

First Quantum Minerals Provides an Update on Projects; Further Project Details on Cobre Panama to Follow in First Quarter 2014

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(In United States dollars, except where noted otherwise)

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Dec 10, 2013) - [First Quantum Minerals Ltd.](#) ("**First Quantum**" or the "**Company**") (**TSX:FM**)(**LSE:FQM**) today provided an update on its major projects and notified that it intends to publish the revised capital cost estimate and project schedule for its Cobre Panama project in Panama in the first quarter of 2014.

CEO'S COMMENTS

Philip Pascall, First Quantum's Chairman and Chief Executive Officer, said, "First Quantum is in the midst of a significant expansion to the business, comprising six major projects. The first of these, an expansion to Kansanshi's oxide circuit, was recently successfully commissioned. The remaining projects are in various stages of development with two expected to start contributing strongly to the Company's production and profitability over the next 12 months.

"These are all significant investments in the business and we are focused on making sure they are executed as efficiently and responsibly as possible. The update on the Cobre Panama project early in 2014 will be the culmination of a comprehensive review and re-engineering of all aspects of the project's development to ensure an appropriate return on investment and the most efficient use of our financial and human resources. We had intended to publish the update earlier, however we have had to correct a number of acquired technical and logistical shortcomings so it is taking slightly longer than anticipated. Nevertheless, our priority is to make sure this project is positioned to allow its development to proceed in accordance with our exacting standards.

"The optimization of our balance sheet to provide the most suitable and cost efficient financing arrangements for our business strategy is a prime focus as we continue to work with our relationship banks. An important objective in this process is to achieve investment grade rating by the time the six major projects have been completed.

"First Quantum has an excellent track record, built over the past 13 years, of delivering major projects on-time, within budget and at lower capital cost per tonne of production than the industry norms. With the development plan we have to deliver this current expansion, we believe our track record of leading performance and results will continue to generate superior benefits to our stakeholders."

THE EXPANSION PROJECTS

- The expansion of the Kansanshi mine's oxide circuit to 14.5 million tonnes per annum was completed with first plating of copper cathode in November 2013. Full utilization of this expanded solvent extraction/electrowinning ("SXEW") processing capacity is expected once the new copper smelter at Kansanshi is in operation and providing sulphuric acid as a by-product. This by-product is intended to be used in the SXEW process thereby eliminating the need to purchase sulphur to produce sulphuric acid. The resulting expected savings to Kansanshi's operating cost is approximately \$150 million¹ annually.
- Construction at the new 1.2 million tonnes-per-annum copper smelter is approaching peak levels. Commissioning is intended to start in mid-2014 with ramp up continuing during the year. The smelter is expected to operate at 80% of its design capacity by mid-2015 and achieve 100% in early 2016. It is intended to process a combination of concentrate from both Kansanshi and the new Sentinel mine, currently under construction.

Capital cost for the smelter is projected to be approximately \$690 million and production is budgeted at over 300,000 tonnes of copper and 1 million tonnes of sulphuric acid annually. In addition to the anticipated savings related to the production of sulphuric acid, the proximity of the smelter to the mines is expected to benefit the Company's overall transportation by between \$130 million to \$200 million² annually.

- The Sentinel project continues on schedule and on budget towards commissioning in the second half of 2014. Construction of the required two power lines and a substation is underway. The first power line, due for completion in mid-2014, is expected to provide sufficient power for initial start-up production while the second is expected to support full operations on its completion in the latter part of 2014.

At an estimated capital cost of \$1.9 billion, Sentinel's capital cost per installed tonne of production is approximately \$6,335, one of the lowest in the industry.

- In the Company's third quarter Management's Discussion and Analysis, the technical, operational and economic benefits of expanding its smelting facilities in Zambia were noted. Specifically, in addition to the high cost to export copper concentrate, it has become obvious that the availability of in-country, third-party smelting capacity is declining to the extent that even with the completion of the Company's current smelter project, there will be insufficient capacity to process all of the concentrate production from Sentinel and Kansanshi. As a result, it has been decided to design and build an expansion to the 1.2 million tonnes-per-annum copper smelter and to defer the completion of the previously-announced Kansanshi sulphide expansion until 2017 when the expansion is targeted to be complete. While planning is in the early stages, we anticipate the smelter expansion will increase throughput capacity by 0.8 million tonnes per annum and benefit from shared infrastructure.
- At the Cobre Panama project, since our acquisition in March 2013, the prime focus has been to critically review and stabilize all activities and focus on the key elements of the project development, the construction and contracting plan, and implementation of practical site infrastructure. Since that time, the project has transformed from an out-sourced approach to a complete in-house, self-perform arrangement where third-party engineers and contractors are now utilized only for identified specific tasks, and work within the Company's preferred project execution model.

The earthworks have been the subject of critical review, as has the methodology of subsequent excavation and construction. Significant quantities of on-site equipment have been purchased by the Company from contractors whose contracts have been either cancelled or modified. This enables First Quantum to fully control all site development activities which provides for greater flexibility and significantly reduced risk. Site accommodation, road access, communications and management are now all fully functional and allowing the major activities to advance efficiently.

The locations of key site infrastructure including the processing facilities have been reviewed and an alternate, more practical plant site has been selected which should be more cost effective to construct and allow for better access to the proposed in-pit crushing and conveyor systems for life-of-mine pits, and to the main access road.

Notes: ¹ Assumes US\$200 per tonne to purchase sulphuric acid

² Assumes US\$200 per tonne to transport concentrate

Forward-Looking Information

Certain statements and information in this press release, including all statements that are not historical facts, contain forward-looking statements and forward-looking information within the meaning of applicable securities laws. Such forward-looking statements or information include but are not limited to statements or information with respect to the anticipated completion of the proposed Offer and the anticipated strategic and operational benefits of the Offer. Often, but not always, forward-looking statements or information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "projects", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

With respect to forward-looking statements and information contained in this press release, First Quantum has made numerous assumptions including, among other things, assumptions about the price of copper, gold, cobalt, nickel, PGE, and sulphuric acid, and other anticipated costs and expenditures. Although management of First Quantum believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that any forward-looking statement or information herein will prove to be accurate. Forward-looking statements and information by their nature involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. These risks, uncertainties and other factors include, but are not limited to; availability of financing and access to capital, financing costs, operating cash flows, future production volumes and costs, costs for inputs, including oil, power and sulphur, retaining key personal, political stability in Zambia and Panama, adverse weather conditions, labour costs and disruptions, mechanical failures, water supply, procurement and delivery of parts and supplies to the project sites and operations, inherent uncertainty in estimating mineral reserves and resources, discrepancies between actual and estimated mineral reserves and resources, unanticipated grade, geological, metallurgical or processing problems, and other financial, construction, mining and production risks.

See First Quantum's annual information form for additional information on risks, uncertainties and other factors relating to the forward-looking statements and information. Although we have attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors, many of which are beyond the control of First Quantum, which might cause actual results, performances, achievements or events to differ from those anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking statements or information.

While First Quantum may elect to update the forward-looking statements at any time, First Quantum does not undertake to update them at any particular time or in response to any particular event, other than as may be required by applicable securities laws. Investors and others should not assume that any forward-looking statement in this press release represent management's estimate as of any date other than the date of this press release.

For further information visit our web site at www.first-quantum.com

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