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## Amerigo Reports Operational Continuity and Q1-2020 Production Results

Vancouver, British Columbia – April 15, 2020 /CNW/ - Amerigo Resources Ltd. ("Amerigo" or the "Company") (TSX: ARG) announced today Q1-2020 production results from Minera Valle Central ("MVC"), the Company's 100% owned operation located near Rancagua, Chile.

MVC produced 12.1 million pounds of copper at a cash cost of US\$1.87/lb per pound, and 0.2 million pounds of molybdenum. Copper production results are in line with the Company's 2020 guidance (refer to our news release of February 19, 2020) where the Company announced a reduction in Cauquenes tonnage processing through H1-2020 in response to drought conditions in central Chile. Q1-2020 cash cost was US\$0.07/lb higher than expected, mostly due to lower molybdenum by-product credits.

MVC had forecasted that in H1-2020, processing rates would be 125,000 tonnes per day ("TPD") for fresh tailings and 40,000 TPD for Cauquenes. In Q1-2020 actual processing rates averaged 120,868 TPD for fresh tailings and 44,427 TPD for Cauquenes. MVC continues to expect that Cauquenes processing rates could increase to 50,000 TPD starting in June if rain levels normalize in April and May, and that annual production from fresh tailings and Cauquenes would be approximately 55 to 60 million pounds, excluding any effect from plant optimization initiatives.

Operating days in Q1-2020 were 77 for fresh tailings and 67 for Cauquenes due to the annual plant maintenance shutdown at MVC and El Teniente and unexpected plant stoppages due to downtime of one or more of MVC's water thickeners in connection with work carried out to improve water recovery and to adjust the mechanisms to deal with higher density tailings. There have been no plant stoppages since March 3, 2020.

	Q1-2020	Q4-2019	Q3-2019	Q2-2019	Q1-2019
<b>Fresh tailings</b>					
Tonnes processed	9,306,854	10,529,332	10,883,200	10,940,468	9,956,069
Copper grade	0.125%	0.112%	0.110%	0.111%	0.110%
Copper recovery	19.9%	17.5%	18.8%	19.1%	19.0%
Copper produced (millions of pounds)	5.131	4.571	4.985	5.121	4.593
<b>Cauquenes tailings</b>					
Tonnes processed	2,976,621	5,365,311	5,226,443	5,094,589	4,941,816
Copper grade	0.261%	0.273%	0.270%	0.232%	0.237%
Copper recovery	33.4%	34.5%	35.7%	31.6%	32.6%
Copper produced (millions of pounds)	5.717	11.154	11.103	8.223	8.412
<b>Fresh tailings + Cauquenes</b>	10.848	15.725	16.088	13.344	13.005
<b>Slag Processing</b>					
Tonnes processed	14,960	93,248	33,885	-	-
Copper grade	4.6%	5.3%	5.0%	-	-
Copper recovery	80.0%	79.3%	80.5%	-	-
Copper produced (millions of pounds)	1.232	8.617	2.999	-	-
Total copper produced (millions of pounds)	12.080	24.342	19.087	13.344	13.005
Total copper delivered (millions of pounds)	11.822	24,067	19.549	13.865	12.920
Cash cost (US\$/pound copper)	1.94	1.79	1.56	1.97	2.03

	January 2020	February 2020	March 2020
Fresh tailings			
Tonnes per day	119,618	123,215	118,007
Operating days	27	22	28
Copper grade	0.120%	0.119%	0.136%
Copper recovery	20.0%	23.0%	17.8%
Copper produced (million of pounds)	1.724	1.611	1.796
Cauquenes tailings			
Tonnes per day	47,920	35,873	44,873
Operating days	26	13	28
Copper grade	0.266%	0.268%	0.253%
Copper recovery	34.0%	36.3%	31.6%
Copper produced (million of pounds)	2.509	1.034	2.174
Fresh tailings + Cauquenes	4.233	2.645	3.971

MVC is pleased to report that it has not experienced production interruptions or significant disruption to its supply chain as a result of the COVID-19 global pandemic.

MVC has an operational continuity plan in place with specific actions to prevent contagion of COVID-19 among its workers and subcontractors: all non-critical site visits and employee and subcontractor meetings have been cancelled; plant shiftwork schedules have been modified to reduce transportation time; social distancing is in effect; remote work functionality has been implemented for most administrative personnel, employees over 60 and/or employees with higher risk health profiles; additional hygiene measures in lunch and change areas were introduced; and mandatory body temperature checks are in place for all personnel prior to boarding MVC's transport buses to the plant or prior to entering the MVC facility if personnel traveled to the plant with their own vehicles. MVC is keeping staff updated on new directives set by the Chilean health authorities.

At its head office in Vancouver, Amerigo is following the requirements and recommendations issued by the Government of Canada and the provincial and municipal health authorities to reduce the risk of COVID-19 exposure, including cancelling all corporate travel.

The COVID-19 crisis has substantially impacted the market price of copper. MVC has reached agreements to defer a portion of payments to key suppliers and is progressing in discussions to defer royalties, copper price settlement adjustments and bank debt repayments.

Amerigo and MVC continue to monitor and implement business continuity measures to mitigate and minimize any potential impacts of the pandemic on operations, supply chain, and financial activities. The Company currently maintains its production guidance for 2020 but is also aware of the rapid changes associated with the pandemic, including changes to the copper market, and the evolving measures being imposed by the Canadian and Chilean governments to reduce its spread. The Company will update the market as necessary.

***Release of Q1-2020 results on May 6, 2020***

The Company will release its Q1-2020 financial results at market open on Wednesday May 6, 2020.

***Investor conference call on May 7, 2020***

Amerigo's quarterly investor conference call will take place on Thursday May 7, 2020 at 11:00 am Pacific Time/2:00 pm Eastern Time.

To join the call, please dial 1-800-273-9672 (Toll-Free North America) and let the operator know you wish to participate in the Amerigo Resources conference call.

The analyst and investment communities are welcome to ask questions of management. Media can attend on a listen-only basis.

## **About Amerigo and MVC**

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

Amerigo produces copper concentrate 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; Fax: (604) 682-2802; Web: [www.amerigoresources.com](http://www.amerigoresources.com); Listing: ARG:TSX.

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## **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. 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. 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. These forward-looking statements include but are not limited to, statements concerning:

- forecasted production, reductions in operating costs and an increase in recoveries;
- water supply risk to MVC as a result of extreme drought conditions in Chile;
- 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 2020 sustaining capital expenditures;
- the timing of completion of MVC's projects to improve water recirculation;
- prices and price volatility for copper and other commodities and of materials we use in our operations;
- the demand for and supply of copper 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;
- 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.

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; risks with respect to completion of all phases of the Cauquenes expansion, the ability of the Company to draw down funds from bank facilities and lines of credit, the availability of and ability of the Company to obtain adequate funding on reasonable terms for expansions and acquisitions, including all phases of the Cauquenes expansion; 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; 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 a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- interest 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 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;
- the accuracy of our preliminary economic assessment (including with respect to size, grade and recoverability) and the geological, operational and price assumptions on which these are based;
- 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.

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. 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.