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## **Amerigo Announces Reinstatement of Dividends and Cdn\$25M Substantial Issuer Bid**

**Strong Operating Results and Robust Copper Market Fundamentals lead to Quarterly Dividends Starting in Q4-2021**

**Improved Financial Flexibility Also Allows Bid to Retire up to Cdn\$25M in Common Shares**

**Announcements Confirm Amerigo's Corporate Focus on Shareholder Returns**

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**VANCOUVER, BRITISH COLUMBIA – September 28, 2021/Amerigo Resources Ltd. (TSX: ARG; ARREF: OTC)** (“Amerigo” or the “Company”) is pleased to announce its Board of Directors (the “Board”) has reached a decision to reinstate the declaration and payment of dividends, on a quarterly basis commencing in the fourth quarter of 2021. The Company also intends to commence a substantial issuer bid (the “Offer”) to purchase for cancellation from Amerigo shareholders who choose to participate up to Cdn\$25,000,000 in value of its common shares in the authorized share structure of the Company (the “Common Shares”).

“Today’s announcements reflect Amerigo’s strong operating and financial results and confidence in our outlook. We have a strong balance sheet, and the financial flexibility to pay quarterly dividends to shareholders commencing this year”, said Aurora Davidson, Amerigo’s President and CEO. “The issuer bid will also allow us to enact an orderly retirement of up to Cdn\$25 million in the capital of Amerigo.”

The Offer is being made by way of a “modified Dutch auction”, which will allow holders who choose to participate in the Offer to individually select the price, within a price range of not less than Cdn\$1.18 and not more than Cdn\$1.30 per Common Share (in increments of Cdn\$0.02 per Common Share), at which they will tender their Common Shares to the Offer. Upon expiry of the Offer, the Company will determine the lowest purchase price (the “Purchase Price”) (which will not be less than Cdn\$1.18 and not more than Cdn\$1.30 per Common Share) based on all tenders validly deposited and not properly withdrawn pursuant to the Offer that will allow it to purchase the maximum number of Common Shares tendered to the Offer, having an aggregate purchase price not exceeding Cdn\$25,000,000.

Amerigo anticipates that the Offer will commence on September 29, 2021, and expire on November 12, 2021, at 5 pm Eastern Standard Time. The Board believes that the purchase of Common Shares under the Offer represents an attractive investment opportunity for Amerigo.

“Commencing in the fourth quarter of 2021, it is the intention of the Board of Directors of Amerigo to declare and pay quarterly dividends to our shareholders”, added Ms. Davidson. “The Board continues to evaluate all options, including additional share buybacks, to return capital to shareholders in a prudent manner.”

The declaration of dividends will remain at the discretion of the Board and will depend upon the financial results of Amerigo and other factors of relevance determined by the Board and will be subject to the maintenance of appropriate levels of working capital.



## Additional Details of the Offer

If the Purchase Price is determined to be Cdn\$1.18 per Common Share (which is the minimum Purchase Price under the Offer), the maximum number of Common Shares that may be purchased by the Company under the Offer is 21,186,441 Common Shares, which represents approximately 11.6% of the Common Shares issued and outstanding as at September 27, 2021. If the Purchase Price is determined to be Cdn\$1.30 per Common Share (which is the maximum Purchase Price under the Offer), the maximum number of Common Shares that may be purchased by the Company under the Offer is 19,230,769 Common Shares, which represents approximately 10.6% of the Common Shares issued and outstanding as at September 27, 2021.

If Common Shares with an aggregate purchase price of more than Cdn\$25,000,000 are properly tendered and not properly withdrawn, the Company will purchase the Common Shares on a pro rata basis after giving effect to "odd lot" tenders (of holders beneficially owning fewer than 100 Common Shares), which will not be subject to pro-ration. In that case, all Common Shares tendered at or below the finally determined Purchase Price will be purchased, subject to pro-ration, at the same Purchase Price determined pursuant to the terms of the Offer. Common Shares that are not purchased, including all Common Shares tendered pursuant to auction tenders at prices above the Purchase Price, will be returned to shareholders.

The Offer and all deposits of Common Shares will be subject to the terms and conditions set forth in an offer to purchase, an accompanying issuer bid circular and a related letter of transmittal and notice of guaranteed delivery (all such documents, as amended or supplemented from time to time, collectively constitute and are herein referred to as, the "**Offer Documents**"). Further details of the Offer, including the terms and conditions thereof and instructions for tendering Common Shares, will be included in the Offer Documents. The Company anticipates that the Offer Documents will be mailed to shareholders, filed with the applicable Canadian securities regulatory authorities and made available without charge on SEDAR at [www.sedar.com](http://www.sedar.com) in accordance with applicable securities laws, as well as being posted on the Company's website at [www.amerigoresources.com](http://www.amerigoresources.com), within the next week.

As at September 27, 2021, the Company had 181,961,078 Common Shares issued and outstanding. The Common Shares are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "ARG". On September 27, 2021, the last full trading day prior to the day the terms of the Offer were publicly announced, the closing price of the Common Shares on the TSX was Cdn\$1.24.

Amerigo expects to fund any purchases of Common Shares under the Offer using the Company's available cash on hand. All Common Shares purchased by the Company under the Offer will be cancelled.

The Offer is not conditional upon any minimum number of Common Shares being deposited. However, the Offer will be subject to certain conditions that are customary for transactions of this nature, all of which will be disclosed in the Offer Documents.

Amerigo has retained Gowling WLG (Canada) LLP ("**Gowling WLG**") to act as legal counsel and appointed Computershare Investor Services Inc. (the "**Depositary**") to act as depositary for the Offer. Any questions or requests for information or assistance regarding the Offer may be directed to the Depositary at the contact details set out in the Offer Documents.



**This news release is for informational purposes only and does not constitute an offer to buy or the solicitation of an offer to sell any Common Shares. The solicitation and the offer to buy Common Shares will only be made pursuant to the Offer Documents filed with the Canadian securities regulatory authorities. The Offer will not be made to, nor will deposits be accepted from or on behalf of, shareholders in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of any such jurisdiction. However, Amerigo may, in its sole discretion, take such action as it may deem necessary to make the Offer in any such jurisdiction and to extend the Offer to shareholders in any such jurisdiction.**

**The Board has authorized and approved the Offer. However, none of Amerigo, the Board, Gowling WLG or the Depositary makes any recommendation to any shareholder as to whether to deposit or refrain from depositing any or all of such shareholder's Common Shares pursuant to the Offer or as to the purchase price or purchase prices at which shareholders may deposit Common Shares to the Offer. Shareholders are strongly urged to carefully review and evaluate all information provided in the Offer Documents, to consult with their own financial, legal, investment, tax and other professional advisors and to make their own decisions as to whether to deposit Common Shares under the Offer and, if so, how many Common Shares to deposit and the price or prices at which to deposit.**

### **About Amerigo**

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

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## Forward-Looking Information

Forward-looking information (“**forward-looking statements**”) is included in this news release. These forward-looking statements are identified by the use of terms such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “project”, “will”, “would”, and “should” and similar terms and phrases, including references to assumptions. Such statements may involve but are not limited to, Amerigo’s plans, objectives, expectations and intentions, including Amerigo’s objectives and expectations regarding the Offer and the size, timing and terms and conditions of the Offer, the anticipated mailing date of the Offer Documents and commencement date of the Offer, the expectation that the Company will reinstate the declaration and payment of dividends in the fourth quarter of 2021, and other comments with respect to strategies, expectations, planned operations or future actions.

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 Amerigo’s ability to predict or control, including risks that may affect Amerigo’s 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 Amerigo’s 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 Amerigo’s ability to obtain both tailings from Codelco’s Division El Teniente’s current production and historic tailings from tailings deposits; risks with respect to the ability of Amerigo to draw down funds from lines of credit and the availability of and ability of Amerigo 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 Amerigo’s 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 Amerigo’s operations or their interpretation, including foreign exchange controls; and risks associated with tax reassessments and legal proceedings. Notwithstanding the efforts of Amerigo 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 Amerigo and its operations, but also to Codelco and its operations. Codelco’s ongoing mining operations provide a significant portion of the materials Amerigo processes and its resulting metals production, therefore these risks and uncertainties may also affect their operations and in turn have a material effect on Amerigo.

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 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 Amerigo's operations;
- the ongoing supply of material for processing from Codelco's current mining operations;
- the ability of Amerigo 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;
- Amerigo's costs of production and its production and productivity levels, as well as those of Amerigo's competitors;
- changes in credit market conditions and conditions in financial markets generally;
- Amerigo's ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the availability of qualified employees and contractors for Amerigo's operations;
- Amerigo's 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 Amerigo's costs and results;
- costs of closure of various operations;
- market competition;
- tax benefits and tax rates;
- the outcome of Amerigo's 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;
- Amerigo's ability to obtain, comply with and renew permits and licenses in a timely manner; and
- Amerigo's ongoing relations with its employees and entities with which it does business.

Future production levels and cost estimates assume there are no adverse mining or other events which significantly affect budgeted production levels. Although Amerigo 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 Amerigo's control, Amerigo cannot assure that it will achieve or accomplish the expectations, beliefs or projections described in the forward-looking statements.

Amerigo cautions you that the foregoing list of important factors and assumptions is not exhaustive. Other events or circumstances could cause Amerigo's actual results to differ materially from those estimated or projected and expressed in, or implied by, its 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 this news release and except as required by law, Amerigo undertakes 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.