



**Toronto Stock Exchange: ARG**

---

**ANNUAL INFORMATION FORM**

---

**For year ended December 31, 2010**

**Dated: March 31, 2011**

## TABLE OF CONTENTS

	<u>Page</u>
<b>PRELIMINARY NOTES</b> .....	<b>1</b>
Financial Statements .....	1
Currency .....	1
Cautionary Statement Regarding Forward-Looking Statements .....	1
 <b>CORPORATE STRUCTURE</b> .....	 <b>2</b>
Name, Address and Incorporation .....	2
Intercorporate Relationships .....	2
 <b>GENERAL DEVELOPMENT OF THE BUSINESS</b> .....	 <b>3</b>
Three Year History and Significant Acquisitions .....	3
Year Ended December 31, 2008 .....	3
Year Ended December 31, 2009 .....	5
Year Ended December 31, 2010.....	6
 <b>DESCRIPTION OF THE BUSINESS</b> .....	 <b>8</b>
General .....	8
Minera Valle Central, S.A. ....	8
Underlying Contracts with Codelco.....	8
 <b>FRESH TAILINGS PROJECTION TABLE</b> .....	 <b>9</b>
Concentrate Sales Agreement with Empresa Nacional de Minería ("Enami").....	10
Other Royalties .....	10
Risk Factors .....	11
MVC revenue is subject to supply of tailings from El Teniente and extraction of old tailings.....	11
Fluctuating Metal Prices .....	12
History of Profits and Dividends .....	12
Working Capital.....	12
Operating and Development Risks .....	13
Foreign Operations .....	13
Environmental and Other Regulatory Requirements .....	13
Competition for Acquisitions.....	14
Repatriation Of Earnings .....	14
Currency Fluctuations.....	14
Foreign Exchange Controls.....	14
Uninsurable Risks .....	14
Price Volatility Of Public Stock .....	15
Shares Reserved For Future Issuance .....	15
Management.....	15
Conflicts of Interest .....	15
<b>Asset-backed Securities</b> .....	<b>15</b>
<b>Minera Valle Central Operations</b> .....	<b>15</b>
 <b>DIVIDENDS</b> .....	 <b>17</b>
 <b>DESCRIPTION OF CAPITAL STRUCTURE</b> .....	 <b>17</b>
 <b>MARKET FOR SECURITIES</b> .....	 <b>18</b>
Trading Price and Volume .....	18

## TABLE OF CONTENTS

(continued)

	Page
Escrowed Securities .....	19
<b>DIRECTORS AND OFFICERS .....</b>	<b>19</b>
Name, Occupation and Security Holding .....	19
Directors' Term.....	22
<b>Committees of the Board of Directors.....</b>	<b>22</b>
Audit Committee.....	22
Nomination Committee.....	22
Compensation Committee.....	22
Corporate Governance .....	22
Disclosure Policy Committee .....	22
<b>Cease Trade Orders, Bankruptcies, Penalties or Sanctions.....</b>	<b>23</b>
<b>Conflicts of Interest.....</b>	<b>23</b>
<b>AUDIT COMMITTEE INFORMATION .....</b>	<b>24</b>
Audit Committee Mandate.....	24
Composition of the Audit Committee.....	24
Relevant Education and Experience .....	24
Reliance on Certain Exemptions.....	24
Audit Committee Oversight.....	24
Pre Approval Policies and Procedures .....	24
External Auditor Services Fees (By Category).....	25
<b>LEGAL PROCEEDINGS AND REGULATORY ACTIONS .....</b>	<b>25</b>
<b>INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS .....</b>	<b>25</b>
<b>TRANSFER AGENTS AND REGISTRARS .....</b>	<b>25</b>
<b>MATERIAL CONTRACTS .....</b>	<b>25</b>
<b>INTERESTS OF EXPERTS .....</b>	<b>26</b>
Names of Experts.....	26
Interests of Experts .....	26
<b>ADDITIONAL INFORMATION.....</b>	<b>26</b>
<b>SCHEDULE "A" AUDIT COMMITTEE CHARTER.....</b>	<b>1</b>

## **PRELIMINARY NOTES**

In this Annual Information Form ("AIF"), Amerigo Resources Ltd., and all companies in which it holds direct and indirect interests, as the context requires, is referred to as the "Company". All information contained herein is as at December 31, 2010, unless otherwise stated.

### **Financial Statements**

This AIF should be read in conjunction with the Company's consolidated audited financial statements and notes thereto, as well as with management's discussion and analysis for the year ended December 31, 2010. The financial statements and management's discussion and analysis are available at [www.amerigoresources.com](http://www.amerigoresources.com) and under the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com).

### **Currency**

All sums of money which are referred to in this AIF are expressed in lawful money of the United States, unless otherwise specified.

### **Cautionary Statement Regarding Forward-Looking Statements**

This AIF contains "forward-looking statements". Forward-looking statements include, but are not limited to, statements with respect to the estimation of mineral resources, the realization of mineral resource estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to international operations; earthquakes and other natural disasters; actual results of planned expansion activities; changes in project parameters as plans continue to be refined, future prices of resources; possible variations in grade or recovery rates, accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed under "Description of the Business – Risk Factors". Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update or revise any forward-looking statements or information contained in this AIF.

## CORPORATE STRUCTURE

### Name, Address and Incorporation

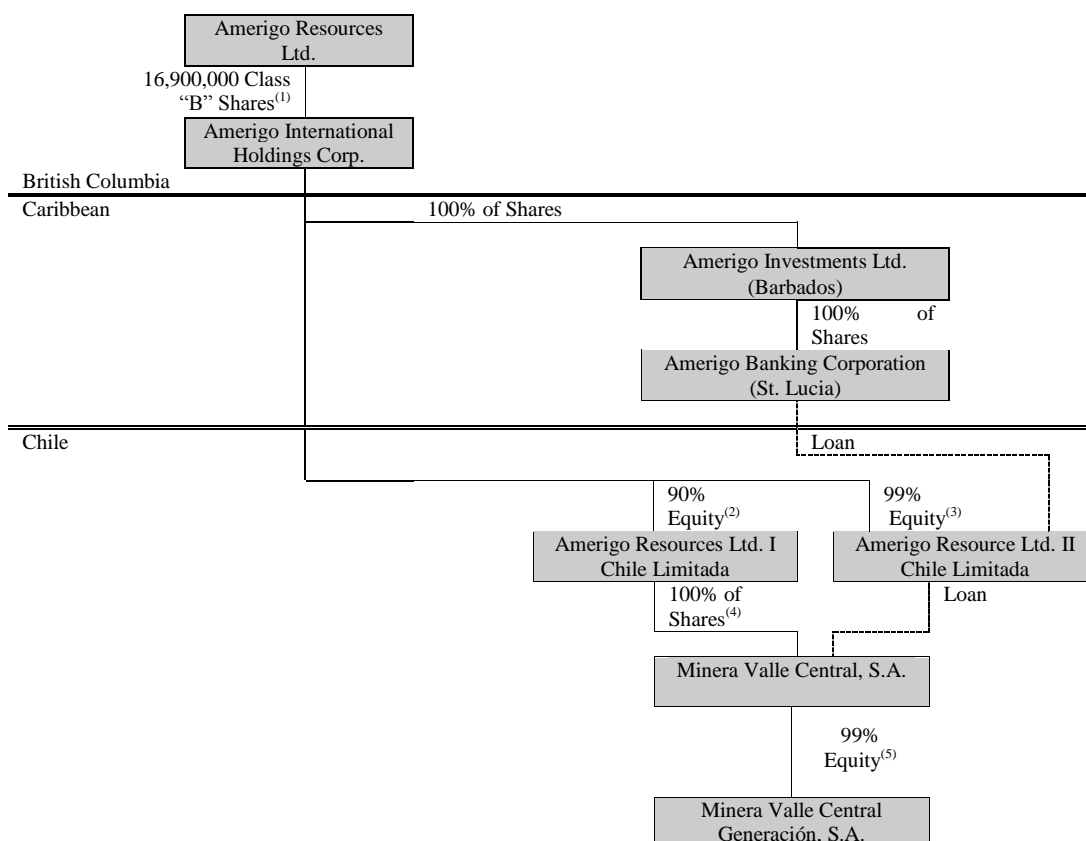
Amerigo Resources Ltd. was incorporated by registration of its memorandum and articles pursuant to the laws of the Province of British Columbia on January 23, 1984 under the name “Silent Canyon Resources Ltd.” Effective April 27, 1988, the Company changed its name from “Silent Canyon Resources Ltd.” to “Golden Adit Resources Ltd.”, consolidated its share capital on a 2:1 basis and subsequently increased its authorized capital to 20,000,000 common shares without par value. The Company changed its name effective June 8, 1990 from “Golden Adit Resources Ltd.” to “First Northern Developments Inc.” Effective September 20, 1993, the Company changed its name from “First Northern Developments Inc.” to “Consolidated First Northern Developments Inc.”, consolidated its share capital on a 2.65:1 basis and increased its authorized capital to 25,000,000 common shares without par value. Effective March 15, 1996, the Company changed its name from “Consolidated First Northern Developments Inc.” to “Golden Temple Mining Corp.”, consolidated its share capital on a 5:1 basis and increased its authorized capital to 25,000,000 common shares without par value. The Company increased its authorized capital to 100,000,000 common shares without par value effective August 5, 1997. Effective March 8, 2002, the Company changed its name from “Golden Temple Mining Corp.” to “Amerigo Resources Ltd.” and consolidated its share capital on a 4:1 basis. Effective September 11, 2002, the Company increased its authorized capital to 100,000,000 common shares without par value. Effective March 16, 2004, the Company increased its authorized capital to 200,000,000 common shares without par value. Also effective March 16, 2004, the Company amended its articles to provide for a rotating board of directors, divided into Class I, II and III, each class having a three year term. On June 29, 2004, the Company transitioned to the *Business Corporations Act* (British Columbia), and on June 17, 2004 the shareholders of the Company approved the replacement of the Articles of the Company and an increase in the authorized capital to an unlimited number of common shares without par value.

The Company’s head and principal office is located at Suite 2694 –1055 Dunsmuir Street, P.O. Box 49298, Bentall IV, Vancouver, B.C. V7X 1L3. The Company’s registered and records office is located at Suite 2300 – 550 Burrard Street, P.O. Box 30, Vancouver, B.C., V6C 2B5.

### Intercorporate Relationships

The Company owns 100% of the issued and outstanding Class B Common Shares in Amerigo International Holdings Corp. (“AIHC”), which was incorporated in Canada on June 20, 2003, which represents approximately 90% of all of the shares of AIHC issued and outstanding. The Company also owns, directly and indirectly, interests in companies (collectively, the “Offshore Companies”) in Chile (Amerigo Resources Ltd. I Chile Limitada and Amerigo Resources Ltd. II Chile Limitada, both formed on June 20, 2003, and Minera Valle Central Generación, S.A., formed on March 12, 2010), St. Lucia (Amerigo Banking Corporation, incorporated on February 27, 2004) and Barbados (Amerigo Investments Ltd., incorporated on December 23, 2004). AIHC and the Offshore Companies were created for the purpose of acquiring and holding Minera Valle Central, S.A. (“MVC”), a Chilean copper producer, in a tax effective manner. MVC was incorporated under the laws of Chile on October 9, 1990. Amerigo Banking Corporation is licensed as a bank under the laws of St. Lucia.

The following chart sets forth the names of AIHC and the Offshore Companies, their respective jurisdictions of incorporation or formation, as the case may be, and the Company’s current voting and equity interest therein.



- (1) These represent 100% of the Class B Common Shares and 89.89% of the voting rights in AIHC. A director of the Company and associates of directors of the Company indirectly hold 1,900,000 Class A Common Shares of AIHC. The special rights and restrictions attaching to the Class A Common Shares provide the holders of the Class Common Shares the right to elect one-half of the total number of directors of AIHC. See "Description of the Business – General - Royalties".
- (2) The other equity owner (10%) is Amerigo Resources Ltd.
- (3) The other equity owner (1%) is Amerigo Resources Ltd.
- (4) Amerigo International Holdings Corp. holds the minimum number of shares of Minera Valle Central S.A. required by Chilean law.
- (5) The other equity owner (1%) is Amerigo Resources Ltd. I Chile Limitada.

## GENERAL DEVELOPMENT OF THE BUSINESS

### Three Year History and Significant Acquisitions

#### Year Ended December 31, 2008

The Company had a net loss of \$18,986,845 for the year ended December 31, 2008, or (\$0.20) per share, compared to net earnings of \$24,282,354 or \$0.26 per share in 2007. Revenue was \$97,627,482 compared to \$105,694,549 in 2007. The loss included an \$18,855,343 write-down of investments to fair value, \$3,049,900 in negative settlement adjustments to prior quarters' copper sales in Q3, and \$12,463,135 in negative settlement adjustments to prior quarters' copper and molybdenum sales in Q4. Power costs were \$37,945,807 (\$0.21/kwh) for the year, compared to \$27,501,016 (\$0.17/kwh) in 2007 and \$7,508,839 in 2006.

MVC produced 34.63 million pounds of copper and 769,142 pounds of molybdenum from its processing facility, higher than the 33.21 million pounds of copper and 639,020 pounds of molybdenum produced in 2007, due to higher flow and grades of fresh tailings, continued processing of old tailings and more efficient recoveries in the molybdenum plant.

2008 revenue included copper revenue of \$82,564,295 and molybdenum revenue of \$15,063,187, both of which are net of smelter, refinery and roasting charges. Copper revenue decreased from 2007 due to lower average copper prices. In 2008 the Company sold 34.69 million pounds of copper, compared to 33.15 million pounds in 2007. In 2008 the Company's copper selling price before smelter, refinery and other charges and settlement adjustments to prior quarters' production was \$2.77/lb, compared to \$3.18/lb in 2007.

In 2008 the Company sold 778,501 pounds of molybdenum at a selling price before roasting charges and settlement adjustments to prior quarters' production of \$29.05/lb, compared to 611,885 pounds of molybdenum sold in 2007 at a selling price before roasting charges and settlement adjustments to prior quarters' production of \$30.06/lb.

Smelter and refinery costs were \$11,187,779 and cash costs were \$ 69,741,190 or \$2.01/lb. in 2008. On a quarterly basis, cash costs per pound were \$2.51 in Q1; \$2.11 in Q2; \$1.60 in Q3; and \$1.99 in Q4. Total costs were \$95,099,785 or \$2.75/lb, compared to \$72,996,354 or \$2.20/lb. in 2007.

Power, MVC's most significant cost, increased to \$0.2103/kWh in 2008, compared to \$0.1732/kWh in 2007. Chile's tight energy situation was affected by severe droughts in the first half of 2008, substantially increasing MVC's power costs in Q1-2008 and Q2-2008. Signs of improvement were visible as of Q3-2008, as intensive rains during the winter allowed increased access to hydroelectric power supplies. The Chilean government also adopted a series of measures to avoid the possibility of power blackouts, including a temporary 10% voltage reduction in the grid, mass media campaigns aimed at conserving energy and economic incentives for domestic and industrial users reaching certain energy saving goals. According to Chile's Ministry of Energy, new power generation projects are also becoming operational.

During the year, the price of copper decreased to \$1.39/lb. (December 2008 average) from \$2.99 (December 2007 average). Molybdenum sales were priced at a gross price of \$32.41/lb for Q1, \$34.12/lb for Q2, \$33.76/lb for Q3 and \$17.76/lb for Q4. Molybdenum production was 148,670 lbs during Q1, 147,508 lbs during Q2, 261,234 lbs in Q3 and 211,730 lbs during Q4.

Capital plant increased by \$23,001,946 in 2008, including \$13,980,404 in capital expenditures on the self-generation power project. Expenditures for other major capital projects were made in connection with old tailings extraction, increase of rougher circuit recovery and pre-classification of fresh tailings. Total cash payments for capital expenditures in 2008 were \$23,133,008.

On February 27, 2008 the Company declared a dividend of \$6,018,524 or Cdn 6.5¢ per share that was paid on April 2, 2008 to shareholders of record as of March 25, 2008. On July 24, 2008 the Company declared a dividend of \$5,784,475 or Cdn 6.5¢ per share that was paid on September 5, 2008 to shareholders of record as of August 22, 2008.

The Company had in place a one-year normal course issuer bid that ended on November 13, 2008. During 2008 the Company purchased and cancelled 1,001,200 shares pursuant to the bid at a total cost of \$1,589,328.

The Company's board of directors adopted a Shareholder Rights Plan (the 'Rights Plan') for the Company, and the Rights Plan was entered into by the Company and Computershare Investor Services Inc. on December 24, 2008. The implementation of the Rights Plan was ratified by the Company's shareholders at the Company's annual general meeting held June 24, 2009.

In February 2008 the Company obtained a loan of Chilean Pesos \$2,500,000,000 (approximately \$5,500,000 at the time the loan was granted) from a Chilean bank. The loan initially had a renewal date of September 22, 2008, was extended to December 15, 2008 and further extended to August 10, 2009. In

February 2009 the loan was increased by Chilean Pesos \$650,000,000 (approximately \$1,100,000 at the time the funds were released to MVC). In connection with the increase to the loan facility, MVC agreed to provide machinery and equipment collateral of approximately \$10 million. The loan bears interest at a monthly rate of 1.09%. In December 2008 the Company obtained a \$5,000,000 loan from another Chilean bank. The loan bears interest at a monthly rate of 0.78% and has a renewal date of May 12, 2009.

#### Year Ended December 31, 2009

The Company posted net earnings of \$45,749 for the year ended December 31, 2009, or \$nil per share, compared to a net loss of \$18,986,845 or (\$0.20) per share in 2008. The Company's results included net earnings of \$7,149,882 and operating cash flow of \$11,342,732 in the last six months of the year. Financial performance improved in 2009 due to a combination of higher copper production, a recovery in copper market prices and lower production costs. Revenue was \$89,473,248 compared to \$97,627,482 in 2008. Power costs were \$23,336,113 (\$0.1135/kwh) for the year, compared to \$37,945,807 (\$0.21/kwh) in 2008, due to lower Chilean central grid power costs.

During 2009, MVC produced 38.96 million pounds of copper and 594,813 pounds of molybdenum, compared to 34.63 million pounds of copper and 769,142 pounds of molybdenum produced in 2008.

2009 revenue included copper revenue of \$84,528,778 and molybdenum revenue of \$4,944,470, both of which are net of smelter, refinery and roasting charges.

The Company sold 39.39 million pounds of copper compared to the 34.69 million pounds of copper sold in 2008. Since MVC does not ship concentrates overseas, smelter and refinery charges include the smelter's participation in MVC's cost savings for shipping. The Company's copper selling price before smelter, refinery and other charges and settlement adjustments to prior quarters' production was \$2.35/lb, compared to \$2.77/lb in 2008.

In 2009 the Company sold 594,380 pounds of molybdenum, compared to 778,501 pounds of molybdenum sold in 2008. Molybdenum revenue of \$4,944,470 for the year was dramatically lower than \$15,063,187 in 2008, due to decreased production and sales levels and a 61% decrease in the Company's molybdenum selling price to \$11.20/lb from \$29.05/lb in 2008.

Smelter and refinery costs were \$10,562,676 and cash costs were \$63,016,271 or \$1.62/lb. in 2009, a significant improvement from \$2.01/lb. in 2008. On a quarterly basis, cash costs per pound were \$1.94 in Q1; \$1.56 in Q2; \$1.49 in Q3; and \$1.58 in Q4. Total costs were \$86,197,651 or \$2.21/lb., compared to \$95,099,785 or \$2.75/lb in 2008, despite increased production levels.

The Company's production levels continued to improve during the course of the year. Copper production rose each quarter, and was 3,288 tonnes in Q1, 4,358 tonnes in Q2, 4,589 tonnes Q3 and 5,498 tonnes in Q4. Molybdenum production also increased each quarter and was 97,184 lbs during Q1, 99,683 lbs during Q2, 151,310 lbs in Q3 and 246,636 lbs during Q4. Copper and molybdenum unit production costs continue to show a declining trend from historically high levels in 2008.

Capital plant increased by \$10,784,059 in 2009 compared to \$23,001,945 in 2008. The most significant capital expenditures in 2009 were made in connection with equipment and installations for old tailings classification and recirculation, and to increase MVC's processing capacity of old tailings to 30,000TPD. The Company's 2009 capital expenditures budget originally had anticipated an expansion to the old tailings processing facilities to 25,000TPD, but management decided to undertake additional capital projects to further increase processing capacity in order to take advantage of stronger copper prices. In addition, a total of \$4,070,314 was spent on MVC's power plant project.



During the year the Company completed a non-brokered private placement of 37,500,000 units at a price of Cdn\$0.28 per unit for gross proceeds of \$8,480,068 (Cdn\$10,500,000). Each unit consisted of one common share and one share purchase warrant. Each warrant entitled the holder to purchase one additional common share of the Company at a price of Cdn\$0.33 per common share until February 15, 2010, and thereafter at a price of Cdn\$0.40 per share until February 14, 2011. The Company also issued a further 1,244,400 units as finders' fees in respect of a portion of the private placement. Total share issuance costs were \$318,476.

#### Year Ended December 31, 2010

The Company posted net earnings of \$15,389,444 for the year ended December 31, 2010, or \$0.09 per share, compared to net earnings of \$45,749 or \$nil per share in 2009. Operating cash flow was \$30,116,433 before changes in non-cash working capital accounts and \$34,909,053, including these changes for the year. Financial performance improved in 2010 due to a combination of higher copper production, and higher copper market prices. Revenue for the year (net of smelter, refinery and roasting charges) was \$152,120,143 compared to \$89,473,248 in 2009. Power costs were \$39,836,166 (\$0.1560/kwh) for the year, compared to \$23,336,113 (\$0.1135/kwh) in 2009, due to higher Chilean central grid power costs caused by drought conditions in Chile.

During 2010, MVC produced 46.6 million pounds of copper and 777,304 pounds of molybdenum, 20% and 31% higher, respectively, than the 38.96 million pounds of copper and 594,813 pounds of molybdenum produced in 2009.

2010 revenue included copper revenue of \$141,433,056, more than 67% higher than 2009 copper revenue of \$84,528,778. The Company sold 46.30 million pounds of copper compared to the 39.39 million pounds of copper sold in 2009. The Company's copper selling price before smelter, refinery and other charges and settlement adjustments to prior quarters' production was \$3.25/lb, compared to \$2.35/lb in 2009.

In 2010 the Company sold 747,978 pounds of molybdenum, compared to 594,380 pounds in 2009. Molybdenum revenue of \$10,687,087 was 116% higher than \$4,944,470 in 2009. The Company's molybdenum selling price increased to \$15.60/lb in 2010 from \$11.20/lb in 2009.

The Company's improved financial and production performance was the result a continuing increase in the processing levels of higher grade, old tailings during the year and higher metal prices.

Smelter and refinery costs were \$13,614,169 and cash costs were \$86,673,514 or \$1.86/lb. in 2010 compared to \$1.62/lb. in 2009. On a quarterly basis, cash costs per pound were \$1.92 in Q1; \$1.81 in Q2; \$1.71 in Q3; and \$2.01 in Q4. Total costs were \$128,709,135 or \$2.76/lb., compared to \$86,197,651 or \$2.21/lb in 2009. Cash costs were higher mainly as a result of a \$0.26/lb increase in power costs, offset by a \$0.10/lb increase in by-product credits in respect of molybdenum production. The variance in total costs is caused by the increase in cash costs together with higher royalty costs paid to El Teniente, the latter being the result of higher average copper and molybdenum prices during the year.

Power remains the Company's most significant cost but will be significantly lower starting in 2013. 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 and to contain power costs. 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 \$340,000 per month for the period January 1, 2011 to December 31, 2012, but reducing substantially to approximately \$187,900 per month for the period January 1, 2013 to December 31, 2017.

Copper production was 3,896 tonnes in Q1, 5,220 tonnes in Q2, 6,074 tonnes in Q3 and 5,947 tonnes in Q4. Molybdenum production also increased over the course of the year, and was 143,371 lbs during Q1, 155,755 lbs during Q2, 233,266 lbs in Q3 and 244,912 lbs during Q4.

Capital plant expenditures were \$10,728,233 in 2010 compared to \$10,784,059 in 2009. The most significant capital expenditures in 2010 were made in connection with engineering and installations to increase MVC's processing capacity of old tailings, final phase capital expenditure projects for the Company's power generators, replacement of certain electrical equipment and a pilot project to process oxidized material from old tailings. In Q3-2010 the Company reached an agreement with El Teniente for the treatment of old tailings with high oxide content and started construction of a pilot plant to better determine the viability of this project. MVC's investment in the project is expected to be approximately \$4M. The pilot plant is expected to be completed in Q2-2011.

MVC has three bank loans in Chile, denominated each in Unidades de Fomento ("UF"), the Chilean indexed monetary unit, U.S. dollars and Chilean pesos, totalling the equivalent of \$12,848,276 at December 31, 2010.

The UF loan, in the amount of \$3,893,845 at December 31, 2010 (2009: \$7,015,635), is repayable in eight equal quarterly instalments of UF20,950 each starting on January 20, 2010 to October 20, 2011.

The Company obtained the U.S. dollar loan in Q4-2010 to finance MVC's share of the oxides pilot project. At December 31, 2010, it had a balance of \$4,006,920. This loan is repayable in eight equal quarterly instalments of \$500,000 from March 15, 2011 to October 15, 2012.

The Chilean peso loan of \$4,947,511 at December 31, 2010 (2009: \$5,711,329) is repayable in monthly instalments of Chilean pesos 79,395,833 each from June 2010 to May 2013. Concurrently with this loan agreement, the Company entered into an interest rate swap with the lending bank to fix the interest rate at 9.96% over the term of the loan.

In connection with UF and U.S. dollar loans referred to above, MVC has to comply with certain debt covenants at December 31 and June 30 of each year. MVC was in compliance with these covenants (total debt over net equity, interest coverage ratio and financial debt over earnings before interest, depreciation, amortization and taxes) at December 31, 2010.

#### *Liquidity and Capital Resources*

The Company's cash and cash equivalents at December 31, 2010 were \$35,077,797, compared to \$7,191,093 at December 31, 2009. The Company had working capital of \$22,454,265 at December 31, 2010, compared to a working capital deficiency of \$6,353,737 at December 31, 2009.

The Company's investments in Candente Copper Corp. ("Candente Copper"), Candente Gold Corp. ("Candente Gold") and Los Andes Copper Ltd. ("Los Andes") had aggregate fair values of \$25,583,511 at December 31, 2010 (December 31, 2009: \$6,754,790). The \$18,828,721 before-tax fair value increase in these investments (2009: increase of \$3,723,479) does not affect net earnings but is included as other comprehensive income on a net of tax basis of \$15,159,897 (2009: \$3,693,041).

In 2010 the Company's activities resulted in operating cash flow of \$30,116,433 (2009: \$11,554,482), excluding the effect of changes in non-cash working capital accounts. Including the effect of changes in non-cash working capital accounts, operating cash flow in 2010 was \$34,909,053 (2009: \$5,637,930).

During the year the Company continued to pay down long-term debt, including \$6,636,477 in Enami loan repayments and net bank loan repayments of \$708,962. MVC's loan from Codelco-El Teniente, originally for the equivalent of \$5,376,216, was fully repaid by June 2010

Management believes the Company will be able to meet its obligations as they come due for at least the next 12 months.

#### *Projected Capital Expenditures*

Capital expenditures in 2011 are expected to be approximately \$18,000,000 including further expansion of old tailings extraction facilities, construction of a third thickener, revamping of electrical installations, filtration and emissions control projects and the finalization of an oxides pilot plant, amongst other minor projects.

#### *Subsequent Events*

Subsequent to December 31, 2010, MVC sold 5,000,000 common shares of Candente Copper for net proceeds of Cdn\$10,293,985. Subsequent to the most recently completed financial year, the Company declared a dividend of Cdn\$0.02 per Common Share payable on May 5, 2011 to shareholders of record as of April 22, 2011.

## **DESCRIPTION OF THE BUSINESS**

### **General**

Since July 3, 2003, the Company, through MVC, has been in the business of processing copper tailings for the production of copper concentrate in Chile. During the spring of 2005, the Company completed the construction of a molybdenum plant in Chile and has been producing molybdenum concentrate since that time.

As of December 31, 2010, the Company had one employee at its head office in Vancouver and MVC had 166 employees and 490 sub-contractors at its operation in Rancagua, Chile. The Company also retains 3 subcontractors in Vancouver. All aspects of the Company's business require specialized skill and knowledge, particularly with respect to the areas of tailings processing, engineering and accounting. The Company has found that it can locate and retain employees and contractors with such skills and knowledge.

#### Minera Valle Central, S.A.

MVC, with its production facilities located 8 kilometres east of Rancagua, Chile and 90 kilometres south of Santiago, Chile, has a tailings supply contract with Codelco, Chile's state-owned copper producer, to process copper tailings discharged from the concentrators used in connection with the El Teniente mine in Chile. The Company also has an agreement with Codelco to process a supplementary source of tailings from the old tailings impoundment located adjacent to MVC's facilities.

MVC's copper production facility commenced operations in 1992, and in 2010 treated a total of approximately 43 million tonnes of fresh tailings and 9.7 million tonnes of old tailings.

#### Underlying Contracts with Codelco

The El Teniente concentrator tailings are processed by MVC pursuant to a contract originally completed in 1991 which currently runs to 2021. Since it was originally negotiated, this contract has been extended

twice, in 1996 and 2002. Pursuant to the amendment to the contract made in 2002, MVC negotiated the right to treat up to 10,000 tpd of higher grade tailings from the old tailings impoundment located near MVC's plant. On November 12, 2004, the Company announced an agreement in principle to increase the rate of extraction of feed material from the old tailings impoundment from 10,000 tpd to 45,000 tpd.

The contract with Codelco sets out the following schedule containing a projection (as of January 2001) for the supply of fresh El Teniente tailings:

#### **FRESH TAILINGS PROJECTION TABLE**

<b>Year</b>	<b>Tons of Tailings (tpd)</b>	<b>Copper Grade (% Cu T)</b>	<b>Tons of Copper (fmt)</b>	<b>Year</b>	<b>Tons of Tailings (tpd)</b>	<b>Copper Grade (% Cu T)</b>	<b>Tons of Copper (fmt)</b>
2001	94,207	0.15	52,632	2014	121,685	0.11	48,759
2002	95,129	0.15	52,827	2015	121,724	0.11	50,140
2003	110,664	0.15	58,982	2016	121,878	0.11	47,219
2004	121,677	0.12	52,668	2017	122,020	0.11	47,858
2005	121,694	0.11	50,289	2018	122,049	0.11	46,900
2006	121,709	0.12	52,504	2019	122,122	0.10	45,922
2007	121,591	0.12	51,123	2020	122,122	0.10	44,862
2008	121,539	0.12	52,572	2021	122,338	0.10	45,679
2009	121,454	0.13	55,113	2022	122,338	0.10	44,449
2010	121,468	0.13	55,637	2023	122,179	0.11	47,794
2011	121,477	0.12	53,746	2024	122,157	0.11	50,913
2012	121,617	0.11	49,667	2025	111,574	0.11	43,068
2013	121,606	0.11	48,381				

Codelco has agreed to provide a total of 1,063,480 tonnes of fine copper from the supply of fresh tailings from El Teniente for the period from January 1, 2001 to December 31, 2021. If the total copper content during that period falls below that amount by more than 10%, the term of the contract will be extended by the proportion corresponding to the fine copper deficit exceeding such 10%. Otherwise, the contract terminates on December 31, 2021.

With respect to fresh tailings, a royalty is payable under a formula that takes into account 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.

Molybdenum production from fresh tailings attracts a royalty of a flat 10% of net revenue received from the sale of molybdenum concentrates.

During 2009 MVC came to a new agreement in principle with El Teniente dealing with MVC's rights to process old tailings from the Colihues tailings impoundment. The new agreement provides for a sliding scale copper royalty that is nil if the LME Price is less than \$1.52/lb, and rises to approximately 26% at an LME Price of \$4.27, 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 3 consecutive months. For molybdenum prices lower than \$35/lb, the royalty 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.

Royalty payments are priced at the average LME published price for the month of delivery of the tailings, and invoiced by El Teniente 3 months following the month of delivery. Royalties are payable within 10 days of receipt of invoice.

#### Concentrate Sales Agreement with Empresa Nacional de Minería (“Enami”)

All copper concentrate produced by the MVC operation is processed under smelting contracts with Enami.

For 2008, the Company paid a treatment charge of \$133 per tonne of concentrate and a refining charge of \$0.045 per pound of contained copper. There was no price participation clause. Due to irregularities in tailings flow in April and May, and some operational restrictions during December, total deliveries to Enami reached 55,368 tons of copper concentrate during 2008, falling short of the 65,000 tonne quota. The deficit was delivered during Q1 2009.

For 2009, the Company paid a treatment charge of \$133 per tonne of concentrate and a refining charge of \$0.045 per pound of contained copper. As in 2008, there was no price participation clause. Total deliveries to Enami reached 60,319 tons of copper concentrate during 2009, which completed the 50,606 tonne 2009 quota and a shortfall of approximately 9,600 tonnes of concentrate from the 2008 quota.

For 2010, MVC and Enami agreed to a treatment charge of \$86 per tonne of concentrate and a refining charge of \$0.031 per pound of contained copper in respect of the first 36,000 tonnes delivered, and \$117.60 per tonne of concentrate and a refining charge of \$0.062 per pound of contained copper in respect of the next 36,000 tonnes delivered. As in 2009, there was no price participation clause. Total deliveries to Enami reached 71,044 tonnes of copper concentrate during 2010, falling short of the 72,000 tonne 2010 quota.

The Company and Enami continue to negotiate the 2011 modifications to the contract to take into account the CRU terms negotiated for 2011. The Company anticipates that such modifications will take place in the near future.

#### Other Royalties

Pursuant to an agreement completed in March 2003 (the “Assignment Agreement”) and approved by the Company's shareholders in June 2003, Steven G. Dean and Klaus M. Zeitler assigned the option to acquire MVC (the “Option”) to the Company. The Assignment Agreement provided that, as consideration for the assignment of the Option to the Company, Messrs. Dean and Zeitler could choose to receive 7,500,000 common shares of the Company or a royalty (the “MVC Royalty”) on MVC's copper production. Messrs. Dean and Zeitler subsequently chose to receive the MVC Royalty. The parties agreed to set up AIHC and the Offshore Companies so that the Company's obligation to pay the MVC Royalty could be discharged through the payment of a monthly royalty dividend (“Royalty Dividend”) through AIHC, and Messrs. Dean and Zeitler obtained indirect interests in the Class A Common Shares in the capital of AIHC.

During 2005 it was brought to the attention of the Company's board of directors that, by virtue of a mutual mistake in documentation among the Company and Messrs. Dean and Zeitler, the description of the MVC Royalty was incomplete. Based on independent legal advice from external counsel, the Company agreed to take the steps necessary to rectify the description of the MVC Royalty to reflect the original intent and agreement of the parties. As a result, the parties agreed that the Royalty Dividend calculation should be changed to be on a copper equivalent basis to recognise the inclusion of other metals in addition to copper. The shareholders of AIHC agreed to amend AIHC's articles to make this

change and several other amendments in connection with the rectification. The Royalty Dividend is now calculated as follows:

- US\$0.01 for each pound of copper equivalent produced by MVC or any successor entity to MVC if the price of copper is under US\$0.80, or
- US\$0.015 for each pound of copper equivalent produced by MVC or any successor entity to MVC if the price of copper is US\$0.80 or more.

The Royalty Dividend has been paid by the Company on the Class A shares of AIHC in respect of MVC's production through to the end of 2010. The Class A Common Shares of AIHC are owned indirectly by Steven Dean, Klaus Zeitler and an associate of Dr. Zeitler. Messrs. Dean and Zeitler are directors and officers of AIHC. In the event of the liquidation, dissolution or winding-up of AIHC, or other distribution of the assets of AIHC among the members for the purpose of winding-up its affairs, each holder of Class A Common Shares will be entitled to receive, in preference to and priority over any distribution to the Class B Common Shareholders, a pro rata portion of the net present value of the Royalty Dividend. The rights attaching to the Class A Common Shares also entitle the holders of the Class A Common Shares, voting exclusively and as a class, to elect one-half of the total number of directors of MVC.

### **Risk Factors**

An investment in the securities of the Company should be considered speculative due to the nature of the business of the Company, and involves significant risks which should be carefully considered by prospective investors. In addition to the other information set forth elsewhere in this AIF, the following risk factors should be given special consideration when evaluating trends, risks and uncertainties relating to the Company's business. Any of the following risks could have a materially adverse effect upon the Company, its business and future prospects. In addition, other risks and uncertainties not presently known by management of the Company could impair the Company's business in the future.

#### MVC revenue is subject to supply of tailings from El Teniente and extraction of old tailings

The Company's operations at MVC are substantially dependent upon fresh tailings supplied under an agreement with the El Teniente division of Codelco. During 2006 Codelco reduced the flow of fresh tailings to MVC and prohibited MVC from processing old tailings for a period of approximately 4 months, while a bridge which forms part of Codelco's tailings launder was reinforced. This had an adverse affect on the Company's production and financial results for 2006. Codelco continued to prohibit the Company from processing old tailings until Q4 2007 and the flow of fresh tailings was stopped for an additional period during Q2 2007 in order for final repairs to be made to the bridge, both of which had an adverse affect on the Company's production and financial results for 2007. The tailings launder was also damaged as a result of the massive earthquake that struck Chile on February 27, 2010, at which time MVC's operations were suspended for approximately one week until power and tailings flow to MVC's plant were resumed. In future, the Company may encounter similar or more severe interruptions in the flow of fresh and old tailings for similar or different reasons or mining events such as cave-ins, fires, earthquakes or other natural disasters, or non-mining events such as falling commodity prices, changing environmental regulations, taxes or labour disputes.

The El Teniente mine has been in operation for more than 100 years and it is estimated that the mine has sufficient reserves for a number of decades at present production rates. However, there is no guarantee that El Teniente operations will continue uninterrupted in the future. The Company has business interruption insurance but, as is the industry standard, such insurance is subject to qualification periods which limit its effectiveness.

There is no guarantee that the Company will be able to successfully extract old tailings at the rate of 45,000 tpd, as agreed in principle with Codelco. In addition, there is a degree of uncertainty attributable to the calculation of the inferred mineral resource tonnage and grade of the old tailings being processed, which calculation is contained in the technical report prepared by Roger Moss, Ph.D., P.Geo., and Raúl Poblete de la Cerda dated March 11, 2006, and referenced under the heading “Minera Valle Central Operations” below. Although the inferred mineral resource figure has been carefully prepared by a mining expert, these amounts are estimates only. There are no guarantees with respect to the amounts of copper and molybdenum that the Company will extract from the fresh or old tailings.

### Fluctuating Metal Prices

Declines in copper and molybdenum prices that occurred as a result of the global financial crisis significantly and adversely affected the Company’s financial results and the price of the Company’s common shares. Copper and molybdenum prices may fluctuate significantly and are affected by numerous factors beyond the Company’s control such as interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, speculative activities, increased production due to new extraction developments and improved extracting and production methods, and the political and economic conditions of major copper-producing and consuming countries throughout the world. Future additional price declines could cause continued development of and commercial production from the Company’s projects and operations to be uneconomical. During 2009 the Company effectively hedged approximately 45-50% of its production for the months from June 2009 to May 2010, inclusive, by entering into minimum/maximum pricing arrangements with Enami. The Company may decide to enter into similar transactions in future but, despite such transactions and depending on the price of copper and molybdenum, cash flow from operations may not be sufficient and the Company may not be able to fund any future expansion plans or may be forced to discontinue production altogether.

### History of Profits and Dividends

The Company has had a history of profitability only since the acquisition of MVC in July 2003. The Company began paying dividends on its shares in September 2005 but stopped doing so in 2009 as a result of the global financial crisis. Although on March 28, 2011 the Company once again announced the declaration of a dividend on its shares, payment of dividends in future is dependent upon, among other things, the Company’s cash flow and short term and long term needs and objectives, and therefore cannot be guaranteed.

### Working Capital

In the past the Company had positive working capital generated through MVC, and has utilized this working capital to expand MVC’s operations. The Company has a positive working capital position as of the date of this AIF, however, the global financial crisis resulted in a negative working capital position for the Company during the latter part of 2008 and throughout all of 2009. There is no guarantee the Company’s working capital will remain positive in future, or that the working capital generated from MVC’s operations will be sufficient to undertake any expansion plans or be sufficient for future acquisitions. In that circumstance, the only additional sources of funds available to the Company would be from the sale of equity capital of the Company, the sale of an interest in its assets or its investments in other reporting issuers, if any, debt financing or the exercise of outstanding share purchase options or warrants. There can be no assurance that the Company will be able to raise funds by any of these methods.

### Operating and Development Risks

The Company's operations involve a degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The Company may become subject to liability for pollution, accidents, environmental hazards, the discharge of toxic chemicals and other hazards. Such occurrences, against which it cannot insure, or may elect not to insure, may delay production, increase production costs or result in liability to the Company. The payment of any liabilities caused by such occurrences may have a material, adverse effect on the Company's financial position.

### Foreign Operations

The Company's operations are currently conducted in Chile, and as such are exposed to economic and other risks and uncertainties which may include, but are not limited to, terrorism; hostage taking; military repression; expropriation; extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing leases, licenses, permits and contracts; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in Chile may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, new production royalties, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

### Environmental and Other Regulatory Requirements

The current or future operations of the Company, including development activities and expansion of production on its projects, may require permits from various federal and local governmental authorities. Such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters.

Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. The Company believes it is in substantial compliance with all material laws and regulations that currently apply to its activities. There can be no assurance, however, that all permits which the Company may require for the conduct of its operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any project which the Company might undertake. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in such operations may be required to compensate those suffering loss or damage by reason of the activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Regulatory requirements and environmental standards are subject to constant evaluation and may be significantly increased, which could have a significantly adverse effect on the business of the Company. Any operations involving the Company may be subject to environmental regulations promulgated by



government agencies from time to time. Environmental legislation often includes provisions relating to restrictions and prohibitions on spills, releases or emissions of various substances produced in association with operations, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that requires stricter standards and enforcement, and fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with environmental legislation and changes in such legislation has the potential to reduce the profitability of operations below an acceptable level. Stricter standards in environmental legislation may be imposed on the industry, the Company or El Teniente in the future, which could materially and adversely affect the business of the Company or its ability to develop its projects on an economic basis. In addition, should the Company be found to be in serious non-compliance with any environmental legislation, regulatory requirements or environmental standards, there may be a possibility of the cancellation of the Company's contractual and other arrangements with El Teniente and Codelco.

#### Competition for Acquisitions

Significant and increasing competition exists for mineral acquisition opportunities. As a result of this competition, some of which is with large established mining companies with substantial capabilities and far greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive resource projects on terms it considers acceptable.

#### Repatriation Of Earnings

There is no assurance that Chile or any of the countries in which the Company may operate in the future will not impose restrictions on the repatriation of earnings to foreign entities.

#### Currency Fluctuations

The operations of the Company in Chile or any of the countries in which the Company may operate are subject to currency fluctuations against both the Canadian and US dollar, and such fluctuations may materially affect the financial position and results of the Company.

#### Foreign Exchange Controls

The Company may be subject from time to time to foreign exchange controls in Chile and in other countries in which it may operate outside of Canada.

#### Uninsurable Risks

In the course of exploration, development and production of mineral projects, certain risks, and in particular, unexpected or unusual operating conditions including, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

### Price Volatility Of Public Stock

Publicly quoted securities are subject to a relatively high degree of price volatility. It may be anticipated that the quoted market for the common shares of the Company will be subject to market trends generally, notwithstanding any potential success of the Company's projects.

### Shares Reserved For Future Issuance

The Company has reserved shares for issuance in respect of stock options granted to date. The Company may also enter into commitments in the future which would require the issuance of additional common shares and the Company may grant share purchase warrants and additional stock options. Any issue of shares reserved for future issuance may result in dilution to the existing shareholdings of investors.

### Management

The business of the Company is highly dependent on the technical and financial ability of the management of the Company. Any change in management of the Company could therefore have a negative effect on the business of the Company. The Company does not have key person insurance in place.

### Conflicts of Interest

Some of the directors and officers of the Company are, or may be, on the board of directors of other natural resource companies from time to time resulting in conflicts of interests. In addition, Messrs. Dean and Zeitler are directors of the Company and are entitled to a royalty on all production by MVC production which to December 31, 2010 has been paid as a royalty dividend from AIHC. There is the potential for a conflict of interest between the interests of Messrs. Dean and Zeitler and the interest of the Company. These conflicts will be resolved in accordance with the governing legislation regarding conflicts of interests.

### **Asset-backed Securities**

The Company does not have, and has never had, any asset-backed securities.

### **Minera Valle Central Operations**

The following is the summary from a technical report (the "Technical Report") prepared by Roger Moss, Ph.D., P.Geo., and Raúl Poblete de la Cerda, General Manager of MVC, dated March 11, 2006. The full Technical Report may be found with the Company's filings at [www.sedar.com](http://www.sedar.com), and sections 4.0, 5.0, 9.0, 10.0, 11.0, 12.0, 13.0 and 14.0 of the Technical Report, and the subsections contained therein, are specifically incorporated by reference herein.

*"Minera Valle Central S.A. (MVC)... is a Chilean company that extracts copper and molybdenum from tailings discharged from CODELCO's El Teniente concentrators. The tailings are then returned to El Teniente's tailings disposal system. Roger Moss, Ph.D., P.Geo., was retained by Amerigo to provide a review of the past and future operation of MVC, to review the historical estimates regarding the Colihues tailings impoundment and to determine if such estimates could be classified as current mineral resources under National Instrument 43-101.*

*MVC currently has 15 years remaining on its tailings supply contract with El Teniente. It has also negotiated a supplementary source of higher grade tailings from the Colihues tailings impoundment. MVC has the right to treat up to 45,000 tonnes per day (tpd) of tailings from*

*Colihues, mixed with the fresh tailings from El Teniente. El Teniente currently supplies approximately 130,000 tpd of fresh tailings.*

*This report covers the technical and production aspects of the present and potential future operation. Legal, specific tax issues and economic analysis are not covered.*

*MVC's operation is located in Region VI in central Chile, approximately 9 km east of the city of Rancagua. The site is 36 km west of the El Teniente mine and adjacent to the Colihues tailings impoundment. The Colihues impoundment was used from 1977 to 1987. El Teniente now deposits its tailings in the Carén impoundment that is 50 km east of the MVC site.*

*MVC first started recovering copper by reprocessing El Teniente tailings in 1992. The plant was expanded to 100,000 tpd in 1997 and, in 2004-2005, expanded again to its present capacity of 200,000 tpd.*

*El Teniente has been in operation since 1904 and is the world's largest underground copper mine. Current production is approximately 130,000 tpd of ore at an average grade of 1.16%Cu. El Teniente has reported more than 3 billion tonnes in reserves and at the present production rate of 130,000 tpd of ore has more than 60 years life remaining. El Teniente's production plans include the production of 1,139 million tonnes of tailings over the next 25 years at an average grade of 0.112%CuT (Total Copper) and 0.03% Soluble Cu. Based on historical performance, the authors recommend that this tonnage forecast be discounted by 3.5%, which will not significantly affect MVC's production.*

*An inferred resource of 213,697,056 tonnes at a grade of 0.262% CuT and 0.01% Mo, current as of March 7, 2006, has been calculated for the tailings in the Colihues impoundment. This represents a significant additional supply of high grade tailings for MVC.*

*MVC plans to extract the tailings from the Colihues impoundment using hydraulic monitors (currently operated by Fraser Alexander), with the backup of a "submersible miner" and dredge pumps on a floating platform. At present the system extracts tailings at the rate of 13,000 tpd, and is projected to expand to a capacity of 45,000 tpd by the end of 2007.*

*The existing MVC process plant is well designed and maintained and is in good condition. In 2005, it produced 13,552 tonnes of copper in concentrate and 631,843 pounds of molybdenum in concentrate.*

*MVC estimates that with the present fresh tailings conditions, the projected extraction rate from the Colihues dam (45,000 tpd) and the expansion of the grinding and flotation plant facilities, production of fine copper in concentrates could be increased on an annualized basis to a total of 30,000 tonnes per annum by the end of 2007.*

*MVC reported total cash operating costs to cathode (including royalty payments to the El Teniente Division of Corporacion Nacional del Cobre de Chile (CODELCO)) of US\$0.906 per pound for 2005. Dr. Moss has reviewed these costs and considers them reasonable.*

*At present, the plant has all the necessary environmental permits for the grinding and flotation plant expansion, and for the molybdenum plant. The permits for the construction of the industrial water recovery systems (thickeners) are in the approval process.*

*It is recommended that additional sampling of the Colihues tailings, especially in the central and western portions, be undertaken to increase the confidence in the resource. This will improve the*

*knowledge of grade continuity and should allow an increase in the resource category to indicated or measured.*

*It is also recommended that alternative methods of tailings extraction from the Colihues dam be evaluated, bearing in mind the environmental impact of each of the methods. Continued optimization of the metallurgical processes such as the proposed construction of thickeners during 2006 will allow MVC to achieve the most efficient and economical means of copper and molybdenum recovery.”*

As of the date of this AIF, the Company is treating between 25,000 and 30,000 tpd of old tailings from the Colihues impoundment. The Company has therefore met the target of 30,000 tonnes per annum of copper production on an annualized basis by the end of 2007 referred to above, and the two industrial water recovery systems have been completed and are now in operation. MVC's contract for the supply of fresh tailings from El Teniente expires in 2021.

## **DIVIDENDS**

In August 2005, the Board of Directors of the Company approved a policy of paying semi-annual dividends. The Company's dividend policy is, under normal circumstances and after taking into account the Company's cash flow, short term and long term needs and objectives, to declare and pay dividends on the Common Shares averaging at least one-third of reported net earnings over a period of years. The declaration of each dividend, however, is in the discretion of the Board of Directors which reserves the right to adjust or terminate the declaration and payment of dividends from time to time according to the prevailing business environment and cash needs of the Company.

Pursuant to the Company's dividend policy, on September 1, 2005, the Company paid its first dividend of Cdn\$0.045 per common share. In 2006 the Company paid dividends of Cdn\$0.045 per common share on each of April 7, 2006 and on September 1, 2006. In 2007, the Company paid dividends of Cdn\$0.065 per common share on April 4, 2007 and on August 31, 2007. In 2008, the Company paid dividends of Cdn\$0.65 per common share on April 2, 2008 and on September 5, 2008.

The Company incurred a loss in 2008, mainly due to the precipitous drop in copper and molybdenum prices during the latter half of the year, and suspended the payment of dividends in 2009 and 2010 due to the short and long term cash needs of the Company.

On March 28, 2011, the Company declared a semi-annual dividend of Cdn\$0.02 per common share payable on May 5, 2011 to shareholders of record as of April 22, 2011.

## **DESCRIPTION OF CAPITAL STRUCTURE**

The authorized share capital of the Company consists of an unlimited number of common shares. As at December 31, 2010, there were 171,510,344 common shares of the Company issued and outstanding as fully paid and non-assessable shares. As of the date of this AIF, 171,540,344 common shares of the Company are issued and outstanding as fully paid and non-assessable shares.

The holders of the common shares are entitled to receive notice of and to attend and vote at all meetings of the Company's shareholders, and each common share confers the right to one vote in person or by proxy at all meetings of the Company's shareholders. The holders of the common shares, subject to the prior rights, if any, of the holders of any other class of shares of the Company, are entitled to receive such dividends in any financial year as the board of directors of the Company may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary,

the holders of the common shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company.

As of the date of this AIF the Company does not have any warrants issued and outstanding. The Company has a rolling maximum stock option plan (the “Plan”) pursuant to which the directors of the Company are authorized to grant options to directors, officers, employees and consultants of the Company and the Offshore Companies on up to 10% of the issued and outstanding common shares of the Company. All options granted to date have had a term of five years. There currently are options to purchase a total of 10,320,000 common shares outstanding under the Plan:

<b>Number of Options/Shares</b>	<b>Expiry Date</b>	<b>Exercise Price</b>
100,000	August 4, 2011	Cdn\$2.43
1,670,000	February 28, 2012	Cdn\$2.23
1,035,000	March 20, 2013	Cdn\$2.13
1,650,000	March 27, 2014	Cdn\$0.31
100,000	November 3, 2014	Cdn\$0.68
3,165,000	March 4, 2015	Cdn\$0.70
2,600,000	March 2, 2016	Cdn\$1.32
<b>10,320,000</b>		

The Company's common shares last traded on the TSX in 2010 at a price of \$1.33 per share. Of the options outstanding on that date, 4,945,000 (with expiry dates of March 27, 2014, November 3, 2014 and March 4, 2015) were in the money on December 31, 2010 and 4,915,000 of those options are in the money as of the date of this AIF.

## **MARKET FOR SECURITIES**

### **Trading Price and Volume**

The Company's shares are listed for trading through the facilities of the TSX under the symbol “ARG”. During the period from January 1, 2010 through to February 28, 2011, the Company's shares traded as follows:

<b>Month</b>	<b>Volume (Daily average)</b>	<b>High (Cdn\$)</b>	<b>Low (Cdn\$)</b>
February 2011	645,000	1.50	1.24
January 2011	460,900	1.37	1.19
December 2010	744,000	1.38	0.90
November 2010	496,100	0.94	0.80
October 2010	691,500	0.95	0.80
September 2010	219,400	0.92	0.76

Month	Volume (Daily average)	High (Cdn\$)	Low (Cdn\$)
August 2010	143,000	0.79	0.72
July 2010	145,400	0.78	0.63
June 2010	353,300	0.76	0.58
May 2010	686,500	0.91	0.68
April 2010	604,100	0.97	0.81
March 2010	672,600	0.98	0.66
February 2010	1,010,200	0.76	0.66
January 2010	531,000	0.85	0.70

### Escrowed Securities

Designation of Class	Number of Securities in Escrow	Percentage of Class
Common Shares	42,216	0.025 %

The escrowed securities are held in escrow by the Company's transfer agent, Computershare Trust Company of Canada, on behalf of former officers and directors of the Company. These securities can only be released with the consent of the TSX, which requires an application by the Company. The Company has no present intention of making such an application.

### DIRECTORS AND OFFICERS

#### Name, Occupation and Security Holding

The name, province and country of residence, positions held with the Company, and principal occupation of each director and executive officer of the Company within the five preceding years as at the date of this AIF, is as follows:

Name, Province and Country of Residence, and Position with the Company	Principal Occupation within the five preceding years	Period of Service as a Director or Officer	Number of Shares and % of Class <sup>(4)</sup>
<b>Klaus M. Zeitler</b> British Columbia, Canada President, CEO & Director	Businessman, President and CEO of the Company	April 2003 to Present, Class II Director <sup>(2)</sup>	3,233,751 common shares, or 1.89%

Name, Province and Country of Residence, and Position with the Company	Principal Occupation within the five preceding years	Period of Service as a Director or Officer	Number of Shares and % of Class <sup>(4)</sup>
<b>Sidney Robinson</b> Ontario, Canada Independent Director	Corporate Director; until January 1, 2004, Senior Partner of Torys LLP, Toronto.	May 2003 to Present, Class III Director <sup>(3)</sup>	653,000 common shares, or 0.38%
<b>Robert Gayton</b> British Columbia, Canada Chairman & Independent Director	Chartered Accountant; financial consultant to the mineral exploration and technology industries since 1990.	August 2004 to Present, Class I Director <sup>(1)</sup>	30,000 common shares, or .02%
<b>Ruston Goepel</b> British Columbia, Canada Independent Director	Senior Vice President of Raymond James Ltd.; formerly founding partner and CEO of Goepel Shields & Partners.	August, 2004 to Present, Class II Director <sup>(2)</sup>	125,000 common shares, or 0.07%
<b>Steven G. Dean</b> British Columbia, Canada Director & Former Chairman	Businessman, Chairman of the Company to December 8, 2010.	April 2003 to Present, Class III Director <sup>(3)</sup>	3,775,450 common shares, or 2.20%
<b>Michael Kuta</b> British Columbia, Canada General Counsel and Corporate Secretary	Corporate and mining lawyer.	August 2005 to Present	265,100 common shares, or 0.15%
<b>Aurora Davidson</b> British Columbia, Canada Chief Financial Officer	Certified General Accountant; Chief Financial Officer to mineral exploration and technology companies.	January 2004 to Present	0 common shares, or 0%

(1) The Class I director has been elected to a term expiring after the Company's annual general meeting to be held in 2013.

(2) Class II directors have been elected to a term expiring after the Company's annual general meeting to be held in 2011.

(3) Class III directors have been elected to a term expiring after the Company's annual general meeting to be held in 2012.

(4) As a group, all directors and executive officers beneficially own, directly or indirectly, or exercise control or direction over, a total of 8,082,301 common shares, representing 4.71% of the issued and outstanding common shares of the Corporation as of December 31, 2010 and 4.71% of the currently issued and outstanding common shares. In addition, as a group all directors and executive officers beneficially own, directly or indirectly, or exercise control or direction over, 1,900,000 Class A Common Shares of AIHC, representing 100% of the shares of that class and entitling them to elect one-half of the directors of AIHC.

**Steven G. Dean** is a Fellow of the Institute of Chartered Accountants of Australia, a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Canadian Institute of Mining, Metallurgy and Petroleum. He has extensive experience in mining, most recently as President of Teck Cominco Limited to July 2002. Mr. Dean is involved as a director in several public companies in Canada. He also was an Executive Director and Chief Financial Officer of the Normandy Mining Group from 1987 to 1994, and Chairman and Chief Executive Officer of PacMin Mining Corporation from 1995 to 1999, both of which traded on the Australian Stock Exchange.

**Dr. Klaus M. Zeitler** received his professional education at Karlsruhe University from 1959 to 1966 and obtained a PHD in economic planning. Dr. Zeitler is a member of the Canadian Institute of Mining and Metallurgy and the Prospectors and Developers Association. Dr. Zeitler financed, built and managed base metal and gold mines worldwide (Europe, Africa, North America, South America, Pacific) with a total investment value of \$4 billion. Dr. Zeitler was a managing director of Metallgesellschaft AG, a German metals conglomerate and in 1986 founded and was a director and CEO of Metall Mining, later Inmet Mining Corporation, a Toronto Stock Exchange listed company with assets of close to \$4 billion and base metal and gold mines in different parts of the world. After having been a director of Teck and Cominco for many years, Dr. Zeitler joined Teck in 1997 as Senior Vice President and had responsibilities for the exploration and development of mines in Peru, Mexico and the USA. Since his retirement in 2002 from

Teck Cominco and in addition to being President and a director of Amerigo, Dr. Zeitler has been actively involved as a director in various junior base and precious metal companies.

**Sidney Robinson** was a senior partner at Torys LLP where he practiced corporate and mining law for over 30 years until he retired at the beginning of January 2004. He provided strategic and legal advice with respect to acquisitions, developments and financings to senior management and boards of directors of a number of Canadian and international mining companies. He sits on the boards of directors of a number of public and private corporations and has many years experience as a director of mining companies in Canada and in the United States.

**Robert J. Gayton, F.C.A.**, graduated from the University of British Columbia in 1962 with a Bachelor of Commerce and in 1964 earned the chartered accountant (C.A.) designation while at Peat Marwick Mitchell. Dr. Gayton joined the Faculty of Business Administration at the University of British Columbia in 1965, beginning 10 years in the academic world, including time at the University of California, Berkeley, earning a Ph.D. in Business. Dr. Gayton rejoined Peat Marwick Mitchell in 1974 and became a partner in 1976 where he provided audit and consulting services to private and public company clients for 11 years. Dr. Gayton has directed the accounting and financial matters of public companies in the resource and non-resource fields since 1987. Dr. Gayton is a director of several public companies.

**Ruston Goepel** is Senior Vice President at Raymond James Ltd. He entered the investment business in 1968 specializing in institutional sales with Ryan Investments and Pemberton Securities Ltd. In 1989, he was a founding partner and CEO of Goepel Shields & Partners, a national securities dealer which was acquired by Raymond James Inc. in January 2001. Mr. Goepel is past Chairman of the Business Council of British Columbia and a Director and Chairman of the Nominating and Governance Committee of the Vancouver 2010 Olympic Organizing Committee. Mr. Goepel is a past member of the Executive Committee of the Investment Dealers Association of Canada and a Past Governor of the Vancouver Stock Exchange. He is also a director of a number of Canadian companies. Mr. Goepel was the recipient of the Queen's Jubilee Medal for Business Leadership and Community Service.

**Michael Kuta** is a member of the British Columbia and Canadian Bar Associations. Mr. Kuta has more than 25 years experience in corporate commercial, securities and taxation law, in both private and public practice. Mr. Kuta was an associate lawyer at Thorsteinssons LLP, Tax Lawyers, Vice-President, Law at The Loewen Group and InsulPro Industries, and Director, Content Development for the Thomson Corporation. Mr. Kuta has experience in domestic and international business acquisitions and combinations and finance. He has an HBA (Honours in Business Administration) degree from the University of Western Ontario, and an LLB from the University of British Columbia. Mr. Kuta is also General Counsel and Corporate Secretary for Los Andes Copper Ltd. and EurOmax Resources Limited, and is a director of Nikos Explorations Ltd., all TSXV listed companies.

**Aurora Davidson** holds a Certified General Accountant designation from the Certified General Accountants Association of British Columbia and a BSc in Business Administration from Alliant International University in San Diego, California. Ms. Davidson has over 15 years of experience in financial and general business management having assisted private and public companies in the roles of Chief Financial Officer, Vice-president, Finance and Corporate Controller within the mineral exploration and technology sectors. She is also the Chief Financial Officer of Candente Resource Corp. and Candente Gold Corp., companies listed on the Toronto Stock Exchange, and of Los Andes Copper Ltd, EurOmax Resources Limited and of Nikos Explorations Ltd., all of which are TSXV listed companies.



### Directors' Term

In accordance with the Articles of the Company, each Director is elected for a three-year term, or until his successor is elected or appointed or the position vacated in accordance with the Articles of the Company or with the provisions of the *Business Corporations Act* (British Columbia).

Directors are divided into Class I, Class II, and Class III with terms expiring at the Annual General Meeting in 2013, 2011 and 2012 respectively.

### **Committees of the Board of Directors**

The committees of the board of directors of the Company and the directors serving on each of the committees are described below:

#### Audit Committee

The members of the Company's audit committee are Robert Gayton (Chairman), Sidney Robinson and Ruston Goepel, all of whom are independent directors. The audit committee oversees the Company's financial reporting obligations, financial system and disclosures, reviews the annual financial statements, monitors and assesses the integrity of the Company's internal control systems, meets with the Company's auditors and liaises between the board of directors and the auditors.

#### Nomination Committee

The members of the Company's nomination committee are Ruston Goepel (Chairman), Sidney Robinson and Robert Gayton. This committee is responsible for reviewing the performance of the Company's senior management, the Board as a whole, and individual directors, and also oversees the orientation program for new recruits to the Board. When required the committee recommends nominees for election to the Board of Directors to fill Board vacancies and newly created director positions.

#### Compensation Committee

The members of the Company's compensation committee are Sidney Robinson (Chairman), Ruston Goepel and Robert Gayton. This committee is responsible for determining the compensation to be paid to the Company's executive officers and for reviewing the corporate goals and objectives of the executive officers.

#### Corporate Governance

The Board of Directors has approved a Corporate Governance Charter which provides that all members of the board are responsible for corporate governance matters. Accordingly, the Board as a whole is responsible for developing and implementing the Company's approach to corporate governance. The Board's corporate governance mandate includes responsibility to develop, implement and monitor the Company's environmental and safety practices.

#### Disclosure Policy Committee

The Company also has in place a Corporate Disclosure Policy, the objective of which is to ensure that communications to the investing public about the Company and its direct and indirect holdings are timely, factual and accurate, and are broadly disseminated in accordance with all applicable legal and regulatory requirements. In accordance with the terms of the Corporate Disclosure Policy, the board approved the formation of a disclosure policy committee that is responsible for overseeing the Corporation's disclosure practices. The disclosure policy committee consists of Klaus Zeitler, Aurora Davidson and Michael Kuta.

### **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

Robert Gayton was director or officer of Newcastle Silver Mines Ltd. as of the dates of cease trade orders issued by the British Columbia Securities Commission on September 30, 2003 and by the Alberta Securities Commission on October 10 (interim) and 31 (final), 2003 for failure to file financial statements. The orders were revoked on October 31, 2003 in British Columbia and March 25, 2004 in Alberta.

Other than as disclosed above, no director or executive officer of the Company is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company, that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an “**Order**”) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or
- (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (c) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (d) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been the subject of any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or, has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

### **Conflicts of Interest**

Certain of the Company’s directors and officers serve or may agree to serve as directors or officers of other reporting companies or have significant shareholdings in other reporting companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting

the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting and will not participate in negotiating and concluding terms of any proposed transaction. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties, thereby allowing for their participation in a greater number of and larger programs, and reducing financial exposure in respect of any one program. A particular company may also assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. Under the laws of the Province of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time. See also "Description of the Business – Risk Factors – Conflicts of Interest", above.

## **AUDIT COMMITTEE INFORMATION**

### **Audit Committee Mandate**

The Company's audit committee has a charter (the "Audit Committee Charter") in the form attached to this AIF as Schedule "A".

### **Composition of the Audit Committee**

The following are the members of the Company's Audit Committee:

Robert Gayton (Chairman)	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Sidney Robinson	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Ruston Goepel	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>

(1) As defined by National Instrument 52-110 ("NI 52-110").

### **Relevant Education and Experience**

A description of the education and experience of each audit committee member that is relevant to the performance of his or her responsibilities as an audit committee member may be found above under the heading "Directors and Officers: Name, Occupation and Security Holding".

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on any of the exemptions in sections 2.4, 3.2, 3.3, 3.4, 3.5 or 3.6 of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 or on section 3.8 of NI 52-110.

### **Audit Committee Oversight**

At no time was a recommendation of the Company's audit committee to nominate or compensate an external auditor not adopted by the board of directors.

### **Pre Approval Policies and Procedures**

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described under the heading “Independent Auditors” of the Audit Committee Charter set out in Schedule “A” to this AIF.

#### **External Auditor Services Fees (By Category)**

The aggregate fees billed by the Company’s external auditors in the last two fiscal years (all amounts are in Canadian dollars) are as follows:

<b>Fee Summary</b>	<b>2010</b>	<b>2009</b>
Audit Fees	116,800	114,900
Audit-Related Fees	Nil	Nil
Tax Fees	Nil	Nil
All Other Fees	Nil	13,500
<b>Total Services</b>	<b><u>116,800</u></b>	<b><u>128,400</u></b>

#### **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

The Company is not a party to any material legal proceedings and is not aware of any such proceedings pending or contemplated. There have been no penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the last financial year or by a court or regulatory authority that would likely be considered important to a reasonable investor in making an investment decision. The Company did not enter into any settlement agreement with a court relating to securities legislation or with a securities regulatory authority during the last financial year.

#### **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Except as otherwise disclosed herein, within the Company's three most recently completed financial years no director, executive officer or principal shareholder of the Company, or any associate or affiliate of the foregoing, has had any material interest, direct or indirect, in any transaction that has materially affected or will materially affect the Company.

#### **TRANSFER AGENTS AND REGISTRARS**

The Company’s transfer agent and registrar is Computershare Trust Company of Canada, 510 Burrard Street, 2<sup>nd</sup> Floor, Vancouver, British Columbia, V6C 3B9, and Computershare Trust Company of Canada, 4 King Street West, Suite 1101, Toronto, Ontario, M5H 1B6, is the Company's co-transfer agent and registrar.

#### **MATERIAL CONTRACTS**

There are no material contracts entered into by the Company since the beginning of the Company’s most recently completed financial year other than in the ordinary course of the Company’s business.

## **INTERESTS OF EXPERTS**

### **Names of Experts**

PricewaterhouseCoopers LLP (“PWC”) of Suite 700, 250 Howe Street, Vancouver, British Columbia, V6C 3S7, are the auditors for the Company. PWC audited the annual financial statements of the Company for the year ended December 31, 2010. PWC reports that it is independent from the Company in accordance with the rules of professional conduct in British Columbia.

Dr. Roger Moss, Ph.D., P.Geo., and Raúl Poblete de la Cerda, General Manager and director of MVC, prepared the Technical Report (please refer to Minera Valle Central Operations, above). Mr. Poblete is remunerated by the Company for his services as General Manager and director of MVC.

### **Interests of Experts**

Dr. Moss held less than one percent of the Company's outstanding common shares and no options to purchase common shares in the capital of the Company when he was involved in preparing the Technical Report. Mr. Poblete held 223,788 shares in the Company and options to purchase a total of 113,000 common shares in the Company at a price of \$2.71 per share as of the date of the Technical Report and subsequently received additional options to purchase 120,000 common shares at a price of \$2.23 per share in February of 2007. Other than as set out in this AIF, and as disclosed in all other documents filed by the Company on SEDAR, neither Roger Moss or Raúl Poblete de la Cerda, when or after they prepared the Technical Report, has received or is about to receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of one of the Company's associates or affiliates (based on information provided to the Company by them) or is or is expected to be elected, appointed or employed for the first time as a director, officer or employee of the Company or of any associate or affiliate of the Company.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com).

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, where applicable, is contained in the Company's Information Circular for its most recent annual general meeting of securityholders that involved the election of directors.

Additional financial information is provided in the Company's consolidated financial statements and management's discussion and analysis for the 12 months ended December 31, 2010.

## SCHEDULE "A"

### **AUDIT COMMITTEE CHARTER**

Amended March 24, 2009

#### A. AUDIT COMMITTEE PURPOSE

The Board of Directors of the Amerigo Resources Ltd. (the "Company") has an overall responsibility to oversee the affairs of the Company for the benefit of the shareholders. The Audit Committee is appointed by the Board to assist the Board in fulfilling its oversight responsibilities. The Audit Committee's primary duties and responsibilities are to:

- Ensure the effectiveness of the overall process of identifying and addressing principal business risk and the adequacy of the related disclosure;
- Monitor the integrity of the Company's financial reporting process and systems of internal controls regarding finance, accounting and legal compliance;
- Monitor the independence and performance of the Company's independent auditors;
- Provide an avenue of communications among the independent auditors, management and the Board of Directors; and
- Encourage adherence to, and continuous improvement of, the Company's policies, procedures and practices at all levels.

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the independent auditors as well as anyone in the organization. The Audit Committee has the ability to retain, at the Company's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

#### B. AUDIT COMMITTEE COMPOSITION AND MEETINGS

Audit Committee members shall meet the requirements of the TSX. The Audit Committee shall be comprised of three or more directors as determined by the Board, each of whom shall be independent non-executive directors, free from any relationship that would interfere with the exercise of his or her independent judgement. All members of the Committee shall have a basic understanding of finance and accounting and be able to read and understand fundamental financial statements, and at least one member of the Committee shall have accounting or related financial expertise.

Audit Committee members shall be appointed by the Board. If the Audit Committee Chair is not designated or present, the members of the Committee may designate a Chair by majority vote of the Committee membership.

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Audit Committee Chair shall prepare and/or approve an agenda in advance of each meeting. The Committee should meet privately in executive session at least annually with management, the independent auditors and as a committee to discuss any matters that the Committee or each of these groups believe should be discussed.

## C. AUDIT COMMITTEE RESPONSIBILITIES AND DUTIES – DETAIL

### Review Procedures

1. Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.
2. Review the Company's annual audited financial statements and management discussion and analysis prior to filing or distribution. Review should include discussion with management and independent auditors of significant issues regarding accounting principles, practices and judgements.
3. In consultation with management and the independent auditors, consider the integrity of the Company's financial reporting processes and controls. Discuss significant financial risk exposures and the steps management has taken to monitor, control and report such exposures. Review significant findings prepared by the independent auditors together with management's responses.
4. Review with financial management the Company's quarterly financial results and management discussion and analysis prior to the release of earnings. Discuss any significant changes to the Company's accounting principles and any items required to be communicated by the independent auditors.

### Independent Auditors

5. The independent auditors are accountable directly to the Audit Committee. The Audit Committee shall review the independence and performance of the auditors and annually recommend to the Board of Directors the appointment of the independent auditors or approve any discharge of auditors when circumstances warrant.
6. Approve the fees and other significant compensation to be paid to the independent auditors, and pre-approve any non-audit services that the auditor may provide.
7. On an annual basis, the Committee should review and discuss with the independent auditors all significant relationships they have with the Company that could impair the auditor's independence.
8. Review the independent auditors audit plan and engagement letter.
9. Prior to releasing the year-end earnings, discuss the results of the audit with the independent auditors.
10. Consider the independent auditors' judgements about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.

### Other Audit Committee Responsibilities

11. On at least an annual basis, review with the Company's counsel, any legal matters that could have a significant impact on the organization's financial statements, the Company's compliance with applicable laws and regulations, and inquiries received from regulators or governmental agencies.

12. The Chairman of the Committee will review all disclosure documents to be issued by the Company relating to financial matters, including news releases, annual information forms and information circulars.
13. Establish a procedure for the: (i) confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters, and (ii) receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters.