



Amerigo Reports 2020 Annual Production Results and Provides 2021 Guidance

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Amerigo Resources Ltd. ("Amerigo" or the "Company") (TSX: ARG) is pleased to announce 2020 production results from Minera Valle Central ("MVC"), the Company's 100% owned operation located near Rancagua, Chile.

MVC produced 56.2 million pounds ("M lbs") of copper at a cash cost of \$1.76 per pound ("lb") and 1.4 M lbs of molybdenum. All dollar amounts in this news release refer to U.S. dollars ("USD").

Annual copper production results were 1% below the latest guidance provided in the Q3-2020 production results. Annual molybdenum production was 6% higher and annual cash cost was \$0.02/lb lower than the Company's latest guidance.

2020Q4-2020Q3-2020Q2-2020Q1-2020

Fresh tailings

Tonnes per day 23,690 36,011 19,285 19,435 20,037

Operating days 53 52 51 78

Tonnes processed 43,662,625 2,512,980 10,974,235 10,868,556 9,306,854

Copper grade 0.134% 0.135% 0.136% 0.137% 0.125%

Copper recovery 9.9% 9.3% 10.4% 10.3% 9.9%

Copper produced (M lbs) 5.6 7.17 6.68 6.66 5.13

Cauquenes tailings

Tonnes per day 7,453 4,541 4,292 5,875 4,763

Operating days 26 17 9 8 7

Tonnes processed 15,488,590 4,985,031 4,362,040 3,164,898 2,976,621

Copper grade 0.251% 0.247% 0.245% 0.257% 0.261%

Copper recovery 4.2% 4.2% 4.5% 4.9% 3.4%

Copper produced (M lbs) 0.31 0.28 0.06 0.31 0.72

Fresh tailings + Cauquenes (M lbs) 4.95 6.45 4.68 2.97 0.85

Slag Processing

Tonnes processed 4,960 4,960
 Copper grade 4.6% 4.6%
 Copper recovery 80% 80%
 Copper produced (M lbs) 0.23 0.23
 Copper produced (M lbs) 6.18 6.45 4.68 2.97 2.08
 Copper delivered (M lbs) 6.34 5.90 4.92 3.70 1.82
 Cash cost (\$/lb) 1.76 1.65 1.80 1.72 1.94
 Molybdenum produced (M lbs) 1.41 0.50 0.37 0.35 0.19
 Molybdenum sold (M lbs) 1.46 0.50 0.37 0.36 0.23

Q4-2020 Results

In Q4-2020, MVC produced 16.5 M lbs of copper at a cash cost of \$1.65/lb and 0.5 M lbs of molybdenum, which represent production increases of 12% for copper and 35% for molybdenum from Q3-2020.

Copper production was positively impacted by higher tonnage processing from fresh tailings and to a lesser degree from Cauquenes and from more operating days at Cauquenes but was 3% below the latest quarterly guidance due to lower-than-expected recoveries.

In Q4-2020, molybdenum production was 19% over guidance and cash cost was within guidance.

Q4-2020 production results are summarized below:

	October 2020	November 2020	December 2020	Q4-2020
Fresh tailings				
Tonnes per day	35,574	36,535	37,627	36,011
Operating days	31	31	31	92
Tonnes processed	4,170,564	4,096,062	4,246,354	2,512,980
Copper grade	0.134%	0.134%	0.137%	0.135%
Copper recovery	19%	19%	19%	19%
Copper produced (M lbs)	2.39	2.31	2.47	7.17
Cauquenes tailings				
Tonnes per day	3,516	5,271	4,919	4,541
Operating days	31	30	30	91
Tonnes processed	1,643,851	1,658,130	1,683,050	4,985,031
Copper grade	0.249%	0.250%	0.243%	0.247%
Copper recovery	35%	34%	34%	34%
Copper produced (M lbs)	3.12	3.09	3.07	9.28
Copper produced (M lbs)	5.51	5.40	5.54	6.45
Cash cost (\$/lb)	1.61	1.69	1.67	1.65
Molybdenum produced (M lbs)	0.16	0.17	0.17	0.50

Water reserves at Colihues at year end 2020 remained high at 8.5 million cubic meters, which are sufficient for MVC to maintain projected Cauquenes tonnage processing through 2021.

MVC's operations have continued without any significant disruptions due to Covid-19.

2021 Guidance

In 2021, Amerigo expects to produce 61.0 M lbs of copper and 1.5 M lbs of molybdenum at a cash cost of \$1.79/lb. The following quarterly production breakdown is currently expected based on MVC's mine plan, including grade and projected recoveries in each quarter:

	Q1-2021	Q2-2021	Q3-2021	Q4-2021	2021
Copper production (M lbs)	15.6	15.6	14.7	15.1	61.0
Molybdenum production (M lbs)	0.4	0.4	0.3	0.4	1.5
Cash cost (\$/lb)	1.83	1.74	1.77	1.81	1.79

Production in H1 is expected to be stronger than in H2 given that MVC and El Teniente's annual plant shutdown will take place in September and October instead of in Q1, as has been the case historically. MVC anticipates losing 8 production days due to the annual plant maintenance shutdown.

MVC has identified additional plant optimization initiatives together with its technical consultant 911Metallurgy Corp., most of which are expected to be completed by the end of Q2-2021, with some of the work continuing into Q3-2021. The Company's 2021 production targets do not include any impact from the optimization work underway.

The Company's 2021 cash cost forecast in this news release assumes a market copper price of \$3.50/lb (2020: \$2.80/lb), a molybdenum market price of \$9.30/lb (2020: \$8.8/lb) and an exchange rate of the CLP to the USD of \$715 (2020: \$792).

The projected 2021 cash cost is currently expected to be slightly higher than in 2020 due to a stronger projected CLP. A 10% change in molybdenum price could have a \$0.02/lb impact on cash cost, and a 10% change on the CLP to USD foreign exchange rate could have an impact of \$0.06/lb on cash cost.

At these assumed variables, the DET royalty would be \$0.90/lb in 2021. The DET royalty is calculated on a sliding scale based on copper prices.

Projected 2021 EBITDA considering these combined variables is expected to be \$50 million.

Annual sustaining capital expenditures ("Capex") in 2021 are expected to be \$5.3 million and capitalizable maintenance and strategic spares are expected to be \$2.4 million. The most significant 2021 sustaining Capex project will be to further optimize the MVC water thickeners

with a target increase in water recovery from 1,560 liters per second to 2,100 liters per second, at a cost of \$3.6 million, followed by \$0.7 million on miscellaneous plant improvements, \$0.5 million on environmental safety and compliance projects and \$0.5 million on information technology improvements at MVC.

With respect to MVC's financial obligations, the Company currently expects the following to occur in 2021:

a) MVC is expected to repay a \$7.2 million loan due to El Teniente, which loan originated in 2020 in connection with price settlement adjustments. The loan will be repaid monthly in equal instalments of \$0.6 million plus interest.

b) MVC also expects to make two semi-annual bank loan payments of \$4.7 million each plus interest in March and September. After these payments are made, MVC's bank debt would be \$37.5 million, currently due by September 2023. Under the terms of the loan agreement, MVC can make additional loan prepayments.

c) Finally, MVC will make payments of approximately \$1.3 million in connection with its molybdenum plant lease.

"We would like to thank our Amerigo and MVC employees and partners along with our shareholders for a successful 2020 which I believe is demonstrated in our production results. Despite the COVID-19 pandemic we were able to increase production consistently quarter to quarter. We look forward to 2021 and remain optimistic towards the sector and our industry", stated Aurora Davidson, President and CEO of Amerigo

Release of 2020 results on February 18, 2021

The Company will release its 2020 financial results at market open on Thursday, February 18, 2021.

Investor conference call on February 19, 2021

Amerigo's quarterly investor conference call will take place on Friday, February 19, 2021 at 11:00 am Pacific Standard Time/2:00 pm Eastern Standard Time.

To join the call, please dial 1-800-806-5484 (Toll-Free North America) and enter passcode 1259759# 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 and molybdenum concentrate as a by-product 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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For Cautionary Note Regarding Forward-Looking Information, please refer to the news release dated January 14, 2021 on the Company website at

<http://www.amerigoresources.com/investors/news/>

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