



May 8, 2024
N.R. 2024-6

Amerigo Announces Q1-2024 Results & Quarterly Dividend

Q1-2024 net income of \$4.3 million

Quarterly EBITDA¹ of \$13.6 million – free cash flow to equity¹ of \$7.3 million

Current copper prices substantially above Q1-2024 average

Quarterly dividend of Cdn\$0.03 per share declared, representing a 7.7% yield³

VANCOUVER, BRITISH COLUMBIA – May 8, 2024/Amerigo Resources Ltd. (TSX: ARG; OTCQX: ARREF) (“Amerigo” or the “Company”) is pleased to announce financial results for the three months ended March 31, 2024 (“Q1-2024”). Dollar amounts in this news release are in U.S. dollars unless indicated otherwise.

Amerigo’s Q1-2024 financial results included net income of \$4.3 million, earnings per share (“EPS”) of \$0.03, EBITDA¹ of \$13.6 million and free cash flow to equity¹ of \$7.3 million. In Q1-2024, Amerigo returned \$3.7 million to shareholders².

“We are pleased to report a strong operational first quarter, with production trending over guidance and excellent cost management at MVC. During the first quarter, our average copper price was \$3.95 per pound, and we generated free cash flow to equity of \$7.3 million. Since the end of the quarter, copper prices have substantially appreciated, confirming our long-standing view on the strength of copper supply and demand fundamentals,” said Aurora Davidson, Amerigo’s President and CEO.

“Amerigo’s Capital Return Policy has the tools to return surplus cash to shareholders in a timely manner. As stated last quarter, we are growing cash balances to our desired target level. This cash rebuild is accelerating under current copper prices, where the latest spot copper prices exceed our Q1-2024 provisional price by \$0.50 per pound. With respect to our first quarter results, Amerigo’s Board of Directors declared another quarterly dividend of Cdn\$0.03 per share,” she added.

On May 6, 2024, Amerigo’s Board of Directors declared its eleventh consecutive quarterly dividend. The dividend will be in the amount of Cdn\$0.03 per share, payable on June 20, 2024, to shareholders of record as of May 30, 2024⁴. Amerigo designates the entire amount of this taxable dividend to be an “eligible dividend” for purposes of the *Income Tax Act* (Canada), as amended from time to time. Based on Amerigo’s March 31, 2024, share closing price of Cdn\$1.55, this represents an annual dividend yield of 7.7%³.

This news release should be read with Amerigo’s interim consolidated financial statements and Management’s Discussion and Analysis (“MD&A”) for Q1-2024, available on the Company’s website at www.amerigoresources.com and on the SEDAR+ website at www.sedarplus.ca.

¹ This is a non-IFRS measure. See “Non-IFRS Measures” for further information.



	Q1-2024	Q1-2023
MVC's copper price (\$/lb) ⁴	3.95	4.02
Revenue (\$ millions)	44.9	52.6
Net income (\$ millions)	4.3	9.1
EPS (\$)	0.03	0.05
EPS (Cdn)	0.03	0.07
EBITDA ¹ (\$ millions)	13.6	18.5
Operating cash flow before changes in non-cash working capital ¹ (\$ millions)	10.2	13.2
FCFE ¹ (\$ millions)	7.3	8.6
	March 31, 2024	Dec. 31, 2023
Cash (\$ millions)	13.8	16.2
Restricted cash (\$ millions)	6.2	6.3
Borrowings (\$ millions)	19.0	20.7
Shares outstanding at end of period (millions)	165.4	164.8

Highlights and Significant Items

- In Q1-2024, operations from Minera Valle Central (“MVC”), the Company’s 100% owned operation near Rancagua, Chile, outperformed copper production and cash cost¹ guidance by 2% and 9%, respectively. Copper production in Q1-2024 was 16.0 million pounds (“M lbs”) (Q1-2023: 16.5 M lbs), including 8.5 M lbs from fresh tailings (Q1-2023: 10.1 M lbs) and 7.5 M lbs from Cauquenes historical tailings (Q1-2023: 6.4 M lbs). Molybdenum production in Q1-2024 and Q1-2023 was 0.3 million pounds.
- Both copper and molybdenum prices were lower in Q1-2024 compared to Q1-2023, which had a negative impact on Q1-2024 revenue. The Company’s Q1-2024 average copper price was \$3.95 per pound (“/lb”) compared to \$4.02/lb in Q1-2023, and the Company’s molybdenum price was \$19.67/lb in Q1-2024, compared to \$31.73/lb in Q1-2023.
- Net income during Q1-2024 was \$4.3 million (Q1-2023: \$9.1 million) due to lower copper and molybdenum revenue and lower unrealized foreign exchange gains, offset by lower tolling and production costs and lower taxes.
- EPS during Q1-2024 was \$0.03 (Cdn\$0.03), compared to \$0.05 (Cdn\$0.07) in Q1-2023.
- The Company generated operating cash flow before changes in non-cash working capital¹ of \$10.2 million in Q1-2024 (Q1-2023: \$13.2 million). Quarterly net operating cash flow was \$4.5 million (Q1-2023: \$18.2 million). Free cash flow to equity¹ was \$7.3 million in Q1-2024 (Q1-2023: \$8.6 million), given significantly lower capital expenditures (“Capex”) in Q1-2024.
- Q1-2024 cash cost¹ was \$1.96/lb (Q1-2023: \$1.91/lb), including \$0.07/lb paid to MVC’s supervisors as the signing bonus of a 3-year collective labour agreement. Normalized cash cost¹, excluding the effect of the signing bonus, was \$1.89/lb.
- The Company’s financial performance is sensitive to changes in copper prices. MVC’s Q1-2024 provisional copper price was \$3.97/lb. The final prices for January, February, and March 2024 sales will be the average London Metal Exchange (“LME”) prices for April (\$4.30/lb), May, and June 2024, respectively. A 10% increase or decrease from the \$3.97/lb provisional price used on March 31, 2024, would result in a \$6.3 million change in revenue in Q2-2024 regarding Q1-2024 production⁵.

¹ This is a non-IFRS measure. See “Non-IFRS Measures” for further information.



- In Q1-2024, Amerigo returned \$3.7 million to shareholders through Amerigo's regular quarterly dividend of Cdn\$0.03 per share (Q1-2023: \$3.6 million). In Q1-2023, \$1.9 million was used to repurchase 1.6 million common shares through a Normal Course Issuer Bid.
- On March 31, 2024, the Company held cash and cash equivalents of \$13.8 million (December 31, 2023: \$16.2 million), restricted cash of \$6.2 million (December 31, 2023: \$6.3 million), and its working capital deficiency was \$4.2 million, down from a working capital deficiency of \$12.3 million on December 31, 2023.
- On May 6, 2024, two production optimization Capex projects were approved to be initiated in 2024. The Capex for these projects is expected to be \$2.3 million, resulting in an annualized increase of around 345 tonnes or 760,000 lbs of copper when completed.

Investor Conference Call on May 9, 2024

Amerigo's quarterly investor conference call will occur on Thursday, May 9, 2024, at 11:00 a.m. Pacific Daylight Time/2:00 p.m. Eastern Daylight Time.

Participants can join by visiting <https://emportal.ink/3T2LOH1> and entering their name and phone number. The conference system will then call the participants and place them instantly into the call. Alternatively, participants can dial directly to be entered into the call by an Operator. Dial 1-888-664-6392 (Toll-Free North America) and state they wish to participate in the Amerigo Resources Q1-2024 Earnings Call.

About Amerigo and Minera Valle Central ("MVC")

Amerigo Resources Ltd. is an innovative copper producer with a long-term relationship with Corporación Nacional del Cobre de Chile ("Codelco"), the world's largest copper producer.

Amerigo produces copper concentrate, and molybdenum concentrate as a by-product at the MVC operation in Chile by processing fresh and historic tailings from Codelco's El Teniente mine, the world's largest underground copper mine. Tel: (604) 681-2802; Web: www.amerigoresources.com; ARG:TSX; OTCQX: ARREF.

Contact Information

Aurora Davidson
President and CEO
(604) 697-6207
ad@amerigoresources.com

Graham Farrell
Investor Relations
(416) 842-9003
graham.farrell@harbor-access.com

¹ This is a non-IFRS measure. See "Non-IFRS Measures" for further information.



Summary Consolidated Statements of Financial Position		
	March 31, 2024	December 31, 2023
	\$ thousands	\$ thousands
Cash and cash equivalents	13,801	16,248
Restricted cash	6,214	6,282
Property plant and equipment	151,274	156,002
Other assets	28,348	21,027
Total assets	199,637	199,559
Total liabilities	93,805	94,706
Shareholders' equity	105,832	104,853
Total liabilities and shareholders' equity	199,637	199,559

Summary Consolidated Statements of Income and Comprehensive Income		
Three months ended March 31,		
	2024	2023
	\$ thousands	\$ thousands
Revenue	44,921	52,648
Tolling and production costs	(37,116)	(39,170)
Other expenses	(1,329)	(36)
Finance expense	(503)	(827)
Income tax expense	(1,701)	(3,530)
Net income	4,272	9,085
Other comprehensive income (loss)	9	(163)
Comprehensive income	4,281	8,922
Earnings per share - basic & diluted	0.03	0.05

Summary Consolidated Statements of Cash Flows		
Three months ended March 31,		
	2024	2023
	\$ thousands	\$ thousands
Cash flow from operating activities	10,189	13,192
Changes in non-cash working capital	(5,654)	5,008
Net cash from operating activities	4,535	18,200
Net cash used in investing activities	(1,129)	(4,383)
Net cash used in financing activities	(5,263)	(7,717)
Net (decrease) increase in cash and cash equivalents	(1,857)	6,100
Effect of foreign exchange rates on cash	(590)	2
Cash and cash equivalents, beginning of period	16,248	37,821
Cash and cash equivalents, end of period	13,801	43,923

1 Non-IFRS Measures

This news release includes five non-IFRS measures: (i) EBITDA, (ii) operating cash flow before changes in non-cash working capital, (iii) free cash flow to equity ("FCFE"), (iv) free cash flow ("FCF") and (v) cash cost.

These non-IFRS performance measures are included in this news release because they provide key performance measures used by management to monitor operating performance, assess corporate performance, and plan and assess the overall effectiveness and efficiency of Amerigo's operations. These performance measures are not standardized financial measures under International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), and, therefore, amounts presented may not be comparable to similar financial measures disclosed by other companies. These performance measures should not be considered in isolation as a substitute for performance measures in accordance with IFRS Accounting Standards.

- (i) EBITDA refers to earnings before interest, taxes, depreciation, and administration and is calculated by adding depreciation expense to the Company's gross profit.



(Expressed in thousands)	Q1-2024	Q1-2023
	\$	\$
Gross profit	7,805	13,478
Add:		
Depreciation and amortization	5,773	4,986
EBITDA	13,578	18,464

- (ii) Operating cash flow before changes in non-cash working capital is calculated by adding back the decrease or subtracting the increase in changes in non-cash working capital to or from cash provided by operating activities.

(Expressed in thousands)	Q1-2024	Q1-2023
	\$	\$
Net cash provided by operating activities	4,535	18,200
Add (Deduct):		
Changes in non-cash working capital	5,654	(5,008)
Operating cash flow before non-cash working capital	10,189	13,192

- (iii) Free cash flow to equity ("FCFE") refers to operating cash flow before changes in non-cash working capital, less capital expenditures plus new debt issued less debt and lease repayments. FCFE represents the amount of cash generated by the Company in a reporting period that can be used to pay for the following:

- a) potential distributions to the Company's shareholders and
- b) any additional taxes triggered by the repatriation of funds from Chile to Canada to fund these distributions.

Free cash flow ("FCF") refers to FCFE plus repayments of borrowings and lease repayments.

(Expressed in thousands)	Q1-2024	Q1-2023
	\$	\$
Operating cash flow before changes in non-cash working capital	10,189	13,192
Deduct:		
Cash used to purchase plant and equipment	(1,129)	(4,383)
Repayment of borrowings, net of new debt issue	(1,750)	-
Lease repayments	-	(188)
Free cash flow to equity	7,310	8,621
Add:		
Repayment of borrowings, net of new debt issued	1,750	-
Lease repayments	-	188
Free cash flow	9,060	8,809



- (iv) Cash cost is a performance measure commonly used in the mining industry that is not defined under IFRS. Cash cost is the aggregate of smelting and refining charges, tolling/production costs net of inventory adjustments and administration costs, net of by-product credits. Cash cost per pound produced is based on pounds of copper produced and is calculated by dividing cash cost by the number of pounds of copper produced.

(Expressed in thousands)	Q1-2024	Q1-2023
	\$	\$
Tolling and production costs	37,116	39,170
Add (deduct):		
Smelting and refining charges	6,237	6,661
Transportation costs	403	464
Inventory adjustments	(169)	166
By-product credits	(5,454)	(8,039)
Depreciation and amortization	(5,773)	(4,986)
DET royalties - molybdenum	(1,032)	(1,806)
Cash cost	31,328	31,630
Copper tolled (M lbs)	16.00	16.52
Cash cost (\$/lb)	1.96	1.91

2 Capital returned to shareholders

The table below summarizes the capital returned to shareholders since Amerigo's Capital Return Strategy was implemented in October 2021.

(Expressed in millions)			
	Shares repurchased	Dividends Paid	Total
	\$	\$	\$
2021	8.9	2.8	11.7
2022	12.3	15.7	28.0
2023	2.6	14.6	17.2
2024	-	3.7	3.7
	23.8	36.8	60.6

3 Dividend yield

The disclosed annual yield of 7.7% is based on four quarterly dividends of Cdn\$0.03 per share each, divided over Amerigo's March 31, 2024 closing share price of Cdn\$1.55.

4 Dividend dates

A dividend of Cdn\$0.03 per share will be paid on June 20, 2024, to shareholders of record as of May 30, 2024. Given the change to a "T+1 settlement cycle" effective May 27, 2024, the ex-dividend date will also be May 30, 2024. Shareholders purchasing Amerigo shares on the ex-dividend date or after will not receive this dividend, as it will be paid to selling shareholders. Shareholders purchasing Amerigo shares before the ex-dividend date will receive the dividend.



5 MVC's copper price

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

MVC's pricing terms are based on the average LME copper price of the third month following the delivery of copper concentrates produced under the DET tolling agreement ("M+3"). This means that when final copper prices are not yet known, they are provisionally marked to market at the end of each month based on the progression of the LME-published average monthly M and M+3 prices. Provisional prices are adjusted monthly using this consistent methodology until they are settled.

Q4-2023 copper deliveries were marked-to-market on December 31, 2023 at \$3.83/lb and were settled in Q1-2024 as follows:

- October 2023 sales settled at the January 2024 LME average price of \$3.78/lb
- November 2023 sales settled at the February 2024 LME average price of \$3.77/lb
- December 2023 sales settled at the March 2024 LME average price of \$3.93/lb

Q1-2024 copper deliveries were marked to market on March 31, 2024, at \$3.97/lb and will be settled at the LME average prices for April (\$4.30/lb), May, and June 2024.

Cautionary Note Regarding Forward-Looking Information

This news release contains certain forward-looking information and statements defined in applicable securities laws (collectively called "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 are intended to identify forward-looking statements. These forward-looking statements include, but are not limited to, statements concerning:

- forecasted production and operating costs;
- our strategies and objectives;
- our estimates of the availability and quantity of tailings and the quality of our mine plan estimates;
- the sufficiency of MVC's water reserves to maintain projected Cauquenes tonnage processing for a period of at least 18 months;
- prices and price volatility for copper, molybdenum and other commodities and materials we use in our operations;
- the demand for and supply of copper, molybdenum 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 financial condition and our expected ability to redeploy other tools of our capital return strategy;
- 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, including the security of the quarterly dividends and our Capital Return Strategy; and
- general business and economic conditions, including, but not limited to, our assessment of strong market fundamentals supporting copper prices.

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. 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; risks related to the potential impact of global or national health concerns; government or regulatory actions or inactions; 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 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; risks associated with supply chain disruptions; 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 to the Company and its operations, as well as 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 the Company's operations and have a material effect.

Actual results and developments will likely differ materially from those expressed or implied by the forward-looking statements in this news release. Such statements are based on several assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- interest and currency exchange 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, molybdenum and other commodities and products used in our operations;
- the ongoing supply of material for processing from Codelco's current mining operations;
- the grade and projected recoveries of tailings processed by MVC;
- 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;
- 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 continuing to trend towards 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 no adverse mining or other events significantly affecting 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.

The preceding list of important factors and assumptions is not exhaustive. Other events or circumstances could cause our results to differ materially from those estimated, projected, and expressed in or implied by our forward-looking statements. You should also 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 this news release. Except as required by law, we undertake no obligation to revise any forward-looking statements or the preceding list of factors, whether due publicly or otherwise, to new information or future events.