

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



DISCUSSION TOPICS

EXECUTION OF ACTION PLAN DELIVERING DESIRED RESULTS	Slides
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STRONG OPERATING PERFORMANCE¹ CONTINUES

- **New quarterly production record:**

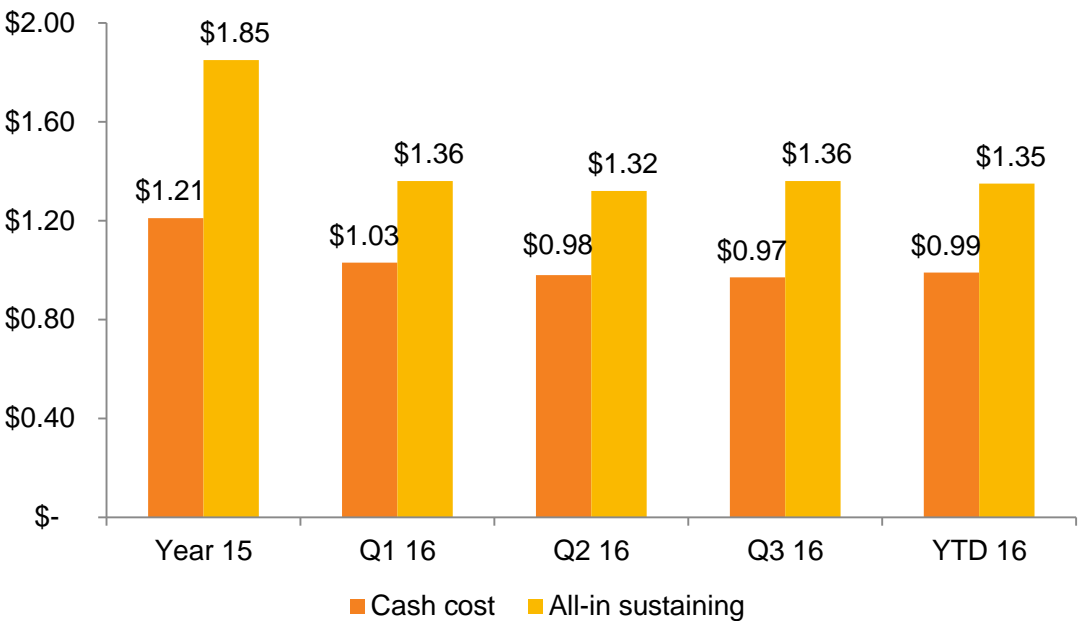
- Kansanshi
- Las Cruces
- Sentinel – pre-commercial

Production	Q3 16	vs Q2 16	vs Q3 15
Copper ('000 tonnes)	143	+11	+39
Nickel ('000 tonnes)	5	-	-3
Gold ('000 ounces)	53	+2	-1

- **Cost reduction² reflective of:**

- Continued focus on cost reduction and efficiencies
- Benefits from the new Kansanshi smelter
- Higher production
- Lower royalty in Zambia

Copper Production Cost - \$/lb



¹ Excludes Kevitsa which was sold on June 1 2016

² Excludes Sentinel



STRONG OPERATING PERFORMANCE CONTINUES

- **Lower market metal prices partially offset by:**

- cost savings
- lower royalties
- sales hedges

	Q1 16	Q2 16	Q3 16	YTD 16
	\$ millions except per share numbers			
Sales revenues	720	659	605	1,984
Gross profit	105	102	80	287
Comparative EBITDA ¹	269	257	220	746
Comparative EPS (basic) ¹	\$0.09	\$0.06	\$0.05	\$0.20

¹ Earnings 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. Items excluded from comparative measures include impairment charges, foreign exchange and revisions in estimates of closed site restoration provisions. A reconciliation of comparative EBITDA and comparative earnings is provided in the Q3 2016 MD&A.



STRONGER FINANCIAL POSITION – LONG-TERM DEBT PROFILE

Debt Maturity Profile

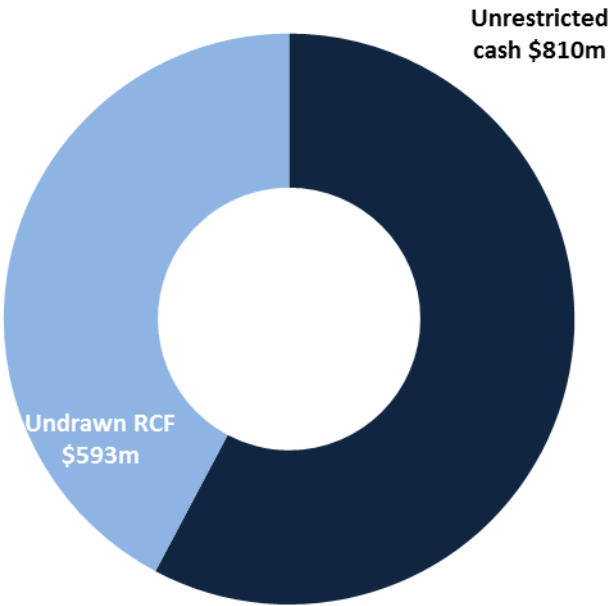
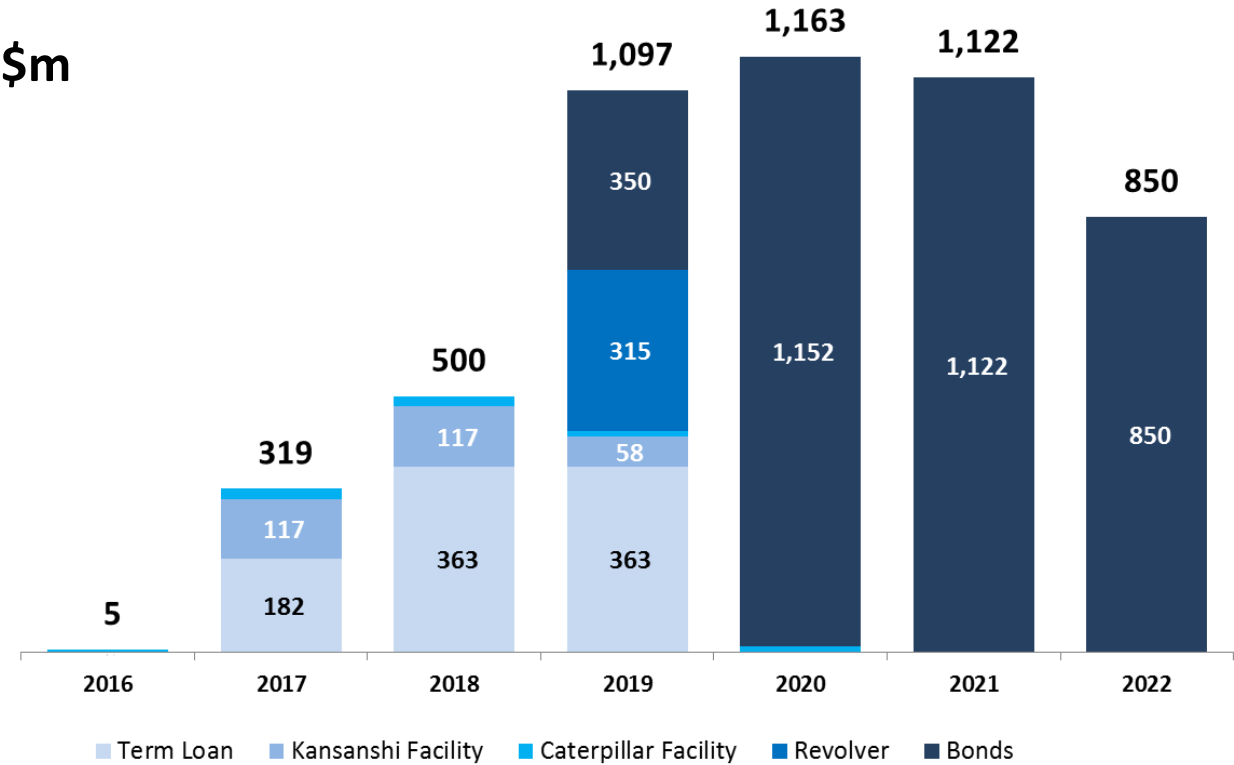
No bond principle due until 2019

Covenant Ratio

Net debt/EBITDA covenant ratio of 4.3x - within bank covenant of 5.5x

Liquidity – September 30 2016

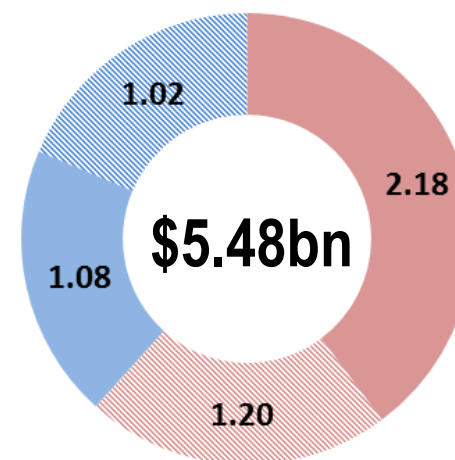
\$810m unrestricted cash
\$593m undrawn RCF (expires 2019)
\$520m working capital



STRONGER FINANCIAL POSITION – CAPITAL EXPENDITURE

US\$ million	Q3 2016	YTD 2016	Revised 2016 Guidance
<i>Total Cobre Panama</i>	196	537	750
FQM share of Cobre Panama	118	322	450
Trident project	14	67	75
Stripping costs	38	81	140
Other sustaining capex and other projects	43	95	105
Total FQM net capex¹	213	565	770

Cobre Panama Funding (\$bn)



US\$ billion	Total	Funded by	
		First Quantum	3rd Party
Cobre Panama project			
Capital spend to December 2015	2.72	1.86	0.86
2016 YTD spend incurred	0.54	0.32	0.22
Estimated 2016 remaining capital spend	0.21	0.13	0.08
Estimated 2017 to completion capital spend	2.01	1.07	0.94
Total Cobre Panama	5.48	3.38	2.10

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

¹ Capital expenditure excludes capitalized interest, capitalized pre-production costs and all capital expenditures related to discontinued operations (Kevitsa) up to the date of sale.



STRONGER FINANCIAL POSITION – SUCCESSFUL ASSET SALE

- Sale of Kevitsa completed:
 - Received total proceeds of \$732 million in cash
- Positive response from credit ratings agencies:
 - S&P upgraded the current B- credit rating outlook to stable from negative
 - Moody's upgraded from Caa1 to B-, with negative outlook
 - Fitch reaffirmed the B rating and upgraded the outlook to stable from negative



PROTECTING CASH FLOWS AMID FLUCTUATING METAL PRICES

- Hedging program established in Q4 2015 to protect cash flows while Cobre Panama is under development:

- **2015** - 89kt of copper hedged and realized at \$2.41/lb. Generated \$54m in additional revenue
- **2016** - Total 500kt of copper hedged at \$2.26/lb for the year. Generated \$134m of additional revenue YTD September.
- Total 16kt of nickel hedged at \$4.50/lb for the year. Generated \$1m of additional revenue YTD September.
- **2017** - 344kt of copper hedged at \$2.19/lb

Forecast production	2016F	2017F	2018F
Cu – 000's tonnes			
Excluding Sentinel	385	380	385
Sentinel	130	210-240	230-260
Ni – 000's contained tonnes	23	28	28
Au – 000's ounces	210	208	208



COBRE PANAMA DEVELOPMENT ON TRACK

- Most challenging aspect of the project is well under control
- Priority given to the power station and associated infrastructure
- Revenues from power sales expected in 2nd half 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.
- Capex lowered to \$5.48B





ADVANCING THE PROJECT FINANCING PROCESS

- Cost competitive, long-term financing
- Phase 1 completed
- Phase 2 initiated covering due diligence, information memorandum, engaging consultants, ECA and bank selection, and term sheet negotiation
- Financial close could be achieved within 12 months



COBRE PANAMA PROGRESS – MINE/PRE-STRIP



- Mine pre-strip works 40% complete





COBRE PANAMA PROGRESS – PRE-STRIP





COBRE PANAMA PROGRESS – PORT



- Conveyor installations commencing



- Fully permitted port
- Export Jetty – key weather risk construction areas completed



COBRE PANAMA PROGRESS – PORT OVERVIEW





COBRE PANAMA PROGRESS – POWER STATION





COBRE PANAMA PROGRESS – COAL SILOS AND BOILER BUILDING





POSITIVE DEVELOPMENTS IN ZAMBIA

➤ Improved power situation:

- 2nd power line connecting Sentinel energized and operational
- Sentinel currently receiving approximately 126MW. Expected to progressively increase to its full requirement.
- Itezhi-Tehzi hydro is feeding ~120MW into the system
- Maamba Collieries expects to introduce the 2nd 150MW (300MW total) mid-November

➤ 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 September 30 2016 = \$274 million:

- Refunds of \$91M received between March 2015 and September 2016
- Discussions with relevant authorities continue

COPPER SUPPLY OUTLOOK

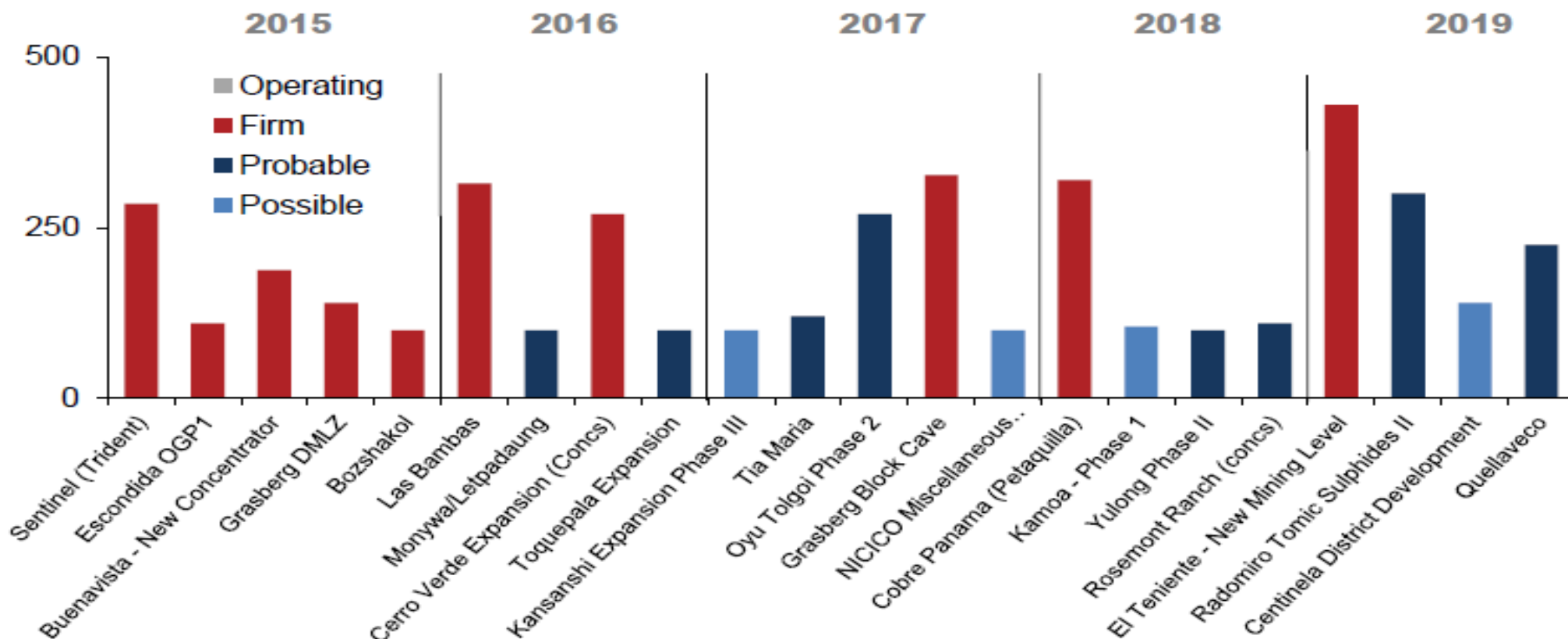


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MINERALS LTD.



Let's look at a chart from January 2015

Mines that have recently started-up or are due to start-up with capacity of 100,000t/y, '000t

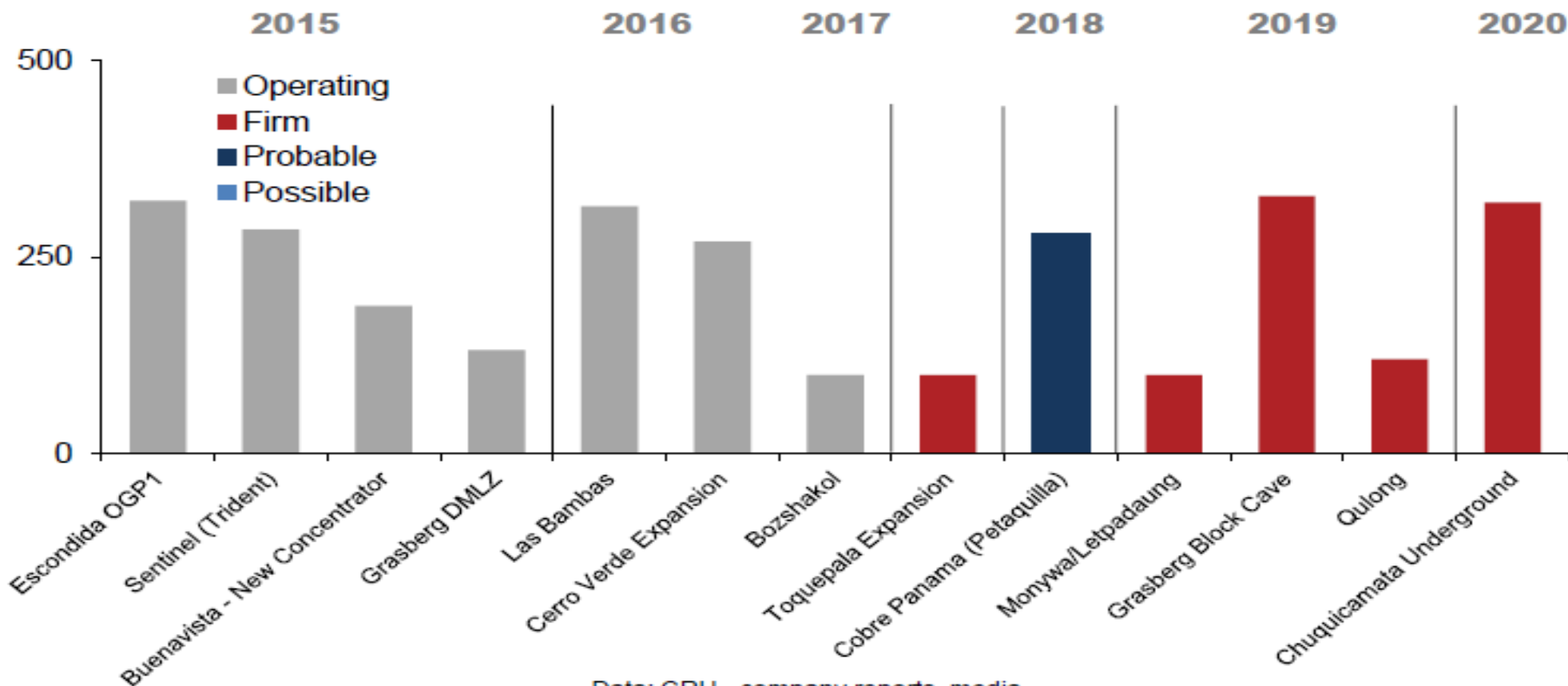


Data: CRU, company reports, media



What a difference 18 months makes!

Mines that have recently started-up or are due to start-up with capacity of 100,000t/y, '000t



Data: CRU , company reports, media

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