

# FIRST QUANTUM MINERALS

## A Great Time To Be Building New Mines

LATIN AMERICA DOWN UNDER – MAY 2017  
Mike Christie : Director Exploration



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TSX: FM

May 2017



## **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

**Some of the statements contained in the following material are forward-looking statements and not statement of facts. Such statements are based on the current beliefs of management, as well as assumptions based on management information currently available.**

**Forward-looking statements are subject to various risks, uncertainties and other factors that could cause actual results to differ materially from expected results.**

**Readers must rely on their own evaluation of these uncertainties.**

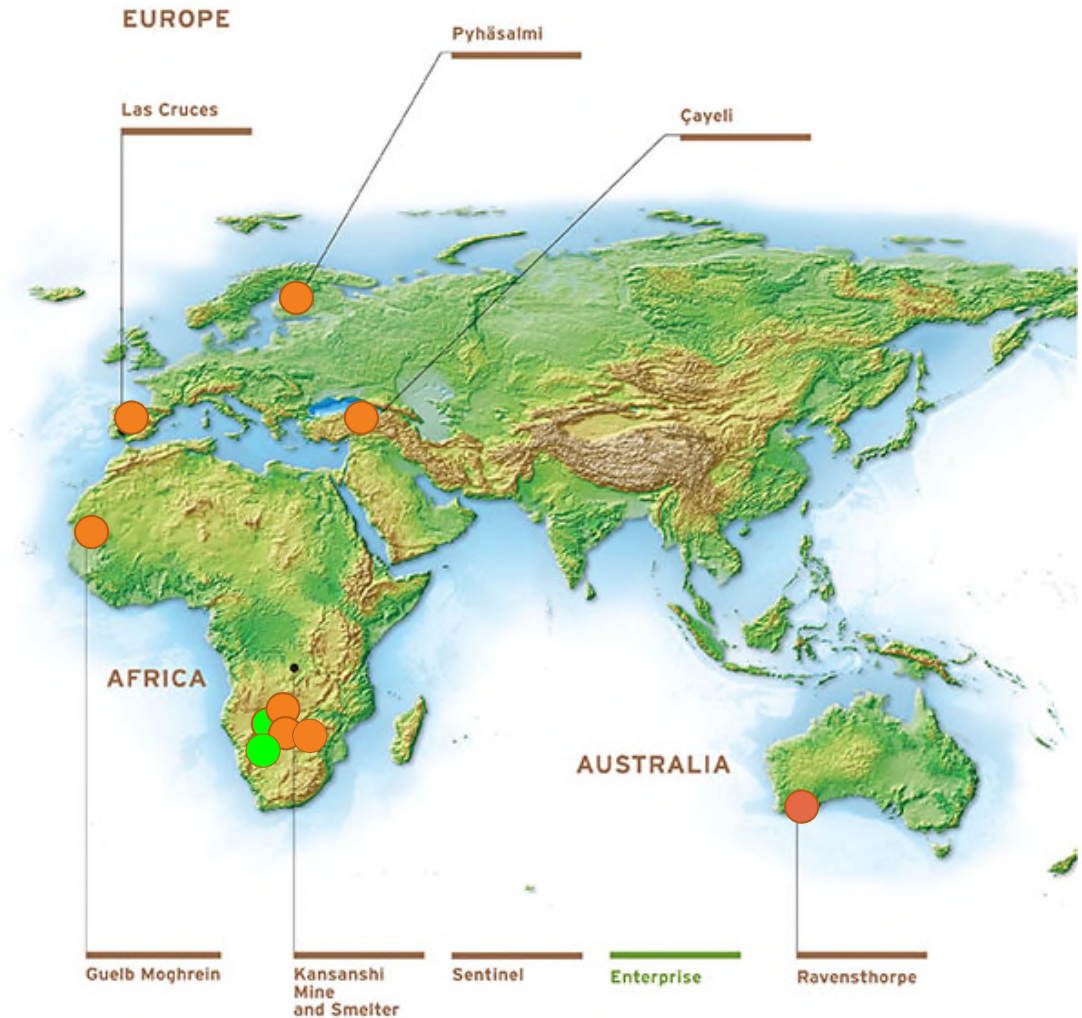
**Note: all dollar amounts in US dollars unless otherwise indicated**





● **Operations (8)**

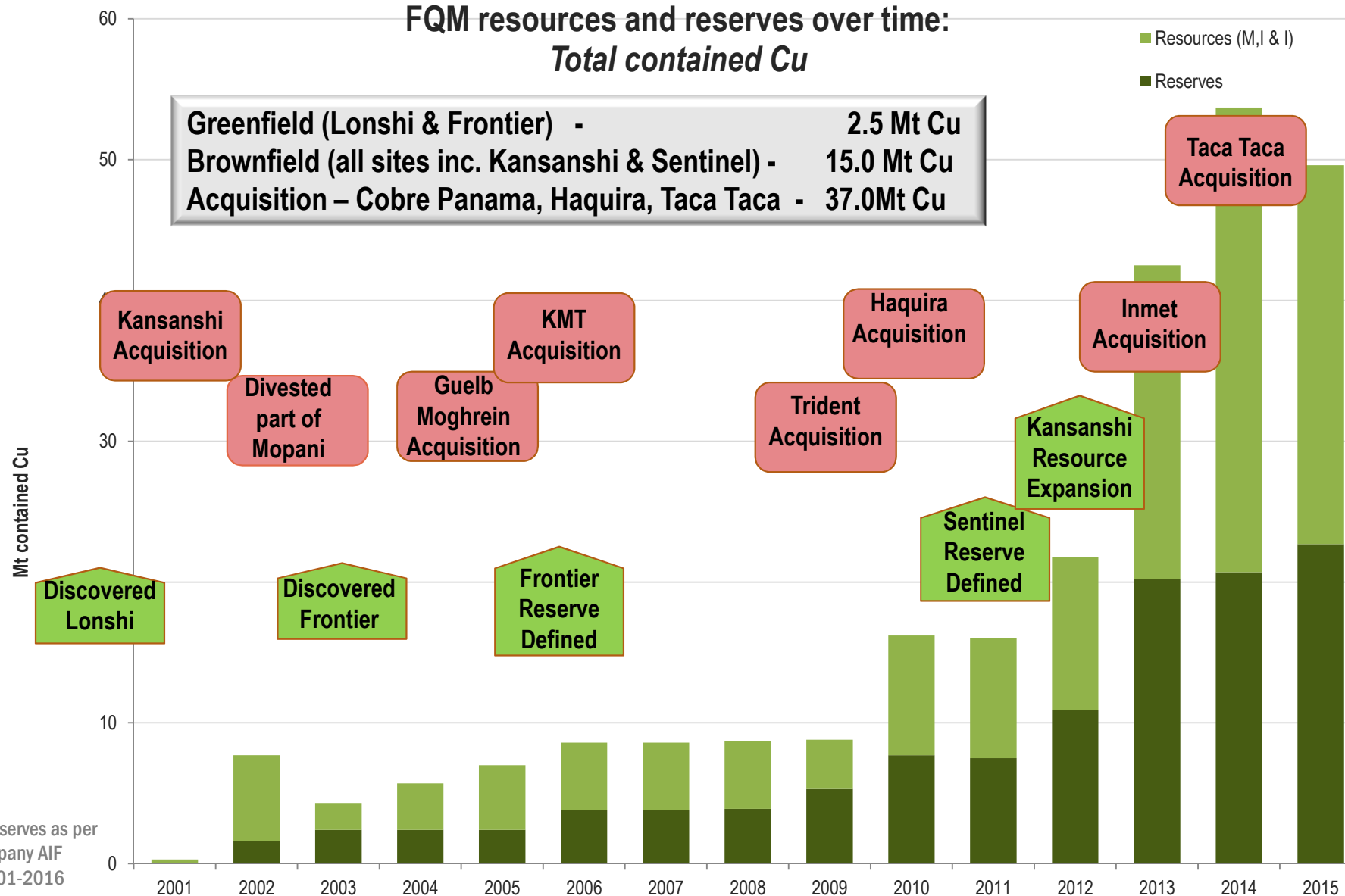
● **Development Projects (5)**



**Core Strength in Developing Projects Efficiently and Cost-Effectively**



## FQM resources and reserves over time: *Total contained Cu*





## DELIVERED ON OUR OBJECTIVES

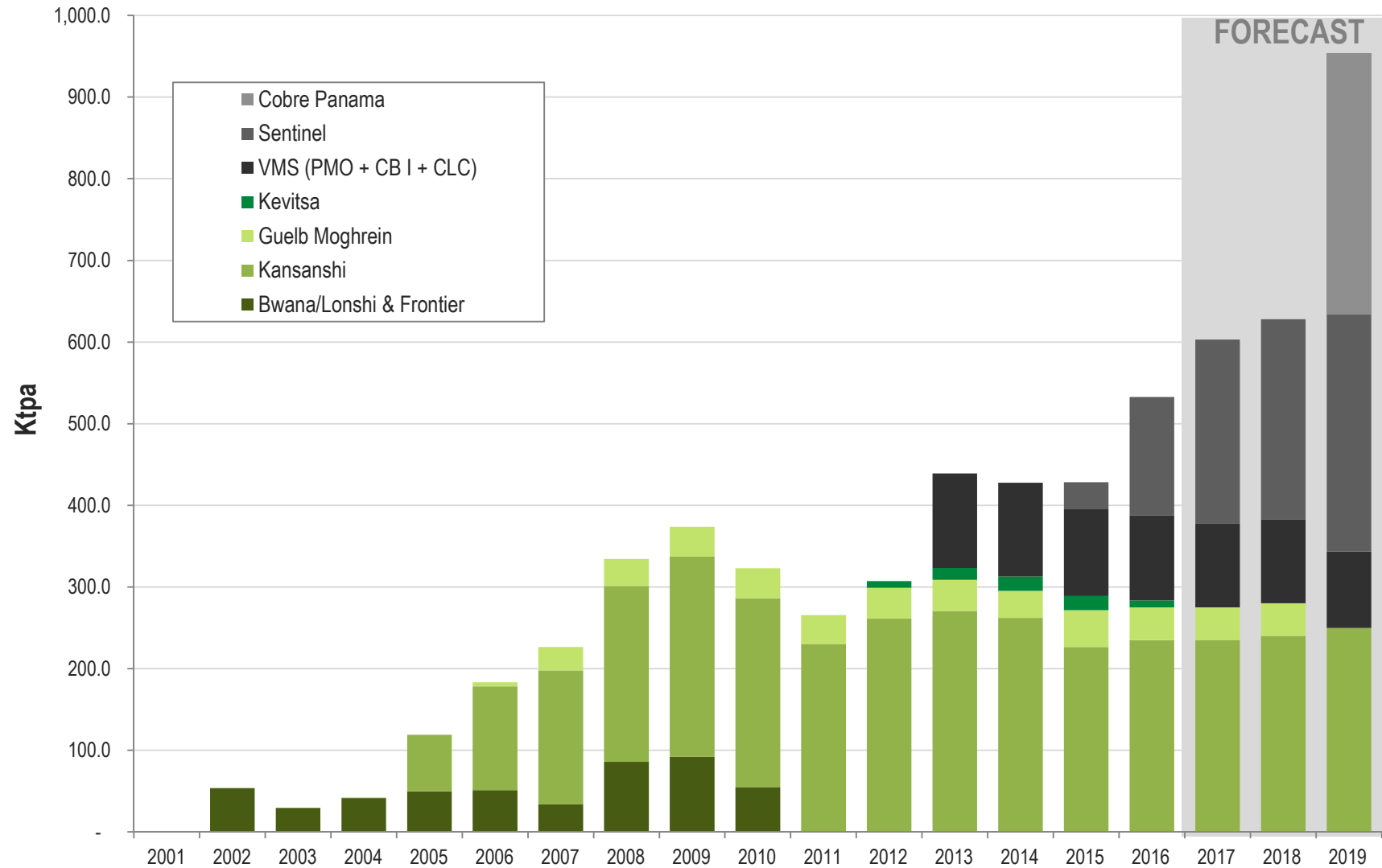
- ✓ Achieved record copper production (540kt Cu)
- ✓ Ramped up & started commercial production at Sentinel (Zambia)
- ✓ Successful first full year of commercial production from the Kansanshi smelter (Zambia)
- ✓ Lowered unit production costs
  - C1 - \$1.03/lb
  - AISC - \$1.41/lb
- ✓ Strengthened our financial position
  - Generated \$964M comparative EBITDA
  - Protected cash flows in a weak copper price market
  - Refinanced long term debt raising \$2.2B in senior notes
  - Sold the non-core Kevitsa mine for \$732M







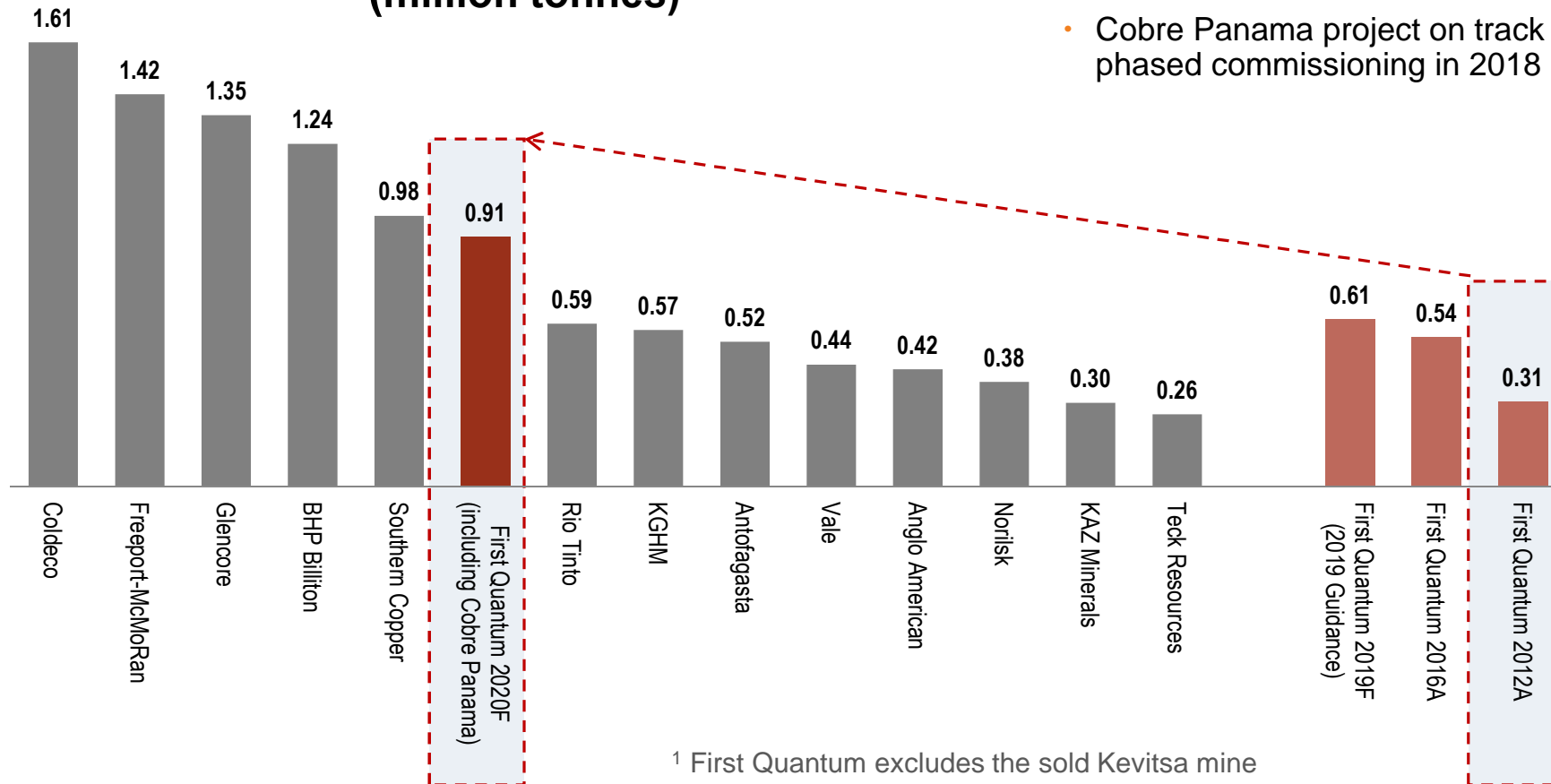
## First Quantum Cu Production





## 2019E Copper Production<sup>1</sup> (million tonnes)

- Sentinel mine began commercial production in November 2016
- Cobre Panama project on track for phased commissioning in 2018



<sup>1</sup> First Quantum excludes the sold Kevitsa mine  
2020F assumes flat year-over-year production plus  
an estimated 300K tonnes of production from Cobre Panama





# Investment in Panama

Population: ~3.75m

US Dollar economy

GDP \$82.18 billion (2015 est.)

GDP per capita \$20,900 (2015 est.)

80% of the economy is services  
4 existing pillars:

1. Panama canal;
2. Banking & financial services;
3. Colon free trade zone; and
4. Aviation & tourism

Government new to mining but supportive



## Mining Regulatory Framework

Mining reports to the Ministry of Commerce – no mining code

Law 9, 1997 (Cobre Panama project):

- 20 year term renewable twice (60 years in total 1997-2057)
- Establishes royalty regime and expatriate labour concessions
- Change in law requires consent of both MPSA and the government



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## COBRE PANAMA PROJECT HIGHLIGHTS

Orebody	Project	Timetable
<p>M&amp;I resources of 3,695mt @ 0.37%Cu</p> <p>Reserves 3,182mt @ 0.38%Cu</p> <p>Average ore feed first 10yrs = 0.43 %Cu</p> <p>Strip ratio 1:1</p> <p>40+ year mine life</p>	<p>US\$5.48 billion total capex</p> <p>\$1.78 billion remaining</p> <p>50% construction complete April 2017</p> <p>Plant ramp-up from 2018</p>	<p>2016</p> <ul style="list-style-type: none"> <li>• \$650m capex</li> <li>• FQM \$390m</li> </ul> <p>2017</p> <ul style="list-style-type: none"> <li>• \$1,060m capex</li> <li>• FQM \$640m</li> </ul> <p>2018</p> <ul style="list-style-type: none"> <li>• \$830m capex</li> <li>• FQM \$500m</li> </ul> <p>2019</p> <ul style="list-style-type: none"> <li>• \$110m capex*</li> <li>• FQM (\$90m)</li> </ul> <p>* Third Party contribution \$200m</p>





## COBRE PANAMA PROGRESS – BOXCUTS & PRE-STRIP







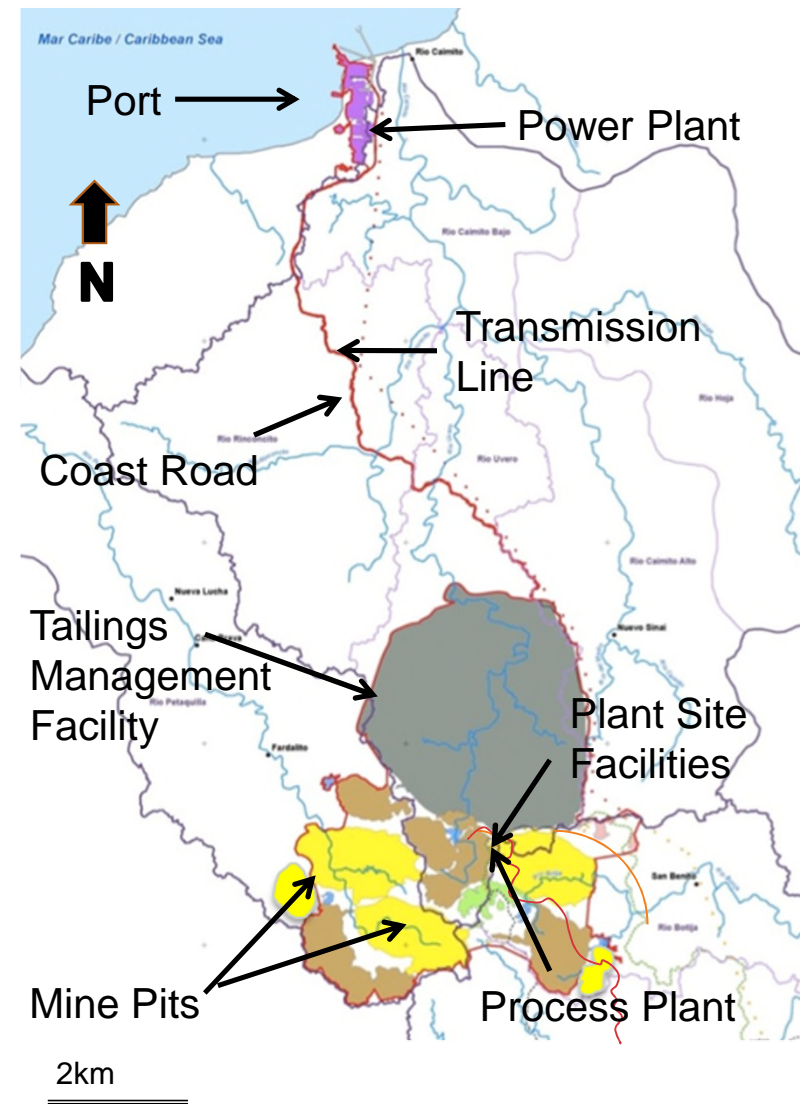
- Mining concession extended for a second 20-year term to February 2037
- Port & power station at peak construction
- Mine site & process plant areas moving towards construction peak in 2H 2017
- Priority given to the power station and associated infrastructure
- Expect first commercial power in Q4 2017 from the first 150MW unit
- 2<sup>nd</sup> 150MW unit expected to follow into operation in the 1H 2018



Cobre Panama Power Station and Port – April 2017



- Total Construction >50% complete
  - Detailed Engineering and design 85%
  - 230Kv Power line 100%
  - Power Station – pre-commissioning
  - Pre strip 55%
  - Tailings (TMF) 64%
- All 7 mills and their drives should be fully installed by the mid-2017
- Commissioning of entire operation planned to begin in 2018
- Target 60 Mtpa throughput rate in December 2018,
- Further ramp to 75Mtpa in 2019 (320ktpa Cu)







## COBRE PANAMA PROGRESS – PLANT AREA OVERVIEW



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Economic impact of Cobre Panama:  
~7000+ construction jobs  
~ 2500 operations jobs 40+ years  
~ \$2b exports/year for 40+ years  
~ 4% of Panamanian GDP



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## Cobre Panama - Progress









- Large scale porphyry copper project in southern Peru
- M&I resource of 3.7 million tonnes of contained copper equivalent plus an inferred resource of 2.4 million tonnes of copper equivalent
- 569 million tonnes at 0.56 % Cu M&I + 406 million tonnes at 0.52% Cu Inferred
- Priorities are to complete an environmental impact assessment plus conclude access and relocation agreements with surface rights holders







- Located in Salta Province, Argentina
- 2.2 Bt at 0.44% Cu (indicated) plus 0.9 Bt at 0.37% Cu (inferred)
- Preliminary drilling to identify proximal fresh water sources was carried out, initial results suggest that further drilling is warranted in targeted areas
- The EIA & Options study for site construction and operation in progress





*Finding and developing  
the next generation of  
copper mines*