Amerigo Reports Annual 2019 and Q4-2019 Financial Results

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• Annual net operating cash flow of $9.7 million and net loss of $9.4 million
• Q4-2019 net operating cash flow of $6.9 million and net income of $0.6 million

VANCOUVER, BRITISH COLUMBIA – February 19, 2020/Amerigo Resources Ltd. (TSX: ARG) (“Amerigo” or the “Company”) announced financial results for the year 2019. The Company’s 100% owned operation, Minera Valle Central ("MVC") located near Rancagua, Chile posted an annual net loss of $9.4 million or $0.05 loss per share (“LPS”). Annual net operating cash flow was $9.7 million. The Company’s cash position at year end was $7.2 million.

Annual financial results were negatively impacted by lower metal prices, decreased production from fresh and Cauquenes tailings, and higher tolling and production costs.

“2019 operational and financial results were disappointing. 2020 has kicked off with major external challenges including an extreme water drought in Chile and a depressed copper price. On the positive side, we have made progress identifying concrete areas of opportunity to stabilize plant performance at MVC and our cost structure will benefit from important reductions to the two major components of MVC’s cash cost: power and treatment charges”, said Aurora Davidson, Amerigo’s President and CEO.

Amounts in this news release are reported in U.S. dollars except where indicated otherwise.

Amerigo reported annual net loss of $9.4 million in 2019 and net income of $0.6 million in Q4-2019

• 2019 net loss was $9.4 million (2018: net income of $10.5 million) due to lower metal prices, lower production from fresh and Cauquenes tailings and higher tolling and production costs.

• Annual LPS was $0.05 (2018: earnings per share (“EPS”) of $0.06).

• The Company generated annual operating cash flow of $9.8 million before changes in non-cash working capital (2018: $27.8 million). Annual net operating cash flow was $9.7 million (2018: $27.2 million).

• In Q4-2019 Amerigo returned to profitability with net income of $0.6 million (Q4-2018: $5.1 million), $nil EPS (Q4-2018: $0.03) and net operating cash flow of $6.9 million (Q4-2018: $7.8 million). Tolling and production costs in Q4-2019 included $2.3 million in collective agreement signing bonuses to MVC workers. Normalized net income in Q4-2019 excluding signing bonuses was $2.9 million.

MVC produced 69.8 million pounds of copper (2018: 65.0 million pounds) at a cash cost of $1.82/lb ($1.56/lb)

- 2019 production was 69.8 million pounds of copper (2018: 65.0 million pounds), including 38.9 million pounds from Cauquenes (2018: 43.7 million pounds), 19.3 million pounds from fresh tailings (2018: 21.3 million pounds) and 11.6 million pounds from slag processing (2018: nil).

- Molybdenum production was 1.4 million pounds (2018: 1.9 million pounds).

- Cash cost (a non-GAAP measure equal to the aggregate of smelting and refining charges, tolling/production costs net of inventory adjustments and administration costs, net of by-product credits) increased to $1.82 per pound ("/lb") (2018: $1.56/lb). In the computation of cash cost, by-product credits include molybdenum and slag processing revenue.

- Total cost (a non-GAAP measure equal to the aggregate of cash cost, Codelco's Division El Teniente ("DET") notional copper royalties and DET molybdenum royalties of $0.62/lb and depreciation of $0.30/lb) increased to $2.74/lb (2018: $2.47/lb).

MVC's average copper price in 2019 was $2.73/lb (2018: $2.92/lb)

- MVC's copper price was $2.73/lb (2018: $2.92/lb) and MVC's molybdenum price was $10.64/lb (2018: $11.84/lb).

- Revenue was $119.8 million (2018: $136.8 million), including copper tolling revenue of $103.6 million (2018: $118.4 million), molybdenum revenue of $10.6 million (2018: $18.4 million) and slag processing revenue of $5.5 million (2018: $nil).

- Copper tolling revenue is calculated from MVC's gross value of copper produced of $158.7 million (2018: $188.6 million) and fair value adjustments to settlement receivables of ($0.3 million) (2018: $5.3 million), less notional items including DET royalties of $33.8 million (2018: $41.1 million), smelting and refining of $19.8 million (Q4-2018: $21.5 million) and transportation of $1.8 million (2018: $2.2 million).

- MVC's financial performance is very sensitive to changes in copper prices. At December 31, 2019, MVC's provisional copper price was $2.76/lb and final prices will be the average London Metal Exchange ("LME") prices for January ($2.74/lb), February and March 2020. A 10% increase or decrease from the $2.76/lb provisional price would result in a $4.3 million change in copper revenue in 2020 in respect of 2019 production.

- Amerigo remains fully leveraged to the price of copper.

MVC refinanced its debt facilities in 2019, debt repayments in the year were $11.3 million

- In Q3- 2019, MVC refinanced its debt facilities which included amending principal payments from five remaining semi-annual payments of $11.3 million each to 7 new semi-annual payments of $4.7 million each (payable on March and September) and a final payment of $23.5 million in September 2023. The new debt structure provides additional flexibility to MVC in the current low copper price environment.

- In 2019, MVC made debt repayments of $11.3 million, reducing total debt at year end to $55.9 million (December 31, 2018: $66.2 million).

- At December 31, 2019, the Company's cash balance was $7.2 million (December 31, 2018:

$21.3 million).

• The Company had a $15.1 million working capital deficiency (December 31, 2018: $16.9 million).

• The Company expects that it will continue to be able to meet obligations for the next 12 months from operating cash flows, assuming copper prices in 2020 average at least $2.60/lb and the Company's 2020 production and cost outlook is met.

2020 Outlook

• MVC's production results in 2020 will be heavily influenced by water supply to MVC and by the timing and success rate of MVC's programs to improve plant performance.

• While without any question MVC's sources of water, most significantly water contained in the DET fresh tailings, have been affected by current severe local drought conditions, there is a changed environment with respect to water usage in Chile. Most mining organizations, including DET, are implementing aggressive plant initiatives to permanently reduce water consumption. In addition to continuing to implement its own projects to improve water recirculation, MVC will also need to adjust its own plant to efficiently operate with higher density fresh tailings on an ongoing basis.

• MVC's 2020 Budget was prepared assuming average 2020 recoveries of 20% for fresh tailings and 37% for Cauquenes tailings and daily processing rates of 112,500 tonnes per day ("TPD") for fresh tailings and 62,500 TPD for Cauquenes, which would result in annual production of 19.6 million pounds of copper from fresh tailings and 46.2 million pounds of copper for Cauquenes tailings.

• However, in response to drought conditions and to prevent operational shutdowns should these continue in 2020, MVC has reduced Cauquenes tonnage processing and currently forecasts to continue to do so through H1-2020. In January Cauquenes tonnage processing averaged 48,267 TPD and fresh tailings processing averaged 119,618 TPD. For the balance of H1-2020, MVC is forecasting processing rates of 125,000 TPD for fresh tailings and 40,000 TPD for Cauquenes (going up to 50,000 TPD for Cauquenes in June if rain levels normalize in April and May, the start of the local rain season). MVC has also faced various stoppages at its plant and at Cauquenes YTD in connection with downtime of one or more of its water thickeners in connection with work carried out to improve water recovery and to adjust the mechanisms to deal with higher density contents.

• Under the conditions described above, annual production from fresh tailings and Cauquenes would be approximately 55 to 60 million pounds, excluding any effect from plant optimization initiatives. Cash cost would be $1.87/lb in Q1, $1.65/lb in Q2, $1.51/lb in Q3 and $1.57/lb in Q4, for an annual average of $1.63/lb.

• Slag processing was suspended in January 2020 as DET started commissioning its own slag processing plant. Slag production in January was 1.2 million pounds.

Investor Conference Call on February 21, 2020

Amerigo's quarterly investor conference call will take place on Friday February 21, 2020 at 11:00 am Pacific Standard Time/2:00 pm Eastern Standard Time.

To join the call, please dial 1-800-273-9672 (Toll-Free North America) and let the operator know you wish to participate in the Amerigo Resources conference call.

The analyst and investment community are welcome to ask questions to management. Media can attend on a listen-only basis.

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.

The information and data contained in this news release should be read in conjunction with the Company's Audited Consolidated Financial Statements and Management's Discussion and Analysis ("MD&A) for the years ended December 31, 2019 and 2018, available at the Company's website at www.amerigoresources.com and at www.sedar.com.

For further information, please contact:

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2019 and 2018 Annual Key Performance Metrics

1 Copper production conducted under tolling and slag processing agreements with DET.
2 Revenue reported net of notional items (smelting and refining charges, DET notional copper royalties and transportation costs).
3 At December 31, 2019, comprised of short and long-term portions of $10.1 and $45.8 million respectively.
4 MVC's copper price is the average notional copper price for the period, before smelting and refining, DET notional copper royalties, transportation costs and settlement adjustments to prior quarter sales.
5 MVC's molybdenum price is the average realized molybdenum price in the period, before roasting charges and settlement adjustments to prior quarter sales.

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 the Company's future performance. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "should", "believe" and similar expressions is intended to identify forward-looking statements. Although the Company believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond the Company's control, the Company cannot assure that it will achieve or accomplish the expectations, beliefs or projections described in the forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such statements. These forward-looking statements include but are not limited to, statements concerning:

- forecasted production, reductions in operating costs and an increase in recoveries;
- water supply risk to MVC as a result of extreme drought conditions in Chile;
- our strategies and objectives;
- our estimates of the availability and quantity of tailings, and the quality of our mine plan estimates;
- our estimates in respect of annual 2020 sustaining capital expenditures;
- the timing of completion of MVC's projects to improve water recirculation;
- 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;
- 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; 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 Codelco's Division El Teniente's current production and historic tailings from tailings deposit; risks with respect to completion of all phases of the Cauquenes expansion, the ability of the Company to draw down funds from bank facilities and lines of credit, the availability of and ability of the Company to obtain adequate funding on reasonable terms for expansions and acquisitions, including all phases of the Cauquenes expansion; mine plan estimates; risks posed by fluctuations in exchange rates and interest rates, as well as general economic conditions; risks associated with environmental compliance and changes in environmental legislation and regulation; risks associated with our dependence on third parties for the provision of critical services; risks associated with non-performance by contractual counterparties; title risks; social and political risks associated with operations in foreign countries; risks of changes in laws affecting our operations or their interpretation, including foreign exchange controls; and risks associated with tax reassessments and legal proceedings. Many of these risks and uncertainties apply not only to the Company and its operations, but also to Codelco and its operations. Codelco's ongoing mining operations provide a significant portion of the materials the Company processes and its resulting metals production, therefore these risks and uncertainties may also affect their operations and in turn have a material effect on the Company.

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

- general business and economic conditions;
- interest rates;
- changes in commodity and power prices;
- acts of foreign governments and the outcome of legal proceedings;
- the supply and demand for, deliveries of, and the level and volatility of prices of copper and other commodities and products used in our operations;
- the ongoing supply of material for processing from Codelco's current mining operations;
- the ability of the Company to profitably extract and process material from the Cauquenes tailings deposit;
- the timing of the receipt of and retention of permits and other regulatory and governmental approvals;
- 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;
- rainfall in the vicinity of MVC returning to normal levels;
- average recoveries for fresh tailings and Cauquenes tailings;

• our ability to obtain, comply with and renew permits and licenses in a timely manner; and
• our ongoing relations with our employees and entities 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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