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Amerigo Announces 2008 Financial Results

VANCOUVER, BRITISH COLUMBIA – March 25/Amerigo Resources Ltd. (TSX:ARG) (“Amerigo” or the “Company”) reported today results for the year ended December 31, 2008. Significant events are as follows:

- In **2008** the Company had an **operating loss** of **\$1,347,711** and a **net loss** of **\$18,986,845**, compared to operating profit of \$29,884,273 and net earnings of \$24,282,354 in 2007. In 2008, the Company recorded an **\$18,855,343** unrealized **write-down of investments** in Candente Resource Corp. (“Candente”) and Los Andes Copper Ltd. (“Los Andes”) to fair value. The Company was severely affected by a sharp decline in copper and molybdenum prices due to the current worldwide economic crisis. In **Q4-2008** alone the Company recorded **\$12,463,135** in **negative pricing adjustments** to prior quarters’ sales of copper and molybdenum.
- **Cash flow from operating activities** was **\$10,609,319** or 11¢ per share in 2008, compared to \$31,282,155 or 33¢ per share in 2007.
- **Production** in 2008 was a **record 34.63 million pounds of copper** and **769,142 pounds of molybdenum**, compared to 33.21 million pounds of copper and 639,020 pounds of molybdenum produced in 2007. Production increased due to higher flow and grades of fresh tailings, continued processing of old tailings and more efficient recoveries in the molybdenum plant.
- The Company’s **copper selling price** before smelter, refinery and other charges was **\$2.77/lb** in **2008** and **\$1.31/lb** in **Q4-2008**. Notwithstanding record production levels, revenues were affected by the sharp decline in copper and molybdenum prices during the year, particularly in Q4-2008.
- Throughout 2008 the Company was continued to be affected by **high operating power costs** in Chile. Power costs were **\$37,945,807 (\$0.21/kwh)** compared to \$27,501,016 (\$0.17/kwh) in 2007. In Q1-2009 power costs have trended lower to average approximately \$0.13 - \$0.14/kwh; industry experts in Chile expect this trend to continue.
- **Operating costs** such as power, steel and reagents **are expected to decrease** from their high 2008 levels; however, the reductions are lagged and were not evident in the operating costs for Q4-2008. Subject to energy, oil and molybdenum prices in 2009, the Company believes that **cash costs** will be reduced to **\$1.20 to \$1.25/lb during the course of 2009**.
- The Company has effectively completed a project that will allow it to substantially **become energy self sufficient as of Q2-2009**.
- The write-down of investments of \$18,855,343 was recorded in earnings due to the material decline in fair value of the Company’s long-term investments in Candente and Los Andes at December 31, 2008 and management’s assessment that, under current financial market conditions, a recovery in the fair value of these investments may not occur in the short-term.



The **write-down of investments** is a **non-cash transaction** as the Company did not sell any of its holdings in Candente or Los Andes.

- **Cash cost** (the aggregate of smelter, refinery and other charges, production costs net of molybdenum-related net benefits, administration and transportation costs) before El Teniente royalty was **\$2.01/lb** in 2008, compared to \$1.50/lb in 2007. Cash costs increased in 2008 as a result of lower molybdenum by-product credits and higher operating costs overall, particularly power.
- **Total cost** (the aggregate of cash cost, El Teniente royalty, MVC stock-based compensation, depreciation and accretion) in 2008 was **\$2.75/lb** compared to \$2.20/lb in 2007. The increase in total cost was driven by higher cash costs.
- Payments for **capital expenditures** were **\$23,133,008** in 2008. The most significant project in the year was the energy self-generation project. **Capital expenditures will be substantially lower in 2009.**
- In **2008**, the Company made **additional investments** in Candente and Los Andes of **\$4,013,581**, paid **dividends** of **\$11,802,999** and purchased **\$1,589,328** of the Company's **shares for cancellation**. Given current liquidity considerations the Company will be suspending dividends and other discretionary expenditures for the foreseeable future.
- **Cash balance** was **\$3,187,084** at December 31, 2008, at which date the Company had a working capital deficiency of \$14,116,136. Subsequent to year end, the Company completed a private placement financing for proceeds of Cdn\$10,500,000, secured additional bank financing in Chile of approximately \$1,100,000 and restructured pricing adjustments due to the smelter into a 2 year loan with payments extending from April 2009 to March 2011.

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 Discussion and Analysis for the year ended December 31, 2008, which will be available at the Company's website at www.amerigoresources.com and at www.sedar.com.

Amerigo Resources Ltd. is a Canadian junior company producing copper and molybdenum from its MVC operations near Santiago, Chile. Tel: (604) 681-2802; Fax: (604) 682-2802; Web: www.amerigoresources.com; Listing: ARG:TSX

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The Toronto Stock Exchange has not reviewed nor accepted responsibility for the adequacy or accuracy of the contents of this news release, which has been prepared by management. Statements contained in this news release that are not historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties which could cause actual results to differ materially from estimated results. Such risks and uncertainties are detailed in the Company's filings with the TSX and on SEDAR. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements if management's beliefs, estimates or opinions, or other factors, should change.



AMERIGO RESOURCES LTD.
SELECTED FINANCIAL INFORMATION

YEARS ENDED DECEMBER 31, 2008 AND 2007

All figures expressed in US Dollars

Consolidated Balance Sheets

	December 31, 2008 \$	December 31, 2007 \$
Cash and cash equivalents	3,187,084	16,712,630
Mineral property, plant and equipment	116,243,844	98,136,625
Other assets	24,836,949	49,889,686
Total assets	144,258,877	164,738,941
Total liabilities	50,223,162	34,412,446
Shareholders' equity	94,035,715	130,326,495
Total liabilities and shareholders' equity	144,258,877	164,738,941

Consolidated Statements of Operations and Comprehensive Income (Loss)

	Year ended December 31, 2008 \$	Year ended December 31, 2007 \$
Total revenue, net of smelter and refinery charges	97,627,482	105,694,549
Cost of sales	(98,975,193)	(75,810,276)
Other (expenses) gains	(19,592,401)	70,345
Non-operating income (loss), net	(20,940,112)	29,954,618
Income tax recovery (expense)	2,576,855	(5,085,223)
Non-controlling interests	(623,588)	(587,041)
Net earnings (loss)	(18,986,845)	24,282,354
Other comprehensive income (loss)	(4,395,767)	4,395,767
Comprehensive income (loss)	(23,382,612)	928,678,121
EPS (LPS) – Basic and Diluted	(0.20)	0.26

Consolidated Statements of Cash Flows

	Year ended December 31, 2008 \$	Year ended December 31, 2007 \$
Net cash provided by operating activities	10,609,319	31,282,155
Net cash used in investing activities	(27,146,589)	(31,161,389)
Net cash provided by (used in) financing activities	3,011,724	(9,982,195)
Net cash outflow during the year	(13,525,546)	(9,861,429)



AMERIGO RESOURCES LTD. SELECTED TRAILING DATA

All figures expressed in US Dollars

	Q4-2008	Q3-2008	Q2-2008	Q1-2008	Q4-2007
Copper production (tonnes)	4,323	4,634	3,212	3,538	4,318
Copper sales (tonnes)	4,336	4,626	3,234	3,540	4,477
Molybdenum production (lbs)	211,729	261,234	147,508	148,670	157,630
Molybdenum sales (lbs)	219,215	258,499	143,048	157,739	172,374
Copper selling price (\$/lb) *	1.31	2.81	3.80	3.56	3.00
<i>*Before smelter and refinery costs and settlement adjustments to prior quarters' sales</i>					
Revenue	\$ 614,179	\$ 29,915,602	\$ 31,164,236	\$ 35,933,465	\$ 26,974,854
Power costs	6,316,698	8,723,416	9,002,362	13,903,331	8,288,847
El Teniente royalty	2,615,100	6,631,296	5,319,664	5,146,561	5,836,784
All other cost of sales	10,639,015	13,408,668	9,233,253	8,035,829	9,979,043
Gross profit (loss)	(18,956,634)	1,152,222	7,608,957	8,847,744	2,870,180
Write-down of investments	6,617,602	12,237,741	-	-	-
All other expenses (gains), including taxes	(4,393,362)	(678,092)	1,390,513	2,464,732	1,053,682
Net earnings (loss)	\$(21,180,874)	\$(10,407,427)	\$ 6,218,444	\$ 6,383,012	\$ 1,816,498
Earnings (loss) per share (basic)	(0.23)	(0.11)	0.07	0.07	0.03
Cash cost (\$/lb)	1.99	1.60	2.11	2.51	1.60
Total cost (\$/lb)	2.43	2.40	3.02	3.34	2.40
Cash flow from operations	\$ (7,363,121)	\$ 7,638,590	\$ 8,136,753	\$ 2,197,096	\$ 6,793,697
Dividend per share declared	-	Cdn\$0.065	-	Cdn\$0.065	-
Total dividends paid	\$ -	\$ 5,784,475	\$ -	\$ 6,018,524	-
Cash flow for capital expenditures	\$ 4,605,232	\$ 5,985,103	\$ 5,672,077	\$ 6,870,595	\$ 8,905,305
Closing cash position	\$ 3,187,084	\$ 4,258,600	\$ 11,192,995	\$ 10,959,717	\$ 16,712,630
Working capital	(14,116,136)	(1,088,106)	11,852,658	11,693,685	15,512,204