

Boliden to acquire Kevitsa

Finnish nickel-copper-gold-PGM mine – from First Quantum

10 March 2016



BOLIDEN

Kevitsa strengthens Boliden's position in nickel and copper

- Excellent operational and geographical fit
- Consistent with our long-term growth strategy
- Opportunity to acquire a high-quality asset in Boliden's region
- Cash consideration of 712 MUSD
- Committed bank facility
- Transaction is subject to customary approval by competition authorities in Finland, Sweden and Germany



Kevitsa – early stage mine with high potential

- Open pit mine, early stage
 - Production started Q3 2012
 - Project under ramp-up
- 6.7 Mton milled tonnage in 2015
- 17 kton Cu and 9 kton Ni in concentrate in 2015
- Revenue breakdown
 - Copper ~40%, Nickel ~40%, PGM ~20%
- Long reserve life
- High potential in unexplored geological region



Metallic Mineral Deposit Map of the Fennoscandian Shield

1:2 000 000

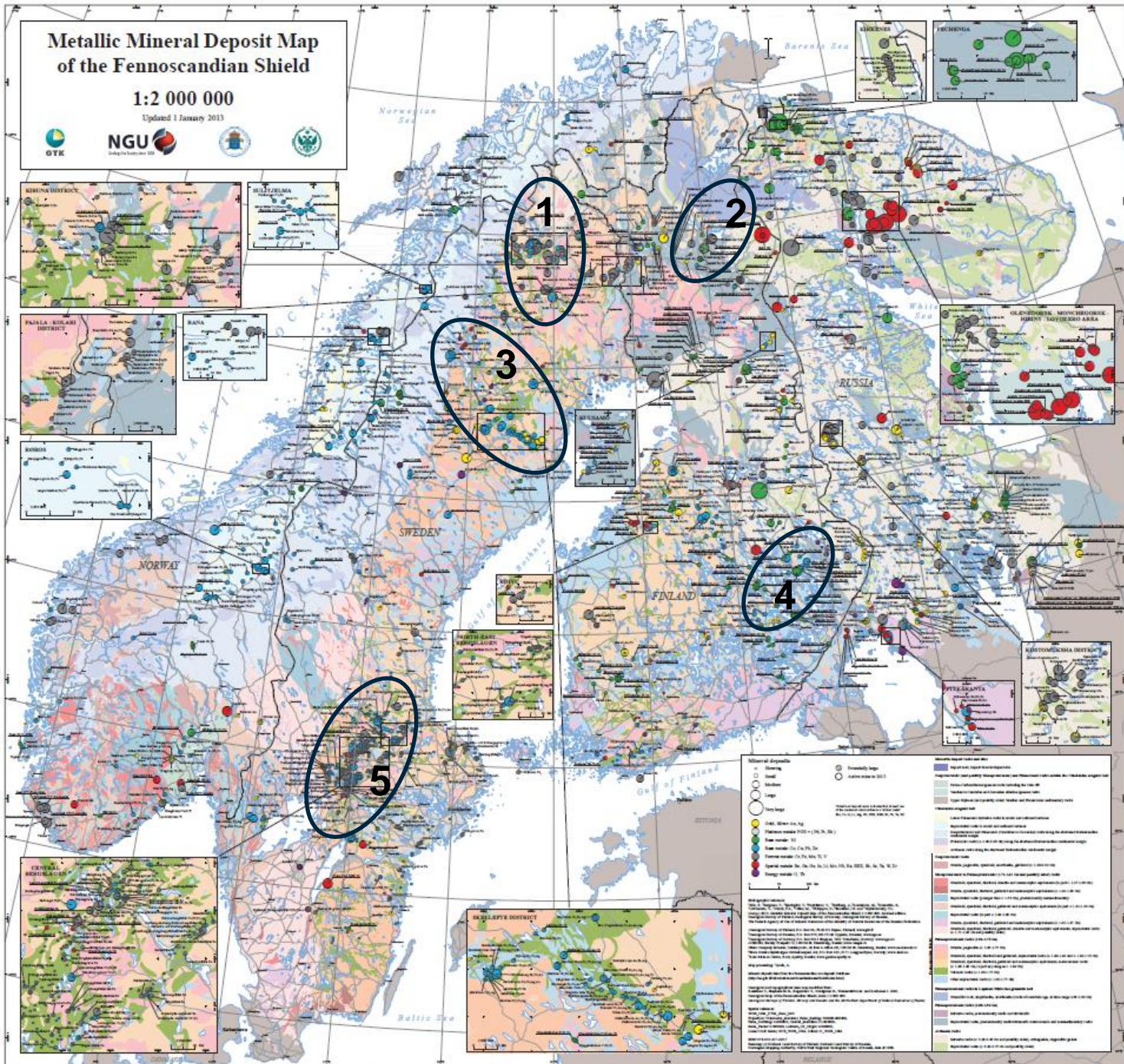
Updated 1 January 2013



- Precious metals
- Base metals
- Ferrous metals
- Special metals
- Energy metals

- Small
- Medium
- Large

- 1 Kiruna-Gällivare
- 2 Kevitsa-Sakatti
- 3 Skellefte district
- 4 Outokumpu area
- 5 Bergslagen



M&A strategy

Kevitsa acquisition meets all criteria

**Producing mines
and projects**

**Copper and zinc
with by-products**

Synergies

Mid size assets

NEW BOLIDEN

Kevitsa – consistent with strategy

- 1 Excellent operational and geographical fit
- 2 Early stage mine with expansion potential in attractive geological region
- 3 Establish in-house nickel feed base load and increase attractive copper feed
- 4 Timing



1 Excellent operational and geographical fit

- Synergies in operations
 - Leverage on substantial in-house know-how
 - Geological similarities with Sweden
 - Arctic open-pit expertise – similar set-up as Aitik
- Logistic benefits with smelters
- Scale in line with other Boliden mines
- Strengthens Boliden's strategic presence in Finland



2 Early stage mine with expansion potential in attractive geological region

- Early stage allows flexibility to develop technical and operational set-up
- Large reserves allows alternative production set-ups
- Located in region with geological potential in northern Finland

	Mton	NiS	Cu	Au	Pd	Pt
Reserves¹	145	0.27%	0.41%	0.12 g/t	0.17 g/t	0.23 g/t
Resources¹	224	0.28%	0.42%	0.11 g/t	0.15 g/t	0.20 g/t

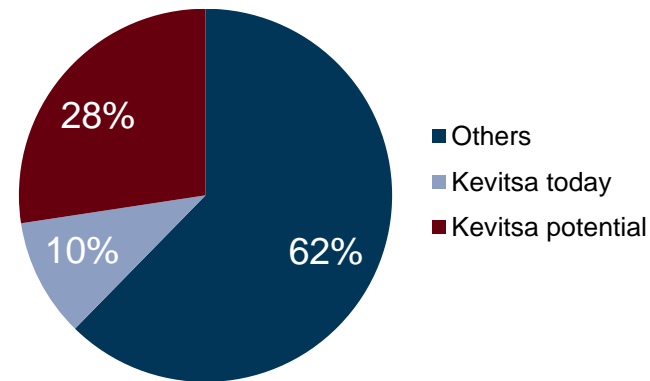
1) As of 31 December 2014, resources are inclusive of reserves
Note: NiS shows nickel in sulfide ore.

3

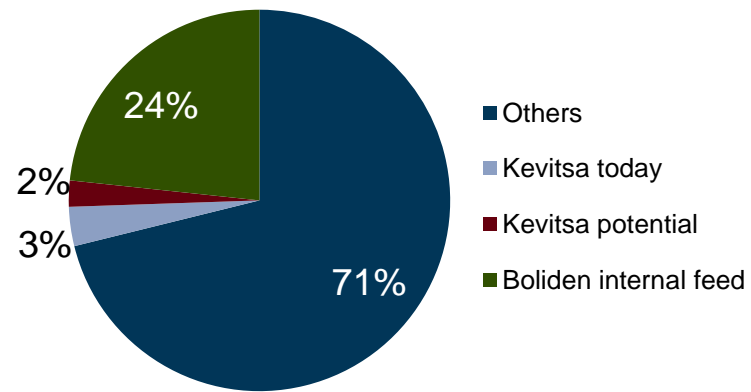
Establish in-house nickel feed base load and increase attractive copper feed

- New nickel smelting strategy implemented in Harjavalta 2015
- Nickel smelting benefits from in-house base load
 - Optimising mine and smelting interface
 - Low liquidity market
 - Nickel strategy in line with copper and zinc
- Copper with attractive by-product credits

Nickel feed in Harjavalta, pro forma 2015

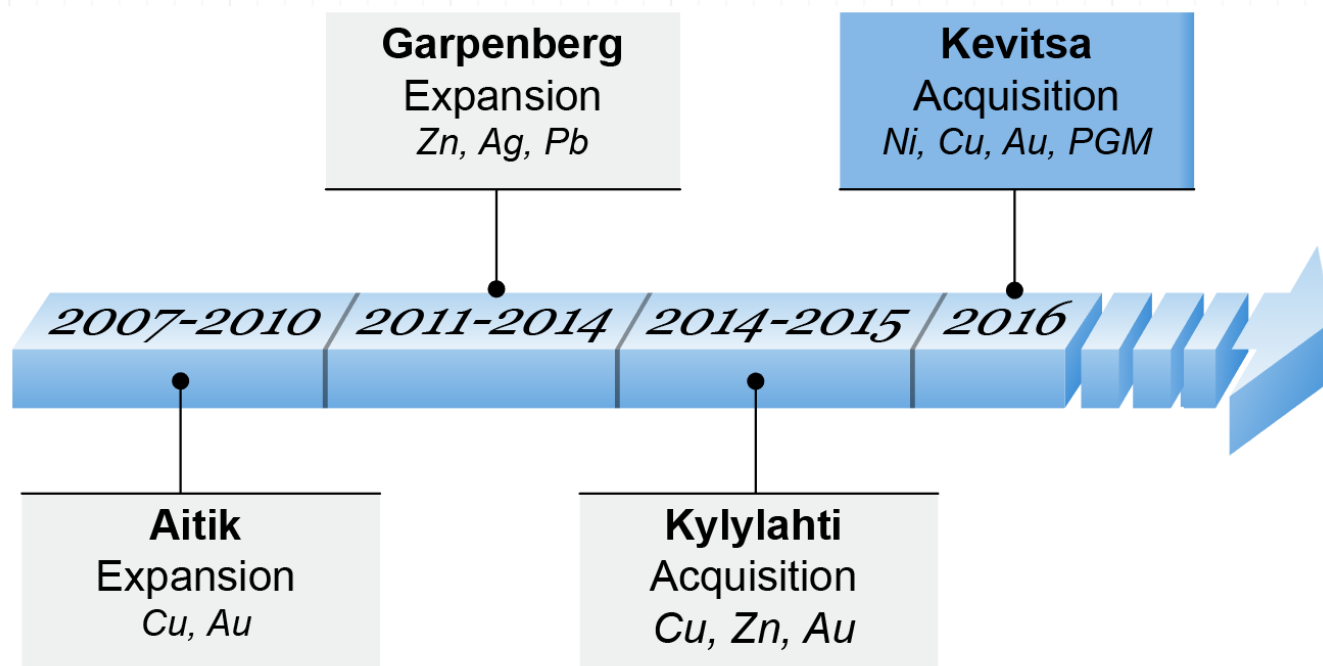


Cu feed in Harjavalta and Rönnskär, pro forma 2015



4 Timing

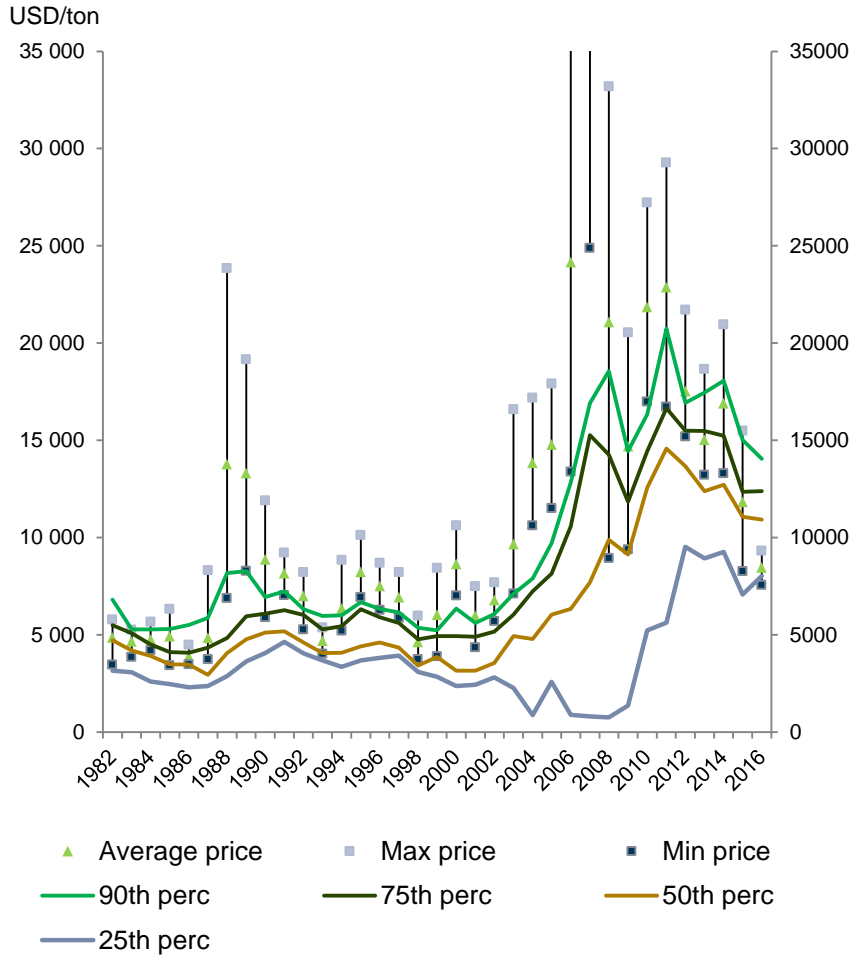
- Boliden has managerial capacity available to integrate and develop Kevitsa
 - Latest expansion Garpenberg finalised in Q4 2015
 - Integration of acquired Kylylahti finalised in 2015
- Rare opportunity available



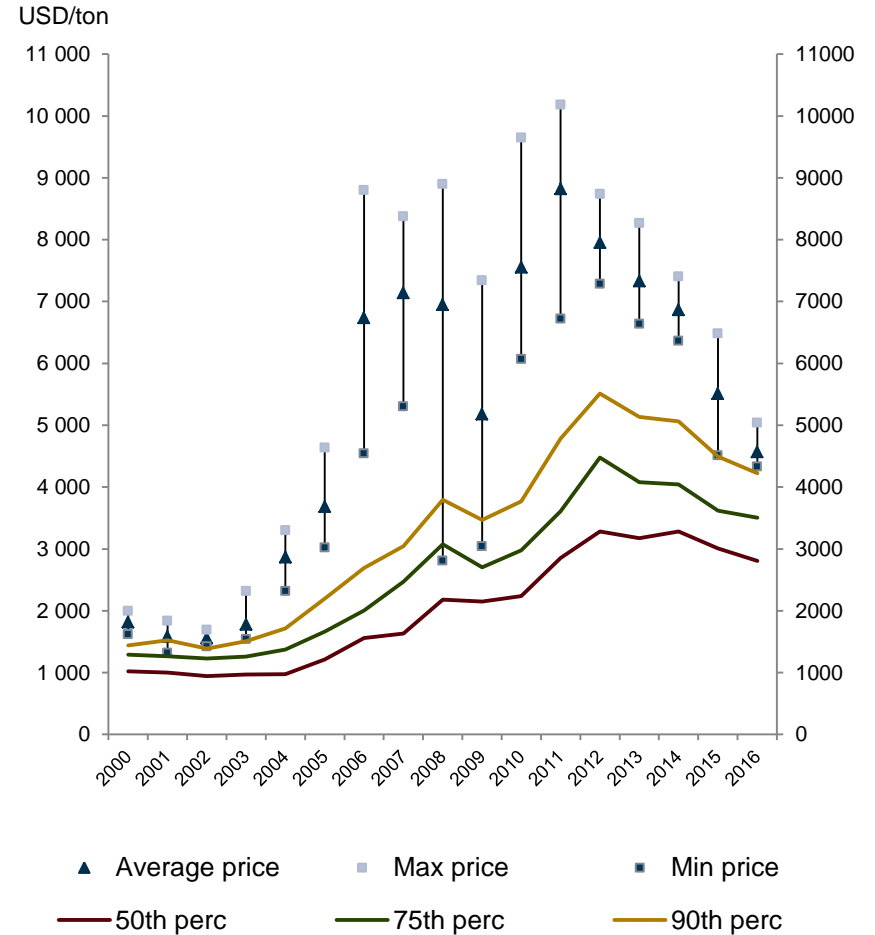
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Nickel and copper – prices and cash costs

Normal C1 – Nickel



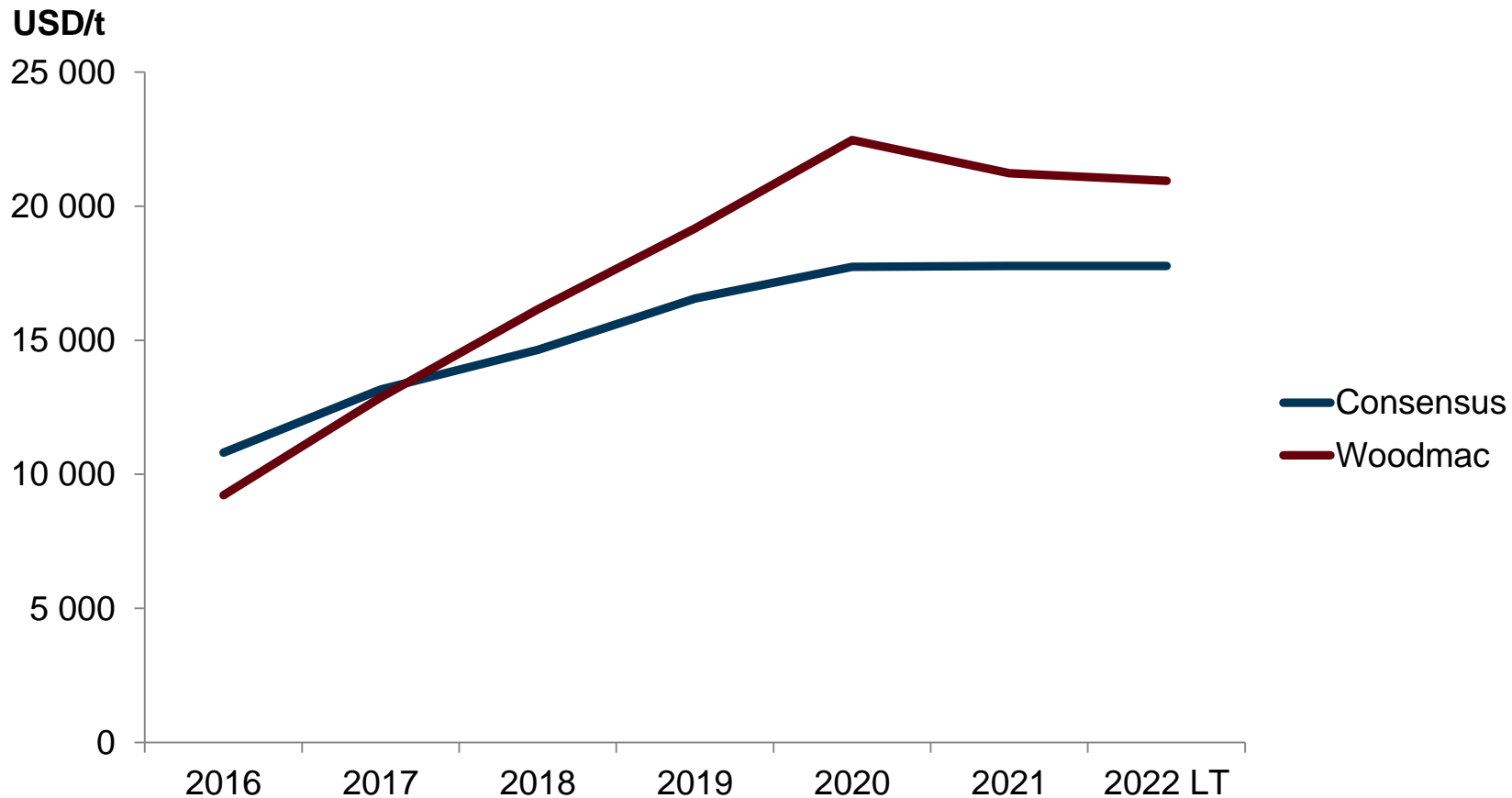
Normal C1 – Copper



Source: Wood Mackenzie January 2016, Thomson Reuters Datastream



4 Nickel price – market expectations



Källa: Wood Mackenzie, Boliden, Reuters Datastream

Pro forma 2015

- Value accretive
 - Low cost, long reserve life
- Lower grades and higher stripping in early years
- Under ramp-up

BSEK	Boliden stand-alone	Kevitsa	Pro-forma
EBITDA	7,1	0,4	7,5
EBIT ex PIR*	4,0	0	4,0

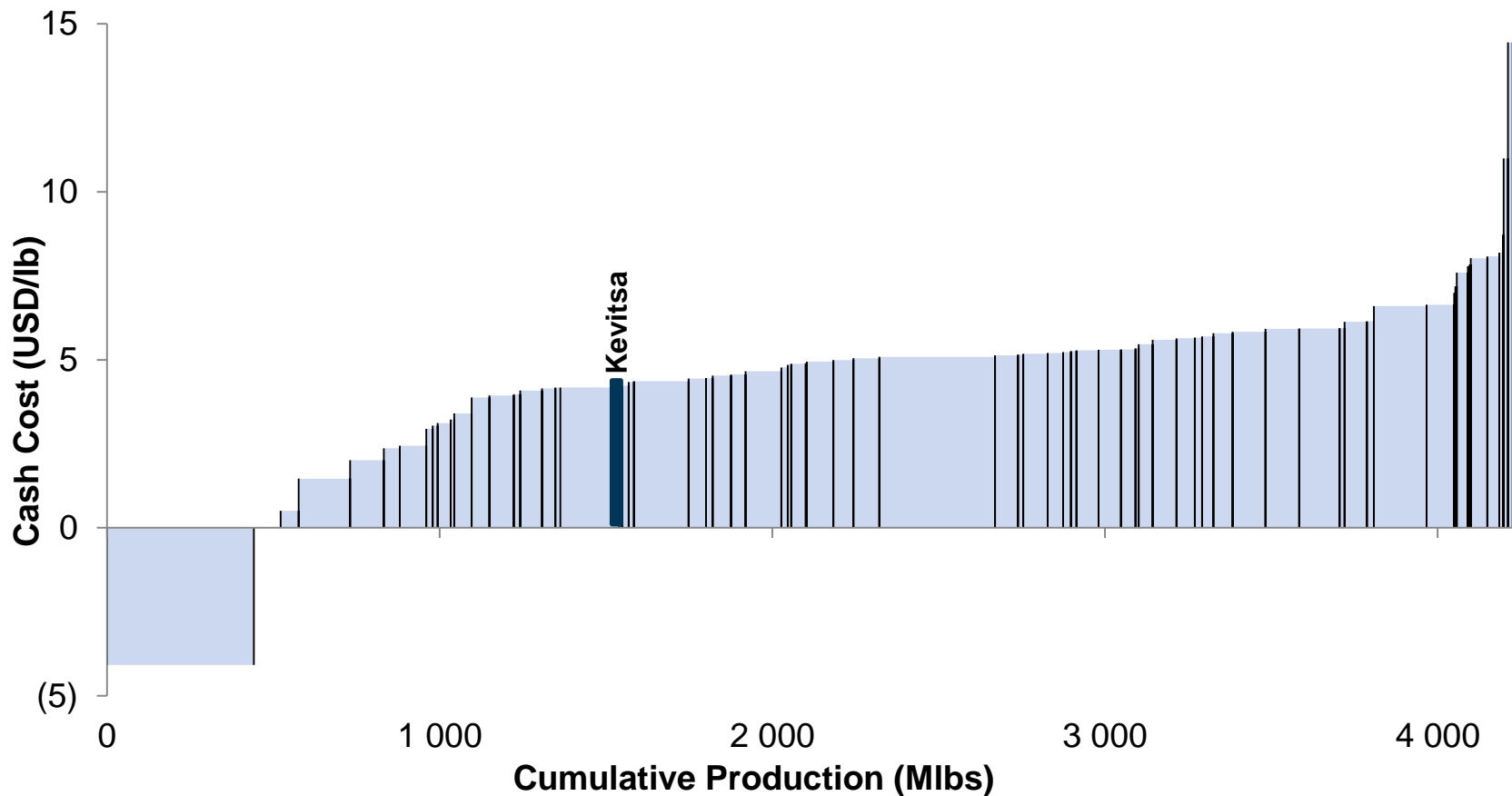
*PIR = Process Inventory Revaluation

BSEK	Boliden stand-alone	Pro-forma
Fixed assets	31,9	37,4
Current assets	11,1	11,6
Total	43,0	49,0
Equity	25,8	25,7
Long-term debt	8,3	14,2
Short-term debt	8,9	9,1
Total	43,0	49,0
ND/E	23%	45%

Note: If Kevitsa had been acquired 1 January 2015

Kevitsa – well positioned on nickel cash cost curve

2016 Nickel C1 Normal Cash Cost Curve



Source: Wood Mackenzie Q4 2015



Kevitsa – consistent with strategy

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Q&A

Excellent operational and geographical fit

Early stage mine with expansion potential in attractive geological region

Establish in-house nickel feed base load and increase attractive copper feed

Timing

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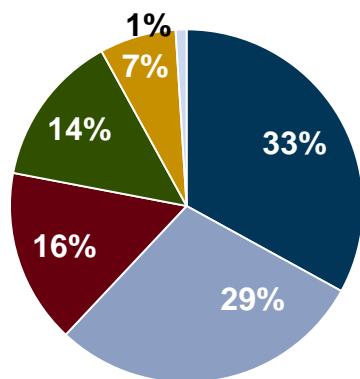


Appendix

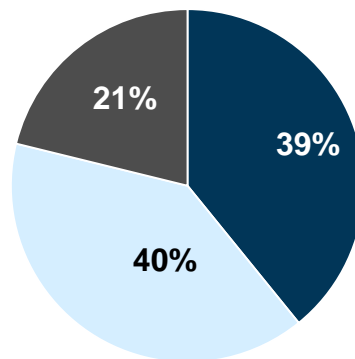
NEW BOLIDEN

Metal revenue exposure

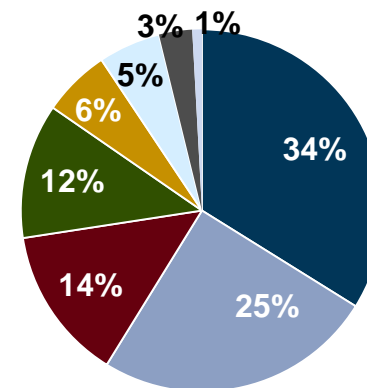
Revenue 2015 breakdown



1,164 MUSD
Boliden Mines



189 MUSD
Kevitsa

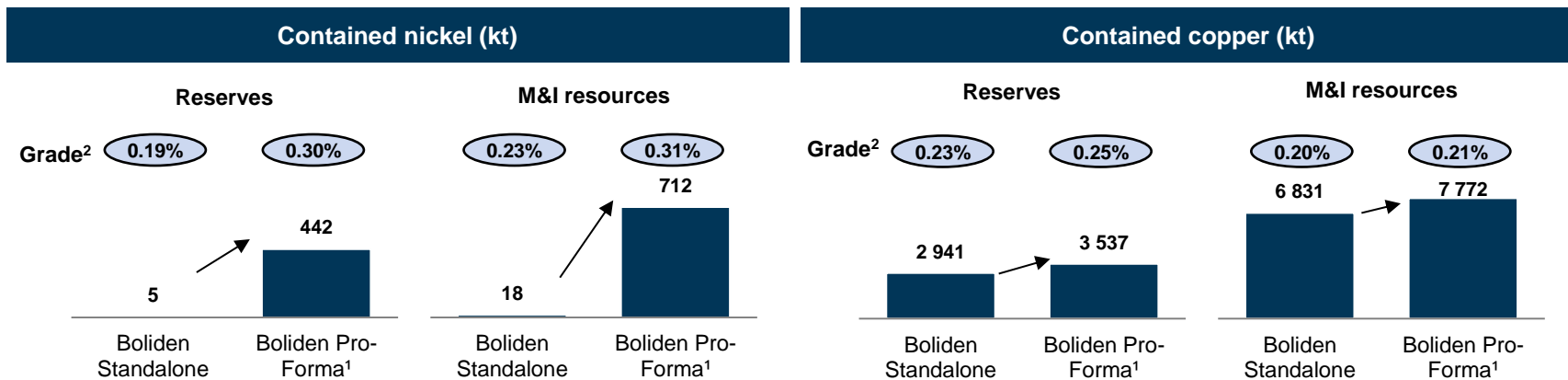


1,353 MUSD
**Pro-forma
Boliden Mines**

■ Copper ■ Zinc ■ Silver ■ Gold ■ Lead ■ Nickel ■ PGM¹ ■ Other

Source: First Quantum and Boliden disclosure
1) Includes small amount of cobalt

Addition of reserves and resources

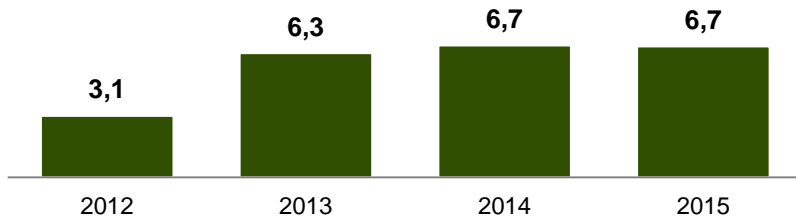


1) Source: First Quantum 2014 Annual Information Form. Note: Data for 2015 for Boliden.

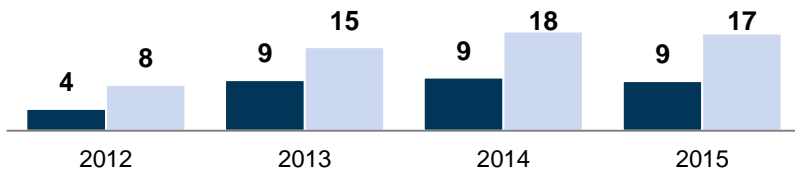
2) Weighted average across Kylvlahti and Kevitsa for nickel and Aitik, Garpenberg, Boliden Area (excl. Kankberg and Älgträsk), Kylvlahti, Laver, Rockliden and Kevitsa for copper

Kevitsa – yearly figures

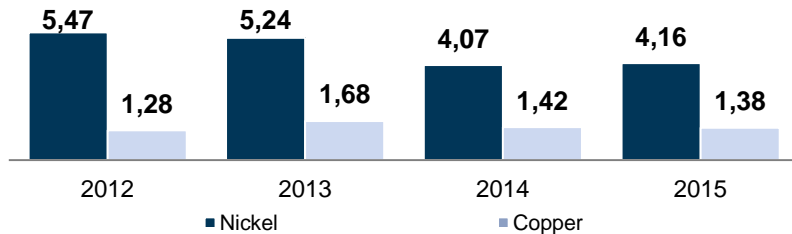
Throughput (Mt)



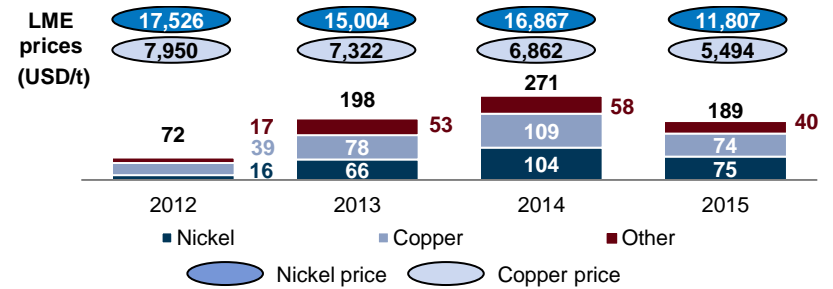
Nickel and copper production (kt)



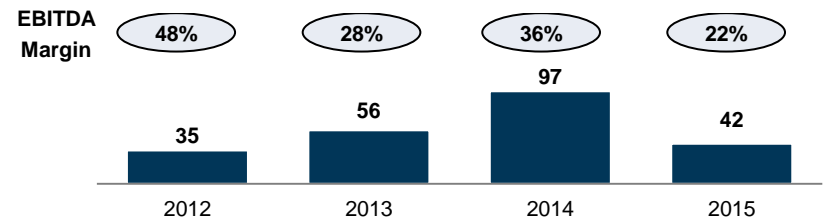
Nickel and copper C1 cash costs (USD/lb)



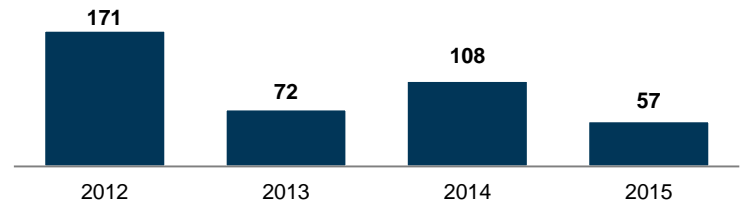
Revenue by commodity (MUSD)



Comparative EBITDA (MUSD)



Capital expenditure (MUSD)



Source: First Quantum disclosure

Kevitsa – quarterly figures

	2013	Q1 14	Q2 14	Q3 14	Q4 14	2014	Q1 15	Q2 15	Q3 15	Q4 15	2015
Mining											
Total tonnes mined (000's tonnes)	21,604	5,626	7,357	6,880	8,302	28,165	8,514	10,072	9,029	9,322	36,937
Processing											
Ore tonnes milled (000's tonnes)	6,314	1,527	1,809	1,666	1,709	6,711	1,504	1,559	1,811	1,791	6,665
Nickel ore grade processed (%)	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Nickel recovery (%)	63	65	61	56	63	61	64	66	67	69	67
Nickel production (tonnes)	8,963	2,469	2,611	2,156	2,197	9,433	2,030	1,944	2,293	2,538	8,805
Copper ore grade processed (%)	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Copper recovery (%)	83	88	89	87	84	87	89	89	90	89	89
Copper production (tonnes)	14,775	3,988	4,648	4,798	4,101	17,535	4,408	4,293	4,196	4,307	17,204
Gold production (ounces)	11,723	3,029	3,514	3,208	3,093	12,844	3,002	2,890	3,324	3,631	12,847
Platinum production (ounces)	30,403	8,857	9,210	6,712	9,311	34,090	6,468	6,104	9,142	10,185	31,899
Palladium production (ounces)	24,639	6,485	7,000	5,271	7,234	25,990	4,977	4,731	7,426	8,062	25,196
Cash cost – Nickel (C1) (per lb) ^{1,2}	\$5.24	\$5.19	\$4.02	\$3.24	\$2.66	\$4.07	\$3.87	\$4.61	\$4.41	\$3.78	\$4.16
Total cost – Nickel (C3) (per lb) ^{1,2}	\$6.41	\$6.23	\$5.13	\$4.41	\$4.31	\$5.29	\$5.49	\$7.32	\$4.54	\$5.03	\$5.54
Cash cost – Copper (C1) (per lb) ^{1,2}	\$1.68	\$1.52	\$0.97	\$2.19	\$1.11	\$1.42	\$1.32	\$1.22	\$1.56	\$1.46	\$1.38
Total cost – Copper (C3) (per lb) ^{1,2}	\$2.44	\$2.30	\$1.66	\$3.01	\$2.24	\$2.27	\$2.04	\$2.23	\$1.68	\$1.67	\$1.90
Revenues (MUSD)											
Nickel	\$66	\$31	20	\$28	\$25	\$104	\$20	\$21	\$19	\$15	\$75
Copper	79	31	33	16	29	109	19	22	13	20	74
Gold	8	3	4	1	3	11	2	3	2	3	10
PGE and other	45	16	14	8	9	47	7	6	7	10	30
Total sales revenues	\$198	\$81	\$71	\$53	\$66	\$271	\$48	\$52	\$41	\$48	\$189
Nickel sales (tonnes)	8,493	3,677	1,825	1,989	2,277	9,768	1,974	2,165	2,671	2,611	9,421
Copper sales (tonnes)	12,652	5,237	5,787	2,973	5,545	19,542	4,103	4,704	3,254	5,020	17,081
Gold sales (ounces)	7,358	2,749	3,485	1,413	3,229	10,876	2,611	3,383	2,132	3,413	11,539
Platinum sales (ounces)	28,930	9,931	10,558	5,079	8,330	33,898	7,310	7,223	8,486	11,847	34,866
Palladium sales (ounces)	23,420	7,769	7,285	4,536	6,256	25,846	5,342	5,431	6,447	9,231	26,451

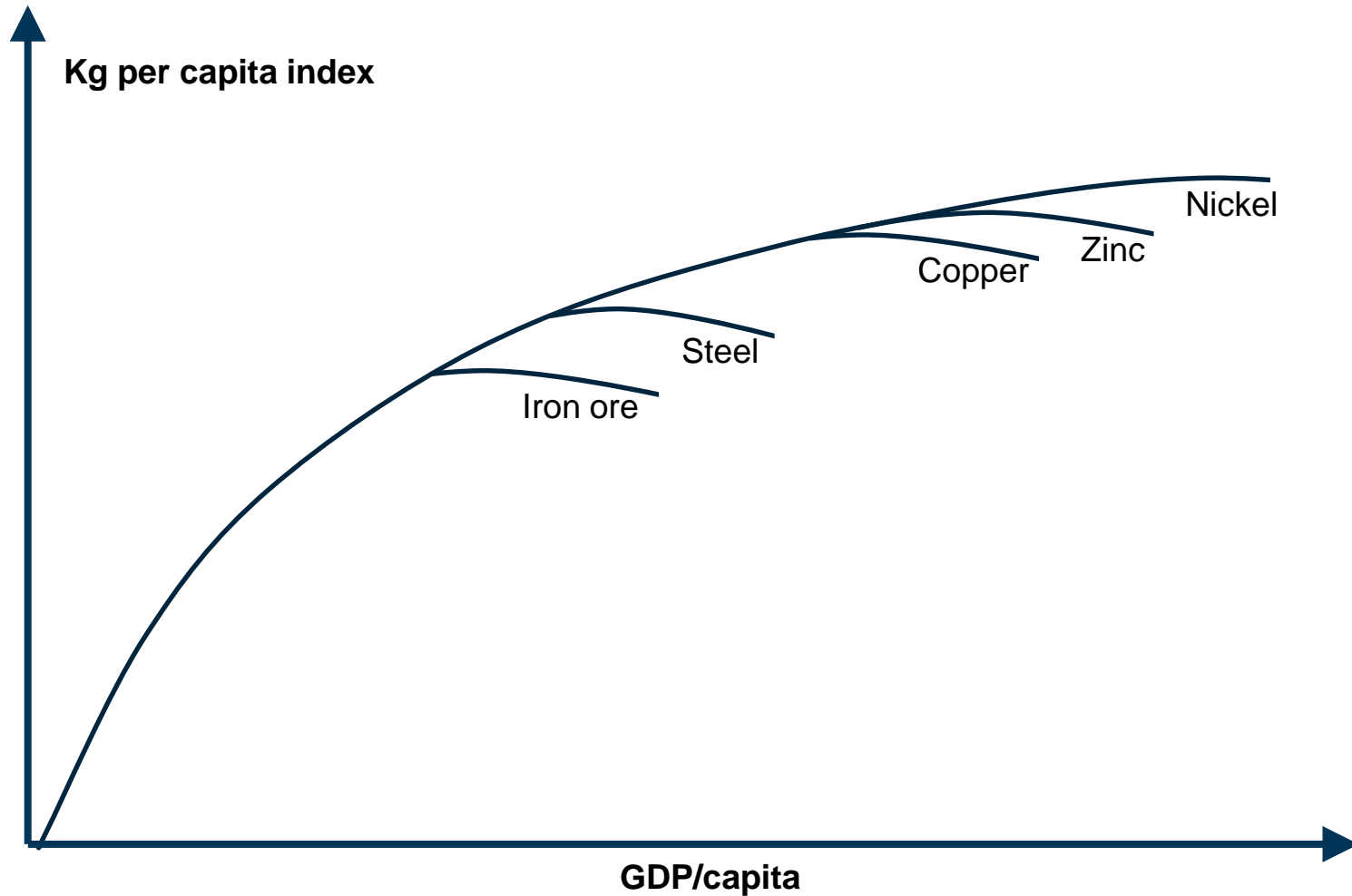
Source: First Quantum disclosure

1) Cash cost (C1) and total cost (C3) are not recognized under IFRS. See "Regulatory Disclosures" for further information. Total cost (C3) is defined as C1 cash cost plus depreciation, exploration, insurance and royalties

2) C1 cash cost and C3 total cost are calculated on a co-product basis for nickel and copper. Common costs are allocated to each product based on the ratio of production volumes multiplied by budget metal prices. By-product credits are allocated based on the finished product concentrate in which they are produced



Nickel – later in the metal demand cycle



Martin wants to get the job done.
He couldn't without metals.



Au

Ag

Zn

Cu

THE BOLIDEN

Metals for modern life