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Amerigo Reports 2022 Production Results Above Guidance & Provides 2023 Guidance

2022 copper production of 64 M pounds, 3.4% over guidance

2022 cash cost[1] 2% over guidance

2023 copper production guidance of 62.3 M pounds, in line with 2022 guidance (61.9 M pounds)

VANCOUVER, BRITISH COLUMBIA – January 17, 2023/Amerigo Resources Ltd. (TSX: ARG; OTCQX: ARREF) ("Amerigo" or the "Company") is pleased to announce 2022 production results from Minera Valle Central ("MVC"), the Company's 100% owned operation located near Rancagua, Chile. Dollar amounts in this news release are in U.S. dollars ("USD") unless indicated otherwise.

"We are pleased to report annual copper production of 64 million pounds, marking three consecutive years where production has outperformed guidance," said Aurora Davidson, Amerigo's President and CEO. "We thank our teams in Chile and Canada for their consistent commitment to meet or exceed corporate goals."

"As copper prices continue to recover, recently exceeding $4 per pound, we look forward to a strong year. In addition to maintaining our quarterly dividends, we have already redeployed a share buyback program, and anticipate the payment of performance dividends as part of our capital return strategy," stated Ms. Davidson.

In 2022, MVC produced 64 million pounds ("M lbs") of copper, with 59% of production coming from fresh tailings. Annual copper production was 3.4% over guidance of 61.9M lbs, due to higher grade and recoveries from fresh tailings and higher grade from historical tailings ("Cauquenes tailings").

Amerigo's 2022 cash cost[1] was $1.98 per pound ("/lb"), including $0.04/lb paid to MVC's workers in Q4-2022 as the signing bonus of a 3-year collective labor agreement. Normalized cash cost[1] excluding the effect of the signing bonus was $1.94/lb, 2% higher than 2022 cash cost[1] guidance of $1.90/lb.

MVC's water reserves at year end 2022 were 5.4 million cubic meters, unchanged from the reserves at the end of Q3-2022. Water reserves remain sufficient to maintain projected Cauquenes processing rates for a period of at least eighteen months, our maximum forecast horizon.

Annual molybdenum production was 0.97 M lbs, lower than annual guidance mostly due to lower molybdenum content in fresh tailings.

Amerigo's quarterly copper price in Q4-2022 was $3.80/lb, compared to $3.50/lb in Q3-2022.

In Q4-2022, Amerigo returned $3.7 million to shareholders through the regular quarterly dividend of Cdn$0.03 per share and made bank debt repayments of $3.5 million in principal.

On December 31, 2022, cash was $37.8 million (a reduction of $4.0 million from September 30, 2022), restricted cash was $4.2 million (a reduction of $2.2 million from September 30, 2022) and outstanding bank debt was $24.5 million (a decrease of $3.5 million from September 30, 2022).

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

	2022	Q4-2022	Q3-2022	Q2-2022	Q1-2022
Fresh tailings					
Tonnes per day	138,716	146,358	123,953	146,675	139,238
Operating days	354	92	91	81	90
Tonnes processed	49,154,490	13,464,523	11,246,919	11,917,602	12,525,446
Copper grade	0.161%	0.162%	0.162%	0.162%	0.157%
Copper recovery	21.7%	21.5%	21.6%	21.4%	22.2%
Copper produced (M lbs)	37.73	10.36	8.63	9.13	9.61
Cauquenes tailings					
Tonnes per day	41,055	38,669	46,527	37,783	40,628
Operating days	351	90	89	82	90
Tonnes processed	14,464,319	3,498,896	4,229,438	3,120,184	3,615,801
Copper grade	0.253%	0.255%	0.251%	0.255%	0.252%
Copper recovery	32.7%	31.9%	32.2%	33.2%	33.8%
Copper produced (M lbs)	26.27	6.25	7.37	5.79	6.86
Copper produced (M lbs)	**64.00**	**16.61**	**16.00**	**14.92**	**16.47**
Copper delivered (M lbs)	**64.12**	**16.79**	**16.18**	**14.86**	**16.29**
Cash cost[1] ($/lb)	**1.98**	**2.10**	**1.93**	**2.01**	**1.90**
Normalized cash cost[1] ($/lb)	**1.94**	**1.92**	**1.93**	**2.01**	**1.90**
Molybdenum produced (M lbs)	0.97	0.27	0.28	0.18	0.24
Molybdenum sold (M lbs)	0.96	0.28	0.28	0.18	0.22

2023 Guidance

In 2023, we expect to produce 62.3 M lbs of copper and 1.0 M lbs of molybdenum, with 59% of copper production coming from fresh tailings. 2023 production guidance is in line with 2022's guidance of 61.9 M lbs.

The annual plant maintenance shutdown at MVC and El Teniente is expected to last 9 days and take place in Q2-2023. Our 2023 guidance factors in lower production from the shutdown.

Amerigo's 2023 cash cost[1] is expected to be $2.14/lb, compared to 2022's normalized cash cost of $1.94/lb. The increase in projected cash cost is mostly attributable to higher power costs of $0.06/lb. This increase is due to USD CPI adjustments to MVC's base power tariff, and higher pass-through charges from the Chilean power grid applicable to all industrial consumers. Part of the increase is also due to a 4% projected increase in power consumption associated with the operation of a new Cauquenes sump, located further from the concentrator plant.

MVC will also face a $0.05/lb increase in treatment and refinery charges. These are industry benchmark charges and this year are at the highest level since 2018. Other increases include lime costs ($0.02/lb), Cauquenes processing costs ($0.02/lb), industrial water costs ($0.01/lb) and all other costs combined ($0.04/lb).

Amerigo's 2023 guidance in this news release assumes an average market copper price of $3.60/lb, an average molybdenum market price of $16/lb and an exchange rate of $920 Chilean pesos ("CLP") to $1 USD.

A $2/lb increase in molybdenum price would have a $0.03/lb impact on cash cost[1] and a 10% change on the CLP to USD foreign exchange rate would have an impact of $0.08/lb on cash cost[1].

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

Using these assumptions, the royalty to Codelco's El Teniente Division ("DET") in 2023 would be $0.97/lb. The DET royalty is calculated on a sliding scale based on copper prices. A $0.20/lb increase in copper price would have a $0.10/lb impact on the DET royalty.

Projected 2023 EBITDA[1] using these assumptions is expected to be $33.8 million (excluding the effect of 2022 settlement adjustments). Each $0.10/lb increase in copper price up to $4/lb would have an impact on EBITDA[1] of $2.0 million. Each $0.10/lb increase in copper price over $4/lb would have an increase in EBITDA[1] of approximately $2.7 million.

In 2023, MVC is expected to incur the following capital expenditures on projects ("Capex"):

Project	Type of Capex	Projected $M
Plant optimization at classification stage	Sustaining	1.4
Finalization of flotation system on water and slurry lines	Sustaining	0.8
Water supply improvements	Sustaining	0.5
Miscellaneous projects with cost lower than $0.3M/project	Sustaining	1.0
Construction of new Cauquenes sump	Sustaining – every 3.5 years	6.5
Purchase and installation of stand-by power transformer	Risk mitigation	3.1
		$13.3M

Following a third-party assessment of risks to the continuity of operations at MVC, we have placed an order for a stand-by power transformer. The equipment is expected to be delivered mid-2023, 90% of the installation work is to be carried out in H2-2023 and the stand-by unit is expected to be connected to the MVC electrical system during the 2024 MVC plant shutdown.

Capitalizable maintenance and strategic spares are expected to be $2.8 million.

With respect to financial obligations, MVC will make two scheduled semi-annual bank debt repayments of $3.5 million plus interest (in June and December 2023). MVC will also make payments of approximately $2.2 million to pay in full the 5-year finance lease agreement under which MVC financed major upgrades to the molybdenum plant in 2018.

Capital Return Strategy

Given that Amerigo currently requires no growth capital and continues to have healthy cash balances and minimal debt, we expect to continue in 2023 with the Capital Return Strategy (the "Strategy") initiated in September 2021.

Since the implementation of the Strategy, Amerigo has paid a cumulative dividend of Cdn$0.14 per share ($18.6 million) and used $21.1 million to purchase and cancel 17.87 million of its common shares, a 9.82% reduction in the number of common shares outstanding at the inception of the Strategy.

Under the 2023 guidance assumptions presented in this news release, the Company remains confident in the security of the quarterly Cdn$0.03 per share dividend, and in Amerigo's ability to opportunistically reduce its common shares outstanding. Under the current Normal Course Issuer Bid ("NCIB"), up to 10.75 million shares (representing 6.14% of the issued and outstanding) can be repurchased for cancellation prior to December 1, 2023.

In addition to quarterly dividends of Cdn$0.03 per share and the repurchase of common shares for cancellation under the NCIB, the Company is confident that stronger copper prices will permit the deployment of performance dividends in 2023.

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

Release of 2022 results on February 22, 2023

Amerigo will release 2022 financial results at market open on Wednesday, February 22, 2023.

Investor conference call on February 23, 2023

Amerigo's quarterly investor conference call will take place on Thursday, February 23, 2023 at 11:00 am Pacific Standard Time/2:00 pm Eastern Standard Time.

Participants can join by going to **https://bit.ly/3FICjYa** 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 direct to be entered to the call by an Operator. Dial 1-888-664-6392 (Toll-Free North America) and enter **confirmation number 84336703**.

About Amerigo and MVC

Amerigo 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; Listing: ARG:TSX.

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Non-IFRS Measures

This news release includes references to two performance measures not defined under International Financial Reporting Standards ("IFRS"): cash cost and EBITDA.

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 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 companies. These performance measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.

Cash cost is a performance measure commonly used in the mining industry. In Amerigo's case, 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 over the number of pounds of copper produced.

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

The Company provides a reconciliation of these performance measures against IFRS measures on a quarterly basis when financial results are reported. Reconciliations are included in the Company's quarterly earnings release and on its Management's Discussion and Analysis.

Cautionary Note Regarding Forward-Looking Information

This news release 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;
- 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 of 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; 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, 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 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. Notwithstanding the efforts of the Company and MVC, there can be no guarantee that the Company's or MVC's staff will not contract COVID-19 or that the Company's and MVC's measures to protect staff from COVID-19 will be effective. Many of these risks and uncertainties apply not only to the Company and its operations, but also to Codelco and its operations.

Codelco's ongoing mining operations provide a significant portion of the materials the Company processes and its resulting metals production, therefore these risks and uncertainties may also affect their operations and in turn have a material effect on the Company.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this 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 there are no adverse mining or other events which significantly affect budgeted production levels.

Although the Company believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond the Company's control, the Company cannot assure that it will achieve or accomplish the expectations, beliefs or projections described in the forward-looking statements.

We caution you that the foregoing list of important factors and assumptions is not exhaustive. Other events or circumstances could cause our actual results to differ materially from those estimated or projected and expressed in, or implied by, our forward-looking statements. You should also carefully consider the matters discussed under Risk Factors in the Company`s Annual Information Form. The forward-looking statements contained herein speak only as of the date of this news release 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.