



Event ID: 2833993

Event Title: Amerigo Resources Q1 2026 Results Conference Call

Date: April 30, 2026

Audio Duration: 00:45:42

Executives:

Graham Farrell - Founder & President of North Star Investor Relations

Aurora Davidson - President & Chief Executive Officer of Amerigo Resources Ltd.

Carmen Amezcuita - Chief Financial Officer of Amerigo Resources Ltd.

Operator: Thank you for standing by. My name is Carly, and I will be your conference operator today. At this time, I would like to welcome everyone to the Amerigo Resources Q1 2026 Results Conference Call.

All lines have been placed on mute to prevent any background noise. After the speaker's remarks, there will be a question-and-answer session. If you would like to ask a question during this time, simply press star followed by the number one on your telephone keypad. If you would like to withdraw your question, press star one again. Thank you.

I would now like to turn the call over to Graham Farrell, North Star Investor Relations. Please go ahead.

Graham Farrell: Thank you, operator. Good afternoon, and welcome everyone to Amerigo's quarterly conference call to discuss the company's financial results for the first quarter of 2026. We appreciate you joining us today. This call will cover Amerigo's financial and operating results for the first quarter ended March 31st, 2026. 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 & Chief Executive Officer, Aurora Davidson, along with the Company's Chief Financial Officer, Carmen Amezcuita.

Before we begin 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 the call over to Aurora Davidson. Please go ahead, Aurora.



Aurora Davidson:

Thank you for taking the time to listen to Amerigo's Q1 2026 Earnings Call. The first quarter of 2026 was operationally and financially strong, and consistent with what shareholders should expect of Amerigo. Our operation at MVC continued to operate steadily, predictably, and safely, through market noise and macro uncertainty.

Today, I am taking a different approach to my comments, and I wanted to first share with you where I believe value is ultimately created at Amerigo. One item sits beneath everything else: workplace safety. During the quarter, MVC reached four full years without a single lost-time accident. This is not an abstract milestone. It means that for four years, 291 MVC employees came to work, did demanding industrial jobs, and went home safely to their families. This safety record reflects thousands of routine decisions made correctly by operators, supervisors, and management every single day. And remember, this record refers to any injury that keeps someone from coming to work, not just one that might negatively impact operations.

This tells you something essential about this business that you, the shareholders, own MVC is a safe operation. A safe operation is a disciplined operation. A disciplined operation is a reliable operation. And reliable operations generate durable cash flow. Durable cash flow brings me to something we can connect directly to MVC's safety record—our recent performance dividend.

Based on our Q1 operating performance, and consistent with Amerigo's capital return strategy, we announced a \$0.16 performance dividend a few days ago. Those two things, four years without lost time accidents, and a performance dividend in the same amount as four quarterly dividends, are not coincidences, and are not independent of each other. The performance dividend is not simply a financial gesture layered on top of the business at a time of high copper prices; it is the outcome of how the business is run. When an asset operates safely, steadily and without disruption, it does not demand surprise infusions of capital, does not consume management's attention to firefighting problems, and does not introduce additional volatility into cash flow. That extra stability gives us the confidence to maximize the return of capital to shareholders when performance supports it, without compromising the balance sheet or the long-term life of the business. This is the essence of our performance dividend.

At Amerigo, the return of capital is the natural consequence of a simple business model, consistently well-executed in a disciplined way, a single-asset operation with no growth-capital burden, and a company managed to generate cash across cycles. Q1 reaffirmed the value of that model.

Now, let me spend a few minutes on the quarterly operational results. Q1 unfolded exactly according to plan. We delivered solid production and completed our annual maintenance shutdown without disruption or compromising safety or reliability. Plant availability was strong, costs came in well below expectations, and performance exceeded our internal quarterly production targets. Maintenance quarters are challenging ones, and I was very pleased with how the team executed. Q1 is expected to be the lowest production quarter of the year due to the planned shutdown, and we still generated very strong operational results, which underpin the financial results released yesterday.



I will not spend much time on the financial results as Carmen will walk us through them.

Sticking to the headlines, Q1 was an exceptionally strong quarter for Amerigo, particularly given the lower production impact from the plant shutdown. Net income was \$14.7 million, EBITDA was \$32.8 million, and free cash flow was \$14.5 million. These financial results were fueled by the operational results previously discussed, the strongest LME copper prices on record for any given quarter, and an MVC cash cost of \$1.82 per pound, well below our guided annual cash cost.

Our production and cash cost guidance for the year remains unchanged. During Q1, the three tools of the Capital Return Strategy were used: a performance dividend of CAD \$0.5 was paid in January, a quarterly dividend of CAD \$0.4 was paid in March, and through the quarter, Amerigo retired 1.5 million shares. In total, \$16.5 million was allocated to the CRS in Q1.

I have received many emails from shareholders asking how current global events impact our operation and costs. The short answer is that, to date, the impact on Amerigo has been marginal, and we do not expect that to change. The escalation of the conflict involving Iran has very real second-order effects, particularly through energy markets and industrial inputs. In Chile, this has been reflected in higher diesel prices and a sharp increase in sulphuric acid prices, which are widely used across the copper industry. Sulphuric acid is a critical input for SXEW operations, and the disruption of supply routes, combined with tighter export availability, has driven significant price escalation. However, MVC does not use sulphuric acid in its process. The acid price escalation that's featured so prominently in industry discussions has no impact on MVC's operating performance or cost structure. This insulation is not temporary; it is permanent. I should note that around 20% of global copper production comes from the SXEW process, so we can add acid scarcity to the list of fundamental reasons for a tightening copper market moving forward.

Also, as a result of the conflict, diesel prices in Chile have increased substantially. However, diesel accounts for only 5% of MVC's total energy consumption, with the majority of our energy coming from electricity under a long-term contract from 100% renewable sources. That means that the economic impact of diesel price movements is not material to MVC's overall cost profile. Carmen will discuss the cost impact of current diesel prices further.

Hopefully, this helps you to understand why MVC was able to post excellent cash costs at a time when many operators faced rising input costs and volatility driven by factors outside their control.

Looking forward, in 2026, we expect MVC's operating profile and cost inputs to remain consistent. While volatility in geopolitics and commodity markets may persist, MVC is in a strong position, with limited exposure to the most volatile cost inputs due to the inherent structure of our business.



I will comment briefly on copper price performance so far in 2026. Copper entered the year with strong momentum, with a sharp upward price movement in January, supported by concerns about supply reliability, continuing mine disruptions from 2025, and continued investor positioning around the long-term electrification theme. As we moved into February and early March, copper remained well supported, but price action became more volatile. Markets began to weigh the strong, long-term narrative against near-term uncertainty. This uncertainty included higher energy prices, rising interest rates, and geopolitical risks. The escalation of the Iran conflict then added another layer of complexity and volatility. Copper prices reacted as did other industrial commodities, as market participants sought safety and liquidity.

By the second half of March, copper prices had pulled back from their January highs, touched quarterly lows, but then stabilized. I should point out that, even after that correction, prices have remained well above historical averages and materially higher than levels seen through most of 2024 and early 2025. Now, at the end of April, although volatility has not disappeared, copper prices appear to be supported by tight concentrate markets and a continued focus on medium-term supply constraints.

The key point from management's perspective is this: 2026 has not been a straight-line price environment. A strong start, significant volatility, and periodic pullbacks have characterized the year. These pullbacks have been driven more by macroeconomic and geopolitical factors than by any sudden change in copper fundamentals, which, if anything, now look even more favorable. This environment reinforces the importance of operating discipline and resilience, rather than simply relying on price direction for business success. Our success in Amerigo MVC does not depend on calling the copper price cycle. We focus on consistent operational performance, measured cost exposure, and disciplined capital allocation. By doing this, we know that the business will perform well across a range of copper price outcomes. The copper price environment in early 2026 illustrates why that approach matters.

I will end my comments by addressing the Capital Return Strategy. Q1 has been a great example of how central the CRS is to value creation at Amerigo. As I mentioned a few moments ago, in Q1, Amerigo returned \$16.5 million to shareholders through a balanced mix of dividends and share buybacks. After the quarter end, on April 13th, the Board declared a performance dividend of CAD \$0.16 per share, payable on May 13th. And then, on April 27th, the Board declared our nineteenth consecutive quarterly dividend of CAD \$0.04 per share, payable on June 18th.

Why do I highlight this tremendous return of capital since the beginning of the year? Well, first, it demonstrates the CRS's consistency. A regular quarterly dividend, now maintained for 19 consecutive quarters, establishes a clear baseline return to shareholders. Based on our March 31st, 2026, closing share price of CAD \$5.03, those quarterly dividends alone represent an annualized yield of approximately 3.2%.

Second, it shows the CRS's flexibility in quickly returning excess cash. When we add to this base annualized yield the performance dividends paid on January 15th and May 13th, our total dividend distribution translates into a projected effective annual yield of approximately 7.4%.



That level of yield gives important information about where Amerigo's share price sits today. The yield captures a period when shareholders received concentrated returns through quarterly dividends, performance dividends, and buybacks. It also does not reflect anything beyond the continuation of our quarterly dividend.

Given that, we don't think that the share price has fully adjusted to reflect the potential for the levels of return of capital that we had in Q1. As capital is returned consistently, and the market understands our CRS even better than it does now, the yield should normalize at a lower level through share price appreciation. Although performance dividends are discretionary by design and linked to excess cash generation, Q1 was a tremendous example of how quickly and powerfully we can deploy performance dividends. Performance dividends clearly allow for a quicker return of significant capital than a reset of the base dividend, particularly during periods of copper price volatility. So, over time, what are the odds that investors will increasingly equate performance dividends with a permanent reset of our base dividend? Certainly, the more performance dividends we pay, the stronger the argument. But after demonstrating the return of capital in Q1, I think those odds are already quite high.

That leads me to a final question of this call today. If a 7.4% yield level is not an appropriate normalized yield for this superbly executed, safe business, what is? I leave that to the market, which will ultimately decide. But in my mind, the answer is that the yield should be much lower.

With that, I'll let Carmen discuss the quarter's financial results.

Carmen Amezcua: Thanks, Aurora. I am pleased to present the financial report for the first quarter of 2026 from Amerigo and its MVC operation in Chile.

The company had strong production for the first quarter despite completing its annual maintenance shutdown. 14.3 million pounds of copper were produced, which was 8% higher than the 13.2 million pounds produced during the first quarter of 2025. Higher production was further supported by the strongest quarterly London Metal Exchange copper prices on record, resulting in an average copper price recognized by MVC during Q1 2026 of \$5.70 per pound compared to \$4.42 per pound in Q1 2025. This increased production, combined with a higher average copper price and lower cash cost, resulted in a net income of \$14.7 million, up from \$3.3 million in Q1 2025.

I will discuss the key variances in the financial results for Q1 2026 compared to Q1 2025. During the quarter, there were increases of \$16.3 million in copper tolling revenue and \$5.6 million in molybdenum revenue. These were offset by increases of \$15.3 million in DET notional copper royalties, \$4.8 million in tolling and production costs, and \$7.4 million in income tax expense. Revenue in Q1 2026 was 50% higher at \$66.2 million compared to \$44.2 million in Q1 2025. This included copper tolling revenue of \$56.9 million and molybdenum revenue of \$9.2 million.



In Q1 2026, the gross value of copper tolled on behalf of DET was \$83.7 million. From this gross revenue, we deduct notional items, including DET royalties of \$31.3 million, smelting and refining of \$2.6 million, and transportation of \$0.4 million. And then add positive fair value adjustments to settlement receivables of \$7.6 million. Tolling and production costs increased 14%, from \$34.5 million in Q1 2025 to \$39.3 million in Q1 2026.

The most significant cost variances between the two quarters included increases in power costs of \$0.6 million due to higher production and an increase of \$0.5 million in maintenance costs. We also had an increase in direct labor of \$0.4 million, mainly as a result of the effect of production bonuses to workers. And a decrease of \$1.1 million in inventory adjustments from a smaller difference between the copper produced and copper delivered in the period. DET royalties for molybdenum in Q1 2026 also increased to \$1.4 million from \$0.8 million as a result of higher moly production and prices. This resulted in a gross profit of \$26.9 million compared to \$9.7 million in Q1 2025, representing a \$17.2 million increase.

Looking at the other expenses on the statement of profit and loss, in Q1 2026, we had general and administration expenses of \$2 million, including salaries, management and professional fees of \$1 million, office and general expenses of \$0.5 million, and share-based payments of \$0.4 million. This compares to general and administration expenses of \$1.3 million in Q1 2025. Other gains were \$1.1 million, compared to a gain of \$0.1 million in the first quarter of 2025, driven mainly by foreign exchange gains in both periods. And finance income was \$0.2 million compared to a finance expense of \$0.4 million in Q1 2025. This is a structural cost change arising from Amerigo being debt-free. Income tax expense was \$12 million in Q1 2026 compared to \$4.6 million in Q1 2025, with a current tax expense of \$12.7 million and a deferred income tax recovery of \$0.7 million. The increase in tax expense was driven by the company's higher pre-tax income as well as an increase in withholding tax payments in connection with the higher dollar value of repatriated funds during the period.

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 Q1 2026, Amerigo's cash cost was \$1.82 per pound, decreasing from \$2.22 per pound in Q1 2025. The \$0.40 per pound decrease in cash cost was primarily due to a \$0.37 per pound increase in molybdenum by-product credits, which in turn was driven by a 33% increase in molybdenum production and a 27% increase in the molybdenum price. Other changes in cash cost between the two comparative quarters were a \$0.06 per pound increase in maintenance costs and a \$0.05 per pound decrease in smelting and refining charges. In Q1 2026, total cost increased to \$4.53 per pound compared to \$3.90 per pound in Q1 2025, following increases of \$1.02 per pound in DET notional royalties in response to stronger copper prices and \$0.01 per pound in depreciation, offset by a decrease of \$0.40 per pound in cash cost.



All-in sustaining costs increased to \$5.03 per pound from \$4.28 per pound in Q1 2025 due to increases of \$0.63 per pound in total costs, \$0.08 per pound in sustaining CapEx, and \$0.03 per pound in corporate G&A expenses.

Moving on to the statement of financial position. Strong operating cash flow allowed us to end the quarter with \$57.2 million in cash and \$12.6 million in working capital, while continuing to fund our capital return strategy. Most of the accounts in the statement of financial position had minimal changes from December 31st, 2025 to March 31st, 2026, with the exception of trade and settlement receivables and dividends payable. Trade and settlement receivables decreased from \$34.2 million as of December 31st, 2025, to \$11.7 million as of March 31st, 2026. This decrease is due to the timing of receipt of invoices in the normal course of business and the effect of mark-to-market adjustments at quarter end. And at December 31st, 2025, there was \$5.8 million in dividends payable, related to the CAD \$0.05 per share performance dividend declared on December 9th, 2025, that was paid out on January 15th, 2026.

To conclude, Amerigo had a robust balance sheet at the end of the quarter that was conducive to the CAD \$0.16 performance dividend declared on April 13th, 2026. We will look at these mechanics in the statement of cash flow. On the cash flow statement in Q1 2026, the company generated cash from operating activities of \$20.2 million compared to \$11.6 million in Q1 2025. Once we include the effective changes in non-cash working capital accounts, the company generated net cash from operating activities of \$40.1 million compared to \$1.9 million in Q1 2025. In terms of uses of cash during the quarter, \$5.7 million was used for investing activities, in other words, for CapEx payments. In Q1 2025, CapEx payments were \$6.8 million. Continuing with uses of cash, we moved to financing activities of \$17.3 million compared to \$3.3 million in Q1 2025. These included Amerigo returning \$16.5 million to shareholders with \$5.9 million through share buybacks, \$5.8 million in performance dividends, and \$4.7 million in quarterly dividends. The returns to shareholders in Q1 2026 were \$11.9 million higher in Q1 2026 compared to Q1 2025. This resulted in the company having \$57.2 million in cash and cash equivalents at the end of the quarter.

Given the cash balance held at the end of the quarter and consistent with Amerigo's capital return strategy, on April 13th, 2026, Amerigo's Board of Directors declared a performance dividend in the amount of CAD \$0.16 per share payable on May 13th, 2026, to shareholders on record as of April 20th, 2026. Those are the comments regarding the Q1 2026 financial performance.

In terms of our outlook, as stated in our MD&A, Amerigo is on track to meet its annual production guidance of 63.8 million pounds of copper and 1.5 million pounds of molybdenum. Our annual cash cost guidance is \$1.98 per pound, and the Q1 2026 cash cost of \$1.82 per pound came in below the annual guidance. At this stage, we are maintaining our annual cash cost guidance. Aurora mentioned that Chile has been affected by a substantial increase in diesel prices due to the conflict with Iran. In MVC's case, this effect is limited because we don't use much diesel in operation.



We estimate a 50% increase in diesel consumption costs for the year, representing an impact of approximately \$1 million.

For 2026, our CapEx guidance was \$17.5 million. We currently estimate that this could increase to \$19.3 million, primarily due to expected cost escalation of project subcontractors, and to a lesser degree to the cost of engineering studies at MVC for 2027 projects. As a final comment, we reported a provisional copper price of \$5.70 per pound on our Q1 2026 sales. The final prices for January, February, and March 2026 copper deliveries will be the average LME prices for April, May, and June 2026, respectively. A 10% increase or decrease from the \$5.70 per pound provisional price used on March 31st, 2026, would result in an \$8.2 million change in revenue in the second quarter of 2026 regarding Q1 2026 copper deliveries. We will report Amerigo's Q2 2026 financial results in July 2026 and want to thank you for your continued interest in the company.

We will now take questions from call participants.

Operator: At this time, if you would like to ask a question, press star followed by the number one on your telephone keypad. Again, that's star followed by the number one. We'll pause for just a moment to compile the Q&A roster.

Your first question comes from John Polcari with Mutual of America Capital Management.

John Polcari: Good afternoon. Can you hear me clearly?

Aurora Davidson: We can hear you loud and clear, John.

John Polcari: Thank you. By the way, the connections in your news release, the toll-free number, et cetera, are just, FYI, not accurate. They're not working. I was able to contact the investor relations and get a different link. So just your information, the phone numbers are either not working or unrelated to Amerigo.

Aurora Davidson: Thank you for letting us know that. We changed providers. We have people on the line, but we will look into that to ensure this does not happen. And our call is anyways being recorded and will be available on the website, as will the transcript. But thank you for pointing that out.

John Polcari: Perfect. Thank you. Two questions. The first one is since the price of copper has been and may continue to be higher than the caps used in the code agreement to assess royalties, two parts to this question. One, have there been discussions about formalizing the royalty above the current cap? For instance, on historical tailings, when the price is \$5.50, the royalty is \$2.15. So over and above \$5.50, does the royalty stay at that price, and are we subject to a potential increase? Is there a potential liability if the royalty above that price would have subsequently increased retroactively?



- Aurora Davidson:** John, the discussions are ongoing. We have started those discussions. They are ongoing, and we will report the conclusion of those discussions when they are concluded. We cannot comment in the meantime. Our financial statements are not exposed. We have accrued for potential differences; we haven't miscalculated or used a lower royalty factor than necessary. So we are well protected with accruals on our financial statements, but the discussions are ongoing, and we expect them to conclude in the near future, certainly by the time we report the next quarterly earnings. And when we have information, we will release that information to the market.
- John Polcari:** Great. Just a quick follow-up then. So on prices, say, for historic tailings above \$5.50 a pound of copper, are we currently using the royalty cap of \$2.15 as we speak? Would that be correct?
- Aurora Davidson:** We have taken a conservative approach in perhaps over accruing our royalties, subject to final negotiations. That's all I can say.
- John Polcari:** Thank you. That's fine, thanks. But we have done some what we would call conservative accrual accounting.
- Aurora Davidson:** You know, we are conservative that way, so we've taken the measures for that.
- John Polcari:** Thank you. No, that's great. The second question I had was on shares outstanding. I know that we're down 61,583 shares from year end 2025 through March 31. So for the first three months, there's a modest reduction in shares outstanding. Repurchases totaled \$ 1,500,000, approximately. Can you just address with the differences? Is it handed, distributed to management and Board members, or a combination? I mean, well deserved, I'll add, in light of results.
- Aurora Davidson:** John, the only share issuances we've had since 2008 are when options that are in the money are exercised.
- John Polcari:** I see. And that would account for the increase in shares outstanding net that repurchases.
- Aurora Davidson:** Correct. I still disclose in the notes to the financial statements under the share capital notes. We disclose the number of shares that were issued, the number of options that were canceled in respect of those exercises as well. I should note that most of the people that exercise their options at Amerigo are doing that under a cashless position. So the amount of shares that are issued are substantially less than the number of options that are being exercised.
- John Polcari:** Okay, thanks. I do know that the details on the options are in the notes. And so it would not lead to any significant increase in cash on the balance sheet because it's a cashless exercise. Would that be accurate? Primarily a cashless exercise?



- Aurora Davidson:** They are primarily cashless exercise. Let's put it this way. We are not relying on the exercise funds to keep the balance sheet healthy.
- John Polcari:** Okay. It's not as significant if at all sorts of cash to the company when the options are exercised. Okay. That's fairly accurate, right?
- Aurora Davidson:** Correct.
- John Polcari:** Okay. Well, thank you.
- Aurora Davidson:** Thank you, John.
- John Polcari:** Thanks.
- Operator:** Your next question comes from Ben Pirie with Atrium Research.
- Ben Pirie:** Hi, Auroa and Carmen. Congrats on another strong and record quarter. Just a couple of questions here, and I guess I'll piggyback on John's last question. Just in terms of the share buybacks, at these prices, the share price, that is, obviously, the cost to buy back shares is that much higher than it was a year ago. Is the intention to buy back enough shares to offset dilution, or do you plan on going beyond that and actually reducing the share count?
- Aurora Davidson:** It could be either or. We plan on continuing to use the three tools of the CRS for the rest of the year. And as we've said, the minimal commitment is not to have dilution. If we need to support... if we need to go in aggressively to support the share price, we will do so. So it's all opportunistic then, and there are no plans to shelf the share buybacks as a mechanism for the rest of the year by any means?
- Ben Pirie:** Okay. Understood. Thank you. And I know this is sort of mentioned briefly on the opening remarks, but do you foresee any increase in cash costs as a result of the ongoing war? And I know there was that mention of diesel price increases being pretty minimal at the operation.
- Aurora Davidson:** Carmen, do you want to comment on that?
- Carmen Amezcua:** Yes. Hi, Ben. I think there's been small inflationary pressures on the price of goods everywhere, but not specifically war-related. The one thing that would impact MVC would be diesel prices, which I mentioned in my finance overview. MVC uses very little diesel. It's only 5% of the energy consumption, as we mostly use electricity. So the impact's very limited. At this time, we estimate there'd be around a 50% increase in diesel for the year. And if we use that assumption, that would amount to an impact of approximately \$1 million.



Ben Pirie: Okay, great. So diesel, the largest, but still relatively small, just as obviously it's a small piece of the energy you guys consume. Just in the MD&A for Q1, there seems to be an increase in disclosure around revenue. Could you just walk me through that a little bit?

Carmen Amezcua: Sure. So we did add some additional disclosure in the MD&A, as well as a shortened version of that disclosure in the revenue note of the financial statements. And it's just to provide more clarity on our M+3 copper price convention.

If you take a look at the MD&A, just to walk you through it, we did separate it out into two sections. There's the adjustment to the same quarter sales, and then the adjustments to the prior quarter sales or the final price adjustments. So in that first table, you'll see the sales are initially recorded at the provisional forward price of copper at the end of each month for that month's deliveries, and that's the LME M+3 average copper price for the month. This is what's included in our gross value of copper toll line within revenue. And then these sales are mark-to-market to the provisional forward price at the end of each quarter, which is shown to the right and was an average of \$5.70 per pound, which we take the price curve between the published LME monthly average M and M+3 prices. So as you see, the price has decreased, and this quarter resulted in \$2.2 million in negative price adjustments.

Then that second table are the final price adjustments. So this takes the provisional price that was recorded at December 31st for October, November, and December sales. And then shows the final settlement price for each of those months' deliveries during Q1. So in this case, the price increased, and there was a \$9.8 million settlement adjustment for those sales. So together, if we take that \$2.2 million in negative adjustments and then that \$9.8 million in positive adjustments, you'll arrive at the \$7.6 billion in positive settlement adjustments that you see within our revenue as a separate line item. So we're just hoping that this disclosure helps to break that process down and make it clear as to how the M+3 convention works.

Ben Pirie: Understood. Okay, I appreciate that clearly, and it does paint a good picture, it is. It works when the copper price is going up, obviously, you guys benefit significantly and sometimes to the downside slightly, but generally, we're investing in this story for the copper price appreciation thesis. So thank you for that, Carmen. And just my last question here quickly, can either yourself or Aurora just talk about the slight increase in the annual CapEx guidance? I believe it increased from the previous guidance to yesterday's release by \$1.8 million, and just where the reasoning for that adjustment?

Aurora Davidson: I can comment on that, Ben. And this question relates to what Carmen was explaining before. We present to you and to the market quarterly results, but we do a full monthly close of our financial statements on a monthly basis. So every month, we sit down with our engineering team at MVC, the finance team at MVC to gather how the orders on the CapEx are progressing and how the preliminary quotes that were considered to prepare the annual CapEx are moving along. We are seeing some escalation in mobilization costs associated with our subcontractors for projects. This is related to diesel costs, for example.



So we are factoring that into a projected potential increase in CapEx. Again, it's a conservative approach, so we don't want to be waiting until October, November to adjust what we call our CapEx equation. We monitor that monthly, and the data that we have in front of us is, it's not showing a red sign, but it's showing us a yellow sign that says let's reconsider some of these costs, and just in case we are disclosing them now because we have that information as management. So it's perhaps a proactive approach in trying to assess in real time how the CapEx incurred costs will be progressing along the year. And then there's also around \$400,000 of engineering studies that the team has recommended. We undertake earlier than expected, so earlier in this year, as opposed to in 2027, just associated with having more information on potential additional optimization CapEx projects that may come along. So, again, perhaps a little bit ahead of time, but because management has that information, we are communicating that to the market as a potential increase in CapEx associated with those drivers.

Ben Pirie: Amazing. Okay, great. Thank you. Yep, that is smart getting ahead of it and appreciate that answer. And that's all the questions I had today. Thank you.

Operator: Again, if you would like to ask a question, press star one on your telephone keypad.

Your next question is from John Polcari with Mutual of America Capital Management.

John Polcari: Thank you. Just a quick follow-up on the increase in the CapEx on the engineering side. Would any of these expenditures possibly result in increased production or lower cost due to greater efficiency, or is it primarily just to keep the existing infrastructure up to par?

Aurora Davidson: In this case, they are associated with potential optimization projects, John.

John Polcari: Okay. Which possibly would result in?

Aurora Davidson: Higher recoveries.

John Polcari: Okay. Thank you.

Operator: There are no further questions at this time. I'll now turn the call back over to Aurora for any closing remarks.

Aurora Davidson: Thank you so much. Well, thank you for attending today's call. The recording and the script will be available on the Amerigo website in the next few days. Please visit our website regularly for updates, and feel free to contact us with any questions. And thank you for your continued interest in Amerigo.

Operator: This concludes today's conference call. Thank you for participating. You may now disconnect.