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**Amerigo Resources Ltd.
Management's Discussion and Analysis
For the Three Months Ended March 31, 2019**

TABLE of CONTENTS

This Management's Discussion & Analysis ("MD&A") has the following sections:

1. **About Amerigo** – An executive summary of Amerigo's business and long-term contractual relationship with Corporación Nacional del Cobre de Chile ("Codelco")'s El Teniente Division ("DET")...(PAGE 3)
2. **Purpose of MD&A and Identification of Non-GAAP Measures** – Information on accounting principles and other background factors to facilitate the understanding of this MD&A and related consolidated financial statements... (PAGE 3)
3. **Quarterly Headlines** – A summary of key operating and financial metrics during the three months ended March 31, 2019 ("Q1-2019) and as at March 31, 2019...(PAGE 4)
4. **Five-Quarter Financial Results and Summary Cash Flow Information** – A summary of financial results and uses and sources of cash presented on a quarterly basis for the most recent five reporting quarters...(PAGE 7)
5. **Operating Results** – An analysis of production results for Q1-2019 compared to the three months ended March 31, 2018 ("Q1-2018")...(PAGE 8)
6. **Financial Results** – An analysis of financial performance during Q1-2019 compared to Q1-2018 and during the three months ended March 31, 2019 compared to the three months ended March 31, 2018...PAGE 9)
7. **Comparative Periods** – A summary of financial data for the most recent eight reporting quarters...(PAGE 13)
8. **Liquidity and Financial Position** – A review of cash flow components, summary of borrowings and analysis of liquidity and financial position as at March 31, 2019...(PAGE 14)
9. **Agreement with Codelco's DET** – A summary of contractual arrangements with Codelco's DET...(PAGE 17)
10. **Other MD&A Requirements** –Transactions with related parties, critical accounting estimates & judgements, internal controls over financial reporting, commitments and cautionary statement on forward looking information...(PAGE 19)

THIS DOCUMENT CONTAINS FORWARD-LOOKING STATEMENTS. REFER TO THE CAUTIONARY LANGUAGE UNDER THE HEADING "CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION" BELOW.

AMOUNTS REPORTED IN U.S. DOLLARS, EXCEPT WHERE INDICATED OTHERWISE.

ABOUT AMERIGO

Amerigo Resources Ltd. ("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 Codelco's DET to process fresh and historic tailings from El Teniente. El Teniente, in production since 1905, is the world's largest underground copper mine.

MVC currently operates under a tolling agreement with DET and title to the copper concentrates produced by MVC remains with DET. MVC earns copper tolling revenue, calculated as the gross value of copper produced at applicable market prices net of notional items, which include treatment and refining charges, DET copper royalties and transportation costs. Refer to Agreements with Codelco's DET (page 17).

MVC also has a molybdenum sales agreement with Chile's Molibdenos y Metales S.A. ("Molymet") that expires on December 31, 2019.

MVC has essentially completed a phased expansion to extract and process high grade historic tailings (the "Cauquenes tailings"). Phase One of the expansion was completed in 2015, extending MVC's economic life to at least 2037. Construction of Phase Two of the expansion was substantially completed in December 2018, allowing MVC to reach record production of 65.0 million pounds of copper in the year. Installation of a regrind mill, originally part of the Phase Two expansion, is estimated to be completed in July 2019.

Amerigo's shares are listed for trading on the Toronto Stock Exchange ("TSX") and traded in the United States on the OTCQX.

PURPOSE OF MD&A and IDENTIFICATION OF NON-GAAP MEASURES

This MD&A of the results of operations and financial position of Amerigo together with its subsidiaries (collectively, the "Company"), is prepared as of May 6, 2019.

It should be read in conjunction with Amerigo's condensed interim consolidated financial statements and related notes for the three months ended March 31, 2019, and the audited consolidated financial statements and related notes for the year ended December 31, 2018.

Amerigo's interim financial statements are reported in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") as applicable to interim financial reporting. The financial data in this MD&A is derived from Amerigo's financial statements, except non-GAAP measures which are indicated as such.

Our objective in preparing this MD&A's is to help the reader understand the factors affecting the Company's current and future financial performance.

Non-GAAP measures

References are made in this MD&A to cash cost and total cost, two non-GAAP financial measures with no standardized meaning under IFRS and which may not be comparable to similar measures presented by other issuers.

Cash cost and total cost are commonly used as performance indicators in the mining industry and are an important performance metric for the Company.

A tabular reconciliation of cash and total costs to tolling and production costs in Q1-2019 and Q1-2018 is available on page 12.

QUARTERLY HEADLINES

Key performance metrics for the current and comparative quarter

| | Q1-2019 | Q1-2018 | Change | |
|---|---------|---------|----------|-------|
| | | | \$ | % |
| Copper produced (million pounds) ¹ | 13.0 | 14.2 | (1.2) | (8%) |
| Copper delivered (million pounds) ¹ | 12.9 | 14.5 | (1.6) | (11%) |
| Percentage of production from historic tailings | 65% | 63% | | - |
| Revenue (\$ thousands) ² | 27,736 | 33,881 | (6,145) | (18%) |
| DET notional copper royalties (\$ thousands) | 8,136 | 10,797 | (2,661) | (25%) |
| Tolling and production costs (\$ thousands) | 25,764 | 28,717 | (2,953) | (10%) |
| Gross profit (\$ thousands) | 1,972 | 5,164 | (3,192) | (62%) |
| Net (loss) income (\$ thousands) | (1,399) | 1,217 | (2,616) | - |
| (Loss) earnings per share - basic & diluted | (0.01) | 0.01 | (0.02) | - |
| Operating cash flow (\$ thousands) ³ | 5,170 | 5,944 | (774) | (13%) |
| Cash flow paid for purchase of plant and equipment (\$ thousands) | 3,596 | 10,274 | (6,678) | (65%) |
| Cash and cash equivalents (\$ thousands) ⁴ | 16,597 | 29,869 | (13,272) | (44%) |
| Borrowings (\$ thousands) ⁵ | 66,700 | 66,047 | 653 | 1% |
| MVC's copper price (\$/lb) ⁶ | 2.92 | 3.09 | (0.17) | (6%) |
| MVC's molybdenum price (\$/lb) ⁷ | 11.11 | 12.12 | (1.01) | (8%) |

¹ Copper production conducted under a tolling agreement with DET.

² Revenue reported net of notional items (smelting and refining charges, DET notional copper royalties and transportation costs).

³ Operating cash flow before changes in non-cash working capital.

⁴ At March 31, 2019, comprised of \$3.2 million in operating cash accounts and a \$13.4 million debt service reserve account.

⁵ At March 31, 2019, comprised of short and long-term portions of \$23.8 and \$42.9 million respectively.

⁶ MVC's copper price is the average notional copper price for the period, before smelting and refining, DET notional copper royalties, transportation costs and settlement adjustments to prior period sales.

⁷ MVC's molybdenum price is the average realized molybdenum price in the period, before roasting charges and settlement adjustments to prior period sales

Amerigo reported financial loss of \$1.4 million and cash flow from operations of \$5.2 million

- Net loss was \$1.4 million (Q1-2018: net income of \$1.2 million), due to lower production and lower metal prices.
- Loss per share was \$0.01 basic and diluted (Q1-2018: earnings per share of \$0.01 basic and diluted).
- Cash flow generated from operations before changes in non-cash working capital was \$5.2 million (Q1-2018: \$5.9 million).

MVC's Q1-2019 production was lower than expected, negatively affecting financial performance including quarterly cash cost

- Q1-2019 production was 13.0 million pounds of copper (Q1-2018: 14.2 million pounds), as a result of low plant recoveries. Cauquenes material was extracted from a low-grade zone and had higher than expected fines content and significant iron and clay contamination. MVC also lost 7 operation days in Q1-2019 as a result of a DET tailings system maintenance shutdown.
- Copper production is comprised of 8.4 million pounds from Cauquenes (Q1-2018: 8.9 million pounds) and 4.6 million pounds from fresh tailings (Q1-2018: 5.3 million pounds).
- Molybdenum production was 0.2 million pounds (Q1-2018: 0.4 million pounds).

- Cash cost (a non-GAAP measure equal to the aggregate of smelting and refining charges, tolling/production costs net of inventory adjustments and administration costs, net of by-product credits, page 12) increased to \$2.03/lb (Q1-2018: \$1.77/lb).
- Total cost (a non-GAAP measure equal to the aggregate of cash cost, DET notional copper royalties and DET molybdenum royalties of \$0.66/lb and depreciation of \$0.33/lb, page 12) increased to \$3.02/lb (Q1-2018: \$2.83/lb), due to higher cash cost and depreciation, mitigated by lower DET notional royalties from lower metal prices.

Production ramp up from MVC's Phase Two expansion is ongoing. Annual production and cost guidance have been revised

- Production in Q2-2019 is expected to be 14.0 million pounds as MVC's mine plan will continue to be constrained by the ability to access better quality material until the new sump is operational in July. In Q3 and Q4-2019, MVC will be operating from a new and deeper Cauquenes sump and the new concentrate regrind mill will be in operation. The mill has been delivered to MVC and is being installed and commissioned in Q2-2019. As a result, quarterly production is expected to improve to 22.0 million pounds.
- As a result of the projected production for H1-2019, MVC has revised its 2019 annual production guidance to 70 – 75 million pounds of copper and 2 million pounds of molybdenum at a cash cost of \$1.45 to \$1.60/lb, compared to original guidance of 80 - 85 million pounds of copper and 2.5 million pounds of molybdenum at a cash cost of \$1.30 to \$1.45/lb. Amerigo's financial performance in 2019 will be highly dependent on MVC meeting these production goals.
- In 2019, MVC continues to expect to incur \$5.8 million in sustaining Capex, in addition to \$3.1 million in Capex payments in connection with the Phase Two expansion.

MVC's average copper price in Q1-2019 was \$2.92/lb

- MVC's copper price was \$2.92 per pound (“/lb”) (Q1-2018: \$3.09/lb) and MVC's molybdenum price was \$11.11/lb (Q1-2018: \$12.12/lb).
- Revenue was \$27.7 million (Q1-2018: \$33.9 million), including copper tolling revenue of \$25.5 million (Q1-2018: \$29.5 million) and molybdenum revenue of \$2.2 million (Q1-2018: \$4.4 million).
- Copper tolling revenue is calculated from MVC's gross value of copper produced of \$36.4 million (Q1-2018: \$46.0 million) and fair value adjustments to settlement receivables of \$2.1 million (Q1-2018: (\$0.2 million), less notional items including DET royalties of \$8.1 million (Q1-2018: \$10.8 million), smelting and refining of \$4.5 million (Q1-2018: \$5.0 million) and transportation of \$0.4 million (Q1-2018: \$0.6 million).
- MVC's financial performance is very sensitive to changes in copper prices. MVC's Q1-2019 provisional copper price was \$2.91/lb, and final prices will be the average London Metal Exchange (“LME”) prices for April, May and June 2019. A 10% increase or decrease from the \$2.91/lb provisional price used at March 31, 2019 would result in a \$3.9 million change in revenue in Q2-2019 in respect of Q1-2019 production.
- Amerigo remains fully leveraged to the price of copper.

Cash balance at quarter end was \$16.6 million

- At March 31, 2019 the Company's cash balance was \$16.6 million (December 31, 2018: \$21.3 million), comprising \$3.2 million in operating accounts and \$13.4 million in a debt service reserve account.
- The Company had a \$14.9 million working capital deficiency (December 31, 2018: \$16.9 million), caused by \$22.5 million in scheduled bank debt repayments in the following twelve months.

- Amerigo does not consider that its working capital deficiency constitutes a significant liquidity risk, as it anticipates generating operating cash flow to meet current liabilities as they come due, assuming copper prices remain at levels above \$2.75/lb.
- Refer to Cautionary Statement on Forward Looking Information (page 20).

SUMMARY OF FINANCIAL RESULTS Q1-2019 TO Q1-2018

| | Q1-2019 | Q4-2018 | Q3-2018 | Q2-2018 | Q1-2018 |
|---|----------|----------|----------|----------|----------|
| Copper production, million pounds | 13.005 | 18.531 | 17.555 | 14.658 | 14.210 |
| Copper deliveries, million pounds | 12.920 | 17.593 | 17,595 | 14.219 | 14.520 |
| MVC's copper price (\$/lb) | 2.92 | 2.77 | 2.74 | 3.16 | 3.09 |
| Financial results (\$ thousands) | | | | | |
| Revenue | | | | | |
| Gross value of copper produced | 36,413 | 49,168 | 48,891 | 44,493 | 46,041 |
| Adjustments to fair value of settlement receivables | 2,147 | 408 | (6,083) | 556 | (179) |
| | 38,560 | 49,576 | 42,808 | 45,049 | 45,862 |
| Notional items deducted from gross value of copper produced: | | | | | |
| DET royalties - copper | (8,136) | (10,412) | (9,238) | (10,642) | (10,797) |
| Smelting and refining | (4,473) | (5,920) | (5,822) | (4,738) | (5,040) |
| Transportation | (444) | (587) | (580) | (518) | (554) |
| Copper tolling revenue | 25,507 | 32,657 | 27,168 | 29,151 | 29,471 |
| Molybdenum and other revenue | 2,229 | 4,925 | 5,202 | 3,848 | 4,410 |
| | 27,736 | 37,582 | 32,370 | 32,999 | 33,881 |
| Tolling and production costs | | | | | |
| Tolling and production costs | (19,376) | (21,334) | (22,528) | (21,459) | (22,839) |
| Depreciation and amortization | (4,364) | (3,883) | (3,625) | (3,685) | (3,566) |
| Administration | (1,597) | (1,432) | (1,347) | (1,419) | (1,696) |
| DET royalties - molybdenum | (427) | (854) | (925) | (646) | (616) |
| | (25,764) | (27,503) | (28,425) | (27,209) | (28,717) |
| Gross profit | 1,972 | 10,079 | 3,945 | 5,790 | 5,164 |
| Other expenses | | | | | |
| Derivative to related parties including changes in fair value | (918) | 349 | (114) | 239 | (414) |
| Salaries, management and professional fees | (352) | (1,037) | (440) | (442) | (575) |
| Office and general expenses | (280) | (145) | (263) | (141) | (299) |
| Share-based payment compensation | (491) | (95) | (236) | (312) | (684) |
| | (1,123) | (1,277) | (939) | (895) | (1,558) |
| Foreign exchange gain (loss) | 331 | (570) | 109 | (457) | 98 |
| Other gains (losses) | 5 | (31) | 8 | 53 | 168 |
| | 336 | (601) | 117 | (404) | 266 |
| | (1,705) | (1,529) | (936) | (1,060) | (1,706) |
| Operating profit | 267 | 8,550 | 3,009 | 4,730 | 3,458 |
| Finance expense | (1,797) | (1,420) | (989) | (912) | (985) |
| (Loss) income before income tax | (1,530) | 7,130 | 2,020 | 3,818 | 2,473 |
| Income tax recovery (expense) | 131 | (2,010) | (582) | (1,098) | (1,256) |
| Net (loss) income | (1,399) | 5,120 | 1,438 | 2,720 | 1,217 |
| (Loss) earnings per share - basic | (0.01) | 0.03 | 0.01 | 0.02 | 0.01 |
| (Loss) earnings per share - diluted | (0.01) | 0.03 | 0.01 | 0.02 | 0.01 |
| Unit tolling and production costs | 1.99 | 1.56 | 1.62 | 1.91 | 1.98 |
| Cash cost (\$/lb) ¹ | 2.03 | 1.45 | 1.38 | 1.71 | 1.77 |
| Total cost (\$/lb) ¹ | 3.02 | 2.27 | 2.17 | 2.74 | 2.83 |
| Uses and sources of cash (\$thousands) | | | | | |
| Operating cash flow before working capital changes | 5,170 | 9,228 | 6,194 | 6,428 | 5,944 |
| Operating cash flow after working capital changes | (1,448) | 7,811 | 8,120 | 1,785 | 9,437 |
| Cash used in investing activities | (3,596) | (4,574) | (11,148) | (9,961) | (10,274) |
| Cash received from (used in) financing activities | 131 | (5,367) | 5,690 | 447 | 2,882 |
| Ending cash balance ² | 16,597 | 21,338 | 23,330 | 21,390 | 29,869 |

¹ Cash and total costs are non-GAAP measures. Page 12 has the reconciliation of these measures to tolling and production costs.

² At March 31, 2019, comprises \$3.2 million in operating cash accounts and a \$13.4 million DSRA.

A discussion on key quarterly variances (revenue and tolling and production costs) can be found on pages 13 and 14.

OPERATING RESULTS

Copper production in Q1-2019 was 13.0 million pounds (Q1-2018: 14.2 million pounds), comprising 8.4 million pounds from Cauquenes (Q1-2018: 8.9 million pounds) and 3.6 million pounds from fresh tailings (Q1-2018: 5.3 million pounds).

Production was lower than forecast as a result of low plant recoveries. Cauquenes material was extracted from a known poor-quality zone as dictated by the mining plan sequence. However, in addition to lower grades, the material had a higher than expected fines content and significant iron and clay contamination, which negatively affected recoveries and the quality of the final copper and molybdenum concentrates.

In addition, MVC suspended operations for an unexpectedly long 7 days in March, in response to a shutdown of DET's tailings system, required to conduct maintenance work in various sections of the entire DET tailings concrete channel.

The ramp up and optimization of MVC's new flotation plant was affected by the shutdown, the high fines content and the contaminations, requiring frequent adjustments to plant operating conditions.

The poor-quality fine material in Cauquenes appears to be constrained to a zone about 20 to 30 meters deep in the central area of the deposit. The material below this level, and to the periphery of the deposit, contains higher quantities of coarse material with better expected recoveries.

As part of its 2019 mining plan, MVC is currently building a new and deeper Cauquenes extraction sump at the 48-meter level which will be operational in Q3-2019. Quarterly copper production is expected to be 14 million pounds in Q2-2019, improving to 22 million pounds in Q3 and Q4.

Production in H2-2019 will be augmented by the new Cauquenes extraction sump and the new concentrate regrind mill. The mill has been delivered to MVC and will be put into operation in Q2-2019.

Molybdenum production was 0.2 million pounds (Q1-2018: 0.4 million pounds).

Production

| | Q1-2019 | Q1-2018 |
|---|------------|------------|
| FRESH TAILINGS FROM EL TENIENTE | | |
| Tonnes processed | 9,956,069 | 10,521,210 |
| Copper grade (%) | 0.110% | 0.119% |
| Copper recovery | 19.0% | 19.3% |
| Copper produced (lbs) | 4,593,225 | 5,308,746 |
| HISTORIC TAILINGS FROM EL TENIENTE | | |
| Tonnes processed | 4,941,816 | 5,328,898 |
| Copper grade (%) | 0.237% | 0.246% |
| Copper recovery | 32.6% | 30.8% |
| Copper produced (lbs) | 8,411,828 | 8,901,172 |
| COPPER | | |
| Total copper produced (lbs) | 13,005,053 | 14,209,918 |
| Total copper delivered to DET (lbs) | 12,919,668 | 14,519,627 |
| MOLYBDENUM | | |
| Total molybdenum produced (lbs) | 242,810 | 372,144 |
| Total molybdenum sold (lbs) | 255,394 | 355,859 |

FINANCIAL RESULTS – Q1-2019

Net loss was \$1.4 million (\$0.01 basic and diluted loss per share) (Q1-2018: net income of \$1.2 million; \$0.01 basic and diluted earnings per share) because of lower production and weaker metal prices.

Revenue

Revenue in Q1-2019 was \$27.7 million (Q1-2018: \$33.9 million).

| | | Q1-2019 | | Q1-2018 | |
|--|----|---------|----|----------|--|
| Average LME copper price per pound | \$ | 2.82 | \$ | 3.16 | |
| Gross value of copper produced (thousands) | \$ | 36,413 | \$ | 46,041 | |
| Adjustments to fair value of settlement receivables | | 2,147 | | (179) | |
| | | 38,560 | | 45,862 | |
| Notional items deducted from gross value of copper produced: | | | | | |
| DET royalties - copper (thousands) | | (8,136) | | (10,797) | |
| Smelting and refining charges (thousands) | | (4,473) | | (5,040) | |
| Transportation (thousands) | | (444) | | (554) | |
| Copper tolling revenue (thousands) | | 25,507 | | 29,471 | |
| Molybdenum revenue (thousands) | | 2,229 | | 4,410 | |
| Revenue (thousands) | \$ | 27,736 | \$ | 33,881 | |
| MVC's copper price (\$/lb) | \$ | 2.92 | \$ | 3.09 | |
| MVC's molybdenum price (\$/lb) | \$ | 11.11 | \$ | 12.12 | |

MVC produces copper concentrates under a tolling agreement with DET. Title to the copper concentrates produced by MVC is retained by DET and MVC earns tolling revenue, calculated as the gross value of copper produced at applicable market prices, plus or minus adjustments to the fair value of settlement receivables, net of notional items (DET copper royalties, treatment and refining charges and transportation costs).

Copper revenue is billed weekly based on the tolling activity of the preceding week, which is measured by the production of copper concentrates. Additional billings are done on a monthly basis based on the tolling activity for the full month, less weekly billings, and to bill for pricing term differences, as disclosed in the following paragraph.

MVC's compensation is determined in accordance with annual industry benchmarks for pricing terms and smelting and refining charges. In 2019, it is based on the average London Metal Exchange ("LME") copper price for the third month following delivery of copper concentrates produced under the tolling agreement ("M+3"). Accordingly, final pricing for copper produced by MVC is determined based on the average LME copper price of the third month following delivery of copper, which for March 2019 deliveries will be the average LME copper price for June 2019. This variable difference gives rise to a derivative, changes in the fair value of which are recognized in revenue as settlement receivables.

The average LME copper price in Q1-2019 was \$2.82/lb (Q1-2018: \$3.16/lb) and MVC's copper price was \$2.92/lb (Q1-2018: \$3.09/lb).

At March 31, 2019, the provisional copper price used by MVC was \$2.91/lb. Financial performance is very sensitive to changes in copper prices. For example, a 10% increase or decrease from the \$2.91/lb price would result in a \$3.9 million change in copper tolling revenue in Q2-2019.

DET royalties on copper production are a notional item deducted from MVC's gross value of copper produced. In Q1-2019, DET notional copper royalties were \$8.1 million, (Q1-2018: \$10.8 million) due to lower production and weaker copper prices.

We disclose the terms for DET notional copper royalties and molybdenum royalties under Agreements with Codelco's DET (page 17).

Molybdenum produced by MVC is sold under a written sales agreement with Molymet. Revenue is billed monthly based on the amount of concentrates delivered during the preceding month. Molymet can elect different pricing terms on a monthly basis. In Q1-2019, the pricing term elected was M+3 in respect of the average Platt's molybdenum dealer oxide price of the month of sale. This variable difference also gives rise to a derivative, which is valued at fair value through profit or loss.

In Q1-2019, MVC's molybdenum sales price was \$11.11/lb (Q1-2018: \$12.12/lb). At March 31, 2019, molybdenum sales were provisionally priced at \$12.31/lb. A 10% increase or decrease in this price would result in price-driven revenue settlement adjustments of \$0.3 million.

Expenses

| (Expressed in thousands) | | Q1-2019 | | Q1-2018 |
|---|----|----------------|----|----------------|
| Direct tolling and production costs | | | | |
| Power costs | \$ | 7,731 | \$ | 7,975 |
| Labour costs | | 2,620 | | 2,741 |
| Lime costs | | 1,993 | | 2,197 |
| Grinding media | | 1,779 | | 1,853 |
| Other direct tolling / production costs | | 5,253 | | 8,073 |
| | | 19,376 | | 22,839 |
| Depreciation and amortization | | 4,364 | | 3,566 |
| Administration | | 1,597 | | 1,696 |
| DET royalties - molybdenum | | 427 | | 616 |
| Tolling and production costs | \$ | 25,764 | \$ | 28,717 |
| Unit tolling and production costs (\$/lb) | | 1.99 | | 1.98 |

Power costs decreased by \$0.3 million or 5% compared to Q1-2018 due to lower power rates. Costs in Q1-2019 were \$0.1016/kWh (Q1-2018: \$0.1156/kWh).

Labour and lime cost decreased by \$0.1 million and \$0.2 million respectively compared to Q1-2018, due to a weaker Chilean peso. Grinding media costs remained at \$1.8 million.

In aggregate, other direct tolling costs decreased by \$2.8 million, mostly due to inventory variations caused by a higher cost used to value inventory and lower quarterly deliveries compared to production. The behaviour of other costs is noted in the table below.

| (Expressed in thousands) | | Q1-2019 | | Q1-2018 |
|---|----|----------------|----|----------------|
| Other direct tolling costs | | | | |
| Maintenance, excluding labour | | 2,153 | | 1,944 |
| Historic tailings extraction | \$ | 1,306 | \$ | 1,592 |
| Molybdenum production costs | | 1,548 | | 1,499 |
| Industrial water | | 796 | | 643 |
| Subcontractors, support services | | 662 | | 635 |
| Inventory adjustments | | (2,702) | | 532 |
| Process control, environmental and safety | | 567 | | 518 |
| Copper reagents | | 732 | | 514 |
| Filtration and all other direct tolling costs | | 191 | | 196 |
| | \$ | 5,253 | \$ | 8,073 |

| (\$/lb Cu) | Q1-2019 | Q1-2018 |
|---|---------|---------|
| Other direct tolling costs | | |
| Maintenance, excluding labour | 0.17 | 0.14 |
| Historic tailings extraction | 0.10 | 0.11 |
| Molybdenum production costs | 0.12 | 0.11 |
| Industrial water | 0.06 | 0.05 |
| Subcontractors, support services | 0.05 | 0.04 |
| Inventory adjustments | (0.21) | 0.04 |
| Process control, environmental and safety | 0.04 | 0.04 |
| Copper reagents | 0.06 | 0.04 |
| Filtration and all other direct tolling costs | 0.01 | 0.01 |
| | 0.41 | 0.57 |

Depreciation and amortization were \$4.4 million (Q1-2018: \$3.6 million), due to MVC's higher asset base following the Phase Two expansion.

Administration expenses were \$1.6 million (Q1-2018: \$1.7 million).

Other expenses of \$1.7 million in Q1-2019 and Q1-2018 are costs not related to MVC's production operations, and include:

- General and administration expenses of \$1.1 million (Q1-2018: \$1.6 million) including share-based payments of \$0.5 million (Q1-2018: \$0.7 million), salaries, management and professional fees of \$0.5 million (Q1-2018: \$0.6 million) and office and general expenses of \$0.3 million (Q1-2018: \$0.3 million).
- A \$0.9 million expense associated with the derivative to related parties (Q1-2018: \$0.4 million), including actual amounts paid or accrued to related parties of \$0.2 million (Q1-2018: \$0.2 million) and an increase in the derivatives' fair value of \$0.7 million (Q1-2018: \$0.2 million).
- Other gains of \$0.3 million in Q1-2019 and Q1-2018, comprised of a foreign exchange gain of \$0.3 million (Q1-2018: \$0.1 million) and in Q1-2018 other gains of \$0.2 million).

The Company's finance expense was \$1.8 million (Q1-2018: \$1.0 million) which includes finance, commitment and interest charges and changes in value on interest rate swaps. Interest expense was \$0.4 million lower in Q1-2018 as MVC had not yet fully drawn the Phase Two loan. Finance expense increased by a further \$0.4 million in Q1-2019 from fair value adjustments to interest rate swaps.

Income tax recovery was \$0.1 million, fully in connection with deferred income tax. In Q1-2018 the Company posted income tax expense of \$1.3 million, including current income tax expense of \$0.7 million and deferred income tax expense of \$0.6 million.

Deferred income tax recovery or expense results from the changes to deferred income tax liabilities, arising predominantly from the differences between the book and tax values of MVC's property, plant and equipment. Deferred tax liabilities do not represent income tax payable.

Cash Cost and Total Cost

Cash cost and total cost are non-GAAP measures prepared on a basis consistent with the industry standard Brook Hunt definitions.

The Company believes that these measures provide additional information to evaluate corporate performance. Management also uses these measures to monitor internal performance.

A reconciliation of tolling and production costs to cash cost and total cost in Q1-2019 and Q1-2018 is presented below:

| | | Q1-2019 | | Q1-2018 | |
|--|----|-------------|----|-------------|--|
| Tolling and production costs (thousands) | \$ | 25,764 | \$ | 28,717 | |
| Add (deduct): | | | | | |
| DET notional royalties - copper (thousands) | | 8,136 | | 10,797 | |
| Smelting and refining charges (thousands) | | 4,473 | | 5,040 | |
| Transportation costs (thousands) | | 444 | | 554 | |
| Inventory adjustments (thousands): | | 2,702 | | (532) | |
| By-product credits (thousands) | | (2,229) | | (4,410) | |
| Total cost (thousands) | \$ | 39,290 | \$ | 40,166 | |
| Deduct: | | | | | |
| DET notional royalties - copper (thousands) | | (8,136) | | (10,797) | |
| DET royalties - molybdenum (thousands) | | (427) | | (616) | |
| | | (8,563) | | (11,413) | |
| Depreciation and amortization (thousands) | | (4,364) | | (3,566) | |
| Cash cost (thousands) | \$ | 26,363 | \$ | 25,187 | |
| Pounds of copper tolled from fresh and old tailings (millions) | | 12.92 | | 14.21 | |
| Cash cost (\$/lb) | | 2.03 | | 1.77 | |
| Total cost (\$/lb) | | 3.02 | | 2.83 | |

The Company's trailing quarterly cash costs (\$/lb of copper produced) were:

| | Q1-2019 | Q4-2018 | Q3-2018 | Q2-2018 | Q1-2018 |
|---------------------|---------------|---------------|---------------|---------------|---------------|
| Power costs | 0.60 | 0.45 | 0.44 | 0.56 | 0.56 |
| Smelting & refining | 0.34 | 0.32 | 0.33 | 0.32 | 0.35 |
| Lime | 0.15 | 0.12 | 0.11 | 0.16 | 0.16 |
| Grinding media | 0.14 | 0.14 | 0.11 | 0.12 | 0.13 |
| Administration | 0.12 | 0.08 | 0.08 | 0.10 | 0.12 |
| Transportation | 0.04 | 0.03 | 0.03 | 0.03 | 0.04 |
| Other direct costs | 0.81 | 0.58 | 0.58 | 0.68 | 0.72 |
| By-product credits | (0.17) | (0.27) | (0.30) | (0.26) | (0.31) |
| Cash Cost | \$2.03 | \$1.45 | \$1.38 | \$1.71 | \$1.77 |

Cash cost increased in Q1-2019 by \$0.26/lb compared to Q1-2018. \$0.14/lb of the variance was the result of lower by-product credits. \$0.12/lb of the variance was the result of higher aggregate unit costs as a result of lower production, with the exception of unit costs for smelting and refining and lime.

The Company's trailing quarterly total costs (\$/lb of copper produced) were:

| | Q1-2019 | Q4-2018 | Q3-2018 | Q2-2018 | Q1-2018 |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Cash cost | 2.03 | 1.45 | 1.38 | 1.71 | 1.77 |
| DET notional royalties/royalties | 0.66 | 0.61 | 0.58 | 0.77 | 0.81 |
| Amortization/depreciation | 0.33 | 0.21 | 0.21 | 0.26 | 0.25 |
| Total Cost | \$3.02 | \$2.27 | \$2.17 | \$2.74 | \$2.83 |

Total cost was \$3.02/lb (Q1-2018: \$2.83/lb), due to a \$0.26/lb increase in cash cost and a \$0.08/lb increase in depreciation, mitigated by a \$0.15/lb decrease in DET notional royalties from lower metal prices.

COMPARATIVE PERIODS

Amerigo's quarterly financial statements are reported under IFRS applicable to interim financial reporting.

The following tables provide highlights from Amerigo's financial statements of quarterly results for the past eight quarters.

| | Q1-2019 | Q4-2018 | Q3-2018 | Q2-2018 |
|-----------------------------------|---------|---------|---------|---------|
| | \$ | \$ | \$ | \$ |
| Total revenue (thousands) | 27,736 | 37,582 | 32,370 | 32,999 |
| Net (loss) income (thousands) | (1,399) | 5,120 | 1,438 | 2,720 |
| (Loss) earnings per share | (0.01) | 0.03 | 0.01 | 0.02 |
| Diluted (loss) earnings per share | (0.01) | 0.03 | 0.01 | 0.02 |

| | Q1-2018 | Q4-2017 | Q3-2017 | Q2-2017 |
|-----------------------------------|---------|---------|---------|---------|
| | \$ | \$ | \$ | \$ |
| Total revenue (thousands) | 33,881 | 37,001 | 37,421 | 29,860 |
| Net income (loss) (thousands) | 1,217 | 3,098 | 7,854 | (1,653) |
| Earnings (loss) per share | 0.01 | 0.02 | 0.04 | (0.01) |
| Diluted earnings (loss) per share | 0.01 | 0.02 | 0.04 | (0.01) |

Quarterly revenue variances result mostly from higher or lower copper deliveries (a factor of quarterly production), MVC's copper price (a factor of market prices) and adjustments to the fair value of settlement receivables.

The Company's revenues are highly sensitive to these variables, as summarized below:

| | Q1-2019 | Q4-2018 | Q3-2018 | Q2-2018 | Q1-2018 | Q4-2017 | Q3-2017 | Q2-2017 |
|--------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Copper sales/deliveries ¹ | 12.9 | 17.6 | 17.6 | 14.22 | 14.52 | 16.28 | 15.25 | 16.2 |
| MVC's copper price | 2.92 | 2.77 | 2.74 | 3.16 | 3.09 | 3.10 | 3.00 | 2.59 |
| Settlement adjustments ² | 0.85 | 0.41 | (6.08) | 0.56 | (0.18) | 1.07 | 6.28 | (1.00) |

¹ Million pounds of copper sold under tolling agreements with DET.

² Adjustments to fair value of copper settlement receivables, expressed in millions of dollars.

Q2-2017 revenue was positively impacted by higher volumes of copper tolled, partially offset by lower average copper prices and the effect of negative settlement adjustments. Q3-2017 was positively impacted by higher copper prices and significant positive settlement adjustments. Q4-2017 to Q2-2018 revenue were positively impacted by strong copper prices. Q3-2018 were positively affected by then record copper deliveries, but negatively impacted by lower copper prices and \$6.1 million in negative settlement adjustments. In Q4-2018, copper deliveries remained at record level and MVC's copper price improved slightly to \$2.77/lb with positive settlement adjustments of \$0.4 million. In Q1-2019, copper deliveries were substantially lower than in recent quarters due to lower recoveries and a plant shutdown. MVC's copper price improved to \$2.92/lb and there were \$0.9 million in positive settlement adjustments.

In addition to revenue variances, the Company's quarterly results in the most recent eight quarters were also affected by higher or lower cost of sales:

| | Q1-2019 | Q4-2018 | Q3-2018 | Q2-2018 | Q1-2018 | Q4-2017 | Q3-2017 | Q2-2017 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|
| Tolling and production costs ¹ | \$25.76 | \$27.50 | \$28.43 | \$27.21 | \$28.72 | \$28.54 | \$25.52 | \$26.17 |
| Unit tolling and production cost ² | \$1.99 | \$1.56 | \$1.62 | \$1.91 | \$1.98 | \$1.75 | \$1.67 | \$1.62 |

¹ Million of dollars.

² Tolling and production costs divided over pounds of copper delivered.

Tolling and production costs are affected by production levels, input costs (particularly power, lime and grinding media costs) and the depreciation or appreciation of the CLP to the U.S. dollar. Q3-2017 costs were lower than the prior quarter, due to lower copper production and the termination of a tolling contract with Minera Maricunga. Q4-2017 and Q1-2018 costs increased due to higher power, lime and other direct costs. Total Q3-2018 costs increased due to higher production but decreased on a unit basis, and in Q4-2018 decreased both in respect of total and unit cost. In Q1-2019 total tolling and production costs decreased due to lower production, but the lower production drove unit costs higher.

LIQUIDITY and FINANCIAL POSITION

Cash Flow from Operations

Including the effect of changes in working capital accounts, the Company used cash of \$1.4 million in operations in Q1-2019 (Q1-2018: generated cash from operations of \$9.4 million). Of significant impact in this computation was a \$4.7 million temporary increase in inventories, which includes a \$2.4 million increase in copper work in progress inventory, an increase of \$2.0 million in plant supplies and consumables and \$0.3 million increase in molybdenum concentrates inventory. Copper and molybdenum inventories were valued at a higher cost at March 31, 2019 than at December 31, 2018 (40% higher for copper and 93% higher for molybdenum) and copper inventory volume increased 4% due to logistical delays. The increase in supplies and consumables was due to lower than normal consumption during the quarter.

Excluding the effect of changes in working capital accounts, the Company generated cash of \$5.2 million (Q1-2018: \$5.9 million).

Cash Flow from Financing Activities

The Company received \$0.1 million in proceeds from various exercises of stock options in Q1-2019 and Q1-2018.

In Q1-2018, the Company received \$5.8 million in debt proceeds, net of transaction costs and made debt repayments of \$3.0 million.

Cash Flow used in Investing Activities

In Q1-2019, the Company used cash of \$3.6 million for payments of Capex (Q1-2018: \$10.3 million), including \$1.7 million for sustaining capex (Q1-2018: \$4.1 million) and \$1.9 million for payments associated with the Phase Two expansion (Q1-2018: \$6.2 million).

Liquidity and Financial Position

At March 31, 2019, the Company's cash and cash equivalents were \$16.6 million (December 31, 2018: \$21.3 million), including \$13.4 million held in a DSRA on both dates.

The Company had a working capital deficiency of \$14.9 million (December 31, 2018: \$16.9 million), caused by \$22.5 million in scheduled bank debt repayments in the following twelve months.

The Company does not consider that its working capital deficiency constitutes a significant liquidity risk, as it anticipates generating enough operating cash flow to meet current liabilities as they come due, assuming copper prices remain at levels above \$2.75/lb. Working capital deficiencies are not uncommon in companies with short-term debt.

The Company operates in a cyclical industry with cash flow generating capacity closely correlated to market copper prices.

In 2019, MVC estimates to produce 70.0 to 75.0 million pounds of copper at an annual cash cost (page 12) of \$1.45 to \$1.60/lb. The Company expects to meet its financial obligations as they become due.

Total borrowings at year end are expected to be \$45.0 million, assuming MVC's scheduled capital repayments of \$22.5 million in 2019. However, the term of the loans may be shortened without penalty in accordance with the loan provisions, whereby MVC would allocate 50% of cash available to distribution to repay the existing bank loans.

Borrowings

| Borrowings outstanding (thousands) | March 31, 2019 \$ | December 31, 2018 \$ |
|---|----------------------------------|-------------------------------------|
| Cauquenes Phase One Loan | 32,138 | 31,317 |
| Cauquenes Phase Two Loan | 34,562 | 34,895 |
| | 66,700 | 66,212 |
| Comprise: | | |
| Current portion of long-term debt | 23,760 | 23,521 |
| Long-term debt | 42,940 | 42,691 |
| | 66,700 | 66,212 |

Cauquenes Phase One and Phase Two Loans

On March 25, 2015, MVC obtained a \$64.4 million loan facility from Scotiabank Chile ("Scotiabank") and Export Development Canada ("EDC") to finance the Cauquenes Phase One expansion (the "Cauquenes Phase One Loan").

The Cauquenes Phase One Loan has a maximum repayment term of six years consisting of twelve equal semi-annual principal payments of \$5.4 million which commenced on June 30, 2016. The repayment term may be shortened without penalty in accordance with the loan provisions. Interest is paid semi-annually on June and December 31.

Interest on the Phase One Loan is subject to a variable rate based on the US Libor six-month rate, which at March 31, 2019 was 6.37% per annum.

The balance of the Cauquenes Phase One Loan (net of transaction costs) at March 31, 2019 was \$32.1 million (December 31, 2018: \$31.3 million).

On August 3, 2017, MVC obtained a second financing tranche with Scotiabank and EDC for a \$35.3 million facility (the "Cauquenes Phase Two Loan") to finance the Cauquenes Phase Two expansion.

The Cauquenes Phase Two Loan has a maximum repayment term of three years consisting of six equal semi-annual principal payments of \$5.9 million to commence on June 30, 2019. The repayment term may be shortened without penalty in accordance with the loan provisions. Interest is paid semi-annually on June and December 31.

Interest on the Phase Two Loan is synthetically fixed through an interest rate swap (“IRS”), accounted for at fair value through profit or loss, at a rate of 6.02% per annum for 75% of the facility. The remaining 25% of the facility is subject to a variable rate based on the US Libor six-month rate which at March 31, 2019 was 6.37% per annum. The IRS on the Phase Two Loan has a term to January 3, 2022.

The balance of the Cauquenes Phase Two Loan (net of transaction costs) at March 31, 2019 was \$34.6 million (December 31, 2018: \$34.9 million).

MVC has provided security for the Cauquenes Phase One and Phase Two loans in the form of a charge on all of MVC’s assets.

MVC is required to meet three bank covenants: current ratio (starting on December 31, 2019), tangible net worth and debt service coverage ratio, measured semi-annually on June 30 and December 31. At December 31, 2018, MVC met the required debt service coverage ratio of 1.2 and the tangible net worth requirement of \$120.0 million.

MVC is also required to have a debt service reserve account (“DSRA”) which must be used to: /i/ pay the principal and interest of bank loans and amounts owing under the interest rate swaps if MVC has insufficient funds to make these payments and /ii/ fund MVC’s operating expenses. If it becomes necessary to fund MVC’s operations with funds from the DSRA, MVC must replenish the DSRA at each month end with funds necessary to maintain a balance equal to one hundred percent of the sum of the principal, interest and interest rate swaps that are payable in the following six months. At March 31, 2019, MVC held DSRA funds in the required amount of \$13.4 million (December 31, 2018: \$13.4 million).

DET Price Support Facility

In 2015, DET provided to MVC a copper price support facility of \$17.0 million which was fully repaid in September 2018. It bore interest at a rate of 0.6% per month.

\$13.0 Million Standby Line of Credit (the “Line of Credit”).

Amerigo had a \$13.0 million standby line of credit (the “Line of Credit”), available from three shareholders. Availability was to the later of December 31, 2018 or the date of commencement of commercial production from the Phase Two expansion, which occurred on December 21, 2018.

In 2018, Amerigo incurred an annual commitment fee of \$0.2 million on the Line of Credit, settled with the issuance of 265,119 Amerigo shares.

No funds were drawn from the Line of Credit.

Molybdenum Plant Expansion Lease

In 2018, MVC entered into a lease at a cost of 201,903 Chilean Unidades de Fomento (“UF”) to finance the expansion of MVC’s molybdenum plant. Terms of the lease include a term to November 2023, monthly capital payments of approximately \$0.1 million, a balloon payment at the end of the lease term of approximately \$1.5 million and interest at a rate of 0.45% per month. The lease can be prepaid without penalty. At March 31, 2019, the lease obligation was \$8.7 million (December 31, 2018: \$9.0 million).

Other Leases

- a) Effective January 1, 2019, Amerigo's head office lease is recognized as a right of use asset with a corresponding lease liability. The lease has a term to November 2021. Lease payments are paid on a monthly basis. The annual amounts of the payments are less than \$0.1 million. At March 31, 2019 the office premises lease obligation was \$0.3 million.
- b) MVC has a lease with a term to July 2021 for the lease of various vehicles. Lease payments are paid on a monthly basis. The annual amounts of the payments are less than \$0.1 million. At March 31, 2019 the vehicles lease obligation was \$0.1 million.
- c) Effective January 1, 2019 (Note 1(d)), Amerigo's photocopier lease is recognized as a right of use asset with a corresponding lease liability. The lease has a term to April 2021. Lease payments are paid on a quarterly basis with a final payment on lease termination. The annual amounts of the payments are less than \$0.1 million. At March 31, 2019 the office equipment lease obligation was \$0.1 million.

AGREEMENTS WITH CODELCO'S DET

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 Agreement has a term to 2037 for fresh tailings, the earlier of 2033 or deposit depletion for Cauquenes, and the earlier of 2037 or deposit depletion for Colihues.

The DET Agreement establishes a series of royalties from MVC to DET, calculated using the average LME copper price for the month of concentrates production.

The DET Agreement currently operates as a tolling contract under which title to the copper concentrates produced by MVC remains with DET. MVC earns tolling revenue, calculated as the gross value of copper produced 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 intends to restart processing tailings from Colihues once the Cauquenes deposit is depleted.

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

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

The DET Agreement also contains three early exit options exercisable by DET within 2021 and every three years thereafter only in the event of changes unforeseen at the time the Agreement was entered into. Amerigo has currently judged the probabilities of DET exercising any of these early exit options as remote.

TRANSACTIONS WITH RELATED PARTIES

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, the payments constitute a derivative financial instrument which needs to be measured at fair value at each reporting date. Changes in fair value are recorded in profit for the period.

The derivative expense includes the actual monthly payments described above and changes in the derivative's fair value.

In Q1-2019 and Q1-2018, \$0.2 million was paid or accrued to the Class A shareholders and the derivative's fair value increased \$0.7 million (Q1-2018: \$0.2 million), for a total derivative expense of \$0.9 million (Q1-2018: \$0.4 million).

At March 31, 2019, the derivative liability totalled \$11.7 million (December 31, 2018: \$11.1 million), with a current portion of \$1.3 million (December 31, 2018: \$1.4 million) and a long-term portion of \$10.4 million (December 31, 2018: \$9.7 million).

Actual monthly payments outstanding at March 31, 2019 and December 31, 2018 were \$0.1 million.

b) Directors' fees and remuneration to officers

In Q1-2019, the Company paid or accrued \$0.1 million in salaries and fees to companies associated with certain officers (Q1-2018: \$0.3 million), and in both Q1-2019 and Q1-2018 Amerigo paid or accrued \$0.1 million in directors' fees. These transactions were in the ordinary course of business and measured at market rates determined on a cost recovery basis.

In Q1-2019, 3,150,000 options were granted to Amerigo directors and officers (2018: 2,950,000 options).

c) As of March 31, 2019, an Amerigo officer acted as an officer and an Amerigo director acted as a director and Chairman of Los Andes Copper Ltd., a Company investee.

Critical Accounting Estimates and Judgements

Preparing interim financial statements requires management to make judgements, estimates and assumptions. This affects the application of accounting policies and reported amounts. Actual results may differ from these estimates.

In Q1-2019, management's significant judgements and the key sources of estimation uncertainty were consistent with those used to prepare Amerigo's 2018 annual consolidated financial statements.

Disclosure Controls and Procedures

Amerigo designs disclosure controls and procedures to provide reasonable assurance that all relevant information is communicated to senior management and to allow timely decisions regarding required disclosure.

Amerigo has a formal corporate disclosure policy and a Disclosure Policy Committee. Amerigo's directors, Rob Henderson (President and CEO) and Aurora Davidson (Executive Vice President and CFO) are members.

Management has reasonable confidence that the Company's material information is made known to them in a timely manner, and that Amerigo's disclosure controls and procedures are effective on an ongoing basis.

Internal Controls over Financial Reporting ("ICFR")

ICFR is a process designed to provide reasonable assurance on the reliability of financial reporting and the preparation of financial statements for external purposes under IFRS.

Amerigo's ICFR includes policies and procedures that:

- Pertain to the maintenance of records that accurately and fairly reflect the additions to and dispositions of Company assets;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements under IFRS;
- Provide reasonable assurance that the Company's receipts and expenditures have the proper authorization of Amerigo's management and directors; and
- Provide reasonable assurance on the prevention or timely detection of unauthorized acquisition, use or disposition of Company assets that could have a material effect on the financial statements.

Any system of internal controls over financial reporting, no matter how well designed, has inherent limitations.

Even those systems determined to be effective can provide only reasonable assurance on preparation and presentation of financial statements.

There were no changes in the quarter that materially affected, or are reasonably likely to affect, Amerigo's ICFR

Commitments

- MVC has a long-term agreement for the supply of 100% of MVC's power requirements to December 31, 2032. The agreement establishes minimum stand-by charges based on peak hour power supply calculations, currently estimated to range from \$1.4 to \$1.8 million per month.
- 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.

Securities Outstanding

On May 6, 2019 Amerigo had 177,963,510 common shares outstanding and 15,920,000 options (exercisable at prices ranging from Cdn\$0.14 to Cdn\$1.11 per share).

Additional information, including the Company's most recent Annual Information Form, is available on SEDAR at www.sedar.com.

Cautionary Statement on Forward Looking Information

This MD&A contains certain forward-looking information and statements as defined in applicable securities laws (collectively referred to as "forward-looking statements"). These statements relate to future events or Amerigo's future performance. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "should", "believe" and similar expressions is intended to identify forward-looking statements. Although Amerigo believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond Amerigo's control, Amerigo cannot assure that it will achieve or accomplish the expectations, beliefs or projections described in the forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such statements. These forward-looking statements speak only as of the date of this MD&A. These forward-looking statements include but are not limited to, statements concerning:

- a forecasted increase in production and a reduction in operating costs;
- our strategies and objectives;
- the expected improvement of flotation recovery efficiency from the Phase Two expansion;
- our estimates of the availability, quantity and grade of tailings (including, but not limited to, the estimated higher grades from the Cauquenes deposit), and the quality of our mine plan estimates;
- prices and price volatility for copper and other commodities and of materials we use in our operations;
- the demand for and supply of copper and other commodities and materials that we produce, sell and use;
- sensitivity of our financial results and share price to changes in commodity prices;
- our financial resources and our expected ability to meet our obligations for the next 12 months;
- interest and other expenses;
- domestic and foreign laws affecting our operations;
- our tax position and the tax rates applicable to us;
- the timing and costs of tolling/production;

- our ability to procure or have access to financing and to comply with loan covenants;
- the probability of DET exercising any of its early exit options under the Master Agreement;
- the production capacity of our operations, our planned production levels and future production;
- potential impact of production and transportation disruptions;
- hazards inherent in the mining industry causing personal injury or loss of life, severe damage to or destruction of property and equipment, pollution or environmental damage, claims by third parties and suspension of operations
- our planned Capex (including our plan to upgrade our existing plant and operations) including the timing and cost of completion of our capital projects;
- estimates of asset retirement obligations and other costs related to environmental protection;
- our future capital and production costs, including the costs and potential impact of complying with existing and proposed environmental laws and regulations in the operation and closure of our operations;
- repudiation, nullification, modification or renegotiation of contracts;
- our financial and operating objectives;
- our environmental, health and safety initiatives;
- the outcome of legal proceedings and other disputes in which we may be involved;
- the outcome of negotiations concerning metal sales, treatment charges and royalties;
- disruptions to the Company's information technology systems, including those related to cybersecurity;
- our dividend policy; and
- general business and economic conditions.

Inherent in forward-looking statements are risks and uncertainties beyond our ability to predict or control, including risks that may affect our operating or capital plans; risks generally encountered in the permitting and development of mineral projects such as unusual or unexpected geological formations, negotiations with government and other third parties, unanticipated metallurgical difficulties, delays associated with permits, approvals and permit appeals, ground control problems, adverse weather conditions, process upsets and equipment malfunctions; risks associated with labour disturbances and availability of skilled labour and management; fluctuations in the market prices of our principal commodities, which are cyclical and subject to substantial price fluctuations; risks created through competition for mining projects and properties; risks associated with lack of access to markets; risks associated with availability of and our ability to obtain both tailings from DET's current production and historic tailings from tailings deposit; the availability of and ability of the Company to obtain adequate funding on reasonable terms for expansions and acquisitions; mine plan estimates; risks posed by fluctuations in exchange rates and interest rates, as well as general economic conditions; risks associated with environmental compliance and changes in environmental legislation and regulation; risks associated with our dependence on third parties for the provision of critical services; risks associated with non-performance by contractual counterparties; title risks; social and political risks associated with operations in foreign countries; risks of changes in laws affecting our operations or their interpretation, including foreign exchange controls; and risks associated with tax reassessments and legal proceedings. Many of these risks and uncertainties apply not only to the Company and its operations, but also to Codelco and its operations. Codelco's ongoing mining operations provide a significant portion of the materials the Company processes and its resulting metals production, therefore these risks and uncertainties may also affect their operations and in turn have a material effect on the Company.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- interest rates;
- changes in commodity and power prices;
- acts of foreign governments and the outcome of legal proceedings;

- the supply and demand for, deliveries of, and the level and volatility of prices of copper and other commodities and products used in our operations;
- the ongoing supply of material for processing from Codelco's current mining operations;
- the ability of the Company to profitably extract and process material from the Cauquenes tailings deposit;
- the timing of the receipt of and retention of permits and other regulatory and governmental approvals;
- the availability of and ability of the Company to obtain adequate funding on reasonable terms for expansions and acquisitions;
- our costs of production and our production and productivity levels, as well as those of our competitors;
- changes in credit market conditions and conditions in financial markets generally;
- our ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the availability of qualified employees and contractors for our operations;
- our ability to attract and retain skilled staff;
- the satisfactory negotiation of collective agreements with unionized employees;
- the impact of changes in foreign exchange rates and capital repatriation on our costs and results;
- engineering and construction timetables and capital costs for our expansion projects;
- costs of closure of various operations;
- market competition;
- the accuracy of our preliminary economic assessment (including with respect to size, grade and recoverability) and the geological, operational and price assumptions on which these are based;
- tax benefits and tax rates;
- the outcome of our copper concentrate sales and treatment and refining charge negotiations;
- the resolution of environmental and other proceedings or disputes;
- the future supply of reasonably priced power;
- our ability to obtain, comply with and renew permits and licenses in a timely manner; and
- our ongoing relations with our employees and entities with which we do business.

Future production levels and cost estimates assume there are no adverse mining or other events which significantly affect budgeted production levels.

We caution you that the foregoing list of important factors and assumptions is not exhaustive. Other events or circumstances could cause our actual results to differ materially from those estimated or projected and expressed in, or implied by, our forward-looking statements. Except as required by law, we undertake no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise.