March 26, 2003

FIRST QUANTUM MINERALS LTD.

REVISED RENEWAL ANNUAL INFORMATION FORM

For the Year Ended December 31, 2002

FIRST QUANTUM MINERALS LTD.
#450 – 800 W. Pender Street
Vancouver, British Columbia
CANADA V6C 2V6

Unless otherwise indicated, the information in this Annual Information Form is given as of December 31, 2002. All amounts in this Annual Information Form are expressed in United States dollars, unless otherwise indicated. References to "Cdn$" are to Canadian dollars and "A$" are to Australian dollars.

CAUTIONARY STATEMENT:

Certain of the information contained in this document constitutes "forward-looking statements" within the meaning of the *Private Securities Litigation Reform Act of 1995*. Such forward-looking statements, including but not limited to those with respect to the prices of gold, copper and sulphuric acid, estimated future production, estimated costs of future production, the Company's hedging policy and permitting time lines, involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the actual prices of copper, gold and sulphuric acid, the factual results of current exploration, development and mining activities, changes in project parameters as plans continue to be evaluated, as well as those factors disclosed in the Company's documents filed from time to time with the British Columbia, Alberta, Ontario and Quebec Securities Commissions and the United States Securities and Exchange Commission.

TABLE OF CONTENTS

Corporate Structure

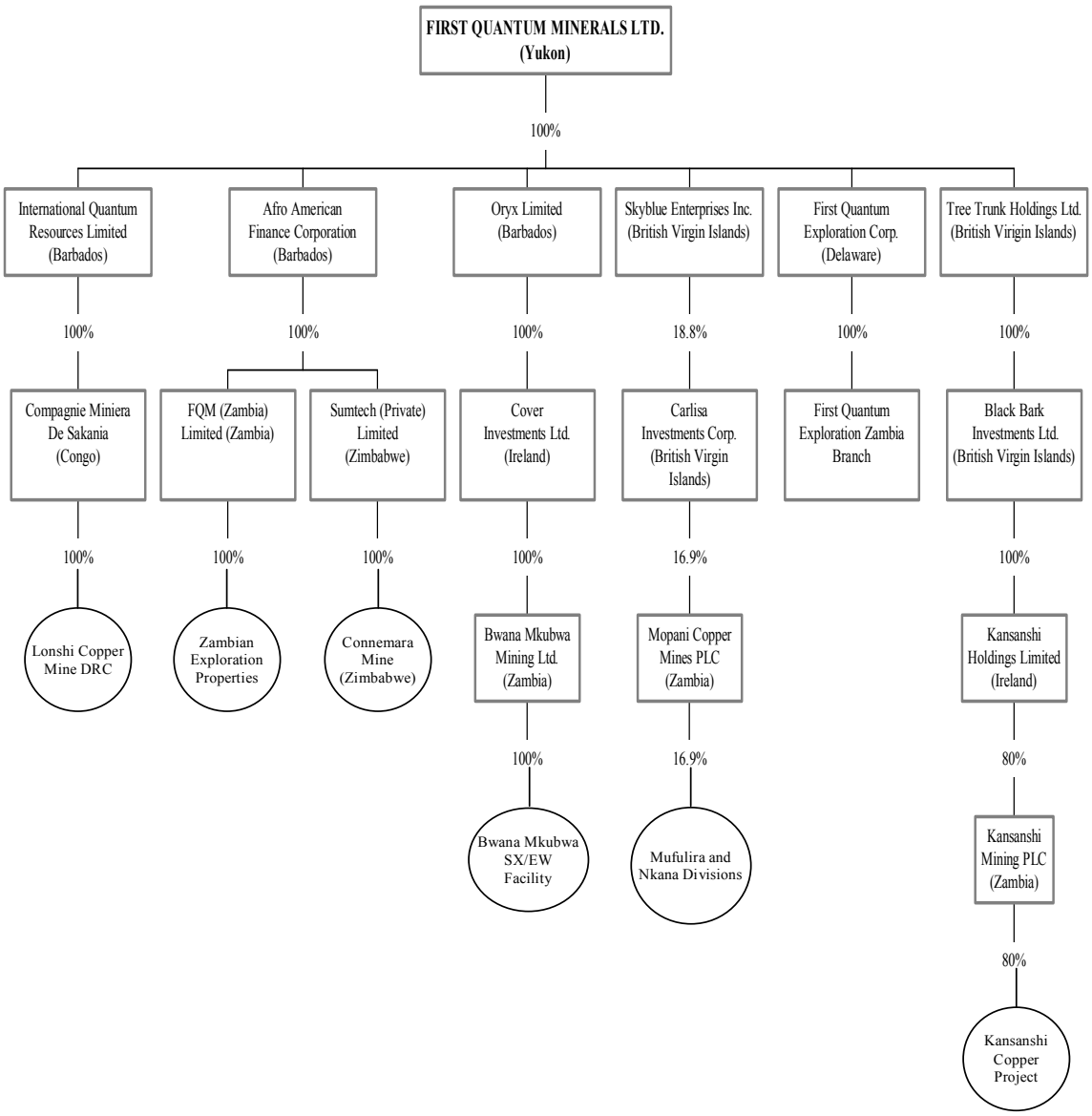
Name and Incorporation

First Quantum Minerals Ltd. (the "Company" or "First Quantum") was incorporated under the *Company Act* (British Columbia) on December 21, 1983 under the name of Xenium Resources Ltd. The Company changed its name to Xenium Resources Inc. on January 25, 1984, to Zeal Capital Ltd. on November 29, 1989 and to First Quantum Ventures Ltd. on June 16, 1994. On July 18, 1996, the Company changed its name to its current name, First Quantum Minerals Ltd., and continued its incorporation into the Yukon, pursuant to the provisions of the *Business Corporations Act* (Yukon). On June 7, 2002, First Quantum amalgamated with its wholly-owned subsidiary, First Quantum Minerals (Yukon) Ltd. pursuant to the provisions of the *Business Corporations Act* (Yukon).

The Company's registered office is located at 3081 Third Avenue, Whitehorse, Yukon, Y1A 4Z7. The Company's head office is located at #450 – 800 West Pender Street, Vancouver, British Columbia, V6C 2V6, and it has representative offices located in Perth, Australia and Horsham, England. The Company also has a mine site office at the Bwana Mkubwa Copper Mine in Zambia.

Intercorporate Relationships

The chart set out below illustrates the corporate structure of the Company, including the principal subsidiaries of the Company, the jurisdictions of incorporation of the principal subsidiaries and the percentage of voting securities held directly or indirectly in such subsidiaries by the Company.


FIRST QUANTUM MINERALS LTD.
(Yukon)
100%
International Quantum Resources Limited (Barbados)
Afro American Finance Corporation (Barbados)
Oryx Limited (Barbados)
Skyblue Enterprises Inc. (British Virgin Islands)
First Quantum Exploration Corp. (Delaware)
Tree Trunk Holdings Ltd. (British Virigin Islands)
100%
100%
100%
18.8%
100%
100%
Compagnie Miniera De Sakania (Congo)
FQM (Zambia) Limited (Zambia)
Sumtech (Private) Limited (Zimbabwe)
Cover Investments Ltd. (Ireland)
Carlisa Investments Corp. (British Virgin Islands)
First Quantum Exploration Zambia Branch
Black Bark Investments Ltd. (British Virgin Islands)
100%
100%
100%
100%
16.9%
100%
Lonshi Copper Mine DRC
Zambian Exploration Properties
Connemara Mine (Zimbabwe)
Bwana Mkubwa Mining Ltd. (Zambia)
Mopani Copper Mines PLC (Zambia)
Kansanshi Holdings Limited (Ireland)
100%
16.9%
80%
Bwana Mkubwa SX/EW Facility
Mufulira and Nkana Divisions
Kansanshi Mining PLC (Zambia)
80%
Kansanshi Copper Project

General Development of the Business

Three Year History

The Company is a mining company whose principal activities include mineral exploration, development, and mining. The Company is focused on the copper sector in Zambia primarily, however this does not restrict its exposure to other geographic regions or commodities. Its operations in Zambia include the 100% owned Bwana Mkubwa solvent extraction/electrowinning ("SX/EW") facility and the 80% owned Kansanshi Copper Project ("Kansanshi Project"). In addition, in the Democratic Republic of Congo ("DRC"), First Quantum operates the 100% owned open pit Lonshi Copper Mine which provides oxide copper ore for processing at the Bwana Mkubwa SX/EW facility. The Company has an effective 16.9% interest in Mopani Copper Mines Plc ("Mopani") which operates the Nkana underground copper mine and cobalt refinery and the Mufulira underground copper mine, smelter and copper refinery in Zambia. The Company also holds an 18.6% interest in Anvil Mining NL ("Anvil"), a public company quoted on the Australia and Berlin Exchanges. Anvil operates the Dikulushi Copper Mine in the DRC.

On January 11, 2000, the Common shares of the Company were listed for trading on the Toronto Stock Exchange.

On March 31, 2000, Carlisa Investments Corp. ("Carlisa"), 49% owned by the Company and 51% owned by Glencore International AG at that time, acquired a 90% interest in the assets comprising the Mufulira and Nkana operations from Zambia Consolidated Copper Mines Limited ("ZCCM"), through Mopani.

On December 20, 2000, the Company completed a private placement of 4,936,258 common shares at a price of Cdn$3.00 per share for aggregate gross proceeds of Cdn$14,808,774.

On April 9, 2001, the Common Shares of the Company were listed for trading on the Alternative Investment Market operated by the London Stock Exchange.

In June 2001, the Company completed a public offering of 8,735,607 shares at an offering price of Cdn$4.05 per share raising gross proceeds of Cdn$35,379,208. The Company used the net proceeds from the offering to reduce debt, to fund capital expenditures at the Nkana and Mufulira operations, to fund a study of expansion alternatives for the Bwana Mkubwa copper project, and to fund ongoing working capital requirements and future acquisitions.

On August 15, 2001 the Company purchased an effective 80% interest in the Kansanshi Project. The acquisition was financed by the assumption of $5.39 million in debt, which was subsequently repaid by the payment of $2.45 million and the issuance of 1,400,000 First Quantum common shares. In addition, the Company has agreed to pay a deferred payment of $25 million, subject to certain conditions, less an amount equal to the value of the 1,400,000 common shares at the date on which commercial production commences at the Kansanshi Project. At the time the deferred payment is to be paid the Company can elect to pay half the deferred payment in common shares at the same price as valued above. As part of the Kansanshi Project acquisition the Company has paid $2.0 million to ZCCM Investment Holdings Limited ("ZCCM Holdings") and will pay a further $4.0 million to ZCCM Holdings upon a positive development decision at the Kansanshi Project. ZCCM Holdings holds a 20% interest in the Kansanshi Project.

In July 2001, the Company guaranteed the draw down of a $14.25 million term debt facility (the "KBC Facility") for its wholly owned subsidiary Bwana Mkubwa Mining Limited ("BMML") provided by KBC Bank N.V., Global Trade Finance Group. The KBC Facility was used to repay outstanding loans of BMML with the balance to be utilized to expand the existing Bwana Mkubwa plant and to exploit and develop the Lonshi Copper Mine. On January 15, 2002, the KBC Facility was increased by $3.75 million. The KBC Facility is repayable in 23 monthly installments which commenced in July 2001, and has an interest rate of LIBOR + 2.5% per year, which is substantially lower than the aggregate rate paid on the debts repaid. The KBC Facility is secured by the assets of BMML.

In September 2001, the Company commenced open pit mining operations at the Lonshi Copper Mine located in the DRC, approximately 36 kilometres southeast of the Bwana Mkubwa SX-EW facility in Zambia. The Company's

100% owned DRC subsidiary, Compagnie Miniera De Sakania sprl. ("Comisa"), was granted a Mining Concession for the Lonshi property under current Congolese Mining Law which gives the Company exclusive right to mine and develop the area for up to 40 years. High grade oxide/copper ores from the Lonshi Copper Mine are transported to and processed at the Bwana Mkubwa SX/EW facilities.

In April 2002, the Company restructured its arrangement with Glencore International AG and Glencore Finance (Bermuda) Limited which resulted in the reduction of the Company's effective interest in Carlisa from 49% to 18.8%, which in turn resulted in the reduction of the Company's effective interest in Mopani from 44% to 16.9%. The Company will not be required to make any further contributions to Carlisa.

In May 2002, the Company guaranteed the draw down of $15 million and a Zambian Kwacha ("ZMK") 12.5 billion ($3.0 million) term debt facility for BMML provided by Standard Chartered Bank (the "SCB Facility"). The SCB Facility is repayable in 36 equal monthly installments of approximately $500,000 per month, which commenced November 2002 and will be used by BMML for, in the case of the $15 million facility, to satisfy the costs of the expansion of the Bwana Mkubwa SX-EW facilities (consisting of the expansion of the leach, filtration, solvent extraction and electrowinning capability to a minimum production capacity of 30,000 tonnes of LME grade copper cathode per year ("Phase 2 Expansion")) and, in the case of the ZMK 12.5 billion facility, to satisfy the costs of the further expansion of the Bwana Mkubwa SX-EW facilities (consisting of the installation of crushing, milling and pre-leach filtration facilities necessary for processing ore from the Lonshi Copper Mine), the costs of the Phase 2 Expansion, and also for general corporate purposes.

In July 2002, the Company entered into a Facility Letter Agreement pursuant to which Republic House agreed to provide the Company with a $1 million facility. Pursuant to the terms of the Facility Letter Agreement, the Company has mortgaged in favour of Republic House 28,187,857 shares in Anvil beneficially owned by the Company.

In August 2002, the Company guaranteed the draw down of a €14 million (Euros) credit facility for BMML provided by European Investment Bank ("EIB Facility"). The first disbursement of the EIB Facility will be made on March 21, 2003. The EIB Facility will rank pari passu with the SCB Facility. The EIB Facility is a six year facility reflecting the new maturity of the Bwana Mkubwa operations, repayable in equal annual installments of principal and interest commencing in July 2003. The EIB Facility incorporates an interest rate linked to the average copper price realized by the Company in the preceding financial year. The interest rate ranges from a low of 3.0% at or below copper prices of $1,399 per tonne ($0.63 per pound) to a high of 12.5% at or above copper prices of $2,400 per tonne ($1.09 per pound). Based on the current LME copper price of $0.74 per pound, the interest rate payable is 5.5%.

In October 2002, Bwana Mkubwa entered into an Amendment and Restatement Agreement whereby Standard Chartered Bank agreed to provide a further revolving facility of up of $4 million for the purpose of satisfying costs of the Phase 2 Expansion and for general corporate purposes. The Company was also required to provide a guarantee of this amount in favour of Standard Chartered Bank.

In December 2002, the Company completed a private placement of 5.5 million special warrants at Cdn$3.25 per special warrant to raise approximately Cdn$17.87 million. Each special warrant will entitle the holder to receive one common share of the Company without payment of additional consideration. The Company has undertaken to file and obtain receipts for a final prospectus, in the appropriate jurisdictions, to qualify the distribution of the Common Shares. In the event that the prospectus qualification does not occur on or before April 18, 2003, all special warrants exercised thereafter will entitle the holders to receive 1.1 Common shares without payment of additional consideration. The net proceeds of the offering are being used to fund the completion of the Definitive Feasibility Study (the "DFS") referred to below, to repay debt and for working capital at the Bwana Mkubwa SX/EW facility, and for general corporate purposes.

In December 2002, the Company completed the DFS for Phase One development of the Kansanshi Project. The study was conducted and compiled by GRD Minproc Limited of Perth, Western Australia.

On March 20, 2003, the Company entered into a term sheet with AIG African Infrastructure Fund LLC ("AAIF") pursuant to which AAIF has agreed, subject to completion of its due diligence, documentation, and investment committee and board approval, to subscribe for 4 million common shares of the Company at an expected price of Cdn$5.60 per share for proceeds of approximately $15 million, and to provide a standby facility of $10 million (the "AAIF Standby Facility") for two years from the completion of the financing. Amounts drawn down under the AAIF Standby Facility will, at the option of AAIF, be convertible into common shares of the Company, or be contributed as four year subordinated debt to the Kansanshi Loan Facility (see "Narrative Description of the Business – Kansanshi Project – Financing Arrangements"). AAIF will also have an option to purchase up to $10 million of common shares of the Company at a price of Cdn$8.00 per share, minus any portion of the AAIF Standby Facility converted to equity. Proceeds from the issuance of the common shares will be used for working capital and proceeds from the AAIF Standby Facility will be used for the development of the Kansanshi Project. The financing is also subject to the Company obtaining regulatory approval.

Significant Acquisitions and Dispositions

The Company did not complete any significant acquisitions or significant dispositions during the year ended December 31, 2002.

Trends

There are no material trends, commitments, events or uncertainties known to management and reasonably expected to have a material effect on the Company's business, financial condition or results of operations.

Risk Factors

An investment in securities involves certain risks. The following risk factors should be considered carefully by investors.

Disclosure Regarding Forward-Looking Statements

Statements that are not historical facts contained in this Annual Information Form are forward-looking statements that involve risk and uncertainties that could cause actual results to differ materially from targeted or projected results. Such forward-looking statements include statements regarding targets for copper production, cash operating costs and certain significant expenses, percentage increases and decreases in production from the Company's principal mines, schedules for completion of detailed feasibility studies and initial feasibility studies, potential increases in reserves and production, the timing and scope of future commencement of mining or production, anticipated grades and recovery rates, the ability to secure financing and potential acquisitions or increases in property interests. Factors that could cause actual results to differ materially include, among others, changes in copper and cobalt prices, unanticipated grade, geological, metallurgical, processing, access, transportation of supplies or other problems, results of current exploration activities, results of pending and future feasibility studies, changes in project parameters as plans continue to be refined, political, economic and operational risks of foreign operations, availability of materials and equipment, the timing of receipt of governmental permits, force majeure events, the failure of plant, equipment or processes to operate in accordance with specific expectations, accidents, labour relations, delays in start-up dates, environmental costs and risks, the outcome of acquisition negotiations and general domestic and international economic and political conditions, as well as other factors described in this Annual Information Form. Many of such factors are beyond the Company's ability to control or predict.

Actual results may differ materially from those projected. Prospective investors are cautioned not to put undue reliance on forward-looking statements, and should not infer that there has been no change in the affairs of the Company since the date of this Annual Information Form that would warrant any modification of any forward-looking statement made in this Annual Information Form.

Mining and Processing

The Company's business operations are subject to risks and hazards inherent in the mining industry, including but not limited to unanticipated variations in grade and other geological problems, water conditions, surface or underground conditions, metallurgical and other processing problems, mechanical equipment performance problems, the unavailability of materials and equipment, accidents, labour force disruptions, force majeure factors, unanticipated transportation costs, and weather conditions, any of which can materially and adversely affect, among other things, the development of properties, production quantities and rates, costs and expenditures and production commencement dates.

The Company's processing facilities are dependent on continuous mine feed to remain in operation. Insofar as the Company's mines may not maintain material stockpiles of ore or material in process, any significant disruption in either mine feed or processing throughput, whether due to equipment failures, adverse weather conditions, supply interruptions, labour force disruptions or other causes, may have an immediate adverse effect on results of operations of the Company. A significant reduction in mine feed or processing throughput at a particular mine could cause the unit cost of production to increase to the point where the Company could determine that some or all of the Company's reserves were uneconomic to exploit.

The Company periodically reviews mining schedules, production levels and asset lives in its life-of-mine planning for all of its operating and development properties. Significant changes in the life-of-mine plans can occur as a result of mining experience, new ore discoveries, changes in mining methods and rates, process changes, investments in new equipment and technology, precious metals price assumptions, and other factors. Based on this analysis, the Company reviews its accounting estimates and in the event of an impairment, may be required to write-down the carrying value of a mine or mines. This complex process continues for the life of every mine.

As a result of the foregoing risks, among other things, expenditures on any and all projects, actual production quantities and rates, and cash costs may be materially and adversely affected and may differ materially from anticipated expenditures, production quantities and rates, and costs, just as estimated production dates may be delayed materially, in each case especially to the extent development projects are involved. Any such events can materially and adversely affect the Company's business, financial condition, results of operations and cash flows.

Mine Development Risks

The Company's ability to maintain, or increase, its annual production of copper will be dependent in significant part on its ability to bring new mines into production and to expand existing mines. Although the Company utilizes the operating history of its existing mines to derive estimates of future operating costs and capital requirements, such estimates may differ materially from actual operating results at new mines or at expansions of existing mines. The economic feasibility analysis with respect to any individual project is based upon, among other things, the interpretation of geological data obtained from drill holes and other sampling techniques, feasibility studies (which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed), precious and base metals price assumptions, the configuration of the ore body, expected recovery rates of metals from the ore, comparable facility and equipment costs, anticipated climatic conditions, estimates of labour, productivity, royalty or other ownership burdens and other factors. The Company's development projects are also subject to the successful completion of final feasibility studies, issuance of necessary permits and receipt of adequate financing. Although the Company's feasibility studies are completed with the Company's knowledge of the operating history of similar ore bodies in the region, the actual operating results of its development projects may differ materially from those anticipated, and uncertainties related to operations are even greater in the case of development projects.

Copper Prices

The profitability of the Company's current operations is directly related and sensitive to the market price of copper. Copper prices fluctuate widely and are affected by numerous factors beyond the Company's control, including global supply and demand, expectations with respect to the rate of inflation, the exchange rates of the United States dollar to other currencies, interest rates, forward selling by producers, central bank sales and purchasers, production and cost levels in major producing regions, global or regional political, economic or financial situations and a number of other factors.

Although the Company from time to time maintains hedging positions to reduce the risk associated with copper price volatility, there is no assurance that the Company's hedging strategies will be successful. The Company has a minor hedge exposure at Bwana Mkubwa of 900 tonnes per month until May 2003 through the purchase of put options and the sale of call options.

Ore Reserve and Resource Estimates

The Company's reported mineral reserves and resources are only estimates. No assurance can be given that the estimated mineral reserves and resources will be recovered or that they will be recovered at the rates estimated. Mineral reserve and resource estimates are based on limited sampling, and, consequently, are uncertain because the samples may not be representative. Mineral reserve and resource estimates may require revision (either up or down) based on actual production experience. Market fluctuations in the price of metals, as well as increased production costs or reduced recovery rates, may render certain mineral reserves and resources uneconomic and may ultimately result in a restatement of reserves and/or resources. Moreover, short-term operating factors relating to the mineral reserves and resources, such as the need for sequential development of ore bodies and the processing of new or different ore grades, may adversely affect the Company's profitability in any particular accounting period.

Dependence on Limited Mining Properties

The Company's operations at the Bwana Mkubwa mine and the Lonshi Copper Mine each account for a substantial portion of the Company's mineral production and revenue. Any adverse development affecting either mine could have a material adverse effect on the Company's financial performance and results of operations.

No Assurance of Titles or Boundaries

Title to the Company's properties may be challenged or impugned, and title insurance is generally not available. The Company's mineral properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

Capital Requirements

The Company will require significant capital in order to fund its operating costs, to service existing and future indebtedness and to carry out plans to develop the Kansanshi Project and to upgrade and expand existing mining facilities. Although the Company generates significant operating income, cash flows from operations will not be sufficient to fund all of its capital requirements. Furthermore, levels of cash flow are subject to a number of risks and uncertainties, including variations in metal prices, resource grades and production levels, many of which are beyond the control of the Company. The Company will require additional financing from external sources to meet its capital requirements. There can be no assurance that such financing will be available to the Company, or, if available, that it will be offered on acceptable terms. If additional financing is raised through the issuance of equity or convertible debt securities of the Company, the interests of shareholders in the net assets of the Company may be diluted. Any failure by the Company to obtain required financing on acceptable terms could have a material adverse effect on the Company's financial condition, results of operations and liquidity and require the Company to cancel or postpone planned capital investments.

Estimation of Asset Carrying Values

The Company annually undertakes a detailed review of the life-of-mine plans for its operating properties and an evaluation of the Company's portfolio of development projects, exploration projects and other assets. The recoverability of the Company's carrying values of its operating and development properties are assessed by comparing carrying values to estimated future net cash flows from each property.

Factors which may affect carrying values include, but are not limited to, copper, cobalt and sulphuric acid prices, capital cost estimates, mining, processing and other operating costs, grade and metallurgical characteristics of ore, mine design and timing of production. In the event of a prolonged period of depressed copper prices, the Company may be required to take additional material write-downs of its operating and development properties.

Exploration Risks

Since mines have limited lives based on proven and probable ore reserves, the Company continually seeks to replace and expand its reserves. Mineral exploration, at both newly acquired properties and existing mining operations, is highly speculative in nature, involves many risks and frequently does not result in the discovery of mineable reserves. There can be no assurance that the Company's exploration efforts will result in the discovery of significant copper mineralization or that any mineralization discovered will result in an increase of the Company's proven or probable reserves. If proven or probable reserves are developed, it may take a number of years and substantial expenditures from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. No assurance can be given that the Company's exploration programs will result in the replacement of current production with new reserves or that the Company's development program will be able to extend the life of the Company's existing mines. In the event that new reserves are not developed, the Company will not be able to sustain any mine's current level of copper beyond the life of its existing reserve estimates.

Mining Risks and Insurance

The business of mining and mineral exploration is generally subject to a number of risks and hazards, including adverse environmental conditions, industrial accidents, contaminations, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability. The Company maintains insurance against certain risks that are typical in the copper mining industry and in amounts that the Company believes to be reasonable, but which may not provide adequate coverage in certain circumstances. However, insurance against certain risks (including certain liabilities for environmental pollution or other hazards as a result of exploration and production) is not generally available to the Company or to other companies in the industry on acceptable terms.

Governmental and Environmental Regulation

The Company's mining operations and exploration activities are subject to extensive foreign laws and regulations governing exploration, development, production, exports, taxes, labour standards, waste disposal, protection and remediation of the environment, reclamation, historic and cultural resources preservation, mine safety and occupation health, handling, storage and transportation of hazardous substances and other matters. The costs of discovering, evaluating, planning, designing, developing, constructing, operating and closing the Company's mines and other facilities in compliance with such laws and regulations are significant. It is possible that the costs and delays associated with compliance with such laws and regulations could become such that the Company would not proceed with the development of or continue to operate a mine.

As part of its normal course operating and development activities, the Company has expended significant resources, both financial and managerial, to comply with governmental and environmental regulations and permitting requirements, and will continue to do so in the future. Moreover, it is possible that future regulatory developments,

such as increasingly strict environmental protection laws, regulations and enforcement policies thereunder, and claims for damages to property and persons resulting from the Company's operations, could result in substantial costs and liabilities in the future.

The Company is required to obtain governmental permits to develop its reserves and for expansion or advanced exploration activities at its operating and exploration properties. Obtaining the necessary governmental permits is a complex and time-consuming process involving numerous Zambian or other foreign agencies. The duration and success of each permitting effort are contingent upon many variables not within the Company's control. In the case of foreign operations, governmental approvals, licenses and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. In the context of environmental protection permitting, including the approval of reclamation plans, the Company must comply with known standards, existing laws and regulations that may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and the interpretation of the laws and regulations implemented by the permitting authority. The failure to obtain certain permits, or the imposition of extensive conditions upon certain permits, could have a material adverse effect on the Company's business, operations and prospects.

New laws and regulations, amendments to existing laws and regulations, administrative interpretation of existing laws and regulations, or more stringent enforcement of existing laws and regulations, could have a material adverse impact on the Company's results of operations and financial condition.

Risk of International Operations

Many of the mineral rights and interests of the Company are subject to government approvals, licenses and permits. Such approvals, licenses and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. No assurance can be given that the Company will be successful in maintaining any or all of the various approvals, licenses and permits in full force and effect without modification or revocation.

In certain countries in which the Company has assets and operations, such assets and operations are subject to various political, economic and other uncertainties, including, among other things, the risks of war and civil unrest, expropriation, nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts, taxation policies, foreign exchange and repatriation restrictions, changing political conditions, international monetary fluctuations, currency controls and foreign governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. In addition, in the event of a dispute arising from foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in the United States or Canada. The Company also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for the Company to accurately predict such developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on the Company's operations.

Health Risks

HIV/AIDS, malaria and other diseases are perceived as a serious threat to maintaining a skilled workforce in the Zambian Copperbelt region. The per capita incidence of the HIV/AIDS virus in Zambia has been estimated as being one of the highest in the world. As such HIV/AIDS remains a major healthcare challenge faced by the Company's operations in the country. There can be no assurance that the Company will not lose members of its workforce or lose workforce man-hours, which may have a material adverse effect on the Company's operations.

Currency Risks

The Company's revenue from operations will be received in United States dollars while a significant portion of its operating expenses will be incurred in Zambian Kwacha. Accordingly, foreign currency fluctuations may adversely affect the Company's financial position and operating results. The Company does not currently engage in foreign currency hedging activities for operational purposes.

Effects of Inflation on Results of Operations

A significant portion of the Company's operations are located in Zambia which has historically experienced relatively high rates of inflation. Since the Company is unable to control the market price at which it sells the minerals it produces (except to the extent that it enters into forward sales contracts), it is possible that significantly higher inflation in the future in Zambia, without a concurrent devaluation of the local currency against the US dollar or an increase in the price of such minerals, could have a material adverse effect upon the Company's results of operations and financial condition.

Key Personnel

The Company is depending on a relatively small number of key employees, the loss of any of whom could have an adverse effect on the Company. The Company currently does not have key person insurance on these individuals.

Share Price Volatility

In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered to be development stage companies, has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of the Company's securities.

Narrative Description of the Business

General

The Company is a mining company whose principal activities include mineral exploration, development, and mining. The Company is focused on the copper sector in Zambia primarily, however does not restrict its exposure to other geographic regions or commodities. Its operations in Zambia include the 100% owned Bwana Mkubwa SX/EW facility and the 80% owned Kansanshi Project. In addition, in the DRC, First Quantum operates the 100% owned open pit Lonshi Copper Mine which provides oxide copper ore for processing at the Bwana Mkubwa SX/EW facility. The Company has an effective 16.9% interest in Mopani which operates the Nkana underground copper mine and cobalt refinery and the Mufulira underground copper mine, smelter and copper refinery. The Company also holds an 18.6% interest in Anvil. Anvil operates the Dikulushi Copper Mine in the DRC.

Total revenues in the thirteen month period ended December 31, 2002 including interest income were $51.3 million (2001: $138.1 million). The 63% decrease principally reflects the non-consolidation dilution of the Company's interest in Carlisa. Revenues from Bwana Mkubwa increased 21% in the thirteen month period ended December 31, 2002 to $29.8 million (2001: $24.6 million) as a result of commissioning the plant expansion during the four months ended December 31, 2002, increased acid sales, and the inclusion of an additional month of revenues with the change in fiscal year end.

The average copper price after realization charges at Bwana Mkubwa in the thirteen month period ended December 31, 2002 was $0.65 per pound (2001: $0.71 per pound). The average LME price for the period was $0.70 per pound (2001: $0.73 per pound).

Copper production at Bwana Mkubwa in the thirteen month period ended December 31, 2002 was 11,878 tonnes (2001: 9,662 tonnes) while surplus acid production was 88,198 tonnes (2001: 62,783 tonnes). The increase in production can be attributed to the commissioning of the new SX/EW facility and the second acid plant.

The Copperbelt

The Copperbelt is a northwest trending zone 600 kilometres long by 50 kilometres wide containing one of the world's greatest concentrations of copper deposits. The arc of copper deposits extends from Ndola, Zambia in the east, including the well known Zambian mines, stretching across the border into the DRC and west into Angola and northwestern portions of Zambia.

The copper deposits are truly exceptional on a world scale with most having original resources measuring hundreds of millions of tonnes of ore with grades greater than 2% copper. For example, Nchanga in Zambia contained 450 million tonnes at 4% copper, while the cobalt rich Kolwezi district in the DRC totaled over 600 million tonnes at a grade of 7% copper equivalent.

Copper and cobalt mineralization was first discovered in Zambia at the turn of the century. Large scale production commenced in the 1930's with the start-up of the Roan Antelope Mine (Luanshya 1931), followed by the Nkana Mine (1932), the Mufulira Mine (1933) and the Nchanga Mine (1939).

Copper has played a dominant role in Zambia's economic history, providing at times 85% of its foreign exchange. Copper production reached a peak of 700,000 tonnes per year during the period 1969-1976 before beginning a progressive decline, due to a lack of investment, to a low of 250,000 tonnes in 1999. The newly privatized industry is attempting to revitalize the Copperbelt mines through the introduction of new human and financial capital.

Operations

Commissioning of the expansion at the Bwana Mkubwa SX/EW facility commenced in October 2002 and construction was completed November 30, 2002. During the four months ended December 31, 2002, fine-tuning and optimization of the leach, filtration, solvent extraction, and electrowinning facilities, and build-up of in circuit inventory took place with the aim of reaching a production rate of 2,500 tonnes of copper cathode per month by the second quarter of 2003. Above average rainfall during the wet season (November – March) created a number of material handling problems due to the clay rich nature of the Lonshi ore. These material handling issues are being addressed with modifications to the facilities. The full production rate is forecast to be achieved by the second quarter of 2003.

Revenues from the combined Bwana Mkubwa/Lonshi operations in the thirteen month period ended December 31, 2002 were $29.8 million (2001: $24.6 million) as a result of commissioning the plant expansion during the four months ended December 31, 2002, increased acid sales, and the inclusion of an additional month of revenue with the change in year end. For the thirteen months ended December 31, 2002, cost of sales at the combined Bwana Mkubwa/Lonshi operations were $22.5 million (2001: $13.3 million). The higher cash costs are mainly associated with mining, transporting and comminution of Lonshi ore. For the thirteen month period ended December 31, 2002 , Bwana Mkubwa produced 11,878 tonnes of copper (2001: 9,662) and 88,198 tonnes of surplus sulphuric acid (2001: 62,783). Cash costs (net of acid credits) were $0.27 per pound of copper (2001: $0.18 per pound) and total costs were $0.52 per pound of copper (2001: $0.61 per pound) for the period.

Acid sales improved during the thirteen month period ended December 31, 2002 after the commissioning of the second acid plant, which increased the surplus sulphuric acid available to third parties. For the thirteen months ended December 31, 2002, 951,084 tonnes of high grade ore at 5.42% acid soluble copper, 244,229 tonnes of low grade ore at 0.88% acid soluble copper, and 4,155,839 tonnes of waste were mined. As of December 31, 2002 approximately 1,100,000 tonnes of ore grading 4.3% acid soluble copper containing approximately 47,500 tonnes of acid soluble copper had been stockpiled for future processing.

In December 2002 the Company completed the DFS for Phase One development of the Kansanshi Project.

Bwana Mkubwa Copper Project and Lonshi Copper Mine

Bwana Mkubwa Copper Project

Background to the Bwana Mkubwa Copper Project

The Company owns 100% of the Bwana Mkubwa copper project, which it acquired in 1996. The Company acquired all of the issued and outstanding shares of Cover Investments Limited ("Cover") and beneficial ownership of BMML pursuant to a share purchase agreement dated for reference June 20, 1996 between the Company, NP Finance Limited and Good Luck Holdings Limited, as vendors, BMML, Cover, Philip Pascall, the Chairman, Chief Executive Officer and a director of the Company, and FQM (Zambia) Limited ("FQM Zambia"), formerly known as Western Mining Corporation Ltd. The acquisition was completed effective November 29, 1996. In payment of the purchase price for the shares of Cover and BMML, the Company issued an aggregate of 5 million common shares at a deemed price of $3.25 per share.

The Bwana Mkubwa copper project is covered by a mining license, registration number ML276, which was issued to FQM Zambia by the Government of the Republic of Zambia ("GRZ") on April 19, 1996. This licence permitted copper mining and development activities in the Ndola area for a period of ten years. Subsequently, on May 13, 1997, a large scale mining licence, registration number LML19, was issued to BMML by GRZ for copper mining operations in the Ndola area for a period of ten years. A royalty of 2% is payable to GRZ on revenue from the sale of copper net of transport and refining costs.

In the first quarter of 1998, the Company completed construction of an SX/EW tailings retreatment plant and sulphuric acid plant at Bwana Mkubwa and production of sulphuric acid and copper cathodes commenced in March 1998 and May 1998, respectively.

The Bwana Mkubwa operations originally involved the re-treatment of copper tailings from the No. 4 Tailings Dump created from previous mining operations, and the manufacture of sulphuric acid. The tailings are slurrified using hydraulic monitors. The resultant slurry is pumped to the acid leaching plant. Pregnant liquor from this plant is processed to recover the copper via the SX/EW plant. Tailings produced during the retreatment process are pumped, as an aqueous slurry, to a disposal facility adjacent to the existing dam.

The Bwana Mkubwa operations were expanded in 2002 to process ore from the Lonshi Copper Mine.

Location and Access to Bwana Mkubwa

The Bwana Mkubwa copper project is located approximately six kilometres southeast of the city of Ndola in the Zambian Copperbelt, and is approximately 10 kilometres from the DRC border. Ndola is served by an international airport with direct air services to South Africa in addition to domestic routes including the international airport in the capital of Lusaka. Ndola is also served by Zambia Railways which, in turn, links to the southern African rail system. Fully paved roads link Ndola with all other towns on the Copperbelt to the west and Lusaka to the south.

The Bwana Mkubwa plant area is accessible by both road and rail. The main Ndola to Lusaka road passes approximately two kilometres west of the mine and is accessed via a three kilometre paved then unsurfaced road, which passes adjacent to the main original open pit at Bwana Mkubwa. A 1.5 kilometre rail spur from the Bwana Mkubwa railway station connects the processing facility to the Zambian railway network. The Lonshi Copper Mine is located 36 kilometres by road southeast of Bwana Mkubwa.

Resources & Reserves of Bwana Mkubwa

From the start of operations in 1998 to December 31, 2002 the Company treated 7,370,115 tonnes of tailings at an average head grade of 0.71% copper. These tailings resources have essentially been depleted.

Lonshi Copper Mine

The Lonshi Copper Mine is located in the DRC and is owned and operated by Comisa. The deposit was discovered by the Company in late 2000 as a by-product of its efforts to secure new oxide feed for the Bwana Mkubwa facility. Three drilling campaigns in the period November 2000 to September 2002 resulted in the definition of an economically mineable mineral resource. Mining operations commenced in August 2001 with ore from the mine transported by road and processed at the Bwana Mkubwa facility.

On the basis of the discovery of the Lonshi Copper Mine, and after completion of an independent engineering study, the Bwana Mkubwa plant was first modified to accept Lonshi ore, and then expanded to triple its previous capacity. Commissioning of the plant is currently underway, and when completed, average annual production of 30,000 tonnes of cathode copper is expected for the remainder of the mine life.

G. Clive Newall, President of the Company, and Alan Stephens, Vice President Exploration of the Company, prepared a technical report pursuant to National Instrument 43-101 ("NI 43-101") on the Lonshi Copper Mine (the "Lonshi Report") dated March 26, 2003 a copy of which is available for review on SEDAR (www.sedar.com). The following disclosure concerning the Lonshi Copper Mine is primarily derived from the Lonshi Report.

Property Description and Location

The Lonshi Copper Mine is located in the Congo Pedicle region of the Province of Katanga, DRC. It is sited within 3 kilometres of the border between the DRC and Zambia at UTM coordinates of N 8542775.766; E 710278.2, and is approximately 36 kilometres southeast of the Bwana Mkubwa facility in Zambia.

Lonshi lies within the Kipilunga Exploitation Concession (Concession Number 235) which was granted to Comisa by Ministerial Order on June 25, 2001 for a period of 40 years. The concession, which measures 124 square kilometres in area, is owned 100% by Comisa, and entitles Comisa to mine and develop the area and to extract copper, cobalt, manganese and nickel.

Comisa has obtained all operating permits required under DRC laws and regulations currently in force, and the Lonshi Copper Mine has been in continuous operation since September 2001. Comisa operates under a mining agreement between the DRC, BMML and Comisa, dated May 2001. A new Mining Act and Regulations are currently being implemented in the DRC and some changes to this operating agreement may result. Comisa sells all of its ore to BMML for processing at the Bwana Mkubwa operation.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Lonshi Copper Mine is located in flat terrain, with an average elevation of 1,300 metres, and the area is vegetated with a mixture of open savannah grassland, tropical forest and marsh. Access is by means of a dedicated BMML owned and operated 30 kilometre long haul road from Bwana Mkubwa. There are no settlements of any size in the vicinity of the mine in the DRC and the nearest town is Ndola in Zambia.

The Lonshi Copper Mine operates year round, although mining of ore is restricted during the wettest months of the rainy season (November to March), during which only waste stripping is carried out. As all ore processing is conducted at Bwana Mkubwa, there is no requirement for power, tailings ponds, or other installations at the Lonshi Copper Mine.

Geological Setting

The Central African Copperbelt is an arcuate belt of Late Proterozoic sediment-hosted copper deposits, many of which are world-class. The belt is coincident with the Lufilian arc, a major tectonic province characterized by broadly north-directed fold and thrust structures. The Copperbelt deposits occur within the lowermost Mines Series of the Katangan Supergroup, and can be grouped into two broad types that geographically fall on either side of the Zambian – DRC border. The Zambian deposits are hosted in the lowermost portion of the Mines Series, the Lower

Roan Group "ore shales", quartzites and other predominantly clastic sediments. The Lower Roan sediments rest upon Middle Proterozoic (approximately 1200 to 1300 m.a.) basement gneisses, schists and granites, which are locally mineralized adjacent to the contact. In contrast, the Congolese deposits are hosted in Upper Roan Group dolomitic rocks within thrust-bounded blocks and megabreccias. Argillaceous sediments, marbles and schists of the Mwashia Group overlie the Upper Roan sediments and form the uppermost portion of the Mines Series. The Kundelungu Series overlies the Mines Series and has been subdivided into three groups. The base of the Lower Kundelungu is marked by the Grand Conglomerate, a major submarine conglomeratic or tillite horizon. This is overlain by a thick limestone sequence (Kakontwe Fm.) and pelites.

Outcrop is very poor in the area with deep tropical weathering and laterization being ubiquitous, and hence the local geology is largely interpreted from satellite imagery and drilling. The stratigraphic succession in the mine area comprises eastward dipping Lower Roan clastic rocks, overlain by Upper Roan pelitic rocks, carbonates and minor clastics, which in turn are overlain by Mwashia Group shales.

In contrast to other known Copperbelt deposits, the Lonshi Copper Mine is interpreted to occur at or near the upper contact of the Upper Roan Group where a sheared and tectonised clastic unit, the Lonshi conglomerate is in thrust contact with overlying carbonaceous, silty, dolomitic marbles. This folded and thrusted contact is the locus for mineralization which occurs in both the conglomerate and the intensely weathered dolomite.

Mineralization

The Lonshi orebody is sited at the thrusted contact of altered and sheared Lonshi conglomerate with overlying dolomitic marble, denominated the Lonshi horizon. Primary sulphide mineralization, mainly chalcopyrite, occurs as carbonate clast replacement in the conglomerate, and as disseminations and rare veinlets in both conglomerate and dolomite. Supergene enrichment and subsequent deep oxidation, has resulted in complete carbonate destruction in the dolomite, within the weathering zone, and formation of chalcocite now largely oxidized to malachite and black copper oxide minerals. The weathered dolomite is now a residual black silty rock, named Terre Noir, that is host to major secondary oxide mineralization. At depth, carbonate destruction of the dolomite is incomplete, and the Terre Noir then forms along the upper and lower dolomite contacts only.

As currently defined, the Lonshi horizon has been traced over a strike length of 2,500 metres, and has been drilled to a maximum vertical depth of 150 metres. Oxide mineralization varies from 2 to 50 metres in true thickness, with ore grades and thicknesses being confined to a synclinal fold flexure. Similar, as yet untested, synclines have been mapped to the north and south of the Lonshi Copper Mine.

History and Exploration

Old files both in the DRC and in The Royal Museum of Central Africa in Tervuren, Belgium describe several 1930's vintage drill holes that reportedly intersected high grade copper mineralization in the Lonshi area. Site inspection revealed the presence of some old trenching and the sites of some of these drillholes. Aside from this, there is no reported mining or exploration activity at Lonshi.

Initial site inspection resulted in the location of the reported diamond drill hole ("DDH") collars as well as some old trenches, located in a classic copper clearing, or vegetation kill zone, and a small reverse circulation ("RC") drill program was completed by the Company in November 2000, which located the orebody. A second round of drilling in May 2001 resulted in the delineation of a significant orebody.

Drilling

Three separate drilling programs were completed in 2000, 2001 and 2002. All drilling at the Lonshi Copper Mine was carried out by Stanley Mining Services Ltd., and comprised a total of 171 RC drill holes for 8,838 metres and 6 DDH for 991 metres. The Company supervised all drilling and sampling exercises, except for 673 metres of diamond drilling carried out mainly for geotechnical purposes by African Mining Consultants Limited ("AMC") who collected the core samples from a Stanley Mining Services Ltd. drill rig.

All drillhole collars were surveyed by an independent surveyor, Mr. Ian Robinson, of Survey and Technical Services ("STS") of Masvingo, Zimbabwe. STS confirmed that the sitings used in the database are a true reflection of their surveys carried out on the site.

Downhole surveys were conducted on the diamond drilling program of 2002, by AMC. No significant deflections were reported. Traces of the shallow RC drilling have been exposed as the pit deepened. To a depth of 45 metres below natural ground level, no significant deviation in the hole trace has been observed by correlation back to the collar on surface. A short program of twinning of DDHs with RCs was completed. All holes were oriented to intersect the mineralization at appropriate angles to dip and strike.

Sampling methods and security

All RC samples were collected in single composite metre intervals, with no splitting done in the field. RC recoveries were generally acceptable except in those few areas of excessive moisture content, where recoveries were low. Diamond holes were drilled at PQ size, and assayed in their entirety, with individual sample intervals reflecting geology and respecting core loss, and a minimum sample interval of 0.5 metres. Core recovery was generally better than 90%. All sampling was conducted by the Company, who also supervised the chain of custody from the drill site to the laboratory.

Sample preparation and analyses

The RC samples, of roughly 7 to 10 kilograms each, were dried and crushed to approximately 10 millimetre size before being split into 1 kilogram sub samples using riffle splitters at a dedicated Company laboratory in Ndola. The 1 kilogram sub sample was pulverised to analytical fineness and a 100 gram pulp taken for assay.

All samples were prepared to normal industry standards and assayed by flame atomic absorption spectrophotometry for total copper and ambient temperature acid soluble copper. Appropriate standards, blanks and duplicates were employed.

In 2000, 230 of the total of 890 RC samples collected were sent to Independent Metallurgical Laboratories ("IML") in Perth, Australia and were composited into 32 samples representing 16 mineralized intersections of Terre Noire and Lonshi conglomerate. In 2001, approximately 4,203 samples were collected by the Company and assayed at the BMML laboratory using similar methods to the Year 2000 drill program. In 2002, approximately 175 RC samples were sent to the BMML laboratory for assay, and 1,470 samples were sent to Antech Laboratories in Zimbabwe. Assays from the geotechnical diamond drilling were carried out at Alfred Knight Laboratory ("AHK").

Check and repeat samples were undertaken by the Company in 2001 to verify the consistency and accuracy of the BMML laboratory. Two external laboratories, AHK in Kalalushi, Zambia and Genalaysis in Perth, Australia carried out a program of checking copper assays. During 2002, external checks at the same two external labs were also carried out on Lonshi stockpiled ore as part of an accreditation program by AMC for the BMML laboratory.

Mineral Processing & Metallurgical Testing

Initial metallurgical testwork, on RC drillhole samples, was conducted in 2001 and indicated that the Lonshi ore would leach satisfactorily, under conditions in place at the existing Bwana Mkubwa plant. However, significant issues associated with the vacuum filtration portion of the Bwana Mkubwa circuit were identified.

As part of a definitive engineering study completed by Signet Engineering of Perth, Australia in December 2001, additional testwork was conducted on diamond drill core samples from Lonshi at IML. This testwork comprised full head analysis, acid leachability tests, a variety of physical tests to determine crushing and milling characteristics, ore filtration tests, and thickening and clarification tests.

As a result of the difficulties encountered in the original testwork with the filtration of the Lonshi leach residue, a variety of testwork was conducted to examine the concept of blending other materials with Lonshi ore to produce a

filterable residue blend. This included blending low grade dump material from Bwana Mkubwa, and while much better filtration rates were achieved, results were inadequate in terms of grade and production.

Counter current decantation ("CCD") was then examined as an alternative for the residue solid/liquid separation step. Incorporation of a clarification step following CCD, and the relaxation of the need to produce a clear CCD overflow, resulted in adequate specific settling rates being achieved. By using high wash flow rates in line with the revised overall circuit design, adequate recoveries of copper were achieved. The use of CCD followed by clarification of the pregnant liquor solution was therefore adopted as the preferred process for the expansion at Bwana Mkubwa.

Mineral Resource and Mineral Reserve Estimates

The estimated resources at the Lonshi Copper Mine as at September, 2002 are set out in the following table:

Orebody	Category	Tonnes Ore	% TCu	% AsCu	Tonnes TCu	Tonnes AsCu
HG	Measured	5,064,702	6.42	5.31	325,154	268,936
	Indicated	217,734	7.82	5.97	17,027	12,999
	Inferred	185,435	6.66	5.49	12,350	10,180
TOTAL	M & I	5,282,436	6.48	5.34	342,181	281,934
HG+LG	Measured	6,952,310	5.01	4.22	348,311	293,387
	Indicated	310,088	5.07	4.28	15,721	13,272
	Inferred	152,241	5.07	4.28	7,719	6,516
TOTAL	M & I	7,262,398	5.01	4.22	364,032	306,659

Notes:

(1) Highgrade (HG) orebody, based on a model with a lower cut off of 2% TCu (total copper).

(2) Lowgrade (HG+LG) orebody, based on a model with a lower cut off of 0.8% AsCu (acid soluble copper).

Subsequent to the calculation of the resources disclosed above, material has been mined and placed in stockpiles both at the Lonshi site and at the Zambia/DRC border, and has been processed at Bwana Mkubwa.

As of January 1, 2003, the estimated resources and reserves are as set out in the following table. The reserves were derived from and are included in the mineral resources, and are not in addition to the mineral resources.

Area	Classification	Tonnage Ore	% AsCu	Tonnes AsCu
Mineral Resource (Measured & Indicated)	Block Model HG + LG	6,099,786	4.13	252,179

Area	Classification	Tonnage Ore	% AsCu	Tonnes AsCu
Mineable Reserves (Proven & Probable)	HG	2,880,767	5.81	167,238
Border Stockpile	HG + LG	799,527	4.26	34,060
Lonshi Stockpile (Stockpiles: Proven)	HG + LG	261,938	5.23	13,699
TOTAL RESERVES	HG + LG	3,942,232	5.45	214,997

Mineral resources which are not mineral reserves do not have demonstrated economic viability.

The estimates of mineral resources and mineral reserves will not be materially affected by any known environmental, permitting, legal, title, taxation or social-political issues.

Mining Operations

Comisa uses independent contractors to mine and haul Lonshi ore. The mining contractor is South Africa's Mutual Civils and Construction, operating through its DRC subsidiary, Congo Construction and Mining Sprl. ("CCM"), while the haulage contractor is Kasembo Transport of Ndola. CCM mines the ore and takes it via a 3.5 kilometre long haul road to a stockpile at the Zambian border while Kasembo transports it from there to Bwana Mkubwa over about 35 kilometres of a newly constructed dedicated haul road.

An average annual mining rate of 700,000 tonnes of ore is anticipated over the life of the mine.

For the 13 months ended December 31, 2002, 951,084 tonnes of high grade ore at 5.42% acid soluble copper, 244,229 tonnes of low grade ore at 0.88% acid soluble copper, and 4,155,859 tonnes of waste were mined.

Mine operating costs in 2003 are estimated to be $2.35 per bank cubic meter for mining and $4.50 per tonne for haulage.

Comisa operates under an environmental management plan at the Lonshi Copper Mine, and an environmental impact assessment is currently being prepared. The DRC Environmental Regulations are currently undergoing modification and are expected to come into force later in 2003.

Bwana Mkubwa Processing Operations

Since start up in early 1998, the Bwana Mkubwa operation has consisted of the manufacture of sulphuric acid and the re-processing of copper-bearing mine tailings contained in the existing Bwana Mkubwa tailings dam to recover residual copper as copper cathode via SX-EW. Annual production capacity of this operation was 10,000 tonnes per year of LME grade copper cathode.

Early in 2002, First Quantum completed the first phase of construction of an expansion of the Bwana Mkubwa SX-EW facility to a minimum production capacity of 30,000 tonnes of LME grade copper cathode per year. The expansion consisted of the installation of crushing, milling and pre-leach filtration facilities necessary to process ore from Lonshi. Processing via blending with existing Bwana Mkubwa tailings commenced in March 2002. Phase two of the construction to expand the leach, filtration, solvent extraction and electrowinning facilities was completed in November 2002. The expanded plant is currently undergoing commissioning and is expected to reach full monthly production of 2,500 tonnes by May 2003.

In addition, in 2001 construction of a second sulphuric acid plant was completed at Bwana Mkubwa. On an annual basis, total acid production at Bwana Mkubwa has been increased from 105,000 tonnes to 145,000 tonnes. The second acid plant was built in response to the continuing shortage of sulphuric acid in Zambia and the DRC.

Over the last four years, Bwana Mkubwa has produced 34,574 tonnes of copper cathode at an average cash cost of $0.13 per pound, net of credits from the sale of 223,556 tonnes of surplus sulphuric acid.

For 2002, Bwana Mkubwa produced 11,878 tonnes of copper cathode and 88,198 tonnes of surplus sulphuric acid. In 2003, once the Bwana Mkubwa facility is fully expanded to treat Lonshi ore, copper production is forecast to be 30,000 tonnes with unit cash costs of approximately $0.35 per pound.

Production at Bwana Mkubwa

The annual fiscal year throughput of the plant is set out in the following table.

Bwana Mkubwa Production Data

	Unit	1998	1999	2000	2001	2002
Ore Processed	tonnes	996,380	1,739,210	1,789,680	1,890,520	1,941,743
Copper Grade	Cu %	0.75	0.73	0.72	0.67	1.37
Contained Copper	tonnes	9,743	12,899	12,931	12,774	16,368
Surplus Acid Production	tonnes	46,522	66,039	61,889	62,783	88,198
Copper Production	tonnes	5,266	9,621	10,025	9,662	11,878
Total Cost Copper	$/ lb	0.81	0.68	0.57	0.61	0.52
Cash Cost Copper[(1)]	$ / lb	0.18	0.08	0.11	0.18	0.27

(1) Cash cost copper amounts are net of acid credits.

Sales of Copper and Sulphuric Acid

Copper cathodes are transported to Durban or Dar es Salaam by road or rail. The Company entered into an off-take agreement with Republic House AG of Switzerland dated April 24, 2001 pursuant to which Bwana Mkubwa agreed to sell 800 tonnes per month from the Bwana Mkubwa SX/EW facility to Republic House from May 1, 2001 through to June 30, 2003.

The majority of the acid is transported to Chingola by contract road tankers. Surplus sulphuric acid is currently sold to Konkola Copper Mines, Zambia and occasionally to various third parties in Zambia and the DRC.

Pridewood Management Agreement

Pursuant to a management agreement (the "Pridewood Agreement") entered into in September 1996, as amended March 30, 1997 between Pridewood Management Ltd. ("Pridewood"), the Company and BMML, Pridewood was engaged to provide mining management, operating and support services to BMML in connection with the development, construction and commissioning of the Bwana Mkubwa copper tailings project. Among the areas of responsibility of Pridewood are personnel, acquisition and disposition of supplies and equipment, regulatory filings and payments and professional services. Pursuant to the Pridewood Agreement, Pridewood was entitled to receive fees equal to a percentage of the costs of constructing (5%) and then operating (7.5%), the Bwana Mkubwa copper tailings project to October 31, 1998. Pursuant to the terms of an amending agreement dated November 27, 1998 between the Company, BMML and Pridewood, the operations fee payable to Pridewood was reduced from 7.5% of operating costs to 2% of revenues attributable from the sale of copper and sulphuric acid. Philip K.R. Pascall, the Chairman and Chief Executive Officer of the Company, is the brother of the President and sole shareholder of Pridewood.

Kansanshi Project

Acquisition of Interest in Kansanshi Project

Kansanshi is one of the oldest known mines in Zambia, with evidence of direct copper smelting dating back to the 4th century. Since the rediscovery of these ancient workings in 1899, the Kansanshi deposit has been intermittently mined for the recovery of high grade copper from both underground and open pit.

In January 1997, Cyprus Amax Minerals Corporation ("Cyprus Amax") entered into an agreement to secure a majority ownership interest in the Kansanshi project as part of the privatization of ZCCM. Cyprus Amax, which was

acquired by Phelps Dodge Corp. in 1999, completed over 80,000 metres of drilling and produced a preliminary feasibility study in April 2000.

On August 15, 2001, the Company entered into a Purchase and Sale Agreement with Cyprus Amax (the "Kansanshi Agreement"). Under the terms of the Kansanshi Agreement, the Company acquired 100% of Kansanshi Holdings Limited ("Kansanshi Holdings"), a wholly owned subsidiary of Cyprus Amax. Kansanshi Holdings owns an 80% interest in Kansanshi Mining Plc ("Kansanshi Mining"), the Zambian company which owns the Kansanshi Project. In consideration, First Quantum paid $50,000 for all of the issued shares of Kansanshi Holdings and assumed a total debt outstanding to Cyprus Amax of $27.45 million, which was reduced by $2.45 million cash, and the issue of 1,400,000 First Quantum common shares. Thirty days after the commencement of commercial production at the Kansanshi Project, the Company will repay the outstanding $25 million debt to Cyprus Amax less an amount equal to the market value at that time of the 1.4 million First Quantum common shares.

As part of the Kansanshi acquisition the Company has paid $2.0 million to ZCCM Holdings and will pay a further $4.0 million to ZCCM Holdings upon an unconditional development decision at the Kansanshi Project. ZCCM Holdings holds a 20% interest in the Kansanshi Project.

Definitive Feasibility Study

The Company obtained a DFS from GRD Minproc Limited of Perth, Australia ("Minproc") in connection with the development of the Kansanshi Project. David Greig and Annick Manfrino of Minproc have prepared an independent technical report pursuant to NI 43-101 (the "Kansanshi Report"), a copy of which is available for review on SEDAR (www.sedar.com).

Based on the results of the DFS, the Company has conditionally determined to proceed with the development of the Kansanshi Project, subject to reaching agreement with the Government of Zambia (the "GRZ") on certain matters relating to the development framework of the Kansanshi Project and obtaining all necessary approvals from the GRZ, and subject to completion of satisfactory financing arrangements, both of which are expected to be completed by the second quarter of 2003. See "Mining Operations – Development of Mine".

Until the Company determines to proceed with the development of the Kansanshi Project unconditionally, the Company will pay to ZCCM Holdings the amount of $666,667 per quarter, commencing April 1, 2003. At the time of a decision to proceed with development unconditionally, the Company will pay to ZCCM Holdings $4.0 million, less the aggregate of all quarterly payments made during the conditional period.

Financing Arrangements

The Company will require significant funding to finance the development of the Kansanshi Project. The estimated capital cost to develop the Kansanshi Project is $158 million. See "Mining Operations - Capital Costs".

Standard Bank Group and WestLB AG have been appointed by the Company as co-lead arrangers and underwriters for a limited recourse Export Credit and Commercial debt loan facility of a minimum of $120 million (the "Kansanshi Loan Facility"). It is currently intended that the Kansanshi Loan Facility be structured 50% as a commercial debt facility and 50% as an export credit facility through the Export Credit Insurance Corporation of South Africa. The Company is also in advanced discussions with the European Investment Bank ("EIB"), the financing institution of the European Union, who has expressed an interest in participating in financing of the Kansanshi Project. The EIB has proposed several alternatives for its participation in the Kansanshi Project which include providing tier one project financing which will rank pari passu with the Kansanshi Loan Facility, subordinate debt and quasi-equity project participation. Furthermore, the Company has signed a term sheet with AAIF for the AAIF Standby Facility (see "Three Year History") and has received expressions of interest from a number of development banks, national development banks, specialized equity funds and metal off-takers who may be willing to provide funding for the development of the Kansanshi Project, subordinated to the Kansanshi Loan Facility. The Company expects that this financing will be in place by the end of April 2003, to facilitate the commencement of construction in the second quarter of 2003.

The following disclosure concerning the Kansanshi Project is primarily derived from the Kansanshi Report.

Project Overview

It is proposed that the Kansanshi Project be developed in two phases. Only the first phase (being years 1 to 16) is addressed in the DFS and the Kansanshi Report. Phase one development would focus on open pit mining and processing of shallow oxide and mixed ores, although significant quantities of primary sulphide ore will also be treated.

It is expected that for the first three years of operation, 4.0 million tonnes per year of oxide and mixed ore and 2.1 million tonnes per year of sulphide ore will be mined from two deposits within the project area. Ore treatment will be flexible to allow for variations in ore type, and will include conventional crushing, milling, flotation, acid leaching and SX-EW to produce approximately 60,000 tonnes per year of copper cathode and up to 75,000 tonnes per year of copper in concentrates. As part of the phase one development, the comminution and flotation circuit will be expanded to handle an additional 3.9 million tonnes per year of sulphide ore in year three. As a consequence, it is expected that concentrate production will increase, while SX-EW cathode copper is maintained at approximately 60,000 tonnes per year until year eleven, before declining as weathered ore types become depleted. Concentrates will be transported to a smelter for further treatment, while the copper cathode will be sold directly to metal dealers. By-product gold will be recovered both from a gravity circuit and from copper concentrates.

During the sixteen year, phase one mine life, it is expected that Kansanshi will produce 1.6 million tonnes of copper, approximately 44% as copper cathode and 56% as copper in concentrate. It is expected that owner mining cash costs will average $0.36 per pound of copper over the first 10 years of production and $0.38 per pound of copper over the sixteen year life of phase one. It is expected that gold production will average 25,000 ounces of gold per year.

The expectation is that there will be additional expansions during the life of the operation. It is proposed that phase two development (nominally years 17 to 28) will focus on sulphide ores, with the possible construction of a roaster to enable SX-EW copper cathode production to continue at the 60,000 tonne per year level.

Property Description, Location, Access and Infrastructure

The Kansanshi Project is located approximately 10 kilometres north of the town of Solwezi, the capital of the Northwestern Province of Zambia, and 18 kilometres south of the border with the DRC. The Solwezi District has an estimated population of 200,000, the majority of whom live in rural areas surrounding Solwezi. The Copperbelt town of Chingola is approximately 180 kilometres to the southeast.

Surface title to the properties comprising the Kansanshi Project is held by Kansanshi Mining. With the exception of rights of way, Kansanshi Mining has obtained the surface rights necessary to develop the project. The right to mine is covered by Large Scale Mining Licence LML 16 ("LML 16"), granted on March 7, 1997, as amended December 28, 2000. LML 16 was granted for a period of 25 years, covers an area of 21,593 hectares and allows Kansanshi Mining to explore and mine the minerals of copper, cobalt, gold, silver, tellurium, selenium and sulphur.

In addition to LML 16, Kansanshi Mining is the leaseholder of four properties that secure the surface rights to the active mining area. These are Farm 724 (4887 hectares), Lot 18/M (2.2 hectares), Lot 1514/M (2288.9 hectares) and Lot 11 936/M (38.5 hectares). The Farm is a one hundred year lease and the Lots are 99 year leases. Water rights have been secured for the Kansanshi Project until May 2017 which allow the Kansanshi Project to impound and pump 2435 cubic metres from the Chafuguma River in any 24 hour period.

There are no royalties, liabilities or other payments due to third parties, other than the mineral royalty of 0.6% payable to the GRZ.

The infrastructure in the Solwezi area is poor. Power supplies are limited, and inadequate for the development of the Kansanshi Project, while roads, airports, hospitals and schools are in need of significant upgrade. The Company has

been negotiating with various parties for the supply of power to the site and has received a definitive proposal for the provision of a 220 kilovolt line to the site.

The Chingola to Solwezi road was repaired in 2002 and is adequate for construction and ongoing operations. Future upgrading and repair work may be required, which will be undertaken by the GRZ. The existing Solwezi to Kansanshi road is adequate for the start of construction. This unsealed road will be maintained by the Company on a regular basis. A new bypass road will be required where the mine and facilities obstruct the existing road from Solwezi to the DRC. This new road will pass to the east of the current surface rights boundary.

The existing airstrip near the Project site belongs to the GRZ and is equipped with a full-time tower and radio control. The airport requires minor rehabilitation to accommodate increased usage by small charter aircraft.

History

The Kansanshi deposit is the site of one of the oldest known mines in Zambia, with evidence of direct copper smelting dating back to the fourth century. Since the rediscovery of these ancient workings in 1899, the deposit has been mined intermittently for recovery of high grade copper ore.

From 1903 until 1914, copper was recovered by underground mining of high-grade veins, followed by hand sorting and direct smelting. Mining activities terminated with the onset of World War I, resumed in 1927, but were shut down again in 1932 due to the world wide economic depression. In 1952, further exploration and mine development commenced, with production resuming in 1956. Oxide ore from the upper levels of the underground mine was shipped to Nkana on the Copperbelt for direct smelting. Sulphide concentrates were also produced on site from rich vein ore from lower mine levels through a small concentrator. The concentrates were shipped to the Nkana smelter for processing until October 1957.

In 1969, ZCCM approved development of an open pit mine at Kansanshi to treat high grade oxide ore in a leach plant to be constructed at the Kansanshi site. Construction commenced in 1974 with the building of houses and an office block but the project was shelved at the end of 1975 due to low copper prices. In June 1977, a "mining only" option was initiated at Kansanshi to deliver oxide ore to the Copperbelt for treatment and copper recovery at the Nchanga leach plant. This activity continued through April 1986 when operations ceased for economic reasons.

During 1988, ZCCM constructed a small sulphide flotation concentrator at site with a capacity of approximately 200 tonnes per day and recommenced open pit mining activities. Concentrate from the facility, containing up to 15 grams per tonne gold, was transported to the Copperbelt for smelting. This operation continued until January 1998, at which time ZCCM formally ceased operations and initiated closure and reclamation activities.

In January 1997, Cyprus Amax acquired from ZCCM and the GRZ a majority ownership of surface leases and selected assets associated with the Kansanshi Project. Cyprus Amax initiated geological investigations and metallurgical testwork in May 1997, aimed at developing reserves capable of supporting a major copper mining facility. Cyprus Amax undertook a Preliminary Feasibility Study to examine copper production of 124,000 tonnes per annum over a 24 year life, from mining of a total of 267 million tonnes of ore. Following completion of this study, it was determined that the Kansanshi Project did not meet Cyprus Amax's corporate requirements, at which time it was acquired by the Company.

Total production of copper from the Kansanshi deposit to date has been approximately 80,000 tonnes.

Geological Setting and Mineralization

The Central African Copperbelt is an arcuate belt of sediment-hosted copper deposits of Late Proterozoic age. The belt is coincident with the Lufilian arc, a major tectonic province characterized by generally north-directed fold and thrust structures. The Kansanshi deposit lies within the Domes Region, approximately 150 kilometres west of the main Zambian portion of the Copperbelt. The deposit is hosted by sediments previously assigned to the Lower Kundelungu Group, although the regional lack of exposure makes correlation difficult. Kansanshi lies approximately

12 kilometres north of a major basement feature, the Solwezi Dome, which comprises granites, migmatites and gneisses. This feature is one of several basement domes distributed roughly east-west along the inner portion of the Lufilian Arc.

The Kansanshi deposit occurs within a broad, northwest trending, northwest closing antiform, which can be traced for approximately 12 kilometres. Kansanshi is a vein deposit developed within a tectonised rock sequence, and, as such, structure constitutes a major mineralization control. The main veins and vein swarms dip subvertically, perpendicular to the fold axes, in the plane of maximum extension.

A major, north-south trending, well mineralized zone (4800E Zone) of complicated faulting, abundant vein injection, breccia development and down-dropped rock units lies within the Main Zone. Copper mineralization at Kansanshi occurs as vein-specific mineralization within and immediately adjacent to mesoscopic veins; as stratiform or concordant mineralization in thin bands and veinlets parallel to bedding/foliation; and as disseminated mineralization associated with albite-carbonate alteration. Brecciated zones may also be mineralized, but usually only within oxidized and supergene enrichment horizons, which display a complicated spatial distribution of secondary copper minerals.

Primary copper sulphide mineralization is dominated by chalcopyrite, with very minor bornite, accompanied by relatively minor pyrite and pyrrhotite. Oxide mineralization is dominated by chrysocolla with malachite, limonite and cupriferous goethite. The mixed zone includes both oxide and primary mineralization, but also carries significant chalcocite, minor native copper and tenorite. Some copper appears to be carried in clay and mica minerals, where it is essentially refractory.

Exploration and Drilling

Prior to 1970, exploration, including some diamond drilling, was carried out but little useful information remains from this work.

ZCCM drilled the property during the 1970s and 1980s, using conventional coring equipment. 35 holes were tested for shallow open-pittable mineralization around the existing ZCCM pit, while 74 holes were completed principally in the Main Zone. Total and acid soluble copper assays and geological logs are available from these programs, although the logging is not compatible with the latest geological nomenclature. Cyprus Amax commenced drilling in May 1997 and completed three programs of diamond drilling before the end of 1999.

The Company completed a 4,281 metre diamond drilling program and a 5,805 metre reverse-circulation drilling program of an aggregate of 105 holes in 2001.

The Company's resource model is based on a total of 529 diamond drill holes (107,640 metres) and 65 reverse-circulation drill holes (9,985 metres) completed by the Company, Cyprus Amax and ZCCM. Drill spacing varies from 50 m x 50 m or better in much of the Main Zone, to 200 m x 200 m in outlying areas.

Mineral Resource and Mineral Reserve Estimates

Mineral resources and mineral reserves were determined from the substantive diamond drilling base and included standard and accepted sampling, sample preparation and analysis procedures, including data verification and quality control procedures, metallurgical input, density assignment, geological modelling, grade modelling and block model validation.

Following a review of the above parameters, assumptions and methods, Minproc classified the resource blocks into Measured, Indicated or Inferred, according to the JORC Code. Based on ore type (leachable ore and float only ore) and confidence classification, Minproc classified the reserves into proven and probable mineral reserves consistent with Canadian (CIM) and Australian (JORC) reporting standards. The resource categories comply with the definitions of Measured, Indicated and Inferred Mineral Resources under the Canadian CIM Standards. The

resources were estimated in 2002 by Minproc in accordance with NI 43-101. Mineral resources which are not mineral reserves do not have demonstrated economic viability.

The Company does not expect that the estimates of mineral resources and mineral reserves will be materially affected by any known environmental, permitting, legal, title, taxation or socio-political issues.

Mineral Resources

Total Measured and Indicated Resources are displayed in the following table for $Cu_{(t)}$ cut-off grades of 0.5% and 1.0%.

KANSANSHI DEPOSIT - FINAL RESOURCE MODEL					
Cut-off	Class	Tonnes (Mt)	$Cu_{(t)}$ (%)	$Cu_{(asol)}$ (%)	Au (g/t)
$Cu_{(t)}$ 0.5%	Measured	93.2	1.43	0.70	0.19
	Indicated	208.6	1.06	0.28	0.16
	Inferred	111.0	1.11	0.17	0.12
	Total Measured+Indicated	301.8	1.17	0.41	0.17
$Cu_{(t)}$ 1.0%	Measured	48.4	2.09	1.17	0.25
	Indicated	75.8	1.72	0.60	0.23
	Inferred	41.2	1.81	0.34	0.14
	Total Measured+Indicated	124.2	1.86	0.82	0.24

Mineral Reserves

Total ore reserves are 142.5 million tonnes at 1.43% copper and 0.22 grams per tonne gold as set out in the following table.

KANSANSHI MINERAL RESERVE STATEMENT							
Pit and Classification	Leachable Ore				Float Ore		
	Ore Mt	Cu(t) %	Cu(asol) %	Au g/t	Ore Mt	Cu tot %	Au g/t
Proven	26.3	2.34	1.77	0.26	39.0	1.02	0.17
Probable	6.8	2.36	1.86	0.22	31.9	0.87	0.15
Subtotal Main	33.1	2.34	1.79	0.25	70.9	0.95	0.16
Proven	4.6	1.92	1.51	0.39	0.5	1.00	0.19
Probable	9.2	2.10	1.72	0.38	24.2	1.27	0.28
Subtotal NW Zone	13.8	2.04	1.65	0.38	24.7	1.26	0.27
Total Proven	30.9	2.28	1.73	0.28	39.6	1.02	0.17
Total Probable	16.0	2.21	1.78	0.31	56.0	1.04	0.20
Total Reserve	46.9	2.25	1.75	0.29	95.6	1.03	0.19

In total, 49% of the combined reserve is classified as Proven with the remainder Probable. On a tonnage basis, Proven Reserves make up 66% of the shallower, earlier exploited leachable ore and 41% of the deeper float only ores.

Mining Operations

Minproc completed a mining study to investigate a two-phase development plan for mining and processing at Kansanshi. The mining study was based upon an owner-operator mining scenario.

1. Phase 1 (performed to definitive standards) will be focussed on the open pit mining and processing of predominantly shallow oxide and mixed ores. Processing will be principally through an SX-EW facility producing approximately 60,000 tonnes per annum of cathode copper. Additional copper, in concentrate form, will be produced by flotation of mixed and sulphide ore types. Phase 1 has a nominal life of 16 years, although oxide ore treatment will decline rapidly after year 10 and combined copper production will drop below 100,000 tonnes per annum after year 12.

2. Phase 2 (conceptual pit expansion) is estimated to extend the mine life to approximately 28 years. In order to maintain cathode copper production as oxide ore supply declines, site-based secondary treatment of concentrate is anticipated, utilising roasting or pressure oxidation. Staged expansion of float plant capacity will be required during Phase 2 to maintain total copper production at, or above, 100,000 t/a, as copper head grade declines.

In January 2003 the Company submitted to the GRZ an application to develop the Project which included a comprehensive statement of the mineral deposit; the proposed program of mining operations from commencement to mine closure and site rehabilitation; an environmental impact study; details of the Kansanshi Project's expected infrastructure requirements; the Company's training and human resources management program; and the Company's local business development program. The Company anticipates a positive response to its application to develop the Kansanshi Project in the second quarter of 2003.

Development of Mine

The deposit will be developed by conventional open pit mining.

Four potential waste dumps have been designed to accommodate all Phase 1 waste and low grade material. Dumps have been laid out external to an optimistic pit shell and clear of areas of environmental and historical interest. A run of mine ore pad will be constructed around the crusher dump hopper to allow truck access for dumping and space for multiple short term ore stockpiles for blending.

The Kansanshi Project DFS execution plan has been developed with the objective of producing copper by the third quarter of 2004. The Company's decision to commence construction of the Kansanshi Project is predicated on receipt of project financing and permission by the GRZ to develop the Kansanshi Project, all of which are anticipated during the second quarter of 2003.

Subject to satisfaction of the foregoing it is expected that construction will commence in the second quarter of 2003 and continue for 15 months, followed by commissioning and commercial operation. Matters which must be addressed in the immediate term include environmental approvals, finalization of power supply negotiations and geotechnical investigations to support detail design. Equipment for the Kansanshi Project will be sourced from the international market with the majority likely to be manufactured in South Africa due to its competitive pricing and close geographic location.

The construction workforce is estimated to peak at approximately 1,300 workers with approximately 800 accommodated in the construction camp.

Production

Mining is estimated to average 23 million tonnes per annum during the first three years of production. Annual mined quantities are expected to increase to approximately 36 million tonnes in year 4 to develop the ore required to satisfy the expansion in processing that occurs in the middle of year 3. This higher mining rate is expected to be maintained until the end of year 7, when waste stripping requirements decrease significantly. Total mining between years 8 and 15 is expected to average 15 million tonnes per annum.

Total processing capacity is expected to increase from 6.1 million tonnes per annum to 10 million tonnes per annum in the second half of year 3, and this processing rate is then maintained until the end of year 16.

Copper production is expected to start at 86,000 tonnes in year 1 and increase to more than 100,000 tonnes by year 3. For the next 10 years annual production is expected to average 112,000 tonnes, dropping below the 100,000 tonne per annum level in year 13 when the supply of leachable copper ore has declined.

The basis of the design of the Kansanshi process plant is the production of a maximum of 60,000 tonnes of cathode copper per annum, from oxide and mixed ores, for an initial period of 16 years (Phase 1). Based on the mine schedule, this will require a nominal plant throughput of oxide and mixed ores of 4.0 million tonnes per annum. An additional 1,000 to 7,000 tonnes per annum of copper in flotation concentrates will also be produced from this plant. Total copper recovery is expected to vary from 74 to 87%.

An additional production of some 25,000 tonnes per annum to 75,000 tonnes per annum of copper will be generated in sulphide concentrate from the second (float) plant. Total recovery of copper from this plant is expected to vary from 86 to 94% during the 16 year period. Initial plant throughput will be 2.1 million tonnes per annum, rising to 6 million tonnes per annum during year 3.

Total gold production reporting to flotation concentrate is typically 25,000 ounces per annum to 64,000 ounces per annum from feed grades averaging 0.29 grams per tonne gold and 0.19 grams per tonne gold for the oxide/mixed and sulphide ores respectively.

For the first three years, the crushing circuit is common to both the oxide/mixed plant and the sulphide plant, but the crusher will feed to separate stockpiles for oxide, mixed ore and sulphide ores. Live surge capacity for the oxide and sulphide circuits is nominally 16 hours. The mixed ore stockpile is not live and has to be campaigned by front-end loader to a reclaim bin. Due to the high clay and moisture content of the ore, provision has been made for emergency reclaim systems to the grinding circuits.

The Kansanshi Copper Project will treat approximately 143 million tonnes of ore over 16 years, although the Conceptual Mining Plan ("CMP") considers an extension to treat a further 187 million tonnes of ore through to year 28, for a total of 330 million tonnes. The process throughput commences at 6.1 million tonnes per annum until the second half of year 3, when it increases to 10 million tonnes per annum. The CMP requires an expansion to a peak of 15 million tonnes per annum in year 18.

The ore comprises a mixture of weathered and fresh material. The former constitutes the majority of plant feed until year 4, whereafter sulphide ore dominates. Oxide material is processed through either the direct leach or float leach circuit, whereas the sulphide material is treated through the float circuit.

The tailings storage facility is located in a shallow valley to the south of the open pit and plant, bounded to the east by the Kansanshi Stream, to the west by the main Solwezi Road, and to the north by the Kansanshi Dambo. A ridge line defines the southern boundary. The initial storage for year 1 (Stage 1) will be formed by the construction of an embankment across the Kamansensenbende Stream, with the centreline of the Stage 1 embankment located approximately 300 metres to the west of the Kansanshi River.

Tailings will be produced as a result of complex metallurgical processes which include crushing and milling, acid leaching, filtration and washing. The pH of the tailings stream will be raised to close to neutral prior to being delivered to the storage. Tailings contained in the storage will not be prone to acid formation.

Capital Costs

Mining

The capital cost estimate for the initial development of the mine is set out in the following table.

SUMMARY OF OWNER-OPERATOR MINE CAPITAL COST ESTIMATE	
Cost Centre	$ 000
1. Mine Equipment Pre-Production period	23,566
2. Mine Services Pre-production period	6,467
3. Mine Pre-Production Capitalized Operating Costs	5,656
Total Initial Capital Costs	35,689
4. Deferred Capital Costs	6,733
5. Replacement (Sustaining) Capital Costs	44,633
Total Life of Mine Capital Costs	87,055

Process Plant and Infrastructure Costs

The total direct plant and infrastructure capital cost estimate is $101.35 million, while indirect costs add $20.20 million, making a total of $122.55 million.

Direct costs include supply of materials and equipment for construction, labour and supervision, support facilities, freight, mobilization/demobilization, spares and first fill of reagents/consumables, and contractor and supplier mark-up and profit.

Total Pre-Production Capital Costs

The estimate of total pre-production capital costs is set out in the following table.

PRE-PRODUCTION TOTAL CAPITAL COST SUMMARY	
	$ 000
Process Plant	119,663
On-Site Infrastructure	2,276
Off-Site Infrastructure	606
Mine development and equipment	35,689
Total Capital Cost	158,234

Operating Costs

During the first five years, annual mining operating costs on an owner-operator cost basis are expected to average approximately $24.3 million, equivalent to approximately $0.103 per pound copper produced. These costs do not include costs incurred during the pre-production period, which are capitalized.

Total mine operating costs per tonne mined are estimated to be between $0.82 per tonne and $1.57 per tonne, averaging $1.04 per tonne. This is equivalent to an average of $2.50 per tonne of ore processed.

An overall average operating cost for the plant facilities for the 16 year period is estimated to be $3.75 per tonne of ore treated.

The following table provides a summary of the estimated operating costs of the Kansanshi Project averaged over the project life of 16 years.

Project Operating Cost Summary		
	$million	$/tonne
Mining (Owner operator)	355.9	2.50
Plant On-site	534.4	3.75
Environmental & Rehabilitation	9.1	0.06
General and Administration	53.8	0.38
Royalty	14.6	0.10
Concentrate treatment Charges	542.3	3.80
Total Operating Expenditure	1,510.1	10.59

Return on Investment

Financial analysis for the Kansanshi Project was undertaken by preparation of a discounted cash flow model with the following assumptions:

- Metal prices are as at December 17, 2002
  - Copper $0.72 per pound
  - Gold $330 per ounce
- There is no hedging of metal prices
- All production is sold in the period in which it is produced
- The life of the Kansanshi Project is 16 years

The analysis is also based on the Kansanshi Project being 100% equity funded and excludes the amounts payable to Cyprus Amax pursuant to the Kansanshi Agreement and the $4 million payable to ZCCM Holdings upon an unconditional development decision.

Revenue over the 16 year life of the Kansanshi Project is estimated at $2,437 million, with total operating costs of $1,510 million. Total production is estimated to be 722,812 tonnes of copper cathode plus 912,525 tonnes of copper and 395,479 ounces of gold recovered from copper concentrates.

It is estimated that the Kansanshi Project will yield a pre-tax net present value of $76.1 million at a 20% discount rate. Payback is expected to occur in the first half of year 4, and the year 3 expansion should effectively be able to be funded from cashflow. If the Kansanshi Project were taxed at the current corporate tax rate of 25%, once capital was recovered, the net present value would fall to $46.7 million, and $161.2 million would be payable to GRZ in taxes.

Other Properties

FQM (Zambia) Limited

Pursuant to an agreement of purchase and sale and back-in right dated September 22, 2000, as amended March 13, 2001, among the Company, Phelps Dodge Exploration Corporation, Cyprus Exploration and Development Corporation and Cyprus Amax Zambia Corporation ("Cymax"), the Company acquired all of the issued and outstanding shares of Cymax, a company incorporated under the laws of Delaware. Cymax changed its name to First Quantum Exploration Corp. on October 18, 2000. The principal assets of Cymax, located in Zambia, include three wholly-owned prospecting licenses, Mwinilunga, Luamata and Solwezi, covering 10,840 square kilometres, the Luswishi prospecting license covering 4,388 square kilometres and certain infrastructure, data, records and interpretations of the Zambia Copperbelt. In consideration for the shares of Cymax, the Company paid Phelps Dodge $25,000. Phelps Dodge retains a 3% net proceeds interest in the Mwinilunga, Luamata and Solwezi prospecting licenses and a 2% net proceeds interest in the Luswishi prospecting license. Phelps Dodge also has a one-time back in right to acquire a 20% participating interest in any or all of the Mwinilunga, Luamata and Solwezi prospecting licences upon the Company completing expenditures of $5 million at Mwinilunga, $2 million at Luamata and $3 million at Solwezi.

The prospecting licenses owned by Cymax cover areas representing highly prospective geological environments. The Mwinilunga and Luamata licenses are believed to cover the southwestward continuation of the Congolese portion of the Lufilian Arc into northwestern Zambia. Each prospecting license was evaluated by Cymax using airborne magnetics and radiometrics followed by "ground truthing" via reconnaissance geologic mapping and soil geochemical surveys.

The Company subsequently transferred the prospecting licenses from First Quantum Exploration Corp. to FQM Zambia.

The Company has entered into an option agreement with Billiton Development (Zambia) Limited ("Billiton"), granting Billiton an option to acquire a 51% interest in four areas, not exceeding 500 square kilometres each, on the Mwinilunga and Luamata prospecting licenses upon expenditure of $2.4 million within four years. Thereafter, Billiton will have the right to increase its interest in the properties to 70% in consideration for additional expenditures on the properties. In connection with the option, Billiton subscribed for 222,222 common shares of the Company at a price of Cdn$4.50 per share. Of the proceeds from this subscription, the equivalent of $600,000 must be spent by the Company on the properties.

A wide-ranging grassroots exploration program for new major copper deposits is underway on wholly owned properties in Zambia and the DRC, and in joint venture with BHP Billiton in Zambia.

At the Mwinilunga joint venture with BHP Billiton, the Musangila target contains an 8 kilometre long, plus 100 ppm copper soil anomaly, interpreted to lie on the limb of a major fold structure. Initial rotary air blast ("RAB") drilling, on wide spaced lines, has intersected strongly anomalous copper and cobalt values towards the base of Kalahari cover, which is 5 to 50 metres thick. Copper mineralization (peak 1.32% copper), is present as malachite and chrysocolla clasts within Kalahari clay, and in quartzite clasts with interstitial disseminations of malachite. High cobalt values, (peak 2.01% cobalt), are associated with black wad, and gossanous fragments with vuggy quartz clasts present towards the base of the cover sequence in most of the holes drilled into the peak of the anomalies. Follow up core hole drilling is planned to locate the bedrock source of this mineralization. Base of Kalahari cover RAB drilling of other structural/stratigraphic targets on the concession has returned encouraging values in the plus 200 ppm copper range, and follow up drilling is planned.

Investments

Carlisa Investment Corp.

The Company elected to dilute its interest in Carlisa which owns 90% of Mopani. By the end of the second quarter 2002 the interest had been reduced from 49% to 18.8%, thus reducing the Company's effective interest in Mopani to 16.9%. The Company is not obligated to make any further capital contributions to Carlisa. Accordingly, the Company no longer exercises joint control or significant influence over Carlisa and therefore no longer consolidates its investment and now accounts for its investment on a cost basis. As at December 31, 2002 the Company has a carrying cost of the Carlisa investment of $9.5 million.

For the thirteen months ended December 31, 2002, total finished copper production at Mopani was 110,772 tonnes (2001: 83,161 tonnes) and total cobalt production was 1,967 tonnes (2001: 1,780 tonnes). Mopani also changed its year end from November 30 to December 31 during the period.

Anvil Mining NL

Pursuant to an agreement dated August 18, 1997, as amended August 22, 1997, the Company, through its wholly owned subsidiary International Quantum Resources Ltd. ("IQR"), acquired 12 million shares of Anvil, at A$0.20 per share by way of a private placement. During the past five years the Company has continued to participate on a number of private placements enabling the Company to maintain an approximate 20% interest in Anvil. Anvil is a public company whose shares are listed for trading on the Australian Stock Exchange and the Berlin Stock Exchange. Anvil's principal asset is a 90% interest in a mining convention covering the Dikulushi copper/silver project in the DRC.

Effective December 31, 2002, IQR holds 31,148,857 shares (2001: 28,187,857 shares) representing an 18.6% interest. As at December 31, 2002, the Company has a carrying cost of the Anvil investment of $2.5 million.

In 2002, Anvil commissioned the Dikulushi Mine in the DRC. Dikulushi hosts an independently audited resource report (at a 2% Cu cut-off) of 1.94 million tonnes grading 8.58% copper and 266 grams per tonne silver, 85% of which is in the measured and indicated categories. The mining operation is by open pit while heavy media separation processing of the ore is scheduled to produce 40,000 tonnes per year of high grade concentrates which are expected to average 40% copper and 1,200 grams per tonne silver, or 14,000 tonnes of copper and 1.1 million ounces of silver production per year. The concentrates are delivered to the Ongopole Smelter in Namibia.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of the financial condition, changes in financial condition and results of operations of the Company for the years ended November 30, 2000 and 2001 and the thirteen months ended December 31, 2002 should be read in conjunction with the consolidated financial statements of the Company and related notes included therein. In 2002, the Company changed its year end from November 30 to December 31. **The results in this section are presented in US dollars, unless otherwise indicated.**

Selected Consolidated Financial Information

The following tables set forth selected financial data with respect to the Company on a consolidated basis for the periods indicated. The information appearing below has been derived from and should be read in conjunction with the consolidated financial statements of the Company and notes thereto.

	Year End (expressed in thousands US dollars)			
	December 31, 2002[1]	**November 30, 2001**	**November 30, 2000**	**November 30, 1999**
Revenues	$51,342	$138,102	$91,182	$34,277
Net earnings (loss)				
- total	(3,791)	(20,975)	7,528	(100)
- per share	(0.09)	(0.58)	0.30	(0.00)
- diluted per share	(0.09)	(0.58)	0.27	N/A
Net working capital	5,412	1,419	(6,320)	(11,118)
Total assets	97,824	154,724	128,574	58,964
Net long-term debt	20,139	28,910	29,730	15,535
Shareholders' equity	53,527	46,344	32,953	24,613

Quarterly Results (unaudited)

	Dec. 2002[2]	**Aug. 2002**	**May 2002**	**Feb. 2002**	**Nov. 2001**	**Aug. 2001**	**May 2001**	**Feb. 2001**
Revenues	$11,861	$6,284	$5,076	$28,120	$33,078	$35,706	$36,695	$32,622
Net earnings (loss)								
- total	(998)	(394)	2,112	(4,476)	(15,319)	(3,089)	(792)	1,340
- per share	(0.02)	(0.01)	$0.05	(0.10)	(0.58)	(0.08)	(0.02)	$0.04
-diluted per share	(0.02)	(0.01)	$0.05	(0.10)	(0.58)	(0.07)	(0.02)	0.04

(1) Thirteen month period.
(2) Four month period.

The Company has not paid any dividends since incorporation and it has no plans to pay dividends. The directors of the Company will determine if and when dividends should be declared and paid in the future based on the Company's financial position at the relevant time. All of the Common Shares are entitled to an equal share in any dividends declared and paid.

Summary and Analysis of Financial Operations

Comparison of Thirteen Month Period Ended December 31, 2002 to Year ended November 30, 2001

Summary of Financial and Operational Results

The following management discussion and analysis of the Company's results of operations should be read in conjunction with the consolidated financial statements and related notes, together with management's discussion of critical accounting policies and the risk factors contained in this Annual Information Form.

During the year, the Company elected to dilute its interest in Carlisa from 49.0% to 18.8% and agreed to reduce its representation on Mopani's Board of Directors. Accordingly, the Company no longer exercises joint control or significant influence over Carlisa and therefore no longer consolidates its investment and accounts for its investment on a cost basis.

This dilution coupled with the Company's change in fiscal year end complicates comparison between periods. Any comparison between periods needs to take into consideration the aforementioned events.

Consolidated Results

The net loss for the period ended 2002 was $3.8 million (2001: $21.0 million) or $0.09 (2001: $0.58) per share. Cash outflow from operating activities was $4.1 million (2001: inflow $6.5 million) or $0.09 (2001: $0.18) per share.

Consolidated Results Excluding Carlisa

Excluding the loss attributed by Carlisa ($4.6 million) the profit for the period ended December 31, 2002 was approximately $0.8 million or $0.02 per share and cash outflow from operations was approximately $5.7 million or $0.13 per share. The cashflow from operations was negatively impacted by approximately $7.9 million being invested in inventory, excluding Carlisa's inventory, which was primarily related to the establishment of the Lonshi Copper Mine ore stockpile which contains approximately 47,500 tonnes of acid soluble copper as at period end.

Combined Bwana Mkubwa Copper Project ("Bwana") and Lonshi Copper Mine ("Lonshi")

Processing

During the period Bwana produced 11,878 tonnes of copper (2001: 9,662 tonnes) and 140,263 tonnes of sulphuric acid (2001: 108,366 tonnes), of which 88,198 tonnes of sulphuric acid (2001: 62,783 tonnes) was sold externally. The anticipated increase in copper and acid production was as a result of commissioning the new SX/EW facility and the new acid plant at Bwana. Commissioning of the expanded SX/EW facility commenced in October 2002. It utilizes Lonshi ore as the exclusive feedstock for operations and copper production is designed to triple from 10,000 tonnes to approximately 30,000 tonnes per year. Copper production has effectively doubled during the commissioning phase from approximately 800 tonnes per month to 1,600 tonnes per month however an above average rainfall during the wet season has created handling problems which has hindered the build-up.

Acid sales improved during the period after the commissioning of the second acid plant, which increased the surplus sulphuric acid available to third parties.

Mining

During the four months ended December 31, 2002 the Lonshi open pit measured and indicated resources were increased 17% to 342,181 tonnes (754 million pounds) of contained copper or 281,934 tonnes (621 million pounds) of acid soluble copper. The deposit remains open to depth and additional targets have been identified within folded geological structures along the prospective Lonshi host formations to the North and South of the existing resource.

At Lonshi, 951,084 tonnes of high grade ore at 5.42% acid soluble copper, 244,229 tonnes of low grade ore at 0.88% acid soluble copper and 4,155,839 tonnes of waste were mined for the thirteen months ended December 31, 2002.

As of December 31, 2002 approximately 1,100,000 tonnes of ore grading 4.3% acid soluble copper containing approximately 47,500 tonnes of acid soluble copper had been stockpiled for future processing and is included in inventory.

Kansanshi Copper Deposit ("Kansanshi")

In December 2002 the Company completed a DFS for Phase One development of Kansanshi. The study was carried out by GRD Minproc Limited of Perth, Australia. The following comments are based on the results contained in the DFS.

Kansanshi is planned to be developed in two phases of which only Phase One is considered in detail in the DFS. Phase One development (years 1-16) is forecasted to focus on open pit mining and processing of shallow oxide and mixed ores, although significant quantities of primary sulphide ore will also be treated. Measured and indicated

mineral resources at a 0.5% copper cut-off are 302 million tonnes at 1.17% copper and 0.17 grams per tonne gold, while Phase One proven and probable mining reserves are 142 million tonnes grading 1.43% copper and 0.22 grams per tonne gold.

For the first three years of forecasted operation, 4.0 million tonnes per year of oxide and mixed ore and 2.1 million tonnes per year of sulphide ore will be mined. Ore treatment is flexible to allow for variations in ore type, and includes conventional crushing, milling, flotation, acid leaching and SX-EW to produce approximately 60,000 tonnes of copper cathode and up to 75,000 tonnes of copper in concentrates per year. As part of the Phase One development, the comminution and flotation circuit will be expanded to handle an additional 3.9 million tonnes per year of sulphide ore in year three. As a consequence, concentrate production will increase; while cathode production is maintained at approximately 60,000 tonnes per year until year eleven, before declining as weathered ore types become depleted. Concentrates will be transported to a smelter for further treatment, while the copper cathode will be sold directly to metal dealers. By-product gold is recovered both from a gravity circuit and from copper concentrates.

During the first sixteen years, Phase One mine life, Kansanshi is forecast to produce 1.6 million tonnes of copper, approximately 44% as copper cathode and 56% as copper in concentrate. Owner mining cash costs are forecasted to average $0.36 per pound of copper over the first 10 years of production and $0.38 per pound of copper over the sixteen year life of Phase One. Gold production is forecast to average 25,000 ounces of gold per year.

It is anticipated that there would be additional expansions during the life of the operation. It is proposed that Phase Two development (nominally years 17 to 28) would focus on sulphide ores, with the possible construction of a roaster to enable SX-EW copper cathode production to continue at the 60,000 tonne per year level.

The project is forecast to employ approximately 1,300 construction personnel at its peak, with an operating workforce of approximately 600, including all contractors to the project.

Pre-production capital costs have been estimated at $163.4 million, comprised of $122.5 million in process plant and infrastructure, $23.6 million in mining equipment, $6.5 million in mine services, $5.7 million in pre-production mining and $5.1 million in owner's costs.

The Company has arranged with a banking syndicate, subject to due diligence, for a limited recourse Export and Commercial debt facility of a minimum of $120 million. The Company is also in final discussions with a number of development banks, national development banks, specialized equity funds and metal off-takers for the balance of project financing.

Financial Review

Revenues, Production and Prices

Total revenues in 2002 including interest income were $51.3 million (2001: $138.1 million). The 63% decrease principally reflects the non-consolidation on dilution of the Company's interest in Carlisa. Revenues from Bwana increased by 21% in 2002 to $29.8 million (2001: $24.6 million) as a result of commissioning the plant expansion during the four months ended December 31, 2002, increased acid sales, and the inclusion of an additional month of revenues with the change in fiscal year end.

The average copper price after realization charges at Bwana in 2002 was $0.65 per pound (2001: $0.71 per pound).

Copper production at Bwana was 11,878 tonnes (2001: 9,662 tonnes) while surplus acid production was 88,198 tonnes in 2002 (2001: 62,783 tonnes). The increase in production is attributed to the commissioning of the new SX/EW facility and the second acid plant.

Operating Cost

Cost of sales for the period ended 2002 were $46.9 million (2001: $123.5 million) with the decrease a result of the change in ownership at Carlisa. Carlisa accounted for $109.9 million of the 2001 cost of sales.

At Bwana cost of sales for 2002 were $22.5 million (2001: $13.3 million). The higher cash costs are mainly associated with mining, transporting and comminution of Lonshi ore. C1 costs were $0.27, (2001: $0.17) and C3 costs were $0.52 (2001: $0.61) per pound of copper for the period. C1 costs are cash costs including mining, processing, site administration and refining, net of by product credits and C3 costs are total costs being C1 costs plus depreciation and amortization charges, royalties, related head office, interest costs and financing charges.

Gross Margin

Gross margin from operations was $4.4 million (2001: $14.6 million), which included losses from Carlisa of $3.4 million. At Bwana the gross margin for 2002 was $7.5 million (2001: $11.6 million) reflecting increased start-up costs as the result of the introduction of Lonshi ore into the expanded SX/EW facility.

Other Costs and Expenses

Other costs and expenses including depletion and amortization, corporate general and administrative, exploration and write-offs, foreign exchange gain, and interest and financing fees were $9.9 million in 2002 (2001: $32.5 million). In 2001, Carlisa had accounted for $8.2 million of these costs, and the 2001 costs also included the write-down of Connemara of $9.1 million.

Earnings (loss) Before Income Taxes, Non-Controlling Interests and Equity Earnings

The loss before income taxes, non-controlling interest and equity earnings was $5.5 million (2001: $17.9 million). Excluding the losses at Carlisa ($4.8 million) the loss before income taxes, non-controlling interest and equity earnings was $0.7 million for the period ended December 2002 (2001: $10.7 million). The loss in 2001 was principally due to the write-down of Connemara.

Net Earnings (loss)

Net losses were $3.8 million (2001:$21.0 million), however excluding the losses from Carlisa the Company had net earnings of approximately $0.8 million (2001: loss $14.2 million) or $0.02 (2001: loss of $0.39) per share.

Financial Position and Liquidity

Cash Flow from Operating Activities

Cash outflow from operating activities in 2002, was $4.1 million or $0.09 per share compared to cash inflow in 2001 of $6.5 million or $0.18 per share. This was principally caused by an increase in ore in stockpiles.

Cash Flow from Financing Activities

Cash flow from financing activities in 2002 generated $22.2 million (2001: $23.4 million) which included $25.7 million from proceeds of long term debt and $11.1 million in net proceeds from the issuance of common shares and special warrants, offset by $14.7 million that was repaid on long term debt.

Cash Flow from Investing Activities

Cash flow from investing activities required $19.7 million in 2002 (2001: $22.7 million), these investing activities were primarily for the costs of Bwana's capital expansion and the Company's continued investment in Kansanshi.

Cash Resources and Liquidity

At December 31, 2002 the Company had a working capital of $5.4 million compared to $1.4 million at November 30, 2001. As at December 31, 2002, the Company had cash and cash equivalents on hand of $8.2 million (2001: $9.8 million) and an undrawn credit facility of Euro 14.0 million.

Investments

Carlisa Investment Corp.

As noted, the Company elected to dilute its interest in Carlisa which owns 90% of Mopani Copper Mines. By the end of the second quarter 2002 this interest had reduced from 49% to 18.8% reducing the Company's effective interest in Mopani to 16.9%. The Company is not obligated to make any further capital contributions to Carlisa.

For the thirteen months ended December 31, 2002, total finished copper production at Mopani was 110,772 tonnes (2001: 83,161 tonnes) and total cobalt production was 1,967 tonnes (2001: 1,780 tonnes). Mopani also changed its year end from November 30 to December 31 during the period.

Anvil Mining NL

First Quantum holds an 18.6% interest in Anvil, a public Company quoted on the Australian and Berlin Exchanges. The following information has been extracted from Anvil's June 2002 annual report.

In 2002, Anvil commissioned the Dikulushi Mine in the DRC. Dikulushi hosts an independently audited resource (at a 2% Cu cut-off) of 1.94 million tonnes grading 8.58% copper and 266 grams per tonne silver, 85% of which is in the measured and indicated categories. The mining operation is by open pit while heavy media separation processing of the ore is scheduled to produce 40,000 tonnes per year of high grade concentrates which are expected to average 40% copper and 1,200 grams per tonne silver, or 14,000 tonnes of copper and 1.1 million ounces of silver production per year. The concentrates are delivered to the Ongopole Smelter in Namibia.

Outlook

Commissioning of the expansion at Bwana commenced in October 2002, while construction was only completed at the end of November 2002. During the four months ending December 31, 2002, fine-tuning and optimization of the leach, filtration, solvent extraction, and electrowinning facilities, and build-up of in circuit inventory took place with the aim of reaching a production rate of 2,500 tonnes of copper cathode per month by the second quarter, 2003. An above average amount of rainfall during the wet season (November – March) created a number of material handling problems due to the clay rich nature of the Lonshi ore. The material handling issues are being addressed with modifications to the facilities. The full production rate is forecast to be achieved by the second quarter, 2003. The Company is projecting 28,700 tonnes of copper cathode production for 2003 at a C1 cost of $0.35 per pound of copper.

Exploration drilling on wholly-owned exploration projects in Zambia and DRC continues. Follow up exploration programs will begin in April with publication of initial findings in the second quarter of 2003. The Company will continue to evaluate other exploration, development and mining opportunities elsewhere in the world.

Final arrangements are being made to complete a financing package for the Kansanshi Project with the goal of drawdown and initiation of construction in the second quarter. The Company has received support from its lending syndicate (Standard Bank Group and WestLB AG) as well as the European Investment Bank, the financing institution of the European Union. Based on the results of the DFS, the Company has conditionally decided to proceed with the development of the Kansanshi Project, subject to reaching agreement with the GRZ on certain matters relating to the development framework of the Kansanshi Project, obtaining all necessary approvals from the GRZ, and completion of financing arrangements, all of which the Company anticipates to complete by the end of the second quarter of 2003.

Critical Accounting Policies

Reference should be made to the Company's significant accounting policies contained in note 3 of the consolidated financial statements. These accounting policies can have a significant impact of the financial performance and financial position of the Company.

Carlisa

In particular, it is important to understand the change in accounting method for the Company's investment in Carlisa. As previously mentioned, the Company now cost accounts for the investment on the basis that the Company has claimed that it no longer exercises joint control or significant influence over Carlisa. Reference should be made to note 4 of the consolidated financial statements.

Mineral Properties and Exploration Costs

Consistent with the Company's accounting policy in note 3 of the consolidated financial statements, the Company has capitalized certain costs associated with exploration and development activities. It is the Company's policy to expense any exploration and associated costs relating to non-specific projects and properties. Significant property acquisition, exploration and development costs relating to specific properties for which economically recoverable reserves are believed to exist are deferred until the project to which they relate is sold, abandoned or placed into production. No costs are deferred on a mineral property that is considered to have an impairment in value. As at December 31, 2002, the Company has deferred development and acquisition costs on Kansanshi of $14.9 million and has deferred exploration costs of approximately $1 million associated with exploration properties in the DRC and Zambia.

Environmental Provisions

Expenditures related to ongoing environmental and reclamation activities are expensed as incurred, unless previously accrued. Environmental reclamation and closure costs are estimated when reasonably determinable, based on current regulatory requirements and are provided for over the estimated life of the ore-body on a units of production basis.

Estimates, Risks and Uncertainties

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Realization of the Company's assets is subject to risks and uncertainties, including reserve estimation; future copper, cobalt, sulphuric acid and gold prices; estimated costs of future production; changes in government legislation and regulations; and the availability of financing and various operational factors.

Market for Securities

The Common Shares are listed and posted for trading on the Toronto Stock Exchange under the symbol "FM". On April 9, 2001, the Common Shares were listed for trading on the Alternative Investment Market operated by the London Stock Exchange under the symbol "FQM".

Directors and Officers

The names and municipalities of residence of the directors and officers of the Company, positions held by them with the Company, their principal occupations and shareholdings in the Company as at March 2003 are set forth below.

Name and Municipality of Residence and Office with the Company	Principal Occupation[1]	Director Since	Number of Common Shares Held	% of Issued and Outstanding Common Shares
PHILIP K. R. PASCALL [3] Western Australia *Chairman, Chief Executive Officer and Director*	Chairman and Chief Executive Officer of the Company	June 1996	824,545	1.9%
G. CLIVE NEWALL West Sussex, England *President and Director*	President of the Company	May 1996	538,800	1.2%
MARTIN R. ROWLEY[5] Western Australia *Chief Financial Officer and Director*	Chief Financial Officer of the Company	March 1997	307,776	0.74%
MICHAEL D. PHILPOT Surrey, British Columbia *Executive Vice-President and Corporate Secretary*	Executive Vice-President of the Company	N/A	265,871	0.6%
ALAN J. STEPHENS West Sussex, England *Vice-President, Exploration*	Vice-President Exploration of the Company	N/A	50,000	0.1%
R. STUART ANGUS[2][3][4][5] Vancouver, British Columbia *Director*	Lawyer and Partner with Fasken Martineau DuMoulin LLP	December 1997	30,000	0.1%
ROBERT A. WATTS[2][3][4][5] Victoria, British Columbia *Director*	Self-employed financial and management consultant to the mining industry	September 1999	5,000	0.01%
RUPERT PENNANT-REA[2][4] London, England *Director*	Chairman of The Stationery Office Group Ltd.	May 2001	10,000	0.02%

(1) The principal occupations of each of the directors and officers for the five preceding years are described under "Management", below.
(2) Member of Audit Committee.
(3) Member of Compensation Committee.
(4) Member of Corporate Governance Committee.
(5) Member of Risk Management Committee

Management

Philip K.R. Pascall, Chairman, Chief Executive Officer and Director

Mr. Pascall graduated from Sussex University in England with an honours degree in Control Engineering, and then completed an MBA at the University of Capetown. He has worked in general management positions in the mining industry since 1977 in South Africa with RTZ and E.L. Bateman and, since 1981, in Australia. He was the Project Manager of the Argyle Diamond Project and then, as Executive Chairman and part owner of Nedpac Engineering between 1982 and 1989, Mr. Pascall was involved in a variety of mineral projects in Australia, New Zealand, S.E. Asia, Chile, the United States, and Zimbabwe. Since then he has been consulting in the mining industry, including a two-year engagement with Hamersley Iron. Mr. Pascall is currently a director of Anvil Mining NL of Australia, and has been Chairman and Chief Executive Officer of the Company since November 1996. During 1996 and 1997, Mr. Pascall was also the Chairman and a director of International Ballater.

G. Clive Newall, President and Director

Mr. Newall graduated from the Royal School of Mines, University of London, England in 1971 with an honours degree in Mining Geology, and was awarded an MBA from the Scottish Business School at Strathclyde University. He has worked in mining and exploration throughout his career, having held senior management positions with Amax Exploration Inc. and The Robertson Group plc. He has also been a director of a number of public companies in the United Kingdom and Canada. Between 1994 and 1997, Mr. Newall was President and Director of Kensington Resources Ltd., a publicly traded company on the TSX Venture Exchange. From 1990 to 1993, Mr. Newall was a director of Plateau Mining PLC, a publicly traded company in London, England involved in mining and exploration. Between 1987 to 1990, Mr. Newall was General Manager of The Robertson Group Plc. Mr. Newall is currently a director of Anvil Mining NL of Australia. Mr. Newall has been President of the Company since November 1996.

Martin R. Rowley, Chief Financial Officer and Director

Mr. Rowley graduated from the University of Western Australia with a Bachelor of Commerce degree in 1975. He worked as an accountant in both Australia and England, after which he joined the Bond Group of Companies as executive assistant to the Board of Directors. He left the Bond Group of Companies in 1984 to assume control of his own group of publicly listed companies including the resource companies Grants Patch Mining Limited, Zapopan NL and Kalimantan Gold NL. In 1990, he established his own consulting and investment company, Jaeger Investments Pty Ltd. Mr. Rowley has been Chief Financial Officer of the Company since December 1997.

Michael D. Philpot, Executive Vice-President and Corporate Secretary

Mr. Philpot, BSc, MBA, has been working in the mining industry since 1979 and has held executive positions with several junior mining companies listed on the TSX Venture Exchange. These include International CanAlaska Resources Ltd., where he has been both the Vice-President of Business Development and a director from March 1995 to March 2000 International Freegold Mineral Development Inc., where he has been both the Vice-President of Business Development and a director from March 1995 to March 2000, Atacama Minerals Corp. (formerly Boron Chemicals International Ltd.), where he was both the Vice-President and a director from November 1993 to March 1995, CanPro Development Ltd., where he was both the President and a director from July 1990 to June 1993, and Norgold Resources Ltd., where he was both the President and a director from May 1986 to April 1991. Mr. Philpot obtained his BSc at the University of British Columbia in 1978 and his MBA from City University in 1985. Mr. Philpot has been Executive Vice-President of the Company since September 1999 and Director of the Company since December 1997.

Alan J. Stephens, Vice-President, Exploration

Mr. Stephens graduated from the Royal School of Mines in 1975 with an honours degree in Mining Geology. He has worked in mining and exploration throughout his career, most recently, prior to joining the Company in March 2000, as International Exploration Manager for Cyprus Amax Minerals Co. from 1994, during which time he was responsible for all of its activities in Africa, Asia and Europe. From 1991 to 1994 he was Cyprus Amax Minerals Co.'s Exploration Manager for Mexico and from 1989 to 1991 was District Geologist for Canada and Panama. Mr. Stephens has also held senior geologist positions with Echo Bay Mines Ltd., Tenneco Minerals and Amax Exploration Inc.

R. Stuart Angus, Director

Mr. Angus graduated from the University of British Columbia with a law degree in 1973. For over 25 years, he has represented clients involved in mineral exploration and development. Mr. Angus was a founding partner of the law firm of Angus, McClellan in 1986, focussing on mining and securities. From March 1, 1996 to January 31, 2001, he was a Partner at the law firm of Stikeman Elliott and is currently a partner at the law firm of Fasken Martineau DuMoulin LLP. Mr. Angus has served as a director for a significant number of successful junior mining and other companies, including Plutonic Capital Corp., Rainmaker Entertainment Group Ltd., Blackstone Resources Inc., Yamana Resources Inc., Cybercom Systems Inc. (formerly Augusta Metals Incorporated), Adrian Resources Ltd., Lucero Resource Corp., and Bema Gold Corporation.

Robert A. Watts, Director

Mr. Watts brings a wealth of experience to the Company as a Chartered Accountant in the mining industry. During his 30 year career, he has held senior management and executive positions including; Vice President-Treasurer, Placer Dome US; Executive Vice President, Pegasus Gold; President and Chief Executive Officer, Orvana Minerals; and Vice President-Finance, Princeton Mining. He has been involved in all aspects of corporate finance and administration, including equity and debt financing; taxation; commodity marketing/hedging; systems design and implementation; and negotiation of acquisitions. Since 1994, Mr. Watts has been self-employed as a financial and management consultant to the mining industry. He is currently serving as Chief Financial Officer of First Point Minerals Corp. (July 1996 to present) and Chairman and Chief Executive Officer for Gold City Industries Ltd. (November 1998 to present), and was Chairman and Vice-President Finance of Orca Energy Corp. (August 1995 to September 2000).

Rupert Pennant-Rea, Director

Mr. Pennant-Rea has had a varied career as an economist, journalist, central banker and businessman. He has degrees in economics from Trinity College, Dublin and the University of Manchester. From 1986 to 1993, he served as the Editor of The Economist magazine and from 1993 to 1995 he served as Deputy Governor of the Bank of England. He is currently the Chairman of The Stationery Office Group Ltd., which was formed in 1996 as a result of the privatization of Her Majesty's Stationery Office. He is also Chairman of Plantation & General Investments plc, Security Printing & Systems Limited, and Key Asset Management (UK) Limited. He is a Non-Executive Director of British American Tobacco, Gold Fields Limited, Sherritt International, and Gordon House Asset Management.

Corporate Cease Trade Orders or Bankruptcies

No director, officer or promoter of the Company has, within the past ten years, been a director, officer or promoter of any issuer that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than 30 consecutive days, or was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold the assets of that issuer.

Penalties or Sanctions

No director, officer or promoter of the Company has, within the past ten years, been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion or management of a publicly traded issuer, or to theft or fraud.

Personal Bankruptcies

No director, officer or promoter of the Company has, within the past ten years, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold the assets of that individual.

Conflicts of Interest

Certain directors and officers of the Company are directors, officers and/or shareholders of other private and publicly listed companies, including companies that compete with the Company. To the extent that such other companies may participate in or be affected by ventures involving the Company, these directors and officers of the Company may have conflicting interests in negotiating and settling terms of such ventures. While there is potential for such conflicts to arise, the Board of Directors of the Company has not received notice from any director or officer of the Company indicating that such a conflict currently exists. Conflicts of interest affecting the directors and officers of the Company will be governed by the *Business Corporations Act* (Yukon) and other applicable laws. In the event that such a conflict of interest arises at a meeting of the Board of Directors of the Company, a director who has such a conflict must disclose the nature and extent of his interest and abstain from voting for or against matters concerning the venture.

Additional Information

The Company shall provide to any person, upon request to the Secretary of the Company:

(a) when the securities of the Company are in the course of a distribution pursuant to a short form prospectus or a preliminary short form prospectus:

  (i) one copy of the annual information form of the Company, together with one copy of any document, or the pertinent pages of any document, incorporated by reference in the annual information form;

  (ii) one copy of the comparative financial statements of the Company for its most recently completed financial year for which financial statements have been filed with applicable securities commissions, together with the accompanying report of the auditor, and one copy of any interim financial statements of the Company that have been filed, for any period subsequent to the Company's most recently completed financial year;

  (iii) one copy of the information circular of the Company in respect of its most recent annual meeting of shareholders that involved the election of directors or one copy of any annual filing prepared in lieu of that information circular, as appropriate; and

  (iv) one copy of any other documents that are incorporated by reference into the preliminary short form prospectus or the short form prospectus and are not required to be provided under (i) to (iii) above; or

(b) at any other time, one copy of any other documents referred to in 1(a)(i), (ii) and (iii) above, provided the Company may require the payment of a reasonable charge if the request is made by a person who is not a security holder of the Company.

Additional information, including particulars of directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, and interests of insiders in material transactions, where applicable, is contained in the Company's information circular for its 2002 annual general meeting of its shareholders. Additional financial information is provided in the Company's comparative consolidated financial statements for its most recently completed financial year, a copy of which has been filed with each applicable securities commission.