

July 12, 2022
N.R. 2022-07

Amerigo Reports Q2-2022 Production Results

Q2-2022 copper production of 14.9 million pounds, meeting company expectations

2022 copper production trending 3% over guidance, production costs aligned with guidance

Amerigo reaffirms return of shareholder capital policy

VANCOUVER, BRITISH COLUMBIA – July 12, 2022/Amerigo Resources Ltd. (TSX: ARG; OTC: ARREF) (“Amerigo” or the “Company”) is pleased to announce production results for the quarter ended June 30, 2022 (“Q2-2022”) 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 unless indicated otherwise.

“We are pleased to report another strong operational quarter which included our 9-day annual maintenance program shutdown. Amerigo’s operations met expectations before and after the scheduled shutdown and produced 14.9 million pounds of copper. As always, our maintenance shutdown quarter will be our lowest production quarter of the year”, said Aurora Davidson, Amerigo’s President and CEO. “For the full year, we expect to exceed copper production guidance by 3%, annual production costs to remain aligned with guidance, and we reaffirm the Company’s commitment to returning capital to shareholders.”

“Price volatility is a normal feature of the copper market,” said Ms. Davidson. “However, over the past several years we have transformed Amerigo into a company that is ready for the long-term, regardless of copper price volatility.” She added, “We continue to see strong market fundamentals supporting copper prices and have a robust balance sheet designed to weather market volatility while protecting the regular quarterly dividend of Cdn\$0.03 per share. We are monitoring market conditions to determine the optimum time to trigger additional performance dividends as part of our return of capital to shareholders.”

In Q2-2022, MVC produced 14.9 million pounds (“M lbs”) of copper at a cash cost¹ of \$2.01 per pound (“/lb”) with 61% of MVC’s copper production coming from fresh tailings. By successfully prioritizing the processing of fresh tailings, water is preserved and mineral resource depletion at Cauquenes is delayed, all without lowering copper production. For the first half of 2022, copper production totaled 31.4 M lbs of copper at a cash cost of \$1.95/lb.

Lower copper production in Q2-2022, because of the scheduled annual maintenance shutdown, resulted in a higher-than-normal quarterly cash cost of \$2.01/lb. Based on the Company’s modeling, annual cash cost is trending towards \$1.96/lb, approximately 3% higher than guidance. This cash cost variance is attributable to lower molybdenum byproduct credits from lower than anticipated molybdenum production. All other production costs remain aligned with Amerigo’s budget/guidance.

MVC’s water reserves on June 30, 2022, were 5.2 million cubic meters, an increase of 16% over the previous quarter. These water reserves continue to be sufficient for MVC to maintain projected processing for a period of at least eighteen months.

MVC’s operations have continued without any significant disruptions due to Covid-19.

Molybdenum production in the quarter was 0.2 M lbs, trending below guidance mostly due to lower molybdenum content in fresh tailings.

The Company’s quarterly copper price in Q2-2022 was \$4.10/lb, compared to \$4.64/lb in Q1-2022.

In Q2-2022, Amerigo returned \$13.0 million to shareholders: \$4.1 million were paid through Amerigo's regular quarterly dividend of Cdn\$0.03 per share, and \$8.9 million were returned through the purchase of 6.9 million common shares for cancellation through Amerigo's recently completed Normal Course Issuer Bid. Amerigo also made scheduled debt repayments of \$3.5 million in the quarter.

On June 30, 2022, the Company's cash and restricted cash balance was \$57.2 million.

	Q2-2022	Q1-2022	Q4-2021	Q3-2021	Q2-2021
Fresh tailings					
Tonnes per day	146,675	139,238	147,047	137,650	129,153
Operating days	81	90	91	84	89
Tonnes processed	11,917,602	12,525,446	13,381,267	11,562,611	11,533,405
Copper grade	0.162%	0.157%	0.149%	0.152%	0.144%
Copper recovery	21.4%	22.2%	20.9%	22.3%	20.2%
Copper produced (M lbs)	9.13	9.61	9.26	8.62	7.37
Cauquenes tailings					
Tonnes per day	37,783	40,628	46,869	52,981	54,026
Operating days	82	90	91	81	87
Tonnes processed	3,120,184	3,615,801	4,293,218	4,267,203	4,701,475
Copper grade	0.255%	0.252%	0.242%	0.238%	0.230%
Copper recovery	33.2%	33.8%	33.6%	33.0%	31.9%
Copper produced (M lbs)	5.79	6.86	7.64	7.37	7.61
Copper produced (M lbs)	14.92	16.47	16.90	15.99	14.99
Copper delivered (M lbs)	14.86	16.29	16.72	16.90	15.13
Cash cost¹ (\$/lb)	2.01	1.90	1.68	1.61	1.81
Molybdenum produced (M lbs)	0.18	0.24	0.30	0.32	0.33
Molybdenum sold (M lbs)	0.18	0.22	0.30	0.34	0.33

Release of Q2-2022 results on August 3, 2022

Amerigo will release Q2-2022 financial results at market open on Wednesday, August 3, 2022.

Investor conference call on August 4, 2022

Amerigo's quarterly investor conference call will take place on Thursday, August 4, 2022 at 11:00 am Pacific Time/2:00 pm Eastern Time. To join the call, please dial 1-888-664-6392 (Toll-Free North America) and enter confirmation number 81494727.

Upcoming Investor Conference Participation

Amerigo will be participating in the *Sidoti Small Cap Virtual Conference* on September 21 and 22, 2022 and the *121 Global Online Tech Metals* conference on October 25 and 26, 2022. CEO Aurora Davidson will be presenting at both conferences and will be available for one-on-one meetings throughout each event.

About Amerigo and MVC

Amerigo Resources Ltd. 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; Listing: ARG:TSX.

Contact Information

Aurora Davidson
President and CEO
(604) 697-6207
ad@amerigoresources.com

Graham Farrell
Investor Relations
(416) 842-9003
Graham.Farrell@Harbor-Access.com

¹ Non-IFRS Measures

This news release includes references to cash cost, a performance measure not defined under International Financial Reporting Standards (“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 over the number of pounds of copper produced.

Cash cost is included in this news release because it is a key performance measure used by management to monitor operating performance, assess corporate performance, and to plan and assess the overall effectiveness and efficiency of Amerigo’s operations. Performance measures such as cash cost are not standardized financial measures under IFRS and, therefore, amounts presented may not be comparable to similar financial measures disclosed by other companies. These performance measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS and should be read in conjunction with the Company’s consolidated financial statements. Readers should refer to Amerigo’s Management’s Discussion and Analysis, available on SEDAR at www.sedar.com, under the heading “Non-IFRS Measures” for a more detailed discussion of how Amerigo calculates cash cost and a reconciliation of cash cost against IFRS measures.

Cautionary Note Regarding Forward-Looking Information

This news release contains certain forward-looking information and statements as defined in applicable securities laws (collectively referred to as “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 is 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 of 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 meet our obligations for the next 12 months;
- 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; 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. Notwithstanding the efforts of the Company and MVC, there can be no guarantee that the Company's or MVC's staff will not contract COVID-19 or that the Company's and MVC's measures to protect staff from COVID-19 will be effective. Many of these risks and uncertainties apply not only to the Company and its operations, but also to 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 in turn have a material effect on the Company.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained 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 with which we do business.

Future production levels and cost estimates assume there are no adverse mining or other events which significantly affect 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.

We caution you that the foregoing list of important factors and assumptions is not exhaustive. Other events or circumstances could cause our actual results to differ materially from those estimated or projected and expressed in, or implied by, our forward-looking statements. You should also carefully 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 and except as required by law, we undertake no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise.