Transcript of
Fortuna Mining Corp.
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Participants

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Presentation

Operator

Greetings. Welcome to the Fortuna Mining Q2 2026 financial and operational results call. At this time, all participants are in a listen-only mode. A question-and-answer session will follow the formal presentation. [Operator Instructions]. Please note this conference is being recorded.

I would now like to turn the conference over to your host, Carlos Baca, Vice President of Investor Relations. You may begin.

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

Thank you, Holly. Good morning, everyone, and welcome to Fortuna Mining's second quarter 2026 financial and operational results conference call. Joining today's call on behalf of Fortuna are Jorge Alberto Ganoza, President, Chief Executive Officer, and Co-founder. Luis Dario Ganoza, Chief Financial Officer. David Whittle, Chief Operating Officer, West Africa, and Cesar Velasco, Chief Operating Officer, Latin America.

Today's webcast presentation and Q2 2026 results materials are available on our website at fortunamining.com. Before we begin, please note that statements made during today's call are subject to the reader advisories included in yesterday's news release, the webcast presentation, our management discussion and analysis, and the risk factors outlined in our annual information form. All financial figures discussed today are in US dollars unless otherwise stated.

The technical information discussed on this call has been reviewed and approved by Eric Chapman, Fortuna's Senior Vice President of Technical Services, and a qualified person as defined under National Instrument 43-101. Today's remarks will provide a concise overview of our second quarter results and our priorities guiding the business through the balance of the year.

With that, I'll turn the call over to Jorge Ganoza.

Jorge Ganoza - President, CEO and Director, Fortuna Mining Corp.

Thank you, Carlos, and good morning to all. Thanks for joining us. The second quarter was another strong quarter for Fortuna. We delivered solid operating performance, generated significant free cash flow, maintained a very strong balance sheet, and advanced the two principal value drivers for next phase of growth, the Séguéla plant expansion and the Diamba Sud Gold Project, which together are key to delivering approximately 60% growth in annual production by mid-2028.

Operationally, we produced 72,217 gold equivalent ounces in the quarter and 145,089 gold equivalent ounces year-to-date, keeping us on track to achieve annual production guidance. We experienced a fatal accident at our Séguéla mine involving a contractor truck operator. Our thoughts remain with his family, colleagues, and all those affected.

Safety remains our highest priority with a renewed focus on heavy model equipment controls, contractor management, and field verification of critical controls. For the quarter, our total recordable injury frequency rate was 121. Caylloma and Lindero ended the quarter with 1,154 and 990 days respectively, free of lost time injuries. Commendable performance for these two mines.

Financially, the second quarter was a strong quarter across our key metrics, even with realized gold and silver prices lower than the exceptionally strong first quarter. Sales were $380 million. Adjusted attributable net income, $75 million or $0.25 per share. An Adjusted EBITDA of $200 million, representing a strong EBITDA margin of 63%.

Free cash flow from ongoing operations was $85 million, bringing free cash flow from ongoing operations for the first half of the year to $260 million. At mid-year, the business has generated $661 million in sales, $420 million in Adjusted EBITDA, and $186 million in adjusted attributable net income or $0.62 per share. This performance is translating directly into shareholder returns.

During the second quarter, we returned $82 million through share buybacks. Year-to-date, we have returned $106 million or approximately 41% of free cash flow from ongoing operations through the repurchase of 10.8 million shares. We believe this demonstrates the quality of the portfolio and the focus of our capital allocation priorities.

We're funding growth, sustaining a strong balance sheet, and returning meaningful capital to shareholders all at the same time. While free cash flow was lower quarter-over-quarter, this was primarily due to the timing of income tax payments and higher sustained capital, partially offset by favorable working capital movements.

With that as context, the bigger story for Fortuna is that we have moved from defining our next phase of growth to executing it, anchored by Diamba Sud and Séguéla plant expansion, and supported by strong cash generation and net cash balance sheet. During the quarter, both projects reached important milestones. At Diamba Sud, the feasibility study confirmed a robust development project in Senegal. At Séguéla, the board approved the 30% plant expansion in Côte d'Ivoire. I will leave the detailed execution plans, timelines, and operating details to our Chief Operating Officer for West Africa, David Whittle.

Together, these projects provide the production foundation for Fortuna's next step change in scale and support our path to exceed half a million ounces of annual gold production by mid-2028. Importantly, this growth is within our control. It is driven by assets already in our portfolio, in jurisdictions where we have operating experience, technical capability, and established teams. Not by acquisitions or external opportunities.

At Diamba Sud, our focus is on advancing the project through the remaining permitting and the stabilization of tax regime. At Séguéla, the approved expansion builds on an asset that continues to demonstrate strong operating performance, geological potential, and scalability within our established West African platform. Our balance sheet remains a major strategic advantage. At quarter end, we had cash and short-term investments of $606 million, total liquidity of approximately $756 million, and a net cash position of approximately $435 million.

This financial strength allow us to fund the concurrent development of the Séguéla plant expansion and the Diamba Sud project, while preserving flexibility for exploration, business development, and opportunistic shareholder returns via the buyback. Our buyback program remains our preferred means of returning capital to shareholders, particularly at times when we believe our share price does not fully reflect the strength of our current performance, balance sheet, and growth pipeline.

We will continue to evaluate repurchases with discipline, balancing the opportunity to buy back shares against our liquidity requirements or expanding needs and overall market conditions. On costs, consolidated AISC was $2,157 per gold equivalent ounce in the quarter. We expect second quarter to represent a peak in AISC for the year, with AISC trending down through the second half of the year as key operational items normalize.

Importantly, the cost drivers within our control support AISC remaining within our annual guidance range. The factors that we need to monitor closely are external. Royalties linked to metal prices, Argentina macroeconomic conditions, diesel, consumables, and contractor indexation, all of which could affect our full year AISC guidance.

With that now, I will now turn the call over to the operating team to review the quarter in more detail. We can start with David Whittle, Chief Operating Officer for West Africa. David?

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

Thanks, Jorge. Before discussing the quarter, I'd like to highlight the progress we are making on the key growth initiatives that strengthen our West Africa platform. These being the publication of the Diamba Sud feasibility study, which demonstrates robust project economics and supports a potential final investment decision in the second half of the year. Board approval of the 30% plant capacity expansion at Séguéla, following the progress and further expansion of the Somba underground project.

At Diamba Sud, the ESIA has been approved and discussions with the government are progressing well, with final permitting expected soon. The feasibility study outlines average annual gold production of 158,000 ounces over the first four years and a 9.4-year mine life. A robust project that will only continue to strengthen from further exploration and regional opportunities.

At Séguéla, the $109 million process plant expansion, together with the Somba underground project, is expected to support average annual gold production of more than 200,000 ounces over the next decade, reinforcing Séguéla's position as a cornerstone asset in our West Africa platform.

Together, Diamba Sud and Séguéla, underpinned by their mineral reserve and resource base, establish the production foundation for our West African operations and support Fortuna's path to producing at a rate of 500,000 ounces of gold per year by 2028. Turning now to the quarter, Séguéla delivered another solid operating performance, producing 41,683 ounces of gold in line with the mine plan. First half mine production now stands at 83,699 ounces and remains firmly on track to meet guidance.

Mining and processing activities performed as expected with 433,000 tons of ore mined at an average grade of 3.06 grams per ton and 421,000 tons processed at an average grade of 3.46 grams per ton. Production was sourced primarily from the Antenna, Ancien, and Koula pits, while waste stripping advanced at Sunbird, with the first ore also being delivered to the ramp during the quarter. In addition, 111,000 BCM of waste mining was undertaken at the Sunbird South pit to provide access for the underground portal area.

From a cost perspective, Séguéla delivered a cash cost of $676 per ounce and an all-in sustaining cost of $1,765 per ounce, broadly consistent with the previous quarter. While diesel prices were impacted by recent global events, the effect at Séguéla was partially mitigated by the regulated fuel pricing in Côte d'Ivoire and regional supply sources in West Africa.

Turning to key projects at Séguéla, we made good progress across power infrastructure, the process plant expansion, and the Sunbird underground project during the quarter. The six-megawatt solar plant has been commissioned and is performing in line with expectations. As part of the process plant expansion and Sunbird underground project, we are advancing plans to expand solar capacity to 10 MW, a project that will have zero capital cost implications to Fortuna, with further studies also evaluating potential additional capacity.

We also strengthened site power reliability by commissioning purchased and backup diesel generators, replacing the temporary hire units that have been in place since 2024. At Sunbird underground, permitting and operational readiness continue to advance. The ESIA was submitted to the Ivorian government during the quarter, with favorable feedback received to date. We expect to submit the safety management plan and update environmental study in the third quarter as we work towards final permitting by year-end. Execution planning is also progressing with build allocations secured for long-lead underground mining equipment and infrastructure.

Mobilization of the project and operations team now underway. Project remains on track for underground development to begin in the second quarter of 2027. Exploration remains active across the Séguéla district, with seven drill rigs focused on expanding the resource base and supporting the mine's long-term production profile. Back to you, Jorge.

Now we'll move to a review for Latin American business. Cesar, please.

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

Thank you, Jorge, and good morning, everyone. In Latin America, both Lindero and Caylloma performed broadly in line with plan during the second quarter and remain on track to achieve annual production guidance. At Lindero in Argentina, production for the quarter was 20,129 ounces of gold, broadly in line with Q1. Key operating indicators improved during the quarter, with higher ore placement, improved average gold grade, and a 5% increase in contained gold ounces placed on the leach pad compared to the first quarter.

First-half production was 42,374 ounces of gold. Quarterly production also reflected the normal timing lag associated with heap leach operations, with higher contained ounces placed on the pad during the second quarter, expected to be recovered over the coming quarters. Cash costs were $1,459 per ounce, compared with $1,208 per ounce in the first quarter. The increase was driven primarily by temporary crusher-related costs, including equipment rentals and alternative crushing arrangements, as well as inflationary pressures in Argentina and the impact of a stronger than anticipated peso on U.S. dollar-denominated costs. These factors were partially offset by operational efficiencies and disciplined cost management.

The operation also continues to benefit from the on-site solar facility, which supplied approximately 26% of Lindero's power requirements during the first half of the year, reducing diesel use by approximately 2.2 million liters and contributing an estimated $3.2 million in energy savings at average costing curve. AISC was $2,265 per ounce in the second quarter, compared with $1,783 per ounce in Q1.

As mentioned before, the increase reflected the concentration of temporary crusher-related costs in Q2 together with macroeconomic impacts and elevated transportation and supply chain expenses. Q2 represented the expected peak AISC quarter for Lindero.

With the majority of reliability work now complete and operating indicators aligned with the mine plan, we expect unit costs to trend lower through the remainder of the year. Looking ahead, completed reliability initiatives, improved crushing availability, higher stacking rates and higher schedule grades are expected to support increased production and improved cost performance in the second half.

At Caylloma in Peru, production for the quarter was 9,700 gold equivalent ounces, increasing from Q1 as throughput improved. First half production was 19,000 gold equivalent ounces, keeping Caylloma on track to achieve annual production guidance. Silver grades were lower than in Q1, while lead grades improved as anticipated.

Together with stable metallurgical recoveries, these factors supported the quarter-over-quarter increase in gold equivalent ounces production. Cash costs were $27.80 per silver equivalent ounce compared with $30.30 per ounce in the first quarter. AISC was $44.90 per silver equivalent ounce, similar to Q1. Reported unit costs were affected by higher commodity prices and their impact on the silver equivalent conversion methodology.

Excluding this conversion impact, underlying operating costs remain largely in line with plan. Caylloma continues to benefit from strong mining execution, reliable plant performance, and ongoing efficiency initiatives. Production and costs remain aligned with our full-year expectations. As of June 30th, the tailings storage facility expansion project is 28% complete and progressing according to plan. Back to you, Jorge.

Thank you. Luis, our CFO, will do a review of the highlights of the financial results.

Luis Ganoza - Chief Financial Officer, Fortuna Mining Corp.

Thank you. For Q2 2026, as Jorge has stressed, we reported attributable net income from continuing operations of $75.5 million, or $0.25 per share on an adjusted basis. Attributable net income was also $75.5 million. This represents a strong 77% increase over the $42.6 million reported in Q2 2025, but was sequentially lower than the record $111 million or $0.36 per share achieved in Q1 2026.

The quarter-over-quarter change was primarily driven by lower realized gold prices, a higher effective tax rate, and an 8% increase in cash costs per gold equivalent ounce. Our financial results continue to be supported by strong metal prices. Our average realized gold price for the quarter was $4,447 per ounce, up 34% year-over-year, but down from the record $4,884 per ounce realized in Q1 2026.

Consolidated cash cost per gold equivalent ounce was $1,034, an increase from the $951 per ounce recorded in Q1 of 2026. Consolidated AISC from continuing operations for Q2 2026 was $2,157 per ounce, up $50 per ounce sequentially from Q1 2026. AISC, or all-in sustaining costs for the quarter, included one-time expense items of around $115 per ounce related to the primary crusher refurbishment work at Lindero, and mobilization costs for an added contractor at Séguéla.

As disclosed, external factors added a net $49 per ounce versus our underlying guidance assumptions, partly offset by a reduction in share-based compensation in the quarter. Excluding royalties, the largest individual impact was the real peso appreciation in Argentina, which added around $41 per ounce to consolidated AISC. We estimate diesel and other inflationary trends had an impact of close to $25 per ounce. Continuing with the income statement.

General and administrative expenses, we recorded $18.7 million in Q2, down sequentially from $27.8 million in Q1 2026. The decrease was largely due to lower share-based compensation, reflecting the decline in the company's share price and the resulting change in the value of share units expected to settle in cash. We recorded a foreign exchange loss of $6.3 million for the quarter, compared to $2.1 million in Q1 2026. Approximately two-thirds of the loss was driven by the purchase of US dollars in Argentina to repatriate funds, as well as a devaluation of the peso impacting our cash and VAT balances.

Our 2026 repatriations in Argentina continue to be through the open market, which involves a 4%-5% spread, depending on market conditions versus the official rate. Starting in 2027, we expect to be able to access the official rate to repatriate funds via dividends. Our effective tax rate for the second quarter was 46%, resulting in income tax expense of $71 million. This was higher than the 33% effective tax rate recorded in Q1 of 2026, primarily due to higher deferred tax expense at the Lindero mine in Argentina. We expect to start incurring current income taxes in Argentina late in 2027.

As we approach this inflection point, we expect these deferred tax charges to continue for the remainder of 2026. Moving on to cash flow. We generated $85.7 million of free cash flow from ongoing operations. As has been discussed, this was down sequentially from $174 million in Q1 2026, largely as expected, due to the concentration of cash tax payments in the second quarter. Specifically, we paid $79.3 million in income taxes during the quarter. Capital expenditures totaled $67.9 million for the quarter, up from $45.3 million in Q1 2026.

The increase is as expected based on our capital budget. Out of the total spent in the quarter, $36.6 million was dedicated to sustaining capital and $31.3 million to growth initiatives. Moving on to liquidity and the balance sheet. After these investments and capital returns, we ended the quarter with $606.7 million in cash and cash equivalent down from $665.9 million at the end of Q1 2026. We also continue to maintain a strong net cash position of $434.2 million after financial debt. The sequential decrease in cash was primarily driven by our disciplined capital allocation approach, including $82 million in share buybacks under our Normal Course Issuer Bid.

Importantly, also, as Jorge has stressed, our balance sheet continues to provide significant flexibility to fund growth, sustaining operations, and return capital to shareholders.

Thank you. Back to you, Jorge.

Jorge Ganoza - President, CEO and Director, Fortuna Mining Corp.

Thank you. That's management's report. We can open the call for investor analyst questions.

Operator

Certainly.

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

That concludes the prepared remarks. We hope today's discussion has provided helpful context on the quarter and the priorities for the balance of the year. We will now open the call to your questions. Holly, please proceed with the Q&A.

Operator

Certainly. At this time, we will be conducting a question-and-answer session. [Operator Instructions] One moment please while we poll for questions. Your first question for today is from Kevin O'Halloran with BMO.

Q: Hey, Jorge and team. Thanks for taking my question. Maybe just starting on the cost guidance. You flagged a few internal factors pressuring the cost. I think it was the mobilizing the contractor at Séguéla and some crusher work at Lindero. Is there any continuation of these costs into Q3, or were those fully completed in Q2? For the contractor at Séguéla, was that the underground contractor being mobilized?

Jorge Ganoza - President, CEO and Director, Fortuna Mining Corp.

Yes. Hello, Kevin. Those are one-time charges that we do not expect to carry on into the third quarter. No, with respect to the Séguéla contractor, that's an earth-moving contractor which has been assigned one of the pits in operation at the Séguéla mine, the Sunbird pit.

Q: Okay. Got it. That's helpful. Just on the cadence of cost improvements, you mentioned Q2's the peak in terms of AISC. H2 should be lower. Is that a sort of a sequential decrease, so that Q4 is better than Q3, or is it pretty similar across Q3 and Q4 in terms of the AISC?

Jorge Ganoza - President, CEO and Director, Fortuna Mining Corp.

Looking at our projections, first with internal factors, we expect to see a decline in AISC, more pronounced at the Lindero mine, in particular, in the third quarter, and leveling off into the fourth quarter. We expect, looking at our internal factors and the internal aspects that drive our cost and AISC to be within guidance. A bit of a wildcard here is external factors, what Visa will do and macroeconomics in Argentina and things like that that might vary as externalities against what we budgeted at the beginning of the year. Looking at the performance of the business, we expect lower costs, particularly in the third quarter, and then carrying on into the fourth quarter.

Q: Okay, great. That's helpful. Just on the Séguéla expansion, you're increasing the throughput by about 30% to around 6,300 tons per day, and adding some production from underground. How much of that production increase is driven by the underground expansion? Or I guess, to put it maybe a better way, what's the split you expect between open pit and underground mining in terms of the tonnage?

Jorge Ganoza - President, CEO and Director, Fortuna Mining Corp.

Yes. The expansion is to, from the current 1.75 million tons per annum to 2.3 million tons per annum, per year. The underground, once in full production, will contribute about, at this initial stage, about half a million tons per year.

Q: Okay. Got it. That's helpful. Last question from me, just on the share repurchases. You've been accelerating those over the past few quarters, which is great to see. What should we expect as the run-rate going forward for those capital returns? Is that Q2 level sort of a good number to be at in future quarters? Should we expect that to keep growing or maybe it even declines a bit as you start spending more on those growth projects? How do we think about that?

Jorge Ganoza - President, CEO and Director, Fortuna Mining Corp.

Our first quarter purchases were in the range of $20 million. The second quarter, as stated, more in the range of $80 million. That's the highest level of repurchases that we have historically executed in a quarter. I would say that looks like a peak right now to us. What we look is to have a sustained repurchases, looking at the markets and the opportunities we see with respect to our perceived valuation. I think I can say right now that you should expect to see sustained repurchases. $80 million has been a historic peak for us in terms of repurchases. Probably a lower figure right now, something more measured. Yeah.

Q: Okay, great. Appreciate that. That's all the questions for me. Thanks for taking my questions.

Operator

Your next question is from Mohamed Sidibe with National Bank.

Q: Good morning, Jorge and team, and thanks for taking my question. Maybe just a follow-up on the cost guidance and the performance into the second half of the year. Is it fair to assume that the $115 per ounce external factor or one-time operational items impact you had in your AISC in Q2 will likely all be removed in the second half of the year, so that we could be trending closer to that, call it $2,000 per ounce on AISC level? How should we think about effectively the cadence of that improvement? Thank you.

Jorge Ganoza - President, CEO and Director, Fortuna Mining Corp.

Yes. Considering what we see today as in terms of the external factors and making some projections, the $2,000 range seems something plausible. If we adjust for those external factors, we're tracking to deliver performance below $2,000. Again, external factors are out of our control and diesel macroeconomics in Argentina. The one-timers that we've seen are coming from Lindero, largely associated with the higher rentals and ancillary activities in support of the reservation for the primary crusher foundation.

All of those works are complete. Those are one-timers that do not carry into the third or fourth quarter. The same with Séguéla. Contractor mobilization is behind, and we don't expect any of those one-timers moving forward. What we expect is cost to trend down. If we use today's environment on diesel price, what we see in Argentina macro, the $2,000 level is reasonable, yes.

Q: Thank you. That's helpful. Maybe as it relates to your Séguéla plant expansion, you just approved a capital budget of $109 million. Can you help us understand over which period you will be spending that capital? Is this something over the next six quarters? Is it over the next eight quarters, effectively as you get to 2028? Similarly, for the $48 million budget that you approved for your underground development, if you could just help from a modeling standpoint to delineate over how many quarters we should think of that spend to be spread on. Thank you.

Jorge Ganoza - President, CEO and Director, Fortuna Mining Corp.

The $48 million that has been approved is to build and develop the startup of the underground. That's preparation of the portal. That is purchases of the mining fleet, building the underground team. A lot of that is being spent and will be spent this year and into early 2027. That budget does not include development. We will see actual development budgets presented in our 2027 budget cycle for 2027. The $48 million is, again, this will be an owner-operated underground mine, and it's just the purchases of equipment and ancillary facilities and services that need to be in place, and that's what the $48 million budget covers and preparation of the portal. With respect to the $100 million, we're currently working on the actual development plan, but you should expect to see that capital spent throughout 2020.

I don't have right now, we don't have right now the actual quarter-over-quarter spent. We're developing that. It will come with the actual plan. We expect this is a project that can be delivered in mid-2028, second, third quarter of 2028. You should see $100 million spent throughout now until then, right? Yeah.

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

Operator

Your next question is from Eric Winmill with Scotiabank.

Q: Hi, good morning, Jorge and team. Thanks for taking my questions, and congratulations to Luis and Cesar on the new appointments. Just a quick question from me on the Awalé. You obviously increased your stake there. Any updates or anything you can share in terms of Awalé and how you're viewing that investment?

Jorge Ganoza - President, CEO and Director, Fortuna Mining Corp.

We had a top-up option in our initial agreement that we have taken. We continue to see positively their development. It's geology that we feel very comfortable with, an extension of our geologic belt that we believe we understand. We like the work they're doing. We are basically looking to maintain our stake. Yeah. We're maintaining our 14%, 15% stake, Eric.

Q: Okay, great. That's helpful. Thank you. Just quickly on Guyana as well. I know you announced the investment a short while ago. Have you had a chance to get in there or any early thoughts or impressions on what you're seeing in country and how you're finding operating there?

Jorge Ganoza - President, CEO and Director, Fortuna Mining Corp.

We're very excited about the opportunities that Quartzstone presents to us. Guyana is a country that views natural resources as strategic for their development. We all know about the oil gas industry there and what's that doing for the nation. They're very positive and constructive on their mining industry as well. We like the geology where we are at Quartzstone very much. We believe there is tremendous opportunity there for discovery, in a place that seeks mining as a strategic lever for development.

We are setting up. We're setting up our presence. We are in the later stages of building our local team, setting up. It is our expectation or plan that we can be drilling, probably towards the fourth quarter, start of the fourth quarter, we can be doing our initial drilling and testing some of our initial ideas there at Quartzstone.

Q: Okay, great. Thank you. Yeah, it certainly sounds like an exciting new jurisdiction and lots of stuff happening in country, appreciate the update. I'll hop back in the queue. Cheers.

Jorge Ganoza - President, CEO and Director, Fortuna Mining Corp.

Thank you.

Operator

Your next question for today is from John Pereira, a private investor.

Q: Thank you. Thank you for taking my questions. Just as a follow-up to some of the previous questions regarding cash and use of cash. With $435 million in net cash and $600 million of, I guess, gross in terms with the cash investments on hand and identified, we'll say around $400 million for Diamba Sud, $100 million for Séguéla, and another $100 million in Argentina. Then you also mentioned a controlled buyback of stock. Do you still believe that you can accomplish all of these initiatives without going back to the market?

Jorge Ganoza - President, CEO and Director, Fortuna Mining Corp.

Yes. The short answer is definitely yes. We believe our cash position, our liquidity position, and the cash flows generated by the business at different price scenarios support and give us confidence that we can fund all of our capital projects. That's our priority, right? We are in a position where we can deliver 60% growth over the next 18-24 months in annual production. That's growth that we can deliver without issuing one share. It's all organic right now. That's a top priority for us. Second is funding our continued exploration. We have expanded our exploration budget. For 2026, that budget has moved from around $50 million, as budgeted at the beginning of the year, to currently about $60 million, $65 million. It's an expanding exploration budget.

Third, looking at our cash position, our liquidity projections, we participate in the market on the share buybacks. Those are the priorities, funding growth, funding our exploration, maintaining a strong balance sheet, and return to shareholders via the buyback. Over the next 18-24 months, that's how we will prioritize capital allocation. What we will expand and shrink is right now the share buybacks according to how we see our position on the other priorities.

Q: Okay, good. Yeah. You mentioned exploration budget. Fortuna spent over $10 million on exploration during the quarter. You mentioned $65 million just now. You're expecting to continue to add ounces and extend the life of your various projects, and you believe that you will continue to at least spend that or grow your explore budget?

Jorge Ganoza - President, CEO and Director, Fortuna Mining Corp.

If I understood your question well, yeah. Our budget has expanded to about $60 million, $65 million. That includes greenfields like Quartzstone in Guyana, which we were just talking about, our participation in Awalé, that comes out of our exploration funding, business development funding, and expansive exploration budgets at Diamba Sud, Séguéla, Lindero. We plan to maintain aggressive exploration throughout the year.

Again, the priorities, as I said, I reiterate, funding the organic growth we have in the pipeline. It's the highest value lever we currently have. Continue funding exploration and looking at the state of our balance sheet, time, and calibrate shareholder returns via the buyback.

Q: That's great. Thank you. My last question, could you just give a little bit more color on Diamba Sud? I know what you're waiting for is your mining permit, development permit. Just in terms of the work that you've been doing in Diamba Sud, do you believe this to be the first mine in a much larger mining district in Senegal? Or could you just give a little bit of color to that?

Jorge Ganoza - President, CEO and Director, Fortuna Mining Corp.

That's a very good question because Diamba Sud sits at the core of one of the most prolific gold districts in West Africa. We are on the Senegalese side of a major structure. Along that structure, we have the Falémé River, which is a border divide between Senegal to the west and Mali to the east. Five kilometers from our campsite on the Mali side, across the river, you have the Loulo-Gounkoto complex from Barrick, where you have historically over 20 million ounces of gold produced and in inventory. A bit further south, you have Fekola, which is in the B2Gold portfolio, also on the Malian side. On the Senegalese side, some 50 km south on the same geologic belt, on the same structures, you have Managem's new mine, Boto, which they purchased from High Gold. It's a very prolific belt for us.

This is a district-scale opportunity. We're looking actively to expand our land holding in the area. I think of Diamba Sud as a beachhead in one of the most productive gold belts in West Africa, absolutely. We are actively looking to expand our land holdings, our concession holdings in the area.

Q: That's great. Thank you for taking my questions. That's really exciting to hear. Thanks so much.

Jorge Ganoza - President, CEO and Director, Fortuna Mining Corp.

Thank you.

Operator

[Operator Instructions]. We have reached the end of the question-and-answer session, I will now turn the call over to Carlos for closing remarks.

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

If there are no further questions, thank you for joining us today and for your continued interest in Fortuna Mining. We appreciate the engagement from our shareholders, analysts, and broader investment community, and we look forward to updating you again next quarter. Have a great day.

Operator

This concludes today's conference, and you may disconnect your lines at this time. Thank you for your participation.