Amerigo Resources Ltd.

Consolidated Financial Statements
September 30, 2010
Unaudited
(expressed in U.S. dollars)

Amerigo Resources Ltd.

Consolidated Balance Sheets (Unaudited)

(expressed in U.S. dollars)

	September 30 2010 $	December 31 2009 $
Assets		
Current assets		
Cash and cash equivalents	17,796,388	7,191,093
Accounts receivable	19,116,816	19,144,815
Prepaid expenses	289,291	96,306
Plant supplies and inventory	7,393,365	4,666,104
	44,595,860	31,098,318
Investments (Note 10)	8,395,770	6,754,790
Property, plant and equipment - net (Note 3)	124,066,492	121,783,483
Contractual right - net (Note 4)	6,206,783	6,475,923
Other	80,315	82,913
	183,345,220	166,195,427
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	11,546,055	9,999,369
Enami loan (Note 5)	3,774,314	6,636,468
El Teniente royalty payable (Note 6)	9,648,153	11,474,509
Bank loans (Note 7)	5,478,855	9,275,968
Interest rate swap (Note 7)	107,471	-
Due to non-controlling interests (Note 8(a))	75,596	65,741
	30,630,444	37,452,055
Bank loan (Note 7)	4,460,727	3,450,996
Interest rate swap (Note 7)	179,117	-
Enami loan (Note 5)	-	1,887,164
Other payables	1,441,461	1,434,383
Asset retirement obligation	5,768,698	5,480,949
Future income tax	11,937,517	9,292,881
Non-controlling interests (Note 8(a))	1,000	1,000
	54,418,964	58,999,428
Shareholders' Equity		
Capital stock (Note 9)	77,166,170	64,282,591
Value assigned to stock options and warrants (Note 9(d))	3,502,969	3,917,591
Retained earnings	43,216,158	35,324,886
Accumulated other comprehensive income	5,040,959	3,670,931
	128,926,256	107,195,999
	183,345,220	166,195,427

Contingencies (Note 12)

Approved by the Board of Directors

"Robert Gayton" Director   "Ruston Goepel" Director

Amerigo Resources Ltd.

Consolidated Statements of Operations and Comprehensive Income (Loss) (Unaudited)

(expressed in U.S. dollars)

	Quarter ended Sept 30, 2010	Quarter ended Sept 30, 2009	Nine months ended Sept 30, 2010	Nine months ended Sept 30, 2009
	$	$	$	$
Revenue	39,303,405	24,532,499	101,394,152	55,621,143
Costs				
Production costs	20,869,649	13,813,976	55,545,715	37,579,258
El Teniente royalty (Note 6)	8,733,791	4,686,346	22,777,822	10,296,948
Depreciation and amortization	2,142,197	1,811,765	5,729,847	5,043,576
Administration	695,743	404,432	2,105,492	1,060,517
Transportation	412,059	280,798	1,047,941	789,603
Asset retirement accretion cost	95,916	83,778	287,749	251,332
Cost of sales	32,949,355	21,081,095	87,494,566	55,021,234
Operating profit	6,354,050	3,451,404	13,899,586	599,909
Other expenses				
Office and general expenses	392,198	232,767	973,253	664,194
Salaries, management and professional fees	281,322	280,952	728,837	750,453
Interest expense	230,483	585,027	1,216,006	1,760,610
Stock-based compensation (Note 9(d))	293,012	55,815	876,596	159,672
	1,197,015	1,154,561	3,794,692	3,334,929
Earnings (loss) before the undernoted items	5,157,035	2,296,843	10,104,894	(2,735,020)
Foreign exchange (loss) gain	(1,423,114)	1,585,513	(480,750)	(572,486)
Interest income	38,754	5,109	72,879	20,100
Other income	126,395	250,126	695,133	575,462
Other expenses	(317,813)	(389,030)	(317,813)	(389,030)
Equity investment loss	-	-	-	(82,220)
Earnings (loss) before taxes and non-controlling interests	3,581,257	3,748,561	10,074,343	(3,183,194)
(Income tax expense), net of tax recoveries	(1,082,458)	(346,422)	(1,642,722)	(253,124)
Earnings (loss) before non-controlling interests	2,498,799	3,402,139	8,431,621	(3,436,318)
Non-controlling interests (Note 8(a))	(216,701)	(164,023)	(540,349)	(429,699)
Net earnings (loss)	2,282,098	3,238,116	7,891,272	(3,866,017)
Other comprehensive income (loss) (Note10)	1,933,333	1,617,075	1,370,028	3,723,479
Comprehensive income (loss)	4,215,431	4,855,191	9,261,300	(142,538)
Weighted average number of shares outstanding, basic	170,965,235	132,295,292	167,092,486	126,017,872
Weighted average number of shares outstanding, diluted	174,317,616	153,129,123	170,444,867	146,851,703
Earnings (loss) per share				
Basic	0.01	0.02	0.05	(0.03)
Diluted	0.01	0.02	0.05	(0.03)

Amerigo Resources Ltd.

Consolidated Statements of Cash Flows (Unaudited)

(expressed in U.S. dollars)

	Quarter ended Sept 30 2010 $	Quarter ended Sept 30 2009 $	Nine months ended Sept 30, 2010 $	Nine months ended Sept 30, 2009 $
Cash flows from operating activities				
Net earnings (loss) for the period	2,282,098	3,238,116	7,891,272	(3,866,017)
Items not affecting cash -				
Depreciation and amortization	2,142,197	1,811,765	5,729,847	5,043,576
Equity investment loss	-	-	-	82,220
Unrealized foreign exchange loss (gain)	1,209,939	(387,257)	442,461	945,419
Future income tax expense	2,066,133	287,188	2,421,981	2,601,855
Stock-based compensation	293,012	55,815	876,596	159,672
Asset retirement accretion cost	95,916	83,778	287,749	251,332
Other receivables	(13,368)	(21,385)	2,598	7,980
Change in fair value of interest rate swap	3,312	-	286,588	-
Accrued interest on bank loans	63,957	(106,950)	7,146	(59,508)
	8,143,196	4,961,070	17,946,238	5,166,529
Changes in non-cash working capital				
Accounts receivable	(4,040,415)	(3,443,260)	443,999	(8,375,283)
Prepaid expenses	187,407	(37,172)	(192,985)	(200)
Plant, supplies and inventory	(2,190,675)	215,398	(2,727,261)	(1,957,681)
Accounts payable	1,502,371	(2,355,246)	1,567,646	(2,055,918)
El Teniente royalty payable	2,132,839	583	(1,826,356)	5,129,526
Due to non-controlling interests	22,057	926	9,855	(232)
Other payables	178,051	99,415	7,078	309,125
Net cash provided by (used in) operating activities	5,934,831	(558,286)	15,228,214	(1,784,134)
Cash flows from investing activities				
Purchase of plant and equipment	(1,871,851)	(2,039,630)	(7,812,973)	(8,249,710)
Loan to investee (Note 8(e))	(416,000)	-	(416,000)	-
Net cash used in investing activities	(2,287,851)	(2,039,630)	(8,228,973)	(8,249,710)
Cash flows from financing activities				
Issuance of shares and warrants for cash – net of issuance costs	-	-	-	8,441,696
Exercise of warrants	-	150,596	11,396,912	150,596
Exercise of options	180,653	-	195,449	-
Proceeds from (repayment of) bank loans	(1,355,779)	-	(3,236,989)	1,072,607
Proceeds from (repayment of) Enami loans	(1,887,159)	(975,000)	(4,749,318)	63,693
Net cash (used in) provided by financing activities	(3,062,285)	(824,404)	3,606,054	9,728,592
Net increase (decrease) in cash and cash equivalents	584,695	(3,422,320)	10,605,295	(305,252)
Cash and cash equivalents – Beginning of period	17,211,693	6,304,152	7,191,093	3,187,084
Cash and cash equivalents – End of period	17,796,388	2,881,832	17,796,388	2,881,832

Supplemental disclosure with respect to cash flows (Note 11)

Amerigo Resources Ltd.

Consolidated Statements of Shareholders' Equity (Unaudited)

(expressed in U.S. dollars)

	Common shares					
	No. of shares	Amount ($)	Retained Earnings ($)	Value assigned to stock options and warrants ($)	Accumulated Other Comprehensive Income (Loss) ($)	Shareholders' equity ($)
Balance – December 31, 2008	93,371,544	56,345,311	35,279,137	2,433,377	(22,110)	94,035,715
Issue of shares - Private placement – net of issuance costs (Note 9(a))	37,500,000	6,895,450	-	1,266,142	-	8,161,592
Finders' fees on private placement – net of issuance costs (Note 9(a))	1,244,400	238,088	-	42,016	-	280,104
Warrants exercised (Note 9(a))	2,340,000	803,742	-	(79,007)	-	724,735
Options vested	-	-	-	255,063	-	255,063
Unrealized gains on "available for sale" instruments (Note 10)	-	-	-	-	3,693,041	3,693,041
Net earnings for the year	-	-	45,749	-	-	45,749
Balance – December 31, 2009	134,455,944	64,282,591	35,324,886	3,917,591	3,670,931	107,195,999
Exercise of Warrants (Note 9(a))	36,404,400	12,626,063	-	(1,229,151)	-	11,396,912
Exercise of options (Note 9(a))	650,000	257,516	-	(62,067)	-	195,449
Options vested	-	-	-	876,596	-	876,596
Unrealized gains on "available for sale" instruments (Note 10)	-	-	-	-	1,370,028	1,370,028
Net earnings for the period	-	-	7,891,272	-	-	7,891,272
Balance- September 30, 2010	171,510,344	77,166,170	43,216,158	3,502,969	5,040,959	128,926,256

(expressed in U.S. dollars)

1 Operations

The consolidated financial statements of Amerigo Resources Ltd. ("Amerigo") together with its subsidiaries (collectively, the "Company") have been prepared in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP") for interim financial statements and therefore do not include all of the information and notes required for annual financial statements. This interim financial information is unaudited and includes all adjustments (consisting of normal recurring adjustments) that are, in the opinion of management, necessary for a fair presentation of Amerigo's financial position at September 30, 2010 and its results of operations and cash flows for the three and nine months ended September 30, 2010 and 2009 in conformity with Canadian GAAP. These statements follow the same accounting policies and methods of application as the most recent annual financial statements. Accordingly, they should be read in conjunction with Amerigo's audited consolidated financial statements for the year ended December 31, 2009. Operating results for the three and nine months ended September 30, 2010 are not necessarily indicative of results that may be expected for the entire fiscal year.

The Company is a producer of copper and molybdenum concentrates with operations in Chile. Its operating subsidiary Minera Valle Central S.A. ("MVC") has a contract with the National Copper Corporation of Chile ("Codelco") through at least 2021 to process the tailings from El Teniente, the world's largest underground copper mine.

Amerigo's shares are listed for trading on the Toronto Stock Exchange ("TSX"). On June 22, 2010 the Company's shares were also listed for trading on the OTCQX stock exchange in the United States and on July 12, 2010, the Company's shares started trading on the Lima Stock Exchange.

2 Accounting pronouncements

Accounting Pronouncements

Business Combinations, Consolidated Financial Statements and Non-controlling interest

For interim and annual financial statements relating to its fiscal year commencing on or after January 1, 2011, the Company will be required to adopt new Canadian Institute of Chartered Accountants ("CICA") Section 1582 "Business Combinations", Section 1601 "Consolidated Financial Statements" and Section 1602 "Non-controlling Interests". Section 1582 replaces existing Section 1581 "Business Combinations", and Sections 1601 and 1602 together replace Section 1600 "Consolidated Financial Statements." The adoption of Sections 1582 and collectively, 1601 and 1602 provides the Canadian equivalent to IRFS 3 "Business Combinations" and International Accounting Standard IAS 27 "Consolidated and Separate Financial Statements" respectively. The impact of adopting these new is not expected to have an impact on the Company's consolidated financial statements.

(expressed in U.S. dollars)

3 Property, plant and equipment

	September 30, 2010 $	December 31, 2009 $
Plant and infrastructure	61,921,937	57,587,284
Machinery and equipment and other assets	85,117,688	81,660,328
	147,039,625	139,247,612
Accumulated depreciation and amortization	(22,973,133)	(17,464,129)
	124,066,492	121,783,483

4 Contractual right

At the time of the acquisition of MVC, Amerigo assigned the excess of the purchase price over the fair value of the tangible assets acquired to the MVC and Codelco contract for processing El Teniente mine tailings. The contractual right is amortized using the units of production method.

	September 30, 2010 $	December 31, 2009 $
Contractual rights	9,394,146	9,394,146
Accumulated amortization	(3,187,363)	(2,918,223)
	6,206,783	6,475,923

5 Enami loan

MVC sells its copper production to Chile's Empresa Nacional de Mineria ("Enami"). During the quarter ended March 31, 2009 Enami provided a loan facility (the "Loan") of $11,123,735 to MVC to settle the final negative pricing adjustments due to Enami for the quotas from June to September 2008 (priced at October 2008 to January 2009 prices). Under the terms of the Loan, MVC agreed to make monthly instalments to Enami of $325,000 plus interest during the period from May 2009 to March 2010 and of $629,052 plus interest during the period from April 2010 to March 2011. The Loan bears interest at a rate of Banco de Chile Prime (currently 3.25%) + 2%.

In addition to the facilities described above, Enami provided MVC with copper price sustainability loans of $683,961. The sustainability loans were fully repaid in June 2009.

(expressed in U.S. dollars)

In 2009 MVC entered into two price protection transactions under its sales contract with Enami to obtain guaranteed minimum/maximum prices for a portion of its copper production, making use of a zero cost minimum/maximum price structure.

The first price-protection transaction entitled MVC to receive a minimum price of $2.00/lb for 800 tonnes per month of copper production for the June to November 2009 quotas (quotas were subject to M+1 pricing), representing 50% of MVC's copper production over that period. In return for the guaranteed minimum price, the Company agreed to a maximum price of $2.48/lb on this production. Therefore, MVC received the LME Price on this copper production in months when the London Metal Exchange ("LME") monthly average copper price (the "LME Price") traded between $2.00 and $2.48/lb, to a minimum price of $2.00/lb and a maximum price of $2.48/lb.

The second price-protection transaction entitled MVC to receive a minimum price of $2.60/lb for 800 tonnes per month of copper production for quotas from December 2009 to May 2010 (the price-protected portion of the December 2009 quota was subject to M+1 pricing, and the January to May 2010 price-protected portion of the quotas were subject to M+4 pricing), representing approximately 45% of MVC's copper production over that period. In return for the guaranteed minimum price, the Company agreed to a maximum price of $3.20/lb on this production. Therefore, MVC received the LME Price for this copper production in months when the LME monthly average copper price traded between $2.60 and $3.20/lb, to a minimum price of $2.60/lb and a maximum price of $3.20/lb.

Given that these transactions were modifications to MVC's sales agreement with Enami and the related sales were in the normal course of MVC's business, the Company determined that they did not constitute derivatives for accounting purposes. The Company applied the provisions of CICA Handbook Section 3855 in respect to contracts that were entered into and continued to be held for the purpose of delivery of a non-financial item in accordance with the Company's expected sale requirements, considering that the agreement had a price based on a variable closely related to the asset being sold.

MVC agreed to provide certain machinery and equipment as collateral for the Loan and the minimum price transactions. The minimum/maximum price contracts included a provision for the potential requirement to provide to Enami additional collateral in the event of increases in the copper price.

6 El Teniente Royalty payable

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

Royalty payments for copper production are calculated using the LME Price for copper for the month of delivery of the tailings, and invoiced by DET on a monthly basis within 30 days of the end of the third month following the month of delivery of the tailings; payment to DET is made within 10 days of receipt of invoices.

(expressed in U.S. dollars)

Accordingly, the price base used for the calculation of the El Teniente royalty is, in most instances, not the same price base used for the pricing of copper sales.

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

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

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

Due to the sharp decline in copper and molybdenum prices in the latter part of 2008, DET agreed to defer payment of 70% of the royalty invoices to MVC for the months of November 2008 to April 2009. MVC paid interest at a rate of 6.90% per annum on the deferred royalties. The deferral was fully repaid in June 2010.

7 Bank loans

a) On October 20, 2009, MVC obtained from a Chilean bank a loan denominated in Unidades de Fomento ("UF"), the Chilean indexed monetary unit. The principal amount of the loan was UF167,600 (the equivalent of Chilean Pesos ("CLP") 3,500,000,000 or \$6,508,957 at the loan grant date). The loan was used to repay a CLP\$3,150,000,000 short-term loan with the same bank. The remaining CLP\$350,000,000 was used for working capital. The balance of the loan and accrued interest at September 30, 2010 was the equivalent of \$4,670,705 (December 31, 2009: \$7,015,635).

   The loan is repayable in eight equal quarterly instalments of UF20,950 from January 20, 2010 to October 20, 2011. The loan agreement provides for interest at an annual rate of 6.78%, and requires MVC to meet certain interest coverage and debt to equity ratios at June 30 and December 31 in each year during the term of the loan. MVC also agreed to allow the bank to maintain previously granted machinery and equipment with a carrying value of approximately \$15.4 million as collateral. MVC was in compliance with all debt covenants at June 30, 2010, the most recent date at which compliance was required.

b) In December 2008 the Company obtained a \$5,000,000 loan from a Chilean bank. In May 2009 the loan was converted into a CLP loan. The loan had several review dates and on May 12, 2010 it was structured as a three year loan.

   The principal amount of the loan is CLP\$2,858,250,000 (the equivalent of \$5,347,660 at the loan grant date). The loan is repayable in thirty six equal monthly instalments of CLP\$79,395,833 from June 2010 to May 2013. The loan agreement provides for interest at a variable rate of Chilean Association of Banks and

(expressed in U.S. dollars)

Financial Institutions Tasa Bancaria ("TAB") plus 2.5%. Concurrently with the loan agreement, the Company entered into an interest rate swap ("IRS") through which it fixed the rate of the loan to an annual rate of 9.96%. The Company has recognized the IRS in the balance sheet at fair value with changes in its fair value recognized in earnings. MVC provided the bank with machinery and equipment with a carrying value of approximately $8.1 million as collateral. The balance of the loan and accrued interest at September 30, 2010 was the CLP equivalent of $5,268,877 (December 31, 2009: $5,711,329).

8 Related party transactions

a) Non-controlling interests

Amerigo holds its interest in MVC through its subsidiary Amerigo International Holdings Corp. ("Amerigo International"). Amerigo International is controlled by Amerigo and is a wholly-owned subsidiary, except for certain outstanding Class A shares which are shown on Amerigo's balance sheet as Non-controlling interest at their book value of $1,000. The Class A shares are owned indirectly by two directors and an associate of a director of Amerigo.

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 royalty dividend 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.

During the nine months ended September 30, 2010, royalty dividends totalling $540,349 were paid or accrued to the Amerigo International Class A shareholders on the basis described above (nine months ending September 30, 2009: $429,699). Royalty dividends are shown as Non-Controlling Interests in the Consolidated Statement of Operations. At September 30, 2010, $75,596 of this amount remained outstanding (December 31, 2009: $65,741).

b) Remuneration to officers

During the nine months ended September 30, 2010 the Company paid or accrued $355,963 in fees to companies associated with certain directors and officers of Amerigo (nine months ended September 30, 2009: $461,897). The fees for the nine months ended September 30, 2010 included fees paid of $385,963 and a reversal of management bonuses accrued in 2009 of $65,429.

c) At September 30, 2010 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) At September 30, 2010 one of Amerigo's directors acted as a director and one of Amerigo's officers acted as an officer of Candente Copper Corp. ("Candente Copper"), a company in which Amerigo holds an investment.

(expressed in U.S. dollars)

e) At September 30, 2010 two of Amerigo's officers acted as officers and one of Amerigo's directors acted as a director of Los Andes Copper Ltd. ("Los Andes"), a company in which Amerigo holds an investment.

The Company entered into a loan agreement (the "LA Agreement") with Los Andes effective September 27, 2010, for amounts to be agreed upon by Los Andes and the Company. On September 30, 2010 the Company made an initial advance of $416,000 to Los Andes in accordance with the terms of the LA Agreement. All advances made to Los Andes pursuant to the LA Agreement are payable on demand and secured by certain water rights purchased by Los Andes in 2008 for in excess of $4 million. Los Andes has agreed to pay interest at a rate of 1% per month on all amounts owing by Los Andes to the Company pursuant to the LA agreement. The first interest payment is due December 1, 2010. Los Andes has announced an acquisition and financing which the Company expects will close in the near future, at which time all amounts then owing pursuant to the LA Agreement are to be paid in full.

f) At September 30, 2010, one of Amerigo's officers acted as an officer of Candente Gold Corp. ("Candente Gold"), a Company in which Amerigo holds an investment.

9 Capital stock

Authorized - Unlimited number of common shares without par value

a) Summary of capital stock issued in the period

During the nine-month period ended September 30, 2010, a total of 36,404,400 warrants and 650,000 options were exercised for $11,396,912 and $195,449 in proceeds to the Company, respectively.

On February 13, 2009 the Company completed a non-brokered private placement for gross proceeds of $8,480,068 (Cdn$10,500,000). In connection with the private placement, the Company issued 37,500,000 units at a price of Cdn$0.28 per unit. Each unit consisted of one common share and one share purchase warrant. Each warrant entitled the holder to purchase one additional common share of the Company at a price of Cdn$0.33 per share until February 15, 2010, and thereafter at a price of Cdn$0.40 until February 14, 2011. The warrants issued were valued by the Company at $1,266,142 (Note 9(d)). The Company also issued a further 1,244,400 units, valued at $280,104, as finders' fees in respect of a portion of the private placement, which is included in total share issuance costs of $318,476. The warrants issued as finders' fees were valued by the Company at $42,016 (Note 9(d)).

During the year ended December 31, 2009, a total of 2,340,000 warrants were exercised for $724,735 in proceeds to the Company.

(expressed in U.S. dollars)

b) Stock options

Amerigo established a stock option plan (the "Plan") on April 2, 2003, which was amended on June 24, 2009. Amerigo's Board of Directors (the "Board") administers the Plan, whereby it may from time to time grant options to purchase common shares of Amerigo to directors, officers, key employees and certain other persons who provide services to the Company. In accordance with the current terms and provisions of the Plan, the maximum aggregate number of common shares issuable under the Plan must not exceed 10% of Amerigo's issued and outstanding common shares at the date of any grant, on a non-diluted basis. The exercise price of an option is determined by the Board, but can be no less than the closing price of Amerigo's common shares on the TSX on the day preceding the date of grant, less the maximum discount permitted by the policies of the TSX and subject to the minimum exercise price per common share permitted by the TSX. Options must be exercised within a five-year period from the date of grant. Vesting periods are determined by the Board.

A summary of the Company's stock options at September 30, 2010 and December 31, 2009 and the changes for the nine and twelve-month periods ending on those dates is presented below:

	Nine months ended September 30, 2010		**Twelve months ended December 31, 2009**	
	Outstanding options	**Weighted average exercise price Cdn$**	**Outstanding options**	**Weighted average exercise price Cdn$**
Outstanding – start of period	6,670,000	1.61	4,420,000	2.32
Granted	3,195,000	0.70	2,400,000	0.33
Exercised	(650,000)	0.31	-	-
Forfeited	(50,000)	2.29	-	-
Expired	(155,000)	1.69	(150,000)	2.00
Outstanding – end of period	9,010,000	1.38	6,670,000	1.61
Exercisable	8,211,250	1.44	6,670,000	1.61

On March 4, 2010, Amerigo granted stock options to purchase an aggregate of 3,195,000 common shares to directors, officers, consultants and employees of the Company, with an exercise price of Cdn$0.70 per share, expiring on March 4, 2015. The options vest in four equal quarterly instalments, on March 31, June 30, September 30 and December 31, 2010.

On November 3, 2009, Amerigo granted stock options to purchase an aggregate of 100,000 common shares to two directors of MVC, with an exercise price of Cdn$0.68 per share, expiring on November 3, 2014. The options vested on grant.

On March 27, 2009, Amerigo granted stock options to purchase an aggregate of 2,300,000 common shares to directors, officers, consultants and employees of the Company, with an exercise price of Cdn$0.31 per share, expiring on March 27, 2014. The options vested in four equal quarterly instalments, on March 27, April 1, July 1 and October 1, 2009. A total of 50,000 options with an exercise price of Cdn$0.31 per share were exercised

(expressed in U.S. dollars)

on January 22, 2010 and a total of 600,000 options with an exercise price of Cdn$0.31 per share were exercised on September 17, 2010. No options were exercised in fiscal 2009.

A total of 50,000 options with exercise prices ranging from Cdn$2.13 to Cdn$2.71 per share were forfeited in the nine months ended September 30, 2010. No options were forfeited in fiscal 2009.

A total of 155,000 options with exercise prices ranging from Cdn$1.60 to Cdn$1.77 per share expired unexercised during the nine months ended September 30, 2010. 150,000 stock options at an exercise price of Cdn$2.00 per share expired unexercised during the year ended December 31, 2009.

The following stock options were outstanding and exercisable as at September 30, 2010:

Range of exercise prices Cdn$	Number exercisable	Weighted average remaining contractual life	Weighted average exercise price Cdn$
0.31 to 1.77	4,146,250	4.05 years	0.54
1.77 to 2.40	2,705,000	1.82 years	2.19
2.40 to 2.71	1,360,000	0.43 years	2.69
	8,211,250		

c) Warrants

As part of its February 13, 2009 private placement, the Company issued 38,744,400 warrants with an exercise price of Cdn$0.33 per share to February 15, 2010 and thereafter at a price of Cdn$0.40 per share until February 14, 2011. As of September 30, 2010, all the warrants had been exercised.

d) Value assigned to stock options and warrants

	September 30, 2010 $	December 31, 2009 $
Balance – beginning of period	3,917,591	2,433,377
Warrants vested	-	1,308,158
Options vested	876,596	255,063
Transfer to capital stock on exercise of warrants	(1,229,151)	(79,007)
Transfer to capital stock on exercise of options	(62,067)	-
Balance – end of period	3,502,969	3,917,591

(expressed in U.S. dollars)

The Company estimated the fair value of options granted based on the Black-Scholes Option Pricing Model using the following assumptions:

	2010	2009
Expected dividend yield	-	-
Expected stock price volatility	78.60%	47.96%
Risk-free interest rate	1.77%	1.52%
Expected life of options	3.3 years	3.6 years

The Company estimated the fair value of warrants granted based on the Black-Scholes Option Pricing Model using the following assumptions:

	2010	2009
Expected dividend yield	-	-
Expected stock price volatility	-	47.04%
Risk-free interest rate	-	1.20%
Expected life of warrants	-	2 years

10 Investments

	September 30, 2010 $	December 31, 2009 $
Candente Copper	5,085,288	6,067,199
Candente Gold	1,635,680	-
Los Andes	1,674,802	687,591
	8,395,770	6,754,790

At various dates during 2007 and 2008, the Company acquired for investment purposes 10.8 million common shares of Candente Copper (formerly Candente Resource Corp.), an issuer listed on the Toronto, Lima and Frankfurt Stock Exchanges, at an aggregate cost of $15,861,986. Adjustments to fair value are required at each balance sheet date. Given that the Company's investment in Candente Copper is designated as "available for sale" for accounting purposes, which means it is an investment that is not held for trading, gains or losses arising from changes in fair value are recorded in Accumulated Other Comprehensive Income (Loss) in the Company's Balance Sheet until the investment is sold or management determines that an other than temporary impairment in the value of the investment has occurred, at which time gains or losses are transferred into earnings. At September 30, 2010 Candente Copper's closing share price was Cdn$0.485 and the fair value of the Company's approximately 11% investment in Candente Copper was $5,085,288. During the nine months ended September 30, 2010 the Company recorded other comprehensive loss of $981,911 (comprehensive income of $3,456,684 in the same period of 2009) for the decrease in fair value of this investment, net of future income tax.

On January 4, 2010 the Company received as a return of capital pursuant to a capital reorganization of Candente Copper a total of 2,157,656 shares of Candente Gold, an issuer listed on the TSX. The initial cost of

(expressed in U.S. dollars)

the Candente Gold shares and subsequent adjustments to fair value required at each balance sheet date are recorded in Accumulated Other Comprehensive Income (Loss), as the Company's investment in Candente Gold is designated as "available for sale" for accounting purposes. At September 30, 2010 Candente Gold's closing share price was Cdn$0.78 and the fair value of the Company's investment was $1,635,680. The Company recorded other comprehensive income of $1,635,680 for the increase in the fair value of this investment during the nine months ended September 30, 2010, net of future income tax.

At various dates during 2007 and 2008, the Company acquired for investment purposes 8 million common shares of Los Andes, an issuer listed on the TSXV, at an aggregate cost of $3,946,908. Adjustments to fair value are required at each balance sheet date, as the Company's investment in Los Andes is designated as "available for sale" for accounting purposes. At September 30, 2010 Los Andes's closing share price was Cdn$0.215 and the fair value of the Company's approximately 4% investment was $1,674,802. During the nine months ended September 30, 2010 the Company recorded other comprehensive income of $987,211 ($266,795 in the same period of 2009) for the increase in fair value of this investment, net of future income tax.

11 Supplemental Disclosure with Respect to Cash Flows

	Nine-months period ended Sept. 30, 2010 ($)	Nine-months period ended Sept. 30, 2009 ($)
Cash paid during the period for interest	757,066	1,338,155
Cash paid during the period for income taxes	1,007,456	606,779
Change in accounts payable related to the acquisition of plant and equipment	(20,960)	(232,504)

	September 30, 2010 ($)	December 31, 2009 ($)
Cash	1,596,976	3,443,792
Cash equivalents	16,199,412	3,747,301
	17,796,388	7,191,093

12 Contingencies

In Q3-2007, the Chilean Internal Revenue Service ("SII") issued a tax assessment to MVC challenging the tax losses reported by MVC for the fiscal years 1999 to 2004. The tax assessment claimed that some of these losses could be denied and MVC could face a tax liability of approximately $1.08 million at current exchange rates. The Company believed there was no merit to this assessment and retained legal counsel to prepare a response to SII in accordance with Chilean law. A final resolution on this matter has been reached with the SII and $22.23M of the $23.25M in tax losses under assessment were validated by the SII. The remaining $1.02M, corresponding to certain depreciation charges, were declined as valid tax-deductible expenses, but are available for inclusion as tax expenses in subsequent periods. MVC will prepare revised tax returns to include the effect of including these charges in subsequent periods once an ongoing review from the SII of approximately $2.4M in tax expenses for the fiscal year 2006 is concluded.

(expressed in U.S. dollars)

In the fourth quarter of 2007, SII issued a tax assessment to MVC for adjustments, penalties and interest of approximately $135,000, derived from MVC's alleged failure to remit provisional monthly payments towards a Chilean mining royalty tax in 2006. When the mining royalty tax was instituted in Chile, MVC obtained a legal opinion stating that the tax did not apply to MVC's operations, as MVC does not "exploit" under the definition of the Chilean Income Tax Law. Even if the mining royalty tax applied to MVC, tax would not have been payable in 2006 as MVC's production levels that year fell below the threshold prescribed by SII for this tax. MVC has retained legal counsel to prepare a response to SII on this matter. MVC has also received additional tax assessments for the years 2007 and 2008 in the amounts of approximately $27,000 and $38,000, respectively. MVC is also appealing these additional assessments and questioning how SII made the calculations of tax allegedly owing. Resolution of all of these assessments is pending.

No amounts have been recorded by the Company in respect of these matters.