarter is the lower Zambian mineral royalty rate. In Q1 2015 a mineral royalty rate of 20% was paid on Kansanshi copper sales, compared with 9% in the current quarter. Depreciation costs were \$58 million higher in Q1 2016 in comparison with Q1 2015 partly as the Kansanshi smelter commenced commercial production from July 1, 2015, and depreciation of the associated assets is now charged to costs of sales. More than offsetting the increase in depreciation are the substantial cost savings realized in the current quarter compared with Q1 2015.

Due principally to the current economic climate, exploration expenditure is 63% lower in Q1 2016 compared with Q1 2015. Other expense in Q1 2016 relates to foreign exchange losses which are driven by the revaluation of non-U.S. dollar denominated

assets and liabilities. Included in Q1 2015 other expense were costs relating to the recommencement of operations at Ravensthorpe and restructuring costs which are non-recurring.

The tax charge recognized in the quarter relates to trading results.

LIQUIDITY AND CAPITAL RESOURCES

	Q1 2016	Q4 2015	Q1 2015
Cash flows from continuing operating activities	254	743	134
Cash flows from (used in) investing activities			
Payments and deposits for property, plant and equipment	(259)	(385)	(380)
Capitalized borrowing costs paid in cash	(113)	(51)	(100)
Repayment and interest from ERG on promissory note	32	23	-
Other investing activities	3	2	(8)
Cash flows from financing activities			
Net movement in debt and trading facilities	(7)	(274)	281
Other financing activities	36	16	20
Exchange gains (losses) on cash and cash equivalents	(14)	11	(2)
Net cash flows – continuing operations	(68)	85	(55)
Net cash flows – discontinued operations	(22)	4	-
Cash balance	269	365	302
Cash included within assets held for sale	6	-	-
Total assets	18,361	18,618	18,029
Total current liabilities	1,042	1,094	759
Total long-term liabilities	6,955	6,891	7,294
Cash flows from continuing operating activities per share ¹	\$0.37	\$1.09	\$0.22

¹ Cash flows per share is not recognized under IFRS. See “Regulatory Disclosures” for further information.

Operating cash flows in Q1 2016 are higher than Q1 2015 due to higher net earnings from continuing operations. The carrying value of inventory decreased during Q1 2016, partly due to the selling down of anode inventory at Kansanshi; this balance will continue be reduced in Q2 2016 as it is sold. Other operating cash flows during Q1 2016 include \$17 million in taxes paid during the quarter.

The total VAT amount accrued by the Company’s Zambian operations at March 31, 2016, is \$236 million, of which \$220 million relates to Kansanshi. In February 2015, the Government of Zambia implemented a change in the Statutory Instrument regarding VAT. VAT refund claims submitted by Kansanshi subsequent to the Statutory Instrument change have begun to be recovered. During the period March 2015 to March 2016, Kansanshi made VAT claims and accruals of \$102 million of which \$29 million has been received and \$73 million remains outstanding at March 31, 2016. VAT claims totaling \$147 million made by Kansanshi prior to February 2015 remain outstanding. The balance of VAT refunds has not been received as a result of the application of discretionary rules established and applied by the Commissioner General relating to exports from Zambia. Management is in regular discussions with the relevant government authorities in efforts to resolve the industry and country-wide dispute that has arisen and expects to come to a resolution in the near future. The Company continues to consider the outstanding VAT refunds to be fully recoverable. It is the Company’s view that as the timing of the receipt of the VAT refund remains uncertain, the Kansanshi VAT receivable of \$147 million has been classified on the balance sheet as non-current at March 31, 2016.

On February 18, 2016, the Zambian Government announced that the Cabinet had approved changes to the mining tax regime, including: retaining corporation tax on profits from mining at 30%; repealing the variable profits tax which was applicable to profits from mining at up to 15%; suspension of the 10% export duty on ores and concentrates applicable to nickel for which there are no processing facilities in Zambia; reduction in the mining royalty rates for open pit mining from 9% to a sliding scale of 4% to 6% depending on LME monthly average price. On April 13, 2016, the Zambian Government introduced a Bill into Parliament detailing the above changes. The Bill indicates that the proposed changes will take effect on April 1, 2016.

Included within other assets on the balance sheet is \$40 million relating to amounts paid by Kansanshi to ZESCO for electricity above contracted rates per the prevailing power supply agreement. In April 2014 the Energy Regulation Board (“ERB”) of Zambia issued a press release unilaterally recommending ZESCO, charge a minimum average tariff of 6.84 cents kWh for its mining customers. In May 2014 ZESCO subsequently invoiced Kansanshi for power at 6.84 cents kWh in breach of the terms of Kansanshi’s Power Supply Agreement with ZESCO. In June 2014 Kansanshi issued arbitration proceedings against ZESCO challenging this increased tariff. In December 2015 ZESCO notified Kansanshi that from January 1, 2016, power would be charged at a further increased tariff of 10.35 cents kWh and invoices have since been received using this higher tariff. The Company believes that the prevailing Power Supply Agreements remain in force, and discussions with ZESCO continue. On April 18, 2016, the Company withdrew its claims in the arbitration proceedings in light of these developments, including the further announced changes to the tariffs applicable to mining companies and the discussions underway in Zambia between the mining companies and ZESCO. ZESCO also withdrew its related claims in the arbitration. Until resolved, the Company will pay a minimum tariff of 6.84 cents kWh for power at Kansanshi. Judicial Review proceedings continue in Zambia against the ERB but there is no hearing date set. The regulatory authorities in Zambia remain closely engaged with the Company and the industry, and affordability and stability remain central themes of these discussions. Management considers the asset to be recoverable.

Capital expenditure, excluding capitalized interest, on the Company’s key development projects totalled \$259 million for the three months ended March 31, 2016 (compared to \$398 million for the same period in 2015) and comprised primarily:

- \$154 million at Cobre Panama for project development
- \$71 million at Sentinel for project development and commissioning tasks

At March 31, 2016, the Company held a current receivable balance of \$32 million in respect of the amended ENRC Promissory Note, due from ERG. Three remaining monthly payments of \$10.625 million are to be received from ERG in the second quarter of 2016, the first has been received at the date of this document. Annual interest of 10% is payable on the outstanding balance until paid. All existing security remains in place until the final payment due in June 2016 has been received.

Cash flows from continuing financing activities of \$29 million includes \$38 million contributions to Cobre Panama from KPMC during the quarter, partially offset by \$5 million repayment on the equipment financing and net payments on trading facilities during the period. From time to time, First Quantum may reduce outstanding debt, including through prepayments, redemptions, opportunistic market purchases and other means.

Liquidity outlook

The Company’s liquidity position at March 31, 2016, remained positive. At March 31, 2016, the Company had \$1,800 million of committed undrawn facilities, \$269 million in unrestricted cash, working capital of \$581 million, as well as future cash flows which support the Company’s ability to meet current obligations as they become due, and the Company was in full compliance with all covenants.

During Q1 2016, the Company initiated the process to put in place project financing for the Cobre Panama project following the finalization of the related precious metals stream agreement. Total project financing of up to \$2.5 billion is targeted to be completed by the end of the 2016 calendar year. Positive discussions continue with the Company’s wider banking group in relation to existing facilities.

At March 31, 2016, the Company had total commitments of \$745 million, of which approximately \$311 million relates to the twelve months following the period end, and is comprised primarily of capital expenditure for property, plant and equipment related to the development of Cobre Panama. In addition, the Company’s Board of Directors has approved, but has not yet committed to, further capital expenditure which is being carefully managed in line with available cash resources and approved debt facilities.

As at March 31, 2016, the Company had the following contractual obligations outstanding:

	Carrying Value	Contractual Cashflows	< 1 year	1 – 3 years	3 – 5 years	Thereafter
Debt	4,958	6,443	661	1,655	3,197	930
Trading facilities	106	106	106	-	-	-
Trade and other payables	502	502	502	-	-	-
Liability to related party	437	645	-	104	69	472
Current taxes payable	103	103	103	-	-	-
Deferred payments	34	34	3	3	3	25
Finance leases	27	36	5	9	7	15
Commitments	-	745	311	421	5	8
Restoration provisions	553	929	6	17	23	883
Total	6,720	9,543	1,697	2,209	3,304	2,333

The Company continues to be impacted by market volatility and falls in commodity prices, along with power restrictions in Zambia. As previously announced, the Company has taken a number of actions to reduce cash outflows, and manage its debt and working capital. These actions are as follows, including related impacts as at March 31, 2016:

- Agreed the sale of the Kevitsa mine to Boliden for \$712 million, expected to close on or before June 1, 2016;
- A detailed review of the Cobre Panama capital budget, which resulted in a revised capital cost estimate of \$5.48 billion, 15% below the original estimate of \$6.42 billion.
- Reductions or re-phasing of other capital programs by approximately \$800 million. These savings primarily related to the Kanshanshi S2.5 deferral and associated deferral of capitalized stripping, deferral of other smaller projects and overall reduction of sustaining capital across all the other sites;
- Work force and salary reductions, which, when combined with a detailed review of all operating costs, have led to cost savings of approximately \$116 million (excluding foreign exchange) in Q1 2016, and are expected to continue to benefit results in 2016 as further cost savings initiatives are realized;
- Hedging of copper sales at an average price of \$2.41 per pound during Q4 2015 and Q1 2016, with hedge contracts for 171,250 tonnes at average price of \$2.24 per pound outstanding at the end of Q1 2016; and
- Plans to realize up to \$150 million through the reduction of working capital.

The annual financial statements for the year ended December 31, 2015 were prepared on a going concern basis, but the Company indicated a material uncertainty that cast a significant doubt about the Company's ability to continue as a going concern. The uncertainty arose in relation to the Company's ability to meet the Net Debt to EBITDA ratio covenant under the debt Financing Agreements. However the uncertainty has since reduced following actions taken by management during Q1 2016, including the agreed sale of Kevitsa as well as embedded additional cost savings and sales hedges. The Company's current forecasts for 2016 do not indicate a potential breach of financial covenants over the next 12 months. The definitions of both Net Debt and EBITDA used in computing the ratio under the covenant are defined in the Financing Agreements and are not the same as those used by management for the purposes of this document in discussing the Company's results.

There are risks outside management control such as commodity prices and so uncertainty does remain and this is reported in the financial statements for Q1 2016. However there are various options available to management to further mitigate this risk, including additional reductions to uncommitted capital expenditure, renegotiation of financial covenants with the Company's principal bankers and further asset sales. These options are necessarily based on the agreement of other parties and, although believed to be reasonable, are nevertheless outside the Company's direct control.

Hedging program

The Company has hedging programs in respect of future copper sales and provisionally priced sales contracts. Below is a summary of the fair values of unsettled derivative financial instruments for commodity contracts recorded on the consolidated balance sheet.

	March 31, 2016	December 31, 2015
Commodity contracts:		
Asset position	26	81
Liability position	(4)	(4)

Hedging of future copper and nickel sales

The Company has entered into derivative contracts to ensure that the its exposure to the price of copper and nickel on future sales is managed so as to limit the impact of price volatility on the Company's results. As at March 31, 2016, the Company had entered into forward contracts to hedge copper at an average price of \$2.24/lb with maturities from May 2016 to August 2016, and to hedge nickel at an average price of \$4.10/lb with maturities in June 2016. The Company has elected to apply hedge accounting, with the hedges expected to be highly effective in offsetting changes in cash flows of future sales. During the three months ended March 31, 2016, \$82 million of revenue for settled hedges was realized, and a fair value gain of \$19 million was recognized on the remaining hedged positions of 171,250 tonnes of copper and 4,992 tonnes of nickel through other comprehensive income.

	Open Positions (tonnes/ounces)	Average Contract price	Closing Market price	Maturities Through
Commodity contracts:				
Copper	171,250	\$2.24/lb	\$2.20/lb	August 2016
Nickel	4,992	\$4.10/lb	\$3.76/lb	June 2016

As at the date of this document, the Company has sales hedge positions outstanding of 200,000 tonnes of copper at an average price of \$2.26/lb and 2,400 tonnes of nickel at an average price of \$4.20/lb.

Provisional pricing and derivative contracts

A portion of the Company's metal sales is sold on a provisional pricing basis whereby sales are recognized at prevailing metal prices when title transfers to the customer and final pricing is not determined until a subsequent date, typically two months later. The difference between final price and provisional invoice price is recognized in net earnings. In order to mitigate the impact of these adjustments on net earnings, the Company enters into derivative contracts to directly offset the pricing exposure on the provisionally priced contracts. The provisional pricing gains or losses and offsetting derivative gains or losses are both recognized as a component of cost of sales. Derivative assets are presented in other assets and derivative liabilities are presented in other liabilities with the exception of copper, gold and nickel embedded derivatives which are included within accounts receivable.

As at March 31, 2016, the following derivative positions in provisionally priced sales and commodity contracts not designated as hedged instruments were outstanding:

	Open Positions (tonnes/ounces)	Average Contract price	Closing Market price	Maturities Through
Embedded derivatives in provisionally priced sales contracts:				
Copper	87,755	\$2.20/lb	\$2.20/lb	July 2016
Nickel	2,188	\$3.84/lb	\$3.76/lb	May 2016
Gold	27,428	\$1,231/oz	\$1,235/oz	June 2016
Zinc	1,600	\$0.80/lb	\$0.81/lb	May 2016
Platinum	4,952	\$976/oz	\$973/oz	April 2016
Palladium	3,844	\$564/oz	\$570/oz	April 2016
Commodity contracts:				
Copper	89,130	\$2.20/lb	\$2.20/lb	July 2016
Nickel	2,188	\$3.84/lb	\$3.76/lb	May 2016
Gold	27,473	\$1,231/oz	\$1,235/oz	June 2016
Zinc	1,600	\$0.80/lb	\$0.81/lb	May 2016
Platinum	4,952	\$976/oz	\$973/oz	April 2016
Palladium	3,844	\$564/oz	\$570/oz	April 2016

As at March 31, 2016, substantially all of the Company's metal sales contracts subject to pricing adjustments were hedged by offsetting derivative contracts.

EQUITY

At the date of this report, the Company has 689,331,082 shares outstanding.

At the date of this report, the Company has requested the cancellation of admission of the Company's shares to the standard segment of the UK Listing Authority's Official List and to trading in the Company's shares on the London Stock Exchange's main market for listed securities. Pursuant to UK Listing Rule 5.2.8, the cancellation notice period has now commenced and cancellation is expected to take effect from 8:00 am on May 31, 2016.

First Quantum listed its shares on the London Alternative Investment Market (AIM) in 2001 as a secondary listing. In 2007 this secondary listing was moved to the main market of the London Stock Exchange (LSE). The Company had hoped this LSE listing would provide additional liquidity for First Quantum shares. However, while shares have traded for 15 years on the London Stock Exchange, trading volumes remain very low as the Company's shareholders have chosen to continue trading through the main listing on the Toronto Stock Exchange, as well as more recently through alternative trading systems in the US and Canada. The Company has therefore decided to delist from the London Stock Exchange given the costs and administration of maintaining this secondary listing.

SUMMARY OF RESULTS

The following unaudited tables set out a summary of quarterly and annual results for the Company:

Continuing operations

Consolidated operating statistics	Q1 14	Q2 14	Q3 14	Q4 14	2014	Q1 15	Q2 15	Q3 15	Q4 15	2015	Q1 16
<i>Sales revenues</i>											
Copper	\$613	\$652	\$612	\$554	\$2,431	\$482	\$427	\$481	\$578	\$1,968	\$573
Nickel	115	127	129	121	492	41	67	65	61	234	57
Gold	53	62	58	45	218	50	50	64	61	225	69
PGE and other elements	29	33	33	35	130	29	14	22	19	84	21
Total sales revenues	810	874	832	755	3,271	602	558	632	719	2,511	720
Gross profit	270	281	231	169	951	23	54	100	110	287	105
EBITDA ¹	337	362	369	277	1,345	95	141	172	229	637	254
Comparative EBITDA ¹	348	381	335	255	1,319	106	148	254	224	732	269
Net earnings (loss) attributable to shareholders of the Company	119	129	129	448	825	(78)	(104)	(430)	111	(501)	49
Comparative earnings (loss)	123	151	144	56	474	(12)	20	66	182	256	63
Basic earnings (loss) per share	\$0.20	\$0.22	\$0.21	\$0.75	\$1.38	(\$0.13)	(\$0.17)	(\$0.63)	\$0.16	(\$0.77)	\$0.07
Comparative earnings (loss) per share	\$0.21	\$0.26	\$0.24	\$0.09	\$0.80	(\$0.02)	\$0.03	\$0.10	\$0.27	\$0.40	\$0.09
Diluted earnings (loss) per share	\$0.20	\$0.22	\$0.21	\$0.75	\$1.38	(\$0.13)	(\$0.17)	(\$0.63)	\$0.16	(\$0.77)	\$0.07
Dividends declared per common share (\$CDN per share)	\$0.0930	-	\$0.0504	-	\$0.1434	\$0.0487	-	\$0.0330	-	\$0.0817	\$0.0100
Basic weighted average # shares (000's) ²	587,191	587,164	591,244	595,994	595,994	595,986	621,686	684,513	684,652	646,823	685,795
<i>Cash flows per share from operating activities</i>	\$0.13	\$0.28	\$0.36	\$0.29	\$1.08	\$0.22	\$0.12	\$0.21	\$1.09	\$1.69	\$0.37
<i>Copper statistics</i>											
Total copper production (tonnes)	109,130	103,160	96,755	101,075	410,120	91,910	99,940	103,289	115,886	411,025	119,287
Total copper sales (tonnes)	97,549	108,662	96,159	89,291	391,661	91,082	79,678	101,359	119,534	391,653	131,267
Realized copper price (per lb)	3.12	2.98	3.13	2.93	3.04	2.58	2.67	2.36	2.40	2.49	2.38
TC/RC (per lb)	(0.14)	(0.14)	(0.14)	(0.15)	(0.14)	(0.16)	(0.17)	(0.16)	(0.10)	(0.15)	(0.11)
Freight charges (per lb)	(0.12)	(0.12)	(0.10)	(0.09)	(0.11)	(0.13)	(0.11)	(0.02)	(0.02)	(0.06)	(0.01)
Net realized copper price (per lb)	2.86	2.72	2.89	2.69	2.79	2.29	2.39	2.18	2.28	2.28	2.26
Cash cost – copper (C1) (per lb) ¹	\$1.38	\$1.47	\$1.41	\$1.36	\$1.41	\$1.41	\$1.22	\$1.16	\$1.06	\$1.21	\$1.03
Total cost – copper (C3) (per lb) ¹	\$2.03	\$2.19	\$2.23	\$2.03	\$2.12	\$2.39	\$2.25	\$2.10	\$1.85	\$2.14	\$1.86
All-in sustaining cost (AISC) (per lb)	\$2.00	\$1.96	\$2.04	\$2.11	\$2.02	\$2.22	\$2.02	\$1.72	\$1.51	\$1.85	\$1.36
<i>Nickel statistics</i>											
Nickel produced (contained tonnes)	9,370	9,611	9,728	7,736	36,445	4,238	7,115	7,662	7,653	26,668	7,106
Nickel sales (contained tonnes)	10,420	8,825	8,824	9,912	37,981	3,732	6,556	8,062	8,583	26,933	8,940
Nickel produced (payable tonnes)	7,266	7,528	7,619	6,059	28,472	3,274	5,513	5,893	5,887	20,567	5,295
Nickel sales (payable tonnes)	8,042	6,879	6,937	7,688	29,546	2,962	5,125	6,270	6,716	21,073	6,813
Realized nickel price (per payable lb)	6.59	8.48	8.46	7.18	7.62	6.53	5.98	4.83	4.29	5.18	3.88
TC/RC (per payable lb)	(0.08)	(0.06)	(0.09)	(0.03)	(0.06)	(0.18)	(0.14)	(0.11)	(0.15)	(0.14)	(0.09)
Net realized nickel price (per payable lb)	6.51	8.42	8.37	7.15	7.56	6.35	5.84	4.72	4.14	5.04	3.79
Cash cost – nickel (C1) (per payable lb) ¹	\$4.02	\$4.26	\$4.79	\$5.04	\$4.50	\$4.66	\$4.70	\$4.60	\$4.49	\$4.60	\$4.48
Total cost – nickel (C3) (per payable lb) ¹	\$5.38	\$5.66	\$6.44	\$6.57	\$5.98	\$6.28	\$6.13	\$5.93	\$5.82	\$5.99	\$6.00
All-in sustaining cost (AISC) (per lb)	\$4.75	\$5.06	\$5.61	\$6.49	\$5.42	\$5.56	\$5.55	\$5.28	\$4.94	\$5.29	\$4.93
<i>Gold statistics</i>											
Total gold production (ounces)	57,135	57,209	48,238	54,387	216,969	49,780	53,835	53,563	53,889	211,067	56,191
Total gold sales (ounces)	50,377	56,650	50,822	45,379	203,228	47,269	47,421	61,279	57,958	213,927	63,141
Net realized gold price (per ounce)	1,059	1,097	1,126	991	1,071	1,043	1,061	1,051	1,047	1,050	1,097
<i>Zinc statistics</i>											
Zinc production (tonnes)	14,841	13,787	14,795	12,557	55,980	12,975	8,220	10,339	9,605	41,139	6,223
Zinc sales (tonnes)	12,858	15,420	15,327	12,663	56,268	13,054	7,411	10,117	11,036	41,618	5,997

¹ Cash cost (C1), total cost (C3) and EBITDA are not recognized under IFRS. See “Regulatory Disclosures” for further information. Total cost (C3) is defined as C1 cash cost plus depreciation, exploration, insurance and royalties.

² Fluctuations in average weighted shares between quarters reflects shares issued and changes in levels of treasury shares held for performance share units.

Including discontinued operations

Consolidated operating statistics	Q1 14	Q2 14	Q3 14	Q4 14	2014	Q1 15	Q2 15	Q3 15	Q4 15	2015	Q1 16
Total copper production (tonnes)	113,118	107,808	101,553	105,176	427,655	96,318	104,233	107,485	120,193	428,229	122,685
Total copper sales (tonnes)	102,786	114,449	99,132	94,836	411,203	95,185	84,382	104,613	124,554	408,734	134,395
Realized copper price (per lb)	3.10	2.97	3.11	2.91	3.03	2.56	2.65	2.28	2.28	2.43	2.38
TC/RC (per lb)	(0.14)	(0.15)	(0.14)	(0.15)	(0.14)	(0.16)	(0.18)	(0.14)	(0.11)	(0.15)	(0.12)
Freight charges (per lb)	(0.12)	(0.11)	(0.10)	(0.09)	(0.11)	(0.12)	(0.10)	(0.02)	(0.02)	(0.06)	(0.01)
Net realized copper price (per lb)	2.84	2.71	2.87	2.67	2.78	2.28	2.37	2.12	2.15	2.22	2.25
Cash cost – copper (C1) (per lb) ¹	\$1.38	\$1.45	\$1.44	\$1.35	\$1.41	\$1.39	\$1.22	\$1.18	\$1.07	\$1.21	\$1.09
Total cost – copper (C3) (per lb) ¹	\$2.03	\$2.16	\$2.26	\$2.06	\$2.12	\$2.35	\$2.24	\$2.09	\$1.82	\$2.13	\$1.94
<i>Nickel statistics</i>											
Nickel production (contained tonnes)	11,838	12,223	11,884	9,934	45,879	6,268	9,059	9,955	10,190	35,472	8,831
Nickel sales (contained tonnes)	14,097	10,651	10,812	12,189	47,749	5,706	8,721	10,733	11,195	36,355	10,448
Nickel production (payable tonnes)	9,503	9,900	9,316	7,767	36,486	4,851	7,026	7,608	7,890	27,375	6,645
Nickel sales (payable tonnes)	11,113	8,344	8,417	9,374	37,248	4,360	6,662	8,299	8,706	28,027	7,985
Realized nickel price (per payable lb)	6.57	8.45	8.47	7.20	7.58	6.56	5.98	4.81	4.24	5.18	3.86
TC/RC (per payable lb)	(0.60)	(0.41)	(0.03)	(0.12)	(0.31)	(0.13)	(0.08)	(0.18)	(0.27)	(0.18)	(0.22)
Net realized nickel price (per payable lb)	5.97	8.04	8.44	7.08	7.27	6.43	5.90	4.63	3.97	5.00	3.64
Cash cost – nickel (C1) (per payable lb) ¹	\$4.37	\$4.16	\$4.52	\$4.49	\$4.40	\$4.40	\$4.68	\$4.56	\$4.31	\$4.50	\$5.73
Total cost – nickel (C3) (per payable lb) ¹	\$5.65	\$5.51	\$5.77	\$6.06	\$5.82	\$5.99	\$6.39	\$5.62	\$5.62	\$5.88	\$7.52
<i>Gold statistics</i>											
Total gold production (ounces)	60,164	60,723	51,446	57,480	229,813	52,782	56,725	56,887	57,520	223,914	58,717
Total gold sales (ounces)	53,126	60,135	52,235	48,608	214,104	49,880	50,804	63,411	61,371	225,466	65,059
Net realized gold price (per ounce)	1,056	1,102	1,124	989	1,071	1,036	1,044	1,042	1,024	1,037	1,067
<i>Platinum statistics</i>											
Platinum production (ounces)	8,857	9,210	6,712	9,311	34,090	6,468	6,104	9,142	10,185	31,899	6,094
Platinum sales (ounces)	9,931	10,558	5,079	8,330	33,898	7,310	7,223	8,486	11,847	34,866	6,207
<i>Palladium statistics</i>											
Palladium production (ounces)	6,485	7,000	5,271	7,234	25,990	4,977	4,731	7,426	8,062	25,196	4,899
Palladium sales (ounces)	7,769	7,285	4,536	6,256	25,846	5,342	5,431	6,447	9,231	26,451	4,706
<i>Zinc statistics</i>											
Zinc production (tonnes)	14,841	13,787	14,795	12,557	55,980	12,975	8,220	10,339	9,605	41,139	6,223
Zinc sales (tonnes)	12,858	15,420	15,327	12,663	56,268	13,054	7,411	10,117	11,036	41,618	5,997

¹ Cash cost (C1), total cost (C3) and EBITDA are not recognized under IFRS. See “Regulatory Disclosures” for further information. Total cost (C3) is defined as C1 cash cost plus depreciation, exploration, insurance and royalties.

² Fluctuations in average weighted shares between quarters reflects shares issued and changes in levels of treasury shares held for performance share units.

Kansanshi statistics	Q1 14	Q2 14	Q3 14	Q4 14	2014	Q1 15	Q2 15	Q3 15	Q4 15	2015	Q1 16
<i>Mining</i>											
Waste mined (000's tonnes)	9,343	11,927	17,725	15,971	54,966	12,043	17,119	21,816	19,751	70,729	15,957
Ore mined (000's tonnes)	5,688	6,563	7,859	6,835	26,945	6,838	9,166	9,057	9,044	34,105	7,940
<i>Processing</i>											
Sulphide ore processed (000's)	2,701	2,347	1,366	1,530	7,944	1,389	1,503	2,478	2,926	8,296	2,888
Sulphide ore grade processed (%)	1.0	0.8	1.0	1.0	0.9	0.9	0.9	0.8	0.7	0.8	0.7
Sulphide ore recovery (%)	92	91	91	89	91	90	92	91	92	91	88
Mixed ore processed (000's tonnes)	1,316	1,770	3,064	3,263	9,413	3,288	3,342	2,359	1,960	10,949	1,990
Mixed ore grade processed (%)	1.1	1.1	1.2	1.1	1.1	1.1	1.0	1.0	1.1	1.1	1.0
Mixed ore recovery (%)	72	75	74	70	73	68	68	71	73	72	88
Oxide ore processed (000's tonnes)	1,923	2,448	1,853	1,753	7,977	1,367	1,760	1,773	1,895	6,795	1,637
Oxide ore grade processed (%)	2.2	1.7	1.6	1.6	1.8	1.5	1.6	1.3	1.7	1.5	1.5
Oxide ore recovery (%)	82	83	85	81	83	89	79	82	83	80	92
Copper cathode produced (tonnes)	28,022	29,813	25,162	19,365	102,362	14,915	18,750	18,434	14,191	66,290	15,329
Copper cathode tolled produced (tonnes)	2,560	-	-	-	2,560	-	-	-	-	-	-
Copper in concentrate produced (tonnes)	39,967	36,483	38,356	42,559	157,365	38,631	38,266	36,078	47,409	160,384	42,746
Total copper production	70,549	66,296	63,518	61,924	262,287	53,546	57,016	54,512	61,600	226,674	58,075
Concentrate grade (%)	24.2	22.5	23.9	22.2	23.3	23.4	22.5	20.8	19.6	21.1	19.9
<i>Smelting²</i>											
Concentrate processed (DMT) ²	-	-	-	-	-	-	-	254,709	228,427	709,188	244,144
Copper anodes produced (tonnes) ²	-	-	-	-	-	-	-	57,085	46,493	150,292	52,506
Smelter copper recovery (%)	-	-	-	-	-	-	-	98	97	98	98
Acid tonnes produced (000's)	-	-	-	-	-	-	-	229	214	645	239
Gold produced (ounces)	39,734	41,760	36,232	36,705	154,431	32,592	35,182	34,474	34,009	136,257	35,743
<i>Cash Costs (per lb)¹</i>											
Mining	\$0.64	\$0.73	\$0.57	\$0.61	\$0.64	\$0.67	\$0.56	\$0.67	\$0.60	\$0.62	\$0.70
Processing	0.78	0.84	0.91	0.93	0.86	0.88	0.69	0.61	0.43	0.65	0.52
Site administration	0.07	0.09	0.08	0.05	0.07	0.09	0.06	0.06	0.04	0.06	0.06
TC/RC and freight charges	0.37	0.34	0.30	0.31	0.33	0.40	0.59	0.20	0.12	0.29	0.07
Gold credit	(0.29)	(0.30)	(0.29)	(0.22)	(0.27)	(0.27)	(0.33)	(0.28)	(0.21)	(0.26)	(0.30)
Total smelter costs	-	-	-	-	-	-	(0.20)	0.08	0.11	0.02	0.13
Cash cost (C1) (per lb) ¹	\$1.57	\$1.70	\$1.57	\$1.68	\$1.63	\$1.77	\$1.37	\$1.34	\$1.09	\$1.38	\$1.18
Total cost (C3) (per lb) ¹	\$2.04	\$2.22	\$2.21	\$2.17	\$2.16	\$2.75	\$2.38	\$2.23	\$1.82	\$2.28	\$1.94
<i>Revenues (\$ millions)</i>											
Copper cathodes	\$207	\$244	\$229	\$228	\$908	\$137	\$124	\$108	\$95	\$464	\$74
Copper anode	-	-	-	-	-	16	-	139	248	403	239
Copper in concentrates	183	185	142	108	618	129	112	29	9	279	10
Gold	40	48	38	26	152	32	32	34	41	139	50
Total sales revenues	\$430	\$477	\$409	\$362	\$1,678	\$314	\$268	\$310	\$393	\$1,285	\$373
Copper cathode sales (tonnes)	27,153	36,580	32,921	31,386	128,040	20,202	19,372	20,036	22,238	81,848	15,892
Copper tolled cathode sales (tonnes)	2,560	-	-	-	2,560	-	-	-	-	-	-
Copper anode sales (tonnes)	-	-	-	-	-	2,922	127	27,338	52,635	83,022	52,866
Copper in concentrate sales (tonnes)	33,357	36,629	25,391	21,335	116,712	30,380	24,789	7,182	2,972	65,323	3,464
Gold sales (ounces)	37,728	43,784	33,366	27,731	142,609	31,307	30,459	31,542	38,664	131,972	44,132

¹ Cash cost (C1) and total cost (C3) are not recognized under IFRS. See "Regulatory Disclosures" for further information. Total cost (C3) is defined as C1 cash cost plus depreciation, exploration, insurance and royalties.

² Quarterly statistics are presented from the date of commercial production. Annual statistics are inclusive of pre-commercial production. Concentrate processed in smelter and copper anodes produced are disclosed on a 100% basis, inclusive of Sentinel concentrate processed.

Las Cruces statistics	Q1 14	Q2 14	Q3 14	Q4 14	2014	Q1 15	Q2 15	Q3 15	Q4 15	2015	Q1 16
<i>Mining</i>											
Waste mined (000's tonnes)	852	4,476	7,096	6,629	19,053	2,615	3,154	7,190	2,500	15,459	1,737
Ore mined (000's tonnes)	362	558	422	350	1,692	298	566	476	197	1,537	267
<i>Processing</i>											
Copper ore processed (000's tonnes)	375	372	413	379	1,539	362	388	370	380	1,500	378
Copper ore grade processed (%)	5.5	5.1	4.8	5.2	5.1	5.1	5.1	5.2	5.3	5.2	5.2
Recovery (%)	91	90	89	89	90	91	88	90	93	90	92
Copper cathode produced (tonnes)	18,675	17,197	17,693	17,525	71,090	16,694	17,362	17,365	18,608	70,029	18,045
<i>Cash Costs (per lb)¹</i>											
Cash cost (C1) (per lb) ¹	\$0.98	\$0.89	\$1.03	\$0.95	\$0.96	\$0.97	\$0.87	\$0.73	\$1.03	\$0.90	\$0.84
Total cost (C3) (per lb) ¹	\$1.92	\$2.00	\$2.04	\$1.94	\$1.97	\$1.90	\$2.07	\$1.84	\$1.90	\$1.93	\$1.82
<i>Revenues (\$ millions)</i>											
Copper cathode	\$132	\$129	\$126	\$104	\$491	\$116	\$101	\$94	\$83	\$394	\$89
Copper cathode sales (tonnes)	18,657	18,867	18,002	15,594	71,120	19,598	16,600	17,484	16,884	70,566	18,972

¹ Cash cost (C1) and total cost (C3) are not recognized under IFRS. See "Regulatory Disclosures" for further information. Total cost (C3) is defined as C1 cash cost plus depreciation, exploration, insurance and royalties.

Guelb Moghrein statistics	Q1 14	Q2 14	Q3 14	Q4 14	2014	Q1 15	Q2 15	Q3 15	Q4 15	2015	Q1 16
<i>Mining</i>											
Waste mined (000's tonnes)	4,390	4,755	3,394	4,601	17,140	2,972	6,198	4,245	4,130	17,545	3,283
Ore mined (000's tonnes)	682	730	703	971	3,086	829	840	751	498	2,918	693
<i>Processing</i>											
Sulphide ore processed (000's tonnes)	738	729	621	969	3,057	1,001	1,014	979	1,021	4,015	1,014
Sulphide ore grade processed (%)	1.3	1.2	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.2	1.2
Recovery (%)	93	92	92	91	92	92	91	92	91	92	93
Copper in concentrate produced	8,847	8,069	6,395	9,768	33,079	10,642	11,141	11,373	11,845	45,001	11,062
Gold produced (ounces)	13,849	12,256	8,942	13,901	48,948	14,468	16,240	16,154	17,145	64,007	17,240
<i>Cash Costs (per lb)¹</i>											
Mining	\$0.56	\$0.78	\$0.67	\$0.43	\$0.60	\$0.43	\$0.32	\$0.38	\$0.38	\$0.38	\$0.30
Processing	1.06	1.14	1.32	0.94	1.09	0.68	0.67	0.68	0.60	0.67	0.60
Site administration	0.21	0.24	0.37	0.21	0.25	0.18	0.16	0.19	0.12	0.16	0.14
TC/RC and freight charges	0.52	0.57	0.61	0.57	0.57	0.58	0.67	0.59	0.48	0.57	0.46
Gold credit	(0.79)	(0.86)	(0.86)	(0.84)	(0.84)	(0.76)	(0.83)	(0.75)	(0.75)	(0.77)	(0.82)
Cash cost (C1) (per lb) ¹	\$1.56	\$1.87	\$2.11	\$1.31	\$1.67	\$1.11	\$0.99	\$1.09	\$0.83	\$1.01	\$0.68
Total cost (C3) (per lb) ¹	\$2.20	\$2.62	\$2.94	\$2.07	\$2.41	\$1.80	\$1.70	\$1.70	\$1.49	\$1.67	\$1.31
<i>Revenues (\$ millions)</i>											
Copper in concentrates	\$39	\$35	\$54	\$48	\$176	\$44	\$46	\$74	\$45	\$209	\$35
Gold	10	12	17	15	54	14	17	28	17	76	16
Total sales revenues	\$49	\$47	\$71	\$63	\$230	\$58	\$63	\$102	\$62	\$285	\$51
Copper in concentrate sales (tonnes)	6,360	6,064	9,152	8,519	30,095	9,010	9,470	17,614	11,228	47,322	9,622
Gold sales (ounces)	9,075	9,488	13,917	13,421	45,901	12,860	14,568	26,585	16,667	70,680	15,573

¹ Cash cost (C1) and total cost (C3) are not recognized under IFRS. See "Regulatory Disclosures" for further information. Total cost (C3) is defined as C1 cash cost plus depreciation, exploration, insurance and royalties.

Ravensthorpe statistics	Q1 14	Q2 14	Q3 14	Q4 14	2014	Q1 15	Q2 15	Q3 15	Q4 15	2015	Q1 16
<i>Processing</i>											
Beneficiated ore processed (000's tonnes)	761	828	829	710	3,128	369	528	687	750	2,334	709
Beneficiated ore grade processed (%)	1.6	1.5	1.5	1.4	1.5	1.4	1.5	1.4	1.4	1.4	1.3
Nickel recovery – leach feed to NI produced (%)	85	83	84	82	84	92	93	85	84	88	84
Nickel produced (contained tonnes)	9,370	9,611	9,728	7,736	36,445	4,238	7,115	7,662	7,653	26,668	7,106
Nickel produced (payable tonnes)	7,266	7,528	7,619	6,059	28,472	3,274	5,513	5,893	5,887	20,567	5,295
<i>Cash Costs (per lb)¹</i>											
Mining	\$0.74	\$0.74	\$0.80	\$0.94	\$0.80	\$0.86	\$0.81	\$0.84	\$0.96	\$0.87	\$0.99
Processing	2.76	2.99	3.39	3.64	3.18	3.24	3.12	3.25	2.94	3.12	2.97
Site administration	0.26	0.28	0.32	0.29	0.29	0.43	0.42	0.32	0.31	0.36	0.27
TC/RC and freight charges	0.48	0.48	0.49	0.41	0.46	0.39	0.60	0.46	0.53	0.51	0.46
Cobalt credit	(0.22)	(0.23)	(0.22)	(0.24)	(0.23)	(0.26)	(0.25)	(0.27)	(0.25)	(0.26)	(0.21)
Cash cost (C1) (per lb) ¹	\$4.02	\$4.26	\$4.79	\$5.04	\$4.50	\$4.66	\$4.70	\$4.60	\$4.49	\$4.60	\$4.48
Total cost (C3) (per lb) ¹	\$5.38	\$5.66	\$6.44	\$6.57	\$5.98	\$6.28	\$6.13	\$5.93	\$5.82	\$5.99	\$6.00
<i>Revenues (\$ millions)</i>											
Nickel	\$115	\$127	\$129	\$121	\$492	\$41	\$67	\$65	\$61	\$234	\$57
Cobalt	4	4	3	4	15	2	2	4	4	12	3
Total sales revenues	\$119	\$131	\$132	\$125	\$507	\$43	\$69	\$69	\$65	\$246	\$60
Nickel sales (contained tonnes)	10,420	8,825	8,824	9,912	37,981	3,732	6,556	8,062	8,583	26,933	8,940
Nickel sales (payable tonnes)	8,042	6,879	6,937	7,688	29,546	2,962	5,125	6,270	6,716	21,073	6,813

¹ Cash cost (C1) and total cost (C3) are not recognized under IFRS. See “Regulatory Disclosures” for further information. Total cost (C3) is defined as C1 cash cost plus depreciation, exploration, insurance and royalties.

Çayeli statistics	Q1 14	Q2 14	Q3 14	Q4 14	2014	Q1 15	Q2 15	Q3 15	Q4 15	2015	Q1 16
<i>Mining</i>											
Ore mined (000's tonnes)	332	337	321	366	1,356	327	303	313	290	1,233	328
<i>Processing</i>											
Ore milled (000's tonnes)	337	332	324	348	1,341	332	315	312	270	1,229	326
Copper ore grade processed (%)	2.7	3.0	2.5	2.8	2.7	2.6	2.2	2.4	2.6	2.5	2.5
Copper ore recovery (%)	80	83	77	81	80	81	81	78	81	81	86
Zinc ore grade processed (%)	4.4	3.8	4.7	4.1	4.3	3.3	2.7	3.2	2.8	3.0	1.7
Zinc ore recovery (%)	66	62	65	60	63	55	55	54	51	54	39
Copper produced (tonnes)	7,142	8,229	6,169	7,820	29,360	7,136	5,746	5,816	5,606	24,304	6,878
Zinc produced (tonnes)	9,791	7,898	10,016	8,513	36,218	5,954	4,599	5,477	3,778	19,808	2,170
<i>Cash Costs (per lb)^{1, 2}</i>											
Cash cost – Copper (C1) (per lb) ¹	\$0.76	\$0.80	\$1.04	\$1.02	\$0.90	\$1.02	\$1.34	\$1.43	\$1.41	\$1.29	\$1.18
Total cost – Copper (C3) (per lb) ¹	\$1.72	\$1.63	\$2.43	\$1.66	\$1.83	\$2.04	\$2.19	\$2.53	\$1.79	\$2.15	\$1.83
<i>Revenues (\$ millions)</i>											
Copper	\$32	\$38	\$42	\$43	\$155	\$24	\$30	\$22	\$16	\$92	\$26
Zinc	10	11	15	11	47	6	5	4	3	18	2
Other	1	3	3	3	10	2	1	1	2	6	1
Total sales revenues	\$43	\$52	\$60	\$57	\$212	\$32	\$36	\$27	\$21	\$116	\$29
Copper sales (tonnes)	5,711	7,264	7,847	8,419	29,241	5,720	6,747	5,672	4,262	22,401	7,295
Zinc sales (tonnes)	8,639	9,069	10,228	9,362	37,298	5,166	4,967	4,499	4,847	19,479	2,062

¹ Cash cost (C1) and total cost (C3) are not recognized under IFRS. See “Regulatory Disclosures” for further information. Total cost (C3) is defined as C1 cash cost plus depreciation, exploration, insurance and royalties.

Pyhäsalmi statistics	Q1 14	Q2 14	Q3 14	Q4 14	2014	Q1 15	Q2 15	Q3 15	Q4 15	2015	Q1 16
<i>Mining</i>											
Ore mined (000's tonnes)	342	360	340	360	1,402	341	341	350	352	1,384	320
<i>Processing</i>											
Ore milled (000's tonnes)	342	347	345	343	1,377	341	346	347	345	1,379	343
Copper ore grade processed (%)	1.2	1.0	0.9	1.2	1.1	0.9	0.9	1.0	0.9	0.9	1.3
Copper ore recovery (%)	97	96	95	97	96	97	97	96	97	97	98
Zinc ore grade processed (%)	1.6	1.9	1.5	1.3	1.6	2.2	1.2	1.6	1.9	1.7	1.3
Zinc ore recovery (%)	90	91	90	89	90	92	90	89	90	91	88
Copper produced (tonnes)	3,917	3,369	2,980	4,038	14,304	2,889	2,877	3,245	3,035	12,046	4,325
Zinc produced (tonnes)	5,050	5,889	4,780	4,043	19,762	7,021	3,621	4,862	5,827	21,331	4,053
Pyrite produced (tonnes)	196,884	224,388	219,224	200,433	840,929	198,855	204,493	220,327	216,031	839,706	177,149
<i>Cash Costs (per lb)¹</i>											
Cash cost – Copper (C1) (per lb) ¹	\$0.52	\$0.18	\$0.09	(\$0.49)	\$0.06	(\$0.52)	\$0.84	\$0.55	\$0.42	\$0.30	\$0.14
Total cost – Copper (C3) (per lb) ¹	\$2.54	\$2.24	\$2.24	\$1.49	\$2.11	\$1.64	\$2.96	\$2.62	\$2.53	\$2.42	\$2.04
<i>Revenues (\$ millions)</i>											
Copper	\$22	\$20	\$18	\$24	\$84	\$17	\$13	\$15	\$11	\$56	\$17
Zinc	5	8	8	5	26	11	3	6	5	25	4
Pyrite	5	6	6	11	28	8	2	5	6	21	7
Other	5	4	2	4	15	3	3	4	2	12	4
Total sales revenues	\$37	\$38	\$34	\$44	\$153	\$39	\$21	\$30	\$24	\$114	\$32
Copper sales (tonnes)	3,750	3,259	2,847	4,038	13,894	3,250	2,573	3,561	2,892	12,276	4,361
Zinc sales (tonnes)	4,219	6,351	5,100	3,300	18,970	7,888	2,444	5,619	6,188	22,139	3,935
Pyrite sales (tonnes)	191,801	216,244	211,949	320,849	940,843	229,353	104,919	198,224	218,233	750,729	210,183

¹ Cash cost (C1) and total cost (C3) are not recognized under IFRS. See “Regulatory Disclosures” for further information. Total cost (C3) is defined as C1 cash cost plus depreciation, exploration, insurance and royalties.

Production of copper during Sentinel's commissioning phase is shown below for information purposes.

Sentinel statistics	Q1 14	Q2 14	Q3 14	Q4 14	2014	Q1 15	Q2 15	Q3 15	Q4 15	2015	Q1 16
<i>Processing</i>											
Copper produced (tonnes)	-	-	-	-	-	1,003	5,799	10,979	15,190	32,971	20,902

Discontinued operations

Kevitsa statistics	Q1 14	Q2 14	Q3 14	Q4 14	2014	Q1 15	Q2 15	Q3 15	Q4 15	2015	Q1 16
<i>Mining</i>											
Total tonnes mined (000's tonnes)	5,626	7,357	6,880	8,302	28,165	8,514	10,072	9,029	9,322	36,937	8,900
<i>Processing</i>											
Ore tonnes milled (000's tonnes)	1,527	1,809	1,666	1,709	6,711	1,504	1,559	1,811	1,791	6,665	1,640
Nickel ore grade processed (%)	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Nickel recovery (%)	65	61	56	63	61	64	66	67	69	67	65
Nickel production (tonnes)	2,469	2,611	2,156	2,197	9,433	2,030	1,944	2,293	2,538	8,805	1,725
Copper ore grade processed (%)	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2
Copper recovery (%)	88	89	87	84	87	89	89	90	89	89	88
Copper production (tonnes)	3,988	4,648	4,798	4,101	17,535	4,408	4,293	4,196	4,307	17,204	3,398
Gold production (ounces)	3,029	3,514	3,208	3,093	12,844	3,002	2,890	3,324	3,631	12,847	2,525
Platinum production (ounces)	8,857	9,210	6,712	9,311	34,090	6,468	6,104	9,142	10,185	31,899	6,094
Palladium production (ounces)	6,485	7,000	5,271	7,234	25,990	4,977	4,731	7,426	8,062	25,196	4,899
Cash cost – Nickel (C1) (per lb) ^{1,2}	\$5.19	\$4.02	\$3.24	\$2.66	\$4.07	\$3.87	\$4.61	\$4.41	\$3.78	\$4.16	\$5.27
Total cost – Nickel (C3) (per lb) ^{1,2}	\$6.23	\$5.13	\$4.41	\$4.31	\$5.29	\$5.49	\$7.32	\$4.54	\$5.03	\$5.54	\$6.33
Cash cost – Copper (C1) (per lb) ^{1,2}	\$1.52	\$0.97	\$2.19	\$1.11	\$1.42	\$1.32	\$1.22	\$1.56	\$1.46	\$1.38	\$2.04
Total cost – Copper (C3) (per lb) ^{1,2}	\$2.30	\$1.66	\$3.01	\$2.24	\$2.27	\$2.04	\$2.23	\$1.68	\$1.67	\$1.90	\$2.64
<i>Revenues (\$ millions)</i>											
Nickel	\$31	\$20	\$28	\$25	\$104	\$20	\$21	\$19	\$15	\$75	\$7
Copper	31	33	16	29	109	19	22	13	18	72	11
Gold	3	4	1	3	11	2	3	2	3	10	2
PGE and other	16	14	8	9	47	7	6	7	10	30	5
Total sales revenues	\$81	\$71	\$53	\$66	\$271	\$48	\$52	\$41	\$46	\$187	\$25
Nickel sales (tonnes)	3,677	1,825	1,989	2,277	9,768	1,974	2,165	2,671	2,611	9,421	1,509
Copper sales (tonnes)	5,237	5,787	2,973	5,545	19,542	4,103	4,704	3,254	5,020	17,081	3,128
Gold sales (ounces)	2,749	3,485	1,413	3,229	10,876	2,611	3,383	2,132	3,413	11,539	1,918
Platinum sales (ounces)	9,931	10,558	5,079	8,330	33,898	7,310	7,223	8,486	11,847	34,866	6,207
Palladium sales (ounces)	7,769	7,285	4,536	6,256	25,846	5,342	5,431	6,447	9,231	26,451	4,706

¹ Cash cost (C1) and total cost (C3) are not recognized under IFRS. See “Regulatory Disclosures” for further information. Total cost (C3) is defined as C1 cash cost plus depreciation, exploration, insurance and royalties.

² C1 cash cost and C3 total cost are calculated on a co-product basis for nickel and copper. Common costs are allocated to each product based on the ratio of production volumes multiplied by budget metal prices. By-product credits are allocated based on the finished product concentrate in which they are produced.

REGULATORY DISCLOSURES

Seasonality

The Company's results as discussed in this MD&A are subject to seasonal aspects, in particular the wet season in Zambia. The rainy season in Zambia generally starts in November and continues through April, with the heaviest rainfall normally experienced in the months of January, February and March. As a result of the rainy season, pit access and the ability to mine ore is lower in the first quarter of the year than other quarters and the cost of mining is higher.

Off-balance sheet arrangements

The Company had no off-balance sheet arrangements as of the date of this report.

Non-GAAP financial measures

This document refers to cash cost (C1), total cost (C3) and all-in sustaining cost (AISC) per unit of payable production, operating cash flow per share, EBITDA and comparative earnings, which are not measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS.

The calculation of these measures is described below, and may differ from those used by other issuers. The Company discloses these measures in order to provide assistance in understanding the results of the operations and to provide additional information to investors.

Calculation of cash cost, total cost and all-in sustaining cost

The consolidated cash cost (C1) and total cost (C3) presented by the Company are measures that are prepared on a basis consistent with the industry standard definitions but are not measures recognized under IFRS. In calculating the C1 cash cost and C3 total cost for each segment, the costs are prepared on the same basis as the segmented financial information that is contained in the financial statements.

C1 cash cost includes all mining and processing costs less any profits from by-products such as gold, cobalt or platinum group elements. TC/RC and freight deductions on metal sales, which are typically recognized as a component of sales revenues, are added to C1 cash cost to arrive at an approximate cost of finished metal. C3 total cost is C1 cash cost plus depreciation, exploration, insurance and royalties.

All-in sustaining cost (AISC) is defined as cash cost (C1) plus general and administrative expenses, capitalized stripping, sustaining capital expenditures and royalties.

Group Cost of Sales – continuing operations	Q1 2016	Q4 2015	Q1 2015
Copper	(524)	(513)	(515)
Nickel	(86)	(89)	(43)
Other	(5)	(7)	(21)
Total cost of sales	(615)	(609)	(579)

Copper Operations - continuing	Q1 2016	Q4 2015	Q1 2015
Cost of sales	(524)	(513)	(515)
Adjustments:			
Depreciation	169	125	117
By-product credits	83	71	75
Royalties	35	41	76
Treatment and refining charges and freight costs	(30)	(30)	(57)
Finished goods	51	66	24
Other	3	12	5
Cash cost (C1)	(213)	(228)	(275)
Adjustments:			
Depreciation (excluding depreciation in finished goods)	(145)	(133)	(111)
Royalties	(35)	(41)	(76)
Other	(1)	(2)	(4)
Total cost (C3)	(394)	(404)	(466)
Cash cost (C1)	(213)	(228)	(275)
Adjustments:			
General and administration costs	(14)	(14)	(22)
Sustaining capital expenditure and deferred stripping	(27)	(48)	(58)
Royalties	(35)	(41)	(76)
AISC	(289)	(331)	(431)
Cash cost – copper (C1) (per lb) ²	\$1.03	\$1.06	\$1.41
Total cost – copper (C3) (per lb) ²	\$1.86	\$1.85	\$2.39
Total cost – copper AISC (per lb) ²	\$1.36	\$1.51	\$2.22

¹ Total copper production includes initial production at Sentinel of 20,902 tonnes for the three months ended March 31, 2016. Total copper sales includes initial sales at Sentinel of 18,796 tonnes for the three months ended March 31, 2016.

² C1 cash cost, C3 and AISC total cost are calculated by applying either copper sales or production payable tonnages to the relevant associated cost.

Nickel Operations - continuing	Q1 2016	Q4 2015	Q1 2015
Cost of sales	(86)	(89)	(43)
Adjustments:			
Depreciation	15	15	9
By-product credits	3	4	2
Royalties	2	3	1
Treatment and refining charges and freight costs	(1)	(2)	(1)
Finished goods	14	9	(1)
Other	-	1	(1)
Cash cost (C1)	(53)	(59)	(34)
Adjustments:			
Depreciation (excluding depreciation in finished goods)	(15)	(14)	(9)
Royalties	(2)	(3)	(1)
Other	(1)	-	-
Total cost (C3)	(71)	(76)	(44)
Cash cost (C1)	(53)	(59)	(34)
Adjustments:			
General and administration costs	(3)	(3)	(2)
Sustaining capital expenditure and capitalized stripping	-	-	(2)
Royalties	(2)	(3)	(2)
AISC	(58)	(65)	(40)
Cash cost – nickel (C1) (per lb) ¹	\$4.48	\$4.49	\$4.66
Total cost – nickel (C3) (per lb) ¹	\$6.00	\$5.82	\$6.28
Total cost – nickel (AISC) (per lb) ¹	\$4.93	\$4.94	\$5.56

¹ C1 cash cost, C3 and AISC total cost are calculated by applying either nickel sales or production payable tonnages to the relevant associated cost.

Calculation of operating cash flow per share, EBITDA and comparative earnings

In calculating the operating cash flow per share, the operating cash flow calculated for IFRS purposes is divided by the basic weighted average common shares outstanding for the respective period. EBITDA is calculated as operating profit before depreciation and impairment charges.

Comparative EBITDA, comparative earnings and comparative earnings per share are non-GAAP measures which measure the performance of the Company, excluding certain impacts which the Company believes are not reflective of the Company's underlying performance for the reporting period. These include foreign exchange gains and losses, gains and losses on disposal of assets, one-time costs related to acquisitions, dispositions, restructuring and other transactions and revisions in estimates of restoration provisions at closed sites.

	Q1 2016	Q4 2015	Q1 2015
Operating profit (loss) from continuing operations	70	87	(103)
Add back:			
Depreciation	184	141	126
Impairment and related charges	-	1	72
EBITDA	254	229	95
Adjustments:			
Foreign exchange (gain) loss	11	(4)	5
Leach tank failure at Ravensthorpe	-	-	8
Restructuring costs	-	-	2
Loss on disposal of assets	-	-	2
Revisions in estimates of restoration provisions on closed sites	4	(1)	(6)
Total adjustments to EBITDA	15	(5)	11
Comparative EBITDA	269	224	106

	Q1 2016	Q4 2015	Q1 2015
Net earnings (loss) from continuing operations attributable to shareholders of the Company	49	111	(78)
Adjustments attributable to shareholders of the Company:			
Total adjustments to EBITDA including impairment	15	(4)	83
Tax on adjustments	(2)	29	(10)
Minority interest share of adjustments	1	46	(7)
Comparative earnings	63	182	(12)
Earnings (loss) per share from continuing operations as reported	\$0.07	\$0.16	(\$0.13)
Comparative earnings per share	\$0.09	\$0.27	(\$0.02)

Significant judgments, estimates and assumptions in applying accounting policies

Many of the amounts disclosed in the financial statements involve the use of judgments, estimates and assumptions. These judgments and estimates are based on management's knowledge of the relevant facts and circumstances at the time, having regard to prior experience, and are continually evaluated.

(i) Significant judgments

- Determination of ore reserves and resources

Judgments about the amount of product that can be economically and legally extracted from the Company's properties are made by management using a range of geological, technical and economic factors, history of conversion of mineral deposits to proven and probable reserves as well as data regarding quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates. This process may require complex and difficult geological judgments to interpret the data. The Company uses qualified persons (as defined by the Canadian Securities Administrators' National Instrument 43-101) to compile this data.

Changes in the judgments surrounding proven and probable reserves may impact the carrying value of property, plant and equipment, restoration provisions, recognition of deferred income tax amounts and depreciation.

- Achievement of commercial production

Once a mine or smelter reaches the operating levels intended by management, depreciation of capitalized costs begins. Significant judgment is required to determine when certain of the Company's assets reach this level; management consider several factors including: completion of a reasonable period of commissioning; consistent operating results achieved at a pre-determined level of design capacity and indications exist that this level will continue; mineral recoveries at or near expected levels; and the transfer of operations from development personnel to operational personnel has been completed.

During the year ended December 31, 2015, the Company concluded that the Kansanshi smelter was operating in a manner intended by management and commercial production was effective from July 1, 2015.

- Taxes

Judgment is required in determining the recognition and measurement of deferred income tax assets and liabilities on the balance sheet. In the normal course of business the Company is subject to assessment by taxation authorities in various jurisdictions. These authorities may have different interpretations of tax legislation or tax agreements than those applied by the Company in computing current and deferred income taxes. These different interpretations may alter the timing or amounts of taxable income or deductions. The final amount of taxes to be paid or recovered depends on a number of factors including the outcome of audits, appeals and negotiation. The Company provides for potential differences in interpretation based a best estimate of the probable outcome of these matters. Changes in these estimates could result in material adjustments to the Company's current and deferred income taxes.

- Functional currency

The functional currency of the Company and for each of the Company's subsidiaries is the United States dollar ("USD"), which is the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgments to determine the primary economic environment and this is re-evaluated for each new entity, or if conditions change.

- Precious metal stream arrangement

On October 5, 2015, the Company finalized an agreement with Franco-Nevada Corporation ("Franco-Nevada") for the delivery of precious metals from the Cobre Panama project. Franco-Nevada will provide \$1 billion deposit to the Cobre Panama project against future deliveries of gold and silver produced by the mine.

Management has determined that under the terms of the agreement the Company meets the 'own-use' exemption criteria under IAS 39: *Financial Instruments*. The Company also retains significant business risk relating to the completion of the project and delivery of produced gold and silver and as such has accounted for the proceeds received as deferred revenue.

Management has exercised judgment in determining the appropriate accounting treatment for the Franco-Nevada streaming agreement. Management has determined, with reference to the agreed contractual terms in conjunction with the Cobre Panama reserves and mine plan, that the Franco-Nevada contribution to capital expenditure constitutes a prepayment of revenues deliverable from future Cobre Panama production.

- Assessment of impairment indicators

Management applies significant judgment in assessing each cash generating units and assets for the existence of indicators of impairment at the reporting date. Internal and external factors are considered in assessing whether indicators of impairment are present that would necessitate impairment testing. Significant assumptions regarding commodity prices, operating costs, capital expenditures and discount rates are used in determining whether there are any indicators of impairment. These assumptions are reviewed by senior management.

- (ii) Significant accounting estimates and assumptions

Estimates are inherently uncertain and therefore actual results may differ from the amounts included in the financial statements, potentially having a material future effect on the Company's consolidated financial statements. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

- Determination of ore reserves and life of mine plan

Reserves are estimates of the amount of product that can be economically and legally extracted from the Company's properties. Estimating the quantity and/or grade of reserves requires the size, shape and depth of ore bodies or fields to be determined by analyzing geological data such as drilling samples. Following this, the quantity of ore that can be extracted in an economical manner is calculated using data regarding the life of mine plans and forecast sales prices (based on current and long-term historical average price trends).

The majority of the Company's property, plant and equipment are depreciated over the estimated lives of the assets on a units-of-production basis. The calculation of the units-of-production rate, and therefore the annual depreciation expense could be materially affected by changes in the underlying estimates which are driven by the life of mine plans. Changes in estimates can be the result of actual future production differing from current forecasts of future production, expansion of mineral reserves through exploration activities, differences between estimated and actual costs of mining and differences in the commodity prices used in the estimation of mineral reserves.

Management made significant estimates of the strip ratio for each production phase. Waste material stripping costs in excess of this ratio, and from which future economic benefit will be derived from future access to ore, will be capitalized to mineral property and depreciated on a units-of-production basis.

Changes in the proven and probable reserves estimates may impact the carrying value of property, plant and equipment, restoration provisions, recognition of deferred income tax amounts and depreciation.

- Review of asset carrying values and impairment charges

The Company reviews the carrying value of assets each reporting period to determine whether there is any indication of impairment using both internal and external sources of information. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in net earnings. The Company has determined that each mine location is a cash-generating unit. Goodwill is not amortized, but rather the cash-generating-unit ("CGU") to which the goodwill has been allocated is tested for impairment on an annual basis to ensure that the carrying value exceeds the recoverable amount.

External sources of information regarding indications of impairment include considering the changes in market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount or timing of mining interests. Internal sources of information include changes to the life of mine plans and economic performance of the assets.

Management's determination of recoverable amounts include estimates of mineral prices, recoverable reserves, and operating, capital and restoration costs are subject to certain risks and uncertainties that may affect the recoverability of mineral property costs. The calculation of the recoverable amount can also include assumptions regarding the appropriate discount rate and inflation and exchange rates. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its projects.

- Estimation of the amount and timing of restoration and remediation costs

Accounting for restoration provisions requires management to make estimates of the future costs the Company will incur to complete the restoration and remediation work required to comply with existing laws, regulations and agreements in place at each mining operation and any environmental and social principles the Company is in compliance with. The calculation of the present value of these costs also includes assumptions regarding the timing of restoration and remediation work, applicable risk-free interest rate for discounting those future cash outflows, inflation and foreign exchange rates and assumptions relating to probabilities of alternative estimates of future cash outflows. Actual costs incurred may differ from those amounts estimated. Also, future changes to environmental laws and regulations could increase the extent of restoration work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for restoration.

The provision represents management's best estimate of the present value of the future restoration and remediation costs. The actual future expenditures may differ from the amounts currently provided; any increase in future costs could materially impact the amounts included in the liability disclosed in the consolidated balance sheet.

- Taxes

The Company operates in a specialized industry and in a number of tax jurisdictions. As a result, its income is subject to various rates of taxation. The breadth of its operations and the global complexity and interpretation of tax regulations require assessments of uncertainties and estimates of the taxes that the Company will ultimately pay. Final taxes payable and receivable are dependent on many factors, including negotiations with tax authorities in various jurisdictions, outcomes of tax litigation and resolution of disputes. The resolution of these uncertainties may result in adjustments to the Company's tax assets and liabilities.

The Company recognizes deferred income tax assets arising from unutilized tax losses which require management to assess the likelihood that the Company will generate taxable earnings in future periods in order to utilize those losses, and the timing of this. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. Forecast cash flows are based on life of mine projections.

To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred income tax assets recorded at the balance sheet date could be impacted. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods from deferred income tax assets.

- Inventory

In valuing inventories at the lower of cost and net realizable value, the Company makes estimates in determining the net realizable price and in quantifying the contained metal in stockpiled ore and work in progress.

Financial instruments risk exposure

The Company's activities expose it to a variety of risks arising from financial instruments. These risks, and management's objectives, policies and procedures for managing these risks are disclosed as follows:

Credit risk

The Company's credit risk is primarily attributable to cash and bank balances, short-term deposits, derivative instruments, trade and other receivables and Promissory Note receivable. The Company's exposure to credit risk is represented by the carrying amount of each class of financial assets, including commodity contracts, recorded in the consolidated balance sheet.

The Company limits its credit exposure on cash held in bank accounts by holding its key transactional bank accounts with highly rated financial institutions. The Company manages its credit risk on short-term deposits by only investing with counterparties that carry investment grade ratings as assessed by external rating agencies and spreading the investments across these counterparties. Under the Company's risk management policy, allowable counterparty exposure limits are determined by the level of the rating unless exceptional circumstances apply. A rating of "A-" grade or equivalent is the minimum allowable rating required as assessed by international credit rating agencies. Likewise, it is the Company's policy to deal with banking counterparties for derivatives who are rated "A-" grade or above by international credit rating agencies and graduated counterparty limits are applied depending upon the rating.

Exceptions to the policy for dealing with relationship banks with ratings below "A-" are reported to, and approved by, the Audit Committee. As at March 31, 2016, substantially all cash and short-term deposits are with counterparties with ratings "A-" or higher.

The Company's credit risk associated with trade accounts receivable is managed through establishing long-term contractual relationships with international trading companies using industry-standard contract terms. Other accounts receivable consist of amounts owing from government authorities in relation to the refund of value-added taxes applying to inputs for the production process and property, plant and equipment expenditures.

Liquidity risk

The Company manages liquidity risk by maintaining cash and cash equivalent balances and available credit facilities to ensure that it is able to meet its short-term and long-term obligations as and when they fall due. Company-wide cash projections are managed centrally and regularly updated to reflect the dynamic nature of the business and fluctuations caused by commodity price and exchange rate movements.

In addition, the Company was obligated under its corporate revolving credit and term loan facility to maintain liquidity and satisfy various covenant ratio tests on an historical and prospective cash flow basis. These ratios were in compliance during the three months ended March 31, 2016, the years ended December 31, 2015, and December 31, 2014. If the Company breaches a covenant in its Financing Agreements, this would be an event of default which, if unaddressed, would entitle the lenders to make the related borrowings immediately due and payable and if made immediately due and payable all other

borrowings would also be due and payable. Refer to note 2 in the financial statements for further discussion of the Company's liquidity risk.

Market risks

a) Commodity price risk

The Company is subject to commodity price risk from fluctuations in the market prices of copper, gold, nickel, zinc and PGE and other elements.

During 2015, the Company commenced a new hedging program and elected to apply hedge accounting for a portion of copper sales with the contracts expected to be highly effective in offsetting changes in the cash flows of future sales. For the three months ended March 31, 2016, a fair value gain of \$19 million has been recognized on derivatives designated as hedged instruments through accumulated other comprehensive income and a fair value gain of \$82 million has been recognized through sales revenues. As at March 31, 2016, 171,250 tonnes of copper forward sales contracts at an average price of \$2.24 remain outstanding with periods of maturity to August 2016, and 4,992 tonnes of nickel forward sales contracts at an average price of \$4.10 remain outstanding with periods of maturity to June 2016.

The Company is also exposed to commodity price risk on diesel fuel required for mining operations and sulphur required for acid production. The Company's risk management policy allows for the management of these exposures through the use of derivative financial instruments. As at March 31, 2016 and December 31, 2015, the Company had not entered into any diesel or sulphur derivatives.

The Company's commodity price risk related to changes in fair value of embedded derivatives in accounts receivable reflecting copper, nickel, gold and zinc sales provisionally priced based on the forward price curve at the end of each quarter.

b) Interest rate risk

The Company's interest rate risk arises from interest paid on floating rate debt and the interest received on cash and short-term deposits. The Company currently capitalizes the majority of interest charges, and therefore the risk exposure is primarily on cash, and net earnings in relation to the depreciation of capitalized interest charges.

Deposits are invested on a short-term basis to ensure adequate liquidity for payment of operational and capital expenditures. To date no interest rate management products, such as swaps, are used in relation to deposits.

The Company manages its interest rate risk on borrowings on a net basis. The Company has a policy allowing floating-to-fixed interest rate swaps targeting 50% of exposure over a five-year period. As at March 31, 2016 and December 31, 2015, the Company held no floating-to-fixed interest rate swaps.

c) Foreign exchange risk

The Company's functional and reporting currency is USD. As virtually all of the Company's revenues are derived in USD and the majority of its business is conducted in USD, foreign exchange risk arises from transactions denominated in currencies other than USD. Commodity sales are denominated in USD, the majority of borrowings are denominated in USD and the majority of operating expenses are denominated in USD. The Company's primary foreign exchange exposures are to the local currencies in the countries where the Company's operations are located, principally the Zambian kwacha ("ZMW"), Australian dollar ("A\$"), Mauritanian ouguiya ("MRO"), the euro ("EUR"), the Turkish lira ("TRY") and the Argentine peso ("ARS"); and to the local currencies of suppliers who provide capital equipment for project development, principally the A\$, EUR and the South African rand ("ZAR").

The Company's risk management policy allows for the management of exposure to local currencies through the use of financial instruments at a targeted amount of up to 100% for exposures within one year down to 50% for exposures in five years.

Disclosure Controls and Procedures

The Company's disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is communicated to senior management, to allow timely decisions regarding required disclosure.

An evaluation of the effectiveness of the Company's disclosure controls and procedures, as defined under the rules of the Canadian Securities Administration, was conducted as of December 31, 2015, under the supervision of the Company's Disclosure Committee and with the participation of management. Based on the results of that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report in providing reasonable assurance that the information required to be disclosed in the Company's annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported in the securities legislation.

Since the December 31, 2015 evaluation, there have been no adverse changes to the Company's controls and procedures and they continue to remain effective.

Internal Control over Financial Reporting

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements in compliance with IFRS. The Company's internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that accurately and fairly reflect the transactions of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS;
- ensure the Company's receipts and expenditures are made only in accordance with authorization of management and the Company's directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized transactions that could have a material effect on the annual or interim financial statements.

An evaluation of the effectiveness of the Company's internal control over financial reporting was conducted as of December 31, 2015, by the Company's management, including the Chief Executive Officer and Chief Financial Officer based on the Control - Integrated Framework (2013) established by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. Based on this evaluation, management has concluded that the Company's internal controls over financial reporting were effective.

There were no changes in the Company's business activities during the period ended March 31, 2016, that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable and not absolute assurance that the objectives of the control system are met. Further, the design of a control system reflects the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

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.