

Second Quarter 2025 Earnings Results

Wednesday, 30th July 2025

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Raul Jacob

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Welcome

Operator: Good morning and welcome to Southern Copper Corporation's Second Quarter and Six Months 2025 Earnings Results.

With us this morning, we have Southern Copper Corporation's, Mr. Raul Jacob, Vice President, Finance, Treasurer and CFO, who will discuss the results of the company for the second quarter and six months 2025, as well as answer any questions that you may have.

The information discussed on today's call may include forward-looking statements regarding the company's results and prospects, which are subject to risks and uncertainties. Actual results may differ materially, and the company cautions not to place undue reliance on these forward-looking statements.

Southern Copper Corporation undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. All results are expressed in full U.S. GAAP.

Now, I will pass the call on to Mr. Raul Jacob.

Raul Jacob: Thank you very much, Carmen. Good morning, everyone, and welcome to Southern Copper's Second Quarter 2025 Results Conference Call. At today's conference, I'm accompanied by Mr. Oscar Gonzalez Rocha, CEO of Southern Copper and Board member; as well as by Mr. Leonardo Contreras, who is also a board member.

Agenda

In today's call, we will begin with an update on our view of the copper market and then review Southern Copper's key results related to production, sales, operating cost, financial results, expansion projects and ESG. After this, we will open the session for questions.

2024 Highlights

Before we begin with the agenda, let me start by saying that we're pleased with Southern Copper's progress for the first half of 2025. Sales volumes grew for copper 0.3%, zinc 25%, silver 14%, and molybdenum 6%. This is for sales volumes. This evolution, combined with better prices for copper, zinc, and silver, drove an 8% year-to-date increase in net sales. Additionally, our cash cost dropped from \$0.91 to \$0.70, which represents a reduction of 24% that yielded a 10% improvement in EBITDA and 14% in net income. These positive variances reflected the excellent performance of our company in the first half of 2025.

Copper Business

Going to the copper market.

London Metal Exchange

LME, copper price decreased 2% from an average of \$4.42 per pound in the second quarter of 2024 to \$4.32 per pound this past quarter. Based on current supply and demand dynamics, we estimate the market to be in a slight deficit at year end. Copper inventories worldwide, which is the sum of the London Metal Exchange, the COMEX and the Shanghai warehouses, as well as the bonded warehouses, in total, have dropped 28% going from 627,000 tons at the end of March to 450,000 tons at the end of June 2025. We estimate that this inventory currently covers approximately six days of global demand.

Demand expectations

As was the case in the first quarter of this year, the copper market registered a significant arbitrage difference between COMEX and LME prices. At its peak in July 11, the COMEX price was \$1.19 per pound, or 27%, above the LME price. This huge difference reflects the strong possibility that a 50% tariff will be imposed on U.S. copper imports. Although, we maintain a very positive long term outlook for copper, we believe an intense commercial war between the U.S. and China will affect economic growth worldwide, consequently impacting in copper demand.

Fourth quarter production

Now, let's look to at Southern Copper's production for the past quarter.

Copper represented 74% of our sales in the second quarter of 2025.

2024 production

Copper production registered a slight decrease of 1.4% compared to the mark in the second quarter of 2024. It stood at 238,980 tons in this past quarter. Our quarterly result reflects a 2.5% drop in production in Mexico, which was triggered by a decrease in production at our Buenavista and La Caridad mines. Production at our Peruvian operations was slightly lower quarter-on-quarter mainly due to lower production at our Cuajone mine. These results were partially offset by an increase in our Toquepala and IMMSA mines.

For 2025, we expect to produce 965,300 tons of copper, in line with our plan, but a decrease of 0.9% over the 2024's final print.

Molybdenum Business

For molybdenum, it represented 12% of the company's sales in the second quarter of this year and is currently our first by-product. Molybdenum prices averaged \$20.57 per pound in the quarter compared to \$21.69 in the second quarter of 2024. This represents a decrease of 5%.

Fourth quarter production

Molybdenum production increased by 3.5% in the second quarter of this year compared to the same period of last year. This was mainly driven by higher production at all our mines, with the exception of La Caridad. In 2025, we expect to produce 28,700 tons of Molybdenum, which represents a decrease of 1% over our 2024 production level.

Silver Business

Silver represented 7% of our sales in the second quarter of 2025 with an average price of \$33.62 per ounce this quarter. This reflected an increase of 17%. Silver is currently our second by-product. Mined silver production increased 15% in the second quarter of this year vis-a-vis the second quarter of 2024. This was the result of higher production in all of our mines except the Toquepala operation.

Refined silver production increased 1% quarter-over-quarter. It was mainly driven by growth in production at our Caridad refinery, which was partially offset by a drop in production at the Ilo one. In 2025, we expect to produce 22.8 million ounces of silver, an increase of 9% compared to last year.

Zinc Business

Zinc represented 4% of our sales in the second quarter of this year with an average price of \$1.20 per pound this quarter. This represents a 7% decrease compared to the second quarter of 2024 figure of \$1.29 per pound. Zinc is our third by-product.

Mined zinc production increased 56% quarter-on-quarter and totaled 45,899 tons. This was mainly driven by a 126% increase in production at the new Buenavista zinc concentrator, which is operating at full speed. For 2025, we expect to produce 173,400 tons of zinc, which represents an increase of 33% over our 2024 production level. This growth we will be driven by the production of our Buenavista zinc concentrator where we will produce 110,700 tons.

Financials

Looking into our financial results for the second quarter of 2025, sales were \$3.1 billion, \$67 million below the sales level of the second quarter of 2024, or 2% lower. In a scenario of lower LME prices that decreased by 2.3% and higher COMEX prices that increased by 3.7%, the copper sales value dropped 5% while the volume fell 3%.

Sales by product

Regarding our main by-products, we reported growth in sales of zinc of 7% due to an increase in volume. The increase in volume was 14%, which was partially offset by lower prices. Silver sales grew 28% due to better prices and volume. Molybdenum sales dropped 7% due to lower prices, which was partially offset by an increase in the volume of 3%.

Our total operating cost and expenses decreased \$47 million, or 3%, compared to the second quarter of last year. The main cost reductions were in inventory consumption, contractors, freight, diesel and fuel and other factors. These cost reductions were partially offset by higher repair materials and translation difference.

EBITDA and margin

The second quarter of 2025 adjusted EBITDA was \$1,791 million, which represented a slight decrease of 0.3% with regard to the \$1,797 million registered in the second quarter of last year. The adjusted EBITDA margin in the second quarter of 2025 stood at 59% versus 58% in the second quarter of 2024. Adjusted EBITDA in the six months of this year was \$3,537 million. This is 10% higher than the same mark for 2024.

Operating cash cost

Cash cost. Operating cash cost per pound of copper before by-product credits was \$2.11 per pound in the second quarter of this year. This is \$0.06 higher than the \$2.05 value reported in the first quarter of 2025. This 3% increase in operating cash cost was driven by higher cost per pound from production costs, administrative expenses, and lower premiums. This growth in operating cash cost was partially offset by a significantly lower treatment and refining cost. This treatment and refining cost had a positive variance of over 650%.

Southern Copper's operating cash cost including the benefit of by-product credits, was \$0.63 per pound in the second quarter of this year. This cash cost was \$0.13 or 18% lower than the cash cost of \$0.77 for the first quarter of 2025. So, we had a reduction in cash cost of 18%, which is \$0.13 per pound.

Byproducts

Regarding by-products, we had a total credit of \$756 million or \$1.48 per pound in the second quarter of this year. These figures represent a 15% increase when compared with the credit of \$659 million or \$1.29 per pound in the first quarter of 2025. Total credits have increased for all our by-products.

Net income

The second quarter of 2025 net income was \$973 million, which represents a 2% increase with regard to the \$950 million registered in the second quarter of last year. The net income margin of the second quarter stood at 32% versus 31% in the second quarter of 2024. This increase was mainly the result of a 3% decrease in operating cost, a drop in G&A and exploration expenses; and an increase in interest income. These results were partially offset by lower net sales. On a year-to-date basis, net income was 14% higher than in 2024 due to higher net sales.

Cash flow

Cash flow from operating activities in the six months of this year was \$1,698 million, which represents an increase of 5% compared to the \$1,622 million post in the six months of 2024. This improvement was attributable to the strong cash generation at our operations, which was driven by higher sales and cost control efficiencies.

Capital investments

Looking into capital investments for the Peruvian projects. Our investments in Peruvian projects that are being built or for which basic or detailed engineering is being conducted could surpass \$10.3 billion in the next decade. The openness of the Peruvian government and institutions to private investment, the strong support of local communities, and respect for the rule of law underpin our aggressive investment program in Peru. With the support and assistance of Peruvian authorities, the company is moving forward to secure the administrative permits and licenses that are required prior to investments. The project construction and subsequent operating phases will generate new poles of development, create significant jobs opportunities, and drive growth in tax revenues at both national and regional levels.

Given that there is a description of our main capital projects in Southern Copper's press release, I'm going to focus on updating new developments for each.

Tía María

In the case of the Tia Maria project located in the Arequipa region, as of June 30th of this year, the company has generated 1,376 new jobs. Of them, 802 were filled with local applicants. To the fullest extent possible, we intend to fill the 3,500 jobs estimated to be required during Tia Maria's construction phase with workers from the Islay province. In 2027, when we start operations, the project will generate 764 direct jobs and 5,900 indirect jobs.

In the early construction phase, progress on access roads and platforms stands at 90%. We will advance these efforts alongside work to set up a temporary camp, engage in massive earth works and roll out mine opening activities. To date, we have installed 59 kilometers of live fence to delimit the property.

Los Chancas

In the case of Los Chancas project, which is in Apurimac, at the center part of the country, on June 6th of 2025, the company signed a "Framework Agreement for the Development of the Tiaparo Peasant Community and Los Chancas Mining Project". This was signed with the community of Tiaparo. This agreement will be in effect throughout the construction and operation phases of the project. This agreement, as well as the important steps taken to control illegal mining activities related to the project, represent important milestones in the development of our Los Chancas projects.

Michiquillay

For the Michiquillay project located in the northern region of Cajamarca, as of June 30th, the exploration project's total progress was 45%. Drilling program was completed, totalling almost 146,000 meters of drilling and 59,100 core samples were submitted for chemical analysis.

Diamond drilling has provided the information necessary for interpreting the distribution of mineralization in geological sections and for geological modelling, which is required for the mineral resource estimate. Currently, this is underway. The geo-metallurgical studies have been successfully completed and the hydrological, hydro-geological and geotechnical studies for the project are about to begin.

Mexican Projects

For our Mexican projects, we're currently expecting to obtain permits and licenses that have been put on hold by the previous government in Mexico. We're conducting talks with the current administration to continue rolling out SCC's Mexican investments for about \$10.2 billion.

Minera Mexico is planning to invest more than \$600 million in 2025 at both its open pit and underground mines. Half of this investment will be used to guarantee the viability of long-term operations by actively modernizing and updating assets. Remaining funds will target improvements in water usage and tailings management to ensure that our operations are safe and efficient. In addition, we will invest in efforts to bolster optimization and growth.

El Arco

In the case of El Arco in Baja California, this is a world-class copper deposit located in the central part of the Baja California Peninsula. For it, detailed engineering is still underway for the concentrator, SX-EW plant, water desalination, logistics infrastructure and power delivery.

El Pilar

In the case of the El Pilar project in the Sonora state, this is a low capital intensity copper greenfield project, which is strategically located in Sonora in Mexico, approximately 45 kilometers from our Buenavista mine. We anticipate that El Pilar will operate as a conventional open pit mine with an annual production capacity of 36,000 tons of copper cathodes. This operation will use highly cost-efficient and environmentally friendly SX-EW technology.

SCC has several projects in its Mexican pipeline that may boost organic growth if they are found to be of value for both stakeholders and the communities in which we operate. These products are Angangueo, Chalchihuites and the Empalme Smelter, which could bolster our position as a fully integrated copper producer.

ESG Update

For environmental, social and corporate governance practices or ESG, Southern Copper continued to strengthen its focus on sustainability and transparency.

Sustainability

For the first time Southern Copper's sustainable development report was verified by an independent third-party. This verification complies with the standards of environmental, social and governance rating agencies and bolsters investors' confidence by providing detailed information on our performance across 15 material sustainability topics.

The most noteworthy results include a 24% reduction in the lost time injury frequency rate since 2023. Besides this, 39% of our electricity consumption was sourced from renewable energy in 2024 and the copper mark certification was achieved for all our open pit operations.

ESG Recognition

Southern Copper was also included in the sustainability indices of the FTSE Russell, a subsidiary of the London Stock Exchange Group. This inclusion recognizes the company's compliance with FTSE Russell's environmental, social and governance standards, which are designed to identify companies with exemplary sustainability practices.

Southern Copper obtained a score of 60% above the average for the non-ferrous metals sub-sector. Its presence in the FTSE4Good Developed and FTSE4Good U.S. 100 indices places it among the top sustainability performers in developed markets globally and among the 100 highest rated companies in the United States, respectively.

Biodiversity

The company also has an international recognition for conservation of the Mexican Gray Wolf. At an event held in Detroit on June 3 to 4, SCC was recognized by the tandem Global Awards 2025 in the category of Mammal Projects. These awards recognize the excellence in corporate

conservation by U.S.-based and international companies that carry-out actions to protect biodiversity and improve natural environments. Buenavista del Cobre Environmental Management Unit, located in Cananea, Sonora, was recognized for its participation in the Binational Mexico-United States Program for the Conservation of the Mexican Gray Wolf.

Local community

For the Tia Maria project, we are moving forward generating sustainable value. As SCC advances in building the Tia Maria mining project in Arequipa, Peru, we continue to drive development in neighbouring communities by generating employment and hiring local suppliers. To date, Southern Copper has created 1,376 new jobs, 802 of them were filled with local applicants, which represents 11% of the economically active population of the nearby Tambo Valley. Southern Copper has also hired 50 local suppliers in the transportation, general services, and machinery rental sectors, consequently improving the quality of life of more than 300 families.

Human development

Driving musical education in Mexican communities. As part of the Youth Orchestras and Choirs, professionals from the Academy of Music of the Palacio de Minería impart master classes to all students and teachers from the seven communities in Mexico that participate in the project. SCC also offers scholarships to outstanding students who wish to pursue higher learning in Orchestral Conducting and Pedagogy at the Instituto Superior de Música de Puebla in Mexico. This attests to the company's commitment to cultural and educational development.

Dividends

Dividend announcement. Regarding dividends, as you know, it is the company policy to review our cash position, expected cash flow generation from operations, capital investment plans, and other financial needs at each Board meeting to determine the appropriate quarterly dividend. Accordingly, on July 24 of this year, Southern Copper Corporation announced a quarterly cash dividend of \$0.80 per share of common stock and a stock dividend of 0.0101 shares of common stock per share. This will be payable on September 4th of 2025 to shareholders of record at the close of business on August 15, 2025.

Ladies and gentlemen, with these comments, we end our presentation today. Thank you very much for joining us. And now, we would like to open the forum for questions.

Q&A

Operator: Our first question comes from the line of John Brandt with HSBC. Please proceed.

Jonathan Brandt: Hi, good morning, Raul. Thanks for the presentation.

First, I'm hoping we can dive a little bit into realized copper prices, just given the COMEX premium that we saw this quarter. I guess, how much of the COMEX premium are you realizing? What percentage of your sales are derived on COMEX? And if we do see the copper tariffs go through in a couple days, what does that mean for your contracts? And I know you have a fair

amount of contracts that reference the COMEX premium, but presumably your clients won't want to pay that, that COMEX price if they're not sourcing it from the U.S. So, could you just kind of give us a little bit of clarity on how that is all going to work for you?

And I guess the second question is just on the expectation for cash costs. We saw a big improvement this quarter granted a lot of it was from by-product credits, but I think there was also some from TC/RC. So, if you could give us sort of what the expectation is maybe before by-product credits over the next rest of this year and next year and what benefit if any we should be seeing from potentially even lower TC/RCs for you?

And I guess kind of related to that, how are you thinking about investing in the Empalme smelter just given the low TC/RCs that we see in Asia? I mean, economically, presumably doesn't make sense given the current spot of TC/RCs, but strategically maybe it does. So, if you could just kind of give us an idea to how you're thinking about that, that would be great. Thank you.

Raul Jacob: Thank you very much for your questions, John. Okay. Let me first mention that we are not making any comments on our sales composition or the impact that this huge price arbitrage, as we pointed out, is affecting us and how it is affecting us. This is something that is handled by our commercial team and we want to maintain this confidential for now.

And now, one of the things that I could mention is that, in general, generally speaking, we need to see what happens at the end of this process regarding a possible tariff for copper imported to the U.S. We don't know yet what is this going to be. As you have heard news, possible tariff levels are moving up and down on a daily basis. In some cases, as was in the news yesterday, countries are negotiating and we'll see how successful it is for them. So, it's very hard to predict at this point what is going to happen and how this is going to affect us.

Now on the cash cost question, I think that it is important to know that the higher credits that we're getting have, obviously, some price effect particularly for silver because molybdenum as well as zinc are not that favourable in terms of prices. But in the case of zinc and silver production -- on production and sales, physical sales, we are doing much better than a year ago, and that is in this the last quarter as well, and that is reflected in our higher revenues for by-product credits, and that is, for sure, helping our cash cost to be at the low level that we have been reporting in the past quarter and this quarter again and better than in the first quarter of 2025.

Well, TCs/RCs as you mentioned, John, are at an extremely low level. In some cases, we have heard that they are even negative, and obviously, just the economics wouldn't be that attractive to move on with a new investment on a smelter. However, we are in the Americas, and that I think it's important for the future because, as you indicated, as strategically speaking, it may be a different circumstance that make a new investment in smelter a possibility, but this is something that we will be evaluating as we move on. We do have the skill to build and operate with a very competitive cost a new smelter in both Mexico and Peru. And we'll see and we need to have some more clarity on the long run for this type of investments before we undertake it.

Jonathan Brandt: Okay, that's clear. Just -- sorry, just as a follow-up. I definitely understand the reason for not wanting to disclose sort of the contracts and COMEX prices and stuff. But is it fair to say that you were receiving the COMEX premium this quarter based on your current contracts or have -- yes. I mean, I guess, is that fair to say that you were receiving sort of the original contracts that you have with your clients? I mean, nothing has changed thus far and whatever was on a COMEX price reference you were receiving in the second quarter?

Raul Jacob: Some of our contracts are under COMEX, as well, and we are honouring them, we're expecting and we're getting our customers to honour them as well. Keep in mind that right now there is no tariff applicable for any sales to the U.S.

Jonathan Brandt: Thanks, Raul.

Operator: Thank you. One moment for our next question. That comes from Alejandro Demichelis with Jefferies. Please proceed.

Alejanro Demichelis: Yes. Good morning, gentlemen. Thank you very much for taking my question. Raul, two questions if I may. We've heard this week that Chile may be getting some kind of exemption on corporate tariffs if they were to come in and so on. How do you see the dialogue between the Peruvian government and the Peruvian kind of operating companies with the U.S. regarding this situation? That's first question.

And then the second question is you mentioned the progress on Tia Maria and the access road and so on. How are you seeing the date or potential dates for starting up Tia Maria then, please?

Raul Jacob: Okay. Let me get on the second question, which will require a very short answer. We're expecting to initiate tests and have some production in the first half of 2027, and we will be informing the market on our progress in the project. But at this point, that's our goal.

Regarding any conversations, they are done in a very confidential manner, and we have not much to report on that.

Alejandro Demichelis: Okay, that's very clear. Thank you.

Raul Jacob: You're welcome.

Operator: Thank you. Our next question comes from the line of Myles Allsop with UBS. Please proceed.

Myles Allsop: Yes, great. Thank you for the call. Could you just talk a little bit about CapEx because the spend in the first half was materially lower than what you've been guiding for the

full year? Should we assume there's a dramatic step up in CapEx in the second half or is the downside risk to the 2025 CapEx guidance? And could you remind us what projects are coming through over the next 6-12 months in addition to Tia Maria in terms of meaningful spend. Is like, Cuajone, and so?

Raul Jacob: Yes. Hold on a sec, please. Okay. The main project that we have is Tia Maria. We're working and we will see some much higher expenditures in it in the second half of the year. Besides those, Tia Maria, which is a new operation, we do have several projects that are moving forward in our operations as part of either replacement projects or as a consequence of having some other initiatives that are affecting our operations.

In general, we have a group of projects that are maintenance like, for instance, a replacement of a mining equipment will be in that category and some other projects that are related to that. For the first half of the year, we have invested in these other projects a little bit north of \$230 million, and we expect to spend for the year about, in total, about \$1.6 billion dollars. That's our budget for the year. And we are focusing on getting that moving forward.

Myles Allsop: So, we should assume quite a material step up in CapEx in the second half based on the first half's actual spend? And maybe just to clarify Tia Maria, if we're getting testing and first order during the first half, should we assume something like 50,000 tons of production in 2027, or will it be less than that? How should we think about that, production profile '27-'28 to get to full capacity?

Raul Jacob: We are currently reviewing the information regarding what could be the production at that time in 2027. So, we will have more colour on this, and for now, we are not moving our estimates. We want to update them very possibly on the next meeting, in the next quarterly report, or when we have the new budget for 2026. And the same is that we need to see how we are moving forward with the different parts of the project.

At this point, we're finishing the biddings and we're getting into some works for the open-up of the mine, of the La Tapada mine, which will be the first part of the investment cycle. We will be investing much more money in the project in the second half of the year than what we had in the first part of it and that will be reflected, obviously, in our CapEx expenditures for the rest of 2025.

Myles Allsop: Great. Thank you.

Raul Jacob: You're welcome.

Operator: Thank you. Our next question comes from the line of Carlos de Alba with Morgan Stanley. Please proceed.

Carlos de Alba: Yes, thank you very much. Good morning, Raul. I wonder if we can talk a little bit about the -- what I understand is some maintenance that may take place in some of your Peruvian operations or has already taken place. If you can provide a little bit of details on those works as well as the potential impact on shipments, production of copper and cost?

Raul Jacob: Okay. In the case of the Peruvian operations, basically, we have this year scheduled two major maintenances. At the Cuajone mine, some work has been done to do some maintenance. That is already embedded in our current production forecast. And in the case of the Ilo Smelter in Peru as well, we have to do a multi-annual maintenance. Each two - - almost three years in this case - we have to do a major, a 20 days stoppage of the facility to do several works. That is something that will be performed this quarter, the third quarter. We're switching to sell more copper concentrates just to maintain our sales level. And as has been mentioned, the fact that we have very good or very low treatment and refining charges are helping us in this case. So that's basically it, Carlos, for maintenance.

In the case of the Mexican operations, we are focusing on improving the production of the concentrator in Buenavista. That is one of the points that we're looking into. Currently, the SX-EW operations in Buenavista are doing fine. The Buenavista zinc concentrator is doing really well. We are very pleased with that.

So that's basically it.

Carlos de Alba: And just in terms of the potential impact on cost of this Ilo maintenance and maybe Cuajone maintenance in the third quarter, any color there?

Raul Jacob: Well, not much. I think we will be having a very competitive cash cost in the second half of the year obviously. Well, keep in mind that we will not be operating 20 days the smelter. So, the total cost very likely will decrease rather than increase because of this major maintenance. So, in my view, we are going to maintain, basically, the same cost structure that you have seen in our report or improve it a little bit with more zinc getting into our sales stream.

Carlos de Alba: Okay. And that you are talking in terms of cash cost per pound?

Raul Jacob: Yes.

Carlos de Alba: Okay. All right. And then from management perspective or to the extent that you know what the board is discussing, what could be the potential impact on dividends as the Tia Maria CapEx ramps up?

Raul Jacob: That's up to the Board, as you know, Carlos. But, well, we have to see. We are considering different options. And as of now, we will spend some more money but, at the same

time, prices are much better now than what they were, say, a year ago, particularly if you have some sales at the COMEX market -- so it's hard to say. I believe the company will stick to what has been the case in the past, which is not hoarding cash, sending it to shareholders in as much as we can, and I think that that is -- that it has been a company practice, and I believe that the market is pleased with it as well.

Carlos de Alba: All right. Thank you, Raul.

Raul Jacob: You're welcome.

Operator: Thank you. One moment for our next question. That comes from Alfonso Salazar with Scotiabank. Please proceed.

Alfonso Salazar: Yes, good morning, Raul. I have two questions for you. The first one, in Grupo Mexico's release, they say that production -- copper production in Mexico was down and that was related to the decision to benefit the zinc and silver production at the Buenavista zinc, impacting copper production. So just wondering how this is going to work. You have to prioritize one metal over the other one. Is this already in your guidance? We have to reduce copper production at Buenavista zinc for the year. So just want to understand what's going on here and how you decide whether to produce zinc or copper?

And the second question, if you can remind us your production guidance -- your current production guidance for the following years?

Raul Jacob: Yes. This is what we have done in the case of Buenavista. The zinc plant, the zinc concentrator that we built to operate in the Buenavista mine it's currently operating in an area that is rich in zinc. So, the plant that can switch between zinc and copper has been dedicated fully to zinc. And the reason for that is that we're getting much more value produced by the plant focusing on zinc given the current areas that we are operating in at the mine than doing the swap between zinc and copper.

As you may imagine, when we switch from producing zinc to produce copper at this concentrator, we have to do a stoppage, and that is affecting our yearly production of both copper and zinc if we do it several times in the year. So, after evaluating the value that the copper that could be produced by this facility given the areas where we are operating in the mine and the value of the zinc that could come from the zinc concentrator in this case, the company decided to move forward just with zinc in this plant. Obviously, the copper concentrators for Buenavista as well as the SX-EW plant are producing copper as usually.

And that, last year, we produced 9,500 tons of copper in this facility, the Buenavista zinc concentrator. When we do a switch to copper, produced 9,500 tons of that. That production has not been available this year, so that's why we are getting 965,000 tons of copper expected for 2025.

If we were to repeat what we did last year, we will have another 10,000 tons on top of the 965,000 tons, but the decision was to move forward to produce zinc. The value of this decision is much more profitable for the company and that's what we did. And obviously, that this is reflecting in zinc sales that we have reported a significant increase in it. There is some zinc in inventory that should go out in the second half of the year, and that is, basically, what has happened in this year, Alfonso.

Raul Jacob: Regarding your second question on the production guidance. For this year, as I mentioned, we have 965,300 tons. This is, basically, what we had in our plans for 2025. For next year, we're currently reviewing next year's production. The current forecast is a little bit north of 900,000 tons but we're reviewing it. And in 2027, 950,000. And then over a million in 2028, 1,021,000; 2029, 1,070,000. Same number, 1,070,000 for 2030. And then in 2031 and 2032, we will scale up to 1.6 million tons by getting all the benefit of the projects that were currently undertaken in Peru and in Mexico.

Alfonso Salazar: Okay, perfect. So, if I understand correctly, it's a value maximization that you will have to be doing depending on the ore grades for the Buenavista zinc, for the mineral extracted from Buenavista zinc and you will have to assess what is more profitable, right?

Raul Jacob: That's right. Keep in mind that we have certain areas of the Buenavista mine where the zinc content is very high, very interesting in other words. So it is better that we focus on producing more -- much more zinc in these areas than doing the switch between copper and zinc because the copper production wouldn't be that interesting, that good, and you will be sacrificing a significant chunk of zinc, much more valuable than the copper that you're getting at that portion of the mine.

Alfonso Salazar: Okay.

Raul Jacob: So, the facility can switch from copper to zinc but, in this case, we're keeping the production just on zinc because of the areas that we're operating, as well as the technical changes that we have to do in the plant in order to produce copper. That wouldn't be that interesting in this case. The value is much more profitable as the result shows, and the sales for zinc are showing and will show through the second half of the year.

Alfonso Salazar: Yes. So, yes, and we should expect that to continue in -- for the rest of '25 and '26? More zinc and no copper from Buenavista zinc?

Raul Jacob: For this year, we are expecting Buenavista to produce 110,700 tons of zinc. For next year, the number will decrease to 94,000 tons and be over at that level for 2026. So, we're

doing this because it's much more profitable for the company and it's the best way to process the mineral that we're getting from the mine for the zinc facility.

Alfonso Salazar: That's very clear. Thank you, Raul.

Raul Jacob: Let me mention, Alfonso, this is something that it has to be evaluated over time because prices are different, the areas of the mine where you are operating may change their quality of the ore grades for zinc, et cetera. So, it's an ongoing exercise that we do, and we will be reporting to the market when it is necessary. But as you have seen, our copper production in this facility has been and will be at about 10,000 tons per year. So, that's -- it's letting go this 10,000 tons and getting much more zinc or not. That is the kind of a question that we have to answer, and it depends on different circumstances as I tried to explain some on them.

Alfonso Salazar: Understood. Thank you.

Raul Jacob: You're welcome.

Operator: Thank you. (Operator Instructions) Our next question is Emerson Viera with Goldman Sachs. Please proceed.

Emerson Viera: Hi, gentlemen. Good morning. So, I have a few questions.

The first one is on Cuajone expansion. I know you guys are expecting this project to come to board approval by next year. So, any update on that front would be very helpful. So, this is the first one.

The second one would be on the copper sales, as well. So, we saw a decline year-on-year so sales lag in production by 70%. So just to understand if there was, I don't know, a frontloading effect in first Q that caused this to happen in the second quarter. And I think it would be those two questions. Thank you very much.

Raul Jacob: Okay. On the copper sales, we had -- at the end of 2024, we had some copper inventories that were sold in the first quarter of this year. That's the main difference that we have in the copper sales in the first quarter. So, it's not that sales has been lower. I mean, there are, obviously, less sales of copper in the second quarter but it's more like not directly related to production but to inventories that were processed, higher inventories that we had, that were processed in the first half of the first quarter of this year.

On the Cuajone expansion, there's not much to report. We have been working on having better information on what will the Cuajone expansion look like. One of the concerns is where are we getting the water that is necessary for the Cuajone expansion and that is something that we're working in with different initiatives. One of them has been tested and it's doing well, which is

having dry tailings in Cuajone, that tailings deposit. But there are some other options that we're also looking at.

So, we will inform when we have anything significant to report but, so far, we're working on this. I think it's a very attractive project, but we still have to remove some concerns that we have about it before presenting it to the Board and having an announcement on that matter.

Emerson Viera: Thank you very much.

Raul Jacob: You're welcome.

Operator: Thank you. And as I see no further questions in the queue, I will turn the call back to Raul Jacob for final remarks.

Raul Jacob: Well, with this, we conclude our conference call for Southern Copper's second quarter of this year. We certainly appreciate your participation and hope to have you back with us when we report the third quarter 2025 results. Thank you very much for being with us today and have a nice day.

Operator: And ladies and gentlemen, this concludes our program for today. Thank you all for participating and you may now disconnect.