Amerigo Resources Ltd.

Condensed Interim Consolidated Financial Statements
Three months ended March 31, 2020 and 2019
Unaudited – Prepared by Management

(Expressed in thousands of United States dollars)

Amerigo Resources Ltd.
Condensed Interim Consolidated Statements of Financial Position - Unaudited

(expressed in thousands of U.S. dollars)

	Notes	March 31, 2020 $	December 31, 2019 $
Assets			
Current assets			
Cash and cash equivalents	14	572	7,164
Trade and settlement receivables		447	7,741
Taxes receivable		1,605	1,491
Prepaid expenses		640	969
Inventories	5	10,269	10,317
		13,533	27,682
Non-current assets			
Property, plant and equipment	6	194,492	198,582
Intangible assets		3,966	4,022
Investments		1,356	2,534
Other non-current assets		825	841
Deferred income tax asset		4	1
Total assets		214,176	233,662
Liabilities			
Current liabilities			
Trade and other payables		17,953	19,837
Current portion of borrowings	7	9,399	10,108
DET royalties	3	8,612	9,284
Interest rate swap	7	2,390	665
Current portion of leases	8	1,430	1,631
Current portion of related party derivative liability	9, 15	1,230	1,219
Current income tax liabilities		137	55
		41,151	42,799
Non-current liabilities			
Borrowings	7	41,176	45,789
Deferred income tax liability		21,278	25,060
Related party derivative liability	9, 15	7,125	10,962
Leases	8	4,439	5,447
Severance provisions		901	973
Total liabilities		116,070	131,030
Equity	10		
Share capital		80,461	80,300
Other reserves		10,144	10,179
Accumulated other comprehensive loss		(1,850)	(1,227)
Retained earnings		9,351	13,380
Total equity		98,106	102,632
Total equity and liabilities		214,176	233,662
Going Concern	2		
Commitments	16		

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Approved by the Board of Directors

"Robert Gayton" — Director

"George Ireland" — Director

Amerigo Resources Ltd.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss - Unaudited

(expressed in thousands of U.S. dollars)

	Notes	Three months ended March 31, 2020	2019
		$	$
Revenue	12	15,638	27,736
Tolling and production costs	13 (a)	(24,569)	(25,764)
Gross (loss) profit		(8,931)	1,972
Other gains (expenses)			
General and administration	13 (b)	(701)	(1,123)
Derivative to related parties including changes in fair value	13 (c)	3,742	336
Other gains (losses)	13 (d)	995	(918)
		4,036	(1,705)
Operating (loss) profit		(4,895)	267
Finance expense	13 (e)	(2,833)	(1,797)
		(2,833)	(1,797)
Loss before income tax		(7,728)	(1,530)
Income tax recovery		3,699	131
Net loss		(4,029)	(1,399)
Other comprehensive (loss) income			
Items that may be reclassified subsequently to net loss:			
Unrealized (losses) gains on investments, net of tax		(1,103)	305
Realized loss on investments, net of tax		(1)	-
Cumulative translation adjustment		448	(123)
Actuarial gains on severance provision		33	26
Other comprehensive (loss) income		(623)	208
Comprehensive loss		(4,652)	(1,191)
Weighted average number of shares outstanding, basic		180,729,791	177,289,629
Weighted average number of shares outstanding, diluted		180,729,791	177,289,629
Loss per share			
Basic		(0.02)	(0.01)
Diluted		(0.02)	(0.01)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Amerigo Resources Ltd.

Condensed Interim Consolidated Statements of Cash Flows - Unaudited

(expressed in thousands of U.S. dollars)

	Three months ended March 31, 2020 $	2019 $
Cash flows from operating activities		
Net loss	(4,029)	(1,399)
Adjustment for items not affecting cash:		
Depreciation and amortization	4,736	4,364
Inventory NRV impairment charges (Note 5)	2,303	-
Finance expense	1,088	1,265
Share-based payments	10	491
Changes in fair value of derivative	(3,945)	708
Other	(17)	85
Deferred income tax recovery	(3,785)	(144)
Unrealized foreign exchange gain	(493)	(200)
	(4,132)	5,170
Changes in non-cash working capital		
Trade, other receivables and taxes receivable	7,491	(45)
Inventories	(2,312)	(4,690)
Trade and other payables	(1,754)	880
DET royalties	(671)	(2,763)
Net cash used in operating activities	(1,378)	(1,448)
Cash flows used in investing activities		
Purchase of plant and equipment	(468)	(3,233)
Proceeds from the sale of investments	75	-
Net cash used in investing activities	(393)	(3,233)
Cash flows used in from financing activities		
Repayment of borrowings	(4,686)	-
Lease repayments	(209)	(363)
Issuance of shares	116	131
Net cash used in financing activities	(4,779)	(232)
Net decrease in cash and cash equivalents	(6,550)	(4,913)
Effect of exchange rate changes on cash	(42)	172
Cash and cash equivalents - Beginning of period	7,164	21,338
Cash and cash equivalents - End of period	572	16,597

Supplementary cash flow information (Note 14)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Amerigo Resources Ltd.

Condensed Interim Consolidated Statements of Changes in Equity - Unaudited

(expressed in thousands of U.S. dollars)

	Share capital					
	Number of shares	Amount	Other reserves	Accumulated other comprehensive loss	Retained earnings	Total equity
		$	$	$	$	$
Balance - January 1, 2019	177,280,740	79,296	9,202	(2,081)	22,793	109,210
Share-based payments	-	-	491	-	-	491
Exercise of share purchase options	400,000	186	(55)	-	-	131
Cumulative translation adjustment	-	-	-	(123)	-	(123)
Unrealized gains on investments	-	-	-	305	-	305
Actuarial gains on severance provision	-	-	-	26	-	26
Net loss	-	-	-	-	(1,399)	(1,399)
Balance - March 31, 2019	177,680,740	79,482	9,638	(1,873)	21,394	108,641
Share-based payments	-	-	964	-	-	964
Expenses settled with shares	82,770	62	-	-	-	62
Exercise of share purchase options	2,405,841	756	(423)	-	-	333
Cumulative translation adjustment	-	-	-	(192)	-	(192)
Unrealized gains on investments	-	-	-	888	-	888
Realized gains on investments	-	-	-	19	-	19
Actuarial losses on severance provision	-	-	-	(69)	-	(69)
Net loss	-	-	-	-	(8,014)	(8,014)
Balance - December 31, 2019	180,169,351	80,300	10,179	(1,227)	13,380	102,632
Balance - January 1, 2020	180,169,351	80,300	10,179	(1,227)	13,380	102,632
Share-based payments	-	-	10	-	-	10
Exercise of share purchase options	600,000	161	(45)	-	-	116
Cumulative translation adjustment	-	-	-	448	-	448
Unrealized losses on investments	-	-	-	(1,103)	-	(1,103)
Realized loss on investments	-	-	-	(1)	-	(1)
Actuarial gains on severance provision	-	-	-	33	-	33
Net loss	-	-	-	-	(4,029)	(4,029)
Balance - March 31, 2020	180,769,351	80,461	10,144	(1,850)	9,351	98,106

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

(tabular information expressed in thousands of U.S. dollars)

1) Reporting Entity and Basis of Presentation

a) Reporting entity

Amerigo Resources Ltd. ("Amerigo") is a company domiciled in Canada. Its shares are listed for trading on the Toronto Stock Exchange and traded in the United States on the OTCQX.

Amerigo owns a 100% interest in Minera Valle Central S.A. ("MVC"), a producer of copper concentrates. MVC, located in Chile, has a long-term contract with the El Teniente Division ("DET") of Corporación Nacional del Cobre de Chile ("Codelco") to process fresh and historic tailings from El Teniente (Note 3). El Teniente, in production since 1905, is the world's largest underground copper mine.

These condensed interim consolidated financial statements ("interim financial statements") as at and for the three months ended March 31, 2020 include the accounts of Amerigo and its subsidiaries (collectively the "Company").

b) Statement of compliance

These interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting.

These interim financial statements do not include all the information required for a complete set of IFRS statements and should be read in conjunction with Amerigo's audited consolidated financial statements as at and for the year ended December 31, 2019, which have been prepared in accordance with IFRS. However, selected notes are included to explain events and transactions that are significant to an understanding of the changes in Amerigo's financial position and performance since the last annual consolidated financial statements.

These interim financial statements were authorised for issuance by Amerigo's board of directors on May 4, 2020.

c) Significant accounting policies

These interim financial statements follow the same accounting policies and methods of application as Amerigo's most recent annual financial statements.

The interim financial statements should be read in conjunction with Amerigo's most recent annual financial statements.

2) Going Concern

These interim financial statements have been prepared in accordance with IFRS applicable to a going concern.

In the quarter ended March 31, 2020 ("Q1-2020"), the Company incurred a net loss of $4.0 million, which includes $5.3 million in negative adjustments to the fair value of copper settlement receivables (Note 12(a)). The negative settlement adjustments were the result of the sharp decline in market copper prices during the quarter in response to the global COVID-19 pandemic (Note 4).

(tabular information expressed in thousands of U.S. dollars)

The price the Company receives for the copper produced by MVC under the agreement with DET is based on the average London Metal Exchange ("LME") copper price for the third month following delivery of the copper concentrates ("M+3"). Accordingly, in a period of declining copper prices, the Company is impacted both from recording quarterly copper production at a low provisional copper price, and from adjusting down the three preceding months of production to adjust from a higher provisional price to a lower final settlement price. The adjustments can be material, as was the case in Q1-2020, impacting financial results, cash flow and working capital.

At March 31, 2020, the Company had a working capital deficiency of $27.6 million, compared to a working capital deficiency of $15.1 million on December 31, 2019. The Company's working capital position was severely affected by the sharp decline in copper prices during Q1-2020, which resulted in a reduction in cash receipts due to negative price settlement adjustments of $3.0 million and a decrease in amounts receivable of $2.3 million from mark-to-market adjustments at March 31, 2020. Also, during Q1-2020, the Company made scheduled debt payments of $4.7 million and $1.6 million in interest payments, for a total of $6.3 million in scheduled cash payments to MVC's lenders (Note 7).

The price of copper remains at levels where it is insufficient to cover the Company's production costs, royalty obligations to DET (Note 4), financial commitments and ongoing working capital requirements. These adverse conditions give rise to material uncertainties that may cast significant doubt as to the ability of the Company's ability to meet its obligations as they come due and accordingly, the appropriateness of using accounting principles applicable to a going concern.

In response to these circumstances, the Company has reduced operating costs, suspended most capital expenditures, and structured deferred payment programs with key suppliers. The Company is also engaged in discussion with the MVC lenders to explore options to maintain the existing loan in good standing, and MVC has approached Codelco requesting the parties revise the royalty terms in a way that operations at MVC can continue for the mutual benefit of both parties. There can be no assurance that these initiatives will be successful.

The Company's ability to continue as a going concern is dependent upon copper prices stabilizing and/or MVC's ability to reduce operating costs and royalties, in order to generate positive cash flows from operations. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that may be necessary were the going concern assumption to be inappropriate. Such adjustments could be material.

(tabular information expressed in thousands of U.S. dollars)

3) AGREEMENTS WITH CODELCO'S EL TENIENTE DIVISION

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 Agreement has a term to the earlier of 2033 or deposit depletion for Cauquenes, the earlier of 2037 or deposit depletion for Colihues and 2037 for fresh tailings.

The DET Agreement establishes a series of royalties which are payable by MVC to DET, calculated using the average London Metal Exchange copper price for the month of concentrates 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 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 prices fall below $1.95/lb 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 Agreement's viability and the equilibrium of the benefits between the parties.

The DET Agreement also contains three early exit options exercisable by DET within 2021 and every three years thereafter only in the event of changes unforeseen at the time the Agreement was entered into. Amerigo has currently judged the probabilities of DET exercising any of these early exit options as remote.

At March 31, 2020, the accrual for DET notional copper royalties and DET molybdenum royalties, was $8.6 million (December 31, 2019: $9.3 million).

(tabular information expressed in thousands of U.S. dollars)

4) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these interim financial statements, the Company makes judgements, estimates and assumptions concerning the future which may vary from actual results. Sources of estimation uncertainty include estimates used to determine the recoverable amounts of long-lived assets, the provision for income taxes and related deferred tax liabilities and the valuation of other assets and liabilities including inventory.

The Company's critical accounting estimates and judgements applied in the preparation of these interim financial statements are consistent with those reported in our 2019 annual consolidated financial statements, except as outlined below.

COVID-19 Estimation Uncertainty

In March 2020, the World Health Organization declared a global pandemic related to COVID-19. The current and expected impacts from the pandemic on the global economy are anticipated to be far reaching. To date, there have been significant stock market declines, significant volatility in commodity and foreign exchange markets and the global movement of people and some goods has become restricted.

There is significant ongoing uncertainty surrounding COVID-19 and the extent and duration of the impact that it may have on the demand and on the market prices of copper and molybdenum, and on global financial markets.

The Company's financial results were substantially impacted during Q1-2020 as a result of lower copper prices (Note 2). Commodity market fluctuations resulting from COVID-19 may continue to impact the Company's financial results and liquidity for some time.

(tabular information expressed in thousands of U.S. dollars)

5) INVENTORIES

	March 31, 2020 $	December 31, 2019 $
Plant supplies and consumables	3,368	3,855
Work in progress	6,194	5,717
Molybdenum concentrates	707	745
	10,269	10,317

At March 31, 2020, work-in-progress on the production of copper concentrates under a tolling agreement was valued at net realizable value ("NRV"). During Q1-2020, the Company recorded a charge of $2.3 million in tolling and production costs as a result of NRV adjustments in the months in which NRV was lower than cost. At March 31, 2020, molybdenum concentrates were valued at cost.

At December 31, 2019, work-in-progress on the production of copper concentrates under a tolling agreement and molybdenum concentrates were valued at cost.

6) PROPERTY, PLANT AND EQUIPMENT

	Plant and infrastructure $	Machinery and Equipment and other assets $	Total $
Three months ended March 31, 2020			
Opening net book amount	162,534	36,048	198,582
Exchange differences	-	(24)	(24)
Additions	(879)	1,493	614
Depreciation charge	(2,149)	(2,531)	(4,680)
Closing net book amount	159,506	34,986	194,492
At March 31, 2020			
Cost	283,283	90,549	373,832
Accumulated depreciation	(123,779)	(55,561)	(179,340)
Net book amount	159,504	34,988	194,492

(tabular information expressed in thousands of U.S. dollars)

7) Borrowings

	March 31, 2020 $	December 31, 2019 $
Consolidated bank loan	50,575	55,897
Comprise:		
Short-term debt and current portion of long-term debt	9,399	10,108
Long-term debt	41,176	45,789
	50,575	55,897

On March 25, 2015, MVC obtained a $64.4 million loan facility from Scotiabank Chile ("Scotiabank") and Export Development Canada ("EDC") to finance the Cauquenes Phase One expansion (the "Cauquenes Phase One Loan"). The Cauquenes Phase One Loan had a maximum repayment term of six years consisting of twelve equal semi-annual principal payments of $5.4 million which commenced on June 30, 2016.

On August 3, 2017, MVC obtained a $35.3 million facility (the "Cauquenes Phase Two Loan") from Scotiabank and EDC to finance the Cauquenes Phase Two expansion. The Cauquenes Phase Two Loan had a maximum repayment term of three years consisting of six equal semi-annual principal payments of $5.9 million which commenced on June 30, 2019.

On September 26, 2019, MVC completed a refinance of the Cauquenes Phase One and Phase Two loans, which at the time of refinance had an outstanding principal of $56.3 million and accrued interest of $0.8 million. Under the refinance provisions, the principal outstanding on the Cauquenes loans was structured as a four-year senior secured term loan facility (the "Consolidated Bank Loan") of $56.3 million, provided jointly by Scotiabank and EDC.

The Consolidated Bank Loan has a maximum repayment term of 4 years to September 26, 2023 that may be shortened without penalty in accordance with the provisions of the debt agreement. Seven semi-annual installments of $4.7 million are to be made together with accrued interest. The first scheduled installment was paid on March 26, 2020. A final installment of $23.5 million plus accrued interest is to be made on September 26, 2023. Any prepayments made during the term of the loan will reduce the amount due on the final installment.

On closing of the refinance, MVC paid $0.8 million in interest accrued on the Cauquenes loans, an interest rate swap ("IRS") break fee of $0.3 million and bank commissions of $1.1 million. MVC also recognized a loss on modification of debt of $1.6 million, included as finance expense in the period. The loss on modification of debt was a non-cash item arising from the application of *IFRS 9 - Financial Instruments*, under which the present value of the cash flows of the original and renegotiated debt were compared using the Company's effective interest rate, with a resulting loss and an adjustment to the carrying value of the Consolidated Bank Loan.

Interest on the Consolidated Bank Loan is synthetically fixed through an IRS, accounted for at fair value through profit or loss, at a rate of 5.70% per annum for 80% of the facility. The remaining 20% of the facility is subject to a variable rate based on the US Libor six-month rate, currently 3.83% per annum. The IRS has a term to September 26, 2023.

(tabular information expressed in thousands of U.S. dollars)

The balance of the Consolidated Bank Loan (net of transaction costs) at March 31, 2020 was $50.6 million (December 31, 2019: $55.9 million).

MVC has provided security on the Consolidated Bank Loan in the form of a charge on all of MVC's assets.

MVC is required to meet four bank covenants: current ratio, tangible net worth, debt service coverage ratio, and debt/EBITDA ratio, measured semi-annually on June 30 and December 31. At December 31, 2019, MVC met the tangible net worth requirement of $125.0 million and the debt/EBITDA ratio (requirement of less than 3). MVC received waivers from Scotiabank and EDC in respect of the current ratio (requirement of 1.05) and debt service coverage ratio (requirement of 1.2).

MVC is also required to have a debt service reserve account ("DSRA") which must be used to: /i/ pay the principal and interest of bank loans and amounts owing under the IRS if MVC has insufficient funds to make these payments and /ii/ fund MVC's operating expenses. If it becomes necessary to fund MVC's operations with funds from the DSRA, MVC will need to replenish the DSRA at each month's end with funds necessary to maintain a balance equal to one hundred percent of the sum of the principal, interest and IRS that are payable in the following six months. On March 26, 2020, the totality of funds in the DSRA were used to make scheduled principal and interest payments and at March 31, 2020, MVC had insufficient funds to replenish the DSRA. MVC is actively discussing options with the lenders to defer replenishing the DSRA to a mutually agreeable date.

8) LEASES

	March 31, 2020 $	December 31, 2019 $
Molybdenum plant lease	5,635	6,787
Other leases	234	291
	5,869	7,078
Comprise:		
Current portion of long-term leases	1,430	1,631
Long-term leases	4,439	5,447
	5,869	7,078

In 2018, MVC entered into a lease of 201,903 Chilean Unidades de Fomento ("UF") 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 $1.5 million and interest at a rate of 0.45% per month. The lease can be prepaid without penalty. At March 31, 2020, the lease obligation was $5.6 million (December 31, 2019: $6.8 million).

(tabular information expressed in thousands of U.S. dollars)

9) Related Party Transactions

a) Derivative

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 derivatives' fair value.
In Q1-2020, $0.2 million was paid or accrued to the Class A shareholders (three months ended March 31, 2019 ("Q1-2019"): $0.2 million) and the derivative's fair value decreased by $3.9 million (Q1-2019: increased by $0.7 million), for a total derivative recovery of $3.7 million (Q1-2019: expense of $0.9 million) (Note 13(c)).

At March 31, 2020, the derivative totalled $8.4 million (December 31, 2019: $12.1 million), with a current portion of $1.2 million (December 31, 2019: $1.2 million) and a long-term portion of $7.2 million (December 31, 2019: $10.9 million).

Actual monthly payments outstanding at March 31, 2020 were $0.3 million (December 31, 2019: $0.2 million).

b) Purchases of Goods and Services

Amerigo incurred the following fees in connection with companies owned by executive officers and directors and in respect of salaries paid to officers. Transactions have been measured at market rates determined on a cost recovery basis.

	Q1-2020	**Q1-2019**
	$	**$**
Salaries and management fees	247	136

(tabular information expressed in thousands of U.S. dollars)

c) Key Management Compensation

The remuneration of directors and other members of key management during Q1-2020 and Q1-2019 was as follows:

	Q1-2020	Q1-2019
	$	$
Salaries and management fees	247	136
Directors' fees	65	85
Share-based payments	5	491
	317	712

Share-based payments are the grant date fair value of options vested to directors and officers.

10) EQUITY

a) Share Capital

Authorised share capital consists of an unlimited number of common shares without par value.

In 2019, Amerigo issued 2,805,841 shares valued at $0.5 million in connection with various share option exercises by officers, directors and former officers and directors. The Company also issued 82,770 shares valued at $0.1 million to settle an amount payable for services rendered.

b) Share Options

A total of 1,850,000 options were granted in Q1-2020 (2019: 3,150,000) with a weighted average fair value estimated at Cdn$0.15 (2019: Cdn$0.61) per option at the grant date based on the Black-Scholes option-pricing model using the following assumptions:

	2020	2019
	$	$
Weighted average share price	0.40	1.11
Weighted average exercise price	0.31	1.11
Dividend yield	0%	0%
Risk free interest rate	1.10%	1.64%
Pre-vest forfeiture rate	0%	0%
Expected life (years)	4.19	4.31
Expected volatility	69.37%	70.20%

(tabular information expressed in thousands of U.S. dollars)

Outstanding share options:

	March 31, 2020		December 31, 2019	
	Share options	Weighted average exercise price Cdn$	Share options	Weighted average exercise price Cdn$
At start of the period	12,520,000	0.72	13,370,000	0.53
Granted	1,850,000	0.40	3,150,000	1.11
Exercised	(600,000)	0.26	(2,805,841)	0.38
Repurchased pursuant to cashless exercise	-	-	(1,194,159)	0.38
Cancelled/forfeited	(2,400,000)	0.90	-	-
Expired	(1,400,000)	0.37	-	-
At end of the period	9,970,000	0.70	12,520,000	0.72
Vested and exercisable	8,120,000	0.77	12,520,000	0.72

The weighted average trading price of the Company's stock on the dates in which options were exercised in Q1-2020 was Cdn$0.54 per share (2019: Cdn$0.80 per share).

Information relating to share options outstanding at March 31, 2020 is as follows:

Outstanding share options	Vested share options	Price range Cdn$	Weighted average exercise price on outstanding options Cdn$	Weighted average exercise price on vested options Cdn$	Weighted Average remaining life of outstanding options (years)
1,500,000	1,500,000	0.14 - 0.27	0.14	0.14	0.92
1,850,000	-	0.28 - 0.47	0.40	-	4.92
2,120,000	2,120,000	0.48 - 0.80	0.53	0.53	1.90
2,150,000	2,150,000	0.81 - 1.09	1.06	1.06	2.90
2,350,000	2,350,000	1.10 - 1.11	1.11	1.11	3.95
9,970,000	8,120,000		0.70	0.77	3.01

(tabular information expressed in thousands of U.S. dollars)

11) Segment Information

Operating segments are determined based on the management reports reviewed by the board of directors to make strategic decisions.

The Company has one operating segment: the production of copper concentrates under a tolling agreement with DET, with the production of molybdenum concentrates as a by-product (Note 3).

The geographic distribution of non-current assets is as follows:

	Property, plant and equipment		**Other**	
	March 31, 2020	**December 31, 2019**	**March 31, 2020**	**December 31, 2019**
Chile	194,202	198,236	4,790	4,862
Canada	290	346	-	-
	194,492	198,582	4,790	4,862

(tabular information expressed in thousands of U.S. dollars)

12) REVENUE

a) Revenue composition:

	Q1-2020 $	Q1-2019 $
Gross value of copper produced	27,180	36,413
Adjustments to fair value of settlement receivables	(5,332)	2,147
	21,848	38,560
Notional items deducted from gross value of copper produced:		
DET royalties - copper	(5,192)	(8,136)
Smelting and refining	(3,023)	(4,473)
Transportation	(318)	(444)
Copper tolling revenue	13,315	25,507
Molybdenum revenue	1,655	2,229
Slag processing revenue	668	-
	15,638	27,736

b) Total revenue by product type and business unit:

The Company has a single business unit, consistent with its single reportable segment (Note 11).

The following table presents the Company's revenue composition by product type.

	Q1-2020 $	Q1-2019 $
Copper	13,983	25,507
Molybdenum	1,655	2,229
	15,638	27,736

c) Total revenue by region:

All the Company's revenue originates in Chile.

In Q1-2020, the Group's revenue from one customer represented 89% of reported revenue (Q1-2019: 92%).

(tabular information expressed in thousands of U.S. dollars)

13) (EXPENSES) GAINS BY NATURE

a) Tolling and production costs consist of the following:

	Q1-2020 $	Q1-2019 $
Tolling and production costs	(18,459)	(19,376)
Depreciation and amortization	(4,736)	(4,364)
Administration	(1,112)	(1,597)
DET royalties - molybdenum	(262)	(427)
	(24,569)	(25,764)

b) General and administration expenses consist of the following:

	Q1-2020 $	Q1-2019 $
Salaries, management and professional fees	(436)	(352)
Office and general expenses	(255)	(280)
Share-based payment compensation	(10)	(491)
	(701)	(1,123)

c) Derivative to related parties (Note (9(a)) consist of the following:

	Q1-2020 $	Q1-2019 $
Fair value adjustments to derivative	3,945	(708)
Royalty payments to related parties	(203)	(210)
	3,742	(918)

(tabular information expressed in thousands of U.S. dollars)

d) Other gains consist of the following:

	Q1-2020 $	Q1-2019 $
Foreign exchange gains	960	331
Other gains	35	5
	995	336

e) Finance expense consists of the following:

	Q1-2020 $	Q1-2019 $
Finance and interest charges	(1,108)	(1,682)
Fair value adjustments to interest rate swaps	(1,725)	(115)
	(2,833)	(1,797)

(tabular information expressed in thousands of U.S. dollars)

14) SUPPLEMENTARY CASH FLOW INFORMATION

a) Cash and cash equivalents

	March 31, 2020 $	December 31, 2019 $
Cash at bank and on hand	430	921
Short-term bank deposits	142	143
	572	1,064
Cash held in a debt service reserve account (Note 7)	-	6,100
	572	7,164

b) Cash payments of interest and taxes

	Q1-2020 $	Q1-2019 $
Interest and taxes paid		
Interest paid	1,580	1,023
Income taxes paid	-	326
Other		
Increase (decrease) in accounts payable related to the acquisition of plant and equipment	152	(572)
Cash paid during the quarter in connection with the derivative to related parties	84	249

(tabular information expressed in thousands of U.S. dollars)

15) Fair Value Measurement

Certain of Amerigo's financial assets and liabilities are measured at fair value on a recurring basis and classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The fair value hierarchy has three levels that prioritize the inputs to valuation techniques used to measure fair value, with Level 1 inputs having the highest priority. The levels and valuation techniques used to value Amerigo's financial assets and liabilities are the following:

- Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities that Amerigo can access at the measurement date. Amerigo values its investments using quoted market prices in active markets.

- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability directly or indirectly. Copper and molybdenum trade and settlement receivables are derivatives because the value of these receivables changes as underlying commodity market prices vary. The fair values of these receivables are adjusted each reporting period by reference to forward market prices and changes in fair value are recorded as a separate component of revenue.

- Level 3 – Significant unobservable inputs that are not based on observable market data. Amerigo includes the related party derivative liability in Level 3 of the fair value hierarchy because it is not tradeable or associated with observable price transparency. Management reviews the fair value of this derivative on a quarterly basis based on management's best estimates, which are unobservable inputs. Fair value is calculated by applying the discounted cash flow approach on a valuation model that considers the present value of the net cash flows expected to be paid to a related party (Note 9(a)). Amerigo has also included the IRS in Level 3 of the fair value hierarchy due to the lack of observable market quotes on these instruments. The fair value of the IRS was determined with the assistance of third parties who performed a discounted cash flow valuation based on forward interest rate curves.

(tabular information expressed in thousands of U.S. dollars)

	Level 1	Level 2	Level 3	Total
	$	$	$	$
March 31, 2020				
Investments	1,356	-	-	1,356
Trade and settlement receivables	-	354	-	354
Interest rate swap	-	-	(2,390)	(2,390)
Derivative to related parties	-	-	(8,355)	(8,355)
	1,356	354	(10,745)	(9,035)

	Level 1	Level 2	Level 3	Total
	$	$	$	$
December 31, 2019				
Investments	2,534	-	-	2,534
Trade and settlement receivables	-	7,436	-	7,436
Interest rate swap	-	-	(665)	(665)
Derivative to related parties	-	-	(12,181)	(12,181)
	2,534	7,436	(12,846)	(2,876)

16) COMMITMENTS

a) MVC has a long-term agreement for the supply of 100% of MVC's power requirements to December 31, 2037. The agreement establishes minimum stand-by charges based on peak hour power supply calculations, currently estimated to range from $1.4 million to $1.8 million per month.

b) Amerigo has an agreement for the lease of office premises in Vancouver to December 1, 2021. Rent commitments under the agreement are approximately $0.2 million.

c) 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.