Amerigo Resources Ltd.

Condensed Consolidated Interim Financial Statements
For the three and nine months ended September 30, 2013
Unaudited
(expressed in thousands of U.S. dollars)

Amerigo Resources Ltd.

Condensed Consolidated Interim Statements of Financial Position - Unaudited

(expressed in thousands of U.S. dollars)

	Notes	September 30, 2013 $	December 31, 2012 $
Assets			
Current assets			
Cash and cash equivalents		5,368	9,250
Trade and other receivables		10,578	13,863
Prepaid expenses		204	337
Inventories	5	11,498	11,324
		27,648	34,774
Non-current assets			
Investments	6	3,148	4,149
Exploration and evaluation assets	8	21,008	18,736
Property, plant and equipment	9	123,877	138,337
Intangible assets	10	6,375	7,402
Other non-current assets		973	1,018
Total assets		183,029	204,416
Liabilities			
Current liabilities			
Trade and other payables		12,028	20,633
El Teniente royalties payable	7	9,939	16,498
Current income tax liabilities		1,090	335
Royalties to related parties	12	688	731
Borrowings	11	-	1,483
		23,745	39,680
Non-current liabilities			
Severance provisions		3,726	4,301
Royalties to related parties	12	4,551	5,285
Asset retirement obligation		7,086	6,926
Deferred income tax liability		15,250	16,026
Total liabilities		54,358	72,218
Equity	13		
Share Capital		77,514	77,514
Other reserves		6,577	6,525
Retained earnings		41,922	38,482
Accumulated other comprehensive income		2,658	9,677
Total equity		128,671	132,198
Total equity and liabilities		183,029	204,416
Commitments	19		

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

Approved by the Board of Directors

"Robert Gayton"
Director

"George Ireland"
Director

Amerigo Resources Ltd.

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

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

	Notes	Quarters ended September 30, 2013	Quarters ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012
		$	$	$	$
Revenue		31,950	44,231	106,557	134,744
Cost of sales	15	30,202	46,285	99,442	133,744
Gross profit (loss)		1,748	(2,054)	7,115	1,000
Other expenses					
General and administration	15	720	503	1,906	2,509
Other (gains) expenses	17	(487)	(1,033)	206	(1,803)
		233	(530)	2,112	706
Operating profit (loss)		1,515	(1,524)	5,003	294
Finance expense	16	166	250	465	627
		166	250	465	627
Profit (loss) before tax		1,349	(1,774)	4,538	(333)
Income tax expense		310	2,415	1,098	2,548
Profit (loss) for the period		1,039	(4,189)	3,440	(2,881)
Cumulative translation adjustment		634	7,198	(5,994)	12,009
Unrealized gains (losses) on investments, net of taxes		49	179	(1,025)	(2,121)
Other comprehensive income (loss)		683	7,377	(7,019)	9,888
Comprehensive income (loss)		1,722	3,188	(3,579)	7,007
Weghted average number of shares outstanding, basic		172,290,344	172,290,344	172,290,344	172,290,344
Weighted average number of shares outstanding, diluted		172,954,630	172,290,344	173,494,048	172,290,344
Earnngs (loss) per share					
Basic		0.01	(0.02)	0.02	(0.02)
Diluted		0.01	(0.02)	0.02	(0.02)

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

Amerigo Resources Ltd.

Condensed Consolidated Interim Statements of Cash Flows - Unaudited

(expressed in thousands of U.S. dollars)

	Quarters ended September 30,		Nine months ended September 30,	
	2013	**2012**	**2013**	**2012**
	$	**$**	**$**	**$**
Cash flows from operating activities				
Profit (loss) for the period	1,039	(4,189)	3,440	(2,881)
Adjustment for items not affecting cash:				
Depreciation and amortization	4,143	4,051	12,766	11,986
Deferred income tax expense	(52)	2,578	(5)	2,417
Share-based payments	-	213	52	933
Other	(258)	54	96	1,036
	4,872	2,707	16,349	13,491
Changes in non-cash working capital				
Trade, other receivables and advances	4,091	8,092	2,827	7,164
Inventories	(693)	717	(742)	(3,171)
Trade and other payables	(4,007)	12,700	(4,334)	12,912
El Teniente royalty payables	(22)	9,134	(5,955)	10,808
	4,241	33,350	8,145	41,204
Payment of long-term employee benefits	(77)	-	(542)	-
Net cash from operating activities	4,164	33,350	7,603	41,204
Cash flows from investing activities				
Purchase of plant and equipment and evaluation assets	(2,533)	(4,606)	(9,854)	(20,870)
Net cash from investing activities	(2,533)	(4,606)	(9,854)	(20,870)
Cash flows from financing activities				
Repayments of loans, net of cash proceeds	-	(1,150)	(1,497)	(2,345)
Dividends	-	-	-	(3,385)
Net cash from financing activities	-	(1,150)	(1,497)	(5,730)
Net increase (decrease) in cash and cash equivalents	1,631	27,594	(3,748)	14,604
Effect of exchange rate changes on cash	(144)	463	(134)	226
Cash and cash equivalents – Beginning of period	3,881	7,592	9,250	20,819
Cash and cash equivalents - End of period	5,368	35,649	5,368	35,649

Supplementary cash flow information (Note 18)

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

Amerigo Resources Ltd.

Condensed Consolidated Interim Statements of Changes in Equity - Unaudited

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

	Share capital					
	Number of shares	**Amount**	**Other reserves**	**Accumulated other comprehensive income**	**Retained earnings**	**Total equity**
		$	**$**	**$**	**$**	**$**
Balance January 1, 2012	172,290,344	77,514	5,485	2,463	53,520	138,982
Share-based payments	-	-	933	-	-	933
Cumulative translation adjustment	-	-	-	12,009	-	12,009
Unrealized losses on investments (net of tax of recoveries of $522)	-	-	-	(2,121)	-	(2,121)
Net loss	-	-	-	-	(2,881)	(2,881)
Dividends	-	-	-	-	(3,385)	(3,385)
Balance September 30, 2012	172,290,344	77,514	6,418	12,351	47,254	143,537
Share based payments	-	-	107	-	-	107
Cumulative translation adjustment	-	-	-	(1,670)	-	(1,670)
Unrealized losses on investments (net of tax recoveries of $926)	-	-	-	(1,004)	-	(1,004)
Net loss	-	-	-	-	(5,311)	(5,311)
Dividends	-	-	-	-	(3,461)	(3,461)
Balance December 31, 2012	172,290,344	77,514	6,525	9,677	38,482	132,198
Balance January 1, 2013	172,290,344	77,514	6,525	9,677	38,482	132,198
Share-based payments	-	-	52	-	-	52
Cumulative translation adjustment	-	-	-	(5,994)	-	(5,994)
Unrealized losses on investments	-	-	-	(1,025)	-	(1,025)
Net profit	-	-	-	-	3,440	3,440
Balance September 30, 2013	172,290,344	77,514	6,577	2,658	41,922	128,671

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

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

1) General Information

Amerigo Resources Ltd. (the "Company") is a company incorporated pursuant to the laws of British Columbia, Canada and its shares are listed for trading on the Toronto Stock Exchange ("TSX"), the OTCQX stock exchange in the United States and the Lima Stock Exchange. The address of the Company's principal office is Suite 1950 – 400 Burrard Street, Vancouver, British Columbia.

The Company is a producer of copper and molybdenum concentrates with operations in Chile. Its operating subsidiary Minera Valle Central S.A. ("MVC") has a contractual relationship with the El Teniente Division ("DET") of Corporacion Nacional del Cobre de Chile ("Codelco"), Chile's state-owned copper producer, through 2021 to process fresh and old tailings from El Teniente, the world's largest underground copper mine (Notes 7 and 20).

These condensed consolidated interim financial statements were authorised for issue by the board of directors on November 6, 2013.

2) Basis of Presentation and Statement of Compliance

The Company is following the same accounting policies and methods of computation in these condensed consolidated interim financial statements as it did in the audited consolidated financial statements for the year ended December 31, 2012, except as described in Note 4 of the Company's condensed consolidated interim financial statements for the three months ended March 31, 2013.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed consolidated interim financial statements do not include all the information and note disclosure required by IFRS for annual financial statements, and therefore, should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2012, which have been prepared in accordance with IFRS as issued by the IASB.

3) Accounting Policies

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

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

4) ESTIMATES

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2012, except as described in the following paragraphs.

Asset Retirement Obligation ("ARO")

The Company assesses its provision for ARO and fair values the liability at the end of each reporting quarter, using the current risk-free discount rates. The ARO results from the obligation to remove property and equipment at the end of the term of the El Teniente contract and from environmental regulations set by Chilean authorities. AROs include costs related to MVC's plant and equipment. The ARO is a critical accounting estimate for the Company. There are significant uncertainties related to the ARO and the impact on the financial statements could be material. The eventual timing and costs of the ARO could differ from current estimates. The main factors that could cause expected ARO cash flows to change include changes to laws and legislation and additions of new plant and equipment. The future value of the provision for ARO was determined using an estimated annual inflation rate of 3.5%, a risk premium estimated at 7% and discounted at the risk-free rate of 5.25%. The Company anticipates the ARO will change once the contractual arrangements for the Cauquenes expansion are finalized.

Impairment of Property, Plant and Equipment

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

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

As at September 30, 2013, management of the Company determined that the Company's continued depressed share price, resulting in capitalization below net assets constituted an impairment indicator, and completed an impairment assessment for MVC that included a determination of fair value less costs to sell.

Key assumptions incorporated in the impairment model included the following:

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

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

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

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

5) INVENTORIES

	September 30, 2013 $	December 31, 2012 $
Plant supplies and consumables at cost	7,268	7,957
Concentrate inventories at cost	4,230	3,367
	11,498	11,324

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

6) INVESTMENTS

	September 30, 2013 $	December 31, 2012 $
Start of period	4,149	8,723
Exchange differences	24	141
Changes in fair value	(1,025)	(4,715)
End of period	3,148	4,149

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

Available-for-sale financial assets include the following:

	September 30, 2013 $	December 31, 2012 $
Candente Copper Corp.	1,515	2,210
Los Andes Copper Ltd.	1,633	1,609
Candente Gold Corp.	-	260
Cobriza Metals Corp.	-	70
	3,148	4,149

a) At September 30, 2013, Candente Copper Corp. ("Candente Copper"), a company listed on the TSX, had a closing share price of Cdn$0.245 and the fair value of the Company's approximately 5% investment in Candente Copper was $1.5 million. During the nine months ended September 30, 2013, the Company recorded other comprehensive loss of $755,000 (nine months ended September 30, 2012: other comprehensive loss of $2.6 million) for the changes in fair value of this investment.

b) At September 30, 2013, Los Andes Copper Ltd. ("Los Andes"), a Company listed on the TSX Venture Exchange, had a closing share price of Cdn$0.21, and the fair value of the Company's approximately 5% investment in Los Andes was $1.6 million. During the nine months ended September 30, 2013, the Company recorded other comprehensive income of $61,000 (nine months ended September 30, 2012: other comprehensive loss of $75,000) for the changes in the fair value of this investment.

c) Management wrote off the Company's investment in Candente Gold Corp. on June 30, 2013, recording other comprehensive loss of $260,000 in the process. During the nine months ended September 30, 2012, the Company recorded other comprehensive loss of $104,000 for the changes in the fair value of this investment.

d) Management wrote-off the Company's investment in Cobriza Metals Corp. on June 30, 2013, recording other comprehensive loss of $71,000 in the process. During the nine months ended September 30, 2012, the Company recorded other comprehensive loss of $59,000 for the changes in the fair value of this investment.

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

7) El Teniente Royalties Payable

MVC has a contract with DET to process tailings until 2021 from the current production of the El Teniente mine in Chile ("fresh tailings"). MVC pays a royalty to DET on copper and molybdenum concentrates produced by MVC. The amount of the copper royalty on fresh tailings is determined pursuant to a formula that considers both the price of copper and the copper content in the fresh tailings. No royalties are payable on fresh tailings if the copper price is below $0.80/lb (for copper content in fresh tailings between 0.09% and 0.1499%); if the copper price is between $0.80/lb and $0.95/lb, the royalty varies on a sliding scale from 0% to 10%; if the copper price is between $0.95/lb and $1.30/lb, the royalty varies on a sliding scale from 10% to 13.5%; and if the copper price is $1.30/lb or higher, a maximum royalty of 13.5% is payable.

Royalty payments for copper concentrates production are calculated using the LME Price for copper for the month of delivery of the tailings, and invoiced by DET in Chilean Pesos (“CLP”) using the higher of either the “Dolar Acuerdo” or the “Dolar Observado” exchange rates, on a monthly basis within 30 days of the end of the third month following the month of delivery of the tailings. Payment to DET is made within 10 days of receipt of invoices. Accordingly, the price base used for the calculation of the El Teniente royalty is, in most instances, not the same price base used for the pricing of copper concentrate sales.

Adjustments to the El Teniente royalty are recorded on a monthly basis for changes in copper concentrate deliveries during the settlement period.

MVC also pays to DET a royalty of 10% of MVC’s net revenue received from the sale of molybdenum concentrates produced from fresh tailings.

The El Teniente royalties are recorded as a component of cost of sales.

During the quarter ended June 30, 2009, MVC reached an agreement with DET with respect to the processing of tailings from the Colihues tailings impoundment ("old tailings"), which provides for a sliding scale copper royalty on old tailings that is 3% if the LME Price is less than $0.80/lb, and rises to approximately 30% at an LME Price of $4.27/lb, but also contains a provision that the parties will review and potentially adjust the formula where the LME Price remains lower than $1.95/lb or higher than $4.27/lb for three consecutive months. For molybdenum prices lower than $35/lb, the royalty on old tailings is 11.9% and for molybdenum prices greater than or equal to $35/lb, the royalty is 12.4%. The agreement further provides that in December of each year the parties will revise the formula's grade and recovery parameters if necessary.

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

As at September 30, 2013, royalties payable to El Teniente were $9.9 million (December 31, 2012: $16.5 million), representing approximately four months of royalties.

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

8) Exploration and Evaluation Assets

	$
Year ended December 31, 2012	
Opening net book amount	10,131
Exchange differences	950
Additions	7,655
	18,736

Nine months ended September 30, 2013	
Opening net book amount	18,736
Exchange differences	(975)
Additions	3,247
	21,008

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

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

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

9) PROPERTY, PLANT AND EQUIPMENT

	Plant and infrastructure $	Machinery and equipment and other assets $	Total $
Year ended December 31, 2012			
Opening net book amount	101,911	26,597	128,508
Exchange differences	8,767	1,915	10,682
Additions	11,297	2,967	14,264
Depreciation charge	(12,422)	(2,695)	(15,117)
Closing net book amount	109,553	28,784	138,337
At December 31, 2012			
Cost	178,781	55,231	234,012
Accumulated depreciation	(69,228)	(26,447)	(95,675)
Net book amount	109,553	28,784	138,337
Nine months ended September 30, 2013			
Opening net book amount	109,553	28,784	138,337
Exchange differences	(5,071)	(1,185)	(6,256)
Additions	3,083	795	3,878
Disposals	-	(17)	(17)
Depreciation charge	(9,549)	(2,516)	(12,065)
Closing net book amount	98,016	25,861	123,877
At September 30, 2013			
Cost	172,892	53,511	226,403
Accumulated depreciation	(74,876)	(27,650)	(102,526)
Net book amount	98,016	25,861	123,877

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

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

10) Intangible Assets

	$
Net book amount, December 31, 2011	7,726
Exchange differences	613
Charged to earnings	(937)
Net book amount, December 31, 2012	7,402
Exchange differences	(326)
Charged to earnings	(701)
Net book amount, September 30, 2013	6,375

11) Borrowings

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

a) In November 2010, MVC obtained from a Chilean bank a loan denominated in U.S. dollars in the principal amount of $4 million to assist with the financing of a pilot plant to evaluate the viability of processing tailings from a new project. This loan was repaid in full during the quarter ended December 31, 2012. Total borrowing costs of $206,000 on this loan were capitalized, at a capitalization rate of 100%.

b) In December 2008, MVC obtained a $5 million loan from a Chilean bank. In May 2009, the loan was converted into a Chilean peso (“CLP”) loan and in May 2010 it was restructured as a three year loan. The principal amount of this loan was CLP 2,858 million and it was repaid in full during the quarter ended June 30, 2013.

c) In January 2012, Minera Valle Central Generacion S.A. (“MVC Generacion”), a wholly-owned subsidiary of MVC, obtained from a Chilean bank a working capital loan of CLP301 million (the equivalent of $616,000 at the loan grant date). This loan was repaid in full during the quarter ended June 30, 2013.

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

d) In July 2011 MVC entered into an agreement with a Chilean bank to secure a revolving working capital line of credit for up to $20 million or its equivalent in CLP (the "Line of Credit"). The Line of Credit has a term to July 4, 2014. For borrowings in CLP, this loan provides for interest at a variable rate of TAB plus an applicable margin, and for borrowings in US dollars provides for interest at a variable rate of LIBOR-30 days plus applicable margin. Current borrowing rates would be 0.585% per month on CLP draws and 0.1442% per month on US dollar draws. The Line of Credit requires MVC to meet minimum quarterly equity, debt to equity and maximum debt ratios. MVC was in compliance with these covenants at September 30, 2013. No funds have been drawn down on this line of credit.

12) Related Party Transactions

a) Royalties to Related Parties

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

Amerigo International is wholly-owned by Amerigo except for certain outstanding Class A shares which are owned indirectly by Amerigo's Chairman and Chief Executive Officer, an associate of the Chairman and Chief Executive Officer, a former director of Amerigo and an associate of that former director. The Class A shares were issued as part of a tax-efficient structure for the payment of the royalty (the "Royalty") granted in exchange for the transfer to the Company of an option to purchase MVC.

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

The Royalty is calculated as follows:

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

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

The Royalty is a derivative financial instrument. This liability is measured at fair value, with changes in fair value recorded in profit for the period. The fair value of the liability at September 30, 2013 is $5.2 million (December 31, 2012: $6 million), with a current portion of $688,000 (December 31, 2012: $731,000) and a long-term portion of $4.6 million (2012: $5.3 million).

The Royalty is paid as a royalty dividend on the Class A shares of Amerigo International. During the nine months ended September 30, 2013, royalties totalling $536,000 were paid or accrued to the Amerigo International Class A shareholders (2012: $621,000). At September 30, 2013, $60,000 of this amount remained outstanding (December 31, 2012: $71,000).

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

b) Purchases of Goods and Services

The Company's related parties consist of companies owned by executive officers and directors, as follows:

	Nature of Transactions
Zeitler Holdings Corp.	Management
Michael J. Kuta Law Corporation	Management
Delphis Financial Strategies Inc.	Management

The Company incurred the following fees in connection with companies owned by executive officers and directors and in respect of salaries paid to an officer. Transactions have been measured at the exchange amount which is determined on a cost recovery basis.

	Nine months ended September 30, 2013 $	**Nine months ended September 30, 2012 $**
Salaries and management fees	671	606

c) Key Management Compensation

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

	Nine months ended September 30, 2013 $	**Nine months ended September 30, 2012 $**
Management and directors' fees	867	794
Share-based payments	52	903
	919	1,697

Share-based payments are the fair value of options vested to key management personnel.

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

13) EQUITY

a) Share Capital

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

b) Share Options

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

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

Outstanding share options:

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

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

Information relating to share options outstanding at September 30, 2013 is as follows:

Outstanding share options	Vested share options	Price range Cdn$	Weighted average exercise price on outstanding options Cdn$	Weighted average exercise price on vested options $	Weighted average remaining life of outstanding options (years)
1,700,000	1,700,000	0.31-0.69	0.42	0.42	1.84
3,165,000	3,165,000	0.70-0.74	0.70	0.70	1.42
3,200,000	3,200,000	0.75-0.95	0.77	0.77	3.43
600,000	600,000	0.96-1.22	1.12	1.12	2.61
2,600,000	2,600,000	1.23 - 1.32	1.32	1.32	2.42
11,265,000	11,265,000		0.84	0.84	2.35

The weighted average remaining life of vested options at September 30, 2013 was 2.35 years.

Further information about share options is as follows:

	Nine months ended September 30, 2013 $	Nine months ended September 30, 2012 $
Total compensation recognized	52	934

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

c) Earnings (loss) per Share

i) Basic

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

	Three Months ended September 30, 2013 $	Three Months ended September 30, 2012 $	Nine Months ended September 30, 2013 $	Nine Months ended September 30, 2012 $
Profit (loss) for the period	1,039	(4,189)	3,440	(2,881)
Weighted average number of shares	172,290,344	172,290,344	172,290,344	172,290,344
Basic earnings (loss) per share	0.01	(0.02)	0.02	(0.02)

ii) Diluted

Diluted earnings (loss) per share are calculated by adjusting the weighted average number of shares outstanding to assume conversion of all potentially dilutive shares. Potentially dilutive shares relate to the exercise of outstanding share purchase options.

	Three months ended September 30, 2013 $	Three months ended September 30, 2012 $	Nine Months ended September 30, 2013 $	Nine Months ended September 30, 2012 $
Profit (loss) for the period	1,039	(4,189)	3,440	(2,881)
Weighted average number of ordinary shares in issue	172,290,344	172,290,344	172,290,344	172,290,344
Effect of dilutive securities:				
Share options	664,286	-	203,704	-
Weighted average diluted shares outstanding	172,954,630	172,290,344	172,494,048	172,290,344
Diluted earnings (loss) per share	0.01	(0.02)	0.02	(0.02)

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

14) Segment Information

Operating segments are based on the reports reviewed by the board of directors that are used to make strategic decisions. The Company has one operating segment, the production of copper concentrates with the production of molybdenum concentrates as a by-product.

The geographic distribution of non-current assets is as follows:

	Property, plant and equipment		**Other**	
	September 30, 2013	**December 31, 2012**	**September 30, 2013**	**December 31, 2012**
Chile	123,596	138,000	30,686	30,500
Canada	281	337	818	805
	123,877	138,337	31,504	31,305

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

The Company's sales to one customer represent 94% of reported revenue (2012: 84%).

15) Expenses By Nature

Cost of sales consists of the following:

	Three months ended September 30, 2013 $	**Three months ended September 30, 2012 $**	**Nine months ended September 30, 2013 $**	**Nine months ended September 30, 2012 $**
Production costs	17,307	30,057	56,506	85,173
El Teniente royalty	7,258	10,179	25,275	31,452
Depreciation and amortization	4,143	4,051	12,766	11,986
Administration	1,117	1,515	3,696	3,895
Transportation	377	483	1,199	1,238
	30,202	46,285	99,442	133,744

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

General and administration expenses consist of the following:

	Three months ended September 30, 2013 $	Three months ended September 30, 2012 $	Nine months ended September 30, 2013 $	Nine months ended September 30, 2012 $
Office and general expenses	312	371	904	1,086
Salaries, management and professional fees	440	516	1,233	1,209
Share-based payment compensation	-	214	52	933
Bad debt recovery	-	(683)	(52)	(683)
Royalties to related parties	(32)	85	(231)	(36)
	720	503	1,906	2,509

16) FINANCE EXPENSE

	Three months ended September 30, 2013 $	Three months ended September 30, 2012 $	Nine months ended September 30, 2013 $	Nine months ended September 30, 2012 $
Interest charges	73	198	302	466
Interest rate swap-change in fair value	-	(34)	(116)	(89)
Asset retirement obligation accretion cost	93	86	279	250
	166	250	465	627

17) OTHER (GAINS) EXPENSES

	Three months ended September 30, 2013 $	Three months ended September 30, 2012 $	Nine months ended September 30, 2013 $	Nine months ended September 30, 2012 $
Foreign exchange (gain) expense	(397)	(900)	508	(1,309)
Other gains	(90)	(133)	(302)	(494)
	(487)	(1,033)	206	(1,803)

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

18) Supplementary Cash Flow Information

	2013 $	2012 $
(a) Interest and taxes paid		
Interest paid	144	206
Income taxes paid	1,833	2,165
(b) Other		
Decrease in accounts payable related to the acquisition of plant and equipment	(2,628)	(1,638)
Cash paid during the year for royalty dividends to related parties	546	633

19) Commitments

a) MVC entered into an agreement with its current power provider in order to guarantee power supply to MVC from Chile's central power grid beyond the supply expected to be generated by MVC's own power plant. The agreement extends from January 1, 2010 to December 31, 2017 and establishes minimum stand-by charges based on peak hour power supply calculations, currently estimated to be approximately $360,000 per month for the period April 1, 2013 to December 31, 2017.

b) Amerigo has entered into a joint lease agreement together with an unrelated corporation for the lease of office premises in Vancouver. The lease is for a five year term commencing August 1, 2011, and the Company's share of basic rent commitments for the remaining term of the contract is approximately Cdn$360,000.

20) Expansion of MVC Operations

During the quarter ended September 30, 2013, the Company received official notice that the board of directors of Codelco has approved the major terms of a proposed agreement between DET and MVC. Once signed, MVC would obtain the rights to process the historic tailings in the Cauquenes deposit located near MVC's plant and the fresh tailings contract would be extended to 2037. The Company and El Teniente continue to work together to finalize the details of the formal agreement.