

# First Quantum Minerals Comments on Proposed Changes to the Mining Tax Regime in Zambia

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(In United States dollars, except where noted otherwise)

TORONTO, Sept. 28, 2018 - [First Quantum Minerals Ltd.](#) ("First Quantum" or the "Company", TSX Symbol "FM") today noted the following proposed changes to the Zambian mining tax regime that are pertinent to the Company. The proposed changes were included in the country's 2019 budget delivered on September 28, 2018 to the National Assembly and are expected to take effect from January 1, 2019.

Mineral Royalty changes:

- Increase mineral royalty rates by 1.5% at all levels of the existing scale
- Introduce a fourth tier rate at 10% which applies when copper price above \$7,500 per tonne
- Make mineral royalty tax non-deductible for income tax purposes

Existing Mining Royalty rates	2019 Budget Announcement
Less than \$4,500 - 4%	Less than \$4,500 &ndash; 5.5%
\$4,500 - \$6,000 - 5%	\$4,500 - \$6,000 &ndash; 6.5%
Greater than \$6,000 &ndash; 6%	\$6,000 - \$7,500 &ndash; 7.5%
	Greater than \$7,500 &ndash; 10%

Other key measures

1. Introduce an import duty of 5% on copper and cobalt concentrates
2. Introduce an export levy on precious metals including gold of 15%
3. Abolish Value Added Tax and introduce a non-refundable Sales Tax (no detail on Sales Tax rate yet announced).

Impact of the Mineral Royalty rate increase by 1.5% on 2017 All In Sustaining Cost (AISC):

- Kansanshi AISC per lb would increase from \$1.54/lb to \$1.58/lb
- Sentinel AISC per lb would increase from \$2.19/lb to \$2.23/lb
- Group AISC per lb would increase from \$1.65/lb to \$1.68/lb

It is expected that there would also be an impact of the non-refundable Sales Tax on C1 and AISC however the rate is not yet known.

On Behalf of the Board of Directors of [First Quantum Minerals Ltd.](#)  
G. Clive Newall  
President

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

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

Certain statements and information herein, including all statements that are not historical facts, contain forward-looking statements and forward-looking information within the meaning of applicable securities laws. Certain statements, information and analysis contained herein are based on the details of the 2019 Zambian budget as announced by the government of Zambia, and on assumptions in respect of the implementation of the same. The forward-looking statements include estimates, forecasts and statements as to the Company's expectations of production and sales volumes, and expected timing of completion of project development at Cobre Panama and Enterprise and are subject to the impact of ore grades on future production, the potential of production disruptions, capital expenditure and mine production costs, the outcome of mine permitting, other required permitting, the outcome of legal proceedings which involve the Company, information with respect to the future price of copper, gold, nickel, zinc, pyrite, cobalt, iron and sulphuric acid, estimated mineral reserves and mineral resources, First Quantum's exploration and development program, estimated future expenses, exploration and development capital requirements, the Company's hedging policy, and goals and strategies. Often, but not always, forward-looking statements or information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

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

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

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