

Amerigo Announces Cauquenes Approval and Contract Extension to 2037

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VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jul 22, 2013) - [Amerigo Resources Ltd.](#) (TSX:ARG) ("Amerigo" or the "Company") announced today that it has received official notice that the board of directors of the Corporacion Nacional del Cobre de Chile ("Codelco") has approved the major terms of an agreement between Codelco's El Teniente Division ("ET") and the Company's Chilean subsidiary, Minera Valle Central, S.A. ("MVC") granting MVC the rights to process the historic tailings in the Cauquenes deposit located near MVC's plant and extending the fresh tailings contract to 2037.

Dr. Klaus Zeitler, Amerigo's President and CEO, stated "This is a major milestone for the Company. It will allow Amerigo to double annual copper and molybdenum production and will extend from 2021 to 2037 MVC's right to process fresh and old tailings from El Teniente. The Company anticipates receiving final environmental and regulatory approval for the project within the next several months, during which time the Company and ET will work together to finalize the details of the formal agreement. The Company is also currently in advanced discussions to obtain project financing."

Rob Henderson, Amerigo's Chief Operating Officer, added "When Cauquenes reaches full production levels in 2015, Amerigo's per pound production costs are estimated to be reduced by more than 20% from current levels, significantly improving the Company's financial results and reducing MVC's dependence on El Teniente's daily production. The feasibility study is in its final stages and MVC is now in a position to place equipment orders for the first phase of the expansion."

Copper production from Cauquenes will be subject to a sliding scale royalty for LME prices from US\$1.95 to US\$5.50 per pound, with a base rate of 16% that will vary with the copper price. There will be an adjustment mechanism in the formal agreement for prices outside of the LME price range for the Cauquenes royalty. The fresh tailings royalty will also be changed to a sliding scale and modified to remove disadvantageous foreign exchange rate provisions. The base rate for the fresh tailings royalty will be 13.5%, and the threshold increased from US\$0.80 per pound to US\$1.95 per pound, the same minimum level as that for the Cauquenes royalty. The minimum price level for paying royalties is based on MVC's operating costs, including depreciation and financing costs, and will be adjusted to MVC's actual costs one year after Cauquenes is in full production. The parties will meet and review the cost and royalty structure if and when MVC's cost structure changes significantly. The formal agreement will also contain provisions allowing Codelco to purchase MVC's operations at certain predetermined times based on their future net present value.

The Company will provide additional details after all environmental approvals are obtained, the feasibility study has been completed, and financing arrangements and the formal agreement have been finalized.

Amerigo Resources Ltd. produces copper and molybdenum under a long term partnership with the world's largest copper producer, Codelco, by means of processing fresh and old tailings from the world's largest underground copper mine, El Teniente near Santiago, Chile. Tel: (604) 681-2802; Fax: (604) 682-2802; Web: www.amerigoresources.com; Listing: ARG:TSX

Certain of the information and statements contained herein that are not historical facts, constitute "forward-looking information" within the meaning of the Securities Act (British Columbia), Securities Act (Ontario) and the Securities Act (Alberta) ("Forward-Looking Information"). Forward-Looking Information is often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend"; statements that an event or result is "due" on or "may", "will", "should", "could", or "might" occur or be achieved; and, other similar expressions. More specifically, Forward-Looking Information contained herein includes, without limitation, information concerning future tailings production volumes and the Company's copper and molybdenum production, all of which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the

Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such Forward-Looking Information; including, without limitation, material factors and assumptions relating to, and risks and uncertainties associated with, the supply of tailings from El Teniente and extraction of tailings from the Colihues and Cauquenes tailings impoundments, the achievement and maintenance of planned production rates, the evolving legal and political policies of Chile, the volatility in the Chilean economy, military unrest or terrorist actions, metal price fluctuations, favourable governmental relations, the availability of financing for activities when required and on acceptable terms, the estimation of mineral resources and reserves, current and future environmental and regulatory requirements, the availability and timely receipt of permits, approvals and licenses, industrial or environmental accidents, equipment breakdowns, availability of and competition for future mineral acquisition opportunities, availability and cost of insurance, labour disputes, land claims, the inherent uncertainty of production and cost estimates, currency fluctuations, expectations and beliefs of management and other risks and uncertainties, including those described under Risk Factors in the Company's Annual Information Form and in Management's Discussion and Analysis in the Company's financial statements.

Such Forward-Looking Information is based upon the Company's assumptions regarding global and Chilean economic, political and market conditions and the price of metals, including copper and molybdenum, and future tailings production volumes and the Company's copper and molybdenum production. Among the factors that have a direct bearing on the Company's future results of operations and financial conditions are changes in project parameters as plans continue to be refined, interruptions in the supply of fresh tailings from El Teniente, delays in the extraction of tailings from the Colihues and Cauquenes tailings impoundments, a change in government policies, competition, currency fluctuations and restrictions and technological changes, among other things. Should one or more of any of the aforementioned risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from any conclusions, forecasts or projections described in the Forward-Looking Information. Accordingly, readers are advised not to place undue reliance on Forward-Looking Information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise Forward-Looking Information, whether as a result of new information, future events or otherwise

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