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Executives:
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Operator: Hello and welcome to the Amerigo Resources Limited Q2 2026 Results Call. My name is Jordan, and I'll be your coordinator for today's event. Please note this conference is being recorded, and for the duration of the call, your lines will be in a listen-only mode. A question-and-answer session will follow after the prepared remarks.

I'll now turn the call over to your host today, Mr. Graham Farrell, to begin the conference. Please go ahead, Sir.

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 second quarter of 2026. We appreciate you joining us today. This call will cover Amerigo's financial and operating results for the second quarter ended June 30th, 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 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 the call over to Aurora Davidson. Please go ahead, Aurora.

Aurora Davidson: Thank you for taking the time to join Amerigo's Q2 2026 earnings call.

Q2 demonstrated what Amerigo is designed to do:

- Operate safely and reliably
- Generate cash
- Maintain balance sheet strength
- Return excess capital to shareholders

Amerigo builds value through stability, discipline, and the return of capital to shareholders. We are not dependent on major construction programs, repeated equity issuance, or high financial leverage. That allows cash generated by MVC's copper production to move directly to shareholders.

Let me start with a brief review of our quarterly operations. In Q2, MVC again performed as expected. Production was solid, plant performance remained reliable, and the operation continued to benefit from the disciplined execution that has characterized it over time. Following the planned annual maintenance shutdown in Q1, operations returned to normal levels in the second quarter, giving shareholders a clearer view of MVC's normal operating rhythm. Our production and cash flow guidance for the year remain unchanged, which tells shareholders that MVC is performing as expected and that the assumptions behind our annual production plan remain intact.

In mining, stability rarely attracts headlines. However, a mature, reliable asset that produces coverage consistently can generate meaningful cash over time. That is MVC's proven strength and is what stability looks like in practice.

In a moment, Carmen will discuss our financial performance in detail. For now, I will note that Q2 2026 is so far Amerigo's strongest financial quarter on record. The combination of solid operating performance, controlled costs, and a supportive copper price environment translated into significant net income, EBITDA, free cash flow, and balance sheet strength. These results reflect the design of a long-term business, not just the conditions of one good quarter. The results are the outcome of a business designed to convert operating performance into shareholder returns.

Amerigo has a single operating asset and no growth capital burden. We are not funding a construction pipeline or competing internally for capital among multiple projects. Our sustaining capital requirements are limited and manageable. As a result, when MVC performs well and copper prices are supportive, cash moves through the business quickly and efficiently. That cash first protects the balance sheet and supports the operation's long-term sustainability. Once those priorities are addressed, excess cash becomes available to shareholders.

For Amerigo, financial results are not just accounting outcomes to be entered into analyst spreadsheets. They are the starting point for the return of capital to shareholders, which is another characteristic that separates us from our peers.

This brings me to the capital return strategy. For several years, we've talked about Amerigo CRS as a disciplined, rules-based framework for capital allocation. Today, the CRS has a demonstrated chart record of execution that has generated superior total returns for shareholders. Quarter after quarter, shareholders can see the CRS in action: a regular quarterly dividend, performance dividends when cash generation supports them, and share repurchases when appropriate. As the understanding of the power of the CRS has increased over time, so has the value of Amerigo's equity. During Q2, Amerigo continued to use the CRS to return capital in a disciplined way. The Board declared a quarterly dividend of CAD $0.04 per share and a performance dividend of CAD $0.18 per share, which is payable next week. Together, the performance dividend and quarterly dividend represent approximately $25 million, which is half of our quarter-end cash balance. These capital distributions demonstrate the immediacy of the CRS impact for shareholders.

For investors evaluating Amerigo CRS, here's an important point. The quarterly dividend is the most regular and visible component of our capital return strategy. But to evaluate Amerigo fully, it should be considered together with performance dividends and share buybacks. That broader view reflects the total capital return to shareholders and better captures the investment yield generated by the business. The quarterly dividend establishes the baseline, while the performance dividend allows shareholders to participate when operating performance supports a larger return of capital. We believe that this flexibility is a significant advantage of the CRS.

In the case of Amerigo, a performance dividend should be viewed with the certainty of a quarterly dividend, dependent only on copper prices. Shareholders will get it if the cash is there. In addition, the performance dividend functions more quickly and potentially offers a greater payout than a permanent increase of the quarterly dividend. These characteristics are particularly evident during times of strong copper prices and price volatility. The performance dividend is effectively a cash sweep to shareholders that does not require a long-term stable outlook for sustained higher copper prices. It also does not require building a higher cash cushion on the balance sheet, which would limit distribution to shareholders. When viewed in totality, the effective investment yield for investors generated by the CRS is much higher than the yield reflected by just the quarterly dividend. We think the market continues to recognize the superiority of the CRS and the tremendous potential for even higher returns of capital given the outlook for the copper market, which I will turn to next.

The first half of 2026 has been marked by volatility within a high copper price range. All-time price highs were set in June and then backed up a bit. But during the third quarter, prices are moving higher again. The fundamental copper story remains intact, and I believe it continues to strengthen. You know the story. The world needs more copper, and the industry continues to struggle to deliver it.

New projects take longer to permit, require more capital, and face significant execution challenges. Existing operations face declining grades, technical complexity, and rising cost pressures. These conditions continue to make it difficult to bring new copper supply online at the pace the market requires. This is why the copper market increasingly looks like a constrained supply story. Demand remains supported by long-term electrification, grid investment, and industrial growth, while the supply response remains muted. For Amerigo, that creates a constructive environment. At the same time, remember that our strategy is not built around calling the copper price quarter by quarter. We manage the business to perform across cycles with a capital return strategy that gives shareholders participation when conditions are strong and preserves flexibility when markets are volatile.

When I look at Amerigo today, I see a copper producer increasingly distinguished by how effectively it uses the cash it generates. The market offers many ways to gain exposure to copper. Amerigo's distinction is the combination of attributes. A stable operating platform, a strong balance sheet, meaningful copper leverage, and a capital return strategy with a demonstrated tracking record that has generated superior total returns since its inception.

Q2 reflected excellent performance in all those areas:

- Steady operations
- Strong cash flow
- Balance sheet strength
- Meaningful capital return to shareholders

We have no reason to believe this will change as we progress into the future.

With that, I will turn the call over to Carmen, who will present the quarter's financial results. Carmen, please go ahead.

Carmen Amezquita: Thanks, Aurora. The second quarter was an excellent quarter for Amerigo from both an operating and financial perspective. I will discuss Amerigo's key drivers of profitability, our cash cost metrics, the quarterly cash flow, and our outlook for 2026.

In terms of profitability, the key drivers were straightforward:

- Higher copper production
- Significantly stronger copper prices
- Continued cost discipline at MVC

Copper production increased to 16.9 million pounds, up 9% from the second quarter of 2025. The copper price environment was substantially stronger, with MVC realizing an average copper price of $6.16 per pound compared to $4.42 per pound in Q2 2025.

And when you combine higher production with a materially stronger copper price environment, you would expect a significant improvement in profitability, which is exactly what occurred. Revenue increased 52% year-over-year to $77.4 million in the second quarter, which was comprised of $66.3 million in copper revenue and $11.1 million in molybdenum revenue. As investors know, our tolling model means that the gross value of copper produced is not the same as the revenue ultimately recognized by Amerigo. As copper prices increase, DET royalties increase proportionately. This quarter provides a good example of that dynamic and also demonstrates that while higher copper prices increase DET royalties, they still result in significantly stronger profitability and cash generation for Amerigo.

Turning to costs, production and tolling costs increased 17% year-over-year. At first glance, investors might view that increase negatively; however, it is important to note that a significant portion of the increase was related to specific items that do not reflect deterioration in operating performance. Most notably, direct labor costs included approximately $2 million of signing bonuses that were associated with the successful three-year collective agreement reached with MVC Supervisors' Union. This union negotiation was done ahead of schedule and presents benefits to both MVC and the Supervisors. The quarter also included higher maintenance spending and increased costs associated with molybdenum production and historic tailings extraction. When viewed in the context of production increasing by 9% and copper revenue increasing by more than 50%, the cost performance of the operation remains very strong. We will see this reflected in our cash cost metrics, which I will discuss shortly. As a result of the strong revenue performance and the controlled cost profile, gross profit increased to $32.2 million compared to $12.1 million in the second quarter of 2025 and is ultimately what drove the substantial improvement in earnings and cash flow during the quarter.

Below the gross profit line, there are only a few items worth highlighting. General and administrative expenses were $1.5 million, including salaries, management, and professional fees of $0.5 million. Office and general expenses of $0.3 million, and share-based payments of $0.8 million. Other losses totaled $1.8 million, primarily due to foreign exchange, with approximately $1.3 million of that amount coming from unrealized foreign exchange movements on an intercompany U.S. dollar loan that have no impact on the economics of the business, cash flow generation, or operational performance. Finance income was $0.1 million compared to a finance expense of $0.4 million in Q2 2025, which is the result of a structural cost change arising from Amerigo being debt-free. Income tax expense increased from $2.6 million to $10.6 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 from the increased repatriated funds during the period. This should not be viewed as a negative development. Rather, simply put, stronger profitability results in a higher tax expense.

Looking at the bottom line, net income increased to $18.3 million in the second quarter of 2026 from $7.5 million in the second quarter of 2025.

Before discussing cash flow, I want to spend a few minutes on our cost metrics. Cash cost during the quarter was $1.74 per pound, compared to $1.82 per pound in the second quarter of 2025. The $0.08 per pound decrease in cash cost was primarily due to a $0.21 per pound increase in molybdenum byproduct credits as a result of the 43% increase in the molybdenum price, offset by an increase in direct labor mostly due to the bonuses of $2 million as previously referenced. Normalized cash cost, which is cash cost excluding the effect of the signing bonus, was $1.60 per pound. That is a strong result and demonstrates the continued efficiency of MVC's operations.

When investors evaluate Amerigo's cost profile, I believe the normalized cash cost figure provides the clearest indication of underlying operating performance. In Q2 2026, total cost increased to $4.55 per pound compared to $3.55 per pound in Q2 2025, mostly due to the increase of $1.09 per pound in DET notional royalties in response to the stronger copper prices. All-in sustaining costs increased to $4.81 per pound from $3.69 per pound in the second quarter of 2025 due to increases of $1.00 per pound in total costs, $0.10 per pound in sustaining CapEx, and $0.02 per pound in corporate G&A expenses.

Turning to cash flow, I would characterize Q2 as a strong demonstration of Amerigo's ability to convert operating performance into shareholder returns. Operating cash flow before changes in working capital reached $26.7 million, and after changes in working capital, operating cash flow remained very strong at $23 million. The quality of that cash flow is important. We're not generating cash today while simultaneously committing large amounts of capital to construction projects or future development obligations. MVC remains a mature operation with relatively modest sustaining capital requirements. As a result, a large portion of operating cash flow remains available for shareholder returns. Capital expenditures during the quarter totaled $4.7 million, which allowed the business to maintain and improve the operation while still generating significant cash flow. That free cash flow generation ultimately supported the continuation of Amerigo's capital return strategy.

During Q2, Amerigo returned $25.2 million to shareholders with $18.7 million in performance dividends, $4.8 million in quarterly dividends, and $1.7 million through share buybacks. This resulted in the company having $50.3 million in cash and cash equivalents at the end of quarter.

From a capital allocation perspective, this is exactly how the capital return strategy is intended to function. Strong operating performance generates cash; cash first supports the operation and protects the balance sheet, and excess cash is then returned to shareholders. This quarter provides a clear example of that framework working exactly as designed. It is also the reason that on July 6th, 2026, Amerigo's Board of Directors declared a performance dividend in the amount of CAD $0.18 per share, payable on August 6th, 2026, to the shareholders of record as of July 13th, 2026.

Looking ahead, our outlook remains largely unchanged. MVC remains on track to achieve annual production guidance of 63.8 million pounds of copper and 1.5 million pounds of molybdenum. From a cost perspective, first half results provide additional confidence in our annual cash cost guidance of $1.98 per pound. With the year-to-date 2026 cash cost of $1.78 per pound or $1.70 per pound normalized, cash costs remain below our full year guidance range. The only notable update relates to capital expenditures, where we now expect spending of approximately $19.1 million versus our original estimate of $17.5 million, primarily due to the earlier-than-anticipated construction of a new Cauquenes sump in 2027. In the first six months of 2026, MVC incurred $10.3 million in CapEx.

Finally, I would remind investors that Amerigo continues to maintain meaningful leverage to copper prices. At June 30th, provisional pricing was based on copper at $6.17 per pound. A 10% movement in copper prices from that level would either positively or negatively impact future revenue by approximately $10.4 million. That sensitivity highlights both the opportunity and the leverage embedded in the business, as copper market fundamentals remain constructive. We will report Amerigo's Q3 2026 financial results in October 2026 and want to thank you for your continued interest in the company.

We will now take questions from call participants.

Operator: As a reminder, if you'd like to ask a question during today's call, simply press star followed by the number one on your telephone keypad. We'll take a brief moment to compile the Q&A roster.

Your first question comes from the line of Ben Pirie from Atrium Research. Your line is live.

Ben Pirie: Hi, everyone. Congrats on the record quarter. It's Ben Pirie from Atrium here. Just wanted to get some clarification on this, maybe a question for Carmen, but cash cost being $174 per pound and normalized cash cost being $1.60. Could you just tell us which number you think investors should focus on?

Carmen Amezquita: Hi, Ben. That's a good question, and I think both numbers are useful. The reported Q2 cash cost was $1.74 per pound. And then the normalized cash cost was $1.60 per pound, which excludes the signing bonus related to the three-year MVC Supervisors' collective agreement. But essentially, both numbers are useful. The reported figure reflects the actual quarterly cash cost that was recognized by the company during the quarter. And then the normalized cash cost. That helps investors understand the underlying quarterly operating cash cost, as it's excluding that one-time payment that you won't see quarter-on-quarter. The reason why we separate the impact of the signing bonus is that it's a one-time item and not something that investors will see quarter after quarter. And then once it's separated, the normalized cash cost figure just provides the clearest indication of the underlying performance of the company.

Ben Pirie: Understood. Okay, thank you. Just another question that I had that was somewhat answered in the opening remarks, but just in this elevated copper price environment, Aurora, maybe for you. Could you tell us why the company is prioritizing large performance dividends versus increasing the underlying quarterly dividend?

Aurora Davidson: Sure. That is a great question, and I particularly appreciate it given the strong performance dividends that we have declared so far this year. The answer is very simple, Ben. We continue using and we like performance dividends instead of just increasing the regular dividend because copper prices don't move in a straight line. One of the reasons we've been able to return so much capital over the last several months is because we… and actually, since we started with the CRS in 2021 is that we have avoided making commitments that might not make sense in a different copper price environment. The performance dividend allows us to be bold and fast in rewarding our shareholders when conditions are strong, without creating expectations or without overcommitting us and making things difficult for us to sustain if conditions change in the future or if there is cyclicality within the copper price environment. And I think I mentioned this in another conversation that I've had recently: performance dividends are a very honest approach, and personally that's one of the reasons why I like them. It lets our shareholders participate directly when the copper price is strong and when the business performs well, but it also preserves flexibility for Amerigo and continues protecting the balance sheet. Carmen and I have spoken about the theme of protecting the balance sheet because one of the reasons why we have been able to roll out the CRS in the way we have been able to do it is because we have taken a fundamental commitment to first protect the business and the balance sheet. We have to remind ourselves and remind shareholders of how that is important and how well that has worked out for the company.

Ben Pirie: Right, okay. Thank you. That makes a lot of sense. And then just quickly, the last one I wanted to touch on, and I think I have the gist of it, but I just wanted to highlight maybe talking about, speaking about the quality of Amerigo's cash flow, and how you guys aren't reinvesting that into potentially low IRR initiatives to grow the mine three-four years down the line. Can you just talk about what you mean by the quality of Amerigo's cash flow maybe being a bit high quality, higher quality, excuse me, than another standard sort of copper producer?

Aurora Davidson: I think that question or that comment on the high quality of the cash flow is tied up to a lower embedded risk within the organization. We run a different business. We produce copper, but we don't produce it alongside many of the traditional mining risks. We are essentially an industrial business, a copper processing business tied up to a world-class asset, and that creates a different operational set of risks for us that isolates a significant amount of risk between that copper production, cash generation, and cash return to shareholders. It is a very streamlined model that is very differentiated by its intrinsic characteristics from the traditional models of other copper producers.

Ben Pirie: Perfect. Okay, thank you. That's all I have today.

Aurora Davidson: Thanks, Ben.

Operator: Your next question comes from the line of John Polcari from Mutual of America. Your line is now live.

John Polcari: Thank you. Before I get into my two questions, I wanted to simply say to Aurora and the team, not only job well done for the quarter, but the years leading up to the quarter that we're currently experiencing with these elevated copper prices. We're all gratified with what has been a multi-year process. Two questions. One is more of a bigger picture question. Is there any thought given to or possibility of any further expansion of processing any additional tailings from any other mines that Codelco would have, or that thought would be given to some modest expansion of operations, or are we pretty much at what we would call full throttle?

And the second question relates to the royalty factors. I know that there's been a copper price on the fresh tailings of, I believe, $4.80 a pound as a cap and $5.50 when calculating royalties on the historical tailings. And there's been some discussion, obviously, in light of copper prices of ongoing negotiations to extend the royalty factors. If you could just update us on that, it'd be appreciated. Thank you.

Aurora Davidson: Thank you for the questions, John, and also thank you for your comments. We appreciate hearing that feedback. With respect to your first question, I think we have spoken about this before. With respect to the MVC operation, you know that we process all of the fresh tailings from them already. The MVC project has been grown to the point where it needed to be grown, and we are reaping the benefits of that. With respect to working with other copper tailings projects, we are open to the right opportunities with the right partners under the right economic and commercial conditions. So we are not closing ourselves and saying we're going to be MVC-focused for the rest of our lives. We want obviously to continue to prioritize the MVC contract beyond its current extension, beyond its current contract term. But we're also very interested in finding other opportunities where our expertise, which is a unique expertise that no other operator has worldwide to monetize copper tailings, can be deployed for the benefit both of the owners of tailings and for the benefit of the Amerigo entity and obviously the Amerigo shareholders.

With respect to your second question, we are involved, and we have been involved for the last month in discussions with El Teniente and Codelco regarding what the royalty factor is over $4.80 per pound for the fresh tailings and $5.50 per pound for the [indiscernible] tailings will be. Obviously, it's very important that we reach a good agreement for both parties. And we're discussing something that affects the value allocation over a very long period of time. So these are serious discussions that are worth taking the time. So that we get the right results. We're not running against the clock here. We are obviously looking for the right solution. So we're working with them. It's an ongoing dialogue. It's advancing in the right direction. And that's basically all I can say about that. I hope that answers your question.

John Polcari: Thank you. It did. Just a quick follow-up. In light of the fact that copper prices are in excess of what had historically been the royalty caps, how was the excess above the current cap being allocated? Is it just, for instance, on the fresh tailings, any price above $4.80 a pound, is that royalty that exists now stay in effect, or how is that being addressed?

Aurora Davidson: From a contractual perspective and settlement perspective, meaning transfer or settlement on a cash basis, we are working with the cap royalty factors on an interim basis. For financial reporting purposes, we are a conservative crew, and the company's financial statements continue to extrapolate the royalty factors in accordance with the original agreement.

John Polcari: Okay, so regardless of where… for the time being, regardless of where prices go, if they should continue to trend higher, the royalty factor for both fresh and historical tailings continues to stay in place over and above whatever the prior cap was. Is that an accurate statement?

Aurora Davidson: There are two separate points to consider. Regarding financial reporting, there are no surprises in the financial statements. We're basically taking the most conservative approach of just continuing to extrapolate the agreement. From a cash settlement perspective, the royalties are being paid at the cap factor.

John Polcari: Great, thanks. Lastly, is there any… Being conservative and we certainly are supportive of that, is there an escrow fund being addressed in order to consider an adjustment or a possible adjustment to the royalty factor going forward?

Aurora Davidson: There is no restricted cash. There is no restricted cash on the balance sheet.

John Polcari: Okay, great. That's it. Thank you. And once again, over not only a quarter, but a multi-year period of excellent leadership. Thank you again.

Aurora Davidson: Thank you, John. And thank you for being with us all this time.

Operator: Next question comes from the line of Dale Miller. Your line is live.

Dale Miller: Aurora, you are doing an outstanding job of managing the company, for which I applaud you. I do have a couple of questions, though. One, along with shareholder value, stock value, I noticed that… this is sort of a follow-up on Ben mentioning the dividend being fairly low, the standard dividend of the four cents quarterly. That reflects in many of the analysts, it seems like, of what they're regarding as the dividend, which is relatively speaking low versus what is being generated in the terms of cash. The second follow-up is also along the stock. While many reasons exist for selling stock, the insiders officers seem to be only selling stock as opposed to buying stock, which tends to be… the buying stock tends to support the future, whereas selling is the reverse. Can you comment on that, please?

Aurora Davidson: Yes, I will address your question about the dividend first. You're absolutely right, and this is a valuation point that we're aware of and that we're going to be working with. Many investors screen for the regular dividend yield. That is basically the yield on the quarterly dividend only. That is understandable. That is what the screens tell you. But in doing so, and if you only look at the stated dividend yield, you are actually understating Amerigo's actual shareholder return profile. We're missing a significant part of what the CRS has delivered through the performance dividends and also the buybacks. The buybacks have an effect on that because they support the share price. And that's why we will be talking a lot more to the market about total yields. I think total yield is a better way to think about Amerigo because it captures our full return model, which is, as the quarterly, the performance and the buybacks. So one of the ways of looking at it, the regular dividend is our foundation. But it is not the whole house, and there is a shareholder communication, and if I can be as bold as saying a shareholder education process that we have to follow to ensure that our CRS is fully understood. Because I do think, and I am very certain, that keeping that flexibility and ensuring that we can navigate both with good copper winds and with bad weather conditions, it's very important for us because this is a long-term business. And we are not going to be taking short-term decisions because we can afford to raise a dividend now or in two months or in three months and then face the realities that in a market correction, we cannot maintain that quarterly dividend.

So, yes, I hear what you're saying. I think we have to work on communicating that and making that fully understandable. It's almost a similar exercise to what occurred some years ago when before we deployed the performance dividends, when we had a constant discussion and dialogue with our shareholders with respect to what was better: the shared buyback for the dividends. We kept saying having the two is important, and having the three, actually, the performance dividend as well, is quite important as you have seen. I think I mentioned some of the specific reasons about or supporting our view on the, I would say, superiority of a performance dividend in the earnings call. We don't need to make a long-term commitment. We don't need to track additional cash within the balance sheet to support higher quarterly dividends in commodity downturns, et cetera. So let us work through that communication with investors and that education process that we're undertaking, but I'm sure that people understand that the return that they're getting from Amerigo goes well beyond the stated dividend yield already, but we need to do more about that.

Now, with respect to our second question, investors buying shares. You know, we're not raising any funds; we're not doing a private placement, so investors cannot test it that way. I think the ultimate test of what happens with insiders is what happens when we receive shares through the exercise of options when they are in the money. That's one of the ways in which insiders are rewarded and are aligned as well with shareholders, and we have a very high record of insiders keeping most of the shares that they realize. I'll give you an example. Our chair, Dr. Zeitler, hasn't sold shares in years, perhaps decades. He's one of the most significant shareholders, and every time he exercises options, he keeps those options. Another example is me. I've been with the company for 20 years, and I've accumulated a significant share position through the exercise of my options, which I haven't sold for decades.

I now have an ASDP, an automatic share disposition plan, because I'm fairly exposed and most of my net worth is tied up to the Amerigo stock, and I'm not a spring chicken. I may look like a spring chicken, but I'm not. And I need to start diversifying and taking care of some of my own family financial planning. So I think it's very easy to just look at the SEDAR reports and reach a conclusion that everybody is selling. Not everybody is selling. A lot of us are holding on to our stock, and we have a significant amount of shares owned by insiders of the company. I hope that answers your question.

Dale Miller: Thank you. It does, and you are better than any spring chicken. Thank you again.

Operator: Your next question comes from the line of Hazen Dickerson. Your line is now live.

Hazen Dickerson: Hi, I would just like to ask a question about capital allocation and then a follow-up on your business planning. There's been a lot of questions on the call about performance dividends. I would actually like to just take that in a little different direction and get some insight on how you determine whether to do a larger performance dividend or more share buybacks, particularly in light of the attractive valuation on your shares with a high free cash flow yield. I know you'd like to maintain flexibility for periods when copper prices may not be as strong, but how do you decide really what's the right call there between a performance dividend versus buying back shares at attractive prices?

And then my other question relates to John's about potentially expanding your operations to other mines where your tailings processing expertise could really add value. I guess, how are you approaching that? Are you actively looking for any opportunities to do that? And as it relates to your contract with Codelco, how do you manage the risk of when that contract expires? Are you expecting it to be renewed and be able to get a new contract with them? Or are you actually looking at other opportunities where you could continue to use your expertise if that contract was not able to be renewed? Thank you.

Aurora Davidson: Thanks for your question. So going to the first one, we have a threshold of maintaining $30 million on the balance sheet. That's a threshold that allows us to have the appropriate working capital for the business, for the MVC operating business, and also to cover our copper exposure for three months. We sell our copper on an M+3 basis, which means that we have provisional prices hanging on three years ahead of us. So if copper prices were to correct on a downward basis, we have to settle that difference with El Teniente. So $30 million keeps us safe and without having to tap into our working line of credit.

When we have more than that cash balance, we are automatically on the additional distribution terrain, which is a combination of either performance, dividend, buybacks or both. And we are always open. We haven't reached yet where we say we are not buying back shares. It is hard for us to buy back shares or to use all of our surplus cash above $30 million in buybacks because we have a limit as to what we can buy on a daily basis, which is 60,000 shares per day.

And we don't have anyone coming up with a block of shares saying, I want to sell on the open market, which we did in the past. And that's one of the reasons why our buyback program, for example, four years ago was closed in July of 2022, because we have used all of our buyback capacity. So the rest basically becomes available for performance dividends, and that's what we have been doing.

With respect to the business development, you alluded to two different avenues. One, of course, is the extension of the contract with MVC. Sorry, the extension of the MVC contract with El Teniente. We have done that before. We have extended that contract. That contract had a termination date of 2021, and many years before 2021, we extended it to the current termination date of 2037. We expect to continue to do the same. We will not get to 2035, 36, or 37 without having reached an extension or working towards getting that extension.

And with respect to the other avenue. We are interested, and we reach out to the right candidates, and we don't have a formalized 10 people business development network going out knocking on doors, because that is not the way you sell copper tailings with processing business. You basically have discussions at the highest level of the organizations and establish whether there is a strategic interest from the right partners who have that resource available in the form of tailings to monetize their tailings and have further discussions with us.

Hazen Dickerson: Thank you.

Operator: That concludes our question-and-answer session. I would like to turn the call back over to President and CEO Aurora Davidson for closing remarks.

Aurora Davidson: Sure. Thank you very much for attending the call. We appreciate you being here, and we appreciate getting your questions expressed and giving us the opportunity to share some of our feedback with you. We look forward to seeing you again when we report the Q3 results in the fall. And in the meantime, as I said before, reach out to me, to Carmen, to Graham; we're very responsive in responding to shareholders and providing you with any information that you may need about Amerigo and about our operation at MVC. Thank you so much.

Operator: That concludes today's meeting. You may now disconnect.