Amerigo Resources Ltd.

Condensed Interim Consolidated Financial Statements
Three and six months ended June 30, 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	June 30, 2024 $	December 31, 2023 $
Assets			
Current assets			
Cash and cash equivalents	13	28,736	16,248
Restricted cash	7	4,198	2,782
Trade and settlement receivables		9,593	8,161
Taxes receivable		377	405
Prepaid expenses		227	492
Inventories	5	7,161	7,187
Interest rate swap	7	968	900
		51,260	36,175
Non-current assets			
Property, plant and equipment	6	150,161	156,002
Intangible assets		3,016	3,128
Other non-current assets		751	754
Restricted cash	7	-	3,500
Total assets		205,188	199,559
Liabilities			
Current liabilities			
DET royalties	3	19,905	17,104
Trade and other payables		18,532	19,410
Current portion of borrowings	7	8,030	10,303
Current income tax liabilities		5,303	641
Current portion of related party derivative liability	8	964	1,022
		52,734	48,480
Non-current liabilities			
Deferred income tax liability		27,369	29,078
Borrowings	7	6,404	10,410
Related party derivative liability	8	5,779	5,957
Severance provisions		785	781
Total liabilities		93,071	94,706
Equity	9		
Share capital		75,132	73,699
Other reserves		10,318	11,296
Accumulated other comprehensive income		1,113	1,062
Retained earnings		25,554	18,796
Total equity		112,117	104,853
Total equity and liabilities		205,188	199,559
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 (Loss) and Comprehensive Income (Loss) - Unaudited

(expressed in thousands of U.S. dollars)

	Notes	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
		$	$	$	$
Revenue	11	51,602	32,036	96,523	84,684
Tolling and production costs	12 (a)	(35,109)	(35,341)	(72,225)	(74,511)
Gross profit (loss)		16,493	(3,305)	24,298	10,173
General and administration	12 (b)	(1,106)	(1,032)	(2,406)	(2,361)
Derivative to related parties including changes in fair value		(289)	301	(277)	46
Other gains	12 (c)	598	763	557	2,311
		(797)	32	(2,126)	(4)
Operating profit (loss)		15,696	(3,273)	22,172	10,169
Finance expense	12 (d)	(353)	(359)	(856)	(1,186)
		(353)	(359)	(856)	(1,186)
Income (loss) before income tax		15,343	(3,632)	21,316	8,983
Income tax expense		(5,576)	(161)	(7,277)	(3,691)
Net income (loss)		9,767	(3,793)	14,039	5,292
Other comprehensive income (loss)					
Items that may not be reclassified subsequently to net income:					
Actuarial (losses) gains on severance provision		(2)	(2)	(1)	26
Items that may be reclassified subsequently to net income:					
Cumulative translation adjustment		44	(913)	52	(1,104)
Other comprehensive income (loss)		42	(915)	51	(1,078)
Comprehensive income (loss)		9,809	(4,708)	14,090	4,214
Weighted average number of shares outstanding, basic		165,837,808	165,239,798	165,448,047	165,681,680
Weighted average number of shares outstanding, diluted		167,598,248	165,239,798	166,790,710	167,893,485
Earnings (loss) per share					
Basic		0.06	(0.02)	0.08	0.03
Diluted		0.06	(0.02)	0.08	0.03

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 June 30,		Six months ended June 30,	
	2024	**2023**	**2024**	**2023**
	$	**$**	**$**	**$**
Cash flows from operating activities				
Net income	9,767	(3,793)	14,039	5,292
Adjustment for items not affecting cash:				
Depreciation and amortization	5,821	5,029	11,594	10,014
Changes in fair value of derivative	289	(301)	277	(46)
Share-based payments	249	293	528	564
Other	27	(13)	7	121
Deferred income tax recovery	(718)	(1,557)	(1,709)	(3,671)
Finance (gain) expense	(646)	(517)	(353)	197
Unrealized foreign exchange (gain) loss	(474)	(1,444)	121	(1,582)
	14,315	(2,303)	24,504	10,889
Changes in non-cash working capital				
Trade, other receivables and taxes receivable	5,973	660	(1,147)	7,159
Inventories	547	1,305	26	1,490
Trade and other payables	(2,479)	7,849	(2,506)	59
Current income tax liabilities	3,524	(1,780)	4,662	388
DET royalties	1,925	(5,227)	2,801	(1,281)
Net cash from operating activities	23,805	504	28,340	18,704
Cash flows used in investing activities				
Purchase of plant and equipment	(3,384)	(4,791)	(4,513)	(9,174)
Net cash used in investing activities	(3,384)	(4,791)	(4,513)	(9,174)
Cash flows used in financing activities				
Repayment of borrowings	(4,000)	(3,500)	(5,750)	(3,500)
Dividends paid	(3,628)	(3,707)	(7,281)	(7,344)
Debt facility transaction fees	(244)	(559)	(244)	(559)
Exercise of options	(145)	(3)	(73)	102
Restricted cash	2,016	2,159	2,084	14
Repurchase of shares	-	(757)	-	(2,609)
Lease repayments	-	(1,674)	-	(1,862)
Net cash used in financing activities	(6,001)	(8,041)	(11,264)	(15,758)
Net increase (decrease) in cash and cash equivalents	14,420	(12,328)	12,563	(6,228)
Effect of exchange rate changes on cash	515	80	(75)	82
Cash and cash equivalents - Beginning of period	13,801	43,923	16,248	37,821
Cash and cash equivalents - End of period	28,736	31,675	28,736	31,675

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					
	Number of shares	**Amount**	**Other reserves**	**Accumulated other comprehensive income**	**Retained earnings**	**Total equity**
		$	**$**	**$**	**$**	**$**
Balance - January 1, 2023	166,032,658	73,437	11,233	2,295	31,738	118,703
Share-based payments	-	-	564	-	-	564
Exercise of share purchase options	1,078,296	1,179	(1,077)	-	-	102
Shares repurchased in normal course issuer bid	(2,281,187)	(923)	-	-	(1,686)	(2,609)
Cumulative translation adjustment	-	-	-	(1,104)	-	(1,104)
Actuarial gains on severance provision	-	-	-	26	-	26
Net income	-	-	-	-	5,292	5,292
Dividends declared	-	-	-	-	(7,344)	(7,344)
Balance - June 30, 2023	164,829,767	73,693	10,720	1,217	28,000	113,630
Share-based payments	-	-	582	-	-	582
Exercise of share purchase options	15,267	6	(6)	-	-	-
Cumulative translation adjustment	-	-	-	(164)	-	(164)
Actuarial gains on severance provision	-	-	-	9	-	9
Net loss	-	-	-	-	(1,910)	(1,910)
Dividends declared	-	-	-	-	(7,294)	(7,294)
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	-	-	528	-	-	528
Exercise of share purchase options	1,115,533	1,433	(1,506)	-	-	(73)
Cumulative translation adjustment	-	-	-	52	-	52
Actuarial losses on severance provision	-	-	-	(1)	-	(1)
Net income	-	-	-	-	14,039	14,039
Dividends declared	-	-	-	-	(7,281)	(7,281)
Balance - June 30, 2024	165,960,567	75,132	10,318	1,113	25,554	112,117

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

(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 and six months ended June 30, 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 July 29, 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, except for the pronouncements stated below. The interim financial statements should be read in conjunction with Amerigo’s most recent annual financial statements.

In October 2022, the IASB issued amendments to IAS 1 titled *Non-current Liabilities with Covenants*. These amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments, *Classification of Debt as Current or Non-current*, issued in January 2020, which clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. Effective January 1, 2024, the Company adopted these amendments with no material impact in the current period

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure of Financial Statements* (IFRS 18), which replaces IAS 1, *Presentation of Financial Statements*. IFRS 18 introduces a specified structure for the income

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

statement by requiring income and expenses to be presented into the three defined categories of operating, investing and financing, and by specifying certain defined totals and subtotals. Where company-specific measures related to the income statement are provided, IFRS 18 requires companies to disclose explanations around these measures, which are referred to as management-defined performance measures. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes. IFRS 18 will not affect the recognition and measurement of items in the financial statements, nor will it affect which items are classified in other comprehensive income and how these items are classified. The standard is effective for reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required, and early application is permitted. We are currently assessing the effect of this new standard on our financial statements.

As at June 30, 2024, there are no other IFRS or IFRIC interpretations with future effective dates that are expected to have a material impact on the Company.

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.

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.

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

On June 30, 2024, the payable and/or accrual for DET notional copper royalties and DET molybdenum royalties was $19.9 million (December 31, 2023: $17.1 million).

4) Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events 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 judgements include assessing for 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 judgements applied in preparing these interim financial statements are consistent with those reported in our 2023 annual consolidated financial statements.

5) Inventories

	June 30, 2024 $	December 31, 2023 $
Plant supplies and consumables	3,976	3,285
Work in progress	1,911	2,775
Molybdenum concentrates	1,274	1,127
	7,161	7,187

During the six months ended June 30, 2024 ("YTD-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).

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

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 June 30, 2024			
Opening net book amount	139,127	16,875	156,002
Exchange differences	-	(2)	(2)
Additions	5,645	-	5,645
Depreciation charge	(9,794)	(1,690)	(11,484)
Closing net book amount	134,978	15,183	150,161
At June 30, 2024			
Cost	297,668	94,164	391,832
Accumulated depreciation	(162,690)	(78,981)	(241,671)
Net book amount	134,978	15,183	150,161

7) Borrowings

	June 30, 2024 $	December 31, 2023 $
Term Loan	12,914	18,687
Line of credit	1,520	2,026
	14,434	20,713
Comprise:		
Short-term debt and current portion of long-term debt	8,030	10,303
Long-term debt	6,404	10,410
	14,434	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

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

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 June 30, 2024, the SOFR rate was 5.26%. The IRS has a term of June 30, 2026. On June 30, 2024, the balance of the Term Loan, net of transaction costs, was $14.4 million, and the IRS was in an asset position of $1.0 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 June 30, 2024, MVC had drawn $2.0 million from the Line of Credit and repaid $0.5 million. The amount drawn bears 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), 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 June 30, 2024, MVC held the required reserve funds of $0.7 million and $3.5 million, respectively, shown as restricted cash on Amerigo's statement of financial position.

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 => $100.0 million), which were met on June 30, 2024.

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:

	June 30, 2024	**December 31, 2023**
	$	**$**
Beginning balance	20,713	23,650
Proceeds of borrowings net of transaction fees	-	1,984
Debt facility transaction fees	(244)	(573)
Accretion of transaction fees	238	353
Accrued interest	927	2,194
Principal payments	(5,750)	(5,250)
Interest payments	(1,450)	(1,645)
Ending balance	14,434	20,713

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

8) Related Party Transactions

a) Derivative

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, 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.

In YTD-2024, the derivative liability decreased $0.3 million (six months ended June 30, 2023 ("YTD-2023"): decreased $0.6 million), with $0.5 million paid or accrued to the Class A shareholder (YTD-2023: $0.5 million) and a change in derivative fair value expense of $0.2 million (YTD-2023: recovery of $0.1 million)

On June 30, 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 $5.8 million (December 31, 2023: $6.0 million).

The actual monthly payments outstanding on June 30, 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.

Entity	Nature of Transactions
Zeitler Holdings Corp.	Management
Delphis Financial Strategies Inc.	Management
Amezquita Management Inc.	Management

	YTD-2024	YTD-2023
	$	$
Salaries and management fees	752	592

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

c) Key Management Compensation

The remuneration of directors and other members of key management was as follows:

	YTD-2024 $	YTD-2023 $
Salaries, management fees and bonuses	752	592
Directors' fees	180	162
Share-based payments	366	368
	1,298	1,122

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

9) EQUITY

a) Share Capital

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

In YTD-2024, Amerigo issued 815,533 shares in connection with cashless share option exercises and 300,000 shares in connection with cash share option exercises by officers, directors, and MVC employees. A value of $1.5 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 3,175,000 options were granted in YTD-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$1.31	Cdn$1.60
Weighted average exercise price	Cdn$1.31	Cdn$1.60
Dividend yield	9.26%	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	64.32%	68.59%

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

Outstanding share options:

	June 30, 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	3,175,000	1.31	2,695,000	1.60
Exercised	(1,115,533)	1.04	(1,093,563)	0.98
Repurchased pursuant to cashless exercise	(2,791,135)	1.04	(1,646,446)	0.98
At end of the period	10,018,335	1.36	10,750,003	1.26
Vested and exercisable	4,181,657	1.25	5,444,986	1.03

The weighted average trading price of the Company's stock on the dates in which options were exercised in YTD-2024 was Cdn$1.48 per share (2023: Cdn$1.58 per share).

Information relating to share options outstanding on June 30, 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)
200,000	200,000	0.40	$0.40	$0.40	0.67
1,650,000	1,650,000	0.91	0.91	0.91	1.65
3,445,000	320,000	1.29-1.30	1.30	1.29	4.40
4,673,335	2,011,657	1.60-1.62	1.61	1.61	3.19
50,000	-	1.77	1.77	-	4.86
10,018,335	4,181,657		1.36	1.25	3.31

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).

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

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

	Property, plant and equipment		Other	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Chile	150,092	155,929	3,767	3,882
Canada	69	73	-	-
	150,161	156,002	3,767	3,882

11) Revenue

a) Revenue composition:

	Q2-2024 $	Q2-2023 $	YTD-2024 $	YTD-2023 $
Gross value of copper tolled on behalf of DET	62,973	52,809	124,258	119,607
Notional items deducted :				
DET royalties - copper	(18,476)	(13,997)	(35,156)	(32,435)
Smelting and refining	(5,791)	(5,697)	(12,028)	(12,358)
Transportation	(374)	(417)	(777)	(881)
Revenue from copper tolling contracts net of notional items	38,332	32,698	76,297	73,933
Adjustments to fair value of settlement receivables	6,871	(3,521)	8,373	(147)
Copper tolling revenue	45,203	29,177	84,670	73,786
Revenue from molybdenum contracts with customers	5,200	4,974	10,398	12,821
Adjustments to fair value of settlement receivables	1,199	(2,115)	1,455	(1,923)
Molybdenum revenue	6,399	2,859	11,853	10,898
	51,602	32,036	96,523	84,684

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

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.

	Q2-2024 $	Q2-2023 $	YTD-2024 $	YTD-2023 $
Copper tolling revenue	45,203	29,177	84,670	73,786
Molybdenum revenue	6,399	2,859	11,853	10,898
	51,602	32,036	96,523	84,684

c) Total revenue by region:

All of the Company's revenue originates in Chile.

YTD-2024, the Company's revenue from one customer represented 88% of reported revenue (YTD-2023: 87%).

12) (EXPENSES) GAINS BY NATURE

a) Tolling and production costs consist of the following:

	Q2-2024 $	Q2-2023 $	YTD-2024 $	YTD-2023 $
Tolling and production costs	(26,892)	(27,663)	(55,974)	(58,356)
Depreciation and amortization	(5,821)	(5,028)	(11,594)	(10,014)
Administration	(1,340)	(1,643)	(2,569)	(3,328)
DET royalties - molybdenum	(1,056)	(1,007)	(2,088)	(2,813)
	(35,109)	(35,341)	(72,225)	(74,511)

b) General and administration expenses consist of the following:

	Q2-2024 $	Q2-2023 $	YTD-2024 $	YTD-2023 $
Salaries, management and professional fees	(639)	(460)	(1,336)	(1,121)
Share-based payment compensation	(249)	(293)	(528)	(564)
Office and general expenses	(218)	(279)	(542)	(676)
	(1,106)	(1,032)	(2,406)	(2,361)

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

c) Other gains consist of the following:

	Q2-2024 $	Q2-2023 $	YTD-2024 $	YTD-2023 $
Foreign exchange gains	551	806	557	2,333
Other gains (losses)	47	(43)	-	(22)
	598	763	557	2,311

d) Finance expense consists of the following:

	Q2-2024 $	Q2-2023 $	YTD-2024 $	YTD-2023 $
Finance and interest charges	(659)	(724)	(1,262)	(1,452)
Fair value adjustments to interest rate swaps	306	365	406	266
	(353)	(359)	(856)	(1,186)

13) SUPPLEMENTARY CASH FLOW INFORMATION

a) Cash and cash equivalents

	June 30, 2024 $	December 31, 2023 $
Cash at bank and on hand	28,723	16,235
Short-term bank deposits	13	13
	28,736	16,248

b) Cash payments of interest and taxes

	YTD-2024 $	YTD-2023 $
Interest and taxes paid		
Income taxes paid	3,448	5,242
Interest paid	1,136	1,170
Other		
Increase in accounts payable related to the acquisition of plant and equipment	1,131	2,604
Cash paid during the quarter in connection with the derivative to related parties	513	546

(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
	$	$	$	$
June 30, 2024				
Trade receivables	-	9,064	-	9,064
Interest rate swap	-	968	-	968
Related party derivative liability	-	-	(6,743)	(6,743)
	-	10,032	(6,743)	3,289

	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)

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

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 July 8, 2024, Amerigo's Board of Directors declared a performance dividend of Cdn$0.04 per share, payable on August 6, 2024, to shareholders of record as of July 16, 2024.

b) On July 29, 2024, Amerigo's Board of Directors declared a quarterly dividend of Cdn$0.03 per share, payable on September 20, 2024, to shareholders of record as of August 30, 2024.