Amerigo Resources Ltd.

Consolidated Financial Statements
June 30, 2005
(expressed in U.S. dollars)
Not audited or reviewed by external auditors

Amerigo Resources Ltd.
Consolidated Balance Sheets (Unaudited)

(expressed in U.S. dollars)

	June 30 2005 $	December 31 2004 $
Assets		
Current assets		
Cash and cash equivalents	15,157,266	8,239,089
Accounts receivable	6,586,370	3,383,211
Prepaid expenses	1,525,415	690,946
Plant supplies and inventory	1,168,765	1,153,105
	24,437,816	13,466,351
Investment in Nikos Explorations (Note 6)	904,685	477,230
Mineral property, plant and equipment - net (Note 2)	43,019,774	34,479,801
Other	38,759	46,563
	68,401,034	48,469,945
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	3,391,072	3,143,076
El Teniente royalty payable (Note 5)	1,737,370	1,692,374
Due to related parties (Note 3)	62,765	46,264
	5,191,207	4,881,714
Note payable	3,400,000	3,400,000
Other payables	853,963	469,858
Asset retirement obligation	2,119,273	2,049,951
Future income tax	884,209	264,478
Minority interest	1,000	1,000
	12,449,652	11,067,001
Shareholders' Equity		
Capital stock (Note 4)	38,882,065	26,891,142
Value assigned to stock options (Note 4)	1,369,740	1,092,711
Retained earnings	15,721,687	9,441,201
Cumulative translation adjustment	(22,110)	(22,110)
	55,951,382	37,402,944
	68,401,034	48,469,945

Approved by the Board of Directors

"Robert J. Gayton" Director

"Ruston Goepel" Director

Amerigo Resources Ltd.

Consolidated Statements of Operations (Unaudited)

(expressed in U.S. dollars)

	Quarter ended June 30, 2005 $	Quarter ended June 30, 2004 $	Six months ended June 30, 2005 $	Six months ended June 30, 2004 $
Copper sales, gross	11,302,909	8,218,154	22,373,521	18,456,874
Smelter, refinery and other charges	(2,845,592)	(1,289,738)	(5,501,795)	(2,472,349)
Net revenue	8,457,317	6,928,416	16,871,726	15,984,525
Costs				
Production costs	912,703	2,896,937	4,684,445	5,685,540
El Teniente royalty (Note 5)	1,754,808	1,118,271	3,162,756	2,058,467
Depreciation and amortization	323,413	277,616	621,000	524,354
Administration	266,524	206,075	494,492	437,615
Transportation	162,180	138,619	319,301	260,331
Asset retirement accretion cost	34,661	32,394	69,322	64,787
Cost of sales	3,454,289	4,669,912	9,351,316	9,031,094
Operating profit	5,003,028	2,258,504	7,520,410	6,953,431
Other expenses				
Stock based compensation	-	41,153	504,760	41,153
Salaries, consulting and professional fees	123,587	36,387	245,264	136,251
Transfer agent and filing fees	10,090	(1,952)	67,025	136,523
Management fees	72,592	43,917	119,046	89,651
Office expense	42,631	59,451	77,590	97,471
Insurance expense	11,031	9,279	22,401	20,191
Shareholder information	34,861	6,499	44,665	14,886
Interest expense	355,706	26,169	358,585	99,788
	650,498	220,903	1,439,336	635,914
Earnings before undernoted items	4,352,530	2,037,601	6,081,074	6,317,517
Foreign exchange gain (expense)	375,865	(93,025)	596,602	(320,924)
Interest income	62,243	60,230	113,079	129,860
Gain on disposition of mineral Properties (Note 6)	427,455	146,259	427,455	146,259
Write-off of mineral properties	-	(49,529)	-	(49,529)
Earnings before taxes and minority interest	5,218,093	2,101,536	7,218,210	6,223,183
Income tax expense, net of (tax recoveries)	421,514	360,092	664,690	603,852
Earnings before minority interest	4,796,579	1,741,444	6,553,520	5,619,331
Minority interest (Note 3)	160,815	115,986	273,034	217,691
Net earnings for the period	4,635,764	1,625,458	6,280,486	5,401,640
Retained earnings – Beginning of period				
As previously reported	11,085,923	2,276,185	9,441,201	(1,165,486)
Accounting changes	-	-	-	(334,511)
As restated	11,085,923	2,276,185	9,441,201	(1,499,997)
Retained earnings – end of period	15,721,687	3,901,643	15,721,687	3,901,643
Weighted average number of shares	76,376,985	63,473,677	71,167,903	62,441,831
Earnings per share				
Basic	0.0607	0.0256	0.0882	0.0864
Diluted	0.0525	0.0188	0.0742	0.0623

Amerigo Resources Ltd.

Consolidated Statements of Cash Flows (Unaudited)

(expressed in U.S. dollars)

	Quarter ended June 30, 2005 $	Quarter ended June 30, 2004 $	Six months ended June 30, 2005 $	Six months ended June 30, 2004 $
Cash flows from operating activities				
Net earnings for the period	4,635,764	1,625,458	6,280,486	5,401,640
Items not affecting cash -				
Income tax expense, net of (tax recoveries)	421,514	300,127	664,690	543,888
Stock-based compensation		41,153	504,760	41,153
Depreciation and amortization	323,413	277,616	621,000	524,354
Asset retirement accretion cost	34,661	32,394	69,322	64,787
Write-off of mineral properties	-	49,529	-	49,529
Gain on disposition of mineral properties	(427,455)	(146,259)	(427,455)	(146,259)
	4,987,897	2,180,018	7,712,803	6,479,0092
Changes in non-cash working capital, net of effects of acquisition of subsidiary				
Accounts receivable	(3,436,036)	2,307,485	(3,203,159)	2,832
Prepaid expenses	(592,607)	(21,858)	(834,469)	(163,402)
Plant, supplies and inventory	198,699	(209,368)	(15,660)	(420,128)
Accounts payable	704,004	(406,825)	247,996	(362,128)
Due to related parties	22,720	(1,604)	16,501	(151,966)
El Teniente royalty payable	318,079	(147,317)	44,996	482,478
Net cash provided by operating activities	2,202,756	3,700,531	3,969,008	5,866,778
Cash flows from investing activities				
Purchase of property, plant and equipment	(4,643,315)	(891,818)	(9,160,973)	(2,005,796)
Net cash used in investing activities	(4,643,315)	(891,818)	(9,160,973)	(2,005,796)
Cash flows from financing activities				
Repayment of Enami loans	-	-	-	(1,397,166)
Issuance of shares for cash – net of issue costs	8,423,891	8,670	11,763,192	1,127,672
Other payables	354,467	(13,352)	384,105	54,233
Net cash provided by financing activities	8,778,358	(4,682)	12,147,297	(215,261)
Increase in cash and cash equivalents due to exchange rate changes	7,171	(34,732)	(37,155)	32,807
Net increase in cash and cash equivalents	6,344,970	2,769,299	6,918,177	3,678,528
Cash and cash equivalents – Beginning of period	8,812,296	5,275,648	8,239,089	4,366,419
Cash and cash equivalents – End of period	15,157,266	8,044,947	15,157,266	8,044,947

Amerigo Resources Ltd.

Consolidated Statements of Shareholders' Equity (Unaudited)

(expressed in U.S. dollars)

	Common shares No. of shares	Common shares Amount ($)	(Cumulative Deficit)/ Retained Earnings ($)	Value assigned to stock options ($)	Cumulative Translation Adjustment ($)	Capital stock to be issued ($)	Total shareholders equity ($)
Balance – Dec. 31, 2003	60,197,876	24,813,185	(1,499,997)	986,390	(22,110)	294,062	24,571,530
Issue of shares							
Exercise of warrants	4,767,195	1,934,553	-	-	-	-	1,934,553
Exercise of stock options	230,000	94,979	-	-	-	-	94,979
Options granted	-	-	-	154,746	-	-	154,746
Transfer of value on exercise of stock options	-	48,425	-	(48,425)	-	-	-
Capital stock to be issued	-	-	-	-	-	(294,062)	(294,062)
Net earnings for the period	-	-	10,941,198	-	-	-	10,941,198
Balance – December 31, 2004	65,195,071	26,891,142	9,441,201	1,092,711	(22,110)	-	37,402,944
Issue of shares							
Exercise of warrants	20,317,773	11,404,598	-	-	-	-	11,404,598
Exercise of stock options	350,000	358,594	-	-	-	-	358,594
Options granted	-	-	-	504,760	-	-	504,760
Transfer of value on exercise of stock options	-	227,731	-	(227,731)	-	-	-
Net earnings for the period	-	-	6,280,486	-	-	-	6,280,486
Balance – June 30, 2005	85,862,844	38,882,065	15,721,687	1,369,740	(22,110)	-	55,951,382

(expressed in U.S. dollars)

1 Significant accounting policies

The financial statements of Amerigo Resources Ltd. ("Amerigo") together with its subsidiaries ("the Company") have been prepared in accordance with Canadian Generally Accepted Accounting Principles for interim financial statements and therefore do not include all of the information and notes required for annual financial statements. These interim financial statements and notes thereto should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2004.

Certain comparative figures have been reclassified to conform with the basis of presentation adopted in the current period.

2 Mineral property, plant and equipment

	June 30, 2005 $	December 31, 2004 $
Plant and infrastructure	21,739,932	16,501,788
Machinery and equipment	12,753,135	9,188,691
Contractual rights	8,029,185	8,029,185
Asset retirement obligations	1,851,055	1,851,055
Office furniture, equipment and other assets	1,221,102	862,717
	45,594,409	36,433,436
Accumulated depreciation	(2,574,635)	(1,953,635)
	43,019,774	34,479,801

3 Related party transactions

a) Minority Interest

The Company holds its interest in MVC through its subsidiary Amerigo International Holdings Corp. ("Amerigo International"). Amerigo International is controlled by the Company and is a wholly-owned subsidiary, except for certain outstanding Class A shares which are shown on the Company's Balance Sheet as Minority Interest at their book value of $1,000. The Class A shares are owned indirectly by two directors of the Company.

(expressed in U.S. dollars)

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 calculated as follows:

- $0.01 for each pound of copper equivalent produced 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 by MVC or any successor entity to MVC if the price of copper is $0.80 or more.

During the six months ended June 30, 2005, a royalty dividend of $273,034 was paid or accrued to the Amerigo International Class A shareholders on the basis described above. The royalty dividend is shown as Minority Interest in the Consolidated Statement of Operations. At June 30, 2005 $62,765 of this amount was payable.

b) Management fees

During the six months ended June 30, 2005 the Company paid or accrued $119,046 in management fees to certain directors and officers of the Company.

c) Directors fees and remuneration to officers

During the six months ended June 30, 2005 the Company paid or accrued $53,999 in directors' fees and directors' expenses to independent directors and $39,823 in consulting fees to certain officers of the Company. Directors' fees and consulting fees to officers are categorized as Salaries, Consulting and Professional Fees in the Company's consolidated financial statements.

At June 30, 2005 two officers of the Company acted one as a director and the other as an officer of Nikos Explorations Ltd. ("Nikos"), a company to which Amerigo sold its Canadian mineral properties in fiscal 2004. At the time of the disposition of mineral properties to Nikos, no officers or directors of the Company served as directors or officers of Nikos.

4 Capital stock

Authorized – Unlimited common shares without par value.

a) Summary of capital stock issued in the period

In the six months ended June 30, 2005 the Company received $11,404,598 from the exercise of 20,317,773 share purchase warrants at exercise prices ranging from Cdn$0.25 to Cdn$0.70 per share purchase warrant. The Company also received $358,594 from the exercise of 350,000 stock options at an exercise price of Cdn$1.23 per stock option.

(expressed in U.S. dollars)

b) Stock options

Stock option plan

The Company established a stock option plan (the Plan) on April 2, 2003. The Board of Directors of the Company (the Board) administers the Plan, whereby it may from time to time grant options to purchase common shares of the Company to directors, officers, key employees and certain other persons who provide services to the Company or its subsidiaries. The maximum aggregate number of common shares issuable under the Plan will not exceed 5,194,569 and the aggregate number of common shares reserved for issuance to any one person under the Plan in any 12-month period must not exceed 5% of the outstanding common shares of the Company, on a non-diluted basis. The exercise price of an option is determined by the Board and shall be no less than the closing price of the common shares on the Exchange on the day preceding the date of grant, less the maximum discount permitted by the policies of the Exchange subject to the minimum exercise price per common share permitted by the Exchange. Options must be exercised within a five-year period from the date of grant. Vesting periods are determined by the Board.

A summary of the Company's stock options at June 30, 2005 and December 31, 2004 and the changes for the six and twelve month periods ending on those dates is presented below:

	Six months ended June 30, 2005		Twelve months ended December 31, 2004	
	Outstanding options	**Weighted average exercise price Cdn$**	**Outstanding options**	**Weighted average exercise price Cdn$**
Balance – start of period	1,675,000	1.14	1,680,000	0.96
Granted	1,185,000	1.60	225,000	1.85
Exercised	(350,000)	1.23	(230,000)	0.54
Balance – end of period	2,510,000	1.34	1,675,000	1.14

On January 7, 2005 the Company granted stock options to purchase an aggregate of 1,185,000 common shares to directors, officers and employees, with an exercise price of Cdn$1.60 per share, expiring on January 7, 2010. The Company recorded a stock-based compensation of $504,760 associated with this option grant.

(expressed in U.S. dollars)

Value assigned to stock options

	June 30, 2005	December 31, 2004
Balance – beginning of period	1,092,711	986,390
Options granted	504,760	154,746
Transfer to capital stock on exercise of stock options	(227,731)	(48,425)
Balance – end of period	1,369,740	1,092,711

The Company estimated that the weighted average fair value of the options granted during the six months ended June 30, 2005 was $0.43 per option by using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

Expected dividend yield	0%
Expected stock price volatility	29.3%
Risk-free interest rate	3.08%
Expected life of options	5 years

The following stock options were outstanding and exercisable as at June 30,2005:

Range of exercise prices Cdn$	Number exercisable	Weighted average remaining contractual life	Weighted average exercise price Cdn$
0.36 to 2.00	2,510,000	3.88 years	1.34

c) Warrants

During the six months ended June 30, 2005, 20,317,773 warrants with exercise prices ranging from Cdn$0.25 to Cdn$0.70 were exercised for net proceeds of $11,404,598.

On June 20, 2005, 6,243 warrants with an exercise price of Cdn$0.70 expired unexercised.

There are no warrants outstanding at June 30, 2005.

(expressed in U.S. dollars)

5 El Teniente Royalty

MVC has a contract with Codelco through at least 2021 to process the tailings from the El Teniente mine in Chile. MVC pays a royalty on copper produced by MVC to Codelco – El Teniente based on a formula that considers both the price of copper and the copper content in the tailings. No royalties are payable if the copper price is below $0.80 per pound (for copper content in tailings between 0.09% and 0.1499%); if the copper price is between $0.80 and $0.95 the royalty varies on a sliding scale from 0 to 10%; if the copper price is between $0.95 and $1.30 the royalty is 10%; and if the copper price is $1.30 or higher, the maximum royalty of 13.5% is payable.

Royalty payments for copper production are calculated using the average LME price for copper for the third month following delivery, and invoiced by El Teniente on a monthly basis within 30 days of the end of the third month following the month of delivery of the tailings; payment to El Teniente is effected within 10 days of receipt of invoices. Accordingly, royalties payable to El Teniente are classified as current liabilities.

Starting on January 1, 2006, MVC will pay to El Teniente a royalty for copper extracted from Colihues calculated on a sliding scale from 3% if the copper price is below $0.80 per pound to a maximum of 15% if the copper price is at $1.35 per pound or higher. The royalty is calculated using half the volume of tailings extracted from Colihues, at an assumed copper grade of 0.32% and an assumed recovery rate of 40%.

As of June 2005 MVC also pays to El Teniente a 10% royalty of MVC's net revenue received from the sale of molybdenum concentrates.

6 Disposition of mineral properties

On January 2004 the Company entered into an agreement to sell a 100% interest in three Canadian exploration properties to Nikos Explorations Ltd. ("Nikos") for consideration on closing of 5,000,000 shares of Nikos, and contingent consideration of a further 5,000,000 Nikos shares in the event Nikos retained the mineral properties on June 30, 2005. The Nikos shares received on closing were valued at $477,230, being the fair market value of the shares at the time the agreement with Nikos was executed.

Given that at June 30, 2005 Nikos retained its interest in these mineral properties, the Company received the second and last instalment of 5,000,000 Nikos shares on that date, at a fair market value of $427,455 (the equivalent of Cdn$525,000, or Cdn$0.105 per share). The company recorded a gain on disposition of $427,455 on receipt of the Nikos shares.

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Amerigo Resources Limited
Management Discussion and Analysis
For the Quarter Ended June 30, 2005

All figures expressed in US Dollars except where noted

The following discussion and analysis of the results of operations and financial position of Amerigo Resources Ltd. ("Amerigo") together with its subsidiaries ("the Company"), is prepared as of August 4, 2005 and should be read in conjunction with the Company's unaudited consolidated financial statements and the notes thereto prepared as at June 30, 2005 and the Company's audited consolidated financial statements and the notes thereto for the year ended December 31, 2004.

Results of Operations

For the quarter ended June 30, 2005

In the quarter ended June 30, 2005, net earnings were $4,635,764 ($0.0607 per share, non-diluted; $0.0525 per share, diluted) on gross copper sales of $11,302,909 and net revenue of $8,457,317.

Copper is produced and sold by the Company's subsidiary Minera Valle Central ("MVC"), a Chilean copper producer that has a contract with Chile's state- owned copper producer Codelco through at least the year of 2021 to process the tailings from the El Teniente mine in Chile.

During the quarter ended June 30, 2004 ("the comparative quarter"), net earnings were $1,625,458 ($0.0256 per share, non-diluted; $0.0188 per share, diluted), with gross copper sales of $8,218,154 and net revenue of $6,928,416.

Sale and delivery of copper

Copper produced by the Company is sold under a sales agreement with Chile's Empresa Nacional de Minería ("Enami" or the "smelter"), which provides that the sale price is calculated using the market price at the end of the third month after delivery. Accordingly, all copper delivered by the Company to the smelter in one quarter is sold at market prices prevailing in the following quarter. The Company believes that this pricing arrangement is a standard industry term for 2005.

Revenue recognition and reporting

As required by accounting standards, the Company takes into revenue on the date of delivery of copper concentrates to the smelter an amount based on the LME three month forward price for copper. Adjustments to recorded revenue are subsequently made at the end of each month to reflect changes in future copper prices until the sale price is settled. This practice increases the sensitivity of the Company's reported revenue to increases and decreases in copper prices. In a period of rising copper prices, not only will the Company ultimately record higher revenue for copper delivered in the period, but it will also record favourable adjustments to revenue for copper delivered in the prior quarter. Similarly, in a period of declining copper prices, the Company will be required to record lower revenues for current deliveries and negative adjustments to revenue for the prior quarter's deliveries.

During the quarter ended June 30, 2005 gross copper sales were $11,302,909, derived from the sale of 7.33 million pounds of copper at an average price of $1.4972 per pound of copper and settlement adjustments of $309,752 for prior periods' deliveries. This compares to gross copper sales of $8,218,154 in the quarter ended June 30, 2004, which resulted from the sale of 7.33 million pounds of copper at an average price of $1.2020 per pound, and negative settlement adjustments of $619,338 for prior periods' deliveries.

To account for moly sales, the Company takes into revenue for moly deliveries to the roaster during the month an amount based on the month's published price for molybdenum oxide. The settlement period for moly sales is determined by the roaster and could be up to three months, as is currently the case. During the settlement period, adjustments to recorded revenue are made at the end of each month to reflect changes in published monthly moly prices until the sale price is settled. As in the case of copper sales, this practice increases the sensitivity of the Company's reported revenue to increases and decreases in moly prices. Moly delivered during the quarter ended June 30, 2005 was priced at $35.80/lb and has a settlement period of three months each for the May and June sales. Should moly prices in the future be lower than $35.80/lb, negative settlement adjustments would need to be made in the following quarter, which would result in a corresponding increase in production costs after by-product credits.

Production

Production in the second quarter of 2005 was 7.07 million pounds or 3,208 tonnes of copper, 5% below the immediately preceding quarter's production due to low plant recoveries given unfavourable ore characteristics in the tailings received from El Teniente and low extraction rates from the Colihues tailings dam. Copper production is expected to increase in Q3 from improved Colihues extraction.

To address the Colihues performance problem and to increase extraction, MVC intends to add hydraulic monitors. This equipment is expected to be operational in the first half of 2006.

Based on year to date copper production, the Company has revised its original copper production estimates for 2005 and now expects production to be between 14,400 - 15,300 tonnes, down from the 18,000 tonnes originally projected.

In March 2005 construction of a processing plant to extract molybdenum from MVC's copper concentrate production was completed. Amerigo originally estimated production in excess of 500,000 pounds of molybdenum in concentrates for 2005. As a result of substantially higher recovery rates than originally anticipated, the Company has revised this estimate and expects that molybdenum production will be 20% higher, or 600,000 pounds, in 2005.

Moly production ramped out during the quarter ended June 30, 2005 and the Company produced 155,726 pounds of moly from essentially two months of production.

Operating Costs and Expenses

Cash costs in Q2-2005 including smelter, refinery and other charges (before El Teniente royalty) were $4,186,999 or 60c per pound mainly as a result of molybdenum by-product credits. This compares to cash costs of 91c per pound in the immediately preceding quarter and cash costs of 59c per pound in Q2- 2004.

Production costs have been reclassified to include maintenance costs and moly by-product credits. In Q2-2005 these costs were $912,703, compared to $3,771,742 in the preceding quarter and $2,896,937 in Q2-2004, due principally to moly by-product credits.

Smelter and refinery costs of $2,845,592 are $189,389 higher than in the preceding quarter as costs are based on copper deliveries to the smelter, which increased in Q2 when compared to Q1. Since MVC does not ship concentrate overseas, smelter and refinery charges include the participation by the smelter in MVC's cost savings for shipping.

Total costs including smelter, refinery and other charges, were $6,299,881 or 90c per pound for the year, compared to total costs of $1.14 per pound in the immediately preceding quarter and total costs of 78c per pound in Q2-2004.

The El Teniente royalty increases or decreases as a function of copper prices, which were higher in Q2-2005 than in Q2-2004. Also, as of June 2005, a royalty of 10% of net molybdenum sales is payable to El Teniente.

Costs not related to MVC's operations are identified as "Other Expenses" and were $650,498 in the quarter ended June 30, 2005. Most significantly, the Company recorded interest adjustments of $355,706 to recognize accrued interest on a $3.4M note payable. The adjustment is of a non-recurring nature. Other expenses include Salaries, Consulting and Professional Fees, Management Fees and general overhead, for a total of $294,792 (comparative quarter: $153,581) In the comparative quarter the Company also recorded Stock-based Compensation of $41,153 (nil in the quarter ended June 30, 2005).

Non-operating items in the quarter ended June 30, 2005 include a Gain on Disposition of Mineral Properties of $427,455, a Foreign Exchange Gain of $375,865 and Interest Income of $62,243. The gain on disposition of mineral properties is derived from the Company having received 5 million shares of Nikos Explorations Ltd. ("Nikos") on June 30, 2005, as Nikos retained an interest on that date on the mineral properties sold by the Company to Nikos in 2004. The foreign exchange gain is derived from changes to the exchange rates of the Chilean peso and the Canadian dollar to the US dollar during the quarter.

During the comparative quarter, non-operating items included a gain on disposition of mineral properties of $146,259 (also in connection with the properties transferred to Nikos), foreign exchange expense of $93,025 and interest income of $60,230.

The Company recorded income tax expense net of recoveries of $421,514 in the quarter ended June 30, 2005, from income tax on net earnings generated in MVC. The loss carryforwards available in MVC were fully utilized in the quarter. However, due to capital expenditure tax incentives in Chile, it is expected that MVC will have no cash tax payable in 2005, given that it can effectively write-off for tax purposes an amount equivalent to one third of the capital expenditures incurred in the period. In the comparative quarter, income tax expense net of recoveries was $360,092.

Operating Cash Flows

In the quarter ended June 30, 2005, the Company's activities contributed to operating cash flow of $2,202,756, which includes the effect of changes in non-cash working capital accounts. A significant change during the quarter in non-cash working capital is the increase of $3,436,036 in accounts receivable. This increase is related to new receivables for moly sales, which started as of May 2005.

Year-to-date June 30, 2005

Net earnings during the six months ended June 30, 2005 were $6,280,486 or $0.0882 per share (non-diluted). On a diluted basis, earnings per share were $0.0742.

Gross copper sales in the period were $22,,373,521 derived from the sale of 14.42 million pounds of copper. Net revenue during the six-month period was $16,871,726.

During the period, MVC's operations recorded a cost of sales, including smelter, refinery and other charges of $14,853,111 and operating profit of $7,520,410, or 34% of gross copper sales.

"Other expenses" in the six-month period were $1,439,336, 6.4% of gross copper sales, of which the most significant expense is stock-based compensation of $504,760, a non-cash cost associated with options granted in Q1-2005.

Non-operating items in the six-month period include a Foreign Exchange Gain of $596,602, a Gain on Disposition of Mineral Properties of $427,455 and Interest Income of $113,079.

Income tax expense net of recoveries reached $664,690 in the period. Due to the utilization of existing tax carryforwards in Chile, there is no tax payable by MVC on the tax expense.

<u>Summary of Quarterly Results</u>

	Qtr ended June 30, 2005	**Qtr ended March 31, 2005**	**Qtr ended Dec. 31, 2004**	**Qtr ended Sept. 30, 2004**
Total gross copper sales	$11,302,909	$11,070,612	$12,363,762	$10,762,727
Net revenue	8,457,317	8,414,409	10,239,906	9,071,903
Net income	4,635,764	1,644,722	2,578,907	2,960,651
Earnings per share	0.0607	0.0237	0.0400	0.0463
Diluted earnings per share	0.0525	0.0186	0.0297	0.0340

	Qtr ended June 30, 2004	Qtr ended March 31, 2004	Qtr ended Dec. 31, 2003 [1]	Qtr ended Nov. 30, 2003
Total gross copper sales	$8,218,154	$10,238,720	$2,837,890	$5,869,049
Net revenue	6,928,416	9,056,109	2,425,348	4,588,838
Net income (loss)	1,625,458	3,776,182	353,254 [2]	(25,657) [3]
Earnings(loss) per share	0.0256	0.0613	0.0059 [2]	0.0004 [3]
Diluted earnings (loss) per share	0.0188	0.0435	0.0041 [2]	0.0004 [3]

1 One-month quarter due to the change in fiscal year end of the Company, from February 28 to December 31.
2 Adjusted from Net Income of $372,621 to account for retroactive restatement to earnings of ($19,367) due to the adoption of new accounting standards on January 1, 2004.
3 Adjusted from Net Income of $1,017,089 to account for retroactive restatement to earnings of ($1,042,746) due to the adoption of new accounting standards on January 1, 2004.

Liquidity and Capital Resources

Amerigo held cash and cash equivalents on June 30, 2005 of $15,157,266, compared to $8,812,296 held on March 31, 2005. The increase in cash is attributable to capital proceeds of $8,423,891 from the exercise of stock purchase warrants in the quarter, and to net operating cash flows of $2,202,756. During the quarter the Company undertook investing activities of $4,643,315 in MVC (see *Investing Activities*).

The Company's working capital on June 30, 2005 was $19,246,609, compared to $10,116,761 on March 31, 2005. Amerigo continues to be able to generate sufficient cash resources –both in the short and long-term- to maintain existing operations and fund plant expansions.

The Company's gross copper sales are dependent on sales volumes and prevailing market prices for copper. Monthly average per-pound copper prices in 2005 have been the following:

January	$1.4379	April	$1.5397
February	1.4759	May	1.4738
March	1.5330	June	1.5985

The Company's long-term debt (Note Payable and Other Payables) at June 30, 2005 was $4,253,963, compared to $3,899,496 on March 31, 2005. The increase in Other Payables is derived from interest adjustments recorded in the quarter to account for accrued interest to date on a $3,400,000 note issued in connection with the acquisition of MVC by the Company. The note, together with accrued interest, is payable in cash or shares of Amerigo three years after the acquisition if the average copper price is over $0.82 per pound. Payment in cash or shares is at the option of the Company; however, if the Company elects to pay in shares, the vendor has the right to either receive the payment in shares at the then current market price or receive payment in cash two years after the end of the three-year period plus interest at an annual rate of 5%.

The company is not subject to debt covenants and does not anticipate it will incur any default or arrears on payment of leases or debt principal or interest.

As of June 30, 2005 the Company had 2,510,000 outstanding share purchase options (with exercise prices ranging from Cdn$0.36 to Cdn$2.00). During the quarter ended June 30, 2005, 14,928,060 warrants were exercised for net proceeds of $8,423,891.

Investing Activities

The Company has been able to undertake significant plant expansions in MVC, without relying on additional equity or debt funding. During the quarter ended June 30, 2005 investing activities pursuant to the Phase II expansion continued as anticipated. Capital expenditures were $4,643,315 in the quarter and $9,160,973 in the six months ended June 30, 2005. In addition to the Phase II expansion, the Company completed its molybdenum production plant in the first quarter of 2005.

Maintenance expenditure to plant and equipment during the quarter ended June 30, 2005 was $896,082. These expenditures were met from MVC operating cashflow.

Transactions with Related Parties

a) Minority Interest

The company holds its interest in MVC through its subsidiary Amerigo International Holdings Corp. ("Amerigo International"). Amerigo International is controlled by the company and is a wholly-owned subsidiary, except for certain outstanding Class A shares which are shown on the company's Balance Sheet as Minority Interest at their book value of $1,000. The class A shares are owned indirectly by two directors of the company.

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 calculated as follows:

- $0.01 for each pound of copper equivalent produced 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 by MVC or any successor entity to MVC if the price of copper is $0.80 or more.

During the quarter ended June 30, 2005, a royalty dividend of $160,815 was paid or accrued to the Amerigo International Class A shareholders on the basis described above. At June 30, 2005 $62,765 of this amount was payable.

b) Management fees

During the quarter ended June 30, 2005 the Company paid or accrued $72,592 in management fees to certain directors and officers of the Company.

c) Directors fees and remuneration to officers

During the quarter ended June 30, 2005 the Company paid or accrued $22,544 in directors' fees and expenses paid to independent directors and $20,930 in consulting fees paid to certain officers of the company. Directors' fees and consulting fees are categorized as Salaries, Consulting and Professional Fees in the Company's consolidated financial statements.

d) At June 30, 2005 two officers of the Company acted one as a director and the other as an officer of Nikos Explorations Ltd., a company to which Amerigo divested three of its mineral properties in fiscal 2004. At the time of this transaction, no officers or directors of the Company served as directors or officers of Nikos.

Critical Accounting Estimates

Other than as described below there were no changes to the Company's critical accounting estimates or accounting policies during the quarter ended June 30, 2005.

On receipt of a second installment of 5,000,000 shares of Nikos on June 30, 2005, the Company became a holder of 27% of Nikos's current outstanding shares, a situation where significant influence exists. Accordingly, on June 30, 2005 the Company started using the equity method to account for its investment in Nikos. The Company had previously considered the Nikos shares to be a long-term investment and used the cost method to account for the investment.

Other MD&A Requirements

As of August 4, 2005 the Company has 85,862,844 common shares outstanding.

Additional information, including the company's most recent Annual Information Form, is available on SEDAR at www.sedar.com

Cautionary Statement on Forward Looking Information

This Management Discussion and Analysis may contain forward-looking statements that involve risks and uncertainties. When used in this Management Discussion and Analysis, the words "believe," "anticipates," "expects" and similar expressions are intended to identify such forward-looking statements. The Issuer's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in the Company's Annual Information Form under "Item 4 - Narrative Description of the Business" and Item 6 - Management's Discussion and Analysis". Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Issuer undertakes no obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.