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Amerigo Resources Ltd.
Management's Discussion and Analysis
For the Three and Six Months Ended June 30, 2022

T A B L E of C O N T E N T S

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

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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 21).

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

ABOUT AMERIGO

Amerigo Resources Ltd. ("Amerigo") owns a 100% interest in Minera Valle Central S.A. ("MVC"), a producer of copper and molybdenum concentrates. MVC, located in Chile, has a long-term contract with Codelco's DET to process fresh and historic tailings from El Teniente. El Teniente, in production since 1905, is the world's largest underground copper mine. Refer to Agreements with Codelco's DET (page 18).

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 sold under sales agreement with Chile's Molibdenos y Metales S.A. ("Molymet") and Glencore Chile SpA ("Glencore").

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

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

This MD&A of the results of operations and financial position of Amerigo together with its subsidiaries (collectively, the "Company"), is prepared as of August 2, 2022.

It should be read in conjunction with Amerigo's condensed interim consolidated financial statements and related notes for the three and six months ended June 30, 2022, and the audited consolidated financial statements and related notes for the year ended December 31, 2021.

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-IFRS measures which are indicated as such.

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

Non-IFRS Measures

In this MD&A we refer to the terms "cash cost" and "total cost", which are performance measures commonly used in the mining industry that are 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 byproduct credits. Cash cost per pound produced is based on pounds of copper produced and is calculated by dividing cash cost over the number of pounds of copper produced. Total cost is equal to the aggregate of cash cost, DET notional copper royalties and DET molybdenum royalties, and depreciation. A tabular reconciliation of cash cost and total cost to tolling and production costs is available on page 13.

Another non-IFRS measure used by the Company is "operating cash flow before changes in non-cash working capital". This is calculated by adding back the decrease or subtracting the increase in changes in non-cash working capital to or from cash provided by (used in) operating activities. A tabular reconciliation of cash from operating activities and operating cash flow before changes in non-cash working capital in Q2-2022 and Q2-2021 is available on page 7.

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:

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. A tabular reconciliation of operating cash flow before changes in non-cash working capital to FCFE and FCF in Q2-2022 and Q2-2021 is available on page 7.

These non-IFRS performance measures are included in this MD&A because they provide key performance measures used by management to monitor operating performance, assess corporate performance, and to plan and assess the overall effectiveness and efficiency of Amerigo's operations. These performance measures are not standardized financial measures under IFRS and, therefore, amounts presented may not be comparable to similar financial measures disclosed by other issuers. These performance measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.

QUARTERLY HEADLINES

Key performance metrics	Q2-2022	Q2-2021	Change $	Change %
Copper produced (million pounds)[1]	14.9	15.0	(0.1)	(1%)
Copper delivered (million pounds)[1]	14.9	15.1	(0.2)	(2%)
Revenue ($ thousands) [2]	33,584	50,503	(16,919)	(34%)
DET notional copper royalties ($ thousands)	18,281	20,183	(1,902)	(9%)
Tolling and production costs ($ thousands)	31,968	31,376	592	2%
Gross profit ($ thousands)	1,616	19,127	(17,511)	(92%)
Net (loss) income ($ thousands)	(5,071)	11,586	(16,657)	(144%)
(Loss) earnings per share	(0.03)	0.06	(0.09)	(150%)
(Loss) earnings per share (Cdn$)	(0.04)	0.08	(0.12)	(150%)
Operating cash flow before changes in working capital ($ thousands	(3,952)	17,067	(21,019)	(123%)
Free cash flow to equity[5]	(10,657)	5,654	(16,311)	(288%)
Cash flow paid for plant and equipment ($ thousands)	(3,010)	(839)	(2,171)	259%
Cash and cash equivalents ($ thousands)	53,020	48,909	4,111	8%
Borrowings ($ thousands)[6]	27,022	37,506	(10,484)	(28%)
MVC's copper price ($/lb)[7]	4.10	4.37	(0.27)	(6%)
MVC's molybdenum price ($lb)[8]	17.58	13.33	4.25	32%

Notes:

1 Copper production conducted under a tolling agreement with DET.
2 Revenue reported net of notional items (smelting and refining charges, DET notional copper royalties and transportation costs).
3 (Loss) earnings per share in Canadian dollars ("Cdn") was calculated by converting the net (loss) income to Cdn using the average USD-Cdn foreign exchange rate during the period of 1 USD:1.2768 Cdn (Q2 2021- 1 USD:1.2282 Cdn)
4 A non-IFRS measure. Refer to page 7 for the basis of reconciliation of operating cash flow before non-cash working capital and net cash from operating activities
5 A non-IFRS measure. Refer to page 7 for the basis of reconciliation of operating cash flow before non-cash working capital and free cash flow to equity.
6 At June 30, 2022, comprised of short and long-term portions of $7.0 and $20.0 million, respectively.
7 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.
8 MVC's molybdenum price is the average realized molybdenum price in the period, before roasting charges and settlement adjustments to prior period sales

Highlights and Significant Items

- In Q2-2022, market copper prices declined significantly, affecting Amerigo's financial performance twofold: through lower current quarterly revenue which is marked-to-market at a lower provisional price (Q2-2022: $4.10 per pound ("/lb"); Q2-2021: $4.37/lb) and through negative final price settlement adjustments to prior-quarter production (Q2-2022: $5.1 million in negative adjustments to Q1-2022 production; Q2-2021: $5.3 million in positive adjustments to Q1-2021 production).

- Amerigo posted a net loss in Q2-2022 of $5.1 million (Q2-2021: net income of $11.6 million). Loss per share ("LPS") during Q2-2022 was $0.03 (Cdn$0.04) (Q2-2021: EPS of $0.06 (Cdn$0.08)).

- Q2-2022 production was 14.9 million pounds ("M lbs") of copper, in line with Q2-2021 production of 15.0 M lbs despite MVC operating for 8 fewer days in Q2-2022 due to its annual maintenance shutdown. Production in Q2-2022 was positively impacted by higher tonnage, grade and recoveries from fresh tailings and higher grade and recoveries from Cauquenes.

- Molybdenum production in Q2-2022 was 0.2 million pounds (Q2-2021: 0.3 million pounds) due to lower molybdenum content in fresh tailings.

- Revenue during Q2-2022 was $33.6 million (Q2-2021: $50.5 million), including copper tolling revenue of $31.4 million (Q2-2021: $45.7 million) and molybdenum revenue of $2.2 million (Q2-2021: $4.8 million).

- Copper tolling revenue is calculated from MVC's gross value of copper produced during Q2-2022 of $63.7 million (Q2-2021: $66.6 million) and negative fair value adjustments to settlement receivables of $7.9 million (Q2-2021: positive adjustments of $4.8 million), less notional items including DET royalties of $18.3 million (Q2-2021: $20.2 million), smelting and refining of $5.8 million (Q2-2021: $4.9 million) and transportation of $0.4 million (Q2-2021: $0.5 million). The Q2-2022 fair value adjustments included $5.1 million in negative settlement adjustments in respect of Q1-2022 production, which are final adjustments (Q2-2022: $5.3 million of final adjustments to Q1-2021 production).

- The Company used operating cash flow before changes in non-cash working capital of $4.0 million in Q2-2022 (Q2-2021: cash generated of $17.1 million). Quarterly net operating cash flow was $2.7 million (Q2-2021: $21.9 million). There was negative free cash flow to equity of $10.7 million in Q2-2022 (Q2-2021: positive cash flow of $5.7 million).

- Q2-2022 cash cost (a non-IFRS measure, page 13) was $2.01/lb (Q2-2021: $1.81/lb), driven by a decrease of $0.17/lb in molybdenum by-product credits from lower molybdenum production and an increase of $0.06/lb in smelter/refinery charges. All other costs combined decreased by $0.03/lb.

- Q2-2022 total cost (a non-IFRS measure, page 13) was $3.61/lb (Q2-2021: $3.49/lb), due to increases of $0.20/lb and $0.05/lb in cash cost and depreciation expense respectively, mitigated by a reduction of $0.13/lb in DET royalties.

- Amerigo's financial performance is very sensitive to changes in copper prices. At June 30, 2022, the Company's provisional copper price was $4.10/lb, and final prices for April, May and June 2022 sales will be the average London Metal Exchange ("LME") prices for July, August and September 2022, respectively. A 10% increase or decrease from the $4.10/lb provisional price used on June 30, 2022 would result in a $6.1 million change in revenue in Q3-2022 in respect of Q2-2022 production.

- In Q2-2022, Amerigo returned $13.0 million to shareholders: $4.1 million was paid on June 20, 2022 through Amerigo's regular quarterly dividend of Cdn$0.03 per share, and $8.9 million was returned through the purchase of 6.9 million common shares for cancellation through Amerigo's recently completed Normal Course Issuer Bid ("NCIB"). YTD-2022, Amerigo returned $20.5 million to shareholders.

- In Q2-2022, the Company made scheduled debt payments of $3.5 million (Q2-2021: net debt payments of $10.3 million) and paid $3.0 million for plant and equipment (Q2-2021: $0.8 million).

- On June 30, 2022, the Company held cash and cash equivalents of $53.0 million (December 31, 2021: $59.8 million), restricted cash of $4.2 million (December 31, 2021: $4.2 million) and had working capital of $10.9 million (December 31, 2021: $24.6 million).

- Refer to Cautionary Statement on Forward Looking Information (page 21).

SUMMARY OF FINANCIAL RESULTS Q2-2022 TO Q2-2021

	Q2-2022 $	Q1-2022 $	Q4-2021 $	Q3-2021 $	Q2-2021 $
Copper production, million pounds [1]	14.921	16.469	16.892	15.988	14.987
Copper deliveries, million pounds [1]	14.861	16.289	16.720	16.903	15.133
MVC's copper price ($/lb)	4.10	4.64	4.32	4.23	4.37
Financial results ($ thousands)					
Revenue					
Gross value of copper produced	63,667	73,797	72,630	72,001	66,634
Adjustments to fair value of settlement receivables[2]	(7,849)	5,612	2,641	(2,867)	4,758
	55,818	79,409	75,271	69,134	71,392
Notional items deducted from gross value of copper produced:					
DET royalties - copper	(18,281)	(22,290)	(21,606)	(20,594)	(20,183)
Smelting and refining	(5,791)	(6,274)	(5,426)	(5,499)	(4,944)
Transportation	(403)	(466)	(458)	(520)	(524)
Copper tolling revenue	31,343	50,379	47,781	42,521	45,741
Molybdenum and other revenue	2,241	3,386	4,228	5,611	4,762
	33,584	53,765	52,009	48,132	50,503
Tolling and production costs					
Tolling and production costs	(25,090)	(25,121)	(24,885)	(27,212)	(25,289)
Depreciation and amortization	(5,059)	(4,924)	(4,992)	(4,325)	(4,321)
Administration	(1,301)	(1,616)	(1,345)	(1,288)	(1,175)
DET royalties - molybdenum	(518)	(678)	(896)	(1,115)	(591)
	(31,968)	(32,339)	(32,118)	(33,940)	(31,376)
Gross profit	1,616	21,426	19,891	14,192	19,127
Other expenses					
Derivative to related parties including changes in fair value	788	477	(367)	(85)	8
Salaries, management and professional fees	(453)	(971)	(1,254)	(614)	(548)
Office and general expenses	(222)	(400)	(204)	(205)	(186)
Share-based payment compensation	(282)	(208)	(195)	(188)	(188)
	(957)	(1,579)	(1,653)	(1,007)	(922)
Foreign exchange loss	(2,942)	1,227	(367)	(460)	(129)
Writedown of obsolete equipment and supplies	-	(551)	-	(9)	(86)
Other gains	22	12	10	15	69
	(2,920)	688	(357)	(454)	(146)
	(3,089)	(414)	(2,377)	(1,546)	(1,060)
Operating (loss) profit	(1,473)	21,012	17,514	12,646	18,067
Finance (expense) gain	(267)	114	325	(1,102)	(2,136)
(Loss) income before income tax	(1,740)	21,126	17,839	11,544	15,931
Income tax expense	(3,331)	(5,637)	(8,951)	(3,124)	(4,345)
Net (loss) income	(5,071)	15,489	8,888	8,420	11,586
(Loss) earnings per share - basic	(0.03)	0.09	0.05	0.05	0.06
(Loss) earnings per share - diluted	(0.03)	0.09	0.05	0.05	0.06
(Loss) earnings per share Cdn$ - basic	(0.04)	0.11	0.06	0.06	0.08
(Loss) earnings per share Cdn$ - diluted	(0.04)	0.11	0.06	0.06	0.08
Unit tolling and production costs	2.15	1.99	1.92	2.01	2.07
Cash cost ($/lb) [3]	2.01	1.90	1.68	1.62	1.81
Total cost ($/lb) [3]	3.61	3.59	3.31	3.24	3.49
Uses and sources of cash ($thousands)					
Operating cash flow before non-cash working capital changes [3]	(3,952)	20,609	18,279	14,067	17,067
Net cash from operating activities	2,692	21,374	17,705	25,382	21,902
Cash used in investing activities	(3,010)	(2,419)	(4,532)	(6,022)	(839)
Cash used in financing activities	(16,578)	(7,755)	(17,199)	(2,156)	(10,574)
Ending cash and cash equivalents	53,020	71,095	59,792	64,945	48,909
Ending restricted cash	4,198	6,383	4,221	6,441	4,200

Notes:

1 Includes production from fresh tailings and Cauquenes tailings.
2 In Q2-2022, includes $5.1 million in final settlements to Q1-2022 production.
3 Operating cash flow before non-cash working capital changes, cash cost and total cost are non-IFRS measures. Refer to page 7 for the basis of reconciliation of operating cash flow before non-cash working capital and net cash from operating activities and page 13 for the basis of reconciliation of cash cost and total cost to tolling and production costs.

A discussion on key quarterly variances (revenue and tolling and production costs) can be found on page 15.

The reconciliation of operating cash flow before non-cash working capital and net cash from operating activities for the periods presented in this MD&A is the following:

(Expressed in thousands)	Q2-2022 $	Q2-2021 $
Net cash from operating activities	2,692	21,902
Add (deduct):		
Changes in non-cash working capital	(6,644)	(4,835)
Operating cash flow before non-cash working capital	(3,952)	17,067

The reconciliation of operating cash flow before changes in non-cash working capital to FCFE and FCF for the periods presented in this MD&A is the following:

(Expressed in thousands)	Q2-2022 $	Q2-2021 $
Operating cash flow before changes in non-cash working capital	(3,952)	17,067
Deduct:		
Cash used to purchase plant and equipment	(3,010)	(839)
Repayment of borrowings, net of new debt issued	(3,500)	(10,233)
Lease repayments	(195)	(341)
Free cash flow to equity	**(10,657)**	**5,654**
Add:		
Repayment of borrowings, net of new debt issued	3,500	10,233
Lease repayments	195	341
Free cash flow	**(6,962)**	**16,228**

OPERATING RESULTS

Copper production in Q2-2022 was 14.9 million pounds (Q2-2021: 15.0 million pounds) and copper deliveries were 14.9 million pounds (Q2-2021: 15.1 million pounds).

In Q2-2022, MVC operated for 8 less days than in Q2-2021 due to the scheduled annual maintenance plant shutdown.

With respect to fresh tailings, MVC's production increased to 9.1 million pounds of copper in Q2-2022 (Q2-2021: 7.4 million pounds) in response to the Company's focus on maximizing production from fresh tailings to reduce processing from Cauquenes with the advantages of preserving water and delaying mineral resource depletion without lowering copper production. Recovery from fresh tailings increased to 21.4% in Q2-2022 (Q2-2021: 20.2%), and grade increased from 0.144% to 0.162%.

Production from Cauquenes decreased to 5.8 M lbs from 7.6 M lbs in Q2-2021, as anticipated in the annual mining plan due to lower processing rates. Copper grade was 0.255% (Q2-2021: 0.230%) and recovery increased to 33.2% in Q2-2022 (31.9% in Q2-2021).

MVC's average plant availability during Q2-2022 was 99.2%.

MVC's operations continued through Q2-2022 without any significant disruptions due to COVID-19.

MVC’s water reserves on June 30, 2022, were 5.2 million cubic meters, an increase of 16% over the previous quarter. MVC’s 18-month rolling forecast of sources and uses of water continues to indicate that water reserves are sufficient for MVC to maintain planned processing rates for the period under analysis, without MVC having to decrease processing rates in response to water shortages as last occurred in 2020. MVC’s single most significant source of water is the water contained in the fresh tailings, providing MVC with a significant advantage compared to traditional mines.

Molybdenum production during Q2-2022 was 0.2 million pounds (Q2-2021: 0.3 million pounds) due to lower molybdenum content in fresh tailings.

Production results for Q2-2022 and Q2-2021 are included below:

PRODUCTION	Q2-2022	Q2-2021
FRESH TAILINGS		
Tonnes per day	146,675	129,153
Operating days	81	89
Tonnes processed	11,917,602	11,533,405
Copper grade (%)	0.162%	0.144%
Copper recovery	21.4%	20.2%
Copper produced (M lbs)	9.13	7.37
CAUQUENES TAILINGS		
Tonnes per day	37,783	54,026
Operating days	82	87
Tonnes processed	3,120,184	4,701,475
Copper grade (%)	0.255%	0.230%
Copper recovery	33.2%	31.9%
Copper produced (M lbs)	5.79	7.61
COPPER		
Total copper produced (M lbs)	14.92	14.98
MOLYBDENUM		
Total molybdenum produced (M lbs)	0.18	0.33

2022 Production and Cost Outlook

Amerigo is on track to exceed by 3% its original annual production guidance of 61.9 M lbs of copper.

Annual production costs are expected to remain aligned with guidance.

Based on the Company’s modeling, annual cash cost (a non-IFRS measure, page 13) is trending towards $1.96/lb, approximately 3% higher than guidance. This cash cost variance is attributable to lower molybdenum byproduct credits from lower than anticipated molybdenum production. All other production costs remain aligned with Amerigo’s budget/guidance.

In 2022, MVC is undertaking 29 sustaining capital expenditure projects (“Capex”) at a target cost of $6.0 million including water supply and storage improvements, reallocation of one additional existing mill from Cauquenes to fresh tailings, improvements to the moly plant and electrical lines, implementation of an Enterprise Resource Planning (“ERP”) system and others. MVC will also working on 2 additional Capex projects at a target cost of $4.7 million to reinforce the slurry and water lines between Cauquenes and the MVC concentrator plant and to upgrade the aerial tailings channel within the MVC facilities in response to higher throughput from fresh tailings. Capitalizable maintenance and strategic spares are expected to be $2.8 million.

Capex execution is progressing within schedule and within budget.

FINANCIAL RESULTS – Q2-2022

Net loss in Q2-2022 was $5.1 million (Q2-2021: net income of $11.6 million), due to lower copper prices and $7.9 million in negative quarterly fair value adjustments (of which $5.1 million were of a final nature).

Revenue

Revenue in Q2-2022 was $33.6 million (Q2-2021: $50.5 million).

(Expressed in thousands)	Q2-2022 $	Q2-2021 $
Average LME copper price per pound	4.32	4.40
Gross value of copper produced	63,667	66,634
Adjustments to fair value of settlement receivables[1]	(7,849)	4,758
	55,818	71,392
Notional items deducted from gross value of copper produced:		
DET royalties - copper	(18,281)	(20,183)
Smelting and refining charges	(5,791)	(4,944)
Transportation	(403)	(524)
Copper tolling revenue	31,343	45,741
Molybdenum revenue	2,241	4,762
Revenue	33,584	50,503
MVC's copper price ($/lb)[2]	4.10	4.44
MVC's molybdenum price ($/lb)	17.58	13.33

Notes:

1 Of the $7.9 million in negative adjustments to fair value of settlement receivables (Q2-2021: positive adjustments of $4.8 million), negative adjustments of $5.1 million are in respect of Q1-2022 sales and therefore of a final nature. Negative adjustments of $2.8 million are in respect of Q2-2022 sales (Q2-2021: positive adjustments of $5.3 million in respect of Q1-2021 sales and negative settlement adjustments of $0.5 million in respect of Q2-2021 sales).

2 MVC’s copper price is the gross copper selling price after considering same-quarter sales settlement adjustments. Therefore, this amount can vary from the average LME copper price per pound.

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 monthly billings are 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 2022, pricing terms are based on the average LME copper price for the third month following delivery of copper concentrates produced under the tolling agreement with DET (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.

Q1-2022 copper deliveries were marked-to-market at March 31, 2022 at $4.64/lb and were settled in Q2-2022 as follows:

- January 2022 sales settled at the April 2022 LME average price of $4.62/lb
- February 2022 sales settled at the May 2022 LME average price of $4.25/lb
- March 2022 sales settled at the June 2022 LME average price of $4.10/lb

Q2-2022 copper deliveries were marked-to-market at June 30, 2022 at $4.10/lb and will be settled at the LME average prices for July, August and September 2022. This variable difference gives rise to a derivative, changes in the fair value of which are recognized in revenue as settlement receivables.

Financial performance is very sensitive to changes in copper prices. A 10% increase or decrease from the $4.10/lb price would result in a $6.1 million change in copper tolling revenue in Q3-2022.

DET royalties on copper production are a notional item deducted from MVC's gross value of copper produced. In Q2-2022, DET notional copper royalties were $18.3 million (Q2-2021: $20.2 million) due to lower copper prices compared to the prior year quarter.

We disclose the terms for DET notional copper royalties and molybdenum royalties under Agreements with Codelco's DET (page 18).

Molybdenum produced by MVC is predominantly sold under written sales agreements with Molymet and Glencore under which revenue is billed monthly based on the pounds of molybdenum concentrate delivered during the preceding month. Molymet and Glencore can elect different pricing terms monthly. In Q2-2022, pricing terms ranged from M+1 to M+6 in respect of the average Platt's molybdenum dealer oxide price of the month of sale. This variable difference also gives rise to a derivative, which is valued at fair value through profit or loss.

In Q2-2022, MVC's molybdenum sales price was $17.58/lb (Q2-2021: $13.33/lb). At June 30, 2022, molybdenum sales were provisionally priced at $17.29/lb. A 10% increase or decrease in this price would result in price-driven revenue settlement adjustments of $0.5 million.

Tolling and Production Costs

(Expressed in thousands)	Q2-2022 $	Q2-2021 $
Direct tolling and production costs		
Power costs	7,429	8,072
Grinding media	2,740	2,143
Direct labour	2,614	2,950
Lime costs	1,371	1,800
Other direct tolling / production costs	10,936	10,324
	25,090	25,289
Depreciation and amortization	5,059	4,321
Administration	1,301	1,175
DET royalties - molybdenum	518	591
Tolling and production costs	31,968	31,376
Unit tolling and production costs ($/lb delivered)	2.15	2.07

During Q2-2022, power costs decreased by $0.6 million or 8% compared to Q2-2021 mostly due to a 10% decrease in power consumption at MVC from 8 less operating days in connection with the annual scheduled maintenance plant shutdown, offset by higher power costs in Q2-2022 of $0.0945/kWh (Q2-2021: $0.0915/kWh).

Grinding media increased as MVC had to effect spot price purchases of grinding balls due to supply chain delays affecting lower cost grinding media imports from China.

Lime costs decreased $0.4 million due to lower consumption associated with lower Cauquenes processing.

During Q2-2022, labour decreased by $0.3 million compared to Q2-2021 due to a weaker Chilean Peso ("CLP"). The average CLP in Q2-2022 was 17% weaker than the average CLP in Q2-2021.

In aggregate, other direct tolling costs increased by $0.6 million in Q2-2022 due to an increase in inventory adjustments of $0.3 million, increases in maintenance ($0.2 million), process control, environmental and safety costs ($0.1 million), subcontractors support services ($0.1 million) and copper reagents ($0.2 million). Historic tailings extraction costs decreased by $0.2 million and molybdenum production costs decreased by $0.1 million.

(Expressed in thousands)	**Q2-2022**	**Q2-2021**
	$	**$**
Other direct tolling costs		
Maintenance, excluding labour	2,385	2,233
Molybdenum production costs	2,039	2,173
Historic tailings extraction	1,644	1,827
Process control, environmental and safety	1,123	1,021
Copper reagents	1,087	924
Industrial water	1,074	1,032
Subcontractors, support services	897	833
Filtration and all other direct tolling costs	377	281
Inventory adjustments	310	-
	10,936	10,324

($/lb Cu)	**Q2-2022**	**Q2-2021**
Other direct tolling costs		
Maintenance, excluding labour	0.16	0.15
Molybdenum production costs	0.14	0.14
Historic tailings extraction	0.11	0.12
Process control, environmental and safety	0.08	0.07
Copper reagents	0.07	0.06
Industrial water	0.07	0.07
Subcontractors, support services	0.06	0.05
Filtration and all other direct tolling costs	0.03	0.02
Inventory adjustments	0.02	-
	0.74	0.68

Depreciation and amortization in Q2-2022 were $5.1 million (Q2-2021: $4.3 million) and administration expenses during Q2-2022 were $1.3 million (Q2-2021: $1.2 million).

Other Expenses

Other expenses of $3.1 million in Q2-2022 (Q2-2021: $1.1 million) are costs not related to MVC's production operations and include:

- General and administration expenses of $1.0 million (Q2-2021: $0.9 million) including salaries, management, and professional fees of $0.5 million (Q2-2021: $0.5 million), office and general expenses of $0.2 million (Q2-2021: $0.2 million) and share-based payments of $0.3 million (Q2-2021: $0.2 million).

- A $0.8 million recovery associated with the derivative to related parties (Q2-2021: $nil), including actual amounts paid or accrued to related parties of $0.2 million (Q2-2021: $0.3 million) and a decrease in the derivative's fair value of $1.0 million (Q2-2021: $0.3 million). The decrease in fair value in Q2-2022 is coming from an increase in discount rates used to compute the fair value of the derivative.

- Other losses of $2.9 million (Q2-2021: $0.2 million) include a foreign exchange loss of $2.9 million, (Q2-2021: $0.1 million) from monetary adjustments at quarter end of amounts held in MVC which are denominated in CLP (cash held in CLP to meet operating costs in Chile, invoices receivable, tax prepayments made in CLP), which were affected by an all time-low CLP used to translate these items into USD. Unrealized foreign exchange expense was also booked in connection with the translation of intercompany accounts in companies with non-USD functional currencies. In Q2-2021 a write-down of obsolete equipment and supplies was taken in the amount of $0.1 million.

The Company's finance expense in Q2-2022 was $0.3 million (Q2-2021: $2.1 million) which includes interest on loans, leases, and bank charges of $0.7 million (Q2-2021: $1.2 million), offset by fair value changes on interest rate swaps ("IRS") of $0.4 million (Q2-2021: expense of $0.9 million including the extinguishment of debt charges on the IRS).

Income tax expense in Q2-2022 was $3.3 million (Q2-2021: $4.3 million) including $6.4 million in current tax and $3.1 million in deferred income tax recovery. In Q2-2022, current tax expense includes taxes triggered by the repatriation of cash from Chile to Canada for distribution to shareholders.

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-IFRS measures prepared on a basis consistent with the industry standard Brook Hunt definitions.

For the Company, these non-IFRS performance measures provide key performance measures used by management to monitor operating performance, assess corporate performance, and to plan and assess the overall effectiveness and efficiency of Amerigo's operations. These performance measures are commonly used in the mining industry and are 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. Total cost include cash cost, DET notional royalties and depreciation and amortization.

As these performance measures are not standardized financial measures under IFRS, the amounts presented may not be comparable to similar financial measures disclosed by other issuers. These performance measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.

A reconciliation of tolling and production costs to cash cost and total cost in Q2-2022 and Q2-2021 is presented below:

(Expressed in thousands)	Q2-2022	Q2-2021
	$	$
Tolling and production costs	31,968	31,376
Add (deduct):		
DET notional royalties - copper	18,281	20,183
Smelting and refining charges	5,791	4,944
Transportation costs	403	524
Inventory adjustments	(310)	1
By-product credits	(2,241)	(4,762)
Total cost	53,892	52,266
Deduct:		
DET notional royalties - copper	(18,281)	(20,183)
DET royalties - molybdenum	(518)	(591)
	(18,799)	(20,774)
Depreciation and amortization	(5,059)	(4,321)
Cash cost	30,034	27,171
Copper tolled (M lbs)	14.92	14.99
Cash cost ($/lb)	**2.01**	**1.81**
Total cost ($/lb)	**3.61**	**3.49**

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

($/lb of copper produced)	Q2-2022	Q1-2022	Q4-2021	Q3-2021	Q2-2021
Power costs	0.50	0.47	0.45	0.47	0.54
Smelting & refining	0.39	0.38	0.32	0.35	0.33
Grinding media	0.18	0.18	0.15	0.14	0.14
Lime	0.09	0.10	0.10	0.10	0.12
Administration	0.09	0.10	0.08	0.08	0.08
Transportation	0.03	0.03	0.03	0.03	0.03
Other direct costs	0.88	0.85	0.80	0.80	0.89
By-product credits	(0.15)	(0.21)	(0.25)	(0.35)	(0.32)
Cash Cost	**$2.01**	**$1.90**	**$1.68**	**$1.62**	**$1.81**

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

($/lb of copper produced)	Q2-2022	Q1-2022	Q4-2021	Q3-2021	Q2-2021
Cash cost	2.01	1.90	1.68	1.62	1.81
DET notional royalites/royalties	1.26	1.39	1.33	1.35	1.39
Amortization/depreciation	0.34	0.30	0.30	0.27	0.29
Total Cost	**$3.61**	**$3.59**	**$3.31**	**$3.24**	**$3.49**

Total cost in Q2-2022 was $3.61/lb (Q2-2021: $3.49/lb), due to a $0.20/lb increase in cash cost, a $0.05/lb increase in depreciation, mitigated by a $0.13/lb decrease in DET notional royalties from lower copper prices.

FINANCIAL RESULTS – SIX MONTHS ENDED JUNE 30, 2022

YTD-2022, the Company produced 31.4 M lbs of copper, an increase of 3% compared to YTD-2021 production of 30.5 M lbs.

Revenue YTD-2022 was $87.3 million (YTD-2021: $99.4 million) and tolling and production costs were $64.3 million (YTD-2021: $61.4 million), resulting in a gross profit of $23.0 million (YTD-2021: $38.0 million).

Revenue was negatively impacted by lower copper prices in YTD-2022 and the impact of negative fair value adjustments to copper receivables. Another factor negatively impacting revenue was lower molybdenum revenue in YTD-2022 driven by a 43% decline in production caused by the lower molybdenum content in fresh tailings.

Other expenses were $3.5 million (YTD-2021: $3.9 million).

YTD-2022 finance expense was $0.2 million (YTD-2021: $3.0 million) and the Company posted an income tax expense of $8.6 million (YTD-2021: $8.6 million).

YTD-2022, Amerigo generated net income of $10.4 million or $0.06 EPS (YTD-2021: $22.5 million or $0.12 EPS).

COMPARATIVE PERIODS

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

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

	Q2-2022	**Q1-2022**	**Q4-2021**	**Q3-2021**
	$	**$**	**$**	**$**
Total revenue (thousands)	33,584	53,765	52,009	48,132
Net (loss) income (thousands)	(5,071)	15,489	8,888	8,420
(LPS) EPS	(0.03)	0.09	0.05	0.05
Diluted (LPS) EPS	(0.03)	0.09	0.05	0.05

	Q2-2021	**Q1-2021**	**Q4-2020**	**Q3-2020**
	$	**$**	**$**	**$**
Total revenue (thousands)	50,503	48,907	47,188	37,555
Net income (thousands)	11,586	10,925	8,307	5,388
EPS	0.06	0.06	0.05	0.03
Diluted EPS	0.06	0.06	0.04	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:

	Q2-2022	Q1-2022	Q4-2021	Q3-2021	Q2-2021	Q1-2021	Q4-2020	Q3-2020
Copper sales/deliveries [1]	14.9	16.3	16.7	16.9	15.1	15.1	15.9	15.0
MVC's copper price	4.10	4.64	4.32	4.23	4.37	4.08	3.52	3.04
Settlement adjustments [2]	(5.07)	3.76	3.00	(2.37)	5.30	5.04	5.35	4.77

Notes:

1 M lbs of copper sold under tolling agreements with DET.
2 Adjustments to fair value of copper settlement receivables from prior quarters, expressed in millions of dollars.

In Q3-2020, Q4-2020, and Q1-2021, revenue was positively impacted by both an increase in copper prices and an increase in copper delivered during the quarter. In Q2-2021, the copper delivered remained consistent with the previous quarter, but the revenue was impacted by a further increase in the price of copper. In Q3-2021, revenue was positively impacted by an increase in copper delivered during the quarter and negatively impacted by a decrease in copper prices and negative settlement adjustments. In Q4-2021 and Q1-2022, revenue was positively impacted by an increase in the price of copper and the resulting positive settlement adjustments. In Q2-2022, revenue was negatively impacted by a decrease in copper delivered during the quarter as a result of the planned maintenance shutdown decreasing production, and a decrease in copper prices and resulting negative settlement adjustments.

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

	Q2-2022	Q1-2022	Q4-2021	Q3-2021	Q2-2021	Q1-2021	Q4-2020	Q3-2020
Tolling and production costs [1]	31.97	32.34	32.12	33.94	31.38	30.03	31.46	28.57
Unit tolling and production cost [2]	2.15	1.99	1.92	2.01	2.07	1.99	1.98	1.91

Notes:

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

Tolling and production costs are affected by production levels, input costs (particularly power, lime and grinding media costs) and the depreciation or appreciation of the CLP to the U.S. dollar. In Q3-2020 and Q4-2020, total tolling and production costs increased due to higher production levels but decreased on a unit cost basis. In Q1-2021, total tolling and production costs decreased, but due to a decrease in production during the quarter, the unit cost increased. In Q2-2021, total tolling and production costs increased, but production during the quarter did not increase from the previous quarter, resulting in an increased unit cost. In Q3-2021, total tolling and production costs increased due to higher production levels but decreased on a unit cost basis. In Q4-2021, total tolling and production costs decreased mostly due to a decrease in inventory adjustments due to lower differences between copper tolled and delivered in the quarter. In Q1 2022, tolling and production costs increased slightly whereas copper delivered decreased by 3% resulting in an increase on a unit cost basis. In Q2-2022, total tolling and production costs decreased, but due to lower production from the annual maintenance shutdown, increased on a unit cost basis.

FINANCIAL POSITION AND BORROWINGS

Cash Flow from Operating Activities

In Q2-2022, the Company generated net cash from operating activities of $2.7 million (Q2-2021: $21.9 million). Excluding the effect of changes in working capital accounts, the Company used cash of $4.0 million in operations in Q2-2022 (Q2-2021: generated $17.1 million from operations).

YTD-2022, the Company generated net cash from operating activities of $24.1 million (YTD-2021: $50.0 million). Excluding the effect of changes in working capital accounts, the Company generated cash of $16.6 million in operations in YTD-2022 (YTD-2021: $37.1 million).

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

At June 30, 2022, the provisional copper price used by MVC was $4.10/lb. Financial performance is very sensitive to changes in copper prices. A 10% increase or decrease from the $4.10/lb price would result in a $6.1 million change in copper tolling revenue in Q3-2022.

Cash Flow from Investing Activities

YTD-2022, the Company made Capex payments of $5.4 million (YTD-2021: $1.4 million).

YTD-2021, the Company received $3.9 million from the sale of investments.

Cash Flow used in Financing Activities

YTD-2022, Amerigo returned $20.5 million to shareholders: $8.2 million were paid through Amerigo's regular quarterly dividend of Cdn$0.03 per share, and $12.3 million were returned through the purchase of 9.4 million common shares for cancellation through Amerigo's recently completed NCIB.

YTD-2022, the Company made debt repayments of $3.5 million (YTD-2021: $50.6 million). In YTD-2021, the Company received funds of $33.8 million from a replacement term loan.

YTD-2022 the Company made lease repayments of $0.5 million (YTD-2021: $0.7 million).

In YTD-2022 $0.1 million was received from stock options exercised. In YTD-2021 no proceeds were received from stock options exercised as they were all exercised on a cashless basis.

Financial Position

On June 30, 2022, the Company held cash and cash equivalents of $53.0 million (December 31, 2021: $59.8 million), restricted cash of $4.2 million (December 31, 2021: $4.2) and had working capital of $10.9 million (December 31, 2021: $24.6 million).

Borrowings

(Expressed in thousands)	June 30, 2022 $	December 31, 2021 $
Term loan	27,022	30,404
	27,022	30,404
Comprise:		
Short-term debt and current portion of long-term debt	7,000	7,004
Long-term debt	20,022	23,400
	27,022	30,404

On March 25, 2015, MVC obtained a $64.4 million loan facility to finance the Cauquenes Phase One expansion and on August 3, 2017, MVC obtained a $35.3 million facility to finance the Cauquenes Phase Two expansion. On September 26, 2019, MVC completed a refinance of the Cauquenes Phase One and Phase Two loans. Under the refinance provisions, the principal outstanding on the Cauquenes loans was structured as a senior secured term loan facility (the “Consolidated Bank Loan”) of $56.3 million, with a repayment term of 4 years to September 26, 2023.

On June 29, 2021, MVC repaid the remaining outstanding principal amount of $42.2 million on the Consolidated Bank Loan, along with accrued interest of $0.3 million and an IRS break fee of $2.3 million equal to the value of the IRS on June 29, 2021. For accounting purposes, this was treated as an extinguishment of debt within finance expense.

On June 30, 2021, MVC entered into a new finance agreement (the “Finance Agreement”) with a syndicate of two banks domiciled in Chile, for a replacement term loan (the “Term Loan”) in the amount of $35.0 million and a working capital line of credit (the “Line of Credit”) of up to $15.0 million.

The Term Loan has a 5-year term to June 30, 2026, with ten semi-annual installments of $3.5 million each commencing on December 31, 2021, together with accrued interest. MVC may make early repayments without penalty in accordance with the provisions of the Finance Agreement. Interest on the Term Loan is synthetically fixed through an IRS, accounted for at fair value through profit or loss, at a rate of 5.48% per annum for 75% of the facility. The remaining 25% of the facility is subject to a variable rate based on the US Libor six-month rate, which on June 30, 2022 was 2.88% per annum plus a margin of 3.90%. At the date that US Libor is discontinued, the interest rate will be based on the ISDA 2020 IBOR Fallbacks Protocol. The IRS has a term to June 30, 2026. On June 30, 2022, the balance of the Term Loan was $27.0 million.

The Line of Credit can be drawn in multiple disbursements and has an availability period until June 30, 2023. The repayment terms are of up to two years for each disbursement, counted from each disbursement date, and would consist of 4 equal semi-annual payments, with the first payments due six months from each disbursement date. The interest rate will be based on the US Libor six-month rate plus a margin to be defined on each disbursement date. At the date that US Libor is discontinued, the interest rate will be based on the ISDA 2020 IBOR Fallbacks Protocol. As of June 30, 2022, MVC has not drawn funds from the Line of Credit.

MVC is required to have a debt service reserve account to be funded monthly with 1/6 of the next debt payment (principal and interest) such that semi-annual debt payments are fully funded a month prior to the payment date, and a second reserve account of $3.5 million to be released on January 1, 2025. On June 30, 2022, MVC held the required reserved funds in the amount of $0.7 million and $3.5 million, respectively, shown as restricted cash on Amerigo’s statement of financial position.

MVC is required to meet two bank covenants semi-annually on June 30 and December 31: debt/EBITDA ratio (requirement =< 3) and net worth (requirement => $100.0 million) which were met on June 30, 2022.

Upon entering into the Finance Agreement, MVC's cash in excess of $15 million became available for distribution to Amerigo shareholders. Going forward, MVC is determining annually the amount available for distribution to Amerigo shareholders, provided that MVC has a debt service coverage ratio of at least 1.4x in respect of its preceding year annual financial statements, MVC maintains cash of at least $15 million after the distribution, and the amount to be distributed does not exceed 60% of free cash flow generated in the preceding year, which is defined as earnings before interest, taxes, depreciation and administration, less tax payments, less Capex, plus or minus changes in working capital less debt service. These conditions were all met in respect of 2021 MVC annual financial statements.

MVC has provided security on the Finance Agreement in the form of a charge on all of MVC's assets

Molybdenum Plant Expansion Lease

In 2018, MVC entered into a lease of 201,903 Chilean Unidades de Fomento ("UF") to finance the expansion of MVC's molybdenum plant. The lease has a term to November 2023, with monthly capital payments of approximately $0.1 million, a balloon payment at the end of the lease term of approximately $1.1 million and interest at a rate of 0.45% per month. The lease can be prepaid without penalty. At March 31, 2022, the lease obligation was $2.2 million (December 31, 2021: $3.4 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 concentrate production.

The DET Agreement currently operates as a tolling contract under which title to the copper concentrates produced by MVC remains with DET. MVC earns tolling revenue, calculated as the gross value of copper produced at applicable market prices net of notional items. Notional items include treatment and refining charges, DET copper royalties and transportation costs.

Notional royalties for copper concentrates produced from fresh tailings are determined through a sliding scale formula tied to copper prices ranging from $1.95/lb (13.5%) to $4.80/lb (28.4%).

Notional royalties for copper concentrates produced from Cauquenes are determined through a sliding scale for copper prices ranging from $1.95/lb (16%) to $5.50/lb (39%).

Notional royalties for copper concentrates produced from Colihues are determined through a sliding scale for copper prices ranging from $0.80/lb (3%) to $4.27lb (30%). MVC intends to restart processing tailings from Colihues once the Cauquenes deposit is depleted.

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

The DET Agreement anticipates that in the event monthly average copper prices fall below or rise above certain ranges and projections 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 DET Agreement's viability and the equilibrium of the benefits between the parties.

The DET Agreement contains three early exit options exercisable by DET. The first option expired in 2021. The remaining two options can be exercised within 2024 and every three years thereafter only in the event of changes unforeseen at the time the Agreement was entered into. Amerigo has currently judged the probabilities of DET exercising any of these early exit options as remote.

Transactions with Related Parties

a) Derivative liability

Amerigo holds its interest in MVC through Amerigo International Holdings Corp. ("Amerigo International"), wholly owned by Amerigo except for certain outstanding Class A shares which are owned indirectly by Amerigo's founders (including Amerigo's current Executive Chairman). The Class A shares were issued in 2003 as part of a tax-efficient structure for payments granted as consideration to the founders transferring to Amerigo their option to purchase MVC.

The Class A shareholders are not entitled to any participation in the profits of Amerigo International, except for monthly payments, calculated as follows:

- $0.01 for each pound of copper equivalent produced from DET tailings by MVC or any successor entity to MVC if the price of copper is under $0.80/lb, or

- $0.015 for each pound of copper equivalent produced from DET tailings by MVC or any successor entity to MVC if the price of copper is $0.80/lb or more.

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

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

In YTD-2022 $0.5 million was paid or accrued to the Class A shareholders (YTD-2021: $0.5 million) and the derivative's fair value decreased by $1.8 million (YTD-2021: $0.1 million), for a total derivative recovery of $1.3 million (YTD-2021: expense of $0.4 million).

At June 30, 2022, the derivative totalled $9.1 million (December 31, 2021: $10.9 million), with a current portion of $1.1 million (December 31, 2021: $1.0 million) and a long-term portion of $8.1 million (December 31, 2021: $9.9 million).

b) Directors' fees and remuneration to officers

YTD-2022, the Company paid or accrued $0.8 million in salaries and fees to companies associated with certain officers (YTD-2021: $0.8 million). In the same period, Amerigo paid or accrued $0.2 million in directors' fees (YTD-2021: $0.2 million) and share-based payments of $0.3 million (YTD-2021: $0.2). These transactions were in the ordinary course of business and measured at market rates determined on a cost recovery basis.

Critical Accounting Estimates and Judgements

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

In Q2-2022, management's significant judgements and the key sources of estimation uncertainty were consistent with those used to prepare Amerigo's 2022 annual consolidated financial statements. For more information, refer to Amerigo's annual consolidated financial statements for the year ended December 31, 2022, 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 "DPC"). Amerigo's directors including Aurora Davidson (President and CEO) are members of the DPC.

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

- At June 30, 2022, MVC had a long-term agreement for the supply of 100% of MVC's power requirements to December 31, 2032. The agreement established minimum stand-by charges based on peak hour power supply calculations, estimated to range from $0.9 to $1.4 million per month.

- The DET Agreement has a Closure Plan clause requiring MVC and DET to jointly assess the revision of the closure plan for Cauquenes and compare it to the current DET plan. In the case of any variation in the interests of DET due to MVC's activities in the Cauquenes deposit, the parties will jointly evaluate the form of implementation and financing of or compensation for such variation. Until the estimation of the new closure plan is available, and the parties agree on the terms of compensation resulting from the revised plan, it is Amerigo's view there is no obligation to record a provision because the amount, if any, is not possible to determine.

Securities Outstanding

On August 2, 2022, Amerigo had 166,017,835 common shares and 10,821,678 options (exercisable at prices ranging from Cdn$0.40 to Cdn$1.62 per share) outstanding.

Additional information relating to the Company, including Amerigo'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 and operating costs;
- 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 2022 sustaining capital expenditures and other Capex projects, and the number of sustaining capital and other Capex projects to be completed during 2022;
- the sufficiency of MVC's water reserves to maintain projected processing for at least eighteen months;
- prices and price volatility for copper, molybdenum, and other commodities and of materials we use in our operations;
- the expected amount of the DET royalty to be paid during 2022;
- 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 our expected ability to meet our obligations for the next 12 months;
- the expected amount of MVC's annual free cash flow that will become available for distribution to Amerigo shareholders each year during the term of the Term Loan;
- 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;
- 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 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, including COVID-19, and the inability of employees to access sufficient healthcare; 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 deposits 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. Notwithstanding the efforts of the Company and MVC, there can be no guarantee that Amerigo’s or MVC’s staff will not contract COVID-19 or that Amerigo’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 MVC 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 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 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;
- 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 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.

Climate change is a global issue that could pose new challenges affecting the future operations of the company. This could include more frequent and intense droughts followed by intense rainfall. In the last several years there has been persistent drought conditions in Central Chile. The Company's Colihues operation is sensitive to water availability and the reserves required to process the projected Cauquenes tonnage.

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 Amerigo'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.