

STANDBY LINE OF CREDIT AGREEMENT

This Standby Line of Credit Agreement is made effective this 25th day of March, 2015 by and among **Amerigo Resources Ltd.** (the "**Borrower**"), a company incorporated pursuant to the laws of British Columbia, Canada, **Kestrel Holdings Ltd.** ("**Kestrel**"), a company incorporated pursuant to the laws of British Columbia, Canada, **Geologic Resource Partners LLC** ("**Geologic**"), a limited liability corporation incorporated pursuant to the laws of the State of Delaware, USA, and **Zeitler Holdings Corp.** ("**ZHC**") a company incorporated pursuant to the laws of British Columbia, Canada.

WHEREAS:

1. Kestrel and Geologic each are beneficial holders of more than 10% of the issued and outstanding shares of the Borrower, whose shares are listed for trading on the Toronto Stock Exchange;
2. Geologic is a registered investment adviser under the 1934 Act of the Securities and Exchange Commission. In addition to investing its own capital, Geologic serves as (a) investment advisor to Geologic Resource Opportunities Fund Ltd. ("GROF Ltd") and Geologic Resource Fund Ltd ("GRF Ltd") and (b) the general partner to Geologic Resource Opportunities Fund LP ("GROF LP") and Geologic Resource Fund LP ("GRF LP", together with GROF Ltd, GRF Ltd and GROF LP, the "Funds"). The Funds have in excess of \$200 million of assets under management, including a 12.6% stake in the Borrower, and Geologic and the Funds have been in operation since 2004. Geologic has full discretionary authority with respect to the investment of all assets in the Funds
3. ZHC is the management company of Dr. Klaus Zeitler, a director, Chairman and CEO of the Borrower;
4. The Borrower's subsidiary, Minera Valle Central, S.A. ("**MVC**"), is in the process of obtaining financing for the expansion of its tailings processing operations in Chile, including by way of a loan facility from a bank syndicate; and
5. Kestrel, Geologic and ZHC have agreed to provide the Borrower with a standby line of credit as a potential funding source for the MVC expansion, in accordance with the terms and conditions set out in this Agreement,

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the Parties, the Parties covenant and agree as follows:

I. CREDIT FACILITY

Subject to the terms, covenants and conditions set out below, Kestrel, Geologic and ZHC (collectively, the “**Lenders**”) agree to provide to the Borrower the credit facility up to a maximum principal amount set out in the “**Credit Limit**” section and as further described below (the “**Credit Facility**”). All terms with initial capital letters used in this Agreement and not otherwise defined have the meanings given to those terms in Schedule 1:

Credit Limit: \$13 million (the “**Credit Amount**”), available to the Borrower in the following principal amounts by each of the Lenders:

Kestrel: \$6.6 million;
Geologic: \$5.4 million; and
ZHC: \$1 million.

Purpose: All Borrowings obtained under the Credit Facility are to be drawn down at the option of the Borrower and used exclusively for the purposes set out in this “**Purpose**” section. All Borrowings drawn down under the Credit Facility shall be (i) funded by the Borrower to MVC through the Borrower’s subsidiaries, including Amerigo Banking Corporation, which is entering into a standby line of credit facility with MVC contemporaneously with this Agreement, and (ii) used by MVC to cover the cost of any shortfall during construction after the phased drawdown of funds from the Bank Facility, MVC’s cash flow and funds from the DET Credit Facility available as of the date of the shortfall.

Type, Availment, Interest Rates and Fees: All Borrowings will be made on a pro rata basis from the Lenders in accordance with their relative percentage commitments as set out in **Credit Limit** above, and are available at the following interest and fee rates:

The Credit Facility is a revolving credit facility available in US dollars. Amounts disbursed to the Borrower from the Credit Facility, once repaid, will give the right to the Borrower to new disbursements from the Credit Facility in accordance with the terms of this Agreement, provided that the Outstanding Borrowings under this Credit Facility do not exceed the Credit Amount at any time. Funds will be

available for drawdown from the Credit Facility during the Availability Term. The Borrower will pay a standby fee (the "**Standby Fee**") for this Credit Facility equal to 1% per annum of the Available Credit, with a non-refundable first year standby fee payable (which for further clarity is calculated on the full Available Credit) on the Bank Signing Date. The Standby Fee will be paid on the same basis in the event that the Availability Term continues for a period that is greater than 12 months, and for further clarity, such payment shall be paid on the first and subsequent anniversary date of the Bank Signing Date during the term of such extension. The Borrower will reimburse the Lenders for all of their out of pocket expenses relative to this Credit Facility upon receipt of invoice from the Lenders, and will execute and deliver all documentation reasonably required by the Lenders in connection with the Credit Facility. Each drawdown from the Credit Facility shall not be less than \$1 million. The Borrower will pay, concurrently with each advance from the Credit Facility, a drawdown fee of 1.5% of all funds drawn down from the Credit Facility. Interest shall accrue on the Outstanding Borrowings at a rate equal to 1.5% per month (computed on the basis of the actual number of days elapsed in the applicable month) and payable semi-annually in arrears.

Repayment Terms:

All Borrowings will be repaid by payments in the amounts and at such times as permitted under the terms and conditions of the Bank Facility Agreement. Subject to the above, the Borrower will repay the percentage of the amount of the Borrowings outstanding on the second anniversary of the Bank Signing Date (the "**Initial Repayment Date**") and all accrued but unpaid interest by semi-annual payments in accordance with the payment schedule set out in **Schedule 2**, commencing on the Initial Repayment Date, and continuing on that basis until the date that all remaining Outstanding Obligations have been repaid in full. The preceding sentence does not affect the requirement for the payment of interest accrued prior to the Initial Repayment Date, which is payable semi-annually in arrears. Subject to the terms and conditions of the Bank Facility Agreement, the Borrower agrees to pay the Outstanding Obligations in full on or before the date (the "**Maturity Date**") that is the earlier of (i) December 31, 2019 and (ii) the one year anniversary of the date that MVC has paid in full all amounts due and owing to the Banks pursuant to the Bank Facility agreement, or such other date agreed to

by the Parties in writing. All repayments will be applied *pro rata* to the participation of each of the Lenders in the principal amount of the Credit Facility.

Prepayment:

The Borrower will have the option to prepay any principal amount owing pursuant to the Credit Facility, and any accrued but unpaid interest thereon, at any time without penalty. Any such optional prepayment will be applied *pro rata* to the participation of each of the Lenders in the principal amount of the Credit Facility.

Security:

Each of the Kestrel and ZHC (the “**Collateral Lenders**”) agrees to set up a separate account (“**Account**”) at its bank or investment broker (“**Broker**”) which will contain collateral (“**Collateral**”) with a value at least equal to its respective Credit Amount to the Availability End Date. The Collateral may consist of cash, money market funds or their equivalent (“**Cash Collateral**”) or shares in the capital stock of companies that trade on any of the Toronto Stock Exchange, the New York Stock Exchange or the Nasdaq Stock Exchange (“**Share Collateral**”). Each of the Collateral Lenders agrees that in the event its Account includes Collateral in the form of Share Collateral: (i) it will at all times to the Availability End Date maintain Collateral in the minimum amount of 110% of its respective portion of the Credit Amount, and will add additional Collateral as and when needed to ensure such minimum value of Collateral is maintained at all times to the Availability End Date; and (ii) it will maintain additional Collateral to the Availability End Date in other accounts with its Broker (“**Other Accounts**”) equal to a minimum of 50% of its respective Credit Amount. Each of the Collateral Lenders agrees to provide its Broker with irrevocable instructions in accordance with all of the above requirements.

II. CONDITIONS PRECEDENT

Conditions Precedent:

The obligation of the Borrower to pay the Standby Fee to the Collateral Lenders is subject to receipt by the Borrower of a letter from each of the Collateral Lenders confirming:

- (a) Each of the Collateral Lenders irrevocably covenants and agrees with the Borrower that to the Availability End Date it will withdraw from its respective Account and pay to the Borrower its portion of all drawdowns requested by the Borrower in accordance with the

terms and conditions of this Agreement, up to its respective portion of the Credit Amount;

- (b) The respective Collateral Lender's Account has been set up at its Broker;
- (c) As of the date of such letter, the respective Collateral Lender's Account contains Collateral with a value that meets or exceeds its respective Credit Amount in the event that such Collateral consists only of Cash Collateral, and 110% of its respective Credit Amount if its Collateral includes Share Collateral;
- (d) In the event that the respective Collateral Lender's Collateral includes Share Collateral, such Collateral Lender has and will maintain to the Availability End Date additional Collateral in its Other Accounts with a value equal to or greater than 50% of its respective Credit Amount;
- (e) The respective Collateral Lender has provided irrevocable instructions to its Broker that:
 - i. Its respective Account must at all times to the Availability End Date contain Collateral with a minimum value of its respective Credit Amount if such Collateral consists entirely of Cash Collateral, and 110% of its respective Credit Amount if the Collateral includes Share Collateral;
 - ii. The Collateral may not be used for any purpose to the Availability End Date other than to fund drawdowns requested in accordance with the terms of this Agreement; and
 - iii. In the event the respective Collateral Lender's Account contains Share Collateral and the total value of such Collateral falls below 110% of its respective Credit Amount at any time to the Availability End Date, such Collateral Lender's Broker is authorized and required to transfer additional Collateral from the respective Lender's Other Accounts into its Account to make up the shortfall.

The receipt of such letters is for the sole benefit of the

Borrower and may be waived by the Borrower in whole or in part.

The obligation of the Borrower to pay the Standby Fee to Geologic is subject to receipt by the Borrower of a letter from Geologic confirming:

- (a) Geologic serves as (a) investment advisor to GROF Ltd and GRF Ltd and (b) the general partner to GROF LP and GRF LP;
- (b) Attached to such letter are the most recent audited financial statements of the Funds;
- (c) Geologic has full discretionary authority with respect to the investment of all assets in the Funds; and
- (d) Geologic irrevocably covenants and agrees with the Borrower that Geologic, at its sole discretion, will either provide its own capital or make an investment from the Funds in order to advance to the Borrower Geologic's portion of all drawdowns requested by the Borrower to the Availability End Date in accordance with the terms and conditions of this Agreement, up to the maximum of \$5.4 million, being Geologic's portion of the Credit Amount.

The receipt of such letter is for the sole benefit of the Borrower and may be waived by the Borrower in whole or in part.

The obligation of the Lenders to make funds available under the Credit Facility is subject to the terms and conditions of this Agreement and is conditional upon evidence being given to the Lenders as to compliance with the following conditions, which are for the sole benefit of the Lenders and may be waived by the Lenders in whole or in part:

- **Representations and Warranties, Positive and Negative Covenants.** The representations and warranties set out in the Bank Facility Agreement are and will continue to be true and correct in every respect as if made by the Borrower to the Lenders, for itself and on behalf of any of the Credit Parties, as applicable, contemporaneously with each drawdown of funds by the Borrower from the Credit Facility, and

the Borrower has observed and performed, or will cause the observance and performance by any of the applicable Credit Parties, of each of the negative and positive covenants set out in the Bank Facility Agreement, unless compliance with any of the above has been waived in writing by the Lenders, and the Borrower has provided a bringdown certificate from a senior officer certifying the truth and accuracy of the above.

- **Bank Funding.** The Banks have made the initial funding of the Bank Facility under the Bank Facility Agreement, none of the Banks have defaulted or failed in any way to fund any of the Bank Facility under the Bank Facility Agreement and the Borrower has provided a certificate from a senior officer certifying the truth and accuracy of the above.
- **Ancillary Documents.** The Lenders have received, duly executed and in form and substance satisfactory to them, all supporting documents that the Lenders or their counsel may reasonably request, including without limitation, officer's certificates, directors' resolutions, and legal opinions.
- **Delivery of Loan Documents.** The Lenders have received the Loan Documents duly executed by the Borrower and in form and substance satisfactory to the Lenders and their counsel.
- **Fees and Disbursements.** The Borrower has paid in full all fees and out of pocket expenses paid by or incurred by the Lenders in connection with the Loan Documents (including reasonable fees and expenses of legal counsel to the Lenders).

III. REPRESENTATION AND WARRANTIES

The Borrower represents and warrants for itself, and where applicable represents and warrants on behalf of the other Credit Parties, to each of the Lenders the following:

- Organization; Powers**
- Each of the Credit Parties (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has all requisite power and authority to own its property and assets and to carry on its business as now conducted, (c) is

qualified to do business in every jurisdiction where such qualification is required by the nature of its business, the character and location of its property, business or customers, or the ownership or leasing of its properties, except for such jurisdictions in which the failure to so qualify in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, and (d) has the requisite power and authority to execute, deliver and perform its obligations under each of the Loan Documents and each other agreement or instrument contemplated thereby to which it is or will be a party and, in the case of the Borrower, to borrow hereunder.

Authorization

- The execution, delivery and performance by the Borrower of each of the Loan Documents to which it is a party and the Borrowings hereunder (a) have been duly authorized by all requisite corporate and, if required, shareholder action and (b) will not (i) violate (A) any provision of law, statute, rule or regulation, or the its constating documents, (B) any order of any Governmental Authority applicable to it, or (C) any provision of any indenture or other material contract or other material instrument to which it is a party or by which it is or may be bound, (ii) constitute (alone or with notice or lapse of time or both) a default under any such indenture, agreement or other instrument, or (iii) result in the creation or imposition of any Lien upon or with respect to any property or assets now owned or hereafter acquired by it, other than Permitted Liens.

Enforceability

- This Agreement has been duly executed and delivered by it and constitutes, and each other Loan Document when executed and delivered by it will constitute its legal, valid and binding obligation enforceable against it in accordance with its terms (except as the enforceability thereof may be limited by bankruptcy, insolvency reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and subject to general principles of equity (whether enforcement is sought by proceeding in equity or at law)).

Governmental

- No action, consent or approval of, registration or filing

Approvals

with or any other action by any Governmental Authority is or will be required in connection with the Credit Facility and this Agreement, except for (a) such actions, consents, approvals, registrations and filings as have been made or obtained and are in full force and effect, and (b) such other action, consent, approval, registration or filing the absence of which would not have a Material Adverse Effect.

**Accuracy and
Completeness of
Information**

- All written information, reports, certificates, financial statements and other papers and data produced by or on behalf of the Borrower, furnished to any of the Lenders, or publicly disclosed were, at the time the same were so furnished or disclosed publicly, complete and correct in all material respects to the extent necessary to give the recipient a true and accurate knowledge of the subject matter, no fact is known to the Borrower or any of the other Credit Parties which has had, or could reasonably be expected to in the future have, a Material Adverse Effect which has not been specifically set out in the financial statements or other public disclosure documents publicly disclosed by the Borrower prior to the date hereof, or in such written information, reports or other papers or data or otherwise disclosed in writing to any Lender or issued publicly prior to the date hereof.

**Litigation; Compliance
with Laws**

- Except as disclosed in writing to the Lenders prior to the date hereof, there are no actions, suits or proceedings at law or in equity or by or before any Governmental Authority now pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any business or property of the Borrower, in respect of a claim equal to, or greater than, \$250,000, that purports to affect the legality, validity or enforceability of any Loan Document.
- None of the Credit Parties, nor any of their respective properties and assets are (i) in violation of, nor will the continued operation of their properties and assets as currently conducted violate, any law, rule, regulation, statute (including any zoning, building, ordinance, code or approval or any building permits) or any restrictions of record or agreements, where such violations could reasonably be expected to have a

Material Adverse Effect or (ii) in default with respect to any judgment, writ, injunction, decree or order of any Governmental Authority, which such defaults, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect.

- Solvency**
- Immediately after giving effect to the Borrowings under this Agreement, the Borrower shall not be an "Insolvent Person" as defined in the *Bankruptcy and Insolvency Act* (Canada).
- Survival**
- All representations and warranties set forth in this Section III and all statements contained in any certificate, financial statement or other instrument delivered by or on behalf of the Borrower, for itself or on behalf of any of the other Credit Parties, pursuant to or in connection with this Agreement or any of the other Loan Documents (including any such representation, warranty or statement made in or in connection with any amendment thereto) shall constitute representations and warranties made under this Agreement. All representations and warranties made under this Agreement shall be made or deemed to be made at and as of the date hereto and at and as of the date of each drawdown under the Credit Facility (excluding, for certainty, rollovers and conversions), except that representations and warranties which, by their terms are applicable only to one such date shall be deemed to be made only at and as of such date. All representations and warranties made or deemed to be made under this Agreement shall survive and not be waived by the execution and delivery of this Agreement, any investigation made by or on behalf of any of the Lenders or any borrowing hereunder.

IV. AFFIRMATIVE COVENANTS

The Borrower covenants and agrees with each Lender that, during the period from the first drawdown of the Credit Facility until all Outstanding Obligations are paid in full and all obligations of the Lenders to advance funds under the Credit Facility have been terminated, it shall, and shall cause each other Credit Party to:

- Payment**
- Duly and punctually pay and perform each Credit Party's Indebtedness, obligations and liabilities,

including without limitation, the Indebtedness, liabilities and Outstanding Obligations hereunder and under the other Loan Documents, at the times and places and in the manner required by the terms hereof and thereof, and satisfy its other obligations as required in the ordinary course.

Existence

- Preserve and maintain each Credit Party's corporate or other organizational existence, rights, franchises, licenses and privileges in the jurisdiction of its formation (which shall not change without the prior written consent of the Lenders) and qualify and remain qualified as a foreign corporation or other organization and authorized to do business in each jurisdiction in which the character of its properties or the nature of its business requires such qualification or authorization, except where the failure to be so qualified as a foreign corporation or other organization could not reasonably be expected to have Materially Adverse Effect.

Taxes

- Pay or discharge when due (a) all taxes, assessments and governmental charges or levies imposed upon it or upon each Credit Party's income or profits or upon any properties belonging to it, and (b) all lawful claims of builders, materialmen, mechanics, carriers, warehousemen and landlords for labour, materials, supplies and rentals which, if unpaid, might become a Lien on any properties of the Credit Parties except that this provision shall not require the payment or discharge of any such tax, assessment, charge, levy or claim which is being contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with IFRS and such contest operates to suspend enforcement of a Lien and there is no material risk of forfeiture of such property.

Records

- Maintain each Credit Party's books and records in accordance with sound business practices sufficient to allow the preparation of financial statements in accordance with IFRS.

Compliance with Law

- Comply with the requirements of all applicable laws, rules, regulations and decrees, directives and orders of any Governmental Authority that are applicable to it or

to any of its properties, except where non-compliance would not reasonably be expected to have a Material Adverse Effect.

Notices

- Furnish to the each Lender written notice of the following promptly upon any senior officer of the Borrower obtaining knowledge thereof:
 - (a) any Event of Default or Default, specifying the nature and extent thereof and the corrective action (if any) taken or proposed to be taken with respect thereto, with respect to any “Event of Default” or “Default” under the Bank Facility Agreement, notice shall be given even if such “Event of Default” or “Default” has been waived by the Banks;
 - (b) the filing or commencement of, or any written notice to any Credit Party of the intention of any Person to file or commence, any action, suit or proceeding (whether at law or in equity or by or before any Governmental Authority or any arbitrator) against any Credit Party that, if adversely determined, could result in monetary liability in excess of \$250,000 or have a Material Adverse Effect;
 - (c) any development that has resulted in, or could reasonably be anticipated to result in, a Material Adverse Effect;
 - (d) any material amendment of any constating document of the Credit Parties that is adverse to the interests of the Lenders hereunder;
 - (e) any event that constitutes or that, with the passage of time or giving of notice or both, would constitute a default or event of default by the Credit Parties under any material contract (other than this Agreement) to which any Credit Party is a party or by which such Credit Party or any of its property may be bound if the exercise of remedies thereunder by the other party to such agreement would reasonably be expected to have, either individually or in the aggregate, a Material

Adverse Effect; and

- (f) any change in name of any Credit Party, provided that the Lenders shall have no less than thirty (30) days' notice of such change of name, calculated from the date that the Lenders acknowledge receipt of such notice.

Accuracy

- Cause all written information, reports, statements, certificates, financial statements and other papers and data furnished to the any Lender, whether pursuant to this Agreement or any of the other of the Loan Documents, to be, at the time the same is so furnished, complete and correct in all material respects to the extent necessary to give the Lenders true and accurate knowledge of the subject matter.

V. NEGATIVE COVENANTS

The Borrower covenants and agrees with each Lender that until all Outstanding Obligations are repaid in full, and all obligations of the Lenders to advance funds under the Credit Facility have been terminated, it shall not, and shall not permit each other Credit Party to:

Indebtedness

- Create, incur, assume or permit to exist any Indebtedness, except, without duplication:
 - (a) Indebtedness under this Agreement;
 - (b) Indebtedness under the Bank Facility;
 - (c) Indebtedness under the DET Credit Facility;
 - (d) Indebtedness under account trade payables incurred in the ordinary course of business provided such trade payables are not secured by any Lien; and
 - (e) Indebtedness secured by a Permitted Lien.

Liens

- Create, incur, assume or permit to exist any Lien on any property or assets (including stock or other securities of any Person) now owned or hereafter acquired by it or on any income or revenues or rights

in respect of any thereof, except:

- (a) Permitted Liens;
- (b) extensions, renewals or replacements of any Lien referred to above, provided that such extension, renewal or replacement is limited to the Indebtedness and property originally secured and encumbered thereby.

- Merger**
 - Merge, consolidate, form a joint venture or partnership with, or wind up into or amalgamate with any other person; provided the foregoing shall not prohibit the merger, consolidation or wind up into or amalgamation of Borrower with any of its direct or indirect wholly-owned subsidiaries (provided that Borrower shall survive, or continue after, any such merger, consolidation, wind up or amalgamation).
- Dividends**
 - Declare or pay any dividends or make any other distributions in respect of the Borrower's common shares.
- Disposition of Assets**
 - Sell, transfer, or otherwise dispose of any of the Credit Parties' assets or properties outside each of its ordinary course of business.

VI. MISCELLANEOUS PROVISIONS

1. **Schedule 1.** The attached Schedule 1, which contains certain additional provisions applicable to the Credit Facility, and certain definitions, forms part of this Agreement.
2. **Expenses.** The Borrower will reimburse the Lenders for all reasonable fees (including legal and professional fees), disbursements and out-of-pocket expenses incurred by the Lenders in any manner in connection with the Credit Facility, the Loan Documents and the Borrowings made under this Agreement including, without limitation, all reasonable fees and disbursements incurred by the Lenders in connection with the preparation and negotiation of the Loan Documents, the cost of any amendment to this Agreement, and the cost of responding to requests from the Borrower for waivers, amendments and other matters. All such amounts will be payable by the Borrower whether or not any Borrowings are made under the Credit Facility.

3. **Notices.** All notices and other communications (each referred to as the “**Notice**”) permitted or required to be given to any of the Parties will be in writing and may be delivered personally, by registered prepaid mail (except during an actual or threatened postal disruption) or sent by facsimile transmission to the following addresses or facsimile numbers or to such other address or facsimile number designated by such Party by notice in writing to the other Parties to this Agreement:

- (a) to the Borrower:

Amerigo Resources Ltd.
Attention: Rob Henderson, President and COO
Commerce Place
Suite 1950, 400 Burrard Street
Vancouver, British Columbia
Canada V6C 3A6
Tel: 604-681-2802
Fax: 604-682-2802

- (b) to the Lenders:

Kestrel Holdings Ltd.
Attention: Ms. Pauline Megannety
1550 - 625 Howe Street
Vancouver, BC
Canada V6C 2T6
Tel: 604-684-1175
Fax: 604-684-0147

Geologic Resource Partners LLC
Attention: George R. Ireland
535 Boylston Street
Boston, MA
USA 02116
Tel: 617-424-9900
Fax: 617-424-9921

Zeitler Holdings Corp.
Attention: Dr. Klaus Zeitler
5809 Falcon Road
West Vancouver, British Columbia
Canada V7W 1W5
Tel: 604-925-8334
Fax: 604-925-8314

The Notice will be deemed to have been delivered:

- (c) in the case of personal delivery, when the Notice is delivered to the Party receiving the Notice, unless the Notice was not delivered on a Business Day in which case the Notice will be deemed to have been delivered on the next Business Day;
 - (d) in the case of registered prepaid mail, on the fifth Business Day after the Notice was deposited in the mail; and
 - (e) in the case of facsimile transmission, on the day the Notice was sent, unless the Notice was not received on a Business Day or was received after 4:00 p.m., in which case the Notice will be deemed to have been delivered on the next Business Day.
4. **Assignment/Participation.** A Party may not assign any of its rights or obligations under this Agreement without the prior written consent of the other Parties. In the event the other Parties agree to the assignment of this Agreement by one of the Parties, the non-assigning Parties will execute any documentation and take any actions as the assigning Party may reasonably request in connection with such assignment. The provisions of this Agreement will be binding upon and enure to the benefit of the Borrower, the Lenders and their successors and permitted assigns.
5. **Default.** Automatically upon the occurrence of any one or more Events of Default, all Outstanding Obligations will become immediately due and payable by the Borrower to the Lenders and the Credit Facility, and all obligations to advance thereunder, may be immediately terminated by the Lenders. The Lenders will have no obligation to provide any further credit or make any further Borrowings available to the Borrower under the Credit Facility or otherwise.
6. **Severability.** Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will not invalidate the remaining provisions of this Agreement, and any such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable that provision in any other jurisdiction.
7. **Replacement.** This Agreement supersedes and replaces all prior discussions, letters and agreements (if any) among the Lenders and the Borrower describing the terms and conditions of the Credit Facility.

[Remainder of Page Intentionally Left Blank – Signature Page Follows]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date set out above.

AMERIGO RESOURCES LTD.

KESTREL HOLDINGS LTD.

Per: _____
Rob Henderson
President and COO

Per: _____
Ross J. Beaty
President

ZEITLER HOLDINGS CORP.

GEOLOGIC RESOURCE PARTNERS LLC

Per: _____
Dr. Klaus Zeitler
President and Director

Per: _____
George R. Ireland
Managing Member

**SCHEDULE 1
ADDITIONAL DEFINITIONS AND PROVISIONS**

**ARTICLE 1
DEFINITIONS**

1.1 Certain Definitions

In this Agreement, the following terms have the following meanings:

“**Agreement**” means the agreement among the Lenders and the Borrower to which this Schedule is attached, including this Schedule and any other schedules hereto or thereto, as the same may be amended, restated, renewed, extended or supplemented.

“**Available Credit**” for any given day on or before the Availability End Date means the value on such day of the difference between the Credit Amount and the Outstanding Borrowings.

“**Availability End Date**” means the earlier of (i) the Cauquenes Expansion End Date and (ii) the first anniversary of the Bank Signing Date, or such other date agreed to by the parties in writing.

“**Availability Term**” means the period from the Bank Signing Date to the Availability End Date.

“**Bank Facility**” means the loan granted to MVC in accordance with the terms and conditions of the Bank Facility Agreement.

“**Bank Facility Agreement**” means the agreement entered into by MVC with the Banks dated March , 2015, providing for a funding facility for the Cauquenes Expansion.

“**Bank Signing Date**” means the date MVC and all of the Banks execute the Bank Facility Agreement.

“**Banks**” means Banco Bilbao Vizcaya Argentaria, Chile and Export Development Canada.

“**Borrowings**” means the total amount of principal outstanding as of the applicable given date pursuant to funds drawn down by the Borrower from the Lenders pursuant to the Credit Facility.

“**Business Day**” means any day excluding Saturday, Sunday and any day which is a legal holiday in Vancouver, British Columbia.

“Capital Lease Obligations” means, with respect to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under IFRS.

“Cauquenes Expansion” means the expansion project being undertaken by MVC, and as more particularly described in the Bank Facility Agreement.

“Cauquenes Expansion End Date” means the date of completion of the Cauquenes Expansion as certified by the Technical Consultant.

“Codelco/DET” means Corporación Nacional del Cobre – División El Teniente.

“Credit Parties” means collectively, the Borrower, Amerigo Banking Corporation and MVC, and **“Credit Party”** means any of them.

“Default” means any event or condition that constitutes an Event of Default or that would constitute an Event of Default except for satisfaction of any condition subsequently required to make the event or condition an Event of Default, including giving of any notice, passage of time, or both.

“DET Credit Facility” means the financing of up to US\$17 million that Codelco/DET has agreed to provide to the Borrower in support of the Cauquenes Expansion in accordance with the terms and conditions of Modification N° 2 to the Tailings Processing Agreement dated December 31, 2014.

“Event of Default” means any event or condition that constitutes any of the following:

- (a) any event or condition that constitutes an “Event of Default” or “Default” under the terms of the Bank Facility Agreement, and, to the extent that such default is capable of being remedied, such default shall continue unremedied following any applicable cure period set out in the Bank Facility Agreement, whether or not such event or condition has been waived by the Banks under the Bank Facility Agreement;
- (b) any representation or warranty made or deemed made in any Loan Document, or any representation, warranty, statement or information contained in any report, certificate, financial statement or other instrument furnished pursuant to any Loan Document, shall prove to have been false or misleading in any material respect when so made, deemed made or furnished, and, to the extent that such default is capable of being remedied, such default shall continue unremedied for a period of ten (10)

Business Days after (i) written notice thereof from any Lender to the Borrower or (ii) discovery by the Borrower of such default;

- (c) default shall be made in the payment of any mandatory repayment or scheduled amortization payment of any of the Borrowings, when and as the same shall become due and payable;
- (d) default shall be made in the payment of any principal of any Borrowing when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise;
- (e) default shall be made in the payment of any interest on any Borrowing or amount due under any Loan Document, when and as the same shall become due and payable, and such default shall continue unremedied for a period of three (3) Business Days;
- (f) default shall be made in the due observance or performance by the Borrower of any covenant, condition or agreement contained in this Agreement or any other Loan Document (other than those defaults specified in paragraphs (a), (b), (c), (d) or (e) above) and such default shall continue unremedied for a period of thirty (30) days after written notice thereof from any Lender to the Borrower;
- (g) any default or failure on the part of any of the Banks to fund any of the Bank Facility under the Bank Facility Agreement pursuant to a request for funds submitted by MVC to the Banks;
- (h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of any of the Credit Parties, or of a substantial part of the property or assets of any such Person, under any Insolvency Law, (ii) the appointment of a receiver, interim receiver, receiver and manager, trustee, custodian, sequestrator, conservator or similar official for any such Person or for a substantial part of the property or assets of any such Person or (iii) the winding up or liquidation of any such Person; and such proceeding or petition shall continue undismissed and unstayed for 30 days or an order or decree approving or ordering any of the foregoing shall be entered;
- (i) any Credit Party shall (i) voluntarily commence any proceeding or file any petition seeking relief under any Insolvency Law, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in paragraph (f) above, (iii) apply for or consent to the appointment of a receiver, interim receiver, receiver and manager, trustee, custodian, sequestrator, conservator or similar official for any such Person, (iv) file an answer admitting the

material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, (vi) become unable, admit in writing its inability or fail generally to pay its debts as they become due or (vii) take any action for the purpose of effecting any of the foregoing;

- (j) one or more judgments for the payment of money, individually or in the aggregate, in an amount in excess of \$250,000, shall be rendered against any of the Credit Parties and the same shall remain undischarged for a period of 30 days during which execution shall not be effectively stayed, vacated, discharged or satisfied;
- (k) any Loan Document shall not be for any reason, or shall be asserted by the Borrower (except as otherwise expressly provided in this Agreement or such Loan Document) not to be, in full force and effect and enforceable in all material respects in accordance with its terms (except as otherwise expressly provided in this Agreement or such Loan Document), except to the extent caused by any act or omission by the Lenders;
- (l) any Credit Party shall default in the payment when due or in the performance or observance of any material obligation or condition of any agreement, contract or lease, if the exercise of remedies thereunder by the other party to such agreement could reasonably be expected to have a Material Adverse Effect;
- (m) warrants or writs of attachment or execution or similar process which exceed \$250,000 in aggregate value shall be issued against any property of any Credit Party and such warrant or process shall continue undischarged or unstayed for 30 days; or
- (n) there occurs any act, omission, event, undertaking or circumstance or series of acts, omissions, events, undertakings or circumstances which have or could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

“Governmental Authority” means the government of Canada, Chile or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any supra-national bodies such as the European Union or the European Central Bank and including a Minister of the Crown, Superintendent of Financial Institutions or other comparable authority or agency.

“Guarantee” means, with respect to any Person, any obligation, contingent or otherwise (whether or not denominated as a guarantee), of such Person

guaranteeing any Indebtedness of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or to purchase (or to advance or supply funds for the purchase of) any security for the payment of such Indebtedness, or (b) to purchase property, securities or services for the purpose of assuring the owner of such Indebtedness of the payment of such Indebtedness; provided, however, that the term “Guarantee” shall not include endorsements for collection or deposit in the ordinary course of business.

“**IFRS**” means, applied on a consistent basis, (a) applicable accounting principles in Canada which are in effect from time to time, as published in the Handbook of the Canadian Institute of Chartered Accountants or the Chartered Professional Accountants Canada Handbook, including without limitation, International Financial Reporting Standards, or, if such accounting principles are replaced, (b) any replacement or successor accounting standards in effect from time to time.

“**Indebtedness**” means, with respect to any Person, all obligations of such Person for borrowed money, including without limitation and without duplication (a) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (b) all obligations of such Person under conditional sale or other title retention agreements relating to assets purchased by such Person, (c) all obligations of such Person issued or assumed as the deferred purchase price of property or services (excluding trade accounts payable arising in the ordinary course of business), (d) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed by such Person (and in the event such Person has not assumed or otherwise become liable for payment of such obligation, the amount of Indebtedness under this clause (d) shall be the lesser of the amount of such obligation and the fair market value of such property), (e) all Guarantees by such Person, (f) all Capital Lease Obligations of such Person, and (g) all obligations of such Person as an account party to reimburse any bank or any other Person in respect of amounts drawn under letters of credit. The Indebtedness of any Person shall include the Indebtedness of any partnership in which such Person is a general partner, except to the extent such Indebtedness is expressly non-recourse to such Person.

“**Insolvency Laws**” means, to the extent applicable, (a) the *Bankruptcy and Insolvency Act* (Canada), (b) the *Companies’ Creditors Arrangement Act* (Canada) and (c) any similar federal, provincial, state, local or foreign bankruptcy or insolvency law, and each case as now constituted or hereafter amended or enacted.

“Lien” shall mean, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, assignment for security, hypothecation, encumbrance, charge or security interest in or on such asset, and (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement relating to such asset.

“Loan Documents” means this Agreement and any other document, instrument, agreement or certificate executed in connection herewith, or contemplated under this Agreement, and when used in relation to any Person, “Loan Documents” means and refers to those Loan Documents executed and delivered, or to be executed and delivered, by that Person.

“Material Adverse Effect” means any act, omission, event or undertaking which would, or would reasonably be expected to, singly or in the aggregate, have a materially adverse effect upon (a) the business, assets, properties, liabilities, condition (financial or otherwise), results of operations or business prospects of the Credit Parties, collectively, taken as a whole, (b) the ability of the Borrower to perform any obligations under this Agreement or any other Loan Documents, or (c) the legality, validity, binding effect, enforceability or admissibility into evidence of any Loan Document or the ability of the Lenders to enforce any rights or remedies under or in connection with any Loan Document.

“Outstanding Borrowings” means, at the time of determination, the amount of principal owing by the Borrower to the Lenders pursuant to the Credit Facility.

“Outstanding Obligations” means the aggregate of:

- (a) Outstanding Borrowings;
- (b) all unpaid interest and fees on the Outstanding Borrowings as provided in this Agreement; and
- (c) all other indebtedness, liabilities and obligations (including, without limitation, under any indemnities) and all other fees, charges and expenses required to be paid by the Borrower to the Lenders under this Agreement or pursuant to the Loan Documents or pursuant to any other written agreements relating to this Agreement now or hereafter entered into between the Borrower and the Lenders.

“Party” means any one of, and **“Parties”** means all of, the signatories to this Agreement.

“Permitted Liens” means:

- (a) financial or other Liens created in connection with or pursuant to the terms of the Bank Facility;
- (b) financial or other Liens specified in the Loan Documents to be permitted by the Lender, and any other liens which may be permitted by the Lender from time to time;
- (c) Liens for taxes, assessments or governmental charges or levies not at the time due and delinquent or the validity of which is being contested at the time by any applicable Credit Party in good faith and in respect of which such Credit Party acting reasonably has set aside on its books reserves considered by it to be adequate therefor;
- (d) the Lien of any judgment rendered or claim filed against any Credit Party which it shall be contesting in good faith, and in respect of which such Credit Party acting reasonably has set aside on its books reserves considered by it to be adequate therefor;
- (e) undetermined or inchoate liens, liens and charges, including construction liens, incidental to current operations of the Credit Parties which have not at such time been filed pursuant to law against the Credit Parties or which relate to obligations neither due nor delinquent;
- (f) builders’, warehousemen’s, carriers’ and other similar liens which relate to obligations:
 - (i) which are not at the time due, or
 - (ii) which the applicable Credit Party is in good faith contesting and in respect of which it has set aside on its books reserves considered by it to be adequate therefor;
- (g) restrictions, including land use contracts and covenants, easements, rights-of-way and mortgages thereof, servitudes, undersurface rights or other similar rights in land granted to or reserved by any person or minor defects or irregularities in title, all of which in the aggregate do not, materially impair the usefulness to the business of the Credit Parties of the property subject to any such restriction, easement, right-of-way, servitude or other similar rights in land;
- (h) Liens resulting from the deposit of cash or security when any Credit Party is required so to do by Governmental Authority or by normal business practice in connection with contracts, licences or tenders or similar matters in the ordinary course of business of the Credit Parties or to secure

workers' compensation, surety or appeal bonds, or to secure costs of litigation when required by law;

- (i) public and statutory obligations which are not due;
- (j) the reservations, limitations, provisos and conditions, if any, expressed in any original grants from the Crown;
- (k) purchase money obligations on personal property;
- (l) lease obligations which are not capital leases entered into by any Credit Party with arm's length third parties in respect of machinery and equipment used in the ordinary course of business by the Credit Parties;
- (m) capital leases of personal property which, in accordance with IFRS, would result in aggregate liabilities shown on the liability side of a balance sheet as of the date of determination of not more than \$250,000.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Tailings Processing Agreement" has the meaning set out in the Bank Facility Agreement.

"Technical Consultant" has the meaning set out in the Bank Facility Agreement.

ARTICLE 2

INTEREST PAYMENTS, CALCULATIONS AND BORROWING PROCEDURES

2.1 Interest Calculation

Interest will accrue from day to day on the Outstanding Borrowings from the date of each Borrowing under the Credit Facility. The Borrower will be liable for and pay interest to the Lenders both before and after demand, Default and judgment at the interest rates per annum set out in this Agreement.

2.2 Maximum Interest Rate

- (a) In the event that any provision of this Agreement would oblige the Borrower to make any payment of interest or any other payment which is construed by a court of competent jurisdiction to be interest in an amount or calculated at a rate which would be prohibited by law or would result in receipt by the Lenders of interest at a criminal rate (as those terms are construed under the *Criminal Code* (Canada)), then notwithstanding that provision, that amount or rate will be deemed to have been adjusted *nunc*

pro tunc to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in the receipt by the Lenders of interest at a criminal rate, that adjustment to be effected, to the extent necessary, as follows:

- (i) first, by reducing the amount or rate of interest required to be paid under this Agreement; and
 - (ii) second, by reducing any fees, commissions, premiums and other amounts which would constitute interest for the purposes of Section 347 of the *Criminal Code* (Canada);
- (b) If, despite giving effect to all adjustments contemplated by clause (a) of this Section, the Lenders have received an amount in excess of the maximum permitted by that clause, then that excess will be applied by the Lenders to the reduction of the principal balance of the Outstanding Borrowings and not to the payment of interest, or if that excessive interest exceeds that principal balance, that excess will be refunded to the Borrower.

2.3 Payments Generally

Each payment under this Agreement will be made for value at or before 1:00 p.m. (Vancouver time) on the day that payment is due, provided that, if any such day is not a Business Day, that payment will be deemed for all purposes of this Agreement to be due on the Business Day next following that day (and any such extension will be taken into account for purposes of the computation of interest and fees payable under this Agreement).

2.4 Lenders' Records

The Lenders will maintain accounts and records evidencing the Borrowings made by the Lenders and all other Outstanding Obligations owed by the Borrower to the Lenders under this Agreement. The Lenders' accounts and records will constitute conclusive evidence of the Indebtedness of the Borrower to the Lenders under the Loan Documents in the absence of manifest error.

2.5 Borrowing Procedures

Each Borrowing will be made on five (5) days' prior notice and will be given not later than 10:00 a.m. (Vancouver time) by the Borrower to the Lenders. Each notice of a Borrowing (a "**Notice of Borrowing**") will be substantially in the form specified in writing by the Lenders from time to time and will state (i) the requested date of the Borrowing, and (ii) the aggregate amount of the Borrowing.

ARTICLE 3 ADDITIONAL PROVISIONS

3.1 Paramountcy/Conflict

In the event that there is any conflict between the provisions contained in this Agreement and the provisions contained in any other Loan Document delivered pursuant to or in connection with this Agreement, the provisions of this Agreement will have priority over and will override the provisions contained in the other document.

3.2 Application of Monies/Set-Off

At any time after the occurrence of an Event of Default, all monies received by the Lenders from the Borrower may be applied on any parts of the Outstanding Obligations as the Lenders may determine in their sole discretion.

3.3 Further Assurances

The Borrower will from time to time promptly upon request by the Lenders do all acts and execute, or cause any Credit Party to do or execute, all documents as may be reasonably required by the Lenders to give effect to the Credit Facility and the Loan Documents, and to any assignment or participation made by the Lenders pursuant to this Agreement.

3.4 Waiver

No delay on the part of the Lenders in exercising any right or privilege will operate as a waiver of that right or privilege, and no waiver of any failure or Default will operate as a waiver of that failure or Default, or will be applicable to any other delay, failure or Default unless made in writing and signed by an authorized officer on behalf of the Lenders.

3.5 Governing Law and Attornment

This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and will be treated in all respects as a British Columbia contract. The Parties submit and attorn to the non-exclusive jurisdiction of the courts of the Province of British Columbia.

3.6 Counterparts

This Agreement may be executed by one or more of the Parties to this Agreement on any number of separate counterparts (whether in original ink, by facsimile or in PDF format), and all those counterparts taken together will be deemed to constitute one and the same instrument.

3.7 United States Currency

Unless otherwise specified in this Agreement, all amounts and values referred to in this Agreement will refer to lawful money of the United States of America.

SCHEDULE 2
Principal Payment Schedule

Payment Date	Percentage of Borrowings outstanding on the Initial Payment Date to be repaid
[Initial Payment Date (Second Anniversary of date of Bank Signing Date)]	10
[6 months after above date]	10
[6 months after above date]	10
[6 months after above date]	10
[6 months after above date]	10
[6 months after above date]	10
[6 months after above date]	10
[6 months after above date]	30