



FIRST QUANTUM
MINERALS LTD.



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TSX: FM; LSE: FQM

DECEMBER 2015

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENT

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.

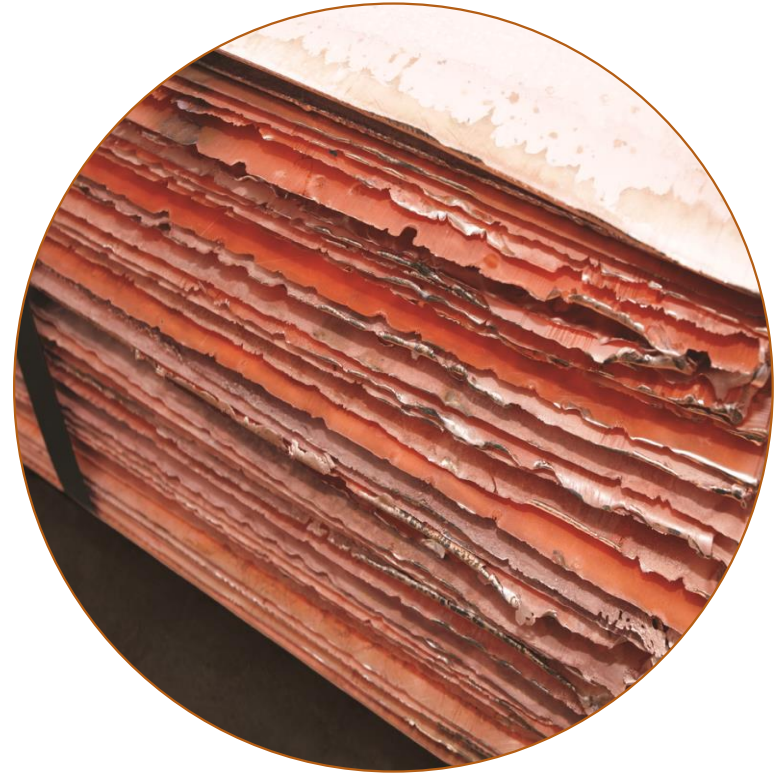
Forward-looking statements are subject to various risks, uncertainties and other factors that could cause actual results to differ materially from expected results.

Readers must rely on their own evaluation of these uncertainties.

Note: all dollar amounts in US dollars unless otherwise indicated

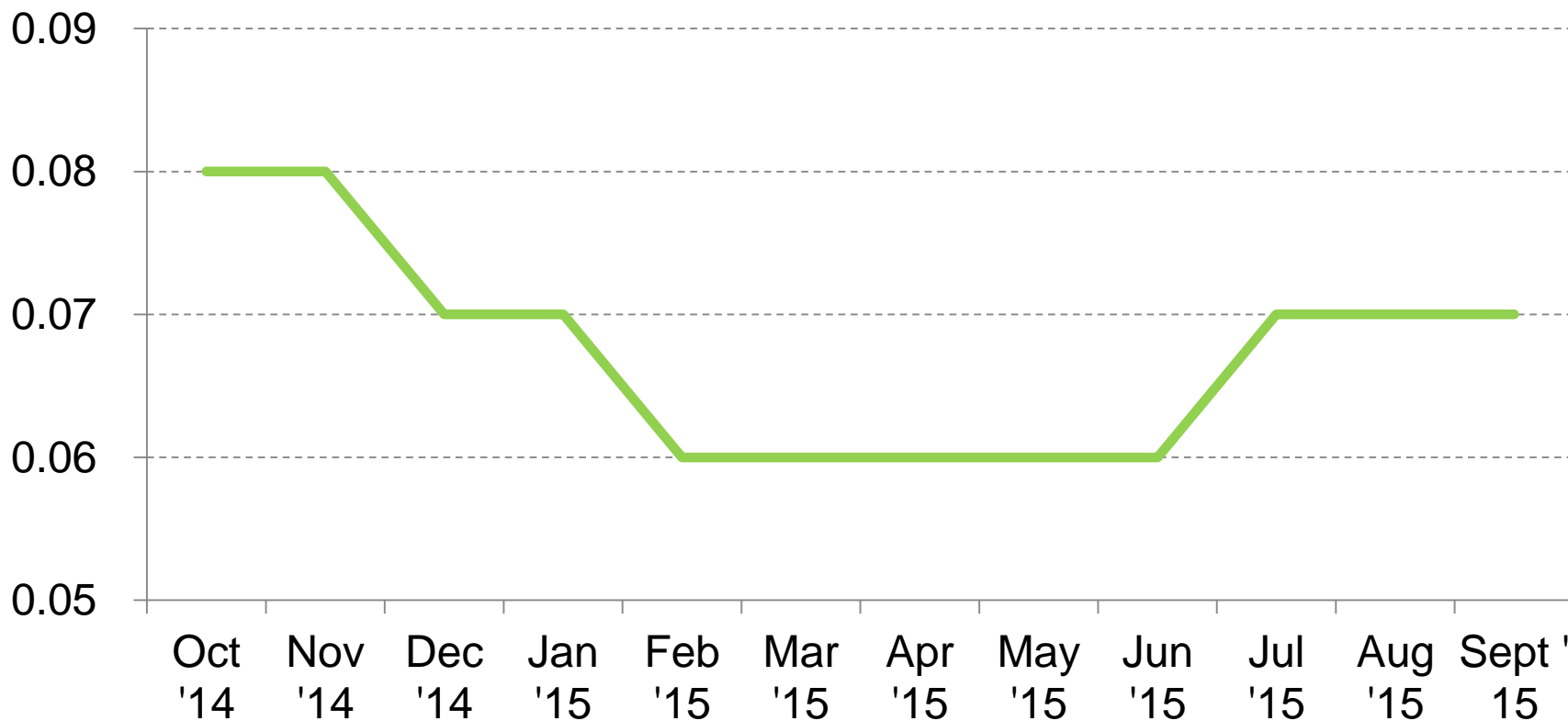
OUR PRIORITIES AMID VOLATILE MARKET CONDITIONS & LOW COMMODITY PRICES

- Operate safe and efficient mines
- Protect the balance sheet
- Ensure profitability and cash flow from operations are maximized and protected
- Limit cash outflows to essential and economically attractive projects



OPERATE SAFE & EFFICIENT MINES

12-Month Rolling Lost-time Injury Frequency Ratio



Lost-Time Injury Frequency Ratio = $\text{Lost-Time Injuries} \times 200,000 / \text{Hours Worked}$

PROTECTING THE BALANCE SHEET

ACTIONS TAKEN

Completed an equity issue for ~ Cdn\$1.4B	Q2
Re-phased and lowered the 2015 capital program by ~ \$700M	Q1
Renegotiated the ENRC Promissory Note for ~\$300M	Q3
Reduced workforce company-wide ~ 440 positions	Q1
Lowered salaries by up to 20%	Q1
Reduced dividend payout ratio by 5%	Q1
Launched a dividend re-investment and share purchase plan	Q1

PROTECTING THE BALANCE SHEET

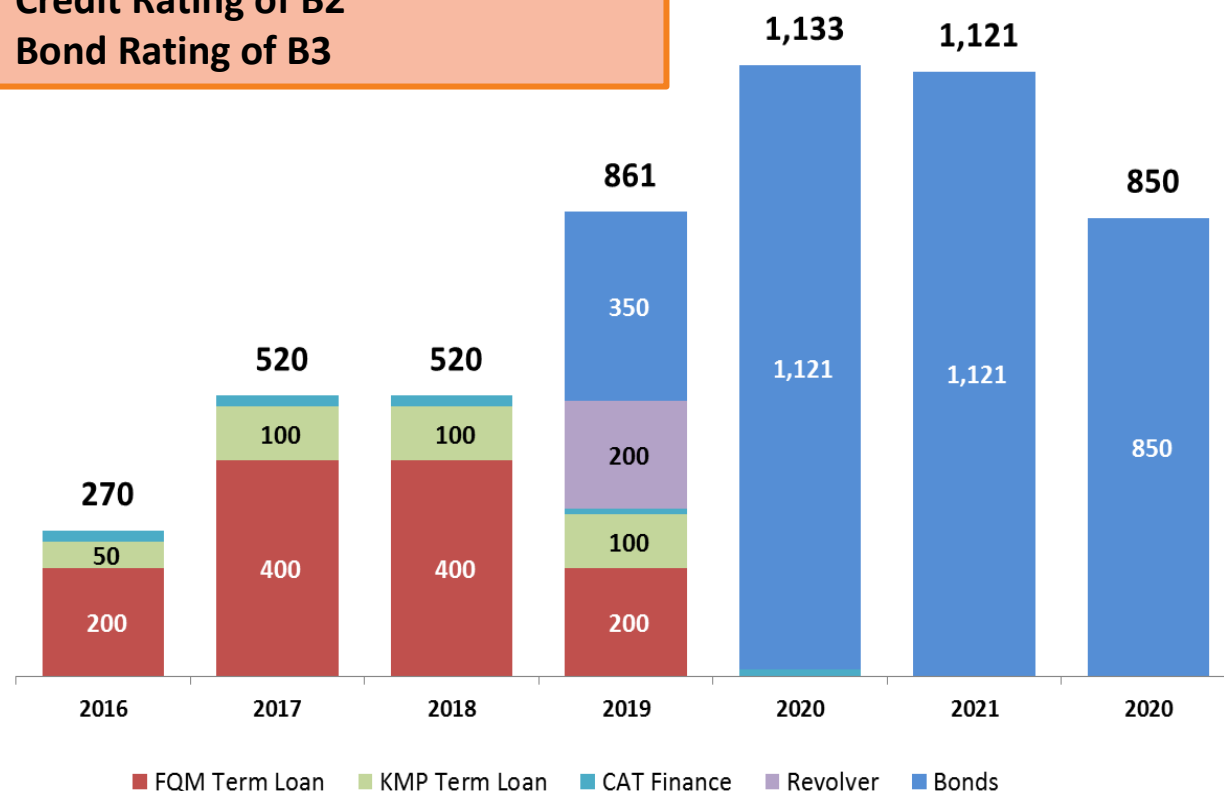
ADDITIONAL DEVELOPMENTS

Signed the revised precious metals stream agreement - \$1B	Q3
Reduced Cobre Panama capital estimate by 7% - ~\$500M	Q3
Lowered 2016 capital program to \$1.2B - \$200M below 2015	Q3
Started a copper hedge program - 208,575 tonnes at an average price of \$2.41/lb	Q3
Committed to reduce net debt through asset sales & other strategic initiatives – review process advancing	Q3

LONG-TERM DEBT PROFILE

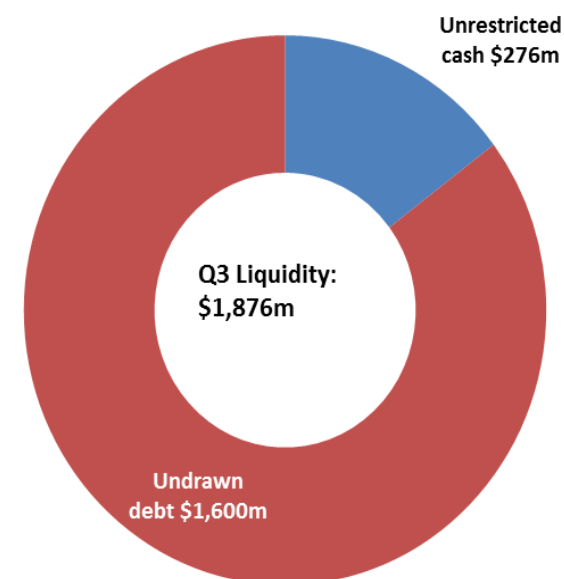
Debt Maturity Profile (\$m)

No Bond Principle due until 2019
Credit Rating of B2
Bond Rating of B3



Q3 2015 Liquidity (\$m)

Q3 2015 Liquidity:
\$276M unrestricted cash
\$1.60B undrawn RCF (expires 2019)



\$1.8bn Revolving credit facility ends 2019

OPERATE SAFE & EFFICIENT MINES

NEW COPPER SMELTER MAKING A DIFFERENCE

- Declared commercial production July 1, 2015
- Achieved 100% nameplate capacity within three months of start-up
- Benefits to Kansanshi mine:
 - Now able to operate without the constraints of limited availability and widely-fluctuating sulphuric acid prices and the lack of smelter capacity in Zambia
 - C1 cost lowered to \$1.34 per pound in Q3 from the 2014 average of \$1.63



COPPER SMELTER



DEVELOPMENTS IN ZAMBIA PERTINENT TO THE INDUSTRY

- **Domestic electricity supply constrained by low water level in the Kariba dam**
 - Full power of 153MW currently being provided to the Kansanshi mine and smelter and 55MW to the one power line currently connected to the Sentinel mine
 - State-run power company importing power from neighbouring countries
 - Kansanshi and Sentinel have been offered additional power at a premium for a portion of their total power requirements currently being supplied through imports
 - Rainy season already started and normally continues to April
 - Approx. 400MW of new power generation capacity expected online in 2016 (300MW thermal + 100MW hydro)
- **Change in royalty and tax regime:**
 - Jan 1 – Jun 30, 2015 = 20% royalty
 - Effective Jul 1, 2015 = 9% royalty, 30% corporate tax, variable profits tax of up to 15%
- **Kansanshi VAT refunds outstanding**
 - 2015 = \$46M
 - Prior to 2015 = \$158M

SENTINEL AWAITING 2ND POWER LINE TO BE ENERGIZED

- Commissioning continuing within the constraints of less than full power requirements
- Delay in energizing the 2nd power line has allowed for identification and implementation of solution to issue of fines present in the ore
- With all areas of the facility now tested, ramp up to full operations expected to be smooth once full power is provided



RAMPING UP SENTINEL



RAMPING UP SENTINEL



KALUMBILA TOWN



COBRE PANAMA DEVELOPMENT CAPITAL REDUCED

- Capital reduced 7% to \$5.95B on efficiencies achieved to date
- Potential for further reduction
- 2016 budget of \$880M (First Quantum's share - \$528M)
- Initial payment under the precious metals stream agreement of \$338M received in November

	Incurred to Date US\$M	Remaining Capital US\$M	Total Estimated Capital US\$M
100% Basis	2,620	3,330	5,950
KPMC contribution	532	666	1,198
Stream agreement		1,000	1,000
First Quantum's share		1,664	3,752

COBRE PANAMA PROGRESSING ON PLAN

- **Port**
 - Now a fully operational international port
- **Power station**
 - Priority being given to construction of one of the 150 megawatt sets, boiler and turbine areas
- **Tailings dam**
 - Construction of the eastern and northern embankments ~37% complete
- **Process plant**
 - Commencing installation of 3 mills
- **On track for introduction of first ore in late 2017 with first concentrate production by end of 2017, and a phased commissioning and ramp-up schedule over 2018**



COBRE PANAMA – PORT – CONCENTRATE STORAGE BUILDING



COBRE PANAMA – POWER PLANT OVERVIEW



COBRE PANAMA – PROCESS PLANT OVERVIEW



FULL YEAR GUIDANCE

- **2015 PRODUCTION RANGES**

- Copper 380,000 - 400,000 tonnes
- Nickel 33,000 - 37,000 tonnes
- Gold 210,000 - 231,000 ounces
- Zinc 36,000 - 41,000 tonnes
- Platinum 27,000 - 32,000 ounces
- Palladium 22,000 - 24,000 ounces

In addition, total physical production at Sentinel is expected to be between 30,000 - 40,000 tonnes of copper.

- **2015 CASH COST OF PRODUCTION RANGES**

- Copper \$1.20 - \$1.35 per pound, inclusive of assumed post-commercial production at Sentinel
- Nickel \$4.40 - \$4.70 per pound

- **CAPITAL EXPENDITURES²**

- 2015: \$1.4B including \$600 million for Cobre Panama
- 2016: \$1.2B including \$880M for Cobre Panama

² Excludes capitalization of any pre-commercial production costs and capitalized interest

BUILDING A LEADING GLOBAL COPPER-FOCUSED COMPANY

**Exercising prudence
in cash outlays
and alert to
optimization opportunities
to ensure
First Quantum
is well-positioned
to benefit fully
in stronger markets**





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