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Amerigo Resources Ltd.
Management Discussion and Analysis
For the Quarter and Nine Months Ended September 30, 2011

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This Management Discussion & Analysis ("MD&A") is comprised of the following:

ALL AMOUNTS ARE REPORTED IN U.S. DOLLARS, EXCEPT WHERE INDICATED OTHERWISE

COMPANY PROFILE

Amerigo Resources Ltd. ("Amerigo") owns a 100% interest in Minera Valle Central S.A. ("MVC"), a Chilean copper and molybdenum producer that has a long-term contractual relationship with the National Copper Corporation of Chile ("Codelco") to treat fresh and old tailings from Codelco's El Teniente mine, the largest underground copper mine in the world. Chile is the world's largest copper mining country, and Codelco is the world's largest copper producer. It is estimated that Codelco owns approximately 20% of all known copper reserves on earth. Codelco produced 1.689 million tonnes of copper and generated a pre-tax profit of $5.799 billion in 2010. El Teniente commenced operations in 1904 and has a remaining mine life that is estimated will run for decades. Since MVC was built in 1992, Codelco has almost doubled production from El Teniente, and Codelco's mine plans contemplate continued expansion of operations at El Teniente for the foreseeable future. MVC is in the process of commissioning a pilot plant for the production of copper concentrates from highly oxidized tailings.

The fresh tailings come from El Teniente's current production, and the old tailings mainly from a tailings pond located near MVC's plant that originally contained more than 200 million tonnes of material. The copper grade of the old tailings is approximately 2-3 times that of the fresh tailings. Under normal conditions, quarterly production has increased as MVC continues to increase the processing volume of these old tailings. During the months of June and July 2011, production was adversely affected due to a strike by subcontractors of El Teniente. Normal operating conditions were resumed in July 2011 and the Company expects that it will continue to increase processing levels of old tailings to the maximum contractual rate. In addition, there are 2 other tailings ponds in the area, which MVC hopes to obtain the rights to in the future. These 3 tailings ponds combined contain a copper resource similar to that of Highland Valley Copper, the largest copper mine in Canada, when it first started operations.

Amerigo's shares are listed for trading on the Toronto Stock Exchange ("TSX"), the OTCQX Stock Exchange in the United States and the Lima Stock Exchange, in Peru ("BVL").

INTRODUCTION

The following MD&A of the results of operations and financial position of Amerigo together with its subsidiaries (collectively, the "Company"), is prepared as of November 2, 2011, and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and related notes for the quarter and nine months ended September 30, 2011 and the audited consolidated financial statements and related notes for the year ended December 31, 2010.

This MD&A's objective is to help the reader understand the factors affecting the Company's current and future financial performance.

The Company's financial statements are reported under International Financial Reporting Standards ("IFRS") as of January 1, 2011. The effects of the Company's conversion from Canadian Generally Accepted Accounting Principles ("Canadian GAAP") to IFRS have been identified in Note 19 of the Company's March 31, 2011 unaudited condensed consolidated interim financial statements, Note 18 of the Company's June 30, 2011 unaudited condensed consolidated interim financial statements, Note 19 of the Company's September 30, 2011 unaudited condensed consolidated interim financial statements and in this MD&A.

Reference is made in this MD&A to various measures such as cash flow per share from operating activities, cash-adjusted operating profit (operating profit before the effect of non-cash items such as depreciation, amortization and share-based compensation expense), and cash cost and total cost (both of which do not have a standardized meaning but are widely used in the mining industry as performance indicators).

The Company's reporting currency is the US Dollar.

Some of the statements in this MD&A are forward-looking statements that are subject to risk factors set out in the cautionary note contained herein.

HIGHLIGHTS and SIGNIFICANT EVENTS

Financial results in Q3-2011 were affected by a number of factors including the loss of approximately 700 tonnes of copper production in July due to the interruption of the flow of fresh tailings to MVC caused by a strike by workers of subcontractors of El Teniente, a provision for bad debt expense of $1,534,141 in Minera Valle Central Generacion, S.A. ("MVC-Generacion") and a foreign exchange loss of $1,181,474 mostly of an unrealized nature due to the sharp decline in the value of the Chilean Peso and the Canadian dollar against the U.S. dollar as of September 30, 2011. The Company:

- Posted quarterly revenue of $41,958,747, compared to $39,303,405 in Q3-2010.
- Generated quarterly operating cash flow before changes to non-working capital accounts of $4,563,713, compared to $9,880,677in Q3-2010.
- Held consolidated cash of $34,260,808 and working capital of $30,391,400 as of September 30, 2011.
- Generated quarterly gross profit of $3,143,435, compared to $5,586,591 in Q3-2010, and operating profit of $695,353 compared to $7,561,608 in Q3-2010.
- Posted a quarterly loss after tax of $1,194,499, compared to a profit of $5,900,832 in Q3-2010.
- Made quarterly principal repayments of $2,023,795 on loans outstanding. Bank debt was $6,469,421 as of September 30, 2011.

Financial results

- Quarterly gross profit was $3,143,435 and loss after tax was $1,194,499, compared to gross profit of $5,586,591 and a profit after tax of $5,900,832 in Q3-2010.
- Revenue was $41,958,747 compared to $39,303,405 in Q3-2010, due to stronger copper and molybdenum prices, offset by lower production. Cost of sales was $38,815,312, compared to $33,716,814 in Q3-2010, an increase driven by higher power and royalty costs. Royalty costs are based on production levels and monthly average copper prices.

Production

- The Company produced 11.01 million pounds of copper, 22% lower than the 13.39 million pounds produced in Q3-2010, due to the interruption of the flow of fresh tailings to MVC into July 2011, caused by the labour strike by workers of the subcontractors of El Teniente.
- Molybdenum production was 186,297 pounds, 20% lower than the 233,266 pounds produced in Q3-2010, mainly as a result of lower grade in processed material and the labour strike affecting El Teniente.

Revenue

- Revenue increased to $41,958,747 compared to $39,303,405 in Q3-2010 due to higher average copper and molybdenum prices and despite lower production as a result of the labour strike affecting El Teniente and lower grades. The Company's copper selling price before smelter, refinery and other charges was $3.93/lb compared to $2.92/lb in Q3-2010, and the Company's molybdenum selling price was $15.87/lb compared to $14.68/lb in Q3-2010. Copper sales volume decreased 19% and molybdenum sales volume decreased 36% compared to Q3-2010.

Costs

- Cash cost (the aggregate of smelter, refinery and other charges, production costs net of molybdenum-related net benefits, administration and transportation costs) before El Teniente royalty increased to $2.39/lb from $1.71/lb in Q3-2010.

- Total cost (the aggregate of cash cost, El Teniente royalty and depreciation) was $3.69/lb compared to $2.59/lb in Q3-2010. The increase in total cost resulted from higher cash costs and higher El Teniente royalty charges resulting from stronger copper and molybdenum prices.

- Power costs were $10,594,425 ($0.1790/kwh) compared to $10,670,960 ($0.1590/kwh) in Q3-2010. Power costs where higher than anticipated due to repairs to one of the Company's generators, which resulted in net additional costs from operating the generators in the quarter as opposed to receiving a credit to power costs. Power costs were $0.96/lb copper in Q3-2011, compared to $0.80/lb in Q3-2010.

- The exchange rate of the Chilean peso was on average 6% higher in Q3-2011 compared to Q3-2010, resulting in higher costs expressed in U.S. dollars.

- El Teniente royalties were $2,083,836 higher in Q3-2011 compared to Q3-2010 due to stronger metal prices, the mix of the production in the quarter and the effect of foreign exchange rates.

Cash and Financing Activities

- Cash balance was $34,260,808 at September 30, 2011 compared to $35,044,797 at December 31, 2010.

Investments

- Payments for capital expenditures were $4,503,714, compared to $1,871,850 in Q3-2010. The main capital expenditures in the quarter included MVC's share of startup costs of a pilot plant for the production of copper concentrates from highly oxidized tailings, work for the construction of a third thickener, old tailings extraction expansion works, improvements to electrical installations and projects related to filtration and emission controls.

- 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 $8,414,706 at September 30, 2011 (December 31, 2010: $25,583,511), after the sale of 5,000,000 Candente Copper shares in Q1-2011 for proceeds of $10,405,571.

Outlook

- Production in fiscal 2011 will fall short of the originally projected 50 million pounds of copper and approximately one million pounds of molybdenum as a result of the interruption of the flow of fresh tailings to MVC for an extended period during June and July of this year and lower than expected molybdenum recoveries in the second half of the year. Power grid costs in Q4-2011 are expected to be comparable to Q3-2011 levels.

Dividend Declared

- On November 2, 2011, the Company declared a semi-annual dividend of Cdn$0.02 per share, payable on November 30, 2011 to shareholders of record as of November 15, 2011.

OPERATING RESULTS

The Company produced 4,992 tonnes of copper in Q3-2011, 18% less than in Q3-2010. During June and most of July, MVC could not process fresh tailings due to the unavailability of the downstream tailings launder from the MVC plant to the Caren tailings impoundment. During this period, management made changes to the flow sheet which allowed MVC to continue to treat old tailings and which will have a beneficial effect on future production.

Molybdenum production was 186,297 lbs, 20% less than Q3-2010, mainly due to lower grades in processed material and the labour strike affecting El Teniente.

Copper prices decreased throughout Q3-2011. Average LME copper prices were $4.36/lb in July $4.10/lb in August and $3.77/lb in September, compared to $4.10/lb in June. This represents an average LME price for the quarter of $4.08/lb, compared to $4.15/lb in Q2-2011. The Company's Q3-2011 copper sales were priced at an average price of $3.93/lb. The Platt's published molybdenum dealer oxide prices were $14.51/lb in July, $14.48/lb in August and $14.34/lb in September, compared to $15.88/lb in June 2011.

Gross profit was $3,143,435, compared to $5,586,591 in Q3-2010, and gross profit excluding amortization (a non-cash item) was $6,645,196, compared to $8,707,100 in Q3-2010.

Production

	Q3-2011	Q3-2010
Copper produced, tonnes	4,992	6,074
Copper produced, million lbs	11.01	13.39
Molybdenum produced, lbs	186,297	233,266

Revenue

	Q3-2011	Q3-2010
Average LME copper price	$ 4.08/lb	$ 3.29/lb
Average Platt's molybdenum dealer oxide price [1]	$ 14.45/lb	$ 14.86/lb
Copper sold, tonnes	4,897	6,071
Copper sold, million lbs	10.80	13.38
Molybdenum sold, lbs	148,940	231,837
Revenue, copper delivered during period [2]	$38,960,489	$35,470,094
Settlement adjustments to prior periods' sales	1,264,499	1,169,027
Total copper net sales during period	40,224,988	36,639,121
Revenue, molybdenum delivered during period [3]	1,938,042	2,790,215
Settlement adjustments during period	(204,283)	(125,931)
Total molybdenum net sales during period	1,733,759	2,664,284
Total revenue during period	$ 41,958,747	$ 39,303,405
Company's recorded copper price [4]	$ 3.93/lb	$ 2.92/lb
Company's recorded molybdenum price [5]	$ 15.87/lb	$ 14.68/lb

[1] Basis price for the Company's molybdenum sales.
[2] After smelter, refinery and other charges, excluding settlement adjustments to prior periods' sales.
[3] After roasting charges, excluding settlement adjustments to prior periods' sales.
[4] Copper recorded price for the quarter before smelter and refinery charges and settlement adjustments to prior periods' sales.
[5] Molybdenum recorded price for the quarter before roasting charges and settlement adjustments to prior periods' sales.

Revenue in Q3-2011 was $41,958,747 compared to $39,303,405 in Q3-2010, including copper revenue of $40,224,988 (Q3-2010: $36,639,121) and molybdenum revenue of $1,733,759 (Q3-2010: $2,664,284). Copper and molybdenum revenues are net of smelter, refinery and roasting charges.

Copper revenue increased 8% from Q3-2010 due to stronger average copper prices in the quarter, despite a decrease of 19% in deliveries, due to lower production resulting from interrupted flow of fresh tailings to MVC for part of July.

In Q3-2011 the Company recorded positive copper pricing adjustments to prior quarter's sales of $1,264,499 compared to positive adjustments of $1,169,027 in Q3-2010.

Copper produced by the Company is sold under a sales agreement with Chile's Empresa Nacional de Minería ("Enami") that establishes a delivery schedule of monthly sales quotas. For the 2011 quotas, the pricing term set for the Company's copper sale price is the average market price for the following month ("M+1"). Accordingly, provided monthly quotas are met, all copper delivered by the Company to Enami in one month is sold at market prices prevailing in the following month.

Q3-2011 molybdenum revenue was $1,733,759, compared to $2,664,284 in Q3-2010. The Company recorded a 35% decrease in molybdenum deliveries due to lower grades in processed material and the labour strike affecting El Teniente.

Molybdenum produced by the Company is sold predominantly under a sales agreement with Chile's Molibdenos y Metales S.A. ("Molymet"), which in 2011 provides that the sale price is the average market price for the month of delivery ("M"). In Q3-2011, the Company also started selling molybdenum concentrates to a second client; these deliveries were also priced on an "M" basis.

Cash Cost and Total Cost

Cash cost and total cost are measures prepared on a basis consistent with the industry standard Brook Hunt definitions. Cash cost is the aggregate of copper and molybdenum production costs, smelter and refinery charges, administration and transportation costs, minus molybdenum by-product credits. Total cost is the aggregate of cash cost, El Teniente royalty, depreciation, amortization and asset retirement accretion cost.

A reconciliation of cost of sales to cash cost and total cost in fiscal Q3-2011 and Q3-2010 is presented below:

	Q3-2011	Q3-2010
Cost of sales	38,815,312	33,716,814
Add:		
Smelter and refinery charges	3,512,297	3,643,405
Deduct:		
Molybdenum by-product credits	(1,733,759)	(2,664,284)
Total cost	40,593,850	34,695,935
Deduct:		
El Teniente royalties	(10,817,627)	(8,733,791)
Depreciation and amortization	(3,501,761)	(3,120,509)
Cash cost	26,274,462	22,841,635
Lbs. of copper produced	11.01M	13.39M
Cash cost/lb	**2.39**	**1.71**
Total cost/lb	**3.69**	**2.59**

The Company's trailing quarterly cash costs ($/lb of copper produced) were:

	Q3-2011	Q2-2011	Q1-2011	Q4-2010	Q3-2010
Power costs	0.96	1.15	1.04	0.88	0.80
Steel costs	0.23	0.22	0.27	0.27	0.16
Other costs	0.91	0.71	0.87	0.64	0.60
By-product credits	(0.16)	(0.27)	(0.27)	(0.21)	(0.20)
Smelter & refinery	0.32	0.31	0.31	0.31	0.27
Administration	0.09	0.10	0.08	0.09	0.05
Transportation	0.04	0.04	0.03	0.03	0.03
Cash Cost	**$2.39**	**$2.26**	**$2.33**	**$2.01**	**$1.71**

Cash cost is driven mainly by power and steel production costs, smelter/refinery costs and molybdenum by-product credits.

Cash cost was $2.39/lb in Q3-2011 compared to $1.71/lb in Q3-2010, an increase of $0.70/lb, the result of a $0.31/lb increase in other costs, a $0.16/lb increase in power costs, a $0.07/lb increase in steel costs, a $0.05/lb increase in smelter and refinery charges, a $0.04/lb increase in administration costs, and a reduction of $0.04/lb in by-product credits.

Compared to the U.S. dollar, the Chilean peso was on average 6% stronger than Q3-2010, which results in higher costs expressed in U.S. dollars, the Company's reporting currency.

Power, MVC's most significant cost, was $0.1790/kWh in Q3-2011 compared to $0.1590/kWh in Q3-2010. The increase in the quarter included higher grid costs of $0.0038/kWh ($0.1687/kWh compared to $0.1649/kWh) and $0.0162/kWh from the incremental impact on power costs from the operation of the Company's two generators in Q3-2011.In Q3-2010, the operation of the generators resulted in a net credit of $0.0059/kWh ($395,334) to power costs, but in Q3-2011 resulted in an additional expense of $0.0103/kWh ($611,259), mainly due to repair costs incurred in the quarter.

Power consumption decreased by 12% compared to Q3-2010 due to lower quarterly production resulting from the interrupted flow of fresh tailings for part of July. Unit power costs were $0.96/lb compared to $0.80/lb in Q3-2010. Q4-2011 power costs from the grid are expected to be at comparable levels to Q3-2011.

Steel costs increased $0.07/lb from Q3-2010 due to higher consumption of steel balls required by increased hardness in feed stock processed during the quarter. Other production unit costs increased by $0.31/lb, including an increase of $0.10/lb in maintenance costs, an increase of $0.07/lb in general distributable services costs, a $0.06/lb increase in old tailings dredging costs and a $0.06/lb increase in molybdenum production costs.

Molybdenum by-product credits of $0.16/lb were lower than $0.20/lb in Q3-2010, due to lower molybdenum production in the quarter.

Administration costs increased by $0.04/lb compared to Q3-2010, mainly due to a stronger Chilean peso compared to the U.S. dollar through the quarter, and transportation costs remained comparable to Q3-2010.

The Company's trailing annual and quarterly total costs ($/lb of copper produced) were:

	Q3-2011	Q2-2011	Q1-2011	Q4-2010	Q3-2010
Cash cost	2.39	2.26	2.33	2.01	1.71
El Teniente royalty	0.98	1.11	0.96	0.84	0.64
Amortization/depreciation	0.32	0.36	0.29	0.24	0.24
Total Cost	$3.69	$3.73	$3.58	$3.09	$2.59

Total cost was $3.69/lb in the quarter, compared to total cost of $2.59/lb in Q3-2010. The most significant impact on the increase in total cost was a $0.68/lb increase in cash costs, followed by an increase of $0.34/lb in El Teniente royalties and a $0.08/lb increase in amortization/depreciation.

FINANCIAL RESULTS – Q3-2011

In Q3-2011, the Company produced 4,992 tonnes of copper (Q3-2010: 6,074 tonnes) and 186,297 lbs of molybdenum (Q3-2010: 233,266 lbs), 17% and 20% decreases, respectively, from Q3-2010.

The Company posted an after-tax loss for the period of $1,194,499 (basic and diluted loss of $0.01 per share), compared to a profit of $5,900,832 (basic and diluted earnings of $0.014 per share) in Q3-2010.

Revenue

Revenue in Q3-2011 was $41,958,747, compared to $39,303,403 in Q3-2010. Revenue increased due to higher copper prices, despite lower production levels and lower molybdenum prices.

Copper deliveries in Q3-2011 were recorded into revenue on "M+1" pricing, meaning the price paid was the LME average price for the month following delivery of copper concentrates. In the view of the Company, these pricing terms substantially reduce the Company's risk exposure to copper price volatility, and closely match the LME pricing for sales and royalty payments to El Teniente (which are made on an "M", or current month pricing basis). While the Company has evaluated strategies such as price protection or hedging to further minimize commodity price risk, it has decided not to pursue these options at present.

Cost of Sales

	Q3-2011	Q3-2010
Production costs		
Power costs	$ 10,594,425	$ 10,670,960
Steel costs	2,493,295	2,207,416
Other production costs	9,994,665	7,853,520
	23,082,385	20,731,896
El Teniente royalty	10,817,627	8,733,791
Depreciation and amortization	3,501,761	3,120,509
Administration	1,010,817	718,559
Transportation	402,722	412,059
	38,815,312	$ 33,716,814

Cost of sales was $38,815,312, compared to $33,716,814 in Q3-2010, an increase of 16% between the two periods despite lower production levels, due to higher overall production costs and royalties and a stronger Chilean peso. Refer to **Cash Cost and Total Cost** for more detailed analysis of production costs on a unit basis.

The El Teniente royalty increased to $10,817,627 from $8,733,791 in Q3-2010, the result of higher copper prices. Average LME copper prices in Q3-2011 were $4.08/lb (Q2-2010: $3.29/lb).

Depreciation and amortization cost was $3,501,761, compared to $3,120,509 in Q3-2010. Amortization increased due to the Company's higher asset base and changes in depreciation methodology under IFRS.

Administration expenses were $1,010,817 compared to $718,559 in Q3-2010, due to a stronger Chilean peso, higher ISO certification fees, and increased general administrative services.

Transportation costs were $402,722, compared to $412,059 in Q3-2010, slightly lower due to reduced copper deliveries in Q3-2011.

Gross profit

In Q3-2011 the Company's gross profit decreased to $3,143,435 from $5,586,591 in Q3-2010 due to higher production costs and lower volume of sales, mitigated by higher copper and molybdenum prices.

Other expenses

"Other expenses" (costs not related to MVC's production operations) were $3,982,223 in Q3-2011 compared to other gains of $1,975,017 in Q3-2010. They are composed of general and administration expenses of $2,956,514 (Q3-2010: $901,893) and other losses of $1,025,709 (Q3-2010: other gains of $2,876,910.

General and administration expenses were impacted in Q3-2011 due to a one-time charge of $1,534,141 against bad debt expense, to fully account for the outstanding amounts due from a Chilean company for power sales to a client that has formally initiated bankruptcy proceedings in Chile. Any amounts recovered in the future from these proceedings will be recognized in earnings when received. Other general and administration expenses in the quarter are in the normal course of business and include office and general expenses of $527,042 (Q3-2010: $392,198), salaries, management and professional fees of $343,754 (Q3-2010: $281,322), share-based payment compensation of $348,964 (Q3-2010: $11,672) and royalties to non-controlling interests of $202,613 (Q3-2010: $216,701). Other expenses also include a foreign exchange loss of $1,181,474 (Q3-2010: gain of $3,029,574) and other items, including interest income and non-operating revenue of $155,765 (Q3-2010: other expenses of $152,664).

Taxes

The Company recorded income tax expense of $171,176 in Q3-2011 compared to $1,496,853 in Q3-2010. Income tax expense includes changes to the Company's future income tax liabilities which arise mainly from timing differences between financial and tax-based amortization expense in MVC. The current tax rate in Chile increased from 17% to 20% in 2011, a temporary increase introduced by the Chilean government in response to the demands imposed on the economy by the reconstruction programs following the February 2010 earthquake.

F I N A N C I A L   R E S U L T S – NINE MONTHS ENDED SEPTEMBER 30, 2011

During the nine months ended September 30, 2011 (“YTD-2011”), the Company posted a profit of $12,345,669 ($0.07 per share), compared to profit of $7,119,552 ($0.05 per share) in the nine months ended on September 30, 2010 (“YTD-2010”).

The significant variance in financial performance between the two nine-month periods is attributed mainly to a gain on sale of available-for-sale financial assets of $9,750,931 realized in Q1-2011 and an increase of $1,112,381 in gross profit from stronger copper and molybdenum prices in 2011, offset by a bad debt expense of $1,534,141 and an increase in foreign exchange loss of $1,990,682 in 2011.

Revenue in YTD-2011 was $125,768,882, 24% higher than YTD-2010 revenue of $101,394,512, mainly due to higher metal prices.

Cost of sales was $113,032,945 or 26% higher than in YTD-2010 due to higher power costs caused by drought conditions in Chile, a stronger Chilean peso (9% stronger average rates over the two nine-month comparative periods) and higher royalty costs. Cash cost and total cost in YTD-2011 were $2.34/lb and $3.67/lb respectively, compared to $1.80/lb and $2.73/lb in YTD 2010.

Other expenses were $5,889,680 in YTD-2011 (YTD-2010: $1,436,285). The main variances in other expenses were an increase of $1,990,682 in foreign exchange loss, a $1,534,141 accrual for bad debt expense, an increase of $368,468 in salaries, management and professional fees, resulting mostly from higher legal and advisory costs, and an increase of $600,089 in share-based payment compensation.

C O M P A R A T I V E   P E R I O D S (Unaudited)

The following tables provide highlights of the Company’s IFRS quarterly results for the past eight quarters.

	QE Sept. 30, 2011 (IFRS)	QE June 30, 2011 (IFRS)	QE March 31, 2011 (IFRS)	QE Dec. 31, 2010 (IFRS)
Total revenue	$41,958,747	$38,294,635	$45,515,500	$50,725,991
(Loss) profit for the period	(1,194,499)	1,885,882	11,654,286	3,913,681
(Loss) earnings per share	(0.01)	0.01	0.07	0.02
Diluted earnings per share	(0.01)	0.01	0.07	0.02

	QE Sept. 30, 2010 (IFRS)	QE June 30, 2010 (IFRS)	QE March 31, 2010 (IFRS)	QE Dec. 31, 2009 (Canadian GAAP)
Total revenue	$39,303,405	$32,433,982	$29,656,765	$33,852,105
Profit (loss) for the period	5,900,832	(281,572)	1,500,292	3,911,766
Earnings per share	0.04	-	0.01	0.03
Diluted earnings per share	0.04	-	0.01	0.03

The variance in revenue in the past eight quarters shows the Company’s sensitivity to copper and molybdenum prices and sales volume. Revenues in Q1-2011 and Q1-2010 were lower than in preceding quarters due to lower production, as the first quarter is usually the lowest production quarter for MVC in each year due to annual maintenance shutdowns by MVC and El Teniente, and revenue in Q2-2011 and Q3-2011 was adversely affected by an interruption in the flow of fresh tailings to MVC as a result of labour unrest described elsewhere in this document.

The variance in profits is also closely correlated to power costs and the effect of foreign exchange incurred in each quarter. Profit in Q1-2011 was positively impacted from a gain on sale of available-for sale financial assets of $9,750,931.

LIQUIDITY and CAPITAL RESOURCES

Cash Flow from Operations

The Company generated operating cash flow of $4,563,713 (3¢ per share) in Q3-2011, compared to $9,880,677 in Q3-2010 (6¢ per share), before considering the effect of changes in non-cash working capital accounts.

Including changes in non-cash working capital accounts, the Company generated cash from operations of $7,316,946 in Q3-2011, compared to $7,197,041in Q3-2010.

Cash Flow from Investing Activities

In Q3-2011, the Company used cash of $4,503,714 for payments of capital expenditures, compared to $1,871,850 in Q3-2010. On a YTD-basis, cash used for capital expenditures was $13,096,219, compared to $7,812,973 in 2010.

The most significant capital expenditures in Q3-2011 were made in connection with MVC's share of startup costs of a pilot plant for the production of copper concentrates from highly oxidized tailings, work for the construction of a third thickener, old tailings extraction expansion works, improvements to electrical installations and projects related to filtration and emission controls.

In Q3-2011 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 treating oxide material. The pilot plant is being commissioned. MVC"s share of the construction and startup costs for the pilot plant were approximately $5 million as of September 30, 2011.

In Q1-2011, the Company received net proceeds of $10,405,571 from the sale of 5,000,000 shares of Candente Copper. The Company continues to own 5,788,280 shares of Candente Copper.

Cash Flow from Financing Activities

Cash used in financing activities in Q3-2011 was $2,023,795, all for debt repayment, compared to $3,062,285 in Q3-2010, which included $3,242,938 for debt repayment and $180,653 from the exercise of share purchase options.

On a YTD-basis, the Company used cash of $11,164,958 in financing activities (2010: cash received from financing activities of $3,606,054), including debt repayments of $7,870,776 (2010: $7,986,307), dividend payments of $3,559,174 ($nil in 2010) and cash receipts of $264,992 from the exercise of share purchase options and warrants (2010: $11,592,361).

Liquidity and Financial Position

The Company's cash and cash equivalents at September 30, 2011 totaled $34,260,808, compared to $35,044,797 at December 31, 2010. The Company had working capital of $30,391,400 at September 30, 2011, compared to $23,009,696 at December 31, 2010.

During 2009 and 2010 the Company's cash and working capital positions were severely affected by the sharp decline in copper and molybdenum prices that took place in Q4-2008, requiring the Company to secure bank debt and loans with Enami, Molymet and El Teniente. The loans from Enami, Molymet and El Teniente have since been fully repaid.

MVC has three bank loans in Chile, denominated in Unidades de Fomento ("UF"), the Chilean indexed monetary unit, U.S. dollars and Chilean pesos, totaling the equivalent of $6,469,421 at September 30, 2011.

The UF loan, in the amount of $911,392 at September 30, 2011 (December 31, 2010: $3,893,845), is repayable in eight equal quarterly installments of UF20,950 each, from January 20, 2010 to October 20, 2011. The loan was fully repaid subsequent to September 30, 2011.

The U.S. dollar loan had a balance of $2,500,000 at September 30, 2011 (December 31, 2010: $4,006,920). This loan is repayable in eight equal quarterly installments of $500,000 from March 15, 2011 to October 15, 2012.

The Chilean peso loan of $3,058,029 (December 31, 2010: $4,947,511) is repayable in monthly installments 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 9.95% over the term of the loan.

The Company entered into an agreement with a Chilean bank to secure a revolving working capital line of credit for up to $20 million or its equivalent in CLP (the “Line of Credit”). The Line of Credit has a term to July 4, 2014 and provides for interest at a variable rate of the Chilean Tasa Activa Bancaria (“TAB”) plus an applicable margin for borrowings in CLP and interest at a variable rate of LIBOR-30 days plus a Banco de Chile margin plus an applicable margin, for borrowings in US dollars. Current borrowing rates would be 0.62% per month on CLP draws and 2.09% per annum on US dollar draws. The Line of Credit requires MVC to meet minimum quarterly equity, debt to equity and maximum debt ratios.

In connection with the UF and U.S. dollar loans and the line of credit referred to above, MVC has to comply with certain quarterly, semiannual and annual debt covenants. MVC was in compliance with these covenants (total debt over net equity, interest coverage ratio, financial debt over earnings before interest, depreciation, amortization and taxes, total equity and maximum debt) at September 30, 2011.

MVC Generacion , has an overdraft facility with a Chilean bank for up to CLP$272,000,000 (September 30, 2011 equivalent to $521,312). The facility is renewable every 90 days; its next renewable date is December 27, 2011. Interest rate on this facility is charged at a rate of 0.59% per month.

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

The Company operates in a cyclical industry where levels of cash flow have historically been correlated to market prices for commodities. Despite these short-term liquidity challenges, MVC is a valuable long-life asset. El Teniente, the source of MVC’s feed material, is the world’s largest underground copper mine with remaining ore reserves expected to last decades. MVC’s current contract with El Teniente runs to 2021.

The Company’s long-term liabilities (long-term portions of bank loans, long-term portion of an interest rate swap, other payables, long-term portion of royalties due to related parties, asset retirement obligations and deferred income tax liabilities) at September 30, 2011 were $31,360,294 (December 31, 2010: $36,505,636).

Impairment Analysis

As at September 30, 2011, management of the Company determined that impairment indicators existed, and completed an impairment assessment for MVC. The impairment indicators were the decline in the Company’s share price and in commodity prices.

The impairment assessment included a value in use determination of fair value for the Company’s MVC property, plant and equipment, using a forecast cash flow model. Key assumptions incorporated in the model included consensus forecast commodity prices, capital and sustaining capital expenditures, operating costs based on historical costs incurred and estimated forecast, grades and recovery and application of an appropriate discount rate.

Management's impairment evaluation did not result in the identification of an impairment loss as of September 30, 2011. Although management believes the estimates applied in these impairment assessments are reasonable, such estimates are subject to significant uncertainties and judgments.

Investments

During the nine months ended September 30, 2011, the Company sold 5,000,000 Candente Copper Corp. ("Candente Copper") shares, and recognized a gain of $9,750,931 in earnings. At September 30, 2011, Candente Copper's closing share price was Cdn$0.97 and the fair value of the Company's approximately 5% investment in Candente Copper was $5,436,086. During the nine months ended September 30, 2011, the Company recorded other comprehensive loss of $3,081,307 (2010: other comprehensive loss of $981,911) for the changes in fair value of this investment, net of deferred income tax.

At September 30, 2011, Candente Gold Corp. ("Candente Gold") had a closing share price ofCdn$0.33 and the fair value of the Company's approximately 4% investment in Candente Gold was $689,384. During the nine months ended September 30, 2011, the Company recorded other comprehensive loss of $1,490,066 (2010: other comprehensive income of $1,635,680) for the changes in the fair value of this investment, net of deferred income tax.

At September 30, 2011, Los Andes Copper Corp. ("Los Andes") had a closing share price of Cdn$0.295 and the fair value of the Company's approximately 6% investment was $2,289,236. During the nine months ended September 30, 2011, the Company recorded other comprehensive loss of $1,478,192 (2010: other comprehensive income of $987,211) for the changes in the fair value of this investment, net of deferred income tax.

O U T L O O K

The interruption of the delivery of fresh tailings to MVC in June and July 2011 resulted in lost annual copper production of approximately 2,500 tonnes. Copper production in 2011 will therefore fall short of the 2011 guidance of 50 million pounds originally provided by the Company. Molybdenum production will also be lower than the Company's original guidance of 1 million pounds.

Power grid costs were high during the first half of 2011 and decreased to a certain degree in Q3-2011, tempered by ongoing drought conditions in Chile. Power grid costs in Q4-2011 are expected to be comparable to Q3-2011 levels. The Company's power generators continue to perform below expectations as they have required various major repairs to September 30, 2011.

Capital expenditures in 2011 have been revised to be approximately $22 million, including further expansion of old tailings extraction facilities, substantial completion of the construction of a third thickener, an increase in the capacity of electrical installations, filtration and emissions control projects and final expenses relating to the oxides pilot plant.

These are forward-looking estimates and subject to the cautionary notes regarding risks associated with forward looking statements presented at the end of this MD&A.

O T H E R   M D & A   R E Q U I R E M E N T S

Transactions with Related Parties

a) Royalties to non-controlling interests

Amerigo holds its interest in MVC through Amerigo International Holdings Corp. ("Amerigo International"). Amerigo International is controlled by Amerigo except for certain outstanding Class A shares with a book value of $1,000. The Class A shares are owned indirectly by the President and CEO, an associate of the President and CEO, a former director and an associate of a former director of Amerigo, and were issued in order to structure a more tax-efficient manner of paying the royalty obligation (the "Royalty") owing to President and CEO and former director, who transferred to the Company the rights to purchase its interest in MVC.

In accordance with the articles of Amerigo International, the holders of the Class A shares are not entitled to any dividend or to other participation in the profits of Amerigo International, except for a total royalty dividend, if declared by the directors of Amerigo International, in an amount equal to the amount of the Royalty.

The Royalty is calculated as follows:

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

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

The Royalty is a derivative financial instrument. This liability is measured at fair value, with changes in fair value recorded in profit for the period. The fair value of the liability at September 30, 2011 is $5,563,355 (December 31, 2010: $6,006,429).

For MVC production up to the end of 2010, the Royalty was paid as a royalty dividend on the Class A shares of Amerigo International. During the nine months ended September 30, 2011, Royalties totaling $535,949 were paid or accrued to the Amerigo International Class A shareholders on production in the period (compared to $540,349 in royalty dividends paid in YTD-2010). At September 30, 2011, $63,823 of this amount remained outstanding (December 31, 2010: $67,064).

b) Remuneration to officers

During the nine months ended September 30, 2011, the Company paid or accrued $498,813 in fees to companies associated with certain directors and officers of Amerigo (2010: $355,963 which included reversals to prior booked management bonus accruals).

In the nine months ended September 30, 2011, a total of 3,100,000 options were granted to directors and officers of the Company.

c) As of June 30, 2011, one of Amerigo’s officers acted as an officer and another as a director of Nikos Explorations Ltd., a company over which Amerigo exercises significant influence.

d) As of September 30, 2011, one of Amerigo’s officers acted as an officer of Candente Copper, a company in which Amerigo holds an investment.

e) As of September 30, 2011, one of Amerigo's officers acted as an officer of Candente Gold, a company in which Amerigo holds an investment.

f) As of September 30, 2011, two of Amerigo's officers acted as officers and one of Amerigo's directors acted as a director of Los Andes, a company in which Amerigo holds an investment.

Subsequent Events

On November 2, 2011, the Company declared a semi-annual dividend of Cdn$0.02 per share, payable on November 30, 2011 to shareholders of record as of November 15, 2011.

IFRS Implementation Plan

Effective January 1, 2011, Canadian publicly traded entities were required to prepare their financial statements in accordance with IFRS. Due to the requirement to present comparative financial information, the effective transition date was January 1, 2010.

The Company has completed its IFRS conversion project through implementation.

The IFRS transitional impact for the comparative quarter and nine months ended September 30, 2010, and as of September 30, 2010, is outlined below.

Note 1. The Company has a royalty payable to certain related parties. The Company originally entered into this arrangement as consideration for the rights to purchase the interest in MVC. Under Canadian GAAP, the royalty interest was accounted for as a minority interest, measured at a nominal amount of $1,000. Under IFRS, the royalty is a derivative financial instrument and the flow of royalties estimated to be payable to related parties to 2021 needs to be measured as such, through the recognition of a liability in the Company's statement of financial position. This liability has been recorded at fair value, with changes in fair value recorded in profit for the period.

Note 2. Under Canadian GAAP, the Company and all of its subsidiaries had a U.S. dollar measurement currency. Under IFRS, the functional currencies of the Company and MVC are the Canadian dollar and Chilean peso, respectively. The Company's presentation currency remains the U.S. dollar. The current rate method is required to be applied to all entities where the functional currency is different from the presentation currency, resulting in an adjustment on transition to IFRS.

Note 3. On transition to IFRS, the cost of MVC's plant and equipment was deemed to be the previous Chilean GAAP revaluated amount. Additionally, plant and equipment was analyzed on a component-level, based on the significance of components to total cost. Depreciation timeframes were established for significant components.

Note 4. Tax effect of IFRS adjustments – Adjustments were recorded related to the income tax impact of the Canadian GAAP to IFRS reconciling differences.

Note 5. Under Canadian GAAP, the Company recorded stock based compensation on a straight-line basis over the vesting period. Under IFRS, the Company records share based compensation for each tranche within an option grant over the vesting period of the corresponding tranche.

Note 6. Certain balances and transactions have been reclassified within the statements of financial position and statements of comprehensive income (loss), respectively.

Reconciliations of the statements of financial position

Reconciliations between the Canadian GAAP and IFRS consolidated statements of financial position at September 30, 2010 are provided below:

	Note	September 30, 2010 (Canadian GAAP) $	Transition Impact $	September 30, 2010 (IFRS) $
Assets				
Current assets				
Cash and cash equivalents		17,796,388	-	17,796,388
Trade and other receivables		19,406,107	-	19,406,107
Inventories		7,393,365	-	7,393,365
		44,595,860	-	44,595,860
Non-current assets				
Available-for-sale financial assets		8,395,770	-	8,395,770
Property, plant and equipment	3	124,066,492	11,122,558	135,189,050
Intangible assets	1	6,206,783	2,947,568	9,154,351
Other non-current assets	6	80,315	-	80,315
Total assets		183,345,220	14,070,126	197,415,346
Liabilities				
Current liabilities				
Trade and other payables		11,703,126	-	11,703,126
El Teniente royalty payable		9,648,153	-	9,648,153
Current income tax liabilities		25,996	-	25,996
Royalties to related parties	1	-	514,469	514,469
Borrowings		9,253,169	-	9,253,169
		30,630,444	514,469	31,144,913
Non-current liabilities				
Borrowings		4,460,727	-	4,460,727
Trade and other payables		1,620,578	-	1620,578
Royalties to related parties	1	-	5,273,307	5,273,307
Asset retirement obligation		5,768,698	-	5,768,698
Deferred income tax liability	4	11,937,517	130,954	12,068,471
Minority interest	1	1,000	(1,000)	-
Total Liabilities		54,418,964	5,917,730	60,336,694
Equity				
Share Capital		77,166,170	-	77,166,170
Other reserves	5	3,502,969	152,852	3,655,821
Retained earnings	1-5	43,216,158	2,468,250	45,684,408
Accumulated other comprehensive income	2	5,040,959	5,531,294	10,572,253
Total equity		128,926,256	8,152,396	137,078,652
Total equity and liabilities		183,345,220	14,070,126	197,415,346

Reconciliations of total comprehensive income

Reconciliations between the Canadian GAAP and IFRS total comprehensive income for the three and nine months ended September 30, 2010 are provided below.

	Note	Quarter ended September 30, 2010 (Canadian GAAP) $	Transition Impact $	Quarter ended September 30, 2010 (IFRS) $
Revenue		39,303,405	-	39,303,405
Cost of sales	3,6	32,853,439	863,375	33,716,814
Gross profit		6,449,966	(863,375)	5,586,591
Other expenses				
General and administration	5,6	1,183,233	(281,340)	901,893
Other (gains) losses	2	1,575,778	(4,452,688)	(2,876,910)
		2,759,011	(4,734,028)	(1,975,017)
Operating profit		3,690,955	3,870,653	7,561,608
Finance expense	1,6	(326,399)	162,476	(163,923)
Profit (loss) before tax		3,364,556	4,033,129	7,397,685
Income tax expense	4	(1,082,458)	(414,395)	1,496,853
Profit (loss) for the period		2,282,098	3.618,734	5,900,832
Other comprehensive income (loss)	2	1,933,333	12,397,722	14,331,055
Comprehensive income (loss)		4,215,431	16,016,456	20,231,887
Weighted average number of shares outstanding, basic		170,965,235		170,965,235
Weighted average number of shares outstanding, diluted		174,317,616		174,317,616
Earnings (loss) per share				
Basic and diluted		0.01		0.04

	Note	Nine months ended September 30, 2010 (Canadian GAAP) $	Transition Impact $	Nine months ended September 30, 2010 (IFRS) $
Revenue		101,394,152	-	101,394,152
Cost of sales	3,6	87,206,817	2,563,779	89,770,596
Gross profit		14,187,335	(2,563,779)	11,623,556
Other expenses				
General and administration	5,6	3,119,035	152,852	3,271,887
Other (gains) losses	2	30,551	(1,866,153)	(1,835,602)
		3,149,586	(1,713,301)	1,436,285
Operating profit		11,037,749	(850,478)	10,187,271
Finance expense	1,6	(1,503,755)	405,134	(1,098,621)
Profit before tax		9,533,994	(445,344)	9,088,650
Income tax expense	4	(1,642,722)	326,376	1,969,098
Profit (loss) for the period		7,891,272	(771,720)	7,119,552
Other comprehensive income (loss)	2	1,370,028	5,531,294	6,901,322
Comprehensive income (loss)		9,261,300	4,759,574	14,020,874
Weighted average number of shares outstanding, basic		167,092,486		167,092,486
Weighted average number of shares outstanding, diluted		170,444,867		170,444,867
Earnings per share				
Basic and diluted		0.05		0.05

Statement of cash flows

The IFRS transition adjustments noted above did not have an impact on cash and cash equivalents. There were no changes to investing and financing cash-flow subtotals.

Internal Controls over Financial Reporting ("ICFR")

Management is responsible for establishing and maintaining adequate internal control over financialreporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Other than changes related to our IFRS transition plan, there have been no changes in our internal control over financial reporting during the quarter ended September 30, 2011 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

Other

As of November 2, 2011, Amerigo has outstanding 172,290,344 common shares and 10,070,000 options (exercisable at prices ranging from Cdn$0.31 to Cdn$2.23 per share).

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

Cautionary Statement on Forward Looking Information

This Report contains "forward-looking statements". These forward looking statements include, but are not limited to, statements regarding the Company's strategic plans and future commercial production. Forward-looking statements express, as at the date of this Report, the Company's plans, estimates, forecasts, projections, expectations, or beliefs as to future events or results and the Company does not intend, and does not assume any obligation, to update these forward-looking statements. 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", "schedule", "estimates" "intends", "anticipates", or "does not anticipate", "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". We caution that forward-looking statements involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events may differ materially from those anticipated in such statements. Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements include, but are not limited to copper and molybdenum price fluctuations, negotiations with El Teniente, labour disputes or other problems at El Teniente resulting in production interruptions, extension of current short term debt facilities, ability to reduce operating costs, currency fluctuations, possible variations in grade or recovery rates, failure of plant, equipment, or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; unexpected regulatory changes, delays in the completion of critical activities and projects, environmental risks and hazards, risks of delays in construction and other risks more fully described in Amerigo's Annual Information Form filed with the Securities Commissions of the provinces of Alberta, British Columbia, Manitoba, Ontario and Quebec which is available on SEDAR at www.sedar.com.