

Amerigo Resources Ltd.

Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2024 and 2023

Unaudited – Prepared by Management

(Expressed in thousands of United States dollars)

Amerigo Resources Ltd.

Condensed Interim Consolidated Statements of Financial Position - Unaudited

(expressed in thousands of U.S. dollars)

	Notes	March 31, 2024 \$	December 31, 2023 \$
Assets			
Current assets			
Cash and cash equivalents	13	13,801	16,248
Restricted cash	7	6,214	2,782
Trade and settlement receivables		15,396	8,161
Taxes receivable		428	405
Prepaid expenses		344	492
Inventories	5	7,708	7,187
Interest rate swap	7	662	900
		<u>44,553</u>	<u>36,175</u>
Non-current assets			
Property, plant and equipment	6	151,274	156,002
Intangible assets		3,072	3,128
Other non-current assets		738	754
Restricted cash	7	-	3,500
Total assets		<u>199,637</u>	<u>199,559</u>
Liabilities			
Current liabilities			
Trade and other payables		19,486	19,410
DET royalties	3	17,981	17,104
Current portion of borrowings	7	8,498	10,303
Current income tax liabilities		1,779	641
Current portion of related party derivative liability	8	996	1,022
		<u>48,740</u>	<u>48,480</u>
Non-current liabilities			
Deferred income tax liability		28,086	29,078
Borrowings	7	10,519	10,410
Related party derivative liability	8	5,716	5,957
Severance provisions		744	781
Total liabilities		<u>93,805</u>	<u>94,706</u>
Equity			
Share capital	9	74,874	73,699
Other reserves		10,472	11,296
Accumulated other comprehensive income		1,071	1,062
Retained earnings		19,415	18,796
Total equity		<u>105,832</u>	<u>104,853</u>
Total equity and liabilities		<u>199,637</u>	<u>199,559</u>
Commitments	15		
Subsequent events	16		

Approved by the Board of Directors

"Robert Gayton"

Director

"George Ireland"

Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Amerigo Resources Ltd.

Condensed Interim Consolidated Statements of Income and Comprehensive Income - Unaudited

(expressed in thousands of U.S. dollars)

		Three months ended March 31,	
	Notes	2024	2023
		\$	\$
Revenue	11	44,921	52,648
Tolling and production costs	12 (a)	(37,116)	(39,170)
Gross profit		7,805	13,478
General and administration	12 (b)	(1,300)	(1,329)
Other (losses) gains	12 (c)	(41)	1,548
Derivative to related parties including changes in fair value		12	(255)
		(1,329)	(36)
Operating profit		6,476	13,442
Finance expense	12 (d)	(503)	(827)
		(503)	(827)
Income before income tax		5,973	12,615
Income tax expense		(1,701)	(3,530)
Net income		4,272	9,085
Other comprehensive income			
Items that may not be reclassified subsequently to net income:			
Actuarial gains on severance provision		1	28
Items that may be reclassified subsequently to net income:			
Cumulative translation adjustment		8	(191)
Other comprehensive income (loss)		9	(163)
Comprehensive income		4,281	8,922
Weighted average number of shares outstanding, basic		165,022,860	166,128,472
Weighted average number of shares outstanding, diluted		166,303,899	167,968,772
Earnings per share			
Basic		0.03	0.05
Diluted		0.03	0.05

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Amerigo Resources Ltd.

Condensed Interim Consolidated Statements of Cash Flows - Unaudited

(expressed in thousands of U.S. dollars)

	Three months ended March 31,	
	2024	2023
	\$	\$
Cash flows from operating activities		
Net income	4,272	9,085
Adjustment for items not affecting cash:		
Depreciation and amortization	5,773	4,985
Unrealized foreign exchange loss (gain)	595	(138)
Finance expense	293	714
Share-based payments	279	271
Deferred income tax recovery	(991)	(2,114)
Other	(20)	134
Changes in fair value of derivative	(12)	255
	10,189	13,192
Changes in non-cash working capital		
Trade, other receivables and taxes receivable	(7,120)	6,499
Inventories	(521)	185
Trade and other payables	1,111	(5,622)
DET royalties	876	3,946
Net cash from operating activities	4,535	18,200
Cash flows used in investing activities		
Purchase of plant and equipment	(1,129)	(4,383)
Net cash used in investing activities	(1,129)	(4,383)
Cash flows used in financing activities		
Dividends paid	(3,653)	(3,637)
Repayment of borrowings	(1,750)	-
Exercise of options	72	105
Restricted cash	68	(2,145)
Repurchase of shares	-	(1,852)
Lease repayments	-	(188)
Net cash used in financing activities	(5,263)	(7,717)
Net (decrease) increase in cash and cash equivalents	(1,857)	6,100
Effect of exchange rate changes on cash	(590)	2
Cash and cash equivalents - Beginning of period	16,248	37,821
Cash and cash equivalents - End of period	13,801	43,923

Supplementary cash flow information (Note 13)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Amerigo Resources Ltd.

Condensed Interim Consolidated Statements of Changes in Equity - Unaudited

(expressed in thousands of U.S. dollars)

	Share capital		Other reserves	Accumulated other comprehensive income (loss)	Retained earnings	Total equity
	Number of shares	Amount				
		\$	\$	\$	\$	\$
Balance - January 1, 2023	166,032,658	73,437	11,233	2,295	31,738	118,703
Share-based payments	-	-	271	-	-	271
Exercise of share purchase options	1,066,220	1,170	(1,065)	-	-	105
Shares repurchased in normal course issuer bid	(1,615,059)	(652)	-	-	(1,200)	(1,852)
Cumulative translation adjustment	-	-	-	(191)	-	(191)
Actuarial gains on severance provision	-	-	-	28	-	28
Net income	-	-	-	-	9,085	9,085
Dividends declared	-	-	-	-	(3,637)	(3,637)
Balance - March 31, 2023	165,483,819	73,955	10,439	2,132	35,986	122,512
Share-based payments	-	-	875	-	-	875
Exercise of share purchase options	27,343	15	(18)	-	-	(3)
Shares repurchased in normal course issuer bid	(666,128)	(271)	-	-	(486)	(757)
Cumulative translation adjustment	-	-	-	(1,077)	-	(1,077)
Actuarial gains on severance provision	-	-	-	7	-	7
Net loss	-	-	-	-	(5,703)	(5,703)
Dividends declared	-	-	-	-	(11,001)	(11,001)
Balance - December 31, 2023	164,845,034	73,699	11,296	1,062	18,796	104,853
Balance - January 1, 2024	164,845,034	73,699	11,296	1,062	18,796	104,853
Share-based payments	-	-	279	-	-	279
Exercise of share purchase options	540,396	1,175	(1,103)	-	-	72
Cumulative translation adjustment	-	-	-	8	-	8
Actuarial gains on severance provision	-	-	-	1	-	1
Net income	-	-	-	-	4,272	4,272
Dividends declared	-	-	-	-	(3,653)	(3,653)
Balance - March 31, 2024	165,385,430	74,874	10,472	1,071	19,415	105,832

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Amerigo Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements - Unaudited
March 31, 2024

(tabular information expressed in thousands of U.S. dollars)

1) REPORTING ENTITY

Amerigo Resources Ltd. (“Amerigo”) is a company domiciled in Canada. Its shares are listed for trading on the Toronto Stock Exchange and traded in the United States on the OTCQX.

Amerigo owns a 100% interest in Minera Valle Central S.A. (“MVC”), a producer of copper concentrates. MVC, located in Chile, has a long-term contract with the El Teniente Division (“DET”) of Corporación Nacional del Cobre de Chile (“Codelco”) to process fresh and historic tailings from El Teniente (Note 3).

These condensed interim consolidated financial statements (“interim financial statements”) as at and for the three months ended March 31, 2024 (“Q1-2024”) include the accounts of Amerigo and its subsidiaries (collectively the “Company”).

2) BASIS OF PRESENTATION

a) Statement of compliance

These interim financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*.

These interim financial statements do not include all the information required for a complete set of IFRS Accounting Standards statements. They should be read in conjunction with Amerigo’s audited consolidated financial statements as of and for the year ended December 31, 2023, which have been prepared in accordance with IFRS Accounting Standards. However, selected notes are included to explain events and transactions that are significant to understanding the changes in Amerigo’s financial position and performance since the last annual consolidated financial statements.

These interim financial statements were authorised for issuance by Amerigo’s board of directors on May 6, 2024.

b) Material accounting policies

These interim financial statements follow the same accounting policies and methods of application as Amerigo’s most recent annual financial statements.

The interim financial statements should be read in conjunction with Amerigo’s most recent annual financial statements.

3) AGREEMENTS WITH CODELCO’S EL TENIENTE DIVISION

MVC has a contract with DET (“the DET Agreement”) to process the fresh tailings from El Teniente and the tailings from the Cauquenes and Colihues historic tailings deposits. The DET Agreement has a term to the earlier of 2033 or deposit depletion for Cauquenes, the earlier of 2037 or deposit depletion for Colihues and 2037 for fresh tailings.

The DET Agreement establishes a series of royalties payable by MVC to DET, calculated using the average London Metal Exchange copper price for the month of concentrate production.

Amerigo Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements - Unaudited

March 31, 2024

(tabular information expressed in thousands of U.S. dollars)

The DET Agreement currently operates as a tolling contract under which the title of the copper concentrates produced by MVC remains with DET. MVC earns tolling revenue, calculated as the gross value of copper tolled on behalf of DET at applicable market prices net of notional items. Notional items include treatment and refining charges, DET copper royalties 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 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 are determined through a sliding scale for copper prices ranging from \$0.80/lb (3%) to \$4.27/lb (30%).

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

The DET Agreement anticipates that in the event monthly average prices fall below or rise above certain ranges and projections which indicate the permanence of such prices over time, the parties will meet to review cost and notional royalty/royalty structures to maintain the DET Agreement's viability and the equilibrium of the benefits between the parties.

The DET Agreement contains three early exit options exercisable by DET, the first during 2021 (not exercised) and every three years after that only in the event of changes unforeseen at the time the Agreement was entered into. Amerigo has judged the probabilities of DET exercising any of these early exit options as remote.

On March 31, 2024, the payable and/or accrual for DET notional copper royalties and DET molybdenum royalties was \$18.0 million (December 31, 2023: \$17.1 million).

4) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these consolidated financial statements, Amerigo makes judgments when applying the Company's accounting policies and makes estimates and assumptions concerning future events, which may vary from actual results. Sources of judgments include assessing impairment indicators. Sources of estimation uncertainty include the determination of the useful lives of long-lived assets and the valuation of other assets and liabilities, including inventory.

The Company's critical accounting estimates and judgments applied in preparing these interim financial statements are consistent with those reported in our 2023 annual consolidated financial statements.

Amerigo Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements - Unaudited
March 31, 2024

(tabular information expressed in thousands of U.S. dollars)

5) INVENTORIES

	March 31, 2024 \$	December 31, 2023 \$
Plant supplies and consumables	3,975	3,285
Work in progress	2,692	2,775
Molybdenum concentrates	1,041	1,127
	7,708	7,187

In Q1-2024, the Company recorded a charge of \$nil in tolling and production costs due to net realizable value (“NRV”) adjustments in the months in which NRV was lower than cost (December 31, 2023: \$0.3 million) and a charge of \$nil in obsolete plant supplies and consumables (December 31, 2023: \$0.3 million).

6) PROPERTY, PLANT AND EQUIPMENT

	Plant and infrastructure \$	Machinery and equipment and other assets \$	Total \$
Year ended December 31, 2023			
Opening net book amount	144,400	14,191	158,591
Exchange differences	-	2	2
Additions	11,634	5,996	17,630
Depreciation charge	(16,907)	(3,314)	(20,221)
Closing net book amount	139,127	16,875	156,002
Period ended March 31, 2024			
Opening net book amount	139,127	16,875	156,002
Exchange differences	-	(2)	(2)
Additions	991	-	991
Depreciation charge	(4,870)	(847)	(5,717)
Closing net book amount	135,248	16,026	151,274
At March 31, 2024			
Cost	292,904	94,164	387,068
Accumulated depreciation	(157,656)	(78,138)	(235,794)
Net book amount	135,248	16,026	151,274

Amerigo Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements - Unaudited
March 31, 2024

(tabular information expressed in thousands of U.S. dollars)

7) BORROWINGS

	March 31, 2024 \$	December 31, 2023 \$
Term Loan	16,941	18,687
Line of credit	2,076	2,026
	19,017	20,713
Comprise:		
Short-term debt and current portion of long-term debt	8,498	10,303
Long-term debt	10,519	10,410
	19,017	20,713

On June 30, 2021, MVC entered into a finance agreement (the “Finance Agreement”) with a syndicate of two banks domiciled in Chile for a term loan (the “Term Loan”) of \$35.0 million and a working capital line of credit (the “Line of Credit”) of up to \$15.0 million.

The Term Loan has a 5-year term to June 30, 2026, with ten semi-annual installments of \$3.5 million each, commencing on December 31, 2021, and accrued interest. MVC may make early repayments without penalty in accordance with the provisions of the Finance Agreement. Interest on the Term Loan includes 25% of the facility that is subject to a variable rate based on the US Libor six-month rate plus a margin of 3.90% until June 30, 2023, when the US Libor was discontinued. The variable interest rate from that date forward is based on the Secured Overnight Financing Rate (“SOFR”) plus a margin of 4.33%. The remaining 75% of the interest on the Term Loan is synthetically fixed through interest rate swaps (“IRS”), accounted for at fair value through profit or loss, at a rate of 5.48% per annum for 75% of the facility. As of March 31, 2024, the SOFR rate was 5.16%. The IRS has a term of June 30, 2026. On March 31, 2024, the balance of the Term Loan, net of transaction costs, was \$16.3 million, and the IRS was in an asset position of \$0.7 million.

The Line of Credit can be drawn in multiple disbursements, and on June 29, 2023, it was extended to be available until June 30, 2025. The repayment terms will vary depending on the date of disbursement, with a maximum repayment term of up to two years counted from the disbursement date. The interest rate will be based on the SOFR rate plus a margin to be defined on each disbursement date. As of March 31, 2024, MVC had drawn \$2.0 million from the Line of Credit. The amount has an interest rate of 9.2% (SOFR of 5.45% plus a margin of 3.75%) and will be repaid in four payments of \$0.5 million each plus interest due on April 10, 2024 (paid subsequent to period end), October 10, 2024, April 10, 2025, and October 10, 2025.

MVC is required to have a debt service reserve account funded monthly with 1/6 of the next debt payment (principal and interest) so that semi-annual debt payments are fully funded a month before the payment date and a second reserve account of \$3.5 million to be released on January 1, 2025. On March 31, 2024, MVC held the required reserve funds of \$2.7 million and \$3.5 million, respectively, shown as restricted cash on Amerigo’s statement of financial position.

Amerigo Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements - Unaudited March 31, 2024

(tabular information expressed in thousands of U.S. dollars)

MVC is required to meet two bank covenants semi-annually on June 30 and December 31: debt/EBITDA ratio (requirement ≤ 3) and net worth (requirement \geq \$100.0 million), which were met on December 31, 2023.

MVC has provided security on the Finance Agreement in the form of a charge on all MVC's assets.

A continuity schedule of borrowings is as follows:

	March 31	December 31,
	2024	2023
	\$	\$
Beginning balance	20,713	23,650
Proceeds of borrowings net of transaction fees	-	1,984
Debt facility transaction fees	-	(573)
Accretion of transaction fees	110	353
Accrued interest	466	2,194
Principal payments	(1,750)	(5,250)
Interest payments	(522)	(1,645)
Ending balance	19,017	20,713

8) RELATED PARTY TRANSACTIONS

a) Derivative liability

Amerigo holds its interest in MVC through Amerigo International Holdings Corp. ("Amerigo International"), wholly-owned by Amerigo except for certain outstanding Class A shares which are owned indirectly by Amerigo's founders (including Amerigo's current Executive Chairman). The Class A shares were issued in 2003 as part of a tax-efficient structure for payments granted as consideration to the founders transferring to Amerigo their option to purchase MVC.

The Class A shareholders are not entitled to any participation in the profits of Amerigo International, except for monthly payments, calculated as follows:

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

Under IFRS Accounting Standards, the payments constitute a financial liability that must be measured at fair value at each reporting date. Changes in fair value are recorded in profit for the period.

Amerigo Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements - Unaudited

March 31, 2024

(tabular information expressed in thousands of U.S. dollars)

In Q1-2024, the derivative liability decreased by \$0.3 million (Q1-2023: \$nil) with \$0.3 million paid or accrued to the Class A shareholder (Q1-2023: \$0.3 million) and a change in derivative fair value expense of \$nil (Q1-2023: recovery of \$0.3 million).

On March 31, 2024, the derivative totalled \$6.7 million (December 31, 2023: \$7.0 million), with a current portion of \$1.0 million (December 31, 2023: \$1.0 million) and a long-term portion of \$5.7 million (December 31, 2023: \$6.0 million).

The actual monthly payments outstanding on March 31, 2024 were \$0.1 million (December 31, 2023: \$0.1 million).

b) Purchases of Goods and Services

Amerigo incurred the following fees in connection with companies owned by executive officers and directors and regarding salaries paid to officers. Transactions have been measured at market rates.

<u>Entity</u>	<u>Nature of Transactions</u>	
Zeitler Holdings Corp.	Management	
Delphis Financial Strategies Inc.	Management	
Amezquita Management Inc.	Management	

	Q1-2024	Q1-2023
	\$	\$
Salaries, management fees and bonuses	372	402

c) Key Management Compensation

The remuneration of directors and other members of key management during Q1-2024 and Q1-2023 was as follows:

	Q1-2024	Q1-2023
	\$	\$
Salaries, management fees and bonuses	372	402
Directors' fees	93	84
Share-based payments	187	178
	652	664

Share-based payments are the grant date fair value of options vested to directors and officers.

Amerigo Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements - Unaudited March 31, 2024

(tabular information expressed in thousands of U.S. dollars)

9) EQUITY

a) Share Capital

Authorised share capital consists of unlimited common shares without par value.

In Q1-2024, Amerigo issued 340,396 shares in connection with cashless share option exercises and 200,000 shares in connection with cash share option exercises by officers, directors, and MVC employees. A value of \$1.1 million was transferred from other reserves to share capital.

In 2023, Amerigo issued 726,896 shares in connection with cashless share option exercises and 366,667 cash share option exercises by officers, directors, and MVC employees. A value of \$1.1 million was transferred from other reserves to share capital.

b) Share Options

A total of 3,125,000 options were granted in Q1-2024 (2023: 2,695,000) with a weighted average fair value estimated at Cdn\$0.38 (2023: Cdn\$0.56) per option at the grant date based on the Black-Scholes option-pricing model using the following assumptions:

	2024	2023
Weighted average share price	Cdn\$1.30	Cdn\$1.60
Weighted average exercise price	Cdn\$1.30	Cdn\$1.60
Dividend yield	9.30%	7.50%
Risk free interest rate	3.64%	3.63%
Pre-vest forfeiture rate	1.56%	1.93%
Expected life (years)	4.35	4.32
Expected volatility	64.35%	68.59%

Outstanding share options:

	March 31, 2024		December 31, 2023	
	Share options	Weighted average exercise price Cdn\$	Share options	Weighted average exercise price Cdn\$
At start of the period	10,750,003	1.26	10,795,012	1.11
Granted	3,125,000	1.30	2,695,000	1.60
Exercised	(540,396)	1.08	(1,093,563)	0.98
Repurchased pursuant to cashless exercise	(1,996,272)	1.08	(1,646,446)	0.98
At end of the period	11,338,335	1.32	10,750,003	1.26
Vested and exercisable	5,444,983	1.18	5,444,986	1.03

Amerigo Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements - Unaudited March 31, 2024

(tabular information expressed in thousands of U.S. dollars)

The weighted average trading price of the Company's stock on the dates in which options were exercised in Q1-2024 was Cdn\$1.35 per share (2023: Cdn\$1.58 per share).

Information relating to share options outstanding on March 31, 2024 is as follows:

Outstanding share options	Vested share options	Price range Cdn\$	Weighted Average exercise price of outstanding options Cdn\$	Weighted Average exercise price of vested options Cdn\$	Weighted Average remaining life of outstanding options (years)
700,000	700,000	0.40	\$0.40	\$0.40	0.92
150,000	150,000	0.52-0.53	0.52	0.52	1.34
1,786,668	1,786,668	0.91-1.11	0.91	0.91	1.90
3,445,000	213,332	1.29-1.30	1.30	1.29	4.65
5,256,667	2,594,983	1.60-1.62	1.61	1.61	3.43
11,338,335	5,444,983		1.32	1.18	3.37

10) SEGMENT INFORMATION

Operating segments are determined based on the management reports Amerigo's Board of Directors reviews to make strategic decisions.

The Company has one operating segment: the production of copper concentrates under a tolling agreement with DET, with the production of molybdenum concentrates as a by-product (Note 3).

The geographic distribution of non-current assets is as follows:

	Property, plant and equipment		Other	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
Chile	151,203	155,929	3,810	3,882
Canada	71	73	-	-
	151,274	156,002	3,810	3,882

Amerigo Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements - Unaudited
March 31, 2024

(tabular information expressed in thousands of U.S. dollars)

11) REVENUE

a) Revenue composition:

	Q1-2024	Q1-2023
	\$	\$
Gross value of copper tolled on behalf of DET	61,285	66,798
Notional items deducted:		
DET royalties - copper	(16,680)	(18,438)
Smelting and refining	(6,237)	(6,661)
Transportation	(403)	(464)
Revenue from copper tolling contracts net of notional items	37,965	41,235
Adjustments to fair value of settlement receivables	1,502	3,374
Copper tolling revenue	39,467	44,609
Revenue from molybdenum contracts with customers	5,198	7,847
Adjustments to fair value of settlement receivables	256	192
Molybdenum revenue	5,454	8,039
	44,921	52,648

b) Total revenue by product type and business unit:

The Company has a single business unit, consistent with its single reportable segment (Note 10).

The following table presents the Company's revenue composition disaggregated by product type.

	Q1-2024	Q1-2023
	\$	\$
Copper	39,467	44,609
Molybdenum	5,454	8,039
	44,921	52,648

c) Total revenue by region:

All of the Company's revenue originates in Chile.

In Q1-2024, the Company's revenue from one customer represented 88% of reported revenue (Q1-2023: 85%).

Amerigo Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements - Unaudited
March 31, 2024

(tabular information expressed in thousands of U.S. dollars)

12) (EXPENSES) GAINS BY NATURE

a) Tolling and production costs consist of the following:

	Q1-2024	Q1-2023
	\$	\$
Tolling and production costs	(29,082)	(30,693)
Depreciation and amortization	(5,773)	(4,986)
Administration	(1,229)	(1,685)
DET royalties - molybdenum	(1,032)	(1,806)
	(37,116)	(39,170)

b) General and administration expenses consist of the following:

	Q1-2024	Q1-2023
	\$	\$
Salaries, management and professional fees	(697)	(661)
Office and general expenses	(324)	(397)
Share-based payment compensation	(279)	(271)
	(1,300)	(1,329)

c) Other (losses) gains consist of the following:

	Q1-2024	Q1-2023
	\$	\$
Other losses	(47)	21
Foreign exchange gains	6	1,527
	(41)	1,548

Amerigo Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements - Unaudited March 31, 2024

(tabular information expressed in thousands of U.S. dollars)

d) Finance expense consist of the following:

	Q1-2024	Q1-2023
	\$	\$
Finance, commitment and interest charges	(603)	(728)
Fair value adjustments to interest rate swaps	100	(99)
	(503)	(827)

13) SUPPLEMENTARY CASH FLOW INFORMATION

a) Cash and cash equivalents

	March 31, 2024	December 31, 2023
	\$	\$
Cash at bank and on hand	13,788	16,235
Short-term bank deposits	13	13
	13,801	16,248

b) Cash payments of interest and taxes

	Q1-2024	Q1-2023
	\$	\$
Interest and taxes paid		
Interest paid	195	41
Income taxes paid	1,394	2,761
Other		
(Decrease) increase in accounts payable related to the acquisition of plant and equipment	(138)	5
Cash paid during the quarter in connection with the derivative to related parties	254	286

Amerigo Resources Ltd.

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(tabular information expressed in thousands of U.S. dollars)

14) FAIR VALUE MEASUREMENT

Certain of Amerigo's financial assets and liabilities are measured at fair value on a recurring basis and classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The fair value hierarchy has three levels that prioritize the inputs to valuation techniques used to measure fair value, with Level 1 inputs having the highest priority. The levels and valuation techniques used to value Amerigo's financial assets and liabilities are the following:

- Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities that Amerigo can access at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability directly or indirectly. Copper and molybdenum trade and settlement receivables are FVTPL with changes in the fair value of the receivables, which are measured at FVTPL as underlying commodity market prices vary. The fair values of these receivables are adjusted each reporting period by reference to forward market prices, and changes in fair value are recorded as a separate component of revenue. Amerigo has also included the IRS in Level 2 of the fair value hierarchy because these instruments are determined based on the observed values for underlying interest rates.
- Level 3 – Significant unobservable inputs that are not based on observable market data. Amerigo includes the related party derivative liability in Level 3 of the fair value hierarchy because it is not tradeable or associated with observable price transparency. Management assesses the fair value of this derivative on a quarterly basis based on management's best estimates, which are unobservable inputs. Fair value is calculated by applying the discounted cash flow approach on a valuation model that considers the present value of the net cash flows expected to be paid to a related party (Note 8(a)).

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
March 31, 2024				
Trade receivables	-	15,041	-	15,041
Interest rate swap	-	662	-	662
Related party derivative liability	-	-	(6,712)	(6,712)
	-	15,703	(6,712)	8,991

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
December 31, 2023				
Trade receivables	-	4,947	-	4,947
Interest rate swap	-	900	-	900
Related party derivative liability	-	-	(6,979)	(6,979)
	-	5,847	(6,979)	(1,132)

Amerigo Resources Ltd.

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15) COMMITMENTS

- a) MVC has a long-term agreement for the supply of 100% of MVC's power requirements to December 31, 2037. The agreement establishes minimum stand-by charges based on peak hour power supply calculations, estimated to range from \$1.0 million to \$1.3 million monthly.
- b) The DET Agreement has a Closure Plan clause requiring MVC and DET to jointly assess the revision of the closure plan for Cauquenes and compare it to the current DET plan. In the case of any variation in the interests of DET due to MVC's activities in the Cauquenes deposit, the parties will jointly evaluate the form of implementation and financing of or compensation for such variation. Until the estimation of the new closure plan is available and the parties agree on the terms of compensation resulting from the revised plan, it is Amerigo's view there is no obligation to record a provision because the amount, if any, is not possible to determine.

16) SUBSEQUENT EVENTS

- a) On May 6, 2024, Amerigo's Board of Directors declared a quarterly dividend of Cdn\$0.03 per share, payable on June 20, 2024 to shareholders of record as of May 30, 2024.
- b) Subsequent to period end, 33,334 options of the Company were exercised on a cashless basis.