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# First Quantum Minerals Ltd. (FM.CA)

Q3 2025 Earnings Call

## CORPORATE PARTICIPANTS

**Bonita To**

*Director-Investor Relations, First Quantum Minerals Ltd.*

**A. Tristan Pascall**

*Chief Executive Officer & Director, First Quantum Minerals Ltd.*

**Rudi Badenhorst**

*Chief Operating Officer, First Quantum Minerals Ltd.*

**Ryan MacWilliam**

*Chief Financial Officer, First Quantum Minerals Ltd.*

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## OTHER PARTICIPANTS

**Ralph M. Profiti**

*Analyst, Stifel Financial Corp.*

**Orest Wowkodaw**

*Analyst, Scotiabank*

**Marcio Farid**

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**Myles Allsop**

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## MANAGEMENT DISCUSSION SECTION

**Operator:** Ladies and gentlemen, thank you for standing by. My name is Desiree, and I will be your conference operator today. At this time, I would like to welcome everyone to the First Quantum Minerals Third Quarter 2025 Results Conference Call. All lines have been placed on mute to prevent any background noise. After the speakers' remarks, there will be a question-and-answer session. [Operator Instructions]

I would now like to turn the conference over to Bonita To, Director Investor Relations. You may begin.

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**Bonita To**

*Director-Investor Relations, First Quantum Minerals Ltd.*

Thank you, Desiree, and thank you, everyone for joining us today to discuss our third quarter results. During the call, we will be making forward-looking statements. And as such, I encourage you to read the cautionary notes that accompanying this presentation, our MD&A, and the related news release. As a reminder, the presentation is available on our website and that all dollar references are in US dollars unless otherwise noted.

On today's call are Tristan Pascall, our Chief Executive Officer; Ryan MacWilliam, our Chief Financial Officer; and Rudi Badenhorst, our Chief Operating Officer.

And with that, I will turn the call over to Tristan for opening remarks.

## A. Tristan Pascall

*Chief Executive Officer & Director, First Quantum Minerals Ltd.*

Thank you, Bonita, and thank you to everybody for joining us today to discuss our third quarter results. During the quarter, we made meaningful progress on our priorities for 2025, and I'm pleased to be able to provide an update on these. Firstly, we continued to proactively strengthen our balance sheet and manage our liquidity. In August, we announced \$1 billion non-debt gold stream agreement with Royal Gold and undertook a series of bond transactions to extend our debt maturities, which Ryan will cover in more detail on his financial overview.

Secondly, we remain focused on safe and leading productive operational performance. We were pleased to host analysts and investors to our Zambian operations in September to showcase our cornerstone assets, and we continued to see quarter-over-quarter improvement in production. We remain on track with our guidance for the year, which Rudi will review.

Thirdly, at the Kansanshi S3 Expansion, we successfully reached substantial completion of most construction areas during the quarter and produced first concentrate in August, which I will cover in more detail in my closing remarks.

On our fourth priority, in Panama, there were several positive developments during the quarter, and we continue to make progress in the preservation and site management program that the government approved earlier this year. During the quarter, we shipped the remaining concentrated sites along with subsequent shipments of supply and equipment. These all took place safely at our port without incident.

With regards to the power plant, we commenced pre-commissioning activities and mobilized specialists to site ahead of the restart, which remains on schedule, with the first 150 megawatt unit expected to be fired and synchronized with the grid in November. The power generated will support on site preservation activities, while surplus energy will be made available for dispatch to support the national grid as required.

During the quarter, the Government of Panama, through MiAmbiente, initiated the comprehensive audit of Cobre Panamá and awarded the contract to SGS Global, an independent and internationally recognized audit firm. SGS has commenced the six-month audit process and is currently working with the various ministries. The company has already sought to conduct its operations with transparency and in full compliance with the international environmental standards, including achieving 100% compliance on our environmental commitments in the most recent ESIA audit published earlier this year. Our team at Cobre Panamá is ready to provide all the necessary information to support SGS and the government to complete the audit.

Today, the company's work with the government has been centered around the Preservation and Safe Management program for the mine, with a priority focused on safety, asset integrity, and environmental stewardship. However, we remain prepared for when the government is ready to discuss more broadly a resolution for the future of Cobre Panamá. Understandably, any potential new agreement will need to clarify that the mineral resources belong to the people of Panama.

This is well-understood by First Quantum and hence, our willingness to find a durable agreement for a fair fiscal structure that reflects this, as well as the \$10 billion investment that First Quantum has made into the country. I believe both sides will be motivated to reach a fair, equitable, and mutually beneficial resolution. Had Cobre Panamá remained in operation since 2023, contribution to the country of Panama could have reached \$1 billion to the Treasury and \$2 billion to local Panamanian supplier companies.

It is important to First Quantum that the contributions of the mine, such as employment and growth, can deliver tangible benefits to the people of Panama. At the same time, a fair and balanced agreement would position Panama as a destination for foreign direct investments and a pivotal step in confirming the country's reputation as a stable and attractive environment for international capital. Our focus remains on reaching a resolution for the mine that serves the best interest of our stakeholders, the government, and the people of Panama.

Thank you. And I will now pass the call over to Rudi for his operational review.

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## Rudi Badenhorst

*Chief Operating Officer, First Quantum Minerals Ltd.*

Thank you, Tristan. We are splitting to report that operations continue to improve into the third quarter of this year and operated uninterrupted from power constraints. Total copper production was 105,000 tonnes, a 15% increase over the second quarter, as both Sentinel and Kansanshi reported higher production. Copper sales volumes totaled 119,000 tonnes. During the quarter, as Tristan noted, we benefited from additional concentrate shipments at Cobre Panamá. However, sales volumes in Zambia were lower than production due to the replenishment of inventories following the smelter shutdown in quarter two. Ryan will cover this in more detail in his overview. Year-to-date we've produced 295,000 tonnes of copper and are on track to achieve our 2025 tightened guidance range of 390,000 tonnes to 410,000 tonnes.

At Kansanshi, the operation reported 47,000 tonnes of copper production in the third quarter, an increase of nearly 7,000 tonnes from the previous quarter. The improvement was mainly driven by higher mill throughput with the commissioning of the S3 Expansion. The ramp-up of S3 has surpassed expectations, achieving first production in August and contributed approximately 6,000 tonnes of copper production to the quarter.

Looking forward, copper and gold production in the fourth quarter are expected to exceed third quarter levels as stable circuit performance is running ahead of schedule, leading to a better than anticipated ramp-up of the S3 concentrator, which Tristan will cover in more detail in his closing remarks. With respect to 2025 production guidance for Kansanshi, we have narrowed copper production to a range of 175,000 tonnes to 185,000 tonnes, while gold production guidance has increased to a range of 110,000 ounces to 115,000 ounces.

Over to our Trident operations. Sentinel on reported copper production of 51,000 tonnes in the third quarter, an improvement of over 8,000 tonnes from quarter two. Mill throughput averaged over 5 million tonnes per month, representing a 14% increase from the second quarter levels, benefiting from improved ore fragmentation, improved reliability and performance of the primary crushers, and excellent management of the crushed ore mill feed stockpile. The relocation of In-Pit Crusher 2 has been completed and will be commissioned in the fourth quarter. The innovative low-energy consumption rail run conveyor, which was showcased on our Zambian tour for analysts, investors, and lenders in September, will require some modification as performance testing continues towards final commissioning of the asset.

During the quarter, we also continued to advance the mine program to address the Ball fatigue issues on Ball Mill 2. Work is ongoing with the original equipment manufacturer and specialist engineering consultants to develop a long-term corrective procedure to ensure sustainable performance, and an update will be provided once this is established. Any remedial actions will be timed to the best of our ability with planned maintenance downtime in order to mitigate the impact on production.

Copper production in Sentinel is expected to continue to improve for the fourth quarter, as higher grades will be accessed as mining progresses to the bottom of Stage 1 pit for sump development ahead of this wet season, along with a transition to higher primary sulphide ore volumes reporting from Stage 3. That being said, due to the

year-to-date production, we have updated our copper production guidance for Sentinel to a range of 190,000 tonnes to 200,000 tonnes.

At Enterprise, it is pleasing to report a 44% quarter-over-quarter improvement in nickel production to nearly 6,000 tonnes during the third quarter. While nickel grades continue to be impacted by transitional ore from the Stage 3 area, throughput improved with increased nickel ore supply and plant performance. Production guidance for the year has narrowed to between 18,000 tonnes and 23,000 tonnes of contained nickel. The continued focus of Enterprise will be on maximizing ore supply, improving comminution efficiency, to increase throughput, as well as enhancing plant performance when processing complex nickel ore types.

At Cobre Panamá, we continued our Preservation and Safe Management work during the quarter, which included the refurbishment of subsystems in the flotation area and the conveyor belt. Inspections of the plant and stockpile feeders have concluded that these areas are in fair condition. Additionally, detailed inspections with original equipment manufacturer specialists are being conducted on the mobile fleet to ensure asset safety and integrity. These inspections and reports are expected to be concluded in the near future. Preservation and Safe Management cost during the third quarter averaged approximately \$16 million per month and included services related to the copper concentrate shipment and commissioning activities for the restart of the power plant. Thank you.

And with that, I will hand the call over to Ryan for his financial review.

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## Ryan MacWilliam

*Chief Financial Officer, First Quantum Minerals Ltd.*

Thank you, Rudi. For the third quarter, we reported EBITDA of \$435 million and an adjusted loss of \$0.02 per share. This financial performance positively benefited from the solid operational results, which Rudi just described. Additionally, the copper price increased 2% from Q2 due to supply disruptions at several large copper mines across the industry.

Financial results, however, were negatively impacted by two key items. Our revenue grew by 10% quarter-over-quarter, benefiting from higher copper sales volumes and improved metal prices. This was mainly driven by the 24,000 tonnes of concentrate shipped from Cobre Panamá. However, as Rudi noted, sales volumes from Kansanshi were negatively impacted by the replenishment of anode inventories following the smelter shutdown. This impacted EBITDA by \$45 million and third quarter earnings of \$0.03 per share.

Additionally, royalty costs were \$25 million higher at Kansanshi this quarter due to the smelter shut, which resulted in an increased proportion of local sales, which in turn resulted in earlier crystallization of royalties. With inventories likely replenished, we expect sales volumes and associated royalty cost to normalize, subject to normal timing lags.

Moving on to the rest of our financial results. As I noted earlier, during the quarter, we shipped the remaining concentrate at Cobre Panamá. These shipments contributed approximately \$160 million to third quarter EBITDA. At the Zambian operations, we had a late shipment of anodes in the quarter. While revenue was booked in the quarter, it also resulted in elevated receivables at the end of September, which is expected to unwind in Q4.

During the quarter, we slightly added to our copper hedges while maintaining our gold hedge portfolio. We're not currently adding additional hedges as our long-term strategy remains to be unhedged, thereby retaining full exposure to spot commodity prices. We've engaged in selective hedging as a tool to support our financial resilience and safeguard the balance sheet while S3 ramps up and as we work towards resolution in Panama.

Copper C1 costs of \$1.95 per pound improved by 3% from Q2, helped by higher production and lower fuel costs that negatively impacted by reduced gold byproduct credits and less capitalized costs. Remaining input prices and Zambian power rates were stable during the quarter. We've narrowed our full-year C1 cash cost guidance to \$1.95 to \$2.10 per pound. While gold prices have been strong, the strengthening Zambian kwacha and higher expected Zambian power costs in Q4 offset this benefit.

Our all-in cost guidance has also been narrowed to \$3.10 to \$3.25 per pound, reflecting our lowered guidance on sustaining and capitalized stripping spend. We've lowered 2025 CapEx guidance by approximately \$175 million to a range of \$1.15 billion to \$1.2 billion. This is due to lower capital spend year-to-date and the expectation S3 project will come in under the \$1.25 billion budget. However, the reduction of sustaining capital is expected to be carried forward to next year, such as some of our mobile fleet replacement and mobile component change-off.

As Tristan noted, during the quarter, we continue to take proactive steps to further strengthen our balance sheet by executing two milestone transactions. First, we completed a \$1 billion gold stream with Royal Gold, which provides long-term unsecured non-debt capital. This transaction allows us to maintain full exposure to copper production at Kansanshi, while leaving most of our gold production exposed to spot pricing over the long term. Proceeds were largely deployed towards debt repayments, with net debt ending the quarter at \$4.8 billion.

Second, we issued \$1 billion in senior unsecured notes maturing in 2034. The proceeds were used to retire the remaining 2027 notes and a portion of the higher coupon 2029 secured notes. Following this refinancing, our nearest bond maturity has now been extended to 2029. These combined actions have improved our near-term liquidity by approximately \$1.6 billion, resulting liquidity of \$2.3 billion at quarter-end. This comprised of \$960 million in cash and a fully undrawn revolver of \$1.3 billion. After thoroughly evaluating alternatives, the stream agreement was the best strategic and financial outcome for First Quantum. As such, there are no further financings or stake sales planned for Zambia at this time. Thank you.

And I will now hand the call back to Tristan for his closing remarks.

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## A. Tristan Pascal

*Chief Executive Officer & Director, First Quantum Minerals Ltd.*

Thank you, Ryan. During the third quarter, First Quantum achieved two milestones that demonstrate our commitment to safety and sustainability in our broader business. At Çayeli in Türkiye, our colleagues delivered over three years without a lost time injury. I congratulate them on this achievement, a testament to our THINK! Safety Program, which drives engagement and a measurable reduction in incidents. Also at Çayeli yesterday, we published an updated 43-101 technical report on the new southern orebody, including a life of mine plan, which extends the mine life of Çayeli to 2036.

In Finland at our closed Pyhäsalmi mine, a 13-megawatt solar photovoltaic generation project was commissioned on the filled tailings pond by the municipal-owned development company, Callio, connecting into the existing electrical infrastructure established by the mine. As part of our commitment to responsible mine closure, we're supporting the transition of legacy assets into renewable energy that benefits local communities.

It is pleasing that I can conclude today's call by discussing the substantial completion of the company's latest brownfield expansion project. During the quarter, the Kansanshi S3 Expansion Project was successfully completed and all but two circuits were handed over to operations in October. The full copper circuit was brought online in stages, with a focus on tuning the circuit and ramping up towards steady state and nameplate capacity.

As Rudi noted, to-date the ramp-up has exceeded expectations, and the plant is now maintaining 24-hour operations, with support from the commissioning team and vendor specialists. Only the gravity gold circuits and some concentrate filter upgrades at S3 remain to be completed and handed over to operations. In addition, the smelter expansion works are complete, while acid plant 5 is currently in the hot commissioning stage. Ongoing project capital works on TSF2 are expected to be completed in the second quarter of next year.

I would like to take this opportunity to congratulate the in-house First Quantum teams responsible for the successful delivery of the Kansanshi S3 Expansion. And on behalf of the board and the company, I would like to extend my gratitude to all involved in building and making operational the project for their remarkable work. These are the same in-house teams that successfully built the Sentinel and Cobre Panamá projects, allowing us to learn and improve on each of the six 40-foot SAG mill processing trains across our business.

The new processing plant at Kansanshi, designed to treat 25 million tonnes of ore annually, incorporates cutting-edge technology and automation, such as the Integrated Operation Center that makes the Kansanshi S3 Expansion one of the most advanced copper projects in Africa. At the peak of construction, over 2,500 Zambians and 535 local Zambian companies worked on the project alongside our in-house teams, gaining skills and capacity that will serve them long after S3 is complete.

We see the capital intensity for copper projects as a growing challenge, particularly as the mining industry faces relatively higher cost of capital compared to other market sectors. As a result of declining grades and an increasing infrastructure burden for new projects, the industry average capital intensity to build a project is moving steadily towards \$30,000 per tonne of annualized copper production.

In contrast, by building our own projects largely in-house, our experience at First Quantum is that we are typically able to exert greater direct control on quality, productivity, and capital intensity. This has allowed us to build a brownfield project at the Kansanshi S3 Expansion a \$12,000 per tonne of annualized copper production. Our latest greenfield projects at Cobre Panamá, including a port and power station, was built at \$18,000 and Sentinel was built at \$12,000 per tonne of annualized copper production.

As we look forward to applying our experience to future projects within our portfolio at the most responsible and correct time for our balance sheet position, we see our most likely near-term project to be Taca Taca in Argentina. The mid-term election results in Argentina over the weekend provided endorsement by the electorate of the economic reforms underway in the country and the administration's initiatives to attract greater foreign investment into the country. We continue to work towards the reapplication of Taca Taca well ahead of the July 2026 timeline.

In closing then, the Kansanshi S3 Expansion is the latest of our projects to deliver on schedule and under budget. This is an important milestone for First Quantum, which will move Kansanshi back to 200,000 plus per annum copper producing mine, extending its life beyond 2040 and returning the company back to a position of positive free cash flow generation.

With that, operator, I'm happy to open the call for questions.



## QUESTION AND ANSWER SECTION

**Operator:** Thank you. We will now begin the question-and-answer session. [Operator Instructions] Thank you. And our first question comes from the line of Ralph Profiti with Stifel. Your line is open.

**Ralph M. Profiti**

*Analyst, Stifel Financial Corp.*

Q

Good morning. Thanks, operator. And Tristan, Ryan, congratulations on performance of budgeted capital targets at Kansanshi. What's your outlook for copper recovery improvements and targets in that S3 circuit over the coming months and quarters looking at that 74% in the context of the low-grade stockpiles and as you optimize the circuit?

**A. Tristan Pascall**

*Chief Executive Officer & Director, First Quantum Minerals Ltd.*

A

Hi, Ralph. Thanks for that. Yeah, look, it's very pleasing to see S3 performing better than our expectations so far. As I said in my comments, there are some areas that need to be finished off, the two circuits being the gravity gold and the filter upgrades. So, we will continue to remain conservative and stick with our guidance at this stage and we only provide guidance this year. We will re-look at guidance next year in late January. But, again, the ramp-up is going well. We continue to see to target an 80% of design throughput by the end of the year. More broadly, as we look into next year, we will be commencing on stockpiles, which means the grade is lower. And so, that will have an impact on production and costs as well. But then, as we get into 2027, the outlook is we'll get into much more fresh grade, which will increase production from the overall circuit with a corresponding impact most likely on cost as well.

**Ralph M. Profiti**

*Analyst, Stifel Financial Corp.*

Q

Okay, okay. Thanks, Tristan. Appreciate that. And as a follow-up, what are the critical path items for Kansanshi's TSF2 completion by the second quarter of 2026? Is this just maintaining civil earthwork rates?

**A. Tristan Pascall**

*Chief Executive Officer & Director, First Quantum Minerals Ltd.*

A

Yeah. Not complicated, Ralph. We're just putting in a large buttress there and going about the works. We're comfortable around deposition rates. We're comfortable around rates of rise. It's really just steady progress on earth-moving volumes. I mean, the – as we get into the South East Dome and have much more competent rock available, that gets easier and easier for us as well.

**Operator:** Our next question comes from the line of Orest Wowkodaw with Scotiabank. Your line is open.

**Orest Wowkodaw**

*Analyst, Scotiabank*

Q

Hi, good morning. And I'd like to just say congratulations on the deleveraging efforts, both with the stream and the terming out the refinancing of your debt that really eases the pressure in the next couple of years. But my question had to do with Cobre Panamá. And I'm just curious, with the environmental audit now underway, do we – do you think that we have to wait till the conclusion of that audit before formal negotiations could begin with the



government on a potential new deal or could that begin earlier? And I'm just wondering what milestones we should be looking for here.

**A. Tristan Pascall**

*Chief Executive Officer & Director, First Quantum Minerals Ltd.*

A

Thanks, Orest, and thank you for those comments. Yeah, look, Panama, we recognize the concrete progress in the country and there has been from the evidence in terms of that progress, the approval of Preservation and Safe Management Plan, the export of the concentrates that were completed during Q3. We continued to see the power plant coming online and the permits granted to get that restarted. And we expect to start up in the first train in November and the environmental audit's now underway. It's good, solid momentum.

In terms of future milestones, we're not really anchoring around those. We remain disposed to the government's table. We will seek – it will be the President that sets out that timetable and the pathway to those milestones. And for progress from our side, we've put aside the arbitration, suspended arbitration, and we're committed to a constructive process. We will work step by step with the government. And again, we'll follow the President's guidance in that timetable. And so, we're working through. In terms of the timetable for the audit and how that relates, we will take direction from government. The indication from government is sort of four- to six-month timetable and how things go, whether in sequence or in parallel, take guidance from the President and from the Government of Panama.

**Orest Wowkodaw**

*Analyst, Scotiabank*

Q

Okay. Just as a quick follow-up, is there any potential visibility on processing the existing ore stockpiles on site at Cobre Panamá under the preservation plan in terms of turning on a mill?

**A. Tristan Pascall**

*Chief Executive Officer & Director, First Quantum Minerals Ltd.*

A

Yeah, sure. Orest, thanks. There hasn't been any discussions on that to-date. And again, we wouldn't anchor things around future milestones. We want to be constructive and move towards resolution that deals with the matters at Cobre Panamá in the best interest of all stakeholders, the Government of Panama, the people of Panama, but also shareholders. Having said that, the stockpiles, we do think there's some good rationale to move forward. Providing that feed to the cyclone plants at the tailings dam would give an important source of material that we can use to counter erosion from the high rainfall. That is important work that the stockpiles would provide. But we – we don't have that on the critical path. We remain constructive towards resolution and engaging with government in that regard.

**Operator:** Next question comes from the line of Marcio Farid with Goldman Sachs. Your line is open.

**Marcio Farid**

*Analyst, Goldman Sachs do Brasil CTVM SA*

Q

Thank you. Good morning, everyone, and congrats on getting S3 on time and below budget. Yeah, my question is on – maybe to Ryan on the hedging strategy. Ryan, probably it made more sense to be more active on hedging before you take the – you've done the actions related to refinancing, but also the streaming view as well. Just wondering how we should think about it going forward as well now that the balance sheet is cleaner. What was the sort of strategy you're going to be taking on the hedging program? Thank you.

**A. Tristan Pascall**

*Chief Executive Officer & Director, First Quantum Minerals Ltd.*

Thanks, Marcio. Ryan, could you take that?

A

**Ryan MacWilliam**

*Chief Financial Officer, First Quantum Minerals Ltd.*

Yeah. Hi, Marcio. Yeah, absolutely. You've seen three big tailwinds from the balance sheet. The first is the stronger copper price. The second is the strong performance at S3 coming in on track and this stage under budget. And then, the third is the Royal Gold stream, which significantly adds to our liquidity. As a result of that, we haven't recently added additional hedges either on the copper or gold side. And we'll continue to monitor that month to month. Those hedges roll off as we get into the first half of next year. But absolutely, the liquidity and stronger balance sheet gives us more flexibility in terms of planning for future hedging, noting our overarching goal is to be unhedged over time.

A

**Marcio Farid**

*Analyst, Goldman Sachs do Brasil CTVM SA*

Great. Thank you. And as a follow-up on Trident, obviously, it seems like some progress has been made around the issue with the Ball Mill number 2, but it seems like it's still doing a lot of long maintenance as well, right? So, just wondering what's the path for a final solution around Trident and the Ball Mill number 2, please? Thank you.

Q

**A. Tristan Pascall**

*Chief Executive Officer & Director, First Quantum Minerals Ltd.*

Thanks, Marcio. Rudi, will you take that one on the fatigue issue?

A

**Rudi Badenhorst**

*Chief Operating Officer, First Quantum Minerals Ltd.*

No problem. Hi, Marcio. Thanks for the question. As you would have noticed from the production results, we saw the steady increase of production from the second to the third quarter, which is clear indication of how comfortable we are getting with the maintenance strategy around the Ball – fatigue on Ball Mill 2, which really equates to something like 20 hours a month now. We're quite comfortable with the way we're handling it. We're working with the OEM to try and get to a final fix. We're almost there and as we continue into next year, we are happy to continue with our current maintenance strategy. But we will come back to the market and give a clear fulsome update once we have finalized the final approach for this Ball Mill. We certainly don't want to do any intermediate measures because we're quite comfortable with the current maintenance strategy.

A

**Operator:** [Operator Instructions] Next question comes from the line of Myles Allsop with UBS. Your line is open.

**Myles Allsop**

*Analyst, UBS AG (London Branch)*

Thank you. Maybe just on Cobre Panamá, you're saying you're kind of working towards a fair outcome. How should we think about fair from a First Quantum perspective? Is that something broadly aligned with the previous license agreement? And do you think the government a similar kind of expectation in terms of how value is shared as we go into these negotiations?

Q

**A. Tristan Pascall**

*Chief Executive Officer & Director, First Quantum Minerals Ltd.*

A

Hi, Myles. Thank you. Yeah, look, I think it's too early to get into that. We – but I think, first of all, we understand, for example, the recent comments in Panama, the mineral resources, it's very clear ownership of those belong to the people of Panama. And we're absolutely willing to find a durable arrangement that deals with each of the stakeholders that is the government and the people of Panama. And they need to see reasonable and tangible benefits coming from the mine, but also that it deals with the \$10 billion investment that First Quantum has made into the country and it's reasonable recognition on that basis. And we will look at those as the main principles and be constructive around any conversation. Again, the timetable from that, we will take direction from the President and the Government of Panama as to when they're ready to commence.

**Myles Allsop**

*Analyst, UBS AG (London Branch)*

Q

Yeah. And just around startup I presume that would be quite a big working capital build to get Panama back up to full operational level.

**A. Tristan Pascall**

*Chief Executive Officer & Director, First Quantum Minerals Ltd.*

A

Yeah. Thanks, Myles. You broke up a little bit, but I think you were asking what does the startup and capital and working capital look like in the event that there is a positive outcome and resolution. And yeah, look, as we go through the inspection process, there has been able to focus on that through the Preservation and Safe Management Plan now approved by the government. And so, dealing with corrosion, dealing with the situation on site, we're pleased in that the resolution to those corrosion has been fairly straightforward. It's really around man hours for welding, for painting, and to work our way through that.

I think the team continues to do a good job of making sure that the main assets on the mills, the rope shovels remain warm in good condition. But certainly, we will need to repair some of those minor items and that – as that comes online, we'll understand timetable more because inspection means that we will be able to open up and see areas. But at this stage, we think that something like six to nine months as we work through those issues. But, again, the timetable for that we might see.

So, we don't see major capital items in that regard. And it will really be getting people back on site, getting the supplies back on site that are the sort of the key drivers of that and that's largely around working capital to pay salaries and also to remobilize supply chains in order to get there. I'm sure as we get closer to our reforecast at late January, we'll provide a clearer picture of what we see there. But also, as we understand, progress in Panama around resolution of this matter.

**Operator:** Next question comes from the line of Lawson Winder with Bank of America. Your line is open.

**Lawson Winder**

*Analyst, BofA Securities*

Q

Thank you, operator. And hello, Tristan, Rudi, and Ryan. Thank you for today's update. I just want to – if I could ask about Çayeli, I mean, I don't think that was something that was on everybody's bingo card. So, first of all, well done on extending the life to 2036 – I mean, I think that's an extraordinary development. But also, as you think about longer-term growth and the benefits for jurisdictional diversification, how would you characterize Türkiye as a country in which to grow forward, both in terms of the regulatory environment and the geological prospectivity?

**A. Tristan Pascall**

*Chief Executive Officer & Director, First Quantum Minerals Ltd.*

Hi, Lawson. Thanks for the question. Yeah, look, I think the team at Çayeli has done a remarkable job here. The history is that certainly the mine was looking at the end of life and then a lot of work over the last decade on exploration and the discovery of the southern orebody, which is very productive for us. Its improved ground conditions compared to the existing orebody. We still have more work to finish off the existing orebody and that gives us a very good transition period across to the new southern orebody. And as we spelt out in the 43-101, we see life out to 2036.

I think beyond that, that's been very well-developed both by the local team at Çayeli, but also our exploration group working hand in hand. And we do see that Türkiye has those opportunities for exploration. I would just frame those a little bit in that what we see is in this greenfield grade, but it's really around scale that we've seen challenge. But permitting and particularly in example at Çayeli where there's an extremely good relationship with community and so on and an established operation that's been one of the leading training grounds for technical capacity in the country, having run for many decades, it does set up a good basis in the country. But, overall, there is opportunity in Türkiye. It's just around questions of scale as to whether they really move the needle for a company like First Quantum.

**Lawson Winder**

*Analyst, BofA Securities*

Okay, understood. That's helpful perspective. If I could ask a follow-up, I would love to ask about Taca Taca. The last technical report that you guys study showed a project with very low capital intensity, and I mean, clearly there's been CapEx inflation in the industry. But perhaps, can you give us a sense of how we can think about that CapEx intensity today? Would that be approaching global averages? Would it still be slightly below global averages? And then, when might First Quantum think to update that technical report?

**A. Tristan Pascall**

*Chief Executive Officer & Director, First Quantum Minerals Ltd.*

Thanks, Lawson. We're working on that at the moment. It's mostly around the engineering studies. We would like to have a technical report of 43-101 out at the end of this year, early next year. And we're dotting the I's and crossing T's on the engineering studies around that. There's been a lot of – the drilling in the resource definition is well in hand, but also around in terms of the environmental and water permitting process around what the project looks like will define that, that that final picture. We believe that those permits are in good order and they continue to move well in Salta Province, and we look forward to receiving those in the near future.

In terms of capital intensity, Taca Taca will remain competitive. Once we have that final picture in the 43-101, we would release that and make it very clear that capital picture. But I think we don't see it evolving to the \$30,000 per tonne annualized capital intensity, no. It will remain at a reasonable picture. Obviously, there's some level of inflation, but we think that the project remains well in hand.

**Operator:** Our next question comes from the line of Anita Soni with CIBC. Your line is open.

**Anita Soni**

*Analyst, CIBC World Markets, Inc.*

Hi. Good morning, Tristan, Ryan, and Rudi. Most of the questions have been asked and answered, but I just have a couple of follow-ups. So, could you just talk about inflationary pressures if there are any in Zambia that you're

seeing and any offsets that you see, obviously, such as the ramp-up at S3? But could you just give us a context of what we should be thinking about going into 2026?

**A. Tristan Pascall**

*Chief Executive Officer & Director, First Quantum Minerals Ltd.*

Thanks, Anita. Ryan, could you take that question on inflation?

**Ryan MacWilliam**

*Chief Financial Officer, First Quantum Minerals Ltd.*

Yeah. Hi, Anita. What we're seeing in Zambia since pushing costs up has principally been two things, slightly higher employee and maintenance costs. And then, secondly, we started this year with the kwacha around ZMW 28 to \$1. More recently, because of the strong fiscal reform the country's made that got closer to ZMW 20 to \$1. So, that's pushed our costs up. Conversely, the strong gold price, strong gold production for Kansanshi pushed our costs down. And the net-net of those two has meant that we've narrowed our Kansanshi cost guidance, and we expect those similar dynamics to play out as we go through next year.

The S3, as we ramp it up, the early phase of S3 is – has higher costs because we're processing stockpiles. And as Tristan noted as you get into 2027 and we start putting South East Dome ore through it, that's when you really see the cost position improve and therefore, the positive impact on our cost position as a company.

**Anita Soni**

*Analyst, CIBC World Markets, Inc.*

Okay. Thank you. And then, just on Cobre Panamá, in terms of the timeline, thanks for all the color that you provided, and I think, Orest, asked a little bit about the environmental audit and whether or not something the negotiations can start. Is the timeline for a restart, once it's all passed through Congress, still six to nine months or has that evolved at the stage?

**A. Tristan Pascall**

*Chief Executive Officer & Director, First Quantum Minerals Ltd.*

Thanks, Anita. Yeah. I think, look, that's the best estimate that we have at this stage as we go through the inspection and detailed understanding on the Preservation and Safe Management Plan. As we open up areas, it may adjust, but that's the best estimate that we have. That's really to get the three trains operating. It's important to note that optimization would take longer. 100 million tonnes is a very large throughput and a lot of work to get there. So, we qualify that to say optimization for the 100 million tonnes would take a level of refinement over a longer period.

But at this stage, yes, six to nine months, it seems reasonable based on what we know today. I -think, we need to go through the process with the government. That's not a straight line. There'll be some ups and downs. But we've seen constructive progress in all of the concrete milestones that have been achieved this year. We need to keep working on public perception and certainly, we'll follow the timetable provided by government on the overall process.

**Operator:** And our last question comes from the line of Dalton Baretto with Canaccord Genuity. Your line is open.

**Dalton Baretto**

*Analyst, Canaccord Genuity Corp.*

Q

Great. Thanks, operator. Good morning, Tristan and team. Thank you for taking my question. Tristan, I wanted to follow-up on a comment you made in your prepared remarks there around Panama, where I think you said that First Quantum recognizes that the resources belong to the people of Panama, but that any agreement would need to recognize the \$10 billion investment made. And I'm just wondering, it sounds like there are being markers laid down in negotiating positions ahead of the actual official discussion kicking off. And I'm just wondering are there background discussions happening around a potential framework and sort of defining what non-negotiables are ahead of actual official discussions with the President?

**A. Tristan Pascall**

*Chief Executive Officer & Director, First Quantum Minerals Ltd.*

A

Yeah. Thanks, Dalton. Look, we're very – it's been pleasing progress so far this year in terms of the concrete milestones that have been achieved on the Preservation and Safe Management Plan and so on. And certainly around those, there is conversation with the government on Preservation and Safe Management Plan around bringing in feedstock for the power plants, the technical issues around this topic. So, there are discussions at that level. We welcome the environmental audit now, the comprehensive audit to be done by SGS and that's commencing now, as we understand. And certainly, that will take a lot of work from our side, but we're ready to provide all information and to comply with that audit fully and to go through that with the environmental authorities, with the selected – independent expert there in SGS. All of those form a framework around which conversations and feedback is in process.

But more broadly, no, there is no formal conversation. We're waiting for that timetable to come from government. Once the President and so on provides that timetable, we will be constructive in terms of those royalties [audio gap] (00:46:09) point out and we understand that criteria certainly because we were paying royalties before. Those royalty payments do recognize that it is the people of Panama that own the resources, and we understand that that's important in terms of the profile of the mine and the profile of extraction in Panama.

**Dalton Baretto**

*Analyst, Canaccord Genuity Corp.*

Q

Great. Thank you for that, Tristan. And then, just one follow-up, if I may. If and let's say, when Cobre Panamá is back up and running again and looking at what you're doing at the rest of your portfolio in terms of partnering in JVs and so on, is it your intention to bring on another partner there in addition to Franco and the Koreans, I mean, even getting the Koreans to re-up their stake or are you happy with the way things are?

**A. Tristan Pascall**

*Chief Executive Officer & Director, First Quantum Minerals Ltd.*

A

Dalton, I think it's – we need to go step by step with the Government of Panama. I think it's too early to get into that. It's not something we're looking at, at this time. We're just working our way through each step as they present. Their focus at the moment is the Preservation and Safe Management Plan, the restart of the power plant, the environmental audit that's right on us now. And certainly, we're waiting, we're ready for conversations to happen when – if the timetable to be chosen by government. It's too early to get into those areas at this stage.

**Operator:** That concludes the question-and-answer session. I would like to turn the call back over to our CEO, Tristan Pascall for closing remarks.



## A. Tristan Pascall

*Chief Executive Officer & Director, First Quantum Minerals Ltd.*

Thanks, operator, and thank you, everybody, for joining the call. Should you have any additional questions, please don't hesitate to contact us. Thank you, again, and I would like to wish everybody -well for the remainder of the year. Thank you, and goodbye.

**Operator:** Ladies and gentlemen, that concludes today's call. Thank you, all, for joining. And you may now disconnect.

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