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**Amerigo Resources Ltd.
Management's Discussion and Analysis
For the Three and Nine Months Ended September 30, 2020**

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THIS DOCUMENT CONTAINS FORWARD-LOOKING STATEMENTS. REFER TO THE CAUTIONARY LANGUAGE UNDER THE HEADING "CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION" (Page 22).

AMOUNTS ARE 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. Refer to Agreements with Codelco’s DET (page 19).

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.

Molybdenum concentrates produced at MVC are predominantly sold under a molybdenum sales agreement with Chile’s Molibdenos y Metales S.A. (“Molymet”).

During the months of August 2019 to January 2020, MVC processed high-grade slag material from DET’s smelter stockpile at its plant.

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 November 2, 2020.

It should be read in conjunction with Amerigo’s condensed interim consolidated financial statements and related notes for the nine months ended September 30, 2020, and the audited consolidated financial statements and related notes for the year ended December 31, 2019.

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 Q3-2020 and Q3-2019 is available on page 13.

QUARTERLY HEADLINES

Key performance metrics for the current and comparative quarter

	Q3-2020	Q3-2019	Change	
			\$	%
Copper produced (million pounds) ¹	14.7	19.1	(4.4)	(23%)
Copper delivered (million pounds) ¹	15.0	19.5	(4.5)	(23%)
Revenue (\$ thousands) ²	37,555	33,900	3,655	11%
DET notional copper royalties (\$ thousands)	9,839	8,786	1,053	12%
Tolling and production costs (\$ thousands)	28,572	32,891	(4,319)	(13%)
Gross profit (loss) (\$ thousands)	8,983	1,009	7,974	790%
Net income (loss) (\$ thousands)	5,388	(2,083)	7,471	-
Earnings (loss) per share	0.03	(0.01)	0.04	-
Operating cash flow (\$ thousands) ³	15,384	1,307	14,077	1077%
Cash paid for purchase of plant and equipment (\$ thousands)	(540)	(4,217)	3,677	(87%)
Cash and cash equivalents (\$ thousands)	10,471	1,617	8,854	548%
Borrowings (\$ thousands) ⁴	53,261	55,135	(1,874)	(3%)
MVC's copper price (\$/lb) ⁵	3.04	2.62	0.42	16%
MVC's molybdenum price (\$/lb) ⁶	7.37	11.77	(4)	(37%)

¹ Copper production conducted under a tolling agreement with DET. Q3-2019 production included 3 million pounds from slag processing.

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 September 30, 2020, borrowing comprised short and long-term portions of \$14.2 and \$39.0 million, respectively.

⁵ 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.

⁶ MVC's molybdenum price is the average realized molybdenum price in the period, before roasting charges and settlement adjustments to prior period sales.

COVID-19 effect on financial results and ongoing uncertainty

- In March 2020, the World Health Organization declared a global pandemic related to COVID-19. The current and expected impacts from the pandemic on the global economy could be far reaching. To date, there has been significant volatility in stock markets, commodity and foreign exchange markets and the global movement of people and some goods has become restricted. There is continued ongoing uncertainty surrounding COVID-19 and the extent and duration of the impact that it may have on the global economy and on global financial markets.
- The Company's financial results were substantially negatively impacted in Q1-2020 and Q2-2020 because of lower copper prices. Commodity market volatility resulting from COVID-19 may continue to impact the Company's financial results and liquidity for some time.
- MVC has not experienced production interruptions or significant disruption to its supply chain because of the COVID-19 global pandemic.

Amerigo reported net income of \$5.4 million in Q3-2020

- Net income was \$5.4 million (Q3-2019: net loss of \$2.1 million) due to stronger revenue from higher copper prices and \$5.9 million in positive revenue settlement adjustments, and from reduced tolling and production costs at MVC.

- Earnings per share (“EPS”) in Q3-2020 were \$0.03 (Q3-2019: loss per share (“LPS”) of \$0.01).
- In Q3-2020, the Company generated \$10.7 million in operating cash flow before changes in non-cash working capital (Q3-2019: \$3.0 million). Net cash from operating activities in Q3-2020 was \$15.4 million (Q3-2019: \$1.3 million).

MVC produced 14.7 million pounds of copper during Q3-2020 (Q3-2019: 19.1 million pounds) at a cash cost of \$1.80 per pound (“/lb”) (Q3-2019: \$1.56)

- Q3-2020 production of 14.7 million pounds of copper (Q3-2019: 19.1 million pounds) included 8.0 million pounds from historical tailings (“Cauquenes”) (Q3-2019: 11.1 million pounds) and 6.7 million pounds from fresh tailings (Q3-2019: 5.0 million pounds). In Q3-2019 the Company also produced 3.0 million pounds from slag processing. The main factors affecting production in Q3-2020 compared to Q3-2019 were the absence of slag processing and 13 Cauquenes lost days of production in July due to strong rainfall.
- Molybdenum production during the quarter was 0.4 million pounds (Q3-2019: 0.5 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 13) was \$1.80/lb (Q3-2019: \$1.56/lb), an increase of \$0.24/lb coming mostly from a decrease of \$0.22/lb in by-product credits. By-product credits were higher in Q3-2019 due to stronger molybdenum prices and production, and from slag processing.
- Total cost (a non-GAAP measure equal to the aggregate of cash cost, DET notional copper royalties and DET molybdenum royalties of \$0.69/lb and depreciation of \$0.29/lb, page 13) was \$2.78/lb (Q3-2019: \$2.43/lb), due to an increase in cash cost from lower by-product credits, and an increase of \$0.09/lb in DET royalties from stronger copper prices.

MVC’s average copper price in Q3-2020 was \$3.04/lb

- During Q3-2020, MVC’s average copper price was \$3.04/lb (Q3-2019: \$2.62/lb) and MVC’s average molybdenum price was \$7.37/lb (Q3-2019: \$11.24/lb).
- Revenue during Q3-2020 was \$37.6 million (Q3-2019: \$33.9 million), including copper tolling revenue of \$35.4 million (Q3-2019: \$28.1 million) and molybdenum revenue of \$2.1 million (Q3-2019: \$4.4 million) In Q3-2019, MVC also had slag processing revenue of \$1.4 million.
- Copper tolling revenue is calculated from MVC’s gross value of copper produced during Q3-2020 of \$44.3 million (Q3-2019: \$43.6 million) and positive fair value adjustments to settlement receivables of \$5.9 million (Q3-2019: negative fair value adjustments of \$0.9 million), less notional items including DET royalties of \$9.8 million (Q3-2019: \$8.8 million), smelting and refining of \$4.5 million (Q3-2019: \$5.4 million) and transportation of \$0.5 million (Q3-2019: \$0.5 million).
- MVC’s financial performance is very sensitive to changes in copper prices. MVC’s Q3-2020 provisional copper price was \$3.04/lb, and final prices will be the average London Metal Exchange (“LME”) prices for each of October, November and December 2020. A 10% increase or decrease from the \$3.04/lb provisional price used at September 30, 2020 would result in a \$4.5 million change in revenue in Q4-2020 in respect of Q3-2020 production.

At September 30, 2020, cash balance was \$10.5 million, with a working capital deficiency of \$18.2 million

- At September 30, 2020, the Company’s cash balance was \$10.5 million (December 31, 2019: \$7.2 million) with a \$18.2 million working capital deficiency (December 31, 2019: \$15.1 million).

- The Company's working capital deficiency is a significant liquidity risk indicator, particularly given the volatility in copper prices experienced in Q1-2020 and in Q2-2020 in response to the uncertainty surrounding COVID-19 and its impact on the global economy.
- YTD-2020, the Company has made principal debt payments of \$9.4 million (YTD-2019 \$11.3 million) and paid \$1.8 million for plant and equipment (YTD-2019: \$9.6 million).
- The Company expects to meet its obligations for the next 12 months from operating cash flow, assuming copper prices in the period average at least \$2.85/lb, and the Company's production and cost results are consistent with the Company's expected Q4-2020 results. Refer to Liquidity and Financial Position (page16).
- Refer to Cautionary Statement on Forward Looking Information (page 22).

SUMMARY OF FINANCIAL RESULTS Q3-2020 TO Q3-2019

	Q3-2020	Q2-2020	Q1-2020	Q4-2019	Q3-2019
	\$	\$	\$	\$	\$
Copper production, million pounds ¹	14.685	12.965	12.080	24.320	19.086
Copper deliveries, million pounds ¹	14.963	13.698	11.822	24.046	19.549
MVC's copper price (\$/lb)	3.04	2.61	2.35	2.76	2.62
Financial results (\$ thousands)					
Revenue					
Gross value of copper produced	44,306	33,333	27,180	41,435	43,618
Adjustments to fair value of settlement receivables	5,937	1,426	(5,332)	2,208	(875)
	50,243	34,759	21,848	43,643	42,743
Notional items deducted from gross value of copper produced:					
DET royalties - copper	(9,839)	(6,150)	(5,192)	(8,584)	(8,786)
Smelting and refining	(4,480)	(4,257)	(3,023)	(5,061)	(5,391)
Transportation	(478)	(444)	(318)	(434)	(512)
Copper tolling revenue	35,446	23,908	13,315	29,564	28,054
Slag revenue	-	-	668	4,091	1,443
Molybdenum and other revenue	2,109	2,138	1,655	1,819	4,403
	37,555	26,046	15,638	35,474	33,900
Tolling and production costs					
Tolling and production costs	(22,587)	(20,740)	(18,459)	(25,748)	(26,583)
Depreciation and amortization	(4,270)	(4,338)	(4,736)	(4,352)	(4,372)
Administration	(1,448)	(1,053)	(1,112)	(1,390)	(1,191)
DET royalties - molybdenum	(267)	(310)	(262)	(461)	(745)
	(28,572)	(26,441)	(24,569)	(31,951)	(32,891)
Gross profit (loss)	8,983	(395)	(8,931)	3,523	1,009
Other expenses					
Derivative to related parties including changes in fair value	(303)	(2,100)	3,742	(1,314)	(55)
Salaries, management and professional fees	(457)	(354)	(436)	(1,088)	(359)
Office and general expenses	(115)	(51)	(255)	(85)	(191)
Share-based payment compensation	(32)	(29)	(10)	(112)	(276)
	(604)	(434)	(701)	(1,285)	(826)
Foreign exchange (loss) gain	(86)	(396)	960	303	708
Other gains	71	14	35	30	53
	(15)	(382)	995	333	761
Operating profit (loss)	8,061	(3,311)	(4,895)	1,257	889
Finance expense	(784)	(904)	(2,833)	(951)	(3,596)
Income (loss) before income tax	7,277	(4,215)	(7,728)	306	(2,707)
Income tax (expense) recovery	(1,889)	613	3,699	327	624
Net income (loss)	5,388	(3,602)	(4,029)	633	(2,083)
Earnings (loss) per share - basic	0.03	(0.02)	(0.02)	-	(0.01)
Earnings (loss) per share - diluted	0.03	(0.02)	(0.02)	-	(0.01)
Unit tolling and production costs	1.91	1.93	2.32	2.07	1.99
Cash cost (\$/lb) ²	1.80	1.72	1.94	1.79	1.56
Total cost (\$/lb) ²	2.78	2.55	2.88	2.64	2.43
Uses and sources of cash (\$thousands)					
Operating cash flow before working capital changes	10,738	2,785	(4,132)	6,412	3,016
Net cash from (used in) operating activities	15,384	1,132	(1,378)	6,901	1,307
Cash used in investing activities	(540)	(810)	(393)	(991)	(3,875)
Cash used in financing activities	(5,030)	(403)	(4,779)	(223)	(4,121)
Ending cash balance	10,471	489	572	7,164	1,617

¹ Includes production from fresh tailings, Cauquenes tailings and DET slag processing.

² Cash and total costs are non-GAAP measures. Refer to page 13 for the basis of 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 pages 15 and 16.

OPERATING RESULTS

Copper production in Q3-2020 was 14.7 million pounds (Q3-2019: 19.1 million pounds), comprising 8.0 million pounds from Cauquenes (Q3-2019: 11.1 million pounds) and 6.7 million pounds from fresh tailings (Q3-2019: 5.0 million pounds). In Q3-2019, MVC's production also included 3.0 million pounds from slag processing.

The main factors affecting production in Q3-2020 compared to Q2-2020 were the absence of slag processing and 13 Cauquenes lost days of production in July due to strong rainfall.

Molybdenum production was 0.4 million pounds (Q3-2019: 0.5 million pounds).

	Q3-2020	Q3-2019
FRESH TAILINGS		
Tonnes per day	119,285	118,296
Operating days	92	92
Tonnes processed	10,974,235	10,883,200
Copper grade (%)	0.136%	0.110%
Copper recovery	20.3%	18.8%
Copper produced (M lbs)	6.68	4.99
CAUQUENES TAILINGS		
Tonnes per day	55,216	58,449
Operating days	79	90
Tonnes processed	4,362,040	5,226,443
Copper grade (%)	0.245%	0.270%
Copper recovery	34.0%	35.7%
Copper produced (M lbs)	8.00	11.10
Fresh tailings + Cauquenes (M lbs)	14.68	16.09
SLAG PROCESSING		
Tonnes processed	-	33,885
Copper grade (%)	-	5.0%
Copper recovery	-	80.5%
Copper produced (M lbs)	-	3.00
COPPER		
Total copper produced (M lbs)	14.68	19.09
MOLYBDENUM		
Total molybdenum produced (M lbs)	0.37	0.53

	July 2020	August 2020	September 2020	Q3-2020
Fresh tailings				
Tonnes per day	103,173	121,286	133,867	119,285
Operating days	31	31	30	92
Tonnes processed	3,198,361	3,759,858	4,016,016	10,974,235
Copper grade	0.145%	0.127%	0.137%	0.136%
Copper recovery	22%	19%	20%	20%
Copper produced (M lbs)	2.27	2.02	2.39	6.68
Cauquenes tailings				
Tonnes per day	50,071	57,723	53,793	55,216
Operating days	18	31	30	79
Tonnes processed	940,953	1,807,295	1,613,792	4,362,040
Copper grade	0.248%	0.247%	0.240%	0.245%
Copper recovery	34%	34%	35%	34%
Copper produced (M lbs)	1.70	3.29	3.01	8.00
Copper produced (M lbs)	3.97	5.31	5.40	14.68
Cash cost (\$/pound copper)	1.95	1.79	1.70	1.80

Q3-2020 copper production results were positively impacted compared to Q1-2020 and Q2-2020 by an increase in tonnage processing at Cauquenes as more water became available in MVC following a return to almost normal rainfall levels. MVC had reduced Cauquenes tonnage processing in February 2020 in response to severe drought conditions then present in central Chile.

In Q3-2020, processing rates averaged 119,285 TPD for fresh tailings and 55,216 TPD for Cauquenes, higher than expected in both cases. Copper grade in fresh tailings and Cauquenes copper recovery were slightly higher than expected. Operating days in Q3-2020 were 92/92 for fresh tailings and 79/92 for Cauquenes, where 13 days of operation were lost in July due to strong rainfall.

MVC's operations continued through Q3-2020 without any significant disruptions due to COVID-19.

YTD-2020 rainfall has increased the water reserves at Colihues from a low point of 300,000 cubic meters earlier in 2020 to 10 million cubic meters, a level not seen since January 2018. These existing water reserves are enough for MVC to maintain Cauquenes tonnage processing into H1-2021, at the start of the 2021 annual rain season.

The Company's production forecast for Q4-2020 assumes the known impact of debottlenecking initiatives implemented at MVC to date. Under these assumptions, MVC estimates that it will produce 56.8 million pounds of copper in 2020, an increase from prior guidance of 55.7 million pounds. Annual cash cost is projected at \$1.78/lb compared to prior guidance of \$1.67/lb due to the appreciation of the Chilean pesos in response to stronger copper prices.

MVC is finalizing with its technical consultants an implementation plan of additional initiatives to improve plant performance.

FINANCIAL RESULTS – Q3-2020

Net income in Q3-2020 was \$5.4 million (Q3-2019: net loss of \$2.1 million), due to higher copper prices, the effect of \$5.9 million in positive revenue settlement adjustments (Q3-2019: negative adjustments of \$0.9 million) and lower tolling and production costs.

Revenue

Revenue in Q3-2020 was \$37.6 million (Q3-2019: \$33.9 million).

(Expressed in thousands)	Q3-2020 \$	Q3-2019 \$
Average LME copper price per pound	2.96	2.63
Gross value of copper produced	44,306	43,618
Adjustments to fair value of settlement receivables	5,937	(875)
	50,243	42,743
Notional items deducted from gross value of copper produced:		
DET royalties - copper	(9,839)	(8,786)
Smelting and refining charges	(4,480)	(5,391)
Transportation	(478)	(512)
Copper tolling revenue	35,446	28,054
Slag revenue	-	1,443
Molybdenum revenue	2,109	4,403
Revenue	37,555	33,900
MVC's copper price (\$/lb)	3.04	2.62
MVC's molybdenum price (\$/lb)	7.37	11.24

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 monthly 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 2020, 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 September 2020 deliveries will be the average LME copper price for December 2020. 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 Q3-2020 was \$2.96/lb (Q3-2019: \$2.63/lb) and MVC's average copper price was \$3.04/lb (Q3-2019: \$2.62/lb). Differences between the average LME copper price and MVC's average copper price result from the pricing terms that applied in the period.

At September 30, 2020, the provisional copper price used by MVC was \$3.04/lb. The Company's financial performance is very sensitive to changes in copper prices. For example, a 10% increase or decrease in copper prices from the \$3.04/lb price would result in a \$4.5 million change in copper tolling revenue expected in Q4-2020.

DET royalties on copper production are a notional item deducted from MVC's gross value of copper produced. In Q3-2020, DET notional copper royalties were \$9.8 million, (Q3-2019: \$8.8 million) due to higher copper prices during the quarter.

We disclose the terms for DET notional copper royalties and molybdenum royalties under Agreements with Codelco's DET (page 19).

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 monthly. In Q3-2020, the pricing terms elected were M and M+1 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 Q3-2020, MVC's average molybdenum sales price was \$7.37/lb (Q3-2019: \$11.24/lb). At September 30, 2020, molybdenum sales were provisionally priced at \$8.30/lb. A 10% increase or decrease in this price would result in price-driven revenue settlement adjustments of \$0.2 million.

MVC charges DET a flat processing fee per tonne processed.

Tolling and Production Costs

(Expressed in thousands)	Q3-2020 \$	Q3-2019 \$
Direct tolling and production costs		
Power costs	7,801	8,418
Direct labour	2,770	2,475
Grinding media	1,957	2,545
Lime costs	2,094	2,090
Other direct tolling / production costs	7,965	11,055
	22,587	26,583
Depreciation and amortization	4,270	4,372
Administration	1,448	1,191
DET royalties - molybdenum	267	745
Tolling and production costs	28,572	32,891
Unit tolling and production costs (\$/lb)	1.91	1.99

During Q3 2020, power costs decreased by \$0.6 million or 7% compared to Q3-2019 due to lower rates (Q3-2020: 0.0968/kWh compared to Q3-2019's rate of \$0.1044/kWh) and a 3% decrease in power consumption.

During Q3 2020, direct labor costs increased by \$0.3 million due to \$0.2 million spent on severance payments and grinding media costs decreased by \$0.6 million from lower consumption.

In aggregate, during Q3 2020, other direct tolling costs decreased by \$3.1 million, mostly due to inventory variations which were \$2.2 million higher in Q3-2019 due to higher costs used to value inventory and stronger deliveries compared to production in that period.

(Expressed in thousands)	Q3-2020	Q3-2019
	\$	\$
Other direct tolling costs		
Molybdenum production costs	1,552	1,821
Maintenance, excluding labour	1,539	1,677
Cauquenes extraction costs	1,264	1,426
Industrial water	1,106	780
Process control, environmental and safety	644	556
Copper reagents	636	563
Subcontractors, support services	549	628
Inventory adjustments	461	2,659
Filtration and all other direct tolling costs	215	222
Direct slag processing costs	-	723
	7,965	11,055

(\$/lb Cu)	Q3-2020	Q3-2019
Other direct tolling costs		
Molybdenum production costs	0.11	0.11
Maintenance, excluding labour	0.10	0.10
Cauquenes extraction costs	0.09	0.09
Industrial water	0.08	0.05
Subcontractors, support services	0.04	0.04
Process control, environmental and safety	0.04	0.03
Copper reagents	0.04	0.03
Inventory adjustments	0.03	0.16
Filtration and all other direct tolling costs	0.01	0.01
Direct slag processing costs	-	0.04
	0.54	0.66

Depreciation and amortization in Q3-2020 were \$4.3 million (Q3-2019: \$4.4 million) due to the lower asset base at MVC.

Administration expenses during Q3-2020 were \$1.4 million (Q3-2019: \$1.2 million) and included \$0.01 million in severance payments paid in Q3-2020.

Other Gains and Expenses

Other expenses of \$0.9 million in Q3-2020 (Q3-2019: \$0.1 million) are costs not related to MVC's production operations, and include:

- General and administration expenses of \$0.6 million (Q3-2019: \$0.8 million) including share-based payments of \$nil (Q3-2019: \$0.3 million), salaries, management and professional fees of \$0.5 million (Q3-2019: \$0.4 million) and office and general expenses of \$0.1 million (Q3-2019: \$0.2 million).
- A \$0.3 million expense associated with the derivative to related parties (Q3-2019: \$0.1 million expense), including actual amounts paid or accrued to related parties of \$0.3 million (Q3-2019: \$0.3 million) and a \$nil change in the derivatives' fair value (Q3-2019: decrease in value of \$0.2 million).
- Other gains (losses) of \$nil in Q3-2020 (Q3-2019: other gains of \$0.8 million) comprised of a foreign exchange expense of \$0.1 million (Q3-2019: foreign exchange gain of \$0.7 million) and other gains of \$0.1 million (Q3-2019: \$0.1 million).

The Company's finance expense in Q3-2020 was \$0.8 million (Q3-2019: \$3.6 million) which includes interest on loans, leases and bank charges of \$1.2 million (Q3-2019: \$1.2 million) and a gain on fair value changes on an interest rate swap ("IRS") of \$0.3 million (Q3-2019: loss of \$0.8 million). In Q3-2019, finance expense also included a loss on modification of debt of \$1.6 million.

Income tax expense in Q3-2020 was \$1.9 million, fully in connection with deferred income tax. In Q3-2019 the Company posted income tax recovery of \$0.6 million, fully in connection with deferred income tax.

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 Q3-2020 and Q3-2019 is presented below:

(Expressed in thousands)	Q3-2020	Q3-2019
	\$	\$
Tolling and production costs	28,572	32,891
Add (deduct):		
DET notional royalties - copper	9,840	8,786
Smelting and refining	4,481	5,391
Transportation costs	478	512
Inventory adjustments	(461)	(2,659)
By-product credits	(2,110)	(5,846)
Total cost	40,800	39,075
Deduct:		
DET notional royalties - copper	(9,840)	(8,786)
DET royalties - molybdenum	(266)	(745)
	(10,106)	(9,531)
Depreciation and amortization	(4,271)	(4,372)
Cash cost	26,423	25,172
Pounds of copper tolled from fresh and old tailings	14.68	16.09
Cash cost (\$/lb)	1.80	1.56
Total cost (\$/lb)	2.78	2.43

The Company's trailing quarterly cash costs were:

(\$/lb of copper produced)	Q3-2020	Q2-2020	Q1-2020	Q4-2019	Q3-2019
Power costs	0.54	0.51	0.52	0.52	0.52
Smelting & refining	0.31	0.33	0.28	0.32	0.33
Lime	0.14	0.12	0.17	0.15	0.13
Grinding media	0.13	0.15	0.12	0.15	0.16
Administration	0.10	0.08	0.10	0.09	0.07
Transportation	0.03	0.03	0.03	0.03	0.03
Other direct costs	0.68	0.66	0.93	0.91	0.68
By-product credits	(0.14)	(0.16)	(0.21)	(0.38)	(0.36)
Cash Cost	\$1.80	\$1.72	\$1.94	\$1.79	\$1.56

Cash cost increased in Q3-2020 by \$0.24/lb compared to Q3-2019 mainly due to a decrease of \$0.22/lb in by-product credits, of which \$0.13/lb was associated with lower molybdenum production and prices in Q3-2019. By-product credits in Q3-2019 also included \$0.09/lb from slag processing (Q3-2020: nil).

The Company's trailing quarterly total costs were:

(\$/lb of copper produced)	Q3-2020	Q2-2020	Q1-2020	Q4-2019	Q3-2019
Cash cost	1.80	1.72	1.94	1.79	1.56
DET notional royalties/royalties	0.69	0.50	0.50	0.57	0.60
Amortization/depreciation	0.29	0.33	0.44	0.28	0.27
Total Cost	\$2.78	\$2.55	\$2.88	\$2.64	\$2.43

Total cost was \$2.78/lb (Q3-2019: \$2.43/lb), due to a \$0.24/lb increase in cash cost, a \$0.09/lb increase in DET notional royalties resulting from higher copper prices and a \$0.02/lb increase in depreciation.

FINANCIAL RESULTS – NINE MONTHS ENDED SEPTEMBER 30, 2020

YTD-2020, the Company posted a net loss of \$2.2 million or \$0.01 LPS (YTD-2019: \$10.0 million or \$0.06 LPS), a reduction in net loss of \$7.8 million.

While revenue in YTD-2020 of \$79.2 million lagged behind revenue in YTD-2019 of \$84.3 million due to lower production, the effect of significantly lower copper prices in Q1-2020 and Q2-2020 and the COVID-19 global pandemic, the Company's financial performance YTD-2020 was positively impacted by a reduction of \$7.8 million in tolling and production costs, allowing for a reduced gross loss of \$0.3 million in YTD-2020 compared to a gross loss of \$3.1 million in YTD-2019.

Other gains in YTD-2020 were \$0.2 million (YTD-2019: other expenses of \$3.0 million) due to a reduction of \$1.4 million in general and administration costs (from reductions of \$1.3 million share-based compensation expense and \$0.1 million in office and general expense) and a \$2.1 million reduction in the derivative to related parties associated with fair value changes to the derivative, mitigated by a decrease of \$0.2 million in foreign exchange gains.

YTD-2020, finance expense for the Company was \$4.5 million (YTD-2019: \$6.9 million). Finance expense was higher in YTD-2019 in connection with higher debt levels in that period and one-time costs and losses incurred in connection with a debt refinance in Q3-2019.

In YTD-2020, the Company posted an income tax recovery of \$2.4 million (YTD-2019: \$3.0 million).

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.

	Q3-2020	Q2-2020	Q1-2020	Q4-2019
	\$	\$	\$	\$
Total revenue (thousands)	37,555	26,046	15,638	35,474
Net income (loss) (thousands)	5,388	(3,602)	(4,029)	633
EPS (LPS)	0.03	(0.02)	(0.02)	-
Diluted EPS (LPS)	0.03	(0.02)	(0.02)	-

	Q3-2019	Q2-2019	Q1-2019	Q4-2018
	\$	\$	\$	\$
Total revenue (thousands)	33,900	22,692	27,736	37,582
Net (loss) income (thousands)	(2,083)	(6,564)	(1,399)	5,120
EPS (LPS)	(0.01)	(0.04)	(0.01)	0.03
Diluted EPS (LPS)	(0.01)	(0.04)	(0.01)	0.03

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:

	Q3-2020	Q2-2020	Q1-2020	Q4-2019	Q3-2019	Q2-2019	Q1-2019	Q4-2018
Copper sales/deliveries ¹	15.0	13.7	11.8	15.5	16.6	13.4	12.9	17.6
MVC's copper price	3.04	2.61	2.35	2.76	2.62	2.67	2.92	2.77
Settlement adjustments ²	4.77	(1.00)	(3.01)	1.04	(0.55)	(1.72)	0.85	0.41

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.

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 preceding quarters because 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 Q3-2019 copper prices continued to decline but the quarter to quarter decline was substantially lower than in the preceding quarter, resulting in lower negative settlement adjustments. Deliveries improved due to higher production. In Q4-2019 copper prices recovered and the Company had positive settlement adjustments of \$1.0 million, but deliveries were lower than in Q3-2019. In Q1-2020, copper deliveries declined because of lower production driven by MVC's water preservation efforts due to drought conditions in central Chile and low plant recoveries. Additionally, copper prices dropped sharply due to the COVID-19 global pandemic, affecting quarterly revenue, and resulting in \$3.0 million in negative adjustments to prior quarter sales. In Q2-2020, revenue was positively impacted by a recovery in copper prices, an increase in copper delivered during the quarter and reduced final copper adjustments to prior quarter sales. In Q3-2020 revenue was again positively impacted by both an increase in copper prices and an increase in copper delivered during the quarter.

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:

	Q3-2020	Q2-2020	Q1-2020	Q4-2019	Q3-2019	Q2-2019	Q1-2019	Q4-2018
Tolling and production costs ¹	28.57	26.44	24.57	31.95	32.89	28.79	25.76	27.50
Unit tolling and production cost ²	1.91	1.93	2.32	2.07	1.99	2.08	1.99	1.56

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 Chilean peso to the U.S. dollar. 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. In Q3-2019 total tolling and production costs increased due to higher deliveries which in turn resulted in lower unit costs. In Q4-2019, tolling and production costs included \$2.3 million in signing bonuses paid to MVC workers, increasing unit costs as there was no higher output associated with this cost. Tolling and production costs declined in Q1-2020 due to a lower contractual power cost and other cost mitigation initiatives, but unit costs increased due to lower production levels in the quarter. In Q2-2020, total tolling and production costs increased due to higher production levels but decreased on a unit cost basis. In Q3-2020, total tolling and production costs increased due to higher production levels but decreased on a unit cost basis.

LIQUIDITY and FINANCIAL POSITION

Cash Flow from Operations

In Q3-2020, the Company generated net cash from operating activities of \$15.4 million (Q3-2019: \$1.3 million). YTD-2020 net cash generated from operating activities was \$15.1 million (YTD-2019: \$2.8 million).

Excluding the effect of changes in working capital accounts, the Company generated \$10.7 million in cash from operations in Q3-2020 (Q3-2019: \$3.0 million). YTD-2020 net cash from operating activities was \$9.4 million (YTD-2019: \$3.4 million).

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

At September 30, 2020, the provisional copper price used by MVC was \$3.04/lb. Financial performance is very sensitive to changes in copper prices. For example, a 10% increase or decrease from the \$3.04/lb price would result in a \$4.5 million change in copper tolling revenue in Q4-2020.

Cash Flow Used in Financing Activities

YTD-2020, the Company made debt repayments of \$9.4 million (YTD-2019: \$11.3 million) and made lease repayments of \$1.0 million (Q3-2019: \$1.0 million). YTD-2019 the Company also paid \$1.1 million in transaction costs associated with MVC's debt refinance.

YTD-2020 the Company received \$0.1 million in proceeds from various exercises of stock options (YTD-2019: \$0.5 million).

Cash Flow used in Investing Activities

YTD-2020, the Company used cash of \$1.8 million for payments of plant and equipment (YTD-2019: \$9.6 million) and received \$0.07 million in proceeds from the sale of investments (YTD-2019: \$0.05 million).

Liquidity and Financial Position

The Company's financial results were significantly impacted in Q1-2020 and Q2-2020 by the sharp decline in market copper prices during the period in response to the global COVID-19 pandemic. As copper prices recovered, they have contributed to a sharp improvement in financial results and the generation of operating cash flow.

The price the Company receives for the copper produced by MVC under the agreement with DET is based on the average LME copper price for the third month following delivery of the copper concentrates ("M+3"). In a period of declining copper prices, the Company is impacted both from recording quarterly copper production at a low provisional copper price, and from adjusting down the three preceding months of production to adjust from a higher provisional price to a lower final settlement price. The opposite effect takes place when copper prices recover.

In Q3-2020 the Company generated cash flow before changes in working capital of \$10.7 million, compared to \$2.8 million in Q2-2020 and cash used in operations of \$4.1 million in Q1-2020. With respect to net operating cash flow (including the changes in working capital), in Q3-2020 this was \$15.4 million, compared to \$1.1 million in Q2-2020 and net cash used in operations of \$1.4 million in Q1-2020.

In Q3-2020, in response to the low copper prices in Q1-2020 and Q2-2020, the Company reduced operating costs, suspended most capital expenditures and reached an agreement with DET to defer payment of \$7.3 million in copper settlements which were immediately due and will now be paid in twelve equal installments in 2021.

Stronger copper prices and the actions described above allowed the Company to meet its most recent scheduled debt service in September 2020 (\$4.7 million plus \$1.4 million interest), improve its cash balance at September 30, 2020 to \$10.5 million from \$0.5 million in June 30, 2020 and \$7.1 million on December 31, 2019, and reduce the Company's working capital deficiency to \$18.2 million from a \$26.7 million deficiency on June 30, 2020. At December 31, 2019, the working capital deficiency was \$15.1 million. In October 2020, the Company fully funded its debt service reserve account ("DSRA") with \$6.1 million. Refer to Borrowings, immediately below, for more information on the Company's borrowings and debt facilities.

Under these improved conditions, the Company expects to meet its debt obligations for the next 12 months from operating cash flow, assuming copper prices average at least \$2.85/lb and production and cost targets continue to be met.

Borrowings

(Expressed in thousands)	September 30, 2020	December 31, 2019
	\$	\$
Consolidated bank loan	46,015	55,897
DET deferred settlements loan	7,246	-
	53,261	55,897
Comprise:		
Current portion of long-term debt	14,215	10,108
Long-term debt	39,046	45,789
	53,261	55,897

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 had 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.

On August 3, 2017, MVC obtained a \$35.3 million facility (the "Cauquenes Phase Two Loan") from Scotiabank and EDC to finance the Cauquenes Phase Two expansion. The Cauquenes Phase Two Loan had a maximum repayment term of three years consisting of six equal semi-annual principal payments of \$5.9 million which commenced on June 30, 2019.

On September 26, 2019, MVC completed a refinance of the Cauquenes Phase One and Phase Two loans, which at the time of refinance had an outstanding principal of \$56.3 million and accrued interest of \$0.8 million. Under the refinance provisions, the principal outstanding on the Cauquenes loans was structured as a four-year senior secured term loan facility (the "Consolidated Bank Loan") of \$56.3 million, provided jointly by Scotiabank and EDC.

The Consolidated Bank Loan has a maximum repayment term of 4 years to September 26, 2023 that may be shortened without penalty in accordance with the provisions of the debt agreement. Seven semi-annual installments of \$4.7 million are to be made starting together with accrued interest. The first scheduled installment was paid on March 26, 2020. A final installment of \$23.5 million plus accrued interest is to be made on September 26, 2023. Any prepayments made during the term of the loan will reduce the amount due on the final installment.

On closing of the refinance, MVC paid \$0.8 million in interest accrued on the Cauquenes loans, an IRS break fee of \$0.3 million and bank commissions of \$1.2 million. MVC also recognized a loss on modification of debt of \$1.6 million, included as finance expense in the period. The loss on modification of debt was a non-cash item arising from the application of *IFRS 9 - Financial Instruments*, under which the present value of the cash flows of the original and renegotiated debt were compared using the Company's effective interest rate, with a resulting loss and an adjustment to the carrying value of the Consolidated Bank Loan. Interest on the Consolidated Bank Loan is synthetically fixed through an IRS, accounted for at fair value through profit or loss, at a rate of 5.70% per annum for 80% of the facility. The remaining 20% of the facility is subject to a variable rate based on the US Libor six-month rate, currently 3.124% per annum. The IRS has a term to September 26, 2023.

The balance of the Consolidated Bank Loan (net of transaction costs) at September 30, 2020 was \$46.0 million (December 31, 2019: \$55.9 million).

MVC has provided security on the Consolidated Bank Loan in the form of a charge on all of MVC's assets.

MVC is required to meet four bank covenants: current ratio (requirement of 1.2), tangible net worth (requirement of \$125.0 million), debt service coverage ratio (requirement of 1.2) and debt/EBITDA ratio (requirement < 3), measured semi-annually on June 30 and December 31. At June 30, 2020, MVC did not meet these covenants, however it received waivers from Scotiabank and EDC in respect of covenant compliance.

MVC is also required to have a DSRA which must be used to: /i/ pay the principal and interest of bank loans and amounts owing under the IRS 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 will need to replenish the DSRA at each month's end with funds necessary to maintain a balance equal to one hundred percent of the sum of the principal, interest and IRS that are payable in the following six months. On September 28, 2020, the totality of funds in the DSRA were used to make scheduled principal and interest payments. MVC funded the debt reserve account with \$6.1 million during October 2020.

In Q3-2020, MVC reached an agreement with DET to defer payment of \$7.3 million in copper settlements. The Deferred Payments, which were immediately due to DET, will commence on January 5, 2021 and will be payable in 12 equal monthly installments and will bear interest at a rate of Libor 12 months plus 3 %. At September 30, 2020, the current portion of Deferred Payments was \$4.8 million, with a long-term portion of \$2.4 million.

Molybdenum Plant Expansion Lease

In 2018, MVC entered into a lease of 201,903 Chilean Unidades de Fomento 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 September 30, 2020, the lease obligation was \$5.4 million (December 31, 2019: \$6.8 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 DET 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 payable by 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 DET Agreement anticipates that in the event monthly average prices fall below \$1.95/lb in the case of fresh tailings and Cauquenes tailings, 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.

OTHER MD&A REQUIREMENTS

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 YTD-2020, \$0.7 million was paid or accrued to the Class A shareholders (YTD-2019: \$0.7 million) and the derivative's fair value decreased by \$2.0 million (YTD-2019: did not change), for a total derivative recovery of \$1.3 million (YTD-2019: expense of \$0.7 million).

At September 30, 2020, the derivative totalled \$10.6 million (December 31, 2019: \$12.1 million), with a current portion of \$1.8 million (December 31, 2019: \$1.2 million) and a long-term portion of \$8.8 million (December 31, 2019: \$10.9 million).

Actual monthly payments outstanding at September 30, 2020 were \$0.7 million (December 31, 2019: \$0.2 million) and included the payments from December 2019 to September 2020.

b) Directors' fees and remuneration to officers

YTD-2020, the Company paid or accrued \$0.6 million in salaries and fees to companies associated with certain officers (YTD-2019: \$0.7 million), and in both periods Amerigo paid or accrued \$0.2 million in directors' fees. These transactions were in the ordinary course of business and measured at market rates determined on a cost recovery basis. Amerigo has deferred payment of directors' fees from Q4-2019 to Q3-2020 and payment of management's 2019 performance bonuses, in the aggregate amount of \$0.5 million.

YTD-2020, 2,000,000 options were granted to Amerigo directors and officers and MVC employees (2019: 3,150,000 options).

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 Q3-2020, management's significant judgements and the key sources of estimation uncertainty were consistent with those used to prepare Amerigo's 2019 annual consolidated financial statements. For more information, refer to Amerigo's year ended December 31, 2019 annual consolidated financial statements available on Amerigo's profile on SEDAR at www.sedar.com.

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. The Amerigo directors, Aurora Davidson (President and CEO) and Carmen Amezcua (CFO) are members of this committee.

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 \$1.1 million to \$1.5 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.

- Amerigo has an agreement for the lease of office premises in Vancouver to December 1, 2021. Rent commitments under the agreement are approximately \$0.1 million.

Subsequent Events

- a) On June 25, 2020, MVC received a notification from Chile's Environmental Supervisory Unit (Superintendencia del Medio Ambiente, ("SMA")) under which MVC was charged with three counts of non-compliance in respect of certain of its environmental obligations. Two of the charges were in respect of deficiencies in MVC's environmental compliance reports and the third count was associated with a delay in the application of dust suppressing polymers on certain areas of the Cauquenes deposit. None of the charges caused environmental or safety damages. On July 20, 2020, MVC filed with the SMA a Compliance Plan (Plan de Cumplimiento ("PDC")) which includes MVC's proposal to fully remedy the reporting and operational charges presented by the SMA. On October 6, 2020, the SMA approved the PDC. MVC is in the process of carrying out the actions outlined in the PDC within the various agreed timeframes. On completion of all actions, charges would be dropped without any sanctions to MVC.
- b) Subsequent to September 30, 2020, MVC funded the debt reserve account with \$6.1 million.

Securities Outstanding

On November 2, 2020 Amerigo had 180,769,351 common shares outstanding and 10,120,000 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 the Company'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. These forward-looking statements include but are not limited to, statements concerning:

- forecasted production, reductions in operating costs and an increase in recoveries;
- water supply risk to MVC;
- potential impact of COVID-19 on our business and operations;
- our strategies and objectives;
- our estimates of the availability and quantity of tailings, and the quality of our mine plan estimates;
- our estimates in respect of annual 2020 sustaining capital expenditures;
- the timing of completion of MVC's projects to improve water recirculation;
- 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;
- our ability to comply with our loan covenants;
- 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
- 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.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that are 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 Codelco's Division El Teniente's current production and historic tailings from tailings deposit; the ability of the Company to draw down funds from bank facilities and lines of credit, 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 including the current outbreak of the novel coronavirus known as COVID-19 on the Company's business, operations and financial condition; 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. Notwithstanding the efforts of the Company and MVC, there can be no guarantee that the Company's or MVC's staff will not contract COVID-19 or that the Company's and MVC's measures to protect staff from COVID-19 will be effective. 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;
- 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;
- rainfall in the vicinity of MVC returning to normal levels;
- average recoveries for fresh tailings and Cauquenes tailings;
- 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.

Although the Company 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 the Company's control, the Company cannot assure that it will achieve or accomplish the expectations, beliefs or projections described in the forward-looking statements.

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. You should also carefully consider the matters discussed under Risk Factors in the Company's Annual Information Form. The forward-looking statements contained herein speak only as of the date of the MD&A and 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.