Delivering Growth

Notice and Management Information Circular
2019 Annual General Meeting of Shareholders

05.09.2019 | 10:00 am (EDT)

The Gallery of the TMX Broadcast Centre
130 King Street West
Toronto, Ontario, M5X 1J2

FIRST QUANTUM
MINERALS LTD.

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LETTER FROM THE CHAIRMAN

Dear Shareholders,

We are pleased to invite you to attend the Annual General Meeting ("AGM or "Meeting") of shareholders of First Quantum Minerals Ltd. ("First Quantum", "FQM" or the "Company" or "we") to be held at The Gallery of the TMX Broadcast Centre, The Exchange Tower, 130 King Street West, Toronto, Ontario, M5X 1J2, Canada on Thursday, May 9, 2019 at 10:00 a.m. (EDT). At the Meeting, you will have the opportunity to hear about First Quantum's performance and the progress we have made across the business during 2018.

Market conditions for copper, our primary metal, stabilized during 2018 and we made considerable achievements in this period, including excellent progress towards bringing the Cobre Panama Project closer to completion. All mining operations worked well and we achieved record levels, ahead of target, of copper production. The majority of this was achieved through better operational results through plant optimization at the Sentinel Operation. These initatives contributed to its steady improvement in production and recovery, particularly in the second half of the year. During this period, we continued to manage our balance sheet by reorganizing our funding structure thereby improving our debt covenant and maturity profiles whilst continuing to provide for sufficient cash resources to fund our business.

It is with great sadness that I am to report that during 2018 the lives of two workers were lost, one at Sentinel and a second at the Cobra Panama project. The safety of our workforce is paramount and we have investigated these accidents fully and undertake to continue to do all we can to avoid such accidents in the future.

We achieved higher comparative earnings in 2018 compared to those achieved in 2017 which, after attributing underlying charges and losses from continuing operations, were $182m compared to a comparative earnings loss of ($111m) in 2017.

Rewards under the short and long term incentive awards were made in line with these outcomes and salary increases were awarded for some NEOs in 2018.

In February 2019, we completed a refinancing of the Company and replaced the existing $2.2 billion facility with a new $2.7 billion facility. The new facility includes revised financial covenants and an extended amortization schedule thereby improving our financial flexibility through added liquidity and time alignment with the business plan.

We have taken some positive steps towards the refreshing of the Board. During the year we welcomed Simon Scott as a Director and are recommending the appointment of Joanne Warner to the Board at the forthcoming AGM. Both bring a wealth of mining and resource industry related experience.

We value the views of you our shareholders. This Management Information Circular describes the business to be conducted at the AGM and provides information on our governance programs and our approach to executive compensation.

Sincerely,

Philip Pascall,
Chairman and Chief Executive Officer

LETTER FROM THE LEAD INDEPENDENT DIRECTOR

Dear Shareholders,

First Quantum has continued to focus on its growth agenda during 2018 making some significant milestones in developing the business and the Cobre Panama project in particular. This letter describes how the Board has approached its oversight role of the business, touches on some key governance matters and generally describes how we, the Directors, work with management in discharging our responsibilities. A more detailed explanation of our corporate governance policies and practices is contained throughout the enclosed Management Information Circular.

We have a very strong and unique culture, which has developed over many years. A culture that encourages and rewards an entrepreneurial approach to how we operate our business and engage with communities. At our heart, we endeavor to do the right things for the right reasons. Our decision-making is nimble and is underpinned by a flat management structure.

The Board works closely with management to ensure appropriate oversight is maintained. We aspire to more than a “tick the box” mentality and encourage responsible ownership and accountability in all areas of the business. Our hallmark is integrity. During the year we launched ’20,000 Stories’, a collection of short videos recorded by our employees showcasing our culture and approach. The project highlights the level of enthusiasm and community engagement across all our sites. I would encourage you to visit our website to learn more at www.20000stories.com. Our EHS&CSR Committee provide oversight of our approach to environment and safety matters.

As a Board we pay particular attention to our composition and in recognition of the tenure periods of some of our Directors we have been working on refreshing the composition of the Board. In doing so we have taken into account not only the time spent on the Board but also the contributions of individual directors. We are cognizant of ensuring the Board retains the appropriate balance of skills and experience needed to fulfil our mandate.

We began the process of renewing our Board in 2017 with the appointment of Kathleen Hogenson. In May 2018, as part of this ongoing renewal process, which has been conducted with the assistance of an independent search consultant, we recommended Simon Scott for election as an independent Director. Upon joining the Board, Simon undertook a comprehensive induction program, which included visits to certain of our operations including those in Zambia and Panama. Simon brings with him extensive international financial experience in the mining industry having previously held board positions in Australia, the UK and South Africa. Simon also served as a senior executive of Lomnin plc, including a period as acting Chief Executive Officer.

At the 2019 AGM we are recommending the election of Joanne Warner as an independent Director subject to your approval as shareholders. Joanne brings with her extensive experience in global resources equities portfolio management and international sell side experience in institutional and corporate broking in the mining sector. With the addition of Joanne, we will be increasing the total number of Directors from eight to nine and increasing female representation from 12.5% to 22%. The percentage of independent directors will also increase from 75% to 78%. We are delighted to welcome to the Board both Simon and Joanne whose skills and experience will enhance the deliberations and diversity of thinking around the Board table. We will continue with this process of renewal as we plan for the retirement of some our longer serving directors over the next few years.

A very important mandate of the Board is the topic of succession planning and it is a regular agenda item for discussion by the Directors. In January 2018, the Board held a strategy session focused purely on succession planning, broadening our talent pool and ensuring that we provide appropriately for management succession.

During the year, we introduced a new long-term share compensation plan for key employees. The purpose of the plan is to reward and retain talent considered critical to our future. Grants under the plan provide much longer-term potential benefits as they vest, subject to performance criteria, over an eight year period and are thus complementary to our existing incentive programs. Employees selected to participate in the plan (called KEYs) have a proven track record of success at the Company and are considered critical to our future. The KEYs plan is intended to encourage a long-term strategic focus amongst this group of employees and supports our management succession plans by encouraging the retention and loyalty of this key talent group. Over the next few years we can expect that the Company’s founders will transition to new roles or retire thereby making way for a new generation of leaders. As the KEYs plan is aimed at future leaders, the CEO and certain other Named Executive Officers of the Company were not considered for awards under the plan.

We believe this initiative to be highly important in the context of our strategic plans for the future of the Company.

The Statement of Executive Compensation on pages 27 to 31 of the enclosed Management Information Circular fully explains how the KEYs plan operates but I would like to highlight some key aspects of the plan below.

The plan rules are straightforward. Units granted under the KEYs plan will vest over years four to eight from the date of award. If an employee is not with the Company on a vesting date, all future vesting tranches will be forfeited (the only exceptions being death or ill health, a change of control where time apportionment will apply or other limited circumstances where Board discretion may be applied). A second requirement is to meet performance hurdles. The performance of participants in the plan will be rigorously assessed against annually defined objectives set by the CEO and approved by the Board and that are tailored for each individual. Failure to meet the performance criteria at a vesting date will result in the permanent loss of that tranche, which will not vest and be cancelled.

Our Compensation Committee uses external advisers in the formation and review of all our compensation plans and, while we acknowledge that no compensation plan is perfect or can foresee all potential outcomes, we believe that upon reviewing the total compensation paid to our executives, you will see that once again we have taken a very responsible approach in these matters.

I very much hope you will be able to join us in Toronto for our AGM in May when you will be able to raise any topics that may be of interest to you. In any event as a Board we are always open to hearing from shareholders and appreciate those who take the time to share their views with us.

Sincerely,

Robert Harding
Lead Independent Director

NOTICE OF ANNUAL GENERAL MEETING

Date:	Thursday, May 9, 2019
Time:	10 a.m., Toronto time
Location:	The Gallery of the TMX Broadcast Centre, The Exchange Tower, 130 King Street West, Toronto, Ontario, M5X 1J2

Dear Shareholders

You are invited to attend First Quantum Minerals Limited (the "Company")'s annual general meeting of Shareholders (the "Meeting") to vote on the following matters:

1. To receive the audited consolidated financial statements of the Company for the fiscal year ended December 31, 2018 together with the Company Auditor's report thereon
2. To fix the number of Directors to be elected at nine (9)
3. To elect the Company's Directors for the coming year
4. To reappoint PricewaterhouseCoopers LLP (UK), as auditors of the Company to hold office until the conclusion of the next annual general meeting of shareholders of the Company and to authorize the Directors to fix their remuneration
5. To approve the non-binding advisory resolution on the approach to executive compensation
6. To transact any other business properly brought before the Meeting or any adjournments thereof

Accompanying this Notice of Meeting is the Management Information Circular where you can find more information on how to vote your shares in the Company.

You are entitled to vote at the Meeting if you were a shareholder as at the close of business on March 18, 2019.

Shareholders unable to attend the Meeting in person may vote by completing the Form of Proxy and lodging it with the Company's transfer agent, Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, no later than 10:00 a.m. EDT on Tuesday, May 7, 2019.

13th day of March, 2019.

ON BEHALF OF THE BOARD OF DIRECTORS

Sarah E H Robertson
Corporate Secretary

MANAGEMENT INFORMATION CIRCULAR

MEETING AND VOTING INFORMATION

Containing information as at March 13, 2019 (unless otherwise noted). All figures are in United States Dollars ("USD") unless otherwise noted.

WHO IS MAKING THE SOLICITATION?

Your proxy is being solicited by our management in connection with the annual general meeting of shareholders of the Company to be held on Thursday, May 9, 2019 (the "AGM" or the "Meeting").

HOW DO YOU SOLICIT PROXIES?

While it is expected that solicitation will be conducted primarily by mail, proxies may be solicited personally or by telephone by Directors and employees of the Company. All costs of soliciting proxies and the production of and distribution of the Meeting materials will be borne by the Company.

HOW WILL I RECEIVE MY MEETING MATERIALS?

Notice and Access

We have adopted the "Notice and Access" model to distribute our meeting materials to both registered and beneficial shareholders. If you are a registered shareholder you will receive a notice containing information about how you can access and review the electronic copy of our 2019 Management Information Circular (the "Circular") and instructions on how to vote by proxy at the Meeting. These documents will also be available to view on SEDAR at *http://www.sedar.com*, the Company's website at *http://www.first-quantum.com/Investors-Centre/2019-Annual-Meeting-of-Shareholders-Materials/default.aspx* and a website maintained by our transfer agent, Computershare Investor Services Inc. ("Computershare") at *http://www.envisionreports.com/First-Quantum-2019AGM*.

We intend to mail our notice of meeting to our registered shareholders on or about April 2, 2019. We do not generally send proxy materials directly to non-registered (beneficial) shareholders directly but instead use Broadridge Investor Communication Corporation (Broadridge) which acts on behalf of intermediaries to send proxy materials.

How to obtain a paper copy of the Circular: if you are a registered shareholder you may request a paper copy of the Circular by calling 1-866-962-0498 (within North America – toll free) or +1-514-982-8716 (outside of North America – not toll free) and entering the control number located on the Proxy Form or notice. If you are a beneficial shareholder you may visit *www.proxyvote.com* and enter the control number located on the voting instruction form ("VIF") and following the instructions provided. Such requests may also be made by telephone at any time prior to the Meeting by calling 1-877-907-7643 and entering the control number located on the VIF and following the instructions provided. If you do not have a control number, please call toll-free at 1-855-887-2243. If you are dialing from outside of North America, please dial +1-905-507-5450 (not toll free).

AM I A REGISTERED OR BENEFICIAL SHAREHOLDER?

- You are a registered shareholder if you hold a share certificate which has been issued in your name or you appear as the registered shareholder on the shareholder register.
- You are a beneficial shareholder if your shares are registered in the name of a bank, trust company, investment dealer or other institution (an "Intermediary") and such shares are held for your benefit.

I AM A REGISTERED SHAREHOLDER, HOW DO I VOTE?

You may vote either by attending the Meeting in person or, if you are unable to attend, you may appoint a proxy to represent you.

HOW DO I APPOINT A PROXY?

On the form of proxy ("Proxy Form") we have designated the Chairman and Chief Executive Officer and the President to represent you and vote on your behalf at the Meeting. You may appoint a proxy:

- via the internet at *www.investorvote.com* and following the instructions that appear on the screen or by scanning the QR code on the Proxy Form. You will need your account number and proxy access number which are shown on your Proxy Form;
- by calling 1-866-732-8683 (within North America – toll free) and 312-588-4290 (outside of North America – not toll free) from a touch-tone phone and following the instructions. You will need your account number and proxy access number which can be found on your Proxy Form; or
- by completing, signing, dating and returning your Proxy Form.

If you wish to appoint a person other than those designated by the Company (who need not be a shareholder) to represent you at the Meeting you may do so by:

- striking out the names of the Chairman and CEO and the President and inserting the name of the person you wish to represent you at the Meeting in the space provided on the Proxy Form; and
- indicating how you wish your appointed proxy to vote on your behalf, signing and dating the Proxy Form and returning it to Computershare as instructed.

IS THERE A DEADLINE FOR MY PROXY TO BE RECEIVED?

Yes. Your Proxy Form, however delivered, will not be valid unless received by Computershare, no later than 10:00 a.m. (EDT) Tuesday, May 7, 2019. If the Meeting is adjourned or postponed, your Proxy Form must be received by 5.00 p.m. (EDT) on the second last day before the reconvened meeting.

HOW CAN I VOTE IF I AM A BENEFICIAL SHAREHOLDER?

Most shareholders are beneficial shareholders. If you are a beneficial shareholder and have not waived your right to receive meeting materials, you are able to instruct your Intermediary how to vote the shares you beneficially own.

- You will receive a VIF which enables you to instruct the Intermediary how to vote your shares. You should follow the instructions on the VIF in order to provide your instructions. If you have not received a VIF and have not waived your right to receive one, please contact your Intermediary.
- In some instances you may be sent a Proxy Form which has already been signed by the Intermediary and is restricted to the number of shares beneficially owned by you. This Proxy Form should be completed and returned in accordance with the instructions set out on the form.

If you are a beneficial shareholder and wish to attend the Meeting or have someone else attend on your behalf, you may appoint yourself or your nominee as set out in the VIF.

Please return your voting instructions as specified in the VIF. You should carefully follow the instructions set out in the VIF, including those regarding by when and where the VIF is to be delivered.

WHAT IF I CHANGE MY MIND?

If you are a registered shareholder you may revoke your proxy once submitted by:

- completing and submitting another Proxy Form or VIF dated later than the Proxy Form or VIF already submitted by you and delivering it in accordance with the instructions on the Proxy Form or the VIF, as applicable. Proxy Forms may be submitted at any time up to and including the last business day preceding the day of the Meeting. Replacement VIF's should be submitted in accordance with the instructions thereon; or
- any other manner provided by law.
- A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.
- If you are a beneficial shareholder and have received and returned a VIF, you may revoke your instructions in accordance with the requirements of your Intermediary.

HOW WILL MY SHARES BE VOTED BY PROXY?

By properly completing and returning and not revoking a Proxy Form you are appointing the individuals named on the Proxy Form to represent you at the Meeting and vote on each resolution, or withhold from voting, in accordance with your instructions. If you have not indicated how you wish your shares to be voted and have appointed the Company designated proxies, such shares will be voted IN FAVOUR of each matter before the meeting where no instruction has been provided by you.

Where any amendments or variations to the matters identified in the Notice of Meeting or such other matters that may properly come before the Meeting, you are also conferring discretionary authority to your appointed representative to vote on such matters as they see fit.

HOW ARE AMENDMENTS, VARIATIONS OR OTHER MATTERS PROCESSED?

By appointing a proxy you are conferring discretionary authority to your proxy to vote in accordance with their best judgment in respect of any amendments or variations which may properly come before the Meeting. Your proxy remains effective at any continuation or adjournment of the Meeting. We are not aware of any matters which are to come before the Meeting other than the matters referred to in the Notice of Meeting.

WHO CAN VOTE AT THE MEETING?

Only registered shareholders or duly appointed proxies are entitled to attend and vote or have their shares voted at the Meeting. Each share carries the right to one vote. As at March 13, 2019, there were 689,390,565 shares issued and outstanding.

DOES ANY SHAREHOLDER OWN 10% OR MORE OF THE COMPANY'S SHARES?

To the knowledge of the Directors and executive officers of the Company, as of the date of this Circular, there are no persons or companies who beneficially own, control or direct, directly or indirectly, voting securities carrying more than 10% or more of the right to vote at the Meeting, except that Capital Group of Companies holds 103,162,757 shares representing approximately 14.96% of the issued and outstanding shares (as reported to the Company on November 25, 2016) and Capital Research Global Investors holds 94,245,342 shares representing approximately 13.67% of the issued and outstanding shares (as reported to the Company on August 14, 2018). The foregoing information has been obtained by the Company through publicly-disclosed filings made by such persons or companies under applicable securities laws.

WHAT IS THE RECORD DATE?

In order to attend and vote at the Meeting you must be a shareholder of record at the close of business on March 18, 2019. This date is the record date.

HOW MANY VOTES DO I HAVE?

You are entitled to one vote for each share you hold. Our register of shareholders is available for inspection during normal business hours at the offices of Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, and at the Meeting.

WHAT IS THE BUSINESS BEING VOTED ON AT THE MEETING?

You will be asked to vote on the following matters at the Meeting:

1. AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Our audited consolidated financial statements for the year ended December 31, 2018, together with the report of the auditors thereon, will be presented at the Meeting and are included in the Company's 2018 Annual Report. The Annual Report is also available on the Company's website at *www.first-quantum.com* and at *www.sedar.com* and hard copies are available on request.

2. FIXING THE NUMBER OF DIRECTORS

Your approval will be sought to fix the number of Directors of the Company to be elected at nine (9).

The Board recommends a vote "FOR" to fix the number of Directors of the Company to be elected at nine (9). The persons named in the accompanying Proxy Form intend to vote FOR the fixing of the number of Directors at nine (9) unless you tell them to withhold your vote.

3. ELECTION OF DIRECTORS AND INFORMATION REGARDING PROPOSED DIRECTORS

The nine nominees for election as Directors at the Meeting are set out below. Each Director elected at the Meeting will begin to hold office immediately after the Meeting and continue to hold office until the conclusion of the next AGM or until a successor is duly elected or appointed.

Philip K. R. Pascall	G. Clive Newall
Robert Harding	Andrew B. Adams
Paul Brunner	Peter St. George
Simon Scott	Kathleen A. Hogenson
Joanne Warner	

You can find more information on all of our nominees on pages 12 to 16. Each nominee brings a unique set of skills and experience which together create a strong and effective Board. Each nominee has expressed their willingness and eligibility to serve as a Director if elected. If a proposed nominee becomes unable to serve as a Director or withdraws their name, the persons named in the Proxy Form will vote for any other nominee put forward by the Board.

Majority Voting Policy

Under policies adopted by the Board, shareholders have the ability to vote for, or withhold their votes from, each individual nominee proposed for election to the Board.

We have adopted a Majority Voting Policy whereby a Director from whom the number of votes withheld exceeds the number of votes cast in their favour, will immediately tender their resignation to the Board. The Nominating and Governance Committee will consider the resignation and advise the Board on how to respond, which it will do so within 90 days of the Meeting. However, it is expected that the Board will only decline to accept a resignation in exceptional circumstances. The Director under consideration will not take part in any deliberations on the matter. Such resignation will become effective immediately upon acceptance by the Board and a press release, confirming the Board's reasons for the decision, to accept or reject the resignation, will be issued promptly.

The Board recommends a vote "FOR" the election of all nine Nominees. Unless authority to do so is withheld, the persons named in the accompanying Proxy Form intend to vote FOR the election of the Nominees. We do not expect that any of the Nominees will be unable to serve as a Director.

4. REAPPOINTMENT OF THE AUDITORS

We propose that PricewaterhouseCoopers LLP (UK), Chartered Accountants ("PwC") be reappointed as auditors of the Company to hold office until the conclusion of the next AGM. PwC has confirmed its independence from the Company, and the Directors and Officers of the Company in connection with the audit of the consolidated financial statements for the period ending December 31, 2018. We are also proposing that the Directors be authorized to set the fees paid to PwC as auditor.

Summary of Billings and Services by the External Auditors for 2018 and 2017

Aggregate fees paid to PwC for the years ended December 31, 2018 and 2017 were as follows:

	December 31, 2018 ($)	December 31, 2017 ($)
Audit Fees	1,555,421	1,586,265
Audit-Related Fees	263,502	247,735
Tax Fees	–	–
All Other Fees(1)	140,600	332,400
Total	1,959,523	2,166,400

(1) Included within all other fees for 2018 are fees of $100,000 relating to the bond issuance undertaken by the Company in March 2018.

Pre-Approval Policy

We have adopted a pre-approval policy in respect of non-audit services provided by PwC. Further details, including the Audit Committee Charter, can be found in the Annual Information Form of the Company available on SEDAR at www.sedar.com.

The Board recommends a vote "FOR" the reappointment of PwC as auditors of the Company and to authorize the Directors to fix their remuneration. Unless authority to do so is withheld, the persons named in the accompanying Proxy Form intend to vote FOR the reappointment of PwC as auditors of the Company and to authorize the Directors to fix their remuneration.

5. SAY ON PAY ADVISORY VOTE

We have adopted an advisory say on pay vote relating to our approach to executive compensation. The objective of this advisory non-binding vote is to provide you with an opportunity to provide feedback on our approach and to ensure an appropriate level of accountability for executive compensation. At last year's AGM this vote was supported with 93.33% in favour of our approach to compensation.

At the Meeting you will be asked to approve the following advisory resolution:

"BE IT RESOLVED, on an advisory basis, and not to diminish the role and responsibilities of the Board of Directors of the Company, that the shareholders accept the approach to executive compensation disclosed in the Company's Management Information Circular relating to the 2019 annual meeting of shareholders."

You are reminded that this vote is advisory and is therefore not binding on the Board or the Company. The Directors remain fully responsible for their compensation decisions and are not relieved of these responsibilities by a positive or negative advisory vote by shareholders.

However, the Board will take the results of the vote into account, as appropriate, when considering future compensation policies, practices and decisions. We will disclose the results of the shareholder advisory vote as a part of our report of voting results for the Meeting.

At the 2018 and 2017 AGMs, the results of the say on pay advisory vote were as follows:

Year	# Votes For	% of Votes Cast	# Votes Against	% Votes Cast
2018	496,270,881	93.33%	35,459,209	6.67%
2017	456,942,852	97.51%	11,689,930	2.49%

The Board recommends a vote “FOR” the advisory resolution on executive compensation. Unless authority to do so is withheld, the persons named in the accompanying Proxy Form intend to vote FOR the adoption of the advisory resolution on executive compensation.

6. OTHER BUSINESS

Following the conclusion of the formal business to be conducted at the Meeting, we will:

- provide an update on our 2018 business operations; and
- invite questions and comments from shareholders.

As of the date of this Circular, management of the Company is not aware of any changes to the items listed above and does not expect any other business to be brought forward at the Meeting.

BOARD AND GOVERNANCE HIGHLIGHTS

Board composition and independence

Our Board is currently comprised of eight Directors, of whom six are independent, resulting in 75% of current Board members being independent. We recognize that without an independent Chairman, strong representation by independent Directors is important to ensuring we continue to maintain an effective and engaged Board. To that end, we have appointed a Lead Independent Director and all of our Board Committee members are independent Directors. Our independent Directors hold private sessions, led by the Lead Independent Director, without management present at every Board meeting and at other times as required.

Board renewal

We continue to review the composition of our Board in order to maintain an appropriate mix of diverse skills, experiences and capabilities as appropriate to our business. We recognize that certain of our Directors have served the Company for a number of years and we are working to refresh the make up of the Board going forward. At this Meeting, we are recommending one additional Director for election which if approved will increase the number of Directors to nine, of whom seven will be independent.

Diversity

We have adopted a Board and Senior Executive diversity policy which takes into account diversity in its broadest sense, not just gender. We are also committed to diversity throughout the organization and not just at the Board level, recognizing the diverse geographical locations and environments within which we operate.

Average Age of Directors:*	Percentage of female Directors:*	Percentage of female Executive Officers
64	22%	28%

* assuming that Joanne Warner is elected to the Board at the Meeting.

Understanding our business

All new Directors undergo a detailed induction program. The program includes a detailed summary of the business, its culture and its obligations as a Canadian company listed on the Toronto Stock Exchange (“TSX”). In addition, new Directors visit mine sites outside of the scheduled Board visits to accelerate their understanding of the operations and meet local staff. Directors are provided with opportunities to attend ongoing educational sessions on subjects of relevance. During the year Directors visited our development project, Cobre Panama, to see for themselves the progress that had been made towards commissioning the site. As part of his induction program, Simon Scott also visited our Zambian mine sites Sentinel and Kansanshi where he met with local management and staff.

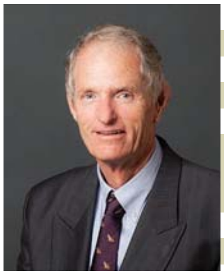
Other governance highlights

- Annual Advisory Vote on Executive Compensation
- Executive Incentive Compensation Clawback Policy
- Annual Election of Directors
- Majority Voting Policy
- Annual Board Effectiveness Review
- Board Interlock Guidelines
- Board Strategy Session

BOARD OF DIRECTORS

ABOUT OUR NOMINEES

PHILIP K. R. PASCALL – CEO AND CHAIRMAN



Western Australia, Australia
Age: 71

Independent:	No
Outside Directorships in past five years:	None
Director Since:	June 19, 1996
2018 Election Voting Results:	97.5% in favour
2018 Meeting Attendance:	100%
Share and Share Unit Ownership:	5,772,725 Shares 304,399 Performance Share Units 608,441 Stock Options
Share Value at December 31, 2018:	C$63,730,884
Number of Shares Required:	264,073
Share Ownership Guidelines:	Met (see page 43)

Experience

- Co-founder of the Company in 1996.
- Honours degree in Control Engineering Sussex University.
- MBA University of Cape Town.
- General management positions in South Africa from 1973-81, including with RTZ and E.L. Bateman.
- Project Manager of the Argyle Diamond Project in Western Australia between 1981-1982.
- Executive Chairman and part owner of Nedpac Engineering between 1982 and 1990.
- Involved in a wide variety of mineral projects in Australia, New Zealand, S.E. Asia, Chile, the United States, and Zimbabwe. Consultant in the mining industry, including Rio Tinto's Hamersley Iron and with various projects in Zimbabwe and Zambia.

G. CLIVE NEWALL - PRESIDENT

West Sussex, England
Age: 69

Independent:	No
Outside Public Company Directorships in past five years:	Baker Steel Resource Trust Limited and Gemfields Plc
Company Director Since:	May 1, 1996
2018 Election Voting Results:	97.6% in favour
2018 Meeting Attendance:	100%
Share and Share Unit Ownership:	2,664,582 Shares 56,471 Performance Share Units 121,400 Stock Options
Share Value at December 31, 2018:	C$29,416,985
Number of Shares Required:	102,328
Share Ownership Guidelines:	Met (see page 43)

Experience

- Co-founder of the Company in 1996.
- Honours degree in Mining Geology from the Royal School of Mines, Imperial College (1971).
- MBA from Scottish Business School Strathclyde University.
- Worked in mining and exploration throughout his career.
- Senior management positions with Amax Exploration Inc. and the Robertson Group Plc.
- Non-Executive Director of Baker Steel Resource Trust Limited and previously Gemfields Plc.

ROBERT HARDING – LEAD INDEPENDENT DIRECTOR

Ontario, Canada
Age: 61

Outside Directorships in past five years:	Director and former Chairman of Brookfield Asset Management, Inc.; former Director & Chairman of Norbord, Inc.
Company Director Since:	May 7, 2013
2018 Election Voting Results:	97.1% favour
2018 Board and Committee Meeting Attendance:	100%
Share and Share Unit Ownership:	20,002 Shares 21,422 Deferred Share Units
Share Value at December 31, 2018:	C$220,822
DSU Value at December 31, 2018:	C$236,506
Number of Shares required:	29,156
Share Ownership Guidelines:	Met (see page 19)

Experience

- Bachelor of Mathematics from the University of Waterloo in 1980.
- Qualified Chartered Accountant (Canada 1981).
- Began his career at a major accounting firm before joining Hees International (now Brookfield) where he served in progressively senior roles including Controller, Chief Financial Officer, Chief Operating Officer, and ultimately, Chief Executive Officer in 1992.
- Previously served on the Boards of Manulife Financial Corporation and NexJ Systems Inc.

ANDREW B. ADAMS – INDEPENDENT DIRECTOR

Ontario, Canada
Age: 62

Outside Directorships in past five years:	Non-Executive Director of Torex Gold Resources Inc., and TMAC Resources Inc.
Company Director Since:	June 6, 2005
2018 Election Voting Results:	98.6% in favour
2018 Board and Committee Meeting Attendance:	100%
Share and Share Unit Ownership:	75,000 Shares 22,844 Deferred Share Units
Share Value at December 31, 2018:	C$828,000
DSU Value at December 31, 2018:	C$252,198
Number of Shares required:	22,953
Share Ownership Guidelines:	Met (see page 19)

Experience

- B.A in Social Science from Southampton University.
- Qualified as a Chartered Accountant (UK 1981).
- Worked for the Anglo American group of companies for 12 years, including Vice President and Chief Financial Officer of AngloGold North America.
- Vice President and Chief Financial Officer (1999 to 2003) Aber Diamond Corporation.
- Currently, an independent non-executive Director of Torex Gold Resources and TMAC Resources Inc.

PETER ST. GEORGE – INDEPENDENT DIRECTOR

Outside Directorships in past five years:	Non-Executive Director of Dexus Property Group
Company Director Since:	October 20, 2003
2018 Election Voting Results:	98.7% in favour
2018 Board and Committee Meeting Attendance:	100%
Share and Share Unit Ownership:	502,225 Shares
Share Value at December 31, 2018:	C$5,544,564
Number of Shares required:	22,953
Share Ownership Guidelines:	Met (see page 19)

New South Wales, Australia

Age: 72

Experience

- Qualified as a Chartered Accountant in South Africa.
- MBA from the University of Cape Town.
- Worked in senior positions in the investment banking industry for over 30 years in the United Kingdom and Australia.
- Managing Director and Chief Executive/Co-Chief Executive Officer of Salomon Smith Barney Australia and its predecessor, Natwest Markets Australia.
- Currently a non-executive Director of Dexus Property Group, an ASX-listed Australian property group. Also served on a number of other public and private company Boards in Australia.
- Has a background of business in Africa and brings to the Board a wide business experience gained in a number of countries, a sound knowledge of financial markets and finance as well as having the benefit of serving on a number of international public companies over the last 15 years.

PAUL BRUNNER – INDEPENDENT DIRECTOR

Outside Directorships in past five years:	None
Company Director Since:	April 15, 2009
2018 Election Voting Results:	98.8% in favor
2018 Board and Committee Meeting Attendance:	100%
Share and Share Unit Ownership:	83,301 Shares
Share Value at December 31, 2018:	C$919,643
Number of Shares required:	22,953
Share Ownership Guidelines:	Met (see page 19)

Lima, Peru

Age: 68

Experience

- Mining engineering graduate Colorado School of Mines (1976).
- MBA from Harvard Graduate School of Business Administration.
- President and CEO of Boart Longyear Company (USA) (2004 to 2008).
- Held senior management positions including Managing Director – Boart Longyear Limited (South Africa); Regional Director – Boart Longyear Limitada (Chile/Peru); and President – Boart Canada Ltd.

KATHLEEN A. HOGENSON – INDEPENDENT DIRECTOR

Outside Directorships in past five years:	President, Chief Executive Officer and Executive Director of Zone Oil & Gas Houston; Non-Executive Director at Verisk Analytics
Company Director Since:	May 5, 2017
2018 Election Voting Results:	99.8%
2018 Board and Committee Meeting Attendance:	100%
Share and Share Unit Ownership:	28,236 Shares
Share Value at December 31, 2018:	C$311,725
Share Ownership Guidelines:	Not yet met (see page 19)

Texas, USA
Age: 58

Experience

- BS in Chemical Enginering earned in the U.S.
- Chief Executive Officer and founder of Zone Oil and Gas
- Held executive positions at Santos Limited and Unocal Corporation
- Serves on the Advisory Board of the Women's Global Leadership Conference
- Independent Director of Verisk Analytics having previously served on the Board of Parallel Petroleum LLC.
- Previously an advisor to Samsung Oil & Gas LLC and Samsung C&T from 2008 to 2015.

SIMON SCOTT – INDEPENDENT DIRECTOR

Outside Directorships in past five years:	Former Director and Chief Financial Officer of Lonmin plc. & Acting Chief Executive of Lonmin plc; Non-Executive Director of AngloGold Ashanti Holdings plc
Company Director Since:	May 3, 2018
2018 Election Voting Results:	99.9%
2018 Board and Committee Meeting Attendance:	100%
Share and Share Unit Ownership:	3,115 Shares
Share Value at December 31, 2018:	C$34,390
Share Ownership Guidelines:	Not yet met (see page 19)

London, UK
Age: 61

Experience

- Bachelor of Commerce from the Witwatersrand, Johannesburg (1979).
- Bachelor of Accountancy from the University of the Witwatersrand, Johannesburg (1982).
- Qualified Chartered Accountant (South Africa 1983).
- Director and Chief Financial Officer of Lonmin plc. & Acting Chief Executive of Lonmin plc. (2010-2016)
- Director and Chief Financial Officer of Aveng Limited (2009-2010)
- Head of Financial Services Anglo Platinum Limited & Director Rustenburg Platinum Mines Limited (2005-2009)
- Director and Chief Executive of Anglo Platinum Shared Services (Pty) Ltd. (2001-2004)

JOANNE WARNER – INDEPENDENT DIRECTOR

Sydney, Australia
Age: 57

Outside Directorships in past five years:	None
Company Director Since:	To be proposed at 2019 AGM

Experience

- Bachelor of Applied Science (Applied Chemistry), University of Technology, Sydney (1988)
- Doctor of Philosophy, Solid State Chemistry, University of Oxford, UK (1992)
- Non-executive Director of Geo40 Limited (2018 – present)
- Head of Global Resources for Colonial First State Global Asset Management (2010-2017)
- Senior Portfolio Manager, Global Resources for Colonial First State Global Asset Management (2003-2007)

DIRECTOR EXPERTISE

Our Directors bring with them a variety of skills, experience and viewpoints. Our Corporate Governance and Nominating Committee keeps under review the mix of skills and experience required to deliver on our strategic goals. We seek to ensure that the Board as a whole has an appropriate and diverse mix of expertise coupled with an entrepreneurial approach applied in an environment of trust and transparency.

	Mining and Mining operations	Strategic/ business development	Leadership/ CEO experience	Financial expertise	International experience	Governance/ legal	EHS/CSR
Philip Pascall	✓	✓	✓		✓	✓	✓
Clive Newall	✓	✓			✓		✓
Robert Harding		✓	✓	✓		✓	
Paul Brunner	✓	✓	✓		✓		✓
Andrew Adams	✓	✓	✓	✓	✓	✓	
Peter St. George		✓	✓	✓	✓	✓	
Kathleen Hogenson		✓	✓		✓	✓	✓
Simon Scott	✓	✓	✓	✓	✓	✓	
Joanne Warner	✓	✓	✓	✓	✓		✓

Additional disclosure in respect of our Directors

- The number of shares in the Company is the number of shares beneficially owned, directly or indirectly, or over which control or direction is exercised by, each nominee as of the date of this Circular. The number of restricted share units ("RSUs") and performance share units ("PSUs") are the number of RSUs and PSUs granted as LTI awards as described in the "Statement of Executive Compensation". The number of deferred share units ("DSUs") is the number of DSUs granted under the Deferred Share Unit Plan ("DSU Plan"), as described under "Independent Directors Compensation Structure". All Directors and NEOs are subject to share ownership guidelines
- 8,444 shares were purchased in 2018 under the DSU Plan
- 27,402 shares were purchased in 2018 under the automatic share purchase plan ("ASP Plan")
- All of Mr Brunner's shares are held by Monaguiyo Capital Ltd., a company over which Mr Brunner exercises substantive control. All of Mr Adams' shares are held by CSABA Holdings Inc., a company over which Mr Adams and his spouse exercise control
- Mr Harding was a Director of Fraser Papers Inc ("Fraser") until April 2009. Fraser voluntarily applied and obtained an order for creditor protection under the Companies' Creditors Arrangement Act (Canada) in June 2009, and on February 10, 2011, the Ontario Court sanctioned an amended plan of compromise and arrangement under that statute that provided for, among other things, the sale of most of Fraser's remaining property and the making of distributions to Fraser's creditors

• Independent Director Compensation Structure

Base fee

Independent Directors receive an annual base fee of $120,000 in cash and $45,000 taken in the form of DSUs or shares purchased through the ASP Plan. Fees are paid quarterly in arrears. The Lead Independent Director receives an additional $50,000 paid in cash in recognition of the additional duties attached to the role. There are no additional meeting attendance fees paid to our Directors.

Committee fees

Certain of the independent Directors receive additional fees in respect of additional Committee and other Board responsibilities. These fees are paid in cash at the end of each quarter.

Annual compensation levels for the independent Directors are as set out below:

FEES$USD	Director	Audit	EHS&CSR	Compensation	N&G	DSU/ASPP Value
Member	$120,000	$15,000	$10,000	$10,000	$5,000	$45,000
Lead/Chair	$50,000	$30,000	$20,000	$20,000	$10,000	N/A

Our independent Directors do not receive any other cash incentives or pension benefits. The only equity awards made to independent Directors are made through the DSU Plan and the ASP Plan. These plans assist independent Directors in meeting the required share ownership guidelines.

• Description of the DSU Plan and ASP Plan

a) DSU Plan

Under the DSU Plan a notional unit, equal in value to a common share in the Company, is allocated to participating independent Directors. The total annual value of the award is determined by the Board with 25% of the total annual allocation being made on the last day of each quarter. Directors are not able to redeem their DSUs until they leave the Board.

b) ASP Plan

If an independent Director elects not to participate in the DSU Plan we will direct the equivalent dollar value towards the purchase of shares under the ASP Plan. Shares are purchased quarterly before March 31, June 30, September 30 and December 31 pursuant to a standing order. Directors are not permitted to sell shares acquired under the ASP Plan while they remain a Director.

The Nominating and Governance Committee reviews fees paid to independent Directors from time to time to ensure that the fees remain appropriate. In 2018, the Nominating and Governance Committee reviewed the appropriateness of the fees paid to independent Directors against the market and industry peers and found them to be well aligned. Accordingly, the level of fees paid in 2018 and to be paid in 2019, remain unchanged.

Independent Directors' compensation for the year ended December 31, 2018 is set out below:

Name	Fees Paid in Cash	Share Awards	DSU/ ASP Plan Allocation	All Other Compensation	Total
Peter St. George	155,000	Nil	45,000	Nil	200,000
Andrew Adams	155,000	Nil	45,000	Nil	200,000
Paul Brunner	155,000	Nil	45,000	Nil	200,000
Robert Harding	195,000	Nil	45,000	Nil	240,000
Martin Schady(1)	53,379	Nil	15,330	Nil	68,709
Kathleen Hogenson(2)	–	Nil	185,000	Nil	185,000
Simon Scott(3)	91,951	Nil	33,750	Nil	125,701

(1) Mr Schady stepped down from the Board on May 3, 2018

(2) Ms Hogenson was appointed to the Board on May 5, 2017. In addition to her annual ASP Plan award, she has elected to receive all Director and Committee member fees in the form of shares under the ASP Plan in order to meet her shareholding requirement as soon as possible

(3) Mr Scott was appointed to the Board on May 3, 2018. Mr Scott has elected to receive a higher amount of his fees in the form of shares under the ASP Plan in order to meet his shareholding requirement within the required period

No other awards were granted to independent Directors during 2018.

• Independent Directors Share Ownership Guidelines

The Board requires that all independent Directors must hold shares in the Company to an equivalent value of $360,000 (three times their current base cash fee). This target value is measured on a historic investment cost basis and must be met within five years of their appointment date. DSUs awarded to independent Directors are counted towards meeting the target value. The number of shares owned when the target value is met represents the minimum number of shares the Director must continue to hold until retirement from the Board.

The following chart shows each independent Director's information relevant to compliance with the Independent Directors Share Ownership Guidelines. Details of our executive Director's shareholdings are set out on page 43.

Independent Director	Target Value	Investment Costs(1)	Number of Common Shares Owned	Number of DSUs Held	Compliant	Date to Meet Target Value
Peter St. George	360,000	7,174,082	502,225	Nil	Yes	Met
Andrew Adams	360,000	1,243,804	75,000	22,844	Yes	Met
Paul Brunner	360,000	1,081,625	83,301	Nil	Yes	Met
Robert Harding	360,000	395,146	20,002	21,422	Yes	Met
Kathleen Hogenson	360,000	309,313	28,236	Nil	No	2022
Simon Scott	360,000	33,695	3,115	Nil	No	2023

(1) Calculated on the date the share ownership guideline was met

• Share Awards and Option Awards

The following table shows the DSUs and shares acquired under the DSU Plan or ASP Plan by independent Directors as at December 31, 2018.

	Number Held		Market Value[(1)]	
Name	DSUs	ASP Plan	DSUs	ASP Plan
Andrew Adams	22,844	Nil	194,575	N/A
Peter St. George	Nil	31,295	N/A	266,551
Paul Brunner	Nil	23,301	N/A	198,463
Robert Harding	21,422	Nil	182,459	N/A
Martin Schady	49,940	Nil	425,357	N/A
Kathleen Hogenson	Nil	28,236	N/A	240,496
Simon Scott	Nil	3,115	N/A	26,532

(1) Amounts are based on the TSX share price C$11.04 as at December 31, 2018 and are converted to US$ based on C$1.00 = US$0.7715 (2018 annual average)

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

The attendance of Directors at Board and Committee meetings is set out in the table below.

Our Directors remain committed to their duties as demonstrated by 100% attendance during the year ended December 31, 2018 or in the case of Simon Scott from the date of appointment and for Martin Schady up to the date of his stepping down from the Board. All Directors also attended the 2018 Annual General Meeting in person (with the exception of Martin Schady who was not standing for re-election).

Summary of Directors' Attendance at Board and Committee Meetings in 2018

Name of Member	Board Meetings	Audit Committee	Compensation Committee	Nominating and Governance Committee	EHS&CSR	Total Attendance[(3)]
Philip K.R. Pascall	8 of 8	N/A	N/A	N/A	N/A	100%
Kathleen A. Hogenson	8 of 8	N/A	5 of 5	N/A	4 of 4	100%
G. Clive Newall	8 of 8	N/A	N/A	N/A	N/A	100%
Peter St. George	8 of 8	4 of 4	5 of 5	N/A	N/A	100%
Andrew B. Adams	8 of 8	4 of 4	N/A	3 of 3	N/A	100%
Paul Brunner	8 of 8	N/A	5 of 5	3 of 3	4 of 4	100%
Robert Harding	8 of 8	4 of 4	N/A	3 of 3	N/A	100%
Simon Scott[(1)]	4 of 4	2 of 2	N/A	N/A	2 of 2	100%
Martin Schady[(2)]	5 of 5	2 of 2	N/A	N/A	2 of 2	100%

(1) Simon Scott was appointed on May 3, 2018
(2) Martin Schady stepped down on May 3, 2018
(3) Total attendance out of maximum possible

OUR GOVERNANCE MODEL

THE BOARD

The Board executes many of its responsibilities through its Committees. The Board has established an Audit Committee, Compensation Committee, Nominating and Governance Committee and an Environment, Health & Safety and Corporate Social Responsibility Committee ("the EHS&CSR Committee").

Our corporate governance policies and practices set out how we apply our corporate governance model. A detailed description of our corporate governance practices in accordance with the applicable rules and standards of the Canadian Securities Administrators and the TSX is set out on pages 52 to 58 of this Circular.

Board Independence

Our Board is currently made up of 75% independent Directors which will increase to 78% if Joanne Warner is elected to the Board. All of our Committees listed above are chaired by, and comprised entirely of, independent Directors.

Private sessions are held after every scheduled Board meeting at which the independent Directors meet without the Chairman, President and other officers or employees of the Company present. These discussions are led by the Lead Independent Director who provides feedback to the CEO following each session. Independent Directors also meet either in person or via teleconference on other occasions as they consider appropriate.

We have a Board Interlocks Policy that requires Directors to seek approval from the Chairman for any outside board appointments. No two of our Directors are permitted to sit together on the board of another publicly listed company.

Effectiveness of the Board

Every year the Board takes time to reflect and assess its effectiveness in fulfilling its mandate. This process is led by the Lead Independent Director and Chairman of the Governance and Nominating Committee and is facilitated by the Corporate Secretary of the Company and utilizes the services of Searl Street Consulting who are independent consultants. The Directors each complete a comprehensive questionnaire covering the Board, each Committee and each individual Director. The questionnaire is structured to elicit comments and observations on performance and identify areas for improvement. In 2018, Searl Street Consulting reviewed the responses to the questionnaires and presented the findings of that review to the full Board. In addition, Searl Street Consulting joined the one on one meetings held by the Chairman and each Director to share and discuss the feedback from their individual reviews.

A combination of the personalized output from the effectiveness review and prevailing market trends and conditions inform the ongoing education provided to the Directors. Directors are also encouraged to identify areas where they feel on either an individual level or in a small group they may benefit from deeper education sessions. Furthermore, where possible, we aim to hold some board meetings each year at our mine sites, providing an opportunity for Directors to gain a deeper understanding of the business and our local operations, including local community and CSR initiatives.

Board engagement

- With the business

The Board ordinarily meets in person a minimum of five times per year and in 2018 the Board held five scheduled meetings and three additional telephonic meetings. The scheduled meeting held in July took place at our development mine site in Panama thereby providing Directors with ongoing opportunities to see progress at the Company's largest development operation. Whilst visiting the mine Directors' toured the mine site itself, the port, the power station and the tailings area. They also met with, and received detailed presentations from, local management and the projects and the commissioning teams. The CSR initatives in pace at Cobre Panama, including agricultural development which has seen local farmers providing all the fresh produce for the mine, the approach to community relations and the health and wellness programs were presented by the CSR team.

The approach to agenda setting is dynamic and aligned with the opportunities, challenges and risks facing the business as they arise. Such key issues are a focus at each Board discussion. Prior to each Board meeting the Lead Independent Director solicits input from the independent Directors on topics they wish to have covered at the Board meeting. The independent Directors meet in private after the meeting, without management present to discuss further the key topics covered at the meeting after which the Lead Independent Director provides feedback to the CEO.

- With our shareholders

The Directors engage with our shareholders in a variety of ways that encourages an exchange of ideas in an environment of open dialogue. This includes at our AGM, at conferences and via regular updates on conference calls at the time our results are announced and at other times as appropriate. If there is a matter of particular interest, such as the KEY's Plan (which was introduced in December) we will engage with our major shareholders to seek their input and views. Shareholders are encouraged to raise matters of concern directly with the Company and/or our Directors.

COMMITTEES

The Board has established an Audit Committee, a Compensation Committee, a Nominating and Governance Committee and an EHS&CSR Committee.

All committees have a clear delegation of duties from the Board as set out in each Committee charter.

- Audit Committee

Membership	Independent
Andrew Adams (Chair)	YES
Peter St. George	YES
Robert Harding	YES
Simon Scott	YES

The Audit Committee's primary function is to assist the Board in fulfilling its financial reporting and control responsibilities. It does this by reviewing the annual financial statements and making recommendations to the Board. It also reviews and approves the quarterly financial statements of the Company. The Audit Committee also monitors the internal accounting control environment. Each member of the Audit Committee is a financial expert with considerable accounting and financial experience. The members of the Audit Committee also meet privately with the external auditor on a quarterly basis. Further information on the Audit Committee, including a copy of its Charter, can be found in our most recent annual information form available on SEDAR at *www.sedar.com*.

2018 Audit Committee Highlights

The Audit Committee met four times in 2018 and highlights of its activities are set out below:

Financial reporting

- Reviewed the audited annual consolidated financial statements and the corresponding MD&A and made recommendations to the Board for approval
- Reviewed and approved unaudited quarterly consolidated financial statements and corresponding MD&A
- Approved the recommendations for interim and final dividends to the Board

External independent auditors

- Reviewed performance of auditors and agreed their fees
- Reviewed external auditor's quarterly closing reports
- Reviewed the appropriateness of and changes to accounting policies and practices
- Reviewed and approved the 2018 audit plan including the scope of the audit and materiality thresholds
- Reviewed and approved non-audit services provided by the auditors

Internal audit

- Received and considered the quarterly internal audit report
- Received and considered the 2018 internal audit plan
- Met privately with the Head of Internal Audit of the Company without executive management present

Other Committee deliberations

- Reviewed the Company's risk matrix
- Reviewed its own effectiveness and its own charter
- Reviewed quarterly summaries of accounting and reporting issues, including tax
- Reviewed quarterly earnings per share analysis
- Reviewed group insurance coverage including D&O insurance
- Reviewed IT security and cyber security risks
- Reviewed 2017 ESTMA (Extractives Sector Transparency Measures Act) report
- Reviewed GDPR requirements and impacts

The Audit Committee meets privately as a Committee without management present and with external auditors at every meeting.

• Nominating and Governance Committee

Membership	Independent
Robert Harding (Chair)	YES
Paul Brunner	YES
Andrew Adams	YES

The Nominating and Governance Committee reviews the Company's corporate governance practices in light of the standards and guidelines recommended or required by applicable corporate and/or securities regulatory authorities and stock exchanges, proxy advisory firms and other corporate governance organizations. A key component of the Committee's work is to oversee senior leadership and Board succession. It considers the appointment or replacement of the CEO and the appointment of other executive officers. These are topics which the entire Board also actively considers. It also reviews the Directors' relationship with management, assesses the independence and performance of each member of the Board and evaluates and recommends nominees for the Board in consultation with the Company's

Chairman and its Lead Independent Director. The Committee has engaged an executive search firm to assist with the process of refreshing the Board over time and appoints other third party consultants as it determines appropriate. It also reviews and recommends the amount and form of compensation for the independent Directors for approval by the Board.

2018 Nominating & Governance Committee Highlights

The Nominating and Governance Committee met three times in 2018 and highlights of its activities are set out below:

Board composition

- Conducted the review and selection process for board candidates recommending Simon Scott and Joanne Warner as nominees for election to the Board
- Recommended Directors for election/re-election at the AGM
- Reviewed Board composition and tenure issues

Board effectiveness

- Reviewed performance of the Board and Committees in conjunction with Searl Street Consulting, including each Director's performance review
- Considered composition of the Committees and made recommendations to the Board on changes to improve effectiveness
- Reviewed matters relating to Board renewal
- Reviewed and recommended the Director continuous education program

Board compensation

- Conducted a review of the independent Director compensation structure including with respect to the Committee member/chair compensation, recommending to the Board that no changes be made

Governance oversight

- Reviewed and discussed emerging issues in corporate governance
- Reviewed its own effectiveness
- Reviewed and approved its own and other Committee charters
- Reviewed all key governance policies
- Reviewed and approved the board manual including all group policies

• EHS&CSR Committee

Membership	Independent
Paul Brunner (Chair)	YES
Kathleen Hogenson	YES
Simon Scott	YES

The EHS&CSR Committee reviews adherence by the Company to its health, safety and environment policies and practices in accordance with applicable environmental, health and safety laws and regulations in those countries and locations in which the Company operates. Members of management responsible for environmental and health and safety issues present reports to the EHS&CSR Committee at each meeting and are available to answer questions raised by Committee members. The Committee also oversees the Company's CSR strategy and programs, including its approach to human rights and how the Company engages with local communities and considers and recommends best practices in key areas for the Company.

2018 EHS&CSR Committee Highlights

The EHS&CSR Committee met four times in 2018 and highlights of its activities are set out below:

Environmental oversight

- Reviewed and discussed quarterly environmental and safety reports with particular emphasis on significant breaches
- Reviewed the Company's practices and risks relating to all tailings storage facilities and dam structures
- Monitored compliance with environmental laws and regulations in operational countries
- Reviewed closed mine sites and ongoing obligations, including closure cost implications
- Reviewed the implementation status of the Company's environmental practices to ISO 14001 standards
- Reviewed the draft environmental report

Health & safety oversight

- Reviewed in detail all fatalities and major environmental incident occurrences
- Reviewed environment and safety strategic/long term risks, with a particular focus on fire and explosive hazards, proximity detection and fatigue monitoring, mobile phone usage risks and plans, and terrorism risks
- Monitored compliance with health and safety laws and regulations in operational countries
- Reviewed independent audits of the implementation staus of the Company's health and safety practices to ISO18001 standards
- Reviewed the environmental assurance programs and the status of compliance audits and their actions plans
- Reviewed quarterly environmental and safety reports and the general manager's risk matrix

Corporate social responsibility ("CSR")

- Oversight of public reporting on CSR and environmental matters including the newly established Environmental Report
- Undertook onsite visits at the Cobre Panama project for first hand review of actual CSR efforts
- Monitored investment in CSR programs and community engagement programs

Other Committee deliberations

- Continued to assess and make recommendations for improvement to the companies EHS&CSR disclosures
- Reviewed EHS&CSR policies
- Reviewed the suitability and effectiveness of the Company's risk management processes and capacity to respond effectively in the event of an emergency
- Reviewed the Company's participation as signatory to international codes related to EHS&CSR
- Reviewed the effectiveness of the THINK safety program
- Reviewed its own effectiveness and its own charter

• Compensation Committee

Membership	Independent
Peter St. George (Chair)	YES
Paul Brunner	YES
Kathleen Hogenson	YES

The Compensation Committee reviews the CEO recommendations with respect to the compensation of the Company's named executive officers ("NEOs") and reviews and recommends the CEO's compensation for approval by the Board. The Compensation Committee considers executive compensation throughout the year and makes any necessary determinations relating to executive compensation. The Compensation Committee also reviews succession planning for the CEO and other executive officers.

The Compensation Committee is responsible for obtaining information on executive compensation from a variety of sources, including independent consultants, compensation surveys and information from companies similar in size and function to that of the Company and then makes recommendations to the Board on compensation and its various elements. The Compensation Committee also reviews, identifies and mitigates risks that may be associated with the Company's compensation policies.

Each of the Compensation Committee members has held senior management positions in public companies and has considerable experience in developing compensation programs, particularly in the context of executive compensation.

2018 Compensation Committee Highlights

The Compensation Committee met five times in 2018 and highlights of its activities are set out below:

Executive compensation

- Reviewed and recommended for Board approval the CEO's and NEOs' base salary, short term incentive and long term incentive award recommendations
- Approved the Company's aggregate short term and long term incentive awards to be granted
- Reviewed NEO performance scores against targets for 2018 as assessed by the CEO
- Revewed NEO performance targets for 2019 as proposed by the CEO
- Reviewed and approved executives and senior management subject to "clawback"

Share plans

- Approved the KEY's plan, recommending awards made thereunder to the Board
- Approved the outcome of the 2014 PSU awards and subsequent vesting thereunder
- Monitored the status of current PSU awards (2015, 2016, 2017 and 2018)
- Approved the granting of stock options

Compensation oversight

- Ongoing review of executive management incentive and retention plans in light of poor market conditions
- Reviewed structures of the short term and long term incentive plans
- Reviewed risks associated with the Company's compensation policies and program

Governance and reporting

- Reviewed and approved the 2018 Statement of Executive Compensation in the 2018 MIC and related executive compensation disclosure
- Reviewed its own effectiveness and its own charter
- In collaboration with the Board, reviewed succession planning for senior management including the CEO
- Confirmed the Company's NEO group

STATEMENT OF EXECUTIVE COMPENSATION

GENERAL

This section discloses all direct and indirect compensation provided to NEOs for services they have provided to the Company.

The following individuals were determined to be NEOs for the year ended December 31, 2018.

NEO	
Chief Executive Officer (CEO)	Philip Pascall
President	Clive Newall
Chief Financial Officer (CFO)	Hannes Meyer
Director, Operations	Wyatt Buck
Director, Projects	Zenon Wozniak

The determination of our NEOs is reviewed and confirmed by the Compensation Committee annually.

• Currencies

The base salaries and annual incentives for Messrs Pascall, Newall and Meyer are determined in $USD while those for Messrs Buck and Wozniak are determined in $AUD Any compensation paid in AUD, C or £GBP has been converted into $USD unless otherwise stated.

• Officers Who Also Act as Directors

The CEO and President also act as Directors of the Company. The CEO is also the Chairman. They are not paid additional compensation as Directors or, in the case of the CEO, as Chairman.

COMPENSATION PHILOSOPHY

The Compensation Committee develops and oversees the implementation of executive compensation plans and policies that are intended to:

- attract and retain skilled and experienced executives and senior managers;
- motivate executives and senior managers to achieve corporate objectives and drive shareholder value; and
- link the personal financial interest of executives and senior managers to those of our shareholders.

We pay particular attention to the linkages between pay and performance for our NEOs who each have similarly structured compensation arrangements which provide for a base salary, a short term incentive ("STI") award and long term incentive ("LTI") awards.

KEY SHARE INCENTIVE PLAN

Following the deliberation of the Compensation Committee in respect of the retention of key employees in the longer term, the Company has introduced a new long term employee share scheme ('KEYs' or the 'Plan'). The intention behind KEYs is to reward and retain talent considered highly critical to the Company's future. Grants under the Plan are subject to performance critieria and provide longer term potential benefits as the KRSUs (as defined overleaf) vest over an eight-year period and as such are complementary to the Company's existing incentive programmes described below. Employees selected to participate in KEYs each have a proven track record of adding value within the Company and are considered to have unique talents critical to our future. KEYs is also intended to encourage a long-term strategic focus amongst this group and supports the Company's management succession plans by encouraging the retention and loyalty of key talent at a time of transition for the current senior leadership team.

The Plan is aimed at future leaders and accordingly the CEO and certain other NEOs were not considered for awards under the Plan. Where warranted additional awards to new or existing participants will be considered on an annual basis but it is expected that the total value of future awards will not be considered as part of the annual compensation cycle (which is July to June) and will instead be reviewed prior to the financial year end (December). Appraisals will be considered on the basis of exceptional past and potential contribution. The Company will purchase shares required to meet its obligations under the Plan on the market. The annual cost of the awards made under the Plan is expected to be approximately $6 million.

• Initial grant

- KEYs grants comprise the award of KEYs restricted stock units ('KRSUs'). One share will be delivered upon the vesting of each KRSU.

The value of each award under KEYs will be determined by multiplying the number of KRSUs awarded by the volume-weighted average price per share on the TSX over the 20 trading days immediately prior to the grant date. The value of the initial awards is approximately $40 million.

• Vesting periods

Subject to an individual satisfying the performance criteria on each vesting date, KRSUs will vest as follows;

- 15% on the fourth anniversary of the award
- 20% on each of the fifth, sixth and seventh anniversaries of the award
- 25% on the eighth anniversary of the award

• Performance criteria

In order for a KRSU to vest an individual must:

- have been continuously employed by the Company through to a vesting date, and
- have met their individual KEYs performance target.

Performance targets will be set individually and will comprise a mixture of corporate and personal measures individually tailored and weighted to reflect the specific and unique contribution expected of each participant. Corporate measures will include Group financial performance and business execution measures whilst personal objectives will include such measures as people development and contribution to strategic advancement and business development. Safety is a key consideration for the Company and is considered a part of the fabric of the way we operate. Performance in this area and in the areas of environmental and social responsibility is included in each participants STIP and LTIP performance metrics.

A generic example of such a score sheet for an individual's KEYs weighting is set out below.

Individual A illustrative example:

Criteria	STI Weight	STI Score	LTI Weight	LTI Score	KEYs Weight	KEYs Score
Safety	-10%	0%	-10%	0%	0	0
Financal Results	25%	15%	15%	12%	25	12
Business Execution	20%	17%	15%	13%	15	15
Business Development/Strategy Advancement	20%	18%	30%	25%	30	26
People Performance	20%	16%	20%	16%	20	18
External Relationships	15%	10%	20%	18%	10	8
TOTAL	100%	76%	100%	84%	100	79

Notes

(1) Under each of the criteria identified above sub- targets will be defined and will be assessed in arriving at the score for that criterion. As an example, financial results could include measures such as cost or return targets, performance against budget and cash control. The elements of these measures are elaborated on further under short term compensation on pages 32 and 33 of this circular. Each set of criteria will be tailored to the individual participant.

(2) The annual KEYs score would form part of the record for performance testing KEYs awards over the performance period.

(3) In line with our other performance measures, these performance targets, their metrics and weighting will be agreed with participants annually at the start of the performance period and performance against those targets will be assessed annually by the CEO and reviewed by the Compensation Committee.

KEYs awards assessments will be scored out of a maximum 100 points a year. An individual will be required to achieve a minimum of 300 points in order for the first vesting to occur on the fourth anniversary of the grant date (i.e. the individual must achieve an average of 75 points of the target over the four years), and this threshold will increase by 75 points in each successive year. Failure to achieve the requisite score at any vesting date will result in the tranche eligible to vest on such vesting date being forfeited.

The KEYs performance criteria are thus designed to require the participating individuals to demonstrate consistent superior contribution over time. An illustrative example of a vesting schedule over the life of an award is set out below and is prepared on the basis that the aggregate score shown is the sum of all end-of-year KEY assessments for the participant. In the example below, the participant scored 74 points in year one, 77 points in year two (an aggregate score of 151) and 81 in year three, taking the total aggregate score to 232. As this exceeds the 225 threshold, the full 15% of KRSU's will vest. The same would apply for each subsequent year until year five when the participants aggregate score falls below the required threshold and that tranche is forfeited (and permanently lost). Subsequent outperformance sees full future vestings.

Year	KEYs score	Aggregate score	KEYs threshold	Outcome
1	74	74	75	N/A
2	77	151	150	N/A
3	81	232	225	N/A
4	68	300	300	Tranche 1 (15%) vests
5	74	374	375	Tranche 2 (20%) forfeited
6	79	453	450	Tranche 3 (20%) vests
7	76	529	525	Tranche 4 (20%) vests
8	80	609	600	Tranche 5 (25%) vests

• Forfeiture

All unvested KEYs awards will be forfeited if the participant's employment with the Company ceases for any reason including termination for cause or resignation prior to any vesting date, except as set out overleaf.

• Accelerated vesting

Accelerated vesting will occur in the event of:

- death or long term disability

Subject to the satisfaction of the applicable performance criteria before the termination date, outstanding KRSUs will vest in proportion to the amount of time elapsed between the grant date of the award and the eighth anniversary of such grant date as at the termination date.

- change of control

On a change of control, any participant who met his or her performance criteria as at the last assessment date prior to the change of control shall be entitled to a cash payment based on the number of KRSUs outstanding prior to the change of control and the amount of time elapsed between the grant date of the award and the eighth anniversary of such grant date as at the effective date of the change of control. If a participant who met his or her performance criteria as at the last assessment date prior to the change of control is terminated without cause within two years of a change of control, he or she shall be entitled to a cash payment based on the number of KRSUs outstanding prior to the change of control and the amount of time elapsed between the grant date of the award and the eighth anniversary of such grant date as at the termination date, less any amount paid to such participant under the Plan on a change of control.

- discretionary circumstances

In certain not for cause termination circumstances the Board may make a discretionary award to a participant who, at the last performance assessment date, had met or exceeded their performance target. Any such discretionary award will not be made on terms superior to the accelerated vesting terms as detailed for other early vesting circumstances.

• Other terms

Share purchases and dividends

The Company will meet its obligations to deliver shares to participants under KEYs through on-market purchases. If acquired before a vesting date, such shares will be held in trust for the benefit of KEYs participants. Any dividends received by the trust on shares acquired will be held for the benefit of participants and distributed proportionally in line with any vesting. Any shares accumulated in the trust which exceed the Company's obligations under the plan will be returned to the Company together with any associated dividends.

• Share retention by participants

Each KEYs participant will be required to undertake

- to continue to hold at least 50% of the shares received at each vesting point for 12 months from vesting (the balance of any award may be sold to meet tax and other withholding obligations falling due on vesting)

- to maintain, from and after the eighth anniversary of the grant date, a minimum shareholding, on a historical cost basis, of at least one times the participants annual base salary on such eighth anniversary.

These obligations will fall away in the event of a change of control.

• Clawback

Awards under the KEYs will be subject to the Clawback Policy as adopted by the Company and as set out on page 42 of this MIC.

• KEYs participants

Initial KEYs grants have been made to selected employees. The aggregate initial awards total approximately $40 million. The annual average value of the awards over the eight year period represents between 34% and 68% of an individual's annual compensation in the year ended December 31, 2018.

• Future awards

Further KEYs awards will be considered annually. The criteria for selection of participants in the Plan and the criteria for vesting are intended to remain the same over the life of the Plan. It is expected that any future annual aggregate award will be substantially less than the total initial KEYs grant.

COMPENSATION DISCUSSION AND ANALYSIS

We have developed our compensation program to support the achievement of the Company's goals which are to develop and operate safe and low cost mining operations, using our competitive advantage through management's experience and expertise to construct and operate cost efficient operations and retain individuals key to our ongoing sucess. We also seek to expand internationally through the exploration and acquisition of mineral deposits to which we are able to add value. In achieving these goals we do so in a manner that respects the local communities where we operate and the surrounding environment. We continually investigate, monitor and seek out other opportunities worldwide where we can apply our expertise and which may provide balance to our geographic and commodity profile. It is our objective to add value for the benefit of all shareholders, while recognizing the interests of all stakeholders.

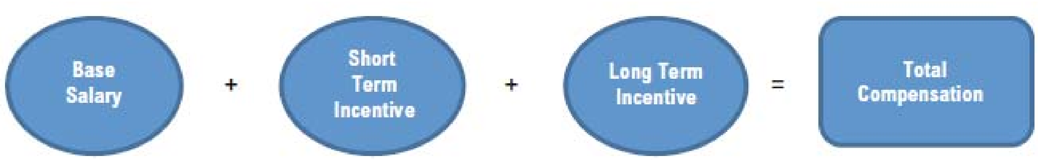
• FQM's Compensation Cycle

Our compensation cycle follows approximately six months after the year end. Base salaries are reviewed in May/June for implementation on July 1 of each year. STI and LTI awards are determined in May/June in respect of performance during the previous financial year ending December 31. Awards under these programs are notified and granted to employees in July. This deferral allows us adequate time to fully assess the merits and the quantum of incentive awards in respect of the prior year's Group performance, provides a degree of protection in the event of any financial reporting re-statement and, to a limited degree, acts as a further retention mechanism. Any additional KEYs awards will be made outside of this annual compensation cycle.

A consequence of this long-standing policy is that awards granted in consideration of the performance in the most recent fiscal year ended are only finalized after the publication of this Circular. Accordingly, the tables below show incentive awards granted or paid in 2018 and are in respect of performance in the 2017 financial year, with the exception of KEYs awards which were made in December 2018.

• Compensation Framework

Each NEO's total compensation is comprised of three components:



Other than the standard health benefits and pension contributions applicable in the NEO's country of residence we do not provide any other perquisites to NEOs.

• Compensation Assessment

BASE SALARIES

The Compensation Committee meets in May to review the CEO's recommendations for the other NEOs' base salaries and to consider and approve the CEO's base salary for the current year. In determining the NEO base salaries the Compensation Committee examines the compensation of executives in other mining companies globally, with a particular focus on Canada, Australia and the UK. The current Comparator Index used for assessing the competitiveness of NEO base salaries is the Korn Ferry Hay Group ("KFHG") Mining Compensation Review (MCR) and we aim to reward our NEOs at least at the mid-point of the MCR's market based salaries.

The KFHG Global MCR database is comprehensive. It includes the full range of executive positions in 75 mining companies with over 240 operating units/locations in 13 countries covering more than 2,100 incumbents. Several databases from the MCR are used, including the Australian, UK and global markets. This is done to ensure that the evaluation is fair in the country in which the NEO works and confirms that compensation is competitive versus the global market from which such NEOs are recruited. The Compensation Committee undertakes periodic independent exercises to confirm KFHG's findings with a focused group of peers. This was last completed by Hugessen Consultants ("Hugessen") independent consultants to the Company in 2015, which confirmed that we are paying market rate, with a downward bias on LTIs.

• Short and Long Term Incentive Awards

We determine STI and LTI awards as follows:

- At the start of the year each NEO proposes short and long term performance objectives (the "Performance Objectives") for the year ahead
- The CEO's Performance Objectives are reviewed and approved by the Compensation Committee after discussion with the CEO
- Our other NEOs' Performance Objectives are reviewed and agreed with the CEO who in turn reviews them with the Compensation Committee
- Following the finalization of the annual accounts the CEO proposes short and long term award pools to cover all employees. These pools are reviewed and approved by the Compensation Committee and take into account the financial performance of the Company for the year just completed and the Company's financial position at the year end
- The Compensation Committee meets in May each year to review each NEO's results against the prior year's Performance Objectives. This review is led by the Compensation Committee chairman in the case of the CEO, and the CEO in the case of other NEOs. The Compensation Committee reviews and will either recommend modification or approve the CEOs recommendations. Each Performance Objective attracts a percentage that contributes to the overall 'performance score'. Outcomes are then judged in light of the complexity and difficulty of achieving the objectives set and a subjective weighting factor is applied to the raw performance score obtained by analysis against objectives. Performance against short and long term objectives are assessed separately. These results are used to determine an individual's STI and LTI awards for the previous year.

NEOs have individual target percentages for STI and LTI awards which are set in light of their specific roles and responsibilities. The STI award amounts to be paid and LTI awards to be granted are based on a function of that NEO's target percentage and performance against objectives and reflect the overall award pool sizes determined for that year.

On completion of this exercise, the Compensation Committee reviews and approves the Performance Objectives for the current year and sets the target percentages of base salary for STI and LTI awards applicable to each of the NEOs.

• Performance Targets

The Compensation Committee considers Performance Objectives using quantitative and qualitative measures to determine NEOs' total compensation.

The Performance Objectives address six key Focus Areas:

- Safety;
- Financial Results;
- Business Execution;
- Business Development and Strategy Advancement;
- People Performance; and
- External Relations.

The Safety Focus Area is determined by Company-wide safety metrics, where site ratings can potentially range from 'very poor' to 'excellent'. Site based ratings combine for a Company-wide rating against which all NEOs are measured. These include objective measures for lost time incidents and fatalities. These ratings are based on internationally recognized safety metrics and have been approved by the EHS&CSR Committee. Any rating below 'good' results in a reduction of the STI awarded.

The Financial Results Focus Area consists of objectives that reflect an NEO's contribution to the financial performance of the organization based on a variety of measures. Examples of such measures include changes in the profitability of the Company, the maintenance of a strong balance sheet, the management operating performance within budget and the provision of adequate cash flow to fund capital projects. The over-arching basis for measurement of these objectives is the financial performance of the Company.

The Business Execution Focus Area addresses the operational aspects of the organization such as initiatives to improve efficiencies, increase recoveries, reduce costs and advance the progress of the development of projects.

The Business Development and Strategy Advancement Focus Area encourages a more strategic focus towards advancing shareholder value. Objectives may include project identification and acquisition, developing merger and acquisition strategies, expanding joint venture opportunities or identifying the most profitable customers for the Company's products.

The People Performance Focus Area is aimed at attracting, retaining and developing the most appropriate talent for the Company. This can range from creating the right climate to attract and retain employees, through to focusing on staff development initiatives to improve the bench strength of existing human resources.

Finally, the External Relations Focus Area encourages healthy relationships with the communities and governments in the various countries in which the Company operates. This includes a focus on positive CSR, as well as developing responsible and effective business relationships with appropriate governments, agencies and regulators, and with our shareholders through our investor relations program.

The Focus Areas concentrate on actions that will advance our goals over the coming year. They ensure that areas of strategic importance are clearly articulated, given the greatest priority and advanced. Each of the six Focus Areas is assigned a Performance Objective weighting percentage specific to each NEO and his or her ability to impact the Focus Area through their area of responsibility. These signify the value that each gives to the short and long term outcomes required.

• Compensation Consultants

In 2018 the Company retained KFHG as independent compensation consultants to provide a competitive market analysis for setting an appropriate level of compensation for executives, including NEOs. KFHG was requested to provide competitive market compensation information for each NEO position. The Compensation Committee also retained Hugessen Consultants ("Hugessen") as independent consultants in 2014.

During 2018 Hugessen presented to the Compensation Committee on trends in executive compensation to ensure that our NEO remuneration is reflective of best practice from a governance perspective. They also advised on the introduction of the KEYs Plan. The total professional fees related to executive compensation advisory services that the Company paid to KFHG Group and Hugessen in 2017 and 2018 are set out below:

	2018 (US$)		2017 (US$)	
Consultant	Executive Compensation Related Fees	Other Service Fees	Executive Compensation Related Fees	Other Service Fees
KFH Group	$29,961	–	$20,467	–
Hugessen	$60,850		$23,508	

Neither KFHG nor Hugessen received any fees from the Company in 2018 for other services. Based on this and other relevant factors, we determined that both consultants are considered independent. It is important to note that, while we retain the services of consultants to assist in benchmarking and advise on total compensation for the NEOs, the Compensation Committee retains the authority to remunerate the NEOs in light of unique roles in the Company beyond the limits of comparative analysis.

COMPENSATION OUTCOME

After reviewing the market data for the various NEOs and considering recommendations from the CEO, the Compensation Committee decided in May 2018 to increase the base salaries of some NEOs. Others remained unchanged. NEO's base salaries had previously remained static since May 2014, with a voluntary 20% salary reduction in place (10% in respect of Messrs Wozniak and Buck) from mid 2015 to mid 2016 as a response to the then deterioration in market conditions. As market conditions had improved and associated salaries within comparator companies increased, it was considered prudent to award moderate increases in 2018.

Comparative figures for July 1, 2016, July 1, 2017 and July 1, 2018 are as follows:

NEO	Base Salary July 1, 2018 ($)	Base Salary July 1, 2017 ($)	Base Salary Earned 2016 after reduction(1) ($)	% Base Salary Increase 2018
Philip Pascall, CEO	1,200,000	1,200,000	1,120,000	0%
Clive Newall, President	620,000	620,000	578,668	0%
Hannes Meyer, CFO	615,000	575,000	536,669	7%
Wyatt Buck, Director, Operations	462,928	425,385	395,174	9%
Zenon Wozniak, Director, Projects	522,661	482,870	452,653	8%

(1) Due to 20% salary reduction implemented May 1, 2015 to April 30, 2016 (10% in respect of Messrs Wozniak and Buck)

SHORT TERM INCENTIVE AWARDS

The STI award is designed to encourage short term performance by rewarding individuals for their performance against agreed objectives for the year just completed taking into account overall Company performance.

The 2017 targets and maximum STIs for NEOs ranged between 100% and 200% and between 150% and 250% of annual base salary, respectively.

The STI awards paid in 2018 for performance in 2017 were as follows:

NEO	Minimum	Target	Maximum	2018 Short Term Incentive Award ($)	Percentage of Target Award	Percentage of Annual Base Salary
Philip Pascall, CEO	0%	200%	250%	1,000,000	42%	83%
Clive Newall, President	0%	150%	200%	210,000	23%	34%
Hannes Meyer, CFO	0%	100%	150%	243,000	42%	42%
Wyatt Buck, Director, Operations	0%	100%	150%	169,172	40%	40%
Zenon Wozniak, Director, Projects	0%	100%	150%	258,303	53%	53%

The basis for the determination of these awards for each NEO is set out below under "Detailed Discussion of NEOs 2017 Performance and Incentive Awards" (see pages 39 to 41).

LONG TERM INCENTIVE AWARDS

The purpose of the LTI awards is to create alignment with shareholder interests and to promote the long-term success of the Company by providing equity based incentive awards to eligible employees, including the NEOs, and to assist in attracting and retaining individuals with superior experience and ability.

The Company uses four types of LTI awards to meet those objectives; RSUs, PSUs, Stock Options ("Options") and KRSUs.

RSUs	PSUs	Options	KRSUs
• RSUs are share units of the Company that payout on a one for one basis three years after grant. • Awards are subject to remaining an employee of the Company until the vesting date. • Employees who voluntarily leave the Company or have their employment terminated for cause forfeit all unvested RSUs. • Dividend equivalents are paid on unvested RSUs. • Upon vesting of RSUs, the employee receives shares or at the employee's option, their value in cash.	• PSUs are share units of the Company subject to performance based vesting. If the hurdles are met they vest into shares on a one for one basis. • Performance is measured over three years with no retesting. • Awards are subject to remaining an employee of the Company until the vesting date. • Dividend equivalents are paid on unvested PSUs. • Employees who voluntarily leave the Company or are terminated for cause forfeit all unvested PSUs. • Upon vesting of PSUs, the employee receives shares or at the employee's option, their value in cash.	• Options are awarded under the Company's approved 2004 Option Plan. • The strike price is set at the closing price of the shares on the TSX the day prior to the Board's approval of the award. • Awards vest over three years in equal tranches. • Awards can be exercised net of the strike price. • Awards eligible to be exercised can also be converted into Share Appreciation Rights (SARs), which enable the Option holders to be paid the cash value of the Option at the time of vesting. • Employees who voluntarily leave the Company or are terminated for cause forfeit all unvested Options.	• KRSUs are share units of the Company subject to time and performance based vesting. • Awards vest in 5 tranches over years four to eight. • Performance is measured annually on a cumulative basis over the life of the award. If the hurdles are met KRSU's vest into shares on a one for one basis. • Awards are subject to remaining an employee of the Company on a vesting date. • Dividends are paid out only on the vesting of awards. • Employees who voluntarily leave the Company or are terminated for cause forfeit all unvested KRSUs. • Upon vesting of KRSUs, the employee receives shares in the Company

The mix of LTI awards varies with NEOs receiving primarily PSUs and Options, and in some instances KRSUs.

Dividend equivalents are paid on all RSUs and PSUs as a component of compensation. The dividend equivalents are calculated based on the number of unvested PSUs and RSUs units held. Shares are purchased on market to satisfy obligations under the LTI plans and KEYs. These shares are held in an employee trust. Dividends on shares held in trust for a KEYs participant are retained in trust and paid to such participant on vesting of KRSUs. While the dividend amounts are a very modest component of compensation, the Board believes they do play a role in keeping employees connected to Company performance and shareholder value.

PSU PERFORMANCE BASED VESTING

PSU Performance Metrics

Since 2015 PSU awards have measured performance on both an absolute and relative Total Shareholder Return ("TSR") basis.

The PSU awards are divided into two tranches:

Tranche A, which comprises 60% of the total PSU award, is based on Relative TSR performance. The Company's relative TSR is measured over the 3 year performance period and compared to the TSR of an index of mining companies forming part of the S&P/TSX Capped Diversified Metals & Mining Index and the FTSE Mining Index (together the Comparator Group Index or "CG Index").

Tranche B, which comprises 40% of the total PSU award, is based on Absolute TSR performance. If certain demanding "stretch" criteria are met, LTI awards may be up scaled by 50%.

Performance benchmarks for each metric are reviewed by the Compensation Committee at the time grants are made. The performance benchmark for the 2018 PSU awards were revised and are described below.

The Compensation Committee's view is that the application of two performance metrics provides a more balanced basis for performance measurement and, over the longer term, will better reflect the return experience of shareholders. The TSR at the end of the performance period is measured on the volume weighted average trading price per share on the TSX during the immediately preceding 20 trading days.

CG Index

The composition and weighting of the CG Index is reviewed annually and is subject to Board approval. The composition of the CG Index is set for the three year life of that award however, the compostion of the CG Index may vary between awards. The principles underlying the CG Index have remained constant over the life of the PSU Plan. The CG Index is derived from major mining stocks which form part of relevant indices on the TSX and London Stock Exchange. Each mining company in the CG Index is given a weighting which is applied to the TSR that company has achieved and this in turn determines the overall performance of the CG index. The weighting reflects the perceived relevance of that company to the Company, thus mining companies whose performance is primarily driven by copper and whose size and geographic spread are similar to the Company's would attract a high weighting, those which have limited copper exposure a low weighting, whilst those with a more balanced portfolio would have a medium weighting. The CG index is based on the performance of a single share of the company in the CG Index. In this way size does not become a predominant factor in measuring the performance of the CG Index company. Size however is one factor taken into account in determining the relevance as a benchmark of a CG Index company. The CG Index rules contain conventional protocols for adjustment should a constituent company no longer be listed during the performance period. As well, the Board may approve the addition of new companies (for example when a new mining company is listed) to the CG Index where appropriate. The last review was in respect of the 2017 awards (eligible to vest in 2020) and at that time it was decided to increase the CG index correlation with the Company's principle product, copper, by adding to the CG Index a factor to reflect changes in the London Metal Exchange price of copper. At the same time other minor changes to the CG Index weightings were made.

Performance benchmarks for each PSU award are reviewed by the Compensation Committee at the time grants are made.

The CG Index for the 2018 PSU awards granted are as follows:

2018 CG Index

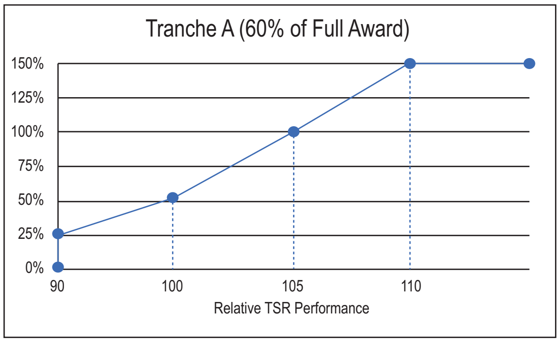
Weighting	Companies
1 (lowest)	Barrick Gold Corp, BHP Billiton Plc, Glencore Xstrata, Newmont Mining Corp, Rio Tinto Plc, South 32
2 (medium)	Anglo American Plc, Boliden AB, Freeport Mcmoran Copper and Gold, Ivanhoe, Kazakhmys Plc, Lundin Mining, Sumitomo Metal Mining,Teck Cominco Ltd, Turquoise Hill Resources, Vale Do Rio Doce Cia ADR
3 (highest)	Antofagasta Plc, Hudbay Minerals, Oz Minerals, Southern Copper Corp
6% of CGI	LME Copper Price

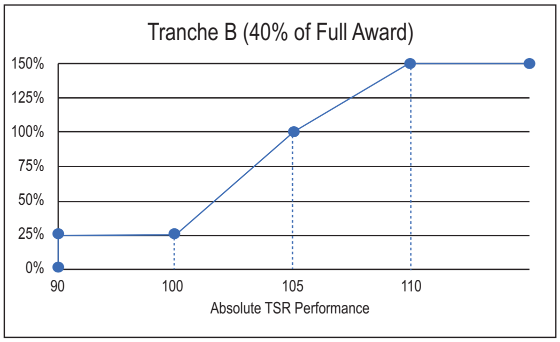
PSU Hurdles

The vesting hurdles for the 2018 PSU Awards are:

Tranche A: If the Company's TSR is below 90% of the CG Index performance, no Tranche A awards vest. If the Company's TSR is at 90% of the CG Index 25% of Tranche A awards vest. If the Company's TSR equals the CG Index, 50% of the Tranche A award vests. A further 50% vests if the Company's TSR exceeds the CG Index by 5%. Additionally, if the Company's performance exceeds the CG Index by more than 10%, an additional 50% of Tranche A awards vest. Tranche A awards vest on a straight line basis between each of these levels.

Tranche B: If the Company's TSR has decreased by more than 10%, no Tranche B awards vest. If the Company's TSR is between 10% below the share price and the matching starting price, 25% of Tranche B awards vest. If the Company's TSR is between the matching start price and 5% above the starting price, 50% to 100% of Tranche B awards vest calculated on a pro-rata, straight line basis. If the Company's TSR is between 5% and 10% above the starting price, up to a further 50% of Tranche B awards vest calculated on a pro-rata straight line basis, to a maximum of 150%. These hurdles are slightly altered from earlier awards in recognition of the changing profile of the CG Index companies and recognizing the overly demanding nature of the previous hurdles.





Long Term Incentive Outcomes

The 2015 PSU award vested in June 2018. However, neither the relative nor the absolute TSR performance hurdles were met in full at that date and as a result only 42.4% of the 2015 PSU awards vested and the remainder were forfeited.

Options

On August 5, 2016 the Company re-introduced Options into its LTI award mix and in 2016 and 2017 granted Options to certain key employees under its 2004 Option Plan, including to each of the NEOs. As well as better covering the cycles normal to the mining industry, the longer duration of Options relative to PSUs also reflects the period needed to bring a major mine project to production. The Option awards were relatively modest as the Options are intended to provide an additional level of performance pay for key employees and not intended to be the primary incentive tool. On August 4, 2018, the Company allotted a further award of Options, including to the NEOs. Overall Options at the time granted represented approximately 0.09% of the Company's issued capital.

The 2018 Options were issued at an exercise price of C$21.95 per share and will vest in three equal tranches at July 1, 2019, 2020, and 2021. The options expire on July 1, 2023.

2018 LTI Awards Granted to NEOs

LTI Awards, comprised of PSUs and Options for the NEOs in 2018. The award of PSUs and Options were determined based on the NEOs' performance in the previous year and the extent to which their agreed Performance Objectives improved the shareholder value proposition and contributed to the strategic direction of the Company.

The aggregate value of the 2018 LTI awards granted to NEOs, other than the CEO, at 61% to 85% of 2017 base salaries and 200%, in the case of the CEO, were in line with maximum LTI targets which range from 100% to 250% of annual base salary.

Award values for these purposes were calculated at "face value" based on the 20 day volume-weighted average price per share prior to July 1, 2018 without any adjustment for the probability of vesting. As discussed below the economic value of these awards is approximately 50% of their face value.

The individual awards were as follows:

NEO	Minimum	Maximum	2018 PSU Award ($)[1]	2018 Stock Options ($)[2]	% of Base Salary
Philip Pascall, CEO	0%	250%	1,200,000	1,200,000	200%
Clive Newall, President	0%	250%	210,000	210,000	68%
Hannes Meyer, CFO	0%	200%	243,000	243,000	85%
Wyatt Buck, Director, Operations	0%	200%	129,151	129,151	61%
Zenon Wozniak, Director, Projects[3]	0%	200%	232,472	232,472	96%

(1) The PSU awards were determined based on a share price of C$20.42 (being the volume weighted average price of the last 20 trading days prior to the grant date – July 1, 2018).

(2) The fair market value of the Options on the date the commercial decision to grant the Options was made in August 2018 was C$9.96 and this number was used in determining the number of Options to be granted.

(3) Excludes awards made under KEY's.

Detailed Discussion of NEOs' 2017 Performance and Incentive Awards

The following tables set out the performance against objectives of each of the NEOs in 2017 that formed the basis of their STI and LTI awards granted in July 2018.

PHILIP PASCALL, CEO

Criteria	Safety[1]	Business Development and Financial Results		Business Execution		Strategy Advancement		People Performance		External Relations	
		STI	LTI	STI	LTI	STI	LTI	STI	LTI	STI	LTI
Objective Weightings	−10%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Achievement as of Dec. 31, 2018	-10%	16%	15%	14%	14%	12%	13%	13%	15%	15%	13%
Short Term Incentive Assessment	Mr Pascall received an STI award of $1,000,000 in 2018 for his performance in 2017 (2017 (for 2016): $650,000). Mr Pascall's STI award took into consideration the steady progress of the Cobre Panama project against the planned schedule and the funding strategy put in place to ensure availability of cash flow to fund the project pipeline. These factors contributed significantly to Mr Pascall's STI award as did the solid operational performance of most of the operations. Mr Pascall's STI award also recognized the significant focus on improving the bench strength of the organization. Areas which impacted on Mr Pascall's STI award included the production challenges at Sentinel as it continued to be impacted by lack of power and lower grades than forecast.										
Long Term Incentive Assessment	Mr Pascall was awarded 77,534 PSUs in 2018 for his performance in 2017 and 156,863 Stock Options. His LTI awards were based in part on his continued leadership in progressing the Cobre Panama project, which is of considerable strategic importance to the business. It also took into consideration a number of significant initiatives taken by Mr Pascall to develop the leadership capability and bench strength across the Group, including a number of interventions focused on succession, and on attracting high calibre talent to the organisation.										

CLIVE NEWALL, PRESIDENT

Criteria	Safety[1]	Financial Results		Business Execution		Business Development and Strategy Advancement		People Performance		External Relations	
		STI	LTI	STI	LTI	STI	LTI	STI	LTI	STI	LTI
Objective Weightings	−10%	10%	10%	25%	25%	20%	20%	10%	10%	35%	35%
Achievement as of Dec. 31, 2018	−10%	3%	3%	13%	14%	11%	12%	4%	5%	19%	22%
Short Term Incentive Assessment	Mr Newall received a STI award of $210,000 in 2018 for his performance in 2017 (2017 (for 2016): $186,000). This STI award considered his continued management of relations with Company stakeholders including bankers, analysts, fund managers, institutional shareholders and other interested parties. The STI award also took into consideration Mr Newall's leadership in ensuring a skilled investor relations team that is highly regarded in the industry. Areas which impacted on the outcome of the STI award included the under-performance of the share price in comparison to The Company's peer group.										
Long Term Incentive Assessment	Mr Newall was awarded 13,569 PSUs in 2018 for his performance in 2017 and 27,451 Options. His LTI award recognised his substantial endeavours in exploring a large number of business development opportunities and his effort in maintaining relationships to ensure a continued pipeline of projects. Mr Newall's LTI awards also recognised the continued strong communication to the market to ensure a balanced media coverage on the Company.										

HANNES MEYER, CFO

Criteria	Safety[1]	Financial Results		Business Execution		Business Development and Strategy Advancement		Funding		People Performance		External Relations	
		STI	LTI	STI	LTI	STI	LTI	STI	LTI	STI	LTI	STI	LTI
Objective Weightings	−10%	15%	15%	15%	15%	15%	15%	25%	25%	15%	15%	15%	15%
Achievement as of Dec. 31, 2018	−10%	7%	6%	10%	10%	9%	8%	19%	16%	11%	10%	8%	7%
Short Term Incentive Assessment	Mr Meyer received an STI award of $243,000 in 2018 for his performance in 2017 (2017 (for 2016): $213,025). This STI award considered Mr Meyer's leadership in improving the integrity and efficiency of accounting consolidation and site based financial processes while improving budgeting and forecasting processes to ensure a solid understanding and management of the Company's financial position Mr Meyer's STI award was impacted by timeliness of due diligence and funding analyses while considering the fast paced nature of the Company's requirements.												
Long Term Incentive Assessment	Mr Meyer was awarded 15,701 PSUs in 2018 for his performance in 2017 and 31,765 Options. This LTI award was in recognition of the significant effort in identifying financial structuring as well as tactical opportunities to enhance profitability. In addition, the effective identification and implementation of the capital and operational financing requirements contributed to Mr Meyer's overall LTI award.												

WYATT BUCK, DIRECTOR, OPERATIONS

Short Term Incentive Assessment	Mr Buck was awarded an STI award of $169,742 in 2018 (for his performance in 2017) in resepct of his continued strong performance in managing multiple operations in a variety of challenging jurisdictions. The award recognised the strong safety focus on each of the sites under his control, and the significant improvement at those sites where incidents occurred in previous years. Mr Buck's STI award also recognised the considerable effort expended in cost control at each site as well as the good work done to identify workable processes for pilot projects underway at those sites whose life of mine under current scenarios, is approaching.
Long Term Incentive Assessment	Mr Buck was granted 8,345 PSUs and 16,882 Options in 2018 as long term incentive in recognition of his contribution to the operating strategy of the Company and the continued excellent relationships with the governments and communities in all countries in which Mr Buck had oversight. In addition, those sites under Mr Buck's management have provided a significant number of highly specialised expertise on secondment basis to support projects and operations elsewhere in the Company.

ZENON WOZNIAK, DIRECTOR, PROJECTS

Short Term Incentive Assessment	Mr Wozniak was awarded an STI award of $258,303 in 2018 (for his performance in 2017) in respect of his continued strong performance in progressing the Cobre Panama project despite significant challenges. Under his supervision the Projects group's focus on safety and efficiency has been exemplary despite significantly increased volume and complexity of the work undertaken.
Long Term Incentive Assessment	Mr Wozniak was granted 15,021 PSUs and 30,388 Options in 2018 as long term incentive in recognition of his continued improvement focus for the Cobre Panama project including strengthening of the project team through a heavy investment recruiting the highest calibre people, and significant investment in development opportunities. This combined with a shift from a sole focus of building the project, to one focussed on future operational and business success has brought a strategic benefit to the Company.

(1) Each operational site is measured on a monthly basis for any lost time incidents and the severity of such incidents. This results in a rating (ranging from 'poor' to 'excellent'), which when calculated over the 12 month period, determines a deduction of between 0 and 10% for annual bonus purposes. During 2018 the Company regrettably recorded two fatalities at its operations and as such performance against the safety measure was not met and negatively impacted the overall weighting for all NEO's.

The below table sets out the CEO's compensation for the five year period 2014 to 2018.

Year	Salary ($USD)	Short Term Incentive Awards($)	PSU Awards ($)	Option Awards ($)	All Other Compensation ($)	Total Compensation ($)
2018	1,200,000	1,000,000	1,200,000	1,200,000	2,602	4,602,602
2017	1,200,000	650,000	1,000,000	1,000,000	2,874	3,852,874
2016	1,120,000	500,000	249,396	953,069	4,754	2,827,219
2015	1,040,000	1,000,000	976,000	Nil	24,575	3,040,575
2014	1,200,000	1,200,000	1,111,062	Nil	40,006	3,551,068

COMPENSATION "AT RISK"

A significant portion of the NEOs' compensation is variable and "at risk", which reflects their ability to affect the achievement of our strategic goals, as shown in the table below:

NEO Pay Mix and Total Compensation "at Risk Compensation" Allocation

NEO	Base Salary	Short Term Incentive Target	Long Term Incentive Target
Philip Pascall, CEO	18%	36%	46%
Clive Newall, President	22%	33%	45%
Hannes Meyer, CFO	25%	25%	50%
Wyatt Buck, Director Operations	25%	25%	50%
Zenon Wozniak, Director Projects	25%	25%	50%

COMPENSATION RISK ASSESSMENT

The Board has delegated responsibility to the Compensation Committee to review, identify and mitigate risks associated with its compensation policies. The Compensation Committee reviews compensation-related risks on an ongoing basis. This includes ensuring that the Company's executive compensation policies are designed not to encourage an NEO or an individual at a principal business unit or division to take inappropriate or excessive risks in order to achieve individual short term compensation objectives or outcomes that are not consistent with the long term interests of the Company's shareholders. To achieve this, the Compensation Committee ensures that the Company's compensation policies are structured consistently throughout the Company.

All NEOs have similarly structured compensation arrangements. These provide for a base salary, an STI award and an LTI award. The STI awards are based on a range of Performance Objectives as described above, none of which have the effect of encouraging excessive risk taking. Safety is incorporated directly into each NEO's Performance Objectives.

Grants of RSUs and PSUs are based either on service or relative performance against a selected peer group and are satisfied, if the LTI requirements are met, by the delivery of shares or cash at the end of the three-year vesting period.

Both the STI and LTI awards are capped at a percentage of base salary. As noted, in August 2018 Options were granted as part of the Company's compensation program to certain senior management and NEOs. However, the vesting terms provide for the Options to vest equally over a three-year period and the Compensation Committee does not believe these Options grants create any additional compensation related risks. These Option awards are layered over the existing stock option vesting periods, which mitigates against the risks associated with one-time vesting dates.

The deferred nature of a significant portion of the NEOs' total compensation, the form of compensation in shares for LTIs and the time and performance based conditions for LTI awards, in the Compensation Committee's view, mitigate against excessive risk taking. Furthermore, the Committee believes that the broad range of objectives used in the STI and LTIs provide an appropriate balance between short and longer term incentives. Accordingly, the Compensation Committee has not identified any risks arising from its compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

CLAWBACK POLICY

In February 2014, the Compensation Committee recommended, and the Board approved, an Executive and Senior Management Clawback Policy (the "Clawback Policy"). The objective of the Clawback Policy is to establish and reserve the right of the Company to require repayment of all or a portion of any bonus, incentive-based or equity based compensation awarded or granted to an executive officer or senior manager in the event of a restatement of all or a portion of the Company's interim or annual financial statements. All LTI awards (including KRSU's) are contingent on formal acceptance of the Clawback Policy by executive officers and senior management.

NEO SHARE OWNERSHIP

The Board requires that all NEOs must hold shares in the Company. In December 2015, the Board revised the Named Executive Officer Share Ownership Guidelines. The CEO is required to have invested on a historic investment cost basis a minimum four times his base salary in shares; the President who is also an executive Director is required to have invested on a historic cost basis three times his base salary; all other NEOs are required to have invested on a historic cost basis one times their base salary (as applicable the "NEO Target Value"). These NEO Share Ownership Guidelines must have been met by October 2018 or within five years of appointment for new NEOs. The number of shares owned by the NEO at the time he or she meets the NEO Target Value represents the minimum number of shares the NEO must continue to own to meet the guideline as long as they remain employees of the Company. The investment costs of shares held by the NEOs at the time the Company first introduced the NEO Share Ownership Guidelines were valued at the closing market price of the shares on the TSX on the date of the introduction of the guidelines and shares acquired subsequently are valued at market value cost.

The following chart shows each NEO's information relevant to compliance with the Named Executive Officer Share Ownership Guidelines.

NEO	2018 Salary ($)	Multiple of Base Salary	Target Value ($)	Number of Shares Required to be owned[3]	Number of Shares Owned	Compliant
Philip Pascall	1,200,000	4x	4,800,000	264,073[1]	5,772,725	YES
Clive Newall	620,000	3x	1,860,000	102,328[1]	2,664,582	YES
Hannes Meyer	615,000	1x	615,000	27,836[2]	62,658	YES
Zenon Wozniak	522,661	1x	522,661	-	15,594	NO
Wyatt Buck	462,928	1x	462,928	-	0	NO

(1) Calculated based on the NEO Target Value divided by the closing share price on the TSX on the date the share ownership guideline was met (being the closing share price on the TSX on October 18, 2013 closing share price of C$18.71 and exchange rate of C$1.00=$0.9715).

(2) Calculated based on the NEO Target Value divided by the share price on the date the share ownership guideline was met (being the closing share price on the TSX on July 16, 2015 of C$15.62 and exchange rate of C$1.00=$0.773).

(3) Number of shares required to be owned for Mr Wozniak and Mr Buck will be confirmed when they meet the Target Value

Anti-Hedging Policy

Our Directors and NEOs are not permitted to hedge against their unvested LTI awards or shareholding in the Company.

SUMMARY COMPENSATION TABLE

• Summary Compensation Table Showing Compensation of NEOs

The following table sets forth particulars concerning the compensation of the NEOs for the Company's three most recently completed financial years ending December 31, 2018, December 31, 2017 and December 31, 2016. Share awards and annual incentive plan awards shown for 2018 are based on 2017 performance.

Name and Principal Position	Year	Salary ($USD)[1]	Share Based Awards ($)[2][4][5][6]	Annual Incentive Plans ($)	Option Based Awards[4]	All Other Compensation ($)[3][7]	Total Compensation ($)
Philip K. R. Pascall[8]	2018	1,200,000	1,200,000	1,000,000	1,200,000	2,602	4,602,602
Chairman, Chief Executive Officer	2017	1,200,000	1,000,000	650,000	1,000,000	2,874	3,852,874
	2016	1,120,000	249,396	500,000	953,069	4,754	2,827,219
G Clive Newall[8]	2018	620,000	210,000	210,000	210,000	1,757	1,251,757
President	2017	620,004	173,600	186,000	173,600	1,886	1,155,090
	2016	578,668	51,542	125,550	240,173	3,335	999,268
Hannes Meyer	2018	615,000	243,000	243,000	243,000	28,743	1,372,743
Chief Financial Officer	2017	575,000	199,876	213,025	199,878	51,850	1,239,629
	2016	536,669	54,988	127,260	192,138	51,257	962,312
Wyatt Buck	2018	462,928	129,151	169,742	129,151	15,624	906,596
Director, Operations	2017	425,385	88,142	242,308	86,217	844	842,896
	2016	395,174	357,700	85,166	173,333	1,539	1,012,912
Zenon Wozniak	2018	522,661	4,232,472	258,303	232,472	16,009	5,261,917
Director, Projects	2017	482,870	181,731	258,655	177,766	1,571	1,102,593
	2016	452,653	546,306	117,066	273,000	2,913	1,391,938

(1) Effective May 1, 2015, all NEOs' salaries were reduced by 20% until May 1, 2016 due to market conditions (10% for NEOs appointed during the year).

(2) For disclosure purposes, all share-based awards paid in Canadian dollars have been converted to USD (based on the exchange rate on the first business day following the grant) as follows: C$1.00 = $0.7580 (as at July 1, 2018); C$1.00 = $0.7711 (as at July 1, 2017); C$1.00 = $0.7766 for 2016 (as at July 1, 2016); Stock Option Awards are excluded and disclosed separately under Option Based Awards.

(3) For disclosure purposes, any compensation paid in Canadian dollars has been converted to USD as follows: C$1.00 = $0.7715 for 2018 (year average); C$1.00 = $0.7704 for 2017 (year average); C$1.00 = $0.75534 for 2016 (year average); and any other compensation paid in Great British Pounds have been converted to USD as follows: GBP£1 = $1.3351 for 2018; GBP£1 = $1.2877 for 2017; GBP£1.00 = $1.35535 for 2016 (year average);

(4) In 2018, all NEOs received share based awards in the form of PSUs and Options. The PSUs were valued on the Grant Date (July 1, 2018) at Fair Market Value (assuming a share price of C$20.42 – (the volume weighted average price per share on the TSX over the 20 trading days immediately prior to the grant date), and using the Monte Carlo Simulation (33.4% probability of vesting). The decision of the number of Options to be granted was made in August 2018. The formal grant date was August 4, 2018, when Option awards were valued at the grant date fair value of C$9.96 with a C$1.00 = $0.7705 exchange rate at August 4, 2018.

(5) In 2017, all NEOs received share based awards in the form of PSUs and Options. The PSUs were valued on the Grant Date (July 1, 2017) at Fair Market Value (assuming a share price of C$10.76 – (the volume weighted average price per share on the TSX over the 20 trading days immediately prior to the grant date), and using the Monte Carlo Simulation (33.7% probability of vesting). The decision of the number of Options to be granted was made in June 2017. The formal grant date was June 26, 2017, when Stock Option awards were valued at the grant date fair value of C$5.44 with a C$1.00 = $0.7551 exchange rate at June 26, 2017.

(6) In 2016, all NEOs received share based awards in the form of PSUs and Options. The PSUs were valued on the Grant Date (July 1) at Fair Market Value (assuming a share price of C$9.07 – previous business day TSX closing price), and using the Monte Carlo Simulation for PSUs (33.3% probability of vesting). The decision on the number of options to be granted was made in June 2016. The formal grant date was deferred to August 5, 2016, when the stock option awards were valued at the grant date fair value of C$6.33 with a C$1.00 = 0.7588 exchange rate at August 5, 2016. An explanation of the Monte Carlo Simulation is provided on p. 48.

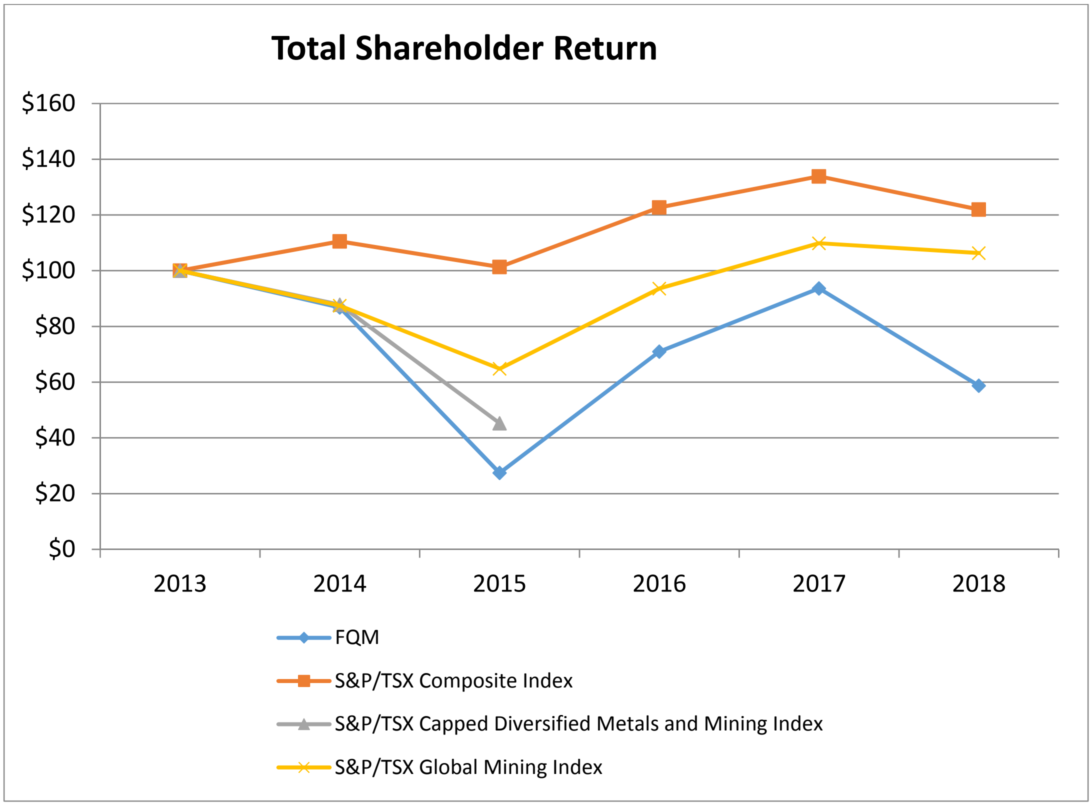
(7) The All Other Compensation consists of dividend equivalents paid on share based awards and tax adjusted allowances. The Company pays dividend equivalents on all unvested share based awards (other than KRSU's) in accordance with the Company's Dividend Policy. 2016 dividend equivalency payments were made on unvested RSUs/PSUs on May 4, 2016 for $0.01 per unit and September 19, 2016 for $0.005 per unit. 2017 dividend equivalency payments were made on unvested RSUs/PSUs on May 8, 2017 for $0.05 per unit and September 19, 2017 for $0.05 per unit. 2018 dividend equivalency payments were made on unvested RSUs/PSUs on May 8, 2018 for $0.05 per unit and September 19, 2018 for $0.05 per unit.

(8) Messrs Pascall and Newall also serve as Directors of the Company and do not receive any compensation relating to such services.

PERFORMANCE GRAPH

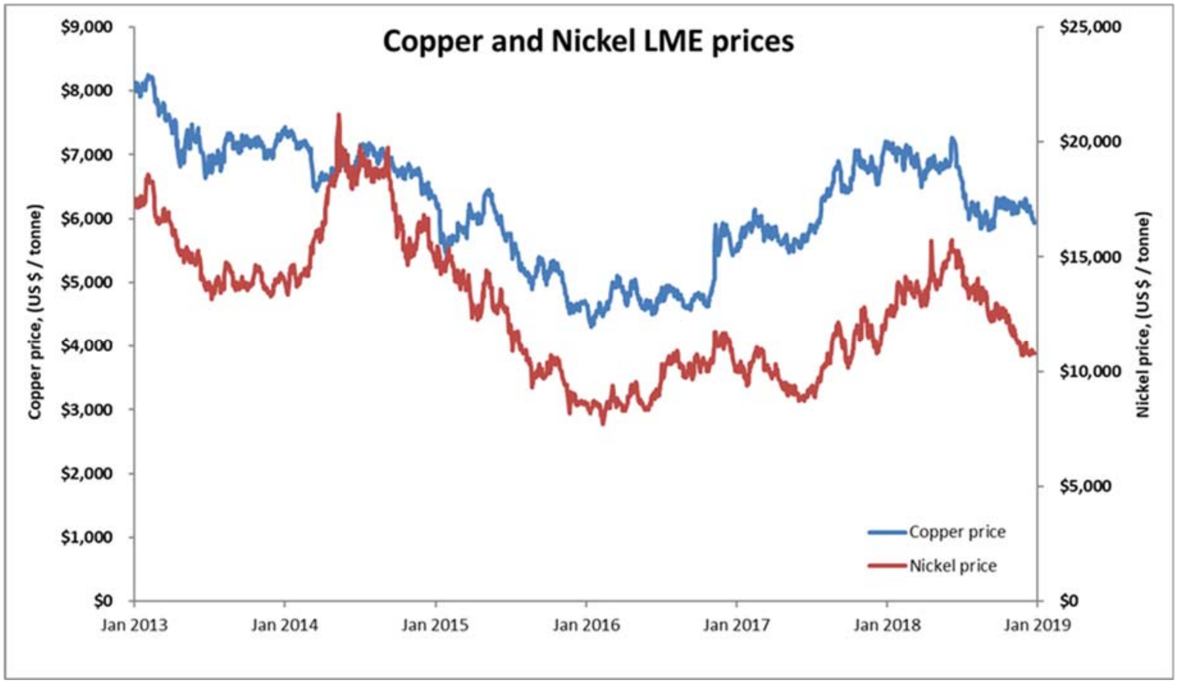
The following information and chart compares the Company's five year share price performance had C$100 been invested in the Company on December 31, 2013 with the performance of the S&P/TSX Composite Index and the TSX Global Mining Index.

Total Shareholder Return



	2013	2014	2015	2016	2017	2018
First Quantum Minerals Ltd.	100	87	27	71	94	59
S&P/TSX Composite Index	100	111	101	123	134	122
S&P/TSX Capped Diversified Metals and Mining Index	100	88	45	N/A	N/A	N/A
S&P/TSX Global Mining Index	100	87	65	94	110	106

As with all public companies, the Company's share price is influenced by company performance, world economic circumstances and market sentiments. In the resource sector, share price movement is often highly correlated to the spot price of commodities. Depressed commodity prices were prevalent through the first half of 2016 which together with sub-optimal operational results, significantly impacted on reported results and placed a degree of strain on the Company's financial position resulting in a share price low of C$2.15 in 2016. However, despite the copper price and operational performance improving since then, in 2018 the Company's share price performance was impacted amongst other things by an assessment by the Zambia Revenue Authority for ZMW 76.5 billion (approximately $7.6 billion), Law 9 Constitutional Ruling in respect of the Cobre Panama project and changes to the Zambian tax regime announced in September 2018, all of which resulted in closing price at the end of 2018 of C$11.04. The chart below shows the Copper and Nickel LME prices for the period commencing at the beginning of 2013.



During this period other sectors of the global economy performed reasonably well, largely explaining the outperformance of the S&P/TSX Composite Index to the TSX Global Mining Index.

Other factors believed to have affected our share price performance over this period include:

- Over the five year Total Shareholder Return reporting period, the Company continued to generally have a higher proportion of projects under development than comparable companies as part of its portfolio of assets and, due to the uncertainties and risks inherent in long term projects, the value that the market attaches to these at any time can negatively affect the Company's share price performance compared to its peers. This was particularly true for 2017 and 2018 as the Company completed its Sentinel project and was making significant advances in the construction of the Cobre Panama project, both of which required significant capital investment.
- The increasing debt position of Zambia which is viewed negatively by the market.
- In Zambia significant changes and proposed changes to the tax and royalty regime, representing the 10th change in taxes over a period of the last 16 years, is perceived negatively by the market.

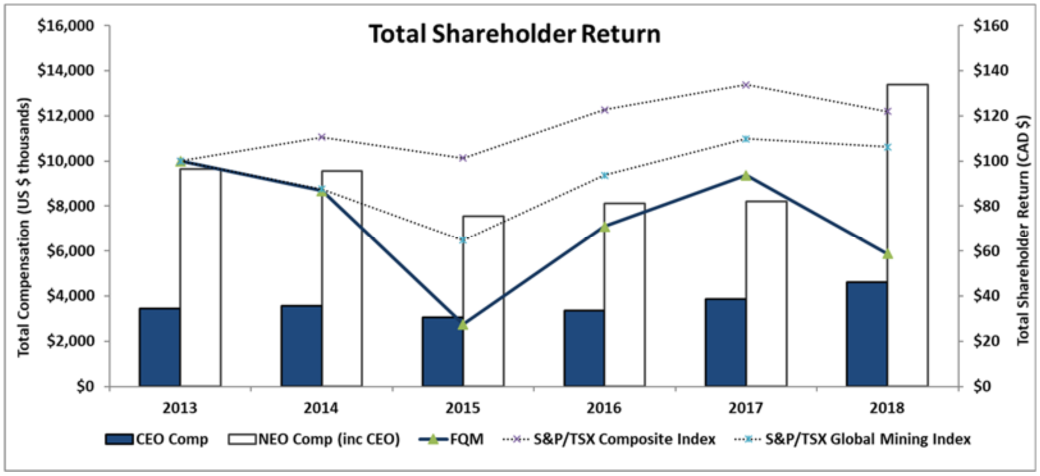
The Compensation Committee believes that the NEOs have responded proactively and appropriately to these recent operating and economic conditions, including by:

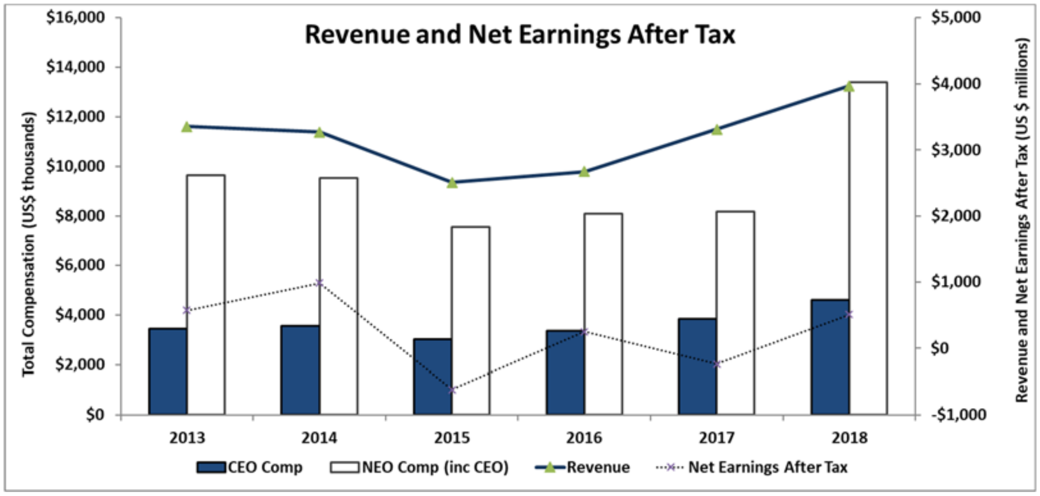
- Significantly improving operational outcomes, especially at the Sentinel mine with increased production, plant optimization which has increased progressively throughout the year and ore consistency achieving record annual copper production of 605,853 tonnes, 6% higher than 2017 and ahead of guidance;
- Focusing project capital spending toward the completion of Cobre Panama: at the end of 2018 the construction of Cobre Panama was approximately 85% complete with ramp-up on schedule over 2019 and 2020.;
- Maintaining overall capital and operating expense levels with maintained salary levels across the Company;
- In February 2018, raising new long term capital through the issue of six and eight year bonds totalling US$1.85bn and;

- In February 2019, arranging a new $2.7 billion bank debt facility, which included revised financial covenants to provide for additional headroom on its Net Debt/EBITDA ratios and an extended amortization schedule commencing in June 2020;

Importantly, at the same time, the Company has sustained its commitment to community relations by undertaking significant corporate social responsibility initiatives and maintained good standards of corporate governance.

The graphs below show the Company's TSR and revenues/net earnings after tax compared to total compensation paid to the CEO and the other NEOs.





INCENTIVE PLAN AWARDS

OUTSTANDING SHARE AWARDS AND OPTION AWARDS

The following table shows outstanding unvested share awards and Options held by NEOs:

	Option-based Awards				Share-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price C($)	Option expiration date	Value of unexercised in-the-money options ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market or payout value of vested share-based awards not paid out or distributed ($)
Philip K. R. Pascall							
	156,863	21.95	04-Aug-2023	0	304,399 PSUs	2,592,828	Nil
	253,165	12.16	01-Jul-2022	0	n/a	n/a	n/a
	198,413	11.47	05-Aug-2021	0	Nil RSUs	n/a	n/a
G Clive Newall							
	27,451	21.95	04-Aug-2023	0	56,471 PSUs	481,012	Nil
	43,949	12.16	01-Jul-2022	0	n/a	n/a	n/a
	50,000	11.47	05-Aug-2021	0	Nil RSUs	n/a	n/a
Hannes Meyer							
	31,765	21.95	04-Aug-2023	0	63,238 PSUs	538,653	Nil
	50,602	12.16	01-Jul-2022	0	n/a	n/a	n/a
	40,000	11.47	05-Aug-2021	0	Nil RSUs	n/a	n/a
Wyatt Buck							
	16,882	21.95	04-Aug-2023	0	46,809 PSUs	398,713	82,828
	21,827	12.16	01-Jul-2022	0	n/a	n/a	n/a
	36,087	11.47	05-Aug-2021	0	Nil RSUs	n/a	n/a
Zenon Wozniak							
	30,388	21.95	04-Aug-2023	0	72,256 PSUs	615,467	Nil
	45,004	12.16	01-Jul-2022	0	n/a	n/a	n/a
	56,837	11.47	05-Aug-2021	0	4,866 RSUs	66,023	Nil
	110,000	11.47	05-Aug-2021	0	Nil RSUs	n/a	n/a
	n/a	n/a	n/a	0	450,000 KEYs	4,017,195	n/a

The Monte Carlo Simulation method is used to value PSU awards. The Monte Carlo Simulation is a technique used to approximate the probability of certain outcomes by running multiple scenarios, called simulations, based on normally distributed random variables (“NDRV”). The grant date fair value for an individual PSU LTI award is equal to the number of shares awarded multiplied by the market price on the grant date (July 1) then multiplied by the probability of vesting determined using the Monte Carlo Simulation. The grant date fair value is the same as the accounting fair value. The Company’s aggregate LTI liability derived by the Monte Carlo Simulation is discounted annually to account for individual forfeitures during the vesting period for each LTI award as a result of employees leaving the Company. Based on the Monte Carlo Simulation, the probability of vesting of the 2018 PSU awards was 33.4% at the time of grant. RSUs are valued at the number of shares awarded multiplied by the grant date fair value on the grant date (July 1).

VALUE ON PAY-OUT OR VESTING OF INCENTIVE PLAN AWARDS

The following table shows the value of share-based awards and non-equity incentive plan compensation vested and paid during 2018:

Name	Vested Share Awards Value during the Year(1)(2) ($)	Non-Equity Incentive Plan Compensation Payout During the Year(3)
Philip K.R. Pascall	907,540	$ 1,000,000
G. Clive Newall	234,455	$ 210,000
Hannes Meyer	220,989	$ 243,000
Wyatt Buck	NIL	$ 169,742
Zenon Wozniak	233,050	$ 258,303

(1) Release price of PSU C$19.37. For Disclosure purposes Canadian dollar has been converted to USD as follows C$1=0.7715 (year average)
(2) LTI Award recipients may defer vesting of the LTI Awards for up to 18 months depending on the income tax rules in the jurisdiction where the recipient is resident for tax purposes.
(3) These are the same amounts as shown on the Summary Compensation Table under "Annual Incentive Plans".

- Options and Long Term Incentive (Treasury) Plan

The Option Plan permits the issuance of Share Appreciation Rights ("SARs"), the purpose of which is to provide incentives to Directors, officers, senior management and certain consultants of the Company. The Option Plan also provides us with a mechanism to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Company's shareholders. Options may be granted in such numbers as to reflect the level of responsibility of the particular optionee and his or her contribution to the business and activities of the Company.

Options granted under the Option Plan typically have a five year term and are fully vested after three years. The maximum term of an option permitted under the Option Plan is ten years. Options are generally not assignable and, except in certain specified circumstances, terminate upon the optionee ceasing to be employed by or associated with the Company. If shares are not issued under an Option for any reason, the shares in respect of such Option will be made available and will not reduce the maximum number of shares available for issuance under the plan. The aggregate number of shares that may be issued pursuant to grants under the Option Plan may not exceed 10% of the Company's total issued and outstanding shares. The number of shares approved to be issued under the plan was 6,000,000. The Company completed a 5-1 share split in 2011. As at December 31, 2018, 600,389 shares (representing 0.087% of the number of issued and outstanding shares) were issuable under outstanding Options. The remaining number of shares that may be issued under the Option Plan is 15,208,779 shares. As of December 31, 2018, 627,838 shares had been issued from treasury pursuant to the exercise of Options granted under the Option Plan. The terms of the Option Plan further provide that the price at which shares may be issued under the Option Plan cannot be less than the current market price of the shares on the date immediately preceding the date of grant. The Option Plan was amended to confirm that, in addition to time-based vesting conditions, Options may be subject to performance based vesting conditions. In the case of termination of a participant with or without cause all Options are terminated. If an employee is terminated within six months of the change of control, all Options under the Option Plan will vest.

The following table shows the "burn rate" (calculated by dividing the number of awards granted during the applicable year, by the weighted average number of basic securities outstanding for the applicable year) for each of the years 2018, 2017 and 2016:

	2018	2017	2016
Options	0.09%	0.15%	0.16%
Total	0.09%	0.15%	0.16%

The Option Plan cannot be amended in any respect without shareholder approval.

We also operate a Long Term Incentive (Treasury) Plan ("LTITP") which allows for the issue of shares to satisfy LTI awards. No awards have been issued under the LTITP to date.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out those securities in the Company which have been authorized for issuance under equity compensation plans as at the 2018 financial year end:

Plan Category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity (stock option) compensation plans approved by the securityholders	600,386	C$21.95	15,208,779
Equity (LTITP) compensation plans approved by the securityholders	N/A	-	5,000,000
Equity compensation plans not approved by the securityholders	N/A	N/A	N/A
Total	600,386	N/A	20,208,779

RETIREMENT BENEFIT PLANS

We do not provide retirement or pension benefits for Directors or NEOs nor do we operate a deferred compensation plan except for the CFO, who receives a contribution to a retirement savings plan, the amount of which is included in the Summary Compensation Table under “Other Compensation”.

TERMINATION AND CHANGE OF CONTROL BENEFITS

We have management services or employment agreements with each of our NEOs or their holding companies (as the case may be, and for the purposes of this section, each NEO or his or her holding company, is referred to as an “Executive Officer”) in respect of their positions with the Company. Each Executive Officer is engaged for an indefinite term and remains bound by confidentiality obligations.

The following is a summary of the termination and change of control treatment applicable to each of the Executive Officers, and the full terms of conditions are set out in their management services or employment agreements:

- We may terminate the Executive Officer’s engagement at any time without cause by giving at least six months’ written notice, or upon payment of six months’ salary and benefits in lieu of such notice for the CEO and President, and in the case of the remaining Executive Officers, following three months’ written notice or payment of three months’ salary and benefits in lieu of such notice.
- If we terminate the Executive Officer, or if there is a material change in their conditions of employment, at any time between the date of a change of control and 24 months thereafter, the Company is required to pay the CEO and President an amount equivalent to 30 months and in the case of the remaining Executive Officers, an amount equal to 18 months’, of their respective compensation package (which includes salary, bonus, and other compensation). In addition, any Options or incentive awards held by or granted to them will immediately vest. These employee safeguards have been in place for many years and are considered appropriate in the context of our overall remuneration policies and in light of the commitment we expect from senior executives.
- The CEO and the President may terminate their engagement by giving 120 days advance written notice to the Company and in the case of the remaining Executive Officers, three months advance written notice.
- We may terminate an Executive Officer’s engagement for cause upon giving five days’ written notice. All compensation and benefits will cease accruing on the termination date. For these purposes, “Cause” includes: any breach of the agreement, or inadequate performance of the Executive Officer’s duties that is not resolved within five days following written notice from the Company; unauthorized possession of the Company’s property, theft or dishonesty, being under the influence of alcohol or illegal drugs on the Company’s operational premises, assault or fighting where the Executive Officer is an active participant, being charged with a civil or serious criminal offence, unethical practices, intentional disloyalty, a serious breach of the Company’s policies and procedures, or behaviour that brings us, the Company, into disrepute.

- In the unfortunate event of an Executive Officer becoming disabled, we may terminate their services or make such other arrangements as we, in our sole discretion, deem necessary to accommodate the Executive Officer.

The following table shows amounts payable to the NEOs as at December 31, 2018 in the event of a termination of employment without cause or for a change of control event that results in a termination of employment, or a material change in terms of employment.

		Estimated Cash Payout on Termination ($)		Estimated Value of Vested Share Awards on Termination[(2)] ($)
Name	Months paid in the event of a change of control	Without Cause	Change of Control and Termination or Material Change[(1)]	
Philip K.R. Pascall	30	600,000	5,500,000	2,592,828
G. Clive Newall	30	310,000	2,075,000	481,012
Hannes Meyer	18	153,750	1,287,000	538,653
Wyatt Buck	3	115,732	115,732	398,713
Zenon Wozniak	36	261,330	2,342,892	681,490

(1) Amounts are based on Total Compensation from the Summary Compensation Table.

(2) Amounts shown are based on the nominal value of unvested PSUs and Options (see page 48) held by the NEO.

DISCLOSURE OF OTHER CORPORATE GOVERNANCE PRACTICES

We believe that sound corporate governance practices, and the regular review of our practices in that regard, are essential to the well-being of the Company and its shareholders. These governance practices are consistent with the requirements of National Instrument 58-101 - *Disclosure of Corporate Governance Practices* and the guidance suggested under National Policy 58-201 - *Corporate Governance Guidelines*. Our corporate governance framework governs how the Board operates through detailed Board and Board Committee charters which set out clearly how the board manages its governance obligations. There are clear descriptions setting out the responsibilities of the Chairman and CEO and the Lead Independent Director. On an annual basis, the Board reviews and, if required, updates its board manual which contains details of the governance framework and key policies to ensure that they remain relevant and appropriate.

BOARD COMPOSITION AND NOMINATION

The Directors are elected annually to hold office until the conclusion of the next AGM or until their successors are duly elected or appointed. You are being asked to vote for each director individually. In between annual meetings, the Board may appoint additional Directors subject to the Articles of Association of the Company and the *Business Corporations Act* (British Columbia) (the “BCBCA”).

The Nominating and Governance Committee identifies potential candidates and recommends nominees to the Board for election or appointment. During the nomination process the Nominating and Governance Committee will take into account the existing combination of skills, experience and diversity of the Board when considering applicants, with the objective of further strengthening the make up and overall diversity on the Board.

INDEPENDENCE OF THE BOARD

We believe that in order to be effective, a majority of the Board should be independent of management. We currently have eight Directors, six of whom are independent, including Peter St. George, Andrew Adams, Paul Brunner, Robert Harding, Kathleen Hogenson and Simon Scott. The independent Directors have no direct or indirect relationship with the Company which could be reasonably expected to interfere with their exercise of independent judgement. Joanne Warner, a nominee for election as Director at the Meeting, would meet the independence criteria and, as such, should she be elected at the Meeting, the number of independent Directors would increase to nine, thereby strengthening the independence of the Board. Philip Pascall and Clive Newall do not qualify as independent Directors due to their management positions with the Company. Since a majority vote is necessary to approve matters before the Board, the support of at least two independent Directors is required to approve any matter, increasing to three should Joanne Warner be elected to the Board at the Meeting.

We have put in place structures and processes that facilitate the functioning of the Board independently of the Company’s management. The Audit Committee, the Compensation Committee, the Nominating and Governance Committee, and the EHS&CSR Committee consist entirely of independent Directors. As noted above, the independent Directors meet at each Board meeting without management present. In addition, and in recognition of the combined role of Chairman and CEO being held by Mr Pascall, Mr Harding, an independent Director, also serves as Lead Independent Director.

To our knowledge, we do not have a significant shareholder with the ability to vote a majority of the issued and outstanding shares for the election of Directors.

CHAIRMAN AND LEAD INDEPENDENT DIRECTOR

Chairman and Chief Executive Officer

Our Chairman is Philip Pascall, who, as noted above, also serves as our CEO and is therefore not considered an independent Director. Mr Pascall is a founder of the Company and has acted as Chairman since 1996. We have carefully considered governance issues relating to Chairman independence and the different responsibilities of the Chairman and the CEO and believe that Mr Pascall carries out these separate responsibilities diligently and that, with the compensating practices in place, the Board operates effectively. Accordingly, the Board as a whole does not believe splitting the roles of Chairman and CEO at this time is necessary or in the best interests of the Company.

Lead Independent Director

As the Chairman is not independent, we have determined that it is appropriate to appoint one of our independent Directors as Lead Independent Director of the Board. The Lead Independent Director is appointed on an annual basis and is responsible for providing leadership and guidance to enhance the functioning of the Board together with its Committees. The Lead Independent Director, together with the Chairman, oversees the effectiveness of its individual members and the effectiveness of the operation of the Board overall. This is done via an annual Board effectiveness review which seeks feedback from the Directors on each other and the Board as a whole. The outcomes and recommendation from each review inform the steps taken to improve the effectiveness of the Board for the coming year. In carrying out his or her responsibilities, the Lead Independent Director consults with all Directors on a regular basis to ascertain whether they are satisfied with the operation of the Board and that all key issues are being properly addressed. Mr Harding currently serves as Lead Independent Director.

BOARD MANDATE AND RESPONSIBILITIES

Our Board serves the voice of all shareholders and supervises the management of the affairs and business of the Company. The composition of the Board is kept under continuous review and consideration is given to the existing make up of the Board and the mix of skills and competencies needed in light of the Company's current and future plans. Where gaps are identified the Nominating and Governance Committee builds these into the Board succession planning.

The Directors meet in person a minimum of five times per year and by teleconference, as necessary.

The Board's major supervisory responsibilities are as described below.

Strategy Determination and Delivery

One of the most important responsibilities of the Board is to review recommendations from management and approve the strategic direction of the Company. Thereafter, to monitor the performance of management of the Company in delivering on the strategy taking into account any changes to the operating environment that may impact the achievement of those objectives. In doing so, the Board reviews the Company's business, financial and operational plans and approves the annual budget. Where corrective action is required it will ensure that this is taken.

Monitoring and Risk Management

The Board considers performance of delivering on our strategy within the context of the risks and opportunities facing the Company at any given time. We are of the view that the ability to deliver on our objectives and operating guidance is also dependent on our ability to identify and appropriately manage the risks facing our Company.

Internal Controls

The Board is also responsible for overseeing the system of internal controls and the internal control environment. The Board has delegated its detailed overview in this area to the Audit Committee who, at every scheduled meeting, receive reports from the head of internal audit and PwC, our external auditor, who also monitor the effectiveness of controls over our financial reporting and disclosure. The Audit

Committee reviews and approves the release of our quarterly financial reports and makes recommendations to the Board in respect of the annual consolidated financial statements. We have in place a system of delegations of authority which further strengthens our internal controls.

Succession Planning

Effective succession planning is critical to the long term success of the Company. In addition to the annual Board update on talent management and sucession planning, in 2018 the Board held a half day strategy session on the succession plans for the Company with a focus on developing the talent pipeline. This session was facilitated by Egon Zhender and was the culmination of work completed over the prior year. This work enhanced the talent management program already in place within the Company which is aimed at identifying high potential employees and the leaders of tomorrow and has, in part, informed the thinking behind the development of the KEYs. The Company also also launched the 'CEO Programme' which is a fast track development program and is aimed at broadening the experience of our high potential employees. We seek to move those employees to new assignments for the purpose of broadening their experience and knowledge of the business.

In the unlikely event that it is required, there is an emergency succession plan in place should a situation arise which requires it.

Our Performance Culture

We are driven by a culture that requires integrity and an approach of doing things the 'right way' and for the right reasons. We require all of our employees, starting with the CEO and senior management team to work to high ethical and moral standards. We also require that the Company operates at all times within applicable laws and regulations.

In addition, we have embedded a framework of policies and procedures (such as the Code of Conduct and our Human Rights Policy) within which we operate. We monitor adherence to with these policies and procedures through not only the relationships we maintain with our employess and the communities within which we operate but also through our whistleblowing hotline.

Communicating with Shareholders

We have adopted a shareholder communication and engagement policy which governs how we communicate with you, our shareholders. The policy includes guidance on how our financial results are disclosed, including in accordance with generally accepted accounting standards and compliance with applicable laws and regulations. We also monitor the timely reporting of developments that have a material impact on the Company to ensure that disclosure is made in compliance with applicable disclosure laws and regulation. We report to shareholders on the performance of our business regularly throughout the year. The most regular of these is when we report our quarterly results but we also communicate via other means such as in the Annual Information Form, and our annual general meeting of shareholders and other investor meetings scheduled throughout the year.

POSITION DESCRIPTIONS

The Board has developed written position descriptions for each of the Chairman and CEO, and Lead Independent Director. Position descriptions have not been developed for Committee chairs.

OPERATION OF THE BOARD

Board Evaluation and Assessments of Individual Directors

Each year the Nominating and Governance Committee oversees an evaluation of the effectiveness and performance of the Board and its Committees. This is facilitated by the Corporate Secretary of the Company and an independent consultant, Searl Street Consulting. This assessment includes the completion by each Director of a comprehensive questionnaire, and an interview with the independent consultant. The output from these discussions are reviewed and evaluated by the Chairman, and a subsequent "one-on-one" session between the Chairman and each Director is held to discuss the output and the Director's role and contribution to the Board deliberations and the Company. In December 2018, the Board received a presentation from Searle Street Consulting to discuss as a group the output from the process and agree recommendations for improvement identified in the final report. Searle Street Consulting also attended the one-on-one sessions between the Chairman and each Director.

The Nominating and Governance Committee takes into account the results of these reviews when assessing the balance of skills, experience, independence and knowledge on the Board, how the Board works together as a unit, and other factors relevant to its effectiveness in making recommendations regarding candidates for nomination to the Board nominees.

Board Composition and Director Selection

Utilizing the results of the evaluation and recommendations from the Nomination and Governance Committee, the Directors review the Board composition to ensure it has the mix of skills and experience needed for the achievement of the Company's current and future strategic plans.

We use external consultants to assist in the identification and recruitment of highly qualified individuals who bring a balance of business experience, education, expertise, personal qualities, and general business and sector specific knowledge to the boardtable. In identifying suitable candidates for appointment or election to the Board and executive officer appointments, candidates are considered on merit against objective criteria as described above and with due regard for the benefits of diversity on the Board, including specifically the appointment of women as directors, as described below under *Diversity Policy*.

Board Orientation

Once appointed, new Directors undergo a comprehensive orientation program, which includes briefings on all aspects of the Company's activities and operations, including meeting with key management and advisors as appropriate. As part of this orientation, new Directors are expected to visit key sites within their first year of appointment. A board manual is maintained, which contains all of the Company's key policies, Board and Committee mandates, recent minutes and other relevant documents. New Directors are also given access to briefings by Company advisers, including the auditors, as requested.

Director Education

Directors are expected to remain fully informed on all aspects of the Company's business and on their duties as Directors. Specific areas of interest are often highlighted as part of the Board effectiveness review and Directors are encouraged to highlight areas where they feel they would benefit from more in depth knowledge.

To facilitate this, the Company arranges:

- Site visits

The Company organizes site visits for the independent Directors to ensure they have direct access to view the Company's operations. This also affords the independent Directors the opportunity to meet directly with management and staff at the Company's operations. The Board also holds Board meetings during these site visits. In the last two years, the Board has visited the Cobre Panama project in Panama, the Kansanshi mine and smelter, the Sentinel project in Zambia and the Cayeli mine in Turkey.

- Management attendance at Board meetings

Key management are invited to attend each Board meeting and provide detailed presentations on significant developments and topics on the meeting agenda. Advisors are also invited to attend as appropriate.

- Education Sessions

Formal education sessions are provided to all Directors during the year on topics of relevance. Directors are also encouraged to identify areas where they feel they would benefit from a deeper understanding of a particular subject matter. Publications that may be of interest to the Directors are routinely circulated to Directors or are provided in the "Reading Room"on the board portal for Directors to review. Directors are also encouraged to participate in continuing education relevant to their roles as Directors and Committee members. Directors are reimbursed for reasonable out-of-pocket expenses, including any continuing education courses, in connection with their duties as Directors.

Director Term Limits and Board Renewal Policy

All Directors stand for re-election every year and we aim to balance a policy of rotation of Directors with the need to retain experience and knowledge of the Company's affairs. In the light of these practices, we do not believe it is appropriate to impose term limits or a retirement age on our Directors. We are also of the view that such limits may result in the removal of Directors making a valuable contribution solely because of their length of service or age. We do however pay special consideration to the position of Directors aged 70 and over and long standing Directors. The Board must satisfy itself that those Directors under review remain effective and independent and are active contributors to the Board. This is done through the annual board evaluation process described more fully on pages 54-55.

In the past five years, four Directors have retired from the Board and three new Directors have been appointed.

Diversity Policy

We believe that decision-making is enhanced through diversity in the broadest sense and has implemented a *Diversity Policy* to reflect this principle. In the context of an effective Board, diversity includes expression of thought, business experience, skill sets and capabilities. Diversity also includes valuing an individual's race, colour, gender, age, religious belief, ethnicity, cultural background, economic circumstance, and human capacity, as well as other factors. Taken together, these diverse skills and backgrounds help to create a business environment that encourages a range of perspectives in Board deliberations and fosters strong corporate governance, thereby enhancing the ability to create shareholder value.

We have determined that merit, skills and business background are key requirements for the appointment as a Director and for employee advancement. As a result, the Diversity Policy deliberately does not mandate quotas based on any specific area of diversity and specifically does not set targets for women on the Board or in executive officer positions.

As of the date of this Circular, there is one female Director of eight, representing 12.5% of the Board. If Joanne Warner and all the Company's nominees for election as Directors are elected to the Board at the Meeting, the female representation on the Board will increase to 22%. Moreover, there are two female executive officers, comprising 28% of the Company's executive officer. It remains a key objective of ours to achieve gender diversity on the Board and in senior management positions.

Succession development and planning

The Company strives to create a strong ethical and achievement oriented culture in its management as it believes this has been a key ingredient in its success over a number of years. The performance of key managers and potential leaders is constantly monitored to ensure that they develop the right attributes and as wide a skill set as possible. During 2018, the Company conducted an in-depth review of its succession pipeline facilitated by Egon Zhender, an external advisor. One objective of this review was to identify the next generation of leaders at the Company. The review identified the talent pipeline within the Company and assessed their ability against the the Company's strategic objectives and their aspirations as individuals. Areas for development were identified and a focused program of development put in place to support them in achieving their goals.

The Board continually reviews succession development processes and planning for the CEO and senior executives. In addition, to the focused review summarized above, the Company has in place a Company-wide development and succession plan for all senior positions which is reviewed regularly by the CEO. During 2018, the independent Directors also met without management present to discuss the output from the review and the Company's succession plan.

Risk oversight

The Board and Committees allocate sufficient time to identify, manage, report and mitigate risk as follows:

1. The Board selects key risks to review at Board meetings,
2. The EHS&CSR Committee identifies and reviews material environmental, safety and CSR risks at each committee meeting, and selects topics to report to the Board for discussion,
3. The Audit Committee reviews the Company's Risk Register on a bi-annual basis,
4. The Company has a dedicated internal audit team that has a dual reporting role to the CEO and Audit Committee chairman, and which provides assurances over internal controls and financial reporting; and
5. The Compensation Committee reviews risks specific to the Company's compensation practices on an annual basis.

The Board considers any risks identified that have the potential to significantly affect our ability to achieve the Company's strategic goals including environmental and safety risk, financial risk and political and regional risk.

As part of its review against strategy Directors also consider risks associated with the strategic approach and takes appropriate mitigating actions to manage these risks. We take our responsibilities towards managing risk seriously and proactively addresses strategic, financial, operational, social and environmental risks and assesses all risks against our performance, including financial.

Strategic planning

The Board oversees the development, execution and fulfillment of our strategic goals and objectives. This responsibility is supported by the following actions:

- The Board conducts a review of the annual budget and five year plan;
- Management identifies key strategic issues to present to the Board;
- Presentations are provided to the Board by third parties and internal experts on key strategic considerations relevant to the Company's business; and
- The Board and Committees consider and discuss the key issues, assumptions, risks, opportunities and strategies that relate to the development and implementation of the Company's strategic goals.

Strategy is discussed at every Board meeting and at least one meeting per year is specifically set aside for a substantial strategic planning session in which the Directors review and discuss the strategy developed by management.

EXPECTATIONS OF MANAGEMENT

Management are expected to conduct the business of the Company in accordance with the Board approved strategic plan and to meet or surpass the annual and long-term goals of the Company set by the Board in consultation with management. As part of its annual strategic planning process, expectations of management are clearly set out over both the immediate and longer term in the context of the Company's long-term goals. Management's progress in meeting these expectations is monitored throughout the calendar year and in connection with determining compensation.

SHAREHOLDER FEEDBACK AND CONCERNS

The Company manages a shareholder relations program under the direction of its President, Mr Newall. The program involves meeting with a broad spectrum of investors, including briefing sessions for analysts, investment fund managers, members of the press and the public to discuss reported financial results and other announcements by the Company. Shareholders, other stakeholders and the public are informed of developments in the Company by the issuance of news releases and publications by the Company.

Management of the Company is available routinely to shareholders to respond to questions and concerns. Shareholder concerns are dealt with on an individual basis. The response will depend on the kind of question or concern raised. Significant concerns are brought to the attention of the management of the Company or the Board.

Under its written mandate, the Board is required to oversee the Company's Corporate Disclosure Policy. The Board monitors the policy and the procedures that are in place to provide for effective communication by the Company with its shareholders and with the public generally.

The independent Directors are also made available to meet with shareholders and shareholder groups. Shareholders may also provide feedback to the Board by writing to the Chairman through the Corporate Secretary of the Company at the address set out below. Shareholders may also communicate directly with the independent Directors by writing to the Lead Independent Director or a Committee chairman or through the Corporate Secretary of the Company at the registered office address set out below.

Attention: Sarah Robertson, Corporate Secretary, First Quantum Minerals Ltd.
14th Floor, 543 Granville Street, Vancouver, British Columbia, V6C 1X8, Canada
Email: Sarah.Robertson@fqml.com

ETHICAL BUSINESS CONDUCT

Code of Conduct

We have adopted a code of conduct (the "Code of Conduct") that applies to Directors, officers and other employees of the Company. The Code of Conduct sets out how everyone that works for the Company is expected to conduct himself or herself whilst representing the Company. It is reviewed annually and updated as appropriate with the last update being made in 2017. Compliance with the *Code of Conduct* is expected at every level of the Company. Employees who are aware of *Code of Conduct* breaches must, under the *Code of Conduct*, report them to their manager or, if they do not feel comfortable doing so, through the Company whistleblowing line. Employees who breach the *Code of Conduct* may be subject to disciplinary action up to and including termination of their employment. Matters of a serious nature are brought to the attention of the Board. The Company takes active steps annually to ensure all employees are familiar with the requirements of the *Code of Conduct*.

The Code of Conduct contains conflict of interest provisions which require Directors, officers and other employees of the Company to disclose in writing all business, commercial or financial interests or activities which might reasonably be regarded as creating an actual or potential conflict with their duties of employment. An employee in a situation of conflict of interest is given sufficient time to address the conflict.

The Code of Conduct is available on the Company's website at *www.first-quantum.com*.

Social Commitment and Responsibility

We have also adopted a *Social Policy* with the objective of maximizing socio-economic opportunities and benefits for the communities we operate in while minimizing potential negative social impacts. The Company also subscribes to the Equator Principles. The Company maintains policies relating to the well-being of its employees, including policies such as an HIV/AIDS Policy, Environmental Policy, Whistleblower Policy and a Human Rights Policy. We firmly believe that the existence of the Code of Conduct together with these policies is a key driver in promoting a culture of ethical business conduct, both within the Company and by the Company.

The Company produces a Corporate Sustainability Report, which is available on the Company's website at *www.first-quantum.com*.

Insider Trading Policy

Our Insider Trading Policy applies to our Directors, officers, employees and consultants. The Insider Trading Policy prohibits both the unauthorized disclosure of any non-public information and any trading of shares by insiders whilst they are in possession of material information that has not been disclosed to the public. It also provides for the application of "no-trade" periods following completion of a financial quarter until the third trading day following the filing of a news release announcing the results for that quarter. Potential insiders are reminded of the Company's no-trade periods on a quarterly basis. Before initiating any trades in the Company's securities, all insiders listed on the Company's Insider List (updated regularly) are required to contact the Corporate Secretary of the Company for approval prior to trading. The Insider Trading Policy was reviewed and updated by the Board in 2015.

Hedging of Financial Instruments Policy

NEOs and Directors are not permitted to hedge any securities of the Company, including but not limited to prepaid variable forward contracts, equity swaps, collars, or units of exchange funds.

Conflicts of Interest

All Directors are required to comply with the provisions governing conflicts of interests in the BCBCA. The Company's policy relating to Directors specifically requires that where a Director has any direct or indirect interest in a proposed contract or transaction with the Company, or holds any office or possesses any property, directly or indirectly, which may create a conflict with his or her duty or interest as a Director, the Director must disclose the nature and extent of that interest and any conflict associated therewith at the earliest opportunity at a meeting of the Board. A register of declared related party transactions, register of related employees, and related party investments is maintained by the Corporate Secretary of the Company and reviewed by the Board annually. Related party transactions are also audited twice a year by the Company's external auditor.

Interlocking Board Positions and Outside Board Memberships

A board interlock occurs when two or more of the Company's Directors also serve together as board members of another public company. As of March 13, 2019, there are no board interlocks on the Company's Board.

The Board does not determine the specific number of other boards on which a Director may serve. However, the Chairman's approval is required for new appointments. No two Directors shall sit together on two or more external company boards without prior approval of the Board. In addition, in a situation where the Chairman holds a dual Chairman/CEO role, as currently is the case, the individual is not permitted to hold any outside board memberships. The Company's governance practices encourage Directors to recognize that Board and Committee service requires significant time and attention in order to properly discharge their responsibilities and that service on boards should be consistent with the Company's conflict of interest standards as set out in its Code of Conduct.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company maintains global Directors' and Officers' liability insurance with a $150,000,000 combined aggregate and per occurrence limit at a 12 month premium of $459,409.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than as set forth in this Circular, no Director or executive officer of the Company at any time since the beginning of the Company's most recently completed financial year, and no associate or affiliate of any of such Directors and executive officers has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except for any interest arising from the ownership of shares.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No Director or officer of the Company has any indebtedness (as defined under applicable securities legislation) to the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at *www.sedar.com*. Financial information about the Company is provided in the Company's comparative annual financial statements for the year ended December 31, 2018, together with the management's discussion and analysis thereon, copies of which are available under the Company's SEDAR profile at *www.sedar.com* and may be obtained by any shareholder free of charge by request to the Company's registered office at:

14th Floor
543 Granville Street
Vancouver, British Columbia
Canada V6C 1X8

The contents and sending of this Circular have been approved by the Board.

13 day of March, 2019.

ON BEHALF OF THE BOARD OF DIRECTORS

Sarah E H Robertson
Corporate Secretary

www.first-quantum.com

FIRST QUANTUM
MINERALS LTD.