Amerigo Resources Ltd.

Consolidated Financial Statements
June 30, 2009
Unaudited
(expressed in U.S. dollars)

Amerigo Resources Ltd.

Consolidated Balance Sheets (Unaudited)

(expressed in U.S. dollars)

	June 30 2009 $	December 31 2008 $
Assets		
Current assets		
Cash and cash equivalents	6,304,152	3,187,084
Accounts receivable	16,433,891	11,501,868
Prepaid expenses	168,925	205,897
Plant supplies and inventory	6,403,587	4,230,508
	29,310,555	19,125,357
Investments (Note 10)	5,711,814	1,855,435
Property, plant and equipment - net (Note 3)	117,608,731	116,243,844
Contractual right - net (Note 4)	6,700,925	6,950,942
Other	53,934	83,299
	159,385,959	144,258,877
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	13,837,292	15,365,036
Enami loans (Note 5)	4,812,156	3,538,102
El Teniente royalty payable (Note 6)	9,465,258	5,275,693
Bank loans (Note 7)	11,465,717	9,012,992
Due to non-controlling interests (Note 8(a))	48,512	49,670
	39,628,935	33,241,493
El Teniente royalty payable (Note 6)	939,378	-
Enami loans (Note 5)	5,661,476	5,896,837
Other payables	1,214,309	1,004,599
Asset retirement obligation	5,289,936	5,122,382
Future income tax	7,235,191	4,956,851
Non-controlling interests (Note 8(a))	1,000	1,000
	59,970,225	50,223,162
Shareholders' Equity		
Capital stock (Note 9)	63,478,849	56,345,311
Value assigned to stock options and warrants (Note 9(e))	3,845,392	2,433,377
Retained earnings	28,175,004	35,279,137
Accumulated other comprehensive income (loss)	3,916,489	(22,110)
	99,415,734	94,035,715
	159,385,959	144,258,877

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 June 30 2009 $	Quarter ended June 30 2008 $	Six months ended June 30, 2009 $	Six months ended June 30, 2008 $
Revenue	18,067,033	31,164,236	31,088,644	67,097,701
Costs				
Production costs	12,192,445	16,325,965	23,765,282	36,132,558
El Teniente royalty (Note 6)	3,634,597	5,319,664	5,610,602	10,466,225
Depreciation and amortization	1,844,167	1,081,028	3,231,811	2,361,245
Administration	278,573	517,731	656,085	1,010,029
Transportation	283,783	227,114	508,805	503,388
Asset retirement accretion cost	83,777	83,777	167,554	167,555
Cost of sales	18,317,342	23,555,279	33,940,139	50,641,000
Operating (loss) profit	(250,309)	7,608,957	(2,851,495)	16,456,701
Other expenses				
Office and general expenses	107,845	306,717	431,427	642,557
Salaries, management and professional fees	239,075	316,955	469,501	811,039
Interest expense	547,402	116,398	1,175,583	243,012
Stock-based compensation (Note 9(c))	51,354	121,419	103,857	221,654
	945,676	861,489	2,180,368	1,918,262
(Loss) earnings before the undernoted items	(1,195,985)	6,747,468	(5,031,863)	14,538,439
Foreign exchange (loss) gain	(978,931)	300,918	(2,157,999)	368,325
Interest income	2,566	140,046	14,991	294,394
Other income	295,040	67,724	325,336	142,088
Equity investment loss (Note 10(b))	(77,731)	(5,408)	(82,220)	(30,122)
(Loss) earnings before taxes and non-controlling interests	(1,955,041)	7,250,748	(6,931,755)	15,313,124
(Income tax expense), net of tax recoveries	(219,389)	(906,973)	93,298	(2,448,765)
Loss (earnings before non-controlling interests	(2,174,430)	6,343,775	(6,838,457)	12,864,359
Non-controlling interests (Note 8(a))	150,629	125,331	265,676	262,903
Net (loss) earnings	(2,325,059)	6,218,444	(7,104,133)	12,601,456
Other comprehensive income (loss) Note10 (a))	2,066,456	(875,419)	3,938,599	(5,381,081)
Comprehensive (loss) income	(258,603)	5,343,025	(3,165,534)	7,220,375
Weighted average number of shares outstanding, basic	132,115,944	94,164,941	122,827,140	94,248,662
Weighted average number of shares outstanding, diluted	133,992,260	94,164,941	124,703,455	94,248,662
(Loss) earnings per share				
Basic	(0.02)	0.07	(0.06)	0.13
Diluted	(0.02)	0.07	(0.06)	0.13

Amerigo Resources Ltd.

Consolidated Statements of Cash Flows (Unaudited)

(expressed in U.S. dollars)

	Quarter ended June 30 2009 $	Quarter ended June 30 2008 $	Six months ended June 30, 2009 $	Six months ended June 30, 2008 $
Cash flows from operating activities				
Net (loss) earnings for the period	(2,325,059)	6,218,444	(7,104,133)	12,601,456
Items not affecting cash -				
Depreciation and amortization	1,844,167	1,081,028	3,231,811	2,361,245
Equity investment loss	77,731	5,408	82,220	30,122
Unrealized foreign exchange expense (gain)	928,155	(979,400)	1,332,675	(763,952)
Future income tax expense	1,264,782	(545,281)	2,314,668	687,870
Stock-based compensation	51,354	121,419	103,857	243,012
Asset retirement accretion cost	83,777	83,777	167,554	167,555
Other receivables	28,576	935	29,365	2,480
Accrued interest on bank and Enami loans	(196,049)	108,272	47,443	148,177
	1,757,434	6,094,601	205,460	15,477,964
Changes in non-cash working capital				
Accounts receivable	3,439,784	11,221,723	(4,932,023)	(1,139,054)
Prepaid expenses	(102,088)	217,785	36,972	(279,883)
Plant, supplies and inventory	(1,082,592)	1,596,128	(2,173,079)	(151,276)
Accounts payable	194,678	(9,926,197)	299,327	(2,405,006)
El Teniente royalty payable	3,090,505	(848,246)	5,128,943	(1,117,841)
Due to non-controlling interests	9,821	529	(1,158)	(3,831)
Other payables	112,688	(219,570)	209,710	(47,224)
Net cash provided by (used in) operating activities	7,420,230	8,136,753	(1,225,848)	10,333,849
Cash flows from investing activities				
Purchase of plant and equipment	(3,244,767)	(5,672,077)	(6,210,080)	(12,542,672)
Purchase of investments	-	(1,976,801)	-	(2,129,981)
Net cash used in investing activities	(3,244,767)	(7,648,878)	(6,210,080)	(14,672,653)
Cash flows from financing activities				
Issuance of shares and warrants for cash – net of issuance costs	-	-	8,441,696	-
Proceeds from bank loans	-	-	1,072,607	5,507,214
Enami loans	(1,333,961)	-	1,038,693	-
Payment of dividends	-	-	-	(6,018,524)
Purchase of shares for cancellation	-	(254,597)	-	(669,521)
Net cash (used in) provided by financing activities	(1,333,961)	(254,597)	10,552,996	(1,180,831)
Net increase (decrease) in cash and cash equivalents	2,841,502	233,278	3,117,068	(5,519,635)
Cash and cash equivalents – Beginning of period	3,462,650	10,959,717	3,187,084	16,712,630
Cash and cash equivalents – End of period	6,304,152	11,192,995	6,304,152	11,192,995

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, 2007	94,372,744	56,933,105	67,070,515	1,949,218	4,373,657	130,326,495
Shares repurchased	(1,001,200)	(587,794)	(1,001,534)	-	-	(1,589,328)
Options vested	-	-	-	484,159	-	484,159
Realized losses on "available for sale" instruments (Note 10)	-	-	-	-	(4,395,767)	(4,395,767)
Dividends paid	-	-	(11,802,999)	-	-	(11,802,999)
Net loss for the year	-	-	(18,986,845)	-	-	(18,986,845)
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	37,500,000	6,895,450	-	1,266,142	-	8,161,592
Finders' fees on private placement – net of issuance costs	1,244,400	238,088	-	42,016	-	280,104
Options vested	-	-	-	103,857	-	103,857
Unrealized gains on "available for sale" instruments (Note 10)	-	-	-	-	3,938,599	3,938,599
Net loss for the period	-	-	(7,104,133)	-	-	(7,104,133)
Balance – June 30, 2009	132,115,944	63,478,849	28,175,004	3,845,392	3,916,489	99,415,734

(expressed in U.S. dollars)

1 Operations

The 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 the Company's financial position at June 30, 2009 and its results of operations and cash flows for the six months ended June 30, 2009 and 2008 in conformity with Canadian GAAP. These statements follow the same accounting policies and methods of application as the most recent annual financial statements, except as described in Note 2. Accordingly, they should be read in conjunction with Amerigo’s audited financial statements for the year ended December 31, 2008. Operating results for the three and six months ended June 30, 2009 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.

2 Adoption of new accounting standards

Accounting Changes

Effective January 1, 2009 the Company adopted the following new accounting standards:

Goodwill and intangible assets
Section 3064 "Goodwill and intangible assets" establishes standards for the recognition, measurement, presentation and disclosure of Goodwill subsequent to its initial recognition and of intangible assets by profit orientated enterprises. The adoption of this new section did not have any material impact on the Company’s financial statements.

(expressed in U.S. dollars)

3 Property, plant and equipment

	June 30, 2009 $	December 31, 2008 $
Plant and infrastructure	53,917,631	53,894,767
Machinery and equipment and other assets	78,928,931	74,568,786
	132,846,562	128,463,553
Accumulated depreciation and amortization	(15,237,831)	(12,219,709)
	117,608,731	116,243,844

The sharp decline in copper and molybdenum prices in the last quarter of 2008 constituted a triggering event for the Company to review if impairment of the carrying value of the Company's property, plant and equipment and contractual rights had occurred. At December 31, 2008, based on undiscounted cash flow projections for the years 2009 to 2021, the current term of the contract with El Teniente, management determined that the recoverable value of assets in use exceeded their carrying values and therefore, no impairment had occurred.

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 the processing of tailings from the El Teniente mine. The contractual right is amortized using the units of production method.

	June 30, 2009 $	December 31, 2008 $
Contractual rights	9,394,146	9,394,146
Accumulated amortization	(2,693,221)	(2,443,204)
	6,700,925	6,950,942

5 Enami loans and hedging facilities

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 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 facility MVC will 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 Enami loan bears interest at a rate of Banco de Chile Prime (currently 3.25%) + 2%.

(expressed in U.S. dollars)

In addition to the facilities described above, Enami provided MVC with copper price sustainability loans of $683,961. At June 30, 2009, the sustainability loans had been fully repaid.

In June 2009 MVC entered into a facility with Enami to hedge a portion of its copper production for the second half of 2009, making use of a zero cost minimum/maximum structure. Under the hedging facility, MVC secured a minimum price of $2.00/lb for 800 tonnes per month of copper production, for the June to November 2009 quotas (quotas are subject to M+1 pricing), representing approximately 50% of MVC's forecast copper production over that period. The facility sets a maximum price of $2.47/lb on this production. If the LME copper price trades between $2.00 and $2.47/lb, MVC will receive the LME monthly average copper price for copper delivered under this facility. The facility includes standard provisions for a facility of this nature, including the potential requirement to provide to Enami additional guarantees subject to increases in the copper price. Given that MVC had not started to deliver the June 2009 quota as of June 30, 2009, the hedging facility remained unutilized as of that date.In connection with the Enami loans, MVC agreed to provide machinery and equipment collateral at appraisal values of $16.5 million for the instalment loan and $5.8 million for the sustainability loan. The guarantees provided in connection with the sustainability loans were allocated as guarantees on the hedging facility once the sustainability loan was repaid in June 2008,

6 El Teniente Royalty payable

MVC has a contract with Codelco until at least the year 2021 to process the tailings from the El Teniente mine in Chile. MVC pays a royalty to Codelco – El Teniente 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 per pound (for copper content in 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 average London Metal Exchange ("LME") published price for copper for the month of delivery of the tailings, and invoiced by Codelco - El Teniente on a monthly basis within 30 days of the end of the third month following the month of delivery of the tailings; payment to Codelco - El Teniente is made within 10 days of receipt of invoices. Accordingly, the price base used for the calculation of the El Teniente royalty is, in most instances, not the same price base used for the pricing of copper sales.

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

As agreed with Codelco - El Teniente, as of January 1, 2006 the same royalty described in the preceding paragraphs applies to copper extracted from Colihues, except for amounts calculated using half the volume of tailings extracted from Colihues, at an assumed copper grade of 0.32% and an assumed recovery rate of 40%. For these amounts the royalty to Codelco – El Teniente is calculated on a sliding scale from 3% if the copper price is below $0.80 per pound to a maximum of 15% if the copper price is at $1.35/lb or higher.

(expressed in U.S. dollars)

MVC also pays to Codelco - El Teniente a royalty of 10% of MVC's net revenue received from the sale of molybdenum concentrates.

Due to the sharp decline in copper and molybdenum prices in the latter part of 2008, Codelco agreed to defer payment of 70% of the royalty invoices to MVC for the months of November 2008 to April 2009, for a total deferral of $6,491,644 as of June 30, 2009. MVC will make monthly instalments to Codelco of approximately $463,689 during the period from July 2009 to August 2010, except in cases where the average monthly copper price falls below $1.50/lb or increases to more than $3/lb for three consecutive months, in which cases the monthly instalments will be adjusted to be approximately $347,767 or $695,533 respectively. The El Teniente royalty deferrals bear interest at a rate of 6.90% per annum.

7 Bank loans

a) In February 2008 the Company obtained a loan of Chilean Pesos $2,500,000,000 (approximately $5,500,000 at the time the loan was granted) from a Chilean bank. The loan initially had a renewal date of September 22, 2008, was extended to December 15, 2008 and further extended to August 10, 2009. In February 2009 the loan was increased by Chilean Pesos $650,000,000 (approximately $1,100,000 at the time the funds were released to MVC). In connection with the increase to the loan facility, MVC agreed to provide machinery and equipment collateral of approximately $10 million. The loan bears interest at a monthly rate of 1.09%. The balance of the loan and accrued interest at June 30, 2009 was the Chilean Peso equivalent of $6,033,492.

b) In December 2008 the Company obtained a $5,000,000 loan from a Chilean bank. The loan initially had a renewal date of May 12, 2009, at which time it was converted into a Chilean peso loan with a maturity of July 12, 2009. The balance of the loan and accrued interest at June, 2009 was $5,432,225. Subsequent to June 30, 2009, the loan was extended to September 12, 2009, at an annual rate of 7.92%.

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 Minority Interest at their book value of $1,000. The Class A shares are owned indirectly by a director and associates of two of the directors of Amerigo.

(expressed in U.S. dollars)

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 six months ended June 30, 2009, royalty dividends totalling $265,676 were paid or accrued to the Amerigo International Class A shareholders on the basis described above (Six months ending June 30, 2008: $262,903). Royalty dividends are shown as Non-Controlling Interests in the Consolidated Statement of Operations. At June 30, 2009, $48,512 of this amount remained outstanding (December 31, 2008: $49,670).

b) Remuneration to officers

During the six months ended June 30, 2009 the Company paid or accrued $304,144 in fees to companies associated with certain directors and officers of Amerigo (Six months ended June 30, 2008: $313,901).

c) At June 30, 2009 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 June 30, 2009 two of Amerigo's directors acted as directors and one of Amerigo's officers acted as an officer of Candente Resource Corp., a company in which Amerigo holds an investment.

e) At June 30, 2009 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.

9 Capital stock

Authorized - Unlimited common shares without par value

a) Summary of capital stock issued in the period

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 entitles 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. The Company also issued a further 1,244,400

(expressed in U.S. dollars)

units as finders' fees in respect of a portion of the private placement at a cost of $280,104, included in total share issuance costs of $318,476. The warrants issued as finders' fees were valued by the Company at $42,016.

No shares were issued during the year ended December 31, 2008.

b) Purchase of shares for cancellation

Amerigo had in place a normal course issuer bid through the facilities of the Toronto Stock Exchange ("TSX"), whereby Amerigo was entitled to purchase for cancellation up to 2,000,000 of its common shares during the one-year period ended on November 13, 2008. During the year ended December 31, 2008, Amerigo purchased and cancelled 1,001,200 shares at a total cost of $1,589,328. The premium on the purchase of shares for cancellation amounted to $1,001,534 and was applied against Retained Earnings.

c) Stock options

Amerigo established a stock option plan (the "Plan") on April 2, 2003, which was amended on June 20, 2006. 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 June 30, 2009 and December 31, 2008 and the changes for the six and twelve-month periods ending on those dates is presented below:

	Six months ended June 30, 2009		**Twelve months ended December 31, 2008**	
	Outstanding options	**Weighted average exercise price Cdn$**	**Outstanding options**	**Weighted average exercise price Cdn$**
Outstanding – start of period	4,420,000	2.32	3,365,000	2.38
Granted	2,300,000	0.31	1,055,000	2.13
Outstanding – end of period	6,720,000	1.63	4,420,000	2.32
Exercisable	5,570,000	1.91	4,420,000	2.32

(expressed in U.S. dollars)

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 vest in four equal quarterly instalments, on March 27, April 1, July 1 and October 1, 2009.

On March 20, 2008, Amerigo granted stock options to purchase an aggregate of 1,055,000 common shares to directors, officers, consultants and employees of the Company, with an exercise price of Cdn$2.13 per share, expiring on March 20, 2013. The options vested in four equal quarterly instalments, on March 20, April 1, July 1 and October 1, 2008.

The following stock options were outstanding and exercisable as at June 30, 2009:

Range of exercise prices Cdn$	**Number exercisable**	**Weighted average remaining contractual life**	**Weighted average exercise price Cdn$**
0.31 to 1.60	1,150,000	4.74 years	0.31
1.60 to 2.40	3,050,000	2.82 years	2.16
2.40 to 2.71	1,370,000	1.68 years	2.69
	5,570,000		

d) 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. There are no other share purchase warrants outstanding.

e) Value assigned to stock options and warrants

	June 30, 2009 $	**December 31, 2008 $**
Balance – beginning of period	2,433,377	1,949,218
Options vested	103,857	484,159
Warrants vested	1,308,158	-
Balance – end of period	3,845,392	2,433,377

(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:

	2009	2008
Expected dividend yield	-	6.10%
Expected stock price volatility	46.78%	47.29%
Risk-free interest rate	1.51%	2.91%
Expected life of options	3.6 years	2.3 years

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

	2009	2008
Expected dividend yield	-	-
Expected stock price volatility	47.04%	-
Risk-free interest rate	1.20%	-
Expected life of warrants	2 years	-

f) Dividends

No dividends were declared or paid in the six months ended June 30, 2009.

On February 27, 2008 Amerigo declared a semi-annual dividend of Cdn 6.5¢ per share that was paid on April 2, 2008 to shareholders of record as of March 25, 2008, for a total of $6,018,524. On July 24, 2008, the Board of Directors of Amerigo declared a semi-annual dividend of Cdn 6.5¢ per share that was paid on September 5, 2008 to shareholders of record as of August 22, 2008, for a total of $5,784,475.

The Company has suspended dividend distributions for the foreseeable future.

10 Investments

	June 30, 2009 $	December 31, 2008 $
Other investments	5,711,814	1,773,215
Equity instrument – Common shares of a TSX Venture Exchange (“TSXV”) issuer	-	82,220
	5,711,814	1,855,435

(expressed in U.S. dollars)

a) Other investments

At various dates during 2007 and 2008, the Company acquired for investment purposes 10.8 million common shares of 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 investment 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 June 30, 2009 this issuer’s closing share price was Cdn$0.53 and the fair value of the Company’s approximately 13% investment in this issuer was $4,948,746. During the six months ended June 30, 2009 the Company recorded other comprehensive income of $3,536,258 for the fair value appreciation of the investment during the period.

At various dates during 2007 and 2008, the Company acquired for investment purposes 8 million common shares of 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 investment is designated as “available for sale” for accounting purposes. At June 30, 2009 this issuer’s closing share price was Cdn$0.11 and the fair value of the Company’s approximately 4% investment in this issuer was $763,068. During the six months ended June 30, 2009 the Company recorded other comprehensive income of $402,341 for the fair value appreciation of the investment during the period.

b) Equity instrument

Amerigo accounts for its investment in a TSXV issuer using the equity method, given that Amerigo is considered to have significant influence over this investment. During the six months ended June 30, 2009 the Company recorded an equity investment loss of $82,220 on this investment, fully impairing the investment’s carrying value. At June 30, 2009, Amerigo held 11,666,667 common shares of this issuer, which represent approximately 26% of the issuer’s issued and outstanding common shares at that date. At June 30, 2009 this issuer’s closing share price was Cdn$0.02 per share.

11 Supplemental Disclosure with Respect to Cash Flows

	Six months ended June 30, 2009 ($)	**Six months ended June 30, 2008 ($)**
Cash paid during the period for interest	830,946	58,860
Cash paid during the period for income taxes	374,912	2,938,636
Change in accounts payable related to the acquisition of plant and equipment	(1,827,071)	(1,654,637)

(expressed in U.S. dollars)

	June 30, 2009 ($)	December 31, 2008 ($)
Cash	3,162,998	2,895,170
Cash equivalents	3,141,154	291,914
	6,304,152	3,187,084

12 Contingencies

In the third quarter of 2007, the Chilean Internal Revenue Services ("SII") issued a tax assessment to MVC challenging the tax losses reported by MVC for the commercial years 1999 to 2004. The tax assessment claims that some of these losses could be denied and MVC could face a tax liability of approximately $1.15 million. Although the Company believes there is no merit to this assessment, the final outcome of this matter cannot be predicted with certainty. The Company retained legal counsel to prepare a response to SII in accordance with Chilean law and is awaiting the SII's determination on this matter. Management believes that if the SII claim is ultimately upheld, the Company will have a claim for full indemnification from the sellers of MVC pursuant to the terms of the MVC purchase and sale agreement for losses incurred prior to the MVC purchase date of July 2003.

In the fourth quarter of 2007, the 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 determined 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, there would have been no tax payable in 2006 as MVC's production levels that year fell below the threshold prescribed by the SII for this tax. MVC has also retained legal counsel to prepare a response to the SII on this matter.

No amounts have been recorded by the Company in respect of these matters. While the SII has conducted reviews during 2007 and 2008 in connection with these contingencies, as of June 30, 2009, these contingencies had not been resolved.