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Amerigo and Codelco/EI Teniente sign agreement extending tailings processing to 2037

VANCOUVER, BRITISH COLUMBIA – April 22, 2014/CNW/ - Amerigo Resources Ltd. (TSX: ARG, "Amerigo" or the "Company") announced today that its Chilean subsidiary Minera Valle Central ("MVC"), has entered into a definitive agreement (the "Master Agreement") with the EI Teniente division ("DET") of Corporación Nacional del Cobre de Chile ("Codelco") for the purchase of the processing rights to the Cauquenes tailings deposit and extending MVC's rights to process DET fresh tailings to 2037.

Codelco's EI Teniente is the world's largest underground mine. It has been in operation for over a century, and DET is currently undertaking expansion projects to extend EI Teniente's mine life by at least 50 years.

During the 23 year term of the Master Agreement it is expected that MVC will produce approximately 1.7 billion pounds of copper and 43 million pounds of molybdenum and the expansion project will have positive employment and environmental effects in the region. Major terms of the Master Agreement include the following:

- Extension of the existing fresh tailings and Colihues contracts from 2021 to 2037
- Sliding scale royalty to DET for Cauquenes tailings
- Change to a sliding scale for the fresh tailings royalty, with an increase in the minimum copper price at which this royalty is payable and the elimination of exchange rate provisions that increased royalty costs
- At a copper price of approximately \$3.10 per pound the new and amended royalty formulas are estimated to result in the same royalties as the existing formulas, but with improved downside protection
- Three early exit options for DET that are only exercisable in the event of changes that were unforeseen as of the date of the Master Agreement

Dr. Klaus Zeitler, Amerigo's Chairman and CEO, stated "We are extremely pleased to announce this major milestone in the history of the Company. The processing of tailings from the Cauquenes deposit will require a major expansion of the Company's operations in Chile and result in a number of new direct and indirect jobs over the life of the project. We estimate that, upon reaching full production levels from Cauquenes, the Company's annual copper production will increase to approximately 90 million pounds, or double current levels, and production cash costs will decrease by close to 20%, both of which are expected to have a significantly positive effect on Amerigo's financial results for years to come".

Rob Henderson, Amerigo's President and Chief Operating Officer, added "Bank due diligence in respect of the Cauquenes expansion project is at an advanced stage and we anticipate receiving the remainder of required environmental approvals in the near future. Engineering is well underway so that construction can begin after receipt of environmental approvals and proceeds from financing are available."

Additional details can be found in the Master Agreement and an English translation of the Master Agreement which are being filed under the Company's profile on SEDAR. The Company also plans to file a National Instrument 43-101 compliant report on the Company's mineral resources on SEDAR in the near future.

Amerigo Resources Ltd. produces copper and molybdenum under a long term partnership with the world's largest copper producer, Codelco, by means of processing fresh and old tailings from the world's largest underground copper mine, El Teniente near Santiago, Chile. Tel: (604) 681-2802; Fax: (604) 682-2802; Web: www.amerigoresources.com; Listing: ARG:TSX

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Certain of the information and statements contained herein that are not historical facts, constitute "forward-looking information" within the meaning of the Securities Act (British Columbia), Securities Act (Ontario) and the Securities Act (Alberta) applicable Canadian securities legislation ("Forward-Looking Information"). Forward-Looking Information is often, but not always, identified by the use of words such as "expects", "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend"; statements that an event or result is "due" on or "may", "will", "should", "could", or "might" occur or be achieved; and, other similar expressions. More specifically, Forward-Looking Information contained herein includes, without limitation, information concerning the agreement for the purchase by MVC of the processing rights for the Cauquenes tailings deposit, extending the contract for the processing of Fresh Tailings to 2037 and consolidating all contracts between MVC and DET (the "Master Agreement"), completion of construction of the planned expansion of MVC's operations required for the processing of old tailings from the historic Cauquenes tailings deposit (the "Cauquenes Expansion"), future tailings production volumes and the Company's copper and molybdenum production, all of which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such Forward-Looking Information including, without limitation, material factors and assumptions relating to, and risks and uncertainties associated with, the performance of the Master Agreement, the receipt of adequate debt financing required for the Cauquenes Expansion, the receipt of environmental approval to the Cauquenes expansion, the continued supply of tailings from El Teniente and successful extraction of tailings from the Cauquenes and Colihues tailings deposits, the achievement and maintenance of planned production rates, the evolving legal and political policies of Chile, the volatility in the Chilean economy, military unrest or terrorist actions, metal price fluctuations, governmental relations, the availability of financing for activities when required and on acceptable terms, the estimation of mineral resources and reserves, current and future environmental and regulatory requirements, the availability and timely receipt of permits, approvals and licenses, industrial or environmental accidents, equipment breakdowns, availability of and competition for future mineral acquisition opportunities, availability and cost of insurance, labour disputes, land claims, the inherent uncertainty of production and cost estimates, currency fluctuations, expectations and beliefs of management and other risks and uncertainties, including those described under Risk Factors in the Company's Annual Information Form and in Management's Discussion and Analysis in the Company's financial statements. Such Forward-Looking Information is based upon the Company's assumptions regarding global and Chilean economic, political and market conditions and the price of metals, including copper and molybdenum, and future tailings production volumes and the Company's copper and molybdenum production. Among the factors that have a direct bearing on the Company's future results of operations and financial conditions are changes in project parameters as plans continue to be refined, interruptions in the supply of fresh tailings from El Teniente, further delays in the extraction of tailings from the Colihues and Cauquenes tailings deposits, a change in government policies, competition, currency fluctuations and restrictions and technological changes, among other things. Should one or more of any of the aforementioned risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from any conclusions, forecasts or projections described in the Forward-Looking Information. Accordingly, readers are advised not to place undue reliance on Forward-Looking Information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise Forward-Looking Information, whether as a result of new information, future events or otherwise.