

Amerigo Resources Ltd.

**Condensed Interim Consolidated Financial Statements
Three and nine months ended September 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	September 30, 2024 \$	December 31, 2023 \$
Assets			
Current assets			
Cash and cash equivalents	13	25,127	16,248
Restricted cash	7	6,727	2,782
Trade and settlement receivables		12,168	8,161
Taxes receivable		415	405
Prepaid expenses		109	492
Inventories	5	6,132	7,187
Interest rate swap	7	384	900
		<u>51,062</u>	<u>36,175</u>
Non-current assets			
Property, plant and equipment	6	146,273	156,002
Intangible assets		2,960	3,128
Other non-current assets		1,357	754
Restricted cash	7	-	3,500
Total assets		<u>201,652</u>	<u>199,559</u>
Liabilities			
Current liabilities			
DET royalties	3	20,686	17,104
Trade and other payables		19,985	19,410
Current portion of borrowings	7	8,404	10,303
Current income tax liabilities		5,881	641
Current portion of related party derivative liability	8	965	1,022
		<u>55,921</u>	<u>48,480</u>
Non-current liabilities			
Deferred income tax liability		26,318	29,078
Borrowings	7	6,541	10,410
Related party derivative liability	8	5,630	5,957
Severance provisions		834	781
Total liabilities		<u>95,244</u>	<u>94,706</u>
Equity			
Share capital	9	75,200	73,699
Other reserves		10,433	11,296
Accumulated other comprehensive income		937	1,062
Retained earnings		19,838	18,796
Total equity		<u>106,408</u>	<u>104,853</u>
Total equity and liabilities		<u>201,652</u>	<u>199,559</u>
Commitments			
Subsequent events	15 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 September 30,		Nine months ended September 30,	
		2024	2023	2024	2023
		\$	\$	\$	\$
Revenue	11	45,438	30,329	141,961	115,013
Tolling and production costs	12 (a)	(38,063)	(32,353)	(110,288)	(106,864)
Gross profit (loss)		<u>7,375</u>	<u>(2,024)</u>	<u>31,673</u>	<u>8,149</u>
General and administration	12 (b)	(936)	(981)	(3,342)	(3,342)
Derivative to related parties including changes in fair value		(103)	23	(380)	69
Other gains (losses)	12 (c)	639	(3,292)	1,196	(981)
		<u>(400)</u>	<u>(4,250)</u>	<u>(2,526)</u>	<u>(4,254)</u>
Operating profit (loss)		<u>6,975</u>	<u>(6,274)</u>	<u>29,147</u>	<u>3,895</u>
Finance expense	12 (d)	(870)	(1,043)	(1,726)	(2,229)
		<u>(870)</u>	<u>(1,043)</u>	<u>(1,726)</u>	<u>(2,229)</u>
Income (loss) before income tax		6,105	(7,317)	27,421	1,666
Income tax (expense) recovery		(3,323)	1,524	(10,600)	(2,167)
Net income (loss)		<u>2,782</u>	<u>(5,793)</u>	<u>16,821</u>	<u>(501)</u>
Other comprehensive income (loss)					
Items that may not be reclassified subsequently to net income:					
Actuarial gains on severance provision		4	6	3	32
Items that may be reclassified subsequently to net income:					
Cumulative translation adjustment		(180)	1,163	(128)	59
Other comprehensive (loss) income		<u>(176)</u>	<u>1,169</u>	<u>(125)</u>	<u>91</u>
Comprehensive income (loss)		<u>2,606</u>	<u>(4,624)</u>	<u>16,696</u>	<u>(410)</u>
Weighted average number of shares outstanding, basic		165,963,806	164,829,767	165,621,222	165,394,588
Weighted average number of shares outstanding, diluted		167,533,002	164,829,767	166,845,492	165,394,588
Earnings (loss) per share					
Basic		0.02	(0.04)	0.10	(0.00)
Diluted		0.02	(0.04)	0.10	(0.00)

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 September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Cash flows from (used in) operating activities				
Net income (loss)	2,782	(5,793)	16,821	(501)
Adjustment for items not affecting cash:				
Depreciation and amortization	5,900	5,192	17,494	15,206
Finance expense	1,096	691	743	888
Share-based payments	183	290	711	854
Changes in fair value of derivative	103	(23)	380	(69)
Other	53	(62)	60	59
Deferred income tax recovery	(1,051)	(351)	(2,760)	(4,022)
Unrealized foreign exchange (gain) loss	(171)	1,286	(50)	(296)
Environmental compliance plan costs	-	1,066	-	1,066
Impairment charges	-	321	-	321
	8,895	2,617	33,399	13,506
Changes in non-cash working capital				
Trade, other receivables and taxes receivable	(2,491)	(886)	(3,638)	6,273
Inventories	1,029	1,261	1,055	2,751
Trade and other payables	1,673	(5,360)	(833)	(5,301)
Current income tax liabilities	578	(1,442)	5,240	(1,054)
DET royalties	781	(3,645)	3,582	(4,926)
Net cash from (used in) operating activities	10,465	(7,455)	38,805	11,249
Cash flows used in investing activities				
Purchase of plant and equipment	(2,424)	(5,203)	(6,937)	(14,377)
Deposit on equipment	(608)	-	(608)	-
Net cash used in investing activities	(3,032)	(5,203)	(7,545)	(14,377)
Cash flows used in financing activities				
Dividends paid	(8,498)	(3,653)	(15,779)	(10,997)
Restricted cash	(2,529)	(2,104)	(445)	(2,090)
Repayment of borrowings	-	-	(5,750)	(3,500)
Debt facility transaction fees	-	(14)	(244)	(573)
Exercise of options	-	-	(73)	102
Repurchase of shares	-	-	-	(2,609)
Lease repayments	-	-	-	(1,862)
Net cash used in financing activities	(11,027)	(5,771)	(22,291)	(21,529)
Net (decrease) increase in cash and cash equivalents	(3,594)	(18,429)	8,969	(24,657)
Effect of exchange rate changes on cash	(15)	(115)	(90)	(33)
Cash and cash equivalents - Beginning of period	28,736	31,675	16,248	37,821
Cash and cash equivalents - End of period	25,127	13,131	25,127	13,131

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	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	-	-	854	-	-	854
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	-	-	-	59	-	59
Actuarial gains on severance provision	-	-	-	32	-	32
Net income	-	-	-	-	(501)	(501)
Dividends declared	-	-	-	-	(10,997)	(10,997)
Balance - September 30, 2023	164,829,767	73,693	11,010	2,386	18,554	105,643
Share-based payments	-	-	292	-	-	292
Exercise of share purchase options	15,267	6	(6)	-	-	-
Cumulative translation adjustment	-	-	-	(1,327)	-	(1,327)
Actuarial gains on severance provision	-	-	-	3	-	3
Net loss	-	-	-	-	3,883	3,883
Dividends declared	-	-	-	-	(3,641)	(3,641)
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	-	-	711	-	-	711
Exercise of share purchase options	1,124,564	1,501	(1,574)	-	-	(73)
Cumulative translation adjustment	-	-	-	(128)	-	(128)
Actuarial gains on severance provision	-	-	-	3	-	3
Net income	-	-	-	-	16,821	16,821
Dividends declared	-	-	-	-	(15,779)	(15,779)
Balance - September 30, 2024	165,969,598	75,200	10,433	937	19,838	106,408

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 September 30, 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 and molybdenum 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 nine months ended September 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 October 28, 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

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Notes to the Condensed Interim Consolidated Financial Statements - Unaudited September 30, 2024

(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 September 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.

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Notes to the Condensed Interim Consolidated Financial Statements - Unaudited September 30, 2024

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

On September 30, 2024, the payable and/or accrual for DET notional copper royalties and DET molybdenum royalties was \$20.7 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 judgements 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 the related party derivative liability.

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

	September 30, 2024	December 31, 2023
	\$	\$
Plant supplies and consumables	4,073	3,285
Work in progress	1,057	2,775
Molybdenum concentrates	1,002	1,127
	<u>6,132</u>	<u>7,187</u>

During the nine months ended September 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).

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Notes to the Condensed Interim Consolidated Financial Statements - Unaudited
September 30, 2024

(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 September 30, 2024			
Opening net book amount	139,127	16,875	156,002
Exchange differences	-	(2)	(2)
Additions	7,600	-	7,600
Depreciation charge	(14,798)	(2,529)	(17,327)
Closing net book amount	131,929	14,344	146,273
At September 30, 2024			
Cost	299,513	94,164	393,677
Accumulated depreciation	(167,584)	(79,820)	(247,404)
Net book amount	131,929	14,344	146,273

7) BORROWINGS

	September 30, 2024 \$	December 31, 2023 \$
Term Loan	13,389	18,687
Line of credit	1,556	2,026
	14,945	20,713
Comprise:		
Short-term debt and current portion of long-term debt	8,404	10,303
Long-term debt	6,541	10,410
	14,945	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

Amerigo Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements - Unaudited September 30, 2024

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

accordance with the provisions of the Finance Agreement. Interest on the Term Loan included 25% of the facility that was 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 September 30, 2024, the SOFR rate was 5.26%. The IRS has a term of June 30, 2026. On September 30, 2024, the balance of the Term Loan, net of transaction costs, was \$14.9 million, and the IRS was in an asset position of \$0.4 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 September 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 (paid), April 10, 2025, and October 10, 2025. \$0.6 million related to the October payment was held as restricted cash on Amerigo’s statement of financial position.

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 September 30, 2024, MVC held the required reserve funds of \$2.6 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 \geq \$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:

	September 30,	December 31,
	2024	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	376	353
Accrued interest	1,300	2,194
Principal payments	(5,750)	(5,250)
Interest payments	(1,450)	(1,645)
Ending balance	14,945	20,713

Amerigo Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements - Unaudited September 30, 2024

(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 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.

In YTD-2024, the derivative liability decreased \$0.4 million (nine months ended September 30, 2023 ("YTD-2023"): decreased \$0.8 million), with \$0.8 million paid or accrued to the Class A shareholder (YTD-2023: \$0.7 million) and a change in derivative fair value of \$0.4 million (YTD-2023: \$0.1 million)

On September 30, 2024, the derivative totalled \$6.6 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 \$5.6 million (December 31, 2023: \$6.0 million).

The actual monthly payments outstanding on September 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.

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

	<u>YTD-2024</u>	<u>YTD-2023</u>
	<u>\$</u>	<u>\$</u>
Salaries and management fees	1,060	794

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Notes to the Condensed Interim Consolidated Financial Statements - Unaudited September 30, 2024

(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	1,060	794
Directors' fees	253	240
Share-based payments	497	558
	1,810	1,592

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 824,564 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 \$1.6 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%

The vesting provisions of the options are the following: 1/3 one year from the grant date, 1/3 two years from the grant date, and 1/3 three years from the grant date. Total share-based payment expense recorded during the three and nine months ended September 30, 2024, was \$0.2 million and 0.7 million (2023: \$0.3 million and \$0.9 million).

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Notes to the Condensed Interim Consolidated Financial Statements - Unaudited September 30, 2024

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

Outstanding share options:

	September 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	(1,124,564)	1.06	(1,093,563)	0.98
Repurchased pursuant to cashless exercise	(2,932,104)	1.06	(1,646,446)	0.98
Cancelled/forfeited	(660,000)	1.36	-	-
At end of the period	9,208,335	1.36	10,750,003	1.26
Vested and exercisable	3,711,658	1.24	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 September 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	0.42
1,490,000	1,490,000	0.91	0.91	0.91	1.40
3,265,000	320,000	1.29-1.30	1.30	1.29	4.13
4,203,335	1,701,658	1.60-1.62	1.61	1.61	2.95
50,000	-	1.77	1.77	-	4.61
9,208,335	3,711,658		1.36	1.24	3.07

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).

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

	Property, plant and equipment		Other	
	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
Chile	146,205	155,929	4,317	3,882
Canada	68	73	-	-
	146,273	156,002	4,317	3,882

11) REVENUE

a) Revenue composition:

	Q3-2024	Q3-2023	YTD-2024	YTD-2023
	\$	\$	\$	\$
Gross value of copper tolled on behalf of DET	68,793	41,558	193,051	161,165
Notional items deducted :				
DET royalties - copper	(19,163)	(10,633)	(54,319)	(43,068)
Smelting and refining	(6,358)	(4,473)	(18,386)	(16,831)
Transportation	(425)	(295)	(1,202)	(1,176)
Revenue from copper tolling contracts net of notional items	42,847	26,157	119,144	100,090
Adjustments to fair value of settlement receivables	(2,650)	(408)	5,723	(555)
Copper tolling revenue	40,197	25,749	124,867	99,535
Revenue from molybdenum contracts with customers	5,848	4,114	16,246	16,935
Adjustments to fair value of settlement receivables	(607)	466	848	(1,457)
Molybdenum revenue	5,241	4,580	17,094	15,478
	45,438	30,329	141,961	115,013

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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.

	Q4-2023	Q3-2023	YTD-2024	YTD-2023
	\$	\$	\$	\$
Copper tolling	40,197	25,749	124,867	99,535
Molybdenum	5,241	4,580	17,094	15,478
	45,438	30,329	141,961	115,013

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:

	Q3-2024	Q3-2023	YTD-2024	YTD-2023
	\$	\$	\$	\$
Tolling and production costs	(29,605)	(24,949)	(85,579)	(83,305)
Depreciation and amortization	(5,900)	(5,192)	(17,494)	(15,206)
Administration	(1,368)	(1,349)	(3,937)	(4,677)
DET royalties - molybdenum	(1,190)	(863)	(3,278)	(3,676)
	(38,063)	(32,353)	(110,288)	(106,864)

b) General and administration expenses consist of the following:

	Q3-2024	Q3-2023	YTD-2024	YTD-2023
	\$	\$	\$	\$
Salaries, management and professional fees	(487)	(420)	(1,823)	(1,541)
Office and general expenses	(266)	(271)	(808)	(947)
Share-based payment compensation	(183)	(290)	(711)	(854)
	(936)	(981)	(3,342)	(3,342)

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

	Q3-2024	Q3-2023	YTD-2024	YTD-2023
	\$	\$	\$	\$
Foreign exchange gains (losses)	708	(2,161)	1,265	172
Environmental compliance plan costs	-	(1,066)	-	(1,066)
Other losses	(69)	(65)	(69)	(87)
	639	(3,292)	1,196	(981)

d) Finance expense consists of the following:

	Q3-2024	Q3-2023	YTD-2024	YTD-2023
	\$	\$	\$	\$
Finance and interest charges	(550)	(976)	(1,812)	(2,428)
Fair value adjustments to interest rate swaps	(320)	(67)	86	199
	(870)	(1,043)	(1,726)	(2,229)

13) SUPPLEMENTARY CASH FLOW INFORMATION

a) Cash and cash equivalents

	September 30, 2024	December 31, 2023
	\$	\$
Cash at bank and on hand	25,114	16,235
Short-term bank deposits	13	13
	25,127	16,248

b) Cash payments of interest and taxes

	YTD-2024	YTD-2023
	\$	\$
Interest and taxes paid		
Income taxes paid	7,542	5,907
Interest paid	1,160	1,170
Other		
Increase (decrease) in accounts payable related to the acquisition of plant and equipment	662	(2,106)
Cash paid during the quarter in connection with the derivative to related parties	765	736

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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
	\$	\$	\$	\$
September 30, 2024				
Trade receivables	-	11,802	-	11,802
Interest rate swap	-	384	-	384
Related party derivative liability	-	-	(6,595)	(6,595)
	-	12,186	(6,595)	5,591

	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)

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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 October 28, 2024, Amerigo's Board of Directors declared a quarterly dividend of Cdn\$0.03 per share, payable on December 20, 2024, to shareholders of record as of November 29, 2024.
- b) Subsequent to September 30, 2024, the Company purchased 169,110 common shares under its normal course issuer bid.