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Amerigo Resources Ltd.
Management's Discussion and Analysis
For the Three Months Ended March 31, 2013

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

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

REPORTED IN U.S. DOLLARS, EXCEPT WHERE INDICATED OTHERWISE.

COMPANY PROFILE

Amerigo Resources Ltd. (“Amerigo”) owns a 100% interest in Minera Valle Central S.A. ("MVC"), a Chilean company that produces copper and molybdenum and has a long-term contractual relationship with the El Teniente Division of 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. El Teniente commenced operations in 1904 and has a remaining mine life that is estimated to 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.

The fresh tailings are supplied from El Teniente's current production. The old tailings are recovered from Colihues, a tailings deposit located near MVC’s plant that originally contained more than 200 million tonnes of material. The copper grade of the old tailings in Colihues is approximately 2 to 3 times that of the fresh tailings.

MVC is also working to obtain the rights to process old tailings from additional El Teniente tailings deposits in the area, including the Cauquenes deposit which is adjacent to Colihues. Management anticipates the feasibility study and basic engineering work for the Cauquenes project to be completed in Q2-2013 and, subject to the successful conclusion to negotiations with Codelco/El Teniente, an agreement entered into shortly thereafter. In the event MVC and Codelco/El Teniente are unable to reach an agreement for the processing of tailings from Cauquenes, Codelco/El Teniente has agreed to reimburse $3.8 million of the permitting and engineering costs incurred by MVC. The Cauquenes Environmental Impact Assessment study was filed with the Chilean authorities on January 7, 2013 and a response from the authorities is expected to be received in Q3-2013.

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.

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 May 7, 2013, and should be read in conjunction with the Company’s condensed consolidated interim financial statements and related notes for the three months ended March 31, 2013 and the Company’s audited consolidated financial statements and related notes for the year ended December 31, 2012.

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”) issued by the International Accounting Standards Board (“IASB”).

Reference is made in this MD&A to various measures such as cash flow per share from operating activities, cash cost and total cost. Cash cost and total cost are terms that do not have a standardized meaning but are widely used in the mining industry as performance indicators.

HIGHLIGHTS and SIGNIFICANT EVENTS

Comparative Annual Overview

	Three months ended March 31,			
	2013	2012	Change	
			$	%
Copper produced, million pounds	12.83	13.88	(1.05)	(8%)
Copper sold, million pounds	12.48	14.08	(1.60)	(11%)
Molybdenum produced, pounds	258,301	216,292	42,009	19%
Molybdenum sold, pounds	240,744	303,547	(62,803)	(21%)
Percentage of copper production from old tailings	49%	52%		(3%)
Revenue ($ thousands)	43,161	50,499	(7,338)	(15%)
Cost of sales [1] ($ thousands)	38,037	47,367	(9,330)	(20%)
El Teniente royalty costs ($ thousands)	10,700	11,684	(984)	(8%)
Gross profit ($ thousands)	5,124	3,132	1,992	64%
Net profit ($ thousands)	3,238	2,310	928	40%
Operating cash flow ($ thousands)	7,335	7,141	194	2.72%
Cash flow paid for plant expansion ($ thousands)	(3,645)	(8,601)	4,956	(58%)
Cash and cash equivalents ($ thousands)	13,280	19,176	(5,896)	(31%)
Bank debt ($ thousands)	999	4,394	(3,395)	(77%)
Average realized copper price per pound	3.52	3.55	(0.03)	(1%)
Cash cost per pound	1.95	2.35	(0.40)	(17%)
Total cost per pound	3.11	3.48	(0.37)	(11%)

[1] Includes El Teniente royalty costs

Financial results

- Revenue was $43.2 million, compared to $50.5 million in Q1-2012. Revenues decreased 15% due to lower copper and molybdenum sales volume and lower average metal prices.

- Cost of sales was $38 million, compared to $47.4 million in Q1-2012, a decrease of 20% driven by lower production levels and substantially reduced power costs mainly as a result of the change in the Company's power contract from a variable to a lower fixed rate.

- Gross profit was $5.1 million, compared to $3.1 million in Q1-2012.

- Net profit was $3.2 million, compared to $2.3 million in Q1-2012.

Production

- The Company produced 12.8 million pounds of copper, 8% lower than the 13.9 million pounds produced in Q1-2012.

- Molybdenum production was 258,301 pounds, 19% higher than the 216,292 pounds produced in Q1-2012.

Revenue

- Revenue decreased to $43.2 million, compared to $50.5 million in Q1-2012, due to lower production levels and lower metal prices. The Company's copper selling price before smelting, refining and other charges was $3.52/lb compared to $3.55/lb in Q1-2012, and the Company's molybdenum selling price was $11.34/lb compared to $14.10/lb in Q1-2012.

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 $1.95/lb, compared to $2.35/lb in Q1-2012. Cash costs decreased in Q1-2013 mostly as a result of a $0.46/lb reduction in power costs.

- Total cost (the aggregate of cash cost, El Teniente royalty, depreciation and accretion) was $3.11/lb compared to $3.48/lb in Q1-2012.

- Power costs in Q1-2013 were $6.4 million ($0.0970/kwh) compared to $13.3 million ($0.2151/kwh) in Q1-2012. Similar lower power cost levels are expected to December 31, 2017, the end of the term of MVC's current power contract.

- Total El Teniente royalties were $10.7 million in Q1-2013, compared to $11.7 million in Q1-2012, due to lower production and metal prices.

Cash and Financing Activities

- Cash balance was $13.3 million at March 31, 2013 compared to $9.3 million at December 31, 2012.

Investments

- Cash payments for capital expenditures ("Capex") were $3.6 million compared to $8.6 million in Q1-2012. Capex payments have been funded from operating cash flow and cash at hand.

- Capex incurred in Q1-2013 totaled $2 million (Q1-2012: $7.4 million) and included project investments in anticipation of the Company obtaining the rights to process tailings from Cauquenes and sustaining Capex projects.

- 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 an aggregate fair value of $4.8 million at March 31, 2013 (December 31, 2012: $4.1 million).

Outlook

- Management guidance for 2013 copper production remains at the lower end of the previously announced range of 45 to 50 million pounds. Guidance for molybdenum production has been revised downwards to approximately 700,000 pounds. The Company is also conducting a detailed economic review of molybdenum production under current prices, given the minimal profitability provided by the molybdenum operations.

- Cash cost continues to be projected to be between $1.95/lb and $2.15/lb Cu in 2013.

- Excluding the Cauquenes project, 2013 Capex at MVC is now estimated to be approximately $7.2 million, an increase of $0.2 million from prior guidance. Capex for Cauquenes engineering and permitting in 2013 has been revised from $1.9 million to $2.4 million. Codelco/El Teniente has agreed to reimburse up to $3.8 million of these costs in the event the parties are unable to reach an agreement for the processing of Cauquenes tailings.

FINANCIAL RESULTS Q1-2012 TO Q1-2013

	Q1-2013	Q4-2012	Q3-2012	Q2-2012	Q1-2012
Copper production, million pounds	12.83	13.56	12.70	11.57	13.88
Copper sales, million pounds	12.48	13.71	13.02	10.76	14.08
Moly production - pounds	258,301	290,705	321,788	228,932	216,292
Moly sales - pounds	240,744	286,075	337,818	243,263	303,547
Financial results ($ thousands)					
Revenue	43,161	47,017	44,231	40,013	50,499
Cost of sales					
Production costs	21,332	30,633	30,057	24,887	30,229
El Teniente royalty	10,700	12,421	10,179	9,589	11,684
Depreciation and amortization	4,161	4,070	4,051	3,905	4,030
Administration	1,384	1,500	1,515	1,274	1,106
Transportation	460	483	483	437	318
	38,037	49,107	46,285	40,092	47,367
Gross profit (loss)	5,124	(2,090)	(2,054)	(79)	3,132
Other expenses					
Office and general expenses	406	226	371	253	462
Salaries, management and professional fees	375	895	516	371	322
Share-based payment compensation	31	106	214	376	344
Royalties to related parties	100	1,110	85	(30)	(92)
Bad debt recovery	-	-	(683)	-	-
	912	2,337	503	970	1,036
Other gains and losses					
Foreign exchange (gains) losses	(98)	895	(900)	411	(820)
Other (gains) losses	(111)	(187)	(134)	(187)	(174)
	(209)	708	(1,034)	224	(994)
Operating profit	4,421	(5,135)	(1,523)	(1,273)	3,090
Finance costs	185	429	251	177	199
Profit (loss) before tax	4,236	(5,564)	(1,774)	(1,450)	2,891
Income tax expense (recoveries)	998	(253)	2,415	(448)	581
Profit (loss) for the period	3,238	(5,311)	(4,189)	(1,002)	2,310
Earnings (loss) per share - basic	0.02	(0.03)	(0.02)	(0.01)	0.01
Earnings (loss) per share - diluted	0.02	(0.03)	(0.02)	(0.01)	0.01
Cash cost ($/lb)	1.95	2.57	2.64	2.37	2.35
Total cost ($/lb)	3.11	3.78	3.76	3.53	3.48
Uses and sources of cash ($thousands)					
Cash flow from (used in) operations	7,335	(1,208)	2,707	3,643	7,141
Cash flow from (used in) operations including working capital changes	8,203	(18,479)	33,350	270	7,584
Cash used in investing activities	(3,645)	(2,837)	(4,606)	(7,663)	(8,601)
Cash used in dividend payments	-	(3,460)	-	(3,385)	-
Cash used in debt repayments	(504)	(1,003)	(1,151)	(841)	(353)
Ending cash position	13,280	9,250	35,649	7,592	19,176

OPERATING RESULTS

In Q1-2013 the Company produced 12.8 million pounds of copper, 8% lower than in Q1-2012. As anticipated, copper production was below Q1-2012 levels due to challenging mining conditions in Colihues which resulted in lower grades in the old tailings extracted during the quarter. Molybdenum production at 258,301 pounds was 19% higher than in Q1-2012 but molybdenum deliveries to the roaster were 21% lower than in Q1-2012.

The Company's cost of sales was 20% lower than in Q1-2012, mostly as a result of substantially lower power costs. MVC's contract with its power provider changed effective January 1, 2013 from a variable to a fixed rate. This change contributed to net power savings of $0.46/lb over Q1-2012 levels and significantly improved MVC's operating results.

During the quarter the Company generated cash flow from operations of $7.3 million and posted a net profit of $3.2 million.

Production

	Q1-2013	Q1-2012
FRESH TAILINGS EL TENIENTE		
Tonnes processed	10,422,011	10,809,571
Copper grade (%)	0.124%	0.129%
Copper recovery	22.8%	21.6%
Copper produced (lbs)	6,490,071	6,649,619
OLD TAILINGS COLIHUES		
Tonnes processed	3,080,117	2,807,553
Copper grade (%)	0.280%	0.319%
Copper recovery	33.3%	36.6%
Copper produced (lbs)	6,343,728	7,227,251
COPPER		
Total copper produced (lbs)	12,833,799	13,876,870
Total copper sold (lbs)	12,481,919	14,079,828
MOLYBDENUM		
Total molybdenum produced (lbs)	258,301	216,292
Total molybdenum sold (lbs)	240,744	303,547

Revenue

		Q1-2013		Q1-2012
Average LME copper price per pound	$	3.60	$	3.77
Average Platt's molybdenum dealer oxide price per pound [1]	$	11.34	$	14.24
Total copper net sales during the period (thousands)	$	40,905	$	47,048
Total molybdenum net sales during the period (thousands)		2,256		3,451
Total revenue during period (thousands)	$	43,161	$	50,499
Company's recorded copper price per pound [2]	$	3.52	$	3.55
Company's recorded molybdenum price per pound [3]	$	11.34	$	14.10

[1] Basis price for the Company's molybdenum sales.
[2] Copper recorded price for the period before smelting and refining charges and settlement adjustments to prior quarters' sales.
[3] Molybdenum recorded price for the period before roasting charges and settlement adjustments to prior quarters' sales.

Revenue in Q1-2013 was $43.2 million, compared to $50.5 million in Q1-2012, including copper revenue of $40.9 million (Q1-2012: $47 million) and molybdenum revenue of $2.3 million (Q1-2012: $3.5 million). Copper and molybdenum revenues are net of smelting, refining and roasting charges.

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 2013 quotas the arrangements between the Company and Enami set the Company's copper sale price at the average market price for the preceding month ("M-1"), except for the January 2013 quota which was subject to pricing at the average LME price of the month ("M"). Accordingly, provided monthly quotas are met, all copper delivered by the Company to Enami in one month is being sold at market prices prevailing in the preceding month (except for the January quota).

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 nature of the underlying royalty arrangement.

Average LME copper prices in Q1-2013 were $3.60/lb compared to $3.77/lb in Q1-2012, and the Company's realized copper sales price was $3.52/lb, compared to $3.55/lb in Q1-2012. The difference between the average LME copper price and the Company's realized sales price is a result of the pricing terms that apply to the Company's sales in each quarter. In Q1-2013, pricing terms were predominantly M-1.

The average Platt's published molybdenum dealer oxide price in Q1-2013 was $11.34/lb, compared to $14.24/lb in Q1-2012, a $2.90/lb decrease.

Molybdenum revenues were $2.3 million, 34% lower than $3.5 million in Q1-2012, due to a 21% sales volume reduction and a $2.76/lb decline in realized molybdenum sale price.

Molybdenum produced by the Company is sold under a sales agreement with Chile's Molibdenos y Metales S.A. ("Molymet"), which in 2013 provides that the sale price is the average market price for the third month after delivery ("M+3"). Accordingly, none of the molybdenum sold in Q1-2013 was priced at final prices as of March 31, 2013. Sales of molybdenum are provisionally priced at the average Platt's molybdenum dealer oxide price ("the Molybdenum Provisional Price"). The average March 2013 Molybdenum Provisional Price was $10.932/lb.

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 Q1-2013 and Q1-2012 is presented below:

		Q1-2013		Q1-2012
Cost of sales (thousands)	$	38,037	$	47,367
Add:				
Smelting and refining charges (thousands)		4,125		4,344
Deduct:				
Molybdenum by-product credits (thousands)		(2,256)		(3,451)
Total cost (thousands)	$	39,906	$	48,260
Deduct:				
El Teniente royalties (thousands)		(10,700)		(11,684)
Depreciation and amortization (thousands)		(4,161)		(4,030)
Cash cost (thousands)	$	25,045	$	32,546
Pounds of copper produced		12.83M		13.88M
Cash cost ($/lb)		**1.95**		**2.35**
Total cost ($/lb)		**3.11**		**3.48**

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

	Q1-2013	Q4-2012	Q3-2012	Q2-2012	Q1-2012
Power costs	0.50	0.97	0.90	1.09	0.96
Grinding media	0.28	0.25	0.25	0.27	0.25
Other direct costs [1, 2]	0.88	1.03	1.22	0.79	0.97
By-product credits	(0.18)	(0.17)	(0.22)	(0.24)	(0.25)
Smelting & refining	0.32	0.33	0.33	0.31	0.32
Administration	0.11	0.11	0.12	0.11	0.08
Transportation	0.04	0.04	0.04	0.04	0.02
Cash Cost	**$1.95**	**$2.56**	**$2.64**	**$2.37**	**$2.35**

[1] In Q3-2012, a $0.36/lb cost for the payment of bonuses to MVC workers on the signing of a four-year labour agreement was allocated mostly to other direct costs and to a lesser extent to administration costs. Normalized cash cost in Q3-2012 excluding the signing bonuses was $2.28/lb.

[2] In Q2-2012, the Company recorded a $0.09/lb cost associated with an increase in MVC's severance provisions following the incorporation of a rigorous actuarial model for the calculation of these accruals. This cost does not represent a cash outlay.

Cash cost in Q1-2013 was $0.40/lb lower than in Q1-2012. Major components of cash cost include power and grinding media costs, other direct costs (including direct labour costs), smelting/refining costs and molybdenum by-product credits.

Power is still MVC's most significant cost, and was $0.0970/kWh in Q1-2013, compared to $0.2151/kWh in Q1-2012. Unit power costs in Q1-2013 were $0.50/lb, $0.46/lb lower than in Q1-2012. These lower power cost levels are expected to continue to December 31, 2017, the expiry date of MVC's current power contract.

MVC operated its generators during Q1-2013 only at those times when the grid price exceeded their operating costs. There was no material economic benefit from operating the generators in Q1-2013.

Unit grinding media costs were $0.28/lb, compared to $0.25/lb in Q1-2012 as the Company had to purchase more expensive grinding media locally due to a port strike in Chile.

Other direct costs were $0.88/lb (Q1-2012: $0.97/lb) and included direct labour costs of $0.16/lb (Q1-2012: $0.11/lb). Other direct costs (excluding labour) decreased $0.14/lb in Q1-2013, most notably for inventory adjustments.

Molybdenum by-product credits of $0.18/lb decreased from $0.25/lb in Q1-2012 as a result of a decrease in molybdenum sales volume and lower molybdenum prices.

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

	Q1-2013	**Q4-2012**	**Q3-2012**	**Q2-2012**	**Q1-2012**
Cash cost	1.95	2.56	2.64	2.37	2.35
El Teniente royalty	0.84	0.92	0.80	0.83	0.84
Amortization/depreciation	0.32	0.30	0.32	0.33	0.29
Total Cost	**$3.11**	**$3.78**	**$3.76**	**$3.53**	**$3.48**

Total cost was $3.11/lb, compared to $3.48/lb in Q1-2012. The most significant impact on total cost resulted from a $0.40/lb decrease in cash cost, followed by a $0.03/lb increase in amortization and depreciation charges.

FINANCIAL RESULTS

The Company posted a net profit of $3.2 million ($0.02 basic and diluted earnings per share), compared to net profit of $2.3 million in Q1-2012 ($0.01 basic and diluted earnings per share). Gross profit was $5.1 million, compared to gross profit of $3.1 million in Q1-2012.

Revenue

Revenue in Q1-2013 was $43.2 million, compared to $50.5 million in Q1-2012.

Production Costs

		Q1-2013		**Q1-2012**
(Expressed in $ thousands)				
Direct production costs				
Power costs	$	6,408	$	13,345
Grinding media		3,623		3,412
Labour costs		1,984		1,497
Other direct production costs		9,317		11,975
		21,332		30,229
El Teniente royalty		10,700		11,684
Depreciation and amortization		4,161		4,030
Administration		1,384		1,106
Transportation		460		318
Cost of sales	$	38,037	$	47,367

Direct production costs were $21.3 million in Q1-2013, compared to $30.2 million in Q1-2012, a decrease of 29%, in the context of a copper production decrease of 8% and a molybdenum production increase of 19% in Q1-2013.

Power costs decreased by $6.9 million compared to Q1-2012, as the Company's contract with its power provider changed on January 1, 2013 from a variable to a much lower fixed rate.

Grinding media costs of $3.6 million were 7% higher than in Q1-2012, despite an 8% decrease in copper production as the Company had to purchase more expensive grinding media locally due to a port strike in Chile.

Direct labour costs were $2 million in Q1-2013 compared to $1.5 million in Q1-2012, due to salary and benefit increases that became effective in Q4-2012 and to a lesser extent to a stronger Chilean peso.

Other direct production costs decreased by $2.7 million to $9.3 million (Q1-2012: $12 million). The most relevant other direct production costs are summarized in the following table:

		Q1-2013		Q1-2012
(Expressed in $ thousands)				
Other direct production costs				
Colihues extraction	$	3,650	$	3,049
Maintenance, excluding labour		1,818		2,480
Molybdenum production costs, excluding labour		1,569		1,610
Industrial water		529		595
Copper reagents		363		611
Subcontractors, support services, etc.		571		617
Fuel and all other direct copper production costs		241		174
Lime		500		317
Process & environmental control		588		592
Inventory adjustments		(512)		1,930
	$	9,317	$	11,975

Most of the Company's other direct production costs decreased in Q1-2013, with the exception of a $601,000 increase in Colihues extraction costs, as mining conditions in the extraction area required a substantial level of area preparation costs for Colihues area 4. Other cost increases in Q1-2013 were fuel and other direct production costs (increase of $67,000) and lime (increase of $183,000). Inventory adjustments to cost of sales were ($512,000) in Q1-2013 and $1.9 million in Q1-2012.

The El Teniente royalty was $10.7 million, 8% lower than in Q1-2012, due to lower production levels and lower average metal prices. Copper royalty costs on fresh tailings are calculated using the LME average price for copper for the month of delivery of the tailings, and invoiced by El Teniente 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 Q1-2013 resulted in $1.6 million in increased royalty costs. 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.

Depreciation and amortization cost increased to $4.2 million (Q1-2012: $4 million), resulting from additions to MVC's asset base.

Administration expenses were $1.4 million, compared to $1.1 million in Q1-2012, due to higher labour costs. Other administrative expenses such as consulting and certification fees and insurance costs decreased compared to Q1-2012.

Transportation costs were $460,000 compared to $318,000 in Q1-2012.

Other expenses

Other expenses are costs not related to MVC's production operations, and totaled $703,000 compared to $42,000 in Q1-2012. Other expenses include general and administration expenses of $912,000 (Q1-2012: $1.04 million) and other gains of $209,000 (Q1-2012: $994,000).

General and administration expenses in Q1-2013 were comprised of office and general expenses of $406,000 (Q1-2012: $462,000), salaries, management and professional fees of $375,000 (Q1-2012: $322,000), royalties to related parties of $100,000 (Q1-2012: ($92,000)) and share-based payments of $31,000 (Q1-2012: $344,000). The cost of royalties to related parties includes actual royalty dividends to related parties (Q1-2013: $206,000; Q1-2012: $223,000) and changes in fair value, as the royalty is a derivative financial instrument (Q1-2013: ($106,000); Q1-2012: ($315,000)).

Other gains are comprised of a foreign exchange gain of $98,000 (Q1-2012: gain of $820,000) and interest income and other gains of $111,000 (Q1-2012: $174,000). Foreign exchange gains or losses are recognized mostly in MVC and are due to fluctuations in the exchange rate of the Chilean peso (MVC's functional currency) to the US dollar, as MVC has monetary assets and/or liabilities denominated in US dollars.

Finance expense

The Company recorded a finance expense of $185,000 (Q1-2012: $199,000) including interest charges of $157,000 (Q1-2012: $129,000), asset retirement obligation accretion cost of $93,000 (Q1-2012: $91,000) and changes in fair value of an interest rate swap of ($65,000) (Q1-2012: ($21,000)).

Taxes

Income tax expense was $998,000 in Q1-2013 (Q1-2012: $581,000), including ($2,000) (Q1-2012: $487,000) in respect of changes to deferred income tax liabilities. Deferred income tax results predominantly from the differences between the financial and tax carrying value of MVC's plant and equipment, calculated using Chile's corporate tax rate of 20%. Deferred tax liabilities do not represent income tax due in Chile on a current basis.

COMPARATIVE PERIODS

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

	QE March 31, 2013 $	QE Dec. 31, 2012 $	QE Sept. 30, 2012 $	QE June 30, 2012 $
Total revenue (thousands)	43,161	47,017	44,231	40,013
Net profit (loss) (thousands)	3,238	(5,311)	(4,189)	(1,002)
Earnings (loss) per share	0.02	(0.03)	(0.02)	(0.01)
Diluted earnings (loss) per share	0.02	(0.03)	(0.02)	(0.01)

	QE March 31, 2012 $	QE Dec. 30, 2011 $	QE Sept. 30, 2011 $	QE June 30, 2011 $
Total revenue (thousands)	50,499	40,305	41,959	38,295
Net profit (loss) (thousands)	2,310	(3,645)	(1,149)	1,886
Earnings (loss) per share	(0.01)	(0.02)	(0.01)	0.01
Diluted earnings (loss) per share	(0.01)	(0.02)	(0.01)	0.01

LIQUIDITY and CAPITAL RESOURCES

Cash Flow from Operations

The Company generated cash of $8.2 million (5¢ per share) from operations, compared to $7.6 million (5¢ per share) in Q1-2012.

Excluding the effect of changes in working capital accounts and payments of long-term employee benefits, the Company generated cash of $7.3 million, compared to $7.1 million in Q1-2012.

Cash Flow from Financing Activities

Cash used in financing activities was $504,000, compared to $353,000 in Q1-2012, exclusively for bank loan repayments.

Cash Flow from Investing Activities

In Q1-2013, the Company used cash of $3.6 million for payments of capital expenditures, compared to $8.6 million in Q1-2012.

In Q1-2013 MVC incurred Capex in connection with expansion of the old tailings extraction capacity, and engineering and permitting for the potential Cauquenes project.

Liquidity and Financial Position

The Company's cash and cash equivalents at March 31, 2013 totaled $13.3 million, compared to $9.3 million at December 31, 2012. The Company had a working capital deficiency of $205,000 at March 31, 2013 compared to a working capital deficiency of $4.9 million at December 31, 2012.

The Company's Chilean subsidiaries had two outstanding bank loans, one denominated in Chilean pesos and the other in U.S. dollars, which totaled the equivalent of $999,000 at March 31, 2013 (December 31, 2012: $1.5 million). These loans will be repaid in full by the end of May 2013.

The MVC Chilean peso loan ("CLP") of $353,000 (December 31, 2012: $843,000) is repayable in monthly installments of CLP79.4 million 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.

In January 2012, MVC Generacion obtained from a Chilean bank a working capital loan of CLP301 million (the equivalent of $616,000 at the loan grant date) at an interest rate of 7.2% per annum. This loan was paid in full on April 19, 2013 (see *Subsequent Events*). The balance of the loan and accrued interest at March 31, 2013 was the CLP equivalent of $646,000 (December 31, 2012: $640,000).

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 the Chilean Tasa Activa Bancaria ("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 0.59% per month on CLP draws and 0.15% per month on US dollar draws. The Line of Credit contains covenants requiring MVC to meet minimum quarterly equity, debt to equity and maximum debt ratios. MVC was in compliance with these covenants at March 31, 2013. No funds have been drawn on this line of credit.

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 (severance provisions, long-term portion of royalties to related parties measured at fair value, asset retirement obligation and deferred income tax liability) at March 31, 2013 were $32.3 million (December 31, 2012: $32.5 million).

Management anticipates the feasibility study and basic engineering work for the Cauquenes project to be completed in Q2-2013 and, subject to the successful conclusion to negotiations with Codelco/El Teniente, a production decision made shortly thereafter. The Company anticipates funding the Cauquenes expansion through cash flow and debt financing.

Impairment Analysis

As at March 31, 2013, management of the Company determined that the decline in the Company's share price constituted an impairment indicator, and completed an impairment assessment for MVC.

The impairment assessment included a fair value less costs to sell determination. Key assumptions incorporated in the model included the following:

- Copper prices ($/lb)– 2013: $3.76; 2014: $3.60: 2015: $3.40; 2016: $3.36: 2017 to 2021: $2.95
- Power costs – From 2013 to 2017 costs are per contractual estimates (2013: $0.096/kWh, 2014: $0.094/kWh, 2015: $0.093/kWh, 2016: $0.088/kWh, 2017: $0.089/kWh). From 2018 to 2021: estimates are based on adjusted costs of $0.1020-$0.1030/kWh;
- Operating costs are based on historical costs incurred and estimated forecasts
- Production volume and recoveries as indicated in MVC's mining plan to 2021
- Discount rate – 9% after tax rate

Management's impairment evaluation did not result in the identification of an impairment loss as of March 31, 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 could trigger an impairment which could be material.

Investments

At March 31, 2013, Candente Copper's closing share price was Cdn$0.40 and the fair value of the Company's approximately 5% investment in Candente Copper was $2.3 million. During the three months ended March 31, 2013, the Company recorded other comprehensive income of $68,000 (Q1-2012: other comprehensive income of $331,000) for the changes in fair value of this investment.

At March 31, 2013, Candente Gold, a company listed on the TSX, had a closing share price of Cdn$0.08, and the fair value of the Company's approximately 3% investment in Candente Gold was $170,000. During the three months ended March 31, 2013, the Company recorded other comprehensive loss of $90,000 (Q1-2012: other comprehensive income of $52,000) for the changes in the fair value of this investment.

At March 31, 2013, Los Andes, a Company listed on the TSX Venture Exchange, had a closing share price of Cdn$0.28, and the fair value of the Company's approximately 5% investment in Los Andes was $2.2 million. During the three months ended March 31, 2013, the Company recorded other comprehensive income of $597,000 (Q1-2012: other comprehensive income of $453,000) for the changes in the fair value of this investment.

At March 31, 2013, Cobriza, a Company listed on the TSX Venture Exchange, had a closing share price of Cdn$0.09, and the fair value of the Company's approximately 4% investment in Cobriza was $103,000. The Company recorded other comprehensive income of $33,000 for the changes in fair value of this investment during the three months ended March 31, 2013 (Q1-2012: other comprehensive income of $38,000).

OUTLOOK

Management anticipates that 2013 copper production will be at the lower end of its original guidance of 45 to 50 million pounds and molybdenum production guidance has been revised downwards to approximately 700,000 pounds. Mining conditions in the Colihues deposit continue to be challenging. MVC made changes to the mine plan for Colihues following a recent slide in one of the working areas of the deposit and management believes extraction rates and grades will be lower than originally anticipated. The Company is also conducting a detailed economic review of molybdenum production under current prices, given the minimal profitability provided by the molybdenum operations.

Cash cost continues to be projected to be between $1.95/lb and $2.15/lb in 2013, mainly as a result of the change in MVC's power contract from a variable to a fixed rate.

Excluding the Cauquenes project, 2013 Capex at MVC is now estimated to be approximately $7.2 million, an increase of $0.2 million from the Company's original guidance. Capex for Cauquenes engineering and permitting in 2013 is estimated to be up to $2.4 million, an increase of $0.5 million from the original guidance provided by the Company.

Management anticipates the feasibility study and basic engineering work for the Cauquenes project to be completed in Q2-2013. The Cauquenes Environmental Impact Assessment study was filed with the Chilean authorities on January 7, 2013 and a response from the authorities is also expected in Q2-2013. MVC continues in discussions with Codelco/El Teniente, and management expects an agreement for the precessing of Cauquenes tailings will be reached upon the successful conclusion of these negotiations. MVC incurred a total of $4.2 million in Cauquenes permitting and engineering costs to March 31, 2013 and Codelco/El Teniente has agreed to reimburse up to $3.8 million of these costs in the event the parties are unable to come to such an agreement.

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 wholly-owned by Amerigo except for certain outstanding Class A shares which are owned indirectly by Amerigo's President and CEO, an associate of the President and CEO, 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 March 31, 2013 was $5.9 million (December 31, 2012: $6 million), with a current portion of $735,000 (December 31, 2012: $732,000) and a long-term portion of $5.2 million (December 31, 2012: $5.3 million).

The Royalty is paid as a royalty dividend on the Class A shares of Amerigo International. During Q1-2013 royalties totaling $207,000 were paid or accrued to the Amerigo International Class A shareholders on production in the period (Q1-2012: $223,000). There remained $67,000 of this amount outstanding as of March 31, 2013 (December 31, 2012: $71,000).

b) Directors' fees and remuneration to officers

During Q1-2013, the Company paid or accrued $173,000 in salaries and fees to companies associated with certain directors and officers of Amerigo (Q1-2012: $159,000). In the same period, Amerigo paid or accrued $65,000 in directors' fees to independent directors (Q1-2012: $57,000). In Amerigo's consolidated financial statements directors' fees and remuneration to officers are categorized as salaries, management and professional fees. At March 31, 2013, an aggregate amount of $27,000 was due to directors and officers for directors' fees and reimbursement of expenses (2012: $3,000). These transactions were in the ordinary course of business and measured at the exchange amounts agreed to by the parties.

In Q1-2013 no options were granted to directors and officers of the Company (2012: 3.8 million options).

c) As of March 31, 2013 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 March 31, 2013 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.

Subsequent Events

On April 19, 2013, MVC Generacion paid in full the loan described in *Liquidity and Financial Position*.

Critical Accounting Estimates

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these condensed consolidated interim financial statements, the Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

a) Useful Life of Assets

As at March 31, 2013, the contract with El Teniente has been estimated to terminate as of December 31, 2021. The useful lives of assets have been determined based on their estimated economic life, not to exceed December 31, 2021. The remaining life of this contract may change depending on the outcome of current negotiations with El Teniente.

b) Asset Retirement Obligation ("ARO")

The Company assesses its provision for ARO annually and fair values the liability at the end of each reporting year, using the current risk-free discount rates. The ARO results from the obligation to remove property and equipment upon the termination 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 the addition 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 5.37%.

c) Exploration and Evaluation Assets

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether economic benefits are likely to arise from future processing operations. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable processing operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written off in the statement of comprehensive income in the period when the new information becomes available.

d) MVC Mine Plan Estimates

MVC mine plant estimates quantify the amount of copper and molybdenum concentrates that can be produced by MVC under its agreements with El Teniente. The production estimate is prepared by members of MVC management. Changes in production estimates may impact the property, plant and equipment impairment analysis, amortization of intangible assets and valuation of royalties to related parties.

Internal Controls over Financial Reporting ("ICFR")

Management is responsible for establishing and maintaining adequate ICFR. Any system of ICFR, 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. There were no material changes in the Company's ICFR during the quarter ended March 31, 2013.

Other

As of May 7, 2013, Amerigo has outstanding 172,290,344 common shares and 11,265,000 options (exercisable at prices ranging from Cdn$0.31 to Cdn$1.32 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 which is available on SEDAR at www.sedar.com.