Amerigo

Toronto Stock Exchange: ARG

ANNUAL INFORMATION FORM

For the year ended December 31, 2023

Dated: March 28, 2024

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NOMENCLATURE

In this Annual Information Form ("AIF"), unless the context otherwise requires, "we," "Amerigo" or the "Company" refer to Amerigo Resources Ltd. and its subsidiaries, "Codelco" refers to Corporación Nacional del Cobre de Chile, "DET" refers to Codelco's El Teniente Division and "MVC" refers to Minera Valle Central, S.A., the Company's most significant subsidiary.

Unless otherwise stated, all information in this AIF is as of December 31, 2023.

This AIF should be read in conjunction with the Company's audited consolidated financial statements and notes thereto (the "Financial Statements") and the Company's Management's Discussion and Analysis ("MD&A") for the year ended December 31, 2023. The Financial Statements and MD&A are available at www.amerigoresources.com and under our SEDAR+ profile at www.sedarplus.ca.

NON-IFRS MEASURES [1]

This AIF includes three non-IFRS measures: (i) cash cost, (ii) total cost, and (iii) operating cash flow before changes in non-cash working capital.

These non-IFRS performance measures are included in this AIF 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, amounts presented may not be comparable to similar financial measures disclosed by other companies. These performance measures should not be considered in isolation as a substitute for performance measures in accordance with IFRS Accounting Standards.

(i) "Cash cost" is a performance measure commonly used in the mining industry that is 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. 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.

(ii) "Total cost" is the aggregate of cash cost, notional DET copper royalties and DET molybdenum royalties, depreciation and amortization.

(iii) "Operating cash flow before changes in non-cash working capital" is calculated by adding the decrease or subtracting the increase in changes in non-cash working capital to or from cash provided by operating activities.

Readers should refer to the information under the heading Non-IFRS Measures in the MD&A, which is incorporated by reference in this AIF, for a more detailed discussion of how the Company calculates non-IFRS measures and a reconciliation of such measures to IFRS terms.

CURRENCY

We report our financial results and prepare our financial statements in United States dollars. Unless otherwise indicated, all currency amounts in this AIF are expressed in United States dollars. References to “Cdn$” are to Canadian dollars, and references to “CLP” are to Chilean pesos.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This AIF contains certain “forward-looking information” as 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 and operating costs;
- 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;
- 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 capital return 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;
- 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, including the security of the quarterly dividends; 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, 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 deposit; the availability of and ability of the Company to obtain adequate funding on reasonable terms for expansions and acquisitions; Codelco's mine plan estimates; risks posed by fluctuations in exchange rates and interest rates, as well as general economic conditions; risks associated with environmental compliance and changes in environmental legislation and regulation; risks associated with our dependence on third parties for the provision of critical services; risks associated with non-performance by contractual counterparties; risks associated with supply chain disruptions; title risks; social and political risks associated with operations in foreign countries; risks of changes in laws affecting our operations or their interpretation, including foreign exchange controls; and risks associated with tax reassessments and legal proceedings. Many of these risks and uncertainties apply to the Company and its operations, as well as 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 have a material effect on the Company.

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

- general business and economic conditions;
- interest and currency exchange rates;
- changes in commodity and power prices;
- acts of foreign governments and the outcome of legal proceedings;
- the supply and demand for, deliveries of, and the level and volatility of prices of copper, molybdenum and other commodities and products used in our operations;
- the ongoing supply of material for processing from Codelco's current mining operations;
- the grade and projected recoveries of tailings processed by MVC;
- the ability of the Company to profitably extract and process material from the 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 continuing to trend towards normal levels;
- average recoveries for fresh tailings and Cauquenes tailings;
- our ability to obtain, comply with and renew permits and licenses in a timely manner; and
- our ongoing relations with our employees and entities with which we do business.

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

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

The preceding list of important factors and assumptions is not exhaustive. Other events or circumstances could cause our results to differ materially from those estimated, projected, and expressed in or implied by our forward-looking statements. You should also carefully consider the matters discussed under Risk Factors in this AIF. The forward-looking statements contained herein speak only as of the date of this AIF. Except as required by law, we undertake no obligation to revise any forward-looking statements or the preceding list of factors, whether due publicly or otherwise, to new information or future events.

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

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.

SCIENTIFIC AND TECHNICAL INFORMATION

David Michaud, SME Registered Member 04207213, Director of 911 Metallurgy Corp., technical consultant to the Company and a Qualified Person under National Instrument 43-101 ("NI 43-101"), has reviewed and approved the scientific and technical information in this AIF.

CORPORATE STRUCTURE

Name, Address and Incorporation

Amerigo Resources Ltd. was incorporated by registration of its memorandum and articles under the *Company Act* (British Columbia) on January 23, 1984, under the name "Silent Canyon Resources Ltd." Effective April 27, 1988, the Company changed its name from "Silent Canyon Resources Ltd." to "Golden Adit Resources Ltd.", consolidated its share capital on a 2:1 basis and subsequently increased its authorized capital to 20,000,000 common shares without par value. The Company changed its name effective June 8, 1990, from "Golden Adit Resources Ltd." to "First Northern Developments Inc." Effective September 20, 1993, the Company changed its name from "First Northern Developments Inc." to "Consolidated First Northern

Developments Inc.", consolidated its share capital on a 2.65:1 basis and increased its authorized capital to 25,000,000 common shares without par value. Effective March 15, 1996, the Company changed its name from "Consolidated First Northern Developments Inc." to "Golden Temple Mining Corp., consolidated its share capital on a 5:1 basis and increased its authorized capital to 25,000,000 common shares without par value. The Company increased its authorized capital to 100,000,000 common shares without par value effective August 5, 1997. Effective March 8, 2002, the Company changed its name from "Golden Temple Mining Corp." to "Amerigo Resources Ltd." and consolidated its share capital on a 4:1 basis. Effective September 11, 2002, the Company increased its authorized capital to 100,000,000 common shares without par value. Effective March 16, 2004, the Company increased its authorized capital to 200,000,000 common shares without par value. It amended its articles to provide for a rotating board of directors (the "Board"), divided into Class I, II and III, each with a three-year term. On June 29, 2004, the Company transitioned to the *Business Corporations Act* (British Columbia). On June 17, 2004, the shareholders of the Company approved the replacement of the Articles of the Company and an increase in the authorized capital to an unlimited number of common shares without par value ("Common Shares"). On May 9, 2011, the Company amended its articles so that each director's term of office is one year and expires yearly at the Company's annual general meeting. On May 2, 2016, the Company amended its articles so that advance notice of director nominees from shareholders is required.

The Company's corporate head office is on the 9th Floor, 1021 West Hastings Street, Vancouver, B.C. V6E 0C3. The Company's registered and records office is at Suite 2300 – 550 Burrard Street, P.O. Box 30, Vancouver, B.C. V6C 2B5.

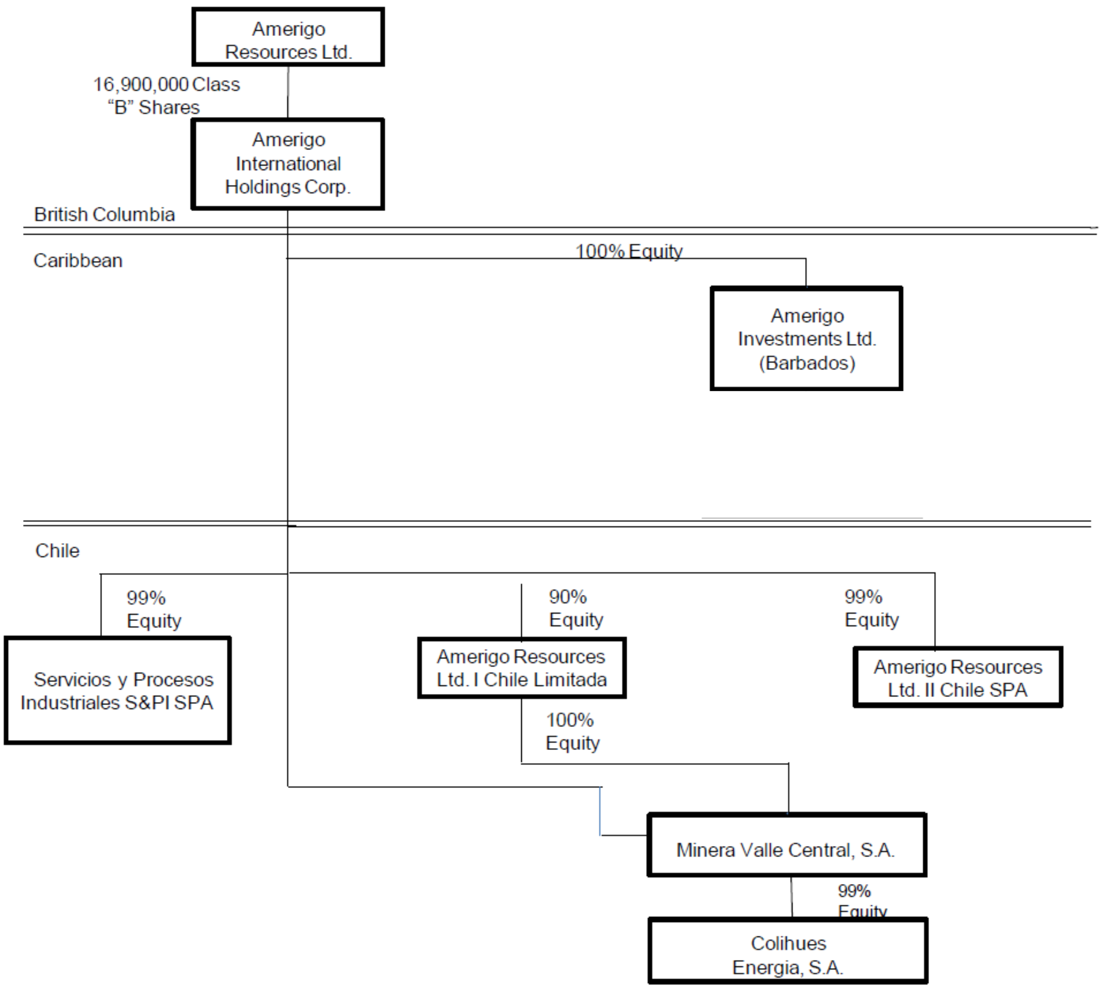
Intercorporate Relationships

The Company owns 100% of the issued and outstanding Class B Common Shares in Amerigo International Holdings Corp. ("AIHC"), representing approximately 90% of the issued and outstanding shares of AIHC. AIHC was incorporated in Canada.

The Company also owns, directly and indirectly, interests in companies in Chile (Minera Valle Central, S.A. ("MVC"), Colihues Energía, S.A., Amerigo Resources Ltd. I Chile Limitada, Amerigo Resources Ltd. II Chile SPA and Servicios y Procesos Industriales S&PI SPA); and Barbados (Amerigo Investments Ltd.).

MVC, a Chilean producer of copper concentrates, is the Company's most significant subsidiary. MVC also produces molybdenum concentrates as a by-product.

The following chart sets forth the intercorporate relationships between Amerigo and its subsidiaries, the jurisdiction of each subsidiary's incorporation or formation, and Amerigo's voting and equity interest.



(1) The Class B Common Shares owned by Amerigo Resources Ltd. in the capital of AIHC represent 100% of the Class B Common Shares and 89.89% of the voting rights in AIHC. Two directors of AIHC and associates of those directors indirectly hold 1,900,000 Class A Common Shares of AIHC. The special rights and restrictions provide the holders of the Class A Common Shares the right to elect two of the five directors of AIHC. See "Description of the Business – General - Royalties".
(2) The other equity owner (10%) in Amerigo Resources Ltd. I Chile Limitada is Amerigo Resources Ltd.
(3) The other equity owner (1%) in Amerigo Resources Ltd. II Chile SPA is Amerigo Resources Ltd.
(4) AIHC holds the minimum number of shares of Minera Valle Central S.A. required by Chilean law.
(5) The other equity owner in Colihues Energia, S.A. (1%) is Amerigo Resources Ltd. I Chile Limitada.

GENERAL DEVELOPMENT OF THE BUSINESS- THREE-YEAR HISTORY

Amerigo's 100% owned MVC operation in Chile has produced copper concentrates since 1992 by processing fresh and historic tailings from Codelco's El Teniente mine, the world's largest underground copper mine.

MVC has a contract with DET to process the fresh tailings from El Teniente and the tailings from the Cauquenes historic tailings deposit ("Cauquenes") and Colihues historic tailings deposit ("Colihues"). The agreement with DET has a term to the earlier of 2033 or deposit depletion for Cauquenes, the earlier of 2037 or deposit depletion for Colihues and 2037 for fresh tailings (see Description of Business - Underlying Contracts with DET in this AIF).

El Teniente is entitled to royalties on the copper and molybdenum produced in exchange for the tailings rights granted to MVC. The copper royalties are determined through a sliding scale formula tied to the copper price of the London Metal Exchange ("LME").

2021

MVC's 2021 production was 63.4 million pounds ("M lbs") of copper, higher than the 56.2 M lbs produced in 2020 and included 32.3 M lbs from fresh tailings and 31.1 M lbs from Cauquenes. The 13% copper production increase in 2021 was due to higher fresh tailings tonnage, grade and recoveries, and higher grade from Cauquenes.

MVC's molybdenum production during 2021 was 1.3 M lbs (2020: 1.4 M lbs).

In 2021, MVC completed plant optimization and laboratory work that had been initiated in 2020. It provided vital recommendations such as reorganizing the plant to increase the processing of fresh tailings (without bypassing them without processing) and abandoning the prior thesis of pursuing high recoveries from the fines fraction of Cauquenes. The two main benefits from these recommendations were an increased current-term production as the throughput from fresh tailings increased and lower long-term depletion from Cauquenes. MVC has continued working with the technical consultants behind these optimization initiatives.

MVC's average plant availability during 2021 was 98%.

In June 2021, the Company appointed Ms. Margot Naudie and Mr. David Thomas to the Company's Board. Regrettably, Mr. Thomas passed in November 2021.

On June 30, 2021, MVC restructured its debt facilities, repaying $42.2 million which remained outstanding under a Consolidated Bank Loan (as defined herein) to finance MVC's Cauquenes expansion. MVC also entered a new Term Loan (as defined herein). The Consolidated Bank Loan and Term Loan are described in detail in this AIF under the headings Description of Business - Consolidated Bank Loan and Description of Business - Term Loan.

On September 29, 2021, the Company announced its intention to commence a substantial issuer bid (the "Substantial Issuer Bid") to purchase for cancellation from Amerigo shareholders who chose to participate up to Cdn$25 million in value of its Common Shares.

On November 1, 2021, the Company's Board declared a quarterly dividend of Cdn$0.02 per share, payable on December 20, 2021, to shareholders of record as of November 30, 2021.

On November 21, 2021, the Company completed the Substantial Issuer Bid and took up and paid for 7,116,345 Common Shares at a price of Cdn$1.30 per Common Share for an aggregate cost of $7.4 million.

On December 2, 2021, the Company commenced a Normal Course Issuer Bid (the "NCIB"), under which the Company was authorized to purchase up to 10.75 million Common Shares over twelve months, to December 1, 2022. Under the NCIB, Common Shares could be purchased in open market transactions on the Toronto Stock Exchange ("TSX") at the prevailing market price at the time of such transaction. Under the rules of the TSX, the total number of Common Shares that the Company was permitted to purchase was subject to a daily purchase limit of 86,625 Common Shares, which represented 25% of the average daily trading volume of 346,502 Common Shares on the TSX for the six months ended October 31, 2021. However, the

Company could make one block purchase per calendar week exceeding the daily purchase restriction.

During the year ended December 31, 2021, the Company repurchased 1,376,425 Common Shares under the NCIB for cancellation at an aggregate cost of $1.4 million.

In 2021, MVC's copper price was $4.25 per pound ("/lb") (2020: $2.94/lb).

Revenue in 2021 was $199.6 million (2020: $126.4 million), including copper tolled on behalf of DET of $181.4 million (2020: $116.3 million), molybdenum revenue of $18.1 million (2020: $9.5 million) and slag processing revenue of $nil (2020: $0.7 million).

Copper tolled on behalf of DET was calculated from the gross value of copper produced, which was $269.4 million (2020: $156.6 million), less notional items, including DET royalties of $78.4 million (2020: $33.5 million), smelting and refining of $20.6 million (2020: $16.7 million), transportation of $2.0 million (2020: $1.8 million), and positive fair value adjustments to settlement receivables of $13.1 million (2020: $11.6 million).

Tolling and production costs increased 15% from $111.0 million in 2020 to $127.5 million in 2021.

In 2021, power costs increased by $2.8 million or 10% compared to 2020 due to increased power consumption driven by higher production. Power costs in 2021 were $0.0919/kWh (2020: $0.0953/kWh).

Direct labour costs in 2021 increased $1.6 million, or 15%, compared to 2020 due to a $0.5 million collective agreement signing bonus paid to MVC's supervisors on the renewal of a 3-year contract in January 2021 and a 4% appreciation of the CLP against the US dollar in 2021 compared to 2020.

Grinding media costs increased $1.8 million or 24% compared to 2020 due to increased copper production and higher steel prices.

Lime cost decreased by $0.4 million or 5% in 2021 due to reduced consumption and lower prices.

In aggregate, other direct tolling costs increased by $8.3 million or 25% in 2021, primarily due to a $2.6 million increase in molybdenum production costs, a $2.5 million increase in process control, environmental and safety costs, a $2.4 million increase in maintenance costs and a $1.9 million increase in historic tailings extraction costs. These increases were offset by a decrease in inventory adjustments of $3.2 million due to lower differences between copper tolled and delivered in 2021 compared to 2020, a reduction of industrial water costs of $0.2 million, and a decrease in direct slag processing costs of $0.3 million as slag was not processed in 2021.

MVC's cash cost[1] components decreased in 2021 due to increased production compared to 2020 and higher by-product credits driven by higher molybdenum prices.

Total cost[1] increased to $3.32/lb (2020: $2.72/lb) due to a $0.65/lb increase in DET notional royalties from higher metal prices.

Gross profit was $72.1 million (2020: $15.4 million). Net income was $39.8 million, an increase from net income of $6.1 million in 2020 due to higher metal prices during 2021 and a 13% increase in copper production.

The Company generated annual operating cash flow before changes in non-cash working capital[1] of $69.5 million (2020: $29.1 million). Annual net cash from operating activities was $93.1 million (2020: $19.8 million).

In 2021, the Company made debt repayments of $57.8 million (2020: $9.4 million) and received funds of $33.8 million from the replacement Term Loan.

The Company paid $8.8 million to purchase 8.5 million Common Shares for cancellation (7.1 million repurchased through a Substantial Issuer Bid completed on November 12, 2021, and 1.4 million Common Shares repurchased through an NCIB) and paid a quarterly dividend of $2.8 million (Cdn$0.02 per share).

The Company also received $0.1 million in proceeds from various exercises of stock options (2020: $0.1 million) and made lease repayments of $1.2 million (2020: $1.4 million).

In 2021, the Company made investing payments of $12.0 million (2020: $2.8 million), including $9.4 million for capital expenditures ("Capex") and $2.6 million for capitalized maintenance.

In 2021, the Company received $3.9 million from the sale of non-core investments (2020: $0.1 million).

On December 31, 2021, the Company held cash and cash equivalents of $59.8 million (December 31, 2020: $14.1 million), restricted cash of $4.2 million (2020: $nil) and had working capital of $24.6 million (December 31, 2020: working capital deficiency of $6.1 million).

<u>2022</u>

MVC's 2022 production was 64.0 M lbs of copper, higher than the 63.4 M lbs produced in 2021 and included 37.7 M lbs from fresh tailings and 26.3 M lbs from Cauquenes. The 3.4% copper production increase in 2022 was due to a higher grade and recoveries from fresh tailings and higher grades from Cauquenes tailings.

MVC's molybdenum production during 2022 was 1.0 M lbs (2021: 1.3 M lbs) due to lower molybdenum content in fresh tailings.

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

On February 22, 2022, the Company's Board declared a quarterly dividend of Cdn$0.03 per share, payable on March 22, 2022, to shareholders of record as of March 4, 2022.

On March 30, 2022, the Company filed an updated technical report in respect of MVC, entitled "NI 43-101 Mineral Resource Estimate Technical Report Minera Valle Central Operation Rancagua, Region VI, Chile", dated February 1, 2022, by Hamid Samari, PhD, MMSA, Todd Harvey, PhD, PE, SME, Terre Lane, MMSA and Larry Breckenridge, PE.

On May 2, 2022, the Company's Board declared a quarterly dividend of Cdn$0.03 per share, payable on June 20, 2022, to shareholders of record as of May 30, 2022.

On June 21, 2022, the Company completed the NCIB initiated on December 2, 2021, and repurchased 10,750,000 Common Shares for cancellation. In 2022, 9,373,575 Common Shares were repurchased at an average price of Cdn$1.67 per share (2021: 1,376,425 Common Shares repurchased at an average price of Cdn$1.35 per share).

On August 2, 2022, the Company's Board declared a quarterly dividend of Cdn$0.03 per share, payable on September 20, 2022, to shareholders of record as of August 31, 2022.

On October 27, 2022, MVC and its union of 198 plant workers renegotiated and entered into a 3-year collective agreement with a term date of October 28, 2025. In connection with this agreement, MVC paid the workers $2.9 million in signing bonuses.

On October 31, 2022, the Company's Board declared a quarterly dividend of Cdn$0.03 per share, payable on December 20, 2022, to shareholders of record as of November 30, 2022

On December 2, 2022, the Company commenced a new NCIB under which it was authorized to purchase up to 11.08 million Common Shares over twelve months, to December 1, 2023. The total number of Common Shares the Company was permitted to purchase was subject to a daily purchase limit of 62,016 Common Shares, which represented 25% of the average daily trading volume of 248,067 Common Shares on the TSX for the six months ended October 31, 2022. However, the Company could make one block purchase per calendar week exceeding the daily purchase restriction.

In 2022, MVC's copper price was $4.01/lb (2021: $4.25/lb).

Revenue was $168.1 million (2021: $199.6 million), including copper tolled on behalf of DET of $153.0 million (2021: $181.4 million) and molybdenum revenue of $15.1 million (2021: $18.1 million).

Copper tolled on behalf of DET was calculated from the gross value of copper produced in 2022 of $255.4 million (2021: $269.4 million) less notional items including DET royalties of $70.5 million (2021: $78.4 million), smelting and refining of $24.0 million (2021: $20.6 million) and transportation of $1.7 million (2021: $2.0 million), and negative fair value adjustments to settlement receivables of $6.2 million (2021: positive adjustments of $13.1 million).

Tolling and production costs increased 10% from $127.5 million in 2021 to $139.7 million in 2022.

In 2022, power costs increased by $1.3 million or 4% compared to 2021, primarily due to higher pass-through charges in Chile. Power costs in 2022 were $0.0959/kWh (2021: $0.0919/kWh).

Direct labour costs in 2022 increased by $2.6 million, including $2.9 million paid to MVC's plant workers in Q4- 2022 as signing bonuses on renewing a 3-year collective labour agreement.

In 2022, grinding media increased by $2.3 million compared to 2021 due to higher consumption and steel prices.

In aggregate, other direct tolling and production costs increased in 2022 by $4.2 million primarily due to increases in process control, environmental and safety ($1.0 million), maintenance costs ($0.9 million), industrial water ($0.9 million), and subcontractors support services ($0.6 million).

MVC's cash cost[1] increased in 2022 due to increased power costs, higher steel prices for grinding media, increased other direct costs and decreased by-product credits driven by lower molybdenum production.

Total cost[1] increased to $3.45/lb (2021: $3.32/lb) due to an increase of $0.23/lb in cash cost[1], offset by a $0.14/lb decrease in DET notional royalties from lower metal prices.

In 2022, the Company posted a net income of $4.4 million, down from a net income of $39.8 million in 2021, primarily due to lower copper prices during the second half of 2022, which led to a decline in copper revenue before notional charges of $33.3 million, and an $11.5 million equipment write-down. The write-down had no impact on cash flow.

In 2022, the Company generated net cash of $23.6 million from operating activities (2021: $93.8 million, restated from $93.1 million from the reclassification of $0.7 million in restricted cash to financing activities). Operating cash flow before changes in non-cash working capital[1] was $34.9 million in 2022 (2021: $69.5 million).

In 2022, MVC made net debt repayments of $7.0 million (2021: $24.0 million). The Company's year-end borrowings were $23.7 million (December 31, 2021: $30.4 million).

During 2022, Amerigo returned $28.0 million to shareholders (2021: $11.6 million), including $15.7 million (2021: $2.8 million) through Amerigo's regular quarterly dividend of Cdn$0.03 per share, and $12.3 million used to purchase for cancellation 9.4 million Common Shares (2021: $8.8 million used to purchase for cancellation 8.5 million Common Shares).

In 2022, $0.1 million was received from the exercise of stock options (2021: $0.1 million).

In 2022, the Company made payments of $9.8 million (2021: $12.0 million), including $8.0 million for sustaining capex and $1.8 million for capitalized maintenance.

On December 31, 2022, the Company held cash and cash equivalents of $37.8 million (December 31, 2021: $59.8 million), a restricted cash balance of $4.2 million (December 31, 2021: $4.2 million) and had working capital of $10.0 million (December 31, 2021: $24.6 million).

2023

In 2023, heavy rains and flooding in Chile affected MVC's operations and financial performance, negatively affecting copper production.

MVC's 2023 copper production of 57.6 M lbs was 10% lower than the 64.0 M lbs produced in 2022. This production included 35.8 M lbs from fresh tailings and 21.8 M lbs from Cauquenes historical tailings.

MVC's molybdenum production during 2023 was 1.2 M lbs (2022: 1.0 M lbs).

MVC's average plant availability during 2023 was down to 91.18% due to the operational interruptions caused by the rain and flooding at MVC.

On February 21, 2023, the Company's Board declared a quarterly dividend of Cdn$0.03 per share, payable on March 20, 2023, to shareholders of record as of March 6, 2023.

On May 1, 2023, the Company's Board declared a quarterly dividend of Cdn$0.03 per share, payable on June 20, 2023, to shareholders of record as of May 30, 2023.

On July 31, 2023, the Company's Board declared a quarterly dividend of Cdn$0.03 per share, payable on September 20, 2023, to shareholders of record as of August 30, 2023.

On October 30, 2023, the Company's Board declared a quarterly dividend of Cdn$0.03 per share, payable on December 20, 2023, to shareholders of record as of November 30, 2023

Under the NCIB, which commenced on December 2, 2022 and expired on December 1, 2023, Amerigo repurchased and cancelled 2,281,187 Common Shares at a weighted average purchase price of Cdn$1.55 per Share.

On December 2, 2023, the Company commenced a new NCIB under which Amerigo may purchase up to 10.9 million Common Shares before December 1, 2024. The total number of Common Shares the Company is permitted to purchase is subject to a daily purchase limit of 33,822 Common Shares, representing 25% of the average daily trading volume of 135,288 Common Shares on the TSX for the six months ended October 31, 2023. However, the Company may make one block purchase per calendar week, which exceeds the daily purchase restriction.

In 2023, MVC's copper price was $3.86/lb (2022: $4.01/lb).

Revenue was $157.5 million (2022: $168.1 million), including copper tolled on behalf of DET of $220.7 million (2022: $255.4 million) and molybdenum revenue of $19.4 million (2022: $15.1 million).

Copper tolled on behalf of DET was calculated from the gross value of copper produced in 2023 of $220.7 million (2022: $255.4 million) 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),.

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

In 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 following rains and flooding. Power costs in 2023 were $0.1100/kWh (2022: $0.0959/kWh).

Direct labour costs decreased by $1.2 million. This decrease is partly due to differences in signing bonuses paid year on 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.

MVC's cash cost[1] increased in 2023 due to increased power costs, smelting and refining costs, and other direct costs. This was offset by an increase in by-product credits driven by higher molybdenum production and prices.

Total cost[1] increased to $3.62/lb (2022: $3.45/lb) due to an increase of $0.19/lb in cash cost[1] and an increase in amortization of $0.03/lb, offset by a $0.05/lb decrease in DET notional royalties from lower metal prices.

In 2023, the Company posted a net income of $3.4 million, down from a net income of $4.4 million in 2022, primarily due to lower copper production due to the interruption of operations due to heavy rain and floods in Chile during the year.

In 2023, the Company generated net cash of $20.3 million from operating activities (2022: $23.6 million). Operating cash flow before changes in non-cash working capital[1] was $22.3 million in 2023 (2022: $34.9 million).

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 repaid leases for $1.9 million (2022: $1.0 million) and fully repaid all leases in the year.

During 2023, Amerigo returned $17.2 million to shareholders (2022: $28.0 million), including $14.6 million (2022: $15.7 million) through Amerigo's regular 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 NCIB.

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

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.

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).

Subsequent to December 31, 2023

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

DESCRIPTION OF THE BUSINESS

General

Amerigo is a Canadian-based company focused on processing mine tailings. Currently, Amerigo produces copper and molybdenum concentrates in Chile through its 100% ownership of MVC.

MVC has produced copper concentrates since 1992 by processing fresh and historic tailings from Codelco's El Teniente mine, the world's largest underground copper mine. El Teniente has been in production since 1905.

Amerigo acquired MVC in 2003 and has undertaken a series of capital expansions at the MVC plant, increasing annual copper production from approximately 26.0 M lbs in 2003 to more than 60 M lbs in recent years. In 2023, the Company's copper production of 57.6 M lbs was lower than expected due to severe rains and flooding at MVC. In 2024, the Company expects to produce 62.4 M lbs of copper.

Since 2005, MVC has also produced molybdenum concentrates as a by-product.

MVC completed a phased expansion of its operations to extract and process high-grade historic Cauquenes tailings. The first phase of the Cauquenes expansion was completed in 2015, extending MVC's life to at least 2037. The Capex budget for this phase was $71.1 million, and the actual Capex was $66.6 million.

The second phase of the Cauquenes expansion was undertaken to improve flotation recovery efficiency and was completed in December 2018, except for a regrind mill installed in June 2019. The Capex for the second phase of the expansion was $39.9 million, compared to the budget of $35.3 million, primarily due to an appreciation of the Chilean peso during the construction period and additional equipment installed during commissioning.

While metallurgical studies on Cauquenes in 2016 indicated that copper recovery could be increased from 34% to 49%, this recovery target was not achieved in practice. In 2021, MVC completed an optimization study and laboratory work initiated in 2020 to investigate this issue. It provided vital recommendations such as reorganizing the plant to increase the processing of fresh tailings (without bypassing them without processing) and abandoning the prior thesis of pursuing high recoveries from the fines fraction of Cauquenes. The thesis of recovering ultra-fines had to be abandoned because they could not be concentrated into a commercial product. The two main benefits from these recommendations were increased current-term production as the throughput from fresh tailings increased and lower long-term depletion from Cauquenes. MVC continues to have access to the technical consultants behind these optimization initiatives.

Effective January 1, 2015, and up to December 31, 2023, MVC's production of copper concentrates is being conducted under a tolling agreement with DET. Under this agreement, title to the copper concentrates produced by MVC remains with DET, and MVC earns tolling revenue, calculated as the gross value of copper produced at applicable market prices, net of notional items (treatment and refining charges, DET copper royalties, and transportation costs).

As of December 31, 2023, Amerigo had one employee and three contractors at its head office in Vancouver, Canada, and MVC had 292 employees and contractors employing 804 employees at its operations in Chile.

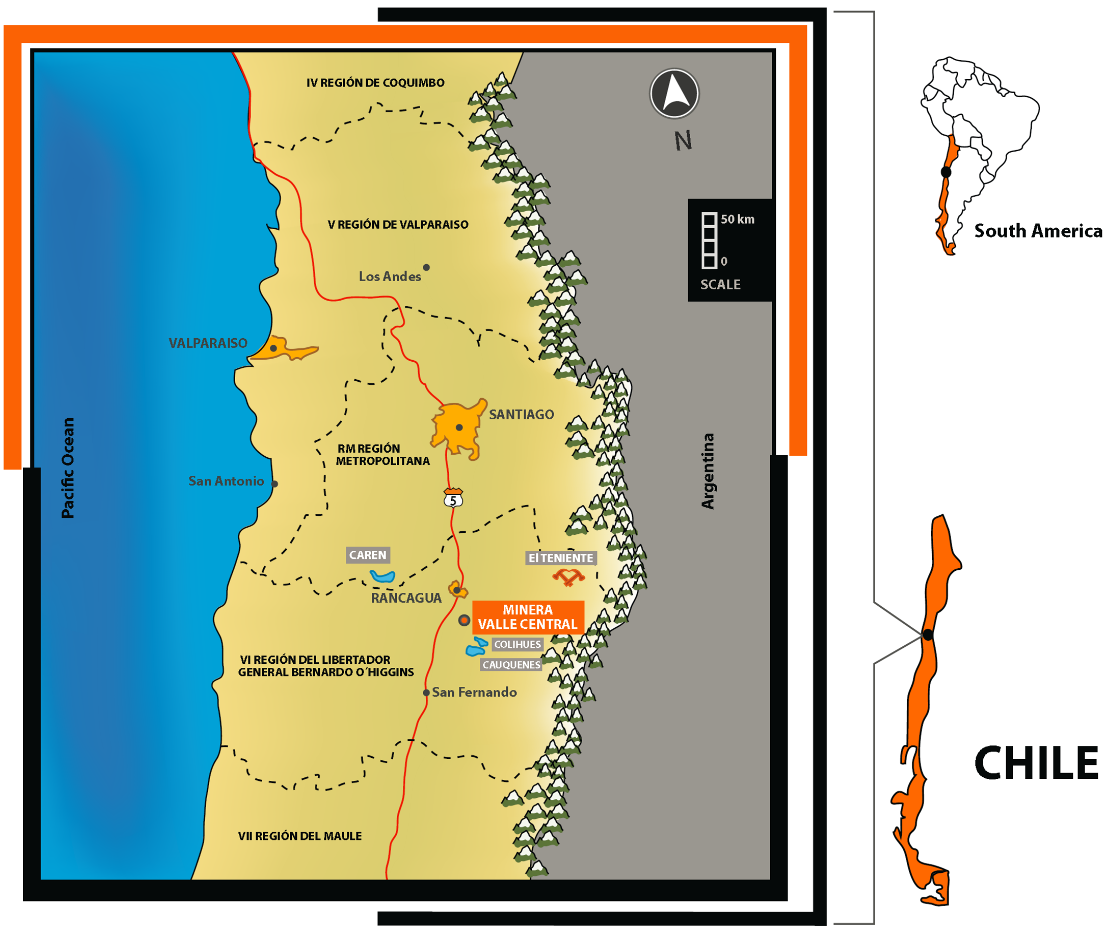
All aspects of the Company's business require specialized skill and knowledge, particularly concerning engineering and tailings processing and legal and accounting services. The Company has been able to locate and retain employees and contractors with such specialized skills and knowledge.

Bankruptcy and Similar Procedures

There are no bankruptcy, receivership or similar proceedings against the Company, nor is the Company aware of any pending or threatened proceedings. There have not been any voluntary bankruptcy, receivership or similar proceedings by the Company within the three most recently completed financial years or during or proposed for the current financial year.

MVC Operation

MVC's processing facilities are located in Region VI (Libertador Bernardo O'Higgins Region) of central Chile. The site is 8 km east of Rancagua and 90 km south of Santiago, the capital of Chile. Personnel and supplies are transported by road between the site and Rancagua or Santiago.



MVC has the right to process fresh tailings, historic tailings from the Colihues tailings deposit located south of the MVC plant and historic tailings from the Cauquenes tailings deposit located next to the Colihues deposit, as disclosed under Description of Business – Underlying Contracts with DET in this AIF.

Under its long-term contract with DET, MVC's life of operation spans from 1992 to at least 2037.

El Teniente delivers fresh tailings to MVC. In 2023, this occurred at a rate of 125,034 tonnes per day ("tpd") and a grade of 0.172% Cu. The fresh tailings are transported from El Teniente to MVC by gravity in a 36-kilometre-long concrete channel. Since 2015, MVC has mined the historic Cauquenes tailings deposit with hydraulic monitors at 42,747 tpd in 2023 and pumps them to the MVC processing facility. The historic Cauquenes tailings were deposited from 1936 to 1977 and, in 2023, had a grade of 0.248% Cu.

The MVC processing facility has a nominal capacity of 185,000 tpd and consists of grinding and flotation plants to recover copper and molybdenum concentrates. Once MVC has reprocessed the tailings, they are returned to the DET tailings channel and deposited into DET's Carén tailings deposit located approximately 50 km west of the MVC site.

Underlying Contracts with DET

In 1991, MVC entered into a contract with DET to process the fresh tailings from El Teniente for a term to 2021 (the "Fresh Tailings Contract"). In 2009, MVC and DET entered into an agreement to process the tailings from Colihues, one of DET's historic tailings deposits (the "Colihues Contract"). In 2014, MVC and DET entered into a contract (the "Master Agreement") for the purchase by MVC of the rights to process tailings from an additional historic tailings deposit, Cauquenes, for a term to the earlier of its depletion or 2033 and extending the Fresh Tailings Contract from 2021 to 2037 and the Colihues Contract to the earlier of its depletion or 2037.

Until December 31, 2014, royalties were payable to DET in respect of copper concentrates produced by MVC. DET royalties were calculated using the average LME copper price for the concentrate production month and recorded as components of production costs.

In 2015, MVC and DET entered into a modification to the Master Agreement, which changed the legal relationship between the parties for an initial period from January 1, 2015, to December 31, 2023, which was renewed on December 31, 2023, automatically to December 31, 2027. During this period, MVC's production of copper concentrates has been and will be conducted under a tolling agreement with DET. DET retains title to the copper concentrates produced by MVC. MVC earns tolling revenue, calculated as the gross value of copper produced at applicable market prices, net of notional items (DET copper royalties, smelting and refining charges 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 historic tailings 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 historic tailings are determined through a sliding scale for copper prices ranging from $0.80/lb (3%) to $4.27lb (30%). The parties must review costs and potentially adjust notional royalty structures for copper production from Colihues tailings if the copper price remains below $1.95/lb or over $4.27/lb for three consecutive months.

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

The Master Agreement contains provisions requiring the parties to meet and review cost and notional royalty/royalty structures if monthly average prices fall below specific ranges and projections indicate the permanence of such prices over time. The review of all notional royalty/royalty structures is to be carried out in a manner that prioritizes the viability of the Master Agreement and maintains the equilibrium of the benefits between the parties.

The Master Agreement also contains three early exit options exercisable by DET within 2021 and every three years thereafter only in the event of unforeseen changes as of the date of the Master Agreement. A summary of the early exit options is set out in the following table:

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

Note:
[(1)] For further clarity, DET could pursue either Exit Option 2 or Exit Option 3 during 2024.

DET did not exercise early exit option 1. The Company currently assesses the probabilities of DET exercising early exit options 2 or 3 as remote.

Consolidated Bank Loan

On March 25, 2015, MVC obtained a $64.4 million loan facility to finance phase one of the Cauquenes expansion. On August 3, 2017, MVC obtained a $35.3 million facility to fund the second phase of the expansion. On September 26, 2019, MVC completed a refinance of these loans. Under the refinance provisions, the principal outstanding on the Cauquenes loans was structured as a senior secured term loan facility (the "Consolidated Bank Loan") of $56.3 million, with a repayment term of 4 years to September 26, 2023.

On June 29, 2021, MVC repaid the remaining outstanding principal amount of $42.2 million on the Consolidated Bank Loan, along with accrued interest of $0.3 million and an interest rate swap ("IRS") break fee of $2.3 million equal to the value of the IRS on June 29, 2021. This was treated as an extinguishment of debt within finance expense for accounting purposes.

On June 30, 2021, MVC entered into a new finance agreement (the "Finance Agreement") with a syndicate of two banks domiciled in Chile for a replacement term loan (the "Term Loan") for $35.0 million and a working capital line of credit (the "Line of Credit") of up to $15.0 million.

Term Loan

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 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.

Molybdenum Concentrate Smelting and Refining Contracts

MVC and Molibdenos y Metales S.A. (“Molymet”) entered into a three-year evergreen sales agreement on January 1, 2020, under which MVC sells molybdenum concentrates to Molymet, with an initial term extending to December 31, 2023. The contract term will be renewed automatically on an annual basis unless either MVC or Molymet notifies the counterparty of their decision not to renew the contract, notice of which needs to be provided in writing by June 30 of each year at the latest. For example, if notice not to renew the contract had not been provided by June 30, 2023, the contract term would have been extended automatically to December 31, 2024. On June 4, 2022, MVC and Molymet entered into an agreement that was amended, effective January 1, 2023, to include certain modifications associated with the quality of concentrates sold to Molymet.

MVC and Glencore Chile SpA (“Glencore”) entered into a three-year sales agreement effective January 1, 2020, under which MVC sold a portion of its molybdenum concentrates to Glencore. During 2021, MVC notified Glencore of its decision not to renew this sales agreement. The sales agreement with Glencore expired on December 31, 2022.

Power Supply Contract

Ensuring a reliable and cost-effective power supply for operations is a strategic issue for the Chilean mining industry and MVC. Power is MVC’s most significant single operating cost.

MVC has a long-standing relationship with Empresa Electrica Pehuenche S.A. (“Pehuenche”), a subsidiary of the Enel Group, a multinational energy company and one of the world’s leading integrated electricity and gas operators.

From October 1, 2008 to December 31, 2017, MVC had a series of contracts with Pehuenche to supply 100% of MVC’s power requirements.

Effective January 1, 2018, MVC had a single contract with Pehuenche to supply 100% of MVC’s power requirements up to December 31, 2032 (the “Power Supply Contract”). The Power Supply Contract provided for a fixed rate per MWh (July 2017 rate, April 2017 United States Consumer Price Index (“US CPI”)), subject to price adjustments based on the US CPI, plus pass-through charges as levied by Chile’s National Energy Commission. The Power Supply Contract had minimum billing provisions for 56% of MVC’s estimated annual power consumption of 350 GWH/year.

Effective January 1, 2020, MVC and Pehuenche entered into a modification of MVC’s Power Supply Contract to, among other things, extend the term of the contract from December 31, 2032, to December 31, 2037, reduce the fixed power rate starting on January 1, 2020, and gradually reduce the 2020 fixed rate during the years 2021 to 2023. The fixed rate will continue to be subject to additional pass-through charges and semi-annual price readjustments starting on July 1, 2020, based on the US CPI of the preceding three months.

All the electricity supplied to MVC under this contract comes from renewable sources. In July 2021, MVC received its first annual Renewable Energy Certificate (“REC”) issued by the

International REC Standard. The REC is an Energy Attribute Certificate ("EAC") under which MVC can reliably claim that the power consumed each year came from renewable sources.

During 2023, power costs increased by $1.0 million or 3% compared to 2022, primarily due to higher pass-through charges in Chile. Power costs in 2023 were $0.1100/kWh (2022: $0.0959/kWh).

The Company had two 10-megawatt generators operated by a third party when the grid price exceeded the generators' operating costs in exchange for a fixed monthly fee and a share of revenue. The economic benefit from the generators' operations was reported in the Company's financial statement as a reduction in power costs. The annual contribution from operating the generators was $0.2 million in 2021 and $0.2 million in 2022. In 2022, MVC recorded an $11.5 million write-down of these generators, which were taken off the grid.

In December 2021, MVC completed the external audits required to obtain the ISO 50001 Energy Management Systems certification. MVC is now certified as an organization with a system to continually improve energy performance, including energy efficiency, use and consumption.

Other Royalties

Under an agreement dated March 15, 2003 (the "Assignment Agreement") and approved by the Company's shareholders in June 2003, Steven G. Dean and Klaus M. Zeitler assigned to the Company an option to acquire MVC (the "Option"). The Assignment Agreement provided that, as consideration for the assignment of the Option to the Company, Messrs. Dean and Zeitler could choose to receive 7,500,000 Common Shares or a production royalty (the "MVC Royalty"). Messrs. Dean and Zeitler chose to receive the MVC Royalty. The parties agreed to set up AIHC so that the Company's obligation to pay the MVC Royalty could be discharged through the payment of a monthly royalty dividend ("Royalty Dividend") through AIHC, and Messrs. Dean and Zeitler obtained indirect interests in the Class A Common Shares in the capital of AIHC.

In 2005, it was brought to the attention of Amerigo's Board that, by a mutual mistake in documentation among the Company and Messrs. Dean and Zeitler, the description of the MVC Royalty was incomplete. Based on independent legal advice from external counsel, the Company agreed to take the steps necessary to rectify the MVC Royalty's description to reflect the parties' original intent and agreement. As a result, the parties agreed that the Royalty Dividend calculation should be changed to be on a copper equivalent basis to recognize the inclusion of other metals in addition to copper. The shareholders of AIHC agreed to amend AIHC's articles to make this change and several other amendments in connection with the rectification so that the Royalty Dividend is calculated as follows:

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

The Class A Common Shares of AIHC are owned indirectly by Mr. Dean, an associate of Mr. Dean, Dr. Zeitler and an associate of Dr. Zeitler. Dr. Zeitler is a director and an officer of AIHC, and Mr. Dean is a director of AIHC. In the event of the liquidation, dissolution or winding up of AIHC, or other distribution of the assets of AIHC among the members for winding up its affairs, each holder of Class A Common Shares will be entitled to receive, in preference to and priority over any distribution to the Class B Common Shareholders, a pro-rata portion of the net present value of the Royalty Dividend.

The shareholders of AIHC are also party to a shareholders' agreement setting the number of directors of AIHC at five. By holding Class B Common shares, the Company has the right to elect three directors, and the holders of the Class A Common Shares have the right to elect two of the directors of AIHC.

Risk Factors

An investment in the securities of the Company should be considered speculative due to the nature of the Company's business, which involves significant risks that prospective investors should carefully consider. In addition to the other information set forth elsewhere in this AIF, the following risk factors should be given special consideration when evaluating trends, risks and uncertainties relating to the Company's business. Any of the following risks could materially adversely affect the Company, its business and prospects. In addition, other risks and uncertainties not presently known by management of the Company could impair the Company's business.

Availability of Tailings

The supply of fresh tailings from El Teniente to MVC forms an integral part of the Company's operations, and changes in El Teniente's mine plans can adversely affect MVC's operations. During 2006, DET reduced the flow of fresh tailings to MVC and prohibited MVC from processing historic tailings for approximately four months, while it took steps to reinforce a bridge which forms part of DET's tailings launder. This had an adverse effect on the Company's 2006 production and financial results. DET continued to prohibit MVC from processing historic tailings until Q4-2007 and the flow of fresh tailings was stopped for an additional period during Q2-2007 for final repairs to be made to the bridge, both of which had an adverse effect on the Company's 2007 production and financial results. In 2010, the tailings launder was damaged due to a massive earthquake that struck Chile, and MVC's operations were suspended for approximately one week until power and tailings flow were restored. In 2011, a strike by contractors working for DET restricted the flow of fresh tailings to MVC and caused the loss of approximately 2,500 tonnes of copper production. In 2015, a fire at El Teniente negatively affected the tonnage and quality of fresh tailings delivered to MVC.

DET's tailings system was shut down during a 6-day period in March 2019, during which DET conducted maintenance work in various sections of the entire DET tailings concrete channel. To carry out this work, DET suspended the flow of fresh tailings to MVC's plant, and MVC was required to stop production from Cauquenes, as it did not have access to DET's concrete channel to deposit processed tailings. MVC required an additional day of suspended operations for a total estimated suspension of 7 days to restart equipment and normalize processing flow at the MVC plant. The suspension of production from MVC during these seven days affected 2019 production.

In the future, the Company may encounter similar or more severe interruptions, disruptions, or reduced quality in fresh tailings and historic tailings for similar or different reasons, mining events such as cave-ins, fires, earthquakes, or other natural disasters, or non-mining events such as falling commodity prices, changing environmental or tax regulations or legislation, or labour disputes.

The El Teniente mine has been in operation for more than 100 years, and there is a mine plan and planned capital expenditures projected to increase the mine life by several decades at present production rates. However, there is no guarantee that DET's operations will continue uninterrupted.

There is no guarantee that the Company will be able to extract historic tailings from the Colihues and Cauquenes deposits successfully in the future.

Fluctuating Metal Prices

Prolonged or significant declines in copper and molybdenum prices, such as those experienced in 2020, 2015-2016 and during the 2008 global financial crisis, may significantly and adversely affect the Company's financial results and the price of the Common Shares. Copper and molybdenum prices may fluctuate significantly and are affected by numerous factors beyond the Company's control, such as interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, speculative activities, increased production due to new extraction developments and improved extraction and production methods, and the political and economic conditions of major copper-producing and consuming countries throughout the world. Additional price declines could cause continued development of and commercial production from the Company's projects and operations to be uneconomical. From June 2009 to May 2010, MVC hedged approximately 45-50% of its production by entering into minimum/maximum pricing arrangements. The Company may decide to enter into similar transactions in the future. However, despite such transactions and depending on the prices of copper and molybdenum, cash flow from operations may not be sufficient, and the Company may be forced to discontinue production altogether.

In April 2015, in response to low molybdenum market prices, MVC suspended molybdenum production. Production was restarted in August 2016.

MVC also suspended production from Colihues in July 2015 in response to low copper prices. While the suspension negatively impacted production and revenue, it directly contributed to a substantial reduction in tolling and production costs and reduced operating gross loss.

Global financial conditions and commodity markets have been volatile in recent years. From time to time, access to financing has been negatively affected by many factors, including the financial distress of banks and other credit market participants. This volatility has affected and may affect our ability to obtain equity or debt financing on acceptable terms. It may make it more difficult to plan our operations and operate effectively. If volatility and market disruption affect our access to financing on reasonable terms, our operations and financial condition could be adversely affected.

Water Availability

MVC's primary water source is the water contained in the DET fresh tailings. Other sources include rainfall, water rights from local water beds, and water reserves stored in the Colihues dam. All of these water input sources are ultimately related to regional rainfall levels and are negatively affected by lower annual rainfall, especially under drought conditions.

Except in 2023, the region where MVC is located experienced lower-than-average rain for several years and faced a severe drought in 2019 (annual rainfall of 124 mm) compared to normal annual rainfall of approximately 410 mm. To prevent operational shutdowns during the drought, MVC was forced to reduce Cauquenes tonnage processing during Q1-2020 and Q2-2020. Cauquenes tonnage processing averaged 43,763 tpd in Q1-2020 and 35,875 TPD in Q2-2020. In July 2020, the drought ended, and annual rainfall returned to normal levels. Under these conditions, MVC re-established normal processing rates at Cauquenes of 54,292 TPD in Q3-2020 and 54,541 TPD in Q4-2020. Normalized rain conditions improved water reserves at Colihues, which increased from a low point of 300,000 cubic meters in early 2020 to 8.5 million cubic meters at the end of 2020, 5.8 million cubic meters at the end of 2021 and 5.5 million cubic meters at the end of 2022. The severe drought in 2019 made it clear that MVC's operation and the Company's production results heavily depend on adequate water supply. Additionally, the environment is changing in terms of water usage in Chile. Most mining organizations, including DET, are implementing aggressive plant initiatives to reduce water consumption permanently.

In 2020, MVC replaced 28 of the 40 hydrocyclones used to classify fresh tailings and all 42 hydrocyclones used to classify Cauquenes with 15" units that operate better with high-density (low water) tailings.

Maximizing water reutilization at MVC and minimizing water lost in the water discharge downstream from MVC is critical for the Company's sustainable water matrix. These objectives are achieved by optimizing the performance of MVC's water thickeners. These thickeners received water used at MVC's plant and recirculated this water to Colihues at a rate of 1,400 litres per second. In 2020, the Company completed the installation of a new water pumping line that increased recirculation to 1,600 liters per second and installed new reductors to ensure the thickeners could mechanically handle this additional load.

In 2020, MVC also retained the services of rheology experts Patterson & Cooke ("P&C") to explore additional thickener optimization initiatives. The P&C report provided directions for improved water management, including more consistent dilution water addition, variable-speed underflow pumps, and increased bed depth. Implementing these recommendations in the MVC plant has continuously improved the availability of reutilized water from 35.9 million cubic meters ("M m3") in 2020 to 43.4 M m3 in 2021 to 50.4 M m3 in 2022. In 2023, reutilized water at MVC decreased 5.4% to 47.7% due to reduced copper production of 10% from the heavy rains and flooding that year.

In 2023, Central Chile experienced heavy and continued rains from June to September. Annual rainfall reached 780 mm, almost double what would be expected in an average year and more than six times the low levels reached in 2019. Severe flooding from the rain collapsed three high-voltage power towers owned by MVC, causing MVC to lose its connection to the central power grid on June 23, 2023. This situation caused a total power outage at MVC. Emergency power supplies took immediate effect to prevent any negative environmental impact from occurring. MVC secured a secondary power supply, which allowed the plant to process fresh tailings from El Teniente while repairs were completed. While the extensive repairs required to reconnect to the power grid properly were underway, including installing seven new high-voltage towers, MVC successfully produced 90,000 lbs of copper per day from July 6 to July 21, substantially offsetting the negative production impact from the flooding. Full production operations resumed on July 22, 2023

From August 19 to September 20, 2023, heavy and sustained rainfall caused an accumulation of 2.2 M m^3 in Cauquenes, precluding MVC from processing tailings from the deposit. All pumping equipment had to be utilized to remove water from Cauquenes rather than provide historic tailings to the concentrator. During this time, MVC continued to process fresh tailings from El Teniente. Water reserves in Colihues at the end of 2023 exceeded 10 M m^3.

Water supply remains a known risk, albeit a currently managed one. MVC's water reserves have remained at higher-than-expected levels, and MVC has successfully implemented water recirculation efficiencies. To the extent that processing from Cauquenes can be scaled back without sacrificing production targets (a result of the higher returns from fresh tailings earlier described), MVC utilizes less water. MVC has a system to measure and monitor an 18-month "rolling forecast" of water supply versus water consumption, which remains in good standing.

History of Profits and Dividends

Amerigo began paying dividends on its Common Shares in 2005 and paid $33.5 million until 2009, when dividend payments were suspended due to a sharp decline in copper prices associated with the global financial crisis.

In 2011, Amerigo reintroduced the declaration of a dividend on its Common Shares and paid $13.7 million in dividends during 2011 and 2012, when dividends were again suspended.

In Q4-2021, Amerigo's Board reinstated quarterly dividend payments. On November 1, 2021, the Board declared a quarterly dividend of Cdn$0.02 per Common Share, which was paid on November 29, 2021. During 2021, dividend payments were $2.8 million.

In 2022, Amerigo's Board increased the quarterly dividend and declared quarterly dividends of Cdn$0.03 per Common Share, which were paid on March 21, June 20, September 20, and December 20, 2022. During 2022, dividend payments were $15.7 million.

In 2023, quarterly dividends of Cdn$0.03 per Common Share were paid on March 20, June 20, September 20, and December 20, 2023. During 2023, dividend payments were $14.6 million.

Subsequent to the year ended December 31, 2023, on February 20, 2024, Amerigo's Board declared a quarterly dividend of Cdn$0.03 per share, payable on March 20, 2024, for $3.7 million.

Refer to <u>Dividends</u> in this AIF. Future dividend payment depends on, among other things, the Company's cash flow and short-term and long-term needs and objectives and cannot be guaranteed.

Working Capital and Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. While MVC is a valuable long-life asset, the Company operates in a cyclical industry where cash flow levels, corporate liquidity and financial position are highly dependent on copper prices.

In 2023, the Company generated net cash of $20.3 million from operating activities (2022: $23.6 million). Operating cash flow before changes in non-cash working capital[1] was $22.3 million in 2023 (2022: $34.9 million).

The Company expects to continue meeting obligations from operating cash flow for the next 12 months. The Company manages liquidity risk through close controls on cash requirements, regular updates to its short-term cash flow projections, and the availability of a working capital line of credit.

In periods of depressed copper prices, the Company also faces a high risk of having negative working capital positions. On December 31, 2023, the Company had a working capital deficiency of $12.3 million (December 31, 2022: working capital of $10.0 million).

There is no guarantee that the Company will have positive working capital in future or that the working capital generated from MVC's operations will be sufficient to meet the Company's financial obligations, undertake Capex expansion plans, or be sufficient for future acquisitions. The Company may be required to raise funds from the sale of its equity capital or its investments in other reporting issuers, if any, debt financing or the exercise of outstanding share purchase options or warrants. There can be no assurance that the Company can raise funds using these methods.

Financial and Other Covenants

The Company is a party to the Term Loan, which contains two bank covenants required to be met semi-annually on June 30 and December 31: debt/EBITDA ratio (requirement =< 3) and net worth (requirement => $100.0 million). These were met on December 31, 2023.

MVC is required to have a debt service reserve account funded monthly with 1/6 of the next debt payment (principal and interest) so that semi-annual debt payments are fully funded a month before the payment date and a second reserve account of $3.5 million to be released on January 1, 2025. On December 31, 2023, MVC held the required reserved funds of $2.8 million and $3.5 million, respectively, shown as restricted cash on Amerigo's statement of financial position.

If the Company breaches a covenant contained in the Finance Agreement, it may constitute an event of default thereunder failing receipt of a waiver in respect of such breach, and the Company may be required to redeem, repay, repurchase or refinance its existing debt obligations before their scheduled maturity. The Company's ability to do so may be restricted or limited by the prevailing conditions in the capital markets, available liquidity and other factors. In addition, the Finance Agreement is secured by a charge on all of MVC's assets. If the Company cannot refinance any debt obligations in such circumstances, its ability to make capital expenditures and its financial condition and cash flows could be adversely impacted.

In addition, from time to time, new accounting rules, pronouncements and interpretations are enacted or promulgated, which may require the Company, depending on the nature of those new accounting rules, pronouncements and interpretations, to reclassify or restate certain elements of the financing agreements and other debt instruments, which may, in turn, cause a breach of the financial or other covenants contained in the financing agreements and other debt instruments. If future debt financing is not available to the Company when required or is not available on acceptable terms, the Company may be unable to grow its business.

Operating and Development Risks

The Company's operations involve a degree of risk which even a combination of experience, knowledge and careful evaluation may not be able to overcome. In 2013, a slide in an area of the Colihues tailings deposit resulted in a pit wall failure and adversely affected MVC's production and the Company's financial results in 2013 and 2014. In 2023, MVC faced operational disruptions associated with heavy rain and flooding, negatively impacting financial results. There is no guarantee that MVC will not experience additional operational problems, which could adversely affect the Company's operations and profitability. There is also no guarantee that MVC will receive a lower volume of fresh tailings in the future due to similar risks concerning DET's operations.

The Company may become liable for pollution, accidents, environmental hazards, the discharge of toxic chemicals and other hazards. Such occurrences, against which it cannot insure or may elect not to insure, may delay production, increase production costs or result in liability to the Company. The payment of any liabilities caused by such occurrences may have a material, adverse effect on the Company's financial position.

Prices and availability of commodities consumed or used in mining, smelting, and refining, such as natural gas, diesel, oil, electricity, reagents, and grinding balls, fluctuate. These fluctuations affect our costs of production. Treatment charges fluctuate annually depending on market conditions. These fluctuations can be unpredictable, occur over short periods, and may materially impact our operating costs and Capex. Our general policy is not to hedge our exposure to price changes of the commodities we use in our business.

Foreign Operations

The Company's operations are in Chile. Although Chile has proven to be a stable democracy, it faced a wave of social unrest in 2019 that led to the establishment of two processes to draft a new constitution in 2022 and 2023. The people of Chile voted in both instances to reject the proposed new constitutions.

Operations in any foreign country may be exposed to economic and other risks and uncertainties, which may include, but are not limited to, terrorism, hostage taking, military repression, expropriation, extreme fluctuations in currency exchange rates, high rates of inflation, labour unrest; the risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing leases, licenses, permits and contracts; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

COVID-19 imposed travel restrictions and limited the Company's management from being in Chile in 2020, 2021 and 2022.

Changes in mining or investment policies or shifts in political attitudes in Chile may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations concerning, but not limited to, new production royalties, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local peoples, water use and mine safety.

Environmental and Other Regulatory Requirements

The current or future operations of the Company, including development activities and expansion of production on its projects, may require permits from various federal and local governmental authorities. Such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters.

Mining companies worldwide, including MVC in Chile, face heightened environmental compliance. In the Company's case, MVC has seven different environmental permits with 776 environmental commitments.

In 2020, MVC received a notification from Chile's Environmental Supervisory Unit (Superintendencia del Medio Ambiente, ("SMA")), under which MVC was charged with three counts of non-compliance concerning certain of its environmental obligations. Two of the charges were regarding deficiencies in MVC's environmental compliance reports. The third count was associated with a delay in applying dust-suppressing polymers on certain areas of Cauquenes. None of the charges caused environmental damage. MVC filed with the SMA a Compliance Plan (Plan de Cumplimiento ("PDC")) which included MVC's proposal to fully remedy the reporting and operational charges presented by the SMA. The SMA approved the PDC, and MVC completed the actions outlined in the PDC within the various agreed timeframes. Charges were dropped without any sanctions to MVC.

Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules due to the need to comply with applicable laws, regulations and permits. The Company believes it substantially complies with all material laws and regulations currently applicable to its activities. However, there can be no assurance that all permits the Company may require for its operations will be obtainable on reasonable terms or that such laws and regulations would not adversely affect any project the Company might undertake. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities, causing operations to cease or be curtailed. It may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in such operations may be required to compensate those suffering loss or damage because of such activities. They may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Regulatory requirements and environmental standards are subject to constant evaluation and may become more onerous, which could significantly adversely affect the Company's business. Any operations involving the Company may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation often includes provisions relating to restrictions and prohibitions on spills, releases or emissions of various substances produced in association with operations, which would result in environmental pollution. A breach of such legislation may result in fines and penalties. In addition, certain types of operations require submitting and approving environmental impact assessments. Environmental legislation is evolving in a manner that requires stricter standards and enforcement, and fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened responsibility for companies and their directors, officers and employees. The cost of compliance with environmental legislation and changes in such legislation can reduce operations' profitability below an acceptable level. Stricter standards in environmental legislation may be imposed on the industry, the Company or DET in the future, which could materially and adversely affect the Company's business or ability to develop its projects economically. In addition, should the Company be in serious non-compliance with any environmental legislation, regulatory requirements or environmental standards, there may be a possibility of the cancellation of the Company’s contractual and other arrangements with DET and Codelco.

Competition for Acquisitions

Significant and increasing competition exists for mineral acquisition opportunities, some with large, established mining companies with substantial capabilities and far greater financial and technical resources than the Company. As a result, the Company may be unable to acquire additional attractive resource projects and business opportunities on acceptable terms.

Repatriation of Earnings

There is no assurance that Chile or any of the countries in which the Company may operate in future will not impose restrictions on the repatriation of earnings to foreign entities.

Under the Term Loan, MVC can determine annually the amount of cash flow available for distribution to Amerigo shareholders, provided that MVC has a debt service coverage ratio of at least 1.4x in respect of its preceding year's annual financial statements, MVC maintains cash of at least $15.0 million after the distribution, and the amount to be distributed does not exceed 100% of free cash flow generated in the preceding year, which is defined as earnings before interest, taxes, depreciation and administration, less tax payments, less Capex, plus or minus changes in working capital less debt service.

Currency Fluctuations

The Company's operations in Chile or any of the countries in which it may operate in the future are subject to currency fluctuations against the Canadian and US dollar and the Chilean peso, and such volatility may materially affect the Company's financial position and results.

Foreign Exchange Controls

The Company may be subject to foreign exchange controls from time to time in Chile and other countries where it operates outside of Canada.

Uninsurable Risks

During the normal course of the Company’s operations, certain risks may occur, particularly unexpected or unusual operating conditions, including fires, flooding and earthquakes. It is not always possible to fully insure against such risks. The Company may decide not to take out insurance against such risks due to high premiums or other reasons, or the amounts of its insurance may not be sufficient to fully insure against risks covered by insurance. Should liabilities arise due to insufficient insurance or uninsured risks, they could reduce or eliminate any future profitability, resulting in increased costs and a decline in the value of the company's securities.

Price Volatility of Public Stock

Publicly quoted securities are subject to a relatively high degree of price volatility. It may be anticipated that the quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company’s projects, and there may be significant fluctuations in the price of the Common Shares.

Shares Reserved for Future Issuance

Amerigo has reserved shares for issuance regarding stock options granted to date and may also enter into commitments in the future, which could result in the issuance of additional Common Shares. Amerigo may grant share purchase warrants and additional stock options. Any issue of Common Shares reserved for future issuance may dilute the existing shareholdings of the holders of Amerigo Common Shares.

Management

The company's business is highly dependent on its management's technical and financial ability. Any change in management could hurt the Company's business. The Company does not have key person insurance in place.

Conflicts of Interest

Some of the directors and officers of the Company are, or may be, on the boards of other natural resource companies from time to time, resulting in conflicts of interest. In addition, Dr. Zeitler is a director of the Company and is indirectly entitled to a royalty on all of MVC's production, which is being paid as a royalty dividend from AIHC. There is a potential conflict of interest between the Company and its directors and officers. Any such conflict will be resolved by legislation regarding conflicts of interest.

MINERA VALLE CENTRAL TECHNICAL REPORT

The information shown below is extracted from the executive summary of the technical report prepared by Hamid Samari, PhD, MMSA, Todd Harvey, PhD, PE, SME, Terre Lane, MMSA, SME and Larry Breckenridge, PE, of Global Resource Engineering, Ltd. entitled "NI 43-101 Mineral Resource Estimate Technical Report Minera Valle Central Operation Rancagua, Region VI, Chile" (the "Technical Report") with an effective date of February 1, 2022. The Technical Report may be found on the Company's website and on SEDAR+ at www.sedarplus.ca under the Company's profile.

The following summary is reproduced from the Technical Report, which is hereby incorporated into this AIF by reference. The following summary does not purport to be complete and is subject to all the assumptions, qualifications and procedures as set out in the Technical Report.

"1.0 SUMMARY

Global Resource Engineering, LLC (GRE) was retained by Amerigo Resources Ltd. to prepare a National Instrument (NI) 43-101 compliant Mineral Resource Estimate for the Cauquenes and Colihues tailings impoundments and Technical Report for the Minera Valle Central operations, Rancagua, Region VI, Chile. Minera Valle Central, S.A. ("MVC") is a wholly owned subsidiary of Amerigo Resources Ltd. ("Amerigo" or the "Company"), a company listed on the Toronto Stock Exchange. This report has been prepared in accordance with the Canadian Securities Administrators (CSA) NI 43-101, and the Resources have been classified in accordance with standards as defined by the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) "CIM Definition Standards–For Mineral Resources and Mineral Reserves," prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council on December 17, 2010, as amended May 10, 2014 and the generally accepted CIM "Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (November 29, 2019)".

This Technical Report is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves.

The Qualified Persons (QPs) responsible for the preparation of this Technical Report are:

- *Dr. Hamid Samari*
- *Dr. Todd Harvey*
- *Terre A. Lane*
- *Larry Breckenridge*

1.1 *Property Description and Location*

The MVC operation is located in Region VI (Libertador Bernardo O'Higgins Region) of central Chile. The site is 8 kilometres (km) east of the city of Rancagua and 90 km south of Santiago. Personnel and supplies are transported by road between the site and Rancagua or Santiago. The MVC plant is located at an elevation of 650 metres above sea level with a Mediterranean-type climate characterized by long, warm, dry summers (8 months) and mild, rainy winters (4 months).

MVC has been in operation since 1992 and produces copper (Cu) and molybdenum (Mo) concentrates by reprocessing tailings produced by the El Teniente mine, which is owned and operated by Corporación Nacional del Cobre (Codelco). MVC has the rights from Codelco to process the Fresh Tailings (TEN) generated at the El Teniente mine. The Fresh Tailings are transported to MVC via a 36-km long launder. MVC also has the rights from Codelco to remove and process tailings from the historic Colihues and Cauquenes (CQNS) tailings facilities located south of the MVC plant. MVC currently mines the Cauquenes tailings with hydraulic monitors.

The MVC processing facility has a capacity of 185,000 tonnes per day (tpd) and consists of grinding and flotation plants to recover copper and molybdenum concentrates. Once the tailings have been reprocessed by MVC, they are returned to the El Teniente tailings launder and transported to the Carén tailings impoundment located approximately 50 km to the west of the MVC site. In 2021, MVC processed 66 million tonnes of tailings and produced 63.4 million pounds of copper and 1.3 million pounds of molybdenum.

MVC operates in material compliance with applicable environmental laws and regulations, and there are no known material environmental concerns at MVC. MVC has an approved mine closure plan under Chilean Law 20.551 and has provided a financial guarantee in accordance with the approved schedule.

1.2 History

The El Teniente mine commenced copper production in 1905, and the mill concentrator tailings have been deposited in four separate impoundments: Barahona (1919 to 1936), Cauquenes (1936 to 1977), Colihues (1977 to 1986) and Carén (1986 to present). MVC commenced operation in 1992, and Amerigo acquired MVC in 2003.

1.3 Geology Setting and Mineralization

El Teniente is a porphyry copper-molybdenum deposit located in the Andes of central Chile. Most of the high-grade copper ore at El Teniente is hosted by vertically extensive hydrothermal breccia pipes hosted in a mafic intrusive complex. The deposit is zoned from a barren core *through a narrow zone of bornite-rich mineralization outwards into the main chalcopyrite dominant mineralized breccias. Several phases of breccia emplacement with associated copper and molybdenum mineralization occurred over a period of two million years. El Teniente has been in production since 1905, and, in 2021, the mine produced 459,817 metric tons of fine copper. In 2023, El Teniente plans to complete their New Mine Level project at a cost of US$ 5.1 billion. With this initiative, the world's largest underground mine is expected to be able to extend its useful life by more than 50 years. For the year end 2020, El Teniente's total ore reserves (Proven and Probable in accordance with Law 20.235 of the Chilean Republic) are 1,293 million tonnes of ore at a grade of 0.83 % copper containing 10.7 million tonnes of copper.*

Codelco's historical records of El Teniente's mill tailings represent a detailed account of the tonnage and grade of material stored in the Cauquenes and Colihues impoundments. From 1936 to 1977, approximately 364 million tonnes of tailings at a 0.31% Cu grade were deposited in the Cauquenes tailings impoundment. From 1977 to 1986 approximately 216 million tonnes of tailings at a 0.26% Cu grade were deposited in the Colihues tailings impoundment. A limited amount of drilling has been conducted on both impoundments, and mineral resource estimates have been completed on Cauquenes and Colihues.

1.4 Drilling, Sampling and Analysis

A total of 83 holes have been drilled on the Cauquenes tailings in ten separate campaigns. The most recent drilling by MVC in 2021 consisted of ten hydraulic probe drill holes, twenty five reverse circulation (RC) drill holes, five hollow stem auger drill holes, and forty three sonic drill holes on Cauquenes to obtain confirmatory samples for grade, mineralogy, and metallurgy tests. The drilling was performed in 6-inch diameter casings, and the holes were vertical.

MVC personnel supervised the sample preparation according to company standards. The samples were handled, prepared, and tested in MVC's laboratory. The samples were assayed for total copper, soluble copper, molybdenum, and iron. Measures were taken to ensure the security of the samples, and the samples did not leave MVC premises. The samples were bagged and labeled according to MVC standards. Comparisons of duplicate samples were used to ensure full quality control. Five percent of the samples were randomly selected for duplicate analysis. No abnormal data was reported.

1.5 Mineral Processing and Metallurgical Testing

MVC is a large concentrator in Chile that produces copper and molybdenum sulfide concentrates from previously treated tailings. Currently, feed to the plant is derived from two sources: fresh rougher tailings from the Codelco's El Teniente concentrator and hydraulically recovered tails from the Cauquenes tailings impoundment. The mineralogy of the feeds varies, and the most recent mineralogy indicates that the main copper and molybdenum-bearing minerals are sulfide in nature. In the fresh tailings the majority of the copper (47%) occurs as chalcopyrite, with significant secondary copper sulfide forms: chalcocite, bornite, and covellite (40%). In the historic tailings, approximately 75% of the copper occurs as secondary copper minerals and about 17% of the copper occurs in the form of chalcopyrite. The portion of poor floating copper minerals (copper in iron oxides and sulfates) ranged from 7 to 13% for the historic and fresh tailings, respectively. In both tailings streams, the molybdenum occurs as molybdenite.

The flowsheet has evolved over the life of the project (29 years) and has recently been streamlined to improve operational performance. Much of the recent laboratory test work has been focused on the particle size impacts on copper and molybdenum flotation response.

MVC has made significant improvements to the plant performance based on analysis and supporting test work. These improvements have led to increased copper production (9%), and a more consistent operation. Over the last several years the following upgrades have been undertaken (dates are approximate ranges):

- *Modernization and standardization of the primary cyclones – mid-2020 to end 2020*
- *Increased the overall regrind capacity by reassigning an existing mill from the Cauquenes and Cascade concentrate circuit – Aug 2020.*
- *Increased El Teniente tonnage from 125,000 tonnes per day (tpd) to approximately 150,000 tonnes per day. The flotation feed increased from approximately 42,000 tpd to 60,000 and then to 75,000 tpd – Jan 2021.*
- *Improved rougher froth handling through a change in frother blend and the upgrade of pumping systems and descaling of the associated pipes and launders – 2020.*
- *Improved water recovery from the tailings thickener by changing the underflow and overflow pumps and utilizing a new low viscosity flocculent – Sept 2020*
- *Additional rougher flotation capacity through the reassignment of a rougher bank to TEN from a cleaner scavenger role – April 2021*
- *Grinding improvements through the assignment of a CQNS ball mill to TEN with an additional mill assignment pending. Also, due to better cyclone performance, the ball mill feed density was improved along with an increased ball loading – late 2021*
- *Added a cleaner column to the molybdenum circuit - Jan 2022.*

The MVC plant is treating a low-grade porphyry tailings stream from fresh and historic tailings. It is basically a scavenging system where value is optimized by maximizing throughput and reducing costs (limiting grinding).

1.6 Mineral Resource Estimate

MVC has an operating record of economic extraction of copper and molybdenum from fresh and Colihues tailings and the Cauquenes deposit.

The Cauquenes tailings deposit has an inferred and indicated mineral resource estimate of 220.7 million tonnes at a grade of 0.256% Cu and 0.0205% Mo containing 1,048 million pounds of copper and 100 million pounds of molybdenum. Table 1-1 shows the summary of the mineral Resources for the Cauquenes Deposit. The total mineral resource of 220.7 million tonnes is available, of which 185.23 million tonnes is included in the mine plan at a grade of 0.255% Cu and 0.0202% Mo, with 877 million pounds of copper and 82 million pounds of molybdenum.

The historic tailings were deposited in Cauquenes by El Teniente between 1936 and 1977. The mineralogy of the feeds varies and the most recent mineralogy indicates that the main copper and molybdenum-bearing minerals are sulfide in nature. In the fresh tailings the majority of the copper (47%) occurs as chalcopyrite, with significant secondary copper sulfide forms: chalcocite, bornite, and covellite (40%). In the historic tailings, approximately 75% of the copper occurs as secondary copper minerals and about 17% of the copper occurs in the form of chalcopyrite. The portion of poor floating copper minerals (copper in iron oxides and sulfates) *ranged from 7 to 13% for the historic and fresh tailings, respectively. In both tailings streams, the molybdenum occurs as molybdenite.*

Table 1-1: Mineral Resource for the Cauquenes Deposit

Resource Category	Mass (M t)	Average Value				Material Content		
		K Ratio	CuT (%)	Floatable Cu (%)	Mo (%)	CuT (M lbs)	Floatable Cu (M lbs)	Mo (M lbs)
Indicated	*207.09*	*0.205*	*0.255*	*0.213*	*0.0203*	*1,163.55*	*973.66*	*92.58*
Inferred	*13.61*	*0.137*	*0.278*	*0.248*	*0.0238*	*83.41*	*74.52*	*7.15*
Total	***220.70***	***0.201***	***0.256***	***0.215***	***0.0205***	***1,246.96***	***1,048.17***	***99.73***

Differences may occur in totals due to rounding.

Based on the historical records, the Colihues tailings has an inferred mineral resource of 144 million tonnes at 0.261% Cu.

1.7 Recovery Methods

MVC initially utilizes two separate circuits to produce copper and molybdenum concentrates from fresh and historic tailings: fresh rougher tailings from Codelco's El Teniente concentrator and hydraulically recovered tails from the Cauquenes tailings impoundment. Primary classification, or desliming, is performed on the tailings streams to separate the fine and coarse fractions. The fines go for scavenging flotation in a cascade system, while the coarse fraction is subjected to grinding before conventional froth flotation. The ground coarse fraction is transported to a conventional rougher/cleaner flotation circuit to produce a combined bulk copper-molybdenum concentrate. The bulk concentrate is reground and cleaned to upgrade the copper and molybdenum grades. The cleaned bulk concentrate is subjected to selective flotation for molybdenum recovery. The molybdenum circuit tailings become the final copper concentrate. Final tailings from both the fresh and Cauquenes circuits report to thickening before final discharge to the El Teniente tailings channel and report to the Caren impoundment. Overflow thickener water is recirculated to the plant as process water.

1.8 Environmental Studies and Permits

MVC operates within the specifications and guidelines established by the Ministry of Mining, Sernageomin (National Mining and Geology Service), other local environmental authorities and relevant international conventions. MVC is not aware of any significant environmental, social or permitting issues that would prevent exploitation of the Cauquenes deposit.

The Cauquenes Expansion Project Environmental Impact Assessment study was filed with the Chilean authorities in 2013, requesting an increase in historic tailings processing rate via an expansion to the MVC plant. Environmental approval was received in 2014 and MVC is in receipt of the necessary sectorial permits.

1.9 Contracts and Royalties

MVC has the right to process tailings from both the Cauquenes and Colihues deposits and the Fresh Tailings from El Teniente up to 2037. Royalties to El Teniente are based on the quantity of copper and molybdenum produced by MVC and the respective LME metal prices.

MVC's copper concentrate is currently delivered to El Teniente under a tolling or "maquila" contract and MVC's molybdenum concentrate is currently processed under smelting contracts with Molibdenos y Metales S.A. (Molymet) and Glencore Chile SpA (Glencore). Copper concentrates at a grade of approximately 27% Cu are currently trucked to the Las Ventanas smelter located north of Valparaiso approximately 240 km from MVC. The MVC copper concentrate is high quality with minor silver credits and no penalty elements. Molybdenum concentrates at a grade of approximately 40% Mo are currently trucked to Molymet's smelter located approximately 70 km north of MVC and to Glencore, who ships the concentrate overseas. The MVC molybdenum concentrate is high quality with no penalty elements.

Power is MVC's largest single operating cost. Effective January 1, 2020, MVC and Pehuenche entered into a modification of MVC's Power Supply Contract to, among other things, extend the term of the contract from December 31, 2032 to December 31, 2037, reduce the fixed power rate starting on January 1, 2020, and gradually reduce the 2020 fixed rate further during the years 2021 to 2023. The fixed rate is subject to additional pass-through charges and to semi-annual price readjustments starting on July 1, 2020 based on the United States Consumer Price Index (US CPI) of the preceding three months. MVC's average cost of power is $0.0919/kWh for 2021.

1.10 Interpretation and Conclusions

In the opinion of the QP:

- *MVC has valid contracts with El Teniente to process Fresh Tailings, the Colihues deposit and the Cauquenes deposit and all royalty obligations to El Teniente have been sufficiently identified. The contracts extend MVC's mine life to 2037.*
- *MVC has been in operation since 1992 and operates within the specifications and guidelines established by the Ministry of Mining, other local environmental authorities and relevant international conventions.*
- *MVC project operates under an approved Environmental Impact Management permit updated to match the current production rate.*
- *Total water supplies are expected to be sufficient for current and planned operational needs. The mine has a large storage capacity and flexible water sources and is capable of responding to abnormal climate conditions.*
- *MVC has adopted measures to conserve water within their facility but have no control over extended periods of drought that may adversely impact the ability to maintain targeted production rates.*
- *The MVC Project has obtained sectorial permits from the various agencies that have authority over environmental resources, construction, operation and closure of the Project.*
- *Exploration work conducted on the MVC Project is appropriate to the style of mineralization. Results support the interpretations of tonnes and grade from historical*

records. A limited amount of drilling has been conducted on the Cauquenes deposits and mineral resource estimates have been completed.

- *Sampling methods are acceptable, meet industry-standard practice, and are adequate for mineral resource estimation and mine planning purposes.*
- *The quality of the copper and molybdenum analytical data is reliable and sample preparation and analysis were generally performed in accordance with exploration best practices and industry standards.*
- *Data verification programs undertaken on the data collected from the Project adequately support the geological interpretations and the database quality, and therefore support the use of the data in mineral resource estimation.*
- *The geological understanding of the deposits is sufficient to support estimation of indicated and inferred mineral resources. Codelco's historical records of El Teniente's mill tailings represent a detailed account of the tonnage and grade of material deposited in the Cauquenes and Colihues deposits. These records have been verified by independent checks on tonnage and grade of the historical tailings deposits.*
- *Mineral resources have been estimated to industry best practices and conform to the requirements of CIM (2014).*
- *The metallurgical testwork completed on the MVC Project has been appropriate to establish the optimal processing routes. Metallurgical tests on Fresh, Colihues and Cauquenes tailings were performed on samples that were representative of the mineralization. Metal recovery factors have been estimated for copper and molybdenum that appear appropriate to the mineralization styles and the planned extraction facilities.*
- *The major components of the flowsheet and process plant design of the MVC plant expansion are based on current technologies supported by operating data and laboratory testwork.*

In the opinion of the QP, the Project that is outlined in this Technical Report has met its objectives. Mineral resources have been estimated for the Project. The data supporting the indicated and inferred mineral resource estimates were appropriately collected, evaluated and estimated, and the Project objective of identifying tailings mineralization that could potentially support future processing operations has been achieved.

1.11 Recommendations

MVC has a twenty-nine year operating history of processing El Teniente's tailings and the contract with El Teniente is expected to provide a stable supply of tailings material until 2037. Sources of mill feed include Fresh Tailings, the Colihues deposit and the Cauquenes deposit. Extraction of material from the Cauquenes deposit commenced in 2015.

GRE recommends using a probabilistic water balance to better quantify the risks posed to the MVC water supply over time and with climate change.

The recommendation of the QP is to continue with the production of copper and molybdenum concentrates at MVC."

DIVIDENDS

In 2005, Amerigo's Board approved declaring and paying semi-annual dividends. The dividend policy stated that, under normal circumstances and after considering the Company's cash flow and short- and long-term needs and objectives, the Board would declare and pay dividends on the Common Shares, averaging at least one-third of reported net earnings calculated over a period of years. The declaration of each dividend was at the discretion of the Board, which reserved the right to adjust or terminate the declaration and payment of dividends from time to time according to the prevailing business environment and the Company's cash needs.

Under the stated dividend policy, on September 1, 2005, the first dividend of Cdn$0.045 per Common Share was declared and paid. Amerigo also declared and paid dividends of Cdn$0.045 per Common Share on each of April 7, 2006, and September 1, 2006, and then declared and paid dividends of Cdn$0.065 per Common Share on each of April 4, 2007, August 31, 2007, April 2, 2008, and September 5, 2008. During the period 2005 to 2008, dividend payments totalled $33.5 million.

Amerigo suspended dividend payments in 2009 due to the global financial crisis and the precipitous drop in copper and molybdenum prices, which adversely affected the Company's financial results and liquidity.

In 2011, Amerigo reinstated the declaration and payment of dividends and declared and paid semi-annual dividends of Cdn$0.02 per Common Share on May 5, 2011, November 30, 2011, May 25, 2012, and November 29, 2012. During 2011 and 2012, dividend payments totalled $13.7 million.

In May 2013, Amerigo's Board decided that due in part to volatility in the copper price, it would be prudent to defer the dividend decision until later that year. At that time, the Board decided that the Company should preserve cash rather than pay a dividend, given its relatively low cash position and its plan to undertake the Cauquenes expansion.

On September 28, 2021, Amerigo's Board reinstated the declaration and payment of dividends every quarter commencing in the fourth quarter of 2021. The declaration of dividends will remain at the discretion of the Board. It will depend upon Amerigo's quarterly financial results and other relevant factors determined by the Board and will be subject to the maintenance of appropriate working capital levels.

On November 1, 2021, the Board declared a quarterly dividend of Cdn$0.02 per Common Share, totalling $3.5 million.

On February 22, 2022, Amerigo's Board increased the quarterly dividend to Cdn$0.03 per Common Share. Concurrently, the Board stated its intention to continue to declare dividends at a sustainable quarterly rate and, depending on several factors including but not limited to the Company's financial performance, the copper market outlook and the level of activity of the Company's share buyback programs, its intention to also pay an annual dividend at a higher rate such that the Company's cash levels are maintained in the range of $20.0 to $25.0 million.

In 2022, Amerigo declared quarterly dividends of Cdn$0.03 per Common Share, which were paid on March 21, June 20, September 20, and December 20. During 2022, dividend payments were $15.7 million.

In 2023, quarterly dividends of Cdn$0.03 per Common Share were paid on March 20, June 20, September 20, and December 20, 2023. During 2023, dividend payments were $14.6 million.

Amerigo has designated the entire amount of the taxable dividends paid to shareholders to be “eligible dividends” for purposes of the *Income Tax Act* (Canada), as amended from time to time.

DESCRIPTION OF CAPITAL STRUCTURE

Amerigo has an authorized share structure with an unlimited number of common shares without par value. The Company had 164,845,034 Common Shares issued and outstanding on December 31, 2023, and 165,385,430 Common Shares issued and outstanding as of the date of this AIF.

The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of Amerigo’s shareholders, and each Common Share confers the right to one vote in person or by proxy at all such meetings. The holders of the Common Shares, subject to the prior rights, if any, of the holders of any other class of shares of the Company, are entitled to receive such dividends in any financial year as Amerigo’s Board may determine. In the event of the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company.

Amerigo has a rolling 10% stock option plan (the “Stock Option Plan”). The Company is authorized to grant options to directors, officers, employees and consultants for up to 8.9% of the issued and outstanding Common Shares. All options granted to date have a term of five years. Under the Stock Option Plan, fully vested options may be repurchased by the Company from the optionee by mutual agreement in writing and thereupon terminated and cancelled in consideration for the Company paying to the optionee the “in-the-money” amount of such options (less an amount equal to any requisite tax withholdings) (as determined by a formula contained in the Stock Option Plan) or such other amount as the optionee and the Company may agree. The former optionee would then concurrently subscribe for Common Shares at the then prevailing market price for the Common Shares.

As of December 31, 2023, there were options to purchase a total of 10,750,003 Common Shares outstanding under the Plan (6.50% of the then issued and outstanding Common Shares) as follows:

Number of Options/Shares	Expiry Date	Exercise Price
2,350,000	March 11, 2024[1]	Cdn$1.11
800,000	March 2, 2025	Cdn$0.40
150,000	August 4, 2025	Cdn$0.52
1,873,336	February 22, 2026	Cdn$0.91
320,000	June 7, 2026	Cdn$1.29
2,561,667	February 22, 2027	Cdn$1.62

[1] These options have expired.

Number of Options/Shares	Expiry Date	Exercise Price
2,695,000	February 28, 2028	Cdn$1.60

As quoted by the TSX on December 31, 2023, the Common Share price was Cdn$1.39 per share. Of the options outstanding on that date, 5,493,336 (51.10%) were in the money on December 31, 2023.

On February 23, 2024, the Company granted an additional 3,125,000 options with an exercise price of $1.30, which expire on February 23, 2029.

MARKET FOR SECURITIES

Trading Price and Volume

The Company's shares are listed for trading on the TSX under the ticker symbol "ARG". The following table sets out the monthly price ranges and volumes of Amerigo Common Shares on the TSX during 2023:

Month	Volume	High (Cdn$)	Low (Cdn$)
December 2023	2,854,900	1.43	1.25
November 2023	2,242,000	1.39	1.18
October 2023	2,720,700	1.33	1.10
September 2023	2,953,600	1.46	1.21
August 2023	2,526,400	1.60	1.40
July 2023	2,301,400	1.62	1.49
June 2023	2,891,500	1.59	1.39
May 2023	4,414,600	1.63	1.37
April 2023	4,619,300	1.85	1.61
March 2023	5,193,000	1.69	1.45
February 2023	4,599,000	1.60	1.39
January 2023	5,548,200	1.67	1.28

Source: Yahoo Finance

As quoted by the TSX at the close of business on December 31, 2023, the Common Shares price was Cdn$1.39 per share.

Prior Sales

During the recently completed financial year ended December 31, 2023, the following securities of the Company were issued:

Date of Issuance	Class of Securities	Number	Issuance Price
January 5, 2023	Common Shares	14,350(1)	Cdn$1.29

Date of Issuance	Class of Securities	Number	Issuance Price
January 16, 2023	Common Shares	100,000	Cdn$1.06
February 7, 2023	Common Shares	45,108[(1)]	Cdn$1.50
February 24, 2023	Common Shares	78,819[(1)]	Cdn$1.50
February 27, 2023	Common Shares	53,385[(1)]	Cdn$1.50
February 28, 2023	Stock Options	2,695,000	Cdn$1.60[(2)]
March 1, 2023	Common Shares	41,581[(1)] 200,000 66.667	Cdn$1.52 Cdn$1.06 Cdn$0.40
March 2, 2023	Common Shares	184,888[(1)]	Cdn$1.60
March 3, 2023	Common Shares	14,643[(1)]	Cdn$1.62
March 6, 2023	Common Shares	64,980[(1)]	Cdn$1.49
March 7, 2023	Common Shares	133,103[(1)]	Cdn$1.66
March 9, 2023	Common Shares	49,174[(1)]	Cdn$1.62
March 20, 2023	Common Shares	19,522[(1)]	Cdn$1.49
April 6, 2023	Common Shares	1,983[(1)]	Cdn$1.72
May 5, 2023	Common Shares	10,093[(1)]	Cdn$1.55
November 9, 2023	Common Shares	15,267[(1)]	Cdn$1.24

Notes:

(1) Cashless exercise of stock options.

(2) These stock options' weighted average exercise price is CDN$1.60. The weighted average fair value of the option grants, CDN$0.56 per option, was estimated at the time of the grants using the Black-Scholes option pricing model with assumptions for grants as follows: Weighted average exercise price CDN$1.60; Weighted average grant date share price CDN$1.60; Risk-free interest rate: 3.63 %; Expected life: 4.32 years; Expected volatility 68.59%; Dividend rate: 7.50%.

DIRECTORS AND OFFICERS

Directors

As of the date of this AIF, the Company's directors are:

Name, Province, State and Country of Residence	Principal Occupations within the Previous Five Years	Director Since
Dr. Klaus Zeitler British Columbia, Canada	Executive Chair and Director of the Company; Lead director and former Chair of Rio2 Limited.	April 1, 2003
Aurora Davidson British Columbia, Canada	President and Chief Executive Officer of the Company; former Chief Financial Officer and former Executive Vice President of the Company.	May 4, 2020
Dr. Robert Gayton British Columbia, Canada	Consultant to and director of various public companies.	August 15, 2004

Name, Province, State and Country of Residence	Principal Occupations within the Previous Five Years	Director Since
Alberto Salas Santiago, Chile	Chair of Chile's INACAP (National Institute of Professional Training) and OLAMI (Latin American Mining Organization); director of SONAMI (National Mining Society of Chile), the Company's subsidiary MVC; Former Chair of SQM S.A.	May 9, 2011
George Ireland Massachusetts, USA	President and Chief Investment Officer of Geologic Resource Partners LLC, an investment advisory firm; Former Chair of Lithium Americas Corp., Lead Independent Director of Lithium (Argentina) Americas Corp.	June 4, 2012
Michael Luzich Las Vegas, USA	Founder and Managing Partner of Luzich Partners LLC, an investment firm; founder and president of various investment, real estate and international trading companies.	May 12, 2020
Margot Naudie Ontario, Canada	Capital markets professional with global investment expertise, including Senior Portfolio Manager for global natural resource portfolios. Held senior roles at multi-billion-dollar asset management firms, including TD Asset Management, Marret Asset Management, and CPP Investment Board. Independent director of Abaxx Technologies Inc., Base Carbon Inc., CoTec Holdings Corp., Osino Resources Corp., and Treasury Metals Inc.	June 7, 2021

Dr. Klaus Zeitler received his professional education at Karlsruhe University (1959 to 1966) and obtained a PhD in Economic Planning. He is a member of the Canadian Institute of Mining and Metallurgy and the Prospectors and Developers Association of Canada. Dr. Zeitler financed, built and managed base metal and gold mines worldwide (Europe, Africa, North America, South America, Pacific) with a total investment value of $4.0 billion. He was a managing director of Metallgesellschaft AG, a German metals conglomerate, and in 1986, founded and was a director and the first CEO of Metall Mining (later Inmet Mining Corporation), with assets of over $4.0 billion and base metal and gold mines in different parts of the world. After having been a director of Teck and Cominco for many years, Dr. Zeitler joined Teck in 1997 as Senior Vice President and was responsible for the exploration and development of mines in Peru, Mexico, and the USA. Since he retired from Teck in 2002, Dr. Zeitler has been a director and chair of several mining companies.

Aurora Davidson is a Chartered Professional Accountant (CPA, CGA). She obtained her designation from the former Certified General Accountants Association of British Columbia (2003) and holds a BSc in Business Administration from Alliant International University in San Diego, California (1990). Ms. Davidson has over 30 years of experience in financial and general business management, assisting private and public companies as Chief Financial Officer, Vice President of Finance and Corporate Controller within the mineral exploration and technology sectors.

Dr. Robert Gayton, FCPA (FCA), graduated from the University of British Columbia (1962) with a Bachelor of Commerce degree and earned the Chartered Professional Accountant (CPA, CA) designation at Peat Marwick Mitchell (1964). He joined the Faculty of Business Administration at the University of British Columbia in 1965. He began ten years in academia, including time at the University of California, Berkeley, earning a Ph.D. in business. Dr. Gayton rejoined Peat Marwick Mitchell in 1974 and became a partner in 1976, providing audit and consulting services to private and public companies for 11 years. Dr. Gayton has directed public companies' accounting and financial matters in the resource and non-resource fields since 1987.

Alberto Salas is a Chilean mining entrepreneur, Chair of the National Institute of Professional Training (INACAP), Chile's largest higher education and training institute and Chair of OLAMI (Latin American Mining Organization). Mr. Salas is also a director of SONAMI (National Mining Society of Chile), MVC, and ENAEX S.A. Mr. Salas has been Chair of SQM S.A., director of CAP Mineria, President of the Mining Engineers Foundation of the University of Chile, President of the Chilean Pacific Foundation, and President of the Inter-American Mining Society. In Chile, Mr. Salas was a director of Teck's Quebrada Blanca Mining Company and Teck's Carmen de Andacollo Mining Company, the National Mining Company (ENAMI) and the National Petroleum Company (ENAP). He is a former member of the APEC Business Advisory Council. Mr. Salas is a Mining Civil Engineer from the University of Chile with post-graduate studies in Corporate Finance from the Adolfo Ibáñez University in Chile.

George Ireland has over thirty years of experience in the mining and metals industry in positions ranging from field geologist to banking and venture capital. He founded Geologic Resource Partners in 2004 and served as Chief Investment Officer and Chief Executive Officer. From 2000 to 2004, Mr. Ireland was the general partner of Ring Partners, LP, an investment partnership that merged into Geologic Resource Partners. From 1993 to 2000, he was an analyst for and a partner in Knott Partners LP, specializing in resource investing. Before 1993, Mr. Ireland held various positions at Cleveland Cliffs Inc., the Chase Manhattan Bank, ASARCO Inc. and Ventures Trident LP. Mr. Ireland graduated from the University of Michigan with a Bachelor of Science from the School of Natural Resources and is a Fellow of the Society of Economic Geologists.

Michael Luzich is the founder of Luzich Partners LLC, a multi-strategy investment firm formed in 2013 and a significant shareholder in the Company. Michael Luzich brings over 30 years of investment and development expertise to the Board. He has founded and been president of various investment, real estate and international trading companies. He attended Marquette University and is a graduate of the OPM program at Harvard Business School.

Margot Naudie has over 25 years of capital markets experience and global investment expertise as a Senior Portfolio Manager for long-only and long/short North American and international natural resource portfolios. She has held senior roles at multi-billion-dollar asset management firms, including TD Asset Management, Marret Asset Management, and CPP Investment Board. For five consecutive years, Margot was cited as a Brendan Wood TopGun Investment Mind (Platinum). She is an active and engaged independent public and private company board director. She acts as Lead Director, serves on Investment Committees and chairs Audit, Compensation, HR and ESG Committees. Ms. Naudie holds a Bachelor of Arts in Politics/Economics from McGill University, an MBA from the Ivey School of Business and is a Chartered Financial Analyst.

Each Director is elected to hold office until the Company's next annual general meeting or until a successor is duly elected or appointed.

Committees

The committees of Amerigo's Board and the directors serving on each of the committees are described below.

Audit Committee – The Audit Committee oversees the Company's financial reporting obligations, financial systems, and disclosure. It reviews the quarterly and annual financial statements, monitors and assesses the integrity of the Company's internal control systems, meets regularly with the Company's auditors, and liaises with the Board and the auditors. The Company's Audit Committee members are Dr. Robert Gayton (Chair), George Ireland and Margot Naudie, all independent directors. The Company's auditors, PricewaterhouseCoopers LLP, report directly to the Audit Committee.

Corporate Governance, Nominating and Compensation Committee (the "CGNC Committee") – The CGNC Committee reviews the performance of the Company's senior management, the Board, and individual directors. It oversees the orientation program for recruits to the Board. It recommends nominees for election to the Board to fill vacancies or newly created director positions when required. The CGNC Committee determines the compensation paid to the Company's executive officers and reviews their corporate goals and objectives. The CGNC Committee members are George Ireland (Chair), Alberto Salas and Dr. Robert Gayton, all independent directors.

Environmental, Health, and Safety Committee (the "EHS Committee") oversees the Company's Safety, Occupational Health, Environmental, and Social Responsibility Policy. Its members are Margot Naudie (Chair), Michael Luzich, and Alberto Salas. The Company has adopted the following policies associated with EHS: Diversity, Equality and Inclusion Policy and Safety, Occupational Health, Environmental and Social Responsibility Policy. These policies are available on the Company's website www.amerigoresources.com.

The Company also has a Disclosure Committee to ensure that communications from the Company to the investing public are timely, factual, accurate, and broadly disseminated per all applicable legal and regulatory requirements. The Committee comprises Amerigo's Board members and Carmen Amezquita, the Company's CFO.

Officers

As of the date of this AIF, the executive officers of the Company are:

Name, Province/State and Country of Residence	Office Held with Company and Principal Occupations within Previous Five Years	Officer Since
Klaus Zeitler British Columbia, Canada	Executive Chair; Lead Director and former Chair and Director of Rio2 Limited.	April 2003
Aurora Davidson British Columbia, Canada	President, CEO and director; former Executive Vice President and CFO of the Company.	January 2004
Carmen Amezquita British Columbia, Canada	CFO of the Company; CFO and former Controller of public companies in the mining industry.	August 4, 2020
Christian Cáceres Rancagua, Chile	General Manager, MVC.	October 2015
Kimberly Thomas British Columbia, Canada	Corporate Secretary of the Company	January 2016

Carmen Amezquita is a Chartered Professional Accountant, having received her Chartered Accountant designation in 2010. Before joining Amerigo, Ms. Amezquita worked as the Chief Financial Officer and Controller of public companies in the mining industry. She holds a Bachelor of Arts degree from UBC and has a Diploma in Accounting from the UBC Sauder School of Business.

Christian Cáceres is a metallurgical engineer with an MBA. He has been with MVC since 1994 and has extensive experience in metallurgical processes, tailings processing, engineering projects, operations management, environmental compliance, and sustainability. Mr. Cáceres was responsible for developing and delivering the first and second phases of the development of Cauquenes.

Kimberly Thomas has over 25 years of experience working with public companies. She has assisted the management teams and boards of directors of Geodex Minerals Ltd., First Quantum Minerals Ltd., Ascot Resources Ltd., and various other public companies. She has extensive experience with various stock exchanges and securities commissions in Canada and the United States. Ms. Thomas joined the Company in January 2010.

Ownership of Securities by Directors and Officers

As of the date of this AIF, the Company's directors and executive officers beneficially owned or exercised control or direction over, directly or indirectly, an aggregate of 34,359,207 common Shares, representing approximately 20.78% of the issued and outstanding Common Shares.

In addition, Dr. Klaus Zeitler, with an associate, beneficially owns, directly or indirectly, or exercises control or direction over a 50% interest in a private company which owns 1,900,000 Class A Common Shares of AIHC, representing 100% of the shares of that class.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of Amerigo, after reasonable enquiry, no director or executive officer of the Company is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company) that: (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period for more than 30 consecutive days (together, an “order”), that was issued while the director or executive officer was acting in the capacity as a director, chief executive officer or chief financial officer; or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer.

To the knowledge of Amerigo, after reasonable enquiry, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of Amerigo to affect materially the control of the Company: (a) is as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person was acting in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the knowledge of Amerigo, after reasonable enquiry, no director or executive officer of the Company or a shareholder holding a sufficient number of securities of Amerigo to affect materially the control of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered essential to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain of the Company’s directors and officers serve or may agree to serve as directors or officers of other companies or have significant shareholdings in different companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. If such a conflict of interest arises at a meeting of the Company’s directors, a director who has such a conflict will abstain from voting and will not participate in negotiating and concluding terms of any proposed transaction. From time to time, several companies may participate in the acquisition, exploration, and development of natural resource properties, thereby allowing for their participation in a greater number of larger programs and reducing financial exposure concerning any one program. A particular company may also assign all or a portion of its interest in a specific program to another of these companies due to the company’s financial position. Under the laws of the Province of British Columbia, the directors of the Company are required to act honestly, in good faith and in the Company’s best interests. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position. Please also refer to this AIF's Description of the Business – Risk Factors – Conflicts of Interest.

AUDIT COMMITTEE INFORMATION

Audit Committee Mandate

The Company's Audit Committee has a charter (the "Audit Committee Charter") in the form attached to this AIF as Schedule "A".

Composition of the Audit Committee

Amerigo's Audit Committee consists of three members who are independent and financially literate as defined by National Instrument 52-110 – Audit Committees ("NI 52-110"). The members of the Audit Committee are Dr. Robert Gayton (Chair), Margot Naudie and George Ireland.

Relevant Education and Experience

Each member of the Audit Committee is financially literate, i.e., can read and understand financial statements. Collectively, the Audit Committee has the education and experience to fulfill the responsibilities outlined in the Audit Committee Charter. A description of the education and experience of Audit Committee members relevant to their duties as committee members can be found under Directors in this AIF.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on any of the exemptions in sections 2.4, 3.2, 3.3(2), 3.4, 3.5 or 3.6 of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110, or on section 3.8 of NI 52-110.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, at no time was there a recommendation of the Company's Audit Committee to nominate or compensate an external auditor not adopted by Amerigo's Board.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for engaging non-audit services as described under the heading "Independent Auditors" of the Audit Committee Charter set out in Schedule "A" to this AIF.

External Auditor Services Fees (By Category)

The aggregate fees billed by the Company's external auditors with respect to the last two fiscal years ended December 31, 2023, and December 31, 2022 (all amounts are in Canadian dollars) in respect of all services provided to the Company, including MVC, are as follows:

Fee Summary	2023 (CDN)	2022 (CDN)
Audit Fees	$261,083	$254,860
Audit-Related Fees	Nil	Nil
Tax Fees	Nil	Nil
All Other Fees	Nil	Nil
Total	**$261,083**	**$254,860**

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not a party to any material legal proceedings and is not aware of any such proceedings pending or contemplated during the year ending December 31, 2023. No penalties or sanctions have been imposed against the Company by a court relating to securities legislation, a securities regulatory authority during the last financial year, or a court or regulatory authority that would likely be considered essential to a reasonable investor in making an investment decision. During its previous financial year, the Company did not enter into any settlement agreement with a court relating to securities legislation or a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

During the year ended 2023, $1.0 million was paid or accrued through AIHC as part of the Royalty Dividend to the Class A shareholders (2022: $1.0 million).

Except as otherwise disclosed in this AIF, within the Company's three most recently completed financial years or during the current financial year, no director, executive officer or principal shareholder of the Company, or any associate or affiliate of any of the above, has had any material interest, direct or indirect, in any transaction that has materially affected or will materially affect the Company.

TRANSFER AGENTS AND REGISTRARS

The Company's transfer agent and registrar is Computershare Trust Company of Canada, 510 Burrard Street, 2nd Floor, Vancouver, British Columbia, V6C 3B9, and Computershare Trust Company of Canada, 4 King Street West, Suite 1101, Toronto, Ontario, M5H 1B6, is the Company's co-transfer agent and registrar.

MATERIAL CONTRACTS

Except as disclosed in this AIF, there were no other contracts, other than those entered into in the ordinary course of business, that were material to the Company and that were entered into between January 1, 2023 (being the commencement of the Company's most recently completed financial year) and up to the date of this AIF or that were entered into before the most recently completed financial year and which remain in effect.

INTERESTS OF EXPERTS

The following is a list of persons or companies whose profession or business gives authority to a statement made by the person or company named as having prepared or certified a report, valuation, statement or opinion described, included or referred to in a filing made by the Company under NI 51-102 during or related to the year ended December 31, 2023:

- Hamid Samari, Ph.D., MMSA, Todd Harvey, Ph.D., PE, SME, Terre Lane, MMSA SME and Larry Breckenridge, PE, of Global Resource Engineering, Ltd. are responsible for the preparation of one or more sections of the Technical Report. Each is an independent "qualified person" for NI 43-101 purposes.

- David Michaud, SME Registered Member 04207213, Director of 911 Metallurgy Corp., technical consultant to the Company, concerning preparing certain technical information in this AIF. Mr. Michaud is a "qualified person" for NI 43-101 purposes.

To the Company's knowledge, none of the persons referred to above and the designated professionals of the entities through which they provided their services to the Company held, received or is to receive securities representing 1% or more of the securities of such class.

None of the aforementioned persons or companies, nor any director, officer or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of the Company or any associate or affiliate of the Company.

PricewaterhouseCoopers LLP ("PwC") of Suite 1400, 250 Howe Street, Vancouver, British Columbia, V6C 3S7, is the Company's auditor. PwC has confirmed that it is independent of the Company in accordance with the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR+ at www.sedarplus.ca.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, where applicable, is contained in the Management Proxy Circular to be issued for our Annual Meeting of Shareholders to be held virtually on April 30, 2024.

The Company's Financial Statements and MD&A for the most recently completed financial year ended December 31, 2023, provide additional financial information.

SCHEDULE A

Audit Committee Charter

Amended July 31, 2023

A. Audit Committee Purpose and Objectives

The Board of Directors (the "**Board**") of Amerigo Resources Ltd. (the "**Company**") has an overall responsibility to oversee the affairs of the Company for the benefit of the shareholders. The Board appoints the Company's Audit Committee (the "Audit Committee") to assist the Board in fulfilling its oversight responsibilities. The Audit Committee's primary duties and responsibilities are to:

- Monitor the integrity of the Company's financial reporting process and systems of internal controls regarding finance, accounting and legal compliance;
- Oversee the audit process and monitor the independence and performance of the Company's independent auditors;
- Provide an avenue of communication among the independent auditors, management and the Board;
- Ensure the effectiveness of the overall process of identifying and addressing principal business risks and the adequacy of the related disclosure;
- Monitor the Company's technology and information security risks ("Cyber Risk") and oversee the Company's process for mitigating Cyber Risk;
- Oversee the Company's process for monitoring compliance with laws and regulations and its code of business conduct; and
- Encourage adherence to and continuous improvement of the Company's policies, procedures and practices at all levels.

To perform their role effectively, Audit Committee members will obtain an understanding of the responsibilities of the Audit Committee membership as well as the Company's business operations and risks. In addition, at the time of their appointment to the Committee, each member of the Audit Committee shall receive training on cybersecurity matters relevant to the Company.

B. Authority

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities and has direct access to the independent auditors and anyone in the organization. The Audit Committee can retain, at the Company's expense, special legal, accounting, or other consultants or experts it deems necessary in performing its duties. The Board authorizes the Audit Committee, within the scope of its responsibilities, to seek and have access to any information, including Company books and records, it requires from any employee and from external parties and to ensure the attendance of Company officers at meetings, as the Audit Committee deems appropriate. The internal accounting staff, any external accounting consultant(s) and the external auditors of the Company will have a direct line of communication with the Audit Committee and may bypass management if deemed necessary.

C. Audit Committee Composition

Audit Committee members shall meet the requirements of the TSX. The Audit Committee shall be comprised of three or more directors as determined by the Board, each of whom shall be "independent" (as defined in accordance with National Instrument 52-110 – *Audit Committees* and applicable stock exchange rules) non-executive directors, free from any relationship that would interfere with the exercise of their independent judgement. All members of the Audit Committee shall have a basic understanding of finance and accounting and be "financially literate" with the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. At least one member of the Audit Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, which may include being or having been a chief executive officer, chief financial officer or another executive officer with financial oversight responsibilities.

The Board shall appoint the Audit Committee members. If the Audit Committee Chair is not designated or present, the members of the Audit Committee may designate a Chair by a majority vote of the Audit Committee membership.

D. Audit Committee Meetings

The Audit Committee shall meet at least four times annually or more frequently as circumstances dictate. The majority of the Audit Committee shall constitute a quorum to conduct the business of the Audit Committee. Any decision made by the Audit Committee shall be determined by a majority vote of the members of the Audit Committee present or by consent resolution in writing signed by each member.

Notice of each meeting of the Audit Committee shall be given to each member of the Audit Committee, and notice shall be given orally or by email or telephone at least 48 hours before the time fixed for the meeting. The Audit Committee Chair shall prepare or approve an agenda before each meeting. A meeting of the Audit Committee may be held using telephone, electronic or other communications facilities to permit all persons participating in the meeting to communicate adequately with each other during the meeting. A record of the minutes of, and attendance at, each meeting of the Audit Committee shall be kept. The approved minutes of the Audit Committee shall be circulated to the Board forthwith.

The Audit Committee shall meet privately in executive session at least annually with management, the independent auditors and as a committee to discuss any matters that the Audit Committee or each of these groups deem necessary.

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E. Audit Committee Responsibilities and Duties - Detail

The responsibilities and duties of the Audit Committee are as follows:

Review Procedures

1. Oversee the accounting and financial processes of the Company, review engagements and audits of the financial statements of the Company.

2. Review the Company's annual audited financial statements and management's discussion and analysis before filing or distribution. The review should include a discussion with management and the independent auditors of significant issues regarding accounting principles, practices and judgements.

3. Review with financial management the Company's quarterly financial results and management's discussion and analysis before the earnings release.

4. The Chairman of the Audit Committee will review all other disclosure documents to be issued by the Company relating to financial matters, including news releases, annual information forms and information circulars.

5. Assess the fairness of the financial statements and disclosures, and obtain explanations from management on whether:

   (i) actual financial results for the financial period varied significantly from budgeted or projected results;
   (ii) generally accepted accounting principles have been consistently applied;
   (iii) there are any actual or proposed changes in accounting or financial reporting practices; and
   (iv) there are any significant, complex or unusual events or transactions such as related party transactions or those involving derivative instruments and consider the adequacy of disclosure thereof.

6. Review the terms of reference, the effectiveness of any internal audit process, and the working relationship between internal financial personnel and the external auditor.

7. In consultation with management and the independent auditors, consider the integrity of the Company's financial reporting processes and controls.

8. Review the process under which the Chief Executive Officer and the Chief Financial Officer evaluate and report on the effectiveness of the Company's design of internal control over financial reporting and disclosure controls and procedures.

9. Understand the current most significant financial risk areas and whether management manages these effectively.

10. Discuss significant financial risk exposures and management's steps to monitor, control and report such exposures. Review significant findings prepared by the independent auditors together with management’s responses.

11. Discuss any significant changes to the Company’s accounting principles and any items required to be communicated by the independent auditors.

Independent Auditors

12. The independent auditors are accountable directly to the Audit Committee. The Audit Committee shall review the independence and performance of the auditors and annually recommend to the Board the appointment of the independent auditors or approve any discharge of auditors when circumstances warrant.

13. Approve the fees and other significant compensation to be paid to the independent auditors, and pre-approve any non-audit services that the independent auditors may provide; provided, however, that non-audit engagements may be approved under a pre- approval policy established by the Audit Committee that (i) is detailed as to the services that may be pre-approved, (ii) does not permit delegation of approval authority to the Company’s management, and (iii) requires that the delegate or management inform the Audit Committee of each service approved and performed under the policy. Approval for minor non-audit services is subject to applicable securities laws.

14. If it so elects, delegate to one or more members of the Audit Committee the authority to grant such pre-approvals. The delegatee’s decisions regarding the approval of services shall be reported by such delegate to the full Audit Committee at its first meeting following such pre-approval.

15. On an annual basis, the Audit Committee should review and discuss with the independent auditors all significant relationships they have with the Company that could impair the auditor’s independence.

16. Review and approve the Company’s hiring policies regarding partners, employees, former partners, and employees of the present and former external auditors.

17. Review and approve the independent auditors’ proposed audit plan and engagement letter, and review the independent auditors’ proposed audit scope and approach with the independent auditors and management and ensure no unjustifiable restriction or limitations have been placed on the scope.

18. discuss the audit results with the independent auditors before releasing the year-end earnings.

19. Ascertain whether any significant financial reporting issues were discussed with management and the independent auditors during the fiscal period and the resolution method.

20. Review and resolve any significant disagreement between management and the

independent auditors concerning preparing the financial statements.

21. Consider the independent auditors' judgements about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.

22. Review the post-audit or management letter containing the recommendations of the independent auditors and management's response and subsequent follow-up to any identified weakness.

23. Review the evaluation of internal controls and management information systems by the independent auditors and, if applicable, the internal audit process, together with management's response to any identified weaknesses and obtain reasonable assurance that the accounting systems are reliable and that the system of internal controls is effectively designed and implemented.

24. Gain an understanding of whether internal control recommendations made by the independent auditors have been implemented by management.

25. Meet separately with the independent auditors to discuss matters that the Audit Committee or the independent auditors believe should be discussed privately.

Other Audit Committee Responsibilities

26. On at least an annual basis, review with the Company's counsel any legal matters that could significantly impact the organization's financial statements, the Company's compliance with applicable laws and regulations, and inquiries received from regulators or governmental agencies.

27. Obtain regular updates from management regarding compliance matters, confirmation from the Chief Financial Officer as to required statutory payments and bank covenant compliance and from senior operating personnel as to permit compliance.

28. Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the Company's business.

29. Review and assess the Company's insurance coverage adequacy.

30. Monitor the Company's cybersecurity threats, data backup practices, business continuity and data recovery strategies, incident response management, and network structure and security.

31. In accordance with the Company's Code of Business Conduct and Ethics, if circumstances arise, review and resolve any issues regarding conflicts of interest.

32. Establish a procedure for the: (i) confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters and (ii) receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing

matters.

33. Assess the Audit Committee's performance of the duties specified in this Charter and report its finding(s) back to the Board.

34. Perform such other duties as may be assigned to the Audit Committee by the Board from time to time or as may be required by applicable stock exchanges, regulatory authorities or legislation.