



Toronto Stock Exchange: ARG

ANNUAL INFORMATION FORM

For the year ended December 31, 2017

Dated: March 29, 2018

TABLE OF CONTENTS

NOMENCLATURE	1
CURRENCY	1
CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS	1
CORPORATE STRUCTURE	4
Name, Address and Incorporation	4
Intercorporate Relationships	5
DEVELOPMENT OF THE BUSINESS- THREE-YEAR HISTORY.....	7
2015	7
2016	8
2017	9
DESCRIPTION OF THE BUSINESS	11
General	11
MVC Operation.....	12
Underlying Contracts with DET	13
Cauquenes Expansion Bank Facility	14
DET Facility	15
Standby Line of Credit	15
Molybdenum Concentrate Smelting and Refining Contract.....	16
Power Supply Contracts	16
Maricunga Contract	17
Other Royalties.....	17
RISK FACTORS	18
Availability of Tailings	18
Fluctuating Metal Prices	19
History of Profits and Dividends.....	19
Working Capital and Liquidity Risk	20
Financial and Other Covenants	20
Operating and Development Risks	21
Foreign Operations.....	21
Environmental and Other Regulatory Requirements.....	22
Competition for Acquisitions	23
Repatriation of Earnings	23
Currency Fluctuations.....	23
Foreign Exchange Controls	23
Uninsurable Risks	23
Price Volatility of Public Stock	23
Shares Reserved for Future Issuance	24
Management	24
Conflicts of Interest.....	24
MINERA VALLE CENTRAL TECHNICAL REPORT	24
Introduction.....	24
History	25
Geological Setting and Mineralization	25
Drilling, Sampling and Analyses.....	26
Metallurgical Test Work	26
Mineral Resource Estimate.....	26
Recovery Methods.....	27

<i>Environmental Studies and Permits</i>	28
<i>Preliminary Economic Assessment</i>	28
<i>Conclusions and Recommendations</i>	29
DIVIDENDS	29
DESCRIPTION OF CAPITAL STRUCTURE	30
MARKET FOR SECURITIES	31
Trading Price and Volume	31
DIRECTORS AND OFFICERS	32
Directors	32
Officers	34
Ownership of Securities by Directors and Officers	35
Cease Trade Orders, Bankruptcies, Penalties or Sanctions	35
Conflicts of Interest.....	36
AUDIT COMMITTEE INFORMATION	36
Audit Committee Mandate	36
Composition of the Audit Committee	36
Relevant Education and Experience	36
Reliance on Certain Exemptions.....	37
Audit Committee Oversight.....	37
Pre-Approval Policies and Procedures	37
External Auditor Services Fees (By Category).....	37
LEGAL PROCEEDINGS AND REGULATORY ACTIONS	37
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	37
TRANSFER AGENTS AND REGISTRARS	38
INTERESTS OF EXPERTS	38
ADDITIONAL INFORMATION	38
SCHEDULE "A" AUDIT COMMITTEE CHARTER	

NOMENCLATURE

In this Annual Information Form ("AIF"), unless the context otherwise requires, "we", "Amerigo" or the "Company" refers to Amerigo Resources Ltd. and its subsidiaries, "Codelco" refers to Corporación Nacional del Cobre de Chile and "DET" refers to Codelco's El Teniente Division.

All information contained in this AIF is as at December 31, 2017, unless otherwise stated.

This AIF should be read in conjunction with the Company's audited consolidated financial statements and notes thereto (the "Financial Statements"), and the Company's Management's Discussion and Analysis ("MD&A") for the year ended December 31, 2017. The Financial Statements and MD&A are available at www.amerigoresources.com and under our SEDAR profile at www.sedar.com.

In this AIF, there are references to the terms "cash cost" and "total cost". Cash cost and total cost are non-GAAP measures which do not have a standardized meaning under International Financial Reporting Standards ("IFRS"). While the Company's cash cost and total cost are prepared on a basis consistent with the industry standard Brook Hunt definitions, they may not be comparable to similar measures presented by other issuers. Cash cost and total cost are commonly used as performance indicators in the mining industry and are an important performance metric for the Company. Cash cost is the aggregate of copper and molybdenum production and tolling costs, notional smelting and refining charges, administration and notional transportation costs, minus by-product credits. Total cost is the aggregate of cash cost, notional DET copper royalties and DET molybdenum royalties, depreciation and amortization.

CURRENCY

We report our financial results and prepare our financial statements in United States dollars. All currency amounts in this AIF are expressed in United States dollars, unless otherwise indicated. References to "Cdn\$" are to Canadian dollars and references to "CLP" are to Chilean pesos.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This AIF 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:

- a forecasted increase in production and a reduction in operating costs;
- our strategies and objectives;
- our estimates of the availability and quantity of tailings, and the quality of our mine plan estimates;
- prices and price volatility for copper and other commodities and of materials we use in our operations;
- the demand for and supply of copper 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 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;
- the timing and costs of construction and tolling/production of, and the issuance and maintenance of the necessary permits and other authorizations required for, our expansion projects, including the expansion for the Cauquenes deposit and the timing of ramp-up to full production from Cauquenes;
- our ability to procure or have access to financing and 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
- our planned capital expenditures (including our plan to upgrade our existing plant and operations) including the timing and cost of completion of our capital projects;
- 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;
- the probability of DET exercising any of the early exit options set out in the Master Agreement, as described in Underlying Contracts with DET in this AIF;
- disruptions to the Company's information technology systems, including those related to cybersecurity;
- our dividend policy; and
- general business and economic conditions.

These forward-looking statements involve known and unknown risks, uncertainties and other factors beyond our ability to predict or control that may cause actual results or events to differ materially from those anticipated in such statements, 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; 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 DET's current production and historic tailings from tailings deposit; risks with respect to completion of all phases of the Cauquenes expansion, the ability of the Company to draw down funds from the Cauquenes Expansion Bank Facility and the Standby LOC, all as described in Description of the Business in this AIF; the availability of and ability of the Company to obtain

adequate funding on reasonable terms for expansions and acquisitions, including all phases of the Cauquenes expansion; 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; and risks associated with tax reassessments and legal proceedings. 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 AIF. 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 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;
- the availability of and ability of the Company to obtain adequate funding on reasonable terms for expansions and acquisitions, including all phases of the Cauquenes expansion;
- the ability of the Company to draw down funds from the Cauquenes Expansion Bank Facility and the Standby LOC Facility, all as described in Description of the Business in this AIF;
- 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;

- 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;
- 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;
- 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.

In addition, 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 this AIF. The forward-looking statements contained herein speak only as of the date of this AIF 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.

CORPORATE STRUCTURE

Name, Address and Incorporation

Amerigo Resources Ltd. was incorporated by registration of its memorandum and articles pursuant to the laws of the Province of British Columbia on January 23, 1984 under the name "Silent Canyon Resources Ltd." Effective April 27, 1988, the Company changed its name from "Silent Canyon Resources Ltd." to "Golden Adit Resources Ltd.", consolidated its share capital on a 2:1 basis and subsequently increased its authorized capital to 20,000,000 common shares without par value. The Company changed its name effective June 8, 1990 from "Golden Adit Resources Ltd." to "First Northern Developments Inc." Effective September 20, 1993, the Company changed its name from "First Northern Developments Inc." to "Consolidated First Northern Developments Inc.", consolidated its share capital on a 2.65:1 basis and increased its authorized capital to 25,000,000 common shares without par value. Effective March 15, 1996, the Company changed its name from "Consolidated First Northern Developments Inc." to "Golden Temple Mining Corp.", consolidated its share capital on a 5:1 basis and increased its authorized capital to 25,000,000 common shares without par value. The Company increased its authorized capital to 100,000,000 common shares without par value effective August 5, 1997. Effective March 8, 2002, the Company changed its name from "Golden Temple Mining Corp." to "Amerigo Resources Ltd." and consolidated its share capital on a 4:1 basis. Effective September 11, 2002, the Company increased its authorized capital to 100,000,000 common shares without par value. Effective March 16, 2004, the Company increased its authorized

capital to 200,000,000 common shares without par value and amended its articles to provide for a rotating board of directors, divided into Class I, II and III, each class having a three year term. On June 29, 2004, the Company transitioned to the *Business Corporations Act* (British Columbia), and on June 17, 2004 the shareholders of the Company approved the replacement of the Articles of the Company and an increase in the authorized capital to an unlimited number of common shares without par value. On May 9, 2011, the Company amended its articles so that the term of office of each director is of one year and expires every year at the Company's annual general meeting. On May 2, 2016, the Company amended its articles so that advance notice of director nominees from shareholders is required.

The Company's corporate head office is located at Suite 1260 – 355 Burrard Street, Vancouver, B.C. V6C 2G8. The Company's registered and records office is located at Suite 2300 – 550 Burrard Street, P.O. Box 30, Vancouver, B.C., V6C 2B5.

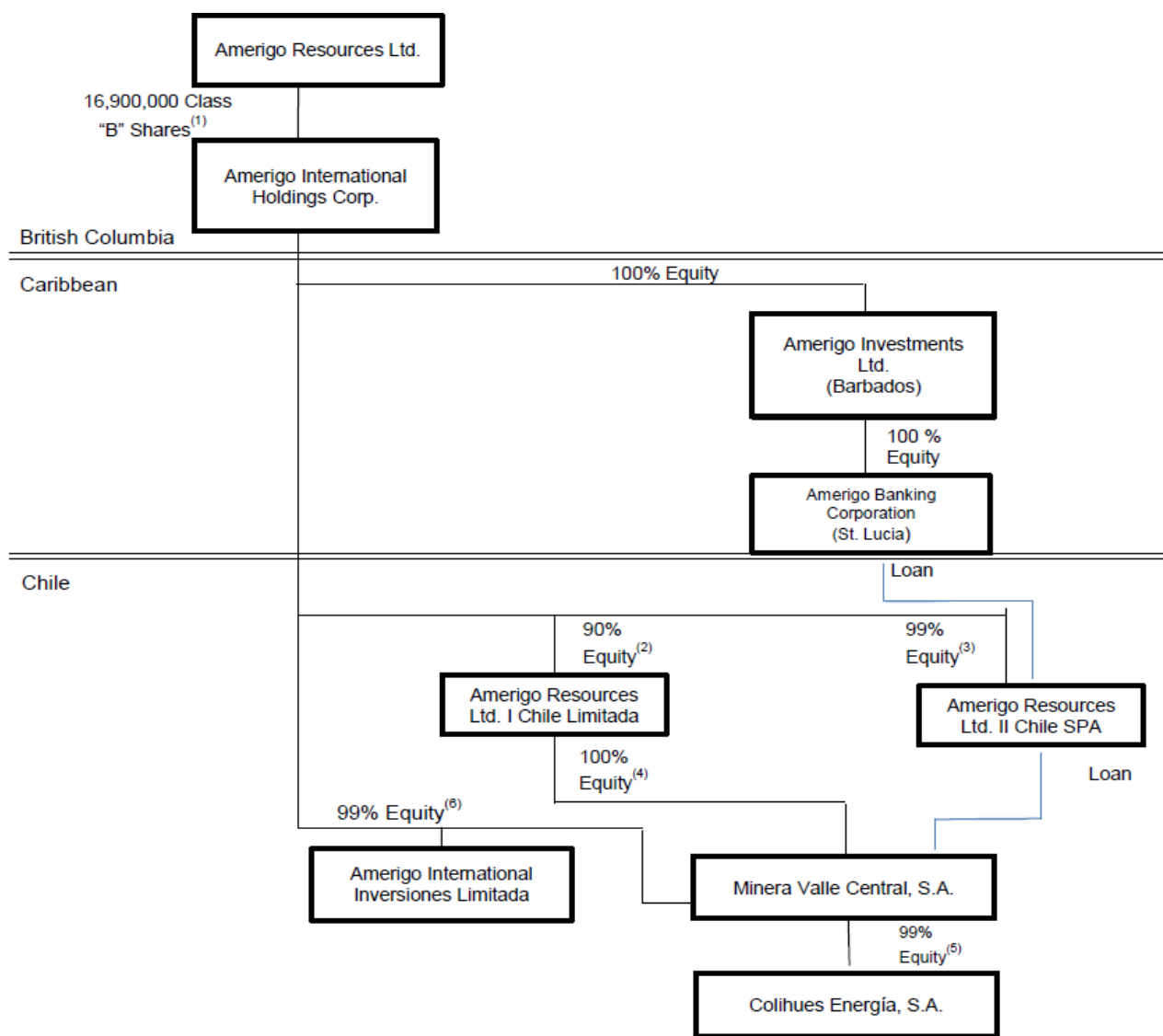
Intercorporate Relationships

The Company owns 100% of the issued and outstanding Class B Common Shares in Amerigo International Holdings Corp. ("AIHC"), which represents approximately 90% of the issued and outstanding shares of AIHC. AIHC was incorporated in Canada.

The Company also owns, directly and indirectly, interests in companies in Chile (Minera Valle Central, S.A., Colihues Energía, S.A., Amerigo Resources Ltd. I Chile Limitada, Amerigo Resources Ltd. II Chile SPA and Amerigo International Inversiones Limitada); St. Lucia (Amerigo Banking Corporation) and Barbados (Amerigo Investments Ltd.).

Minera Valle Central, S.A. ("MVC"), a Chilean producer of copper concentrates, is the Company's most significant subsidiary. MVC also produces molybdenum concentrates as a by-product.

The following chart sets forth the intercorporate relationships amongst Amerigo and its subsidiaries, the jurisdiction of incorporation or formation of each subsidiary and Amerigo's voting and equity interest therein.



- (1) These represent 100% of the Class B Common Shares and 89.89% of the voting rights in AIHC. Two directors of AIHC and associates of those directors indirectly hold 1,900,000 Class A Common Shares of AIHC. The special rights and restrictions provide the holders of the Class A Common Shares the right to elect two of the five directors of AIHC. See Other Royalties in this AIF.
- (2) The other equity owner (10%) is Amerigo Resources Ltd.
- (3) The other equity owner (1%) is Amerigo Resources Ltd.
- (4) AIHC holds the minimum number of shares of MVC required by Chilean law.
- (5) The other equity owner (1%) is Amerigo Resources Ltd. I Chile Limitada.
- (6) MVC holds the minimum number of shares of Amerigo International Inversiones Limitada.

DEVELOPMENT OF THE BUSINESS- THREE-YEAR HISTORY

2015

2015 was a pivotal year for the Company. MVC's strategic objective of undertaking a significant expansion of its operations to extract and process the higher grade Cauquenes historic tailings was materialized when financing of \$64.4 million dollars for the construction of the first phase of the Cauquenes expansion ("Phase One") was obtained in March 2015. See Description of Business – Cauquenes Expansion Bank Facility in this AIF. MVC completed the Phase One project on time and on budget in December 2015, extending MVC's economic life to at least 2037.

Effective January 1, 2015, MVC's production of copper concentrates commenced being conducted under a tolling agreement with DET under which title to the copper concentrates produced by MVC remains with DET and MVC earns tolling revenue, calculated as the gross value of copper produced at applicable market prices, net of notional items (treatment and refining charges, DET copper royalties and transportation costs). This modality will continue to December 31, 2022.

MVC's 2015 production was 37.3 million pounds of copper, 9% lower than the 41.0 million pounds produced in 2014. MVC made the decision to stop processing Colihues tailings in July 2015 in response to low copper prices. Processing of Cauquenes tailings at MVC commenced in September 2015, with low initial tonnage, recovery and grade. Tonnage consistently improved and approached design values towards the end of the year. A total of 4.3 million pounds of copper from Cauquenes were produced in 2015.

Copper production in 2015 included 2.8 million pounds (2014: 2.1 million pounds) of copper produced and sold pursuant to MVC's agreement with Compañía Minera Maricunga ("Maricunga"), under which MVC tolled Maricunga's by-product copper concentrate, dried the material and delivered blended concentrates through its tolling contract with DET.

Molybdenum production was 0.1 million pounds (2014: 0.6 million pounds). Molybdenum production was suspended in April 2015 in response to low molybdenum prices.

Revenue was \$52.6 million (2014: \$92.9 million), a 43% decrease due to lower copper prices, lower production and the suspension of molybdenum production. Pre-operating revenue of \$5.1 million from Cauquenes was excluded from 2015 revenue. MVC's copper price was \$2.47 per pound ("lb") (2014: \$3.14/lb).

Tolling and production costs were \$65.7 million, a decrease of 24% from \$86.3 million in 2014, driven by the suspension of Colihues and molybdenum operations, capitalization of Cauquenes costs, a weaker CLP and cost reduction initiatives at MVC. Pre-operating costs of \$5.9 million from Cauquenes were excluded from 2015 tolling and production costs.

Power is MVC's most significant tolling and production cost. Power costs in 2015 were \$20.0 million (\$0.0968/kwh) compared to \$23.0 million (\$0.0916/kwh) in 2014. On a unit cost basis, power costs were \$0.66/lb (2014: \$0.59/lb). The operation of the Company's generators provided a positive contribution during the year, reducing power costs by \$0.8 million (2014: \$1.3 million).

Cash cost increased to \$2.18/lb (2014: \$ 2.08/lb) due to higher unit power cost (including a lower contribution from the Company's generators) and lower by-product credits. Total cost decreased to \$2.85/lb (2014: \$3.02/lb), due to lower DET royalties and depreciation charges.

Gross loss was \$13.0 million (2014: gross profit of \$6.6 million) and net loss was \$16.9 million (2014: \$10.7 million).

Excluding the effect of changes in working capital, the Company used cash of \$5.0 million, compared to \$14.8 million in cash generated from operations in 2014.

Including the effect of changes in working capital, the Company used cash of \$26.5 million in operations, compared to cash generated from operations of \$18.1 million in 2014. Included in cash used in operations in 2015 was a reduction of \$12.7 million in DET royalties, associated with the repayment of royalties deferred in 2014.

In 2015, MVC received financing proceeds for a total of \$72.9 million, including drawdowns of \$59.6 million from the \$64.4 million bank financing for construction of Phase One of the Cauquenes expansion, \$6.3 million from a VAT Facility and \$7.0 million available to MVC from the DET Facility described in this AIF.

Cash payments in 2015 for capital expenditures (“Capex”) were \$52.4 million (2014: \$11.8 million). Capex incurred in 2015 totaled \$56.1 million (2014: \$13.2 million), substantially in connection with the Cauquenes Phase One expansion.

At December 31, 2015, the Company’s cash balance was \$9.0 million, compared to \$18.3 million at December 31, 2014.

Construction of the Phase One expansion was completed with zero injuries. In 2015, Chile’s Institute for Labour Safety, IST, awarded MVC with the Company of Excellence recognition.

2016

Completion of the Cauquenes Phase One expansion in December 2015 enabled MVC to generate record copper production in 2016. The ramp-up in production from Cauquenes in 2016 progressed in line with expectations. Average throughput of 61,615 tonnes per day (“tpd”) exceeded design rates of 60,000 tpd and plant recovery averaged 31.1% in the year. In Q4-2016, MVC achieved the Phase One project completion criteria set in the Cauquenes Expansion Bank Facility.

2016 production was 56.8 million pounds of copper, 52% higher than the 37.3 million pounds produced in 2015, and included 32.7 million pounds from Cauquenes, 21.1 million pounds from fresh tailings and 3.0 million pounds from Maricunga.

Molybdenum production restarted in August 2016, with an annual production of 0.5 million pounds. The operation of the molybdenum plant was outsourced to a subcontractor who refurbished the plant with a \$1.0 million Capex investment payable by MVC over a three-year term.

Revenue was \$91.4 million (2015: \$52.6 million), including copper revenue of \$83.0 million (2015: \$46.3 million) and molybdenum and other revenue of \$8.4 million (2015: \$6.4 million).

Copper revenue was calculated from MVC’s gross value of copper produced of \$124.4 million (2015: \$73.9 million) less notional items including DET royalties of \$20.6 million (2015: \$13.7 million), smelting and refining of \$19.2 million (2015: \$12.9 million) and transportation of \$1.6 million (2015: \$1.1 million).

Tolling and production costs were \$92.0 million (2015: \$65.7 million), an increase of 40% driven by a 52% increase in copper production. Unit tolling and production costs were \$1.64/lb (2015: \$1.76/lb).

In 2016, power costs were \$28.1 million (2015: \$20.1 million), or \$0.0976/kWh (2015: \$0.0968/kWh). The annual economic benefit from operating the Company’s generators in 2016

and 2015 was \$0.8 million. Unit power costs of \$0.52/lb (2015: \$0.66/lb) improved due to higher copper production.

In 2016, MVC's unionized plant workers went on a labour strike which lasted 16 days and was successfully resolved with MVC and the plant workers union entering into a new 3-year collective agreement valid to October 14, 2019.

Cash cost decreased to \$1.73/lb (2015: \$2.18/lb) due to higher production, and total cost decreased to \$2.36/lb (2015: \$2.85/lb), due to lower cash cost.

Gross loss was \$0.6 million (2015: \$13.0 million). The Company posted a net loss of \$7.5 million or \$0.04 per share (2015: net loss of \$16.9 million or \$0.10 per share). The improvement in financial performance was the result of higher copper production at MVC. However, the copper price of \$2.25/lb (2015: \$2.47/lb) was too low to generate profits.

Copper prices recovered in Q4-2016 from an average price of \$2.14/lb for the first nine months of the year to an average quarterly price of \$2.40/lb, positively impacting the Company's financial results and cash flow generating capacity. Net earnings of \$3.0 million were recorded in Q4-2016, compared to net losses of \$4.4 million, \$3.6 million and \$2.5 million in Q1, Q2 and Q3, respectively.

In response to low copper prices, MVC and DET reached an agreement to defer DET notional copper royalties during a 4-month period, for a total deferral of \$5.4 million. The deferred royalties and accrued interest at a rate of 0.6% per month were paid by MVC in 2017.

In 2016, the Company generated operating cash before changes in non-cash working capital of \$9.6 million (2015: used cash flow in operations before changes in non-cash working capital of \$5.0 million). Including changes in non-cash working capital accounts, the Company generated operating cash of \$19.4 million in 2016 (2015: net cash used in operations of \$26.5 million).

In 2016, the Company received \$14.8 million in debt proceeds (2015: \$72.9 million) and made debt repayments of \$19.4 million (2015: \$nil). Debt proceeds included \$4.8 million from the final disbursement of funds on the Phase One loan and \$10.0 million from the DET Facility. Debt repayments included the full repayment of the \$8.7 million VAT Facility and scheduled repayments of \$10.7 million on the Phase One loan.

In 2016, the Company used cash of \$8.3 million for payments of Capex (2015: \$52.4 million) which included \$3.5 million of payments associated with the Cauquenes expansion and \$4.8 million in payments of sustaining Capex.

The Company's cash balance was \$15.9 million at December 31, 2016 (December 31, 2015: \$9.0 million), with working capital of \$0.6 million (December 31, 2015: working capital deficiency of \$6.0 million).

2017

In July 2017, the Company secured a \$35.3 million bank financing for the second phase of the Cauquenes expansion ("Phase Two"). Phase Two will improve flotation recovery efficiency allowing MVC to increase production to 85.0 to 90.0 million pounds of copper per year, at an estimated cash cost of \$1.45 to \$1.60/lb. At December 31, 2017, the Phase Two expansion project was on time, on budget and 34% complete.

2017 production was 62.5 million pounds of copper, 10% higher than the 56.8 million pounds produced in 2016, and included 39.3 million pounds from Cauquenes, 21.8 million pounds from fresh tailings and 1.5 million from Maricunga.

Molybdenum production was 1.6 million pounds (2016: 0.5 million pounds).

Revenue was \$134.0 million (2016: \$91.4 million), including copper revenue of \$119.5 million (2016: \$83.0 million) and molybdenum and other revenue of \$14.5 million (2016: \$8.4 million).

Copper revenue was calculated from MVC's gross value of copper produced of \$179.8 million (2016: \$124.4 million) less notional items including DET royalties of \$36.4 million (2016: \$20.6 million), smelting and refining of \$21.7 million (2016: \$19.2 million) and transportation of \$2.2 million (2016: \$1.6 million).

In 2017, MVC's copper price was \$2.83/lb (2016: \$2.25/lb).

Tolling and production costs were \$108.0 million (2016: \$92.0 million), driven by higher power and lime costs. Unit tolling and production costs were \$1.72/lb (2016: \$1.64/lb).

Power cost was \$0.1016/kWh in 2017 (2016: \$0.0976/kWh) and the economic contribution from operating the Company's generators was \$0.4 million (2016: \$0.8 million).

In December 2017, MVC's supervisors formed a union in observance of modifications to Chilean labour law enacted in the year. MVC and the newly formed union of supervisors signed a 3-year collective agreement to January 1, 2021.

Cash cost decreased to \$1.64/lb (2016: \$1.73/lb) due to higher by-product credits and total cost increased to \$2.50/lb (2016: \$2.36/lb), due to higher DET notional royalties.

Gross profit was \$26.0 million (2016: gross loss of \$0.6 million). Net income was \$8.0 million or \$0.05 basic earnings per share (2016: net loss of \$7.5 million or \$0.04 loss per share), driven by stronger metal prices and higher production.

In 2017, the Company generated operating cash before changes in non-cash working capital of \$26.4 million (2016: \$9.6 million). Excluding the effect of changes in working capital, the Company generated cash of \$26.4 million (2016: \$9.6 million).

The Company received \$10.7 million in debt proceeds net of transaction costs (2016: \$14.8 million) and made debt repayments of \$18.7 million (2016: \$19.4 million). The Company received \$0.4 million from the exercise of stock options.

In 2017, the Company used cash of \$14.7 million for payments of Capex (2016: \$8.3 million). Capex payments in 2017 included \$10.8 million of payments associated with Phase Two and \$3.9 million in payments of sustaining Capex.

At December 31, 2017, the Company's cash balance was \$27.5 million (2016: \$15.9 million) and the Company had a working capital deficiency of \$4.5 million (2016: working capital of \$0.6 million), caused by the Company's estimated DET Facility repayment schedule (January to September 2018), which may change depending on MVC's actual cash flows. The Company does not consider its working capital deficiency constitutes a liquidity risk, as it is only required to repay the DET Price Support Facility by December 2019 and at a rate of \$1.0 million per month, and the Company anticipates generating sufficient operating cash flow to meet current liabilities as they come due. Working capital deficiencies are not uncommon in companies with short-term debt.

DESCRIPTION OF THE BUSINESS

General

Amerigo is a Canadian based company focused on the processing of mine tailings. Currently, Amerigo produces copper and molybdenum concentrates in Chile through its 100% ownership of MVC.

MVC has been producing copper concentrates since 1992 by processing fresh and historic tailings from Codelco's El Teniente mine, the world's largest underground copper mine. El Teniente has been in production since 1905.

Amerigo acquired MVC in 2003 and has undertaken a series of capital expansions at the MVC plant that have increased production from approximately 26.0 million pounds of copper in 2003 to 62.5 million pounds of copper in 2017.

Since 2005, MVC also produces molybdenum concentrates as a by-product.

In 2018 Amerigo will complete a significant expansion of its operations to extract and process the higher grade Cauquenes historic tailings. The Cauquenes expansion was undertaken in two phases. Phase One was completed in December 2015 on time and under budget and extended MVC's life to at least 2037. The Phase One Capex budget was \$71.1 million and actual Capex was \$66.6 million.

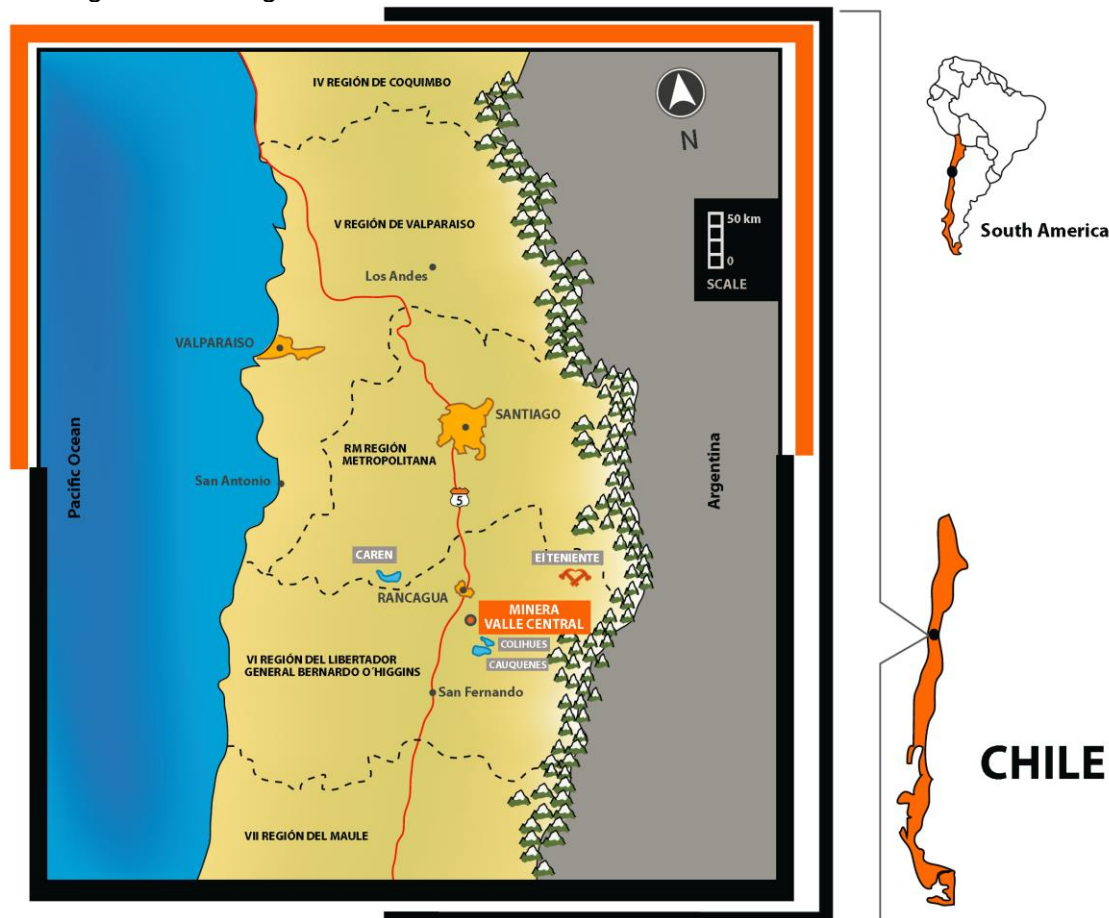
Phase Two of the Cauquenes expansion will improve flotation recovery efficiency and enable MVC to reach an estimated annual production of 85.0 to 90.0 million pounds of copper, at an estimated cash cost of \$1.45 to \$1.60/lb. Metallurgical studies on Cauquenes in 2016 concluded that copper recovery can be increased from 34% to 49%. All major equipment for the Phase Two expansion has been purchased, including rougher and cleaner flotation cells, desliming cyclones and a concentrate regrind mill. The Phase Two budget including all recommended contingencies is estimated at \$35.3 million. Construction of the Phase Two expansion is expected to be completed in Q3-2018.

Effective January 1, 2015 and up to December 31, 2022, MVC's production of copper concentrates is being conducted under a tolling agreement with DET under which title to the copper concentrates produced by MVC remains with DET and MVC earns tolling revenue, calculated as the gross value of copper produced at applicable market prices, net of notional items (treatment and refining charges, DET copper royalties and transportation costs).

As of December 31, 2017, Amerigo had two employees and two contractors at its head office in Vancouver, Canada and MVC had 291 employees and 42 contractors employing 611 employees at its operations in Chile, including contractors and their employees in respect of the Cauquenes Phase Two expansion. All aspects of the Company's business require specialized skill and knowledge, particularly with respect to the areas of engineering and tailings processing, and legal and accounting services. The Company has been able to locate and retain employees and contractors with such specialized skills and knowledge.

MVC Operation

MVC's processing facilities are located in Region VI (Libertador Bernardo O'Higgins Region) of central Chile. The site is 8 km east of the city of Rancagua and 90 km south of Chile's capital city of Santiago. Personnel and supplies are transported by road between the site and Rancagua or Santiago.



MVC has the right to process fresh tailings, historic tailings from the Colihues tailings deposit located south of the MVC plant and historic tailings from the Cauquenes tailings deposit located next to the Colihues deposit, as disclosed under Underlying Contracts with DET in this AIF.

Under its long-term contract with DET, MVC's life of operation spans from 1992 to at least 2037.

El Teniente delivers fresh tailings to MVC at a rate of 130,000 tpd and a grade of 0.12% Cu. The fresh tailings are transported from El Teniente to MVC by gravity in a 36-kilometre-long concrete channel. Since Q4-2015, MVC also mines the historic Cauquenes tailings deposit with hydraulic monitors at a rate of 60,000 tpd and pumps them to the MVC processing facility. The historic Cauquenes tailings were deposited over the period 1936 to 1977 and they have a grade of 0.27% Cu.

The MVC processing facility has a nominal capacity of 185,000 tpd and consists of grinding and flotation plants to recover copper and molybdenum concentrates. Once the tailings have been reprocessed by MVC, they are returned to the DET tailings channel and deposited into DET's Carén tailings deposit located approximately 50 km to the west of the MVC site.

Underlying Contracts with DET

In 1991, MVC entered into a contract with DET to process the fresh tailings from El Teniente for a term to 2021 (the "Fresh Tailings Contract"). In 2009, MVC and DET entered into an agreement to process the tailings from Colihues, one of DET's historic tailings deposits (the "Colihues Contract"). In 2014, MVC and DET entered into a contract (the "Master Agreement") for the purchase by MVC of the rights to process tailings from an additional historic tailings deposit, Cauquenes, for a term to the earlier of its depletion or 2033 and extending the Fresh Tailings Contract from 2021 to 2037 and the Colihues Contract to the earlier of its depletion or 2037.

Until December 31, 2014, royalties were payable to DET in respect of copper concentrates produced by MVC. DET royalties were calculated using the average London Metal Exchange ("LME") copper price for the month of production of the concentrates and were recorded as components of production costs.

In 2015, MVC and DET entered into a modification to the Master Agreement which changed the legal relationship between the parties for the period from January 1, 2015 to December 31, 2022. During this period, production of copper concentrates by MVC has and will be conducted under a tolling agreement with DET. Title to the copper concentrates produced by MVC is retained by DET and MVC earns tolling revenue, calculated as the gross value of copper produced at applicable market prices, net of notional items (DET copper royalties, smelting and refining charges and transportation costs).

Notional royalties for copper concentrates produced from fresh tailings are determined through a sliding scale formula tied to copper prices ranging from \$1.95/lb (13.5%) to \$4.80/lb (28.4%).

Notional royalties for copper concentrates produced from Cauquenes historic tailings are determined through a sliding scale for copper prices ranging from \$1.95/lb (16%) to \$5.50/lb (39%).

Notional royalties for copper concentrates produced from Colihues historic tailings are determined through a sliding scale for copper prices ranging from \$0.80/lb (3%) to \$4.27/lb (30%). The parties are required to review costs and potentially adjust notional royalty structures for copper production from Colihues tailings if the copper price remains below \$1.95/lb or over \$4.27/lb for three consecutive months.

MVC pays a sliding scale global molybdenum royalty for molybdenum prices between \$6.00/lb (3%) and \$40.00/lb (19.7%).

The Master Agreement contains provisions requiring the parties to meet and review cost and notional royalty/royalty structures in the event monthly average prices fall below certain ranges and projections indicate the permanence of such prices over time. The review of all notional royalty/royalty structures is to be carried out in a manner that gives priority to the viability of the Master Agreement and maintains the equilibrium of the benefits between the parties.

The Master Agreement also contains three early exit options exercisable by DET within 2021 and every three years thereafter only in the event of changes unforeseen as of the date of the Master Agreement. A summary of the early exit options is set out in the following table:

Exit Option	Notice Date	Termination Date	Terms of Exit	Consideration to MVC
1	During 2021	1 year from notice date	DET would acquire 100% of MVC's PPE	90% of NPV of future cash flows
2	During 2024	3 years from notice date	Termination of contractual relationship between DET and MVC	MVC retains ownership of its assets provided they are removed from site within one year of termination.
3	During 2024 and every 3 years thereafter	1 year from notice date	DET would acquire 100% of MVC's PPE	The lesser of 80% of the NPV of future cash flows of MVC after taxes and the commercial value of the assets

The Company has currently judged the probabilities of DET exercising any of these early exit options as remote.

In 2015, DET provided to MVC a copper price support agreement of up to \$17.0 million described under DET Facility in this AIF.

In 2016, MVC and DET reached an agreement to defer DET notional copper royalties during a 4-month period, for a total deferral of \$5.4 million. The deferred royalties and accrued interest at a rate of 0.6% per month were paid by MVC in 2017.

Cauquenes Expansion Bank Facility

On March 25, 2015, MVC closed a bank syndicate financing with Banco Bilbao Vizcaya Argentaria ("BBVA") and Export Development Canada ("EDC") for a loan facility (the "Cauquenes Phase One Loan") of \$64.4 million for phase one of the Cauquenes expansion. Terms of the loan include interest synthetically fixed through an interest rate swap ("IRS") at a rate of 5.56% per annum for 75% of the facility. The remaining 25% of the facility is subject to a variable rate based on the US Libor 6-month rate, which at December 31, 2017 was 4.95% per annum. Interest is paid semi-annually on June and December 30. MVC incurred due diligence, bank fees and legal costs of \$2.4 million, recognized as transaction costs that are being amortized over the term of the loan. The Cauquenes Phase One Loan has a maximum repayment term of 6 years consisting of 12 equal semi-annual principal payments of \$5.4 million, commencing on June 30, 2016. The repayment term may be shortened without penalty in accordance with the provisions of the loan. The balance of the Cauquenes Phase One Loan (net of transaction costs) at December 31, 2017 was \$41.5 million. The IRS on the Phase One Loan has a term to December 27, 2018.

On August 3, 2017, MVC closed a second financing tranche with BBVA and EDC for a facility (the "Cauquenes Phase Two Loan") of up to \$35.3 million for the second phase of the Cauquenes expansion. Terms of the loan include interest synthetically fixed through an IRS at a rate of 6.02% per annum for 75% of the facility. The remaining 25% of the facility is subject to a variable rate based on the US Libor 6-month rate, which at December 31, 2017 was 4.95% per annum. Interest is paid semi-annually on June and December 30. MVC incurred due

diligence, bank fees and legal costs of \$1.3 million, recognized as transaction costs that are being amortized over the term of the loan. The Cauquenes Phase Two Loan has a maximum repayment term of 3 years consisting of 6 equal semi-annual principal payments to commence on June 30, 2019. The repayment term may be shortened without penalty in accordance with the provisions of the loan. The balance of the Cauquenes Phase Two Loan (net of transaction costs) at December 31, 2017 was \$11.6 million. On December 31, 2017, the fair value of the second IRS was determined to be \$0.2 million. The IRS on the Phase Two Loan has a term to January 3, 2022.

MVC has provided security for the Cauquenes Phase One and Phase Two loans in the form of a charge on all of MVC's assets.

Original terms and provisions of the loan required MVC to be in compliance with bank covenants (current ratio, tangible net worth and debt service coverage ratio) measured semi-annually on June 30 and December 31. Certain covenants were amended on closing of the second financing tranche, including modifications to the tangible net worth requirements starting on December 31, 2017 and non-measurement of the current ratio on December 31, 2017; June 30, 2018; December 31, 2018 and June 30, 2019. At December 31, 2017, MVC met the debt service coverage ratio (requirement of 1.2) and the tangible net worth ratio (requirement of \$110.0 million).

On March 25, 2015, MVC entered into a CLP 5,700.0 million (approximately \$9.0 million at the loan grant date) facility with BBVA to finance the value-added tax incurred by MVC in connection with the Phase One expansion. The VAT facility was fully repaid on June 30, 2016.

DET Facility

In 2015, DET provided to MVC a copper price support agreement of up to \$17.0 million (the "DET Facility") under which MVC drew down \$1.0 million from the DET Facility in each month in which the average final settlement copper price to MVC was less than \$2.80/lb, up to the \$17.0 million maximum. The DET Facility bears interest at a rate of 0.6% per month and is subordinate to the Cauquenes Phase One and Phase Two loans. The DET Facility is scheduled to be repaid in the period from January 1, 2017 to December 31, 2019 at a rate of \$1.0 million per month, provided this repayment schedule does not preclude MVC from making the semi-annual principal debt repayments described under Cauquenes Expansion Bank Facility in this AIF. In 2017, MVC repaid \$8.0 million towards the DET Facility, and the Company currently anticipates the DET Facility may be fully repaid before its contractual maturity of December 31, 2019. MVC may repay the DET Facility in advance and without penalty. The balance of the loan at December 31, 2017 was \$9.9 million, including \$0.9 million in accrued interest.

No security was provided in connection with the DET Facility.

Standby Line of Credit

Concurrent with the Cauquenes Expansion Bank Facility, the Company entered into an agreement made effective March 25, 2015, as amended, for a \$13.0 million standby revolving line of credit facility (the "Standby LOC Facility") provided by three Amerigo shareholders – Kestrel Holdings Ltd., Geologic Resource Partners LLC and Zeitler Holdings Corp. (collectively, the "Standby LOC Shareholders"). The Standby LOC Facility had an original availability date to March 25, 2016, was extended to March 25, 2017 and was further extended through to the end of 2018 and thereafter until the Date of Commencement of Commercial Production for Phase Two, provided such date occurs no later than March 31, 2019. Amounts drawn from the Standby LOC Facility, if any, will be repaid in the amounts and at such times as permitted under

the terms and conditions of the Cauquenes Phase One Loan. All obligations arising from the Standby LOC Facility are to be paid in full on or before the date that is the earlier of December 31, 2019 and the one-year anniversary of the date in which MVC has paid in full all amounts due and owing under the Cauquenes Phase One Loan. No security was provided in connection with the Standby LOC Facility. At December 31, 2017, no funds had been drawn from the Standby LOC Facility. The Company incurred an annual commitment fee of \$0.1 million in respect of the Standby LOC Facility in each of 2016 and 2015 and issued a total of 403,577 common shares to the Standby LOC Shareholders in connection with the extension of the availability of the Standby LOC Facility for an additional year.

Molybdenum Concentrate Smelting and Refining Contract

MVC and Molibdenos y Metales S.A. (“Molymet”) entered into a sales agreement dated January 1, 2005 pursuant to which MVC sells its molybdenum concentrates to Molymet. The term of this contract expires on December 31, 2019 and it is anticipated that MVC’s molybdenum concentrates will continue to be sold to Molymet.

Power Supply Contracts

Ensuring reliable and cost-effective power supply to operations is a strategic issue for the Chilean mining industry and for MVC. Power is MVC’s largest single operating cost.

MVC has a long-standing relationship with Empresa Electrica Pehuenche S.A. (“Pehuenche”), a subsidiary of the Enel Group, a multinational energy company and one of the world’s leading integrated electricity and gas operators.

From October 1, 2008 to December 31, 2017, MVC had a series in contracts in place with Pehuenche for the supply of 100% of MVC’s power requirements.

Effective January 1, 2018, MVC has a single contract in place with Pehuenche for the supply of 100% of MVC’s power requirements up to December 31, 2032 (the “Power Supply Contract”). The Power Supply Contract provides for a fixed rate of \$75.0/MwH (July 2017 rate, April 2017 United States Consumer Price Index (“US CPI”)), subject to price adjustments based on the US CPI, plus pass-through charges as levied by Chile’s National Energy Commission. The Power Supply Contract has minimum billing provisions for 56% of MVC’s estimated annual power consumption of 350 GwH/year, estimated at December 31, 2017 to range from \$1.4 to \$1.8 million per month.

The Company has two 10 megawatt generators which are operated when the grid price exceeds the generators’ operating costs. The power is supplied into the Chilean power grid and the net benefit from operating the generators is reported in the Company’s financial statement as a reduction to power cost. The contribution from operating the generators was \$0.4 million in 2017 and \$0.8 million in each of 2016 and 2015.

IN 2015, MVC’s average power cost was, \$0.0968/kWh (2016: \$0.0976/kWh; 2017: \$0.1016/kWh), and total annual power costs were \$20.0 million (2016: \$28.1 million; 2017: \$31.2 million).

Maricunga Contract

MVC entered into a tolling agreement dated October 1, 2013 with Maricunga for the processing of copper concentrates. The contract provided for the purchase by MVC of Maricunga copper concentrate, which was blended with MVC's concentrates and sold through MVC's tolling contract with DET. The agreement ended in Q2-2017 due to the suspension of Maricunga's operations.

Other Royalties

Pursuant to an agreement dated March 15, 2003 (the "Assignment Agreement") and approved by the Company's shareholders in June 2003, Steven G. Dean and Klaus M. Zeitler assigned to the Company an option to acquire MVC (the "Option"). The Assignment Agreement provided that, as consideration for the assignment of the Option to the Company, Messrs. Dean and Zeitler could choose to receive 7,500,000 common shares of the Company or a production royalty (the "MVC Royalty"). Messrs. Dean and Zeitler chose to receive the MVC Royalty. The parties agreed to set up AIHC so that the Company's obligation to pay the MVC Royalty could be discharged through the payment of a monthly royalty dividend ("Royalty Dividend") through AIHC, and Messrs. Dean and Zeitler obtained indirect interests in the Class A Common Shares in the capital of AIHC.

During 2005 it was brought to the attention of Amerigo's Board of Directors that, by virtue of a mutual mistake in documentation among the Company and Messrs. Dean and Zeitler, the description of the MVC Royalty was incomplete. Based on independent legal advice from external counsel, the Company agreed to take the steps necessary to rectify the description of the MVC Royalty to reflect the original intent and agreement of the parties. As a result, the parties agreed that the Royalty Dividend calculation should be changed to be on a copper equivalent basis to recognize the inclusion of other metals in addition to copper. The shareholders of AIHC agreed to amend AIHC's articles to make this change and several other amendments in connection with the rectification, so that the Royalty Dividend is calculated as follows:

- \$0.01 for each pound of copper equivalent produced by MVC or any successor entity to MVC from El Teniente tailings if the price of copper is under \$0.80, or
- \$0.015 for each pound of copper equivalent produced by MVC or any successor entity to MVC from El Teniente tailings if the price of copper is \$0.80 or more.

The Class A Common Shares of AIHC are owned indirectly by Mr. Dean, an associate of Mr. Dean, Dr. Zeitler and an associate of Dr. Zeitler. Dr. Zeitler is a director and an officer of AIHC and Mr. Dean is a director of AIHC. In the event of the liquidation, dissolution or winding up of AIHC, or other distribution of the assets of AIHC among the members for the purpose of winding-up its affairs, each holder of Class A Common Shares will be entitled to receive, in preference to and priority over any distribution to the Class B Common Shareholders, a pro rata portion of the net present value of the Royalty Dividend.

The shareholders of AIHC are also party to a shareholders' agreement setting the number of directors of AIHC at five. The Company, through its holding of Class B Common shares, has the right to elect three directors, and the holders of the Class A Common Shares have the right to elect two of the directors of AIHC.

RISK FACTORS

An investment in the securities of the Company should be considered speculative due to the nature of the business of the Company, and involves significant risks which should be carefully considered by prospective investors. In addition to the other information set forth elsewhere in this AIF, the following risk factors should be given special consideration when evaluating trends, risks and uncertainties relating to the Company's business. Any of the following risks could have a materially adverse effect upon the Company, its business and future prospects. In addition, other risks and uncertainties not presently known by management of the Company could impair the Company's business in the future.

Availability of Tailings

The supply of fresh tailings to MVC forms an important part of the Company's operations, and changes in El Teniente's mine plans can adversely affect MVC's operations. During 2006 DET reduced the flow of fresh tailings to MVC and prohibited MVC from processing historic tailings for a period of approximately 4 months, while it took steps to reinforce a bridge which forms part of DET's tailings launder. This had an adverse effect on the Company's production and financial results for 2006. DET continued to prohibit MVC from processing historic tailings until Q4-2007 and the flow of fresh tailings was stopped for an additional period during Q2-2007 in order for final repairs to be made to the bridge, both of which had an adverse effect on the Company's production and financial results for 2007. In 2010, the tailings launder was damaged as a result of a massive earthquake that struck Chile, and MVC's operations were suspended for approximately one week until power and tailings flow were restored. During 2011, a strike by contractors working for DET resulted in the restriction of the flow of fresh tailings to MVC, and the loss of approximately 2,500 tonnes of copper production. In 2015, a fire at El Teniente negatively affected the tonnage and quality of fresh failings delivered to MVC.

In future, the Company may encounter similar or more severe interruptions, disruptions or reduced quality in fresh tailings and historic tailings for similar or different reasons or mining events such as cave-ins, fires, earthquakes or other natural disasters, or non-mining events such as falling commodity prices, changing environmental or tax regulations or legislation, or labour disputes.

The El Teniente mine has been in operation for more than 100 years, and there is a mine plan and planned capital expenditures that are projected to increase the mine life by a number of decades at present production rates. However, there is no guarantee that DET's operations will continue uninterrupted in the future.

There is no guarantee that the Company will be able to successfully extract historic tailings from the Colihues and Cauquenes deposits in future. In addition, there is a degree of uncertainty attributable to the calculation of the inferred mineral resource tonnage and grade of the fresh tailings and the historic tailings in the Colihues and Cauquenes deposits, which calculation is contained in the technical report prepared by Robert Henderson, P.Eng., dated December 31, 2016, and referenced under Minera Valle Central Technical Report in this AIF. Although the inferred mineral resource figure has been carefully prepared by a mining expert, this amount is only an estimate. There are no guarantees with respect to the amounts of copper and molybdenum that the Company will extract from fresh tailings or historic tailings.

Fluctuating Metal Prices

Prolonged or major declines in copper and molybdenum prices, such as those experienced in 2015-2016 and at the time of the 2008 global financial crisis, may significantly and adversely affect the Company's financial results and the price of the Company's common shares. Copper and molybdenum prices may fluctuate significantly and are affected by numerous factors beyond the Company's control such as interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, speculative activities, increased production due to new extraction developments and improved extraction and production methods, and the political and economic conditions of major copper-producing and consuming countries throughout the world. Future additional price declines could cause continued development of and commercial production from the Company's projects and operations to be uneconomical. During the period from June 2009 to May 2010, MVC hedged approximately 45-50% of its production by entering into minimum/maximum pricing arrangements. The Company may decide to enter into similar transactions in future but, despite such transactions and depending on the prices of copper and molybdenum, cash flow from operations may not be sufficient and the Company may be forced to discontinue production altogether.

In April 2015, in response to low molybdenum market prices, MVC suspended molybdenum production. Production was restarted in August 2016.

MVC also suspended production from Colihues in July 2015 in response to low copper prices. While the suspension negatively impacted production and revenue, it directly contributed to a substantial reduction in tolling and production costs and reduced operating gross loss.

Global financial conditions and commodity markets have been volatile in recent years. From time to time, access to financing has been negatively affected by many factors, including the financial distress of banks and other credit market participants. This volatility has affected and may in the future affect our ability to obtain equity or debt financing on acceptable terms and may make it more difficult to plan our operations and to operate effectively. If volatility and market disruption affect our access to financing on reasonable terms, our operations and financial condition could be adversely affected.

History of Profits and Dividends

Amerigo began paying dividends on its shares in 2005 and paid \$33.5 million in dividends from then until 2009 when dividend payments were suspended as a result of the global financial crisis. In 2011 Amerigo reintroduced the declaration of a dividend on its shares and paid a total of \$13.7 million in dividends during 2011 and 2012. The Company's policy in respect of dividends is under normal circumstances and after taking into account the Company's cash flow and short and long term needs and objectives, to declare and pay dividends on the common shares averaging at least one-third of reported net earnings calculated over a period of years. The declaration of each dividend, however, is in the discretion of Amerigo's Board of Directors which reserves the right to adjust or terminate the declaration and payment of dividends from time to time according to the prevailing business environment and cash needs of the Company.

Although the policy remains in place, Amerigo has not paid dividends since 2013 (refer to Dividends in this AIF). Payment of dividends in future is dependent upon, among other things, the Company's cash flow and short term and long term needs and objectives, and therefore cannot be guaranteed.

Working Capital and Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company operates in a cyclical industry where levels of cash flow are closely correlated to the market prices for copper. While MVC is a valuable long-life asset, its liquidity and financial position were affected in 2015 and up to November 2016 by low copper prices. However, having completed the Phase One of development of Cauquenes positioned MVC to reach record copper production in 2016 and again in 2017, strengthening the Company's ability to face the strain of lower commodity prices in future periods. In 2017, the Company generated operating cash flow before changes in non-cash working capital accounts of \$26.4 million dollars.

During 2018, the Company estimates to produce 65.0 to 70.0 million pounds of copper at an annual cash cost of \$1.45 to \$1.60/lb. These production projections should enable the Company to continue to meet its financial obligations as they become due. Construction of Phase Two of Cauquenes is expected to increase annual production to an estimated 85.0 to 90.0 million pounds of copper, potentially strengthening the Company's ability to generate operating cash flow at lower copper prices.

Although MVC has generated positive working capital through most of its operating years -and utilized this working capital to expand MVC's operations- as mentioned in the preceding paragraph, the Company's liquidity is highly dependent on copper prices. In periods of depressed copper prices, such as during 2015 or during 2008-2009, the Company has had negative working capital positions. There is no guarantee the Company will have positive working capital in future, or that the working capital generated from MVC's operations will be sufficient to meet the Company's financial obligations, undertake any expansion plans or be sufficient for future acquisitions. The Company may be required to raise funds from the sale of equity capital of the Company or its investments in other reporting issuers, if any, debt financing or the exercise of outstanding share purchase options or warrants. There can be no assurance that the Company will be able to raise funds by any of these methods.

Financial and Other Covenants

The Company is party to the Cauquenes Expansion Bank Facility, which contains financial and other covenants, such as tangible net worth and debt service coverage ratio, which are measured semi-annually. At December 31, 2017, MVC met the debt service coverage ratio (requirement of 1.2) and the tangible net worth ratio (requirement of \$110.0 million). Starting on December 31, 2019, MVC will also need to comply with a current ratio of 1.05 that will increase to 1.20 at June 30, 2020 and 1.25 thereafter.

MVC is also required to keep in place a debt service reserve account ("DSRA") currently funded with \$7.3 million, which must be used to: /i/ pay the principal and interest of MVC's bank loans and the amounts owing under related IRS if MVC has insufficient funds to make these payments and /iii/ fund MVC's operating expenses. If it becomes necessary to fund MVC's operations with funds from the DSRA, MVC must replenish the DSRA at each month end with funds necessary to maintain a balance equal to one hundred percent of the sum of the principal and interest pursuant to the bank loans and the IRS that are payable in the following six months.

On completion of construction of the Cauquenes Phase Two expansion, MVC is required to meet a project completion test as set in the Cauquenes Expansion Bank Facility, which includes production and cost targets, environmental compliance and other requirements.

If the Company breaches a covenant contained in the Cauquenes Expansion Bank Facility, it may constitute an event of default thereunder failing receipt of a waiver in respect of such breach, and the Company may be required to redeem, repay, repurchase or refinance its existing debt obligations prior to their scheduled maturity. The Company's ability to do so may be restricted or limited by the prevailing conditions in the capital markets, available liquidity and other factors. In addition, the Cauquenes Expansion Bank Facility is secured by a charge on all of MVC's assets. If the Company is unable to refinance any of its debt obligations in such circumstances, its ability to make capital expenditures and carry out planned expansions and its financial condition and cash flows could be adversely impacted.

In addition, from time to time, new accounting rules, pronouncements and interpretations are enacted or promulgated which may require the Company, depending on the nature of those new accounting rules, pronouncements and interpretations, to reclassify or restate certain elements of the financing agreements and other debt instruments, which may in turn cause a breach of the financial or other covenants contained in the financing agreements and other debt instruments. If future debt financing is not available to the Company when required or is not available on acceptable terms, the Company may be unable to grow its business.

Operating and Development Risks

The Company's operations involve a degree of risk which even a combination of experience, knowledge and careful evaluation may not be able to overcome. In 2013 there was a slide in an area of the Colihues tailings deposit that resulted in a pit wall failure and adversely affected MVC's production and the Company's financial results in 2013 and 2014. There is no guarantee MVC will not experience additional operational problems in future which could have a material adverse effect on the Company's operations and profitability. There is also no guarantee that MVC will in future receive a lower volume of fresh tailings due to similar risk with respect to DET's operations.

The Company may become subject to liability for pollution, accidents, environmental hazards, the discharge of toxic chemicals and other hazards. Such occurrences, against which it cannot insure, or may elect not to insure, may delay production, increase production costs or result in liability to the Company. The payment of any liabilities caused by such occurrences may have a material, adverse effect on the Company's financial position.

Prices and availability of commodities consumed or used in connection with mining, smelting and refining, such as natural gas, diesel, oil and electricity, as well as reagents and grinding balls, fluctuate and these fluctuations affect our costs of production. The treatment charges we negotiate fluctuate depending on market conditions. These fluctuations can be unpredictable, can occur over short periods of time and may have a materially adverse impact on our operating costs or the timing and costs of our expansion projects. Our general policy is not to hedge our exposure to changes in prices of the commodities we use in our business.

Foreign Operations

The Company's operations are in Chile. Although Chile has proven to be a stable democracy, operations in any foreign country may be exposed to economic and other risks and uncertainties which may include, but are not limited to, terrorism; hostage taking; military repression; expropriation; extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing leases, licenses, permits and contracts; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency

controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitudes in Chile may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, new production royalties, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local peoples, water use and mine safety.

Environmental and Other Regulatory Requirements

The current or future operations of the Company, including development activities and expansion of production on its projects, may require permits from various federal and local governmental authorities. Such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters.

Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. The Company believes it is in substantial compliance with all material laws and regulations that currently apply to its activities, including those with respect to the Cauquenes expansion. There can be no assurance, however, that all permits which the Company may require for the conduct of its operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any project which the Company might undertake. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in such operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Regulatory requirements and environmental standards are subject to constant evaluation and may become more onerous, which could have a significantly adverse effect on the business of the Company. Any operations involving the Company may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation often includes provisions relating to restrictions and prohibitions on spills, releases or emissions of various substances produced in association with operations, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that requires stricter standards and enforcement, and fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with environmental legislation and changes in such legislation has the potential to reduce the profitability of operations below an acceptable level. Stricter standards in environmental legislation may be imposed on the industry, the Company or DET in the future, which could materially and adversely affect the business of the Company or its ability to develop its projects on an economic basis. In addition, should the Company be found to be in serious

non-compliance with any environmental legislation, regulatory requirements or environmental standards, there may be a possibility of the cancellation of the Company's contractual and other arrangements with DET and Codelco.

Competition for Acquisitions

Significant and increasing competition exists for mineral acquisition opportunities, some of which is with large established mining companies with substantial capabilities and far greater financial and technical resources than the Company. As a result, the Company may be unable to acquire additional attractive resource projects and business opportunities on terms it considers acceptable.

Repatriation of Earnings

There is no assurance that Chile or any of the countries in which the Company may operate in future will not impose restrictions on the repatriation of earnings to foreign entities. Under the Cauquenes Expansion Bank Facility, the Company is restricted from transferring cash available at MVC unless certain conditions set in the facility are met, including finalization of completion tests for the Phase Two expansion, a debt service coverage ratio of at least 1.4 and payment of 50% of the cash available to distribution in the form of advance payments on the Cauquenes Expansion Bank Facility.

Currency Fluctuations

The operations of the Company in Chile or any of the countries in which the Company may operate in future are subject to currency fluctuations against the Canadian and US dollar and the Chilean peso, and such fluctuations may materially affect the financial position and results of the Company.

Foreign Exchange Controls

The Company may be subject from time to time to foreign exchange controls in Chile and in other countries in which it may operate outside of Canada.

Uninsurable Risks

In the course of mineral project exploration, development and production, certain risks, and in particular, unexpected or unusual operating conditions including, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons, or the amounts of its insurance may not be sufficient to fully insure against risks covered by insurance. Should liabilities arise as a result of insufficient insurance or uninsured risks, they could reduce or eliminate any future profitability and result in increased costs and a decline in the value of the securities of the Company.

Price Volatility of Public Stock

Publicly quoted securities are subject to a relatively high degree of price volatility. It may be anticipated that the quoted market for the common shares of Amerigo will be subject to market trends generally, notwithstanding any potential success of the Company's projects, and there may be significant fluctuations in the price of Amerigo's common shares.

Shares Reserved for Future Issuance

Amerigo has reserved shares for issuance in respect of stock options granted to date and may also enter into commitments in the future which could result in the issuance of additional common shares, and Amerigo may grant share purchase warrants and additional stock options. Any issue of shares reserved for future issuance may result in dilution to the existing shareholdings of the holders of Amerigo shares.

Management

The business of the Company is highly dependent on the technical and financial ability of the Company's management. Any change in management of the Company could therefore have a negative effect on the business of the Company. The Company does not have key person insurance in place.

Conflicts of Interest

Some of the directors and officers of the Company are, or may be, on the boards of other natural resource companies from time to time resulting in conflicts of interests. In addition, Dr. Zeitler is a director of the Company and is indirectly entitled to a royalty on all of MVC's production, which is being paid as a royalty dividend from AIHC. There is the potential for a conflict of interest between the Company and its directors and officers. Any such conflict will be resolved in accordance with the governing legislation regarding conflicts of interests.

MINERA VALLE CENTRAL TECHNICAL REPORT

The information shown below in italics is extracted from the executive summary of the technical report prepared by Robert D. Henderson, P. Eng., President and CEO of the Company (the "Technical Report") and filed on March 30, 2017. The Technical Report is dated March 30, 2017, has an effective date of December 31, 2016, and may be found on the Company's website and in the Company's filings at www.sedar.com. The following summary does not purport to be complete and is subject to all the assumptions, qualifications and procedures as set out in the Technical Report and the Technical Report is incorporated in this AIF by reference.

Introduction

MVC is a wholly owned subsidiary of Amerigo, a company listed on the Toronto Stock Exchange. Amerigo will be using this Technical Report in support of disclosure and filing requirements with the Canadian Securities Regulators. On April 8, 2014, MVC and DET entered into an agreement granting to MVC the rights to process the historic tailings in the Cauquenes deposit and amending each of the contracts with Codelco for the processing of tailings from the current production of the El Teniente mine (Fresh Tailings) and tailings from the Colihues deposit. The term of the Fresh Tailings contract has been extended from 2021 to 2037. The first phase of the Cauquenes expansion project was completed in 2015 which has enabled extraction of the high grade historic tailings into the existing plant at MVC. The second phase of the project is planned to improve flotation recovery efficiency and expand the existing facilities to an output of 85 to 90 million pounds of copper per year.

The MVC operation is located in Region VI (Libertador Bernardo O'Higgins Region) of central Chile. The site is 8 km east of the city of Rancagua and 90 km south of Santiago. Personnel and supplies are transported by road between the site and Rancagua or Santiago. The MVC

plant is located at an elevation of 650 m above sea level with a Mediterranean-type climate characterized by long, warm, dry summers (8 months) and mild, rainy winters (4 months).

MVC has been in operation since 1992 and produces copper and molybdenum concentrates by reprocessing tailings produced by the El Teniente mine, which is owned and operated by Codelco. MVC has the rights from Codelco to process the Fresh Tailings generated at the El Teniente mine. The Fresh Tailings are transported to MVC via a 36 km long launder. MVC also has the rights from Codelco to remove and process tailings from the historic Colihues and Cauquenes tailings deposits located south of the MVC plant. MVC currently mines the Cauquenes deposit with hydraulic monitors.

The MVC processing facility has a capacity of 185,000 tonnes per day and consists of grinding and flotation plants to recover copper and molybdenum concentrates. Once the tailings have been reprocessed by MVC, they are returned to the El Teniente tailings launder and transported to the Carén tailings impoundment located approximately 50 km to the west of the MVC site. In 2016, MVC processed 63 million tonnes of tailings and produced 57 million pounds of copper and 0.5 million pounds of molybdenum.

MVC operates in material compliance with applicable environmental laws and regulations and there are no known material environmental concerns at MVC. MVC has an approved mine closure plan under Chilean Law 20.551 and has provided a financial guarantee in accordance with the approved schedule.

History

The El Teniente mine commenced copper production in 1904 and the mill concentrator tailings have been deposited in four separate impoundments: Barahona (1919 - 1936), Cauquenes (1936 - 1977), Colihues (1977 - 1986) and Caren (1986 - present). MVC commenced operation in 1992 and Amerigo acquired MVC in 2003.

Geological Setting and Mineralization

El Teniente is a porphyry copper-molybdenum deposit located in the Andes of central Chile. Most of the high grade copper ore at El Teniente is hosted by vertically extensive hydrothermal breccia pipes hosted in a mafic intrusive complex. The deposit is zoned from a barren core through a narrow zone of bornite rich mineralization outwards into the main chalcopyrite dominant mineralized breccias. Several phases of breccia emplacement with associated copper and molybdenum mineralization occurred over a period of 2 million years. El Teniente has been in production since 1904 and in 2015, the mine produced 471,000 tonnes of fine copper. In 2022, El Teniente plans to complete their New Mine Level project at a cost of US\$ 5.1 billion. With this initiative, the world's largest underground mine is expected to be able to extend its useful life by more than 50 years. For the year end 2015, El Teniente's total ore reserves (Proven and Probable in accordance with Law 20.235 of the Chilean Republic) are 1,683 million tonnes of ore at a grade of 0.89% copper containing 15.0 million tonnes of fine copper.

Codelco's historical records of El Teniente's mill tailings represent a detailed account of the tonnage and grade of material stored in the Cauquenes and Colihues impoundments. From 1935 to 1977 approximately 364 million tonnes of tailings at a 0.31% Cu grade were deposited in the Cauquenes tailings impoundment. From 1977 to 1986 approximately 216 million tonnes of tailings at a 0.26% Cu grade were deposited in the Colihues tailings impoundment. A limited amount of drilling has been conducted on both deposits and independent mineral resource estimates have been completed on Cauquenes and Colihues.

Drilling, Sampling and Analyses

A total of 30 holes have been drilled on the Cauquenes deposit in four separate campaigns. The most recent drilling by MVC in September 2012 consisted of six reverse circulation (RC) drill holes to obtain confirmatory samples for grade, mineralogy and metallurgy tests. The drilling was performed in 6 inch diameter casings and the holes were vertical, down to a depth of 30m.

MVC personnel supervised the sample preparation according to company standards. The samples were handled and prepared in MVC's laboratory, which was administered by an independent company, Alfred H. Knight International Limited Chile Ltda. The laboratory is ISO 9001 certified. The samples were assayed for total copper, soluble copper, molybdenum and iron.

Measures were taken to ensure the security of the samples and the samples did not leave MVC premises. The samples were bagged and labeled according to MVC standards. Comparisons of duplicate samples were used to ensure full quality control. Five percent of the samples were randomly selected for duplicate analysis. No abnormal data was reported.

Metallurgical Test Work

MVC has been processing El Teniente's Fresh Tailings since 1992. The current processing plant at MVC employs primary cyclone classification to separate coarse and fine fractions. The fine fraction is processed in unconventional scavenger cascade flotation cells. The coarse fraction is ground in ball mills to a particle size of 80% passing 120 microns and then processed in conventional rougher and cleaner flotation circuits to produce a sulphide concentrate. Copper recovery from the Fresh Tailings over the period 2011 to 2016 has averaged 21%. MVC is planning to install additional flotation cells to improve copper recovery. Once this plant improvement project is complete, average annual copper recovery from the Fresh Tailings is expected to improve to 24%.

MVC has been processing tailings from the Cauquenes deposit since 2015 and the average copper recovery over this period has been 31%. Mineralogical testwork on the Cauquenes deposit has confirmed that copper is present in chalcocite and covellite with lesser amounts in chalcopyrite and oxides. Metallurgical testwork has demonstrated that a recovery process consisting of regrinding and flotation is appropriate. Additional mechanical flotation cells are required at MVC to efficiently process the Cauquenes material. The coarse fraction and the fine fraction should be processed separately in order to maximise recovery. Once this plant improvement project is complete, average annual copper recovery for Cauquenes is estimated to be 49%.

Mineral Resource Estimate

There is sufficient geological and economic evidence to conclude that MVC's contracts with El Teniente for Fresh Tailings plus the historic Cauquenes and Colihues tailings deposits constitute an inferred mineral resource. MVC has a long operating record of economic extraction of copper and molybdenum from Fresh and Colihues tailings and MVC's December 2016 development plan demonstrates that the Cauquenes deposit can be profitably extracted.

The Cauquenes tailings deposit has an inferred mineral resource estimate of 305 million tonnes at a grade of 0.267% Cu and 0.021% Mo with 847 million pounds of recoverable copper and 28 million pounds of recoverable molybdenum after application of mining and mill recovery losses.

MVC's total inferred mineral resource estimate for the Fresh, Colihues and Cauquenes tailings and after application of mining and mill recovery losses, is 1,179 million tonnes at a grade of 0.159% Cu and 0.010% Mo with 1,461 million pounds of recoverable copper and 38 million pounds of recoverable molybdenum.

Summaries of MVC's inferred mineral resources estimated after application of mining and mill recovery losses, are presented in Table 1-1 and Table 1-2. Inferred mineral resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized.

Table 1-1 MVC Copper Inferred Mineral Resource Estimate – Dec 31, 2016

Tailings Deposit	Tonnes (t)	Grade (% Cu)	Mill Recovery (%)	Recoverable Copper (M lbs)
Colihues	77,280,000	0.229	37	145
Cauquenes	305,000,000	0.267	47	847
Fresh	796,267,115	0.111	24	469
Total	1,178,547,115	0.159	35	1,461

Table 1-2 MVC Molybdenum Inferred Mineral Resource Estimate – Dec 31, 2016

Tailings Deposit	Tonnes (t)	Grade (% Mo)	Mill Recovery (%)	Recoverable Molybdenum (M lbs)
Colihues	77,280,000	0.010	21	4
Cauquenes	305,000,000	0.021	20	28
Fresh	796,267,115	0.005	7	6
Total	1,178,547,115	0.010	15	38

Recovery Methods

MVC produces copper and molybdenum concentrates by reprocessing tailings produced by the El Teniente mine. MVC's December 2016 development plan presents an expansion of the existing facilities from 60 to 90 million pounds of copper per year. The Cauquenes Phase Two Expansion Project is planned to augment MVC's existing plant facilities to improve flotation recovery efficiency. Confirmatory metallurgical studies on Cauquenes in 2016 concluded that copper recovery can be increased from 34% to 49%. Equipment required includes rougher and cleaner flotation cells, desliming cyclones, a concentrate regrind mill and a concentrate thickener. The \$30 million project will take 18 months to build.

The Cauquenes tailings are planned to be hydraulically extracted and pumped to the modified existing processing circuit at an average rate of 62,500 tpd. El Teniente's Fresh Tailings tonnage is expected to vary between 140,000 tpd and 100,000 tpd. Processing of the historic Colihues deposit is planned to be restarted in 2031 when the historic Cauquenes deposit is depleted.

The tailings channel launder from MVC to the Caren tailings impoundment has a volumetric transport constraint of approximately 185,000 tonnes per day. Therefore, MVC does not expect to be able to simultaneously process both the Fresh Tailings and Cauquenes tailings at their

maximum rates. Surplus tonnage from the Fresh Tailings is planned to be discarded and deposited into the voids created in the Colihues and Cauquenes impoundments.

Environmental Studies and Permits

MVC operates within the specifications and guidelines established by the Ministry of Mining, Sernageomin (National Mining and Geology Service), other local environmental authorities and relevant international conventions. MVC is not aware of any significant environmental, social or permitting issues that would prevent exploitation of the Cauquenes deposit.

The Cauquenes Expansion Project Environmental Impact Assessment study was filed with the Chilean authorities in 2013, requesting an increase in historic tailings processing rate via an expansion to the MVC plant. Environmental approval was received in 2014 and MVC is in receipt of the necessary sectorial permits to commence construction.

Preliminary Economic Assessment

The results of the preliminary economic assessment represent forward-looking information that is subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such information. This information speaks only as of the date of this Technical Report, and is based on a number of assumptions which are believed to be true but which may prove to be incorrect in future. The preliminary economic assessment is preliminary in nature and it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the preliminary economic assessment will be realized. Please refer to subsection 2.5 of this Report.

MVC's contract with El Teniente has extended the mine life to 2037 and construction of the \$30 million Phase Two Cauquenes Expansion project is expected to be completed in Q4-2018. Equipment required includes rougher and cleaner flotation cells, desliming cyclones, a concentrate regrind mill and a concentrate thickener. MVC's December 2016 development plan presents an economic assessment of producing 1,461 million pounds of copper and 38 million pounds of molybdenum contained in sulphide concentrates with metal production based on the inferred mineral resource estimates for Fresh, Cauquenes and Colihues tailings.

Annual production over the initial ten year period (2019-2028) is estimated to be 85 to 90 million pounds of copper per year at a cash cost of production of approximately \$1.51/lb Cu, excluding royalties. Royalties are estimated to be \$0.88/lb Cu at the base case metal prices used in the economic analysis. At a 7% discount rate, the unlevered after tax net present value for the Project is estimated to be approximately US\$480 million at an assumed long term copper price of \$3.30/lb Cu. Over the life of the contract, total EBITDA for MVC is estimated to be \$2.5 billion, of which \$1.2 billion is the estimated El Teniente royalty.

Using these parameters, the preliminary financial analysis summary in Table 1-3 indicates that MVC has a positive net cash flow and supports the further development of the Cauquenes deposit.

Table 1-3 Summary MVC Economic Analysis

Copper Price (US\$/lb)	Base Case	2.50	3.00	3.50	4.00
NPV7% after tax (US\$ millions)	\$480	\$217	\$389	\$543	\$679

Conclusions and Recommendations

In the opinion of the QP, the Project that is outlined in this Technical Report has met its objectives. Mineral resources have been estimated for the Project, and a feasible development plan has been presented. The data supporting the inferred mineral resource estimates were appropriately collected, evaluated and estimated, and the Project objective of identifying tailings mineralization that could potentially support future processing operations has been achieved.

The recommendation of the QP is to proceed with construction of the MVC plant expansion. This work program is expected to cost \$30 million and is planned to be complete in Q4-2018

DIVIDENDS

In 2005, Amerigo's Board of Directors approved a policy of paying semi-annual dividends. Amerigo's dividend policy is, under normal circumstances and after considering the Company's cash flow and short and long term needs and objectives, to declare and pay dividends on the common shares averaging at least one-third of reported net earnings calculated over a period of years. The declaration of each dividend, however, is in the discretion of Amerigo's Board of Directors which reserves the right to adjust or terminate the declaration and payment of dividends from time to time according to the prevailing business environment and cash needs of the Company.

Pursuant to Amerigo's dividend policy, on September 1, 2005, the first dividend of Cdn\$0.045 per common share was paid. Amerigo also paid dividends of Cdn\$0.045 per common share on each of April 7, 2006 and September 1, 2006, and then paid dividends of Cdn\$0.065 per common share on each of April 4, 2007, August 31, 2007, April 2, 2008 and September 5, 2008. During the period 2005 to 2008, dividend payments totalled \$33.5 million.

Amerigo suspended dividend payments in 2009 as a result of the global financial crisis and the precipitous drop in copper and molybdenum prices, all of which had an extremely adverse effect on the Company's financial results and liquidity.

In 2011, Amerigo reinstated the payment of dividends and paid semi-annual dividends of Cdn\$0.02 per common share on each of May 5, 2011, November 30, 2011, May 25, 2012 and November 29, 2012. During 2011 and 2012, dividend payments totalled \$13.7 million.

In May 2013, Amerigo's Board of Directors decided that, due in part to volatility in the copper price, it would be prudent to defer the dividend decision until later that year, at which time the Board of Directors decided that the Company should preserve cash rather than pay a dividend,

given the Company's relatively low cash position at that time and its plan to undertake the Cauquenes expansion.

Under the Cauquenes Expansion Bank Facility, the Company is restricted from transferring cash available at MVC, unless certain conditions set in the facility are met, including finalization of completion tests for the Phase Two expansion, a debt service coverage ratio of at least 1.4 and payment of 50% of the cash available to distribution in the form of advance payments on the Cauquenes Expansion Bank Facility.

DESCRIPTION OF CAPITAL STRUCTURE

Amerigo has an authorized share capital of an unlimited number of common shares without par value. The Company had 176,385,635 common shares issued and outstanding on December 31, 2017 and 177,200,754 common shares issued and outstanding as of the date of this AIF.

The holders of the common shares are entitled to receive notice of and to attend and vote at all meetings of Amerigo's shareholders, and each common share confers the right to one vote in person or by proxy at all such meetings. The holders of the common shares, subject to the prior rights, if any, of the holders of any other class of shares of the Company, are entitled to receive such dividends in any financial year as Amerigo's Board of Directors may determine. In the event of the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, the holders of the common shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company.

Amerigo has a rolling 10% stock option plan (the "Plan") pursuant to which the Company is authorized to grant options to directors, officers, employees and consultants for a maximum amount of up to 10% of the issued and outstanding common shares of the Company. All options granted to date have a term of five years. As of the date of this AIF there are options to purchase a total of 13,450,000 common shares outstanding under the Plan (7.59% of the issued and outstanding common shares):

Number of Options/Shares	Expiry Date	Exercise Price
3,200,000	May 12, 2019	Cdn\$0.435
1,750,000	March 30, 2020	Cdn\$0.37
2,600,000	March 1, 2021	Cdn\$0.14
2,950,000	February 24, 2022	Cdn\$0.53
2,950,000	February 23, 2023	Cdn\$1.06

The Company's common shares last traded on the TSX in 2017 at a price of Cdn\$1.10 per share. Of the options outstanding on that date, 11,200,000 were in the money on December 31, 2017 and 10,500,000 were in the money as of the date of this AIF.

MARKET FOR SECURITIES**Trading Price and Volume**

The Company's shares are listed for trading on the TSX under the ticker symbol "ARG". The following table sets out the monthly price ranges and volumes of Amerigo common shares on the TSX during 2017:

Month	Volume	High (Cdn\$)	Low (Cdn\$)
December 2017	3,671,000	1.12	1.07
November 2017	5,031,800	1.08	1.00
October 2017	3,093,900	0.83	0.82
September 2017	2,502,800	0.76	0.73
August 2017	4,156,200	0.75	0.74
July 2017	1,875,400	0.69	0.66
June 2017	2,447,300	0.55	0.53
May 2017	4,799,300	0.63	0.58
April 2017	2,861,800	0.64	0.62
March 2017	11,153,000	0.66	0.62
February 2017	9,691,000	0.59	0.52
January 2017	3,694,000	0.40	0.38

Source: Yahoo Finance

DIRECTORS AND OFFICERS

Directors

As of the date of this AIF, the Company's directors are:

Name and Address	Principal Occupations within Previous Five Years	Director Since
Dr. Klaus Zeitler British Columbia, Canada	Executive Chairman and Director of the Company; former Chairman and Chief Executive Officer of the Company; Chairman and director of Los Andes Copper Ltd.; director of Western Copper and Gold Corporation; Chairman and director of Rio2 Limited	April 2003
Dr. Robert Gayton British Columbia, Canada	Lead independent director of the Company; director of B2BGold Corp. and Western Copper and Gold Corporation	August 2004
Sidney Robinson Ontario, Canada	Independent director of the Company; director of Chartwell Retirement Residences and Rio2 Limited	May 2003
Alberto Salas Santiago, Chile	Independent director of the Company; Chairman of Chile's INACAP (National Institute of Professional Training); director of the Company's subsidiary Minera Valle Central, CAP Minería, Chile's National Oil Company (ENAP) and ENAEX; President of the Mining Engineers Foundation University of Chile; President of the Chilean Pacific Foundation; President of the Inter-American Mining Society and President of the Latin American Mining Organization; former President of the Chilean Confederation of Production and Commerce and of the Chilean Society of Mining	May 2011
George Ireland Massachusetts, USA	Independent director of the Company; founder and portfolio manager of Geologic Resource Partners LLC; director of Rathdowney Resources Ltd., Lithium Americas Corporation and Redstar Gold Corp.	June 4, 2012

Dr. Klaus Zeitler received his professional education at Karlsruhe University from 1959 to 1966 and obtained a PhD in economic planning. Dr. Zeitler is a member of the Canadian Institute of Mining and Metallurgy and the Prospectors and Developers Association. Dr. Zeitler financed, built and managed base metal and gold mines worldwide (Europe, Africa, North America, South America, Pacific) with a total investment value of \$4.0 billion. Dr. Zeitler was a managing director of Metallgesellschaft AG, a German metals conglomerate, and in 1986 founded and was a director and the first CEO of Metall Mining (later Inmet Mining Corporation) with assets of over \$4.0 billion, and base metal and gold mines in different parts of the world. After having been a director of Teck and Cominco for many years, Dr. Zeitler joined Teck in 1997 as Senior Vice President and had responsibilities for the exploration and development of mines in Peru, Mexico and the USA. Since his retirement in 2002 from Teck, Dr. Zeitler has been a director and Chairman of a number of mining companies.

Dr. Robert Gayton, FCDA (FCA), graduated from the University of British Columbia in 1962 with a Bachelor of Commerce degree and in 1964 earned the Chartered Professional Accountant (CPA, CA) designation while at Peat Marwick Mitchell. Dr. Gayton joined the Faculty of Business Administration at the University of British Columbia in 1965, beginning

10 years in the academic world, including time at the University of California, Berkeley, earning a Ph.D. in business. Dr. Gayton rejoined Peat Marwick Mitchell in 1974 and became a partner in 1976 where he provided audit and consulting services to private and public company clients for 11 years. Dr. Gayton has directed the accounting and financial matters of public companies in the resource and non-resource fields since 1987, and is a director of a number of public companies.

Sidney Robinson was a senior partner at Torys LLP where he practiced corporate and mining law for over 30 years until he retired in 2004. He provided strategic and legal advice with respect to acquisitions, developments and financings to senior management and boards of directors of a number of Canadian and international mining companies. He sits on the boards of public and private corporations and has many years of experience as a director of mining companies in Canada and in the United States.

Alberto Salas is currently the Chairman of Chile's INACAP, the largest higher education and training institution in Chile, the former President of the Chilean Confederation of Production and Commerce (CPC) and a former President of the National Mining Society of Chile (SONAMI). At present, Mr. Salas is a director of Minera Valle Central, CAP Minería, Chile's National Oil Company (ENAP) and ENAEX, and President of the Mining Engineers Foundation University of Chile, President of the Chilean Pacific Foundation, President of the Inter-American Mining Society and President of the Latin American Mining Organization. Mr. Salas is a member of the APEC Business Advisory Council and a former director of Teck's Quebrada Blanca Mining Company and Carmen de Andacollo Mining Company. Mr. Salas is a Mining Civil Engineer from the University of Chile with post-graduate studies in Corporate Finance from the Adolfo Ibáñez University in Chile.

George Ireland has over thirty years of experience in the resource sector in positions ranging from field geology to banking and venture capital. Mr. Ireland founded Geologic Resource Partners in 2004 and serves as Chief Investment Officer and Portfolio Manager. From 2000 to 2004, he was General Partner of Ring Partners, LP, an investment partnership which has been merged into Geologic Resource Partners. Mr. Ireland graduated from the University of Michigan with a BS from the School of Natural Resources.

Each Director is elected to hold office until the Company's next annual general meeting or until a successor is duly elected or appointed. The Company's next annual general meeting is scheduled to be held on May 7, 2018.

The committees of Amerigo's Board of Directors and the directors serving on each of the committees are described below.

Audit Committee - The Audit Committee oversees the Company's financial reporting obligations, financial systems and financial disclosure. It reviews the quarterly and annual financial statements, monitors and assesses the integrity of the Company's internal control systems, meets regularly with the Company's auditors and liaises between the Board of Directors and the auditors. The members of the Company's Audit Committee are Dr. Robert Gayton (Chairman), George Ireland and Sidney Robinson, all three of whom are independent directors. The Company's auditors, PricewaterhouseCoopers LLC, report directly to the Audit Committee.

Nominating, Compensation and Corporate Governance Committee - The Nominating, Compensation and Corporate Governance Committee reviews the performance of the Company's senior management, the Board of Directors as a whole, and individual directors. It oversees the orientation program for new recruits to the Board and when required, recommends nominees for election to the Board of Directors to fill vacancies or newly created director

positions. The Committee is responsible for determining the compensation to be paid to the Company's executive officers and for reviewing their corporate goals and objectives. The members of the Company's Nominating, Compensation and Corporate Governance committee are Sidney Robinson (Chairman), Alberto Salas and Dr. Robert Gayton, all three of whom are independent directors.

The Company also has a Disclosure Committee, with the objective of ensuring that communications from the Company to the investing public are timely, factual and accurate, and are broadly disseminated in accordance with all applicable legal and regulatory requirements. The Disclosure Committee consists of the members of Amerigo's Board of Directors, Rob Henderson, the Company's President and CEO and Aurora Davidson, the Company's Executive Vice President and CFO.

Officers

As of the date of this AIF, the Company's officers are:

Name, Province/State and Country of Residence	Office Held with Company and Principal Occupations within Previous Five Years	Officer Since
Klaus Zeitler British Columbia, Canada	Executive Chairman; former Chairman and Chief Executive Officer of the Company	April 2003
Rob Henderson British Columbia, Canada	President and CEO of the Company; former COO of the Company	June 2012
Aurora Davidson British Columbia, Canada	Executive Vice President and Chief Financial Officer of the Company	January 2004
Christian Cáceres Rancagua, Chile	General Manager, MVC; former Assistant General Manager, MVC	October 2015
Kimberly Thomas British Columbia, Canada	Corporate Secretary; former legal assistant to the Company	January 2016

Rob Henderson is a professional engineer with an MBA. Mr. Henderson has over thirty years of international experience operating, building and acquiring mineral properties, and joined Amerigo after eight years with Kinross Gold Corporation where he attained the position of Senior Vice President Technical Services responsible for energy, mine planning, mineral resources and reserves. Prior to Kinross, Mr. Henderson worked in mining operations with Rand Mines and De Beers and then with SNC Lavalin and Hatch delivering engineering services to international mining clients.

Aurora Davidson is a Chartered Professional Accountant (CPA, CGA). She obtained her designation from the former Certified General Accountants Association of British Columbia and holds a BSc in Business Administration from Alliant International University in San Diego, California. Ms. Davidson has more than 28 years of experience in financial and general business management having assisted private and public companies in the roles of Chief Financial Officer, Vice-president, Finance and Corporate Controller within the mineral exploration and technology sectors. She is also the Chief Financial Officer of Los Andes Copper Ltd. and Labrador Gold Corp., both of which are TSXV listed companies.

Christian Cáceres is a metallurgical engineer with an MBA. He has been with MVC since 1994 and has extensive experience in metallurgical processes, tailings processing, engineering projects, operations management and environmental compliance and sustainability. Mr. Cáceres was responsible for developing and delivering the first phase of development of Cauquenes on time and under budget in December 2015.

Kimberly Thomas has 20 years of experience working with public companies. Ms. Thomas has assisted the management teams and board of directors of Geodex Minerals Ltd., First Quantum Minerals Ltd., Ascot Resources Ltd. and various other public companies and has extensive experience with various stock exchanges and securities commissions in Canada and the United States. Ms. Thomas joined the Company in January 2010. She is also the Legal Assistant of Los Andes Copper Ltd. and Labrador Gold Corp., both of which are TSXV listed companies.

Ownership of Securities by Directors and Officers

As of the date of this AIF, the Company's directors and executive officers as a Company beneficially owned or exercised control or direction over, directly or indirectly, an aggregate of 29,254,884 Amerigo common shares, representing approximately 16.51% of the issued and outstanding common shares of Amerigo.

In addition, Dr. Klaus Zeitler with an associate beneficially owns, directly or indirectly, or exercises control or direction over, a 50% interest in a private company which owns 1,900,000 Class A Common Shares of AIHC, representing 100% of the shares of that class.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of Amerigo, after reasonable enquiry, no director or executive officer of the Company is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company that: (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period for more than 30 consecutive days (together, an "order"), that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of Amerigo, after reasonable enquiry, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of Amerigo to affect materially the control of the Company: (a) is as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person was acting in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the knowledge of Amerigo, after reasonable enquiry, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of Amerigo to affect materially the control of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting and will not participate in negotiating and concluding terms of any proposed transaction. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties, thereby allowing for their participation in a greater number of and larger programs, and reducing financial exposure in respect of any one program. A particular company may also assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. Under the laws of the Province of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time. Please refer as well to Description of the Business – Risk Factors – Conflicts of Interest, in this AIF.

AUDIT COMMITTEE INFORMATION

Audit Committee Mandate

The Company's Audit Committee has a charter (the "Audit Committee Charter") in the form attached to this AIF as Schedule "A".

Composition of the Audit Committee

Amerigo's Audit Committee consists of three members all of whom are independent and financially literate as defined by National Instrument 52-110 – Audit Committees ("NI 52-110"). The members of the Audit Committee are: Dr. Robert Gayton (Chair), Sidney Robinson and George Ireland.

Relevant Education and Experience

A description of the education and experience of Audit Committee members that is relevant to the performance of their responsibilities as member of the committee can be found under Directors in this AIF.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on any of the exemptions in sections 2.4, 3.2, 3.3(2), 3.4, 3.5 or 3.6 of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110, or on section 3.8 of NI 52-110.

Audit Committee Oversight

At no time was a recommendation of the Company's Audit Committee to nominate or compensate an external auditor not adopted by Amerigo's Board of Directors.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described under the heading "Independent Auditors" of the Audit Committee Charter set out in Schedule "A" to this AIF.

External Auditor Services Fees (By Category)

The aggregate fees billed by the Company's external auditors in the last two fiscal years (all amounts are in Canadian dollars) in respect of all services provided to the Company, including MVC, are as follows:

Fee Summary	2017	2016
Audit of the financial statements	174,689	212,820
Review of quarterly financial statements	45,500	45,000
All Other Fees	N/A	23,500
Total	220,189	281,320

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not a party to any material legal proceedings and is not aware of any such proceedings pending or contemplated. There have been no penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the last financial year or by a court or regulatory authority that would likely be considered important to a reasonable investor in making an investment decision. The Company did not enter into any settlement agreement with a court relating to securities legislation or with a securities regulatory authority during its last financial year.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed in this AIF, within the Company's three most recently completed financial years no director, executive officer or principal shareholder of the Company, or any

associate or affiliate of any of the above, has had any material interest, direct or indirect, in any transaction that has materially affected or will materially affect the Company.

TRANSFER AGENTS AND REGISTRARS

The Company's transfer agent and registrar is Computershare Trust Company of Canada, 510 Burrard Street, 2nd Floor, Vancouver, British Columbia, V6C 3B9, and Computershare Trust Company of Canada, 4 King Street West, Suite 1101, Toronto, Ontario, M5H 1B6, is the Company's co-transfer agent and registrar.

INTERESTS OF EXPERTS

PricewaterhouseCoopers LLP ("PwC") of Suite 1400, 250 Howe Street, Vancouver, British Columbia, V6C 3S7, are the auditors for the Company. PwC audited the Financial Statements of the Company for the year ended December 31, 2017. PwC reports that it is independent from the Company in accordance with the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

Robert D. Henderson, P.Eng., prepared the Technical Report (refer to Minera Valle Central Technical Report in this AIF). Mr. Henderson is remunerated by the Company for his services as President and CEO of Amerigo Resources Ltd., and as a director of MVC. Mr. Henderson held 432,143 of the Company's outstanding common shares as of the date of the Technical Report. Mr. Henderson also held options to purchase common shares in the capital of the Company as of the date of the Technical Report: 700,000 at a price of \$0.53 expiring in June 2017; 600,000 at a price of \$0.435 expiring in May 2019; 300,000 at a price of \$0.37, expiring in March 2020; 800,000 at a price of \$0.14 expiring in March 2021. Prior to publication of the Technical Report, Mr. Henderson had been appointed a director of MVC. Other than as set out in this AIF, and as disclosed in all other documents filed by the Company on SEDAR, Mr. Henderson, when or after he prepared the Technical Report, did not receive or was about to receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of one of the Company's associates or affiliates (based on information provided to the Company by him) or was expected to be elected, appointed or employed for the first time as a director, officer or employee of the Company or of any associate or affiliate of the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, where applicable, is contained in the Management Proxy Circular to be issued for our Annual Meeting of Shareholders to be held on May 7, 2018.

Additional financial information is provided in the Company's Financial Statements and MD&A for the year ended December 31, 2017.

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

Amended March 24, 2009

A. AUDIT COMMITTEE PURPOSE

The Board of Directors of the Amerigo Resources Ltd. (the "Company") has an overall responsibility to oversee the affairs of the Company for the benefit of the shareholders. The Audit Committee is appointed by the Board to assist the Board in fulfilling its oversight responsibilities. The Audit Committee's primary duties and responsibilities are to:

- Ensure the effectiveness of the overall process of identifying and addressing principal business risk and the adequacy of the related disclosure;
- Monitor the integrity of the Company's financial reporting process and systems of internal controls regarding finance, accounting and legal compliance;
- Monitor the independence and performance of the Company's independent auditors;
- Provide an avenue of communications among the independent auditors, management and the Board of Directors; and
- Encourage adherence to, and continuous improvement of, the Company's policies, procedures and practices at all levels.

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the independent auditors as well as anyone in the organization. The Audit Committee has the ability to retain, at the Company's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

B. AUDIT COMMITTEE COMPOSITION AND MEETINGS

Audit Committee members shall meet the requirements of the TSX. The Audit Committee shall be comprised of three or more directors as determined by the Board, each of whom shall be independent non-executive directors, free from any relationship that would interfere with the exercise of his or her independent judgment. All members of the Committee shall have a basic understanding of finance and accounting and be able to read and understand fundamental financial statements, and at least one member of the Committee shall have accounting or related financial expertise.

Audit Committee members shall be appointed by the Board. If the Audit Committee Chair is not designated or present, the members of the Committee may designate a Chair by majority vote of the Committee membership.

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Audit Committee Chair shall prepare and/or approve an agenda in advance of each meeting. The Committee should meet privately in executive session at least annually with management, the independent auditors and as a committee to discuss any matters that the Committee or each of these Companies believe should be discussed.

C. AUDIT COMMITTEE RESPONSIBILITIES AND DUTIES – DETAIL

Review Procedures

1. Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.
2. Review the Company's Financial Statements and MD&A prior to filing or distribution. Review should include discussion with management and independent auditors of significant issues regarding accounting principles, practices and judgments.
3. In consultation with management and the independent auditors, consider the integrity of the Company's financial reporting processes and controls. Discuss significant financial risk exposures and the steps management has taken to monitor, control and report such exposures. Review significant findings prepared by the independent auditors together with management's responses.
4. Review with financial management the Company's quarterly financial results and MD&A prior to the release of earnings. Discuss any significant changes to the Company's accounting principles and any items required to be communicated by the independent auditors.

Independent Auditors

5. The independent auditors are accountable directly to the Audit Committee. The Audit Committee shall review the independence and performance of the auditors and annually recommend to the Board of Directors the appointment of the independent auditors or approve any discharge of auditors when circumstances warrant.
6. Approve the fees and other significant compensation to be paid to the independent auditors and pre-approve any non-audit services that the auditor may provide.
7. On an annual basis, the Committee should review and discuss with the independent auditors all significant relationships they have with the Company that could impair the auditor's independence.
8. Review the independent auditors audit plan and engagement letter.
9. Prior to releasing the year-end earnings, discuss the results of the audit with the independent auditors.
10. Consider the independent auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.

Other Audit Committee Responsibilities

11. On at least an annual basis, review with the Company's counsel, any legal matters that could have a significant impact on the organization's financial statements, the Company's compliance with applicable laws and regulations, and inquiries received from regulators or governmental agencies.

12. The Chairman of the Committee will review all disclosure documents to be issued by the Company relating to financial matters, including news releases, annual information forms and information circulars.
13. Establish a procedure for the: (i) confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters, and (ii) receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters.