

November 7, 2011
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Amerigo Announces Q3-2011 Financial Results

- **Semi-annual dividend of Cdn\$0.02 per share declared**
 - **Revenues of \$42 million, 7% higher than Q3-2010**
- **Operating cash flow of \$4.6 million or \$0.03 per share**
- **Cash Balance of \$34.3 million as at September 30, 2011**

VANCOUVER, BRITISH COLUMBIA – November 7/Amerigo Resources Ltd. (TSX:ARG) (“Amerigo” or the “Company”) reported today results for the quarter ended September 30, 2011.

Dr. Klaus Zeitler, Amerigo’s President and CEO, commented as follows, “As was the case in Q2-2011, in the third quarter the Company suffered production losses resulting from the strike action by workers for El Teniente’s subcontractors and power costs continued to be high due to ongoing drought conditions in Chile. Despite these challenges, revenues for the quarter were close to \$42 million and the Company generated operating cash flow of \$4.6 million and cash adjusted operating profit of more than \$3 million. A one-time loss of approximately \$1.5 million in the Company’s subsidiary, Minera Valle Central Generacion, S.A. (“MVC Generacion”), and a foreign exchange loss of close to \$1.2 million, mostly of an unrealized nature, contributed to a net loss of approximately \$1.2 million in the quarter. Although as previously announced the Company will not meet its 2011 production goals, production is expected to meet budgeted levels in Q4-2011.”

The El Teniente strike resulted in the loss of approximately 700 tonnes of copper production in July, as the interruption of the flow of fresh tailing to the Company’s operations in Chile that began in the second quarter continued into the third quarter. The bad debt expense of \$1,534,141 suffered by MVC Generacion resulted from the bankruptcy of a major power customer of the Chilean central grid, and was allocated among MVC Generacion and a number of other energy producers. MVC’s share of the bad debt was only 1.7% of the outstanding amount. Finally, the foreign exchange loss of \$1,181,474 was due to financial reporting adjustments arising from the sharp decline in the value of the Chilean Peso and the Canadian dollar against the U.S. dollar as of September 30, 2011. Most of the adjustment has reversed as of the date of this release.

During the quarter the Company:

- Posted quarterly revenue of \$41,958,747, compared to \$39,303,405 in Q3-2010.
- Generated quarterly operating cash flow before changes to non-working capital accounts of \$4,563,713, compared to \$9,880,677 in Q3-2010.



- Held consolidated cash of \$34,260,808 and working capital of \$30,391,400 as of September 30, 2011.
- Generated quarterly gross profit of \$3,143,435, compared to \$5,586,591 in Q3-2010, and operating profit of \$695,353 compared to \$7,561,608 in Q3-2010.
- Posted a quarterly loss after tax of \$1,194,499, compared to a profit of \$5,900,832 in Q3-2010.
- Made quarterly principal repayments of \$2,023,795 on loans outstanding. Bank debt was \$6,469,421 as of September 30, 2011.

Financial results

- Quarterly gross profit was \$3,143,435 and loss after tax was \$1,194,499, compared to gross profit of \$5,586,591 and a profit after tax of \$5,900,832 in Q3-2010.
- Revenue was \$41,958,747 compared to \$39,303,405 in Q3-2010, due to stronger copper and molybdenum prices, offset by lower production. Cost of sales was \$38,815,312, compared to \$33,716,814 in Q3-2010, an increase driven by higher power and royalty costs. Royalty costs are based on production levels and monthly average copper prices.

Production

- The Company produced 11.01 million pounds of copper, 22% lower than the 13.39 million pounds produced in Q3-2010, due to the interruption of the flow of fresh tailings to MVC into July 2011, caused by the labour strike by workers of the subcontractors of El Teniente.
- Molybdenum production was 186,297 pounds, 20% lower than the 233,266 pounds produced in Q3-2010, mainly as a result of lower grade in processed material and the labour strike affecting El Teniente.

Revenue

- Revenue increased to \$41,958,747 compared to \$39,303,405 in Q3-2010 due to higher average copper and molybdenum prices and despite lower production as a result of the labour strike affecting El Teniente and lower grades. The Company's copper selling price before smelter, refinery and other charges was \$3.93/lb compared to \$2.92/lb in Q3-2010, and the Company's molybdenum selling price was \$15.87/lb compared to \$14.68/lb in Q3-2010. Copper sales volume decreased 19% and molybdenum sales volume decreased 36% compared to Q3-2010.

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 increased to \$2.39/lb from \$1.71/lb in Q3-2010.
- Total cost (the aggregate of cash cost, El Teniente royalty and depreciation) was \$3.69/lb compared to \$2.59/lb in Q3-2010. The increase in total cost resulted from higher cash costs and higher El Teniente royalty charges resulting from stronger copper and molybdenum prices.



- Power costs were \$10,594,425 (\$0.1790/kwh) compared to \$10,670,960 (\$0.1590/kwh) in Q3-2010. Power costs were higher than anticipated due to repairs to one of the Company's generators, which resulted in net additional costs from operating the generators in the quarter as opposed to receiving a credit to power costs. Power costs were \$0.96/lb copper in Q3-2011, compared to \$0.80/lb in Q3-2010.
- The exchange rate of the Chilean peso was on average 6% higher in Q3-2011 compared to Q3-2010, resulting in higher costs expressed in U.S. dollars.
- El Teniente royalties were \$2,083,836 higher in Q3-2011 compared to Q3-2010 due to stronger metal prices, the mix of the production in the quarter and the effect of foreign exchange rates.

Cash and Financing Activities

- Cash balance was \$34,260,808 at September 30, 2011 compared to \$35,044,797 at December 31, 2010.

Investments

- Payments for capital expenditures were \$4,503,714, compared to \$1,871,850 in Q3-2010. The main capital expenditures in the quarter included MVC's share of startup costs of a pilot plant for the production of copper concentrates from highly oxidized tailings, work for the construction of a third thickener, old tailings extraction expansion works, improvements to electrical installations and projects related to filtration and emission controls.
- The Company's investments in Candente Copper Corp. ("Candente Copper"), Candente Gold Corp. ("Candente Gold") and Los Andes Copper Ltd. ("Los Andes") had aggregate fair values of \$8,414,706 at September 30, 2011 (December 31, 2010: \$25,583,511), after the sale of 5,000,000 Candente Copper shares in Q1-2011 for proceeds of \$10,405,571.

Outlook

- Production in fiscal 2011 will fall short of the originally projected 50 million pounds of copper and approximately one million pounds of molybdenum as a result of the interruption of the flow of fresh tailings to MVC for an extended period during June and July of this year and lower than expected molybdenum recoveries in the second half of the year. Power grid costs in Q4-2011 are expected to be comparable to Q3-2011 levels.

Dividend Declared

- On November 2, 2011, the Company declared a semi-annual dividend of Cdn\$0.02 per share, payable on November 30, 2011 to shareholders of record as of November 15, 2011.



The Company's financial statements are reported under International Financial Reporting Standards ("IFRS") starting in January 2011. The effects of the Company's conversion from Canadian Generally Accepted Accounting Principles ("Canadian GAAP") to IFRS have been identified in Notes 19 of the Company's March 31, 2011 unaudited condensed consolidated interim financial statements, Note 18 of the Company's June 30, 2011 unaudited condensed consolidated interim financial statements and Note 19 of the Company's September 30, 2011 unaudited condensed consolidated financial statements.

Reference is made in this news release to various measures such as cash-adjusted operating profit (operating profit before the effect of non-cash items such as depreciation, amortization and share-based compensation expense), and cash cost and total cost (both of which do not have a standardized meaning but are widely used in the mining industry as performance indicators).

The information in this news release and the Selected Financial Information contained in the following page should be read in conjunction with the Unaudited Condensed Consolidated Interim Financial Statements and Management Discussion and Analysis for the quarter ended September 30, 2011 and the Audited Consolidated Financial Statements and Management Discussion and Analysis for the year ended December 31, 2010, 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

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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

QUARTERS ENDED SEPTEMBER 30, 2011 AND 2010
All figures expressed in US Dollars and presented under IFRS

Consolidated Statements of Financial Position

	September 30, 2011 \$	December 31, 2010 \$
Cash and cash equivalents	34,260,808	35,044,797
Mineral property, plant and equipment	129,671,770	140,673,643
Other assets	45,513,053	58,654,614
Total assets	209,445,631	234,673,054
Total liabilities	64,326,350	72,664,206
Shareholders' equity	145,119,281	162,008,848
Total liabilities and shareholders' equity	209,445,631	234,673,054

Consolidated Statements of Comprehensive Income

	Quarter ended September 30, 2011 \$	Quarter ended September 30, 2010 \$
Total revenue, net of smelter and refinery charges	41,958,747	39,303,405
Cost of sales	(38,815,312)	(33,716,814)
Other (expenses) gains	(3,982,223)	1,975,017
Non-operating losses	(184,535)	(163,923)
Income tax expense	(171,176)	(1,496,853)
(Loss) profit for the period	(1,194,499)	5,900,832
Other comprehensive (loss) income	(16,408,204)	14,331,055
Comprehensive income (loss)	(17,602,703)	20,231,887
(LPS)/EPS– Basic and Diluted	(0.01)	0.04

Consolidated Statements of Cash Flows

	Quarter ended September 30, 2011 \$	Quarter ended September 30, 2010 \$
Net cash provided by (used in) operating activities	7,316,946	7,197,041
Net cash provided by (used in) investing activities	(4,503,714)	(2,287,850)
Net cash provided by (used in) financing activities	(2,023,795)	(3,062,285)
Net cash inflow (outflow) during the period	789,437	1,846,906

Cash adjusted operating profit Q3-2011:

Operating loss	(838,788)
Add: Depreciation and amortisation	3,501,761
Share-based payment compensation	348,964
	3,011,937