Amerigo Resources Ltd.

Fourth Quarter & Full Year 2025 Earnings Conference Call

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PRESENTATION

Operator

Good afternoon. My name is Sylvie and I will be your conference operator today. At this time, I would like to welcome everyone to Amerigo Resources Q4 and Full Year 2025 Earnings Conference Call. Note that all lines have been placed on mute to prevent any background noise. After the formal remarks, there'll be a question-and-answer session. If you would like to ask a question during this time, simply press star then the number one on your keypad. If you would like to withdraw your question, please press star then number two. Thank you.

Mr. Graham Farrell of North Star Investor Relations, you may begin your conference.

Graham Farrell — Founder & President, North Star Investor Relations

Thank you, operator. Good afternoon and welcome, everyone, to Amerigo's quarterly conference call to discuss the Company's financial results for the fourth quarter and full year of 2025. We appreciate you joining us today. This call will cover Amerigo's financial and operating results for the fourth quarter and full year ended December 31, 2025. Following our prepared remarks, we will open the conference call to a question-and-answer session. Our call today will be led by Amerigo's President and Chief Executive Officer, Aurora Davidson, along with the Company's Chief Financial Officer, Carmen Amezquita.

Before we begin with our formal remarks, I would like to remind everyone that some of the statements on this conference call may be forward-looking statements. Forward-looking statements

may include, but are not necessarily limited to, financial projections or other statements of the Company's plans, objectives, expectations, or intentions. These matters involve certain risks and uncertainties. The Company's actual results may differ significantly from those projected or suggested by any forward-looking statements due to a variety of factors which are discussed in detail in our SEDAR filings.

I will now hand a call over to Aurora Davidson. Please go ahead, Aurora.

Aurora Davidson — President & Chief Executive Officer, Amerigo Resources Ltd.

Thank you, Graham. Good morning and thank you for joining us for Amerigo's 2025 Annual Results Conference Call. With me today is Carmen Amezquita, our Chief Financial Officer, who will present the financial results following my remarks.

2025 was a very good year for Amerigo because our business model performed exactly as designed. We delivered robust operational performance, strong free cash flow, full debt elimination, and meaningful capital returns to shareholders, and we did it in a year of high copper price volatility, which validated the durability, resilience, and scalability of the Amerigo model.

Let me start with operations at Minera Valle Central, or MVC, which is the foundation of our company. MVC is one of the lowest risk copper operations globally because we have two sources of copper to process. We are not exposed to mining dilution, grade uncertainty, or large sustaining capital cycles. In 2025, MVC produced 62.2 million pounds of copper, exceeding our revised guidance. We also produced 1.5 million pounds of molybdenum, again outperforming expectations. Plant availability

remained above 98%, reflecting continued operational discipline. These results were achieved despite interruptions to the supply of fresh tailings following a fatal accident at El Teniente in July. Our ability to increase processing of historic tailings to maintain production targets speaks directly to the flexibility and resilience of the MVC flow sheet. We did not achieve these operational results by cutting corners. We achieved them through an experienced team of operators, clear targets, and focused programs.

Hand-in-hand with the operational results, MVC's 2025 safety performance remains strong with continuous focus on awareness and training. We have achieved four consecutive years without any of our employees experiencing a lost time accident. This is a remarkable record for any company, let alone one as large as MVC. We also continue to operate with a minimal environmental footprint relative to traditional mining operations. MVC's role as a circular economy operation was further recognized in 2025, including an industry award in Chile for its tailings reprocessing model. Recovering copper from tailings is not just environmentally responsible, it is economically efficient and increasingly relevant in a constrained copper supply environment.

Before commenting on our headline annual financial results, I will first mention that our average copper price in 2025 was $4.73 per pound, 14% higher than in 2024. With that 14% change in copper price, Amerigo's revenue increased 18% to $227 million; EBITDA increased 31% to $90 million, reflecting both commodity price leverage and disciplined cost control; and free cash flow to equity increased 33% to $37 million. These are the numbers that result from strong operational leverage driven by excellent cost containment. Our 2025 cash cost of $1.93 per pound was below guidance, supported by increased molybdenum by-product credits, lower treatment and refinery charges, and strict cost controls at MVC.

Carmen will provide more information on our financial performance, but I will make one additional financial comment. As you know, we fully eliminated all of our debt in 2025. Amerigo is now debt-free. This is a major milestone for the Company and the outcome of years of deliberate conservative capital management. Importantly, it also ensures that shareholders, not lenders, capture the majority of value created by MVC. Having no debt and maintaining a healthy cash buffer strongly positions Amerigo to withstand copper price volatility. We can continue to pay dividends through cycles and act opportunistically with share buybacks, performance dividends, or both if conditions warrant.

Capital allocation is where Amerigo differentiates itself. We operate a low-risk, capital-light copper business that generates predictable free cash flow across cycles. Because we do not need to reinvest heavily to maintain production, we can return excess capital to shareholders in a disciplined, sustainable way. So you see our capital return strategy, or CRS, is the logical outcome of our successful business model. Our CRS has three distinct tools: quarterly dividends, performance dividends, and share buybacks. Each serves a different purpose and the three are complementary. In the case of Amerigo CRS, the sum is greater than the parts.

Our quarterly dividend is the foundation of Amerigo's CRS. It represents the baseline cash-generating capacity we believe can be sustained through copper price cycles. The quarterly dividend is a clear signal of our confidence in the durability of MVC's cash flows. The Board of Directors sets the quarterly dividend at a level that does not rely on peak copper prices, does not compromise balance sheet strength, and does not assume perfect operating conditions. In practical terms, the quarterly dividend answers a simple question for shareholders: What can I expect Amerigo to return to me even in

an average or difficult market? Debt reliability matters. It anchors share valuation, attracts long-term investors and reinforces internal financial discipline.

The second tool is a performance dividend. The performance dividend exists for one reason: to return excess cash when copper prices and operating conditions exceed our base assumptions. Performance dividends are deliberately variable, spontaneous, and not embedded in guidance. They are not the same as the quarterly dividend. We don't want shareholders to count on performance dividends. This is critical. Rather than raising the quarterly base dividend during strong copper markets and then risk having to cut the dividend later, we use performance dividends. This tool enables us to quickly pass strong copper prices directly to shareholders while preserving the long-term sustainability of our quarterly dividend. Performance dividends allow us to say: this was a strong period, the balance sheet is secure, here is the excess cash. Performance dividends reflect prudence, not caution. They ensure shareholders participate in upside without weakening the Company when conditions normalize.

The third tool is the share buyback. This tool is our most surgical capital return tool. Fundamentally, we use share buybacks to ensure shareholders are not diluted year on year. We also use them when we think that the share price does not reflect Amerigo's intrinsic value. In this case, we will buy back shares when we assess that buybacks are accretive to net asset value. In other words, reducing the share count increases ownership per share, cash flow per share, and dividend capacity per share. Buybacks at Amerigo are not automatic. They are opportunistic and valuation-driven. Importantly, buybacks demonstrate that the Company's capital allocation incentives are aligned with shareholders. We think in terms of value per share, not size or scale.

I hope this explains how each tool plays a distinct role. Quarterly dividends provide stability and predictability, performance dividends ensure shareholders capture upside, and share buybacks enhance long-term per-share value. Together, they allow Amerigo to return capital across cycles, remain financially conservative, avoid common capital allocation mistakes in the mining sector, and ensure that shareholders are the primary beneficiaries of strong copper markets. This is what makes our capital return strategy successful. It is structural, repeatable, and aligned with Amerigo's approach to creating value.

I will now provide some comments on the copper market. Generally speaking, opinions and discussions on copper these days are spending less time and energy debating short-term prices and focusing instead on the structural forces that are now firmly in place. We have commented on the emerging forces of secular rising demand and struggling supply for many years. Rising copper prices indicate that the rest of the world is starting to see copper as we do: that copper has likely moved away from being a purely cyclical commodity driven solely by construction cycles. It has become a strategic material tied directly to electrification, energy security, and infrastructure resilience. This is a significant shift and will change how supply and demand interact over time.

On the demand side, the drivers are clear, durable, and increasingly non-discretionary. Grid expansion, renewable energy, electric vehicles, and data center build-outs all require more copper per unit of economic output than the systems they replace. Much of this demand is due to long-term capital programs and is not short-term consumer behaviour. The new cumulative demand is layered on top of an already tight market. Even in a scenario where global growth moderates, we think copper demand will remain resilient because much of it is tied to infrastructure that industry, governments, and utilities

cannot easily defer. For example, due to international competitive pressures, the global rollout of artificial intelligence is unlikely to falter, even in the event of weak economic growth. The build-out of the energy infrastructure necessary to support that rollout will also stand strong. This is why we think copper demand in 2026 is likely to be less cyclical than ever.

On the supply side, increasing global copper production is far more challenging. New copper supply has become more difficult to bring online due to declining ore grades, rising capital intensity, permitting delays, social constraints, and longer development timelines. And these are not new constraints. They have been in place and getting worse for decades. Current copper prices are healthy by historical standards, but they are still not high enough to incentivize new, low-risk supply to meet projected medium-term demand. And even if copper prices rise to that incentive level, there will be many years of execution risk before an incremental pound of copper is produced.

In fact, we can clearly see that the market has very little margin for error. Disruptions, whether operational, geopolitical, or environmental, have an outsized impact because replacement supply is scarce. This emerging supply gap is not a temporary issue; it is the result of decades of underinvestment and geological [inaudible]. And a strong incentive copper price will not solve the supply problem for many years. From our perspective, this reinforces the view that long-term copper prices need to be structurally higher than historical averages to balance the market. This means that copper demand must be destroyed through prices even higher than those necessary to incentivize new production. But how high are the copper prices needed to cause demand destruction?

The copper demands of today's world differ from those of only a few decades ago. Substitution for aluminum is not feasible in many areas of new demand due to copper's superior electrical performance compared to other metals. Another factor is the sheer size of the new infrastructure projects being built. In a world of 100 billion AI facilities that require power generation equivalent to that of small cities, the impact of rising copper prices is small compared to the overall cost. It won't matter to AI companies whether copper prices double or triple because the contingency embedded in their projects is already in the billions of dollars. The same type of reasoning can be applied to global electrification projects and to national defence efforts that require copper. The price of copper will not be the delaying factor for these projects; availability will. Given that, the demand destruction necessary to balance the markets will take longer than expected and result in higher copper prices than expected.

Against this backdrop, Amerigo is well positioned because, with low CapEx requirements and a stable cost base, our cash flow benefits significantly from high copper prices. I just mentioned a 31% increase in EBITDA and a 33% increase in free cash flow to equity in 2025 driven by a 14% rise in the copper price. We do not need higher copper prices to justify new projects; we need them only to generate more cash and return it to shareholders. Now does this mean that we can expect smooth sailing every day? No. No, we believe that volatility will persist and could be high. Copper prices will continue to move in response to macro headlines, to interest rate expectations, and to short-term sentiment. But we think that if you step back and look at the fundamentals heading into 2026, demand growth and supply constraints, the direction of travel is clear even if the path is uneven. That is why we remain constructive on copper, but disciplined in how we participate.

For Amerigo, the copper market in 2026 reinforces our strategy. We do not build our business on optimistic assumptions; instead, we focus on operating reliability, generating free cash flow, and returning capital to shareholders. In a world where copper is increasingly scarce, capital intensive, and politically complex, simplicity, flexibility, and discipline are our competitive advantages. That is the lens through which we view the copper market in 2026 and why we believe Amerigo continues to be well positioned to perform regardless of potential near-term noise.

Looking ahead to 2026, we have guided copper production of 63.8 million pounds, representing another year of growth. Our molybdenum production is expected to remain stable at 1.5 million pounds, our cash cost is expected to remain competitive at $1.98 per pound, and our capital expenditure budget of $17.5 million includes $6.4 million in optimization projects that we expect will pay for themselves in the short term.

So, to recap, our outlook for 2026 assumes continued operational consistency and no heroic assumptions on pricing or costs. In other words, our guidance is deliberately conservative. Our priorities remain unchanged: operate safely and reliably, maximize free cash flow, return capital to shareholders, and maintain balance sheet strength. We are not distracted by empire building. Our objective is to compound per-share value over time and we believe Amerigo is uniquely positioned to do that.

To close my remarks, 2025 demonstrated exactly what Amerigo is designed to do: perform strongly through disruptive events, generate cash across cycles, and return that cash to shareholders. We enter 2026 with strong operations, a debt-free balance sheet, and clear visibility into cash generation. Thank you for your continued support.

With that, I will turn the call over to Carmen, who will talk about the 2025 financial results. Carmen, please go ahead.

Carmen Amezquita — Chief Financial Officer, Amerigo Resources Ltd.

Thanks, Aurora. I will now present the 2025 annual financial report from Amerigo and its MVC operation in Chile.

In 2025, the Company had another successful year with net income of $35.4 million, earnings per share of $0.22, or C$0.30, and EBITDA of $89.8 million. This was possible due to copper production of 62.2 million pounds and an average MVC copper price of $4.73 per pound.

Revenue in 2025 increased 18% to $227.3 million compared to $192.8 million in 2024. Revenue was comprised of gross value of copper tolled on behalf of DET of $285.1 million compared to $269 million in the prior year as a result of higher copper prices, less notional items, including DET royalties of $88.8 million, smelting and refining of $14.2 million, transportation of $1.6 million, and positive fair value adjustments to settlement receivables of $20.3 million. Revenue also included increased molybdenum revenue of $26.5 million compared to $22.9 million in 2024 due to stronger molybdenum production of 1.5 million pounds in 2025 compared to 1.3 million pounds in the prior year.

Tolling and production costs increased 9% from $147.4 million in 2024 to $160.1 million in 2025. Some of the costs that increased year over year were power and lime costs driven by higher consumption required for historic tailings processing. Direct labour increased $4.7 million, mostly as a result of a $4 million signing bonus that was paid in October 2025 related to a three-year collective

labour agreement with MVC's operators' union. Gross profit was $67.2 million, a 48% increase from $45.4 million in 2024.

General and administrative expenses were $6 million compared to $5.3 million in 2024, including salaries, management, and professional fees of $3.8 million, office and general expenses of $1.3 million, and share-based payments of $0.9 million. Then there were other losses of $1.3 million compared with $4.2 million in 2024. This was comprised of $0.7 million in pre-investment studies, $0.1 million in accretion related to the dismantling provision, $0.2 million in foreign exchange gains, and a $0.7 million loss on the disposal of a subsidiary from the reclassification of the cumulative translation adjustment account to profit and loss upon the amalgamation of a dormant Chilean subsidiary, Colihues Energia, into MVC that occurred during the year. The expense related to the derivative to related parties, including changes in fair value, was $0.5 million compared to $1.8 million in the prior year. This was due to both changes in the discount rates used and an adjustment to expected future metal prices.

Finance expense decreased from $2.2 million to $1.7 million, primarily due to lower interest charges on the loan, as the balance decreased from 2024 and was ultimately fully repaid during the year. Income tax expense of $22.3 million was recognized, consisting of $22.8 million of current income tax expense and a deferred tax recovery of $0.6 million.

Before moving on to the statement of financial position, I will mention some non-IFRS measures used by the Company: cash cost, total cost, and all-in sustaining cost. In 2025, cash cost was $1.93 per pound, up from $1.89 per pound in 2024. This includes $0.06 per pound associated with signing bonuses on MVC's three-year plant operators' collective agreement. Excluding this amount, the normalized cash

cost for 2025 was $1.87 per pound. The total cost in 2025 was $3.81 per pound compared to $3.49 per pound in 2024, an increase of $0.32 per pound from 2024 due to an increase of $0.04 in cash costs, $0.27 per pound in DET notional royalties as a result of higher copper prices, and $0.01 per pound in depreciation. And in 2025, all-in sustaining cost increased to $4.02 per pound from $3.73 per pound in 2024 due to increases of $0.32 per pound in total cost and $0.02 per pound in corporate G&A expenses, offset by a decrease of $0.05 per pound in sustaining CapEx.

Moving on to the balance sheet, on December 31, 2025, the Company held cash and cash equivalents of $40.3 million and working capital of $10.9 million. Trade and settlement receivables increased from $10 million to $34.2 million, driven by mark-to-market adjustments, higher value invoices outstanding at year end, and payment timing. Property, plant, and equipment decreased from $143.7 million to $132.3 million. This change includes $11 million in additions and $22.4 million in depreciation. DET royalties payable increased from $22.6 million to $34.8 million, driven by higher copper prices. Current income tax liabilities decreased from $8.5 million to $1.3 million. The current income tax liabilities at the end of 2025 were lower than the preceding year due to higher monthly tax installments required throughout the year. You will also note that $5.8 million in dividends is payable at the end of December 2025 related to dividends declared in December and paid in January. And finally, borrowings at the end of December were nil as we finished off the year with no debt outstanding.

In terms of cash flows during the year, Amerigo generated cash flow from operations of $60.5 million and net cash flow, which includes changes in working capital, was $43.7 million. In terms of uses of cash, $11.9 million was used in investing activities and $27.4 million was used in financing activities. Within the cash used in financing activities is where the returns to shareholders can be seen. During

2025, Amerigo returned $20.4 million to shareholders. This included $15.2 million in dividends, including quarterly dividend payments of $0.03 per share for the first three quarters of the year as well as a quarterly dividend at the new increased rate of $0.04 per share during the fourth quarter. There was also $5.2 million spent on the purchase and cancellation of four million common shares under a normal course issuer bid and $11.5 million in repayment on borrowings, as the Company paid off both the loan and the line of credit in full during the year. This left us with a net increase in cash and cash equivalents of $4.4 million and an ending cash balance of $40.3 million. With a strong cash position in December, a performance dividend of $0.05 per share was declared in the month and paid in January 2026.

As a final comment, we reported a provisional copper price of $5.35 per pound on our Q4 2025 sales. The final settlement prices for October, November, and December 2025 sales will be the average LME prices for January, February, and March 2026, respectively. Each 10% change from the $5.35 per pound provisional price would result in a $10.2 million change in revenue in Q1 2026 regarding Q4 2025 production. We now know the January price, which was $5.94 per pound.

We will report Amerigo's Q1 2026 financial results in April 2026 and want to thank you for your continued interest in the Company. We will now take questions from call participants.

Q & A

Operator

Thank you. Ladies and gentlemen, if you do have any questions at this time, please press star followed by one on your touchtone phone. You will then hear a prompt that your hand has been raised. Should you wish to withdraw from the polling process, please press star followed by two. If you are

using a speakerphone, you will need to lift the handset first before pressing any keys. Please go ahead and press star one now if you have any questions.

And your first question will be from Ben Pirie at Atrium Research. Please go ahead, Ben.

Ben Pirie — Analyst, Atrium Research

Hi, Aurora. Congrats on a strong quarter and full year 2025. Certainly rewarded shareholders last year and hopefully can do the same in 2026 with these prices.

Diving into the 2026 maintenance planned this year, what quarter is that shutdown going to take part in? And then on a similar note, what kind of initiatives, if any, is the Company working on to further improve recoveries or mill efficiencies this year?

Aurora Davidson — President & Chief Executive Officer, Amerigo Resources Ltd.

Hi, Ben. Thank you for the call, for the questions. So the planned shutdown, it was broken in two parts in 2026. We had part one completed in January and we have a second part of the planned shutdown to be completed in March. So, for all intents and purposes, it's going to be all in Q1 of 2026. And I think that going forward that probably will continue to be the quarter in which we do the maintenance shutdown, which had always been in place on the first quarter except around the COVID years. But it is Q1 of this year.

Regarding the second part of your question, if you look at our guidance for CapEx for this year, we have included optimization CapEx of around $6.4 million. It is a higher number than usual, but for

good reason. We have good projects that have very attractive paybacks and that payback was constructed using a budget copper price of $4.80 per pound. So we're very enthusiastic about what those projects could bring in. And essentially the projects include improvements to increase our pumping capacity and stability. In general terms, that CapEx has a payback of 1.9 years. We will also continue working on the optimization of the cascade stage at the MVC plant. That project has a payback of 0.7 years. And the third optimization project is to continue working on optimization of the rougher flotation concentrate transport and recovering the cleaning stage. That has a payback of three months. We will be evaluating the results of this third project in the year to see whether we roll out a similar install in other sections of the cascade.

So they're not step-ups that will provide a dramatic production increase. They build upon the optimization projects that we have been working on for several years now, including the ones that we rolled out in Q3 of 2025. They add up to stability and to recovery efficiency, but they're not game changers, as most people in the industry see. But they're also not capital intensive, so it's exceptional payback for projects that have a very realistic rate of success.

Ben Pirie — Analyst, Atrium Research

Amazing. Thank you. Another question quickly, and I know this was sort of spoken about in the last few minutes of the call there, but in terms of the provisional copper price used in Q4, I think maybe if you could just highlight this a little bit more. I believe the dollar number there was $5.35 per pound and there exists a lot of upside looking at where copper is today. Could you just touch on that and how

that potential $10 million per 10% higher than the $5.35 is reflected in the Q1 numbers and maybe just highlight this a little bit more for myself and investors?

Aurora Davidson — President & Chief Executive Officer, Amerigo Resources Ltd.

Sure. So essentially what Carmen was referring to is that we have a provisional price of averaging $5.35 in December. This is a mark to market. The LME average price for the month of December 2025 was $5.35, but that would have been the price that we used to settle our September sales. So essentially, what we do is we take the LME spot price, as I said, $5.35; we take the M+3 at December, which was $5.34; we do a progression and that averaged out at $5.35. So it's a mark-to-market number that basically says this is the best estimate of pricing that we had for October, November, and December production as of December 31st.

When we start working through the Q1, we start settling those prices. So the October production was settled already at an average price of $5.94, so the move was essentially realized settlement adjustments of $5.35 moving into $5.94. I think the average price month to date for February is $5.87. So you can just capture, essentially, we are to assume $5.87. We only have one more day to go in the month. And that would have been, again, a step up from $5.35 to $5.87.

So we're seeing a substantial amount of realized positive settlement adjustments so far in January and February and we'll see what happens in March. The average LME copper price for 2026 has been very strong at $5.91 as of today. So that's basically the information that we have and the sensitivities can be very easily extrapolated from the commentary that Carmen provided.

Ben Pirie — Analyst, Atrium Research

No, that's great. And I guess in a rising copper price environment, which you explained earlier, you guys have strong conviction in the copper price going forward, Amerigo benefits from that if copper prices continue to rise month over month.

Last quick question I had for you. In terms of 2026 guidance, you mentioned it's quite conservative given the copper price you used for that. At what point this year would you look to update that guidance if copper prices continue to hold in and around $6 per pound?

Aurora Davidson — President & Chief Executive Officer, Amerigo Resources Ltd.

We don't update our guidance in terms of production. We provide our sensitivities to copper price changes, to moly price changes and to foreign exchange in our first news release of the year. So that has been spelled out. We maintain a responsibility of updating any changes to our production and cash cost guidance, also CapEx, but normally our CapEx don't change that much from what we have guided for. But our guidance essentially should be considered the production and the cash cost and CapEx. We also provide the economic outlook using a copper price, which, as we mentioned, was conservatively set up for our budget purposes at $4.80, but we already provided the guidance, sorry, the sensitivity to changes in copper price within our guidance. And I think when we projected EBITDA using a $4.80 copper price, we said our projected EBITDA is expected at $74.5 million and we estimate that, for every $0.20 increase in copper price, we could have an average impact of $4.2 million on EBITDA.

Ben Pirie — Analyst, Atrium Research

Right. Okay. Understood. Thank you. Well great. Yeah, again, congrats on a solid 2025. Looking forward to what you guys can do here in 2026, but that's all I had today.

Aurora Davidson — President & Chief Executive Officer, Amerigo Resources Ltd.

Thank you, Ben.

Operator

Ladies and gentlemen, a reminder to please press star one should you have any questions. Thank you.

Next will be John Polcari at Mutual of America Capital Management. Please go ahead, John.

John Polcari — Mutual of America Capital Management

Thank you. Before I ask my question, I just wanted to commend you and management for not only the excellent quarter but the long-term five-year journey that it's taken to get where we are today. Well done.

Aurora Davidson — President & Chief Executive Officer, Amerigo Resources Ltd.

Thank you, John.

John Polcari — Mutual of America Capital Management

Sure. Two questions. First, as the price of copper has escalated and conceivably could escalate further, is there any contemplated adjustment to the royalty structure? I know it varies between fresh and historical tailings and I think the cap is, what, $4.80 on fresh tailings, $5.50 on historical. Is that remaining in place if the price escalates further on the upside or can you give me your thoughts on that?

Aurora Davidson — President & Chief Executive Officer, Amerigo Resources Ltd.

Sure. The contractual conditions speak for two months of consecutive LME copper prices over the numbers that you provided, $4.80 for the fresh tailings, $5.50 for the historic tailings, which would then require that we sit down with El Teniente to discuss our royalty terms outside of those ranges. We have reached out to them. They have acknowledged that we have to have those discussions. We haven't had them yet. That may be in part because of the holiday season in Chile, it's their summer and end of summer, but things go back to normal in March for our friends in Chile, and also the fact that we've been busy, both MVC and them, with the planned shutdowns. I mentioned that we had a first shutdown scheduled maintenance shutdown in January and we're having the second one in March and those are priorities. Right? Those are things that have to be attended to. And I guess when the water settles, we'll have those discussions with them. They are aware of the fact that we have to have this conversation, as are we, but we haven't had those discussions yet.

John Polcari — Mutual of America Capital Management

Okay. Would it be safe to say that, in the meantime, if prices do escalate, that the royalty factors will remain unchanged?

Aurora Davidson — President & Chief Executive Officer, Amerigo Resources Ltd.

The royalty factor remains provisionally unchanged and will have to be adjusted retroactively once the final or the revised terms are known. But for the time being, we're not extrapolating anything. We're basically working with the capped royalty factors.

John Polcari — Mutual of America Capital Management

Okay. And my second and last question is simply do you anticipate or is there an opportunity for any expansion in terms of processing additional tailings as the entire amount of production expands at the parent level?

Aurora Davidson — President & Chief Executive Officer, Amerigo Resources Ltd.

Are you talking within MVC or outside of MVC?

John Polcari — Mutual of America Capital Management

No, within MVC.

Aurora Davidson — President & Chief Executive Officer, Amerigo Resources Ltd.

Within MVC we basically are already in a situation where we process all of the historic tailings. The plant capacity allows us to do that, and on top of that, layer in the processing of the historic tailings. We are at full capacity in terms of our own plant and the connecting infrastructure between our plant, the mine, and the tailings deposit. That's why we did that expansion at MVC 10 years ago. So we reached that goal through that expansion years ago and I think the easiest way of looking at it is, are you able to treat all of the fresh tailings? Yes, we do that. And do you have additional plant capacity to then treat the historic? And yes, we do that. So there is no more room to grow that. Where there is opportunity, and we continue to work on that, is in terms of how can we have more efficient operations within our existing infrastructure and capacity constraints to recover more and those are the optimization projects that we have been working on consistently over the last years, including 2026.

John Polcari — Mutual of America Capital Management

Great. Thank you and, again, appreciate the long-term steady and effective leadership. Have a good day.

Aurora Davidson — President & Chief Executive Officer, Amerigo Resources Ltd.

Thank you so much, John. Thank you.

Operator

Thank you. At this time, we have no other questions registered, so I would like to turn the conference back over to President and CEO, Aurora Davidson.

Aurora Davidson — President & Chief Executive Officer, Amerigo Resources Ltd.

Thank you very much. Thank you all for attending today's call. The recording and the script will be available on our website in the next few days. In the meantime, please visit our website regularly for updates and feel free to contact us with any questions at your convenience and thank you for your continued interest in Amerigo.

Operator

Thank you. Ladies and gentlemen, this does indeed conclude your conference call for today. Once again, thank you for attending, and at this time we do ask that you please disconnect your lines.