

February 26, 2014
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Amerigo Announces 2013 Financial Results

- Revenues of \$143.6 million
- Operating cash flow of \$19.1 million
- \$13.1 million yearend cash balance

VANCOUVER, BRITISH COLUMBIA – February 26, 2014/Amerigo Resources Ltd. (TSX:ARG) (“Amerigo” or the “Company”) reported today results for the year ended December 31, 2013.

Amerigo's Chairman and CEO, Dr. Klaus Zeitler, stated "We are pleased to announce that 2013 was a positive year financially for Amerigo, with revenues in excess of \$143 million and operating cash flow of \$19 million. The Company ended the year with more than \$13 million in cash and free of long term debt, and is now well positioned to proceed with the Cauquenes expansion project. Negotiations for the formal agreements granting the Company the rights to the Cauquenes tailings deposit and extending its fresh tailings contract from 2021 to 2037 are in their final stages, we anticipate receiving required environmental approvals by the end of the current quarter and the due diligence process in respect of the loan for the majority of the capital cost of the expansion project is well underway. As a result, we continue to expect to break ground on the Cauquenes expansion during Q2. The Company's guidance for 2014 is for production of 45 million pounds of copper and 800,000 pounds of molybdenum, with cash costs projected to be between \$2.15 and \$2.25 per pound of copper."

**Comparative Annual Overview**

	Years ended December 31,			
	2013	2012	Change \$	%
Copper produced, million pounds	45.7	51.7	(6.0)	(12%)
Copper sold, million pounds	45.4	51.6	(6.2)	(12%)
Molybdenum produced, pounds	809,057	1,057,717	(248,660)	(24%)
Molybdenum sold, pounds	797,444	1,170,703	(373,259)	(32%)
Percentage of copper production from old tailings	40%	47%		(7%)
Revenue (thousands)	143,592	181,761	(38,169)	(21%)
Cost of sales ¹ (thousands)	137,556	182,851	(45,295)	(25%)
El Teniente royalty costs (thousands)	33,815	43,874	(10,059)	(23%)
Gross profit (loss) (thousands)	6,036	(1,090)	7,126	654%
Net profit (loss) (thousands)	993	(8,192)	9,185	112%
Operating cash flow (thousands)	19,136	12,284	6,852	56%
Cash flow paid for plant expansion (thousands) ²	(13,391)	(23,708)	10,317	(44%)
Cash and cash equivalents (thousands)	13,148	9,250	3,898	42%
Bank debt (thousands)	-	1,483	(1,483)	(100%)
Average realized copper price per pound	3.32	3.58	(0.26)	(7%)
Cash cost per pound ³	2.08	2.46	(0.38)	(15%)
Total cost per pound ³	3.22	3.62	(0.40)	(11%)

¹ Includes El Teniente royalty costs

² Excluding working capital changes

³ Cash and total costs are non-GAAP measures, refer to the Company's MD&A for a reconciliation to cost of sales.

Financial results

- Revenue was \$143.6 million compared to \$181.8 million in 2012. Revenues decreased 21% due to lower copper and molybdenum sales and lower metal prices.
- Cost of sales was \$137.6 million, compared to \$182.9 million in 2012, a decrease of 25%, driven by lower production and 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 \$6 million, compared to gross loss of \$1.1 million in 2012.
- Net profit was \$1 million compared to a net loss of \$8.2 million in 2012.

Production

- The Company produced 45.7 million pounds of copper, 12% lower than the 51.7 million pounds produced in 2012.
- Molybdenum production was 809,057 pounds, 24% lower than the 1,057,717 pounds produced in 2012.
- Production was adversely affected by a mine slide and pit wall failure in the Colihues deposit during April 2013 and by low process plant recoveries from both fresh tailings and Colihues.



Revenue

- Revenue decreased to \$143.6 million from \$181.8 million in 2012. The Company's selling prices fell from \$3.58/lb in 2012 to \$3.32/lb for copper and from \$12.64/lb to \$10.13/lb for molybdenum, and copper and molybdenum sales volume decreased 12% and 32%, respectively, from 2012 levels.

Costs

- Cash cost (a non-GAAP measure equal to the aggregate of smelting, refining and other charges, production costs net of molybdenum-related net benefits, administration and transportation costs, see the Company's MD&A) before El Teniente royalty was \$2.08/lb, compared to \$2.46/lb in 2012. Cash costs decreased mostly as a result of lower power costs.
- Total cost (a non-GAAP measure equal to the aggregate of cash cost, El Teniente royalty, depreciation and accretion, see the Company's MD&A) was \$3.22/lb compared to \$3.62/lb in 2012, as a result of lower cash cost and El Teniente royalties.
- Power costs in 2013 were \$23.8 million (\$0.0939/kwh) compared to \$50.7 million (\$0.1895/kwh) in 2012, Similar lower power costs are expected at least to December 31, 2017, the end of the term of MVC's current power contract
- Total El Teniente royalties were \$33.8 million in 2013, compared to \$43.9 million in 2012, due to lower production and metal prices.

Cash and Financing Activities

- Cash balance was \$13.1 million at December 31, 2013 compared to \$9.2 million at December 31, 2012.

Investments

- Cash payments for capital expenditures ("Capex") were \$13.4 million compared to \$23.7 million in 2012. Capex payments have been funded from operating cash flow and cash at hand.
- Capex incurred in 2013 totaled \$10.4 million (2012: \$22.2 million) and included project investments in connection with Cauquenes engineering and permitting (\$3.6 million) and sustaining Capex projects (\$6.8 million).
- The Company's investments in Candente Copper Corp. and Los Andes Copper Ltd. had an aggregate fair value of \$3.2 million at December 31, 2013 (December 31, 2012: \$4.1 million).



Outlook

- In 2014 MVC is expected to produce approximately 45 million pounds of copper and 800,000 pounds of molybdenum, not accounting for the Company's Cauquenes expansion. In addition, the tolling contract with Minera Maricunga is expected to contribute a further 2 million pounds of copper. The 2014 production budget anticipates continued low grades in Colihues as the area to be mined contains recent DET tailings deposited in 2006.
- Cash cost is projected to be between \$2.15/lb and \$2.25/lb in 2014.
- 2014 Sustaining Capex at MVC is estimated to be approximately \$3.8 million. Capex for the Cauquenes expansion project is estimated to be approximately \$140 million (see the Company's MD&A).

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's Discussion and Analysis for the years ended December 31, 2013 and 2012, which will be available at the Company's website at www.amerigoresources.com and at www.sedar.com.

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; 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, 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

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

Consolidated Statements of Financial Position

	December 31, 2013 \$	December 31, 2012 \$
Cash and cash equivalents	13,148	9,250
Property, plant and equipment	116,601	138,337
Other assets	56,360	56,829
Total assets	186,109	204,416
Total liabilities	64,370	72,218
Shareholders' equity	121,739	132,198
Total liabilities and shareholders' equity	186,109	204,416

Consolidated Statements of Comprehensive Income (Loss)

	Year ended December 31, 2013 \$	Year ended December 31, 2012 \$
Total revenue, net of smelter and refinery charges	143,592	181,761
Cost of sales	(137,556)	(182,851)
Other expenses	(4,236)	(3,751)
Finance expense	(626)	(1,056)
Income tax expense	(181)	(2,295)
Profit (loss) for the year	993	(8,192)
Other comprehensive (loss) income	(11,504)	7,214
Comprehensive loss	(10,511)	(978)
EPS (LPS) - Basic and Diluted	0.01	(0.05)

Consolidated Statements of Cash Flows

	December 31, 2013 \$	December 31, 2012 \$
Net cash provided by operating activities	19,523	22,726
Net cash used in investing activities	(13,391)	(23,708)
Net cash (used in) financing activities	(1,497)	(10,193)
Net cash inflow (outflow)	4,635	(11,175)