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November 8, 2017
N.R. 2017- 13

Amerigo Announces Q3-2017 Financial Results

- **$11.0 million generated from operations**
- **Net income of $7.9 million**
- **Phase Two Cauquenes expansion proceeding on time and budget**

VANCOUVER, BRITISH COLUMBIA – November 8, 2017/Amerigo Resources Ltd. (TSX: ARG) ("Amerigo" or the "Company") reported today financial results for the three months ended September 30, 2017 ("Q3-2017"). Cash of $11.0 million was generated from operations before working capital changes. The Company posted revenue of $37.4 million and net income of $7.9 million. Debt proceeds for the second phase of the Cauquenes expansion ("Phase Two") were $4.8 million, and debt repayments on existing loans were $3.0 million. At September 30, 2017, cash balance was $22.7 million.

The improvement of $10.4 million in the Company's financial results and $9.4 million in operating cash flow generated in the quarter compared to Q3-2016 was the result of stronger copper prices, which positively impacted quarterly revenue on a provisional price basis, and resulted in $4.5 million in positive settlement adjustments to prior quarter sales.

Rob Henderson, Amerigo's President and CEO, stated "The price of copper has increased substantially over the last year in response to continued strong demand from China and an expectation of global supply shortfalls in the future. The Company is now starting to reap the benefits of the investment in Cauquenes. MVC's focus is to safely sustain the level of copper production, control costs and complete the Phase Two expansion project on time and on budget."

Financial Results

- Gross tolling copper revenue was $50.3 million (Q3-2016: $32.5 million), due to stronger copper prices. The Company's recorded copper tolling price was $3.00/lb (Q3-2016: $2.13/lb).

- Revenue from molybdenum was $2.5 million (Q3-2016: $2.1 million combined from molybdenum and the Maricunga tolling contract).

- Revenue after notional items was $37.4 million (Q3-2016: $23.4 million).

- Tolling and production costs were $25.5 million (Q3-2016: $24.3 million), driven by higher power and lime costs. Unit tolling and production costs were $1.67/lb (Q3-2016: $1.56/lb).

- Cash cost (a non-GAAP measure equal to the aggregate of smelting and refining charges, tolling/production costs net of inventory adjustments and administration costs, net of by-product credits) before notional copper royalties and molybdenum royalties to Codelco's Division El Teniente ("DET") was $1.69/lb (Q3-2016: $1.60/lb) due to higher power and lime costs.

- Total cost (a non-GAAP measure equal to the aggregate of cash cost, DET notional copper royalties and DET molybdenum royalties of $0.63/lb and depreciation of $0.23/lb) increased to $2.55/lb (Q3-2016: $2.18/lb), due to higher DET royalties from higher metal prices and higher cash cost.

- Gross profit was $11.9 million (Q3-2016: gross loss of $0.9 million). Net income was $7.9 million (Q3-2016: net loss of $2.5 million), as a result of stronger copper prices, including $4.5 million in positive settlement adjustments for prior quarter copper deliveries to DET.

- In Q3-2017 the Company generated cash flow from operations before working capital changes of $11.0 million (Q3-2016 $1.7 million). Including changes in working capital, cash flow from operations was $5.3 million (Q3-2016: $10.2 million).

Production

- Q3-2017 production was 15.5 million pounds of copper, 3% lower than the 16.0 million pounds produced in Q3-2016 due to lower recovery from the high-oxide tailings in the historical areas mined in Q3-2017.

- Q3-2017 copper production includes 9.8 million pounds from Cauquenes and 5.7 million pounds from fresh tailings.

- Molybdenum production was 0.4 million pounds (Q3-2016: 0.1 million pounds).

- At September 30, 2017, the Phase Two expansion project was on time, on budget and 19% complete. Purchase orders for all major equipment had been placed and earthworks construction had commenced.

Cash and Working Capital

- The Company's cash balance was $22.7 million (December 31, 2016: $15.9 million), including $16.0 million in operating accounts and $6.7 million in a debt service reserve account.

- At September 30, 2017, the Company had a working capital deficiency of $5.1 million (December 31, 2016: working capital of $0.6 million). The working capital deficiency was caused by the Company's current estimated schedule of repayment of the balance of the DET Price Support Facility from October 2017 to September 2018, which may change depending on MVC's actual cash flows. The Company does not consider its working capital deficiency as a liquidity risk, as it is only required to repay the DET Price Support Facility by December 2019 and at a rate of $1.0 million per month, and the Company anticipates generating sufficient operating cash flow to meet current liabilities as they come due. Working capital deficiencies are not uncommon in companies with short-term portions of debt.

Outlook

- MVC maintains its 2017 production guidance of 60.0 to 65.0 million pounds of copper at an annual cash cost of $1.60 to $1.75/lb.

- MVC also maintains its guidance in respect of production of 1.5 million pounds of molybdenum.

- Construction of Phase Two is underway and on track for completion in Q3-2018, with full production expected in Q4-2018. The project will improve flotation recovery efficiency and is expected to increase MVC's production to 85.0 to 90.0 million pounds of copper per year, at an estimated cash cost of $1.40 to $1.60 per pound.

Amounts in this news release are reported in U.S. dollars except where indicated otherwise. The information and data contained in this news release should be read in conjunction with the Company's Condensed Interim Consolidated Financial Statements (Unaudited) and Management's Discussion and Analysis ("MD&A) for the three and nine months ended September 30, 2017 and the Audited Consolidated Financial Statements and MD&A for the year ended December 31, 2016, available at the Company's website at www.amerigoresources.com and at www.sedar.com.

About the Company:

Amerigo Resources Ltd. is an innovative copper producer with a long-term relationship with Corporación Nacional del Cobre de Chile ("Codelco"), the world's largest copper producer. Amerigo produces copper concentrate at its 100% owned MVC operation in Chile by processing fresh and historic tailings from Codelco's El Teniente mine, the world's largest underground copper mine. Tel: (604) 681-2802; Fax: (604) 682-2802; Web: www.amerigoresources.com; Listing: ARG:TSX.

***For further information, please contact*:**

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Comparative Overview:

	Q3-2017	Q3-2016	Change $	Change %
Copper produced[1] million pounds	15.5	16.0	(0.5)	(3%)
Copper delivered[1] million pounds	15.3	15.6	(0.3)	(2%)
Percentage of production from historic tailings	63%	61%		
Revenue ($ thousands) [2]	37,421	23,383	14,038	60%
DET notional copper royalties ($ thousands)	9,365	5,495	3,870	70%
Tolling and production costs ($ thousands)	25,519	24,300	1,219	5%
Gross profit (loss) ($ thousands)	11,902	(917)	12,819	-
Net income (loss) ($ thousands)	7,854	(2,545)	10,399	-
Operating cash flow ($ thousands) [3]	11,021	1,656	9,365	566%
Cash flow paid for purchase of plant and equipment ($thousands)	(5,291)	(1,341)	(3,950)	295%
Cash and cash equivalents ($ thousands)[4]	22,702	21,056	1,646	8%
Borrowings ($ thousands)[5]	66,170	74,458	(8,288)	(11%)
Gross copper tolling price ($/lb)	3.00	2.13	0.87	41%

1 Copper production is conducted under tolling agreements with DET and Maricunga.
2 Revenue is reported net of notional items (smelting and refining charges, DET royalties and transportation costs).
3 Operating cash flow before changes in non-cash working capital.
4 Includes $13.4 million held in operating accounts and $6.7 million held in a debt service reserve account.
5 Total borrowings at September 30, 2017 include short and long-term portions of $24.4 and $41.8 million, respectively.

Summary Consolidated Statements of Financial Position	September 30, 2017 $	December 31, 2016 $
Cash and cash equivalents	22,702	15,921
Property plant and equipment	172,075	174,222
Other assets	33,542	31,543
Total assets	228,319	221,686
Total liabilities	133,385	133,809
Shareholders' equity	94,934	87,877
Total liabilities and shareholders' equity	228,319	221,686

Summary Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)	Q3-2017 $	Q3-2016 $
Revenue	37,421	23,383
Tolling and production costs	(25,519)	(24,300)
Other expenses	(539)	(415)
Finance expense	(854)	(973)
Income tax expense	(2,655)	(240)
Net income (loss)	**7,854**	**(2,545)**
Other comprehensive income	779	149
Comprehensive income (loss)	8,633	(2,396)
Earnings (loss) per share - basic and diluted	0.04	(0.01)

Summary Consolidated Statements of Cash Flows	Q3-2017 $	Q3-2016 $
Cash flows from operating acitivities	11,021	1,656
Changes in non-cash working capital	(5,705)	8,532
Net cash from operating activities	5,316	10,188
Net cash used in investing acitivities	(5,291)	(1,341)
Net cash provided by financing acitivites	2,074	3,000
Net increase in cash	2,099	11,847
Effect of foreign exchange rates on cash	459	166
Cash and cash equivalents, beginning of period	20,144	9,043
Cash and cash equivalents, end of period	22,702	21,056

Cautionary Note Regarding Forward-Looking Information

This news release contains certain forward-looking information and statements as defined in applicable securities laws (collectively referred to as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "should", "believe" and similar expressions is intended to identify forward-looking statements. 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. 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. These forward-looking statements speak only as of the date of this news release. These forward-looking statements include but are not limited to, statements concerning:

- a forecasted increase in production and a reduction in operating costs;
- our strategies and objectives;
- the expected improvement of flotation and recovery efficiency from the Phase Two expansion;
- our estimates of the availability, quantity and grade of tailings (including, but not limited to, the estimated higher grades from the Cauquenes deposit), and the quality of our mine plan estimates;
- prices and price volatility for copper and other commodities and of materials we use in our operations;
- the demand for and supply of copper and other commodities and materials that we produce, sell and use;
- sensitivity of our financial results and share price to changes in commodity prices;
- our financial resources and our expected ability to meet our obligations for the next 12 months;
- interest and other expenses;
- domestic and foreign laws affecting our operations;
- our tax position and the tax rates applicable to us;
- the timing and costs of construction and tolling/production of, and the issuance and maintenance of the necessary permits and other authorizations required for, our expansion projects, including the expansion for the Cauquenes deposit and the timing of ramp-up to full production from Cauquenes;
- our ability to procure or have access to financing and to comply with our loan covenants;
- the probability of DET exercising any of its early exit options under existing agreements;
- the anticipated repayment of the DET Price Support Facility in full before its contractual maturity of December 31, 2019;
- 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
- our planned Capex (including our plan to upgrade our existing plant and operations) including the timing and cost of completion of our capital projects;
- 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.

Inherent in forward-looking statements are risks and uncertainties beyond our ability to predict or control, including risks that may affect our operating or capital plans; risks generally encountered in the permitting and development of mineral projects such as unusual or unexpected geological formations, negotiations with government and other third parties, unanticipated metallurgical difficulties, delays associated with permits, approvals and permit appeals, ground control problems, adverse weather conditions, process upsets and equipment malfunctions; risks associated with labour disturbances and availability of skilled labour and management; fluctuations in the market prices of our principal commodities, which are cyclical and subject to substantial price fluctuations; risks created through competition for mining projects and properties; risks associated with lack of access to markets; risks associated with availability of and our ability to obtain both tailings from DET's current production and historic tailings from tailings deposit; risks with respect to completion of Phase Two of the Cauquenes expansion, the ability of the Company to draw down funds from a $13 million standby line of credit; the availability of and ability of the Company to obtain adequate funding on reasonable terms for expansions and acquisitions; mine plan estimates; risks posed by fluctuations in exchange rates and interest rates, as well as general economic conditions; risks associated with environmental compliance and changes in environmental legislation and regulation; risks associated with our dependence on third parties for the provision of critical services; risks associated with non-performance by contractual counterparties; title risks; social and political risks associated with operations in foreign countries; risks of changes in laws affecting our operations or their interpretation, including foreign exchange controls; and risks associated with tax reassessments and legal proceedings. Many of these risks and uncertainties apply not only to the Company and its operations, but also to Codelco and its operations. Codelco's ongoing mining operations provide a significant portion of the materials the Company processes and its resulting metals production, therefore these risks and uncertainties may also affect their operations and in turn have a material effect on the Company.

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

- general business and economic conditions;
- interest rates;
- changes in commodity and power prices;
- acts of foreign governments and the outcome of legal proceedings;
- the supply and demand for, deliveries of, and the level and volatility of prices of copper and other commodities and products used in our operations;
- the ongoing supply of material for processing from Codelco's current mining operations;
- the ability of the Company to profitably extract and process material from the Cauquenes tailings deposit;
- the timing of the receipt of and retention of permits and other regulatory and governmental approvals;
- the availability of and ability of the Company to obtain adequate funding on reasonable terms for expansions and acquisitions;
- the ability of the Company to draw down funds from bank facilities standby line of credit;
- 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;
- the accuracy of our preliminary economic assessment (including with respect to size, grade and recoverability) and the geological, operational and price assumptions on which these are based;
- 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;
- our ability to obtain, comply with and renew permits and licenses in a timely manner; and
- our ongoing relations with our employees and entities with which we do business.

Future production levels and cost estimates assume there are no adverse mining or other events which significantly affect budgeted production levels.

We caution you that the foregoing list of important factors and assumptions is not exhaustive. Other events or circumstances could cause our actual results to differ materially from those estimated or projected and expressed in, or implied by, our forward-looking statements. Except as required by law, we undertake no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise.