Transcript of
Fortuna Mining Corp.
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Participants

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David Whittle - Chief Operating Officer, West Africa, Fortuna Mining Corp.
Cesar Velasco - Chief Operating Officer, Latin America, Fortuna Mining Corp.
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David Kranzler - The Mining Stock Journal

Presentation

Operator

Good afternoon, everyone, and welcome to the Fortuna Mining Corporation Q1 2025 Financial and Operational Results Call. At this time all participants are in a listen-only mode and the floor will be open for questions following the presentation. [Operator Instructions] Please note this conference is being recorded.

I will now turn the conference over to your host, Carlos Baca, Vice President of Investor Relations. The floor is yours.

Carlos Baca - Vice President, Investor Relations, Fortuna Mining Corp.

Thank you, Jenny. Good morning, ladies and gentlemen, and welcome to Fortuna Mining's first quarter 2025 financial and operational results conference call. Hosting today's call on behalf of Fortuna are Jorge Alberto Ganoza, President, Chief Executive Officer and Co-Founder; Luis Dario Ganoza, Chief Financial Officer; Cesar Velasco, Chief Operating Officer, Latin America; David Whittle, Chief Operating Officer, West Africa. Today's earnings call presentation is available on our website at fortunamining.com.

Before we begin, please note that statements made during this call are subject to the reader advisories included in yesterday's news release, the webcast presentation or management discussion and analysis and the risk factors set out in our annual information form. All financial figures discussed today are in U.S. dollars unless otherwise stated. Technical information in the presentation has been reviewed and approved by Eric Chapman, Fortuna's Senior Vice President of Technical Services and a Qualified Person as defined by National Instrument 43-101.

I will now turn the call over to Jorge Alberto Ganoza, President, Chief Executive Officer and Co-Founder of Fortuna Mining.

Jorge Alberto Ganoza - President, Chief Executive Officer and Co-Founder, Fortuna Mining Corp.

Hello to everyone, and thanks for joining us today. Q1 was another great quarter for us at Fortuna. After a record set in Q4, we kept the momentum going with a second straight quarter of record free cash flow from operations. We're making the most of strong gold prices, keeping our costs under control and continuing to grow our margins. Cash flow was a standout again this quarter. Free cash flow from ongoing operations hit a record $111 million, beating our Q4 record of $96 million. That puts our free cash flow margin at 38%, up from 31% in Q4.

Net cash from operations before working capital changes was $138 million, or $0.45 per share. If we adjust for the San Jose Mine divestment, that jumps to $144 million, or $0.48 per share. Another nice setup. What's driving this? Simply put discipline on cost control in a strong gold price. We brought our cash cost per ounce down to $929 million on a consolidated basis from $1,015 in Q4 and our consolidated all-in sustaining costs came in at $1,640 well below last quarter's 1,772. That kind of discipline is paying off.

Net income from continued operations came in at a strong $61.7 million, or $0.20 per share, a big jump from $11 million, or $0.04 per share, Q4 and that was mainly thanks to an 8% increase in gold prices and a lower effective tax rate as a result of the appreciation of the euro. We generated sales of $290 million and produced 103 gold equivalent ounces right in line with our plans. This includes the impact of the sale of our San Jose Mine, which had contributed about 11,000 gold equivalent ounces in Q4.

All our mines stayed within production guidance in the quarter and Séguéla once again outperformed coming in approximately 4,000 ounces above the midpoint of our guidance than previous quarter. This thanks to higher processed ore and a drawdown of gold in circuit inventory. We continue to further improve our financial strength, our net cash position more than doubled to $137 million, and total liquidity rose to $462 million, up from $381 million in the fourth quarter. That kind of financial strength gives us flexibility, whether that's for investing in growth, returning capital to shareholders or navigating market shifts.

On that note, we continued buying back shares. In Q1, we repurchased and canceled just over 900,000 shares at an average price of US$4.53. On growth capital and exploration, we're staying focused on high-impact opportunities across the portfolio. We have budgeted $51 million for 2025 for exploration and new project programs. We're going strong with targeted work at the Kingfisher and Sunbird Deep deposits at the Séguéla mine, the Tongon North Prospect in northern Cote d'Ivoire, the Diamba Sud advanced project in Senegal and the Arizaro Gold Porphyry at the Lindero mine in Argentina. These are exciting projects and prospects with long-term upside, and we're putting capital to work where it counts. In 2025, we're also advancing with key capital projects that will enable the Séguéla mine to expand production in 2026 to approximately 180,000 ounces of annual production. David Whittle, our Chief Operating Officer for West Africa, will expand on that later on the call.

During the first quarter, we continued to actively optimize our asset portfolio, divesting of assets with high costs or limited life of mine. The sale of the San Jose mine in Mexico closed in April, marking a key step in streamlining our operations. San Jose has become our highest cost mine and was nearing the end of its mineral reserves. So this was a timely and strategic divestment. As for the Yaramoko mine in Burkina Faso, we announced its sale on April 11. Like San Jose, Yaramoko is approaching the end of its mine life with mineral reserves expected to be depleted by early 2026. The decision to sell was driven by a compelling offer and gives us a prudent exit from a country where we are no longer investing in mineral exploration and where the business and security environment continues to present challenges.

The sale provides for a cash consideration of $70 million and is subject to the payment of cash dividends by Roxgold Sanu, owner of the Yaramoko mine to Fortuna in the amount of $57.5 million prior to close. We expect the sale to close in mid-May. Taken together, these two sales allow us to reallocate approximately $50 million in capital and management focus away from mine closures and towards higher value opportunities that better aligned with our long-term strategic objectives.

On the safety front, I'm pleased to report that we had zero lost time injuries in Q1 and our total recordable injury frequency rate improved to 0.98, down from 1.33 in the fourth quarter. That's a strong result. I want to thank our team for their continued vigilance and dedication to safe work practices. However, this progress was overshadowed by a tragic incident in February at Séguéla, whereas a subcontractor lost his life while performing ancillary activities. This is a heartbreaking reminder that safety must remain our highest priority always. Our commitment to zero harm workplace is unwavering.

In Argentina, I'd like to comment that we continue to see positive economic policy changes. The government has started easing capital exchange rate controls and introduced a managed floating exchange rate. This opens the door for us to repatriate 2025 dividends plus about $38 million [indiscernible], and we're targeting the second half of the year to begin that process. On closing, Q1 2025 was a strong quarter on all fronts. We hit back-to-back free cash flow records, improved margins, strengthened further our balance sheet and continue to optimize the portfolio. We're in a great position to keep delivering for our shareholders, our people and the communities we operate in.

We'll now move on to an update from our Chief Operating Officer, who will start with West Africa. David?

David Whittle - Chief Operating Officer, West Africa, Fortuna Mining Corp.

Thanks, Jorge. Séguéla and Yaramoko delivered a successful first quarter with strong results from a production and operational perspective. Safety remains a core priority, and we continue to advance our goal of achieving zero harm across all operations. Yaramoko maintained an excellent safety record with no major injuries and continues to operate more than 4.5 years without a lost time incident. During the first quarter, Séguéla produced 38,500 ounces of gold representing a 9% improvement compared to the previous quarter. This exceeded the mine plan and supports expectations to achieve annual production at the higher end of guidance.

Yaramoko also delivered strong performance with gold production of 3,373 ounces, reflecting a 12% improvement over the prior quarter. At Séguéla 477,000 tons of ore were mined at an average gold grade of 2.53 grams per ton, along with 5.47 million tons of additional material resulting in a strip ratio of 11.5:1. The plant processed 444,000 tons of ore at an average grade of 2.76 grams per ton gold. Production was sourced primarily from the Antenna, Ancien and Koula Pits. The processing plant operated efficiently with an average throughput rate of 216 tons per hour, exceeding nameplate capacity by 40%.

Third lift of the tailing storage facility is on schedule for completion in the second quarter. The completion of this $8.5 million project will provide tailings storage into 2029 allowing Séguéla to fully capitalize on increased throughput capacity and achieve our stated guidance of 160,000 to 180,000 ounces of gold per year from 2026 and beyond. All of the capital projects are advancing in line with schedule and budget. Séguéla's performance resulted in a cash cost of $650 and an all-in sustaining cost of $1,290 per ounce. Continued exploration success at the Kingfisher, Sunbird Underground and other deposits supports long-term production growth and strengthens the positive outlook beyond the feasibility study targets.

At Yaramoko, 144,000 tons of ore were mined at an average grade of 7.1 grams per ton gold. Ore was primarily sourced from the 55 Zone underground mine with 21,000 tons from Bagassi South at a grade of 8.99 grams per ton. The 109 Zone open pit began contributing during the quarter with 31,000 tons at a grade of 1.1 grams per ton. The plant processed 135,000 tons at an average grade of 7.8 grams per ton gold. Yaramoko recorded a cash cost of 1,059 and an all-in sustaining cost of $1,411 per ounce, aligned with guidance expectations.

In the first quarter, Fortuna entered into successful discussions with Soleil Resources regarding the potential sale of the Yaramoko mine and exploration assets in Burkina Faso. These discussions concluded positively, resulting in a signed agreement, final gold pour by Fortuna occurred on April 14 with closing anticipated in early May. This transaction represents a strategic step aligned with our objectives and provides continuity for the workforce at Yaramoko.

Thanks and back to you, Jorge.

Jorge Alberto Ganoza - President, Chief Executive Officer and Co-Founder, Fortuna Mining Corp.

Thank you. We'll move on to Latin America. Cesar, do you want to give us an update?

Cesar Velasco - Chief Operating Officer, Latin America, Fortuna Mining Corp.

Sure. Thank you, Jorge, and good afternoon to everyone. So let's begin with our Lindero mine in Argentina. Lindero delivered strong production results this quarter. We placed 1.75 million tons of ore on the leach pad with an average gold grade of 0.55 grams per ton containing approximately 30,943 ounces of gold. Our mining operations extracted 1.46 million tons of ore, achieving an efficient stripping ratio of 1.8:1, which positively influenced our cost management.

Gold production for the quarter reached 20,320 ounces, while these reflects a decrease of 24% compared to the previous quarter of 2024 primarily due to an 8% moderate reduced ore grade and the timing of leach kinetics. It is important to note that this production level aligns with our planned mining sequence for the year. A major highlight at Lindero was the highly successful completion of the leach pad expansion project. This expansion was delivered at a total cost of $51.8 million and supports 10 more years of mine life.

I would also like to provide an update on solar plant project at Lindero. As of today, the project is 97% complete, and we have begun pre-commissioning activities. The project continues to advance on schedule and well within budget with full operations expected by the third quarter of 2025. This solar plant will represent a significant 42% reduction in diesel consumption or power generation. Lindero continues capturing cost reduction from several initiatives, such as the changing of the whole truck fleet from 90-ton Komatsu trucks to 45 tons Scania trucks and optimizations on the crushing circuit plant reagent consumption and drilling equipment to mention a few.

Turning to costs at Lindero. The cash cost per ounce of gold was $1,147 compared to 1,063 in the fourth quarter of 2024. This increase is largely attributable to the appreciation of the Argentine peso and the volume of ounces sold. The all-in sustaining cash flows per gold ounce sold was 1,911 slightly up from 1,873 in the previous quarter. This reflects the capital investment associated with the completion of the leach pad expansion and the bulk of the peak of stripping taking place during the first half of 2025. However, we anticipate the ASIC to progressively improve in the next quarter as we expect to gravitate towards a mine with an ASIC of $1,400 by the end of the year.

Now let's move to our Caylloma mine in Peru. The team there also delivered outstanding results. Silver production reached 243,000 ounces from 137,000 tons milled maintaining a consistent average head grade of 67 grams per ton. We also achieved significant production of lead and zinc with 8.8 million pounds and 13.8 million pounds produced, respectively. The average head grades were 3.21% for lead and 5% for zinc. Production of all three metals remained consistent when compared to the fourth quarter of 2024 in line with our mine plan for the year.

Regarding costs at Caylloma, which are reported on a silver equivalent basis, the cash cost per silver equivalent ounce sold was $12.80 compared to $16.53 in the fourth quarter of 2024. The all-in sustaining cash cost per ounce of payable silver equivalent decreased to $18.74, down from $28.10 in the previous quarter. These cost adjustments reflect consistent cost savings and lower capital investments for the period, offset primarily by slightly lower silver production in the period and the benefit from the higher realized silver price on the silver equivalent calculation.

In conclusion, our Latin American operations demonstrated a strong first quarter in 2025. We maintained a focus on excellent safety performance, achieved key production targets and successfully completed strategic projects like the Lindero leach pad expansion. We remain committed to optimizing our operational efficiency and delivering sustainable value to our stakeholders. Back to you, Jorge.

Jorge Alberto Ganoza - President, Chief Executive Officer and Co-Founder, Fortuna Mining Corp.

Thank you. Now we'll go through the CFO report.

Luis Dario Ganoza - Chief Financial Officer, Fortuna Mining Corp.

Thank you. I will be mostly making reference to Q1 2024 as a comparison period, where we have excluded San Jose for comparability purposes. As Jorge has mentioned, attributable net income from continuing operations for the quarter was $61.7 million, or $0.20 per share. This compares to $0.09 in Q1 2024. Our strong financial performance in the quarter was a result of record high metal prices and high cost -- I'm sorry, cost per ounce aligned with our guidance for the year. Our average realized gold price in the period was $2,880 per ounce compared to $2,087 per ounce in Q1 of 2024. Our cash cost per gold equivalent ounce was $929 and all-in sustaining cost was $1,640 per ounce, again, both aligned with management expectations.

A few comments on the financials. Depreciation and depletion in the quarter was $61 million, which we'd like to remind includes $18.5 million in depletion of the purchase price related to the acquisition of Roxgold in 2021. General and administration expenses were $25.3 million, an increase of $8.5 million year-over-year, as shown in the breakdown we provided in Page 10 of our MD&A. The increase comes mainly from stock-based compensation associated with a 42% rise in our share price during the quarter. Our effective tax rate was 25% for the quarter compared to 34% in Q1 2024. The decrease is a function of the appreciation of the euro versus the U.S. dollar in the quarter. At current metal prices, we expect our effective tax rate to be in the 28% to 30% range and our current tax rate to be in the 32% to 35% range.

Moving on to the cash flow statement. We reported $111.3 million of free cash flow from ongoing operations, which excludes new development projects and growth initiatives. We should note that we expect to pay over $60 million of taxes in 2024, of which the board will be paid in Q2 and Q3. As a result of this timing effect and everything else being equal, we should expect somewhat lower free cash flow in the next two quarters. In the investing section of our cash flow statement, we recorded $39.5 million under additions to property, plant and equipment, consisting of approximately $33.3 million of mine site capital, which includes $6 million of Brownfields exploration and $6.2 million related to the Diamba Sud project and Greenfields exploration. Moving on to the balance sheet. We closed the quarter with a cash position of $309 million and the net cash position after financial debt of $137 million. Our total liquidity was $459 million, including the full undrawn amount of our $150 million revolving credit facility.

Thank you. Back to you Jorge.

Jorge Alberto Ganoza - President, Chief Executive Officer and Co-Founder, Fortuna Mining Corp.

Carlos, questions.

Carlos Baca - Vice President, Investor Relations, Fortuna Mining Corp.

We would now like to open the call to any questions that you may have. Jenny, please go ahead.

Operator

Thank you very much. We will now be conducting our question-and-answer session. [Operator Instructions] Thank you very much. Your first question is coming from Mohamed Sidibe of National Bank Financial. Mohamed, your line is live.

Q: Thank you, operator. Hi, Jorge and team. I just had a question on capital allocation priorities following the sale of the San Jose mine and Yaramoko mine that is expected to close and specifically as it relate to potentially inorganic opportunities that you may be looking at. What are some of the criteria that you're looking at in terms of size, jurisdiction stage of assets? Thank you.

Jorge Alberto Ganoza - President, Chief Executive Officer and Co-Founder, Fortuna Mining Corp.

Yes. First, let me stress before I speak about inorganic growth, we believe we have strong opportunities to fuel growth organically, which are high impact. One is the expansion. We reiterate the expansion of the Séguéla mine, which today is our lowest cost mine. On this first approach towards an expansion, we're moving from about 140,000 ounces of annual gold delivery to a range of 160,000 to 180,000 ounces with opportunities for more. We continue to see a lot of continued exploration success there as evidenced by the discoveries of the Sunbird deposit, the Kingfisher deposit, the extension of Sunbird Deep for underground mining. So we're very encouraged by that and the continued opportunities for growth at our lowest cost operation.

Second is the Séguéla, the Diamba Sud project in Senegal. Diamba Sud is an advanced stage exploration, late-stage exploration, advanced stage development, that's how I would read it. We have a well-funded program in 2025, where we're advancing exploration concurrent with permitting environmental studies and engineering studies as well. So we continue to approach the advance of Séguéla -- sorry, Diamba Sud on a fast-track approach. That's organic. Then when we think of opportunities outside the farm, we are very focused on the two regions where we are already established, where we have established management teams, strong local expertise.

So you will see us active in West Africa and the general region in Latin America. We favor primarily countries where we already have operations within these regions, of course, but we will move within the regions and the projects that come into the pipeline or preferred. Although we will see -- we were more than chasing ounces, we'll be chasing value. We're chasing value. So you will see us keep disciplined. If we see -- we look at the full spectrum of opportunities from earlier stage to post-discovery predevelopment, we see a lot of opportunity there.

We still see an identified value in some of the opportunities that we track. What are we looking for? Projects that can deliver over a decade in the [indiscernible] or opportunities to go below the average cost curve and meaningful production that for us means anything north of 120,000, 150,000 ounces of gold production. We believe that we have a clear path to support production in the range of 400,000 to 500,000 ounces between what we have in the portfolio and opportunities that we see out there.

Q: Thanks a lot for that. And if I could just maybe follow up on that. As you look at your current portfolio right now, should we expect maybe any potential rationalization? I'm just looking and I think Séguéla is very clear. You have a ton of excitement and opportunities -- and there you have some opportunities as well. But Caylloma maybe -- like how do you think about that asset and how do you think about your current portfolio?

Jorge Alberto Ganoza - President, Chief Executive Officer and Co-Founder, Fortuna Mining Corp.

Yes. Caylloma is certainly the smallest mine in the portfolio. It was our first mine. And I always say there is no headache-free mine, but if there is one mine that gets close to that, is Caylloma. The team there does an excellent job. Today, if you account for resources and reserves, we can see a mine operating for close to a decade. It's a mine that every year generates free cash flow for us. So it gives us a strong presence in an exciting mining jurisdiction with a deep-rooted mining tradition, like Peru. So we see Caylloma as a fit in our portfolio today.

Q: Great. Thank you. Thanks for taking my question.

Operator

Thank you very much. Your next question is coming from David Sini [ph], who's a private investor. David, your line is live.

Q: Yes. My question is with an excellent quarter results hitting $0.20 profit per share, I just want to know how is it that financial analysts can have such influence over the stock price, which is presently trading down just shy of 12%. And you missed their expectations by $0.01 a share, and it's created a 12% deficit for today. I just don't understand.

Jorge Alberto Ganoza - President, Chief Executive Officer and Co-Founder, Fortuna Mining Corp.

Perhaps that's a question for the analysts. But I -- we focus on what we control. We believe, as I stressed in the call, that this is a record quarter. We're delivering where it matters the most in free cash flow, where we're controlling our costs, and we're fully capturing the benefit of higher prices. I believe that Fortuna is -- put together a rock-solid balance sheet is generating a very strong free cash flow. It's managing the operations, controlling the risks, and we are set to continue benefiting from this price environment for precious metals. Price swings in the stock difficult to comment on. We're looking at it, and we also -- I have to admit, scratch our head of it, but markets come and go, prices go up and come down. The important thing is the fundamentals of the business and Fortuna has never been as strong as it is today. The balance sheet, the property portfolio, the cost management, the execution, operational excellence, so again, I have never seen in 20 years Fortuna as strong as it is today with the capabilities to continue delivering for shareholders, right?

Q: Thank you. I appreciate that. I don't disagree with you. I just don't understand how they're about to do that.

Jorge Alberto Ganoza - President, Chief Executive Officer and Co-Founder, Fortuna Mining Corp.

Yes.

Q: But thank you very much.

Jorge Alberto Ganoza - President, Chief Executive Officer and Co-Founder, Fortuna Mining Corp.

Thank you.

Operator

Thank you very much. Your next question is coming from Adrian Day of Adrian Day Asset Management. Adrian, your line is live.

Q: Yes, thank you. Good afternoon, everyone. I just had a quick question. Mohamed earlier asked part of the question, but I was also wondering how Greenfields exploration fits into your picture, both solo Greenfields and also partnerships.

Jorge Alberto Ganoza - President, Chief Executive Officer and Co-Founder, Fortuna Mining Corp.

I did not quite get the very beginning of the question. It's about...

Q: I am sorry. Yes, Greenfields exploration. How does that fit into the way you look at growth?

Jorge Alberto Ganoza - President, Chief Executive Officer and Co-Founder, Fortuna Mining Corp.

Yes, yes. Let me first give you a refresher on our growth initiatives. This year, we have increased our exploration and new project budget to $51 million, up from $41 million in 2024. So we're expanding our exploration initiatives. Adrian, we're quite active with exploration in our key projects, key properties. And to the point of your question, Greenfields, sometimes we don't speak about or speak enough about our early-stage exploration initiatives. And let me go into some of them.

Right now, we have an active drill program in Northern Cote d'Ivoire. It's a Tongon project. We have a 5,000 meter -- sorry, a 10,000-meter drill program ongoing there. It's a large land package north of the Barrick Tongon mine in northern Cote d'Ivoire. And it's early stage exploration on the right rocks on the right structures with strong geochemical signatures on surface from auger and solid work. So we are excited about that program. It's advancing. I would say we're a third advanced with the drilling there. And we look forward to report on that in the coming weeks, start reporting on Tongon and being able to talk more about Tongon in the coming weeks.

In Mexico, we have currently three -- we're entering or looking to enter into three joint venture opportunities, option agreements for joint venture opportunities. So we continue to seek opportunities in Mexico. Those are Greenfields initiatives, early-stage type projects. In Peru, even though our work centers mainly in the Caylloma mine and the vein system around the Caylloma mine, we have within our property package two, I would say, different type projects for disseminated -- the targets are disseminated silver, disseminated gold are the Antacollo and Santa Rosa projects. So even though they are within the Caylloma land package, which is quite extensive, these are projects that would be new would not necessarily feed the Caylloma plant. These are disseminated gold and silver type targets. So we are gearing to start drilling and testing those targets towards midyear, second half of the year.

And we also have initiatives in Argentina. In Senegal, going back to West Africa, we talked about the Diamba Sud and we speak of Diamba Sud as a project, but we have a very large land package in around Séguéla, and we are also -- our work has focused initially at the project level at Diamba Sud, but now we're starting to move out into the peripheries and boundaries of our concession packages. So all in all, my message is we're very active across the jurisdictions on or Greenfields initiatives. And sometimes we don't speak a lot about them. But as work progresses and those mature, some of them will mature, we will start communicating more, right?

Q: Okay, no, that's excellent. That's a lot of projects. Thank you.

Operator

Thank you very much. [Operator Instructions] Okay. We appear to have reached the end of our question, apologies. We do have a question just come in. If you'd like to take it, it's from David Kranzler of The Mining Stock Journal. David, your line is live.

Q: Thank you. Hi, Jorge. I think I'll see you later on Chris' podcast, Arcadia Economics. I think the market right now is kind of misunderstanding the results that you released. I just have a couple of questions here. How much will Fortuna save in closure costs from the sale of Yaramoko and San Jose?

Jorge Alberto Ganoza - President, Chief Executive Officer and Co-Founder, Fortuna Mining Corp.

Hello, Dave, and look forward to our conversation later today. $50 million on aggregate is what we would estimate is the capital that would need to be allocated to face the mine closures of both Yaramoko and San Jose. And on top of that, those are $50 million that would be invested, allocated towards mine closure for over a period of years, four, five, six years, right, because it's the closure plus monitoring activity that goes. So the savings, I believe, are significant. But equally important is those are long-term projects that need to be managed and managed well as well. So management's attention, I believe, is key here, and we're not only saving on the $50 million, but we're also being able to reallocate management and human capital, human resources towards those higher value opportunities that we have in the portfolio and across the other things that we're looking at.

Q: Okay. And then my next question is, do you have a timeline for the advancement of Diamba Sud to a construction decision?

Jorge Alberto Ganoza - President, Chief Executive Officer and Co-Founder, Fortuna Mining Corp.

Yes. We -- as I explained earlier in the call, we're advancing on three tracks. We aim to migrate the exploration concession we have at Diamba Sud into an exploitation concession by midyear 2026. So in order to do this, we are advancing our environmental studies or engineering studies. And concurrent with that, we continue drilling like half year. So the objective is by mid-2026, we are in a position to be able to call a construction decision, mid-2026. Probably a construction decision will follow shortly after gaining the exploitation concession towards, I would say, second half of 2026. We should be in a position to consider a construction decision.

Q: Okay. And then one last question. Do you have a timeline yet for incorporating Kingfisher into the life of mine plan at Séguéla?

Jorge Alberto Ganoza - President, Chief Executive Officer and Co-Founder, Fortuna Mining Corp.

I would expect that Kingfisher can be incorporated by end of this year. So we will be releasing or consolidated resource and research statements, mineral resource, mineral reserve statement in early 2026, and you should see Kingfisher in those mine plans in the reserve. So all of this year, we are drilling aggressively in this first half of the year. We've been drilling aggressively infield drilling. And we continue with that program, and now we are close to completion with the infill program and now we are also working on opportunities that we identified through the infill program to continue extending mineralization. So we're doing those two in parallel, infill plus growth within the Kingfisher deposit. But to go back to the question, you should see Kingfisher in the reserves in the mine plans by year-end reported early next year.

Q: Okay, thank you. That's all I have got and I will talk to you later on the Arcadia Economics podcast.

Jorge Alberto Ganoza - President, Chief Executive Officer and Co-Founder, Fortuna Mining Corp.

Thank you. Look forward to that David.

Operator

Thank you very much. Our next question is coming from Thomas Beslanowitz [ph], who is a Private Investor. Thomas, your line is live.

Q: Yes, Jorge. I've been buying all the way down on the sell-off, and I really don't understand why. But my comment is, I hope you're buying it with me because this is a fantastic deal as I'm concerned, that's all I have to say.

Jorge Alberto Ganoza - President, Chief Executive Officer and Co-Founder, Fortuna Mining Corp.

Thank you for the comment and well noticed.

Operator

Thank you very much. Well, we are appeared to have reached the end of our question-and-answer session. I will now hand back over to the management team for any final comments.

Carlos Baca - Vice President, Investor Relations, Fortuna Mining Corp.

If there are no further questions, I'd like to thank everyone for joining us on today's earnings call. We appreciate your continued support and interest in Fortuna Mining. Have a great day.