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Amerigo Resources Ltd.
Management Discussion and Analysis
For the Year Ended December 31, 2011

T A B L E of C O N T E NT S

This Management Discussion & Analysis (“MD&A”) is comprised of the following sections:

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 Corporación Nacional del Cobre de 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 10% 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. In addition to treating the sulphide portion of the fresh and old tailings from El Teniente, in 2011 MVC built a pilot plant to treat the oxide contents of 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 March 1, 2012, and should be read in conjunction with the Company's audited consolidated financial statements and related notes for the years ended December 31, 2011 and December 31, 2010.

The 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, Note 28 of the Company's December 31, 2011 audited 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).

HIGHLIGHTS and SIGNIFICANT EVENTS

Financial results in 2011 were adversely affected by a number of factors including the loss of approximately 2,500 tonnes of copper production due to the interruption of the flow of fresh tailings to MVC caused by a strike by workers of El Teniente subcontractors in the months of June and July, an increase of $5,529,707 in power costs and a provision for bad debt expense of $1,548,751 in Minera Valle Central Generacion, S.A. (“MVC-Generacion”). In 2011 the Company:

- Produced 19,810 tonnes of copper, a decrease of 6% from 2010 (including 5,482 tonnes in Q4-2011, a decrease of 7% from Q4-2010), and 785,068 pounds of molybdenum, an increase of 1% from 2010 (including 195,729 pounds in Q4-2011, a decrease of 20% from Q4-2010). Total copper production from the processing of old tailings decreased slightly from 8,910 tonnes (43% of 2010 copper production) to 8,881 tonnes (45% of 2011 copper production) in the year.

- Posted revenue of $166,073,816 and net profit of $8,700,518, compared to revenue of $152,120,143 and net profit of $13,104,660 in 2010. In Q4-2011 revenue was $40,304,934 (Q4-2010: $50,725,991) and the Company had a net loss of $3,645,151 (Q4-2010: net profit of $9,569,599).

- Generated gross profit of $9,777,103, compared to $23,200,491 in 2010.

- Generated operating cash flow of $20,046,088, compared to $27,572,226 in 2010. Including changes in non-cash working capital accounts, operating cash flow was $14,050,484, compared to $31,969,142 in 2010.

- Made debt repayments of $9,757,661. Bank debt was reduced to $4,619,149 on December 31, 2011.

- Made dividend payments of $6,850,264 (2010: $nil)

- Closed 2011 with cash and cash equivalents of $20,819,467, compared to $35,044,797 on December 31, 2010.

Financial results

- Revenue was $166,073,816 compared to $152,120,143 in 2010. Despite lower production in 2011, revenues increased due to higher average copper prices. Cost of sales was $156,296,713, compared to $128,919,652 in 2010, an increase driven by higher power costs resulting from ongoing drought conditions in Chile, higher royalties to El Teniente due to stronger average copper prices, higher maintenance, higher cost of processing of old tailings, higher molybdenum production costs and the effect of the exchange rate of the Chilean peso, which was on average 6% stronger during the year.

- Gross profit was $9,777,103, compared to $23,200,491 in 2010. The decrease in gross profit was driven by higher production costs.

- Net profit was $8,700,518, compared to $13,104,660 in 2010.

Production

- The Company produced 43.7 million pounds of copper, 6% lower than the 46.60 million pounds produced in 2010.

- Molybdenum production was 785,068 pounds, 1% higher than the 777,304 pounds produced in 2010.

Revenue

- Revenue increased to $166,073,816 compared to $152,120,143 in 2010, due to higher average copper prices, despite lower production. The Company's copper selling price before smelting, refining and other charges was $3.86/lb compared to $3.25/lb in 2010, and the Company's molybdenum selling price was $15.34/lb compared to $15.60/lb in 2010. Copper and molybdenum sales volume decreased 6% and 7% respectively in 2011.

Costs

- Cash cost (the aggregate of smelting, refining and other charges, production costs net of molybdenum-related net benefits, administration and transportation costs) before El Teniente royalty was $2.40/lb, compared to $1.85/lb in 2010. Cash costs increased in 2011 mostly as a result of higher maintenance, old tailings processing and molybdenum production costs and the effect of a stronger Chilean peso against the U.S. dollar.

- Total cost (the aggregate of cash cost, El Teniente royalty, depreciation and accretion) was $3.69/lb compared to $2.83/lb in 2010. The increase in total cost was driven by higher cash cost and higher El Teniente royalty due to higher copper prices.

- Power costs in 2011 were $45,365,873 ($0.1903/kwh) compared to $39,836,166 ($0.1560/kwh) in 2010. Chilean electricity costs in 2011 increased due to a 2-year drought that has severely affected electricity supply in Chile. The Company's power generators required significant repairs and were only operational part of the year. This situation and substantial generator repair costs did not fully mitigate MVC's exposure to high power grid costs.

- El Teniente royalties were $7,709,647 higher in 2011 due to stronger metal prices, the mix of the production and the effect of foreign exchange rates.

Cash and Financing Activities

- Cash balance was $20,819,467 at December 31, 2011 compared to $35,044,797 at December 31, 2010.

Dividends

- The Company declared two semi-annual dividends of Cdn$0.02 per share in 2011, for total dividend payments of $6,850,264.

Investments

- Payments for capital expenditures were $21,346,199 compared to $11,302,271 in 2010. Capital additions incurred in 2011 totaled $26,226,646 (2010: $10,728,233). The main capital additions incurred in 2011 included those for a pilot plant for the production of copper concentrates from highly oxidized tailings, 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"), Cobriza Metals Corp. ("Cobriza") and Los Andes Copper Ltd. ("Los Andes") had aggregate fair values of $8,722,744 at December 31, 2011 (December 31, 2010: $25,583,511) after the sale of 5,000,000 Candente Copper shares in the year for proceeds of $10,405,571.

Outlook

- In 2012 production is expected to meet or exceed 50 million pounds of copper and close to one million pounds of molybdenum.

OVERALL PERFORMANCE

In 2011 the Company posted net profit of $8,700,518, compared to $13,104,660 in 2010.

In 2011 the Company produced 43.7 million pounds of copper and 785,068 pounds of molybdenum, compared to 46.6 million pounds of copper and 777,304 pounds of molybdenum produced in 2010.

Revenue of $166,073,816 was derived from the sale of 43.7 million pounds of copper and 693,410 pounds of molybdenum.

In 2011 the Company's activities resulted in operating cash flow of $20,046,088 (2010: $27,572,226), 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 2011 was $14,050,484 (2010: $31,969,142).

In 2011 the Company made loan repayments to Enami totaling $1,887,155 (2010: $6,636,477) and net bank loan repayments of $7,870,506 (2010: $708,962).

At December 31, 2011, the Company had cash and cash equivalents of $20,819,467 and working capital of $13,620,223, compared to cash and cash equivalents of $35,044,797 and working capital of $22,454,265 on December 31, 2010.

SELECTED ANNUAL FINANCIAL INFORMATION

The following information has been extracted from the Company's audited financial statements for the years ended December 31, 2011, 2010 and 2009.

	Year ended December 31, 2011 (IFRS)	Year ended December 31, 2010 (IFRS)	Year ended December 31, 2009 (Canadian GAAP)
Total revenue	$166,073,816	$152,120,143	$89,473,248
Net profit	8,700,518	13,104,660	45,749
Earnings per share	0.05	0.08	-
Diluted earnings per share	0.05	0.08	-
Cash dividends paid	6,850,264	-	-

	At December 31, 2011	At December 31, 2010	At December 31, 2009
Total assets	$205,329,619	$234,673,054	$176,217,296
Total long-term liabilities [1]	30,317,350	36,505,636	27,775,859

[1] Long term liabilities at December 31, 2011 were comprised of: bank loans: $764,598 (2010: $2,996,819, 2009: $3,460,996); Enami loan:$nil (2010: $1,887,155, 2009:$1,887,164); other payables: $2,538,590 (2010: $1,462,006, 2009: $1,434,383); asset retirement obligation: $6,841,707 (2010: $7,168,372, 2009: $5,480,949); future income tax: $15,031,235 (2010: $17,530,894, 2009: $9,845,532) and royalties to related parties of $5,141,220 (2010: $5,460,390, 2009: $5,676,835).

OPERATING RESULTS

The Company produced 19,810 tonnes of copper in 2011, a decrease of 6% compared to 2010 mainly as a result of the loss of approximately 2,500 tonnes of copper production due to the interruption of the flow of fresh tailings to MVC caused by a strike by workers of El Teniente subcontractors in June and July 2011. Molybdenum production was 785,068 lbs, an increase of 1% compared to 2010.

Average copper prices improved in 2011. Average LME copper prices for 2011 were $4.00/lb compared to $3.42/lb in 2010.

Molybdenum prices decreased during the course of 2011. The Platt's published molybdenum dealer oxide price for December 2011 was $13.413/lb, compared to $16.020/lb in December 2010.

Due to lower production levels and higher production costs, the Company's operating and financial performance declined in 2011 compared to 2010. The Company posted gross profit of $9,777,103 compared to $23,200,491 in 2010. Gross profit excluding amortization and depreciation was $24,597,717 in 2011, compared to $34,874,373 in 2010.

Production

	FISCAL 2011	FISCAL 2010
Copper produced, tonnes	19,810	21,137
Copper produced, million lbs	43.7	46.6
Molybdenum produced, lbs	785,068	777,304

Revenue

	FISCAL 2011	FISCAL 2010
Average LME copper price	$ 4.00/lb	$ 3.42/lb
Average Platt's molybdenum dealer oxide price [1]	$ 15.34/lb	$ 15.60/lb
Copper sold, tonnes	19,694	21,001
Copper sold, million lbs	43.7	46.3
Molybdenum sold, lbs	693,410	747,978
Revenue, copper delivered during period [2]	$ 153,991,713	$ 136,704,718
Settlement adjustments to prior periods' sales	3,257,855	4,728,338
Total copper net sales during period	157,249,568	141,433,056
Revenue, molybdenum delivered during period [3]	9,130,393	9,570,873
Settlement adjustments during period	(306,145)	1,116,214
Total molybdenum net sales during period	8,824,248	10,687,087
Total revenue during period	$ 166,073,816	$ 152,120,143
Company's recorded copper price [4]	$ 3.86/lb	$ 3.25/lb
Company's recorded molybdenum price [5]	$ 16.16/lb	$ 15.60/lb

[1] Basis price for the Company's molybdenum sales.
[2] After smelting, refining 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 period before smelting and refining charges and settlement adjustments to prior periods' sales.
[5] Molybdenum recorded price for the period before roasting charges and settlement adjustments to prior periods' sales.

Revenue in 2011 was $166,073,816, compared to $152,120,143 in 2010, including copper revenue of $157,249,568 (2010: $141,433,056) and molybdenum revenue of $8,824,248 (2010: $10,687,087). Copper and molybdenum revenues are net of smelting, refining and roasting charges.

Copper revenue increased 11% from 2010.

In 2011 the Company recorded positive pricing adjustments to prior year's sales of $3,257,855, compared to positive adjustments of $4,728,338 in 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 negotiations between the Company and Enami set the Company's copper sale price at the average market price for the following month ("M+1"). Accordingly, provided monthly quotas were met, all copper delivered by the Company to Enami in one month was being sold at market prices prevailing in the following month.

During Q4-2011, MVC sold a portion of its copper production to Codelco-El Teniente under the same terms and conditions of the Enami contract.

At December 31, 2011, MVC still had to deliver approximately 2,850 tonnes of copper concentrate to Enami to fulfill the 2011 quota.

Molybdenum revenues were $8,824,248, 17% lower than $10,687,087 in 2010, due to a decrease in molybdenum deliveries, lower molybdenum prices and lower settlement adjustments to prior year sales.

Molybdenum produced by the Company is predominantly sold under a sales agreement with Chile's Molibdenos y Metales S.A. ("Molymet"), which in 2011 provided that the sale price was the average market price for the month of delivery ("M").

Cash Cost and Total Cost

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

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

	Fiscal 2011	**Fiscal 2010**
Cost of sales	156,296,713	128,919,652
Add:		
Smelting and refining charges	13,792,541	13,614,169
Deduct:		
Molybdenum by-product credits	(8,824,248)	(10,687,087)
Total cost	$161,265,006	$131,846,734
Deduct:		
El Teniente royalties	(41,544,730)	(33,835,083)
Depreciation and amortization	(14,820,614)	(11,673,882)
Cash cost	104,899,662	86,337,769
Lbs. of copper produced	43.7M	46.3M
Total cost/lb	**3.69**	**2.83**
Cash cost/lb	**2.40**	**1.85**

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

	FISCAL 2011	**Q4-2011**	**Q3-2011**	**Q2-2011**	**Q1-2011**
Power costs	1.04	1.01	0.96	1.15	1.04
Steel costs	0.25	0.27	0.23	0.22	0.27
Other costs	0.87	0.97	0.91	0.71	0.87
By-product credits	(0.20)	-0.13	(0.16)	(0.27)	(0.27)
Smelting & refining	0.32	0.32	0.32	0.31	0.31
Administration	0.09	0.11	0.09	0.10	0.08
Transportation	0.03	0.04	0.04	0.04	0.03
Cash Cost	**$2.40**	**$2.59**	**$2.39**	**$2.26**	**$2.33**

	FISCAL 2010	Q4-2010	Q3-2010	Q2-2010	Q1-2010
Power costs	0.86	0.80	0.80	0.84	0.94
Steel costs	0.21	0.27	0.16	0.20	0.24
Other costs	0.62	0.72	0.60	0.54	0.75
By-product credits	(0.23)	(0.21)	(0.20)	(0.14)	(0.42)
Smelting & refining	0.29	0.31	0.27	0.28	0.29
Administration	0.07	0.09	0.05	0.06	0.09
Transportation	0.03	0.03	0.03	0.03	0.03
Cash Cost	**$1.85**	**$2.01**	**$1.71**	**$1.81**	**$1.92**

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

Cash cost was $2.40/lb compared to $1.85/lb in 2010, an increase of $0.55/lb. The major variances in cash cost between the two years were a $0.25/lb increase in other production costs (due to higher costs in Chile and the effect of a stronger Chilean peso), and a $0.18/lb increase in power costs.

Power, MVC's most significant cost, was $0.1903/kWh in 2011 compared to $0.1560/kWh in 2010. Severe drought conditions during the past two years have restricted output from Chile's hydro generating facilities and resulted in the increased price of power from the central grid. The Company's power generators did not mitigate MVC's exposure to these higher power costs as they required major repairs during 2011 and were only operational for part of the year.

Molybdenum by-product credits of $0.20/lb decreased from $0.23/lb in 2010, due to lower molybdenum prices and production.

Unit steel costs were higher by $0.04/lb, compared to 2010, due to an increase in the hardness of the coarse material milled.

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

	FISCAL 2011	Q4-2011	Q3-2011	Q2-2011	Q1-2011
Cash cost	2.40	2.59	2.39	2.26	2.33
El Teniente royalty	0.95	0.81	0.98	1.11	0.96
Amortization/depreciation	0.34	0.37	0.32	0.36	0.29
Total Cost	**$3.69**	**$3.77**	$3.69	$3.73	$3.58

	FISCAL 2010	Q4-2010	Q3-2010	Q2-2010	Q1-2010
Cash cost	1.85	2.01	1.71	1.81	1.92
El Teniente royalty	0.73	0.84	0.64	0.67	0.74
Amortization/depreciation	0.25	0.24	0.24	0.26	0.31
Total Cost	**$2.83**	**$3.09**	**$2.59**	**$2.74**	**$2.97**

Total cost was $3.69/lb, compared to total cost of $2.83/lb in 2010. The most significant impact on total cost increases resulted from a $0.55/lb increase in cash cost and a $0.22/lb increase in El Teniente royalty.

FINANCIAL RESULTS – FISCAL 2011

The Company posted net profit of $8,700,518 ($0.05 basic and diluted earnings per share), compared to $13,104,660 in 2010 ($0.08 basic and diluted earnings). Gross profit was $9,777,103 compared to $23,200,491 in 2010.

Revenue

Revenue in 2011 was $166,073,816, compared to $152,120,143 in 2010.

Production Costs

	FISCAL 2011		FISCAL 2010	
Production costs				
Power costs	$	45,365,873	$	39,836,166
Steel costs		10,808,291		10,037,367
Other production costs		38,003,865		28,686,006
		94,178,029		78,559,539
El Teniente royalty		41,544,730		33,835,083
Depreciation and amortization		14,820,614		11,673,882
Administration		4,180,408		3,358,519
Transportation		1,572,932		1,492,629
Cost of sales	$	156,296,713	$	128,919,652

Annual production costs were $94,178,029 in 2011, compared to $78,559,539 in 2010, an increase of 20%, despite decreases in copper and molybdenum production of 6% and 7%, respectively.

Power consumption levels decreased by 5% in 2011 but power costs increased by $5,529,707. Power costs include a $660,106 net reduction in cost from the operation of the Company's power generators, a marginal economic benefit due to generator repair costs incurred in the year.

Steel costs increased 8% compared to 2010, despite lower production, as a result of increased hardness of materials processed by MVC in the year.

Other production costs increased $9,317,859 or 33%, including increases in old tailings processing costs ($1,846,296), molybdenum production costs ($1,784,251), maintenance costs ($1,516,578), distributable services ($1,403,220), IFRS-driven accrual for severance provisions of MVC workers ($1,331,755) and labour costs ($640,519). Old tailings processing costs increased due to higher dredging costs associated with the unfavourable characteristics of the areas mined in 2011; molybdenum production costs were impacted by a significantly higher use of reagents to address flotation and other process issues encountered in 2011 and maintenance costs increased in connection with major mill repairs.

The El Teniente royalty was $41,544,730, 23% higher than in 2010, due to higher average copper prices in 2011 and the effect of foreign exchange rates. Copper royalty costs 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. The effect of using the higher Dolar Acuerdo rates in 2011 resulted in royalty costs of $6,543,885.

Additions to MVC's asset base resulted in depreciation and amortization cost of $14,820,614 compared to $11,673,882 in 2010.

Administration expenses were $4,180,408 compared to $3,358,519 in 2010. Costs increased due to higher labour costs, higher professional fees and costs associated with MVC's ISO certification and the effect of a stronger peso compared to the U.S. dollar. In 2011 MVC obtained ISO Certification under standard ISO 14001:2004, a standard dealing with environmental management systems allowing organizations to identify and control the environmental impact of their processes and output products.

Transportation costs were $1,572,932 compared to $1,492,629 in 2010 due to inflation and the effect of exchange rates.

Other expenses

“Other expenses” (costs not related to MVC’s production operations) were $7,185,832 compared to $4,036,522 and include general and administration expenses of $7,258,711 (2010: $5,430,717) and other gains of $72,879 (2010: $1,394,195).

The increase of $1,827,994 in general and administration expenses in 2011 was mostly the result of a bad debt expense of $1,548,751 (2010: $nil) due to a one-time charge to fully account for the outstanding amounts due for power sales to a Chilean company that has formally initiated bankruptcy proceedings. Any amounts recovered in the future from these proceedings will be recognized in earnings. In 2011 the Company also had an increase of $585,055 in share-based payment compensation, a non-cash expense. Other general and administration expenses, including office and general expenses, salaries, management and professional fees and royalties to related parties, decreased in 2011 compared to 2010 levels.

“Other gains” are comprised of a foreign exchange loss of $684,792 (2010: gain of $907,703) and other gains including interest income of $757,671 (2010: $486,492).

Finance expense

The Company’s finance expense was $1,013,271 (2010: $1,460,983) including interest on bank and Enami loans of $861,156 (2010: $1,263,800), asset retirement obligation accretion cost of $446,077 (2010: $383,665) and royalty accretion adjustments of ($293,962) (2010: ($186,482)).

Other

The Company sold 5,000,000 Candente Copper shares in 2011, for cash proceeds of $10,405,571. In connection with this sale, the Company recorded a gain in earnings of $9,750,931 on sale of available for sale financial assets.

Taxes

The Company recorded income tax expense of $2,628,413 (2010: $4,598,326) including current income tax on earnings of $757,312 and changes to deferred (future) income tax of $1,871,101. The Company’s deferred tax liabilities arise mainly from timing differences between financial and tax-based amortization expense in MVC. The increase in deferred income tax does not represent income tax due in Chile on a current basis. The current tax rate in Chile increased from 17% to 20% in 2011, a temporary increase introduced by the Chilean government following the February 2010 earthquake.

FINANCIAL RESULTS – QUARTER ENDED DECEMBER 31, 2011

In Q4-2011, the Company produced 5,842 tonnes of copper (Q4-2010:5,947 tonnes) and 195,729 lbs of molybdenum (Q4-2010: 244,912 lbs), 1% and 20% decreases, respectively.

The Company posted a net loss of $3,645,151 (basic and diluted loss of $0.02 per share), compared to net earnings of $5,985,108 (basic and diluted earnings of $0.03 per share) in Q4-2010.

Revenue

Revenue during Q4-2011 was $40,304,934 compared to $50,725,991 in Q4-2010. Revenue decreased substantially due to lower copper prices in Q4-2011 and lower production. Also in Q4-2010 the Company had higher final settlement payments (due to increased copper grade in concentrates than provisionally paid).

Production Costs

		Q4-2011		Q4-2010
Production costs				
Power costs	$	12,272,096	$	11,484,684
Steel costs		3,242,737		3,521,099
Other production costs		11,753,085		8,116,991
		27,267,918		23,122,774
El Teniente royalty		9,735,126		11,057,261
Depreciation and amortization		4,502,658		3,315,544
Administration		1,307,638		1,208,789
Transportation		450,428		444,688
	$	43,263,768	$	39,149,056

Production costs of $27,267,918 were 18% higher than $23,122,774 in Q4-2010, mostly attributed to an increase in other production costs.

The El Teniente royalty was $9,735,126, compared to $11,057,261 in Q4-2010, due to lower production and metal prices in Q4-2011.

Depreciation and amortization cost was $4,502,658 compared to $3,315,544 in Q4-2010, due to the increased asset base at MVC.

Administration expenses were $1,307,638 compared to $1,208,879 in Q4-2010, and transportation costs were $450,428 compared to $444,688 in Q4-2010.

Cash Cost and Total Cost

Cash cost in Q4-2011 was $2.59/lb compared to $2.01/lb in Q4-2010:

	Q4-2011	Q4-2010
Power costs	1.01	0.80
Steel costs	0.27	0.27
Other costs	0.97	0.72
By-product credits	(0.13)	(0.21)
Smelting & refining	0.32	0.31
Administration	0.11	0.09
Transportation	0.04	0.03
Cash Cost	**$2.59**	**$2.01**

The increase of $0.58/lb in cash cost between the comparative quarters resulted mainly from an increase in other production costs of $0.25/lb and an increase of $0.21/lb in power costs. The increase in production costs was caused by higher old tailings processing costs ($0.05/lb), maintenance costs ($0.04/lb), molybdenum production costs ($0.04/lb), distributable services ($0.04/lb), IFRS-driven severance accruals for MVC workers ($0.03) and labour costs ($0.02/lb).

The Company’s total cost was $3.77/lb compared to $3.02/lb in Q4-2010:

	Q4-2011	Q4-2010
Cash cost	2.59	2.01
El Teniente royalty	0.81	0.84
Amortization/depreciation	0.37	0.24
Total Cost	**$3.77**	**$3.09**

In Q4-2011 cash cost increased by $0.58/lb, amortization and depreciation increased by $0.13/lb and the El Teniente royalty cost decreased $0.03/lb.

Other

In Q4-2010 general and administrative expenses were $1,296,152 compared to $2,158,830 in Q4-2010, other gains were $90,181 (Q4-2010: other loss of $441,407) and finance costs were $299,436 (Q4-2010: $362,362.

The Company recorded current and future income tax recoveries of $909,271 in Q4-2011 (Q4-2010: tax expense of $2,629,228).

COMPARATIVE PERIODS

The following tables provide highlights of the Company's quarterly results for the past eight quarters (unaudited):

	QE Dec. 31, 2011	QE Sept. 30, 2011	QE June 30, 2011	QE March 31, 2011
Total revenue	$40,304,934	$41,958,747	$38,294,635	$45,515,500
Net loss (profit)	(3,645,151)	(1,194,499)	1,885,882	11,654,286
Earnings per share	(0.02)	(0.01)	0.01	0.07
Diluted earnings per share	(0.02)	(0.01)	0.01	0.07

	QE Dec. 31, 2010	QE Sept. 30, 2010	QE June 30, 2010	QE March 31, 2010
Total revenue	$50,725,991	$39,303,405	$32,433,982	$29,656,765
Net profit	5,985,108	5,900,832	(281,572)	1,500,292
Earnings per share	0.03	0.04	-	0.01
Diluted earnings per share	0.03	0.04	-	0.01

LIQUIDITY and CAPITAL RESOURCES

Cash Flow from Operations

The Company generated cash of $14,050,484 (9¢ per share) from operations, compared to $31,969,142 (19¢ per share) in fiscal 2010.

Excluding the effect of changes in working capital accounts, the Company generated cash of $20,046,088 compared to $27,577,226 in 2010.

Cash Flow from Financing Activities

Cash used in financing activities was $16,342,933, compared to cash received from financing activities of $4,246,922 in 2010.

In 2011 the Company made bank loan repayments of $9,757,661 (2010: $7,345,439) and made dividend payments of $6,850,264 (2010: $nil).

In 2011, the Company received $264,992 (2010: $11,529,361) from the exercise of share options and warrants.

Cash Flow from Investing Activities

In 2011, the Company used cash of $21,346,199 for payments of capital expenditures, compared to $11,302,271 in 2010.

The most significant capital expenditures in 2011 were made in connection with the construction and commissioning of a pilot plant for the production of copper concentrates from highly oxidized tailings, the construction of a third thickener, old tailings extraction expansion works, improvements to electrical installations and projects related to filtration and emission controls. MVC had originally partnered with a Chilean company to build the oxides plant on a 50/50 basis with equal distribution of project earnings but in Q4-2011 MVC decided to buy the partner out and retain full ownership and rights on the oxide plant.

In 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.

Liquidity and Financial Position

The Company's cash and cash equivalents at December 31, 2011 totaled $20,819,467, compared to $35,044,797 at December 31, 2010. The Company had working capital of $13,620,223 at December 31, 2011 compared to working capital of $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 two bank loans in Chile, denominated in U.S. dollars and Chilean pesos, totaling the equivalent of $4,619,149 at December 31, 2011 (December 31, 2010: $14,735,431).

MVC also had a loan in Chilean Unidades de Fomento ("UF"), the Chilean indexed monetary unit. The UF loan was repaid in 2011 (December 31, 2010: $3,893,845).

The U.S. dollar loan had a balance of $2,004,160 at December 31, 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 $2,614,989 (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 has 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 0.66% per month on CLP draws and 3.10% 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 U.S. dollar loan 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 December 31, 2011.

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 December 31, 2011 were $30,317,350 (December 31, 2010: $36,505,636).

Impairment Analysis

As at December 31, 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 December 31, 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 year ended December 31, 2011, the Company sold 5,000,000 Candente Copper shares, and recognized a gain of $9,750,931 in earnings. At December 31, 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 $5,527,254. During the year ended December 31, 2011, the Company recorded other comprehensive loss of $2,990,139 (2010: other comprehensive income of $13,569,434) for the changes in fair value of this investment, net of deferred income tax.

At December 31, 2011, Candente Gold's closing share price was Cdn$0.235 and the fair value of the Company's approximately 4% investment in Candente Gold was $499,158. During the year ended December 31, 2011, the Company recorded other comprehensive loss of $1,680,292 (2010: other comprehensive income of $2,179,450) for the changes in the fair value of this investment, net of deferred income tax.

At December 31, 2011, Los Andes's closing share price was Cdn$0.32 and the fair value of the Company's approximately 5% investment was $2,519,668. During the year ended December 31, 2011, the Company recorded other comprehensive loss of $1,247,740 (2010: other comprehensive income of $3,079,837) for the changes in the fair value of this investment, net of deferred income tax.

On October 6, 2011, the Company received a total of 1,157,656 shares of Cobriza, an issuer listed on the TSX, following Cobriza's spinout from Candente Copper. At December 31, 2011, Cobriza's closing share price was Cdn$0.155 and the fair value of the Company's approximately 4% investment in Cobriza was $176,644. The Company recorded other comprehensive income of $176,644 for the increase in the fair value of this investment during the year ended December 31, 2011, net of deferred income tax.

SUMMARY OF OBLIGATIONS

	Total	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years
Trade and other payables	23,877,193	21,338,603	77,454	-	2,461,136
Current income tax payable	667,573	667,573	-	-	-
ET royalties	9,523,714	9,523,714	-	-	-
Bank loans	4,619,149	3,854,551	764,598	-	-
Royalties to related parties	5,787,434	646,214	784,505	2,032,380	2,324,335
Asset retirement obligations[1]	11,521,522	-	-	-	11,521,522
Minimum power payments [2]	21,264,000	3,984,000	4,320,000	12,960,000	-
Total contractual obligations	77,260,585	40,014,655	5,946,557	14,992,380	16,303,993

[1] The disclosed value of the asset retirement obligation is based on estimates from a 2011 study of what it would cost in 2021 to remove assets and restore the site where MVC's operations are conducted and included a market risk premium of 7% and a discount rate of 5.35%. This liability is being accreted systematically over time until a $11,521,522 value is reached in 2021. At December 31, 2011, the asset retirement obligation is estimated at $6,841,707.

[2] 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 $332,000 per month for the period January 1, 2012 to December 31, 2012, and $360,000 per month for the period January 1, 2013 to December 31, 2017.

OUTLOOK

Management believes that production in 2012 will meet or exceed 50 million pounds of copper and approximately 1 million pounds of molybdenum.

Power costs will continue to be high at least until mid-2012. Power costs in the second half of 2012 will depend on weather conditions in Chile that may allow for already depleted hydro dams to be replenished.

Capital expenditures in 2012 are expected to be approximately $18,000,000 including further expansion of old tailings extraction facilities, final work on the construction of a third thickener and on the oxides pilot plant, engineering and permitting on further expansion and other projects.

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.

OTHER MD&A REQUIREMENTS

Transactions with Related Parties

a) 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 Chief Executive Officer, an associate of the President and Chief Executive Officer, 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 the director and former director, who transferred to the Company the option to purchase what is now the Company's 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 December 31, 2011 is $5,787,434 (December 31, 2010: $6,006,429), with a current portion of $646,214 (December 31, 2010: $546,039) and a long-term portion of $5,141,220 (2010: $5,460,390).

The Royalty is paid as a royalty dividend on the Class A shares of Amerigo International. During the year ended December 31, 2011, Royalties totalling $731,585 were paid or accrued to the Amerigo International Class A shareholders on production in the period (2010: $751,758). At December 31, 2011, $74,967 of this amount remained outstanding (December 31, 2010: $67,064).

b) Directors' fees and remuneration to officers

During the year ended December 31, 2011, the Company paid or accrued $1,130,880 in fees to companies associated with certain directors and officers of Amerigo (2010: $1,135,804). Included in these fees are accrued bonuses of $147,059 to senior management (2010: $396,340). In 2010 this amount also included termination payments or accruals of $216,322. In the same period, Amerigo paid or accrued $206,141 in directors' fees to independent directors (2010: $92,245). Directors' fees and remuneration to officers are categorized as salaries, management and professional fees in Amerigo's consolidated financial statements. At December 31, 2011, an aggregate amount of $52,683.58 was due to directors and officers for bonuses payable, directors' fees and reimbursement of expenses (2010: $692,936). These transactions were in the ordinary course of business and measured at the exchange amounts agreed to by the parties.

In the year ended December 31, 2011 a total of 3,100,000 options were granted to directors and officers of the Company (2010: 3,000,000 options).

c) As of December 31, 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 December 31, 2011 one of Amerigo's officers acted as an officer of Candente Copper Corp., Candente Gold Corp., and Cobriza Metals Corp., companies in which Amerigo holds investments.

e) As of December 31, 2011 two of Amerigo's officers acted as officers and one of Amerigo's directors acted as a director of Los Andes Copper Ltd., a company in which Amerigo holds an investment.

Critical Accounting Estimates

The most significant estimates are related to the physical and economic lives of contractual rights, property, plant and equipment and their recoverability, estimates regarding the future cost of retiring the Company's capital assets and the estimation of future cash flow requirements to determine the Company's ability to continue operating as a going concern.

Amerigo has calculated an asset retirement obligation based on an estimated price of $6,933,670, provided by an independent third party in 2011. Management's current estimates in calculating the asset retirement obligation include projected annual inflation rates in Chile of 4.5% per annum, a market risk premium of 7% and a discount rate of 5.35%. The present value of the asset retirement obligation was revised from $7,168,372 to $6,841,707 in 2011, which will be systematically accreted to a 2021 value of approximately $11,521,522.

IFRS Implementation

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 three months dated March 31, 2011 were the Company's first reporting period under IFRS.

The Company has completed its IFRS conversion project.

The IFRS transitional impact is outlined below.

Reconciliations of the statements of financial position

As a result of the policy choices selected and the changes the Company was required to make under IFRS, the Company recorded an increase to equity of approximately $3.2 million as at January 1, 2010.

The following paragraphs explain the significant differences between Canadian GAAP and the current IFRS accounting policies applied by the Company. These differences result in the adjustments presented in the statements of financial position and comprehensive income presented below.

Note 1. The Company has a royalty dividend payable to certain related parties. This arrangement was originally entered as consideration for the option to purchase what is now the Company's interest in MVC. Under Canadian GAAP, the royalty dividend interest was accounted for as a minority interest, measured at a nominal amount of $1,000. Under IFRS, the royalty dividend 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 revalued 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 award over the vesting period of the corresponding tranche.

Note 6. Certain balances have been reclassified within statement of financial position accounts.

	Note	January 1, 2010 (Canadian GAAP) $	Transition Impact $	January 1, 2010 (IFRS) $
Assets				
Current assets				
Cash and cash equivalents		7,191,093	-	7,191,093
Trade and other receivables	6	19,241,121	32,147	19,273,268
Inventories	6	4,666,104	-	4,666,104
		31,098,318	32,147	31,130,465
Non-current assets				
Available-for-sale financial assets		6,754,790	-	6,754,790
Property, plant and equipment	2,3	121,783,483	7,370,175	129,153,658
Intangible assets	1	6,475,923	2,681,577	9,157,500
Other non-current assets	6	82,913	(62,030)	20,883
Total assets		166,195,427	10,021,869	176,217,296
Liabilities				
Current liabilities				
Trade and other payables	6	21,526,330	37,337	21,563,667
Current income tax liabilities		13,289	-	13,289
Royalties to related parties	1	-	516,076	516,076
Borrowings		15,912,436	-	15,912,436
		37,452,055	553,413	38,005,468
Non-current liabilities				
Borrowings		5,338,160	-	5,338,160
Trade and other payables		1,434,383	-	1,434,383
Royalties to related parties	1	-	5,676,835	5,676,835
Asset retirement obligation		5,480,949	-	5,480,949
Deferred income tax liability	4	9,292,881	552,651	9,845,532
Total Liabilities		58,998,428	6,782,899	65,781,327
Equity				
Share Capital		64,282,591	-	64,282,591
Minority interest	1	1,000	(1,000)	-
Other reserves		3,917,591	-	3,917,591
Retained earnings		35,324,886	3,239,970	38,564,856
Accumulated other comprehensive income	2	3,670,931	-	3,670,931
Total equity		107,196,999	3,238,970	110,435,969
Total equity and liabilities		166,195,427	10,021,869	176,217,296

	Note	December 31, 2010 (Canadian GAAP) $	Transition Impact $	December 31, 2010 (IFRS)
Assets				
Current assets				
Cash and cash equivalents		35,044,797	-	35,044,797
Trade and other receivables	6	18,008,746	(5,622)	18,003,124
Inventories	6	5,021,884	1,098,461	6,120,345
		58,075,427	1,092,839	59,168,266
Non-current assets				
Available-for-sale financial assets		25,583,511	-	25,583,511
Property, plant and equipment	3	127,154,030	13,519,613	140,673,643
Intangible assets	1	6,107,198	3,126,726	9,233,924
Other non-current assets	6	100,096	(86,386)	13,710
Total assets		217,020,262	17,652,792	234,673,054
Liabilities				
Current liabilities				
Trade and other payables	6	25,454,729	(8,631)	25,446,098
Current income tax liabilities		314,976	-	314,976
Royalties to related parties	1	-	546,039	546,039
Borrowings		9,851,457	-	9,851,457
		35,621,162	537,408	36,158,570
Non-current liabilities				
Borrowings		4,883,974	-	4,883,974
Trade and other payables		1,462,006	-	1,462,006
Royalties to related parties	1	-	5,460,390	5,460,390
Asset retirement obligation		7,168,372	-	7,168,372
Deferred income tax liability	4	17,367,667	163,227	17,530,894
Total Liabilities		66,503,181	6,161,025	72,664,206
Equity				
Share Capital		77,166,170	-	77,166,170
Minority interest	1	1,000	(1,000)	-
Other reserves		3,804,483	-	3,804,483
Retained earnings		50,714,330	955,186	51,669,516
Accumulated other comprehensive income	2	18,831,098	10,537,581	29,368,679
Total equity		150,517,081	11,491,767	162,008,848
Total equity and liabilities		217,020,262	17,652,792	234,673,054

Reconciliation of total comprehensive income

	Note	Year ended December 31, 2010 (Canadian GAAP)	Transition Impact $	Year ended December 31, 2010 (IFRS)
Revenue		152,120,143		152,120,143
Cost of sales	3, 6	125,398,388	3,521,264	128,919,652
Gross profit		26,721,755	(3,521,264)	23,200,491
Other expenses				
General and administration	6	5,430,175	542	5,430,717
Other (gains) losses	2	(797,438)	(596,757)	(1,394,195)
		4,632,737	(596,215)	4,036,522
Operating profit		22,089,018	(2,925,049)	19,163,969
Finance expense	1, 6	1,653,725	(192,742)	1,460,983
Profit before tax		20,435,293	(2,732,307)	17,702,986
Income tax expense	4	5,045,849	(447,523)	4,598,326
Profit for the period		15,389,444	(2,284,784)	13,104,660
Other comprehensive income	2	15,160,167	10,537,580	25,697,747
Comprehensive income		30,549,611	8,252,796	38,802,407
Weighted average number of shares outstanding, basic		168,206,028		168,206,028
Weighted average number of shares outstanding, diluted		170,323,322		170,323,322
Earnings per share				
Basic		0.09		0.08
Diluted		0.09		0.08

Statement of cash flows

The IFRS transition adjustments noted above did not have an impact on cash and cash equivalents. There was not change to investing and financing cash-flow subtotals.

Disclosure Controls and Procedures

The Company's disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is communicated to senior management, to allow timely decisions regarding required disclosure.

During the year ended December 31, 2005, the Company's General Counsel and Corporate Secretary completed an evaluation of the effectiveness of the Company's existing disclosure controls and procedures, undertook extensive research and made presentations and recommendations to the Company's certifying officers and board of directors. Based on those recommendations, a corporate disclosure policy was presented to the Company's board and adopted on February 14, 2006. The disclosure policy includes the setting up of a Disclosure Policy Committee that consists of the Company's President & CEO, CFO and Corporate Secretary.

The disclosure policy and committee have been in place since the date the disclosure policy was adopted. Management is reasonably confident that material information relating to the Company, including its consolidated subsidiaries, is being made known to senior management in a timely manner, and that the Company's disclosure controls and procedures are effective not only with respect to the Company's annual filing requirements but on an ongoing basis as of the end of the period covered by this report.

Internal Controls over Financial Reporting

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Company's internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that accurately and fairly reflect the additions to and dispositions of the assets of the Company; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and the Company's receipts and expenditures are made only in accordance with authorization of management and the Company's directors; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the annual or interim financial statements.

Any system of internal controls 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.

An evaluation of the design effectiveness of the Company's internal controls over financial reporting was conducted as of December 31, 2011 by the Company's management, including the President and CEO and CFO. Based on this evaluation, management has concluded that the design of the Company's internal controls over financial reporting was effective.

There were no changes in the Company's internal control over financial reporting during the year ended December 31, 2011 that have materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting.

Other

As of March 1, 2012, Amerigo has outstanding 172,290,344 common shares and 8,400,000 options (exercisable at prices ranging from Cdn$0.31 to Cdn$2.13 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, except as required by securities law. 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, 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.