



**Amerigo**

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**Amerigo Resources Ltd.  
Management's Discussion and Analysis  
For the Year Ended December 31, 2024**

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## TABLE of CONTENTS

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

<b>1. About Amerigo</b> – An executive summary of Amerigo's business and long-term contractual relationship with Corporación Nacional del Cobre de Chile ("Codelco")'s El Teniente Division ("DET").....	(PAGE 3)
<b>2. Purpose of MD&amp;A and Identification of Non-IFRS Measures</b> – Information on accounting principles and other background factors to facilitate the understanding of this MD&A and related consolidated financial statements .....	(PAGE 3)
<b>3. Annual Headlines</b> – A summary of key operating and financial metrics during the year ended December 31, 2024 and as of December 31, 2024 .....	(PAGE 4)
<b>4. Five-Quarter Financial Results and Summary Cash Flow Information</b> – A summary of financial results and uses and sources of cash presented on a quarterly basis for the most recent five reporting quarters .....	(PAGE 6)
<b>5. Overall Performance</b> – A brief description of financial performance in 2024.....	(PAGE 7)
<b>6. Selected Annual Information</b> – Three-year financial metrics in tabular form.....	(PAGE 8)
<b>7. Operating Results</b> – An analysis of production results for 2024 compared to the year ended December 31, 2023 and outlook for 2025.....	(PAGE 8)
<b>8. Financial Results 2024</b> – An analysis of financial performance in 2024 compared to 2023...	(PAGE 10)
<b>9. Financial Results – Quarter ended December 31, 2023</b> – An analysis of financial performance during the quarter ended December 31, 2024 ("Q4-2024"), compared to the quarter ended December 31, 2023 ("Q4- 2023").....	(PAGE 15)
<b>10. Comparative Periods</b> – A summary of financial data for the most recent eight reporting quarters .....	(PAGE 17)
<b>11. Financial Position and Borrowings</b> – A review of cash flow components, summary of borrowings and analysis of financial position as of December 31, 2024 .....	(PAGE 18)
<b>12. Agreement with Codelco's DET</b> – A summary of contractual arrangements with Codelco's DET .....	(PAGE 20)
<b>13. Summary of Obligations</b> – Summary of contractual obligations.....	(PAGE 21)
<b>14. Transactions with Related Parties</b> – Description of related party transactions.....	(PAGE 21)
<b>15. Other MD&amp;A Requirements</b> – Critical accounting estimates & judgements, disclosure controls and procedures, internal controls over financial reporting, commitments, subsequent events, securities outstanding, environmental, social and governance objectives, and cautionary statement on forward-looking information.....	(PAGE 22)

**THIS DOCUMENT CONTAINS FORWARD-LOOKING STATEMENTS. REFER TO THE CAUTIONARY LANGUAGE UNDER THE HEADING "CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION" (PAGE 25).**

## 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 is the world's largest underground copper mine and has been in production since 1905. Refer to Agreements with Codelco's DET (page 20).

MVC currently operates under a tolling agreement with DET, and the title to the copper concentrates produced by MVC remains with DET. MVC earns copper tolling revenue, calculated as the gross value of copper tolled on behalf of DET 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 a sales agreement with Chile's Molibdenos y Metales S.A. ("Molymet").

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 and its subsidiaries (collectively, the "Company") is prepared as of February 24, 2025.

It should be read in conjunction with Amerigo's audited consolidated financial statements and related notes for the year ended December 31, 2024, which are on file with the Canadian securities regulatory authorities and on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Amerigo's financial statements are reported in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The financial data in this MD&A is derived from Amerigo's financial statements, except for 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", "total cost", and "all-in-sustaining cost" ("AISC"), which are performance measures commonly used in the mining industry that are not defined under IFRS Accounting Standards. Cash cost is the aggregate of notional smelting and refining charges, tolling/production costs net of inventory adjustments and administration costs, net of by-product credits. Cash cost per pound produced is based on pounds of copper produced and is calculated by dividing cash cost by the number of pounds of copper produced. Total cost equals the aggregate of cash cost, DET notional copper royalties, DET molybdenum royalties, and depreciation. AISC is the aggregate of total cost, sustaining capital expenditures, and general and administrative expenses. A tabular reconciliation of cash cost, total cost, and AISC to tolling and production costs is available on page 13.

Another non-IFRS measure the Company uses is "operating cash flow before changes in non-cash working capital". This is calculated by adding 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 2024 and 2023 is available on page 7.

Free cash flow to equity ("FCFE") refers to operating cash flow before changes in non-cash working capital less capital expenditures plus new debt issued less debt and lease repayments. FCFE represents the amount of cash generated by the Company in a reporting period that can be used to pay for:

- a) potential distributions to the Company's shareholders; and
- b) any additional taxes triggered by the repatriation of funds from Chile to Canada to fund these distributions.

Free cash flow ("FCF") refers to FCFE plus repayments of borrowings and lease repayments. A tabular reconciliation of operating cash flow before changes in non-cash working capital to FCFE and FCF in 2024 and 2023 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 plan and assess the overall effectiveness and efficiency of Amerigo's operations. These performance measures are not standardized financial measures under IFRS Accounting Standards, and, therefore, 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 performance measures in accordance with IFRS Accounting Standards.

## ANNUAL HEADLINES

ANNUAL KEY PERFORMANCE METRICS	Years ended December 31,			%
	2024	2023	Change	
Copper produced (million pounds) <sup>1</sup>	64.6	57.6	7.0	12%
Copper delivered (million pounds) <sup>1</sup>	65.0	57.2	7.8	14%
Revenue (\$ thousands) <sup>2</sup>	192,773	157,460	35,313	22%
DET notional copper royalties (\$ thousands)	75,373	58,843	16,530	28%
Tolling and production costs (\$ thousands)	147,364	143,305	4,059	3%
Gross profit (\$ thousands)	45,409	14,155	31,254	221%
Net income (\$ thousands)	19,240	3,382	15,858	469%
Basic earnings per share	0.12	0.02	0.10	500%
Basic earnings per share (Cdn\$) <sup>3</sup>	0.16	0.03	0.13	433%
Operating cash flow before changes in working capital (\$ thousands) <sup>4</sup>	47,149	22,321	24,828	111%
Free cash flow <sup>5</sup>	37,808	5,433	32,375	596%
Free cash flow to equity <sup>6</sup>	27,814	(268)	28,082	10478%
Cash paid for the purchase of plant and equipment (\$ thousands)	(8,733)	(16,888)	8,155	(48%)
Cash and cash equivalents (\$ thousands)	35,864	16,248	19,616	121%
Restricted cash (\$ thousands) <sup>7</sup>	4,449	6,282	(1,833)	(29%)
Borrowings (\$ thousands) <sup>8</sup>	10,702	20,713	(10,011)	(48%)
MVC's copper price (\$/lb) <sup>9</sup>	4.15	3.86	0.29	8%
MVC's molybdenum price (\$/lb) <sup>10</sup>	20.89	23.39	(2.50)	(11%)

### Notes:

<sup>1</sup> Copper production conducted under a tolling agreement with DET.

<sup>2</sup> Revenue reported net of notional items (smelting and refining charges, DET notional copper royalties and transportation costs).

<sup>3</sup> Basic earnings per share in Canadian dollars ("Cdn") was calculated by converting the net income to Cdn using the average USD-Cdn foreign exchange rate in 2024 of 1 USD:1.3683 Cdn (2023: 1 USD:1.3493 Cdn).

<sup>4</sup> A non-IFRS measure. Refer to page 7 for the basis of the reconciliation of operating cash flow before non-cash working capital and net cash from operating activities.

<sup>5</sup> A non-IFRS measure. Refer to page 7 for the basis of the reconciliation of operating cash flow before non-cash working capital items to free cash flow.

<sup>6</sup> A non-IFRS measure. Refer to page 7 for the basis of the reconciliation of operating cash flow before non-cash working capital items to free cash flow to equity.

<sup>7</sup> On December 31, 2024, comprised of short and long-term portions of \$4.4 million and \$nil, respectively (2023: \$2.8 and 3.5 million respectively)

<sup>8</sup> Borrowings are net of transaction costs. On December 31, 2024, comprised of short and long-term portions of \$7.5 and \$3.2 million, respectively.

<sup>9</sup> MVC's copper price is the average notional copper price for the year before smelting and refining, DET notional copper royalties, transportation costs and settlement adjustments to prior year sales.

<sup>10</sup> MVC's molybdenum price is the average realized molybdenum price in the year before roasting charges and settlement adjustments to prior year sales.

## Highlights and Significant Events

- Amerigo achieved a solid financial performance in 2024, posting a net income of \$19.2 million (2023: \$3.4 million), driven by increased copper production from MVC of 64.6 million pounds ("M lbs") (2023: 57.6 M lbs) and an average MVC copper price in 2024 of \$4.15 per pound ("/lb") (2023: \$3.86/lb).
- Basic earnings per share ("EPS") in 2024 were \$0.12 (Cdn\$0.16), compared to \$0.02 (Cdn\$0.03) in 2023.
- The Company generated operating cash flow before changes in non-cash working capital (a non-IFRS measure, page 7) of \$47.1 million (2023: \$22.3 million). Annual net operating cash flow was \$59.8 million (2023: \$20.3 million). Free cash flow to equity (a non-IFRS measure, page 7) was \$27.8 million (2023: \$nil).
- 2024 cash cost (a non-IFRS measure, page 13) was \$1.89/lb (2023: \$2.17/lb). The \$0.28/lb reduction in cash cost was caused predominantly by a 12.2% increase in copper production during 2024. This resulted in decreased unit costs overall, most notably in power costs (\$0.08/lb), direct labour (\$0.03/lb), grinding media (\$0.03/lb), administration (\$0.03/lb), and other direct costs (\$0.04/lb).
- 2024 total cost (a non-IFRS measure, page 13) was \$3.49/lb (2023: \$3.62/lb) following a \$0.28/lb decrease in cash cost, offset by a \$0.14/lb increase in DET notional royalties from higher metal prices and a \$0.01/lb depreciation increase.
- 2024 AISC (a non-IFRS measure, page 13) decreased to \$3.73/lb (2023: \$4.02/lb) due to a \$0.13/lb decrease in total cost, a \$0.15/lb decrease in sustaining capital expenditures ("Capex"), and a \$0.01/lb decrease in general and administration costs.
- On December 31, 2024, the Company held cash and cash equivalents of \$35.9 million (December 31, 2023: \$16.2 million), restricted cash of \$4.4 million (December 31, 2023: \$6.3 million) and had a working capital deficiency (current assets less current liabilities) of \$6.5 million (December 31, 2023: \$12.3 million).
- In 2024, Amerigo returned \$21.2 million to shareholders (2023: \$17.2 million), including \$14.5 million (2023: \$14.6 million) through the payment of Amerigo's quarterly dividends of Cdn\$0.03 per share, \$4.8 million through the payment of a Cdn\$0.04 per share performance dividend (2023: \$nil) and \$1.8 million by purchasing 1.4 million common shares for cancellation through a Normal Course Issuer Bid ("NCIB") (2023: \$2.6 million and 2.3 million common shares).
- The Company's financial performance is sensitive to changes in copper prices. MVC's Q4-2024 provisional copper price was \$4.08/lb. The final prices for October, November and December 2024 sales will be the average London Metal Exchange ("LME") prices for January, February and March 2025, respectively. A 10% increase or decrease from the \$4.08/lb provisional price used on December 31, 2024, would result in a \$7.4 million change in revenue in Q1-2025 regarding Q4-2024 production.
- Refer to Cautionary Statement on Forward-Looking Information (page 25).

# SUMMARY OF FINANCIAL RESULTS Q4-2024 TO Q4-2023

	Q4-2024	Q3-2024	Q2-2024	Q1-2024	Q4-2023
	\$	\$	\$	\$	\$
Copper production, million pounds <sup>1</sup>	18,316	16,270	13,977	15,997	16,369
Copper deliveries, million pounds <sup>1</sup>	18,240	16,477	14,326	15,961	16,080
MVC's copper price (\$/lb)	4.06	4.22	4.39	3.95	3.82
<b>Financial results (\$ thousands)</b>					
Revenue					
Gross value of copper tolled on behalf of DET	75,915	68,793	62,973	61,285	59,521
Notional items deducted:					
DET royalties - copper	(21,054)	(19,163)	(18,476)	(16,680)	(15,775)
Smelting and refining	(6,813)	(6,358)	(5,791)	(6,237)	(6,432)
Transportation	(443)	(425)	(374)	(403)	(415)
Revenue net of notional items	47,605	42,847	38,332	37,965	36,899
Adjustments to fair value of settlement receivables	(2,555)	(2,650)	6,871	1,502	1,674
Copper tolling revenue	45,050	40,197	45,203	39,467	38,573
Molybdenum and other revenue	5,762	5,241	6,399	5,454	3,874
	50,812	45,438	51,602	44,921	42,447
Tolling and production costs					
Tolling and production costs	(28,689)	(29,605)	(26,892)	(29,082)	(28,738)
Depreciation and amortization	(5,857)	(5,900)	(5,821)	(5,773)	(5,238)
Administration	(1,342)	(1,368)	(1,340)	(1,229)	(1,447)
DET royalties - molybdenum	(1,188)	(1,190)	(1,056)	(1,032)	(1,018)
	(37,076)	(38,063)	(35,109)	(37,116)	(36,441)
Gross profit	13,736	7,375	16,493	7,805	6,006
Derivative to related parties including changes in fair value					
Salaries, management and professional fees	(1,435)	(103)	(289)	12	(887)
Office and general expenses	(960)	(487)	(639)	(697)	(822)
Share-based payment compensation	(726)	(266)	(218)	(324)	(591)
	(241)	(183)	(249)	(279)	(292)
	(1,927)	(936)	(1,106)	(1,300)	(1,705)
Foreign exchange (loss) gain	(1,878)	708	551	6	2,722
Power generators dismantling costs	(1,966)	-	-	-	-
Writedown of obsolete equipment and supplies	(1,560)	-	-	-	(328)
Other (losses) gains	(5)	(69)	47	(47)	(74)
	(5,409)	639	598	(41)	2,320
	(8,771)	(400)	(797)	(1,329)	(272)
Operating profit	4,965	6,975	15,696	6,476	5,734
Finance expense	(472)	(870)	(353)	(503)	(664)
Income before income tax	4,493	6,105	15,343	5,973	5,070
Income tax expense	(2,074)	(3,323)	(5,576)	(1,701)	(1,187)
Net income	2,419	2,782	9,767	4,272	3,883
Earnings per share - basic	0.01	0.02	0.06	0.03	0.02
Earnings per share - diluted	0.01	0.02	0.06	0.03	0.02
Earnings per share Cdn\$ - basic	0.02	0.02	0.08	0.03	0.03
Earnings per share Cdn\$ - diluted	0.02	0.02	0.08	0.03	0.03
Unit tolling and production costs	2.03	2.31	2.45	2.33	2.27
Cash cost (\$/lb) <sup>2</sup>	1.73	1.93	1.96	1.96	2.06
Total cost (\$/lb) <sup>2</sup>	3.27	3.54	3.78	3.43	3.41
AISC (\$/lb) <sup>2</sup>	3.62	3.72	4.20	3.57	3.61
<b>Uses and sources of cash (\$thousands)</b>					
Operating cash flow before non-cash working capital changes <sup>2</sup>	13,750	8,895	14,315	10,189	8,815
Net cash from operating activities	20,973	10,465	23,805	4,535	9,032
Cash used in investing activities	(1,796)	(3,032)	(3,384)	(1,129)	(2,511)
Cash used in financing activities	(7,110)	(11,027)	(6,001)	(5,263)	(3,384)
Ending cash and cash equivalents	35,864	25,127	28,736	13,801	16,248
Ending restricted cash	4,449	6,727	4,198	6,214	6,282

## Notes:

1 Includes production from fresh and historical tailings.

2 Non-IFRS measures include operating cash flow before non-cash working capital changes, cash cost, total cost, and AISC. Refer to page 7 for the basis of reconciliation of operating cash flow before non-cash working capital and net cash provided by operating activities and page 13 for the basis of reconciliation of cash cost, total cost, and AISC to tolling and production costs.

A discussion on key quarterly variances for revenue and tolling and production costs can be found on pages 17 and 18.

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

<b>(Expressed in thousands)</b>	<b>2024</b>	<b>2023</b>	<b>Q4-2024</b>	<b>Q4-2023</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Net cash provided by operating activities	59,778	20,281	20,973	9,032
Add:				
Changes in non-cash working capital	(12,629)	2,040	(7,223)	(217)
Operating cash flow before non-cash working capital	<b>47,149</b>	<b>22,321</b>	<b>13,750</b>	<b>8,815</b>

<b>(Expressed in thousands)</b>	<b>2024</b>	<b>2023</b>	<b>Q4-2024</b>	<b>Q4-2023</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Operating cash flow before changes in non-cash working capital	47,149	22,321	13,750	8,815
(Deduct) add:				
Cash used to purchase plant and equipment	(9,341)	(16,888)	(1,796)	(2,511)
Repayment of borrowings, net of new debt issued	(9,994)	(3,839)	(4,000)	234
Lease repayments	-	(1,862)	-	-
<b>Free cash flow to equity</b>	<b>27,814</b>	<b>(268)</b>	<b>7,954</b>	<b>6,538</b>
Add (deduct):				
Repayment of borrowings, net of new debt issued	9,994	3,839	4,000	(234)
Lease repayments	-	1,862	-	-
<b>Free cash flow</b>	<b>37,808</b>	<b>5,433</b>	<b>11,954</b>	<b>6,304</b>

## **OVERALL PERFORMANCE**

In 2024, the Company posted net income of \$19.2 million (2023: \$3.4 million) and EPS of \$0.12 (Cdn\$0.16) (2023: \$0.02 (Cdn\$0.03)).

In 2024, MVC's average copper price was \$4.15/lb (2023: \$3.86/lb) and MVC's average molybdenum price was \$20.89/lb (2023: \$23.39/lb).

The Company's revenue in 2024 increased 22% to \$192.8 million (2023: \$157.5 million). Tolling and production costs increased 3% from \$143.3 million in 2023 to \$147.4 million in 2024 (page 11).

Operating cash flow before changes in non-cash working capital (a non-IFRS measure, page 7) was \$47.1 million (2023: \$22.3 million), and net cash provided by operating activities was \$59.8 million (2023: \$20.3 million).

Trade and other payables on December 31, 2024 were \$24.6 million compared to \$19.4 million on December 31, 2023. The increase in trade and other payables was primarily due to the timing of payments, as several material invoices due by December 31, 2024 were paid in early January 2025.

DET Royalties increased from \$17.1 million on December 31, 2023 to \$22.6 million on December 31, 2024 primarily due to higher copper deliveries and prices.

Due to higher net income, current income tax liabilities increased from \$0.6 million on December 31, 2023, to \$8.5 million on December 31, 2024.

On December 31, 2024, the Company's cash and restricted cash balance was \$40.3 million (December 31, 2023: \$22.5 million), including restricted cash of \$4.4 million (December 31, 2023: \$6.3 million). The Company had a working capital deficiency of \$6.5 million (December 31, 2023: working capital deficiency of \$12.3 million).

## SELECTED ANNUAL INFORMATION

The following information has been extracted from the Company's consolidated financial statements for the years ended December 31, 2024, 2023 and 2022.

	Year ended December 31, 2024 \$	Year ended December 31, 2023 \$	Year ended December 31, 2022 \$
Revenue (thousands)	192,773	157,460	168,052
Net income (thousands)	19,240	3,382	4,374
Earnings per share	0.12	0.02	0.03
Diluted earnings per share	0.12	0.02	0.03

Revenue and net income are highly sensitive to copper prices. MVC's copper price in 2024 was \$4.15/lb (2023: \$3.86/lb, 2022: \$4.01/lb).

	Year ended December 31, 2024 \$	Year ended December 31, 2023 \$	Year ended December 31, 2022 \$
Total assets	205,471	199,559	231,179
Total long-term financial liabilities	12,394	17,148	23,489

Long-term financial liabilities on December 31, 2024, were comprised of: related party derivative liability of \$6.7 million (2023: \$6.0 million, 2022: \$6.1 million), long-term portion of borrowings of \$3.2 million (2023: \$10.4 million, 2022: \$16.6 million), dismantling provision of \$1.7 million (2023: \$nil 2022: \$nil), and severance provisions of \$0.8 million (2023: \$0.8 million, 2022: \$0.7 million).

## OPERATING RESULTS

### 2024 Production Results

Copper production in 2024 was 64.6 M lbs (2023: 57.6 M lbs), and copper deliveries were 65.0 M lbs (2023: 57.2 M lbs). 2024 was a normal production year at MVC, whereas in 2023 production was impacted by heavy rains and flooding in the region.

Production from fresh tailings in 2024 was 41.7 M lbs (2023: 35.8 M lbs), representing 65% of copper production (2023: 62%).

Copper production from historical tailings in 2024 was 22.9 M lbs (2023: 21.8 M lbs).

MVC's average plant availability in 2024 was 96.7% (2023: 91.2%).

Molybdenum production during 2024 was 1.3 M lbs (2023: 1.2 M lbs).



Additional information on the production results for 2024 and 2023 is included below:

<b>PRODUCTION</b>	<b>2024</b>	<b>2023</b>
<b>FRESH TAILINGS</b>		
Tonnes per day	123,525	125,034
Operating days	356	344
Million tonnes processed	43.94	42.99
Copper grade (%)	0.182%	0.172%
Copper recovery	23.7%	22.0%
Copper produced (M lbs)	41.69	35.83
<b>HISTORICAL TAILINGS</b>		
Tonnes per day	39,953	42,747
Operating days	332	289
Million tonnes processed	13.25	12.34
Copper grade (%)	0.245%	0.248%
Copper recovery	32.0%	32.3%
Copper produced (M lbs)	22.87	21.81
<b>COPPER</b>		
Total copper produced (M lbs)	64.56	57.64
<b>MOLYBDENUM</b>		
Total molybdenum produced (M lbs)	1.29	1.15

## 2025 Outlook

In 2025, the Company expects to produce 62.9 M lbs of copper and 1.3 M lbs of molybdenum.

The annual plant maintenance shutdown at MVC took place in Q1-2025, and the associated lower production from this event in Q1-2025 is factored into the annual production guidance.

In 2024, the LME average copper price was \$4.15/lb, the average Platts molybdenum dealer oxide price was \$20.89/lb, and the average exchange rate of the Chilean peso to the U.S. dollar was 944. While market consensus continues to support rising copper prices due to concentrate supply deficits in 2025, the Company has again taken a conservative approach to selecting economic assumptions for its annual budget, including an average market price of \$4.15/lb for copper, \$21/lb for molybdenum and an exchange rate of 940 Chilean pesos ("CLP") to USD 1 (collectively, the "Assumptions").

Under the Assumptions, the Company's 2025 normalized cash cost (a non-IFRS measure, page 13) is expected to be \$1.93/lb. Compared to 2024, the Company's cash cost (a non-IFRS measure, page 13) is projected to benefit from approximately \$0.16/lb in lower treatment and refinery charges. However, as a result of lower 2025 production guidance compared to 2024 actual production, other cash cost (a non-IFRS measure, page 13) components are expected to increase by \$0.05/lb, and we expect higher energy pass-through charges to Chilean industrial consumers (\$0.04/lb), lower price positive settlement adjustments to molybdenum credits (\$0.03/lb), higher steel, reagent and input costs (\$0.02/lb), inflationary adjustments to service contracts (\$0.02/lb), higher projected environmental compliance costs (\$0.02/lb) and higher projected historical tailings extraction costs (\$0.02/lb).

Our normalized cash cost (a non-IFRS measure, page 13) guidance excludes any signing bonus associated with a 3-year collective labour agreement with MVC's operators' union, whose signing bonus will be negotiated and paid in Q4-2025.

Using a \$4.15/lb copper price, the royalty to DET in 2025 would be \$1.24/lb. The DET royalty is calculated on a sliding scale based on copper prices. A \$0.20/lb increase in copper price would impact the DET royalty by \$0.09/lb.

In 2025, MVC is expected to incur \$8.8 million in Capex and \$4.2 million on sustaining Capex associated with the annual plant maintenance shutdown and strategic spares. Five process optimization projects worth \$4.4 million are included in Capex, including projects to expand and optimize the control of flotation cells and improve water evacuation in Cauquenes, which were initiated in 2024, a project to optimize flotation in the cascades system and the addition of a second thickener for the mixed concentrate.

Concerning financial obligations, MVC will repay the \$1.0 million due on its working capital line of credit by October 2025. It will make two semi-annual bank debt repayments of \$3.5 million plus interest in June and December 2025. Based on the guidance above, MVC plans to pre-pay the remaining \$3.5 million due on its bank debt in December 2025 and end the year debt-free. This will be a significant milestone for MVC and the Company, adding at least \$7.5 million annually in cash available to shareholders starting in 2026.

## FINANCIAL RESULTS – 2024

Net income in 2024 was \$19.2 million with \$0.12 in basic and diluted EPS (Cdn\$0.16 in both cases) (2023: net income of \$3.4 million, with \$0.02 basic and diluted EPS (Cdn\$0.03 in both cases), primarily due to higher revenue from an increase in copper price and deliveries.

### Revenue

Revenue in 2024 was \$192.8 million (2023: \$157.5 million).

(Expressed in thousands)	2024 \$	2023 \$
Average LME copper price per pound	4.15	3.85
Gross value of copper tolled on behalf of DET	268,966	220,686
Notional items deducted:		
DET royalties - copper	(75,373)	(58,843)
Smelting and refining charges	(25,199)	(23,263)
Transportation	(1,645)	(1,591)
Revenue from copper tolling contracts with customers net of notional items	166,749	136,989
Adjustments to fair value of settlement receivables <sup>1</sup>	3,168	1,119
Copper tolling revenue	169,917	138,108
Revenue from molybdenum contracts with customers	22,106	22,104
Adjustments to fair value of settlement receivables	750	(2,752)
Molybdenum revenue	22,856	19,352
Revenue	192,773	157,460
MVC's copper price (\$/lb) <sup>2</sup>	4.15	3.86
MVC's molybdenum price (\$/lb)	20.89	23.39

Notes:

- 1 In 2024, of the \$3.2 million in adjustments to fair value of settlement receivables, \$5.0 million were final positive settlement adjustments and \$1.8 million in negative adjustments were provisional at year-end 2024 (2023: \$1.1 million in positive adjustments included \$0.7 million in final positive settlement adjustments and \$0.4 million in positive settlement adjustments which were provisional at year-end 2023).
- 2 MVC's copper price is the gross copper selling price after considering same-quarter sales settlement adjustments. Therefore, this amount can vary from the average LME copper price per pound.

MVC produces copper concentrates under a tolling agreement with DET. DET retains title to the copper concentrates produced by MVC and MVC earns tolling revenue, calculated as the gross value of copper tolled on behalf of DET at applicable market prices, plus or minus adjustments to the fair value of settlement receivables, net of notional items (DET copper royalties, treatment and refining charges and transportation costs).

Copper revenue is billed weekly based on the tolling activity of the preceding week, which is measured by the production of copper concentrates. Additional billings are done monthly based on the tolling activity for

the full month, less weekly billings, and to bill for pricing term differences, as disclosed in the following paragraphs.

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

On December 31, 2024, the provisional copper price used by MVC was \$4.08/lb and final prices for October, November, and December 2024 sales will be the average LME prices for January, February, and March 2025, respectively. A 10% change from the \$4.08/lb provisional price used on December 31, 2024, would result in a \$7.4 million change in revenue in Q1-2025 regarding Q4-2024 production.

DET royalties on copper production are a notional item deducted from MVC's gross value of copper produced. In 2024, DET notional copper royalties were \$75.4 million (2023: \$58.8 million) due to higher prices and a higher amount of copper tolled.

We disclose the terms for DET notional copper royalties and molybdenum royalties under Agreements with Codelco's DET (page 20).

Molybdenum produced by MVC is sold under a written sales agreement with Molymet. Revenue is billed monthly based on the quantity of concentrates delivered during the preceding month. Molymet can elect different pricing terms monthly. In 2024, pricing terms ranged from M to M+4 regarding the average Platt's molybdenum dealer oxide price of the month of sale.

In 2024, MVC's molybdenum sales price was \$20.89/lb (2023: \$23.39/lb).

### **Tolling and Production Costs**

(Expressed in thousands except unit costs)		2024		2023	
	\$	\$/lb Cu <sup>1</sup>	\$	\$/lb Cu <sup>1</sup>	
Direct tolling and production costs					
Power costs	32,197	0.49	33,541	0.59	
Direct labour	13,082	0.20	13,128	0.23	
Maintenance costs, excluding labour	12,040	0.19	11,937	0.21	
Historic tailings extraction	8,824	0.14	8,576	0.15	
Grinding media	8,606	0.13	9,441	0.17	
Molybdenum production costs	8,353	0.13	8,160	0.14	
Lime costs	7,153	0.11	6,364	0.11	
Other direct tolling / production costs	24,013	0.37	20,896	0.36	
	114,268	1.76	112,043	1.96	
Depreciation and amortization	23,351	0.36	20,444	0.36	
Administration	5,279	0.08	6,124	0.11	
DET royalties - molybdenum	4,466	0.07	4,694	0.08	
Tolling and production costs	147,364	2.27	143,305	2.51	

Notes:

1. Tolling and production costs divided by pounds of copper delivered.

In 2024, power costs decreased by \$1.3 million or 4% compared to 2023 despite higher production. Between July 6 and July 21, 2023, MVC used a temporary high-cost power source to produce fresh tailings while the plant remained disconnected from the central power grid after severe weather events in Chile. Power costs in 2024 were \$0.1015/kWh (2023: \$0.1100/kWh).

In 2024, grinding media costs decreased by \$0.8 million compared to 2023 predominantly due to 6% lower consumption over the prior year and 3% lower steel prices.

Lime costs increased from \$6.4 million to \$7.2 million due to higher consumption, higher production, and higher prices.

In aggregate, other direct tolling costs increased in 2024 by \$3.1 million, primarily due to a \$2.7 million increase in inventory adjustments as copper deliveries exceeded copper production and an increase of \$1.0 million in copper reagents cost, offset by a decrease in industrial water costs of \$0.5 million.

<b>(Expressed in thousands except unit costs)</b>				
	<b>2024</b>		<b>2023</b>	
	<b>\$</b>	<b>\$/lb Cu<sup>1</sup></b>	<b>\$</b>	<b>\$/lb Cu<sup>1</sup></b>
Other direct tolling costs				
Copper reagents	7,285	0.11	6,329	0.11
Process control, environmental and safety	5,236	0.08	5,119	0.09
Subcontractors, support services	4,350	0.07	4,301	0.07
Industrial water	4,220	0.06	4,701	0.08
Filtration and all other direct tolling costs	1,333	0.02	1,564	0.03
Inventory adjustments	1,589	0.03	(1,118)	(0.02)
	24,013	0.37	20,896	0.36

Depreciation and amortization in 2024 were \$23.4 million (2023: \$20.4 million) due to a higher value of depreciable fixed assets.

MVC administration expenses during 2024 were \$5.3 million (2023: \$6.1 million). This is mostly due to a 12% weaker Chilean peso in 2024 compared to 2023.

Due to lower prices, DET molybdenum royalties in 2024 were \$4.5 million (2023: \$4.7 million).

## **Expenses**

Other expenses not related to MVC's production operation were \$11.3 million (2023: \$4.5 million) and include:

- General and administration expenses of \$5.3 million (2023: \$5.0 million), including salaries, management and professional fees of \$2.8 million (2023: \$2.4 million), office and general expenses of \$1.5 million (2023: \$1.5 million) and share-based payments of \$1.0 million (2023: \$1.1 million).
- Other losses of \$4.2 million (2023: other gains of \$1.3 million) comprised of foreign exchange losses of \$0.6 million (2023: gains of \$2.9 million), dismantling costs of \$2.0 million (2023: \$nil), environmental compliance plan costs of \$nil (2023: \$1.1 million), equipment and supply write-downs of \$1.6 million (2023: \$0.3 million) related to obsolete equipment, and other losses of \$0.1 million (2023: \$0.2 million). Dismantling costs relate to the recognition of a provision for an obligation to dismantle and dispose of two power generators and the surrounding infrastructure that was recognized upon the decision to not extend a permit.
- A \$1.8 million expense associated with the fair value adjustment to the derivative to related parties (2023: \$0.8 million expense).

The Company's finance expense in 2024 was \$2.2 million (2023: \$2.9 million), which includes \$2.3 million in interest on loans, leases and bank charges (2023: \$2.8 million) and fair value changes on interest rate swaps ("IRS") of a recovery of \$0.2 million (2023: expense of \$0.1 million).

Income tax expense in 2024 was \$12.7 million (2023: \$3.4 million), including current income tax expense of \$18.1 million (2023: \$8.3 million) and a deferred tax recovery of \$5.4 million (2023: \$4.9 million). The Company's higher pre-tax income drove the increase in current tax expense in 2024 compared to 2023.

## **Cash Cost, Total Cost, and AISC**

Cash cost and total cost are non-IFRS measures prepared on a basis consistent with the industry standard Brook Hunt definitions. AISC is an extension of total cost and is also a non-IFRS measure.

For the Company, these non-IFRS performance measures provide key performance measures used by management to monitor operating performance, assess corporate performance, and 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 Accounting Standards. Cash cost is the aggregate of smelting and refining charges, tolling/production costs net of inventory adjustments and administration costs, net of by-product credits. Total cost includes cash cost, DET notional royalties and depreciation and amortization. AISC includes sustaining Capex and corporate general and administrative expenses.

As these performance measures are not standardized financial measures under IFRS Accounting Standards, the amounts presented may not be comparable to similar financial measures disclosed by other mining companies. These performance measures should not be considered in isolation as a substitute for performance measures in accordance with IFRS Accounting Standards.

A reconciliation of tolling and production costs to cash cost, total cost, and AISC in 2024 and 2023 is presented below:

<b>(Expressed in thousands)</b>	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Tolling and production costs	147,364	143,305
Add (deduct):		
DET notional royalties - copper	75,373	58,843
Smelting and refining charges	25,199	23,263
Transportation costs	1,645	1,591
Inventory adjustments	(1,589)	1,118
By-product credits	(22,856)	(19,352)
Total cost	225,136	208,768
Sustaining Capex	10,490	18,053
General and administrative costs	5,269	5,047
All-in sustaining cost	240,895	231,868
Deduct:		
Depreciation and amortization	(23,351)	(20,444)
Sustaining Capex	(10,490)	(18,053)
General and administrative costs	(5,269)	(5,047)
DET notional royalties - copper	(75,373)	(58,843)
DET royalties - molybdenum	(4,466)	(4,694)
Cash cost	121,946	124,787
Pounds of copper tolled	64.56	57.64
Cash cost (\$/lb)	<b>1.89</b>	<b>2.17</b>
Total cost (\$/lb)	<b>3.49</b>	<b>3.62</b>
AISC (\$/lb)	<b>3.73</b>	<b>4.02</b>

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

(\$/lb of copper produced)	2024	Q4-2024	Q3-2024	Q2-2024	Q1-2024
Power costs	0.50	0.45	0.49	0.53	0.53
Smelting & refining	0.39	0.37	0.39	0.41	0.39
Direct labour	0.20	0.17	0.20	0.23	0.22
Maintenance, excluding labour	0.19	0.17	0.19	0.21	0.18
Historic tailings extraction	0.14	0.11	0.14	0.17	0.13
Grinding media	0.13	0.11	0.14	0.14	0.14
Molybdenum production costs	0.13	0.12	0.13	0.14	0.12
Lime	0.11	0.09	0.10	0.11	0.14
Administration	0.08	0.07	0.08	0.10	0.08
Transportation	0.03	0.02	0.03	0.03	0.03
Other direct costs	0.34	0.36	0.36	0.35	0.34
By-product credits	(0.35)	(0.31)	(0.32)	(0.46)	(0.34)
Cash Cost	<b>\$1.89</b>	<b>\$1.73</b>	<b>\$1.93</b>	<b>\$1.96</b>	<b>\$1.96</b>

(\$/lb of copper produced)	2023	Q4-2023	Q3-2023	Q2-2023	Q1-2023
Power costs	0.58	0.52	0.71	0.58	0.56
Smelting & refining	0.41	0.39	0.40	0.42	0.40
Direct labour	0.23	0.21	0.26	0.23	0.23
Maintenance, excluding labour	0.21	0.18	0.27	0.22	0.18
Grinding media	0.16	0.16	0.19	0.17	0.15
Historic tailings extraction	0.15	0.12	0.19	0.15	0.14
Molybdenum production costs	0.14	0.12	0.15	0.15	0.15
Lime	0.11	0.13	0.09	0.09	0.12
Administration	0.11	0.09	0.12	0.12	0.10
Transportation	0.03	0.03	0.03	0.03	0.03
Other direct costs	0.38	0.35	0.44	0.42	0.34
By-product credits	(0.34)	(0.24)	(0.41)	(0.21)	(0.49)
Cash Cost	<b>\$2.17</b>	<b>\$2.06</b>	<b>\$2.44</b>	<b>\$2.37</b>	<b>\$1.91</b>

MVC's cash cost decreased to \$1.89/lb in 2024 from \$2.17/lb in 2023, mainly driven by higher copper production. The largest variances were decreases in power costs (\$0.08/lb), direct labour (\$0.03/lb), grinding media (\$0.03/lb), administration (\$0.03/lb), and other direct costs (\$0.04/lb).

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

(\$/lb of copper produced)	2024	Q4-2024	Q3-2024	Q2-2024	Q1-2024
Cash cost	1.89	1.73	1.93	1.96	1.96
DET notional royalties/royalties	1.24	1.22	1.25	1.40	1.11
Amortization/depreciation	0.36	0.32	0.36	0.42	0.36
<b>Total Cost</b>	<b>\$3.49</b>	<b>\$3.27</b>	<b>\$3.54</b>	<b>\$3.78</b>	<b>\$3.43</b>

(\$/lb of copper produced)	2023	Q4-2023	Q3-2023	Q2-2023	Q1-2023
Cash cost	2.17	2.06	2.44	2.37	1.91
DET notional royalties/royalties	1.10	1.03	1.03	1.10	1.23
Amortization/depreciation	0.35	0.32	0.47	0.37	0.30
<b>Total Cost</b>	<b>\$3.62</b>	<b>\$3.41</b>	<b>\$3.94</b>	<b>\$3.84</b>	<b>\$3.44</b>

Total cost decreased to \$3.49/lb (2023: \$3.62/lb) due to a \$0.28/lb cash cost decrease as discussed above, offset by a \$0.14/lb increase in DET notional royalties from higher metal prices and an increase in amortization of \$0.01/lb.

The Company's trailing annual and quarterly AISC costs (\$/lb of copper produced) were:

(\$/lb of copper produced)	2024	Q4-2024	Q3-2024	Q2-2024	Q1-2024
Total cost	3.49	3.27	3.54	3.78	3.43
Sustaining Capex	0.16	0.24	0.12	0.34	0.06
Corporate G&A expenses	0.08	0.11	0.06	0.08	0.08
<b>AISC</b>	<b>\$3.73</b>	<b>\$3.62</b>	<b>\$3.72</b>	<b>\$4.20</b>	<b>\$3.57</b>

(\$/lb of copper produced)	2023	Q4-2023	Q3-2023	Q2-2023	Q1-2023
Total cost	3.62	3.41	3.94	3.84	3.44
Sustaining Capex	0.31	0.10	0.42	0.53	0.27
Corporate G&A expenses	0.09	0.10	0.10	0.07	0.08
<b>AISC</b>	<b>\$4.02</b>	<b>\$3.61</b>	<b>\$4.46</b>	<b>\$4.44</b>	<b>\$3.79</b>

## FINANCIAL RESULTS – QUARTER ENDED DECEMBER 31, 2024

In Q4-2024, the Company posted a net income of \$2.4 million and \$0.01 EPS (Cdn\$0.02), compared to a net income of \$3.9 million in Q4-2023 and \$0.02 EPS (Cdn\$0.03).

Q4-2024 financial results included \$2.6 million in negative settlement adjustments to copper revenue, of which \$0.8 million were final negative settlement adjustments and \$1.8 million remained provisional at year-end 2024.

In Q4-2024, the Company recorded a write-down of obsolete equipment and supplies of \$1.6 million, which had no impact on quarterly cash flow.

In Q4-2024, the Company generated operating cash flow before working capital changes (a non-IFRS measure, page 7) of \$13.8 million (Q4-2023: \$8.8 million) and net cash from operating cash flow of \$21.0 million (Q4-2023: \$9.0 million) (page 7).

### Revenue

Revenue in Q4-2024 was \$50.8 million (Q4-2023: \$42.4 million) due to 13% higher copper delivered and higher copper prices.

## Expenses

(Expressed in thousands except unit costs)		Q4-2024		Q4-2023	
	\$	\$/lb Cu <sup>1</sup>	\$	\$/lb Cu <sup>1</sup>	
Direct tolling and production costs					
Power costs	8,262	0.46	8,497	0.53	
Maintenance costs, excluding labour	3,175	0.17	3,011	0.19	
Direct labour	3,137	0.17	3,409	0.21	
Molybdenum production costs	2,284	0.13	2,012	0.13	
Grinding media	2,085	0.11	2,560	0.16	
Historic tailings extraction	2,066	0.11	2,035	0.13	
Lime costs	1,652	0.09	2,166	0.13	
Other direct tolling / production costs	6,028	0.33	5,048	0.31	
	28,689	1.57	28,738	1.79	
Depreciation and amortization	5,857	0.32	5,238	0.33	
Administration	1,342	0.07	1,447	0.09	
DET royalties - molybdenum	1,188	0.07	1,018	0.06	
Tolling and production costs	37,076	2.03	36,441	2.27	

Notes:

1. Tolling and production costs divided by pounds of copper delivered.

Direct tolling and production costs in Q4-2024 were \$28.7 million (Q4-2023: \$28.7 million), with decreases of \$0.5 million in grinding media, \$0.5 million in lime costs, \$0.3 million in direct labour, and \$0.2 million in power costs, offset by increases of \$1.0 million in other direct costs and \$0.2 million in maintenance.

Depreciation and amortization in Q4-2024 increased to \$5.9 million (Q4-2023: \$5.2 million), administration expenses were \$1.3 million (Q4-2023: \$1.4 million), and the DET molybdenum royalties were \$1.2 million (Q4-2023: \$1.0 million).

Although total tolling and production costs increased from \$36.4 million to \$37.1 million, the unit tolling and production costs decreased from \$2.27/lb in Q4-2023 to \$2.03/lb in Q4-2024 from more copper deliveries during the quarter.



## COMPARATIVE PERIODS

The Company's quarterly financial statements are reported under IFRS Accounting Standards applicable to interim financial reporting.

The following tables provide highlights from the Company's financial statements for the past eight quarters.

	Q4-2024	Q3-2024	Q2-2024	Q1-2024
	\$	\$	\$	\$
Total revenue (thousands)	50,812	45,438	51,602	44,921
Net income (thousands)	2,419	2,782	9,767	4,272
EPS	0.01	0.02	0.06	0.03
Diluted EPS	0.01	0.02	0.06	0.03

	Q4-2023	Q3-2023	Q2-2023	Q1-2023
	\$	\$	\$	\$
Total revenue (thousands)	42,447	30,329	32,036	52,648
Net income (loss) (thousands)	3,883	(5,793)	(3,793)	9,085
EPS (LPS)	0.02	(0.04)	(0.02)	0.05
Diluted EPS (LPS)	0.02	(0.04)	(0.02)	0.05

Quarterly revenue variances result 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:

	Q4-2024	Q3-2024	Q2-2024	Q1-2024	Q4-2023	Q3-2023	Q2-2023	Q1-2023
Copper sales/deliveries <sup>1</sup>	18.2	16.5	14.3	16.0	16.1	11.0	13.7	16.5
MVC's copper price	4.06	4.22	4.39	3.95	3.82	3.76	3.80	4.02
Settlement adjustments <sup>2</sup>	(0.78)	(3.33)	6.96	(0.25)	(0.25)	(0.10)	(2.71)	3.81

Notes:

<sup>1</sup> Million pounds of copper sold under a tolling agreement with DET.

<sup>2</sup> Adjustments to fair value of copper settlement receivables from prior quarters, expressed in millions of dollars.

In Q1-2023, stronger copper prices and positive settlement adjustments resulted in higher revenue. In Q2-2023, revenue was negatively impacted by lower copper delivered due to the annual MVC maintenance shutdown, a one-week production suspension due to extreme rainfall and resulting loss of power, and a decrease in copper price that resulted in negative settlement adjustments. In Q3-2023, the impact of severe rain resulted in lower copper production. In Q4-2023, the Company resumed normal production levels and, in Q1-2024, maintained normal production levels, but revenue was affected by a drop in the average copper price in the quarter. In Q2-2024, despite a decrease in copper sales volume due to the annual maintenance shutdown and rains in the region where MVC operates, revenue was positively impacted by increased copper prices. In Q3-2024 and Q4-2024, copper deliveries increased, but revenue was affected by a decrease in copper price, resulting in negative settlement adjustments recognized during the quarters.

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:

	Q4-2024	Q3-2024	Q2-2024	Q1-2024	Q4-2023	Q3-2023	Q2-2023	Q1-2023
Tolling and production costs <sup>1</sup>	37.08	38.10	35.11	37.12	36.44	32.35	35.34	39.17
Unit tolling and production cost <sup>2</sup>	2.03	2.31	2.45	2.33	2.27	2.95	2.59	2.38

Notes:

<sup>1</sup> Millions of dollars.

<sup>2</sup> Tolling and production costs divided over pounds of copper delivered.

Tolling and production costs are affected by production levels, input costs (particularly power, lime and grinding media costs) and the depreciation or appreciation of the Chilean peso to the U.S. dollar. In Q1-2023, tolling and production costs stayed high due to the rise in power and direct labour costs, as seen in the previous quarter. In Q2-2023 and Q3-2023, total tolling and production costs decreased, but copper delivered also decreased, resulting in a higher unit tolling and production cost. In Q4-2023, the Company resumed normal production levels, lowering unit tolling and production costs. In Q1-2024, tolling and production costs increased primarily due to increased depreciation and amortization due to additions to property plant and equipment that began to be depreciated in 2024. In Q2-2024, total tolling and production costs decreased, but copper delivered also decreased due to the annual maintenance shutdown and the impact of heavy rains during the quarter, resulting in a higher unit tolling and production cost. In Q3-2024, total tolling and production costs increased due to increased production but decreased on a per-unit basis due to increased copper delivered. In Q4-2024, total tolling and production costs decreased on both a total and per-unit basis, primarily due to decreased power, grinding media, and other direct tolling costs.

## FINANCIAL POSITION AND BORROWINGS

### **Cash Flow from Operating Activities**

In 2024, the Company generated net cash from operating activities of \$59.8 million (2023: \$20.3 million). Excluding the effect of changes in working capital, the Company generated \$47.1 million in cash from operations in 2024 (2023: \$22.3 million).

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

On December 31, 2024, the provisional copper price used by MVC was \$4.08/lb and final prices for October, November, and December 2024 sales will be the average LME prices for January, February, and March 2025, respectively. A 10% change from the \$4.08/lb provisional price used on December 31, 2024, would result in a \$7.4 million change in revenue in Q1-2025 regarding Q4-2024 production.

### **Cash Flow from Investing Activities**

In 2024, the Company made payments of \$9.3 million (2023: \$16.9 million), including \$8.7 million for Capex and \$0.6 million on a deposit on equipment.

### **Cash Flow used in Financing Activities**

In 2024, Amerigo returned \$21.2 million to shareholders; \$19.3 million was paid through Amerigo's quarterly dividends of Cdn\$0.03 per share as well as a performance dividend of Cdn\$0.04 per share (2023: \$14.6 million through Amerigo's quarterly dividends), and \$1.8 million by purchasing 1.4 million common shares for cancellation through a normal course issuer bid (2023: \$2.6 million and 2.3 million common shares).

In 2024, MVC made debt repayments of \$9.8 million (2023: \$5.3 million), and in drew \$nil from its working capital line of credit (2023: \$2.0 million). MVC's year-end borrowings were \$10.7 million (December 31, 2023: \$20.7 million).

MVC made lease repayments of \$1.9 million in 2023.

## **Financial Position**

On December 31, 2024, the Company's cash and restricted cash balance was \$40.3 million (December 31, 2023: \$22.5 million), including restricted cash of \$4.4 million (December 31, 2023: \$6.3 million). On December 31, 2024, the Company had a working capital deficiency of \$6.5 million (December 31, 2023: working capital deficiency of \$12.3 million).

## **Borrowings**

<b>(Expressed in thousands)</b>	<b>December 31, 2024 \$</b>	<b>December 31, 2023 \$</b>
Term loan	9,687	18,687
Line of credit	1,015	2,026
	10,702	20,713
Comprise:		
Short-term debt and current portion of long-term debt	7,474	10,303
Long-term debt	3,228	10,410
	10,702	20,713

On June 30, 2021, MVC entered into a finance agreement (the "Finance Agreement") with a syndicate of two banks domiciled in Chile for a term loan (the "Term Loan") 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, and accrued interest. MVC may make early repayments without penalty in accordance with the provisions of the Finance Agreement. Interest on the Term Loan included 25% of the facility that was subject to a variable rate based on the US Libor six-month rate plus a margin of 3.90% until June 30, 2023, when the US Libor was discontinued. The variable interest rate from that date forward is based on the Secured Overnight Financing Rate ("SOFR") plus a margin of 4.33%. The remaining 75% of the interest on the Term Loan is synthetically fixed through interest rate swaps ("IRS"), accounted for at fair value through profit or loss, at a rate of 5.48% per annum for 75% of the facility. As of December 31, 2024, the SOFR rate was 4.28%. The IRS has a term of June 30, 2026. On December 31, 2024, the balance of the Term Loan, net of transaction costs, was \$10.7 million, and the IRS was in an asset position of \$0.2 million.

The Line of Credit can be drawn in multiple disbursements and is available until December 31, 2025. The repayment terms will vary depending on the date of disbursement, with a maximum repayment term of up to two years counted from the disbursement date to the term date of June 30, 2026. The interest rate will be based on the SOFR rate plus a margin to be defined on each disbursement date. As of December 31, 2024, MVC had drawn \$2.0 million from the Line of Credit and repaid \$1.0 million. The amount drawn bears an interest rate of 9.2% (SOFR of 5.45% plus a margin of 3.75%) and will be repaid in four payments of \$0.5 million each plus interest due on April 10, 2024 (paid), October 10, 2024 (paid), April 10, 2025, and October 10, 2025. \$0.3 million related to the April payment was held as restricted cash on Amerigo's statement of financial position.

MVC is required to have a debt service reserve account funded monthly with 1/6 of the next debt payment (principal and interest) so that semi-annual debt payments are fully funded a month before the payment date and a second reserve account of \$3.5 million which was released in January 2025 as scheduled in the loan agreement. On December 31, 2024, MVC held the required reserve funds of \$0.7 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  $\leq 3$ ) and net worth (requirement  $\geq \$100.0$  million), which were met on December 31, 2024.

MVC has provided security on the Finance Agreement in the form of a charge on all MVC's assets.

### **Molybdenum Plant Expansion Lease**

In 2018, MVC entered into a lease of 201,903 Chilean Unidades de Fomento to finance the expansion of MVC's molybdenum plant. The lease terms included an original term to November 2023, monthly capital payments of approximately \$0.1 million, a balloon payment at the end of the lease term of approximately \$1.1 million, and interest at a rate of 0.45% per month. The lease could be prepaid without penalty. On April 4, 2023, MVC repaid the lease in full by prepaying monthly payments of \$1.1 million and the end-of-lease \$1.1 million balloon payment.

## **AGREEMENTS WITH CODELCO'S DET**

MVC has a contract with DET (the "DET Agreement") to process the fresh tailings from the El Teniente mine 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 tolled on behalf of DET 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 \$4.27/lb (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 prices fall below specific ranges and projections which 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 contained three early exit options exercisable by DET during 2021 (not exercised), 2024 (not exercised) and every three years after that only in the event of changes unforeseen at the time the Agreement was entered into. Amerigo has judged the probabilities of DET exercising early exit options as remote.

## SUMMARY OF OBLIGATIONS (Expressed in thousands)

	Total	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years
Trade and other payables	24,641	24,641	-	-	-
Current income tax payable	8,523	8,523	-	-	-
DET royalties	22,634	22,634	-	-	-
Derivative to related parties	7,735	1,058	876	2,283	3,518
Dismantling provision	1,966	299	684	983	-
Severance provisions	822	-	-	-	822
Minimum power payments <sup>1</sup>	195,715	13,807	15,152	45,484	121,272
Borrowings	10,702	7,474	3,228	-	-
Total contractual obligations	272,738	78,436	19,940	48,750	125,612

Note:

- 1 On December 31, 2024, MVC had an agreement for the supply of MVC's annual power requirements from 2021 to 2037. The agreement established minimum charges based on peak hour power supply calculations, estimated to range from \$1.0 to \$1.3 million monthly.

## TRANSACTIONS WITH RELATED PARTIES

### a) Derivative liability

Amerigo holds its interest in MVC through Amerigo International Holdings Corp. ("Amerigo International"), wholly owned by Amerigo except for certain outstanding Class A shares, which are owned indirectly by Amerigo's founders (including Amerigo's current Executive Chairman). The Class A shares were issued in 2003 as part of a tax-efficient structure for payments granted as consideration to the founders transferring their option to purchase MVC to Amerigo.

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 that must 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 monthly payments described above and changes in the derivative's fair value.

In 2024, the derivative liability increased by \$0.8 million (2023: decreased by \$0.2 million), with \$1.0 million paid or accrued to the Class A shareholders (2023: \$1.0 million) and a change in derivative fair value charge of \$1.8 million (2023: \$0.8 million).

On December 31, 2024, the derivative liability totalled \$7.7 million (2023: \$7.0 million), with a current portion of \$1.1 million (2023: \$1.0 million) and a long-term portion of \$6.7 million (2023: \$6.0 million).

Payments outstanding on December 31, 2024, were \$0.1 million (2023: \$0.1 million).

b) Directors' fees and remuneration to officers

In 2024, the Company paid or accrued \$1.8 million in salaries, fees, and performance bonuses to companies associated with certain officers (2023: \$1.4 million). In the same period, Amerigo paid or accrued \$0.3 million in directors' fees (2023: \$0.3 million). These transactions were in the ordinary course of business and measured at market rates determined on a cost-recovery basis.

In 2024, 2,130,000 options were granted to certain directors and officers of the Company (2023: 1,700,000 options). Share-based payments associated with the vesting of options during the year ended December 31, 2024, were \$0.6 million (2023: \$0.7 million).

## OTHER MD&A REQUIREMENTS

### Critical Accounting Estimates and Judgements

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

In preparing the consolidated financial statements, Amerigo makes judgments in applying the Company's accounting policies and makes estimates and assumptions concerning future events, which may vary from actual results.

Estimates and assumptions that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

a) Useful Lives of Long-Lived Assets

MVC estimates the economic life of most property, plant and equipment based on their useful life, not to exceed the term of MVC's contractual relationship with DET (December 31, 2037). This estimate of useful life used by management in arriving at the recoverable amount is subject to risk and uncertainty, and as such, there is the possibility that changes in circumstances may alter these projections and impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired or the impairment charge reduced, with the impact recorded in profit or loss.

b) Related Party Derivative Liability

The Company has an obligation to make payments to a related party based on a fixed payment for each pound of copper equivalent produced from DET tailings by MVC. This constitutes a derivative financial instrument measured at fair value. As required under IFRS Accounting Standards, the Company reassesses its estimate for the derivative on each reporting date.

Critical judgments that the Company's management has made in the process of applying the Company's accounting policies with the most significant effect on the amounts recognized in the Company's consolidated financial statements are as follows:

a) Impairment of Property, Plant and Equipment

Management evaluates each asset or cash-generating unit at each reporting date to determine any impairment indications. Management applies significant judgment in assessing whether indicators of impairment exist that would necessitate impairment testing. Internal and external factors, such as (i) a significant decline in the market value of the Company's share price; (ii) changes in forecasted copper and molybdenum prices; (iii) changes in projected capital and operating costs; (iv) changes in the grade of resources recovered from tailings, and (v) changes in relevant foreign exchange rates, are evaluated by management in determining whether there are any indicators of impairment. If any

such indicator exists, an estimate of the recoverable amount is performed, and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

These estimates and assumptions are subject to risk and uncertainty. As such, there is the possibility that changes in circumstances may alter these projections and impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired or the impairment charge reduced, with the impact recorded in profit or loss.

## **Disclosure Controls and Procedures**

Amerigo designs disclosure controls and procedures to provide reasonable assurance that all relevant information is communicated to senior management and to allow timely decisions regarding required disclosure.

Amerigo has a formal corporate disclosure policy and a Disclosure Policy Committee (the “DPC”). Amerigo’s directors, including Aurora Davidson (President and CEO), are members of the DPC.

Management has reasonable confidence that the Company’s material information is made known to them in a timely manner and that Amerigo’s disclosure controls and procedures are effective on an ongoing basis.

## **Internal Controls over Financial Reporting (“ICFR”)**

ICFR is a process designed to provide reasonable assurance on the reliability of financial reporting and the preparation of financial statements for external purposes under IFRS Accounting Standards.

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 the preparation of financial statements under IFRS Accounting Standards;
- 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 the preparation and presentation of financial statements.

No changes in the year materially affected, or are reasonably likely to affect, Amerigo’s ICFR.

## **Certificate of Disclosure in Issuer’s Annual and Interim Filings**

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer’s Annual and Interim Filings) (“NI 52-109”), the Chief Executive Officer and Chief Financial Officer of the Company file a Certification of Annual Filings concerning the financial information contained in the consolidated financial statements for the year ended December 31, 2024, and this accompanying MD&A (together, the “Annual Filings”). A Certification of Interim Filings is also filed quarterly along with the Company’s quarterly financial statements and MD&A (the “Interim Filings”).

Under the Full Certificate on forms NI 52-109F1 and NI 52-109F2, the CEO and the CFO designed, established, and maintained the disclosure controls and procedures and internal control over financial

reporting during the year ended December 31, 2024. Using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control – Integrated Framework (COSO 2013), they concluded that the Company's internal control over financial reporting is effective.

For further information, the reader should refer to the Certificates of Annual and Interim Filings filed by the Company with its filings on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## Commitments

- On December 31, 2024, MVC had a long-term agreement for the supply of 100% of MVC's power requirements to December 31, 2037. The agreement established minimum stand-by charges based on peak hour power supply calculations, estimated to range from \$1.0 to \$1.3 million monthly.
- 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. The DET Agreement also provides that MVC will transfer its property, plant, and equipment to DET on December 31, 2037 at no cost and free and clear of all encumbrances, unless DET decides not to take ownership of the property, plant, and equipment and provides MVC with 3-year notice to this effect.

## Subsequent events

On February 24, 2025, Amerigo's Board of Directors declared a quarterly dividend of Cdn\$0.03 per share, payable on March 20, 2025 to shareholders of record as of March 6, 2025. Amerigo designates the entire amount of this taxable dividend to be an "eligible dividend" for purposes of the *Income Tax Act* (Canada), as amended from time to time.

In January 2025, \$3.5 million of restricted cash held as part of the Term Loan was released as scheduled in the loan agreement.

## Securities Outstanding

On February 24, 2025, Amerigo had 164,684,688 common shares outstanding and 9,008,335 options outstanding (exercisable at prices ranging from Cdn\$0.40 to Cdn\$1.77 per share).

Additional information, including the Company's most recent Annual Information Form, is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## Environmental, Social and Governance ("ESG") Objectives

Amerigo is committed to adding shareholder value through operational excellence and sustainability at the MVC operation. The environmental impact of operations and the health and safety of the Company's employees and surrounding communities remain a Company's top priority. Some of our ESG objectives include:

- operating in a socially responsible manner and with sound environmental management practices;
- engaging in environmentally responsible activities to protect the community, natural resources and cultural heritage at and around the MVC operation;
- building and maintaining respectful relationships with people in the community, employees and other stakeholders;
- developing health and safety policies for employees contribute to the prevention of injuries and illness and
- ensuring that the Safety, Occupational Health, Environmental and Social Responsibility Policy is followed to guide its activities and ensure compliance with applicable Chilean regulations.



## Cautionary Statement on Forward-Looking Information

This MD&A contains certain forward-looking information and statements defined in applicable securities laws (collectively called "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 are intended to identify forward-looking statements. These forward-looking statements include, but are not limited to, statements concerning:

- forecasted production, operating costs and Capex expenditures for 2025;
- our strategies and objectives;
- our estimates of the availability and quantity of tailings and the quality of our mine plan estimates;
- prices and price volatility for copper, molybdenum and other commodities and materials we use in our operations;
- our estimate as to projected EBITDA for 2025;
- our estimate as to the amount of the royalty to be payable to DET in 2025;
- 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 financial condition and our expected ability to redeploy other tools of our Strategy;
- our expectation to be debt-free as of the end of 2025;
- the expected negotiation and payment of signing bonuses to MVC's operators;
- interest and other expenses;
- domestic and foreign laws affecting our operations;
- our tax position and the tax rates applicable to us;
- our ability to comply with our loan covenants;
- the production capacity of our operations, our planned production levels and future production;
- potential impact of production and transportation disruptions;
- hazards inherent in the mining industry causing personal injury or loss of life, severe damage to or destruction of property and equipment, pollution or environmental damage, claims by third parties and suspension of operations
- estimates of asset retirement obligations and other costs related to environmental protection;
- our future capital and production costs, including the costs and potential impact of complying with existing and proposed environmental laws and regulations in the operation and closure of our operations;
- repudiation, nullification, modification or renegotiation of contracts;
- our financial and operating objectives;
- our environmental, health and safety initiatives;
- the outcome of legal proceedings and other disputes in which we may be involved;
- the outcome of negotiations concerning metal sales, treatment charges and royalties;
- disruptions to the Company's information technology systems, including those related to cybersecurity;
- our dividend policy; and
- general business and economic conditions, including, but not limited to, our assessment of strong market fundamentals supporting copper prices.

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 operation, 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 (including, but not limited, to heavy rains), 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; 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 DET current production and historic tailings from tailings deposit; the availability of and ability of the Company to obtain adequate funding on reasonable terms for expansions and acquisitions; mine plan estimates; risks posed by fluctuations in exchange rates and interest rates, as well as general economic conditions; risks associated with environmental compliance and changes in environmental legislation and regulation; risks associated with our dependence on third parties for the provision of critical services; risks associated with non-performance by contractual counterparties; risks associated with supply chain disruptions; title risks; social and political risks associated with operations in foreign countries; risks of changes in laws affecting our operations or their interpretation, including foreign exchange controls; and risks associated with tax reassessments and legal proceedings. Many of these risks and uncertainties apply to the Company and its operations, as well as DET and its operations. DET's ongoing mining operations provide a significant portion of the materials the Company processes and its resulting metals production. Therefore, these risks and uncertainties may also affect the Company's operations and have a material effect.

Actual results and developments are likely to differ and may differ materially from those expressed or implied by the forward-looking statements contained in this news release. Such statements are based on several assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- interest 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, molybdenum 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 historic tailings deposit;
- the timing of the receipt of and retention of permits and other regulatory and governmental approvals;
- our costs of production and our production and productivity levels, as well as those of our competitors;
- changes in credit market conditions and conditions in financial markets generally;
- our ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the availability of qualified employees and contractors for our operations;
- our ability to attract and retain skilled staff;
- the satisfactory negotiation of collective agreements with unionized employees;
- the impact of changes in foreign exchange rates and capital repatriation on our costs and results;
- engineering and construction timetables and capital costs for our expansion projects;
- costs of closure of various operations;
- market competition;
- 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 continuing to trend towards normal levels;
- average recoveries for fresh and historic 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 we do business with.

Future production levels and cost estimates assume no adverse mining or other events affecting budgeted production levels.

Climate change is a global issue that could pose challenges that could affect the Company's future operations. This could include more frequent and intense droughts followed by intense rainfall. In the last several years, Central Chile has had drought conditions and also rain episodes of significant magnitude. The Company's operations are sensitive to water availability and the reserves required to process projected historic tailings 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.

The preceding list of important factors and assumptions is not exhaustive. Other events or circumstances could cause our results to differ materially from those estimated, projected, and expressed in or implied by our forward-looking statements. You should also consider the matters discussed under Risk Factors in the Company's Annual Information Form. The forward-looking statements contained herein speak only as of the date of this news release.

Future-oriented financial information "FOFI" or financial outlooks included in this news release are based on the assumptions contained in the Company's 2025 Budget, which was prepared consistently with the Company's accounting policies. FOFI has been included in this news release to provide context to the Company's 2025 guidance and may not be appropriate for other purposes.