

REPUBLIC OF PANAMA

MINISTRY OF
COMMERCE AND INDUSTRIES

MINISTRY OF
ECONOMY AND FINANCE

MINISTRY OF
ENVIRONMENT

INTERMINISTERIAL COMMISSION

Appointed by the President of the Republic on 1 July 2026

FINAL REPORT

Comprehensive study, analysis and investigation of the Cobre Panama mine site

and recommendations to the President of the Republic
José Raúl Mulino

MEMBERS OF THE COMMISSION



Julio Armando Moltó Alain

Minister of Commerce and Industries



Felipe Eduardo Chapman Arias

Minister of Economy and Finance



Juan Carlos Navarro Quelquejeu

Minister of Environment

THE SIX CRITERIA GOVERNING THIS REPORT

- Compliance with the Supreme Court ruling
- Verifiable, not declarative, transparency
- State stewardship and national ownership
- Priority to those directly affected by the closure
- No fiscal cost to Panamanians
- Oversight in accordance with international standards

30 September 2026

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Interministerial Commission

Final Report - Cobre Panama Mine Site

To: His Excellency José Raúl Mulino, President of the Republic of Panama

From: Interministerial Commission appointed to analyse the Cobre Panama mine site - Ministry of Commerce and Industries · Ministry of Economy and Finance · Ministry of Environment

Date: 30 September 2026

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Contents

Section	Page
1. The decision requested	3
2. The six criteria governing this report	4
3. The starting point: what is on the site today	5
4. What the shutdown cost, and who paid for it	6
5. What each day without a decision costs	9
6. What the comprehensive audit established	9
7. What Panamanians say	12
8. The legal framework: what the Court decided and what it did not	14
9. The principles the Commission recommends for any future agreement	15
10. What closing now would entail, and who would pay	17
11. Closure: decades, at no cost to the State	19
12. Municipalities and communities: priority beneficiaries	20
13. Environmental legacy and green jobs	21
14. Recommendations: the decisions requested	25
15. Clarifications on the scope of this document	28
16. How this report was prepared and under what conditions	29
Mandate of the Commission	30

1. The decision requested

On 27 November 2023, the Plenary of the Supreme Court of Justice unanimously declared Law 406 of 20 October 2023 unconstitutional. That law had approved the Mining Concession Contract entered into between the State and Minera Panamá, S.A. The judgment declared a Law (a Contract-Law) unconstitutional. It did not determine what should be done with a continent-scale industrial site left within national territory - including a tailings management facility, open pits and extensive disturbed areas - whose physical integrity requires continuous intervention and maintenance.

Almost three years later, the site still has no defined future framework and the costs of intervention and maintenance continue to accumulate. This Commission was appointed by the President of the Republic on 1 July 2026 with a three-part mandate: to assess the results of the comprehensive audit, identify the options available to the Nation and recommend the course that best protects the national interest in its environmental, social and economic dimensions.

In one sentence, this Commission recommends: assessing the feasibility of entering into a new relationship with COBRE PANAMÁ / FIRST QUANTUM MINERALS LTD. that would allow the pending arbitration proceedings to be settled and the conditions to be established for a restart designed to achieve an orderly closure at no cost to the Nation (self-financed), with no possibility of extension, placing the Nation's environmental, social and economic interests first, with full transparency, in compliance with the judgment of the Supreme Court of Justice and seeking the benefit of all Panamanians.

Fifty-eight years on the record: from discovery to orderly closure

1968	●	Discovery of the deposit by an international expedition
1991	●	Signing of exploration contract 27-A
26 Feb 1997	●	Law 9: Contract-Law granting a mining concession for twenty years, renewable
2006	●	Approval of the environmental impact study and separation of the gold and copper concession areas
2011	●	Resolution approving the Category III ESIA with its 370 environmental commitments
2013	●	Change of operator: acquisition of project control and the majority interest
21 Dec 2017	●	Supreme Court of Justice declares Law 9 of 1997 unconstitutional
2019	●	Start of commercial copper concentrate production
22 Dec 2021	●	The 2017 judgment is published in Official Gazette No. 29439
20 Oct 2023	●	Law 406 approves the Mining Concession Contract between the State and Minera Panamá, S.A.
3 Nov 2023	●	Law 407: moratorium on the granting of mining concession contracts
27 Nov 2023	●	Supreme Court of Justice declares Law 406 unconstitutional. Operations cease
2 Dec 2023	●	Judgment published in Official Gazette No. 29922
2024	●	Cabinet Council approves the orderly closure plan
2026	●	Comprehensive audit published · Interministerial Commission · this report

The reason the decision can no longer be postponed is this: the site is not operating, but it is being managed every day under a preservation scheme; the costs of intervention and maintenance continue to accumulate, and the amounts claimed in arbitration continue to rise, while the underlying problem remains unresolved. The absence of a decision is not neutrality; it is a decision to leave the site without a framework, with the cost falling on the surrounding communities and on the country.

2. The six criteria governing this report

Everything recommended in this report is subject to six criteria. They are not aspirations: they are the conditions any solution must meet in order to be viable. They are the same criteria that section 14 sets out in greater detail as non-negotiable in any future discussion or negotiation with the company.

The six criteria, one by one

Criterion	What it means in practice
1. Compliance with the Supreme Court of Justice judgment and Law 407 of 3 November 2023	No element of the model reinstates Contract-Law 406, which was declared unconstitutional. Any agreement reached must be neither a third Contract-Law nor a mining concession contract, given the moratorium on the granting of concession contracts established by Law 407 of 2023.
2. State stewardship and national ownership of mineral deposits	The Nation retains ownership of the deposits. The manner of State participation and the regime applicable to surface assets are to be defined in the corresponding legal instruments.
3. No fiscal cost to Panamanians	A rule of public policy: no appropriation from the General State Budget is to be used for either the operation or closure of the mine, as doing so would cause major fiscal disruption to the detriment of all citizens.
4. Verifiable, not declarative, transparency	Information on mine operations must be available and verifiable, published continuously and mandatorily, and openly accessible to citizens.
5. Priority to those directly affected by the shutdown	Residents of communities in the area of influence and affected Panamanian companies are to be addressed first, not last.
6. Oversight in accordance with international standards	Verification in line with the most demanding applicable standards, including independent review of the condition for safe closure.

3. The starting point: what is on the site today

The site is not switched off: it is under a preservation plan ordered by the State. The Ministry of Commerce and Industries instructed that the plan be prepared through letter DM-N-No. 1114-2023 of 23 December 2023, and Cabinet Resolution 19 of 27 February 2024 made it subject, in Article 2, to review by State entities.

The condition of the site today, fact by fact

Fact	Current status
Monitoring of the tailings management facility	164 active instruments, with permanent monitoring, maintenance and control

Fact	Current status
Concentrate that had been stored	121,000 dry metric tonnes removed and exported, generating B/. 30 million in royalties for the State
Material extracted before suspension	31.6 million tonnes of rock awaiting processing - 16% processed, leaving roughly six months of work
Recent shipments	30,500 dry metric tonnes on 22 August 2026 (Spain and Bulgaria) and 35,600 on 14 September 2026 (India)
Cost of the preservation phase	Borne entirely by the operator, at no charge to the Panamanian State; however, these costs would presumably be added to the international arbitration claim against the State if the arbitrations are not settled.
Employment generated by the authorised activity	2,300 new direct hires and, at an approximate three-to-one ratio, around 7,000 indirect jobs

The distinction that public debate often confuses, and which this Commission establishes as a technical fact, is that there is no mining extraction under way. What is being processed is rock that had already been extracted and was outside the orebody before November 2023 - the stockpile - and processing it is primarily an environmental safety measure: the exposed material and stored concentrate themselves posed an environmental risk.

The Commission also expressly records the following fact: COBRE PANAMÁ / FIRST QUANTUM MINERALS LTD. remained on site and maintained it at its own cost, with no charge, to date, to the public purse. Had the operator abruptly abandoned the site in December 2023, the country would now face an environmental liability with no responsible party, whose containment cost - more than US\$3.6 billion - would have fallen on the State until the international arbitrations were resolved.

4. What the shutdown cost, and who paid for it

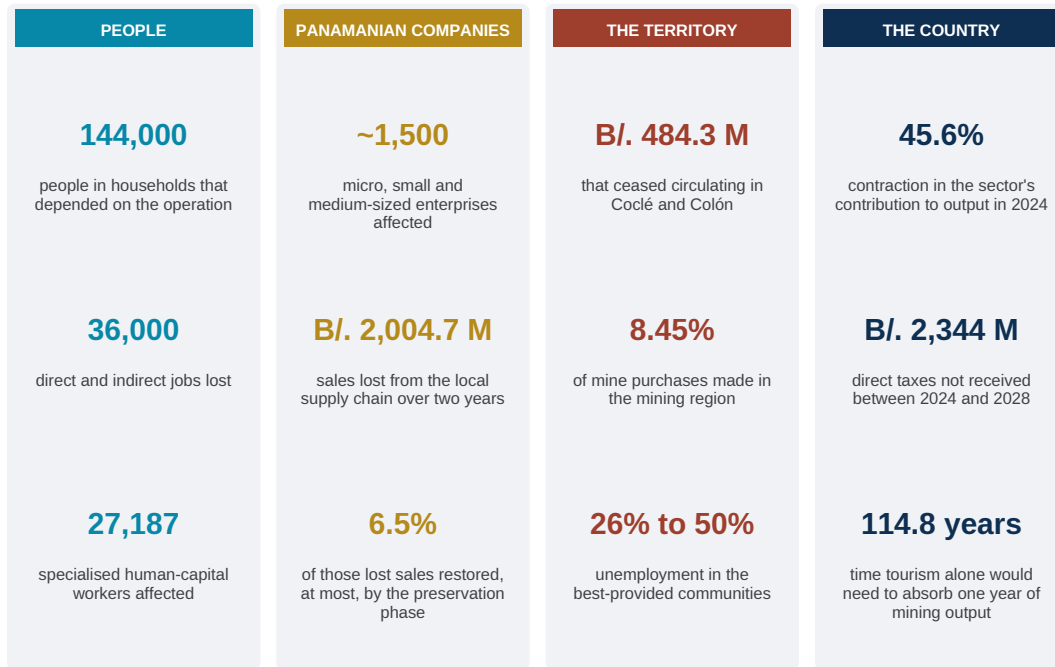
The cost of the abrupt shutdown was not distributed evenly across the country: it fell disproportionately on Panamanian people and businesses with the least capacity to absorb it.

The cost of the shutdown, by dimension

Dimension	What is documented
Employment	Abrupt loss of more than 6,000 direct jobs and around 30,000 indirect jobs; 27,187 specialised human-capital workers affected. Applying a four-person household per job, around 144,000 people depended on the activity.
Panamanian companies	2,000 registered suppliers, 75% of them micro, small and medium-sized enterprises - approximately 1,500 companies. Sales lost over two years: B/. 2,004.7 million. The preservation phase restores at most 6.5%.
Territory	B/. 484.3 million ceased circulating in Coclé and Colón.
Country	The sector's contribution to national output fell 45.6% in 2024; B/. 2,344 million in direct taxes will not be received between 2024 and 2028; exports fell from more than B/. 3,600 million to B/. 964 million.
Communities	Unemployment ranges from 26% to 50% in the eight best-provided communities in the group.

The figure this Commission asks readers to retain is this: the region that supplied more than one-third of the workforce received less than nine of every hundred dollars of purchases - 8.45%, compared with 90.58% going to Panama, Panama Oeste and Darién. This territorial imbalance must be corrected through verifiable benefits, capacity-building and greater competitive access for businesses in the region, always within applicable law and Panama's international trade commitments.

The effects of the shutdown, in verifiable figures



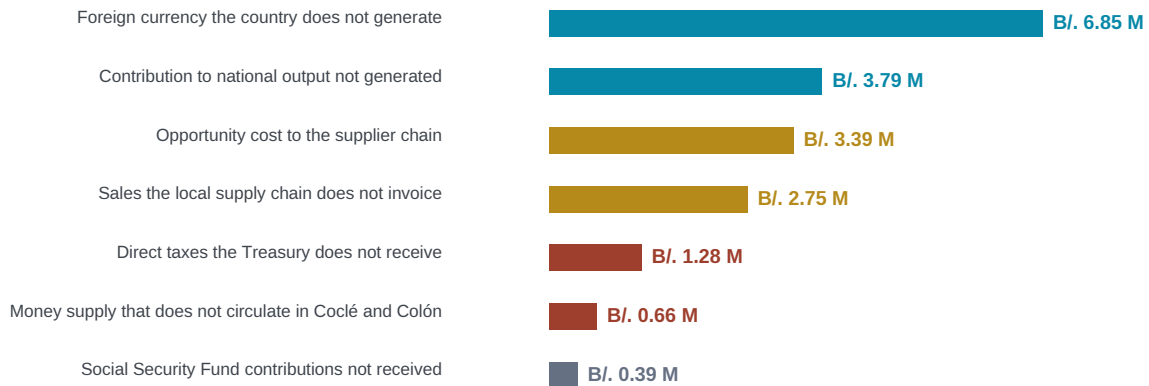
Studies submitted by CoNEP to the Commission on 11 September 2026, final comprehensive audit report and official statistics.
 People figures use a four-person household per job.

On the possibility of replacing the activity, the study is categorical: tourism alone would take 114.8 years and manufacturing 86.4 years to absorb the mining output of a single year. Its verbatim conclusion is that "the public narrative of rapid substitution lacks empirical support".

5. What each day without a decision costs

What each day without a decision on the site costs

Daily average: documented total divided by the number of days in the period. This is not a one-day measurement.



Source: studies submitted by CoNEP to the Commission on 11 September 2026 and official statistics.
The documented total and the period of each item are stated in the source file reviewed by this Commission.

Methodological caution, included by the Commission for rigour. These are daily averages - the documented total divided by the number of days in the relevant period - not measurements of a single day. They are intended to show the scale: delay is not a neutral position; it carries a price.

6. What the comprehensive audit established

Through a public contract, the State - not the company - commissioned the comprehensive audit and engaged SGS Panamá Control Services Inc., the Panamanian subsidiary of the SGS Group, to carry it out. All fifteen volumes were published in full on the Ministry of Environment portal for free public consultation, pursuant to Law 6 of 2002 and Law 125 of 2020, which adopts the Escazú Agreement.

Who is SGS? A document addressed to citizens should not assume familiarity with the company that verified the facts. SGS is a global leader in testing, inspection and certification, founded in 1878 and headquartered in Geneva, with more than 145 years of operations, a network of more than 2,500 offices and laboratories in 115 countries and around 99,500 professionals. It works for companies and governments, is listed on the Swiss stock exchange, and this report is signed by a professional holding a Competent Person credential in mining reporting (QP CRIRSCO).

The figures in the record, and what they mean

The audit's three figures: each answers a different question



Under both readings of the environmental component, verified compliance exceeds 97%.

Result	Figure
Compliance measured commitment by commitment	98.92% - 366 of the 370 Environmental Impact Study commitments were compliant, with four non-conformities classified as Non-Compliant/Initial.
Commitments with some level of non-conformity	Nine of 370 - the four above plus five classified as Non-Compliant/Partial, in reforestation and biodiversity. Read this way, full compliance is 361 of 370: 97.5%.
Weighted overall rating	87.73%, consolidating the four components using the methodology's weights - not the simple average of the four.
Gaps identified as opportunities for improvement	14

Why this Commission publishes all three readings of compliance and does not select just one. Because all three appear in the record and all three are verifiable, and because any communication that presents only one risks having the others displayed as though they were a correction. The difference between 98.92% and 97.5% is exactly one thing and nothing else: whether the five partial cases are counted as non-compliance or as compliance with observations. Under both readings, verified compliance exceeds 97%; and the weighted overall rating - 87.73% - is the most demanding and should guide the public-policy discussion, because it is the only measure that incorporates future risks and liabilities.

The four identified non-conformities correspond to commitments 13229, 13234, 13240 and 13242, all in the same thematic area: flora, ecological restoration and reforestation. None concerns tailings stability, water quality or atmospheric emissions. They are matters of documentary management, not environmental damage; they are remediable and have action plans. The remediation plan should cover all nine cases, not only the four, with targets, deadlines and published external verification.

What the audit confirmed is working

Water management with a single authorised discharge point and upstream and downstream monitoring by an accredited external laboratory · 164 operating instruments at the tailings management facility, under International Commission on Large Dams guidance · full-coverage radar and daily geotechnical monitoring of the pits · 108 camera traps and agreements with the Smithsonian Institution, The Peregrine Fund, Panthera and Panamanian universities · community drills with the National Civil Protection System · and financial-guarantee mechanisms consistent with the established requirements.

Independent validation of the audit

The State did not commission a single perspective: it commissioned the audit and, in addition, an independent review of that audit. The Ministry of Commerce and Industries - a member of this Commission - signed Cooperation Agreement No. 001, endorsed by the Office of the Comptroller General on 27 January 2026, for the independent technical validation - peer review - of the auditor's work, at no cost to the State and carried out by ECOSTELLA, s.r.o., an environmental consultancy incorporated in the Slovak Republic, with no contractual relationship with the auditor and required to be free of conflicts of interest.

And this is what that review concluded about the auditor's work:

What the independent validation concluded, subject by subject

Subject examined	Conclusion of the independent validation
Methodology	The comprehensive audit is well structured and the methodology is correctly configured.
Existence of methodological flaws	No serious methodological deficiencies were identified - a conclusion maintained in all its reports, without exception.
Traceability of evidence	The auditor's document classification ensures clarity and traceability.
Sufficiency of the data	The data set is sufficient in most cases.

What this means: the quality of the audit methodology is not a claim made by the auditor about itself. It is the conclusion of an external reviewer engaged by a ministry other than the one that commissioned the audit - and signed, among others, by the President of the Principal Mining Authority of the Slovak Republic and by a researcher from the Slovak Academy of Sciences. A peer review is not measured by the size of the organisation carrying it out, but by the competence of those who sign it, as the agreement itself provides.

Methodological caution: the validation is still in progress and its final report is pending. Its assessments of individual conditions are preliminary by the author's own statement, and this Commission recommends that the final report, when issued, be published under the same standard applied to the audit.

The Commission draws two conclusions for decision-making: first, verified environmental compliance is high and documented, and the identified gaps must be addressed through a plan, targets and external verification; second, the technical evidence needs mechanisms for citizen participation to strengthen public credibility, including participatory community monitoring and systematic publication.

7. What Panamanians say

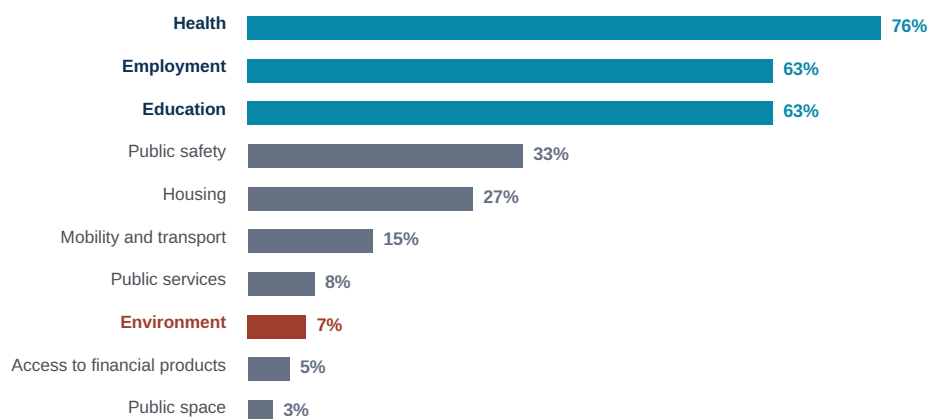
Based on five public-opinion measurements conducted between April 2025 and September 2026 by Gallup de Panamá - fieldwork from 22 to 28 April 2025, 17 to 21 June 2025, 26 March to 1 April 2026, 15 to 24 July 2026, and 12 August to 1 September 2026; face-to-face household interviews, national random samples of 1,202 to 1,238 cases, a reported margin of error of ± 2.8 to ± 3 percentage points, and a full technical sheet published with each report - all supplied to this Commission.

Public-opinion findings, with the data

Finding	Data
Mining is not the public's main concern	Employment and the cost of living are: unemployment is the leading household concern (43%), followed by the cost of living (26%).
A majority recognises that the shutdown had a cost	57% consider that the shutdown affected the country's economy; 72% perceive a major or moderate impact.
And they want a decision	Nearly six in ten want the Government to resolve the issue immediately or within three months.

Finding	Data
Support increases when safeguards are included	53% with oversight by the State and international organisations · 55% with direct benefits and transparency · 72% in Coclé · 58% believe the President should reach an agreement under strict conditions · 65% if compliance with environmental and social standards is verified.
And people distinguish processing already-extracted rock from extracting new ore	59% agree with processing exposed material to prevent environmental harm.

The sectors citizens consider priorities for their quality of life

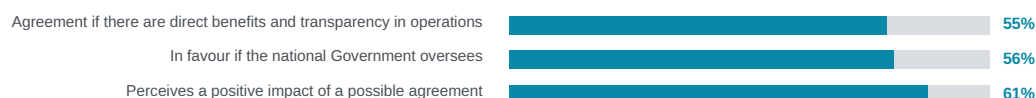


Gallup de Panamá · national measurement, September 2026, using the same methodology as the other measurements in this chapter.

The environment figure should be read carefully: it measures declared abstract priority, not the intensity with which a specific environmental risk mobilises the population.

Public support is not unconditional: it is support WITH safeguards

APRIL 2026



JULY 2026



The conclusion guiding these recommendations is that the identified barriers are fear of irreversible ecological impact and the perception that revenues do not translate into visible improvements for the country. Any future agreement must therefore address both through verifiable safeguards: a reduced footprint, progressive closure and effective environmental oversight; and traceability, transparency and tangible economic and territorial benefits.

8. The legal framework: what the Court decided and what it did not

What the Court decided, and what remained open

Fact	Content
Contract-Law No. 406 of 2023	Law No. 406 of 20 October 2023, which approved the Mining Concession Contract entered into between the State and Minera Panamá, S.A., was declared unconstitutional on 27 November 2023; the judgment was published in Official Gazette No. 29922 of 2 December 2023.
Grounds of the judgment	The judgment developed constitutional grounds of various kinds, including protection of fundamental and environmental rights, the public interest and the constitutional requirements applicable to the concession contract. This Commission expressly cautions that they should not be reduced to a count of articles: the figure circulated publicly does not correspond to the content of the judgment.

Fact	Content
What the judgment did not decide	The physical destination or use of the site. The Court ruled on the unconstitutionality of the Mining Concession Contract (Contract-Law No. 406). The Court's judgment neither ruled on, nor prohibited, mining activity.
The underlying lesson	The problem was never only how much the concessionaire paid: it was that the vehicle chosen - the Mining Concession, granted through a Contract-Law - was not established in accordance with constitutional rules.

International arbitration proceedings

There are international arbitration proceedings relating to the mine site. They were initiated from November 2023 onwards by COBRE PANAMÁ / FIRST QUANTUM MINERALS LTD. and by financial partners in the project, who are claimants in their own right. Taken together at their minimum amounts, the sums claimed are no less than US\$27 billion. Although the Panamanian State has not recognised these alleged claims and will deploy all available defences against them, the amounts claimed are highly significant.

A point of rigour: the figures cited are amounts claimed at their minimum values - they are not amounts recognised by the Panamanian State, liquidated or awarded by any tribunal. No forum has ruled on the merits. What this report records is the scale of what is in dispute, not a debt or acceptance by the State of the claimants' demands.

The consequence for the decision is that this Commission recommends that the termination of all pending arbitrations be a condition of any new agreement that may be reached.

9. The principles the Commission recommends for any future agreement

The caution governing this section: this Commission's mandate does not include designing a new model for the site. The Commission sets out general principles for what that model should look like, to be developed through negotiation. No statement defines mechanisms, percentages or deadlines; and the legal form adopted by the solution, the regime for surface assets and the fiscal regime belong exclusively to the legal instruments that may be negotiated and potentially agreed.

The principles, and the flaw each one corrects

Principle	The flaw it corrects (previous regime)
1. The Nation owns the deposit; it is not merely a State collecting royalties on a mining concession	The annulled regime collected a 2% royalty and fees, with no participation in the business using the Nation's resource.
2. The State should participate in verifying the flow of resources, rather than relying on what the operator reports	The company collected the revenues and the State received what it was due, without its own mechanism for verifying the flow of income and expenditure.
3. A fixed final closure date, with no renewal or extension	The term could be extended by administrative silence: extensions were deemed granted if the Ministry did not reply within sixty days.
4. The mine site must not expand further and must move towards progressive closure	The liability only grew until the end.
5. A clear mechanism for restitution and rehabilitation of the site must be established	The site remained under indefinite management, with no handover standard.
6. Effective State control and oversight, not merely formal or superficial	The obligation was limited to annual reports.
7. Transparency as an obligation	Data were published when convenient.
8. Transparent, publicly visible mechanisms for the use of resources derived from the mine	Mechanisms existed, but the funds were not used clearly and controls were not followed after the money entered State accounts.

The difference from the annulled regime must also lie in the very nature of the new model, not only in the percentage of royalties received by the Panamanian State.

As to comparative experience, there is no single international model for combining State participation, oversight, economic value and private operation. The Commission recommends using the international tools and experiences best suited to Panama's constitutional and legal framework, without equating this arrangement with wholly State-owned entities or mechanically transferring models from other sectors.

10. What closing now would entail, and who would pay

The question missing from the public debate is not whether the site should close. It must close, and closure is at the centre of this recommendation. The question is who pays for it.

Closing a site of this scale is not a matter of switching off a machine and putting on a padlock. It is an engineering project lasting decades, and it must be financed every day for as long as it continues.

It is important to be precise about which kind of closure is meant, because this document uses the word in two senses. Section 4 describes the cost of shutting down the activity in 2023. This section addresses the other meaning: the physical and environmental closure of the site, which must be carried out under every scenario and whose cost has not been publicly estimated.

What closure entails, with or without an agreement

What must be done in every case	Why it cannot be omitted
Manage the tailings management facility	It is the site's most consequential structure. Today it has 164 active instruments under permanent monitoring and maintenance; surveillance cannot be interrupted and will remain necessary for decades.
Stabilise and close the pits	Geotechnical monitoring is daily, and physical closure of a pit of this scale is a multi-year engineering project, not an administrative shutdown.
Manage water on the site	Water management - a single authorised discharge point and upstream/downstream monitoring - does not stop when activity stops; it is the obligation that continues for the longest period.
Restore and sustain restoration	Planting is not restoration: vegetation cover must be maintained and verified for years until it can survive independently.
Monitor after closure	Water, stability and biodiversity continue to be measured after activity has ceased. This is the obligation that never truly ends.

None of these requirements disappears if the State simply decides to close the site. The only thing that changes is where the money comes from to pay for it.

How much would it cost to close now?

In March 2024, the Ministry of Commerce and Industries estimated that closing the site would cost between US\$800 million and US\$1 billion over seven to nine years. Post-closure maintenance must be added to that figure. In January 2024, First Quantum told investors that site closure and maintenance costs were US\$15 million to US\$20 million per month: over at least a further ten years, that is B/. 1.8 billion to B/. 2.4 billion. In total, B/. 2.6 billion to B/. 3.4 billion over seventeen to nineteen years - and more than two-thirds of that total is not the act of closing the site, but sustaining it afterwards. The closure figure is the State's own 2024 estimate for a plan that did not yet exist at the time; the maintenance figure is the company's own stated estimate. This document presents both for what they are: orders of magnitude. Establishing an exact cost would require a specific valuation, which would only be necessary if that course were chosen.

The figure, per person and per household

How it is distributed	Equivalent
Per person - 4,645,375 people, 2026 projection by the National Institute of Statistics and Census	B/. 560 - 732
Per household - 1,227,676 households in the 2023 Census	B/. 2,118 - 2,769
Per year - closure and subsequent maintenance	Between B/. 89 and B/. 143 million per year during closure, and between B/. 180 and B/. 240 million per year in maintenance afterwards

In round numbers: closing now would cost more than two thousand balboas for every Panamanian household, and between five hundred and sixty and seven hundred and thirty balboas for every person in the country.

What that figure is compared with

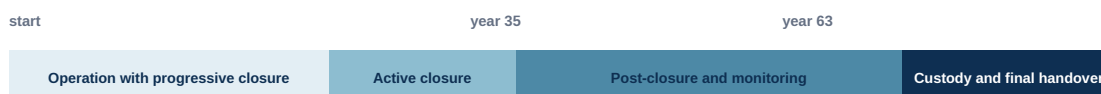
Reference	Magnitude	B/. 2.6 - 3.4 billion equals
General State Budget 2026	B/. 34,901 million	7.4% - 9.7%
Budgeted public investment 2026	B/. 11,188 million	23.2% - 30.4%
Health-sector budget 2026	B/. 10,049 million	25.9% - 33.8%
Education-sector budget 2026	B/. 5,690 million	45.7% - 59.8%

Two clarifications made by this Commission for rigour. First, no one would receive a bill. This is a way of expressing a fiscal cost, and the resources would come from taxes, debt or from not meeting other citizens' needs. Second, these amounts are accumulated over seventeen to nineteen years, while the budgets used for comparison are for a single year. The comparisons therefore express scale and opportunity cost, not the automatic substitution of one expenditure for another.

The conclusion leading into the next section is this: if the site does not finance its own closure, the country finances it. And it does so in competition with schools and hospitals - precisely what this Commission establishes as a public-policy condition that must not occur.

11. Closure: decades, at no cost to the State

Closure of a site of this scale takes decades and is planned from the first day.



The point is not to set a precise duration here; it is to show that closure obligations extend for decades.

The principles that should govern closure

Principle	Content
Self-financed	The site's activity pays for its own closure. The mechanism has already been tested: the current preservation phase was sustained through export of the stored concentrate, which also generated B/. 30 million in royalties for the State.
Creation of a fund that builds a reserve for planned closure	Established during the life of the model and with the balance published, so closure does not depend on future decisions. Its mechanics, administrator and periodicity are matters for negotiation.
Progressive closure	Areas are closed and rehabilitated while the site remains active, with dated milestones by work front and published independent verification.

Principle	Content
External confirmation of handover	The condition of safe closure must be formally confirmed by independent verification, in accordance with applicable international standards, as a requirement for final handover.
Express fiscal rule	A rule of public policy: no appropriation from the General State Budget will be allocated to closure.

12. Municipalities and communities: priority beneficiaries

This Commission went to the territory before making its recommendations, visiting the processing plant, the Coclesito Municipal Council with the three mayors, the La Pintada Municipal Market with suppliers, and the Botija River, less than one kilometre from the pit, where communities take their own water samples.

The authorities of Donoso, Omar Torrijos Herrera and La Pintada stated the following at the meeting of 10 August 2026, as recorded in the minutes:

What the three municipalities stated, as recorded in the minutes

Issue raised	Content
Critical financial situation	Reduced revenues, difficulties meeting salaries and Social Security Fund obligations, staff reductions, and inability to sustain cleaning, waste management and road maintenance.
The real bottleneck	They have already identified and prioritised their public-works needs, but lack studies, plans, engineering designs, budgets and complete project files, so the projects cannot be submitted or executed. The Minister of Commerce and Industries identified this as the main obstacle and committed technical assistance.
A deadline that does not depend on the underlying decision	Projects not entered before the end of the fiscal year move into 2027.
Healthcare is regional, not municipal	The health facility serves all three districts as well as areas of the comarca and Santa Fe, and any increase in employment activity will increase demand.

The lesson Panama should not repeat, documented in comparative experience, is that transferring money does not in itself generate public works that benefit residents of mining areas. In Peru, 83 district municipalities with mining activity executed only 47% of their budgets in 2021, and the district receiving the largest mining canon in the country had executed 29%. A mechanism limited to transferring resources to municipalities will fail - and the evidence shows why. For that reason, this Commission recommends two measures together, not one without the other: the new model should consider a fixed, priority and irrevocable allocation for the development of municipalities in the mining region and, necessarily alongside it, a public policy aimed at strengthening the administrative, regulatory and execution capacity of municipal authorities. This issue is particularly important and must be considered from the design stage of any solution to the copper-mine problem. Technical support must also be permanent and have its own resources for structuring project files: this is a field finding of the Commission, not a hypothesis.

13. Environmental legacy and green jobs

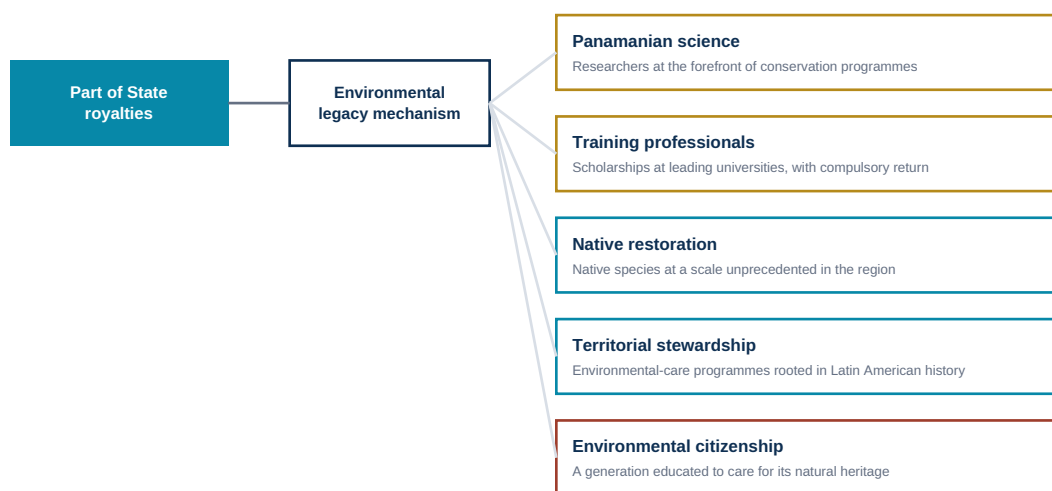
The rent from a finite resource can leave a permanent natural legacy. The Commission recommends a stable and traceable mechanism - with a fixed, automatic and irrevocable allocation of part of the revenue the State receives from the site, rather than an annual budget appropriation competing with the country's other needs - operated by the Ministry of Environment, with five purposes: support for Panamanian conservation science; training of scientific professionals; ambitious, large-scale restoration programmes using native species; stewardship of the territory; and environmental education in schools. The mechanism should be legally protected from future political and administrative changes to ensure continuity and long-term results.

International reference points, and what Panama should take from each

Reference	The specific decision, and what resulted	What Panama should take
Costa Rica - Forestry Law 7575 of 1996 and Payments for Environmental Services	Financed the programme from its own automatic source - a percentage of fuel taxes - defined by law the environmental services to be paid for, and made forest residents paid custodians. Forest cover rose from less than one-quarter of the territory to more than half.	A dedicated automatic source, services defined by law, and forest residents as custodians.
Norway - oil-revenue fund, created by law in 1990, and spending rule adopted in 2001	Established the fund before the bulk of the revenue arrived, then set a written public rule: each year the State may spend only the fund's expected real return - 4% when the rule was adopted, reduced to 3% in 2017 - so the capital is not consumed.	The spending rule should be written, public and arithmetic - a verifiable percentage - and set before the money begins to flow, not left to the discretion of each administration.
Germany - RAG-Stiftung, Ruhr basin, 2007	When coal mining ended, a foundation with its own assets was established to finance in perpetuity the permanent costs of closure - pumping and water treatment and monitoring - without depending on each year's budget.	Obligations that never end should have their own permanent assets, not an annual appropriation competing with everything else.
Brazil - Amazon Fund, 2008	Contributions are disbursed against reductions in deforestation actually verified by satellite monitoring of the National Institute for Space Research: payment is for the measured result, not the activity performed.	Traceability: the contract indicator should be the verified result - surviving cover measured over several years - never the number of trees planted.
Brazil - Law 9.795 of 1999, National Environmental Education Policy	Made environmental education compulsory at all levels of the education system, as a permanent, integrated component rather than a stand-alone subject or one administration's campaign.	A legal vehicle making environmental education compulsory and permanent in Panamanian schools, so it survives changes of government.

Reference	The specific decision, and what resulted	What Panama should take
Mesoamerican Biological Corridor - eight countries since 1997, including Panama	Links protected areas from southern Mexico to Panama under a regional commitment, with flora and fauna conservation programmes involving schools and communities.	The regional platform Panama already belongs to, where children and young people can take part in real conservation without creating a new institution.

The legacy: subsoil revenue finances natural heritage



The virtuous cycle: from subsoil to local roots, through local employment



The cycle closes: conservation becomes a source of local livelihoods

The dimension this Commission asks readers to consider carefully is that well-designed environmental protection creates formal, permanent employment in places reached by no other activity. Native-plant nursery worker and seed collector, restoration crew member, community environmental monitor, laboratory technician, park ranger, nature guide - occupations that are local by their nature, because the natural asset is there and cannot be relocated. The circuit closes on itself: revenue finances the forest; the forest is cared for by community labour; income circulates in the local economy; and the community that lives from a conserved forest has the strongest interest in protecting it.

And there is one part that money alone cannot solve: creating a generation that knows. The financial mechanism secures the resources, but it does not ensure that in twenty years there will be Panamanians able to manage them and determined to demand that they be managed well. That is the work of a generation, and it begins in school.

For that reason, the Commission recommends that the mechanism include, as a permanent component rather than a programme of a single administration: compulsory and continuous environmental education throughout the education system - not an isolated subject or campaign, but a component running across all levels; real participation by children and young people in flora and fauna conservation programmes, with dedicated spaces and budgets, supported by the regional platform Panama already belongs to; and training of Panamanian technical and scientific professionals - nursery workers, community monitors, laboratory technicians, biologists and park rangers - financed by the same mechanism, so knowledge of the territory remains in the country.

The intended result is not an awareness campaign. It is that within a generation the country should have thousands of citizens with solid environmental education who know their territory, can measure its condition and have a direct interest in caring for it. Natural heritage is sustained by institutions, but defended by educated citizens: a genuine generational change in mindset, with citizens truly concerned about and committed to their environmental surroundings.

14. Recommendations: the decisions requested

This is the operational section of the document. It sets out the recommendations submitted to the President of the Republic, the instrument through which each would be implemented, and groups them by subject. They all share one characteristic: they cannot be delegated or resolved through administrative action, because they define the nature of the future instrument or model for the mine and the destination of resources. They are stated in general terms without anticipating implementation details, which belong to the negotiation itself and to the instruments arising from it.

14.1. Procedure: the decision that enables all the others

Recommended decision	Instrument
1. Authorise the opening of formal negotiations with COBRE PANAMÁ / FIRST QUANTUM MINERALS LTD. to assess the feasibility of a new agreement that would settle the pending international arbitrations and establish the conditions for a restart designed to achieve an orderly closure, at no cost to the Nation, with no possibility of extension, placing the Nation's environmental, social and economic interests first, with full transparency, complying with the judgment of the Supreme Court of Justice and seeking the benefit of all Panamanians.	Appointment of the team by the Executive Branch, with a written mandate and non-binding status until the final documents are formalised.

Why this Commission places this decision before all the others. Every condition recommended in this report requires a counterparty with whom it can be assessed and, if agreement is reached, formalised. The State should not presume the viability of a solution that it has not verified with the party that would have to implement it. Authorising these discussions does not commit the State to an outcome: it makes it possible to determine what conditions could form part of an agreement safeguarding the interests of the Republic.

A future negotiating team is recommended to adhere to the six criteria in section 2, which are not matters for negotiation. The specific mechanisms for applying them would be defined in the negotiation.

14.2. The model and its legal nature

Recommended decision	Instrument
2. Adopt the self-financed management and closure model in accordance with the principles and design criteria set out in this document, based on the Nation's ownership of the mineral deposits, with the regime for surface assets and State participation expressly defined in the legal instruments.	Cabinet Council Resolution authorising the structure, together with the contracts arising from it.
3. Instruct that the instrument take neither the form of a Contract-Law nor that of a concession contract.	The design of the contractual package itself.

The Commission expressly recommends one drafting point because it is decisive to ensuring that the instrument does not repeat the defects identified by the Court: the instrument itself should state that it does not reinstate the annulled concession and does not grant a concession contract.

14.3. Orderly closure of the mine

Recommended decision	Instrument
4. Require that the site's territorial footprint not increase and be progressively reduced in an effective and verifiable manner.	Operating Plan and Closure Plan, with environmental conditions that cannot be amended during the term.
5. Set an end date for final closure and a verifiable restitution standard, with residual liability identified, quantified and funded.	Closure Plan
6. Require progressive closure with dated milestones by work front, so the liability is reduced during the life of the model and not only at its end.	Closure Plan, with contractual milestones

14.4. Benefit to the country

Recommended decision	Instrument
7. Require the model to generate benefits substantially greater than those under the two previous instruments, with the comparison and methodology published so citizens can make an informed assessment.	Economic annex to the contractual package, published together with its methodology.
8. Require resources derived from the site to be used with full transparency and translated into tangible, identifiable benefits for citizens, with assigned purposes and traceability of the funds through to the project.	Allocation rule and formula

Recommended decision	Instrument
9. Create a mechanism that allocates resources to an environmental plan, with a fixed, automatic and irrevocable share of the revenues the State receives from the site, operated by the Ministry of Environment.	Allocation rule and the legal instrument adopted for that purpose.

14.5. Institutional framework

Recommended decision	Instrument
10. Instruct the adoption of an institutional framework with genuine autonomy, incorporating good governance practices, professional management, transparency and long-term planning, drawing on successful Panamanian and international experience, with direct and verifiable benefits for citizens and effective insulation from political cycles.	Rule creating the institutional framework and its implementing regulations.
11. Require the instruments to ensure that technical management is insulated from future political cycles, with suitability and accountability criteria - without this report proposing any particular appointment mechanism.	The legal instruments to be executed.

14.6. Verification and transparency

Recommended decision	Instrument
12. Require the project to be subject to the international transparency and verification standards applicable to the sector, including disclosure of contracts, beneficial owners, State participation, the relevant terms of the model adopted and any other material information on the operation, together with site audits involving local communities.	Transparency regime and contractual clause with a fixed term.

14.7. Territory and people

Recommended decision	Instrument
13. Approve the immediate launch of the programme supporting communities in the area of influence, with water, sanitation, health and electrification as the first phase, and with execution capacity built into the design.	Programme approved by the Cabinet Council, with an identified funding source.
14. Instruct the formalisation and extension of the Participatory Community Monitoring Programme launched on 24 August 2026.	Ministry of Environment resolution and published protocol.

Recommended decision	Instrument
15. Consider establishing a development and support programme for affected micro, small and medium-sized enterprises.	Procurement policy and public registry.

14.8. Matters that must be settled before any instrument is signed

Recommended decision	Instrument
16. Ensure a comprehensive legal analysis so that any agreement reached complies with the Constitution and the laws of the Republic and addresses the deficiencies identified in the Supreme Court of Justice's unconstitutionality judgment concerning Contract-Law 406, through a published legal opinion.	Published legal opinion, together with the views requested from the Office of the Attorney General of the Nation and the Office of the Procurator General for the Administration.
17. Require the termination or settlement of the pending international arbitrations as a mandatory condition for carrying out any agreement.	Settlement or arbitration-compromise agreement, with evidence filed before the relevant forums.

Regarding recommendation 16, which this Commission considers the most urgent in this group: Contract-Law 406 was declared unconstitutional by the Supreme Court of Justice. No future arrangement will be sustainable unless it explains, in writing and publicly, why it does not repeat the defects identified by the Court.

15. Clarifications on the scope of this document

1. This document does not adopt any decision. It contains the Commission's study and recommendation; the decision belongs exclusively to the President of the Republic.
2. No date is set for any future activity at the site. What is recommended is the framework under which any future activity could take place, and the orderly closure model that must apply in all cases.
3. No mandatory percentage for hiring residents, nor any quota for local or regional purchasing, is established. The Commission recommends employment, training, supplier-development and competitive-access programmes compatible with Panamanian law and the free-trade agreements in force.

4. No amount is committed for transfers to municipalities in the area of influence: the mechanism, a fixed and irrevocable allocation and execution capacity are recommended, while determination of the figures belongs to the competent authorities.
5. No award, contract or disbursement is approved.
6. The legal form of the solution, the ownership regime for surface assets and the fiscal regime are not defined. All of these matters belong to the legal instruments to be negotiated.
7. The only matter this Commission recommends not postponing - because its deadline is set by the end of the fiscal year rather than by the underlying decision - is technical support to municipalities in formulating the projects they have already prioritised.

16. How this report was prepared and under what conditions

The method consisted of four steps: documentary reconstruction of the complete record; field verification, including visits to the operation, the three municipalities, the suppliers' market and the river community-monitoring point; direct listening to workers, municipal authorities, suppliers, communities, business and academic associations, and international experts; and derivation of principles from the verified defects of the regime that had operated.

The hierarchy of evidence shows the weight of each statement: an official public document and official documentation supplied by the State are firm data; third-party studies expressly authorised for use and measurements with a technical sheet are attributed data; comparative experience is a reference point, not a model; and the Commission's judgments are identified as such in the text.

The rule this Commission asks readers to retain is this: where the document says "it was verified", there is an official source; where it says "this Commission considers", there is a judgment of the Commission that may be debated.

What the Commission did not do: it did not carry out its own audit, take samples, perform laboratory tests or independently verify the technical data in the environmental record. For that purpose, the State commissioned a comprehensive audit and, on top of it, an independent validation.

Declaration of independence and conflict-of-interest management: all Commission activities were carried out using the institutional resources of the Panamanian State; no member received payment, fees, gratuities, gifts, accommodation, private transport or anything of value from the operating company, its affiliates or any party interested in the outcome; and whenever there was doubt about whether a piece of information should be made public, the Commission resolved in favour of including it, including information that does not support its recommendation.

Comments on this document. It is public. Any observations, corrections or contributions that a citizen, community, association or organisation wishes to make may be submitted through the institutional channels of the three ministries represented on this Commission.

Every statement in this document is supported by official documentary sources and by the figures in the record reviewed by this Commission, and the document is public from the date it is delivered.

Mandate of the Commission

This Final Report fulfils the mandate given to the Interministerial Commission by the President of the Republic through the act of appointment dated 1 July 2026.