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Amerigo Resources Ltd.
Management's Discussion and Analysis
For the Three Months Ended March 31, 2022

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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 19).

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 16).

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 (“Glencore”).

Amerigo’s shares are listed for trading on the Toronto Stock Exchange (“TSX”) 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 May 2, 2022.

It should be read in conjunction with Amerigo’s condensed interim consolidated financial statements and related notes for the three months ended March 31, 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 (“IASB”) 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 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 Q1-2022 and Q1-2021 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 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 Q1-2022 and Q1-2021 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	Q1-2022	Q1-2021	Change	
			$	%
Copper produced (million pounds) [1]	16.5	15.5	1.0	6%
Copper delivered (million pounds) [1]	16.3	15.1	1.2	8%
Revenue ($ thousands) [2]	53,765	48,907	4,858	10%
DET notional copper royalties ($ thousands)	22,290	15,991	6,299	39%
Tolling and production costs ($ thousands)	32,339	30,029	2,310	8%
Gross profit ($ thousands)	21,426	18,878	2,548	13%
Net income ($ thousands)	15,489	10,925	4,564	42%
Earnings per share	0.09	0.06	0.03	50%
Earnings per share (Cdn$) [3]	0.11	0.08	0.03	38%
Operating cash flow before changes in working capital ($ thousands) [4]	20,609	20,040	569	3%
Free cash flow to equity[5]	17,907	12,585	5,322	42%
Cash flow paid for plant and equipment ($ thousands)	(2,419)	(563)	(1,856)	330%
Cash and cash equivalents ($ thousands)	71,095	38,643	32,452	84%
Borrowings ($ thousands) [6]	30,800	46,989	(16,189)	(34%)
MVC's copper price ($/lb) [7]	4.64	4.08	0.56	14%
MVC's molybdenum price ($lb) [7]	18.33	10.88	7.45	68%

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. Earnings per share in Canadian dollars ("Cdn") was calculated by converting the net income to Cdn using the average USD-Cdn foreign exchange rate during the period of 1 USD:1.2662 Cdn (Q1 2021- 1 USD:1.2660 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 March 31, 2022, comprised of short and long-term portions of $7.3 and $23.5 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 Items

- Net income during Q1-2022 was $15.5 million (Q1-2021: $10.9 million), due to higher production, higher metal prices and $3.8 million in positive fair value adjustments to Q4-2021 copper receivables (Q1-2021: $5.0 million in positive fair value adjustments to Q4-2020 copper receivables).
- Earnings per share ("EPS") during Q1-2022 was $0.09 (Cdn$0.11) (Q1-2021: $0.06 (Cdn$0.08)).

- In Q1-2022, MVC's copper price was $4.64 per pound ("/lb"), 14% higher than the Q1-2021 copper price of $4.08/lb. MVC's molybdenum price was $18.33/lb, 68% higher than the Q1-2021 price of $10.88/lb.

- Q1-2022 copper production was 16.5 million pounds (Q1-2021: 15.5 million pounds) including 9.6 million pounds from fresh tailings (Q1-2021: 7.0 million pounds) and 6.9 million pounds from Cauquenes (Q1-2021: 8.5 million pounds).

- Molybdenum production during Q1-2022 was 0.2 million pounds (Q1-2021: 0.4 million pounds) due to lower molybdenum content in fresh tailings.

- Revenue during Q1-2022 was $53.8 million (Q1-2021: $48.9 million), including copper tolling revenue of $50.4 million (Q1-2021: $45.4 million) and molybdenum revenue of $3.4 million (Q1-2021: $3.5 million).

- Copper tolling revenue is calculated from MVC's gross value of copper produced during Q1-2022 of $73.8 million (Q1-2021: $58.1 million) and fair value adjustments to settlement receivables of $5.6 million (Q1-2021: $8.5 million), less notional items including DET royalties of $22.3 million (Q1-2021: $16.0 million), smelting and refining of $6.2 million (Q1-2021: $4.7 million) and transportation of $0.5 million (Q1-2021: $0.5 million). The Q1-2022 settlement adjustments included $3.8 million in settlement adjustments in respect of Q4-2021 production, which are final adjustments (Q1-2021: $5.0 million of final adjustments in respect of Q4-2020 production).

- The Company generated operating cash flow before changes in non-cash working capital of $20.6 million in Q1-2022 (Q1-2021: $20.0 million). Quarterly net operating cash flow was $21.4 million (Q1-2021: $28.1 million).

- Q1-2022 cash cost (a non-IFRS measure, page 12) increased 1% to $1.90/lb (Q1-2021: $1.88/lb).

- Q1-2022 total cost (a non-IFRS measure, page 12) increased to $3.59/lb (Q1-2021: $3.23/lb), due mostly to an increase of $0.32/lb in DET notional royalties from higher metal prices.

- MVC's financial performance is very sensitive to changes in copper prices. MVC's Q1-2022 provisional copper price was $4.64/lb, and final prices for January, February, and March sales will be the average London Metal Exchange ("LME") prices for April, May, and June, respectively. A 10% increase or decrease from the $4.64/lb provisional price used at March 31, 2022 would result in a $7.6 million change in revenue in Q2-2022 in respect of Q1-2022 production.

- In Q1-2022, Amerigo returned $7.6 million to shareholders: $4.2 million were paid on March 21, 2022, through Amerigo's increased quarterly dividend of Cdn$0.03 per share, and $3.4 million were returned through the purchase of 2.4 million common shares for cancellation through Amerigo's ongoing Normal Course Issuer Bid ("NCIB"). A further 6.9 million shares remain available for repurchase and cancellation under the NCIB.

- In Q1-2022, the Company made scheduled debt payments of $nil (Q1-2021: $6.5 million) and paid $2.4 million for plant and equipment (Q1-2021: $0.6 million)

- At March 31, 2022, the Company held cash and cash equivalents of $71.1 million (December 31, 2021: $59.8 million), restricted cash of $6.4 million (December 31, 2021: $4.2 million) and had working capital of $34.5 million (December 31, 2021: $24.6 million).

- Refer to Cautionary Statement on Forward-Looking Information (page 19).

SUMMARY OF FINANCIAL RESULTS Q1-2022 TO Q1-2021

	Q1-2022 $	Q4-2021 $	Q3-2021 $	Q2-2021 $	Q1-2021 $
Copper production, million pounds [1]	16.469	16.892	15.988	14.987	15.501
Copper deliveries, million pounds [1]	16.289	16.720	16.903	15.133	15.109
MVC's copper price ($/lb)	4.64	4.32	4.23	4.37	4.08
Financial results ($ thousands)					
Revenue					
Gross value of copper produced	73,797	72,630	72,001	66,634	58,143
Adjustments to fair value of settlement receivables	5,612	2,641	(2,867)	4,758	8,530
	79,409	75,271	69,134	71,392	66,673
Notional items deducted from gross value of copper produced:					
DET royalties - copper	(22,290)	(21,606)	(20,594)	(20,183)	(15,991)
Smelting and refining	(6,274)	(5,426)	(5,499)	(4,944)	(4,762)
Transportation	(466)	(458)	(520)	(524)	(519)
Copper tolling revenue	50,379	47,781	42,521	45,741	45,401
Molybdenum and other revenue	3,386	4,228	5,611	4,762	3,506
	53,765	52,009	48,132	50,503	48,907
Tolling and production costs					
Tolling and production costs	(25,121)	(24,885)	(27,212)	(25,289)	(23,834)
Depreciation and amortization	(4,924)	(4,992)	(4,325)	(4,321)	(4,376)
Administration	(1,616)	(1,345)	(1,288)	(1,175)	(1,262)
DET royalties - molybdenum	(678)	(896)	(1,115)	(591)	(557)
	(32,339)	(32,118)	(33,940)	(31,376)	(30,029)
Gross profit	21,426	19,891	14,192	19,127	18,878
Other expenses					
Derivative to related parties including changes in fair value	477	(367)	(85)	8	(377)
Salaries, management and professional fees	(971)	(1,254)	(614)	(548)	(758)
Office and general expenses	(400)	(204)	(205)	(186)	(401)
Share-based payment compensation	(208)	(195)	(188)	(188)	(89)
	(1,579)	(1,653)	(1,007)	(922)	(1,248)
Foreign exchange gain (loss)	1,227	(367)	(460)	(129)	(489)
Writedown of obsolete equipment and supplies	(551)	-	(9)	(86)	(749)
Other gains	12	10	15	69	26
	688	(357)	(454)	(146)	(1,212)
	(414)	(2,377)	(1,546)	(1,060)	(2,837)
Operating profit	21,012	17,514	12,646	18,067	16,041
Finance gain (expense)	114	325	(1,102)	(2,136)	(856)
Income before income tax	21,126	17,839	11,544	15,931	15,185
Income tax expense	(5,637)	(8,951)	(3,124)	(4,345)	(4,260)
Net income	15,489	8,888	8,420	11,586	10,925
Earnings per share - basic	0.09	0.05	0.05	0.06	0.06
Earnings per share - diluted	0.09	0.05	0.05	0.06	0.06
Earnings per share Cdn$ - basic	0.11	0.06	0.06	0.08	0.08
Earnings per share Cdn$ - diluted	0.11	0.06	0.06	0.08	0.08
Unit tolling and production costs	1.99	1.92	2.01	2.07	1.99
Cash cost ($/lb) [2]	1.90	1.68	1.62	1.81	1.88
Total cost ($/lb) [2]	3.59	3.31	3.24	3.49	3.23
Uses and sources of cash ($thousands)					
Operating cash flow before non-cash working capital changes [2]	20,609	18,279	14,067	17,067	20,040
Net cash from operating activities	21,374	17,705	25,382	21,902	28,136
Cash (used in) from investing activities	(2,419)	(4,532)	(6,022)	(839)	3,289
Cash used in financing activities	(7,755)	(17,199)	(2,156)	(10,574)	(6,892)
Ending cash and cash equivalents	71,095	59,792	64,945	48,909	38,643
Ending restricted cash	6,383	4,221	6,441	4,200	-

Notes:

1 Includes production from fresh tailings and Cauquenes tailings.

2 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 from 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 page 13.

The reconciliation of operating cash flow before non-cash working capital and net cash from operating activities for the periods presented in this MD&A is the following:

(Expressed in thousands)	Q1-2022 $	Q1-2021 $
Net cash from operating activities	21,374	28,136
Add (deduct):		
Changes in non-cash working capital	(765)	(8,096)
Operating cash flow before non-cash working capital	20,609	20,040

The reconciliation of operating cash flow before changes in non-cash working capital to FCFE and FCF for the periods presented in this MD&A is the following:

(Expressed in thousands)	Q1-2022 $	Q1-2021 $
Operating cash flow before changes in non-cash working capital	20,609	20,040
Deduct:		
Cash used to purchase plant and equipment	(2,419)	(563)
Repayment of borrowings	-	(6,547)
Lease repayments	(283)	(345)
Free cash flow to equity	**17,907**	**12,585**
Add:		
Repayment of borrowings	-	6,547
Lease repayments	283	345
Free cash flow	**18,190**	**19,477**

OPERATING RESULTS

Copper production in Q1-2022 was 16.5 million pounds (Q1-2021: 15.5 million pounds) and copper deliveries were 16.3 million pounds (Q1-2021: 15.1 million pounds).

With respect to fresh tailings, MVC's production increased to 9.6 million pounds of copper in Q1-2022 (Q1-2021: 7.0 million pounds) as the Company has been focusing on maximizing production from fresh tailings in order to reduce processing from Cauquenes with the advantages of preserving water and delaying mineral resource depletion without lowering copper production. Recovery from fresh tailings increased to 22.2% in Q1-2022 (Q1-2021: 19.3%), and grade increased from 0.157% to 0.143%.

Production from Cauquenes decreased to 6.9 M lbs from 8.5 M lbs in Q1-2021, as anticipated in the annual mining plan due to lower processing rates. Copper grade was 0.252% (Q1-2021: 0.242%) and recovery increased to 33.8% in Q1-2022 (33.1% in Q1-2021).

MVC's average plant availability during Q1-2022 was 98.8%.

MVC's operations continued through Q1-2022 without any significant disruptions due to COVID-19.

Molybdenum production during Q1-2022 was 0.2 million pounds (Q1-2021: 0.4 million pounds) due to the lower molybdenum content available in fresh tailings.

Production results for Q1-2022 and Q1-2021 are included below:

PRODUCTION	Q1-2022	Q1-2021
FRESH TAILINGS		
Tonnes per day	139,238	128,238
Operating days	90	90
Tonnes processed	12,525,446	11,541,378
Copper grade (%)	0.157%	0.143%
Copper recovery	22.2%	19.3%
Copper produced (M lbs)	9.61	7.03
CAUQUENES TAILINGS		
Tonnes per day	40,628	55,457
Operating days	90	87
Tonnes processed	3,615,801	4,811,171
Copper grade (%)	0.252%	0.242%
Copper recovery	33.8%	33.1%
Copper produced (M lbs)	6.86	8.47
Fresh tailings + Cauquenes (M lbs)	16.47	15.50
COPPER		
Total copper produced (M lbs)	16.47	15.50

2022 Production and Cash Cost Outlook Update

Amerigo is on track to meet the Company’s annual production guidance of 61.9 M lbs of copper at a cash cost of $1.90/lb (a non-IFRS measure, page 12). Q1-2022 molybdenum production results currently indicate a variance of approximately 8% below the annual production target of 1.2 M lbs of molybdenum.

Production in Q2-2022 will be lower than in Q1-2022 as the annual plant maintenance shutdown at MVC and El Teniente took place from April 5 to April 13, 2022. Amerigo’s 2022 production guidance factored the impact of the annual plant shutdown.

As disclosed by the Company on January 13, 2022, Amerigo’s projected increase in cash cost in 2022 is being driven by higher market-driven treatment and refinery charges ($0.06/lb), an increase in steel price which will impact grinding costs ($0.04/lb), projected lower moly by-product credits ($0.02/lb) and the projected escalation of all other costs combined ($0.02/lb).

In 2022, MVC is undertaking 29 sustaining capital expenditure projects (“Capex”) at a target cost of $6.0 million including water supply and storage improvements, reallocation of one additional existing mill from Cauquenes to fresh tailings, improvements to the moly plant and electrical lines, implementation of an Enterprise Resource Planning (“ERP”) system and others. MVC will also undertake 2 additional Capex projects at a target cost of $4.7 million to reinforce the slurry and water lines between Cauquenes and the MVC concentrator plant and to upgrade the aerial tailings channel within the MVC facilities in response to higher throughput from fresh tailings. Capitalizable maintenance and strategic spares are expected to be $2.8 million. Capex execution is progressing within schedule and within budget.

FINANCIAL RESULTS – Q1-2022

Net income during Q1-2022 was $15.5 million (Q1-2021: $10.9 million), due to higher production and higher metal prices.

Revenue

Revenue in Q1-2022 was $53.8 million (Q1-2021: $48.9 million).

(Expressed in thousands)	Q1-2022 $	Q1-2021 $
Average LME copper price per pound	4.53	3.85
Gross value of copper produced	73,797	58,143
Adjustments to fair value of settlement receivables[1]	5,612	8,530
	79,409	66,673
Notional items deducted from gross value of copper produced:		
DET royalties - copper	(22,290)	(15,991)
Smelting and refining charges	(6,274)	(4,762)
Transportation	(466)	(519)
Copper tolling revenue	50,379	45,401
Molybdenum revenue	3,386	3,506
Revenue	53,765	48,907
MVC's copper price ($/lb)[2]	4.64	4.08
MVC's molybdenum price ($/lb)	18.33	10.88

Notes:

1. Of the $5.6 million in adjustments to fair value of settlement receivables, $3.8 million are in respect of Q4-2021 sales and $1.8 million are in respect to Q1-2022 sales (Q1 2021 - $5.0 million are in respect of Q4-2020 sales and $3.5 million are in respect to Q1-2021).
2. MVC’s copper price is the gross copper selling price after considering the 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 monthly billings are based on the tolling activity for the full month, less weekly billings, and to bill for pricing term differences, as disclosed in the following paragraph.

MVC’s compensation is determined in accordance with annual industry benchmarks for pricing terms and smelting and refining charges. In 2022, it is based on the average LME copper price for the third month following delivery of copper concentrates produced under the tolling agreement (M+3). Accordingly, final pricing for copper produced by MVC is determined based on the average LME copper price of the third month following delivery of copper, and final prices for January, February, and March sales will be the average LME prices for April, May, and June respectively. This variable difference gives rise to a derivative, changes in the fair value of which are recognized in revenue as settlement receivables.

At March 31, 2022, the provisional copper price used by MVC was $4.64/lb. Financial performance is very sensitive to changes in copper prices. For example, a 10% increase or decrease from the $4.64/lb price would result in a $7.6 million change in copper tolling revenue in Q2-2022.

DET royalties on copper production are a notional item deducted from MVC's gross value of copper produced. In Q1-2022, DET notional copper royalties were $22.3 million (Q1-2021: $16.0 million) due to higher copper prices.

We disclose the terms for DET notional copper royalties and molybdenum royalties under Agreements with Codelco's DET (page 16).

Molybdenum produced by MVC is predominantly sold under written sales agreements with Molymet and Glencore under which revenue is billed monthly based on the amount of concentrates delivered during the preceding month. Molymet and Glencore can elect different pricing terms monthly. In Q1-2022, pricing terms ranged from M+1 to M+6 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 Q1-2022, MVC's molybdenum sales price was $18.33/lb (Q1-2021: $10.88/lb). At March 31, 2022, molybdenum sales were provisionally priced at $19.25/lb. A 10% increase or decrease in this price would result in price-driven revenue settlement adjustments of $0.4 million.

Tolling and Production Costs

(Expressed in thousands)	Q1-2022 $	Q1-2021 $
Direct tolling and production costs		
Power costs	7,701	8,046
Direct labour	3,137	3,298
Grinding media	2,895	2,530
Lime costs	1,689	2,069
Other direct tolling / production costs	9,699	7,891
	25,121	23,834
Depreciation and amortization	4,924	4,376
Administration	1,616	1,262
DET royalties - molybdenum	678	557
Tolling and production costs	32,339	30,029
Unit tolling and production costs ($/lb delivered)	1.99	1.99

During Q1-2022, power costs decreased by $0.3 million or 4% compared to Q1-2021 due to a 3% decrease in power consumption at MVC, as a result of lower Cauquenes processing. Power costs in Q1-2022 were $0.0907/kWh (Q1-2021: $0.0928/kWh).

Grinding media increased $0.4 million or 14% due to higher consumption associated with higher production and increased steel prices.

Lime costs decreased $0.4 million or 18% due to lower consumption associated with lower Cauquenes processing.

During Q1-2022, direct labour decreased by $0.2 million or 5% compared to Q1-2021, when MVC paid a $0.5 million collective agreement signing bonus to the plant supervisors.

In aggregate, other direct tolling costs increased by $1.8 million in Q1-2022 due to a decrease in inventory adjustments of $1.1 million, an increase of $0.2 million in subcontractors and support services, an increase in copper reagents of $0.3 million, an increase in maintenance of $0.4 million, and an increase in industrial water of $0.2 million. This increase in costs was offset by a decrease in process control, environmental, and safety of $0.4 million.

(Expressed in thousands)	Q1-2022 $	Q1-2021 $
Other direct tolling costs		
Maintenance, excluding labour	2,508	2,150
Molybdenum production costs	2,232	2,173
Historic tailings extraction	1,742	1,774
Copper reagents	1,214	950
Industrial water	1,092	910
Process control, environmental and safety	891	1,311
Subcontractors, support services	857	634
Filtration and all other direct tolling costs	346	297
Inventory adjustments	(1,183)	(2,308)
	9,699	7,891

($/lb Cu)	Q1-2022	Q1-2021
Other direct tolling costs		
Maintenance, excluding labour	0.15	0.15
Molybdenum production costs	0.14	0.14
Historic tailings extraction	0.11	0.11
Copper reagents	0.07	0.06
Industrial water	0.07	0.06
Process control, environmental and safety	0.05	0.08
Subcontractors, support services	0.05	0.04
Filtration and all other direct tolling costs	0.02	0.02
Inventory adjustments	(0.07)	(0.15)
	0.59	0.51

Depreciation and amortization in Q1-2022 were $4.9 million (Q1-2021: $4.4 million) and administration expenses during Q1-2022 were $1.6 million (Q1-2021: $1.3 million). Administration expenses increased due to an increase in professional fees, insurance, and COVID-19 safety expenses.

Other Expenses and Gains

Other expenses of $0.4 million in Q1-2022 (Q1-2021: $2.8 million) are costs not related to MVC's production operations and include:

- General and administration expenses of $1.6 million (Q1-2021: $1.2 million) including salaries, management and professional fees of $1.0 million (Q1-2021: $0.8 million), office and general expenses of $0.4 million (Q1-2021: $0.4 million) and share-based payments of $0.2 million (Q1-2021: $0.1 million).

- A $0.5 million gain associated with the derivative to related parties (Q1-2021: loss of $0.4 million), including actual amounts paid or accrued to related parties of $0.3 million (Q1-2021: $0.3 million) and a decrease in the derivative's fair value of $0.8 million (Q1-2021: increase of $0.1 million). The decrease during the quarter was a result of a sharp increase in discount rates used to compute the fair value of the derivative.

- Other gains of $0.7 million (Q1-2021: other losses of $1.2 million). A foreign exchange gain was recorded for $1.2 million during Q1-2022 (Q1-2021: loss of $0.5 million). There was also a write-down of obsolete equipment and supplies in the amount of $0.6 million (Q1-2021: $0.7 million).

- The Company's finance gain in Q1-2022 was $0.1 million (Q1-2021: loss of $0.9 million) which includes interest on loans, leases, and bank charges of $0.5 million (Q1-2021: $1.1 million) and positive fair value changes on an interest rate swap ("IRS") of $0.6 million (Q1-2021: $0.2 million).

- Income tax expense in Q1-2022 was $5.6 million, with a current tax expense of $5.3 million and a deferred income tax expense of $0.3 million. In Q1-2021 the Company posted an income tax expense of $4.3 million.

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 Costs include cash costs plus royalty expenses, by-product credits, 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 issuers. 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 Q1-2022 and Q1-2021 is presented below:

(Expressed in thousands)	Q1-2022 $	Q1-2021 $
Tolling and production costs	32,339	30,029
Add (deduct):		
DET notional royalties - copper	22,290	15,991
Smelting and refining charges	6,274	4,762
Transportation costs	466	519
Inventory adjustments	1,183	2,308
By-product credits	(3,386)	(3,506)
Total cost	59,166	50,103
Deduct:		
DET notional royalties - copper	(22,290)	(15,991)
DET royalties - molybdenum	(678)	(557)
	(22,968)	(16,548)
Depreciation and amortization	(4,924)	(4,376)
Cash cost	31,274	29,179
Pounds of copper tolled (fresh and Cauquenes)	16.50	15.50
Cash cost ($/lb)	**1.90**	**1.88**
Total cost ($/lb)	**3.59**	**3.23**

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

($/lb of copper produced)	Q1-2022	Q4-2021	Q3-2021	Q2-2021	Q1-2021
Power costs	0.47	0.45	0.47	0.54	0.52
Smelting & refining	0.38	0.32	0.35	0.33	0.31
Grinding media	0.18	0.15	0.14	0.14	0.16
Lime	0.10	0.10	0.10	0.12	0.13
Administration	0.10	0.08	0.08	0.08	0.08
Transportation	0.03	0.03	0.03	0.03	0.03
Other direct costs	0.85	0.80	0.80	0.89	0.88
By-product credits	(0.21)	(0.25)	(0.35)	(0.32)	(0.23)
Cash Cost	**$1.90**	**$1.68**	**$1.62**	**$1.81**	**$1.88**

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

($/lb of copper produced)	Q1-2022	Q4-2021	Q3-2021	Q2-2021	Q1-2021
Cash cost	1.90	1.68	1.62	1.81	1.88
DET notional royalites/royalties	1.39	1.33	1.35	1.39	1.07
Amortization/depreciation	0.30	0.30	0.27	0.29	0.28
Total Cost	**$3.59**	**$3.31**	**$3.24**	**$3.49**	**$3.23**

Total cost in Q1-2022 was $3.59/lb (Q1-2021: $3.23/lb), due to a $0.32/lb increase in DET notional royalties from higher metal prices, a $0.02/lb increase in cash cost, and a $0.02/lb increase in depreciation.

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.

	Q1-2022 $	Q4-2021 $	Q3-2021 $	Q2-2021 $
Total revenue (thousands)	53,765	52,009	48,132	50,503
Net income (thousands)	15,489	8,888	8,420	11,586
EPS	0.09	0.05	0.05	0.06
Diluted EPS	0.09	0.05	0.05	0.06

	Q1-2021 $	Q4-2020 $	Q3-2020 $	Q2-2020 $
Total revenue (thousands)	48,907	47,188	37,555	26,046
Net income (loss) (thousands)	10,925	8,307	5,388	(3,602)
EPS (LPS)	0.06	0.05	0.03	(0.02)
Diluted EPS (LPS)	0.06	0.04	0.03	(0.02)

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:

	Q1-2022	Q4-2021	Q3-2021	Q2-2021	Q1-2021	Q4-2020	Q3-2020	Q2-2020
Copper sales/deliveries [1]	16.3	16.7	16.9	15.1	15.1	15.9	15.0	13.7
MVC's copper price	4.64	4.32	4.23	4.37	4.08	3.52	3.04	2.61
Settlement adjustments [2]	3.76	3.00	(2.37)	5.30	5.04	5.35	4.77	(1.00)

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

In Q2-2020, revenue was positively impacted by a recovery in copper prices, an increase in copper delivered during the quarter and reduced final copper adjustments to prior quarter sales. In Q3-2020, Q4-2020, and Q1-2021, revenue was again 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 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:

	Q1-2022	Q4-2021	Q3-2021	Q2-2021	Q1-2021	Q4-2020	Q3-2020	Q2-2020
Tolling and production costs [1]	32.34	32.12	33.94	31.38	30.03	31.46	28.57	26.44
Unit tolling and production cost [2]	1.99	1.92	2.01	2.07	1.99	1.98	1.91	1.93

Notes:
1 Million of dollars.
2 Tolling and production costs divided over pounds of copper delivered.

In Q2-2020, total tolling and production costs increased due to higher production levels but decreased on a unit cost basis. In Q3-2020 and Q4-2020, total tolling and production costs increased due to higher production levels but decreased on a unit cost basis. 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.

FINANCIAL POSITION AND BORROWINGS

Cash Flow From Operating Activities

In Q1-2022, the Company generated net cash from operating activities of $21.4 million (Q1-2021: $28.1 million). Excluding the effect of changes in working capital accounts, the Company generated cash from operating activities during Q1-2022 of $20.6 million (Q1-2021: $20.0 million).

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

At March 31, 2022, the provisional copper price used by MVC was $4.64/lb. Financial performance is very sensitive to changes in copper prices. For example, a 10% increase or decrease from the $4.64/lb price would result in a $7.6 million change in copper tolling revenue in Q2-2022.

Cash Flow Used In Investing Activities

In Q1-2022, the Company made Capex payments of $2.4 million (Q1-2021: $0.6 million).

Cash Flow Used in Financing Activities

In Q1-2022, Amerigo returned $7.6 million to shareholders: $4.2 million were paid on March 21, 2022, through Amerigo's increased quarterly dividend of Cdn$0.03 per share, and $3.4 million were returned through the purchase of 2.4 million common shares for cancellation through Amerigo's ongoing NCIB. A further 6.9 million shares remain available for repurchase and cancellation under the NCIB.

In Q1-2022, the Company made debt repayments of $nil (Q1-2021: $6.5 million) and made lease repayments of $0.3 million (Q1-2021: $0.3 million).

In Q1-2022 the Company received $0.1 million in proceeds from various exercises of stock options. In Q1-2021 no proceeds were received from stock options exercised as they were exercised on a cashless basis.

Financial Position

At March 31, 2022, the Company's cash and restricted balance was $77.5 million (December 31, 2021: $59.8 million) and the Company had working capital of $34.5 million (December 31, 2021: $24.6 million).

Borrowings

(Expressed in thousands)	March 31, 2022 $	December 31, 2021 $
Term loan	30,800	30,404
	30,800	30,404
Comprise:		
Short-term debt and current portion of long-term debt	7,339	7,004
Long-term debt	23,461	23,400
	30,800	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, pursuant to which MVC has been provided with 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 March 31, 2022 was 0.35438% per annum plus a margin of 3.90%. The IRS has a term to June 30, 2026. On March 31, 2022, the balance of the Term Loan was $30.8 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 March 31, 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 March 31, 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 December 31, 2021.

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 on 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 ("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, 2022, the lease obligation was $3.4 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 also contains three early exit options exercisable by DET within 2021 (not exercised) and every three years thereafter only in the event of changes unforeseen at the time the DET Agreement was entered into. Amerigo has currently assessed 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 other individuals (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 individuals 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 Q1-2022 $0.3 million was paid or accrued to the Class A shareholders (Q1-2021: $0.3 million) and the derivative's fair value decreased by $0.8 million (Q1-2021: increased by $0.1 million), for a total derivative recovery of $0.5 million (Q1-2021: expense of $0.4 million).

At March 31, 2022, the derivative totalled $10.1 million (December 31, 2021: $10.9 million), with a current portion of $1.1 million (December 31, 2021: $1.0 million) and a long-term portion of $9.0 million (December 31, 2021: $9.9 million).

b) Directors' fees and remuneration to officers

In Q1-2022, the Company paid or accrued $0.5 million in salaries, management fees and bonuses to companies associated with certain officers (2021: $0.5 million). In the same period, Amerigo paid or accrued $0.1 million in directors' fees (2021: $0.1 million) and share-based payments of $0.1 million (Q1-2021: $0.1 million). These transactions were in the ordinary course of business and measured at market rates determined on a cost recovery basis.

In Q1-2022, 2,645,000 options were granted to Amerigo directors and officers (2021: 2,540,000 options).

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 Q1-2022, management's significant judgements and the key sources of estimation uncertainty were consistent with those used to prepare Amerigo's 2021 annual consolidated financial statements. For more information, refer to Amerigo's year ended December 31, 2021 annual consolidated financial statements 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 and 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 March 31, 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 $0.8 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 May 2, 2022 Amerigo had 172,226,173 common shares and 10,988,344 options (exercisable at prices ranging from Cdn$0.40 to Cdn$1.62 per share) outstanding.

In its MD&A prepared in respect of the financial statements for the year ended December 31, 2021, Amerigo disclosed that it had 174,160,117 common shares outstanding on February 22, 2022. This figure was inadvertently overstated by 132,908 common shares, as such number of shares was to have been issued on the exercise of options by a director in January, 2022; due to an administrative error, such shares were recorded as being issued subsequently.

Additional information relating to the Company, including the Company'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;
- potential impact of COVID-19 on our business and operations;
- 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 water reserves of Colihues to maintain projected Cauquenes tonnage processing in 2022 and future years;
- 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, including, but not limited to, the timely payment of 2 semi-annual bank debt repayments and the payments on the molybdenum plant lease;
- 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;
- our assessment of the probabilities of DET exercising its early exit options under the DET Agreement as remote;
- 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; risks with respect to the ability of the Company to draw down funds from bank facilities and lines of credit, and 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; 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.