



FIRST QUANTUM
MINERALS LTD.

NEWS RELEASE

15-03

February 20, 2015

www.first-quantum.com

FIRST QUANTUM MINERALS REPORTS RESULTS FOR THREE MONTHS AND YEAR ENDED DECEMBER 31, 2014

(In United States dollars, except where noted otherwise)

First Quantum Minerals Ltd. (“**First Quantum**” or “**the Company**”, TSX Symbol “**FM**”, LSE Symbol “**FQM**”) today announced comparative earnings¹ of \$76.9 million or \$0.13 per share for the three months ended December 31, 2014 and \$474.5 million or \$0.80 per share for the full year 2014. Cash flows from operations, before working capital changes and tax paid, amounted to \$263.1 million for the three months ended December 31, 2014 and \$1,361.6 million for the full year 2014.

YEAR 2014 HIGHLIGHTS²

- Began commissioning of the smelter and Sentinel projects in Zambia. When in operation, these projects are expected to add up to 300,000 tonnes of copper production annually and provide additional smelter capacity to process the Company’s in-country copper concentrate production.
- Advanced construction and detailed design of Cobre Panama copper project and associated port and power station projects.
- Advanced construction of the Enterprise nickel project.
- Enhanced the portfolio of early-stage projects with the acquisition of the Taca Taca deposit.
- Production of main metals within market guidance:
 - Copper up 4% to 427,655 tonnes
 - Gold down 7% to 229,813 ounces
 - Nickel down 3% to 45,879 tonnes
- Low cash cost of production maintained:
 - Copper up 8% to \$1.41 per pound
 - Nickel down 12% to \$4.40 per pound
- Sales revenues stable:
 - Copper sales volumes up 7% to 411,203 tonnes; realized copper price down 6% to \$3.03
 - Nickel sales volumes down 3% to 47,749 tonnes; realized nickel price up 11% to \$7.58
- Reorganized the Company’s financial structure to support its growth objectives:
 - Unrestricted cash balance of \$357.4 million and available committed undrawn facilities of \$1,042.7 million as of December 31, 2014.
- Stepping up cost reduction and cash conservation efforts, to maintain a solid financial position and flexibility, in response to the current low metal price environment.
- Amendments to the Zambian corporate tax and mining royalty regime, effective January 1, 2015, will adversely impact reported EBITDA. Combined with the recent significant fall in commodity prices, the changes put at risk the Company’s ability to meet the Net Debt to EBITDA covenant under its \$3.0 billion senior debt facility (the “Facility”), \$350.0 million Kansanshi facility, and \$100.0 million equipment finance facility with Caterpillar Financial Services Corporation. Other covenants remain robust. The Initial Mandated Lead Arrangers (the “Lead Bankers”) on the Company’s \$3.0 billion Facility have responded favourably to the cost reduction steps the Company has taken. They have agreed to change the affected covenant to reflect current circumstances and provided confirmation that they will recommend such a change to the Company’s broader lending group who remain supportive of the Company.

¹ Earnings attributable to shareholders of the Company have been adjusted to remove the effect of unusual items to arrive at comparative earnings. Comparative earnings and comparative earnings per share are not measures recognized under International Financial Reporting Standards (“IFRS”) and do not have a standardized meaning prescribed by IFRS. The Company has disclosed these measures to assist with the understanding of results and to provide further financial information about the results to investors.

² Results are compared to the full year 2013, unless noted otherwise.

- Declared a final dividend of C\$0.0487 per share in respect of the financial year ended December 31, 2014. Together with the interim dividend paid in September 2014, the dividend is 10% of comparative earnings. With this declaration, the Company announced its intention to establish a Dividend Reinvestment Plan, which will allow eligible shareholders a convenient means to acquire additional common shares through the reinvestment of cash dividends paid by the Company.

CEO'S COMMENTS

"In 2014 we made good progress towards our target of achieving annual copper production capacity of 1.3 million tonnes. A meaningful part of that progress was the construction completion and start of commissioning of the smelter and Sentinel projects in Zambia. These two assets, together with our Kansanshi mine, will create an integrated copper complex with unique synergies. At the Cobre Panama project, the substantial earthworks component was well advanced and the overall project is progressing according to schedule," noted Philip Pascall, First Quantum's CEO and Chairman.

"Overall our operations performed well in 2014 recording the highest annual copper production in the Company's history. This was achieved despite persisting limited local smelter capacity in Zambia which affected Kansanshi's performance and sales; and a structural failure in an atmospheric leach tank at Ravensthorpe which suspended operations there in mid-December. Following site remediation and receipt of the required regulatory approvals, the restart of the high-pressure acid leach circuit began on February 2. We expect to complete the repairs of the atmospheric leach circuit and return it to operations in the second half of 2015.

"As we noted previously, concerns about the global economy and demand for natural resources have put pressure on many aspects of the Company and on others in the natural resource sector. Our previously-announced reduction in planned capital expenditures for 2015 is a substantial step in addressing some of those pressures. While we believe the strong long-term fundamentals for copper remain intact, we consider it prudent to take additional action to ensure that the Company can withstand a prolonged period of lower metal prices while building production capacity for the future. As such, we continue to pursue our company-wide cost reduction and cash conservation efforts and are very pleased with the support we are receiving from the Lead Bankers," Mr. Pascall concluded.

FINANCIAL HIGHLIGHTS

	Three months ended December 31		Year ended December 31	
	2014	2013	2014	2013 ¹
<i>(U.S. dollars millions, except where noted otherwise)</i>				
Sales revenues	821.2	897.0	3,542.0	3,552.9
Gross profit	183.2	319.4	997.8	1,133.8
EBITDA ²	301.0	364.2	1,412.8	1,351.9
Net earnings attributable to shareholders of the Company ³	453.2	131.3	834.8	458.6
Earnings per share	\$0.76	\$0.22	\$1.40	\$0.82
Diluted earnings per share	\$0.75	\$0.22	\$1.39	\$0.81
Comparative earnings ³	76.9	133.8	474.5	539.4
Comparative earnings per share ³	\$0.13	\$0.23	\$0.80	\$0.96
Cash flow from operations, before changes in working capital and taxes paid	263.1	423.3	1,361.6	1,439.9

¹ Financial results for the year ended December 31, 2013 include the results of the Las Cruces mine (100%), the Çayeli mine (100%), and the Pyhäsalmi mine (100%) (together "the acquired operations") from March 22, 2013, the date of acquisition.

² Earnings before interest, tax, depreciation and amortization ("EBITDA") is not recognized under IFRS. Refer to the "Regulatory Disclosures" section in the Management's Discussion and Analysis ("MD&A") for the year ended December 31, 2014 for further information.

³ Net earnings attributable to shareholders of the Company have been adjusted to remove the effect of unusual items to arrive at comparative earnings. Comparative earnings and comparative earnings per share are not measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS. The Company has disclosed these measures to assist with the understanding of results and to provide further financial information about the results to investors. Refer to the "Regulatory Disclosures" section in the MD&A for the year ended December 31, 2014 for a reconciliation of comparative earnings.

OPERATING HIGHLIGHTS

	Three months ended December 31		Year ended December 31	
	2014	2013	2014	2013 ¹
<i>(U.S. dollars where applicable)</i>				
Copper production (tonnes)	105,176	114,791	427,655	412,281
Copper sales (tonnes)	94,836	95,598	411,203	386,057
Cash cost of copper production (C1) ² (per lb)	\$1.35	\$1.23	\$1.41	\$1.30
Realized copper price (per lb)	\$2.91	\$3.26	\$3.03	\$3.22
Nickel production (contained tonnes)	9,934	12,634	45,879	47,066
Nickel sales (contained tonnes)	12,189	13,795	47,749	49,105
Cash cost of nickel production (C1) ² (per lb)	\$4.49	\$4.51	\$4.40	\$5.02
Realized nickel price (per payable lb)	\$7.20	\$6.37	\$7.58	\$6.82
Gold production (ounces)	57,480	63,199	229,813	248,078
Gold sales (ounces)	48,608	50,399	214,104	228,962

¹ Operating results for the year ended December 31, 2013 include those of the Çayeli mine (100%), the Las Cruces mine (100%), and the Pyhäsalmi mine (100%) from March 22, 2013, the date of acquisition.

² Cash costs (C1) is not recognized under IFRS. Refer to the "Regulatory Disclosures" section in the MD&A for the year ended December 31, 2014 for further information.

FULL YEAR 2015 GUIDANCE

- Total production
 - copper between 410,000 and 440,000 tonnes
 - nickel between 32,000 and 40,000 tonnes
 - gold between 218,000 and 247,000 ounces
 - zinc between 40,000 and 45,000 tonnes
 - palladium between 26,000 and 29,000 ounces
 - platinum between 25,000 and 35,000 ounces
 - in addition, total physical production at Sentinel is expected to be between 150,000 and 200,000 tonnes of copper
- Cash cost of production
 - copper between \$1.30 and \$1.55 per pound
 - nickel between \$4.80 and \$5.30 per pound
- Capital expenditures, excluding capitalization of any pre-commercial production costs and capitalized interest, of between \$1.2 billion and \$1.4 billion including \$600 million for the Cobre Panama project

CONFERENCE CALL & WEBCAST

The Company will host a conference call and webcast to discuss the results on Friday, February 20, 2015.

Conference call and webcast details are as follows:

Date: February 20, 2015
 Time: 9:00 am (EST); 2:00 pm (GMT); 6:00 am (PST)
 Webcast: www.first-quantum.com
 Dial in: North America: (toll free) 1 800 920 2191
 International and North America: 1 647 722 9144
 United Kingdom: 0 800 496 0828 (toll free) or +44 203 300 0094

 Replay: Canada and international: 1 416 626 4100
 OR
 Toll free North America: 1 800 558 5253
 Passcode: 21760311

COMPLETE FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

The audited consolidated financial statements and Management's Discussion and Analysis for the year ended December 31, 2014 are available at www.first-quantum.com and should be read in conjunction with this news release.

BASIS OF PRESENTATION

This news release and the Company's financial statements have been prepared in accordance with IFRS and are presented in United States dollars, except where noted. Changes in accounting policies have been applied consistently to comparative periods unless otherwise noted.

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

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Listed in Standard and Poor's

G. Clive Newall
President

For further information visit our website at www.first-quantum.com

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Cautionary statement on forward-looking information

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

With respect to forward-looking statements and information contained herein, the Company has made numerous assumptions including among other things, assumptions about the price of copper, gold, nickel, zinc, pyrite, PGE, cobalt and sulphuric acid, anticipated costs and expenditures and the ability to achieve the Company's goals. The Company has also made certain assumptions with respect to securing amendments to its Financing Agreements. If these amendments are not effected and the Company breaches a covenant in its Financing Agreements, this would be an event of default which, if un-addressed, would entitle the lenders to make the related borrowings immediately due and payable and if made immediately due and payable all other borrowings would also be due and payable. Although management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that a forward-looking statement or information herein will prove to be accurate. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. These factors include, but are not limited to, future production volumes and costs, costs for inputs such as oil, power and sulphur, political stability in Zambia, Peru, Mauritania, Finland, Spain, Turkey, Panama, Argentina and Australia, adverse weather conditions in Zambia, Finland, Spain, Turkey and Mauritania, labour disruptions, mechanical failures, water supply, procurement and delivery of parts and supplies to the operations, and the production of off-spec material.

See the Company's Annual Information Form for additional information on risks, uncertainties and other factors relating to the forward-looking statements and information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of these factors are beyond First Quantum's control. Accordingly, readers should not place undue reliance on forward-looking statements or information. The Company undertakes no obligation to reissue or update forward-looking statements or information as a result of new information or events after the date hereof except as may be required by law. All forward-looking statements and information made herein are qualified by this cautionary statement.