

Corporate Governance Practices

(Effective July 25, 2016)

Corporate Governance Disclosure Requirement	The Company's Approach
1. Board of Directors (a) Disclose identity of directors who are independent.	The Company's independent directors are Dr. Robert Gayton, Sidney Robinson, Alberto Salas and George Ireland.
(b) Disclose identity of directors who are not independent and describe the basis for that determination.	Dr. Klaus Zeitler, the Company's Executive Chairman, is the sole non-independent director. He is an executive officer and part of the Company's management team.
(c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the board) does to facilitate its exercise of independent judgment in carrying out its responsibilities.	Four of the Company's five directors are independent.
(d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	The directors are also directors of the following other reporting issuers as of the date of this Information Circular: <ul style="list-style-type: none"> • Klaus Zeitler: Western Copper and Gold Corporation, Tahoe Resources Inc. and Los Andes Copper Ltd. • Sidney Robinson: Chartwell Retirement Residences • Robert Gayton: B2Gold Corp., Eastern Platinum Limited, Nevsun Resources Ltd. and Western Copper and Gold Corporation. • Alberto Salas: N/A. • George Ireland: Rathdowney Resources Ltd., Africo Resources Ltd., Western Lithium USA Corporation.
(e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.	The independent directors meet at the conclusion of each Board meeting after members of management have left the meeting. The independent directors have met without management in attendance a total of four times during the period January 1, 2015 to December 31, 2015.



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<p>(f) Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.</p>	<p>Robert Gayton, an independent director, is the Company's lead director. The lead director's role and responsibilities are as follows:</p> <ul style="list-style-type: none">• to provide leadership to the independent directors and ensure the Board's agenda enables it to carry out the Board's duties in a fashion that is independent of management;• to work with the Executive Chairman to ensure that the Board's committees have adequate resources and function properly;• to chair all of the meetings of the independent directors and to report the results of such meetings to the Executive Chairman;• to provide liaison to ensure the relationships between the Board and management are conducted in a professional and constructive manner;• to work with the Chairman of the Corporate Governance, Nominating and Compensation Committee (the "CGNC Committee"), Executive Chairman and with the CEO in developing criteria for directors, identifying potential board candidates and ensuring that adequate orientation programs are in place for new directors; and• to work with the Chair of the CGNC Committee to ensure that the Board has a process for assessing CEO and executive performance and to ensure that appropriate succession, development and compensation plans are in place for the executive team.
<p>(g) Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.</p>	<p>The Company has held 6 Board meetings (5 board meetings in 2015 and 1 in 2016) since the beginning of its most recently completed financial year. Every director attended all six meetings.</p>



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<p>2. Board Mandate</p> <p>Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.</p>	<p>The Board does not have a written mandate.</p> <p>The Board has responsibility for stewardship of the Company, including overseeing the operation of the business, supervising management and setting milestones for the Company. The Board reviewed and approved the Company's corporate governance documents including, but not limited to, the Audit Committee Charter, Corporate Governance Charter, Insider Trading policy, Whistleblower policy and the Code of Ethics for Financial Managers.</p> <p>The Board approves all significant decisions affecting the Company and its subsidiaries and, based on input from management, sets specific annual milestones for management.</p> <p>The Board has delegated responsibility to the Company's senior management for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing the Company's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements.</p> <p>The Board and senior management are responsible for identifying the principal risks of the Company's business, and together have assumed responsibility for ensuring these risks are effectively monitored and mitigated to the extent practicable.</p> <p>Management is responsible for developing a draft long-term strategic plan and operating plan for the Company. The Board reviews and comments on plans presented by management. Board consideration and approval is required for all material contracts and business transactions, all debt and equity financing proposals and senior executive recruitment.</p> <p>The Board approves all of the Company's major communications, including annual and quarterly reports and press releases.</p> <p>Annual and project budgets are brought before the Board for approval, and the Board's direction with respect to these budgets is communicated back to staff by management.</p> <p>The Board as a whole initially developed the Company's approach to corporate governance.</p> <p>The number of scheduled Board meetings varies, but historically a minimum of four meetings have been held annually. Additional meetings are called as necessary. Management circulates an agenda for each meeting, but each director or committee member has the opportunity to raise subjects for inclusion on the agenda or for discussion during the course of any meeting. Meeting materials to be reviewed and/or discussed for action by the Board are distributed to all meeting participants in time for review prior to each meeting.</p> <p>Board members have full and free access to management and employees of the Company.</p>



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3. Position Description	
(a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.	Effective October, 1, 2015, the Board developed a written position description for the Company's Executive Chairman. The Board has not developed written position descriptions for the chair of each Board committee. The Company's Executive Chairman is responsible for supervising the conduct of each Board meeting and he and the lead director each have the authority to call for meetings of the full board or of the independent directors in the absence of management, including meetings with the Company's auditors. The chair of each committee is responsible for calling the meetings of the respective committees, establishing meeting agendas with input from management, and supervising the conduct of the meetings. The chair of the audit committee has a clear mandate from the Board to ensure that the committee meets its purposes as set out in the Audit Committee Charter. The Audit Committee monitors the integrity of the Company's financial reporting process and systems of internal control, and meets on at least a quarterly basis to review and approve the Company's financial statements, management discussion and analysis and accompanying news release. The Audit Committee also meets with the Company's auditors on a quarterly basis in the absence of management. The CGNC Committee meets in the first quarter of each year to consider annual remuneration adjustments, including salary and fee reviews, bonus allocations and stock option grants, and meets at other times in the year when necessary. The chairman of each committee has full authority to call meetings as required.
(b) Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.	The Company has in place a formal, documented position description for the CEO, and the duties and responsibilities of the CEO are set out in a management agreement. Additionally, the Board annually approves a set of goals and objectives for the CEO, and a significant portion of the CEO's compensation is based on the attainment of such goals and objectives. The Board also annually approves the operating and capital budgets and strategic plan prepared by management, and the CEO is required to ensure the Company operates within the guidelines contained in such documents. Material departures must be approved by the Board. The Board is of the view that the respective corporate governance roles of the Board and management, as represented by the Company's Chair and CEO, are clear, and that the limits to management's responsibility and authority are well-defined.



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4. Orientation and Continuing Education	
(a) Briefly describe what measures the board takes to orient new directors regarding <ol style="list-style-type: none">i. The role of the board, its committees and its directors, andii. The nature and operation of the issuer's business.	The Company does not have a formal orientation and education program for new directors. New directors are provided with relevant materials with respect to the Company, and spend a considerable amount of time being oriented on relevant corporate issues by the CEO. Management generally attempts to set up Board visits to the Company's operations in South America at least every other year, in order to meet with local management, view the Company's plant and capital additions and visit the operations. The directors have in the past met with management of the Company's feed material supplier, Codelco-El Teniente, and then commercial partners Enami and Molymet. The majority of the Company's directors and officers visited the Company's operations in December 2013. A visit of the Company's directors to Chile in 2015 was cancelled in response to economic conditions.
(b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.	When Board members visit the Company's plant and operations, detailed discussions are held with the Company's local managers concerning all matters relating to the business, including technical and operational challenges facing the Company, budgets, capital expenditures, MVC's operations, past performance and future goals and objectives for MVC and staff. The Board is composed of experienced professionals with a wide range of financial, legal, capital and public markets, exploration and mining expertise, and who sit on the boards of other companies in the mining industry and have experience with regulatory authorities and mining commissions and associations. The directors have discussions concerning matters that are important to the Company's business and industry, including events affecting copper and molybdenum markets, merger and acquisition activity, energy markets and other matters that may affect the Company's operations. In addition, the Company has in the past provided opportunities for the directors to hear from experts in specialized fields relating to matters such as the political, power supply and economic situations in Chile.



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<p>5. Ethical Business Conduct</p>	
<p>(a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:</p> <ul style="list-style-type: none"> i. Disclose how a person or company may obtain a copy of the code; ii. Describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and iii. Provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code. 	<p>The Company has a written Code of Ethical Conduct for Financial Managers and a Whistleblower Policy. Copies may be requested by contacting Amerigo Resources Ltd., at Suite 1260 –355 Burrard Street, Vancouver, BC V6C 2G8, attention Corporate Secretary, Ms. Kimberly Thomas (Telephone: (604) 681-2802). Copies of both documents are also available for viewing on the Company's website at www.amerigoresources.com and under the Company's profile on SEDAR at www.sedar.com</p> <p>The Company monitors compliance with the code through the services of WhistleblowerSecurity and management. Toll free numbers to WhistleblowerSecurity are posted at the Company's plant. There has been no material change report filed pertaining to any conduct of a director or executive officer that constituted a departure from the code.</p>
<p>(b) Describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.</p>	<p>Directors or officers with a material interest in a transaction to be considered by the Board are required to declare their interest and, in the case of directors, abstain from discussion pertaining to and then voting on the transaction. During 2014 the independent directors reviewed and approved a related party transaction that involved three insider shareholders of the Company, including the management company of the Chairman and previous CEO, but did so only after an extensive review of a number of comparable transactions and obtaining legal advice from the Company's external counsel. This transaction and the process the directors followed were described in detail in a material change report filed by the Company on March 27, 2015.</p> <p>All directors without a material interest then vote on the proposed transaction only after a thorough discussion and review of the documentation related to the transaction including, if deemed necessary, a discussion in the absence of the director or officer with the material interest.</p>
<p>(c) Describe any other steps that board takes to encourage and promote a culture of ethical business conduct.</p>	<p>The Board seeks directors with superior reputations and extensive experience in legal, financial, capital and public markets, exploration and mining matters in order to ensure a diverse culture of ethical business conduct. Directors are also free to obtain the advice of external counsel, including a written opinion from such counsel, on any matters either being considered by the Board or that have been communicated to any director.</p>



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6. Nomination of Directors	
(a) Describe the process by which the board identifies new candidates for board nomination	The nominating committee draws on all relevant sources in the search for new directors, and all of the Company's directors are involved in the process. Preferred candidates include potential directors with direct experience in the mining business and legal, accounting or financial industries together with public company experience, and who do not have a significant conflicting public company association.
(b) Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.	The Board has a Corporate Governance, Nominating and Compensation Committee composed entirely of independent directors.
(c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.	<p>The duties and responsibilities of the Corporate Governance, Nominating and Compensation Committee are as follows:</p> <ul style="list-style-type: none"> • Identify individuals qualified to become Board members • Recommend candidates to fill Board vacancies and newly created Director positions • Review backgrounds and confirm qualifications of all candidates identified other than by the nominating committee • Provide an internal orientation program for new recruits to the Board, and encourage all Board members to access relevant education opportunities • Recommend the composition of Committees of the Board
7. Compensation	
(a) Describe the process by which the board determines the compensation for the issuer's directors and officers.	The Company has a Corporate Governance, Nominating and Compensation Committee. In respect of compensation matters, the committee has the primary responsibility to make recommendations for approval by the Board on an ongoing basis with respect to the remuneration of directors and officers.
(b) Disclose whether or not the board has a compensation committee composed entirely of independent directors.	The Company's Corporate Governance, Nominating and Compensation Committee is composed entirely of independent directors.



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<p>(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.</p>	<p>In each year the Corporate Governance, Nominating and Compensation Committee reviews management fees and salaries, bonus and stock option compensation. The committee periodically commissions reports from independent compensation consultants who are expert in the mining industry, and considers inflation statistics from government and other official sources in its annual review of fees, salaries and bonuses. The committee also agrees annually to a set of goals and objectives for management which form the basis for the determination as to the amount of bonuses, if any, to be paid. In setting bonus amounts the committee also takes into account additional factors which may or may not be within the control of management, the Company's financial results and position and the state of the economies of Chile and Canada. Stock option allocations are made based on recommendations from senior management, and each person's contribution and level of responsibility. The committee also takes into account the compensation components of management of other companies of similar size and stage of development. There is no minimum share ownership requirement for directors. Directors' compensation is a combination of annual retainer, meeting fees and stock options. The Corporate Governance, Nominating and Compensation Committee reviews the amounts and effectiveness of compensation provided to management and Board members. The Corporate Governance, Nominating and Compensation Committee meets in the first quarter of each year and at other times during the year as required.</p>
<p>8. Other Board Committees</p>	
<p>If the board has standing committees other than the audit and compensation committees, identify the committees and describe their function.</p>	<p>In addition to the Audit Committee and the Corporate Governance, Nominating and Compensation Committee, the Company also has a Disclosure Committee that currently consists of the Company's Board of Directors, Rob Henderson, the Company's President and CEO and Aurora Davidson, the Company's Executive Vice President and CFO. The function of the disclosure committee is to ensure that communications to the investing public about the Company and its operations are timely, factual and accurate, and are broadly disseminated in accordance with all applicable legal and regulatory requirements.</p>
<p>9. Assessments</p>	
<p>Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees and its individual directors are performing effectively.</p>	<p>The Company does not carry out regular assessments of the Board, its committees or individual directors. The Board monitors its effectiveness and that of its committees and individual directors in connection with its ongoing oversight of management and management's effectiveness in attaining the Company's corporate objectives, budgets and milestones, and works with management to ensure regular and timely communication and material information flow to the directors.</p>



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<p>10. Director Term Limits and Other Mechanisms of Board Renewal</p>	
<p>Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.</p>	<p>The Company has not adopted term limits for the directors or other mechanisms of board renewal. The Company's subsidiary has been in operation since 1992, and the Board believes that the perspective of longer service directors with industry experience gleaned through multiple commodity price cycles is of benefit to the Board. The continuity of board experience provided by representatives of major shareholders has also assisted the Board in making investment decisions with a long-term focus. In addition, management believes that the experience and diversity of the current board would be very difficult to replicate and there is no reason to make any changes at this time. Please see the response in 11(a) below for additional detail.</p>
<p>11. Policies Regarding the Representation of Women on the Board</p>	
<p>(a) Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so</p>	<p>The Company has not adopted a written policy relating to the identification and nomination of women directors. Dr. Gayton and Mr. Robinson have been independent members of the board since 2004, have extensive experience in the mining industry and bring a particular expertise important to the Company and its corporate governance, Dr. Gayton in respect of accounting and financial reporting and Mr. Robinson in legal matters. In 2011, the Company appointed Mr. Salas, a Chilean national with extensive mining industry experience, for board representation as the Company's operations are located in Chile. In June 2012 the Company added representatives from two of its largest shareholders to the board and Mr. Ireland remains on the board of the Company. In management's view the expertise of the current board, which is important in a number of critical areas, serves the Company well and there is no need to make any changes at this time. In addition, it has always been a priority of management to obtain the services of directors and officers who have the experience and skills to provide the most value to the Company, regardless of their gender.</p>
<p>(b) If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy:</p> <p>(i) a short summary of its objectives and key provisions,</p> <p>(ii) the measures taken to ensure that the policy has been effectively implemented,</p> <p>(iii) annual and cumulative progress by the issuer in achieving the objectives of the policy, and</p> <p>(iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy.</p>	<p>Not applicable</p>



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12. Consideration of the Representation of Women in the Director Identification and Selection Process	
Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer's reasons for not doing so.	The Corporate Governance, Nominating and Compensation Committee has not had the opportunity for close to four years to search for board candidates or to consider the level of representation of women on the board in that context. If in future a change involving the appointment of an additional director is being contemplated, the committee and board will consider candidates of both genders and choose the best qualified and suited for the position.
13. Consideration Given to the Representation of Women in Executive Officer Appointments	
Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.	The Company has not considered this specifically as Ms. Davidson, the Company's Executive Vice President and CFO, is one of the Company's three executive officers. Ms. Davidson has been in these roles since 2015 and 2004, respectively. During the executive search for a COO in 2012 which resulted in Mr. Henderson's hiring, the Company retained the services of an executive search firm. At that time, the Company and search firm found it extremely difficult to find candidates with the required qualifications, including experience dealing with the processing of tailings, and did not identify any women candidates. At that time, the search firm did not recommend any women to be considered for the position.



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<p>14. Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions</p>	
<p>(a) For purposes of this Item, a "target" means a number or percentage, or a range of numbers or percentages, adopted by the issuer of women on the issuer's board or in executive officer positions of the issuer by a specific date.</p> <p>(b) Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so.</p> <p>(c) Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.</p>	<p>Having carefully considered the question, the Board has elected not to adopt a target number or percentage of women directors or executive officers. Management and the Board agree that appropriate skills and experience must remain the overriding criteria for nomination to the Board in order to guard against any perception that directors may have been nominated solely or primarily on the basis of gender. In addition, in management's view there is no need to consider changes to the board at this point. Of the Company's three executive officers, one (33%) is a woman.</p>
<p>(d) If the issuer has adopted a target referred to in either (b) or (c), disclose:</p> <p>(i) the target, and</p> <p>(ii) the annual and cumulative progress of the issuer in achieving the target.</p>	<p>Not applicable</p>
<p>15. Number of Women on the Board and in Executive Officer Positions</p>	
<p>(a) Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.</p> <p>(b) Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.</p>	<p>There presently are no directors on the Company's board who are women. Ms. Davidson is a director of two of the Company's subsidiaries, however, including the Company's operating subsidiary in Chile.</p> <p>The Company currently has one executive officer who is a woman, representing 33% of the Company's executive officers.</p>