



FIRST QUANTUM  
MINERALS LTD.

**First Quantum Minerals Limited**

(Incorporated in British Columbia)

(Registration number BC1006807)

LuSE Share code: FQMZ

ISIN: ZM0000000375

(“First Quantum” or “FQM” or “the company”)

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**FIRST QUANTUM MINERALS REPORTS THIRD QUARTER 2018 RESULTS**

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(In United States dollars, except where noted otherwise)

**First Quantum Minerals Ltd.** has reported comparative earnings<sup>1</sup> of \$128 million (\$0.19 per share<sup>1</sup>), net earnings attributable to shareholders of the Company<sup>1</sup> of \$61 million (\$0.09 per share) and cash flows from operating activities of \$439 million (\$0.64 per share<sup>1</sup>) for the three months ended September 30, 2018. The results include a \$31 million gain realized under the corporate copper sales hedge program.

**SUMMARY:**

- **Operations Continue to Deliver Solid Results; Production Guidance Increased for Copper; Costs remain in-line with full year guidance**
  - 151,241 tonnes of copper<sup>2</sup> produced:
    - Year-over-year production increases at Kansanshi, Sentinel and Guelb Moghrein.
    - Copper production guidance for 2018 increased to 595,000 tonnes.
  - Scheduled maintenance shutdown at Las Cruces and resolution of grinding thickener issue completed in September, production remains on-track to deliver on full year guidance.
  - Unit cost of copper production<sup>3</sup>: All-in sustaining cost (“AISC”) = \$1.83 per pound; Cash cost (“C1”) = \$1.34 per pound; Total cost (“C3”) = \$2.14 per pound.
- **Improved Operating Cash Flows and Continued Strong Liquidity**
  - \$439 million of cash flows generated from operating activities (\$0.64 per share) during the quarter, an increase of 8% compared to the second quarter of 2018 and a 64% increase from the comparable prior year period.
  - Ended the quarter with \$753 million in net unrestricted cash and cash equivalents, \$1,120 million of committed undrawn facilities and in full compliance with all financial covenants.
- **Key Milestones Achieved at the Cobre Panama Project; Over 80% Complete**
  - Power station construction completed, commissioning and ramp up progressing.
    - Set 1 power station generated power at nameplate capacity of 150MW.
    - Set 2 power station successfully completed steam blows.
  - Process plant and mine site are 74% complete with commissioning activities continuing in the quarter.

- Conveyor belt pulling commenced in the process plant.
- Mechanical completion of the first in-pit primary crusher.
- Engineering is now considered complete and significant advancement on procurement was achieved.

- **Other**

- In late September 2018, the Government of the Republic of Zambia announced changes to the Zambian mining tax regime scheduled to take effect January 2019. The Company continues to assess the potential impact on its Zambian operations and maintains a dialogue with Government. Changes include:
  - Increase in mineral royalty rates on copper by 1.5% at all levels of the existing scale;
  - Royalties will no longer be tax deductible;
  - Introduction of a new fourth tier rate of 10% when copper price exceeds \$7,500 per tonne; 5% import duty on copper and cobalt concentrates; export levy on precious metals including gold of 15%;
  - Non-refundable sales tax to replace Value Added Tax with no detail on sales tax levels which is expected to be introduced in April 2019.
- Also in late September 2018, the Supreme Court of Panama announced a ruling in connection with the constitutionality of Law 9<sup>4</sup> of 1997.
  - The Company understands that the ruling relates to the enactment of Law 9 and not the legality of the Company’s mining concession contract which remains in effect and allows for the continuation of the development of Cobre Panama.
  - Following the ruling, the Government of Panama issued a news release affirming support for the Cobre Panama project and that the Ministry of Commerce and Industry (MICI) considers the mining concession contract and its extension to be in effect in all its parts.
  - The Company continues to work with appropriate parties to identify suitable remedies and to clarify the legal position of Law 9 and is confident of a resolution in the near-medium term.

<sup>1</sup> Net earnings (loss) attributable to shareholders of the Company has been adjusted to exclude items which are not reflective of underlying performance to arrive at comparative earnings (loss). Comparative earnings (loss), comparative earnings (loss) per share, comparative EBITDA and cash flows per share are not measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS. The Company has disclosed these measures to assist with the understanding of results and to provide further financial information about the results to investors. Refer to the “Regulatory Disclosures” section in the MD&A for the quarter ended September 30, 2018 for further information.

<sup>2</sup> Production is presented on a copper contained basis, and is presented prior to processing through the Kansanshi smelter.

<sup>3</sup> AISC, C1 and C3 costs per pound are not recognized under IFRS. Refer to the “Regulatory Disclosures” section in the MD&A for the quarter ended September 30, 2018 for further information.

<sup>4</sup> Law 9 was passed by the Panamanian National Assembly on February 26, 1997, and granted the status of national law to the mining concession contract relating to the Cobre Panama project.

## **CEO’S COMMENTS**

“Our operations continued to deliver in the third quarter relative to plan. Development of our Cobre Panama project progressed on schedule with some significant milestones achieved,” noted Philip Pascall, Chairman and CEO. “Our financial results reflect the positive operational quarter, increased sales volumes and a higher realized copper price which was positively affected by our copper sales hedge program.

“The success in the quarter provided the opportunity to increase our copper and zinc production guidance, slightly adjust our gold production expectation while maintaining our projected low unit cost of production. We also remain on track to deliver significant production growth in the coming years with the development of Cobre Panama.” Mr. Pascall concluded.

## **OPERATING HIGHLIGHTS**

Three months ended	Nine months ended
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<i>(U.S. dollars where applicable)</i>	September 30		September 30	
	2018	2017	2018	2017
<b>COPPER</b>				
- Production (tonnes)	151,241	145,376	447,549	419,644
- Sales (tonnes)	151,342	148,894	441,766	428,225
- Cost of production:				
o AISC (per lb)	\$1.83	\$1.75	\$1.77	\$1.62
o C1 (per lb)	\$1.34	\$1.21	\$1.30	\$1.20
o C3 (per lb)	\$2.14	\$2.03	\$2.13	\$2.01
- Realized price (per lb)	\$2.84	\$2.37	\$2.85	\$2.28
<b>GOLD</b>				
- Production (ounces)	44,979	47,213	137,375	147,832
- Sales (ounces)	42,864	51,729	139,851	150,653

## FINANCIAL HIGHLIGHTS

<i>(U.S. dollars millions, except where noted otherwise)</i>	Three months ended September 30		Nine months ended September 30	
	2018	2017	2018	2017
Sales revenues	978	877	2,912	2,425
Gross profit	246	83	698	218
Net earnings (loss) attributable to shareholders of the Company	61	(52)	243	(201)
Basic and diluted earnings (loss) per share	\$0.09	(\$0.08)	\$0.35	(\$0.29)
Comparative EBITDA <sup>1</sup>	427	304	1,256	836
Comparative earnings (loss) <sup>1</sup>	128	(28)	305	(75)
Comparative earnings (loss) per share <sup>1</sup>	\$0.19	(\$0.04)	\$0.44	(\$0.11)
Cash flow from operating activities	439	267	1,642	711

## CONFERENCE CALL & WEBCAST

Conference call and webcast details are as follows:

Date: October 30, 2018  
Time: 9:00 am (EDT); **1:00 pm (GMT)**; 6:00 am (PDT)

**Please note the time of the call in the United Kingdom reflects the reversion to GMT.**

Webcast: [www.first-quantum.com](http://www.first-quantum.com)

Dial in: North America: (toll free) (877) 291-4570  
North America and international: 1 (647) 788-4919  
United Kingdom: (toll free) 0-800-051-7107

Replay: Available from noon (EDT) on October 30, 2018 until 11:59 pm (EST) on November 13, 2018  
North America: (toll free) (800) 585-8367  
North America and international: 1 (416) 621-4642

Passcode: 5499405

## **COMPLETE FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS**

The complete consolidated financial statements and Management's Discussion and Analysis for the quarter ended September 30, 2018 are available at [www.first-quantum.com](http://www.first-quantum.com) and should be read in conjunction with this news release.

**On Behalf of the Board of Directors of First Quantum Minerals Ltd.**

**G. Clive Newall**

**President**

For further information visit our website at [www.first-quantum.com](http://www.first-quantum.com)

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## **CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION**

Certain statements and information herein, including all statements that are not historical facts, contain forward-looking statements and forward-looking information within the meaning of applicable securities laws. The forward-looking statements include estimates, forecasts and statements as to the Company's expectations of production and sales volumes, and expected timing of completion of project development at Cobre Panama and Enterprise and are subject to the impact of ore grades on future production, the potential of production disruptions, capital expenditure and mine production costs, the outcome of mine permitting, other required permitting, the outcome of legal proceedings which involve the Company, information with respect to the future price of copper, gold, nickel, zinc, pyrite, cobalt, iron and sulphuric acid, estimated mineral reserves and mineral resources, First Quantum's exploration and development program, estimated future expenses, exploration and development capital requirements, the Company's hedging policy, and goals and strategies. Often, but not always, forward-looking statements or information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

With respect to forward-looking statements and information contained herein, the Company has made numerous assumptions including among other things, assumptions about continuing production at all operating facilities, the price of copper, gold, nickel, zinc, pyrite, cobalt, iron and sulphuric acid, anticipated costs and expenditures and the ability to achieve the Company's goals. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. These factors include, but are not limited to, future production volumes and costs, the temporary or permanent closure of uneconomic operations, costs for inputs such as oil, power and sulphur, political stability in Zambia, Peru, Mauritania, Finland, Spain, Turkey, Panama, Argentina and Australia, adverse weather conditions in Zambia, Finland, Spain, Turkey, Mauritania and Panama, labour disruptions, potential social and environmental challenges, power supply, mechanical failures, water supply, procurement and delivery of parts and supplies to the operations, and the production of off-spec material.

See the Company's Annual Information Form for additional information on risks, uncertainties and other factors relating to the forward-looking statements and information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of these factors are beyond First Quantum's control. Accordingly, readers should not place undue reliance on forward-looking statements or information. The Company

undertakes no obligation to reissue or update forward-looking statements or information as a result of new information or events after the date hereof except as may be required by law. All forward-looking statements and information made herein are qualified by this cautionary statement.

**Sponsoring Broker:**



**Pangaea Securities Limited**

*(Member of the Lusaka Securities Exchange)*

*(Regulated by the Securities and Exchange Commission)*

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