

# **Amerigo Resources Ltd.**

**Condensed Consolidated Interim Financial Statements  
For the quarter ended March 31, 2012**

**Unaudited**

(expressed in U.S. dollars)

# Amerigo Resources Ltd.

## Condensed Consolidated Interim Statements of Financial Position - Unaudited

(expressed in U.S. dollars)

	Notes	March 31, 2012 \$	December 31, 2011 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		19,175,705	20,819,467
Trade and other receivables		25,103,148	18,885,945
Prepaid expenses		374,331	380,797
Inventories	5	8,947,565	9,564,669
		<u>53,600,749</u>	<u>49,650,878</u>
<b>Non-current assets</b>			
Available-for-sale financial assets	6	9,596,274	8,722,744
Property, plant and equipment	8	150,655,600	138,638,900
Intangible assets	9	7,974,729	7,726,251
Other non-current assets		629,319	590,846
		<u>222,456,671</u>	<u>205,329,619</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		23,376,247	21,338,603
El Teniente royalties payable	7	12,245,869	9,523,714
Current income tax liabilities		804,365	667,573
Royalties to related parties	11	633,932	646,214
Borrowings	10	4,067,882	3,854,551
		<u>41,128,295</u>	<u>36,030,655</u>
<b>Non-current liabilities</b>			
Borrowings	10	325,767	764,598
Trade and other payables		2,897,007	2,538,590
Royalties to related parties	11	4,844,062	5,141,220
Asset retirement obligation		6,462,464	6,841,707
Deferred income tax liability		16,596,380	15,031,235
		<u>72,253,975</u>	<u>66,348,005</u>
<b>Equity</b>			
Share Capital	12	77,513,839	77,513,839
Other reserves		5,829,146	5,484,972
Retained earnings		55,830,044	53,519,770
Accumulated other comprehensive income		11,029,667	2,463,033
		<u>150,202,696</u>	<u>138,981,614</u>
<b>Total equity and liabilities</b>		<u>222,456,671</u>	<u>205,329,619</u>
<b>Subsequent events</b>	20		

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

**Approved by the Board of Directors**

“Robert Gayton”

Director

“Ruston Goepel”

Director

# Amerigo Resources Ltd.

## Condensed Consolidated Interim Statements of Comprehensive Income - Unaudited

(expressed in U.S. dollars)

	Notes	Quarter ended March 31, 2012	Quarter ended March 31, 2011
		\$	\$
<b>Revenue</b>		50,499,504	45,515,500
<b>Cost of sales</b>	14	47,367,311	39,393,427
<b>Gross profit</b>		3,132,193	6,122,073
<b>Other expenses</b>			
General and administration	15	1,350,524	1,332,619
Other gains	17	(993,928)	(457,586)
		356,596	875,033
<b>Operating profit</b>		2,775,597	5,247,040
Finance expense	16	(115,163)	188,518
Gain on sale of available for sale financial assets	6	-	(9,750,931)
		(115,163)	(9,562,413)
<b>Profit before tax</b>		2,890,760	14,809,453
Income tax expense		580,486	3,155,167
<b>Profit for the period</b>		2,310,274	11,654,286
Cumulative translation adjustment		7,782,112	(4,714,429)
Unrealized gains on available for sale financial assets net of taxes		784,522	1,388,425
Transfer of other comprehensive income on sale of financial assets net of taxes		-	(8,371,680)
Other comprehensive income (loss)		8,566,634	(11,697,684)
<b>Comprehensive income (loss)</b>		10,876,908	(43,398)
Weighted average number of shares outstanding basic		172,290,344	171,510,344
Weighted average number of shares outstanding diluted		178,573,469	173,959,913
<b>Earnings per share</b>			
Basic		0.01	0.07
Diluted		0.01	0.07

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

# Amerigo Resources Ltd.

## Condensed Consolidated Interim Statements of Cash Flows - Unaudited

(expressed in U.S. dollars)

	Quarter ended March 31, 2012 \$	Quarter ended March 31, 2011 \$
<b>Cash flows from operating activities</b>		
Profit for the quarter	2,310,274	11,654,286
Adjustment for items not affecting cash:		
Gain on available-for-sale financial asset	-	(9,750,931)
Depreciation and amortization	4,030,107	3,358,882
Deferred income tax expense	486,822	2,867,351
Share-based payments	344,174	526,236
Other	(30,112)	(171,729)
	7,141,265	8,484,095
Changes in non-cash working capital	442,769	(8,675,903)
<b>Net cash from operating activities</b>	7,584,034	(191,808)
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(8,601,037)	(3,357,557)
Proceeds from sale of plant and equipment	-	21,365
Proceeds from sale of available-for-sale financial assets	-	10,405,571
<b>Net cash from investing activities</b>	(8,601,037)	7,069,379
<b>Cash flows from financing activities</b>		
Net repayments	(353,382)	(3,824,637)
Issuance of shares on exercise of share options	-	21,594
<b>Net cash from financing activities</b>	(353,382)	(3,803,043)
<b>Net (decrease) increase in cash and cash equivalents</b>	(1,370,385)	3,074,528
<b>Effect of exchange rate changes on cash</b>	(273,377)	(944,074)
<b>Cash and cash equivalents – Beginning of period</b>	20,819,467	35,044,797
<b>Cash and cash equivalents - End of period</b>	19,175,705	37,175,251

### Supplementary cash flow information (Note 18)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

# Amerigo Resources Ltd.

## Condensed Consolidated Interim Statements of Changes in Equity - Unaudited

(expressed in U.S. dollars)

	Share capital		Other reserves	Accumulated other comprehensive income	Retained earnings	Total equity
	Number of shares	Amount				
		\$	\$	\$	\$	\$
Balance January 1, 2011	171,510,344	77,166,170	3,804,484	29,368,678	51,669,516	162,008,848
Issue of shares - Exercise of share options	30,000	32,656	(11,062)	-	-	21,594
Share-based payments	-	-	526,236	-	-	526,236
Cumulative translation adjustment	-	-	-	(4,714,429)	-	(4,714,429)
Unrealized gains on available-for-sale financial assets (net of tax of \$208,460)	-	-	-	1,388,425	-	1,388,425
Transfer of other comprehensive income on sale of financial assets (net of tax of (\$2,092,920))	-	-	-	(8,371,680)	-	(8,371,680)
Net earnings for the period	-	-	-	-	11,654,286	11,654,286
Balance March 31, 2011	171,540,344	77,198,826	4,319,658	17,670,994	63,323,802	162,513,280
Balance January 1, 2012	172,290,344	77,513,839	5,484,972	2,463,033	53,519,770	138,981,614
Share-based payments	-	-	344,174	-	-	344,174
Cumulative translation adjustment	-	-	-	7,782,112	-	7,782,112
Unrealized gains on available-for-sale financial assets (net of tax of \$89,008)	-	-	-	784,522	-	784,522
Net earnings for the period	-	-	-	-	2,310,274	2,310,274
Balance March 31, 2012	172,290,344	77,513,839	5,829,146	11,029,667	55,830,044	150,202,696

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

# Amerigo Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements - Unaudited

March 31, 2012

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(expressed in U.S. dollars)

## 1 General Information

Amerigo Resources Ltd. (the "Company") is a company incorporated pursuant to the laws of British Columbia, Canada and its shares are listed for trading on the Toronto Stock Exchange ("TSX"), the OTCQX stock exchange in the United States and the Lima Stock Exchange. The address of the Company's principal office is Suite 1950 – 400 Burrard Street, Vancouver, British Columbia.

The Company is a producer of copper and molybdenum concentrates with operations in Chile. Its operating subsidiary Minera Valle Central S.A. ("MVC") has a contract with Corporacion Nacional del Cobre de Chile ("Codelco"), Chile's state-owned copper producer, through 2021 to process the tailings from El Teniente, the world's largest underground copper mine.

These condensed consolidated interim financial statements were authorised for issue by the board of directors on May 3, 2012.

## 2 Basis of presentation and statement of compliance

The Company is following the same accounting policies and methods of computation in these condensed consolidated interim financial statements as it did in the audited consolidated financial statements for the year ended December 31, 2011.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2011, which have been prepared in accordance with IFRS as issued by the IASB.

## 3 Accounting Policies

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

## 4 Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2011.

# Amerigo Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements - Unaudited  
March 31, 2012

(expressed in U.S. dollars)

## 5 Inventories

	March 31, 2012 \$	December 31, 2011 \$
Plant supplies and consumables at cost	6,748,132	5,697,799
	6,748,132	5,697,799
Concentrate inventories at cost	2,199,433	3,866,870
	2,199,433	3,866,870
	8,947,565	9,564,669

Concentrates in process at the various processing stages of MVC's operations and finished product inventories are valued at the lower of cost and net realizable value.

For work in process and finished product inventories, cost includes all direct costs incurred in production including direct labor and materials, depreciation, and amortization and directly attributable overhead costs.

When inventories have been written down to net realizable value, the Company makes a new assessment of net realizable value in each subsequent period. If the circumstances that caused the write-down no longer exist, the remaining amount of the write-down is reversed.

Inventory of plant supplies and consumables is valued at the lower of the average cost and net realizable value. Cost includes acquisition, freight and other directly attributable costs.

The write-down of inventories recognised in operating expenses amounted to \$nil (December 31, 2011: \$nil).

## 6 Available-for-sale financial assets

	March 31, 2012 \$	December 31, 2011 \$
<b>Start of period</b>	8,722,744	25,583,511
Exchange differences	165,185	245,285
Disposals	-	(11,119,240)
Changes in fair value	708,345	(5,986,812)
<b>End of period</b>	9,596,274	8,722,744

# Amerigo Resources Ltd.

## Notes to the Condensed Consolidated Interim Financial Statements - Unaudited March 31, 2012

(expressed in U.S. dollars)

Available-for-sale financial assets include the following:

	March 31, 2012 \$	December 31, 2011 \$
Candente Copper Corp.	5,857,855	5,527,254
Candente Gold Corp.	551,303	499,158
Los Andes Copper Ltd.	2,972,521	2,519,688
Cobrizo Metals Corp.	214,595	176,644
	<u>9,596,274</u>	<u>8,722,744</u>

- a) During the year ended December 31, 2011, the Company sold 5,000,000 Candente Copper Corp. (“Candente Copper”) shares, and recognized a gain of \$9,750,931 in earnings. At March 31, 2012, Candente Copper’s closing share price was Cdn\$1.01 and the fair value of the Company’s approximately 5% investment in Candente Copper was \$5,857,855. During the quarter ended March 31, 2012, the Company recorded other comprehensive income of \$330,601 (2011: other comprehensive income of \$2,077,324) for the changes in fair value of this investment, before deferred income tax.
- b) At March 31, 2012, Candente Gold Corp. (“Candente Gold”) had a closing share price of Cdn\$0.255 and the fair value of the Company’s approximately 4% investment in Candente Gold was \$551,303. During the quarter ended March 31, 2012, the Company recorded other comprehensive income of \$52,145 (2011: other comprehensive loss of \$426,664) for the changes in the fair value of this investment, before deferred income tax.
- c) At March 31, 2012, Los Andes Copper Ltd. (“Los Andes”) had a closing share price of Cdn\$0.37 and the fair value of the Company’s approximately 5% investment was \$2,972,521. During the quarter ended March 31, 2012, the Company recorded other comprehensive income of \$452,833 (2011: other comprehensive loss of \$470,698) for the changes in the fair value of this investment, before deferred income tax.
- d) On October 6, 2011, the Company received a total of 1,157,656 shares of Cobrizo Metals Corp. (“Cobrizo”), an issuer listed on the TSX, following Cobrizo’s spinout from Candente Copper. At March 31, 2012, Cobrizo’s closing share price was Cdn\$0.185 and the fair value of the Company’s approximately 4% investment in Cobrizo was \$214,595. The Company recorded other comprehensive income of \$37,951 for the increase in the fair value of this investment during the quarter ended March 31, 2012 (2011: \$nil), before deferred income tax.



# Amerigo Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements - Unaudited  
March 31, 2012

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(expressed in U.S. dollars)

## 7 El Teniente royalty payable

MVC has a contract with Codelco – El Teniente (“DET”) until 2021 to process tailings from the current production of the El Teniente mine in Chile (“fresh tailings”). MVC pays a royalty to DET on copper and molybdenum concentrates produced by MVC. The amount of the copper royalty on fresh tailings is determined pursuant to a formula that considers both the price of copper and the copper content in the fresh tailings. No royalties are payable on fresh tailings if the copper price is below \$0.80/lb (for copper content in fresh tailings between 0.09% and 0.1499%); if the copper price is between \$0.80/lb and \$0.95/lb, the royalty varies on a sliding scale from 0% to 10%; if the copper price is between \$0.95/lb and \$1.30/lb, the royalty varies on a sliding scale from 10% to 13.5%; and if the copper price is \$1.30/lb or higher, a maximum royalty of 13.5% is payable.

Royalty payments for copper concentrates production are calculated using the LME Price for copper for the month of delivery of the tailings, and invoiced by DET in Chilean Pesos (“CLP”) using the higher of either the “Dolar Acuerdo” or the “Dolar Observado” exchange rates, on a monthly basis within 30 days of the end of the third month following the month of delivery of the tailings. Payment to DET is made within 10 days of receipt of invoices. Accordingly, the price base used for the calculation of the El Teniente royalty is, in most instances, not the same price base used for the pricing of copper concentrate sales.

Adjustments to the El Teniente royalty are recorded on a monthly basis for changes in copper concentrate deliveries during the settlement period.

MVC also pays to DET a royalty of 10% of MVC’s net revenue received from the sale of molybdenum concentrates produced from fresh tailings.

The El Teniente royalties are recorded as a component of cost of sales.

During the quarter ended June 30, 2009, MVC reached an agreement with DET providing MVC the right to process tailings from the Colihues tailings impoundment (“old tailings”). The agreement provides for a sliding scale copper royalty on old tailings that is 3% if the LME Price is less than \$0.80/lb, and rises to approximately 30% at an LME Price of \$4.27/lb, but also contains a provision that the parties will review and potentially adjust the formula where the LME Price remains lower than \$1.95/lb or higher than \$4.27/lb for three consecutive months. For molybdenum prices lower than \$35/lb, the royalty on old tailings is 11.9% and for molybdenum prices greater than or equal to \$35/lb, the royalty is 12.4%. The agreement further provides that in December of each year the parties will revise the formula's grade and recovery parameters if necessary.

As at March 31, 2012, royalties payable to El Teniente were \$12,245,869 (December 31, 2011: \$9,523,714), representing approximately three months of royalties.

# Amerigo Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements - Unaudited  
March 31, 2012

(expressed in U.S. dollars)

## 8 Property, plant and equipment

	Plant and infrastructure \$	Machinery and equipment and other assets \$	Total \$
<b>Year ended December 31, 2011</b>			
Opening net book amount	113,352,478	27,321,165	140,673,643
Exchange differences	(11,056,710)	(2,508,032)	(13,564,742)
Additions	20,708,643	5,029,752	25,738,395
Disposals	-	(36,335)	(36,335)
Depreciation charge	(11,492,306)	(2,679,755)	(14,172,061)
<b>Closing net book amount</b>	<b>111,512,105</b>	<b>27,126,795</b>	<b>138,638,900</b>
<b>At December 31, 2011</b>			
Cost	164,135,741	49,111,576	213,247,317
Accumulated depreciation	(52,623,636)	(21,984,781)	(74,608,417)
<b>Net book amount</b>	<b>111,512,105</b>	<b>27,126,795</b>	<b>138,638,900</b>
<b>Quarter ended March 31, 2012</b>			
Opening net book amount	111,512,105	27,126,795	138,638,900
Exchange differences	7,287,984	1,565,166	8,853,150
Additions	5,963,707	976,025	6,939,732
Depreciation charge	(3,060,974)	(715,208)	(3,776,182)
<b>Closing net book amount</b>	<b>121,702,822</b>	<b>28,952,778</b>	<b>150,655,600</b>
<b>At March 31, 2012</b>			
Cost	180,676,653	53,007,170	233,683,823
Accumulated depreciation	(58,973,831)	(24,054,392)	(83,028,223)
<b>Net book amount</b>	<b>121,702,822</b>	<b>28,952,778</b>	<b>150,655,600</b>

Included in property, plant and equipment as asset under construction at March 31, 2012 was \$12,603,930 (December 31, 2011: \$9,646,007) related to a pilot plant to treat oxide material.

\$182,612 (December 31, 2011: \$160,006) of interest was capitalised during the period and is included in property, plant and equipment at March 31, 2012.

In connection with one of the bank loans described in Note 10, MVC has provided collateral on machinery and equipment valued at approximately \$14,340,000.

# Amerigo Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements - Unaudited  
March 31, 2012

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(expressed in U.S. dollars)

## 9 Intangible assets

	\$
<b>Net book amount, December 31, 2010</b>	9,233,924
Exchange differences	(859,120)
Charged to earnings	(648,553)
<b>Net book amount, December 31, 2011</b>	7,726,251
Exchange differences	502,443
Charged to earnings	(253,965)
<b>Net book amount, March 31, 2012</b>	7,974,729

## 10 Borrowings

	March 31, 2012	December 31, 2011
	\$	\$
Bank loans (Note 10(a), (b), (c) and (d))	4,393,649	4,619,149
Less: Short-term debt and current portion of long-term debt	(4,067,882)	(3,854,551)
	325,767	764,598

- a) In October 2009, MVC obtained from a Chilean bank a loan denominated in Unidades de Fomento (“UF”), the Chilean indexed monetary unit. The principal amount of this loan was UF167,600 (the equivalent of CLP 3,500,000,000 or \$6,508,957 at the loan grant date), and was repaid in full during the quarter ended December 31, 2011.
- b) In November 2010, MVC obtained from the same bank described in note 10(a) an additional loan denominated in U.S. dollars in the principal amount of \$4,000,000 to assist with the financing of MVC’s investment in a pilot plant to treat oxide material. The balance of this loan and accrued interest at March 31, 2012 was \$1,471,754 (December 31, 2011: \$2,004,160). Borrowing costs of \$182,612 on this loan have been capitalized, at a capitalization rate of 100%.

This loan is repayable in eight equal quarterly instalments of \$500,000 from March 15, 2011 to October 15, 2012, provides for interest at an annual rate of 4.68%, and requires MVC to meet certain interest coverage, debt to equity and bank debt to EBITDA ratios at June 30 and December 31 in each year during the term of the loan. MVC was in compliance with all debt covenants at December 31, 2011.

# Amerigo Resources Ltd.

## Notes to the Condensed Consolidated Interim Financial Statements - Unaudited March 31, 2012

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(expressed in U.S. dollars)

- c) In December 2008, MVC obtained a \$5,000,000 loan from a Chilean bank. In May 2009, the loan was converted into a CLP loan and on May 12, 2010 it was restructured as a three year loan.

The principal amount of this loan is CLP2,858,250,000 and is repayable in 36 equal monthly instalments of CLP79,395,833 from June 2010 to May 2013. The loan agreement provides for interest at a variable rate of Chilean Association of Banks and Financial Institutions Tasa Bancaria ("TAB") plus 2.5%. Concurrently with the loan agreement, the Company entered into an interest rate swap ("IRS") through which it fixed the rate of the loan to an annual rate of 9.96%. The Company has recognized the IRS in the balance sheet at fair value with changes in its fair value recognized in earnings. MVC provided the bank with security in certain machinery and equipment with a value of approximately \$4,010,000 as collateral. The balance of the loan and accrued interest at March 31, 2012 was the CLP equivalent of \$2,296,724 (December 31, 2011: \$2,614,989).

- d) In January 2012, Minera Valle Central Generacion S.A. ("MVC Generacion"), a fully-owned subsidiary, obtained from a Chilean bank a working capital loan of CLP 301,000,000 (the equivalent of \$615,555 at the loan grant date). This loan was repayable on April 27, 2012, paid interest at the rate of 0.61% per month and was renewed for a further three-month term subsequent to March 31, 2012 (Note 20). The balance of the loan and accrued interest at March 31, 2012 was the CLP equivalent of \$625,171 (December 31, 2011: \$nil).

- e) In July 2011, MVC entered into an agreement with a Chilean bank to secure a revolving working capital line of credit for up to \$20 million or its equivalent in CLP (the "Line of Credit"). The Line of Credit has a term to July 4, 2014 and provides for interest at a variable rate of TAB plus an applicable margin for borrowings in CLP and interest at a variable rate of LIBOR-30 days plus a Banco de Chile margin plus an applicable margin, for borrowings in US dollars. Current borrowing rates would be 0.65% per month on CLP draws and 0.26% per month on US dollar draws. The Line of Credit requires MVC to meet minimum quarterly equity, debt to equity and maximum debt ratios. MVC was in compliance with these covenants at March 31, 2012. No funds have been drawn down on this line of credit.

# Amerigo Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements - Unaudited  
March 31, 2012

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(expressed in U.S. dollars)

## 11 Related party transactions

### (a) Royalties to related parties

Amerigo holds its interest in MVC through Amerigo International Holdings Corp. ("Amerigo International").

Amerigo International is controlled by Amerigo except for certain outstanding Class A shares which are owned indirectly by the President and Chief Executive Officer, an associate of the President and Chief Executive Officer, a former director and an associate of a former director of Amerigo, and were issued in order to structure a more tax-efficient manner of paying the royalty obligation (the "Royalty") owing to the director and former director, who transferred to the Company an option to purchase MVC.

In accordance with the articles of Amerigo International, the holders of the Class A shares are not entitled to any dividend or to other participation in the profits of Amerigo International, except for a total royalty dividend, if declared by the directors of Amerigo International, in an amount equal to the amount of the Royalty.

The Royalty is calculated as follows:

- \$0.01 for each pound of copper equivalent produced by MVC or any successor entity to MVC 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 if the price of copper is \$0.80 or more.

The Royalty is a derivative financial instrument. This liability is measured at fair value, with changes in fair value recorded in profit for the period.

The Royalty is paid as a royalty dividend on the Class A shares of Amerigo International. During the quarter ended March 31, 2012, Royalties totalling \$222,918 were paid or accrued to the Amerigo International Class A shareholders on production in the period (Q1-2011: \$180,128). At March 31, 2012, \$80,325 of this amount remained outstanding (December 31, 2011: \$74,967).

### (b) Purchases of goods and services

The Company's related parties consist of companies owned by executive officers and directors, as follows:

	<u>Nature of transactions</u>
Zeitler Holdings Corp.	Management
Michael J. Kuta Law Corporation	Management
Delphis Financial Strategies Inc.	Management

The Company incurred the following fees in connection with companies owned by executive officers and directors. Transactions have been measured at the exchange amount which is determined on a cost recovery basis.

# Amerigo Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements - Unaudited  
March 31, 2012

(expressed in U.S. dollars)

	<b>Quarter ended March 31, 2012 \$</b>	<b>Quarter ended March 31, 2011 \$</b>
Management fees	159,223	210,979

(c) Key management compensation

The remuneration of directors and other members of key management during the quarters ended March 31, 2012 and 2011 was as follows:

	<b>Quarter ended March 31, 2012 \$</b>	<b>Quarter ended March 31, 2011 \$</b>
Management and directors' fees	215,593	260,139
Share-based payments	333,418	336,000
	549,011	596,139

Share-based payments are the fair value of options vested to key management personnel.

# Amerigo Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements - Unaudited  
March 31, 2012

(expressed in U.S. dollars)

## 12 Equity

### a) Share capital

Authorised share capital consists of an unlimited number of common shares without par value.

### b) Share options

The weighted average fair value of the share options granted in the period was estimated at Cdn\$0.30 per option (2011: Cdn\$0.44) at the grant date based on the Black-Scholes option-pricing model using the following assumptions:

	2012 \$	2011 \$
Weighted average share price	0.77	1.32
Weighted average exercise price	0.77	1.32
Dividend yield	5.06%	3.88%
Risk free interest rate	1.29%	2.33%
Expected life	3.66	3.63
Expected volatility	71.86%	67.84%

Outstanding share options:

	March 31, 2012		December 31, 2011	
	Share options	Weighted average exercise price Cdn\$	Share options	Weighted average exercise price Cdn\$
<b>At start of the period</b>	10,070,000	1.25	9,010,000	1.38
Granted	3,200,000	0.77	3,200,000	1.28
Exercised	-	-	(780,000)	0.33
Expired	(1,670,000)	2.23	(1,360,000)	2.69
<b>At end of the period</b>	11,600,000	0.98	10,070,000	1.25
Vested and exercisable	9,200,000	1.03	10,070,000	1.25

# Amerigo Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements - Unaudited  
March 31, 2012

(expressed in U.S. dollars)

Information relating to share options outstanding at March 31, 2012 is as follows:

Outstanding share options	Vested share options	Price range Cdn\$	Weighted average exercise price on outstanding options Cdn\$	Weighted average exercise price on vested options \$	Weighted average remaining life of outstanding options (months)
1,000,000	1,000,000	0.31-0.69	0.35	0.35	2.05
3,165,000	3,165,000	0.70-0.74	0.70	0.70	2.92
3,200,000	800,000	0.75-0.95	0.77	0.77	4.93
3,200,000	3,200,000	0.96-1.73	1.28	1.28	3.96
1,035,000	1,035,000	1.74-2.13	2.13	2.13	0.97
11,600,000	9,200,000		0.98	1.03	3.51

Further information about share options is as follows:

	Quarter ended March 31, 2012 \$	Quarter ended March 31, 2011 \$
Total compensation cost recognized	344,174	526,236



# Amerigo Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements - Unaudited  
March 31, 2012

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(expressed in U.S. dollars)

All option pricing models take into account, as a minimum, the following factors:

- a) The exercise price of the option;
- b) The life of the option;
- c) The current price of the underlying shares;
- d) The expected volatility of the share price;
- e) The dividends expected on the shares (if appropriate); and
- f) The risk-free interest rate for the life of the option.

c) Earnings per share

(i) Basic

Basic earnings per share are calculated by dividing the profit attributable to equity owners of the Company by the weighted average number of ordinary shares in issue during the period.

	<b>March 31, 2012</b>	<b>March 31, 2011</b>
	<b>\$</b>	<b>\$</b>
Profit for the period	2,310,274	11,654,286
Weighted average number of shares (000's)	172,290,344	171,510,344
Basic earnings per share	0.01	0.07

# Amerigo Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements - Unaudited  
March 31, 2012

(expressed in U.S. dollars)

## (ii) Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of shares outstanding to assume conversion of all potentially dilutive shares. Potentially dilutive shares relate to the exercise of outstanding share purchase options.

	<b>March 31, 2012 \$</b>	<b>March 31, 2011 \$</b>
Profit for the period	2,310,274	11,654,286
Weighted average number of ordinary shares in issue	172,290,344	171,510,344
Effect of dilutive securities:		
Share options	6,283,125	2,449,569
Weighted average diluted shares outstanding	178,573,469	173,959,913
Diluted earnings per share	0.01	0.07

## 13 Segment information

Operating segments are based on the reports reviewed by the board of directors that are used to make strategic decisions. The Company has one operating segment, the production of copper concentrates with the production of molybdenum concentrates as a by-product.

The geographic distribution of non-current assets is as follows:

	<b>Property, plant and equipment</b>		<b>Other</b>	
	<b>March 31, 2012</b>	<b>December 31, 2011</b>	<b>March 31, 2012</b>	<b>December 31, 2011</b>
Chile	150,275,657	138,250,167	16,710,385	15,779,857
Canada	379,943	388,736	1,489,937	1,259,984
	150,655,600	138,638,900	18,200,322	17,039,841

All of the Company's revenue originates from external customers in Chile.

The Company's sales to one customer represent 63% of reported revenue (2011: 93 %).

# Amerigo Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements - Unaudited  
March 31, 2012

(expressed in U.S. dollars)

## 14 Cost of sales

	Quarter ended March 31, 2012 \$	Quarter ended March 31, 2011 \$
Direct production costs	30,229,096	24,196,570
El Teniente royalty	11,684,379	10,551,802
Depreciation and amortization	4,030,107	3,358,882
Administration	1,105,655	915,096
Transportation	318,074	371,077
Total cost of sales	47,367,311	39,393,427

## 15 General and administration expenses

	Quarter ended March 31, 2012 \$	Quarter ended March 31, 2011 \$
Office and general expenses	461,225	263,317
Salaries, management and professional fees	322,207	362,938
Share-based payments	344,174	526,236
Royalties to related parties	222,918	180,128
Total general and administration	1,350,524	1,332,619

## 16 Finance expense

	Quarter ended March 31, 2012 \$	Quarter ended March 31, 2011 \$
Interest charges	129,150	213,549
Interest rate swap – change in fair value	(21,024)	(1,497)
Asset retirement obligation accretion cost	91,509	111,519
Royalty accretion adjustment	(314,798)	(135,053)
Total finance expense	(115,163)	188,518

# Amerigo Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements - Unaudited  
March 31, 2012

(expressed in U.S. dollars)

## 17 Other gains

	Quarter ended March 31, 2012 \$	Quarter ended March 31, 2011 \$
Foreign exchange loss (gain)	(820,231)	(294,759)
Other gains	(173,697)	(162,827)
Total other gains	(993,928)	(457,586)

## 18 Supplementary cash flow information

	2012 \$	2011 \$
(a) Interest and taxes paid		
Interest paid	78,452	49,882
Income taxes paid	836,655	427,480
(b) Other		
Increase in accounts payable related to the acquisition of plant and equipment	1,319,885	1,791,059
Cash paid during the period for royalty dividends to non-controlling interests	217,561	176,126

## 19 Commitments

The Company has entered into a joint lease agreement together with an unrelated corporation for the lease of office premises in Vancouver. The commencement date of the lease was August 1, 2011, for a five year term. The Company's share of basic rent commitments for the remaining term of the contract is approximately Cdn\$548,479.

## 20 Subsequent events

- On April 27, 2012, the Company renewed a CLP 301,000,000 working capital loan described in Note 10(d). The loan is due on July 25, 2012 and bears interest at the rate of 0.65% per month.
- On May 3, 2012, Amerigo declared a semi-annual dividend of Cdn\$0.02 per share, payable on May 25, 2012 to shareholders of record as of May 16, 2012.