

## Southern Copper Corp. (1Q19 Earnings)

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### Corporate Speakers:

- Raul Jacob Ruisanchez, Southern Copper Corporation, VP Finance, Treasurer, CFO

### Participants:

- Arthur Suelotto, Banco Bradesco BBI S.A., Analyst
- Andreas Bokkenheuser, UBS Investment Bank, Analyst
- Petr Grishchenko, Barclays Bank PLC, Analyst
- Carlos De Alba, Morgan Stanley, Analyst
- Jonathan L. Brandt, HSBC, Analyst

## PRESENTATION

Operator: Welcome to Southern Copper Corporation's First Quarter 2019 Results Conference Call.

With us this morning, we have Southern Copper Corporation's Mr. Raul Jacob, Vice President of Finance, Treasurer and CFO, who will discuss the results of the Company for the first quarter 2019 as well as answer any questions that you might 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 to not place undue reliance on these forward-looking statements. Southern Copper Corporation undertakes no obligation to publicly update or revise any forward-looking statement, 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 Ruisanchez: Thank you very much, Victor. Good morning to everyone. Welcome to Southern Copper's First Quarter of 2019 Earnings Conference Call.

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

Now let us focus on the copper market, the core of our business. During the first quarter of this year, the London Metal Exchange copper price decreased by about 10.8% from an average of \$3.16 per pound that we had at the first quarter of 2018 down to \$2.82 per

pound. That's, as I said, a 10.8% decrease in prices. Even though we see a good physical market for copper, we believe the fall in prices of the prior quarter reflected the sentiment of a possible slowdown of the world economy, concerns with Brexit and an escalation of trade protectionism between the U.S. and China. We expect a recovery in copper prices in the coming months. We maintain our view of a total demand growth of 2.5% for refined copper in 2019. This will be driven by higher consumption in the U.S. and Asia where China will demand about 3.5 percentage points more refined copper than last year.

On the supply side, during the past quarter, we had production losses in Chile and Peru due to heavy rain, and that was estimated as a total loss of production of 165,000 tons of copper. Let me point out that, of these, Southern Copper lost 11,100 tons. As a consequence, we now expect a slight deficit for this year.

Copper represented 80.7% of our sales in the first quarter of 2019. Copper production increased 11.6% in the first quarter when compared to the same period of 2018 due to higher production at all of our operations. In Mexico, copper production increased 5.2% when compared to the first quarter of 2018. This was due to operating improvements at our new Buenavista plants, the SX/EW and the concentrator. In Peru, production increased by 24.3% due to the successful initial ramping up of the new Toquepala concentrator.

Talking about the new concentrator in Toquepala, the ramping up reached 86% of capacity usage at the end of the first quarter of this year. Additionally, as part of this expansion, we have initiated production in the new molybdenum plant in April. We expect to have the Toquepala expansion at full capacity by mid-May, allowing this operation to produce 250,000 tons of copper and 2,600 tons of molybdenum in 2019 with a very competitive cash cost. For 2019, we maintain our view to produce 986,700 tons of copper. That's very close to 1 million tons of copper, which is our current view on our capacity production. According to some analysts, in the next few years, about 7.8 million tons of additional refined copper will be required, in the next 10 years. This will yield a market deficit of approximately 2.8 million tons for the next decade. Given this positive long-term market outlook, we're focusing on developing the next phase of our growth program, aiming to reach a milestone copper production capacity of 1.5 million tons. That is a 50% increase in capacity by 2025, all of this with a very competitive cash cost. We expect to achieve this while delivering enhanced performance, sustainable growth and superior value that has been and it is the case for Southern Copper.

For molybdenum, it represented 6.7% of the Company's sales value in the first quarter of this year. Molybdenum prices averaged \$11.70 per pound in the quarter, which compares to \$12.14 in the same period of 2018. This is a 3.6% decrease in price. Molybdenum mine production slightly decreased by 0.6% in the first quarter of this year due to lower production at Toquepala as a result of lower ore grades and recoveries. This effect was partially offset by higher production at Buenavista as a result of the better performance of the second concentrator of this site. In 2019, we maintain our guidance of producing 25,300 tons of molybdenum. This is 15% more of what we produced last year with 2,600

tons coming from the molybdenum plant at the new Toquepala concentrator, as we already mentioned.

For zinc, it represented 4.4% of our sales value in the first quarter of this year with an average price of \$1.23 per pound in the quarter, a price decrease of 20.6% from the same period of 2018. Zinc mine production increased by 4.6% to 18,550 tons in the first quarter compared to the first quarter of last year. This was due mainly to higher production at the Santa Eulalia mine as a result of higher milling as well as higher grades and recoveries. Refined zinc production decreased by 2% in the first quarter.

The San Martin mine recovery program has been steadily progressing in repairing the damage caused to this operation by 11 years of strike where our facilities were seriously deteriorated due to a lack of maintenance and vandalism. At the end of the first quarter of this year, the mine has an inventory of approximately 200,000 tons of mineral, and the concentrator initiated production this month. For 2019, we expect to produce 14,600 tons of zinc for San Martin, 2.4 million ounces of silver and 5,000 tons of copper at this operation. At current market prices, the 2019 production forecast for this unit has an estimated value of \$108 million. The budget of the recovery program is \$87 million. As of March 31, the program has had a total expense of \$34.9 million.

Silver represented 4.4% of our sales value in the first quarter of 2019 with an average price of \$15.52 per ounce in the quarter, a 7% decrease from the first quarter of last year. Mined silver production increased by 4.8% in the first quarter of this year, mainly as a result of higher production at our Toquepala operations due to 248,000 ounces of silver production coming from the new concentrator of Toquepala. Refined silver production decreased by 0.5% in the first quarter when compared to the same period of 2018.

In the first quarter, net sales were \$1,753.4 million. Copper sales volume increased by 6.9%, mainly due to additional production at our new Toquepala concentrator. By-product volumes of silver increased by 19.9% and for zinc by 2.2%. While in the case of molybdenum, volume decreased by 2.7%. Overall, due to lower metal prices, particularly the copper price, net sales were 4.8% lower than in the first quarter of 2018.

Regarding our operating cost, it decreased by \$8.1 million or 0.8% when compared to the first quarter of 2018. The main cost reduction has been in purchase copper concentrates, where we decreased its cost by \$95 million. And on top of that, we had some positive variances related to translation difference and workers' participation. The cost reductions were partially offset by higher inventory consumption, depreciation, lower leachable material and other factors.

Our EBITDA for the first quarter was \$889.9 million. This is a 12.2% higher EBITDA than the fourth quarter of last year that was \$793.1 million. The adjusted EBITDA margin for the first quarter was 50.8%. This compares with 46.8% in the fourth quarter of 2018.

For cash cost, in our press release, we have provided information for the cash cost, comparing it with the first quarter of last year. I'm going to compare it to the fourth

quarter of 2018 in this call. Operating cash cost per pound of copper before by-product credits was \$1.53 per pound in the first quarter of 2018. That is \$0.044 lower than the value for the fourth quarter of 2018. This 2.8% decrease in operating cash cost is a result of lower cost per pound from production cost and higher premiums, that were partially offset by higher treatment and refining charges and administrative expenses. Southern Copper operating cash cost, including the benefit of by-products credits, was \$0.904 per pound in the first quarter of 2019. This cash cost was \$0.054 lower than the cash cost of \$0.958 per pound that we had in the fourth quarter of 2018. This is a reduction of 5.7% in our cash cost. Regarding by-products. We had a total credit of \$305.7 million or \$0.622 per pound in the first quarter of 2019. These figures represent a 1.7% increase when compared with the credit of \$306.4 million or \$0.612 per pound that we had in the fourth quarter of 2018. Total credits have increased for silver, gold and sulfuric acid and decreased for molybdenum and zinc.

Net earnings attributable to Southern Copper shareholders in the first quarter of this year were \$388.2 million. This is 22.1% of sales. That, in terms of per share, was \$0.50 of earnings per share. This figure compares with net income attributable to SCC shareholders for the first quarter of last year of \$470 million, which is 25.6% of sales or diluted earnings per share of \$0.61.

Looking into our capital expenditures, as you know, Southern Copper investment philosophy is not based on the outlook for copper prices but on the quality of the assets that we operate and develop. Throughout the years, our strong financial discipline has consistently allowed us to invest on a continuous basis in our superior asset portfolio. Capital investments in the first quarter of this year were \$173.1 million compared to \$295.7 million in the first quarter of 2018.

For the Peruvian projects, we currently have a portfolio of approved projects in Peru of \$2.8 billion, of which \$1.6 billion have already been invested. Considering the Michiquillay, \$2.5 billion investment; and Los Chancas, \$2.8 billion investment projects, our total investment program in Peru increases to \$8.1 billion.

For the Toquepala expansion project located in the Tacna region in Peru, this \$1.3 billion project includes a new state-of-the-art concentrator that will increase Toquepala's annual copper production to 258,000 tons in 2019, a 52% production increase for this operation when compared to last year. Through March of this year, we have invested \$1,240 million in this expansion. The construction of the project was completed and production initiated in the fourth quarter of 2018. Full production is expected to be reached in the second quarter, by mid-May.

In the case of Tia Maria, we completed all engineering and environmental requirements, including responding to the 14 observations received from the Ministry of Energy and Mines in the fourth quarter of last year. We expect to receive the construction license for this refined copper greenfield project, with a total capital budget of \$1.4 billion in the first half of this year.

In addition to our ongoing social work with the communities of the Tambo valley, the Company is currently deploying its successful labor program, “Forge your Future”, (“Forjando Futuro”), to train 700 people from the Islay Province in 2019. After training, the participants will be eligible to apply for one of the estimated 9,000 jobs, of which 3,600 will be direct and 5,400 indirect, that are required during the Tia Maria construction phase. We believe that the initiation of construction activities for Tia Maria will generate significant economic opportunities for the Islay Province and the Arequipa region. Additionally, we appreciate the efforts of the Peruvian government in its review and assessment of the Tia Maria project. We believe that their efforts, in conjunction with those of the local communities and the work of the company team, have been extremely helpful in moving this project forward by helping develop a fair and honest assessment of the project. We expect that the construction license for its development will soon be issued, which will generate employment opportunities and contribute to the social development in Islay and the Arequipa region. When in operation, we expect Tia Maria to produce 120,000 tons of refined copper per year and generate a significant contribution through mining royalties and taxes, which will be paid from day 1. The project will directly employ 600 workers and indirectly provide jobs to another 4,200.

Regarding our Mexican projects, we have in Buenavista the project to construct a new zinc concentrator. This project is located within the Buenavista facility and includes the development of a new concentrator to produce approximately 80,000 tons of zinc and 20,000 tons of copper per year. Currently, we have completed the basic engineering. Water concessions have been requested. The project budget is \$413 million, and we expect to initiate operations in 2021 . When completed, this new zinc concentrator will double the Company's zinc production capacity, and the project will generate 3,760 jobs.

For the Pilares project, also located in the Sonora region. Pilares is located 6 kilometers away from our operation of La Caridad. This project consists of an open-pit mine operation with an annual production capacity of 35,000 tons of copper in concentrates. The ore will be transported from the pit to the primary crushers of the La Caridad copper concentrator through a new 25-meter wide off-road facility for mining trucks. Environmental permit studies were presented to the government's environmental authorities, and additional land is being acquired. This project will significantly improve the overall mineral ore grade of the La Caridad mine by combining the 0.78% ore grade from Pilares with the 0.34% ore of La Caridad. The budget for Pilares is \$159 million, and we expect it to start producing in early 2020.

Regarding dividends, as you know, it is a Company policy to review at each board meeting the Company cash resources position, expected cash flow generation from operations, capital investment plan and other financial needs in order to determine the appropriate quarterly dividend. Accordingly, as announced to the market on April 11, the Board of Directors authorized a cash dividend of \$0.40 per share of common stock, which will be payable on May 17 to shareholders of record at the close of business on May 3.

With this in mind, ladies and gentlemen, thank you very much for joining us, and we would like now to open up the forum for questions.

## QUESTIONS AND ANSWERS

Operator: (Operator Instructions)

Arthur Suelotto from Bradesco BBI.

Arthur Suelotto: So the first question is regarding Tia Maria. Seems Southern Copper has successfully responded to the eviscerations from the Peruvian Ministry of Energy and Mines. I was wondering what are the next steps, if any, that have to be concluded in order to allow the project to receive its construction permits here in the first half of 2019? And then you also mentioned, Raul, that the CapEx for the first quarter was \$170 million for Southern Copper. I just wonder if you can give us an update on what are you expecting for CapEx for 2019, 2020? And how much of this total CapEx should be spent on Tia Maria? That's my first question.

And my second question is regarding cash cost per ton. You posted a reduction in cash cost per ton, both on a yearly and quarterly basis. But I was wondering how much you expect to reach or how low can we reach in terms of cash cost per ton here in 2019 before by-product and after by-product credits, considering now the additional volume from Toquepala and San Martin? That's it.

Raul Jacob Ruisanchez: Okay. Thank you very much for your questions, Arthur. It will certainly help me to explain some of the things that we're looking at right now.

In the case of Tia Maria, in terms of legal, technical and environmental requirements, the Company has complied with all of them. So that's where we are, we're expecting, in that regard, the issuance of the construction permit. We understand and we have been working closely with the Peruvian government to create a good and proper social environment for the project to move on. So as part of this work, we are currently looking at certain initiatives on our side and on the side of the government to improve a very positive social environment for the project. What we're seeing now is a very positive environment, but the government considers that we can do a little bit more on this, and we are focusing on that and expect to receive our construction permit as soon as possible actually. We believe that the project will detonate a significant improvement in labor opportunities and certainly an increase in quality of life for the area, the Islay Province.

As we have stated in several communications and through different advertising campaigns, the Company has informed that we will be operating in the desert. That is at least 3 kilometers away from the Tambo valley. One of the closest mines will be 3 kilometers away from the Tambo valley. That's quite a bit of a distance if you see some other operations worldwide and in Peru. Besides this, the plant will be located 11 kilometers away from the Tambo valley, which is also a guarantee, plus the measures that we're taking to have a safe and environmentally careful operation, that we will not affect

the Tambo Valley at all. Actually, this project will produce a significant improvement in opportunities and quality of life at the area.

Now on the CapEx guidance, basically we're maintaining our view of the first call of this year. For this year, we have a budget of \$1.8 billion for CapEx. Of those, \$300 million will be invested in Tia Maria. For next year, we're considering \$2.1 billion; for 2021, \$2.9 billion; for 2022, \$2.5 billion.

On your next question, cash cost for 2019, well, you want the works after and before by-products. Okay. Let me mention, first, that this year, we'll have a different situation between the first half and the second half of the year. In the first half, we're doing the ramping up of the new Toquepala facility. We're doing the ramping up of the new molybdenum plant in Toquepala, and that is part of the new concentrator complex. And we also are doing a major overhaul, which is almost finished, for the San Martin mine in Mexico. So all of this will be at full speed when we get into the third quarter of this year and obviously on the fourth quarter, so we will have a significant cash cost variance in this quarter and through the second half of the year. We're currently maintaining our guidance for the year of \$0.80 per pound for 2019 as cash cost. Currently, what we believe is that before by-product credits, we should go down to \$1.48 per pound before credits. And we should have credits of about \$0.68, yielding a cash cost, as I say, of \$0.80 per pound.

I'd like to also comment that our cash cost for the first quarter has been affected by 2 elements. The first one is the rains that we had that made the Company to shut down its Toquepala and Cuajone facilities in the first quarter for almost a week. That took away 11,100 tons of copper from our production. That's our current estimate of production losses, and that certainly affected our cash cost. The second element is that each 2.5 years, approximately, we have to do a major maintenance to our smelting facilities in Peru. This is part of the skilled programs that we have. And as part of this maintenance, we shut down the Ilo smelter for about a month during the first quarter. So in order to maintain our sales, we sold copper concentrates, and that affected our cash cost by increasing the per-pound weight of treatment and refining charges. So all of these factors, as I'd say, the rains and the maintenance of facilities, slightly affected our cash cost, which, even considering that, was \$0.05 lower than what we had in the fourth quarter of 2018.

Operator: Andreas Bokkenheuser from UBS.

Andreas Bokkenheuser: Just a quick question from me. As you mentioned earlier and as you mentioned in your press release as well, we obviously saw a little bit of pressure on your operating cash flow from higher working capital requirements in relation to Toquepala. Can you just discuss a little bit more detail why was that? Why did working capital requirements go up? And was there any like purchasing of third-party concentrate into Toquepala, anything of that nature? And more specifically, do you think it's temporary? Or do you think it's more permanent, this high working capital relating to Toquepala ramp-up?

Raul Jacob Ruisanchez: Thank you for your question, Andreas. The first one, well, we had some working capital requirements that are kind of onetime in some of them, the matters that created these increase in working capital. Well, as I said, we have sold more copper concentrates, particularly related to the smelter maintenance that we do, as I said, each 2.5 years and well, the new production of the Toquepala concentrator as well so that affected the weight of treatment charges and refining charges in our cash cost. And also, we have more demand for funds for accounts receivable as we are selling concentrates, and they have usually sales terms longer than refined copper.

Besides this, we had higher payments for 2018 that are paid at the end of the year. It's the catch-up for whatever is your final income tax bill with the Peruvian and Mexican government. So those 2 elements were also present in this quarter. In the case of the Mexican operations, we paid in the first quarter rather than in the second quarter, that was what happened last year, so you have a big difference in operating capital or working capital in that case.

Operator: Petr Grishchenko from Barclays.

Petr Grishchenko: First, maybe can you elaborate a little bit on this leasing liability that came on this quarter? I'm just curious of the nature, and I've seen a lot of companies kind of reporting adjustments given IFRS 16. But I'm just curious if you can comment on your particular item.

Raul Jacob Ruisanchez: Could you elaborate a little bit more, please, Petr, because I couldn't get your concern.

Petr Grishchenko: Oh, yes, sorry. Sure. So I'm seeing the leasing -- lease liabilities of \$1 billion.

Raul Jacob Ruisanchez: Okay. Well, we had a new accounting rule that has get into effect in this year, 2019, that requires us to -- us and all the companies, to reflect the leases that you have. And basically, after studying the new norm, we realized that we have to reflect in both, in our asset side as well as in our liability side the contracts that we have that are leases. In our case, our review indicated that we have leases that are operating leases. And that's why if you see our balance sheet, you will see that the figures related on the asset side as well as the liability side are the same. And that's basically it. It's a reflection of a new accounting rule that we have to include in our financials, and that's what we are doing here.

Petr Grishchenko: Okay. I guess as a follow-up, the -- I guess the EBITDA comparison you're showing year-over-year, I just want to make sure I understand it correctly. The first quarter '19 obviously includes IFRS 16. But the comparison versus first quarter '18, did you make an adjustment as well? Because, clearly, the balance sheet does not show this adjustment. So I'm just wondering if the EBITDA figure for the '19 includes add back on leases while the last year does not.

Raul Jacob Ruisanchez: No. We have chosen to reflect this on an ongoing basis. But in both -- but let me say that our EBITDA was not affected by this new rule.

Petr Grishchenko: Okay. Fair enough. And I guess...

Raul Jacob Ruisanchez: And the reason for that -- Petr, the reason for that is that after the review that the Special Committee inside the Company did of this legislation and how -- I'm sorry, this rule and how to apply it to our Company, we concluded that all the leases that we have are operating leases. We don't have any financial or capital lease. And consequently, we don't have an impact in our cost position related to this new rule.

Petr Grishchenko: Got it. And did I hear the rates you mentioned, the guidance of \$2.9 billion CapEx for '21 or 2020? I probably missed that but \$2.9 billion.

Raul Jacob Ruisanchez: Let me get the -- for 2020, it's \$2.1 billion. And for 2021, it's \$2.9 billion.

Petr Grishchenko: Got it. So I guess in terms of cash flow management, do you expect to pay for CapEx with just higher production, higher EBITDA or you think that you will have to access some type of financing, either in the corporate market? I'm just curious how you think of your capital allocation here.

Raul Jacob Ruisanchez: Yes. Well, let me first comment on what we are considering here. It's all the projects that, you do know, that the Company has for growth, for getting from where we are now, about 1 million tons of production, up to 1.5 million tons by 2025. That's our current goal. And regarding financing or any debt structure for our growth, we are all the time looking at different possibilities. At this point, we are considering different options, but nothing has been decided so far regarding this.

Petr Grishchenko: Okay. So that issue is on the table to fund the CapEx?

Raul Jacob Ruisanchez: Yes. There is a possibility, but it will be -- it has to be confirmed internally.

Operator: (Operator Instructions)

Carlos De Alba from Morgan Stanley.

Carlos De Alba: Yes. I wanted to explore the guidance of 1.5 million tons by 2025. How aggressive do you think that is? And could you walk us through the projects that are already approved by the Board and should start to see a rapid increase in investments to get to the guidance for the next couple of years and so that you can hit that, 2025? Because if I see the projects, Tia Maria, which, hopefully, you finally get the approval this year, it's only 120,000 tons. Then you have obviously, next year, the full production of Toquepala, which you won't have this year. And then Pilares is really more just you're

replacing tons in La Caridad. So how comfortable are you that we get to 2025 producing 1.5 million tons?

Raul Jacob Ruisanchez: Yes. Well, the projects that have been approved by the board are the ones that we are showing in our press release. On top of those, we have El Pilar, which is a 40,000-ton project for the Company. We have El Arco. El Arco, it's about 250,000 tons of copper. And we have Los Chancas in Peru, which is 150,000 tons of copper; and Michiquillay, which is 240,000 tons of copper. So that, plus our current production, will take us to the new production level that we want to get to.

Carlos De Alba: And do you have an estimated time for these projects to receive Board approval? Or I guess is there a time for management to present the projects to the Board and then an expected approval?

Raul Jacob Ruisanchez: We are working on these projects simultaneously. Each of them has their maturity process. And in some cases, we're already initiating the Environmental Impact Assessment, as it is the case for Los Chancas. For us, the next project to go is Tia Maria. It's ready to go in our view. But we understand the concerns that the government may have and expecting to receive the construction permit shortly and initiate the construction when appropriate.

For the other projects, as I said, we're, in some cases, at different stages. And they will be presented to the Board when they are at the maturity level for a Board approval, which means that you have to have Environmental Impact Assessment and a feasibility study.

Operator: Jon Brandt from HSBC.

Jonathan L. Brandt: I first wanted to ask you, in this quarter, the reduction in third-party concentrates that you bought, is that just the function of the Ilo smelter and we should see that increase again in the second quarter?

And then my second question is just related to the project pipeline you have. Is there a risk that this 2025 target that you're setting maybe gets missed a little bit? I mean, a lot of the projects that you mentioned that aren't Board approved I know are greenfield, requires a lot more infrastructure spending, et cetera. So I'm just trying to understand what sort of risk you see that it slips past 2025 either because it's greenfield. Or if you could talk maybe a little bit about the challenges or the risk around these projects? I mean, it doesn't seem like it's a funding issue. Is it essentially an issue with governments and getting permits? Is it an issue on the labor and the expertise side? If you could speak a little bit about that, that would be great.

Raul Jacob Ruisanchez: Sure. Thank you for your question.

Regarding third-party concentrates, we are currently long in concentrates in both Mexico and Peru. Obviously, we had some more sales of concentrates in the first quarter due to maintenance of the Ilo smelter, but that is something that was a onetime thing that

happens each 2.5 years, so it's a programmed maintenance. I think that we will be long in concentrates for now up to whenever we have a consideration for investments in some other facilities at the Company. On the project pipeline, well, we are working with the assumption that we will be able to go ahead with these projects when they are mature. In some cases, we're buying land. In some other case, we're initiating some technical studies that are required for a specific project.

In the case of Michiquillay, for instance, we received the asset last year in June, and we're currently working with the local communities to initiate our exploration program in this area, in Michiquillay. In El Arco, we have some other challenges that we're looking at and so on. So I mentioned already the Los Chancas Environmental Impact Assessment that is going on right now, in a very good environment, by the way. So each project has its own challenges. You have to also look at the market and see how things evolve. We are very positive about where the copper market is going to be in the next few years. As I mentioned, we have indications of a structural deficit in the next few years, and that is something that encouraged us to move on with these projects. The timing will depend on how fast we solve these challenges that we have in different aspects of each of the projects.

Operator: And I'm showing no further questions at this time. I'd like to turn the call back to Raul for closing remarks.

Raul Jacob Ruisanchez: Well, thank you very much. Well, with this, we conclude our conference call for Southern Copper's First Quarter of 2019 Results. We certainly appreciate your participation and hope to have you back with us when we report the second quarter of 2019. Thank you very much, and have a very good day today.

Operator: Ladies and gentlemen, thank you for participating in today's conference. This does conclude the program, and you may all disconnect. Everyone, have a great day.