

May 9, 2013  
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## **Amerigo Announces Q1-2013 Financial Results**

- **Revenues of \$43.2 million**
- **Operating cash flow of \$7.3 million**
- **Net earnings of \$3.2 million**

**VANCOUVER, BRITISH COLUMBIA – May 9, 2013/Amerigo Resources Ltd. (TSX:ARG)** (“Amerigo” or the “Company”) reported today results for the quarter ended March 31, 2013.

Amerigo's President and CEO, Dr. Klaus Zeitler, stated "We are pleased to report excellent production and financial results for the first quarter of 2013. MVC produced 12.8 million pounds of copper at a cash cost of \$1.95/lb Cu. Net earnings for the quarter at \$3.2 million were 39% higher than in Q1-2012 and operating cash flow was \$7.3 million. MVC also continued to make progress in negotiations with Codelco with respect to the right to process tailings from the Cauquenes impoundment and an extension to the fresh tailings contract."

Rob Henderson, Chief Operating Officer, said, "A recent slide in one of the Colihues working areas has necessitated a change to MVC's mine plan, and during the second and third quarters Colihues extraction rates and grades will be lower than originally anticipated. Copper production is now expected to be at the lower end of our previously announced guidance of 45 to 50 million pounds and guidance for molybdenum has been revised downward to 700,000 pounds for 2013. The Company is also conducting a detailed economic review of molybdenum production under current prices."

Dr. Zeitler added "The recent volatility in the copper price together with our revised production guidance has adversely affected projected financial performance for the remainder of 2013, and particularly for the next two quarters. In light of these circumstances the board of directors has decided that it is prudent to defer a decision on the Company's next dividend payment until Q3-2013. Amerigo remains committed to its current dividend policy of paying dividends averaging at least one-third of reported net earnings calculated over a period of years."

**Comparative Quarterly Overview**

	Three months ended March 31,			
	2013	2012	Change \$	%
Copper produced, million pounds	12.83	13.88	(1.05)	(8%)
Copper sold, million pounds	12.48	14.08	(1.60)	(11%)
Molybdenum produced, pounds	258,301	216,292	42,009	19%
Molybdenum sold, pounds	240,744	303,547	(62,803)	(21%)
Percentage of copper production from old tailings	49%	52%		(3%)
Revenue (\$ thousands)	43,161	50,499	(7,338)	(15%)
Cost of sales <sup>1</sup> (\$ thousands)	38,037	47,367	(9,330)	(20%)
EI Teniente royalty costs (\$ thousands)	10,700	11,684	(984)	(8%)
Gross profit (\$ thousands)	5,124	3,132	1,992	64%
Net profit (\$ thousands)	3,238	2,310	928	40%
Operating cash flow (\$ thousands)	7,335	7,141	194	2.72%
Cash flow paid for plant expansion (\$ thousands)	(3,645)	(8,601)	4,956	(58%)
Cash and cash equivalents (\$ thousands)	13,280	19,176	(5,896)	(31%)
Bank debt (\$ thousands)	999	4,394	(3,395)	(77%)
Average realized copper price per pound	3.52	3.55	(0.03)	(1%)
Cash cost per pound	1.95	2.35	(0.40)	(17%)
Total cost per pound	3.11	3.48	(0.37)	(11%)

<sup>1</sup> Includes EI Teniente royalty costs

**Financial results**

- Revenue was \$43.2 million, compared to \$50.5 million in Q1-2012. Revenues decreased 15% due to lower copper and molybdenum sales volume and lower average metal prices.
- Cost of sales was \$38 million, compared to \$47.4 million in Q1-2012, a decrease of 20% driven by lower production levels and substantially reduced power costs mainly as a result of the change in the Company's power contract from a variable to a lower fixed rate.
- Gross profit was \$5.1 million, compared to \$3.1 million in Q1-2012.
- Net profit was \$3.2 million, compared to \$2.3 million in Q1-2012.

**Production**

- The Company produced 12.8 million pounds of copper, 8% lower than the 13.9 million pounds produced in Q1-2012.
- Molybdenum production was 258,301 pounds, 19% higher than the 216,292 pounds produced in Q1-2012.

**Revenue**

- Revenue decreased to \$43.2 million, compared to \$50.5 million in Q1-2012, due to lower production levels and lower metal prices. The Company's copper selling price before smelting, refining and other charges was \$3.52/lb compared to \$3.55/lb in Q1-2012, and the Company's molybdenum selling price was \$11.34/lb compared to \$14.10/lb in Q1-2012.



## **Costs**

- Cash cost (the aggregate of smelting, refining and other charges, production costs net of molybdenum-related net benefits, administration and transportation costs) before El Teniente royalty was \$1.95/lb, compared to \$2.35/lb in Q1-2012. Cash costs decreased in Q1-2013 mostly as a result of a \$0.46/lb reduction in power costs.
- Total cost (the aggregate of cash cost, El Teniente royalty, depreciation and accretion) was \$3.11/lb compared to \$3.48/lb in Q1-2012.
- Power costs in Q1-2013 were \$6.4 million (\$0.0970/kwh) compared to \$13.3 million (\$0.2151/kwh) in Q1-2012. Similar lower power cost levels are expected to December 31, 2017, the end of the term of MVC's current power contract.
- Total El Teniente royalties were \$10.7 million in Q1-2013, compared to \$11.7 million in Q1-2012, due to lower production and metal prices.

## **Cash and Financing Activities**

- Cash balance was \$13.3 million at March 31, 2013 compared to \$9.3 million at December 31, 2012.

## **Investments**

- Cash payments for capital expenditures (“Capex”) were \$3.6 million compared to \$8.6 million in Q1-2012. Capex payments have been funded from operating cash flow and cash at hand.
- Capex incurred in Q1-2013 totaled \$2 million (Q1-2012: \$7.4 million) and included project investments in anticipation of the Company obtaining the rights to process tailings from Cauquenes and sustaining Capex projects.
- The Company’s investments in Candente Copper Corp. (“Candente Copper”), Candente Gold Corp. (“Candente Gold”), Cobriza Metals Corp. (“Cobriza”) and Los Andes Copper Ltd. (“Los Andes”) had an aggregate fair value of \$4.8 million at March 31, 2013 (December 31, 2012: \$4.1 million).

## **Outlook**

- Management guidance for 2013 copper production remains at the lower end of the previously announced range of 45 to 50 million pounds. Guidance for molybdenum production has been revised downwards to approximately 700,000 pounds. The Company is also conducting a detailed economic review of molybdenum production under current prices, given the minimal profitability provided by the molybdenum operations.
- Cash cost continues to be projected to be between \$1.95/lb and \$2.15/lb Cu in 2013.
- Excluding the Cauquenes project, 2013 Capex at MVC is now estimated to be approximately \$7.2 million, an increase of \$0.2 million from prior guidance. Capex for Cauquenes engineering and permitting in 2013 has been revised from \$1.9 million to \$2.4 million. Codelco/El Teniente has agreed to reimburse up to \$3.8 million of these costs in the event the parties are unable to reach an agreement for the processing of Cauquenes tailings.



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's Discussion and Analysis for the quarter ended March 31, 2013 and the Audited Consolidated Financial Statements and Management's Discussion and Analysis for the year ended December 31, 2012, which will be available at the Company's website at [www.amerigoresources.com](http://www.amerigoresources.com) and at [www.sedar.com](http://www.sedar.com).

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Amerigo Resources Ltd. produces copper and molybdenum under a long term partnership with the world's largest copper producer, Codelco, by means of processing fresh and old tailings from the world's largest underground copper mine, El Teniente near Santiago, Chile. Tel: (604) 681-2802; Fax: (604) 682-2802; Web: [www.amerigoresources.com](http://www.amerigoresources.com); Listing: ARG:TSX

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*Certain of the information and statements contained herein that are not historical facts, constitute "forward-looking information" within the meaning of the Securities Act (British Columbia), Securities Act (Ontario) and the Securities Act (Alberta) ("Forward-Looking Information"). Forward-Looking Information is often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend"; statements that an event or result is "due" on or "may", "will", "should", "could", or "might" occur or be achieved; and, other similar expressions. More specifically, Forward-Looking Information contained herein includes, without limitation, information concerning future tailings production volumes and the Company's copper and molybdenum production, all of which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such Forward-Looking Information; including, without limitation, material factors and assumptions relating to, and risks and uncertainties associated with, the supply of tailings from El Teniente and extraction of tailings from the Colihues tailings impoundment, the achievement and maintenance of planned production rates, the evolving legal and political policies of Chile, the volatility in the Chilean economy, military unrest or terrorist actions, metal price fluctuations, favourable governmental relations, the availability of financing for activities when required and on acceptable terms, the estimation of mineral resources and reserves, current and future environmental and regulatory requirements, the availability and timely receipt of permits, approvals and licenses, industrial or environmental accidents, equipment breakdowns, availability of and competition for future mineral acquisition opportunities, availability and cost of insurance, labour disputes, land claims, the inherent uncertainty of production and cost estimates, currency fluctuations, expectations and beliefs of management and other risks and uncertainties, including those described under Risk Factors in the Company's Annual Information Form and in Management's Discussion and Analysis in the Company's financial statements. Such Forward-Looking Information is based upon the Company's assumptions regarding global and Chilean economic, political and market conditions and the price of metals, including copper and molybdenum, and future tailings production volumes and the Company's copper and molybdenum production. Among the factors that have a direct bearing on the Company's future results of operations and financial conditions are changes in project parameters as plans continue to be refined, interruptions in the supply of fresh tailings from El Teniente, further delays in the extraction of tailings from the Colihues tailings impoundment, a change in government policies, competition, currency fluctuations and restrictions and technological changes, among other things. Should one or more of any of the aforementioned risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from any conclusions, forecasts or projections described in the Forward-Looking Information. Accordingly, readers are advised not to place undue reliance on Forward-Looking Information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise Forward-Looking Information, whether as a result of new information, future events or otherwise.*



**AMERIGO RESOURCES LTD.**  
**SELECTED FINANCIAL INFORMATION**

QUARTERS ENDED MARCH 31, 2013 AND 2012  
All figures expressed in US Dollars and presented under IFRS

**Consolidated Statements of Financial Position**

	2013	2012
	\$	\$
Cash and cash equivalents	13,280	9,250
Property, plant and equipment	157,775	157,073
Other assets	37,233	38,093
<b>Total assets</b>	<b>208,288</b>	<b>204,416</b>
Total liabilities	69,913	72,218
Shareholders' equity	138,375	132,198
<b>Total liabilities and shareholders' equity</b>	<b>208,288</b>	<b>204,416</b>

**Consolidated Statements of Comprehensive Income**

	March 31, 2013	March 31, 2012
	\$	\$
Revenue	43,161	50,499
Cost of sales	(38,037)	(47,367)
Other expenses	(703)	(42)
Finance expense	(185)	(199)
Income tax expense	(998)	(581)
<b>Profit for the period</b>	<b>3,238</b>	<b>2,310</b>
Other comprehensive income	2,908	8,567
<b>Comprehensive income</b>	<b>6,146</b>	<b>10,877</b>
EPS- Basic and Diluted	0.02	(0.01)

**Consolidated Statements of Cash Flows**

	March 31, 2013	March 31, 2012
	\$	\$
Net cash provided by operating activities	8,203	7,584
Net cash used in investing activities	(3,645)	(8,601)
Net cash used in financing activities	(504)	(353)
<b>Net cash inflow (outflow) during the period</b>	<b>4,054</b>	<b>(1,370)</b>