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Amerigo Resources Ltd.
Management's Discussion and Analysis
For the Year Ended December 31, 2023

TABLE of CONTENTS

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

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

AMOUNTS REPORTED IN U.S. DOLLARS, EXCEPT WHERE INDICATED OTHERWISE.

ABOUT AMERIGO

Amerigo Resources Ltd. ("Amerigo") owns a 100% interest in Minera Valle Central S.A. ("MVC"), a producer of copper and molybdenum concentrates. MVC, located in Chile, has a long-term contract with Codelco's DET to process fresh and historic tailings from El Teniente. El Teniente, which has been in production since 1905, is the world's largest underground copper mine. 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 and traded in the United States on the OTCQX.

PURPOSE OF MD&A AND IDENTIFICATION OF NON-IFRS MEASURES

This MD&A of the results of operations and financial position of Amerigo, together with its subsidiaries (collectively, the "Company"), is prepared as of February 20, 2024.

It should be read in conjunction with Amerigo's audited consolidated financial statements and related notes for the year ended December 31, 2023.

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.

All amounts are presented in U.S. dollars except when otherwise indicated.

Our objective in preparing this MD&A is to help the reader understand the factors affecting the Company's current and future financial performance.

Non-IFRS Measures

In this MD&A, we refer to the terms "cash cost" and "total cost", which are performance measures commonly used in the mining industry that are not defined under IFRS 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 byproduct 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 and DET molybdenum royalties, and depreciation. A tabular reconciliation of cash cost and total cost to tolling and production costs is available on page 15.

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 2023 and 2022 is available on page 8.

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 2023 and 2022 is available on page 8.

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,			
	2023	2022	Change	%
Copper produced (million pounds)[1]	57.6	64.0	(6.4)	(10%)
Copper delivered (million pounds)[1]	57.2	64.1	(6.9)	(11%)
Revenue ($ thousands) [2]	157,460	168,052	(10,592)	(6%)
DET notional copper royalties ($ thousands)	58,843	70,473	(11,630)	(17%)
Tolling and production costs ($ thousands)	143,305	139,729	3,576	3%
Gross profit ($ thousands)	14,155	28,323	(14,168)	(50%)
Net income ($ thousands)	3,382	4,374	(992)	(23%)
Earnings per share	0.02	0.03	(0.01)	(33%)
Earnings per share (Cdn$)[3]	0.03	0.03	0.00	0%
Operating cash flow before changes in working capital ($ thousands) [4]	22,321	34,906	(12,585)	(36%)
Free cash flow to equity[5]	(268)	17,058	(17,326)	(102%)
Cash paid for the purchase of plant and equipment ($ thousands)	(16,888)	(9,807)	(7,081)	72%
Cash and cash equivalents ($ thousands)	16,248	37,821	(21,573)	(57%)
Restricted cash ($ thousands)	6,282	4,215	2,067	49%
Borrowings ($ thousands) [6]	20,713	23,650	(2,937)	(12%)
MVC's copper price ($/lb) [7]	3.86	4.01	(0.15)	(4%)
MVC's molybdenum price ($/lb) [8]	23.39	18.09	5.30	29%

Notes:

1 Copper production conducted under a tolling agreement with DET.

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

3 Earnings per share in Canadian dollars ("Cdn") was calculated by converting the net income to Cdn using the average USD-Cdn foreign exchange rate in 2023 of 1 USD:1.3493 Cdn (2022: 1 USD:1.3011 Cdn).

4 A non-IFRS measure. Refer to page 8 for the basis of the reconciliation of operating cash flow before non-cash working capital and net cash from operating activities.

5 A non-IFRS measure. Refer to page 8 for the basis of the reconciliation of free cash flow to equity.

6 Borrowings are net of transaction costs. On December 31, 2023, comprised of short and long-term portions of $10.3 and $10.4 million, respectively.

7 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.

8 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

- In 2023, Amerigo's operations and financial performance were affected by heavy rains and flooding in Chile, negatively impacting copper production. Amerigo's 2023 copper production of 57.6 million pounds ("M lbs") was 10% lower than the 2022 production of 64.0 M lbs. The Company's average copper price in 2023 was also lower at $3.86 per pound ("/lb") compared to $4.01/lb in 2022.

- Notwithstanding the negative production impact, the Company posted a 2023 net income of $3.4 million (2022: $4.4 million) and annual earnings per share ("EPS") of $0.02 (Cdn$0.03) (2022: $0.03 (Cdn$0.03)) due to lower impairment charges and higher other gains in 2023 compared to 2022, including a foreign exchange gain of $2.9 million (2022: foreign exchange loss of $0.2 million).

- The Company's revenue in 2023 was $157.5 million (2022: $168.1 million). Revenue was comprised of lower gross value of copper tolled on behalf of DET of $220.7 million (2022: $255.4 million) from lower copper production and copper prices, less notional items including DET royalties of $58.8 million (2022: $70.5 million), smelting and refining of $23.3 million (2022: $24.0 million) and transportation of $1.6 million (2022: $1.7 million), and positive fair value adjustments to settlement receivables of $1.1 million (2022: negative adjustments of $6.2 million). Revenue also included increased molybdenum revenue of $19.4 million (2022: $15.1 million) due to stronger molybdenum production and prices in 2023.

- 2023 copper production was 57.6 million pounds ("M lbs") (2022: 64.0 M lbs), including 35.8 M lbs from fresh tailings (2022: 37.7 M lbs) and 21.8 M lbs from the Cauquenes historical tailings (2022: 26.3 M lbs).

- 2023 molybdenum production was 1.2 M lbs (2022: 1.0 M lbs).

- In 2023, the Company generated annual operating cash flow before changes in non-cash working capital (a non-IFRS measure, refer to page 8) of $22.3 million (2022: $34.9 million). Annual net operating cash flow in 2023 was $20.3 million (2022: $23.6 million). In 2023, free cash flow to equity (a non-IFRS measure, refer to page 8) was $nil (2022: $17.1 million).

- 2023 cash cost (a non-IFRS measure, page 14) was $2.17/lb (2022: $1.98/lb). The main driver of the increase in cash cost was lower copper production, which increased other direct costs ($0.17/lb) and power costs ($0.07/lb). Higher industry-wide smelting and refining charges in 2023 impacted these costs by $0.04/lb. Strong molybdenum production and prices in 2023 offset these increases with stronger by-product credits of $0.10/lb.

- 2023 total cost (a non-IFRS measure, page 14) increased to $3.62/lb (2022: $3.45/lb) due to the $0.19/lb cash cost increase mentioned above and an increase in amortization of $0.03/lb, offset by a $0.05/lb decrease in DET notional royalties from lower metal prices.

- The Company's financial performance is sensitive to changes in copper prices. MVC's year-end provisional copper price was $3.83/lb, and final prices for October, November, and December 2023 sales will be the average London Metal Exchange ("LME") prices for January, February, and March 2024, respectively. A 10% change from the $3.83/lb provisional price used on December 31, 2023, would result in a $6.2 million change in revenue in Q1-2024 regarding Q4-2023 production.

- In 2023, Amerigo returned $17.2 million to shareholders; $14.6 million was paid through Amerigo's quarterly dividend of Cdn$0.03 per share, and $2.6 million was returned through the purchase of 2.3 million common shares for cancellation through a Normal Course Issuer Bid ("NCIB"). The NCIB was renewed on December 2, 2023, and allows Amerigo to purchase for cancellation up to 10.9 million common shares through December 1, 2024.

- In 2023, net debt repayments were $5.3 million (2022: $7.0 million) and MVC drew $2.0 million from its working capital line of credit (2022: $nil). The Company's outstanding bank debt on December 31, 2023, was $20.7 million (December 31, 2022: $23.7 million). In 2023, the Company repaid all outstanding leases with payments of $1.9 million (2022: $1.0 million).

- 2023 was an unusually intensive Capital Expenditures ("Capex") year for the Company, with Capex payments of $16.9 million (2022: $9.8 million). Capex included building a new Cauquenes sump with an expected life of 3.5 years, investing in risk-mitigation projects and carrying out other sustaining Capex projects.

- On December 31, 2023, the Company held cash and cash equivalents of $16.2 million (December 31, 2022: $37.8 million), a restricted cash balance of $6.3 million (December 31, 2022: $4.2 million) and had a working capital deficiency of $12.3 million (December 31, 2022: working capital of $10.0 million).

- Refer to Cautionary Statement on Forward-Looking Information (page 25).

SUMMARY OF FINANCIAL RESULTS Q4-2023 TO Q4-2022

	Q4-2023	Q3-2023	Q2-2023	Q1-2023	Q4-2022
	$	$	$	$	$
Copper production, million pounds [1]	16.369	11.118	13.631	16.517	16.612
Copper deliveries, million pounds [1]	16.080	10.977	13.669	16.490	16.791
MVC's copper price ($/lb)	3.82	3.76	3.80	4.02	3.80
Financial results ($ thousands)					
Revenue					
Gross value of copper tolled on behalf of DET	59,521	41,558	52,809	66,798	61,142
Notional items deducted:					
DET royalties - copper	(15,775)	(10,633)	(13,997)	(18,438)	(15,626)
Smelting and refining	(6,432)	(4,473)	(5,697)	(6,661)	(5,974)
Transportation	(415)	(295)	(417)	(464)	(423)
Revenue net of notional items	36,899	26,157	32,698	41,235	39,119
Adjustments to fair value of settlement receivables	1,674	(408)	(3,521)	3,374	4,785
Copper tolling revenue	38,573	25,749	29,177	44,609	43,904
Molybdenum and other revenue	3,874	4,580	2,859	8,039	5,941
	42,447	30,329	32,036	52,648	49,845
Tolling and production costs					
Tolling and production costs	(28,738)	(24,949)	(27,663)	(30,693)	(33,259)
Depreciation and amortization	(5,238)	(5,192)	(5,028)	(4,986)	(5,262)
Administration	(1,447)	(1,349)	(1,643)	(1,685)	(1,500)
DET royalties - molybdenum	(1,018)	(863)	(1,007)	(1,806)	(987)
	(36,441)	(32,353)	(35,341)	(39,170)	(41,008)
Gross profit (loss)	6,006	(2,024)	(3,305)	13,478	8,837
Other expenses					
Derivative to related parties including changes in fair value	(887)	23	301	(255)	1,241
Salaries, management and professional fees	(822)	(420)	(460)	(661)	(960)
Office and general expenses	(591)	(271)	(279)	(397)	(557)
Share-based payment compensation	(292)	(290)	(293)	(271)	(270)
	(1,705)	(981)	(1,032)	(1,329)	(1,787)
Foreign exchange gain (loss)	2,722	(2,161)	806	1,527	2,288
Environmental compliance plan costs	-	(1,066)	-	-	-
Writedown of obsolete equipment and supplies	(328)	-	-	-	32
Writedown of obsolete power generators	-	-	-	-	(11,497)
Other (losses) gains	(74)	(65)	(43)	21	(123)
	2,320	(3,292)	763	1,548	(9,300)
	(272)	(4,250)	32	(36)	(9,846)
Operating profit (loss)	5,734	(6,274)	(3,273)	13,442	(1,009)
Finance expense	(664)	(1,043)	(359)	(827)	(600)
Income (loss) before income tax	5,070	(7,317)	(3,632)	12,615	(1,609)
Income tax (expense) recovery	(1,187)	1,524	(161)	(3,530)	7
Net income (loss)	3,883	(5,793)	(3,793)	9,085	(1,602)
Earnings (loss) per share - basic	0.02	(0.04)	(0.02)	0.05	(0.01)
Earnings (loss) per share - diluted	0.02	(0.04)	(0.02)	0.05	(0.01)
Earnings (loss) per share Cdn$ - basic	0.03	(0.05)	(0.03)	0.07	(0.01)
Earnings (loss) per share Cdn$ - diluted	0.03	(0.05)	(0.03)	0.07	(0.01)
Unit tolling and production costs	2.27	2.95	2.59	2.38	2.44
Cash cost ($/lb) [2]	2.06	2.44	2.37	1.91	2.10
Total cost ($/lb) [2]	3.41	3.94	3.84	3.44	3.42
Uses and sources of cash ($thousands)					
Operating cash flow before non-cash working capital changes [2]	8,815	2,617	(2,303)	13,192	15,632
Net cash from (used in) operating activities	9,032	(7,455)	504	18,200	3,711
Cash used in investing activities	(2,511)	(5,203)	(4,791)	(4,383)	(2,564)
Cash used in financing activities	(3,384)	(5,771)	(8,041)	(7,717)	(5,393)
Ending cash and cash equivalents	16,248	13,131	31,675	43,923	37,821
Ending restricted cash	6,282	6,305	4,201	4,256	4,215

Notes:

1 Includes production from fresh tailings and Cauquenes tailings.

2 Non-IFRS measures include operating cash flow before non-cash working capital changes, cash cost, and total cost. Refer to page 8 for the basis of reconciliation of operating cash flow before non-cash working capital and net cash provided by operating activities and page 15 for the basis of reconciliation of cash cost and total cost to tolling and production costs.

A discussion on key quarterly variances (revenue and tolling and production costs) can be found on page 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:

(Expressed in thousands)	**2023**	**2022**	**Q4-2023**	**Q4-2022**
	$	**$**	**$**	**$**
Net cash provided by operating activities	20,281	23,631	9,032	3,711
Add:				
Changes in non-cash working capital	2,040	11,275	(217)	11,921
Operating cash flow before non-cash working capital	**22,321**	**34,906**	**8,815**	**15,632**

(Expressed in thousands)	**2023**	**2022**	**Q4-2023**	**Q4-2022**
	$	**$**	**$**	**$**
Operating cash flow before changes in non-cash working capital	22,321	34,906	8,815	15,632
(Deduct) add:				
Cash used to purchase plant and equipment	(16,888)	(9,807)	(2,511)	(2,564)
Repayment of borrowings, net of new debt issued	(3,839)	(7,000)	234	(3,500)
Lease repayments	(1,862)	(1,041)	-	(345)
Free cash flow to equity	**(268)**	**17,058**	**6,538**	**9,223**
Add (deduct):				
Repayment of borrowings, net of new debt issued	3,839	7,000	(234)	3,500
Lease repayments	1,862	1,041	-	345
Free cash flow	**5,433**	**25,099**	**6,304**	**13,068**

OVERALL PERFORMANCE

In 2023, the Company posted a net income of $3.4 million (2022: $4.4 million), mainly as the result of lower copper production as a result of the interruption of operations due to extraordinarily severe heavy rain and floods in Chile during the year.

In 2023, MVC's average copper price was $3.86/lb (2022: $4.01/lb) and MVC's average molybdenum price was $23.39/lb (2022: $18.09/lb).

Tolling and production costs increased 3% from $139.7 million in 2022 to $143.3 million in 2023 (page 12).

Other expenses decreased from $14.9 million in 2022 to $4.5 million in 2023 (page 14). This was mostly the result of an impairment of $11.5 million in 2022 to retire two generators that the Company determined to be obsolete during that year.

Operating cash flow before changes in non-cash working capital was $22.3 million (2022: $34.9 million), and net cash provided by operating activities was $20.3 million (2022: $23.6 million).

Trade and settlement receivables decreased from $13.9 million on December 31, 2022, to $8.2 million on December 31, 2023, due to the timing of receipts at each year's end.

Inventory decreased from $10.4 million on December 31, 2022 to $7.2 million on December 31, 2023, due to lower plant supplies and consumables. On December 31, 2022, MVC held a larger than usual inventory of grinding balls following a bulk purchase to avoid supply risk and leverage on favorable commercial conditions.

Trade and other payables on December 31, 2023 were $19.4 million compared to $26.3 million on December 31, 2022. The decrease in trade and other payables was primarily due to the timing of payments, as several material invoices due by December 31, 2022 were paid in early January 2023.

On December 31, 2023, the Company's cash and restricted cash balance was $22.5 million (December 31, 2022: $42.0 million), including restricted cash of $6.3 million (December 31, 2022: $4.2 million). On December 31, 2023, the Company had a working capital deficiency of $12.3 million (December 31, 2022: working capital of $10.0 million).

SELECTED ANNUAL INFORMATION

The following information has been extracted from the Company's audited consolidated financial statements for the years ended December 31, 2023, 2022 and 2021.

	Year ended December 31, 2023 $	Year ended December 31, 2022 $	Year ended December 31, 2021 $
Revenue (thousands)	157,460	168,052	199,551
Net income (thousands)	3,382	4,374	39,819
Earnings per share	0.02	0.03	0.22
Diluted earnings per share	0.02	0.03	0.22

Revenue and net income are highly sensitive to copper prices. MVC's copper price in 2023 was $3.86/lb (2022: $4.01/lb, 2021: $4.25/lb).

	Year ended December 31, 2023 $	Year ended December 31, 2022 $	Year ended December 31, 2021 $
Total assets	199,559	231,179	269,345
Total long-term financial liabilities	17,148	23,489	36,121

Long-term financial liabilities on December 31, 2023 were comprised of: long-term portion of borrowings of $10.4 million (2022: $16.6 million, 2021: $23.4 million), long-term portion of leases of $nil (2022: $nil 2021: $2.2 million), related party derivative liability of $6.0 million (2022: $6.1 million, 2021: $9.9 million) and severance provisions of $0.8 million (2022: $0.7 million, 2021: $0.6 million).

OPERATING RESULTS

2023 Production Results

Copper production in 2023 was 57.6 M lbs (2022: 64.0 M lbs), and copper deliveries were 57.2 M lbs (2022: 64.1 M lbs).

With respect to fresh tailings, MVC's 2023 copper production was 35.8 M lbs (2022: 37.7 M lbs), representing 62% of copper production (2022: 59% of copper production).

Copper production from Cauquenes in 2023 was 21.8 M lbs (2022: 26.3 M lbs).

MVC's average plant availability during 2023 was 91.18%.

MVC's water reserves on December 31, 2023 were over 10.0 million cubic meters. These water reserves remain sufficient to maintain projected Cauquenes processing rates for at least eighteen months, our maximum forecast horizon.

Molybdenum production during 2023 was 1.2 M lbs (2022: 1.0 M lbs).

Production results for 2023 and 2022 are included below:

PRODUCTION	2023	2022
FRESH TAILINGS		
Tonnes per day	125,034	138,716
Operating days	344	354
Tonnes processed	42,993,193	48,154,490
Copper grade (%)	0.172%	0.161%
Copper recovery	22.0%	21.7%
Copper produced (M lbs)	35.83	37.73
CAUQUENES TAILINGS		
Tonnes per day	42,747	41,055
Operating days	289	351
Tonnes processed	12,341,596	14,464,319
Copper grade (%)	0.248%	0.253%
Copper recovery	32.3%	32.7%
Copper produced (M lbs)	21.81	26.27
COPPER		
Total copper produced (M lbs)	57.64	64.00
MOLYBDENUM		
Total molybdenum produced (M lbs)	1.15	0.97

2024 Outlook

Based on MVC's operating plan for 2024, Amerigo's annual production guidance is 62.4 M lbs of copper and 1.2 M lbs of molybdenum, with 61% of copper production coming from fresh tailings. 2024 is our 4th consecutive year of increased production guidance. Production is guided to increase by 8%, or 4.8M lbs, from 2023 copper production.

The annual plant maintenance shutdown at MVC and El Teniente is expected to last eight days and occur in Q2- 2024. Our guidance factors in lower production from the maintenance shutdown.

In 2023, the LME average copper price was $3.85/lb despite strong macroeconomic headwinds. We are optimistic that in 2024, a combination of economic and political factors will contribute to higher copper prices. These factors include an accommodative interest rate environment during an election year in the United States and the interplay of copper supply and demand fundamentals. However, Amerigo employs a conservative approach in its annual budget preparation, and for 2024 guidance, has used average market prices of $3.60/lb for copper, $21/lb for molybdenum, and an exchange rate of 935 Chilean pesos ("CLP") to USD 1.

Under these conditions, Amerigo's 2024 normalized cash cost is expected to be $2.08/lb, excluding $0.02/lb paid to MVC's supervisors in January 2024 as the signing bonus of a 3-year collective labour agreement. This projected normalized cash cost compares favorably to our 2023 cash cost of $2.17/lb due to our guided higher production, lower benchmark treatment and refinery charges and cost reductions implemented at MVC.

A $2/lb change in molybdenum price would have a $0.03/lb impact on cash cost, and a 10% change in the CLP to USD foreign exchange rate would impact $0.10/lb on cash cost.

Using a $3.60/lb copper price, the royalty to DET in 2024 would be $0.98/lb. The DET royalty is calculated on a sliding scale based on copper prices. A $0.20/lb increase in copper price would have a $0.10/lb impact on the DET royalty.

In 2024, MVC is expected to incur $5.7 million in Capex and $3.7 million on sustaining Capex associated with the annual plant maintenance shutdown and strategic spares. We are also evaluating two Capex projects that could further contribute to increasing production at MVC. These projects could be initiated in 2024, subject to the technical conclusions reached and higher copper prices.

Concerning financial obligations, $1.75 million of MVC's December 31, 2023 debt repayment was processed on January 2, 2024, and MVC will make two scheduled semi-annual bank debt repayments of $3.5 million plus interest in June and December 2024. MVC will also repay $1.0 million of the $2.0 million drawn from its working capital line of credit in 2023. No further draws from the line of credit are projected to occur in 2024, and bank debt at year-end 2024 is expected to be $11.5 million, a decrease of $9.75 million.

FINANCIAL RESULTS – 2023

Net income in 2023 was $3.4 million with a $0.02 basic and diluted EPS (Cdn$0.03 and $0.03 respectively) (2022: net income of $4.4 million with a $0.03 basic and diluted EPS (Cdn$0.03 and $0.03 respectively), due mostly to lower production during the year.

Revenue

Revenue in 2023 was $157.5 million (2022: $168.1 million).

(Expressed in thousands)	2023 $	2022 $
Average LME copper price per pound	3.85	4.00
Gross value of copper tolled on behalf of DET	220,686	255,360
Notional items deducted:		
DET royalties - copper	(58,843)	(70,473)
Smelting and refining charges	(23,263)	(23,965)
Transportation	(1,591)	(1,702)
Revenue from copper tolling contracts with customers net of notional items	136,989	159,220
Adjustments to fair value of settlement receivables[1]	1,119	(6,228)
Copper tolling revenue	138,108	152,992
Revenue from molybdenum contracts with customers	22,104	14,210
Adjustments to fair value of settlement receivables	(2,752)	850
Molybdenum revenue	19,352	15,060
Revenue	157,460	168,052
MVC's copper price ($/lb)[2]	3.86	4.01
MVC's molybdenum price ($/lb)	23.39	18.09

Notes:

1 In 2023, $1.1 million in positive adjustments to the fair value of settlement receivables include $0.4 million in positive settlement adjustments which remained provisional at year-end 2023, and $0.7 million in final positive settlement adjustments. In 2022, $6.2 million in negative adjustments to the fair value of settlement receivables included $2.6 million in positive settlement adjustments which remained provisional at year-end 2022, and $8.8 million in final negative settlement adjustments.

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, 2023, the provisional copper price used by MVC was $3.83/lb and final prices for October, November, and December 2023 sales will be the average LME prices for January, February, and March 2024, respectively. A 10% change from the $3.83/lb provisional price used on December 31, 2023 would result in a $6.2 million change in revenue in Q1-2024 regarding Q4-2023 production.

DET royalties on copper production are a notional item deducted from MVC's gross value of copper produced. In 2023, DET notional copper royalties were $58.8 million (2022: $70.5 million).

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 2023, pricing terms ranged from M+1 to M+4 regarding the average Platt's molybdenum dealer oxide price of the month of sale.

In 2023, MVC's molybdenum sales price was $23.39/lb (2022: $18.09/lb).

Tolling and Production Costs

(Expressed in thousands)	2023 $	2022 $
Direct tolling and production costs		
Power costs	33,541	32,590
Direct labour	13,128	14,369
Grinding media	9,441	11,640
Lime costs	6,364	6,323
Other direct tolling / production costs	49,569	45,871
	112,043	110,793
Depreciation and amortization	20,444	20,370
Administration	6,124	5,692
DET royalties - molybdenum	4,694	2,874
Tolling and production costs	143,305	139,729

During 2023, power costs increased by $1.0 million or 3% compared to 2022 despite lower production due to higher pass-through charges in Chile as well as the fact that 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. Power costs in 2023 were $0.1100/kWh (2022: $0.0959/kWh).

Direct labour costs decreased by $1.2 million. Part of this decrease is due to differences in signing bonuses paid year over year. In 2023, a $0.3 million signing bonus was paid to MVC administrative workers compared to a $2.9 million signing bonus paid to MVC's plant workers in 2022 on the renewal of a 3-year collective labour agreement. During 2023, labour costs net of signing bonuses increased due to inflationary salary adjustments and a stronger CLP.

In 2023, grinding media costs decreased by $2.2 million compared to 2022 due to lower consumption and input costs.

In aggregate, other direct tolling costs increased in 2023 by $3.7 million primarily due to increases in maintenance costs (excluding labour) ($1.9 million), historic tailing extraction ($1.9 million), copper reagents ($1.3 million), and subcontractors support services ($0.6 million). This was then offset by a decrease in molybdenum production costs of $0.8 million and increased inventory adjustments of $1.2 million.

(Expressed in thousands)	**2023**	**2022**
	$	**$**
Other direct tolling costs		
Maintenance, excluding labour	11,937	9,994
Historic tailings extraction	8,576	6,714
Molybdenum production costs	8,160	8,998
Copper reagents	6,329	5,042
Process control, environmental and safety	5,119	4,831
Industrial water	4,701	4,823
Subcontractors, support services	4,301	3,722
Filtration and all other direct tolling costs	1,564	1,673
Inventory adjustments	(1,118)	74
	49,569	45,871

($/lb Cu)	**2023**	**2022**
Other direct tolling costs		
Maintenance, excluding labour	0.21	0.15
Historic tailings extraction	0.15	0.10
Molybdenum production costs	0.14	0.14
Copper reagents	0.11	0.08
Process control, environmental and safety	0.09	0.08
Industrial water	0.08	0.08
Subcontractors, support services	0.07	0.06
Filtration and all other direct tolling costs	0.03	0.03
Inventory adjustments	(0.02)	0.00
	0.86	0.72

Depreciation and amortization in 2023 was $20.4 million (2022: $20.4 million).

Administration expenses during 2023 were $6.1 million (2022: $5.7 million).

DET molybdenum royalties in 2023 were $4.7 million (2022: $2.9 million) due to higher molybdenum production and prices.

Expenses

Other expenses of $4.5 million (2022: $14.9 million) are costs not related to MVC's production operations and include:

- General and administration expenses of $5.0 million (2022: $5.4 million), which include salaries, management and professional fees of $2.4 million (2022: $2.9 million), office and general expenses of $1.5 million (2022: $1.5 million) and share-based payments of $1.1 million (2022: $1.0 million).

- A $0.8 million expense associated with the fair value adjustment to the derivative to related parties (2022: $2.7 million gain).

- Other gains of $1.3 million (2022: other losses of $0.8 million) are comprised of foreign exchange gains of $2.9 million (2022: loss of $0.2 million), environmental compliance plan costs of $1.1 million (2022: $nil), equipment and supply write-downs of $0.3 million (2022: $0.5 million), and other losses of $0.2 million (2022: $0.1 million).

- During 2022, an impairment of $11.5 million was recorded for the retirement of two generators that the Company determined to be obsolete during that year.

The Company's finance expense in 2023 was $2.9 million (2022: $1.0 million), which included $2.8 million in finance and interest charges (2022: $2.3 million) and a fair value expense associated with MVC's interest rate swap of $0.1 million (2022: gain of $1.4 million).

Income tax expense in 2023 was $3.4 million (2022: $8.1 million), including current income tax expense of $8.3 million (2022: $9.7 million) and a deferred tax recovery of $4.9 million (2022: $1.6 million). The decrease in tax expense in 2023 was driven by the Company's lower pre-tax income compared to 2022.

Deferred income tax expense results from the changes to deferred income tax liabilities, arising predominantly from the differences between the accounting and tax values of MVC's property, plant and equipment. Deferred tax liabilities do not represent cash income tax payable.

Cash Cost and Total Cost

Cash cost and total cost are non-IFRS measures prepared on a basis consistent with the industry standard Brook Hunt definitions.

For the Company, these non-IFRS performance measures provide key performance measures used by management to monitor operating performance, assess corporate performance, and to plan and assess the overall effectiveness and efficiency of Amerigo's operations. These performance measures are commonly used in the mining industry and are not defined under IFRS 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.

As these performance measures are not standardized financial measures under IFRS, the amounts presented may not be comparable to similar financial measures disclosed by other 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 and total cost in 2023 and 2022 is presented below:

(Expressed in thousands)	2023	2022
	$	$
Tolling and production costs	143,305	139,729
Add (deduct):		
DET notional royalties - copper	58,843	70,473
Smelting and refining	23,263	23,965
Transportation costs	1,591	1,702
Inventory adjustments	1,118	(74)
By-product credits	(19,352)	(15,060)
Total cost	208,768	220,735
Deduct:		
DET notional royalties - copper	(58,843)	(70,473)
DET royalties - molybdenum	(4,694)	(2,874)
	(63,537)	(73,347)
Depreciation and amortization	(20,444)	(20,370)
Cash cost	124,787	127,018
Pounds of copper tolled (fresh and old tailings)	57.64	64.0M
Cash cost ($/lb)	**2.17**	**1.98**
Total cost ($/lb)	**3.62**	**3.45**

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

($/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
Grinding media	0.16	0.16	0.19	0.17	0.15
Administration	0.11	0.09	0.12	0.12	0.10
Lime	0.11	0.13	0.09	0.09	0.12
Transportation	0.03	0.03	0.03	0.03	0.03
Other direct costs	1.11	0.98	1.31	1.17	1.04
By-product credits	(0.34)	(0.24)	(0.41)	(0.21)	(0.49)
Cash Cost	**$2.17**	**$2.06**	**$2.44**	**$2.37**	**$1.91**

($/lb of copper produced)	2022	Q4-2022	Q3-2022	Q2-2022	Q1-2022
Power costs	0.51	0.57	0.50	0.50	0.47
Smelting & refining	0.37	0.36	0.37	0.39	0.38
Grinding media	0.18	0.18	0.19	0.18	0.18
Lime	0.10	0.10	0.11	0.09	0.10
Administration	0.09	0.09	0.08	0.09	0.10
Transportation	0.03	0.03	0.03	0.03	0.03
Other direct costs	0.94	1.13	0.87	0.88	0.85
By-product credits	(0.24)	(0.36)	(0.22)	(0.15)	(0.21)
Cash Cost	**$1.98**	**$2.10**	**$1.93**	**$2.01**	**$1.90**

MVC's components of cash cost increased in 2023 due to increased power costs, increased smelting and refining, and increased other direct costs, offset by an increase in by-product credits driven by higher molybdenum production along with higher molybdenum prices.

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

($/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 royalites/royalties	1.10	1.03	1.03	1.10	1.23
Amortization/depreciation	0.35	0.32	0.47	0.37	0.30
Total Cost	**$3.62**	**$3.41**	**$3.94**	**$3.84**	**$3.44**

($/lb of copper produced)	2022	Q4-2022	Q3-2022	Q2-2022	Q1-2022
Cash cost	1.98	2.10	1.93	2.01	1.90
DET notional royalites/royalties	1.15	1.00	0.93	1.26	1.39
Amortization/depreciation	0.32	0.32	0.32	0.34	0.30
Total Cost	**$3.45**	**$3.42**	**$3.18**	**$3.61**	**$3.59**

Total cost was $3.62/lb (2022: $3.45/lb) primarily from a higher cash cost as discussed above.

FINANCIAL RESULTS – QUARTER ENDED DECEMBER 31, 2023

In Q4-2023, the Company posted a net income of $3.9 million and $0.02 EPS (Cdn$0.03), compared to a net loss of $1.6 million in Q4-2022 and $0.01 LPS (Cdn$0.01).

In Q4-2022, $11.5 million was recorded for the retirement of two generators that the Company determined to be obsolete during that year. Net income in Q4-2022, excluding the write-down, was $9.9 million.

Q4-2023 financial results included $1.1 million in positive settlement adjustments to copper revenue, of which $0.4 million were final adjustments.

In Q4-2023, the Company generated operating cash flow before working capital changes of $8.8 million (Q4-2022: $15.6 million) and net cash from operating cash flow of $9.0 million (Q4-2022: $3.7 million) (page 8).

Revenue

Revenue in Q4-2023 was $42.4 million (Q4-2022: $49.8 million) due to 4% lower copper delivered and lower copper prices.

Expenses

(Expressed in thousands)		Q4-2023 $		Q4-2022 $
Direct tolling and production costs				
Power costs	$	8,497	$	9,513
Direct labour costs		3,409		5,913
Grinding media		2,560		3,017
Lime costs		2,166		1,583
Other direct tolling / production costs		12,106		13,233
		28,738		33,259
Depreciation and amortization		5,238		5,262
Administration		1,447		1,500
DET royalties - molybdenum		1,018		987
Tolling and production costs	$	36,441	$	41,008
Unit tolling and production costs ($/lb)		2.27		2.44

Direct tolling and production costs in Q4-2023 were $28.7 million (Q4-2022: $33.3 million), primarily due to decreases of $1.0 million in power costs and $2.5 million in direct labour costs due to the $2.9 million signing bonus paid to MVC workers during Q4-2022. There was also a decrease of $0.5 million in grinding media due to lower consumption and lower input costs and a reduction in other direct tolling and production costs.

Depreciation and amortization in Q4-2023 decreased to $5.2 million (Q4-2022: $5.3 million), administration expenses were $1.4 million (Q4-2022: $1.5 million), and the DET molybdenum royalties were $1.0 million (Q4-2022: $1.0 million).

Unit tolling and production costs decreased from $2.44/lb in Q4-2022 to $2.27/lb in Q4-2023.

COMPARATIVE PERIODS

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

The following tables provide highlights from Amerigo's financial statements of quarterly results for the past eight quarters.

	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

	Q4-2022 $	Q3-2022 $	Q2-2022 $	Q1-2022 $
Total revenue (thousands)	49,845	30,858	33,584	53,765
Net (loss) income (thousands)	(1,602)	(4,442)	(5,071)	15,489
(LPS) EPS	(0.01)	(0.03)	(0.03)	0.09
Diluted (LPS) EPS	(0.01)	(0.03)	(0.03)	0.09

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:

	Q4-2023	Q3-2023	Q2-2023	Q1-2023	Q4-2022	Q3-2022	Q2-2022	Q1-2022
Copper sales/deliveries [1]	16.1	11.0	13.7	16.5	16.8	16.2	14.9	16.3
MVC's copper price	3.82	3.76	3.80	4.02	3.80	3.50	4.10	4.64
Settlement adjustments [2]	(0.25)	(0.10)	(2.71)	3.81	2.14	(8.58)	(5.07)	3.76

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

In Q1-2022, revenue was positively affected by an increase in the price of copper and the resulting positive settlement adjustments. In Q2-2022, revenue was negatively impacted by a decrease in copper delivered during the quarter due to the planned maintenance shutdown, decreasing production, and a drop in copper prices, resulting in negative settlement adjustments. In Q3-2022, although copper sales volume increased in the quarter, revenue was negatively impacted by a decline in copper prices, resulting in negative settlement adjustments. In Q4-2022, copper sales volume and price increased, and positive settlement adjustments affected revenue. 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.

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:

	Q4-2023	Q3-2023	Q2-2023	Q1-2023	Q4-2022	Q3-2022	Q2-2022	Q1-2022
Tolling and production costs [1]	36.44	32.35	35.34	39.17	41.01	34.41	31.97	32.34
Unit tolling and production cost [2]	2.27	2.95	2.59	2.38	2.44	2.13	2.15	1.99

Notes:
1 Millions of dollars.
2 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 Q4-2021, total tolling and production costs decreased primarily due to reduced inventory adjustments and lower differences between copper tolled and delivered in the quarter. In Q1-2022, tolling and production costs increased slightly, whereas copper delivered decreased by 3%, increasing unit cost. In Q2-2022, total tolling and production costs decreased, but due to lower production from the annual maintenance shutdown, increased on a unit-cost basis. In Q3-2022, total tolling and production costs rose, but due to higher production compared to the prior quarter, decreased on a unit cost basis. In Q4-2022, tolling and production costs increased in total and per unit, primarily due to increased power costs and direct labour. 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.

FINANCIAL POSITION AND BORROWINGS

Cash Flow from Operating Activities

In 2023, the Company generated net cash from operating activities of $20.3 million (2022: $23.6 million). Excluding the effect of changes in working capital, the Company generated $22.3 million in cash from operations in 2023 (2022: $34.9 million).

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

On December 31, 2023, the provisional copper price used by MVC was $3.83/lb and final prices for October, November, and December 2023 sales will be the average LME prices for January, February, and March 2024, respectively. A 10% change from the $3.83/lb provisional price used on December 31, 2023 would result in a $6.2 million change in revenue in Q1-2024 regarding Q4-2023 production.

Cash Flow from Investing Activities

In 2023, the Company made payments of $16.9 million (2022: $9.8 million), including $14.1 million for Capex and $2.8 million for sustaining Capex.

Cash Flow used in Financing Activities

In 2023, Amerigo returned $17.2 million to shareholders; $14.6 million was paid through Amerigo's quarterly dividend of Cdn$0.03 per share, and $2.6 million was returned through purchasing 2.3 million common shares for cancellation through a NCIB.

In 2023, MVC made net debt repayments of $5.3 million (2022: $7.0 million) and drew $2.0 million from its working capital line of credit (2022: $nil). MVC's year-end borrowings were $20.7 million (December 31, 2022: $23.7 million).

MVC made lease repayments of $1.9 million in 2023 (2022: $1.0 million).

In 2023, $0.1 million was received from the exercise of stock options (2022: $0.1 million).

Financial Position

On December 31, 2023, the Company's cash and restricted cash balance was $22.5 million (December 31, 2022: $42.0 million), including restricted cash of $6.3 million (December 31, 2022: $4.2 million). On December 31, 2023, the Company had a working capital deficiency of $12.3 million (December 31, 2022: working capital of $10.0 million).

Borrowings

(Expressed in thousands)	December 31, 2023 $	December 31, 2022 $
Term loan	18,687	23,650
Line of credit	2,026	-
	20,713	23,650
Comprise:		
Short-term debt and current portion of long-term debt	10,303	7,006
Long-term debt	10,410	16,644
	20,713	23,650

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 includes 25% of the facility that is 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 4.3%. 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, 2023, the SOFR rate was 5.16%. The IRS has a term of June 30, 2026. On December 31, 2023, the balance of the Term Loan, net of transaction costs, was $18.7 million, and the IRS was in an asset position of $0.9 million.

The Line of Credit can be drawn in multiple disbursements, and on June 29, 2023, it was extended to be available until June 30, 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. The interest rate will be based on the SOFR rate plus a margin to be defined on each disbursement date. As of December 31, 2023, MVC had drawn $2.0 million from the Line of Credit. The amount has 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, October 10, 2024, April 10, 2025 and October 10, 2025.

MVC is required to have a debt service reserve account to be funded monthly with 1/6 of the next debt payment (principal and interest) such that semi-annual debt payments are fully funded a month before the payment date and a second reserve account of $3.5 million to be released on January 1, 2025. On December 31, 2023, MVC held the required reserve funds of $2.8 million and $3.5 million, respectively, shown as restricted cash on Amerigo's statement of financial position. The current portion of the restricted cash balance on December 31, 2023, included an additional $1.75 million plus interest semi-annual debt payment due on December 31, 2023 to one of MVC's lenders, who processed the payment on January 2, 2024.

MVC is required to meet two bank covenants semi-annually on June 30 and December 31: debt/EBITDA ratio (requirement =< 3) and net worth (requirement => $100.0 million), which were met on December 31, 2023.

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 El Teniente and the tailings from the Cauquenes and Colihues historic tailings deposits. The DET Agreement has a term to 2037 for fresh tailings, the earlier of 2033 or deposit depletion for Cauquenes, and the earlier of 2037 or deposit depletion for Colihues.

The DET Agreement establishes a series of royalties payable by MVC to DET, calculated using the average LME copper price for the month of concentrate production.

The DET Agreement currently operates as a tolling contract under which title to the copper concentrates produced by MVC remains with DET. MVC earns tolling revenue, calculated as the gross value of copper 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 $4.27lb (30%). MVC intends to restart processing tailings from Colihues once the Cauquenes deposit is depleted.

MVC pays a sliding scale global molybdenum royalty for molybdenum prices between $6.00/lb (3%) and $40.00/lb (19.7%).

The DET Agreement anticipates that in the event monthly average 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 contains early exit options exercisable by DET within 2021 (not exercised) and every three years after that only in the event of changes unforeseen at the time the DET Agreement was entered into. Amerigo has judged the probabilities of DET exercising any of these 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	19,410	19,410	-	-	-
Current income tax payable	641	641	-	-	-
DET royalties	17,104	17,104	-	-	-
Derivative to related parties	6,979	1,022	815	1,917	3,225
Severance provisions	781	-	-	-	781
Minimum power payments [1]	211,795	14,478	15,172	45,543	136,602
Borrowings	20,713	9,872	7,562	3,279	-
Total contractual obligations	277,423	62,527	23,549	50,739	140,608

Note:

1 On December 31, 2023, 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 $0.8 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 2023, the derivative liability decreased by $0.2 million (2022: $3.7 million), with $1.0 million paid or accrued to the Class A shareholders (2022: $1.0 million) and a change in derivative fair value charge of $0.8 million (2022: recovery of $2.7 million).

On December 31, 2023, the derivative liability totalled $7.0 million (2022: $7.2 million), with a current portion of $1.0 million (2022: $1.0 million) and a long-term portion of $6.0 million (2022: $6.2 million).

Payments outstanding on December 31, 2023, were $0.1 million (2022: $0.1 million).

b) Directors' fees and remuneration to officers

In 2023, the Company paid or accrued $1.4 million in salaries, fees, and performance bonuses to companies associated with certain officers (2022: $1.6 million). In the same period, Amerigo paid or accrued $0.3 million in directors' fees (2022: $0.3 million). These transactions were in the ordinary course of business and measured at market rates determined on a cost-recovery basis.

In 2023, 1,700,000 options were granted to certain directors, officers and employees of the Company (2022: 1,700,000 options). Share-based payments associated with the vesting of options during the year ended December 31, 2023 were $0.7 million (2022: $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).

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.

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, 2023, 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, 2023. 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.

Commitments

- On December 31, 2023, 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 $0.8 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. Until the estimation of the new closure plan is available and the parties agree on the terms of compensation resulting from the revised plan, Amerigo believes there is no obligation to record a provision because the amount, if any, is not possible to determine.

Subsequent events

On February 20, 2024, Amerigo's Board of Directors declared a quarterly dividend of Cdn$0.03 per share, payable on March 20, 2024 to shareholders of record as of March 6, 2024. 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.

Securities Outstanding

On February 20, 2024, Amerigo had 164,845,034 common shares outstanding and 10,750,003 options outstanding (exercisable at prices ranging from Cdn$0.40 to Cdn$1.62 per share).

Additional information, including the Company's most recent Annual Information Form, is available on SEDAR+ at 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 2024;
- our strategies and objectives;
- our estimates of the availability and quantity of tailings and the quality of our mine plan estimates;
- the sufficiency of MVC's water reserves to maintain projected Cauquenes tonnage processing for at least 18 months;
- prices and price volatility for copper, molybdenum and other commodities and materials we use in our operations;
- our estimate as to the amount of the royalty to be payable to DET in 2024;
- 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;
- 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;
- our estimate as to the length of the annual plant shutdown at MVC and El Teniente;
- 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 permitting and development of mineral projects such as unusual or unexpected geological formations, negotiations with government and other third parties, unanticipated metallurgical difficulties, delays associated with permits, approvals and permit appeals, ground control problems, adverse weather conditions, process upsets and equipment malfunctions; risks associated with labour disturbances and availability of skilled labour and management; risks related to the potential impact of global or national health concerns, including COVID-19, and the inability of employees to access sufficient healthcare; government or regulatory actions or inactions, fluctuations in the market prices of our principal commodities, which are cyclical and subject to substantial price fluctuations; risks created through competition for mining projects and properties; risks associated with lack of access to markets; risks associated with availability of and our ability to obtain both tailings from Codelco's Division El Teniente's current production and historic tailings from tailings deposits 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. Notwithstanding the efforts of the Company and MVC, there can be no guarantee that Amerigo's or MVC's staff will not contract COVID-19 or that Amerigo's and MVC's measures to protect staff from COVID-19 will be effective. Many of these risks and uncertainties apply not only to the Company and its operations but also to Codelco and its operations. Codelco's ongoing mining operations provide a significant portion of the materials MVC processes and resulting metals production. Therefore, these risks and uncertainties may also affect their operations and, in turn, have a material effect on the Company.

Actual results and developments are likely to differ and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on 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 and other commodities and products used in our operations;
- the ongoing supply of material for processing from Codelco's current mining operations;
- the grade and projected recoveries of tailings processed by MVC;
- the ability of the Company to profitably extract and process material from the Cauquenes tailings deposit;
- the timing of the receipt of and retention of permits and other regulatory and governmental approvals;
- our costs of production and our production and productivity levels, as well as those of our competitors;
- changes in credit market conditions and conditions in financial markets generally;
- our ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the availability of qualified employees and contractors for our operations;
- our ability to attract and retain skilled staff;
- the satisfactory negotiation of collective agreements with unionized employees;
- the impact of changes in foreign exchange rates and capital repatriation on our costs and results;
- 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 returning to normal levels;
- average recoveries for fresh tailings and Cauquenes tailings;
- our ability to obtain, comply with and renew permits and licenses in a timely manner; and
- our ongoing relations with our employees and entities we do business with.

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

Climate change is a global issue that could pose new challenges affecting 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 persistent drought conditions. The Company's Colihues operation is sensitive to water availability and the reserves required to process the projected Cauquenes tonnage.

Although the Company believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond the Company's control, the Company cannot assure that it will achieve or accomplish the expectations, beliefs or projections described in the forward-looking statements.

We caution that 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 or projected and expressed in, or implied by, our forward-looking statements. You should also carefully consider the matters discussed under Risk Factors in Amerigo's Annual Information Form. The forward-looking statements contained herein speak only as of the date of the MD&A, and except as required by law, we undertake no obligation to update publicly or otherwise revise any forward-looking statements or the preceding list of factors, whether as a result of new information or future events or otherwise.