



Amerigo Provides Update on Q1-2019 Production

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VANCOUVER, BRITISH COLUMBIA – February 28, 2019/Amerigo Resources Ltd. (TSX: ARG) (“Amerigo” or the “Company”) is providing an update on expected production for the quarter ending March 31, 2019 (“Q1-2019”) from Minera Valle Central (“MVC”), the Company’s 100% owned operation, located near Rancagua, Chile.

On February 25, 2019, MVC received a notification from the Department of Dams, Tailings and Hydraulic Resources of Codelco’s División El Teniente (“DET”) advising of a shutdown of DET’s tailings system during a 144-hour period (6-day period) estimated from March 10 to March 16, 2019 inclusive. DET will be conducting maintenance work in various sections of the entire DET tailings concrete channel during this period. In order to be able to carry out this work, DET will suspend the flow of fresh tailings to MVC’s plant and MVC will be required to suspend production from Cauquenes, as it will not have access to DET’s concrete channel to deposit processed tailings. MVC will require an additional day of suspended operations, for a total estimated suspension of 7 days (the “Maintenance Period”) to restart equipment and normalize processing flow at the MVC plant.

Suspension of production from MVC during the Maintenance Period will further affect Q1-2019 production, which was already estimated to be lower than average as MVC’s mine plan presented lower quality Cauquenes material impacting grade and recoveries during the quarter. Amerigo currently estimates Q1-2019 production of 13.5 million pounds of copper. Amerigo will review with MVC potential changes to the production plan for Q2, Q3 and Q4 of 2019 to determine if the Company’s current annual production guidance of 80.0 to 85.0 million pounds of copper can be maintained or will need to be adjusted downward as a result of foregone production during the Maintenance Period.

About Amerigo and MVC

Amerigo Resources Ltd. is an innovative copper producer with a long-term relationship with Corporación Nacional del Cobre de Chile (“Codelco”), the world’s largest copper producer.

Amerigo produces copper concentrate at the MVC operation in Chile by processing fresh and historic tailings from Codelco’s El Teniente mine, the world’s largest underground copper mine. Tel: (604) 681-2802; Fax: (604) 682-2802; Web: www.amerigoresources.com; Listing: ARG:TSX.

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Cautionary Statement on Forward Looking Information

This news release contains certain forward-looking information and statements as defined in applicable securities laws (collectively referred to as "forward-looking statements"). These statements relate to future events or Amerigo's future performance. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "should", "believe" and similar expressions is intended to identify forward-looking statements. Although Amerigo 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 Amerigo's control, Amerigo cannot assure that it will achieve or accomplish the expectations, beliefs or projections described in the forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such statements. These forward-looking statements speak only as of the date of this news release. These forward-looking statements include but are not limited to, statements concerning:

- A forecasted increase in production and a reduction in operating costs;
- Our strategies and objectives;
- The expected improvement of flotation recovery efficiency from the Phase Two expansion;
- Our estimates of the availability, quantity and grade of tailings (including, but not limited to, the estimated higher grades from the Cauquenes deposit), and the quality of our mine plan estimates;
- Prices and price volatility for copper and other commodities and of materials we use in our operations;
- The demand for and supply of copper and other commodities and materials that we produce, sell and use;
- Sensitivity of our financial results and share price to changes in commodity prices;
- Our financial resources and our expected ability to meet our obligations for the next 12 months;
- Interest and other expenses;
- Domestic and foreign laws affecting our operations;
- Our tax position and the tax rates applicable to us;
- The timing and costs of tolling/production;
- Our ability to procure or have access to financing and to comply with loan covenants;
- The probability of DET exercising any of its early exit options under the Master Agreement;
- The production capacity of our operations, our planned production levels and future production;
- Potential impact of production and transportation disruptions;
- Hazards inherent in the mining industry causing personal injury or loss of life, severe damage to or destruction of property and equipment, pollution or environmental damage, claims by third parties and suspension of operations
- Our planned Capex (including our plan to upgrade our existing plant and operations) including the timing and cost of completion of our capital projects;
- Estimates of asset retirement obligations and other costs related to environmental protection;
- Our future capital and production costs, including the costs and potential impact of complying with existing and proposed environmental laws and regulations in the operation and closure of our operations;
- Repudiation, nullification, modification or renegotiation of contracts;
- Our financial and operating objectives;
- Our environmental, health and safety initiatives;
- The outcome of legal proceedings and other disputes in which we may be involved;

- the outcome of negotiations concerning metal sales, treatment charges and royalties;
- disruptions to the Company's information technology systems, including those related to cybersecurity;
- our dividend policy; and
- general business and economic conditions.

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

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

- general business and economic conditions;
- interest rates;
- changes in commodity and power prices;
- acts of foreign governments and the outcome of legal proceedings;
- the supply and demand for, deliveries of, and the level and volatility of prices of copper and other commodities and products used in our operations;
- the ongoing supply of material for processing from Codelco's current mining operations;
- the ability of the Company to profitably extract and process material from the Cauquenes tailings deposit;
- the timing of the receipt of and retention of permits and other regulatory and governmental approvals;
- the availability of and ability of the Company to obtain adequate funding on reasonable terms for expansions and acquisitions;
- our costs of production and our production and productivity levels, as well as those of our competitors;
- changes in credit market conditions and conditions in financial markets generally;
- our ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the availability of qualified employees and contractors for our operations;
- our ability to attract and retain skilled staff;
- the satisfactory negotiation of collective agreements with unionized employees;
- the impact of changes in foreign exchange rates and capital repatriation on our costs and

results;

- Engineering and construction timetables and capital costs for our expansion projects;
- Costs of closure of various operations;
- Market competition;
- The accuracy of our preliminary economic assessment (including with respect to size, grade and recoverability) and the geological, operational and price assumptions on which these are based;
- Tax benefits and tax rates;
- The outcome of our copper concentrate sales and treatment and refining charge negotiations;
- The resolution of environmental and other proceedings or disputes;
- The future supply of reasonably priced power;
- Our ability to obtain, comply with and renew permits and licenses in a timely manner; and
- Our ongoing relations with our employees and entities with which we do business.

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

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

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This press release can be viewed online at: <http://www.einpresswire.com>

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