

(In United States dollars, except where noted otherwise)

[First Quantum Minerals Ltd.](#) ("First Quantum" or the "Company") (TSX:FM) today announced comparative earnings<sup>1</sup> of \$27 million (\$0.04 per share) and cash flows from continuing operating activities<sup>1</sup> of \$93 million (\$0.14 per share<sup>1</sup>) for the three months ended December 31, 2016.

For the full year 2016, comparative earnings amounted to \$165 million (\$0.24 per share) and cash flows from operating activities to \$914 million (\$1.33 per share).

#### FOURTH QUARTER 2016 HIGHLIGHTS<sup>1</sup>

- Commercial production was declared at Sentinel effective November 1, 2016. The decision followed the increase in supply of adequate and consistent electricity to the mine from 126MW in mid-October to 136MW in the quarter to support the mine's operating plan.
- Copper production and sales<sup>2, 3</sup> of 146,101 tonnes and 136,265 tonnes, respectively:
  - Established new quarterly First Quantum records in both categories.
  - Reflect continued strong performances across the Company's operations.
- The Kansanshi copper smelter recorded its highest quarterly throughput in its 18 months of commercial production at 314,399 tonnes of concentrate exceeding its design annual throughput rate of 1.2 million tonnes of concentrate, on an annualized basis.
- Copper production unit cost rose in the quarter as lower gold credit, higher maintenance and mining costs at Kansanshi and planned maintenance shutdown and seasonal electricity cost at Las Cruces partially offset the embedded benefits of the Kansanshi smelter and cost savings initiatives.
- C<sup>14</sup> cash cost guidance for 2017 is unchanged from previously disclosed at \$1.20 - \$1.40 per pound including Sentinel, which recorded an average C<sup>1</sup> cash cost of \$1.47 for its first two months of commercial production.
- Realized average prices for copper and nickel of \$2.18 per pound and \$4.50 per pound, respectively, were below the average LME prices on account of the Company's sales hedge programs and timing of sales.
  - For the year 2016, the copper sales hedge program added \$60 million for the full year, or \$0.05 per pound to revenues.
  - Sales hedge positions outstanding as at February 16, 2017 totalled 432,500 tonnes of copper at an average price of \$2.27 per pound.
- Recorded impairments to exploration and other assets of \$13 million.
- Maintained a sound financial position with \$713 million of committed undrawn facilities, \$565 million in net unrestricted cash, \$964 million of working capital and in full compliance with all financial covenants.
- The Law 9 mining concession for Minera Panama SA, the Panamanian company that holds the Cobre Panama concession, was extended for a second 20-year term from March 1, 2017 to February 28, 2037.
- The development of Cobre Panama continues on track for a phased commissioning in 2018 and continued ramp-up in 2019.
  - The overall project is estimated at over 46% complete.
  - The power station and associated infrastructure continued to be prioritized for early completion starting in the second half of 2017.
  - The total capital expenditure for the project is unchanged at \$5.48 billion.
  - The process to put in place project financing continues to advance.
- As previously updated in a news release on November 9, 2016, a Notice of Arbitration and a Statement of Claim filed in the High Court for Zambia were received from ZCCM International Holdings PLC ("ZCCM") under the Kansanshi Mining PLC ("KMP") Shareholders Agreement. ZCCM is a 20% shareholder in KMP. These actions arise from a dispute about the rate of interest paid on deposits made by KMP with the Company's financing entity, FQM Finance Ltd. Having carefully studied the claims made in the Notice of Arbitration and the Statement of Claim, the Company is firmly of the view that the claims are without merit, or indeed any foundation in facts. The Company will provide further information as and when required.
- Declared a final dividend of CDN\$0.005 per share, in respect of the financial year ended December 31, 2016. The final dividend together with the interim dividend of CDN\$0.005 per share is a total of CDN\$0.01 per share for the 2016 financial year.

<sup>1</sup> Net earnings (loss) attributable to shareholders of the Company and Earnings before interest, tax, depreciation, amortization and impairment ("EBITDA") have been adjusted to exclude items which are not reflective of underlying performance to arrive at comparative earnings and comparative EBITDA. EBITDA, comparative earnings, comparative earnings 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 year ended December 31, 2016 for further information. Furthermore, performance and financial measures exclude the Kevitsa mine which was sold on June 1, 2016.

<sup>2</sup> Total copper production includes production from Sentinel of 47,785 tonnes and 139,600 tonnes for the three and twelve months ended December 31, 2016, respectively (15,190 tonnes and 32,971 tonnes for three and twelve months ended December 31, 2015, respectively). Total copper sales include sales from Sentinel of 39,494 tonnes and 115,782 tonnes for the three and twelve months ended December 31, 2016, respectively (6,422 tonnes and 8,896 for three and twelve months ended December 31, 2015). The Company determined that commercial production at Sentinel commenced effective November 1, 2016; therefore, revenue and operating costs at Sentinel have been recorded for the period from November 1, 2016 to December 31, 2016 in the Statement of Earnings (loss). Consequently, production and sales from Sentinel prior to this period is excluded from earnings, C1, AISC & C3 cost metrics. Please see the "Sentinel" operation section in MD&A for the year ended December 31, 2016 for further information.

<sup>3</sup> Production is presented on a copper contained basis, and is presented prior to processing through the Kansanshi smelter.

<sup>4</sup> C1, AISC and C3 cost per pound are not recognized under IFRS. Refer to the "Regulatory Disclosures" section in the MD&A for the year ended December 31, 2016 for further information.

## CEO'S COMMENTS

"The fourth quarter capped off a strong year for First Quantum. Amid some of the most challenging and volatile market conditions, our employees remained focused and together our efforts produced the highest production and sales in the Company's history, a much reduced unit cost of production and importantly, a sound balance sheet with the financial flexibility to support our operating and growth plans. Additionally, the transition of Sentinel into commercial operations and the progress at the Cobre Panama project were important milestones," commented Philip Pascall, Chairman and CEO.

"While the sentiment for our industry has improved markedly, we will carry on expecting volatility and will continue to conduct our activities accordingly. We think Cobre Panama will start production at an opportune time. It is our belief that copper has very compelling fundamentals and that this will become more broadly apparent sooner than previously anticipated."

## OPERATING HIGHLIGHTS - CONTINUING OPERATIONS

		Three months ended December 31		Year ended December 31	
(U.S. dollars where applicable)		2016	2015	2016	2015
<b>COPPER</b>					
&bull;	Production (tonnes)	146,101	115,886	539,458	411,025
&bull;	Sales (tonnes)	136,265	119,534	535,613	391,653
&bull;	Cost of production, excluding Sentinel:				
-	C1 (per lb)	\$ 1.16	\$ 1.06	\$ 1.03	\$ 1.21
-	AISC (per lb)	\$ 1.61	\$ 1.51	\$ 1.41	\$ 1.85
-	C3 (per lb)	\$ 1.84	\$ 1.85	\$ 1.81	\$ 2.14
&bull;	Cost of production, including Sentinel:				
-	C1 (per lb)	\$ 1.22	\$ 1.06	\$ 1.06	\$ 1.21
-	AISC (per lb)	\$ 1.71	\$ 1.51	\$ 1.46	\$ 1.85
-	C3 (per lb)	\$ 1.91	\$ 1.85	\$ 1.83	\$ 2.14
&bull;	Realized price (per lb)	\$ 2.18	\$ 2.40	\$ 2.26	\$ 2.49
<b>NICKEL</b>					
&bull;	Production (contained tonnes)	6,206	7,652	23,624	26,667
&bull;	Sales (contained tonnes)	6,073	8,583	25,882	26,933
&bull;	Cost of production:				
-	C1 (per lb)	\$ 4.46	\$ 4.49	\$ 4.66	\$ 4.60
-	AISC (per lb)	\$ 5.03	\$ 4.95	\$ 5.29	\$ 5.30
-	C3 (per lb)	\$ 6.16	\$ 5.82	\$ 6.34	\$ 5.99
&bull;	Realized price (per payable lb)	\$ 4.50	\$ 4.29	\$ 4.25	\$ 5.18
<b>GOLD</b>					
&bull;	Production (ounces)	54,234	53,889	214,012	211,067

&bull; Sales (ounces) 45,620 57,958 232,783 213,927

## FINANCIAL HIGHLIGHTS

	Three months ended December 31		Year ended December 31
<i>(U.S. dollars millions, except where noted otherwise)</i>	2016	2015	2016
Sales revenues	689	719	2,67
Gross profit	52	110	339
Net earnings (loss) per share from continuing operations attributable to shareholders of the Company	12	111	222
Net earnings (loss) from discontinued operations	-	3	(267)
Net earnings (loss) per share from continuing operations attributable to shareholders of the Company \$	0.02	\$ 0.16	\$ 0.32
Basic and diluted earnings (loss) per share	\$ 0.02	\$ 0.17	\$ (0.07)
Comparative EBITDA	218	224	964
Comparative earnings	27	182	165
Comparative earnings per share	\$ 0.04	\$ 0.27	\$ 0.24
Cash flows from continuing operating activities	93	743	914

## CONFERENCE CALL & WEBCAST

Conference call and webcast details are as follows:

Date: February 17, 2017

Time: 9:00 am (EST); 2:00 pm (GMT); 6:00 am (PST)

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

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

Replay: Available from 11:00 am (EST) on February 17 until 11:59 pm (EST) on February 24, 2017  
North America: (toll free) 1 800 585 8367  
North America and international: 1 416 621 4642

Passcode: 56874535

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

The complete audited consolidated financial statements and Management's Discussion and Analysis for the year ended December 31, 2016 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).

## 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 Enterprise and Cobre Panama 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, the outcome of legal proceedings which involve the Company, information with respect to the future price of copper, gold, cobalt, nickel, zinc, pyrite 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 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 and Mauritania, labour disruptions, 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.

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