

# Amerigo Reports Q1-2023 Production Results Above Guidance

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Q1-2023 copper production of 16.5 million pounds, 4.5% over guidance

Q1-2023 cash cost<sup>1</sup> of \$1.91 per pound, 11% lower than guidance due to strong molybdenum credits

\$5.5 million returned to shareholders in Q1-2023

VANCOUVER, British Columbia, April 11, 2023 -- [Amerigo Resources Ltd.](#) (TSX: ARG; OTCQX: ARREF) ("Amerigo" or the "Company") is pleased to announce production results for the quarter ended March 31, 2023 ("Q1-2023") from Minera Valle Central ("MVC"), the Company's 100% owned operation located near Rancagua, Chile. Dollar amounts in this news release are in U.S. dollars ("USD") unless indicated otherwise.

"We are pleased to report another strong operational quarter with production of 16.5 million pounds of copper at a cash cost<sup>1</sup> of \$1.91 per pound. Copper production in the quarter was 4.5% over guidance. Strong credits from higher molybdenum prices reduced cash cost<sup>1</sup> by 11%, or \$0.23 per pound, compared to our annual cash cost<sup>1</sup> guidance," said Aurora Davidson, Amerigo's President and CEO. "This is a solid start for 2023, and we look forward to reporting financial results on May 3."

"In the first three months of 2023, we returned \$5.5 million to Amerigo's shareholders. This includes a sixth consecutive quarterly dividend of Cdn\$0.03 per share and the repurchase of 1.6 million common shares for cancellation. Amerigo's quarterly copper price was above \$4 per pound for the first time since Q2-2022, and we anticipate continued strength in copper prices to allow us to deploy performance dividends in 2023," stated Ms. Davidson.

In Q1-2023, MVC produced 16.5 million pounds ("M lbs") of copper, with 61% of production coming from fresh tailings. Copper production was 4.5% over guidance due to higher grades from fresh tailings and higher grades and recoveries from historical tailings ("Cauquenes tailings"). Amerigo's 2023 annual copper production guidance is 62.3 M lbs.

Quarterly molybdenum production was 0.3 M lbs, 5.2% over guidance. Amerigo's 2023 annual molybdenum production guidance is 1.0 M lbs.

The annual plant maintenance shutdown at MVC and El Teniente is expected to last nine days and occur in May 2023. Our 2023 guidance factors in lower production from the shutdown.

Amerigo's cash cost<sup>1</sup> in Q1-2023 was \$1.91 per pound ("lb"), 11% lower than Amerigo's annual guided cash cost of \$2.14/lb. The positive cash cost performance in the quarter was mainly driven by higher-than-guided molybdenum by-product credits from stronger molybdenum production and market prices.

Amerigo's quarterly copper price in Q1-2023 was \$4.02/lb, compared to \$3.80/lb in Q4-2022, and the Company's molybdenum price was \$31.73/lb, up from \$21.00/lb in Q4-2022.

On March 31, 2023, cash was \$43.9 million (an increase of \$6.1 million from December 31, 2022), and restricted cash was \$6.4 million (an increase of \$2.2 million from December 31, 2022). Outstanding bank debt was \$24.5 million (unchanged from December 31, 2022, the lowest debt held since Q1-2015).

On March 31, 2023, MVC's water reserves were 4.7 million cubic meters, 0.7 million lower than at year-end 2022. As MVC exits the southern hemispheric summer and prepares to enter the beginning of Chile's wet season, water reserves remain sufficient to maintain projected Cauquenes processing rates for at least eighteen months, our maximum forecast horizon.

	Q1-2023	Q4-2022	Q3-2022	Q2-2022	Q1-2022	
Fresh tailings						
Tonnes per day	136,972	146,358	123,953	146,675	139,238	
Operating days	90	92	91	81	90	
Tonnes processed	12,271,358	13,464,523	11,246,919	11,917,602	12,525,446	
Copper grade	0.170	% 0.162	% 0.162	% 0.162	% 0.157	%
Copper recovery	22.1	% 21.5	% 21.6	% 21.4	% 22.2	%
Copper produced (M lbs)	10.14	10.36	8.63	9.13	9.61	
Cauquenes tailings						
Tonnes per day	38,284	38,669	46,527	37,783	40,628	
Operating days	89	90	89	82	90	
Tonnes processed	3,399,159	3,498,896	4,229,438	3,120,184	3,615,801	
Copper grade	0.255	% 0.255	% 0.251	% 0.255	% 0.252	%
Copper recovery	33.3	% 31.9	% 32.2	% 33.2	% 33.8	%
Copper produced (M lbs)	6.38	6.25	7.37	5.79	6.86	
Copper produced (M lbs)	16.52	16.61	16.00	14.92	16.47	
Copper delivered (M lbs)	16.49	16.79	16.18	14.86	16.29	
Cash cost <sup>1</sup> (\$/lb)	1.91	2.10	1.93	2.01	1.90	
Normalized cash cost <sup>1</sup> (\$/lb)	1.91	1.92	1.93	2.01	1.90	
Molybdenum produced (M lbs)	0.30	0.27	0.28	0.18	0.24	
Molybdenum sold (M lbs)	0.30	0.28	0.28	0.18	0.22	

<sup>1</sup> This is a non-IFRS measure. See "Non-IFRS Measures" for further information.

## Capital Return Strategy

In Q1-2023, Amerigo returned \$3.6 million to shareholders through the regular quarterly dividend of Cdn\$0.03 per share, and \$1.9 million was returned through the purchase of 1.6 million common shares for cancellation through Amerigo's ongoing Normal Course Issuer Bid ("NCIB"). A further 9.5 million shares can be repurchased for cancellation under the NCIB before December 1, 2023.

Since the implementation of Amerigo's Capital Return Strategy (the "Strategy") initiated in September 2021, the Company has paid a cumulative dividend of Cdn\$0.17 per share (\$22.2 million) and used \$23.0 million to purchase and cancel 19.5 million of its common shares, a 10.7% reduction in the number of common shares outstanding at the inception of the Strategy.

In addition to quarterly dividends of Cdn\$0.03 per share and the opportunistic repurchase of common shares for cancellation under the NCIB, the Company is confident that higher copper prices will permit the deployment of performance dividends in 2023.

Release of Q1-2023 financial results on May 3, 2023

Amerigo will release Q1-2023 financial results at the market open on Wednesday, May 3, 2023.

Investor conference call on May 4, 2023

Amerigo's quarterly investor conference call will occur on Thursday, May 4, 2023, at 11:00 am Pacific Daylight Time/2:00 pm Eastern Daylight Time.

Participants can join by visiting <https://emportal.ink/3IS4o0U> and entering their name and phone number. The conference system will then call the participants and place them instantly into the call.

Alternatively, participants can dial directly to be entered into the call by an Operator. Dial 1-888-664-6392 (Toll-Free North America) and enter confirmation number 13362748.

#### About Amerigo and MVC

Amerigo is an innovative copper producer with a long-term relationship with Corporación Nacional del Cobre de Chile ("Codelco"), the world's largest copper producer.

Amerigo produces copper concentrate and molybdenum concentrate as a by-product at the MVC operation in Chile by processing fresh and historic tailings from Codelco's El Teniente mine, the world's largest underground copper mine. Tel: (604) 681-2802; Web: [www.amerigoresources.com](http://www.amerigoresources.com); Listing: ARG: TSX.

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#### Non-IFRS Measures

This news release references cash cost and normalized cash cost, performance measures not defined under International Financial Reporting Standards ("IFRS").

Cash cost is a non-IFRS performance measure included in this news release as it is a key performance measure used by management to monitor operating performance, assess corporate performance, and plan and assess the overall effectiveness and efficiency of Amerigo's operations. Non-IFRS performance measures are not standardized under IFRS; therefore, amounts presented may not be comparable to similar financial measures disclosed by other companies. Non-IFRS performance measures should not be considered a substitute for performance measures under IFRS.

Cash cost is a performance measure commonly used in the mining industry. In Amerigo's case, cash cost is the aggregate of smelting and refining charges, tolling/production costs net of inventory adjustments, and administration costs net of by-product credits. Cash cost per pound produced is based on pounds of copper produced and is calculated by dividing cash cost by the number of pounds of copper produced.

Amerigo's Q4-2022 cash cost was \$2.10/lb, including \$0.18/lb paid to MVC's workers as the signing bonus of a 3-year collective labor agreement. Normalized cash cost, excluding the effect of the signing bonus, was \$1.92/lb.

The Company reconciles non-IFRS performance measures against IFRS measures every quarter when financial results are reported. Reconciliations are included in the Company's quarterly earnings release and

its Management's Discussion and Analysis.

#### Cautionary Note Regarding Forward-Looking Information

This news release contains certain forward-looking information and statements defined in applicable securities laws (collectively called "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "should", "believe" and similar expressions are intended to identify forward-looking statements. These forward-looking statements include but are not limited to, statements concerning:

- forecasted production and operating costs;
- our strategies and objectives;
- our estimates of the availability and quantity of tailings and the quality of our mine plan estimates;
- the sufficiency of MVC's water reserves to maintain projected Cauquenes tonnage processing for a period of at least 18 months;
- prices and price volatility for copper, molybdenum and other commodities and materials we use in our operations;
- the demand for and supply of copper, molybdenum and other commodities and materials that we produce, sell and use;
- sensitivity of our financial results and share price to changes in commodity prices;
- our financial resources and financial condition and our expected ability to redeploy other tools of our capital return strategy;
- interest and other expenses;
- domestic and foreign laws affecting our operations;
- our tax position and the tax rates applicable to us;
- our ability to comply with our loan covenants;
- the production capacity of our operations, our planned production levels and future production;
- potential impact of production and transportation disruptions;
- hazards inherent in the mining industry causing personal injury or loss of life, severe damage to or destruction of property and equipment, pollution or environmental damage, claims by third parties and suspension of operations
- estimates of asset retirement obligations and other costs related to environmental protection;
- our future capital and production costs, including the costs and potential impact of complying with existing and proposed environmental laws and regulations in the operation and closure of our operations;
- repudiation, nullification, modification or renegotiation of contracts;
- our financial and operating objectives;
- our environmental, health and safety initiatives;
- the outcome of legal proceedings and other disputes in which we may be involved;
- the outcome of negotiations concerning metal sales, treatment charges and royalties;
- disruptions to the Company's information technology systems, including those related to cybersecurity;
- our dividend policy, including the potential deployment of performance dividends in 2023; and
- general business and economic conditions, including, but not limited to, our assessment of strong market fundamentals supporting copper prices.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such statements. Inherent in forward-looking statements are risks and uncertainties beyond our ability to predict or control, including risks that may affect our operating or capital plans; risks generally encountered in the permitting and development of mineral projects such as unusual or unexpected geological formations, negotiations with government and other third parties, unanticipated metallurgical difficulties, delays associated with permits, approvals and permit appeals, ground control problems, adverse weather conditions, process upsets and equipment malfunctions; risks associated with labour disturbances and availability of skilled labour and management; risks related to the potential impact of global or national health concerns, including COVID-19, and the inability of employees to access sufficient healthcare; government or regulatory actions or inactions; fluctuations in the market prices of our principal commodities, which are cyclical and subject to substantial price fluctuations; risks created through competition for mining projects and properties; risks associated with lack of access to markets; risks associated with availability of and our ability to obtain both tailings from Codelco's Division El Teniente's current production and historic tailings from tailings deposit; the availability of and ability of the Company to obtain adequate funding on reasonable terms for expansions and acquisitions; mine plan estimates; risks posed by fluctuations in exchange rates and interest rates, as well as

general economic conditions; risks associated with environmental compliance and changes in environmental legislation and regulation; risks associated with our dependence on third parties for the provision of critical services; risks associated with non-performance by contractual counterparties; risks associated with supply chain disruptions; title risks; social and political risks associated with operations in foreign countries; risks of changes in laws affecting our operations or their interpretation, including foreign exchange controls; and risks associated with tax reassessments and legal proceedings. Many of these risks and uncertainties apply to the Company and its operations and Codelco and its operations. Codelco's ongoing mining operations provide a significant portion of the materials the Company processes and its resulting metals production. Therefore these risks and uncertainties may also affect their operations and have a material effect on the Company.

Actual results and developments will likely differ materially from those expressed or implied by the forward-looking statements in this news release. Such statements are based on several assumptions which may prove to be incorrect, including, but not limited to, assumptions about;

- general business and economic conditions;
- interest and currency exchange rates;
- changes in commodity and power prices;
- acts of foreign governments and the outcome of legal proceedings;
- the supply and demand for, deliveries of, and the level and volatility of prices of copper, molybdenum and other commodities and products used in our operations;
- the ongoing supply of material for processing from Codelco's current mining operations;
- the grade and projected recoveries of tailings processed by MVC;
- the ability of the Company to profitably extract and process material from the Cauquenes tailings deposit;
- the timing of the receipt of and retention of permits and other regulatory and governmental approvals;
- our costs of production and our production and productivity levels, as well as those of our competitors;
- changes in credit market conditions and conditions in financial markets generally;
- our ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the availability of qualified employees and contractors for our operations;
- our ability to attract and retain skilled staff;
- the satisfactory negotiation of collective agreements with unionized employees;
- the impact of changes in foreign exchange rates and capital repatriation on our costs and results;
- engineering and construction timetables and capital costs for our expansion projects;
- costs of closure of various operations;
- market competition;
- tax benefits and tax rates;
- the outcome of our copper concentrate sales and treatment and refining charge negotiations;
- the resolution of environmental and other proceedings or disputes;
- the future supply of reasonably priced power;
- rainfall in the vicinity of MVC continuing to trend towards normal levels;
- average recoveries for fresh tailings and Cauquenes tailings;
- our ability to obtain, comply with and renew permits and licenses in a timely manner; and
- our ongoing relations with our employees and entities we do business with.

Future production levels and cost estimates assume no adverse mining or other events significantly affecting budgeted production levels.

Although the Company believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond the Company's control, the Company cannot assure that it will achieve or accomplish the expectations, beliefs or projections described in the forward-looking statements.

The preceding list of important factors and assumptions is not exhaustive. Other events or circumstances could cause our results to differ materially from those estimated, projected, and expressed in or implied by our forward-looking statements. You should also consider the matters discussed under Risk Factors in the Company's Annual Information Form. The forward-looking statements contained herein speak only as of the date of this news release. Except as required by law, we undertake no obligation to publicly or otherwise revise any forward-looking statements or the preceding list of factors, whether due to new information or future events.

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