

# First Quantum Minerals Reports Second Quarter 2019 Results

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TORONTO, July 29, 2019 - [First Quantum Minerals Ltd.](#) (“First Quantum” or “the Company”) (TSX:FM) today reported comparative earnings<sup>1</sup> of \$87 million or \$0.13 per share<sup>1</sup>, net earnings<sup>1</sup> attributable to shareholders of the Company of \$78 million or \$0.11 per share and cash flows from operating activities of \$179 million or \$0.26 per share<sup>1</sup>, for the three months ended June 30, 2019 (“Q2”). Production in the quarter was 168,399 tonnes of copper including 30,896 tonnes of pre-commercial production, gold production of 59,647 ounces including 10,550 ounces of pre-commercial production and zinc production of 4,123 tonnes.

## SUMMARY:

### • Operational Highlights:

- Quarterly record copper production of 168,399 tonnes of copper<sup>2</sup> produced including 30,896 tonnes of pre-commercial production at Cobre Panama. Total production is 12% higher than the same period in 2018.
  - Cobre Panama produced 30,896 tonnes of copper (pre-commercial) in the quarter and commenced the shipping of copper concentrate with the first shipment in late June.
  - Guelb Moghrein Q2 copper production of 7,750 tonnes is a 34% increase from the same period in 2018.
  - Sentinel copper production was comparable with Q2 2018 producing 54,977 tonnes of copper.
  - Kansanshi production was impacted by the lower grades in the oxide ore circuit and lower recoveries in the oxide and mixed ore circuits slightly offset by higher throughput in all circuits. Copper production totalled 58,634 tonnes for Q2.
- 28% increase in total gold production of 59,647 ounces from Q2 2018, including 10,550 ounces of pre-commercial gold production at Cobre Panama. Commercial gold production increased by 6%.
- Q2 unit cost of copper production<sup>3</sup>: All-in sustaining cost (“AISC”) = \$1.77 per pound; Cash cost (“C1”) = \$1.32 per pound; Total cost (“C3”) = \$2.17 per pound.
  - Sentinel C1 and AISC declined by over 10%, to \$1.55 per pound and \$2.06 per pound respectively, related to efficiencies in labour and contractor costs, maintenance costs and foreign exchange.
- Safety improved in the quarter with the 12- month rolling Lost Time Injury Frequency rates declining to 0.05 per 200,000 hours worked, an improvement from 0.06 in Q1 2019.

### • Financial Highlights

- \$179 million of cash flows from operating activities or \$0.26 per share<sup>3</sup> during the quarter, a 13% increase from the Q1 2019.
- Sales revenues of \$939 million for Q2 2019 reflecting lower sales volumes, excluding sales from Cobre Panama and a lower realized copper price from the comparable period of 2018.
- Gross profit of \$196 million and comparative EBITDA of \$376 million were generated in the quarter.
- Generated net earnings attributable to shareholders of the Company<sup>1</sup> of \$78 million or \$0.11 per share and comparative earnings<sup>1</sup> of \$87 million or \$0.13 per share.
- Ended the quarter with \$802 million in net unrestricted cash and cash equivalents, \$290 million of committed undrawn facilities and was in full compliance with all financial covenants. The Company expects to remain in compliance throughout the next 12 months.
- Declared an interim dividend of CDN\$0.005 per share, in respect of the financial year ending December 31, 2019.

### • Update on Cobre Panama

- Production ramped-up significantly with pre-commercial copper production of 30,896 tonnes in the quarter, on track to produce 140,000 – 175,000 tonnes of copper as previously guided for the year.

- First concentrate was shipped in June (see Company press release of June 24, 2019) which signified the commencement of concentrate shipping for the operation.
- Six of the eight mills were operational by quarter end with an additional mill becoming operational in Q3. The final ball mill is scheduled to be in operation early in Q4.
- Three of the four in-pit primary crushers are in operation with the fourth crusher in operation after the quarter end, in July.
- The tailings management facility deposition commenced in the northern and southern sectors of the facility and will commence in the eastern sector in the third quarter.
- Approximately 80% of the operational workforce is now in place.
- Total project capital now expected to increase by just over 6% to \$6.7 billion, as a result of higher costs associated with construction completion and commissioning to further mitigate risks associated with and to accelerate the ramp-up of this large-scale project. The accelerated ramp-up has brought the anticipated commercial production forward, now expected by the end of Q3.

● Zambia Duty Assessment

- On July 24, 2019, Kalumbila Minerals Ltd (a subsidiary of the Company), reached a settlement with the Zambia Revenue Authority (“ZRA”) with respect to the assessment claim on duties. The settlement amount agreed was in line with the Company’s previously disclosed expectations and no further provision is required.

● Las Cruces

- On July 11, 2019, Las Cruces recommenced normal mining activities having received the required regulatory approvals following the suspension of mining earlier in the year.

“As the construction phase of Cobre Panama comes to an end it brings to a close the many years of momentous effort that has gone into bringing such a large, complex, challenging and world class project into operation,” commented Zenon Wozniak, Director, Projects, “I am proud to have led such a tremendous team in delivering Cobre Panama into production.”

“Cobre Panama continued to demonstrate pleasing progress in the second quarter with milling train 1 and 2 handed over to the operations teams control, milling train 3 reaching construction completion and copper production from operations ramping-up in earnest,” stated Tristan Pascall, General Manager, Cobre Panama. “Our copper recovery performance in the process plant has been particularly pleasing for a new start-up and daily volumes into the process plant continue to trend upwards. Approximately 80% of the permanent operations workforce is now in place and already more than 85% of these are Panamanians who continue to develop very well with our ongoing training programs. With operational milestones and timelines being achieved and exceeded, we are well positioned to meet our own high expectations for the year and for the years to come. I’m sure Cobre Panama will soon establish itself as a cornerstone asset of the Company.”

OPERATING HIGHLIGHTS

	Three months ended		Six months ended	
	June 30	June 30	June 30	June 30
(U.S. dollars where applicable)	2019	2018	2019	2018
<b>COPPER</b>				
- Total Production <sup>2</sup> (tonnes)	168,399	150,950	305,368	296,308
Commercial Production (tonnes)	137,503	150,950	274,447	296,308
Pre-commercial Production (tonnes)	30,896	-	30,921	-
- Total Sales <sup>4</sup> Volume (tonnes)	149,333	152,403	279,595	290,424
Commercial Sales (tonnes)	142,791	152,403	273,053	290,424
Pre-commercial Sales (tonnes)	6,542	-	6,542	-
- Cost of production <sup>3</sup> :				
● AISC (per lb)	\$1.77	\$1.76	\$1.77	\$1.74
● C1 (per lb)	\$1.32	\$1.28	\$1.33	\$1.28
● C3 (per lb)	\$2.17	\$2.11	\$2.19	\$2.13

- Realized price (per lb)	\$2.80	\$2.95	\$2.80	\$2.85
GOLD				
- Total Production (ounces)	59,647	46,467	109,004	92,396
Commercial Production (ounces)	49,097	46,467	98,454	92,396
Pre-commercial Production (ounces)	10,550	-	10,550	-
- Total Sales Volume (ounces)	56,922	48,172	103,712	96,987
Commercial Sales (ounces)	54,295	-	101,085	-
Pre-commercial Sales (ounces)	2,627	-	2,627	-

FINANCIAL HIGHLIGHTS<sup>5</sup>

	Three months ended		Six months ended	
	June 30	June 30	June 30	June 30
<i>(U.S. dollars millions, except where noted otherwise)</i>	2019	2018	2019	2018
Sales revenues	939	1,049	1,796	1,934
Gross profit	196	271	381	452
Net earnings attributable to shareholders of the Company <sup>1</sup>	78	135	131	182
Basic and diluted earnings per share	\$0.11	\$0.20	\$0.19	\$0.27
Comparative EBITDA <sup>1</sup>	376	466	744	829
Comparative earnings <sup>1</sup>	87	128	182	177
Comparative earnings per share <sup>1</sup>	\$0.13	\$0.19	\$0.26	\$0.26
Cash flow from operating activities	179	407	338	1,203
Cash flow from operating activities per share <sup>1</sup>	\$0.26	\$0.59	\$0.49	\$1.75

<sup>1</sup> Net earnings attributable to shareholders of the Company has been adjusted to exclude items which are not reflective of underlying performance to arrive at comparative earnings. Comparative earnings, comparative earnings per share, comparative EBITDA and cash flows per share are not measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS. The Company has disclosed these measures to assist with the understanding of results and to provide further financial information about the results to investors. Refer to the "Regulatory Disclosures" section in the MD&A for the quarter ended June 30, 2019 for further information.

<sup>2</sup> Production is presented on a copper contained basis and is presented prior to processing through the Kansanshi smelter. Production includes 30,896 tonnes and 30,921 tonnes of pre-commercial production from Cobre Panama for the three and six months ended June 30, 2019, which is not included in C1, C3 or AISC calculations.

<sup>3</sup>AISC, C1 and C3 costs per pound are not recognized under IFRS. Refer to the "Regulatory Disclosures" section in the MD&A for the quarter ended June 30, 2019 for further information. C1, C3 and AISC costs exclude third-party concentrate purchased at Kansanshi.

<sup>4</sup>Copper sales exclude the sale of copper anode produced from third-party concentrate purchased at Kansanshi. Sales of copper anode attributable to third-party concentrate purchases were 1,182 tonnes for the six months June 30, 2019. There were no sales of copper anode attributable to third-party concentrate purchases for the three months to June 30, 2019.

<sup>5</sup>Pre-commercial production operating results attributable to Cobre Panama are capitalized and excluded from earnings.

## CONFERENCE CALL &amp; WEBCAST

Conference call and webcast details are as follows:

Date: July 30, 2019

Time: 9:00 am (EDT); 2:00 pm (BST); 6:00 am (PDT)

Webcast: [www.first-quantum.com](http://www.first-quantum.com)

Dial in: North America (toll free): (877) 291-4570

North America and international: (647) 788-4919

Replay: Available from noon (EDT) on July 30, 2019 until 11:59 pm (EDT) on August 21, 2019

North America (toll free): (800) 585-8367

North America and international: (416) 621-4642

Passcode: 4265059

## COMPLETE FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

The complete consolidated financial statements and Management's Discussion and Analysis for the quarter ended March 31, 2019 are available at [www.first-quantum.com](http://www.first-quantum.com) and should be read in conjunction with this news release.

On Behalf of the Board of Directors of [First Quantum Minerals Ltd.](http://www.first-quantum.com)  
G. Clive Newall  
President

For further information visit our website at [www.first-quantum.com](http://www.first-quantum.com)

## CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

Certain statements and information herein, including all statements that are not historical facts, contain forward-looking statements and forward-looking information within the meaning of applicable securities laws. The forward-looking statements include estimates, forecasts and statements as to the Company's expectations of production and sales volumes, and expected timing of completion of project development at Cobre Panama and Enterprise and are subject to the impact of ore grades on future production, the potential of production disruptions (including at Cobre Las Cruces as a result of the land slippage in January 2019), capital expenditure and mine production costs, the outcome of mine permitting, other required permitting, the outcome of legal proceedings which involve the Company, information with respect to the future price of copper, gold, silver, nickel, zinc, pyrite, cobalt, iron and sulphuric acid, estimated mineral reserves and mineral resources, First Quantum's exploration and development program, estimated future expenses, exploration and development capital requirements, the Company's hedging policy, and goals and strategies. 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", "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 herein, the Company has made numerous assumptions including among other things, assumptions about continuing production at all operating facilities, the price of copper, gold, nickel, zinc, pyrite, cobalt, iron and sulphuric acid, anticipated costs and expenditures and the ability to achieve the Company's goals. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the 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 factors include, but are not limited to, future production volumes and costs, the temporary or permanent closure of uneconomic operations, costs for inputs such as oil, power and sulphur, political stability in Zambia, Peru, Mauritania, Finland, Spain, Turkey, Panama, Argentina and Australia, adverse weather conditions in Zambia, Finland, Spain, Turkey, Mauritania and Panama, labour disruptions, potential social and environmental challenges, power supply, mechanical failures, water supply, procurement and delivery of parts and supplies to the operations, and the production of off-spec material.

See the Company's Annual Information Form for additional information on risks, uncertainties and other factors relating to the forward-looking statements and information. Although the Company has 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 that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of these factors are beyond First Quantum's control. Accordingly, readers should not place undue reliance on forward-looking statements or information. The Company undertakes no obligation to reissue or update forward-looking statements or information as a result of new information or events after the date

hereof except as may be required by law. All forward-looking statements and information made herein are qualified by this cautionary statement.

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