

February 23, 2015
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Amerigo Announces 2014 Financial Results

- Revenues of \$119.6 million
- Operating cash flow of \$14.8 million

VANCOUVER, BRITISH COLUMBIA – February 23, 2015/Amerigo Resources Ltd. (TSX:ARG) (“Amerigo” or the “Company”) reported today results for the year ended December 31, 2014. All dollar amounts referred to in this release are in US dollars. The Company reported revenue of \$119.6 million and generated \$14.8 million in operating cash flow in fiscal 2014.

Amerigo's Chairman and CEO, Dr. Klaus Zeitler, stated "We are pleased to announce that, despite challenging market conditions, in 2014 Amerigo once again recorded positive operating cash flow and continued to make progress on the expansion of the operations of MVC, the Company's operating subsidiary in Chile. MVC has secured all construction and other permits for the Cauquenes project and has incurred \$16 million in project capex, including \$8.9 million incurred in 2014 in respect of expenses for the owner's team, engineering and procurement of long delivery items such as pumps, pipes and electrical equipment. The Company will complete the expansion in phases, with the initial phase enabling MVC to extract the high grade Cauquenes tailings for processing in its existing operations. Capex budget for phase one is \$71 million, and is expected to result in an increase in MVC's copper production to an average annual rate of 70 million pounds. After completion of this initial phase, MVC will upgrade its existing plant and operations resulting in further increases to MVC's copper and molybdenum production."

Dr. Zeitler continued "Management believes that a phased approach decreases project risk by enabling MVC to complete the part of the expansion expected to provide the highest return on investment and to reduce its debt exposure."

**Comparative Annual Overview**

	Years ended December 31,			
	2014	2013	Change \$	%
Copper produced, million pounds	41.0	45.7	(4.7)	(10%)
Copper sold, million pounds	41.0	45.4	(4.4)	(10%)
Molybdenum produced, million pounds	0.6	0.8	(0.2)	(25%)
Molybdenum sold, million pounds	0.6	0.8	(0.2)	(25%)
Percentage of copper production from old tailings	36%	40%		(4%)
Revenue (thousands)	119,622	143,592	(23,970)	(17%)
Cost of sales (thousands)	113,047	137,556	(24,509)	(18%)
El Teniente royalty costs (thousands)	25,345	33,815	(8,470)	(25%)
Gross profit (thousands)	6,575	6,036	539	9%
Net (loss) profit (thousands)	(10,702)	993	(11,695)	1178%
Operating cash flow (thousands)	14,786	19,136	(4,350)	(23%)
Cash flow paid for plant expansion (thousands)	(11,739)	(13,391)	1,652	(12%)
Cash and cash equivalents (thousands)	18,308	13,148	5,160	39%
Average realized copper price per pound	3.14	3.32	(0.18)	(5%)
Cash cost per pound	2.08	2.08	0.00	0%
Total cost per pound	3.02	3.22	(0.20)	(6%)

Financial results

- Revenue was \$119.6 million compared to \$146.3 million in 2013. Revenues decreased 17% due to lower copper and molybdenum sales and lower copper prices.
- Cost of sales was \$113.0 million, compared to \$137.6 million in 2013, a decrease of 18%, driven by lower production, El Teniente royalty and depreciation costs.
- Gross profit was \$6.6 million, compared to gross profit of \$6.0 million in 2013.
- Net loss was \$10.7 million compared to net profit of \$1.0 million in 2013. Items affecting financial performance in 2014 included non-cash charges of \$8.1 million for change in estimates resulting from the extension of the Company's rights to process El Teniente tailings from 2021 to 2037 upon the signing of the Master Agreement, and approximately \$5.7 million for deferred income tax expense resulting from tax reform enacted in Chile in 2014.
- In 2014, the Company generated cash flow from operations before changes in non-cash working capital of \$14.8 million (2013: \$19.1 million).

Production

- The Company produced 41.0 million pounds of copper, 10% lower than the 45.7 million pounds produced in 2013.
- Molybdenum production was 0.6 million pounds, 25% lower than the 0.8 million pounds produced in 2013.
- Copper production in 2014 was affected by low grades and low sulphide content in old tailings. Molybdenum production was affected by low grades. In 2014 MVC's mine plan progressed



through the zone of lower grade tailings deposited by DET in Colihues while it made launder repairs in 2006-2007.

Revenue

- Revenue decreased to \$119.6 million from \$143.6 million in 2013. The Company's copper selling price fell from \$3.32/lb in 2013 to \$3.14/lb and its molybdenum selling price increased from \$10.13/lb to \$11.34/lb. Copper and molybdenum sales volume decreased 10% and 28%, respectively, from 2013 levels.

Costs

- Cash cost (a non-GAAP measure equal to the aggregate of smelting, refining and other charges, production costs net of inventory adjustments, administration and transportation costs, net of by-product credits) before El Teniente royalty was \$2.08/lb, the same as in 2013.
- Total cost (a non-GAAP measure equal to the aggregate of cash cost, El Teniente royalty, depreciation and accretion) was \$3.02/lb compared to \$3.22/lb in 2013, as a result of lower El Teniente royalties and depreciation charges.
- Power costs in 2014 were \$23.0 million (\$0.0916/kwh) compared to \$23.8 million (\$0.0939/kwh) in 2013.
- Total El Teniente royalties were \$25.3 million in 2014, compared to \$33.8 million in 2013, due to lower production and copper prices.

Cash and Financing Activities

- Cash balance was \$18.3 million at December 31, 2014 compared to \$13.1 million at December 31, 2013.

Investments

- Cash payments for capital expenditures ("Capex") were \$11.8 million compared to \$13.4 million in 2013. Capex payments were funded from operating cash flow, cash at hand and El Teniente royalty deferrals.
- Capex incurred in 2014 totaled \$13.2 million (2013: \$10.4 million) and included \$8.9 million for project investments in connection with the Cauquenes expansion (2013: \$3.6 million) and \$4.3 million for sustaining Capex projects (2013: \$6.8 million).
- The Company's investments in Candente Copper Corp. and Los Andes Copper Ltd. had an aggregate fair value of \$2 million at December 31, 2014 (December 31, 2013: \$3.2 million).

Outlook

- MVC estimates 2015 production of 50 to 55 million pounds of copper at an annual cash cost of \$1.80 to \$2.00/lb, including a significant increase in production and decrease in cash cost in the fourth quarter once Cauquenes is in production. Copper production is expected to ramp up from approximately 10 million pounds in Q1 to approximately 19 million pounds in Q4, and cash cost is projected to be between \$1.95/lb and \$2.15/lb in Q1, decreasing to \$1.60/lb to \$1.75/lb in Q4.



The information in this news release and the Selected Financial Information contained in the following page should be read in conjunction with the Audited Consolidated Financial Statements and Management's Discussion and Analysis for the years ended December 31, 2014 and 2013, which will be available at the Company's website at www.amerigoresources.com and at www.sedar.com.

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) ("Forward-Looking Information"). Forward-Looking Information is often, but not always, identified by the use of words such as "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 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 financing and construction of the Company's proposed expansion of its operations in Chile, including the first and subsequent phases of such expansion, the supply of tailings from El Teniente and extraction of tailings from the Colihues tailings impoundment, 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, including estimated production increases and cost reductions expected to result from the planned expansion of the Company's Chilean operations. 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, financing and construction of, and estimated production increases and cost reductions expected to result from the planned expansion of, the Company's planned expansion of its Chilean operations, interruptions in the supply of fresh tailings from El Teniente, further delays in the extraction of tailings from the Colihues tailings impoundment, 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.



**AMERIGO RESOURCES LTD.
SELECTED FINANCIAL INFORMATION**

YEARS ENDED DECEMBER 31, 2014 AND 2013
All figures expressed in thousands of US Dollars and presented under IFRS

Consolidated Statements of Financial Position

	December 31, 2014 \$	December 31, 2013 \$
Cash and cash equivalents	18,308	13,148
Property, plant and equipment	133,359	116,601
Other assets	28,488	56,360
Total assets	180,155	186,109
Total liabilities	68,662	64,370
Shareholders' equity	111,493	121,739
Total liabilities and shareholders' equity	180,155	186,109

Consolidated Statements of Comprehensive Loss

	Year ended December 31, 2014 \$	Year ended December 31, 2013 \$
Revenue	119,622	143,592
Cost of sales	(113,047)	(137,556)
Other expenses	(10,396)	(4,236)
Finance expense	(237)	(626)
Income tax expense	(6,644)	(181)
(Loss) profit	(10,702)	993
Other comprehensive loss	(598)	(11,504)
Comprehensive loss	(11,300)	(10,511)
 (LPS) EPS - Basic and Diluted	 (0.06)	 0.01

Consolidated Statements of Cash Flows

	December 31, 2014 \$	December 31, 2013 \$
Net cash provided by operating activities	18,090	19,523
Net cash used in investing activities	(11,739)	(13,391)
Net cash provided by (used in) financing activities	255	(1,497)
Net cash inflow	6,606	4,635