

# Amerigo Announces Q3-2024 Results & Quarterly Dividend

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Q3-2024 Net Income of \$2.8 million

Robust EBITDA<sup>1</sup> of \$13.3 million and Free Cash Flow to Equity<sup>1</sup> of \$5.9 million

13<sup>th</sup> Quarterly Dividend of Cdn\$0.03 declared

Cdn\$0.07 per share returned to Shareholders in Q3-2024

VANCOUVER, British Columbia, Oct. 30, 2024 -- [Amerigo Resources Ltd.](#) (TSX: ARG; OTCQX: ARREF) ("Amerigo" or the "Company") is pleased to announce a strong financial performance for the three months ended September 30, 2024 ("Q3-2024"). Dollar amounts in this news release are in U.S. dollars unless indicated otherwise.

Amerigo reported net income of \$2.8 million in Q3-2024, a significant turnaround from the \$5.8 million net loss in the three months ended September 30, 2023 ("Q3-2023"), which was generated by lower copper prices and the impact on production of last year's flooding throughout Chile. Amerigo's copper production from Minera Valle Central ("MVC") reached 16.3 million pounds ("M lbs") in Q3-2024, a 46% increase compared to Q3-2023 (11.1 M lbs).

EBITDA<sup>1</sup> for the quarter was \$13.3 million, with free cash flow to equity<sup>1</sup> of \$5.9 million.

In Q3-2024, Amerigo returned \$8.5 million to shareholders through its quarterly dividend of Cdn\$0.03 per share and its initial performance dividend of Cdn\$0.04 per share.

"We are pleased to report strong quarterly financial performance once again. Our three key performance drivers, production, copper prices, and cost management, were robust in the third quarter. Of particular significance, in Q3-2024, Amerigo paid its first performance dividend. This additional payment illustrated the ability of our Capital Return Strategy<sup>2</sup> to share the benefits of strong copper prices with shareholders quickly," said Aurora Davidson, Amerigo's President and CEO.

"As we approach the end of 2024, our operations at MVC continue to outperform internal guidance. The United States and China have recently initiated economic stimulus measures, and global electrification continues. These factors will continue to increase the strain on the copper industry, whose output is vital to achieving these economic and social goals. We believe the positive effect on copper prices is just starting to be seen, so we maintain a positive outlook for copper prices and remain committed to Amerigo's successful Capital Return Strategy<sup>2</sup>," she added.

On October 28, 2024, Amerigo's Board of Directors declared its thirteenth quarterly dividend. The dividend will be in the amount of Cdn\$0.03 per share, payable on December 20, 2024, to shareholders of record as of November 29, 2024<sup>3</sup>. Amerigo designates the entire amount of this taxable dividend to be an "eligible dividend" for purposes of the *Income Tax Act* (Canada), as amended from time to time.

Based on Amerigo's September 30, 2024, share closing price of Cdn\$1.74, the Cdn\$0.03 quarterly dividends, and the Performance Dividend of Cdn\$0.04 per share declared on July 8, 2024, represent an annual dividend yield of 9.2%<sup>4</sup>.

This news release should be read with Amerigo's interim consolidated financial statements and Management's Discussion and Analysis ("MD&A") for Q3-2024, available on the Company's website at [www.amerigoresources.com](http://www.amerigoresources.com) and on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca).

	Q3-2024	Q3-2023
MVC's copper price (\$/lb) <sup>5</sup>	4.22	3.76
Revenue (\$ millions)	45.4	30.3
Net income (loss) (\$ millions)	2.8	(5.8 )
EPS (LPS) (\$)	0.02	(0.04 )
EPS (LPS) (Cdn)	0.02	(0.05 )
EBITDA <sup>1</sup> (\$ millions)	13.3	3.2
Operating cash flow before changes in non-cash working capital <sup>1</sup> (\$ millions)	8.9	2.6
FCFE <sup>1</sup> (\$ millions)	5.9	(2.6 )
	September 30, 2024	Dec. 31, 2023
Cash (\$ millions)	25.1	16.2
Restricted cash (\$ millions)	6.7	6.3
Borrowings (\$ millions)	14.9	20.7
Shares outstanding at end of period (millions)	166.0	164.8

#### Highlights and Significant Items

- Amerigo achieved a solid financial performance in Q3-2024, posting a net income of \$2.8 million (Q3-2023: net loss of \$5.8 million), driven by increased copper production from MVC of 16.3 M lbs (Q3-2023: 11.1 M lbs) and an average MVC copper price of \$4.22 per pound (lb) (Q3-2023: \$3.76/lb).
- Earnings per share in Q3-2024 was \$0.02 (Cdn\$0.02), compared to a loss per share of \$0.04 (Cdn\$0.05) in Q3-2023.
- The Company generated operating cash flow before changes in non-cash working capital<sup>1</sup> of \$8.9 million in Q3-2024 (Q3-2023: \$2.6 million). Quarterly net operating cash flow was \$10.5 million (Q3-2023: cash used of \$7.5 million). Free cash flow to equity<sup>1</sup> was \$5.9 million in Q3-2024 (Q3-2023: negative free cash flow to equity<sup>1</sup> of \$2.6 million).
- Q3-2024 cash cost<sup>1</sup> was \$1.93/lb (Q3-2023: \$2.44/lb). The \$0.51/lb reduction in cash cost was caused predominantly by a 46% increase in production during Q3-2024, compared to flooding-impacted production in Q3-2023. This resulted in decreased unit costs overall, including reductions in power costs (\$0.22/lb), maintenance (\$0.08/lb), other direct costs (\$0.08/lb), direct labour (\$0.06/lb), historic tailings extraction (\$0.05/lb), grinding media (\$0.05/lb) and administration (\$0.04/lb). These lower costs were offset by a \$0.09/lb decrease in by-product credits.
- On September 30, 2024, the Company held cash and cash equivalents of \$25.1 million (December 31, 2023: \$16.2 million), restricted cash of \$6.7 million (December 31, 2023: \$6.3 million), and had a working capital deficiency of \$4.9 million (December 31, 2023: \$12.3 million).
- In Q3-2024, Amerigo returned \$8.5 million to shareholders (Q3-2023: \$3.7 million) through the payment of Amerigo's quarterly dividend of Cdn\$0.03 per share and a performance dividend of Cdn\$0.04 per share.
- The Company's financial performance is sensitive to changes in copper prices. MVC's Q3-2024 provisional copper price was \$4.24/lb. The final prices for July, August and September 2024 sales will be the average London Metal Exchange ("LME") prices for October, November and December 2024, respectively. A 10% increase or decrease from the \$4.24/lb provisional price used on September 30, 2024, would result in a \$7.0 million change in revenue in Q4-2024 regarding Q3-2024 production.

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

#### Investor Conference Call on October 31, 2024

Amerigo's quarterly investor conference call will be held on Thursday, October 31, 2024, at 11:00 a.m. Pacific Daylight Time/2:00 p.m. Eastern Daylight Time.

Participants can join by visiting <https://emportal.ink/4dccA8Y> 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 1-888-510-2154 (Toll-Free North

America) and state they wish to participate in the Amerigo Resources Q3-2024 Earnings Call.

#### Interactive Analyst Center

Amerigo has made published financial and operational information available for Excel download through Virtua's Interactive Analyst Center ("IAC"). You can access the IAC by visiting [www.amerigoresources.com](http://www.amerigoresources.com) under Investors > Interactive Analyst Center.

#### About Amerigo and Minera Valle Central ("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](http://www.amerigoresources.com); ARG:TSX; OTCQX: ARREF.

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#### Summary Consolidated Statements of Financial Position

	September 30, 2024	December 31, 2023
	\$ thousands	\$ thousands
Cash and cash equivalents	25,127	16,248
Restricted cash	6,727	6,282
Property plant and equipment	146,273	156,002
Other assets	23,525	21,027
Total assets	201,652	199,559
Total liabilities	95,244	94,706
Shareholders' equity	106,408	104,853
Total liabilities and shareholders' equity	201,652	199,559

#### Summary Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

	Three months ended September 30, 2024	2023
	\$ thousands	\$ thousands
Revenue	45,438	30,329
Tolling and production costs	(38,063	) (32,353
Other expenses	(400	) (4,250
Finance expense	(870	) (1,043
Income tax (expense) recovery	(3,323	) 1,524
Net income (loss)	2,782	(5,793
Other comprehensive (loss) income	(176	) 1,169
Comprehensive income (loss)	2,606	(4,624
Earnings (loss) per share - basic & diluted	0.02	(0.04

#### Summary Consolidated Statements of Cash Flows

Three months ended September 30,

	2024	2023
	\$ thousands	\$ thousands
Cash flow from operating activities	8,895	2,617
Changes in non-cash working capital	1,570	(10,072 )
Net cash from (used in) operating activities	10,465	(7,455 )
Net cash used in investing activities	(3,032 )	(5,203 )
Net cash used in financing activities	(11,027 )	(5,771 )
Net (decrease) in cash and cash equivalents	(3,594 )	(18,429 )
Effect of foreign exchange rates on cash	(15 )	(115 )
Cash and cash equivalents, beginning of period	28,736	31,675
Cash and cash equivalents, end of period	25,127	13,131

#### <sup>1</sup> Non-IFRS Measures

This news release includes five non-IFRS measures: (i) EBITDA, (ii) operating cash flow before changes in non-cash working capital, (iii) free cash flow to equity ("FCFE"), (iv) free cash flow ("FCF") and (v) cash cost.

These non-IFRS performance measures are included in this news release because they provide key performance measures used by management to monitor operating performance, assess corporate performance, and plan and assess the overall effectiveness and efficiency of Amerigo's operations. These performance measures are not standardized financial measures under International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), 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 performance measures in accordance with IFRS Accounting Standards.

(i) EBITDA refers to earnings before interest, taxes, depreciation, and administration and is calculated by adding depreciation expense to the Company's gross profit.

(Expressed in thousands)	Q3-2024	Q3-2023
	\$	\$
Gross profit (loss)	7,375	(2,024 )
Add:		
Depreciation and amortization	5,900	5,192
EBITDA	13,275	3,168

(ii) Operating cash flow before changes in non-cash working capital is calculated by adding back the decrease or subtracting the increase in changes in non-cash working capital to or from cash provided by operating activities.

(Expressed in thousands)	Q3-2024	Q3-2023
	\$	\$
Net cash provided by (used in) operating activities	10,465	(7,455 )
Deduct:		
Changes in non-cash working capital	(1,570 )	10,072
Operating cash flow before non-cash working capital	8,895	2,617

Free cash flow to equity ("FCFE") refers to operating cash flow before changes in non-cash working capital, less capital expenditures plus new debt issued less debt and lease repayments. FCFE represents the amount of cash generated by the Company in a reporting period that can be used to pay for the following:

- a) potential distributions to the Company's shareholders and
- b) any additional taxes triggered by the repatriation of funds from Chile to Canada to fund these distributions.

Free cash flow ("FCF") refers to FCFE plus repayments of borrowings and lease repayments.

(Expressed in thousands)	Q3-2024	Q3-2023
	\$	\$
Operating cash flow before changes in non-cash working capital	8,895	2,617
Deduct:		
Cash used to purchase plant and equipment	(3,032 )	(5,203 )
Repayment of borrowings, net of new debt issue	-	-
Lease repayments	-	-
Free cash flow to equity	5,863	(2,586 )
Add:		
Repayment of borrowings, net of new debt issued	-	-
Lease repayments	-	-
Free cash flow	5,863	(2,586 )

(iii) Cash cost is a performance measure commonly used in the mining industry that is not defined under IFRS. 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.

(Expressed in thousands)	Q3-2024	Q3-2023
	\$	\$
Tolling and production costs	38,063	32,353
Add (deduct):		
Smelting and refining charges	6,358	4,473
Transportation costs	425	295
Inventory adjustments	(1,126 )	684
By-product credits	(5,241 )	(4,580 )
Depreciation and amortization	(5,900 )	(5,192 )
DET royalties - molybdenum	(1,190 )	(863 )
Cash cost	31,389	27,170
Copper tolled (M lbs)	16.27	11.12
Cash cost (\$/lb)	1.93	2.44

## <sup>2</sup> Capital returned to shareholders

The table below summarizes the capital returned to shareholders since Amerigo's Capital Return Strategy was implemented in October 2021.

(Expressed in millions)			
	Shares repurchased	Dividends Paid	Total
	\$	\$	\$
2021	8.8	2.8	11.6
2022	12.3	15.8	28.1
2023	2.6	14.6	17.2
2024	-	15.8	15.8
	23.7	49.0	72.7

## <sup>3</sup> Dividend dates

A dividend of Cdn\$0.03 per share will be paid on December 20, 2024, to shareholders of record as of November 29, 2024. Under the "T+1 settlement cycle", the Company's shares will commence trading on an ex-dividend basis at the opening of trading on November 29, 2024. Shareholders purchasing Amerigo shares on the ex-dividend date or after will not receive this dividend, as it will be paid to selling shareholders.

Shareholders purchasing Amerigo shares before the ex-dividend date will receive the dividend.

#### <sup>4</sup> Dividend yield

The disclosed annual yield of 9.2% is based on four quarterly dividends of Cdn\$0.03 per share each and the July 8, 2024, Performance Dividend of Cdn\$0.04, divided over Amerigo's September 30, 2024 closing share price of Cdn\$1.74.

#### <sup>5</sup> MVC's copper price

MVC's copper price is the average notional copper price for the period before smelting and refining, DET notional copper royalties, transportation costs and excluding settlement adjustments to prior period sales.

MVC's pricing terms are based on the average LME copper price of the third month following the delivery of copper concentrates produced under the DET tolling agreement ("M+3"). This means that when final copper prices are not yet known, they are provisionally marked to market at the end of each month based on the progression of the LME-published average monthly M and M+3 prices. Provisional prices are adjusted monthly using this consistent methodology until they are settled.

Q2-2024 copper deliveries were marked to market on June 30, 2024, at \$4.41/lb and were settled in Q3-2024 as follows:

- April 2024 sales settled at the July 2024 LME average price of \$4.26/lb
- May 2024 sales settled at the August 2024 LME average price of \$4.07/lb
- June 2024 sales settled at the September 2024 LME average price of \$4.20/lb

Q3-2024 copper deliveries were marked to market on September 30, 2024, at \$4.24/lb and will be settled at the LME average prices for October, November and December 2024.

#### Cautionary Statement Regarding Forward-Looking Information

This news release contains certain "forward-looking information" as such term is defined under applicable securities laws (collectively called "forward-looking statements"). This information relates 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 historic tailings tonnage processing for 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;
- 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 security of the quarterly dividends and our Capital Return Strategy; 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 operation, 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 (including, but not limited, to heavy rains), 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; 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 ("DET") 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, as well as DET and its operations. DET'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 the Company's operations and have a material effect.

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 DET'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 historic 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 and historic tailings 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.

Climate change is a global issue that could pose challenges that could affect the Company's future operations. This could include more frequent and intense droughts followed by intense rainfall. In the last several years, Central Chile has had drought conditions and also rain episodes of significant magnitude. The Company's operations are sensitive to water availability and the reserves required to process projected historic tailings tonnage.

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 revise any forward-looking statements or the preceding list of factors, whether due publicly or otherwise, to new information or future events.

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