

March 4, 2010
N.R. 2010- 4

Amerigo Announces Fiscal 2009 Financial Results

- **Strong second half earnings of \$7,149,882**
- **Operating cash flow of \$11,342,732 in the second half of 2009**
 - **Full year net earnings of \$45,749**
- **Balance Sheet strength restored in 2010**

VANCOUVER, BRITISH COLUMBIA – March 4/Amerigo Resources Ltd. (TSX:ARG) (“Amerigo” or the “Company”) reported today results for the year ended December 31, 2009.

Mr. Steven Dean, Amerigo’s Chairman, stated, “2009 was a year of two contrasting halves. The first half was characterized by low copper and molybdenum prices, low production due to the shutdown and reconfiguration of old tailings extraction, and continuing high input costs post the 2008 financial crisis. The second half saw a return to profitability, with net earnings of \$7,149,882 and operating cash flow of \$11,342,732, due to higher copper prices, the fruits of our cost reduction efforts and higher copper production with increasing old tailings extraction.”

Mr. Dean continued by saying “The outlook for 2010, although impacted by the tragic earthquake in Chile, is exciting, with the restoration of a strong balance sheet currently with a cash balance of \$17.9M, forecasts for higher copper and molybdenum production, and the benefit of rising molybdenum prices.”

Key achievements

In fiscal 2009 the Company continued to focus on strengthening operating profitability, resulting in a substantial increase of copper production and improved financial performance compared to fiscal 2008. The Company:

- Posted revenue of \$58,384,604 and net earnings of \$7,149,882 in the second half of 2009, compared to revenue of \$31,088,644 and a net loss of \$7,104,133 in the first half of the year.
- Posted net earnings of \$45,749 in fiscal 2009 compared to a net loss of \$18,986,845 in fiscal 2008.
- Generated an operating profit of \$8,893,803, compared to an operating loss of \$1,347,711 in 2008.
- Reduced operating costs by \$18,395,748 compared to 2008, despite increased copper production levels in 2009.
- Now has consolidated cash in excess of \$17,900,000 after the exercise of outstanding warrants in Q1-2010.



- Implemented changes to the mining plan for old tailings reaching record copper production of 17,674 tonnes of copper, 13% higher than the Company's previous record production of 15,707 tonnes of copper in 2008. Copper production from the processing of old tailings increased from 1,522 to 3,761 tonnes in the year.
- Generated operating cash flow (excluding changes in non-cash working capital accounts) of \$11,554,482 in 2009 compared to \$3,387,356 in 2008, including \$11,342,732 in the second half of 2009.
- Completed an equity financing for net proceeds of \$8,441,696 in difficult financial markets.
- Secured additional bank financing, structured a short-term bank loan into a medium term loan and negotiated payment deferrals with key partners and suppliers, including El Teniente.
- Made principal repayments of \$5,877,744 on loans outstanding to Enami (\$3,283,961) and to El Teniente (\$2,593,783).

Financial results

- At an average copper sales price of \$2.35/lb, the Company achieved operating profit of \$8,893,803 and net earnings of \$45,749, compared to an operating loss of \$1,347,711 and a net loss of \$18,986,845 in 2008 (which included a write-down of investments of \$18,855,343).
- Revenue was \$89,473,248 compared to \$97,627,482 in 2008, due to lower average copper and molybdenum prices and lower molybdenum production, and cost of sales was \$80,579,445 compared to \$98,975,193 in 2008.
- Cash flow provided by operations totaled \$5,637,930 or 4¢ per share, lower than \$10,609,319 or 11¢ per share in 2008, mainly due to an increase of \$7,642,947 in accounts receivable from stronger metal prices in the latter months of the year and a reduction of \$4,592,271 in accounts payable as the Company returned to normalized payment terms with suppliers.

Production

- The Company produced 38.96 million pounds of copper, 13% higher than the 34.63 million pounds produced in 2008. In April 2009, the Company successfully introduced a new mining plan to reprocess old tailings that substantially contributed to the increase in copper production in the year.
- Molybdenum production was 594,813 pounds, 23% lower than the 769,142 pounds produced in 2008, mainly as a result of lower molybdenum content in fresh tailings.

Revenue

- Revenue decreased to \$89,473,248 compared to \$97,627,482 in 2008, due to lower average copper and molybdenum prices and lower molybdenum production. The Company's copper selling price before smelter, refinery and other charges was \$2.35/lb compared to \$2.77/lb in 2008, and the Company's molybdenum selling price was \$11.20/lb compared to \$29.05/lb in 2008. Copper sales volume increased 14% compared to 2008 but molybdenum sales volume was 23% lower due to lower molybdenum production.



Costs

- Cash cost (the aggregate of smelter, refinery and other charges, production costs net of molybdenum-related net benefits, administration and transportation costs) before El Teniente royalty was \$1.62/lb, compared to \$2.01/lb in 2008. Cash costs decreased in 2009 as a result of higher copper production and lower overall production costs, principally power costs.
- Total cost (the aggregate of cash cost, El Teniente royalty, depreciation and accretion) was \$2.21/lb compared to \$2.75/lb in 2008. The decrease in total cost was driven by lower cash cost and lower El Teniente royalty due to lower copper and molybdenum prices.
- Power costs in 2009 were \$23,336,113 (\$0.1135/kwh) compared to \$37,945,807 (\$0.2103/kwh) in 2008. Chilean electricity costs in 2010 are expected to remain at levels comparable to 2009.
- Operating costs such as power, steel and reagents decreased from their high 2008 levels. Unit costs continued to be positively impacted by increased copper production. The Company expects that unit costs will continue to trend downwards in 2010.

Cash and Financing Activities

- Cash balance was \$7,191,093 at December 31, 2009 compared to f \$3,187,084 at December 31, 2008.
- Subsequent to December 31, 2009, the Company received Cdn\$12,013,452 from the exercise of the remainder of the Company's outstanding warrants, re-establishing a positive working capital position.

Investments

- Payments for capital expenditures were \$11,557,454 compared to \$23,133,008 in 2008. Capital expenditures incurred in 2009 totaled \$10,784,059 (2008: \$23,001,945), of which \$4,070,314 were for MVC's power plant project.
- The Company's investments in Candente Copper Corp. and Los Andes Copper Ltd. had a fair value of \$6,067,199 and \$687,591 respectively at December 31, 2009 (December 31, 2008: \$1,412,488 and \$360,727, respectively). The \$4,981,575 before-tax fair value increase in these investments in 2009 does not affect net earnings but is included as other comprehensive income for the year on a net of tax basis of \$3,693,041.



The information in this news release and the Selected Financial Information contained in the following page should be read in conjunction with the Audited Consolidated Financial Statements and Management Discussion and Analysis for the year ended December 31, 2009, which will be available at the Company's website at www.amerigoresources.com and at www.sedar.com.

Amerigo Resources Ltd. is a Canadian junior company producing copper and molybdenum from its MVC operations near Santiago, Chile. Tel: (604) 681-2802; Fax: (604) 682-2802; Web: www.amerigoresources.com; Listing: ARG:TSX

For further information, please contact:

Dr. Klaus Zeitler, President	(604) 681-2802
Amerigo Resources Ltd.	(604) 218-7013

The Toronto Stock Exchange has not reviewed nor accepted responsibility for the adequacy or accuracy of the contents of this news release, which has been prepared by management. Statements contained in this news release that are not historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties which could cause actual results to differ materially from estimated results. Such risks and uncertainties are detailed in the Company's filings with the TSX and on SEDAR. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements if management's beliefs, estimates or opinions, or other factors, should change.



AMERIGO RESOURCES LTD.
SELECTED FINANCIAL INFORMATION

YEARS ENDED DECEMBER 31, 2009 and 2008

All figures expressed in US Dollars

Consolidated Balance Sheets

	December 31, 2009 \$	December 31, 2008 \$
Cash and cash equivalents	7,191,093	3,187,084
Mineral property, plant and equipment	121,783,483	116,243,844
Other assets	37,220,851	24,827,949
Total assets	166,195,427	144,258,877
Total liabilities	58,999,428	50,223,162
Shareholders' equity	107,195,999	94,035,715
Total liabilities and shareholders' equity	166,195,427	144,258,877

Consolidated Statements of Operations and Comprehensive Income (Loss)

	Year ended December 31, 2009 \$	Year ended December 31, 2008 \$
Total revenue, net of smelter and refinery charges	89,473,248	97,627,482
Cost of sales	(80,579,445)	(98,975,193)
Other expenses	(4,852,442)	(3,563,884)
Non-operating losses, net	(1,737,589)	(16,028,517)
Income tax recovery (expense)	(1,632,655)	2,576,855
Non-controlling interests	(625,368)	(623,588)
Net earnings (loss)	45,749	(18,986,845)
Other comprehensive income (loss)	3,693,041	(4,395,767)
Comprehensive income (loss)	3,738,790	(23,382,612)
EPS (LPS) – Basic and Diluted	0.00	(0.20)

Consolidated Statements of Cash Flows

	Year ended December 31, 2009 \$	Year ended December 31, 2008 \$
Net cash provided by operating activities	5,637,930	10,609,319
Net cash used in investing activities	(11,557,454)	(27,146,589)
Net cash provided by financing activities	9,923,533	3,011,724
Net cash inflow during the period	4,004,009	(13,525,546)



AMERIGO RESOURCES LTD. SELECTED TRAILING DATA

All figures expressed in US Dollars

	Q4-2009	Q3-2009	Q2-2009	Q1-2009	Q4-2008
Copper production (tonnes)	5,498	4,589	4,358	3,228	4,323
Copper sales (tonnes)	5,713	4,622	4,304	3,228	4,336
Molybdenum production (lbs)	246,636	151,310	99,683	97,184	211,729
Molybdenum sales (lbs)	252,761	147,894	92,065	101,661	219,215
Company's recorded copper price (\$/lb) ¹	2.79	2.43	2.06	1.82	1.31
<i>*Before smelter and refinery costs and settlement adjustments to prior quarters' sales</i>					
Revenue	\$ 33,852,105	\$ 24,532,499	\$ 18,067,033	\$ 13,021,611	\$ 614,179
Power costs	5,985,090	5,411,515	6,096,922	5,842,586	6,316,698
El Teniente royalty	6,875,447	4,686,346	3,634,597	1,387,644	2,615,100
All other cost of sales	12,697,674	10,983,234	8,585,823	8,392,567	10,639,015
Operating profit (loss)	8,293,894	3,451,404	(250,309)	(2,601,186)	(18,956,634)
Write-down of investments	-	-	-	-	6,617,602
All other expenses (gains), including taxes	4,382,128	213,288	2,074,750	2,177,888	(4,393,362)
Net earnings (loss)	\$ 3,911,766	\$ 3,238,116	\$ (2,325,059)	\$ (4,779,074)	\$ (21,180,874)
Earnings (loss) per share (basic)	0.03	0.02	(0.02)	(0.04)	(0.23)
Cash cost (\$/lb)	1.58	1.49	1.56	1.94	1.99
Total cost (\$/lb)	2.21	2.14	2.14	2.42	2.43
Cash flow from (used in) operations	\$ 7,415,773	\$ (558,286)	\$ 7,420,230	\$ (8,639,787)	\$ (7,363,121)
Cash flow used in plant expansion	\$ 3,307,744	\$ 2,039,630	\$ 3,244,767	\$ 2,965,313	\$ 4,605,232
Cash flow from (used in) financing	\$ 201,232	\$ (824,404)	\$ (1,333,961)	\$ 11,880,666	\$ 10,896,837
Closing cash position	\$ 7,191,093	\$ 2,881,832	\$ 6,304,152	\$ 3,462,650	\$ 3,187,084
Working capital	(6,353,737)	(7,468,463)	(10,318,380)	(8,094,959)	(14,116,136)