

Cobre Panamá

A NEW ENGINE TO BOOST
PANAMA'S ECONOMY





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RESEARCH BY *Fernando Ruiz*



One of Panama’s most significant investments, the Cobre Panama copper and gold mine, is making good progress following last year’s Covid-19-related production interruptions. “The second quarter saw continued strong operational and financial performance. We are pleased to see the progress at Cobre Panama as it ramps up to the targeted 85-million tonnes of throughput in 2021. This will position it strongly to build to the longer-term target of achieving 100-million

tonnes per annum,” said chairperson and CEO Philip Pascall.

Economic outlook

It’s important to mention that the price of copper has increased by 30%. The royalties paid by the Cobre Panamá mine to the Panamanian State have increased in the same proportion, according to the executive director of the Panama Mining Chamber, Zorel Morales. Every dollar that the mining industry invests in Panama dramatically

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impacts the rest of the economy. Cobre Panama alone contributes 3.5% of the country’s gross domestic product, according to government figures.

The mine produced 81 868 t of copper and 36 290 oz of gold in the second quarter, a respective near-record and record performance for the operation. Cobre Panamá made its first export on June 14, 2019, paving the way for Panama to become a major country in the Central American region as an exporter of goods. This would significantly

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increase the income the government receives from exports.

An optimistic prospect like this would come in the nick of time, considering the challenges of other essential sectors in Panama. Cobre Panama could be the “new engine” that boosts the economy. The latter would contribute to having a minimum economic growth base of around 2% of the Gross Domestic Product for several decades.

Few countries in the region can boast of having a project that allows its economy to

have a stable base of economic growth due to its size. It's a crucial asset, considering that, in about a year, this project will allow Panama more than triple the income from their exports of physical goods.

Environmental, Biodiversity and Sustainability work

Cobre Panama's goal is to integrate sound environmental, safety, and social management practices into all aspects of the business. For the company, the importance

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and harsh process conditions the need for robust and dependable analysis is crucial to ensuring optimum process efficiency and environmental compliance.

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“The company has reforested 3,120 hectares across Columbus, Coclé, Veraguas, Herrar, and Darien and will reach 10,475 hectares soon”

of social responsibility for organizations lies in constructing sustainable development—the latter benefits the company, collaborators, civil society organizations, and other interest groups.

The organization's strategic practices in favor of the environment must transcend current regulations to set a new standard for their industry and the sector. It is something extra to offer to local and global communities.

The company has reforested 3,120 hectares across Columbus, Coclé, Veraguas, Herrar,

and Darien and will reach 10,475 hectares soon. More than 3,000 hectares were planted in the areas surrounding the mine and at the national level.

As part of the reforestation plan carried out by #CobrePanamá in partnership with the Moving Lives Foundation, more than 20,000 seedlings will be planted during 2021 to restore the capital city's forest cover.

Other philanthropic activities pursued by the organization have to do with education. More than fifty visually impaired students

in Penonomé and its surroundings will receive a better education. This is due to The inauguration of a new classroom in the Louis Braille Educational Resource Center for People with Visual Disabilities.

The pandemic response

Following the Ministry of Health of the Republic of Panama (MINSa) guidance, Cobre Panama halted its operation during a significant period of the pandemic. First Quantum’s main shareholder said the

heightened quarantine conditions required all mining and processing operations suspension. Cobre Panama operations general manager Gordon White said: “We have been working very closely with MINSa throughout the current Covid-19 pandemic. We respect and support the government’s efforts to reduce the impact of the pandemic in Panama. We will cooperate fully with MINSa.”

Cobre Panama was suspended in early April 2021 after the Health Ministry of Panama received an order. However, no positive cases

“Operations came back online in July, together with strict biosecurity measures to mitigate the pandemic”



DESIGN - BUILD - CONNECT

PHOTO: PANAMA - CONSTRUCTION OF 3RD SET OF LOCKS

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have been recorded there since May. Operations came back online in July, together with strict biosecurity measures to mitigate the pandemic. The company reached prime production on August 8 with three sag mills.

Cobre Panama has also been providing its support with transport and logistics to transfer residents of neighboring and difficult-to-reach communities voluntarily.

With the company’s support, residents of different communities have had access to the required two doses of vaccines. This has been coordinated through the #CobrePanamáContigo program as part of the company’s efforts in conjunction with the different government institutions to defeat Covid-19.

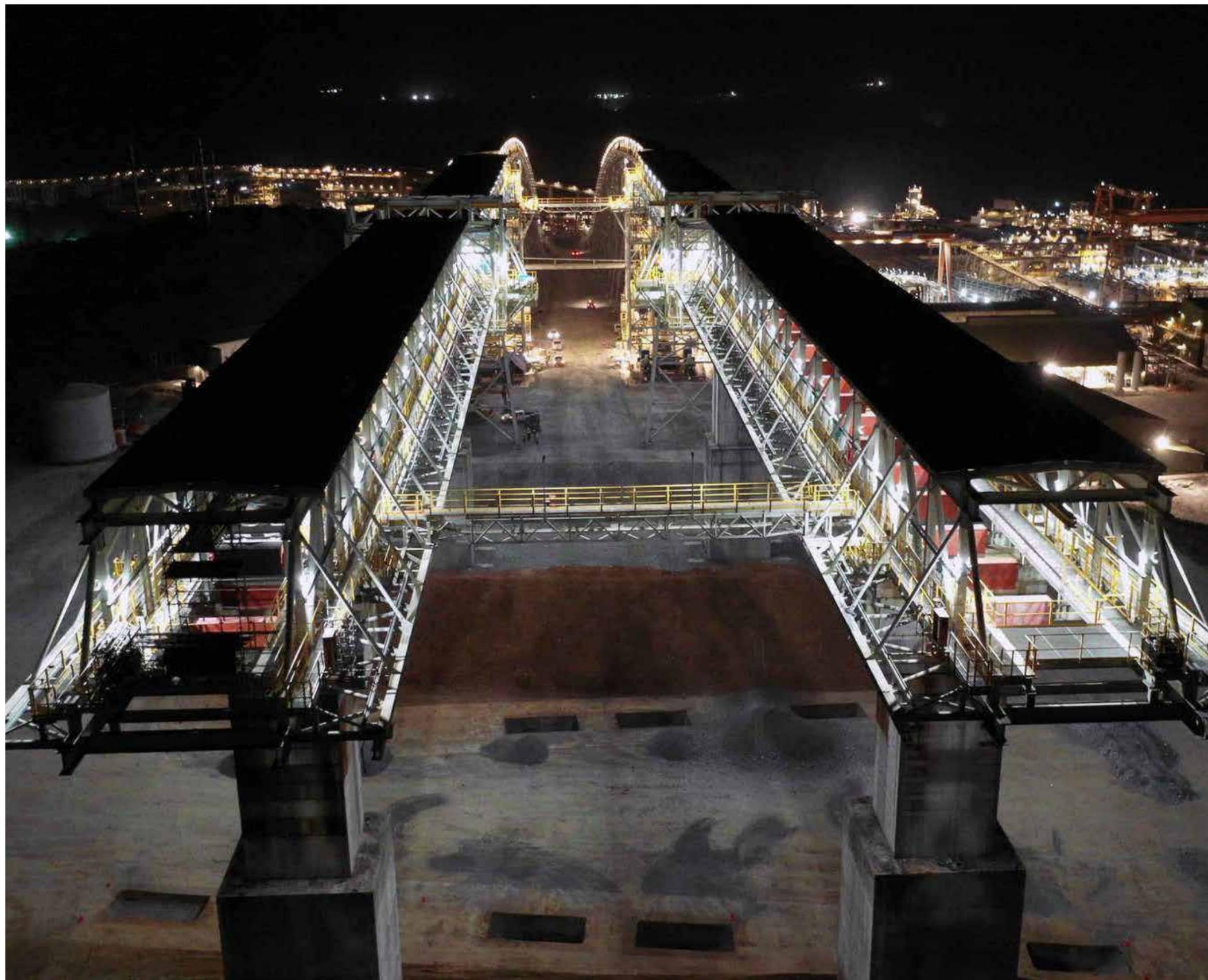
Did you know?

Cobre Panama works with more than 1,850 local Panamanian suppliers, mainly SMEs. They contract services for more than \$600 million annually

Strategic partners and suppliers

Cobre Panama works with more than 1,850 local Panamanian suppliers, mainly SMEs. They contract services for more than \$600 million annually. According to the report “Economic Impact of Minera Panama on the Panamanian Economy,” published by Indesa Capital in 2020, the mine has become an essential promoter of the national economy.

Some of those suppliers are CNOOD ASIA LIMITED, which offers engineering, procurement, and product fabrication services. Advanced Technology Products Pty Ltd is another supplier, which designed a Very Early Warning Smoke Detection solution. ABB successfully commissioned six gearless mill drives at Panama’s newest mine. STRACON GyM



helped with the construction of the Tailing Management Facility. And the Panamanian Company Explosivos, Minería y Desarrollo, SA, provided a wide range of mining services, from development plans (evaluation, design, and mining planning), to rental of equipment according to customer needs.

More benefits

Panama does not depend on the oil-driven commercial sectors. 75% of the Gross Domestic Product (GDP) comes from the robust service sector that includes banking, flagship registry, insurance, container ports, Colon Free Zone, and medical tourism. That may change slightly with the contribution of copper.

Copper is an essential component of systems that make it possible to harness and transmit wind, solar and geothermal energy for applications such as home heating. There are approximately 180 pounds of copper in each all-electric vehicle. Tesla alone needed 45,000 tons in 2020. Entirely electric cars are in high demand worldwide due to the drastic reduction in fossil fuel the world needs.

In this scenario, income for the State would skyrocket. That would benefit tens of thousands of people who live in the communities near the project. In addition to its essential contribution to national socio-economic development, projects of this magnitude positively affect Panama's reputation internationally. It's in Panama's best interest to be perceived as a country with a thriving economy, attractive for investments, and with a competitive offer that meets global quality standards. **BE**

COBRE PANAMA

📞 +1 416 361 6400
 ✉ info@first-quantum.com
 🐦 @cobre_panama
 www.first-quantum.com



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Cobre Panama

☎ +1 416 361 6400

✉ info@first-quantum.com

🐦 @cobre_panama

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