

Amerigo Resources Ltd.

Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2013

Unaudited

(expressed in thousands of U.S. dollars)

Amerigo Resources Ltd.

Condensed Consolidated Interim Statements of Financial Position - Unaudited

(expressed in thousands of U.S. dollars)

		June 30, 2013	December 31, 2012
	Notes	\$	\$
Assets			
Current assets			
Cash and cash equivalents		3,881	9,250
Trade and other receivables		14,301	13,863
Prepaid expenses		329	337
Inventories	5	10,763	11,324
		<u>29,274</u>	<u>34,774</u>
Non-current assets			
Investments	6	2,910	4,149
Exploration and evaluation assets	8	19,718	18,736
Property, plant and equipment	9	126,054	138,337
Intangible assets	10	6,567	7,402
Other non-current assets		965	1,018
Total assets		<u>185,488</u>	<u>204,416</u>
Liabilities			
Current liabilities			
Trade and other payables		16,559	20,633
El Teniente royalties payable	7	10,013	16,498
Current income tax liabilities		707	335
Royalties to related parties	12	695	731
Borrowings	11	-	1,483
		<u>27,974</u>	<u>39,680</u>
Non-current liabilities			
Severance provisions		3,590	4,301
Royalties to related parties	12	4,754	5,285
Asset retirement obligation		7,011	6,926
Deferred income tax liability		15,210	16,026
Total liabilities		<u>58,539</u>	<u>72,218</u>
Equity			
Share Capital	13	77,514	77,514
Other reserves		6,577	6,525
Retained earnings		40,883	38,482
Accumulated other comprehensive income		1,975	9,677
Total equity		<u>126,949</u>	<u>132,198</u>
Total equity and liabilities		<u>185,488</u>	<u>204,416</u>
Commitments	19		
Subsequent events	20		

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

Approved by the Board of Directors

"Robert Gayton"

Director

"George Ireland"

Director

Amerigo Resources Ltd.

Condensed Consolidated Interim Statements of Comprehensive (Loss) Income - Unaudited

(expressed in thousands of U.S. dollars, except share and per share amounts)

	Notes	Quarters ended June 30,		Six months ended June 30,	
		2013	2012	2013	2012
		\$	\$	\$	\$
Revenue		31,446	40,013	74,607	90,512
Cost of sales	15	31,203	40,092	69,240	87,459
Gross profit		243	(79)	5,367	3,053
Other expenses					
General and administration	15	274	970	1,186	2,006
Other expenses (gains)	17	902	224	693	(770)
		1,176	1,194	1,879	1,236
Operating (loss) profit		(933)	(1,273)	3,488	1,817
Finance expense	16	114	177	299	376
		114	177	299	376
(Loss) profit before tax		(1,047)	(1,450)	3,189	1,441
Income tax (recovery) expense		(210)	(448)	788	133
(Loss) profit for the period		(837)	(1,002)	2,401	1,308
Cumulative translation adjustment		(8,828)	(2,971)	(6,628)	4,811
Unrealized losses on investments, net of taxes		(1,782)	(3,085)	(1,074)	(2,300)
Other comprehensive (loss) income		(10,610)	(6,056)	(7,702)	2,511
Comprehensive (loss) income		(11,447)	(7,058)	(5,301)	3,819
Weighted average number of shares outstanding, basic		172,290,344	172,290,344	172,290,344	172,290,344
Weighted average number of shares outstanding, diluted		172,290,344	172,290,344	172,896,866	173,494,048
(Loss) earnings per share					
Basic		(0.01)	(0.01)	0.01	0.00
Diluted		(0.01)	(0.01)	0.01	0.00

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 thousands of U.S. dollars)

	Quarters ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
	\$	\$	\$	\$
Cash flows from operating activities				
(Loss) profit for the period	(837)	(1,002)	2,401	1,308
Adjustment for items not affecting cash:				
Depreciation and amortization	4,462	3,905	8,623	7,935
Deferred income tax expense	49	(648)	47	(161)
Share-based payments	21	376	52	720
Other	447	1,012	354	982
	4,142	3,643	11,477	10,784
Changes in non-cash working capital				
Trade, other receivables and advances	(1,934)	1,534	(1,264)	(928)
Inventories	(1,182)	(5,134)	(49)	(3,888)
Trade and other payables	(321)	663	(327)	212
El Teniente royalty payables	(5,414)	(436)	(5,933)	1,674
	(4,709)	270	3,904	7,854
Payment of long-term employee benefits	(55)	-	(465)	-
Net cash from operating activities	(4,764)	270	3,439	7,854
Cash flows from investing activities				
Purchase of plant and equipment and evaluation assets	(3,676)	(7,663)	(7,321)	(16,264)
Net cash from investing activities	(3,676)	(7,663)	(7,321)	(16,264)
Cash flows from financing activities				
Repayments, net	(993)	(842)	(1,497)	(1,195)
Dividends	-	(3,385)	-	(3,385)
Net cash from financing activities	(993)	(4,227)	(1,497)	(4,580)
Net decrease in cash and cash equivalents	(9,433)	(11,620)	(5,379)	(12,990)
Effect of exchange rate changes on cash	34	36	10	(237)
Cash and cash equivalents – Beginning of period	13,280	19,176	9,250	20,819
Cash and cash equivalents - End of period	3,881	7,592	3,881	7,592
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 thousands of U.S. dollars, except share amounts)

	Share capital		Other reserves	Accumulated other comprehensive income	Retained earnings	Total equity
	Number of shares	Amount				
		\$				
Balance January 1, 2012	172,290,344	77,514	5,485	2,463	53,520	138,982
Share-based payments	-	-	720	-	-	720
Cumulative translation adjustment	-	-	-	4,811	-	4,811
Unrealized losses on investments (net of tax recoveries of \$522)	-	-	-	(2,300)	-	(2,300)
Net earnings	-	-	-	-	1,308	1,308
Dividends	-	-	-	-	(3,385)	(3,385)
Balance June 30, 2012	172,290,344	77,514	6,205	4,974	51,443	140,136
Share based payments	-	-	320	-	-	320
Cumulative translation adjustment	-	-	-	5,528	-	5,528
Unrealized losses on investments (net of tax recoveries of \$926)	-	-	-	(825)	-	(825)
Net loss	-	-	-	-	(9,500)	(9,500)
Dividends	-	-	-	-	(3,461)	(3,461)
Balance December 31, 2012	172,290,344	77,514	6,525	9,677	38,482	132,198
Balance January 1, 2013	172,290,344	77,514	6,525	9,677	38,482	132,198
Share-based payments	-	-	52	-	-	52
Cumulative translation adjustment	-	-	-	(6,628)	-	(6,628)
Unrealized losses on investments	-	-	-	(1,074)	-	(1,074)
Net earnings	-	-	-	-	2,401	2,401
Balance June 30, 2013	172,290,344	77,514	6,577	1,975	40,883	126,949

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
June 30, 2013

(tabular amounts expressed in thousands of U.S. dollars, except share and per share amounts)

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 contractual relationship with the El Teniente's Division ("DET") of Corporacion Nacional del Cobre de Chile ("Codelco"), Chile's state-owned copper producer, through 2021 to process fresh and old tailings from El Teniente, the world's largest underground copper mine (Notes 7 and 20).

These condensed consolidated interim financial statements were authorised for issue by the board of directors on August 1, 2013.

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, 2012, except as described in Note 4 of the Company's condensed consolidated interim financial statements for the three months ended March 31, 2013.

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 do not include all the information and note disclosure required by IFRS for annual financial statements, and therefore, should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2012, 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.

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Notes to the Condensed Consolidated Interim Financial Statements - Unaudited
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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, 2012, except as described in the following paragraphs.

Asset Retirement Obligation ("ARO")

The Company assesses its provision for ARO annually and fair values the liability at the end of each reporting year, using the current risk-free discount rates. The ARO results from the obligation to remove property and equipment at the term of the El Teniente contract and from environmental regulations set by Chilean authorities. AROs include costs related to MVC's plant and equipment. The ARO is a critical accounting estimate for the Company. There are significant uncertainties related to the ARO and the impact on the financial statements could be material. The eventual timing and costs of the ARO could differ from current estimates. The main factors that could cause expected ARO cash flows to change include changes to laws and legislation and additions of new plant and equipment.

The future value of the provision for ARO was determined using an estimated annual inflation rate of 3.5%, a risk premium estimated at 7% and discounted at the risk-free rate of 5.33%.

Impairment of Property, Plant and Equipment

In accordance with the Company's accounting policy, each asset or cash generating unit is evaluated at each reporting date to determine whether there are any indications of impairment. If any such indication exists, a formal estimate of recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset or cash generating group of assets is measured at the higher of fair value less costs to sell and value in use.

The determination of fair value and value in use requires management to make estimates and assumptions about expected production and sales volumes, metals prices, reserves, operating costs, mine closure and restoration costs, future capital expenditures and appropriate discount rates for future cash flows. The estimates and assumptions are subject to risk and uncertainty, and as such there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired or the impairment charge reduced with the impact recorded in the statement of income.

As at June 30, 2013, management of the Company determined that the decline in the Company's share price constituted an impairment indicator, and completed an impairment assessment for MVC that included a fair value less costs to sell determination.

Key assumptions incorporated in the impairment model included the following:

- Copper prices (\$/lb): 2013: \$3.30; 2014: \$3.19; 2015: \$3.20; 2016: \$3.08; 2017 to 2037: \$2.95
- Power costs (excluding benefit from self-generation): From 2013 to 2017 costs are per contractual estimates (2013: \$0.0920/kWh, 2014: \$0.1039/kWh, 2015: \$0.1069/kWh, 2016: \$0.1093/kWh, 2017: \$0.1112/kWh). From 2018 to 2037: estimated at \$0.1200/kWh
- Operating costs based on historical costs incurred and estimated forecasts

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- Production volume and recoveries as indicated in MVC's mining plan from 2013 to 2037, including processing of fresh tailings and old tailings from the Colihues and Cauquenes deposits (Note 20)
- Extension of the existing contracts with El Teniente to 2037 (Note 20)
- Discount rate: 9% after tax rate

Management's impairment evaluation did not result in the identification of an impairment loss as of June 30, 2013. Although management believes the estimates applied in these impairment assessments are reasonable, such estimates are subject to significant uncertainties and judgments. Sensitivities to changes in estimated operating costs, particularly estimated power costs beyond MVC's current power contracts could trigger an impairment which could be material.

5) INVENTORIES

	June 30, 2013	December 31, 2012
	\$	\$
Plant supplies and consumables at cost	6,613	7,957
Concentrate inventories at cost	4,150	3,367
	10,763	11,324

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

6) INVESTMENTS

	June 30, 2013	December 31, 2012
	\$	\$
Start of period	4,149	8,723
Exchange differences	(165)	141
Changes in fair value	(1,074)	(4,715)
End of period	2,910	4,149

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Notes to the Condensed Consolidated Interim Financial Statements - Unaudited June 30, 2013

(tabular amounts expressed in thousands of U.S. dollars, except share and per share amounts)

Available-for-sale financial assets include the following:

	June 30, 2013	December 31, 2012
	\$	\$
Candente Copper Corp.	1,157	2,210
Los Andes Copper Ltd.	1,753	1,609
Candente Gold Corp.	-	260
Cobrizo Metals Corp.	-	70
	2,910	4,149

- a) At June 30, 2013, Candente Copper Corp. (“Candente Copper”), a company listed on the TSX, had a closing share price of Cdn\$0.21 and the fair value of the Company’s approximately 5% investment in Candente Copper was \$1.16 million. During the six months ended June 30, 2013, the Company recorded other comprehensive loss of \$940,000 (six months ended June 30, 2012: other comprehensive loss of \$2.3 million) for the changes in fair value of this investment.
- b) At June 30, 2013, Los Andes Copper Ltd. (“Los Andes”), a Company listed on the TSX Venture Exchange, had a closing share price of Cdn\$0.23, and the fair value of the Company’s approximately 5% investment in Los Andes was \$1.75 million. During the six months ended June 30, 2013, the Company recorded other comprehensive income of \$197,000 (six months ended June 30, 2012: other comprehensive loss of \$323,000) for the changes in the fair value of this investment.
- c) At June 30, 2013, Candente Gold Corp. (“Candente Gold”), a company listed on the TSX, had a closing share price of Cdn\$0.08, and the fair value of the Company’s approximately 3% investment in Candente Gold was \$164,000. Management fully-wrote off the Company’s investment in Candente Gold at June 30, 2013, recording other comprehensive loss of \$260,000 in the process. During the six months ended June 30, 2012, the Company recorded other comprehensive loss of \$139,000 for the changes in the fair value of this investment.
- d) At June 30, 2013, Cobrizo Metals Corp. (“Cobrizo”), a company listed on the TSX Venture Exchange, had a closing share price of Cdn\$0.055, and the fair value of the Company’s approximately 4% investment in Cobrizo was \$61,000. Management fully wrote-off the Company’s investment in Cobrizo at June 30, 2013, recording other comprehensive loss of \$71,000 in the process. During the six months ended June 30, 2012, the Company recorded other comprehensive loss of \$17,000 for the changes in the fair value of this investment.

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7) EL TENIENTE ROYALTIES PAYABLE

MVC has a contract with Codelco's DET to process tailings until 2021 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 with respect to the processing of tailings from the Colihues tailings impoundment ("old tailings"), which 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.

From time to time the Company may enter into short term modifications to the legal structure of the royalty arrangements with El Teniente. The Company's view is that these arrangements do not change the substance of the underlying Royalty arrangement.

As at June 30, 2013, royalties payable to El Teniente were \$10 million (December 31, 2012: \$16.5 million), representing approximately four months of royalties.

Amerigo Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements - Unaudited
June 30, 2013

(tabular amounts expressed in thousands of U.S. dollars, except share and per share amounts)

8) EXPLORATION AND EVALUATION ASSETS

	\$
Year ended December 31, 2012	
Opening net book amount	10,131
Exchange differences	950
Additions	7,655
	<u>18,736</u>
Six months ended June 30, 2013	
Opening net book amount	18,736
Exchange differences	(1,104)
Additions	2,086
	<u>19,718</u>

The Company's exploration and evaluation assets ("EEA") relate to costs incurred to conduct pilot tests, engineering costs and other associated costs to evaluate the potential options for the processing of tailings in Codelco's Cauquenes tailings deposit. The Company had the legal right to explore this area while it conducted negotiations to obtain the legal right to process these tailings (Note 20).

EEA will be reclassified to property, plant and equipment in the period of the change in status of these assets.

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Notes to the Condensed Consolidated Interim Financial Statements - Unaudited June 30, 2013

(tabular amounts expressed in thousands of U.S. dollars, except share and per share amounts)

9) PROPERTY, PLANT AND EQUIPMENT

	Plant and infrastructure \$	Machinery and equipment and other assets \$	Total \$
Year ended December 31, 2012			
Opening net book amount	101,911	26,597	128,508
Exchange differences	8,767	1,915	10,682
Additions	11,297	2,967	14,264
Depreciation charge	(12,422)	(2,695)	(15,117)
Closing net book amount	109,553	28,784	138,337
At December 31, 2012			
Cost	178,781	55,231	234,012
Accumulated depreciation	(69,228)	(26,447)	(95,675)
Net book amount	109,553	28,784	138,337
Six months ended June 30, 2013			
Opening net book amount	109,553	28,784	138,337
Exchange differences	(5,655)	(1,323)	(6,978)
Additions	2,310	545	2,855
Depreciation charge	(6,460)	(1,700)	(8,160)
Closing net book amount	99,748	26,306	126,054
At June 30, 2013			
Cost	171,100	52,979	224,079
Accumulated depreciation	(71,352)	(26,673)	(98,025)
Net book amount	99,748	26,306	126,054

Total interest of \$206,000 was capitalised to June 30, 2013 and December 31, 2012 and is included in property, plant and equipment at June 30, 2013.

Amerigo Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements - Unaudited June 30, 2013

(tabular amounts expressed in thousands of U.S. dollars, except share and per share amounts)

10) INTANGIBLE ASSETS

	\$
Net book amount, December 31, 2011	7,726
Exchange differences	613
Charged to earnings	(937)
Net book amount, December 31, 2012	7,402
Exchange differences	(372)
Charged to earnings	(463)
Net book amount, June 30, 2013	6,567

11) BORROWINGS

	June 30, 2013	December 31, 2012
	\$	\$
Bank loans (Notes 11 (a), (b) and (c))	-	1,483
	-	1,483
Less: Short-term debt and current portion of long-term debt	-	1,483
	-	-

- a) In November 2010, MVC obtained from a Chilean bank a loan denominated in U.S. dollars in the principal amount of \$4 million to assist with the financing of a pilot plant to evaluate the viability of processing tailings from a new project. This loan was repaid in full during the quarter ended December 31, 2012. Total borrowing costs of \$206,000 on this loan were capitalized, at a capitalization rate of 100%.
- b) In December 2008, MVC obtained a \$5 million loan from a Chilean bank. In May 2009, the loan was converted into a Chilean peso ("CLP") loan and in May 2010 it was restructured as a three year loan. The principal amount of this loan was CLP 2,858 million and was repaid in full during the quarter ended June 30, 2013.
- c) In January 2012, Minera Valle Central Generacion S.A. ("MVC Generacion"), a wholly-owned subsidiary, obtained from a Chilean bank a working capital loan of CLP301 million (the equivalent of \$616,000 at the loan grant date). This loan repaid in full during the quarter ended June 30, 2013.

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- d) 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. For borrowings in CLP, this loan provides for interest at a variable rate of TAB plus an applicable margin, and for borrowings in US dollars provides for interest at a variable rate of LIBOR-30 days plus applicable margin. Current borrowing rates would be 0.56% per month on CLP draws and 0.1425% 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 June 30, 2013. No funds have been drawn down on this line of credit.

12) RELATED PARTY TRANSACTIONS

- a) Royalties to Related Parties

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

Amerigo International is wholly-owned by Amerigo except for certain outstanding Class A shares which are owned indirectly by Amerigo's President and Chief Executive Officer, an associate of the President and Chief Executive Officer, a former director of Amerigo and an associate of that former director. The Class A shares were issued as part of a tax-efficient structure for the payment of the royalty (the "Royalty") granted in exchange for the transfer to the Company of 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 from El Teniente tailings 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 from El Teniente tailings 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 fair value of the liability at June 30, 2013 is \$5.4 million (December 31, 2012: \$6 million), with a current portion of \$695,000 (December 31, 2012: \$731,000) and a long-term portion of \$4.8 million (2012: \$5.3 million).

The Royalty is paid as a royalty dividend on the Class A shares of Amerigo International. During the six months ended June 30, 2013, royalties totalling \$360,000 were paid or accrued to the Amerigo International Class A shareholders (2012: \$412,000). At June 30, 2013, \$61,000 of this amount remained outstanding (December 31, 2012: \$71,000).

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(tabular amounts expressed in thousands of U.S. dollars, except share and per share amounts)

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 and in respect of salaries paid to an officer. Transactions have been measured at the exchange amount which is determined on a cost recovery basis.

	Six months ended June 30, 2013 \$	Six months ended June 30, 2012 \$
Salaries and management fees	426	361

c) Key Management Compensation

The remuneration of directors and other members of key management during the periods ended June 30, 2013 and 2012 were as follows:

	Six months ended June 30, 2013 \$	Six months ended June 30, 2012 \$
Management and directors' fees	560	472
Share-based payments	52	698
	612	1,170

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
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(tabular amounts expressed in thousands of U.S. dollars, except share and per share amounts)

13) EQUITY

a) Share Capital

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

b) Share Options

There were no options granted in the six months ended June 30, 2013. The weighted average fair value of the share options granted in the year ended December 31, 2012 was estimated at Cdn\$0.28 per option at the grant date based on the Black-Scholes option-pricing model using the following assumptions:

	2013	2012
	\$	\$
Weighted average share price	-	0.73
Weighted average exercise price	-	0.73
Dividend yield	-	5.51%
Risk free interest rate	-	1.25%
Pre-vest forfeiture rate	-	0%
Expected life (years)	-	3.66
Expected volatility	-	71.73%

Outstanding share options:

	June 30, 2013		December 31, 2012	
	Share options	Weighted average exercise price Cdn\$	Share options	Weighted average exercise price Cdn\$
At start of the period	12,300,000	0.95	10,070,000	1.25
Granted	-	-	3,900,000	0.73
Expired	(1,035,000)	2.13	(1,670,000)	2.23
At end of the period	11,265,000	0.84	12,300,000	0.95
Vested and exercisable	11,265,000	0.84	11,600,000	0.98

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Information relating to share options outstanding at June 30, 2013 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 (years)
1,700,000	1,700,000	0.31-0.69	0.42	0.42	2.09
3,165,000	3,165,000	0.70-0.74	0.70	0.70	1.68
3,200,000	3,200,000	0.75-0.95	0.77	0.77	3.69
600,000	600,000	0.96-1.22	1.12	1.12	2.86
2,600,000	2,600,000	1.23 - 1.32	1.32	1.32	2.67
11,265,000	11,265,000		0.84	0.84	2.60

The weighted average remaining life of vested options at June 30, 2013 was 2.6 years.

Further information about share options is as follows:

	Six months ended June 30, 2013 \$	Six months ended June 30, 2012 \$
Total compensation recognized	52	720

Amerigo Resources Ltd.

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(tabular amounts expressed in thousands of U.S. dollars, except share and per share amounts)

c) (Loss) earnings per Share

i) Basic

Basic (loss) earnings per share is calculated by dividing the (loss) profit attributable to equity owners of the Company by the weighted average number of ordinary shares in issue during the period excluding ordinary shares purchased by the Company and held as treasury shares.

	Three Months ended June 30, 2013 \$	Three Months ended June 30, 2012 \$	Six Months ended June 30, 2013 \$	Six Months ended June 30, 2012 \$
(Loss) profit for the period	(837)	(1,002)	2,401	1,308
Weighted average number of shares	172,290,344	172,290,344	172,290,344	172,290,344
Basic (loss) earnings per share	(0.01)	(0.01)	0.01	0.00

ii) Diluted

Diluted (loss) 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.

	Three months ended June 30, 2013 \$	Three months ended June 30, 2012 \$	Six Months ended June 30, 2013 \$	Six Months ended June 30, 2012 \$
(Loss) profit for the period	(837)	(1,002)	2,401	1,308
Weighted average number of ordinary shares in issue	172,290,344	172,290,344	172,290,344	172,290,344
Effect of dilutive securities:				
Share options	-	-	606,522	1,203,704
Weighted average diluted shares outstanding	172,290,344	172,290,344	172,896,866	173,494,048
Diluted (loss) earnings per share	(0.01)	(0.01)	0.01	0.00

The number of anti-dilutive securities excluded from diluted loss per share calculation for the three months ended June 30, 2013 was 606,522 share options (three months ended June 30, 2012: 1,203,704 share options).

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14) 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:

	Property, plant and equipment		Other	
	June 30, 2013	December 31, 2012	June 30, 2013	December 31, 2012
Chile	145,482	156,736	9,565	11,764
Canada	290	337	877	805
	145,772	157,073	10,442	12,569

All of the Company's revenue is generated in Chile.

The Company's sales to one customer represent 93% of reported revenue (2012: 84%).

15) EXPENSES BY NATURE

Cost of sales consists of the following:

	Three months ended June 30, 2013 \$	Three months ended June 30, 2012 \$	Six months ended June 30, 2013 \$	Six months ended June 30, 2012 \$
Production costs	17,867	24,887	39,199	55,116
El Teniente royalty	7,317	9,589	18,017	21,273
Depreciation and amortization	4,462	3,905	8,623	7,935
Administration	1,195	1,274	2,579	2,380
Transportation	362	437	822	755
	31,203	40,092	69,240	87,459

Amerigo Resources Ltd.

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(tabular amounts expressed in thousands of U.S. dollars, except share and per share amounts)

General and administration expenses consist of the following:

	Three months ended June 30, 2013 \$	Three months ended June 30, 2012 \$	Six months ended June 30, 2013 \$	Six months ended June 30, 2012 \$
Office and general expenses	186	253	592	715
Salaries, management and professional fees	418	371	793	693
Share-based payment compensation	21	376	52	720
Bad debt recovery	(52)	-	(52)	-
Royalties to related parties	(299)	(30)	(199)	(122)
	274	970	1,186	2,006

16) FINANCE EXPENSE

	Three months ended June 30, 2013 \$	Three months ended June 30, 2012 \$	Six months ended June 30, 2013 \$	Six months ended June 30, 2012 \$
Interest charges	72	139	229	268
Interest rate swap-change in fair value	(51)	(35)	(116)	(56)
Asset retirement obligation accretion cost	93	73	186	164
	114	177	299	376

17) OTHER EXPENSES (GAINS)

	Three months ended June 30, 2013 \$	Three months ended June, 2012 \$	Six months ended June 30, 2013 \$	Six months ended June, 2012 \$
Foreign exchange expense (gain)	1,003	411	905	(409)
Other gains	(101)	(187)	(212)	(361)
	902	224	693	(770)

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18) SUPPLEMENTARY CASH FLOW INFORMATION

	2013	2012
	\$	\$
(a) Interest and taxes paid		
Interest paid	102	127
Income taxes paid	1,290	640
(b) Other		
Decrease in accounts payable related to the acquisition of plant and equipment	(2,280)	(473)
Cash paid during the year for royalty dividends to related parties	370	425

19) COMMITMENTS

- a) MVC entered into an agreement with its current power provider in order to guarantee power supply to MVC from Chile's central power grid beyond the supply expected to be generated by MVC's own power plant. The agreement extends from January 1, 2010 to December 31, 2017 and establishes minimum stand-by charges based on peak hour power supply calculations, currently estimated to be approximately \$360,000 per month for the period April 1, 2013 to December 31, 2017.
- b) Amerigo has entered into a joint lease agreement together with an unrelated corporation for the lease of office premises in Vancouver. The lease is for a five year term commencing August 1, 2011, and the Company's share of basic rent commitments for the remaining term of the contract is approximately Cdn\$377,000.

20) SUBSEQUENT EVENTS

Subsequent to June 30, 2013, the Company received official notice that the board of directors of Codelco has approved the major terms of an agreement between Codelco's El Teniente Division and MVC, granting MVC the rights to process the historic tailings in the Cauquenes deposit located near MVC's plant and extending the fresh tailings contract to 2037. The Company anticipates receiving final environmental and regulatory approval for the project within the next several months, during which time the Company and El Teniente will work together to finalize the details of the formal agreement.