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Amerigo Resources Ltd.
Management's Discussion and Analysis
For the Three and Six Months Ended June 30, 2019

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

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 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 2018, allowing MVC to reach record production of 65.0 million pounds of copper in that year. The Cauquenes expansion was fully completed in June 2019 when MVC finalized the installation of a regrind mill, originally part of the Phase Two expansion.

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 August 7, 2019.

It should be read in conjunction with Amerigo’s condensed interim consolidated financial statements and related notes for the three and six months ended June 30, 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 Q2-2019 and Q2-2018 is available on page 12.

QUARTERLY HEADLINES

Key performance metrics for the current and comparative quarter

	Q2-2019	Q2-2018	Change $	Change %
Copper produced (million pounds)[1]	13.3	14.7	(1.4)	(10%)
Copper delivered (million pounds)[1]	13.4	14.2	(0.8)	(6%)
Percentage of production from historic tailings	62%	62%		-
Revenue ($ thousands) [2]	22,692	32,999	(10,307)	(31%)
DET notional copper royalties ($ thousands)	8,322	10,642	(2,320)	(22%)
Tolling and production costs ($ thousands)	28,794	27,209	1,585	6%
Gross (loss) profit ($ thousands)	(6,102)	5,790	(11,892)	(205%)
Net (loss) income ($ thousands)	(6,564)	2,720	(9,284)	-
(Loss) earnings per share - basic & diluted	(0.04)	0.02	(0.06)	-
Net cash from operating activities	2,951	1,785	1,166	65%
Cash flow from operating activities before changes in working capital ($ thousands)	(4,754)	6,428	(11,182)	(174%)
Cash flow paid for purchase of plant and equipment ($ thousands)	(2,849)	(9,961)	7,112	(71%)
Cash and cash equivalents ($ thousands)	8,415	21,390	(12,975)	(61%)
Borrowings ($ thousands)[3]	57,641	65,561	(7,920)	(12%)
MVC's copper price ($/lb)[4]	2.67	3.16	(0.49)	(16%)
MVC's molybdenum price ($lb)[5]	11.84	11.51	0.33	3%

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 At June 30, 2019, comprised of short and long-term portions of $25.7 and $31.9 million respectively.
4 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.
5 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 a financial loss of $6.6 million in Q2-2019

- Net loss was $6.6 million (Q2-2018: net income of $2.7 million), due to lower production and lower metal prices.
- Loss per share was $0.04 (Q2-2018: earnings per share of $0.02).
- The Company used cash flow of $4.8 million in operations, before changes in non-cash working capital (Q2-2018: generated cash flow from operations of $6.4 million before changes in non-cash working capital). Net cash from operating activities in Q2-2019 was $3.0 million (Q2-2018: $1.8 million).

MVC's Q2-2019 production remained low, negatively affecting financial performance

- Q2-2019 production was 13.3 million pounds of copper (Q2-2018: 14.7 million pounds), as a result of continued low plant recoveries during the quarter. Cauquenes material was still being extracted from the same low quality, high fines extraction zone that adversely affected Q1-2019 production.
- Copper production is comprised of 8.2 million pounds from Cauquenes (Q2-2018: 9.2 million pounds) and 5.1 million pounds from fresh tailings (Q2-2018: 5.5 million pounds).
- Molybdenum production was 0.2 million pounds (Q2-2018: 0.4 million pounds). The material processed in the molybdenum plant in recent months has also been very fine, negatively affecting production.

- 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 $1.97/lb (Q2-2018: $1.71/lb).

- Total cost (a non-GAAP measure equal to the aggregate of cash cost, DET notional copper royalties and DET molybdenum royalties of $0.65/lb and depreciation of $0.33/lb, page 12) increased to $2.95/lb (Q2-2018: $2.74/lb), due to higher cash cost and depreciation, mitigated by lower DET notional royalties from lower metal prices.

Production at MVC is ramping up following completion of the new Cauquenes extraction sump

- MVC completed the construction of a new, deeper Cauquenes extraction sump which became operational on July 6, 2019. The sump has a depth of 48 meters and has enabled MVC to regain access to coarser material with better grades and better recoveries. Further plant optimization is still in progress.

- MVC has also installed and is operating its new concentrate regrind mill, thus completing the Cauquenes Phase II expansion.

- MVC expects its 2019 annual production to be 70 – 75 million pounds of copper and 1.5 million pounds of molybdenum at a cash cost of $1.60 to $1.75/lb. Amerigo's financial performance in 2019 will be highly dependent on MVC meeting its production goals and recovery targets.

- In 2019, MVC continues to expect to incur $5.8 million in sustaining Capex, in addition to $3.1 million in Capex payments from the Phase Two expansion.

MVC's average copper price in Q2-2019 was $2.67/lb

- MVC's copper price was $2.67per pound ("/lb") (Q2-2018: $3.16/lb) and MVC's molybdenum price was $11.84/lb (Q2-2018: $11.51/lb).

- Revenue was $22.7 million (Q2-2018: $33.0 million), including copper tolling revenue of $20.5 million (Q2-2018: $29.2 million) and molybdenum revenue of $2.2 million (Q2-2018: $3.8 million).

- Copper tolling revenue is calculated from MVC's gross value of copper produced of $37.3 million (Q2-2018: $44.5 million) and negative fair value adjustments to settlement receivables of $3.2 million (Q2-2018: positive adjustments of $0.6 million, less notional items including DET royalties of $8.3 million (Q2-2018: $10.6 million), smelting and refining of $4.8 million (Q2-2018: $4.7 million) and transportation of $0.5 million (Q2-2018: $0.5 million).

- MVC's financial performance is very sensitive to changes in copper prices. MVC's Q2-2019 provisional copper price was $2.67/lb, and final prices will be the average London Metal Exchange ("LME") prices for July, August and September 2019. A 10% increase or decrease from the $2.67/lb provisional price used at June 30, 2019 would result in a $3.6 million change in revenue in Q3-2019 in respect of Q2-2019 production.

- Amerigo remains fully leveraged to the price of copper.

Cash balance at quarter end was $8.4 million

- At June 30, 2019 the Company's cash balance was $8.4 million (December 31, 2018: $21.3 million).

- MVC completed its scheduled semi-annual bank repayment, reducing borrowings to $57.6 million.

- At June 30, 2019, the Company had a $33.3 million working capital deficiency (December 31, 2018: $16.9 million), caused by the then estimated $25.7 million in scheduled bank debt repayments payable within a year.

- Subsequent to June 30, 2019, the Company received a Commitment Letter and executed a Financing Mandate Agreement to refinance MVC's loans (Refer to Subsequent Events (page 20)).

- 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 $2.60/lb.

Refer to Cautionary Statement on Forward Looking Information (page 20).

SUMMARY OF FINANCIAL RESULTS Q2-2019 TO Q2-2018

	Q2-2019 $	Q1-2019 $	Q4-2018 $	Q3-2018 $	Q2-2018 $
Copper production, million pounds	13.344	13.005	18.531	17.555	14.658
Copper deliveries, million pounds	13.424	12.920	17.593	17,595	14.219
MVC's copper price ($/lb)	2.67	2.92	2.77	2.74	3.16
Financial results ($ thousands)					
Revenue					
Gross value of copper produced	37,278	36,413	49,168	48,891	44,493
Adjustments to fair value of settlement receivables	(3,182)	2,147	408	(6,083)	556
	34,096	38,560	49,576	42,808	45,049
Notional items deducted from gross value of copper produced:					
DET royalties - copper	(8,322)	(8,136)	(10,412)	(9,238)	(10,642)
Smelting and refining	(4,830)	(4,473)	(5,920)	(5,822)	(4,738)
Transportation	(447)	(444)	(587)	(580)	(518)
Copper tolling revenue	20,497	25,507	32,657	27,168	29,151
Molybdenum and other revenue	2,195	2,229	4,925	5,202	3,848
	22,692	27,736	37,582	32,370	32,999
Tolling and production costs					
Tolling and production costs	(22,772)	(19,376)	(21,334)	(22,528)	(21,459)
Depreciation and amortization	(4,398)	(4,364)	(3,883)	(3,625)	(3,685)
Administration	(1,221)	(1,597)	(1,432)	(1,347)	(1,419)
DET royalties - molybdenum	(403)	(427)	(854)	(925)	(646)
	(28,794)	(25,764)	(27,503)	(28,425)	(27,209)
Gross (loss) profit	(6,102)	1,972	10,079	3,945	5,790
Other expenses					
Derivative to related parties including changes in fair value	256	(918)	349	(114)	239
Salaries, management and professional fees	(527)	(352)	(1,037)	(440)	(442)
Office and general expenses	(69)	(280)	(145)	(263)	(141)
Share-based payment compensation	(576)	(491)	(95)	(236)	(312)
	(1,172)	(1,123)	(1,277)	(939)	(895)
Foreign exchange (loss) gain	(385)	331	(570)	109	(457)
Other gains (losses)	89	5	(31)	8	53
	(296)	336	(601)	117	(404)
	(1,212)	(1,705)	(1,529)	(936)	(1,060)
Operating (loss) profit	(7,314)	267	8,550	3,009	4,730
Finance expense	(1,501)	(1,797)	(1,420)	(989)	(912)
(Loss) income before income tax	(8,815)	(1,530)	7,130	2,020	3,818
Income tax recovery (expense)	2,251	131	(2,010)	(582)	(1,098)
Net (loss) income	(6,564)	(1,399)	5,120	1,438	2,720
(Loss) earnings per share - basic	(0.04)	(0.01)	0.03	0.01	0.02
(Loss) earnings per share - diluted	(0.04)	(0.01)	0.03	0.01	0.02
Unit tolling and production costs	2.08	1.99	1.56	1.62	1.91
Cash cost ($/lb) [1]	1.97	2.03	1.45	1.38	1.71
Total cost ($/lb) [1]	2.95	3.02	2.27	2.17	2.74
Uses and sources of cash ($thousands)					
Operating cash flow before working capital changes	(4,754)	5,170	9,228	6,194	6,428
Operating cash flow after working capital changes	2,951	(1,448)	7,811	8,120	1,785
Cash used in investing activities	(2,849)	(3,596)	(4,574)	(11,148)	(9,961)
Cash (used in) received from financing activities	(8,233)	131	(5,367)	5,690	447
Ending cash balance	8,415	16,597	21,338	23,330	21,390

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

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

OPERATING RESULTS

Copper production in Q2-2019 was 13.3 million pounds (Q2-2018: 14.7 million pounds), comprising 8.2 million pounds from Cauquenes (Q2-2018: 9.2 million pounds) and 5.1 million pounds from fresh tailings (Q2-2018: 5.5 million pounds).

Production was low as a result of continued low plant recoveries during the quarter. In Q2-2019, resulting from MVC's mining plan sequence, Cauquenes material was still being extracted from the same low quality, high fines extraction zone that also negatively affected Q1-2019 production.

MVC completed the construction of a new, deeper Cauquenes extraction sump which became operational on July 6, 2019. The sump has a depth of 48 meters and has enabled MVC to regain access to coarser material with better grades and better recoveries. Further plant optimization is still in progress.

MVC has also completed the installation of the final equipment of the Cauquenes Phase II expansion, a concentrate regrind mill which is now operational.

Amerigo's financial performance in 2019 will be highly dependent on MVC meeting its production goals and recovery targets.

Molybdenum production was 0.2 million pounds (Q2-2018: 0.4 million pounds). The material processed in the molybdenum plant in the quarter was very fine, affecting production.

Production

	Q2-2019	Q2-2018
FRESH TAILINGS FROM EL TENIENTE		
Tonnes processed	10,940,468	11,114,743
Copper grade (%)	0.111%	0.118%
Copper recovery	19.1%	19.1%
Copper produced (lbs)	5,120,546	5,526,315
HISTORIC TAILINGS FROM EL TENIENTE		
Tonnes processed	5,094,589	5,642,687
Copper grade (%)	0.232%	0.238%
Copper recovery	31.6%	30.7%
Copper produced (lbs)	8,223,357	9,132,088
COPPER		
Total copper produced (lbs)	13,343,903	14,658,403
Total copper delivered to DET (lbs)	13,424,185	14,219,402
MOLYBDENUM		
Total molybdenum produced (lbs)	247,197	391,155
Total molybdenum sold (lbs)	240,629	405,607

FINANCIAL RESULTS – Q2-2019

Net loss was $6.6 million ($0.04 basic and diluted loss per share) (Q2-2018: net income of $2.7 million; $0.02 basic and diluted earnings per share) because of lower production and weaker metal prices.

Revenue

Revenue in Q2-2019 was $22.7 million (Q2-2018: $33.0 million).

(Expressed in thousands)	Q2-2019 $	Q2-2018 $
Average LME copper price per pound	2.77	3.12
Gross value of copper produced	37,278	44,493
Adjustments to fair value of settlement receivables	(3,182)	556
	34,096	45,049
Notional items deducted from gross value of copper produced:		
DET royalties - copper	(8,322)	(10,642)
Smelting and refining charges	(4,830)	(4,738)
Transportation	(447)	(518)
Copper tolling revenue	20,497	29,151
Molybdenum revenue	2,195	3,848
Revenue	22,692	32,999
MVC's copper price ($/lb)	2.67	3.16
MVC's molybdenum price ($/lb)	11.84	11.51

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 June 2019 deliveries will be the average LME copper price for September 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 Q2-2019 was $2.77/lb (Q2-2018: $3.12/lb) and MVC's copper price was $2.67/lb (Q2-2018: $3.16/lb). Differences between the average LME copper price and MVC's copper price result from the pricing terms that applied in the period.

At June 30, 2019, the provisional copper price used by MVC was $2.67/lb. Financial performance is very sensitive to changes in copper prices. For example, a 10% increase or decrease from the $2.67/lb price would result in a $3.6 million change in copper tolling revenue in Q3-2019.

DET royalties on copper production are a notional item deducted from MVC's gross value of copper produced. In Q2-2019, DET notional copper royalties were $8.3 million, (Q2-2018: $10.6 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 predominantly 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 Q2-2019, 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 Q2-2019, MVC's molybdenum sales price was $11.84/lb (Q2-2018: $11.51/lb). At June 30, 2019, molybdenum sales were provisionally priced at $12.25/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)	Q2-2019 $	Q2-2018 $
Direct tolling and production costs		
Power costs	8,055	8,198
Labour costs	2,566	2,623
Grinding media	2,218	1,824
Lime costs	1,782	2,333
Other direct tolling / production costs	8,151	6,481
	22,772	21,459
Depreciation and amortization	4,398	3,685
Administration	1,221	1,419
DET royalties - molybdenum	403	646
Tolling and production costs	28,794	27,209
Unit tolling and production costs ($/lb)	2.08	1.91

Power costs decreased by $0.1 million or 2% compared to Q2-2018 due to lower power rates. Costs in Q2-2019 were $0.0995/kWh (Q2-2018: $0.1094/kWh).

Lime cost decreased by $0.6 million compared to Q2-2018 due to lower consumption, while grinding media costs increased by $0.4 million from higher steel prices.

In aggregate, other direct tolling costs increased by $1.7 million, mostly due to inventory variations of $1.6 million between both periods, caused by higher costs used to value inventory and stronger Q2-2019 deliveries compared to production (and the opposite occurring in Q2-2018).

The behaviour of other costs is noted in the tables below.

(Expressed in thousands)	Q2-2019 $	Q2-2018 $
Other direct tolling costs		
Maintenance, excluding labour	1,602	1,946
Molybdenum production costs	1,515	1,535
Historic tailings extraction	1,400	1,427
Industrial water	801	601
Inventory adjustments	772	(842)
Subcontractors, support services	727	607
Copper reagents	604	501
Process control, environmental and safety	541	482
Filtration and all other direct tolling costs	189	224
	8,151	6,481

($/lb Cu)	Q2-2019	Q2-2018
Other direct tolling costs		
Maintenance, excluding labour	0.12	0.13
Molybdenum production costs	0.11	0.11
Historic tailings extraction	0.10	0.10
Industrial water	0.06	0.04
Inventory adjustments	0.06	(0.06)
Subcontractors, support services	0.05	0.04
Process control, environmental and safety	0.04	0.03
Copper reagents	0.04	0.03
Filtration and all other direct tolling costs	0.01	0.02
	0.59	0.44

Depreciation and amortization were $4.4 million (Q2-2018: $3.7 million), due to MVC's higher asset base following the Phase Two expansion.

Administration expenses were $1.2 million (Q2-2018: $1.4 million).

Moving on from tolling and production costs, other expenses of $1.2 million in Q2-2019 (Q2-2018: $1.1 million) are costs not related to MVC's production operations, and include:

- General and administration expenses of $1.2 million (Q2-2018: $0.9 million) including share-based payments of $0.6 million (Q2-2018: $0.3 million), salaries, management and professional fees of $0.5 million (Q2-2018: $0.4 million) and office and general expenses of $0.1 million (Q2-2018: $0.1 million).

- A $0.3 million gain associated with the derivative to related parties (Q2-2018: $0.2 million), including actual amounts paid or accrued to related parties of $0.2 million (Q2-2018: $0.2 million) and a decrease in the derivatives' fair value of $0.5 million in each of the quarterly comparative periods.

- Other expenses of $0.3 million in Q2-2019 (Q2-2018: $0.4 million) comprised of a foreign exchange expense of $0.4 million (Q2-2018: $0.5 million) and in other gains of $0.1 million in both quarterly periods.

The Company's finance expense was $1.5 million (Q2-2018: $0.9 million) which includes finance, commitment and interest charges and changes in value on interest rate swaps. Interest expense was $0.3million lower in Q2-2018 as MVC had not yet fully drawn the Phase Two loan. Finance expense increased by a further $0.3 million in Q2-2019 from fair value adjustments to interest rate swaps.

Income tax recovery was $2.3 million, fully in connection with deferred income tax. In Q2-2018 the Company posted income tax expense of $1.1 million, including current income tax expense of $0.8 million and deferred income tax expense of $0.3 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 Q2-2019 and Q2-2018 is presented below:

(Expressed in thousands)	Q2-2019	Q2-2018
	$	$
Tolling and production costs	28,794	27,209
Add (deduct):		
DET notional royalties - copper	8,322	10,642
Smelting and refining charges	4,830	4,738
Transportation costs	447	518
Inventory adjustments	(772)	841
By-product credits	(2,195)	(3,848)
Total cost	39,426	40,100
Deduct:		
DET notional royalties - copper	(8,322)	(10,642)
DET royalties - molybdenum	(403)	(646)
	(8,725)	(11,288)
Depreciation and amortization	(4,398)	(3,685)
Cash cost	26,303	25,127
Pounds of copper tolled from		
fresh and old tailings	13.87	14.66
Cash cost ($/lb)	**1.97**	**1.71**
Total cost ($/lb)	**2.95**	**2.74**

The Company's trailing quarterly cash costs were:

($/lb of copper produced)	Q2-2019	Q1-2019	Q4-2018	Q3-2018	Q2-2018
Power costs	0.60	0.60	0.45	0.44	0.56
Smelting & refining	0.36	0.34	0.32	0.33	0.32
Grinding media	0.17	0.14	0.14	0.11	0.12
Lime	0.13	0.15	0.12	0.11	0.16
Administration	0.09	0.12	0.08	0.08	0.10
Transportation	0.03	0.04	0.03	0.03	0.03
Other direct costs	0.75	0.81	0.58	0.58	0.68
By-product credits	(0.16)	(0.17)	(0.27)	(0.30)	(0.26)
Cash Cost	**$1.97**	**$2.03**	**$1.45**	**$1.38**	**$1.71**

Cash cost increased in Q2-2019 by $0.26/lb compared to Q2-2018. $0.20/lb of the variance was the result of higher aggregate unit costs as a result of lower production, except for unit costs for lime and administration, which decreased in aggregate by $0.04/lb. $0.10/lb of the variance was the result of lower by-product credits.

The Company's trailing quarterly total costs were:

($/lb of copper produced)	Q2-2019	Q1-2019	Q4-2018	Q3-2018	Q2-2018
Cash cost	1.97	2.03	1.45	1.38	1.71
DET notional royalites/royalties	0.65	0.66	0.61	0.58	0.77
Amortization/depreciation	0.33	0.33	0.21	0.21	0.26
Total Cost	**$2.95**	**$3.02**	**$2.27**	**$2.17**	**$2.74**

Total cost was $2.95/lb (Q2-2018: $2.74/lb), due to a $0.26/lb increase in cash cost and a $0.07/lb increase in depreciation, mitigated by a $0.12/lb decrease in DET notional royalties from lower metal prices.

FINANCIAL RESULTS – SIX MONTHS ENDED JUNE 30, 2019

YTD-2019, the Company posted a net loss of $8.0 million or $0.04 loss per share (YTD-2018: net income of $3.9 million or $0.02 earnings per share).

Financial performance was negatively impacted by lower production and weaker copper prices.

Revenue YTD-2019 was $50.4 million (YTD-2018: $66.9 million) and tolling and production costs were $54.6 million (YTD-2018: $55.9 million), resulting in a gross loss of $4.1 million (YTD-2018: gross profit of $11.0 million).

Other expenses were $2.9 million (YTD-2018: $2.8 million).

Finance expense was $3.3 million (YTD-2018: $1.9 million) and the Company posted an income tax recovery of $2.4 million (YTD-2018: income tax expense of $2.4 million), driven by the lower income before income tax expense YTD-2019.

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.

	Q2-2019 $	Q1-2019 $	Q4-2018 $	Q3-2018 $
Total revenue (thousands)	22,692	27,736	37,582	32,370
Net (loss) income (thousands)	(6,564)	(1,399)	5,120	1,438
(Loss) earnings per share	(0.04)	(0.01)	0.03	0.01
Diluted (loss) earnings per share	(0.04)	(0.01)	0.03	0.01

	Q2-2018	Q1-2018	Q4-2017	Q3-2017
	$	$	$	$
Total revenue (thousands)	32,999	33,881	37,001	37,421
Net income (thousands)	2,720	1,217	3,098	7,854
Earnings per share	0.02	0.01	0.02	0.04
Diluted earnings per share	0.02	0.01	0.02	0.04

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:

	Q2-2019	Q1-2019	Q4-2018	Q3-2018	Q2-2018	Q1-2018	Q4-2017	Q3-2017
Copper sales/deliveries [1]	13.4	12.9	17.6	17.6	14.22	14.52	16.28	15.25
MVC's copper price	2.67	2.92	2.77	2.74	3.16	3.09	3.10	3.00
Settlement adjustments [2]	(1.72)	0.85	0.41	(6.08)	0.56	(0.18)	1.07	6.28

1 Million pounds of copper sold under a tolling agreement with DET.
2 Adjustments to fair value of copper settlement receivables, expressed in millions of dollars.

Q3-2017 was positively impacted by higher copper prices and significant positive settlement adjustments. Q4-2017 to Q2-218 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 and Q2-2019, copper deliveries were substantially lower than in recent quarters as a result of low plant recoveries, resulting from MVC's mining plan sequence. Copper prices in Q1-2019 were stronger than in the second half of 2018, but in Q2-2019 declined again resulting in $1.7 million in negative price 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:

	Q2-2019	Q1-2019	Q4-2018	Q3-2018	Q2-2018	Q1-2018	Q4-2017	Q3-2017
Tolling and production costs [1]	28.79	25.76	27.50	28.43	27.21	28.72	28.54	25.52
Unit tolling and production cost [2]	2.08	1.99	1.56	1.62	1.91	1.98	1.75	1.67

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. 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. In Q2-2019, inventory variations increased tolling and production costs by $3.5 million compared to the preceding quarter.

LIQUIDITY and FINANCIAL POSITION

Cash Flow from Operations

Including the effect of changes in working capital accounts, the Company generated net cash from operating activities of $3.0 million in Q2-2019 (Q2-2018: $1.8 million).

Excluding the effect of changes in working capital accounts, the Company used cash of $4.8 million (Q2-2018: generated cash of $6.4 million). The decrease in cash from operations was caused fundamentally by MVC's lower production in the first half of the year.

We should also note that the Company operates in a cyclical industry with cash flow generating capacity closely correlated to market copper prices, and MVC's financial performance is very sensitive to changes in copper prices.

MVC's Q2-2019 provisional copper price was $2.67/lb, and final prices will be the average London Metal Exchange ("LME") prices for July, August and September 2019. A 10% increase or decrease from the $2.67/lb provisional price used at June 30, 2019 would result in a $3.6 million change in revenue in Q3-2019 in respect of Q2-2019 production.

Cash Flow from Financing Activities

MVC completed its scheduled semi-annual bank repayment on June 28, 2019, reducing borrowings to $57.6 million.

YTD-2019, the Company made debt repayments of $8.6 million (YTD-2018: $11.4 million and received $14.6 million in debt proceeds, net of transaction costs).

YTD-2019 the Company received $0.5 million in proceeds from various exercises of stock options. (YTD-2018: $0.1 million).

Cash Flow used in Investing Activities

YTD-2019, the Company used cash of $6.5 million for payments of Capex (YTD-2018: $20.2 million), including $4.5 million for sustaining capex and $2.0 million for payments associated with the Phase Two expansion.

Liquidity and Financial Position

At June 30, 2019, the Company's cash and cash equivalents were $8.4 million (December 31, 2018: $21.3 million).

The Company had a working capital deficiency of $33.3 million (December 31, 2018: $16.9 million), caused by the then estimated $25.7 million in scheduled bank debt repayments payable within a year (refer to Subsequent Events, page 20).

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 its production targets for the rest of the year are met and copper prices remain at levels above $2.60/lb.

In 2019, MVC estimates to produce 70.0 to 75.0 million pounds of copper at an annual cash cost (page 12) of $1.60 to $1.75/lb.

Borrowings

Borrowings outstanding (expressed in thousands)	June 30, 2019 $	December 31, 2018 $
Cauquenes Phase One Loan	29,412	31,317
Cauquenes Phase Two Loan	28,229	34,895
	57,641	66,212
Comprise:		
Current portion of long-term debt	25,702	23,521
Long-term debt	31,939	42,691
	57,641	66,212

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 the last banking day of June and December.

Interest on the Phase One Loan is subject to a variable rate based on the US Libor six-month rate, which at June 30, 2019 was 6.37% per annum.

The balance of the Cauquenes Phase One Loan (net of transaction costs) at June 30, 2019 was $29.4 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 the last banking day of June and December.

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 June 30, 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 June 30, 2019 was $28.2 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 June 30, 2019 MVC met the tangible net worth requirement of $125.0 million and received waivers from Scotiabank and EDC in respect of the debt service coverage ratio (requirement of 1.2).

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 June 30, 2019, MVC held $3.2 million in the DSRA (December 31, 2018: $13.4 million) and expected to fund the DSRA to the required amount of $12.9 million gradually through the second half of 2019.

Subsequent to June 30, 2019, MVC received a Commitment Letter from and executed a Financing Mandate Agreement with Scotiabank to refinance the Cauquenes Phase One and Phase Two loans (Subsequent Events, page 20).

Molybdenum Plant Expansion Lease

In 2018, MVC entered into a lease 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 June 30, 2019, the lease obligation was $8.3 million (December 31, 2018: $9.0 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 $4.27lb (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.

YTD-2019, $0.4 million was paid or accrued to the Class A shareholders (YTD-2018: $0.5 million) and the derivatives' fair value increased by $0.3 million (YTD-2018: decreased by $0.3 million), for a total derivative expense of $0.7 million (YTD-2018: $0.2 million).

At June 30, 2019, the derivative liability totalled $11.3 million (December 31, 2018: $11.1 million), with a current portion of $1.4 million (December 31, 2018: $1.4 million) and a long-term portion of $9.9 million (December 31, 2018: $9.7 million).

Actual monthly payments outstanding at June 30, 2019 and December 31, 2018 were $0.1 million.

b) Directors' fees and remuneration to officers

YTD-2019, the Company paid or accrued $0.3 million in salaries and fees to companies associated with certain officers (YTD-2018: $0.5 million), and in both periods 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.

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

c) As of June 30, 2019, an Amerigo officer acted as an officer 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 Q2-2019, 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 $1.7 to $1.9 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.

Subsequent Events

Subsequent to June 30, 2019, MVC received a Commitment Letter (the “Commitment Letter”) from and executed a Financing Mandate Agreement with Scotiabank to refinance the Cauquenes Phase One Loan and Cauquenes Phase Two loans (the “Existing Loans”). Under the proposed terms and conditions set out in the Commitment Letter, Scotiabank is to arrange a four-year senior secured term loan facility (the “New Facility”) of up to $56.5 million on a best efforts basis. Scotiabank has committed to underwrite 50% of the New Facility, up to US$28.5 million, as it has received firm credit approval. Proceeds from the New Facility will be used to refinance the Existing Loans and to finance transaction related costs. Closing of the New Facility is expected in Q3-2019.

Securities Outstanding

On August 7, 2019 Amerigo had 180,169,351 common shares outstanding and 12,520,000 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:

- the New Facility, including the expectation to use the proceeds of the New Facility to restructure the MVC bank loans during Q3-2019;
- the Company's expectation that MVC's performance will improve as a result of MVC having completed construction of a deep level extraction sump and the concentrate regrind mill;
- 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 and recoveries 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:

- the proposed indicative terms for the New Facility being the terms ultimately agreed to between the parties and Scotiabank Chile being able to secure an additional lender for the New Facility, and the parties, being able to close the New Facility during Q3-2019;
- general business and economic conditions;
- interest rates;
- changes in commodity (and in particular, copper) 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.