

FIRST QUANTUM MINERALS



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.

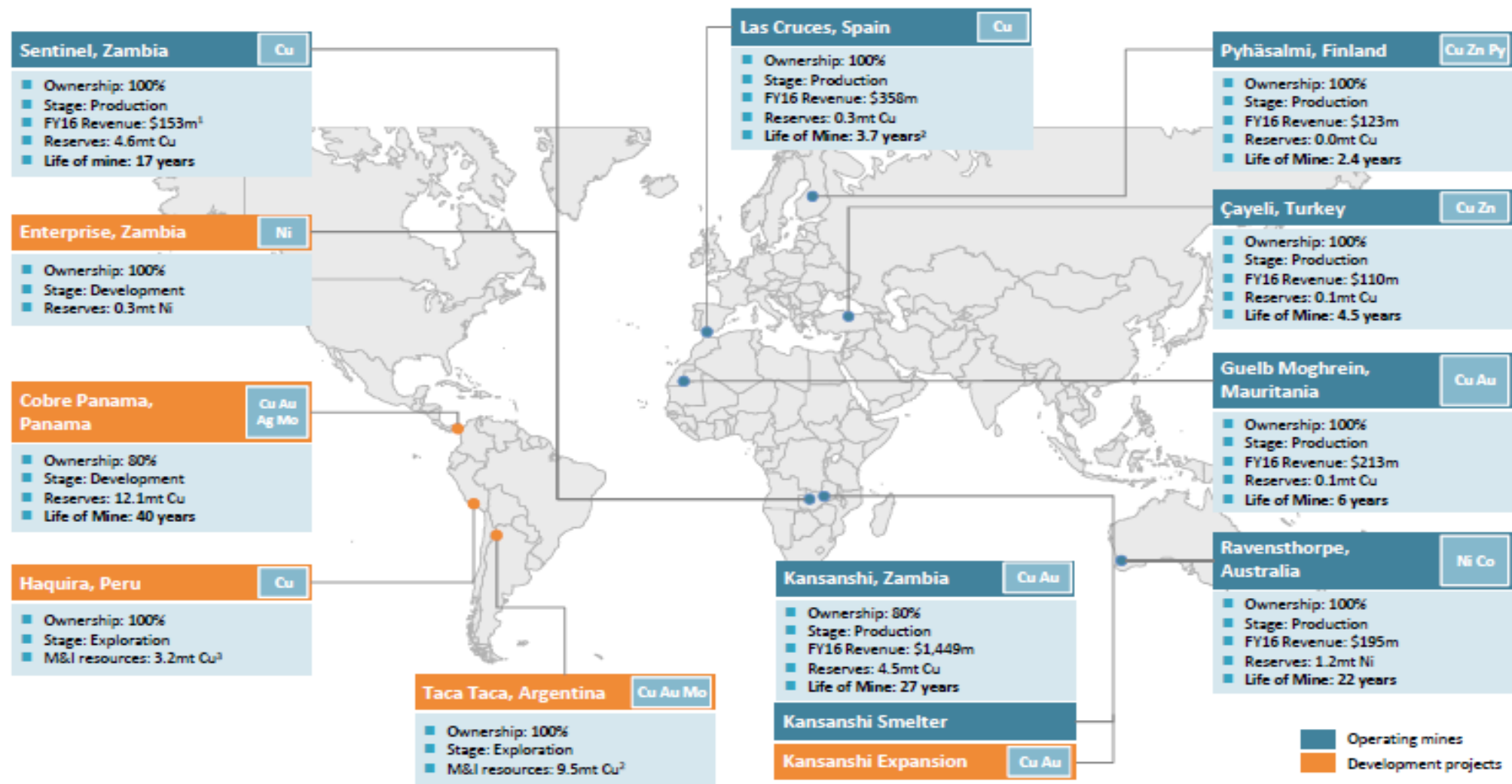
Forward-looking statements are subject to various risks, uncertainties and other factors that could cause actual results to differ materially from expected results.

Readers must rely on their own evaluation of these uncertainties.

Note: all dollar amounts in US dollars unless otherwise indicated



A LEADING COPPER PRODUCER

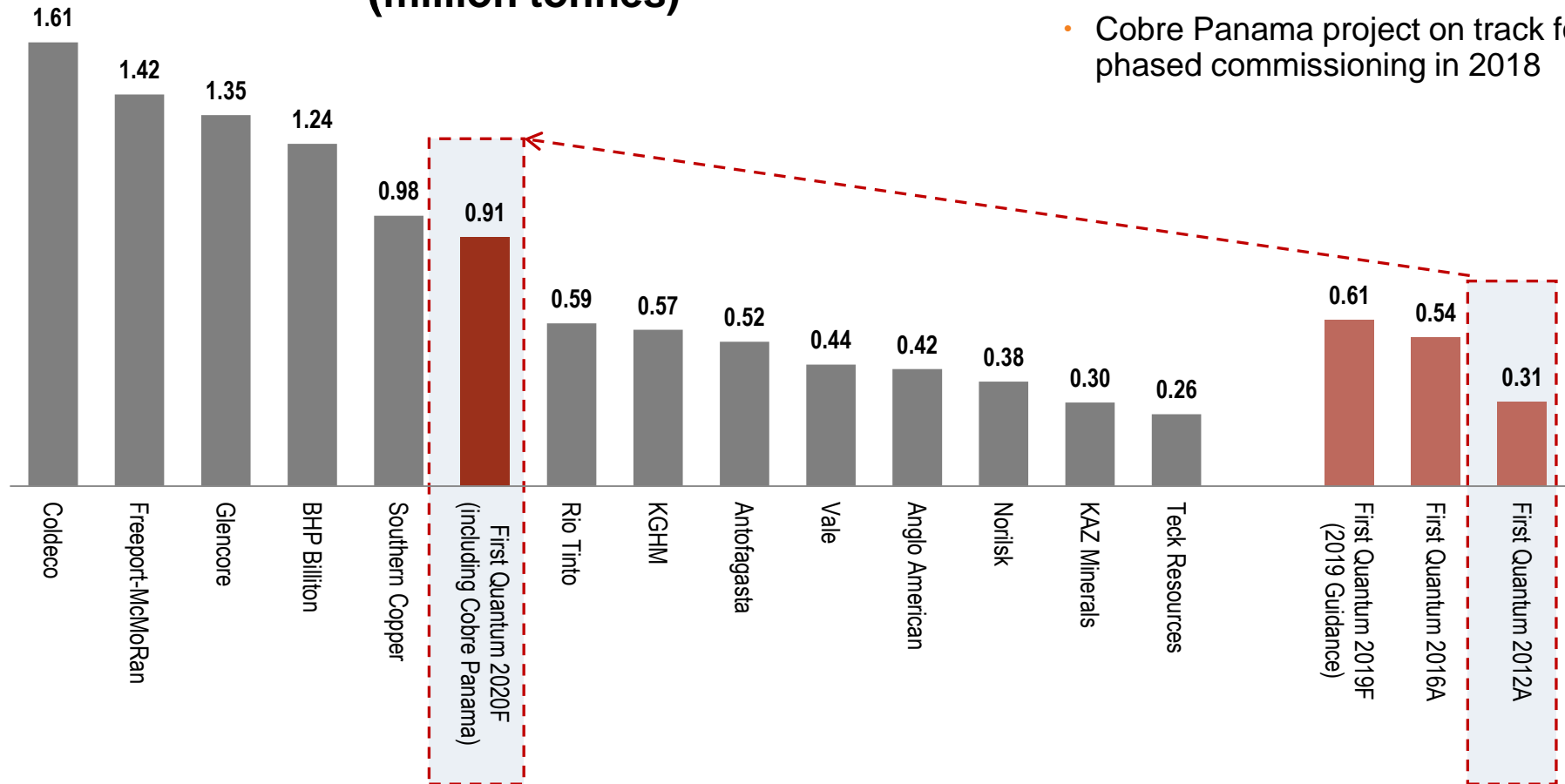




UNRIVALLED GROWTH IN COPPER PRODUCTION

2019E Copper Production¹ (million tonnes)

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



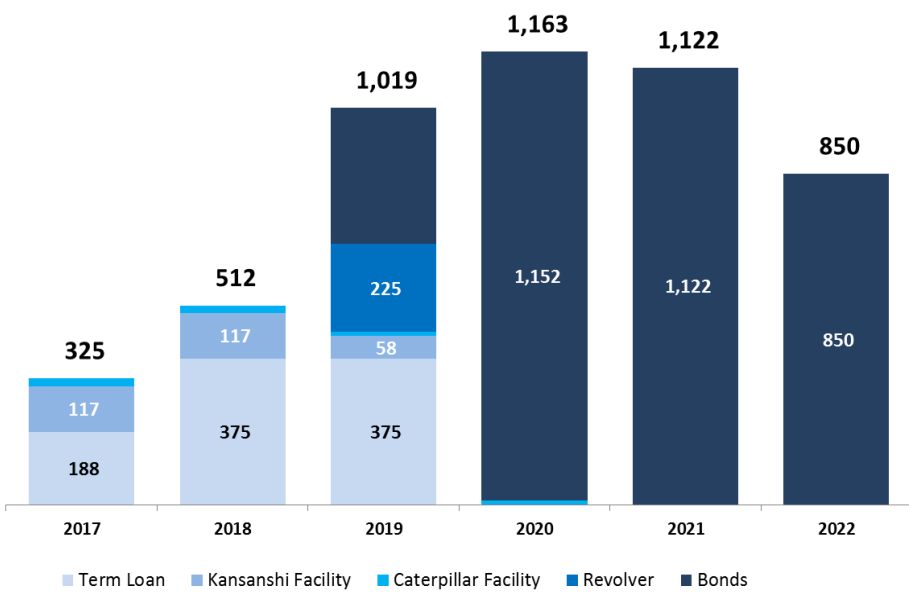
¹ First Quantum excludes the sold Kevitsa mine
2020F assumes flat year-over-year production plus
an estimated 300K tonnes of production from Cobre Panama



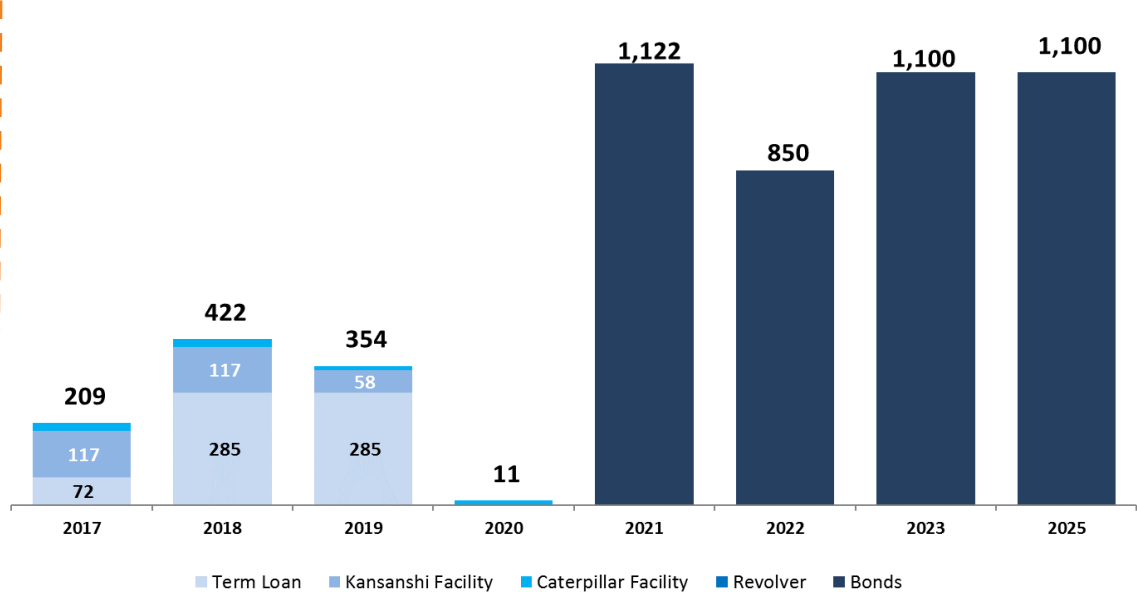
2017 – FURTHER STRENGTHENING THE FINANCIAL POSITION

- Issued \$2.2B Senior Notes:
 - \$1.1B due 2023 @ 7.25% per annum
 - \$1.1B due 2025 @ 7.50% per annum
- Repay:
 - Near-term bonds (2019 & 2020)
 - A portion of the term loan and the revolver

Debt Maturity Profile as at Dec 31, 2016



Debt Maturity Profile Post \$2.2B Issue

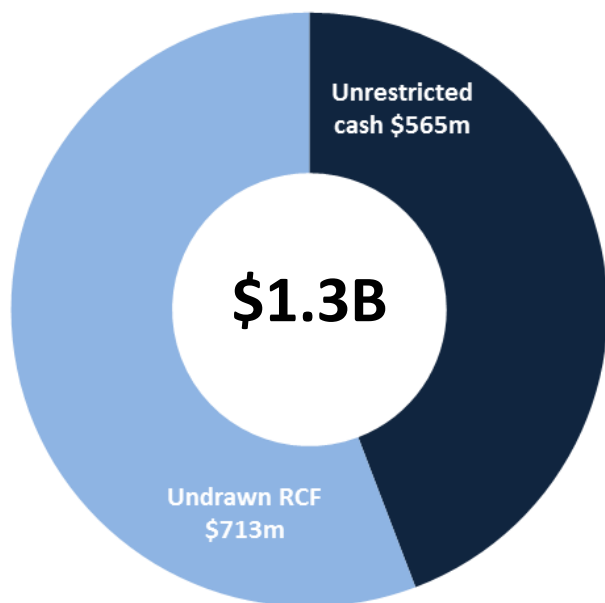




IMPROVED LIQUIDITY

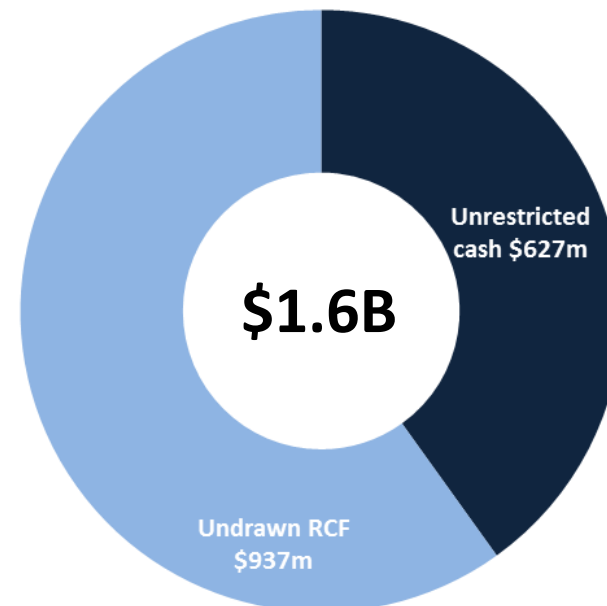
Liquidity as at Dec 2016

December 31, 2016 liquidity:
\$565M unrestricted cash
\$713M undrawn RCF (expires 2019)



Liquidity post \$2.2B bond

Proforma liquidity improved due to
repayment of drawn portion of RCF
and additional cash of \$62M





2016 – A STRONG YEAR FOR FIRST QUANTUM

DELIVERED ON OUR OBJECTIVES

- Sold the non-core Kevitsa mine for a total of \$732M in cash
- Ramped up & started commercial production at Sentinel
- Achieved record copper production & sales
- Lowered unit production cost
- Strengthened our financial position
- Protected cash flows in a weak copper price market





2016 – A STRONG YEAR FOR FIRST QUANTUM

STARTED COMMERCIAL PRODUCTION AT SENTINEL

- Operations stabilized with improved crusher and conveyor availability
- Power supply progressively increased after 2nd power line energized
- Unit production cost for two months of commercial production: C1 = \$1.47/lb; AISC = \$2.13/lb; C3 = \$2.16/lb
- Transitioning to terrace mining for increased mining efficiencies and improved water management capabilities

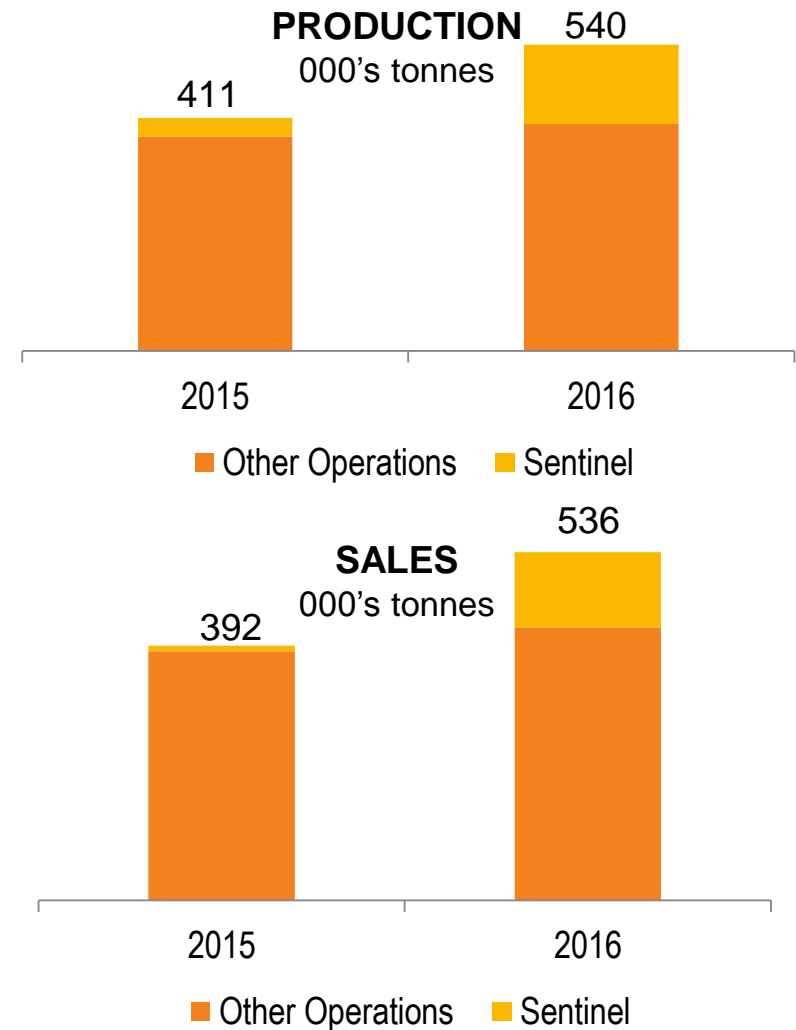




2016 – A STRONG YEAR FOR FIRST QUANTUM

RECORD COPPER PRODUCTION & SALES¹

- Good results across the operations:
 - Ramped up & began commercial operations at the Sentinel mine
 - Higher production at the Kansanshi mine
 - Record output from the Las Cruces mine
 - 1st full year in commercial operation for the Kansanshi smelter
- Generated \$964M comparative EBITDA; \$0.24 EPS



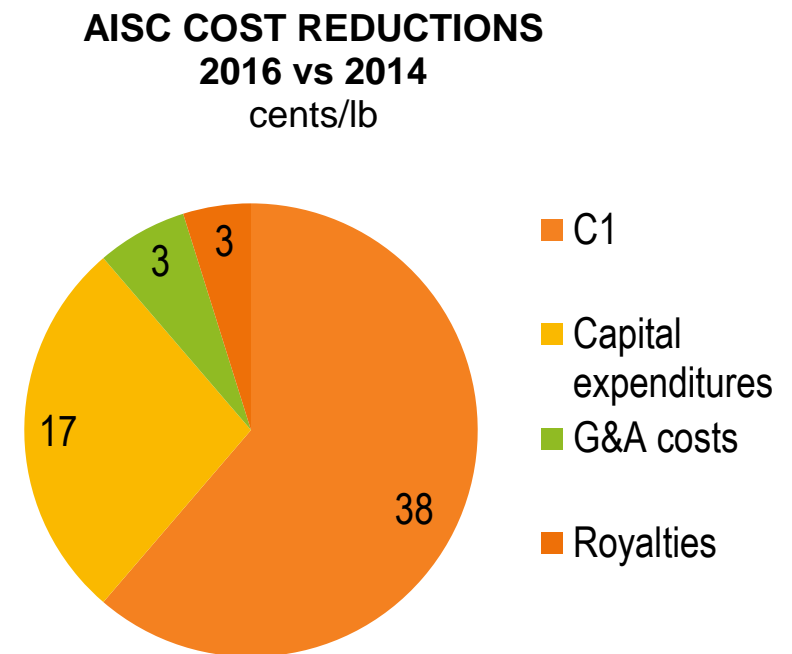
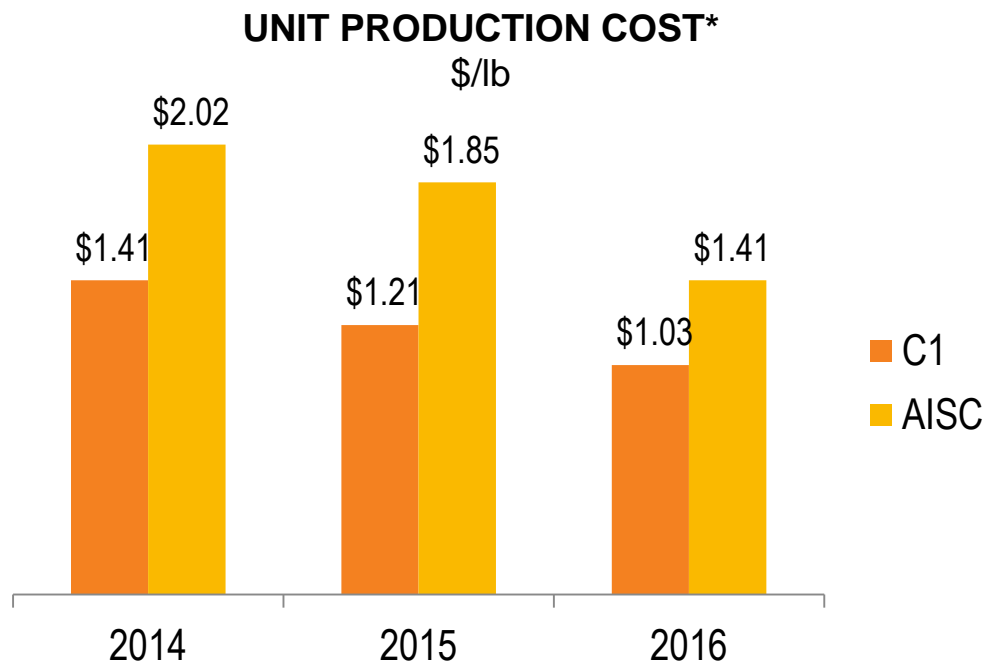
¹ Excludes the sold Kevitsa mine



2016 – A STRONG YEAR FOR FIRST QUANTUM

LOWERED COPPER UNIT PRODUCTION COST

- 2nd consecutive year of cost reduction:
 - Benefits of operating the Kansanshi smelter
 - Delivery on cost savings programs



* Excludes Sentinel



2016 – A STRONG YEAR FOR FIRST QUANTUM

PROTECTED CASH FLOWS IN A WEAK COPPER PRICE MARKET

- Initiated a sales hedge program to ensure stability of cash flows in the current higher capital expenditure phase of the development of the Cobre Panama project
- Added \$60M to revenues for the year 2016





COBRE PANAMA DEVELOPMENT ON TRACK

- 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
- 2nd 150MW unit expected to follow into operation in the 1H 2018





COBRE PANAMA DEVELOPMENT ON TRACK

- All 7 mills and their drives should be fully installed by the middle 2017
- Commissioning of entire operation planned to begin in 2018
- Target to achieve an equivalent 60 million tonne-per-annum throughput rate in December 2018, and continue towards steady state operation and further ramp up in 2019





COBRE PANAMA DEVELOPMENT ON TRACK

- Capital unchanged at \$5.48B

Cobre Panama Funding

Capital expenditure guidance (\$bn)	Spend to 31 Dec 2016	2017E	2018E	2019E	Total
Total Cobre Panama	3.5	1.1	0.8	0.1	5.5
Third-party contribution	(1.2)	(0.5)	(0.3)	(0.2)	(2.2)
First Quantum's share of Cobre Panama	2.3	0.6	0.5	(0.1)	3.3

COBRE PANAMA – GOOD PROGRESS MADE ON PROJECT FINANCING

- Project financing for Cobre Panama was launched to ECA's in December 2016
- Discussions with a number of ECA's across Asia, Europe and North America going well
- Expected long term debt of up to \$2.5 billion
- Site visit and term sheet discussions will be held in March with follow up discussions in Q2 2017
- Targeted completion of the second half of 2017





COBRE PANAMA PROGRESS – PORT & POWER STATION OVERVIEW





COBRE PANAMA PROGRESS – POWER STATION OVERVIEW





COBRE PANAMA PROGRESS – POWER STATION





COBRE PANAMA PROGRESS – OVERALL PROCESS PLANT & MINE VIEW





COBRE PANAMA PROGRESS – PROCESS AREA OVERVIEW





COBRE PANAMA PROGRESS – TAILINGS MANAGEMENT FACILITY DECANT TUNNEL – INLET





POSITIVE DEVELOPMENTS IN ZAMBIA

- **Improved power situation:**
 - 301MW currently being provided to Kansanshi complex and Sentinel – sufficient for current operations
 - Itezhi-Tehzi hydro added ~120MW into the system
 - Maamba Collieries introduced the 2nd 150MW (300MW total) mid-November 2016
- **Changes to Zambian mining tax regime enacted June 1 2016:**
 - Variable profits tax repealed
 - 20% royalty lowered to between 4-6% depending on the monthly average LME copper trading price (currently 5%)
- **VAT accrued to December 31, 2016 = \$275 million:**
 - Refunds of \$77M received for claims subsequent to February 2015
 - Discussions with relevant authorities continue



3-YEAR MARKET GUIDANCE

PRODUCTION GUIDANCE¹

000's	2017	2018	2019
Copper – tonnes	570	600	605
Nickel – contained tonnes	25	25	25
Gold – ounces	200	200	200
Zinc – tonnes	20	20	15

¹ Copper guidance provided includes estimates for Sentinel but not for Cobre Panama

² C1 cash cost includes all mining and processing costs less any profits from by-products such as gold, cobalt or zinc. 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.

C1 CASH COST AND ALL-IN SUSTAINING COST GUIDANCE¹

C1 Cash Cost ² - \$ per pound	2017	2018	2019
Copper	1.20 – 1.40	1.20 – 1.40	1.20 – 1.40
Nickel	4.60 – 4.80	4.60 – 4.80	4.60 – 4.80
All-in sustaining cost ³ – \$ per pound			
Copper	1.65 – 1.80	1.65 – 1.80	1.65 – 1.80
Nickel	5.10 – 5.40	5.10 – 5.40	5.10 – 5.40

³ All-in sustaining cost is defined as C1 cash cost plus general and administrative expenses, sustaining capital expenditure, deferred stripping and royalties



3-YEAR MARKET GUIDANCE – CAPITAL EXPENDITURE⁴

\$ millions	2017	2018	2019
Total Cobre Panama	1,060	830	110
Third-party contribution	<u>(420)</u>	<u>(330)</u>	<u>(200)</u>
First Quantum's share of Cobre Panama	640	500	(90)
Capitalized stripping	200	200	200
Sustaining capital and other non-major projects	<u>230</u>	<u>150</u>	<u>150</u>
Total net capital expenditure	<u>1,070</u>	<u>850</u>	<u>260</u>

⁴ Excludes capitalization of any net pre-commercial production costs and capitalized interest

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