Amerigo 1021 West Hastings Street, 9th Floor, Vancouver, B.C. Canada V6E 0C3 P +1.604.681.2802

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

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

THIS DOCUMENT CONTAINS FORWARD-LOOKING STATEMENTS. REFER TO THE CAUTIONARY LANGUAGE UNDER THE HEADING "CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION" (PAGE 20).

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 17).

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.

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 October 31, 2022.

It should be read in conjunction with Amerigo’s condensed interim consolidated financial statements and related notes for the three and nine months ended September 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 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 notional 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 12.

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 Q3-2022 and Q3-2021 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 Q3-2022 and Q3-2021 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	Q3-2022	Q3-2021	Change	
			$	%
Copper produced (million pounds)[1]	16.0	16.0	0.0	0%
Copper delivered (million pounds)[1]	16.2	16.9	(0.7)	(4%)
Revenue ($ thousands) [2]	30,858	48,132	(17,274)	(36%)
DET notional copper royalties ($ thousands)	14,276	20,594	(6,318)	(31%)
Tolling and production costs ($ thousands)	34,414	33,940	474	1%
Gross (loss) profit ($ thousands)	(3,556)	14,192	(17,748)	(125%)
Net (loss) income ($ thousands)	(4,442)	8,420	(12,862)	(153%)
(Loss) earnings per share	(0.03)	0.05	(0.08)	(160%)
(Loss) earnings per share (Cdn$)[3]	(0.03)	0.06	(0.09)	(150%)
Operating cash flow before change in non-cash working capital[4]	2,617	14,067	(11,450)	(81%)
Free cash flow to equity[5]	585	5,889	(5,304)	(90%)
Cash flow paid for plant and equipment ($ thousands)	(1,814)	(6,022)	4,208	(70%)
Cash and cash equivalents ($ thousands)	41,813	64,945	(23,132)	(36%)
Restricted cash	6,384	6,441	(57)	(1%)
Borrowings ($ thousands)[6]	27,568	36,053	(8,485)	(24%)
MVC's copper price ($/lb)[7]	3.50	4.23	(0.73)	(17%)
MVC's molybdenum price ($lb)[8]	15.39	18.19	(2.80)	(15%)

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:1.3056 Cdn (Q3 2021- 1 USD:1.2600 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 September 30, 2022, comprised of short and long-term portions of $7.5 and $20.1 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 Events

- In Q3-2022, market copper prices continued to decline, affecting Amerigo's financial performance through lower current quarterly revenue which is marked-to-market at a lower provisional price (Q3-2022: $3.50 per pound ("/lb"); Q3-2021: $4.23/lb) and through negative final price settlement adjustments to prior-quarter production (Q3-2022: $8.6 million in negative adjustments to Q2-2022 production; Q3-2021: $2.4 million in negative adjustments to Q2-2021 production).

- As a result, Amerigo posted a net loss in Q3-2022 of $4.4 million (Q3-2021: net income of $8.4 million). Loss per share ("LPS") during Q3-2022 was $0.03 (Cdn$0.03) (Q3-2021: earnings per share "EPS" of $0.05 (Cdn$0.06)).

- Q3-2022 production was 16.0 million pounds of copper (Q3-2021: 16.0 million pounds) including 8.6 million pounds from fresh tailings (Q3-2021: 8.6 million pounds) and 7.4 million pounds from Cauquenes (Q3-2021: 7.4 million pounds).

- Molybdenum production in Q3-2022 was 0.3 million pounds (Q3-2021: 0.3 million pounds).

- Revenue during Q3-2022 was $30.9 million (Q3-2021: $48.1 million), including copper tolling revenue of $27.4 million (Q3-2021: $42.5 million) and molybdenum revenue of $3.5 million (Q3-2021: $5.6 million).

- Copper tolling revenue is calculated from MVC's gross value of copper produced during Q3-2022 of $56.8 million (Q3-2021: $72.0 million) and negative fair value adjustments to settlement receivables of $8.8 million (Q3-2021: $2.9 million), less notional items including DET royalties of $14.3 million (Q3-2021: $20.6 million), smelting and refining of $5.9 million (Q3-2021: $5.5 million) and transportation of $0.4 million (Q3-2021: $0.5 million). The Q3-2022 settlement adjustments included $8.6 million in negative settlement adjustments in respect of Q2-2022 production, which are final adjustments.

- The Company generated operating cash flow before changes in non-cash working capital of $2.6 million in Q3-2022 (Q3-2021: $14.1 million). Quarterly net operating cash flow used in operating activities was $6.3 million (Q3-2021: cash generated of $25.4 million). There was free cash flow to equity of $0.6 million in Q3-2022 (Q3-2021: $5.9 million).

- Q3-2022 cash cost (a non-IFRS measure, page 12) increased 19% to $1.93/lb (Q3-2021: $1.62/lb), driven mostly by a decrease of $0.13/lb in molybdenum by-product credits from a lower molybdenum price, an increase of $0.05/lb in grinding media, and an increase of $0.07/lb in other direct costs.

- Q3-2022 total cost (a non-IFRS measure, page 12) decreased to $3.18/lb (Q3-2021: $3.24/lb), due mostly to a decrease of $0.42/lb in DET notional royalties from lower metal prices, offset by a $0.31/lb increase in cash cost and a $0.05/lb increase in depreciation.

- Amerigo's financial performance is very sensitive to changes in copper prices. MVC's Q3-2022 provisional copper price was $3.50/lb, and final prices for July, August, and September sales will be the average London Metal Exchange ("LME") prices for October, November, and December, respectively. A 10% increase or decrease from the $3.50/lb provisional price used on September 30, 2022 would result in a $5.7 million change in revenue in Q4-2022 in respect of Q3-2022 production.

- In Q3-2022, Amerigo returned $3.8 million to shareholders through Amerigo's regular quarterly dividend of Cdn$0.03 per share. YTD-2022, Amerigo returned $24.3 million to shareholders, with $12.0 million paid out in dividends and $12.3 million returned through the purchase of 9.4 million common shares for cancellation through a Normal Course Issuer Bid ("NCIB").

- On September 30, 2022, the Company held cash and cash equivalents of $41.8 million (December 31, 2021: $59.8 million), restricted cash of $6.4 million (December 31, 2021: $4.2) and had working capital of $6.9 million (December 31, 2021: $24.6 million).

- Refer to Cautionary Statement on Forward Looking Information (page 20).

SUMMARY OF FINANCIAL RESULTS Q3-2022 TO Q3-2021

	Q3-2022 $	Q2-2022 $	Q1-2022 $	Q4-2021 $	Q3-2021 $
Copper production, million pounds [1]	15.999	14.921	16.469	16.892	15.988
Copper deliveries, million pounds [1]	16.175	14.861	16.289	16.720	16.903
MVC's copper price ($/lb)	3.50	4.10	4.64	4.32	4.23
Financial results ($ thousands)					
Revenue					
Gross value of copper produced	56,754	63,667	73,797	72,630	72,001
Adjustments to fair value of settlement receivables[2]	(8,776)	(7,849)	5,612	2,641	(2,867)
	47,978	55,818	79,409	75,271	69,134
Notional items deducted from gross value of copper produced:					
DET royalties - copper	(14,276)	(18,281)	(22,290)	(21,606)	(20,594)
Smelting and refining	(5,926)	(5,791)	(6,274)	(5,426)	(5,499)
Transportation	(410)	(403)	(466)	(458)	(520)
Copper tolling revenue	27,366	31,343	50,379	47,781	42,521
Molybdenum and other revenue	3,492	2,241	3,386	4,228	5,611
	30,858	33,584	53,765	52,009	48,132
Tolling and production costs					
Tolling and production costs	(27,323)	(25,090)	(25,121)	(24,885)	(27,212)
Depreciation and amortization	(5,125)	(5,059)	(4,924)	(4,992)	(4,325)
Administration	(1,275)	(1,301)	(1,616)	(1,345)	(1,288)
DET royalties - molybdenum	(691)	(518)	(678)	(896)	(1,115)
	(34,414)	(31,968)	(32,339)	(32,118)	(33,940)
Gross (loss) profit	(3,556)	1,616	21,426	19,891	14,192
Other expenses					
Derivative to related parties including changes in fair value	210	788	477	(367)	(85)
Salaries, management and professional fees	(494)	(453)	(971)	(1,254)	(614)
Office and general expenses	(284)	(222)	(400)	(204)	(205)
Share-based payment compensation	(263)	(282)	(208)	(195)	(188)
	(1,041)	(957)	(1,579)	(1,653)	(1,007)
Foreign exchange (loss) gain	(789)	(2,942)	1,227	(367)	(460)
Writedown of obsolete equipment and supplies	-	-	(551)	-	(9)
Other gains	33	22	12	10	15
	(756)	(2,920)	688	(357)	(454)
	(1,587)	(3,089)	(414)	(2,377)	(1,546)
Operating (loss) profit	(5,143)	(1,473)	21,012	17,514	12,646
Finance (expense) gain	(204)	(267)	114	325	(1,102)
(Loss) income before income tax	(5,347)	(1,740)	21,126	17,839	11,544
Income tax recovery (expense)	905	(3,331)	(5,637)	(8,951)	(3,124)
Net (loss) income	(4,442)	(5,071)	15,489	8,888	8,420
(Loss) earnings per share - basic	(0.03)	(0.03)	0.09	0.05	0.05
(Loss) earnings per share - diluted	(0.03)	(0.03)	0.09	0.05	0.05
(Loss) earnings per share Cdn$ - basic	(0.03)	(0.04)	0.11	0.06	0.06
(Loss) earnings per share Cdn$ - diluted	(0.03)	(0.04)	0.11	0.06	0.06
Unit tolling and production costs	2.13	2.15	1.99	1.92	2.01
Cash cost ($/lb) [3]	1.93	2.01	1.90	1.68	1.62
Total cost ($/lb) [3]	3.18	3.61	3.59	3.31	3.24
Uses and sources of cash ($thousands)					
Operating cash flow before non-cash working capital changes [2]	2,617	(3,952)	20,609	18,279	14,067
Net cash (used in) from operating activities	(6,309)	2,692	21,374	17,705	25,382
Cash used in investing activities	(1,814)	(3,010)	(2,419)	(4,532)	(6,022)
Cash used in financing activities	(4,003)	(16,578)	(7,755)	(17,199)	(2,156)
Ending cash and cash equivalents	41,813	53,020	71,095	59,792	64,945
Ending restricted cash	6,384	4,198	6,383	4,221	6,441

Notes:

1. Includes production from fresh tailings and Cauquenes tailings.
2. In Q3-2022, includes $8.6 million in final settlements to Q2-2022 production.
3. Operating cash flow before non-cash working capital changes, cash and total costs 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 provided by operating activities and page 12 for the basis of reconciliation of cash and total cost to tolling and production costs.

A discussion on key quarterly variances (revenue and tolling and production costs) can be found on pages 14 and 15.

Below is a reconciliation of operating cash flow before non-cash working capital and net cash provided by operating activities for the periods presented in this MD&A:

(Expressed in thousands)	**Q3-2022 $**	**Q3-2021 $**
Net cash (used in) provided by operating activities	(6,309)	25,382
Add (deduct):		
Changes in non-cash working capital	8,926	(11,315)
Operating cash flow before non-cash working capital	**2,617**	**14,067**

(Expressed in thousands)	**Q3-2022 $**	**Q3-2021 $**
Operating cash flow before changes in non-cash working capital	2,617	14,067
Deduct:		
Cash used to purchase plant and equipment	(1,814)	(6,022)
Repayment of borrowings, net of new debt issued	-	(1,904)
Lease repayments	(218)	(252)
Free cash flow to equity	**585**	**5,889**
Add:		
Repayment of borrowings, net of new debt issued	-	1,904
Lease repayments	218	252
Free cash flow	**803**	**8,045**

OPERATING RESULTS

Copper production in Q3-2022 was 16.0 million pounds (Q3-2021: 16.0 million pounds) and copper deliveries were 16.2 million pounds (Q3-2021: 16.9 million pounds).

With respect to fresh tailings, MVC's production was 8.6 million pounds of copper in Q3-2022 (Q3-2021: 8.6 million pounds). Production from fresh tailings in Q3-2022 and Q2-2022 accounted for 54% of production.

Copper production from Cauquenes in Q3-2022 was 7.37 million pounds (Q3-2021: 7.37 million pounds).

MVC's average plant availability during Q3-2022 was 98.5%.

MVC's water reserves on September 30, 2022 were 5.4 million cubic meters, 0.2 million higher than at the end of Q2-2022. These water reserves remain sufficient to maintain projected Cauquenes processing rates for a period of at least eighteen months, our maximum forecast horizon.

Molybdenum production during Q3-2022 was 0.3 million pounds (Q3-2021: 0.3 million pounds).

Production results for Q3-2022 and Q3-2021 are included below:

PRODUCTION	Q3-2022	Q3-2021
FRESH TAILINGS		
Tonnes per day	123,953	137,650
Operating days	91	84
Tonnes processed	11,246,919	11,562,611
Copper grade (%)	0.162%	0.152%
Copper recovery	21.6%	22.3%
Copper produced (M lbs)	8.63	8.62
CAUQUENES TAILINGS		
Tonnes per day	46,527	52,981
Operating days	89	81
Tonnes processed	4,229,438	4,267,203
Copper grade (%)	0.251%	0.238%
Copper recovery	32.2%	33.0%
Copper produced (M lbs)	7.37	7.37
COPPER		
Total copper produced (M lbs)	16.00	15.99
MOLYBDENUM		
Total molybdenum produced (M lbs)	0.28	0.32

2022 Production and Cash Cost Outlook

Based on the Company's modeling, annual production is expected to be 63.8 M lbs of copper (3% over guidance) with cash cost (a non-IFRS measure, see page 12) trending towards $1.95/lb, approximately 3% higher than guidance. This cash cost variance is attributable to lower than anticipated molybdenum production and byproduct credits. When viewed in the aggregate, all other production costs remain aligned with Amerigo's budget/guidance.

MVC's 2022 sustaining capex budget ($6.0 million) and capitalizable maintenance and strategic spares budget ($2.8 million) are progressing on time and budget.

MVC also had 2022 budget approval for two additional Capex projects: the reinforcement of slurry and water lines between Cauquenes and the MVC concentrator plant ($2.2 million) and upgrades to the aerial tailings channel within the MVC facilities ($2.5 million). The aerial tailings channel project has been cancelled following additional studies conducted by MVC ($0.1 million) confirming the originally planned upgrades were not required. The project to reinforce water and slurry lines is projected to be completed on budget but is behind schedule due to delay in supply of materials. It is currently expected that $1.5 million of this project will be incurred in 2022 and $0.7 million will be incurred as part of the 2023 Capex budget.

MVC's mining plan will require a new Cauquenes sump to be operational in Q3-2023. To prevent delays that could hinder production from Cauquenes in 2023, MVC requested budget approval to initiate earthwork for the new sump in 2022. This was approved, at an estimated Capex in 2022 of $1.1 million.

FINANCIAL RESULTS – Q3-2022

Net loss in Q3-2022 was $4.4 million (Q3-2021: income of $8.4 million), mostly due to a decrease in copper and molybdenum prices during the quarter resulting in decreased revenue.

Revenue

Revenue in Q3-2022 was $30.9 million (Q3-2021: $48.1 million).

(Expressed in thousands)	Q3-2022 $	Q3-2021 $
Average LME copper price per pound	3.51	4.25
Gross value of copper produced[1]	56,754	72,001
Adjustments to fair value of settlement receivables	(8,776)	(2,867)
	47,978	69,134
Notional items deducted from gross value of copper produced:		
DET royalties - copper	(14,276)	(20,594)
Smelting and refining charges	(5,926)	(5,499)
Transportation	(410)	(520)
Copper tolling revenue	27,366	42,521
Molybdenum revenue	3,492	5,611
Revenue	30,858	48,132
MVC's copper price ($/lb)[2]	3.50	4.23
MVC's molybdenum price ($/lb)	15.39	18.19

Notes:

1 Of the $8.8 million in negative adjustments to fair value of settlement receivables $8.6 million are in respect of Q2-2022 sales and are therefore final adjustments, and $0.2 million are provisional adjustments in respect of Q3-2022 sales. Of the $2.9 million in negative settlement adjustments in Q3-2021, $2.4 million were final adjustments in respect of Q2-2021 sales and $0.5 million were provisional adjustments in respect of Q3-2021 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 billings are done monthly based on the tolling activity for the full month, less weekly billings, and to bill for pricing term differences, as disclosed in the following paragraphs.

MVC's compensation is determined in accordance with annual industry benchmarks for pricing terms and smelting and refining charges.

At September 30, 2022, the provisional copper price used by MVC was $3.50/lb. Financial performance is very sensitive to changes in copper prices. For example, a 10% increase or decrease from the $3.50/lb provisional price used on September 30, 2022 would result in a $5.7 million change in revenue in Q4-2022 in respect of Q3-2022 production.

DET royalties on copper production are a notional item deducted from MVC's gross value of copper produced. In Q3-2022, DET notional copper royalties were $14.3 million (Q3-2021: $20.6 million) due to lower copper prices.

We disclose the terms for DET notional copper royalties and molybdenum royalties under Agreements with Codelco's DET (page 17).

Molybdenum produced by MVC is predominantly sold under a written sales agreement with Molymet. Revenue is billed monthly based on the quantity of concentrates delivered during the preceding month. Molymet can elect different pricing terms monthly. For July, August, and September 2022 pricing terms range from M to M+4 respectively 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 Q3-2022, MVC's molybdenum sales price was $15.39/lb (Q3-2021: $18.19/lb).

Tolling and Production Costs

(Expressed in thousands)	Q3-2022 $	Q3-2021 $
Direct tolling and production costs		
Power costs	7,947	7,503
Direct labour	2,705	2,776
Grinding media	2,988	2,177
Lime costs	1,680	1,628
Other direct tolling / production costs	12,003	13,128
	27,323	27,212
Depreciation and amortization	5,125	4,325
Administration	1,275	1,288
DET royalties - molybdenum	691	1,115
Tolling and production costs	34,414	33,940
Unit tolling and production costs ($/lb)	2.13	2.01

During Q3-2022, power costs increased by $0.4 million or 6% compared to Q3-2021 mostly due to a 7% increase in power consumption at MVC offset by a 1% decrease in power cost. Power consumption increased mostly due to higher power demand from MVC's industrial water recirculation equipment, following modifications undertaken in 2022 to increase water recovery. Power costs in Q3-2022 were $0.0915/kWh (Q3-2021: $0.0922/kWh).

During Q3-2022, grinding media increased by $0.8 million compared to Q3-2021 due to higher steel prices.

In aggregate, other direct tolling and production costs decreased by $1.1 million in Q3-2022 due mostly to a decrease in inventory adjustments of $2.5 million due to less copper delivered than produced in Q3-2022 compared to Q3-2021. Costs that increased in Q3-2022 from the comparative period include maintenance costs ($0.3 million), molybdenum production costs ($0.2 million), copper reagents ($0.4 million), industrial water ($0.4 million), subcontractors support services ($0.1 million) and filtration costs ($0.2 million).

(Expressed in thousands)	Q3-2022 $	Q3-2021 $
Other direct tolling costs		
Maintenance, excluding labour	2,594	2,313
Molybdenum production costs	2,250	2,080
Historic tailings extraction	1,505	1,649
Copper reagents	1,274	830
Industrial water	1,268	886
Process control, environmental and safety	1,008	1,158
Subcontractors, support services	955	833
Inventory adjustments	614	3,100
Filtration and all other direct tolling costs	535	279
	12,003	13,128

($/lb Cu)	Q3-2022	Q3-2021
Other direct tolling costs		
Maintenance, excluding labour	0.16	0.14
Molybdenum production costs	0.14	0.13
Historic tailings extraction	0.09	0.10
Copper reagents	0.08	0.05
Industrial water	0.08	0.06
Process control, environmental and safety	0.06	0.07
Subcontractors, support services	0.06	0.05
Inventory adjustments	0.04	0.19
Filtration and all other direct tolling costs	0.03	0.02
	0.74	0.82

Depreciation and amortization in Q3-2022 were $5.1 million (Q3-2021: $4.3 million).

Administration expenses during Q3-2022 were $1.3 million (Q3-2021: $1.3 million).

DET royalties for molybdenum in Q3-2022 were $0.7 million (Q3-2021: $1.1 million) due to lower molybdenum prices.

<u>Other Gains and Expenses</u>

Other expenses of $1.6 million in Q3-2022 (Q3-2021: $1.5 million) are costs not related to MVC's production operations and include:

- General and administration expenses of $1.0 million (Q3-2021: $1.0 million) including salaries, management, and professional fees of $0.5 million (Q3-2021: $0.6 million), office and general expenses of $0.3 million (Q3-2021: $0.2 million) and share-based payments of $0.3 million (Q3-2021: $0.2 million).

- A $0.2 million recovery associated with the derivative to related parties (Q3-2021: charge of $0.1 million), including actual amounts paid or accrued to related parties of $0.3 million (Q3-2021: $0.3 million) and a decrease in the derivative's fair value of $0.5 million (Q3-2021: $0.2 million).

- Other losses of $0.8 million (Q3-2021: $0.5 million) essentially derived from foreign exchange losses. In the case of Q3-2022, this foreign exchange loss includes an unrealized loss of $2.5 million, which is a non-cash item.

The Company's finance expense in Q3-2022 was $0.2 million (Q3-2021: $1.1 million) which includes interest on loans, leases, and bank charges of $0.5 million (Q3-2021: $0.5 million), as well as fair value changes on interest rate swaps ("IRS") which included a recovery of $0.3 million in Q3-2022 and a $0.6 million charge in Q3-2021.

In Q3-2022, the Company had an income tax recovery of $0.9 million ($0.4 million in current tax recovery and $0.5 million in deferred income tax recovery) compared to income tax expense of $3.1 million in Q3-2021.

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 mining companies. 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 Q3-2022 and Q3-2021 is presented below:

(Expressed in thousands)	**Q3-2022** **$**	**Q3-2021** **$**
Tolling and production costs	34,414	33,940
Add (deduct):		
DET notional royalties - copper	14,276	20,594
Smelting and refining	5,926	5,499
Transportation costs	410	520
Inventory adjustments	(614)	(3,101)
By-product credits	(3,492)	(5,611)
Total cost	50,920	51,841
Deduct:		
DET notional royalties - copper	(14,276)	(20,594)
DET royalties - molybdenum	(691)	(1,115)
	(14,967)	(21,709)
Depreciation and amortization	(5,125)	(4,325)
Cash cost	30,828	25,807
Copper tolled (M lbs)	16.00	15.99
Cash cost ($/lb)	**1.93**	**1.62**
Total cost ($/lb)	**3.18**	**3.24**

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

($/lb of copper produced)	Q3-2022	Q2-2022	Q1-2022	Q4-2021	Q3-2021
Power costs	0.50	0.50	0.47	0.45	0.47
Smelting & refining	0.37	0.39	0.38	0.32	0.35
Grinding media	0.19	0.18	0.18	0.15	0.14
Lime	0.11	0.09	0.10	0.10	0.10
Administration	0.08	0.09	0.10	0.08	0.08
Transportation	0.03	0.03	0.03	0.03	0.03
Other direct costs	0.87	0.88	0.85	0.80	0.80
By-product credits	(0.22)	(0.15)	(0.21)	(0.25)	(0.35)
Cash Cost	**$1.93**	**$2.01**	**$1.90**	**$1.68**	**$1.62**

Cash cost in Q3-2022 increased $0.31/lb compared to Q3-2021 primarily due to a decrease of $0.13/lb in by-product credits from the decrease in molybdenum market prices from the comparative period, an increase in other direct costs of $0.07/lb (refer to our prior analysis of **Tolling and Production Costs**) and an increase of $0.05/lb in grinding media.

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

($/lb of copper produced)	Q3-2022	Q2-2022	Q1-2022	Q4-2021	Q3-2021
Cash cost	1.93	2.01	1.90	1.68	1.62
DET notional royalites/royalties	0.93	1.26	1.39	1.33	1.35
Amortization/depreciation	0.32	0.34	0.30	0.30	0.27
Total Cost	**$3.18**	**$3.61**	**$3.59**	**$3.31**	**$3.24**

Total cost in Q3-2022 was $3.18/lb (Q3-2021: $3.24/lb), due to a $0.42/lb decrease in DET notional royalties from lower prices, offset by increases of $0.31/lb in cash cost and $0.05/lb in depreciation.

FINANCIAL RESULTS – NINE MONTHS ENDED SEPTEMBER 30, 2022

YTD-2022, the Company generated net income of $6.0 million or $0.04 EPS (YTD-2021: net income of $30.9 million or $0.17 EPS).

Revenue YTD-2022 was $118.2 million (YTD-2021: $147.5 million) and tolling and production costs were $98.7 million (YTD-2021: $95.3 million), resulting in a gross profit of $19.5 million (YTD-2021: $52.2 million).

YTD-2022 revenue was negatively impacted by lower copper prices and to a larger degree from the effect of settlement adjustments. The average MVC copper price in YTD-2022 was $4.08/lb, compared to $4.23/lb in YTD-2021, and the Company recorded negative settlement adjustments of $11.0 million in YTD-2022, compared to positive adjustments of $10.4 million in YTD-2021.

Tolling and production costs in YTD-2022 were $98.7 million, 3.5% or $3.4 million higher than in YTD-2021. Of this increase, $2.1 million is coming from higher depreciation costs and $1.3 million are actual cost increases, representing a 1.35% increase in tolling and production costs compared to YTD-2021.

Other expenses were $5.1 million (YTD-2021: $5.4 million).

YTD-2022 finance expense was $0.4 million (YTD-2021: $4.1 million) and the Company posted an income tax expense of $8.1 million (YTD-2021: $11.7 million), driven by lower pre-tax income in the current year.

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.

	Q3-2022 $	Q2-2022 $	Q1-2022 $	Q4-2021 $
Total revenue (thousands)	30,858	33,584	53,765	52,009
Net (loss) income (thousands)	(4,442)	(5,071)	15,489	8,888
(LPS) EPS	(0.03)	(0.03)	0.09	0.05
Diluted (LPS) EPS	(0.03)	(0.03)	0.09	0.05

	Q3-2021 $	Q2-2021 $	Q1-2021 $	Q4-2020 $
Total revenue (thousands)	48,132	50,503	48,907	47,188
Net income (thousands)	8,420	11,586	10,925	8,307
EPS	0.05	0.06	0.06	0.05
Diluted EPS	0.05	0.06	0.06	0.04

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:

	Q3-2022	Q2-2022	Q1-2022	Q4-2021	Q3-2021	Q2-2021	Q1-2021	Q4-2020
Copper sales/deliveries [1]	16.2	14.9	16.3	16.7	16.9	15.1	15.1	15.9
MVC's copper price	3.50	4.10	4.64	4.32	4.23	4.37	4.08	3.52
Settlement adjustments [2]	(8.58)	(5.07)	3.76	3.00	(2.37)	5.30	5.04	5.35

Notes:
1 Million pounds of copper sold under a tolling agreement with DET.
2 Adjustments to fair value of copper settlement receivables from prior quarters, expressed in millions of dollars.

In 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 Q3-2022, although copper sales volume increased in the quarter, revenue was negatively impacted by 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:

	Q3-2022	Q2-2022	Q1-2022	Q4-2021	Q3-2021	Q2-2021	Q1-2021	Q4-2020
Tolling and production costs [1]	34.41	31.97	32.34	32.12	33.94	31.38	30.03	31.46
Unit tolling and production cost [2]	2.13	2.15	1.99	1.92	2.01	2.07	1.99	1.98

Notes:
1 Millions 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 Chilean peso to the U.S. dollar. 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. Q3-2022, total tolling and production costs increased, but due to higher production compared to the prior quarter, decreased on a unit cost basis.

FINANCIAL POSITION AND BORROWINGS

Cash Flow from Operating Activities

In YTD-2022, the Company generated net cash from operating activities of $17.8 million (YTD-2021: $75.4 million). Excluding the effect of changes in working capital accounts, the Company generated $19.3 million in cash from operations in YTD-2022 (YTD-2021: $50.7 million).

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

At September 30, 2022, the provisional copper price used by MVC was $3.50/lb. Financial performance is very sensitive to changes in copper prices. For example, a 10% increase or decrease from the $3.50/lb provisional price used on September 30, 2022 would result in a $5.7 million change in revenue in Q4-2022 in respect of Q3-2022 production.

Cash Flow from Investing Activities

YTD-2022, the Company made payments of $7.2 million (YTD-2021: $7.4 million) which included $5.5 million for sustaining capex and $1.7 million for capitalized maintenance.

YTD-2021, the Company received $3.9 million from the sale of investments which were non-core investments, and which had experienced an increase in fair market value.

Cash Flow used in Financing Activities

YTD-2022, Amerigo returned $24.3 million to shareholders: $12.0 million were paid through Amerigo's regular quarterly dividends of Cdn$0.03 per share, and $12.3 million were returned through the purchase of 9.4 million common shares for cancellation through a NCIB.

YTD-2022, the Company made debt repayments of $3.5 million (YTD-2021: $52.5 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 $0.7 million (YTD-2021: $0.9 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 September 30, 2022, the Company held cash and cash equivalents of $41.8 million (December 31, 2021: $59.8 million), restricted cash of $6.4 million (December 31, 2021: $4.2) and had working capital of $6.9 million (December 31, 2021: $24.6 million).

Borrowings

(Expressed in thousands)	September 30, 2022 $	December 31, 2021 $
Term loan	27,568	30,404
Comprise:		
Short-term debt and current portion of long-term debt	7,485	7,004
Long-term debt	20,083	23,400
	27,568	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 September 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 September 30, 2022, the balance of the Term Loan was $27.6 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 September 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 September 30, 2022, MVC held the required reserved funds in the amount of $2.9 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 in respect of amounts owing under 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 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. On September 30, 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 DET Agreement was entered into. Amerigo has currently judged the probabilities of DET exercising any of these early exit options as remote.

OTHER MD&A REQUIREMENTS

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 $0.8 million was paid or accrued to the Class A shareholders (YTD-2021: $0.8 million) and the derivative's fair value decreased by $2.2 million (YTD-2021: $0.3 million), for a total derivative recovery of $1.5 million (YTD-2021: expense of $0.5 million).

At September 30, 2022, the derivative totalled $8.7 million (December 31, 2021: $10.9 million), with a current portion of $1.2 million (December 31, 2021: $1.0 million) and a long-term portion of $7.5 million (December 31, 2021: $9.9 million).

b) Directors' fees and remuneration to officers

YTD-2022, the Company paid or accrued $1.0 million in salaries and fees to companies associated with certain officers (2021: $1.2 million). In the same period, Amerigo paid or accrued $0.2 million in directors' fees (2021: $0.2 million) and share-based payments of $0.5 million (2021: $0.3 million). 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 Q3-2022, 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, 2021, 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 September 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 October 31, 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.