Amerigo Resources Ltd.

Condensed Consolidated Interim Financial Statements
Three months ended March 31, 2015 and 2014
Unaudited – Prepared by Management

(Expressed in thousands of United States dollars)

Amerigo Resources Ltd.

Condensed Consolidated Interim Statements of Financial Position - Unaudited

(expressed in thousands of U.S. dollars)

	Notes	March 31, 2015 $	December 31, 2014 $
Assets			
Current assets			
Cash and cash equivalents	14 (c)	14,177	18,308
Trade and other receivables		14,747	10,917
Prepaid expenses	7 (a), 8	2,569	614
Inventories	4	8,683	8,706
Deferred income tax asset		42	37
		40,218	38,582
Non-current assets			
Investments	5	1,592	2,011
Property, plant and equipment	3, 6	142,567	133,359
Intangible assets		5,166	5,222
Other non-current assets		972	981
Total assets		190,515	180,155
Liabilities			
Current liabilities			
Trade and other payables		18,288	17,882
El Teniente royalties payable	2	4,310	16,920
Current portion of borrowings	7	974	-
Current income tax liabilities		327	112
Royalties to related parties	3, 9	993	863
		24,892	35,777
Non-current liabilities			
Severance provisions	3	1,350	1,341
Borrowings	7	22,620	-
Interest rate swap	8	955	-
Royalties to related parties	3, 9	11,043	10,096
Deferred income tax liability		22,041	21,391
Other non-current liabilities		55	57
Total liabilities		82,956	68,662
Equity	10		
Share Capital		78,057	78,057
Other reserves		7,141	7,088
Retained earnings		24,710	28,773
Accumulated other comprehensive loss		(2,349)	(2,425)
Total equity		107,559	111,493
Total equity and liabilities		190,515	180,155
Commitments	16		

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

Approved by the Board of Directors

"Robert Gayton" — Director

"George Ireland" — Director

Amerigo Resources Ltd.

Condensed Consolidated Interim Statements of Comprehensive Loss - Unaudited

(expressed in thousands of U.S. dollars)

	Notes	Three months ended March 31, 2015	2014
		$	$
Revenue	12	17,656	32,370
Tolling and production costs	13 (a)	18,970	31,706
Gross (loss) profit		(1,314)	664
Other expenses			
General and administration	13 (b)	2,152	1,002
Other expenses (gains)	13 (c)	465	(277)
		2,617	725
Operating loss		(3,931)	(61)
Finance expense	13 (d)	430	149
		430	149
Loss before tax		(4,361)	(210)
Income tax (recovery) expense		(298)	179
Net loss		(4,063)	(389)
Other comprehensive income (loss), net of tax			
Items that may be reclassified subsequently to net income (loss)			
Cumulative translation adjustment		466	168
Unrealized losses on investments	5	(377)	(111)
Severance provision		(13)	(179)
Other comprehensive income (loss), net of tax		76	(122)
Comprehensive loss		(3,987)	(511)
Weighted average number of shares outstanding, basic		173,610,629	172,432,038
Weighted average number of shares outstanding, diluted		173,610,629	172,432,038
Loss per share			
Basic		(0.02)	-
Diluted		(0.02)	-

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

Amerigo Resources Ltd.

Condensed Consolidated Interim Statements of Cash Flows - Unaudited

(expressed in thousands of U.S. dollars)

	Three months ended March 31,	
	2015	**2014**
	$	**$**
Cash flows from operating activities		
Net loss	(4,063)	(389)
Adjustment for items not affecting cash:		
Depreciation and amortization	1,681	4,738
Changes in fair value of royalties to related parties	1,096	(106)
Impairment charges	849	-
Accretion	-	94
Unrealized foreign exchange expense	924	273
Deferred income tax expense (recovery)	644	(114)
Share-based payments	53	-
Other	2	7
	1,186	4,503
Changes in non-cash working capital		
Trade, other receivables and advances	(3,415)	(1,642)
Inventories	(809)	941
Trade and other payables	(1,469)	(1,697)
El Teniente royalty payables	(12,610)	(3,807)
Net cash from operating activities	(17,117)	(1,702)
Cash flows from investing activities		
Purchase of plant and equipment	(8,713)	(3,402)
Net cash from investing activities	(8,713)	(3,402)
Cash flows from financing activities		
Proceeds from borrowings, net of transaction costs	22,113	-
Exercise of share purchase options	-	98
Net cash from financing activities	22,113	98
Net decrease in cash and cash equivalents	(3,717)	(5,006)
Effect of exchange rate changes on cash	(414)	-
Cash and cash equivalents – Beginning of period	18,308	13,148
Cash and cash equivalents - End of period	14,177	8,142

Supplementary cash flow information (Note 14)

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

Amerigo Resources Ltd.

Condensed Consolidated Interim Statements of Changes in Equity - Unaudited

(expressed in thousands of U.S. dollars)

	Share capital					
	Number of shares	Amount	Other reserves	Accumulated other comprehensive (loss) income	Retained earnings	Total equity
		$	$	$	$	$
Balance January 1, 2014	172,290,344	77,514	6,577	(1,827)	39,475	121,739
Exercise of share purchase options	350,000	131	(33)	-	-	98
Provision for compensation to be settled with shares	-	-	202	-	-	202
Cumulative translation adjustment	-	-	-	168	-	168
Unrealized losses on investments	-	-	-	(111)	-	(111)
Severance provision	-	-	-	(179)	-	(179)
Net loss	-	-	-	-	(389)	(389)
Balance March 31, 2014	172,640,344	77,645	6,746	(1,949)	39,086	121,528
Share-based payments	-	-	597	-	-	597
Exercise of share purchase options	550,000	210	(53)	-	-	157
Compensation settled with shares	462,500	202	(202)	-	-	-
Cancellation of shares held in escrow	(42,215)	-	-	-	-	-
Cumulative translation adjustment	-	-	-	231	-	231
Unrealized losses on investments	-	-	-	(806)	-	(806)
Severance provision	-	-	-	99	-	99
Net loss	-	-	-	-	(10,313)	(10,313)
Balance December 31, 2014	173,610,629	78,057	7,088	(2,425)	28,773	111,493
Balance January 1, 2015	173,610,629	78,057	7,088	(2,425)	28,773	111,493
Share-based payments	-	-	53	-	-	53
Cumulative translation adjustment	-	-	-	466	-	466
Unrealized losses on investments	-	-	-	(377)	-	(377)
Severance provision	-	-	-	(13)	-	(13)
Net loss	-	-	-	-	(4,063)	(4,063)
Balance March 31, 2015	173,610,629	78,057	7,141	(2,349)	24,710	107,559

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

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

1) REPORTING ENTITY AND BASIS OF PRESENTATION

a) Reporting entity

Amerigo Resources Ltd. ("Amerigo" or the "Company") is a company domiciled in Canada and its shares are listed for trading on the Toronto Stock Exchange ("TSX") and the OTCQX stock exchange in the United States. These condensed consolidated financial statements ("interim financial statements") of the Company as at and for the three months ended March 31, 2015 ("Q1-2015") include the accounts of the Company and its subsidiaries (collectively the "Group").

The Group is principally engaged in the production of copper and molybdenum concentrates through its operating subsidiary Minera Valle Central S.A. ("MVC"), pursuant to a long-term contractual relationship with the El Teniente Division ("DET") of Corporación Nacional del Cobre de Chile ("Codelco") (Note 2).

b) Statement of compliance

These interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These interim financial statements do not include all the information required for a complete set of IFRS statements. However, selected notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual consolidated financial statements as at and for the year ended December 31, 2014.

These interim financial statements were authorised for issue by the board of directors of the Company on May 4, 2015.

c) Significant accounting policies

These interim financial statements follow the same accounting policies and methods of application as the Company's most recent annual financial statements. Accordingly, the interim financial statements should be read in conjunction with the Company's most recent annual financial statements.

d) New IFRS pronouncements

Effective January 1, 2015, the Company adopted the new and revised IASB standards and interpretations listed below. These changes were made in accordance with the transitional provisions outlined in the respective standards and interpretations.

Annual Improvements 2010-2012 Cycle. In the 2010-2012 annual improvements cycle, the IASB issued amendments to four standards, including IFRS 8 - Operating segments and IAS 24 - Related party transactions. The amendments to IAS 24 (i) revise the definition of "related party" to include an entity that provides key management personnel services to the reporting entity or its parent, and (ii) clarify related disclosure requirements. The amendments to IFRS 8 require (i) disclosure of judgements made by management in aggregating segments, and (ii) a reconciliation of segment assets to the entity's assets when segment assets are reported. The amendments are effective for years beginning on or after July 1, 2014. These amendments did not have an impact on the Company's financial statements.

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

Annual Improvements 2011-2013 Cycle. In the 2011-2013 annual improvements cycle, the IASB issued amendments to three standards: IFRS 3- Business combinations, IFRS 13 - Fair value measurements and IAS 40 - Investment property. The amendments are effective for years beginning on or after July 1, 2014. These amendments did not have an impact on the Company's financial statements.

Other standards, amendments and interpretations effective January 1, 2015 are not material to the Company.

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after January 1, 2015 and have not been applied in preparing these interim financial statements. None of these is expected to have a significant effect on the Company's financial statements, except as set out below:

IFRS 9 – Financial Instruments - classification and measurement: Addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through P&L. The standard introduces a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The standard is effective for accounting periods beginning on or after January 1, 2018. Early adoption is permitted. The Company has yet to assess IFRS 9's impact on its financial statements.

IFRS 15, Revenue from Contracts with Customers ("IFRS 15"): Deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18, Revenue, and IAS 11, Construction Contracts, and related interpretations. The standard is effective for annual periods beginning on or after January 1, 2017 and earlier application is permitted. Management is assessing the impact of IFRS 15.

There are no other IFRS or IFRIC interpretations with future effective dates that are expected to have a material impact on the Company.

2) AGREEMENTS WITH CODELCO'S EL TENIENTE DIVISION

In 1991, MVC entered into a contractual relationship with DET to process the fresh tailings from El Teniente, the world's largest underground copper mine, for a term that through several contract modifications was extended to 2021 (collectively, the "Fresh Tailings Contract"). In 2009, MVC and DET entered into an agreement to process the tailings from Colihues, one of El Teniente's historical tailings deposits (the "Colihues Contract").

On April 8, 2014 MVC and DET entered into a contract (the "Master Agreement") granting to MVC the rights to process tailings from an additional historical tailings deposit, Cauquenes, for a term to the earlier of its depletion or 2033, extending MVC's rights to process tailings from 2021 to 2037 and amending each of the Fresh Tailings Contract and the Colihues Contract.

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

As consideration for the rights to process fresh and historical tailings from DET, MVC has committed to pay to DET royalties based on MVC's copper and molybdenum concentrates production. Royalty payments for copper concentrates production are calculated using the London Metal Exchange ("LME") price for copper for the month of delivery of the tailings. Adjustments to the DET royalties are recorded on a monthly basis for changes in copper concentrate deliveries during the settlement period. DET royalties were recorded as a component of tolling and production costs until December 31, 2014.

Major terms of the Master Agreement include the following:

- Extension of the Fresh Tailings Contract from 2021 to 2037;
- Extension of the Colihues Contract to the earlier of its depletion or 2037;
- A sliding scale royalty to DET for copper produced from Cauquenes tailings for LME prices ranging from $1.95/lb (16% royalty) to $5.50/lb (39% royalty);
- Changes in the royalty payable to DET for copper produced from fresh tailings, including a change in the royalty calculation to a sliding scale for a range of LME prices from $1.95/lb (13.5% royalty) to $4.80/lb (28.4% royalty), elimination of exchange rate provisions that increased royalty costs, and an increase in the threshold below which no royalty is payable from $0.80/lb to $1.95/lb, the same minimum level as that for the Cauquenes royalty. The change in fresh tailings royalty is effective the earlier of August 1, 2015 or the date of the start of operations for the exploitation of the Cauquenes deposit;
- A global molybdenum royalty that will also be sliding scale for molybdenum prices between $7.31/lb (9% royalty) and $40/lb (19.7% royalty), effective at the earlier of August 1, 2015 or the date of the start of operations for the exploitation of tailings from the Cauquenes deposit. Until then, MVC will continue to pay a royalty of 10% of MVC's net revenue received from the sale of molybdenum concentrates produced from fresh tailings and 11.9% on net molybdenum revenue from Colihues tailings;
- Provisions requiring the parties to meet and review cost and royalty structures for copper production from fresh and Cauquenes tailings and for all molybdenum production in the event monthly average prices fall below $1.95/lb for copper or $7.31/lb for molybdenum, or exceed the upper royalty limits for copper ($4.80/lb for fresh tailings and $5.50/lb for Cauquenes tailings) and $40/lb for molybdenum during 2 consecutive months, and projections indicate the permanence of such prices over time;
- Three early exit options exercisable by DET only in the event of changes unforeseen as of the date of the Master Agreement. The Company has currently judged the probabilities of DET exercising any of these early exit options as remote. A summary of the early exit options is provided in the following table:

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

Exit Option	Notice Date	Termination Date	Terms of Exit	Consideration to MVC
1	Within 2021	1 year from notice date	DET would acquire 100% of MVC's property, plant and equipment ("PPE")	90% of NPV of future cash flows
2	Within 2024	3 years from notice date	Termination of contractual relationship between DET and MVC	MVC retains ownership of its assets provided they are removed from site within one year of the termination.
3	Within 2024 and every 3 years thereafter	1 year from notice date	DET would acquire 100% of MVC's PPE	The lesser of 80% of the NPV of future cash flows and the commercial value

The formula for the computation of royalties payable to DET from copper produced from Colihues tailings remains unchanged under the Master Agreement. MVC is required to pay a sliding scale royalty which is 3% for an LME price below $0.80/lb and increases to approximately 30% at an LME price of $4.27/lb. The parties are also required to review and potentially adjust costs and royalty structure for copper production from Colihues tailings where the LME price remains below $1.95/lb or over $4.27/lb for three consecutive months.

Cost and royalty adjustments for all copper and molybdenum production where prices are outside of royalty limits are to be made such that the Parties give priority to the viability of the Master Agreement and maintain the equilibrium of the benefits between the Parties.

On August 29, 2014, DET and MVC entered into a first modification to the Master Agreement, which provided for the deferral of up to $9.1 million in royalty payments for the months of August to December, 2014, in order for MVC to expedite certain works associated with the Cauquenes expansion. The deferred amounts were subject to interest at a rate of 0.6% per month. A total of $8.1 million was deferred during 2014, and all deferred amounts and applicable interest owing to DET were paid in full in Q1-2015.

On February 3, 2015, MVC and DET entered into a second modification to the Master Agreement dated December 31, 2014 which provides for the following:

i) The delivery to DET of all copper concentrates produced by MVC during the period from January 1, 2015 to December 31, 2022 pursuant to a "maquila" or tolling arrangement, subject to terms and conditions similar to those contained in the concentrate sales agreement MVC had with Chile's Empresa Nacional de Minería ("Enami") to December 31, 2014.

ii) A copper price support agreement provided by DET to assist MVC with the Cauquenes expansion in an amount of up to $17.0 million (the "DET Facility"). MVC will draw down $1.0 million from the DET Facility for each month during the years 2015 and 2016 in which the average final settlement copper price to MVC is less than $2.80/lb Cu, up to the $17.0 million maximum. The DET Facility bears interest at a rate of 0.6% per month and is subordinate to MVC's bank financing (Note 7).

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

As at March 31, 2015, no amounts had been drawn on the DET Facility as the first final settlement price under the current M+3 pricing terms with DET is the April 2015 LME average price, applicable to copper concentrates delivered during January 2015.

In accordance with the terms of the second modification to the Master Agreement, effective January 1, 2015, MVC's revenue for the delivery of copper concentrates to DET is recognized as a tolling fee and is reported as a component of revenue, net of royalties to DET and transportation costs (Note 12).

As at March 31, 2015, royalties payable to DET, were $4.3 million (December 31, 2014: $16.9 million), representing approximately three months of royalties (2014: eight months of royalties).

3) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

In preparing these consolidated financial statements, the Company makes judgements, estimates and assumptions concerning the future which will seldom equal actual results. Judgements, 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 addressed below.

The significant estimates and judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were substantially the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2014.

a) Useful Life of Assets

MVC estimates the economic life of most of PPE based on their useful life, not to exceed the term of MVC's contractual relationship with DET (December 31, 2037).

b) Royalty Derivative to Related Parties

The Group has an obligation to pay royalties to certain related parties, based on a fixed payment for each pound of copper equivalent produced from El Teniente tailings by MVC (Note 9). The royalty is a derivative financial instrument measured at fair value, and the Company is required under IFRS to reassess its estimate for the royalty derivative at each reporting date based on revised production estimates.

c) Impairment of Property, Plant and Equipment

In accordance with the Company's accounting policy, each asset or cash generating unit is evaluated at each reporting date to determine whether there are any indications of impairment. If any such indication exists, a formal estimate of recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset or cash generating group of assets is measured at the higher of fair value less costs to sell and value in use.

The determination of fair value less cost to sell and value in use requires management to make estimates and assumptions about expected production and sales volumes, metals prices, mine plan estimates, operating costs,

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

mine closure and restoration costs, future capital expenditures and appropriate discount rates for future cash flows. The estimates and assumptions are 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 the statement of income.

As at March 31, 2015, management of the Company determined that the continued depressed market price for the Company's shares, resulting in market capitalization for the Company below its net asset value, constituted an impairment indicator, and completed an impairment assessment for MVC that included a determination of fair value less costs to sell.

Key assumptions incorporated in the impairment model included the following:

- Copper prices ($/lb): 2015: $2.91; 2016: $2.76; 2017: $2.65; 2018: $2.70; 2019: $2.80; 2020: $3.10; 2021 to 2037: $3.50
- Power costs (excluding benefit from self-generation): From 2015 to 2024 costs are per contractual estimates (2015: $0.10186/kWh, 2016: $0.10407/kWh, 2017: $0.10916/kWh, 2018: $0.12554/kWh; 2019: $0.12138/kWh; 2020: $0.11965/kWh; 2021: $0.11999/kWh: 2022: 0.12059/kWh; 2023: $0.12142/kWh; 2024 $0.12209/kWh). From 2025 to 2037: estimated at $0.1300/kWh
- Operating costs based on historical costs incurred and estimated forecasts
- Production volume and recoveries as indicated in MVC's mining plan from 2015 to 2037, including processing of fresh tailings and old tailings from the Colihues and Cauquenes deposits
- Discount rate: 9% after tax

Management's impairment evaluation did not result in the identification of an impairment loss as of March 31, 2015. Although management believes the estimates applied in this impairment assessment are reasonable, such estimates are subject to significant uncertainties and judgements. Sensitivities to changes in estimated metal prices, operating costs, particularly estimated power costs beyond MVC's current power contracts, operating results from the Cauquenes deposit that differ from current projections, and increases to estimated expansion capital costs might trigger an impairment that could be material.

d) Power Cost Assumptions

Certain components of MVC's power costs require complex calculations involving data from the Chilean National Energy Commission, the central power grid operating network and MVC's power supplier. MVC relies on the advice of external power consultants to estimate these costs, in particular in the case of newly introduced charges without historical precedent. Final costs may vary from estimated costs and any such variances are included in earnings in the period in which final costs are determined.

e) Interest rate swap

MVC has entered into an interest rate swap (Note 8) to fix the interest rate on 75% of the facility undertaken to finance the Cauquenes expansion. Estimates are made by management to determine the fair value of the interest rate swap at inception and at each reporting date.

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

4) INVENTORIES

	March 31, 2015 $	December 31, 2014 $
Plant supplies and consumables	5,286	5,395
Work in progress and concentrate inventories	3,397	3,311
	8,683	8,706

At March 31, 2015, work in progress and concentrate inventories were valued at net realizable value ("NRV") as NRV was lower than cost. MVC recorded a charge of $603,000 in tolling and production costs as a result of the NRV adjustment. MVC then wrote-off the molybdenum in-circuit inventory which was not saleable, with a resulting additional charge of $204,000 in tolling and production costs. The write-off followed MVC's decision to suspend the production of molybdenum concentrates in response to prevailing low market prices.

At December 31, 2014, copper and molybdenum inventories were valued at cost. During the year ended December 31, 2014, the Group recorded a charge of $319,000 in tolling and production costs as a result of an impairment of specific plant supplies and consumables.

5) INVESTMENTS

	March 31, 2015 $	December 31, 2014 $
Start of period	2,011	3,207
Changes in fair value	(377)	(917)
Impairment of investment	(42)	(279)
End of period	1,592	2,011

Available-for-sale financial assets include the following:

	March 31, 2015 $	December 31, 2014 $
Candente Copper Corp.	452	494
Los Andes Copper Ltd.	1,140	1,517
	1,592	2,011

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

a) At March 31, 2015, Candente Copper Corp. ("Candente Copper"), a company listed on the TSX, had a closing share price of Cdn$0.09 and the fair value of the Group's approximately 5% investment in Candente Copper was $452,000. During Q1- 2015, the Group recorded an impairment charge of $42,000 (three months ended March 31, 2014 ("Q1-2014"): other comprehensive loss of $613,000) for the decline in fair value of this investment.

b) At March 31, 2015, Los Andes Copper Ltd. ("Los Andes"), a company listed on the TSX Venture Exchange, had a closing share price of Cdn$0.18, and the fair value of the Group's approximately 4% investment in Los Andes was $1.1 million. During Q1-2015, the Group recorded other comprehensive loss of $377,000 (Q1-2014: other comprehensive income of $502,000) for the changes in the fair value of this investment.

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

6) PROPERTY, PLANT AND EQUIPMENT

	Plant and infrastructure $	Machinery and Equipment and other assets $	Total $
Year ended December 31, 2014			
Opening net book amount	92,918	23,683	116,601
Exchange differences	-	(19)	(19)
Elimination of asset retirement obligation	(2,213)	-	(2,213)
Recognition of asset retirement obligation credit to PPE	(5,233)	-	(5,233)
Transfer from exploration and evaluation assets	22,584	-	22,584
Disposals	-	(143)	(143)
Additions	11,406	759	12,165
Depreciation charge	(7,576)	(2,807)	(10,383)
Closing net book amount	111,886	21,473	133,359
At December 31, 2014			
Cost	194,158	51,142	245,300
Accumulated depreciation	(82,272)	(29,669)	(111,941)
Net book amount	111,886	21,473	133,359
Three months ended March 31, 2015			
Opening net book amount	111,886	21,473	133,359
Exchange differences	-	(16)	(16)
Additions	10,797	53	10,850
Depreciation charge	(1,179)	(447)	(1,626)
Closing net book amount	121,504	21,063	142,567
At March 31, 2015			
Cost	205,024	51,056	256,080
Accumulated depreciation	(83,522)	(29,991)	(113,513)
Net book amount	121,502	21,065	142,567

Total interest of $19,000 was capitalised in 2015 (2014: $122,000) and is included in property, plant and equipment at March 31, 2015.

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

7) BORROWINGS

	March 31, 2015 $	December 31, 2014 $
Cauquenes Expansion Loan (Note 7(a))	22,638	-
Cauquenes Expansion VAT Facility (Note 7(b))	759	-
Colihues Energia Working Capital Loan (Note 7(c))	197	-
	23,594	-
Less short-term debt and current portion of long-term debt	974	-
	22,620	-

a) On March 25, 2015, MVC closed a bank syndicate financing with Mandated Lead Arrangers Banco Bilbao Vizcaya Argentaria ("BBVA") and Export Development Canada ("EDC") for a loan facility (the "Cauquenes Expansion Loan") of up to $64.4 million to be used in the expansion of MVC's operations for the processing of tailings from the Cauquenes deposit. Terms of the loan include interest at a fixed rate of 6.11% per annum during construction and 5.86% per annum thereafter for 75% of the facility, both fixed through the use of an interest rate swap (Note 8). The remaining 25% of the facility is subject to a variable rate based on the US Libor 6 month rate, which at March 31, 2015 was 4.15% per annum (and would be 3.90% per annum during operation). The Cauquenes Expansion Loan has a maximum repayment term of 5 years commencing in 2016 that may be shortened without penalty in accordance with the provisions of the finance agreement.

   Initial funding of $23.6 million was received in Q1-2015. MVC incurred due diligence, bank fees and legal costs of $2.4 million, of which $894,000 were recognized as transaction costs in Q1-2015, based on the percentage of funds drawn in the quarter. The remaining $1.5 million were recognized as prepaid finance expenses at March 31, 2015, and will be transferred to transaction costs in the same proportion as funds are drawn from the facility. Transaction costs will be amortized over the term of the loan using the effective interest rate method. MVC has provided security for the Cauquenes Expansion Loan in the form of a charge on all of MVC's assets, and MVC is subject to certain bank covenants to be measured semi-annually starting on December 31, 2015. Interest on the loan will be fully capitalized during construction and commissioning. The balance of the loan (net of transaction costs) and accrued interest at March 31, 2015 was $22.6 million (December 31, 2014: $nil).

b) Also on March 25, 2015, MVC entered into a CLP 5,700 million (approximately $9 million) loan facility with BBVA to finance the "IVA" (value added tax) expected to be incurred by MVC in connection with the Cauquenes expansion (the "VAT Facility"). The VAT Facility is due on or before June 30, 2016 and is subject to interest at a variable rate of the Chilean Association of Banks and Financial Institutions Tasa Bancaria ("TAB") plus 1.75%., which at March 31, 2015 was 5.47% per annum. Interest on the VAT Facility will be fully capitalized during construction and commissioning. The balance of the loan and accrued interest at March 31, 2015 was $759,000 (December 31, 2014: $nil).

c) On March 24, 2015, Colihues Energía obtained from a Chilean bank a working capital loan of CLP 123 million (the equivalent of $197,000 at the loan grant date) at an interest rate of 4.44% per annum. This loan has a term

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

to June 19, 2015. No security was provided in connection with the loan. The balance of the loan and accrued interest at March 31, 2015 was $197,000 (December 31, 2014: $nil).

d) The Group has secured $30.0 million in additional credit facilities for the expansion, including a $17.0 million expansion support agreement with DET (Note 2), and a $13.0 million standby line of credit from three Amerigo shareholders that may be drawn down at Amerigo's option if required. No security was provided in connection with these facilities and no funds had been drawn down from these facilities as of March 31, 2015.

e) In July 2011 MVC entered into an agreement with a Chilean bank to secure a revolving working capital line of credit for up to $20 million or its equivalent in CLP (the "Line of Credit"). The Line of Credit had a term to July 4, 2014. No funds were drawn down on the Line of Credit.

8) INTEREST RATE SWAP

Concurrently with the Cauquenes Expansion Loan (Note 7(a)), MVC entered into an interest rate swap ("IRS") with BBVA to fix 75% of the interest payable on that facility. MVC has recognized a fair value of $955,000 at inception for the IRS, which is a prepaid finance expense and will be treated as transaction costs as funds are drawn from the facility. At March 31, 2015, MVC had recognized $75,000 as transaction costs, and the balance of $880,000 was recognized as a prepaid finance expense. The fair value of the IRS at March 31, 2015 was $955,000 (December 31, 2014: $nil).

9) RELATED PARTY TRANSACTIONS

a) Royalty Derivative to Related Parties

Amerigo holds its interest in MVC through Amerigo International Holdings Corp. ("Amerigo International").

Amerigo International is wholly-owned by the Company except for certain outstanding Class A shares which are owned indirectly by the Company's Chairman and Chief Executive Officer, an associate of the Chairman and Chief Executive Officer, a former director of the Company and an associate of that former director. The Class A shares were issued as part of a tax-efficient structure for the payment of the royalty (the "Royalty") granted in exchange for the transfer to the Company of an option to purchase MVC.

In accordance with the articles of Amerigo International, the holders of the Class A shares are not entitled to any dividend or to other participation in the profits of Amerigo International, except for a total royalty dividend, if declared by the directors of Amerigo International, in an amount equal to the amount of the Royalty.

The Royalty is calculated as follows:

- $0.01 for each pound of copper equivalent produced from El Teniente tailings by MVC or any successor entity to MVC if the price of copper is under $0.80, or
- $0.015 for each pound of copper equivalent produced from El Teniente tailings by MVC or any successor entity to MVC if the price of copper is $0.80 or more.

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

The Royalty is a derivative financial instrument. This liability is measured at fair value, with changes in fair value recorded in profit for the period. The fair value of the liability at March 31, 2015 was $12.0 million (December 31, 2014: $11.0 million), with a current portion of $993,000 (December 31, 2014: $863,000) and a long-term portion of $11.0 million (December 31, 2014: $10.1 million).

The Royalty is paid as a royalty dividend on the Class A shares of Amerigo International. During Q1-2015, royalties totalling $128,000 were paid or accrued to the Amerigo International Class A shareholders (Q1-2014: $151,000). At March 31, 2015, $40,000 of this amount remained payable (December 31, 2014: $60,000).

The royalty derivative to related parties includes the royalty dividends described above and changes in fair value of the derivative. The fair value of the derivative increased by $1.1 million in Q1-2015 (Q1-2014: reduction in fair value of $106,000), for a total royalty derivative expense of $1.2 million (Q1-2014: $45,000).

b) Purchases of Goods and Services

The Company's related parties consist of companies owned by executive officers and directors, as follows:

Nature of Transactions	
Zeitler Holdings Corp.	Management
Michael J. Kuta Law Corporation	Management
Delphis Financial Strategies Inc.	Management

The Group incurred the following fees in connection with companies owned by executive officers and directors and in respect of salaries paid to an officer. Transactions have been measured at the exchange amount which is determined on a cost recovery basis.

	Three months ended March 31, 2015	**Three months ended March 31, 2014**
	$	**$**
Salaries and management fees	329	263

c) Key Management Compensation

The remuneration of directors and other members of key management during Q1-2015 and Q1-2014 were as follows:

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

	Three months ended March 31, 2015 $	**Three months ended March 31, 2014 $**
Management and directors' fees	411	363
Share-based payments	52	-
	463	363

Share-based payments are the fair value of options vested to key management personnel.

10) EQUITY

a) Share Capital

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

b) Share Options

A total of 1,850,000 options were granted in Q1-2015 (2014: 3,500,000 options), with a weighted average fair value estimated at Cdn$0.14 (2014: Cdn$0.28) per option at the grant date based on the Black-Scholes option-pricing model using the following assumptions:

	2015 $	**2014** $
Weighted average share price	0.37	0.44
Weighted average exercise price	0.37	0.44
Dividend yield	0%	0%
Risk free interest rate	0.65%	1.59%
Pre-vest forfeiture rate	0%	0%
Expected life (years)	4.12	4.73
Expected volatility	46.87%	49.20%

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

Outstanding share options:

	March 31, 2015		December 31, 2014	
	Share options	Weighted average exercise price Cdn$	Share options	Weighted average exercise price Cdn$
At start of the period	13,765,000	0.78	11,265,000	0.84
Exercised	-	-	(900,000)	0.31
Expired	(3,165,000)	0.70	(100,000)	0.68
Granted	1,850,000	0.37	3,500,000	0.44
At end of the period	12,450,000	0.73	13,765,000	0.78
Vested and exercisable	11,062,500	0.78	13,765,000	0.78

For the 900,000 share options exercised during the year ended December 31, 2014, the weighted average closing share price at the date of exercise was Cdn$0.46.

Information relating to share options outstanding at March 31, 2015 is as follows:

Outstanding share options	Vested share options	Price range Cdn$	Weighted average exercise price on outstanding options Cdn$	Weighted average exercise price on vested options Cdn$	Weighted Average remaining life of outstanding options (years)
1,850,000	462,500	0.37 - 0.40	0.37	0.37	4.99
3,500,000	3,500,000	0.41 - 0.48	0.44	0.44	4.11
3,900,000	3,900,000	0.49 - 0.95	0.73	0.73	1.98
600,000	600,000	0.96 - 1.22	1.12	1.12	1.11
2,600,000	2,600,000	1.23 - 1.32	1.32	1.32	0.92
12,450,000	11,062,500		0.73	0.78	2.77

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

Further information about share options is as follows:

	Three months ended	
	March 31, 2015 $	**March 31, 2014 $**
Total compensation recognized	53	-

c) Loss per Share

i) Basic

Basic loss per share is calculated by dividing the (loss)/profit attributable to equity owners of the Company by the weighted average number of shares in issue during the period excluding shares purchased by the Company and held as treasury shares.

	March 31, 2015 $	**March 31, 2014 $**
Loss for the period	(4,063)	(389)
Weighted average number of shares	173,610,629	172,432,038
Basic loss per share	(0.02)	0.00

ii) Diluted

Diluted loss per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all potentially dilutive shares. Potentially dilutive shares relate to the exercise of outstanding share purchase options.

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

	March 31, 2015 $	March 31, 2014 $
Loss for the period	(4,063)	(389)
Weighted average number of ordinary shares in issue	173,610,629	172,432,038
Effect of dilutive securities:		
Share options	-	-
Weighted average diluted shares outstanding	173,610,629	172,432,038
Diluted loss per share	(0.02)	0.00

The number of anti-dilutive securities excluded from the diluted loss per share calculation in Q1-2015 was 1,850,000 share options (Q1-2014: 378,889).

11) SEGMENT INFORMATION

Operating segments are based on the reports reviewed by the board of directors that are used to make strategic decisions. The Group has one operating segment, the production of copper concentrates under a tolling agreement with DET (Note 2).

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

	Property, plant and equipment		Other	
	March 31, 2015	December 31, 2014	March 31, 2015	December 31, 2014
Chile	142,392	133,161	6,138	6,203
Canada	175	198	-	-
	142,567	133,359	6,138	6,203

All of the Group's revenue originates in Chile.

In Q1-2015, revenue from one customer represented 98% of the Group's reported revenue (2014: 95%).

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

12) REVENUE

Revenue consists of the following:

	Three months ended March 2015 $	Three months ended March 31, 2014 $
El Teniente tolling fees	23,279	-
Gross copper sales	-	33,362
Smelter, refinery and other charges	(3,535)	(3,672)
El Teniente royalties	(4,202)	-
Transportation	(290)	-
	15,252	29,690
Molybdenum and other revenue	2,404	2,680
	17,656	32,370

MVC has entered into an agreement pursuant to which it delivers to DET all the copper concentrates produced during the period from January 1, 2015 to December 31, 2022 under a "maquila" or tolling arrangement (Note 2). Accordingly, MVC's revenue for the delivery of copper concentrates to DET is now recognized as a tolling fee and is reported as a component of revenue, net of royalties to DET and transportation costs. In prior years, the nature of the agreements with Enami and DET required royalties to DET and transportation costs to be reported as components of production costs. This revenue is recognized when the tolling process has been completed.

Revenue from the sale of copper (until December 31, 2014) and molybdenum concentrates is recognized when the rights and obligations of ownership pass to the customer and the price is reasonably determinable.

MVC's compensation is determined in accordance with annual industry benchmarks for pricing terms and treatment and refining charges, and in 2015 is based on the average copper market price for the third month following the production of copper concentrates under the tolling agreement ("M+3").

When final tolling fees or prices are determined by quoted market prices in a period subsequent to the date of provision of tolling services or sale, tolling fees or prices are determined on a provisional basis at the date of completion of tolling or sale and revenues are recorded based on forward prices. Adjustments are made to the tolling fee or sale price in subsequent periods based on movements in quoted market prices up to date of the final pricing. Under these circumstances, the value of MVC's amounts receivable changes as the underlying commodity market prices vary. This adjustment mechanism has the characteristics of a derivative. Accordingly, the fair value of the receivables are adjusted each reporting period by reference to forward market prices and changes in fair value are recorded as a component of revenue. In a period of rising prices, not only will MVC record higher revenue for deliveries in the period, but it will also record favourable adjustments to revenue for tolling services or copper and molybdenum concentrates delivered in the prior period. Similarly, in a period of declining prices, MVC will record lower revenues for current deliveries and negative adjustments to revenue for prior period tolling services or deliveries.

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

Molybdenum produced by MVC is predominantly sold under a written sales agreement with Chile's Molibdenos y Metales S.A. ("Molymet"). In 2015, the sale price to Molymet is the average market price for the third month following delivery ("M+3"). MVC shut down its molybdenum plant in response to weak molybdenum prices effective April 1, 2015.

13) EXPENSES BY NATURE

a) Tolling and production costs consists of the following:

	Three months ended March 2015 $	Three months ended March 31, 2014 $
Tolling/production costs	16,226	19,001
El Teniente royalties	-	6,421
Depreciation and amortization	1,681	4,738
Transportation costs	-	355
Administration	1,063	1,191
	18,970	31,706

b) General and administration expenses consist of the following:

	Three months ended March 2015 $	Three months ended March 31, 2014 $
Office and general expenses	308	419
Salaries, management and professional fees	567	538
Share-based payment compensation	53	-
Royalty derivative to related parties including changes in fair value	1,224	45
	2,152	1,002

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

c) Other expenses (gains) consist of the following:

	Three months ended March 31, 2015 $	**Three months ended March 31, 2014 $**
Foreign exchange expense (gain)	489	(197)
Impairment charge	42	
Other gains	(66)	(80)
	465	(277)

d) Finance expense consists of the following:

	Three months ended March 31, 2015 $	**Three months ended March 31, 2014 $**
Interest charges	430	54
Asset retirement obligation accretion cost	-	95
	430	149

14) SUPPLEMENTARY CASH FLOW INFORMATION

	2015 $	**2014 $**
(a) Interest and taxes paid		
Interest paid	3	39
Income taxes paid	513	576
(b) Other		
Increase (decrease) in accounts payable related to the acquisition of plant and equipment	2,117	(531)
Cash paid during the year for royalty dividends to related parties	147	151

c) At March 31, 2015, cash of $900,000 was restricted to be used exclusively in connection with payments associated with the Cauquenes expansion.

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

15) FAIR VALUE MEASUREMENT

Certain of the Group's financial assets and liabilities are measured at fair value on a recurring basis and classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The fair value hierarchy has three levels that prioritize the inputs to valuation techniques used to measure fair value, with Level 1 inputs having the highest priority. The levels and valuation techniques used to value the Group's financial assets and liabilities are the following:

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

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

- Level 3 – Significant unobservable inputs that are not based on observable market data. The Company includes the royalty derivative to related parties in Level 3 of the fair value hierarchy because it is not tradable or associated with observable price transparency. Management reviews the fair value of this derivative on a quarterly basis based on management's best estimates, which are unobservable inputs. Fair value is calculated by applying the discounted cash flow approach on a valuation model that considers the present value of the net cash flows expected to be paid as royalties to related parties (Note 9(a)).

	Level 1	Level 2	Level 3	Total
	$	$	$	$
March 31, 2015				
Investments	1,592	-	-	1,592
Trade and other receivables	-	1,663	-	1,663
Interest rate swap	-	0	(955)	(955)
Royalty derivative to related parties	-	-	(12,036)	(12,036)
	1,592	1,663	(12,991)	(9,736)

	Level 1	Level 2	Level 3	Total
	$	$	$	$
December 31, 2014				
Investments	2,011	-	-	2,011
Trade and other receivables	-	950	-	950
Royalty derivative to related parties	-	-	(10,959)	(10,959)
	2,011	950	(10,959)	(7,998)

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

16) COMMITMENTS

a) MVC entered into an agreement with its current power provider with a term from January 1, 2010 to December 31, 2017 which establishes minimum stand-by charges based on peak hour power supply calculations, currently estimated to be approximately $354,000 per month.

b) MVC entered into an agreement with its current power provider to supply approximately 70% of MVC's estimated annual power requirements during the period from January 1, 2018 to December 31, 2024. The agreement establishes minimum charges based on peak hour power supply calculations, currently estimated to be approximately $1.4 million per month.

c) At March 31, 2015, MVC has commitments for $40.0 million in respect of purchase orders and construction contracts in connection with the Cauquenes expansion.

d) In 2011 Amerigo and an unrelated corporation entered into a joint agreement for the lease of office premises in Vancouver. The Company's share of basic rent commitments for the remaining term of the lease to July 31, 2016 is approximately $146,000.

e) The Master Agreement with DET has a Closure Plan clause requiring MVC and DET to work jointly to assess, under the new production scenario, the revision of the closure plan for the Cauquenes Deposit and compare it to the current plan in the possession of DET. In the case of any variation in the interests of DET due to MVC's activities extracting and processing tailings contained in Cauquenes, the Parties will jointly evaluate the form of implementation and financing of or compensation for such variation. Until such time as 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 the Company's view there is no obligation to record a provision because the amount, if any, is not possible to determine