

Amerigo Reports Q3-2020 Production Results

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VANCOUVER, Oct. 16, 2020 - [Amerigo Resources Ltd.](#) ("Amerigo" or the "Company") (TSX: ARG) is pleased to announce Q3-2020 production results from Minera Valle Central ("MVC"), the Company's 100% owned operation located near Rancagua, Chile.

MVC produced 14.7 million pounds (M lbs) of copper at a cash cost of US\$1.80 per pound (lb) and 0.4 M lbs of molybdenum.

MVC's copper production from fresh and Cauquenes tailings increased 13% compared to Q2-2020 and was 9% higher than the Q3-2020 guidance provided in the Q2-2020 production results.

	July 2020	August 2020	September 2020	Q3-2020
Fresh tailings				
Tonnes per day	103,173	121,286	133,867	119,285
Operating days	31	31	30	92
Tonnes processed	3,198,361	3,759,858	4,016,016	10,974,235
Copper grade	0.145%	0.127%	0.137%	0.136%
Copper recovery	22%	19%	20%	20%
Copper produced (million of pounds)	2.27	2.02	2.39	6.68
Cauquenes tailings				
Tonnes per day	50,071	57,723	53,793	55,216
Operating days	18	31	30	79
Tonnes processed	940,953	1,807,295	1,613,792	4,362,040
Copper grade	0.248%	0.247%	0.240%	0.245%
Copper recovery	34%	34%	35%	34%
Copper produced (million of pounds)	1.70	3.29	3.01	8.00
Copper produced (M lbs)	3.97	5.31	5.40	14.68
Cash cost (US\$/pound copper)	1.95	1.79	1.70	1.80

Q3-2020 copper production was positively impacted by an increase in tonnage processed at Cauquenes as more water became available in MVC following a return to almost normal rainfall levels. MVC had reduced Cauquenes tonnage processing in February 2020 in response to severe drought conditions then present in central Chile.

In Q3-2020, processing rates averaged 119,285 tonnes per day (TPD) for fresh tailings and 55,216 TPD for Cauquenes, higher than expected in both cases. Copper grade in fresh tailings and Cauquenes copper recovery were slightly higher than expected. Operating days in Q3-2020 were 92/92 for fresh tailings and 79/92 for Cauquenes, where 13 days of operation were lost in July due to strong rainfall.

Q3-2020 cash cost was US\$1.80/lb, US\$0.08/lb higher than cash cost in Q2-2020 and US\$0.24/lb higher than guidance. Cash cost in Q3-2020 included \$0.02/lb of one-time labour costs from severance paid to MVC workers. 7 positions were permanently eliminated. Other factors affecting cash cost compared to guidance included an increase of approximately US\$0.04/lb from the appreciation of the Chilean peso against the U.S. dollar on a quarter average basis, US\$0.04/lb from lower molybdenum credits due to lower than expected molybdenum prices and production and \$0.14/lb in aggregate from higher than anticipated power, lime, industrial water and Cauquenes processing costs.

MVC's operations continued through Q3-2020 without any significant disruptions due to Covid-19.

Production results for the most recent five quarters are summarized below:

	Q3-2020	Q2-2020	Q1-2020	Q4-2019	Q3-2019
Fresh tailings					
Tonnes per day	119,285	119,435	120,037	114,448	118,296
Operating days	92	91	78	92	92
Tonnes processed	10,974,235	10,868,556	9,306,854	10,529,332	10,883,200
Copper grade	0.136%	0.137%	0.125%	0.112%	0.110%
Copper recovery	20.3%	20.3%	19.9%	17.5%	18.8%
Copper produced (M lbs)	6.68	6.66	5.13	4.57	4.99
Cauquenes tailings					
Tonnes per day	55,216	35,875	43,763	58,908	58,449
Operating days	79	89	67	91	90
Tonnes processed	4,362,040	3,164,898	2,976,621	5,365,311	5,226,443
Copper grade	0.245%	0.257%	0.261%	0.273%	0.270%
Copper recovery	34.0%	34.9%	33.4%	34.5%	35.7%
Copper produced (M lbs)	8.00	6.31	5.72	11.15	11.10
Fresh tailings +Cauquenes (M lbs)	14.68	12.97	10.85	15.72	16.09
Slag Processing					
Tonnes processed	-	-	14,960	93,248	33,885
Copper grade	-	-	4.6%	5.3%	5.0%
Copper recovery	-	-	80%	79%	81%
Copper produced (M lbs)	-	-	1.23	8.62	3.0
Copper produced (M lbs)	14.68	12.97	12.08	24.34	19.09
Copper delivered (M lbs)	14.92	13.70	11.82	24.07	19.55
Cash cost(US\$/pound copper)	1.80	1.72	1.94	1.79	1.56
Molybdenum produced (M lbs)	0.37	0.35	0.19	0.39	0.53
Molybdenum sold (M lbs)	0.37	0.36	0.23	0.41	0.51

Water reserves at Colihues increased from a low point of 300,000 cubic meters earlier in 2020 to 10 million cubic meters, a level not seen since January 2018. These existent water reserves are sufficient for MVC to maintain Cauquenes tonnage processing into H1-2021.

The following figure shows the levels of water reserves at Colihues since January 2017:

The Company's production forecast for Q4-2020 assumes the known impact of debottlenecking initiatives implemented to date. MVC is finalizing with its technical consultants an implementation plan of additional initiatives to improve plant performance.

Under these assumptions, MVC now estimates that it will produce 56.8 M lbs of copper in 2020, an increase from prior guidance of 55.7 M lbs. Annual cash cost is projected at US\$1.78/lb compared to prior guidance of US\$1.67/lb due to the appreciation of the Chilean peso in response to stronger copper prices. Additional information is included in the following table.

	Q1-2020	Q2-2020	Q3-2020	Q4-2020	2020
	Actual	Actual	Actual	Est.	
Fresh tailings					
Tonnes per day	120,037	119,435	119,285	132,582	122,796
Operating days	78	91	92	92	353
Tonnes processed	9,306,854	10,868,556	10,974,235	12,197,499	43,347,144
Copper grade	0.125%	0.137%	0.136%	0.135%	0.134%
Copper recovery	19.9%	20.3%	20.3%	20.6%	20.3%
Copper produced (M lbs)	5.13	6.66	6.68	7.49	25.96

Cauquenes tailings					
Tonnes per day	43,763	35,875	55,216	55,000	47,741
Operating days	67	88	79	92	326
Tonnes processed	2,976,621	3,164,898	4,362,040	5,060,000	15,563,559
Copper grade	0.261%	0.257%	0.245%	0.245%	0.250%
Copper recovery	33.4%	34.9%	34.0%	34.9%	34.3%
Copper produced (M lbs)	5.72	6.31	8.00	9.53	29.56
Fresh tailings +Cauquenes (M lbs)	10.85	12.97	14.68	17.02	55.52
Slag Processing					
Tonnes processed	14,960	-	-	-	14,960
Copper grade	4.6%	-	-	-	4.6%
Copper recovery	80%	-	-	-	80%
Copper produced (M lbs)	1.23	-	-	-	1.23
Copper produced (M lbs)	12.08	12.97	14.68	17.02	56.75
Cash cost(US\$/pound copper)	1.94	1.72	1.80	1.65	1.78
Molybdenum produced (M lbs)	0.19	0.35	0.37	0.42	1.33

Release of Q3-2020 results on November 4, 2020

The Company will release its Q3-2020 financial results at market open on Wednesday, November 4, 2020.

Investor conference call on November 5, 2020

Amerigo's quarterly investor conference call will take place on Thursday, November 5, 2020 at 11:00 am Pacific Time/2:00 pm Eastern Time.

To join the call, please dial 1-800-806-5484 (Toll-Free North America) and enter passcode 8944713# to participate in the Amerigo Resources conference call.

The analyst and investment communities are welcome to ask questions of management. Media can attend on a listen-only basis.

About Amerigo and MVC

[Amerigo Resources Ltd.](#) is an innovative copper producer with a long-term relationship with Corporaci?n Nacional del Cobre de Chile (“Codelco”), the world's largest copper producer.

Amerigo produces copper concentrate 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; Fax: (604) 682-2802; Web: www.amerigoresources.com; Listing: ARG:TSX.

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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, operating days, tonnes processed, copper grade, copper recovery and cash cost for the remainder of the year;
- the Colihues water reserves being sufficient for MVC to maintain Cauquenes tonnage processing into H1-2021;
- our strategies and objectives;
- our estimates of the availability and quantity of tailings;
- our planned production levels and future production; and
- our financial and operating objectives.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that are beyond our ability to predict or control, including risks that may affect our operating or capital plans; water supply risk to MVC as a result of extreme drought conditions in Chile; risks generally encountered in the permitting, development and operation 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; hazards inherent in the mining industry that may cause 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; 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; the risk of production and transportation disruptions; 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; El Teniente 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; 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; risks associated with tax reassessments and legal proceedings; and risks of disruptions to the Company's information technology systems, including those related to cybersecurity. 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 a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about;

- general business and economic conditions;
- interest 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 and other commodities and products used in our operations;
- the ongoing supply of material for processing from Codelco's current mining operations;
- 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;
- the impact of debottlenecking initiatives implemented to date;
- 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;
- costs of closure of various operations;
- market competition;
- the accuracy of our preliminary economic assessment (including with respect to size, grade and recoverability) and the geological, operational and price assumptions on which these are based;
- our ability to comply with our loan covenants;
- 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 returning to 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. 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.

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