

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	Slide
Stronger financial position	4, 5, 6, 7
Solid operating base	8, 10
Sustainable cost reductions	9
On-track development of the Cobre Panama project	11, 12, 13, 14

UPCOMING CATALYSTS	
Lower tax regime in Zambia	16
Energization of 2 nd power line to Trident	16
Completion of project financing for Cobre Panama	15
Construction completion of power plants in Panama	11
Resolution of Zambian VAT receivable	16



STRONGER FINANCIAL POSITION

- New improved Facility:
 - Comprised of a \$907.5M term loan and a \$907.5M revolving credit facility
 - Improved financial covenants and an amortization schedule that starts June 2017
 - Same liquidity within the next 12 months compared to the previous \$3.0B facility
- \$593M of committed undrawn facilities, \$895M in unrestricted cash, working capital of \$553M as at June 30 2016

IMPROVED NET DEBT:EBITDA RATIO COVENANTS	
PERIOD	MAXIMUM RATIO
Current – June 30 2017	5.50:1
July 1 2017 – December 31 2017	5.00:1
January 1 2018 – June 30 2018	4.50:1
July 1 2018 – December 31 2018	3.50:1
January 1 2019 - Termination	3.25:1



STRONGER FINANCIAL POSITION – LONG-TERM DEBT PROFILE

Debt Maturity Profile (\$m)

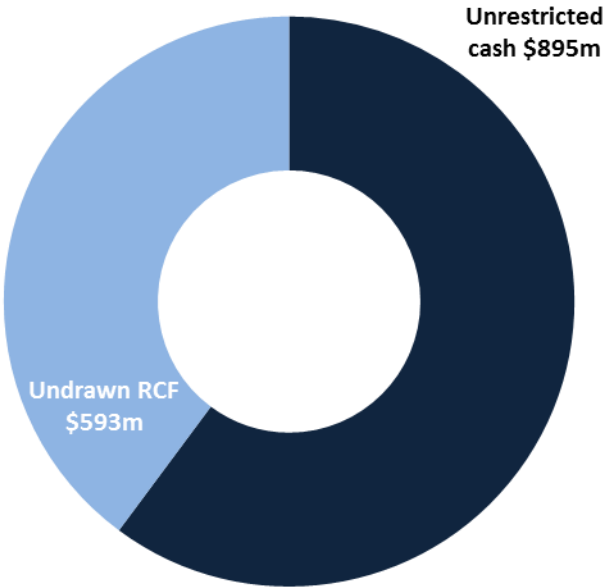
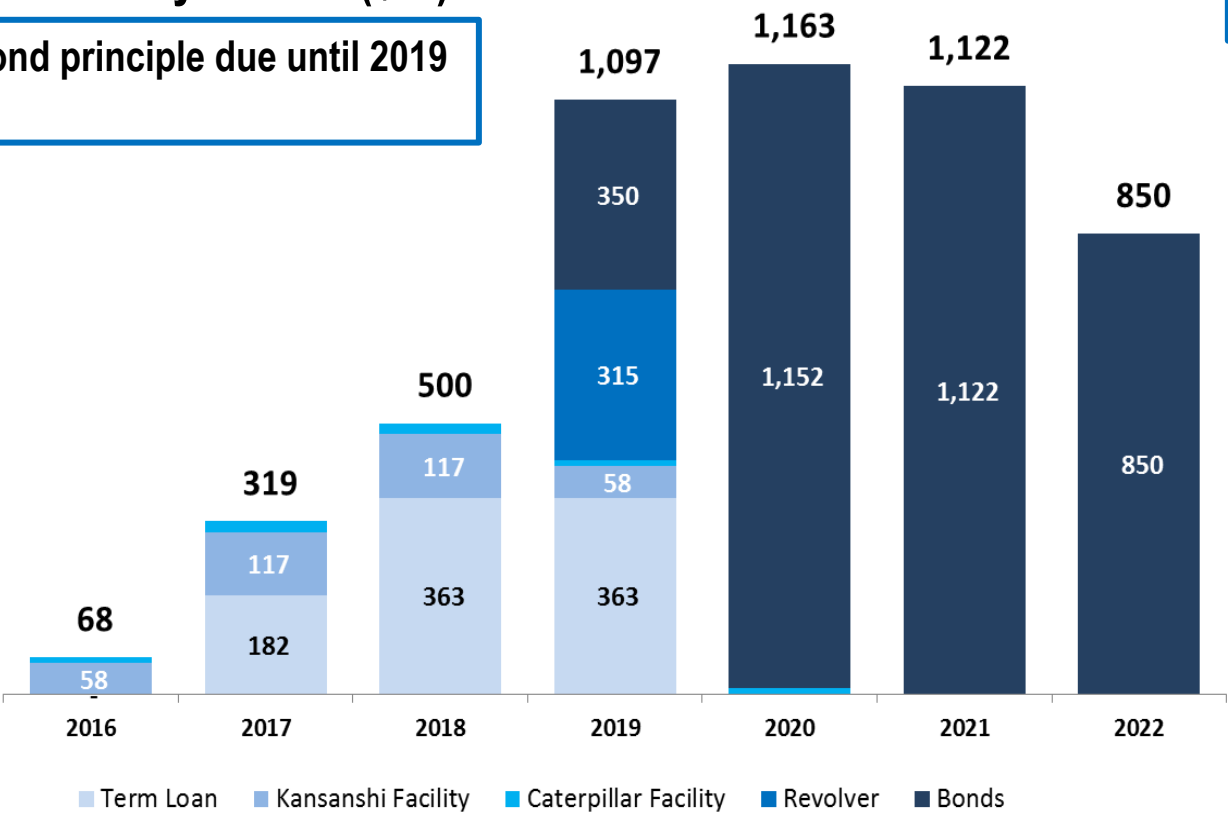
No bond principle due until 2019

Covenant Ratio

Net debt/EBITDA covenant ratio of 4.0x - within bank covenant of 5.5x

Liquidity

Q2 2016 liquidity:
\$895m unrestricted cash
\$593m undrawn RCF (expires 2019)

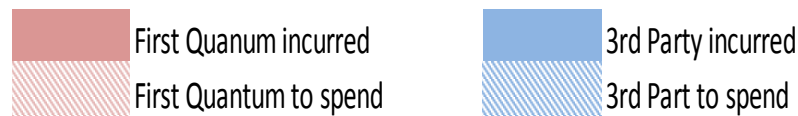
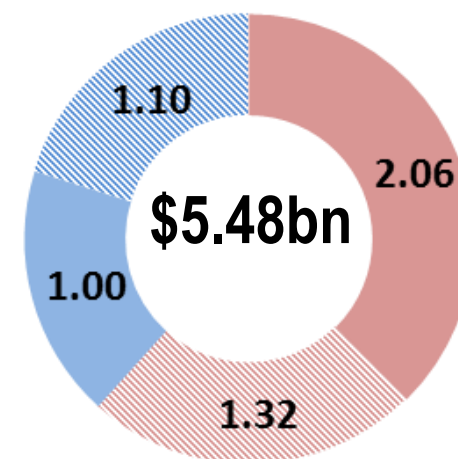


STRONGER FINANCIAL POSITION – CAPITAL EXPENDITURE

US\$ million	Q2 2016	YTD 2016
Cobre Panama	187	341
Net to First Quantum	112	205
Trident project	26	54
Stripping costs	27	43
Other sustaining capex and other projects	29	52
Total net capex¹	194	354

US\$ billion	Total	Funded by	
		First Quantum	3rd Party
Cobre Panama project			
Capital spend to December 2015	2.72	1.86	0.86
H1 2016 spend incurred	0.34	0.20	0.14
Estimated 2016 remaining capital spend	0.31	0.19	0.12
Estimated post 2016 capital spend	2.11	1.13	0.98
Total Cobre Panama	5.48	3.38	2.10

Cobre Panama Funding (\$bn)



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.



KEVITSA SALE COMPLETED; POSITIVE RESPONSE FROM CREDIT RATINGS AGENCIES

- Completed sale of Kevitsa for \$712 million in cash, excluding working capital adjustments on June 1, 2016
- 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



SOLID OPERATING BASE – Q2 2016 RESULTS¹

- Set a new quarterly records for copper production and sales of 131,349 tonnes and 132,030 tonnes, respectively
- Fifth consecutive quarter of lower copper cash cost (“C1”), All-in sustaining (“AISC”) and total cost (“C3”) per lb:
 - C1 = \$0.98; AISC = \$1.32; C3 = \$1.80
- Cost profile lowered:
 - Guidance for the year 2016:
 - C1 = \$1.05 to \$1.15 per lb²
 - AISC = \$1.40 to \$1.60 per lb²



¹ Continuing operations which exclude Kevitsa

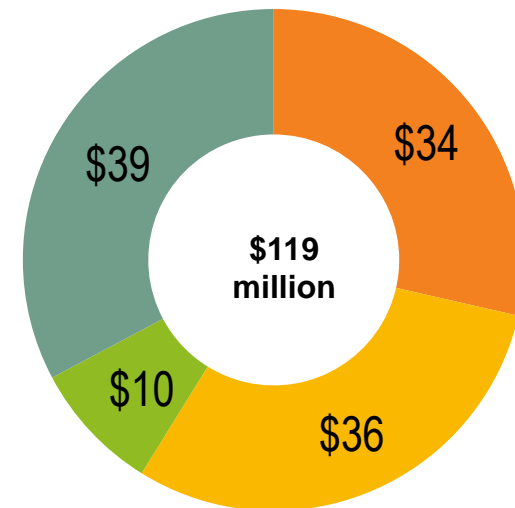
² Excluding Sentinel



SUSTAINABLE COST REDUCTIONS¹ – Q2 2016 VS. Q2 2015

- Net acid costs \$39m lower driven by Kansanshi smelter production of sulphuric acid
- Lower employee, contractor and maintenance costs
- Lower consumable, fuel, power and freight costs
- Lower general and administration and exploration costs of \$10m excludes the impact of FX
- Zambian royalty costs \$38m lower as rate was 20% in Q2 2015 and reduced to 9% in April/May
- Zambian royalty further reduced to 5% in June 2016

Savings Q2'16 vs Q2'15
\$ millions



- Employee/Contractors/Maintenance costs
- Fuel/Power/Freight/Consumables
- G&A + Exploration
- Smelter savings

¹ Adjusted to remove the impact of FX



SOLID OPERATING BASE

- Active sales hedge programs:
 - Copper: contributed \$0.08 per lb in Q2 2016; \$0.36 per lb for six months 2016
 - Copper: open position at July 27, 2016 = 309,650 tonnes @ \$2.20 per lb
 - Nickel: contributed \$0.13 per lb in Q2 2016
 - Nickel: open position at July 27, 2016 = 11,004 tonnes @ \$4.68 per lb
- Forecast production



	2016F	2017F	2018F
Copper (excl Sentinel) – 000's tonnes	380	380	385
Copper – Sentinel – 000's tonnes	135-155	210-240	230-260
Nickel – 000's contained tonnes	23	28	28
Gold – 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
- Expenditures being managed to suit market conditions
- Capex lowered to \$5.48B





COBRE PANAMA – POWER PLANT & PORT OVERVIEW



COBRE PANAMA – POWER PLANT – 150 MW UNIT 1





COBRE PANAMA – BALL MILL AND MOTOR INSTALLATION





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
- Targeting up to \$2.5B



POSITIVE ZAMBIAN DEVELOPMENTS

- Power situation has stabilized:
 - Sentinel currently receiving ~80% of total power requirement
 - Itzhi-Tehzi hydro is feeding ~120MW into the system
 - Maamba Collieries has introduced 150MW; expects to introduce the 2nd 150MW (300MW total) shortly
 - Completion of the Maamba switchyard is ongoing – expect completion in about a month
 - Electrification of 2nd power line planned to follow shortly thereafter
- 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 June 30 2016 = \$241 million
 - Refunds of \$72M received between March 2015 – June 2016
 - Discussions with relevant authorities continue
- General elections completed; incumbent re-elected

FIRST QUANTUM MINERALS