

Amerigo Resources Ltd.

Consolidated Interim Financial Statements

June 30, 2008

Unaudited

(expressed in U.S. dollars)

Amerigo Resources Ltd.

Consolidated Balance Sheets (Unaudited)

(expressed in U.S. dollars)

	June 30, 2008	December 31, 2007
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	11,192,995	16,712,630
Accounts receivable	18,040,325	16,901,271
Prepaid expenses	386,172	106,289
Plant supplies and inventory	4,383,260	4,231,984
	<u>34,002,752</u>	<u>37,952,174</u>
Investments (Note 9)	17,890,234	21,171,455
Property, plant and equipment - (Note 3)	106,861,832	98,136,625
Contractual right - net (Note 4)	7,205,675	7,437,823
Other	38,384	40,864
	<u>165,998,877</u>	<u>164,738,941</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	12,575,686	16,635,329
El Teniente royalty payable (Note 5)	4,891,439	5,742,906
Bank loan (Note 6)	4,625,065	-
Due to non-controlling interests (Note 7)	57,904	61,735
	<u>22,150,094</u>	<u>22,439,970</u>
Other payables	956,276	1,003,500
Asset retirement obligation	4,954,828	4,787,273
Future income tax	6,834,842	6,180,703
Non-controlling interests (Note 7 (a))	1,000	1,000
	<u>34,987,040</u>	<u>34,412,446</u>
Shareholders' Equity		
Capital stock (Note 8)	56,737,545	56,933,105
Value assigned to stock options (Note 8(c))	2,192,230	1,949,218
Retained earnings	73,179,486	67,070,515
Accumulated other comprehensive income (loss) (Note 9 (a)(b))	(1,007,424)	4,373,657
	<u>131,101,837</u>	<u>130,326,495</u>
	<u>165,998,877</u>	<u>164,738,941</u>

Contingencies (Note 13)

Subsequent events (Note 14)

Approved by the Board of Directors

“Robert Gayton” _____ Director

“Ruston Goepel” _____ Director

Amerigo Resources Ltd.

Consolidated Statements of Operations and Comprehensive Income (Unaudited)

(expressed in U.S. dollars)

	Three months ended June 30,		Six months ended June 30,	
	2008	2007	2008	2007
	\$	\$		\$
Revenue	31,164,236	32,011,648	67,097,701	50,182,831
Costs				
Production costs	16,325,965	13,295,084	36,132,558	20,833,324
El Teniente royalty (Note 5)	5,319,664	5,291,091	10,466,225	8,182,929
Depreciation & amortization	1,081,028	791,439	2,361,245	1,367,173
Administration	517,731	334,735	1,010,029	627,456
Transportation	227,114	281,015	503,388	472,913
Asset retirement accretion cost	83,777	39,684	167,555	79,368
Stock-based compensation (Note 8(c))	-	59,674	-	114,369
Cost of sales	23,555,279	20,092,722	50,641,000	31,677,532
Operating profit	7,608,957	11,918,926	16,456,701	18,505,299
Other expenses				
Salaries, management & professional fees	316,955	239,936	642,557	484,031
Office and general expenses	306,717	286,962	811,039	595,202
Stock-based compensation (Note 8(c))	121,419	292,375	243,012	587,671
Interest expense	116,398	6,491	221,654	8,110
	861,489	825,764	1,918,262	1,675,014
Earnings before the under-noted items	6,747,468	11,093,162	14,538,439	16,830,285
Foreign exchange gain	300,918	740,369	368,325	970,966
Interest income	140,046	371,366	294,394	646,495
Other income	67,724	28,159	142,088	66,781
Investment loss (Note 9(c))	(5,408)	(38,413)	(30,122)	(200,314)
Gain on fair value adjustments to financial instruments	-	269,676	-	711,591
Earnings before taxes and non-controlling interests	7,250,748	12,464,319	15,313,124	19,025,804
Income tax expense, net of tax recoveries	906,973	1,967,709	2,448,765	2,862,964
Earnings before non-controlling interests	6,343,775	10,496,610	12,864,359	16,162,840
Non-controlling interests (Note 7(a))	125,331	163,923	262,903	278,871
Net earnings	6,218,444	10,332,687	12,601,456	15,883,969
Other comprehensive income (loss) (Note 9(a)(b))	(875,419)	964,175	(5,381,081)	964,175
Comprehensive income	5,343,025	11,296,862	7,220,375	16,848,144
Weighted average number of shares outstanding, basic	94,164,941	94,530,409	94,248,662	94,049,073
Weighted average number of shares outstanding, diluted	94,164,941	96,057,855	94,248,662	95,576,519
Earnings per share				
Basic	0.07	0.11	0.13	0.17
Diluted	0.07	0.11	0.13	0.17

Amerigo Resources Ltd.

Consolidated Statements of Cash Flows (Unaudited)

(expressed in U.S. dollars)

	Three months ended June 30,		Six months ended June 30,	
	2008	2007	2008	2007
	\$	\$	\$	\$
Cash flows from operating activities				
Net earnings	6,218,444	10,332,687	12,601,456	15,883,969
Items not affecting cash -				
Depreciation and amortization	1,081,028	791,439	2,361,245	1,367,173
Stock-based compensation	121,419	352,049	243,012	702,040
Accrued interest on bank loan	108,272	-	148,177	-
Asset retirement accretion cost	83,777	39,684	167,555	79,368
Amortization of future income tax asset	17,425	16,137	33,731	31,045
Investment loss	5,407	38,413	30,121	200,314
Other receivables	935	(3,466)	2,480	(2,792)
Unrealized foreign exchange gain	(979,400)	(105,332)	(763,952)	(119,669)
Future income tax	(562,706)	437,998	654,139	724,164
Gain on fair value adjustments to financial instruments	-	(269,676)	-	(711,591)
	6,094,601	11,629,933	15,477,964	18,154,021
Changes in non-cash working capital				
Accounts receivable	11,221,723	(2,738,875)	(1,139,054)	(2,032,203)
Prepaid expenses	217,785	(14,142)	(279,883)	(445,151)
Plant, supplies and inventory	1,596,128	(624,391)	(151,276)	(1,299,972)
Accounts payable	(9,926,197)	1,847,973	(2,405,006)	3,622,647
El Teniente royalty payable	(848,246)	2,267,596	(1,117,841)	1,593,674
Due to non-controlling interests	529	26,318	(3,831)	13,587
Other payables	(219,570)	15,365	(47,224)	84,447
Net cash provided by operating activities	8,136,753	12,409,777	10,333,849	19,691,050
Cash flows from investing activities				
Purchase of plant and equipment	(5,672,077)	(1,684,323)	(12,542,672)	(7,217,147)
(Purchase)/sale of investments, net	(1,976,801)	(6,640,589)	(2,129,981)	(6,640,589)
Net cash used in investing activities	(7,648,878)	(8,324,912)	(14,672,653)	(13,857,736)
Cash flows from financing activities				
Purchase of share capital for cancellation	(254,597)	-	(669,521)	-
Proceeds from short-term bank loan	-	-	5,507,214	-
Payment of dividends	-	(5,286,918)	(6,018,524)	(5,286,918)
Issuance of shares for cash	-	1,026,767	-	1,447,395
Net cash provided by (used in) financing activities	(254,597)	(4,260,151)	(1,180,831)	(3,839,523)
Net increase (decrease) in cash and cash equivalents	233,278	(175,286)	(5,519,635)	1,993,791
Cash and cash equivalents – Beginning of period	10,959,717	28,743,136	16,712,630	26,574,059
Cash and cash equivalents – End of period	11,192,995	28,567,850	11,192,995	28,567,850

Supplemental disclosure with respect to cash flows (Note 12)

Amerigo Resources Ltd.

Consolidated Statements of Shareholders' Equity (Unaudited)

(expressed in U.S. dollars)

	Common shares		Retained Earnings	Value assigned to stock options	Accumulated Other Comprehensive Income (Loss)	Shareholders' equity
	No. of shares	Amount				
		(\$)	(\$)	(\$)	(\$)	(\$)
Balance – Dec. 31, 2006 as previously reported	93,443,244	55,026,997	53,757,962	1,603,180	(22,110)	110,366,029
Adoption of financial instruments standards (Note 2)	-	-	365,858	-	-	365,858
Balance – Dec. 31, 2006 as restated	93,443,244	55,026,997	54,123,820	1,603,180	(22,110)	110,731,887
Issue of shares						
Exercise of stock options	1,089,500	1,447,395	-	-	-	1,447,395
Shares repurchased	(160,000)	(93,931)	(246,370)	-	-	(340,301)
Options granted	-	-	-	898,682	-	898,682
Transfer of value on exercise of stock options	-	552,644	-	(552,644)	-	-
Unrealized gains on “available for sale” instruments (Note 9)	-	-	-	-	4,395,767	4,395,767
Dividends paid	-	-	(11,089,289)	-	-	(11,089,289)
Net earnings for the year	-	-	24,282,354	-	-	24,282,354
Balance – Dec. 31, 2007	94,372,744	56,933,105	67,070,515	1,949,218	4,373,657	130,326,495
Shares repurchased	(333,100)	(195,560)	(473,961)	-	-	(669,521)
Options granted	-	-	-	243,012	-	243,012
Unrealized losses on “available for sale” instruments (Note 9)	-	-	-	-	(5,381,081)	(5,381,081)
Dividends paid	-	-	(6,018,524)	-	-	(6,018,524)
Net earnings for the period	-	-	12,601,456	-	-	12,601,456
Balance – June 30, 2008	94,039,644	56,737,545	73,179,486	2,192,230	(1,007,424)	131,101,837

Amerigo Resources Ltd.

Notes to Consolidated Financial Statements

June 30, 2008

(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 for interim financial statements and therefore do not include all of the information and notes required for annual financial statements. 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, 2007. In the opinion of management, all of the adjustments necessary to fairly present the consolidated financial statements set forth herein have been made.

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 Chile’s state-owned copper producer Codelco through at least 2021 to process the tailings from El Teniente, the world’s largest underground copper mine. The Company also holds investments in corporations with copper and gold resources in Peru, Chile and Mexico.

2 Adoption of new accounting standards

Effective January 1, 2008 the Company adopted the following new accounting standards:

Section 1535 – Capital Disclosures

This Section establishes standards for disclosing information about an entity’s capital and how it is managed. Disclosure is presented in Note 11.

Section 3031 - Inventories

This Section prescribes the accounting treatment for inventories and provides guidance on the determination of costs and its subsequent recognition as an expense, including any write-down to net realizable value. It also provides guidance on the cost formulas that are used to assign costs to inventories. The adoption of this policy had no effect on the Company’s financial statements.

Section 3862 – Financial Instruments – Disclosures

This Section requires additional disclosures to enable users of the Company’s financial statements to evaluate the significance of financial instruments to the Company’s financial position and performance. In addition, qualitative and quantitative disclosures are provided to enable users to evaluate the nature and extent of risks arising from the Company’s financial instruments. Disclosure is presented in Note 10.

Amerigo Resources Ltd.
Notes to Consolidated Financial Statements
June 30, 2008

(expressed in U.S. dollars)

3 Property, plant and equipment

	June 30, 2008	December 31, 2007
	\$	\$
Plant and infrastructure	51,649,529	50,431,227
Machinery and equipment and other assets	64,700,113	55,030,380
	116,349,642	105,461,607
Accumulated depreciation and amortization	(9,487,810)	(7,324,982)
	<u>106,861,832</u>	<u>98,136,625</u>

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 initial value of this contractual right was determined to be \$8,029,185. A future income tax liability of \$1,364,961 was recorded in connection with the contractual rights, resulting in an increase in its value to \$9,394,146. The contractual right and the associated future income tax liability are amortized using the units of production method.

	June 30, 2008	December 31, 2007
	\$	\$
Contractual right	9,394,146	9,394,146
Accumulated amortization	(2,188,471)	(1,956,323)
	<u>7,205,675</u>	<u>7,437,823</u>

5 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 or higher, a maximum royalty of 13.5% is payable.

Royalty payments for copper production are calculated using the average 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

Amerigo Resources Ltd.

Notes to Consolidated Financial Statements

June 30, 2008

(expressed in U.S. dollars)

is made within 10 days of receipt of invoices. Accordingly, royalties payable to Codelco - El Teniente are classified as current liabilities. 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 per pound or higher.

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

6 Bank loan

In February 2008 the Company obtained a short-term 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 bears interest at a monthly rate of 0.67% and matures on September 22, 2008.

7 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 Interests 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.

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 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, 2008, royalty dividends totalling \$262,903 were paid or accrued to the Amerigo International Class A shareholders on the basis described above (six months ended June 30, 2007: \$278,871). Royalty dividends are shown as Non-Controlling Interests in the Consolidated Statements of Operations and Comprehensive Income. At June 30, 2008, \$57,904 of this amount remained outstanding (December 31, 2007: \$61,735).

Amerigo Resources Ltd.

Notes to Consolidated Financial Statements

June 30, 2008

(expressed in U.S. dollars)

b) Directors fees and remuneration to officers

During the six months ended June 30, 2008 the Company paid or accrued \$313,901 in fees to companies associated with certain directors and officers of Amerigo (Six months ended June 30, 2007: \$317,765). In the same period, Amerigo paid or accrued \$52,253 in directors' fees to independent directors (Six months ended June 30, 2007: \$46,163). Directors' fees and remuneration to officers are categorized as Salaries, Management and Professional Fees in Amerigo's Consolidated Statements of Operations and Comprehensive Income. At June 30, 2008, an aggregate amount of \$34,058 was due to directors and officers for fees, bonuses and reimbursement of expenses in the ordinary course of business (December 31, 2007: \$450,729).

c) At June 30, 2008 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, 2008 two of Amerigo's directors acted as directors of Candente Resource Corp., a company in which the Company holds an investment.

e) At June 30, 2008 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.

8 Capital stock

Authorized - Unlimited common shares without par value

a) **Summary of capital stock issued in the period**

No shares were issued during the six months ended June 30, 2008.

During the six months ended June 30, 2007, 1,089,500 stock options at exercise prices ranging from Cdn\$1.23 to Cdn\$2.43 per stock option were exercised by employees, officers or directors of the Company, for aggregate proceeds of \$1,447,395.

b) **Purchase of shares for cancellation**

Amerigo has in place a normal course issuer bid through the facilities of the Toronto Stock Exchange ("TSX"), whereby Amerigo is entitled to purchase for cancellation up to 2,000,000 of its common shares during the one-year period ending on November 13, 2008. During the six months ended June 30, 2008, Amerigo purchased and cancelled 333,100 shares at a total cost of \$669,521. The premium on the purchase of shares for cancellation amounted to \$473,961 and was applied against Retained Earnings.

Amerigo Resources Ltd.

Notes to Consolidated Financial Statements

June 30, 2008

(expressed in U.S. dollars)

There were no Amerigo shares purchased and cancelled under the normal course issuer bid in the six months ended June 30, 2007.

c) Stock options

Stock option plan

Amerigo established a stock option plan (the "Plan") on April 2, 2003, which was amended on June 20, 2006 at Amerigo's annual general meeting. 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 and the aggregate number of common shares reserved for issuance to any one person under the Plan in any 12-month period must not exceed 5% of Amerigo's outstanding common shares, 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, 2008 and December 31, 2007 and the changes for the six-month and twelve-month periods ending on those dates is presented below:

	Six months ended June 30, 2008		Twelve months ended December 31, 2007	
	Outstanding options	Weighted average exercise price Cdn\$	Outstanding options	Weighted average exercise price Cdn\$
Balance – start of period	3,365,000	2.38	2,902,000	2.14
Granted	1,055,000	2.13	1,760,000	2.23
Exercised	-	-	(1,089,500)	1.54
Cancelled	-	-	(207,500)	2.21
Outstanding	<u>4,420,000</u>	2.32	<u>3,365,000</u>	2.38
Exercisable	<u>3,892,500</u>	2.35	<u>3,365,000</u>	2.38

Amerigo Resources Ltd.
Notes to Consolidated Financial Statements
June 30, 2008

(expressed in U.S. dollars)

On March 20, 2008, Amerigo granted stock options to purchase an aggregate of 1,055,000 common shares to directors, officers and employees of the Company, with an exercise price of Cdn\$2.13 per share, expiring on March 20, 2013. The options vest in four equal quarterly instalments, on March 20, April 1, July 1 and October 1, 2008. Amerigo recorded stock-based compensation expense of \$243,012 relating to this grant in the six months ended June 30, 2008.

On February 28, 2007, Amerigo granted stock options to purchase an aggregate of 1,760,000 common shares to directors, officers and employees of the Company, with an exercise price of Cdn\$2.23 per share, expiring on February 28, 2012. The options vested in four equal quarterly instalments, on March 31, June 30, September 30 and December 31, 2007; 52,500 options were cancelled prior to vesting. Amerigo recorded stock-based compensation expense of \$657,040 for this grant in the six months ended June 30, 2007, of which \$114,369 was charged to Cost of Sales in respect of the options granted to MVC employees and \$542,671 was grouped to Other Expenses.

On August 4, 2006 Amerigo granted stock options to purchase an aggregate of 200,000 common shares to a consultant and an officer of the Company, with an exercise price of Cdn\$2.43 per share, expiring on August 4, 2011. The options vested in four equal quarterly instalments, on September 30, 2006, December 31, 2006, March 31, 2007 and June 30, 2007; 25,000 options were cancelled prior to vesting. For the options that vested in the six months ended June 30, 2007, Amerigo recorded stock-based compensation expense of \$45,000 grouped to Other Expenses.

In the year ended December 31, 2007, 207,500 options at a weighted average price of Cdn\$2.21 expired unexercised.

Value assigned to stock options

	June 30, 2008	December 31, 2007
	\$	\$
Balance – beginning of period	1,949,218	1,603,180
Options granted	243,012	898,682
Transfer to capital stock on exercise of stock options	-	(552,644)
Balance – end of period	<u>2,192,230</u>	<u>1,949,218</u>

Amerigo Resources Ltd.

Notes to Consolidated Financial Statements

June 30, 2008

(expressed in U.S. dollars)

The Company estimated the fair value of each option grant based on the Black-Scholes Option Pricing Model with the following weighted average assumptions:

	<u>2008</u>	<u>2007</u>
Expected dividend yield	6.10%	4.89%
Expected stock price volatility	47.29%	47.67%
Risk-free interest rate	2.91%	4.04%
Expected life of options	2.3 years	2.21 years

The following stock options were outstanding and exercisable as at June 30, 2008:

Range of exercise prices Cdn\$	Number exercisable	Weighted average remaining contractual life	Weighted average exercise price Cdn\$
1.60 to 2.40	2,522,500	3.63 years	2.16
2.40 to 2.71	<u>1,370,000</u>	2.68 years	2.69
	<u>3,892,500</u>		

d) Dividends

On February 27, 2008 Amerigo declared a semi-annual dividend of Cdn 6.5¢ per share paid on April 2, 2008 to shareholders of record as of March 25, 2008, for a total of \$6,018,524.

On February 24, 2007 Amerigo declared a semi-annual dividend of Cdn 6.5¢ per share paid on April 4, 2007 to shareholders of record as of March 27, 2007, for a total of \$5,286,918; on July 30, 2007 the Board of Directors of Amerigo declared a second semi-annual dividend of Cdn 6.5¢ per share paid on August 31, 2007 to shareholders of record as of August 22, 2007, for a total of \$5,802,371.

Amerigo Resources Ltd.

Notes to Consolidated Financial Statements
June 30, 2008

(expressed in U.S. dollars)

9 Investments

	June 30, 2008	December 31, 2007
	\$	\$
Available for sale investment – Common shares of a TSX issuer	14,952,556	17,939,991
Available for sale investment – Common shares of a TSX-V issuer	1,987,425	2,251,090
Available for sale investments	16,939,981	20,191,081
Equity investment – Common shares of a TSX-V issuer	950,253	980,374
	<u>17,890,234</u>	<u>21,171,455</u>

a) Investment in common shares of a TSX issuer

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 market value are required at each balance sheet date; as at June 30, 2008 these adjustments totalled (\$909,430). Given that the investment was 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 will be transferred into earnings.

At June 30, 2008 this issuer’s closing share price was Cdn\$1.40 per share, and the fair market value of the Company’s approximately 13% investment in this issuer was \$14,952,556. During the six months ended June 30, 2008, the Company recorded fair value adjustments of (\$5,117,416) to this investment (Six months ended June 30, 2007: \$997,656).

b) Investment in common shares of a TSX-V issuer

In November 2007, Amerigo acquired for investment purposes 4 million common shares of an issuer listed on the TSX Venture Exchange. The aggregate cost of the investment was \$2,063,308. Adjustments to fair market value are required at each balance sheet date; at June 30, 2008 these adjustments totalled (\$75,883). The investment was designated as “available for sale” for accounting purposes.

Amerigo Resources Ltd.

Notes to Consolidated Financial Statements

June 30, 2008

(expressed in U.S. dollars)

At June 30, 2008 this issuer's closing share price was Cdn\$0.50 per share, and the fair market value of Amerigo's approximately 5% investment in this issuer was \$1,987,425. During the six months ended June 30, 2008, the Company recorded fair value adjustments of (\$263,665) to this investment (\$nil in the six months ended June 30, 2007).

c) Equity investment in common shares of a TSX-V issuer

In fiscal 2004 Amerigo entered into an agreement to sell a 100% interest in three Canadian exploration properties to a TSX-V issuer for consideration of 10,000,000 shares of the issuer. On August 18, 2006, Amerigo acquired a further 1.7 million units of the issuer at a cost of \$268,200. Each unit is comprised of one common share and one warrant entitling Amerigo to purchase an additional share of the issuer at a price of Cdn\$0.25 per share until August 18, 2008. At June 30, 2008, Amerigo held 11,666,667 common shares and 1,666,667 warrants of the issuer, which represent approximately 26% of the issuer's issued and outstanding common shares at that date.

Amerigo accounts for this investment using the equity method, given that Amerigo is considered to have significant influence over this investment. An investment loss of \$30,122 was recorded in the six months ended June 30, 2008. At June 30, 2008 this issuer's closing share price was Cdn\$0.12 per share and Amerigo held approximately 26% of the issued and outstanding shares of the issuer.

10 Accounting for Financial Instruments

Fair Values

The Company's financial instruments include cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities, El Teniente royalty payable and short-term bank loan. The fair value of these financial instruments equals their carrying value. The Company's investments in common shares of a TSX issuer and common shares of a TSX-V issuer are classified as "available for sale" for accounting purposes.

Credit Risk

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and accounts receivable. The Company has an Investment Policy which requires that cash and cash equivalents can only be deposited in Permitted Investments with certain minimum credit ratings.

Foreign Exchange Risk

The Company faces foreign exchange risk exposures arising from transactions denominated in foreign currencies. The Company's main foreign exchange risks arise with respect to the Canadian dollar and the Chilean Peso. Copper and molybdenum sales are denominated in US dollars, and the majority of operating expenses are in Chilean Pesos. The Company has elected not to actively manage this exposure at this time.

Amerigo Resources Ltd.

Notes to Consolidated Financial Statements

June 30, 2008

(expressed in U.S. dollars)

Commodity Price Risk

The Company faces commodity price risk arising from changes to the market prices for copper and molybdenum from the time of delivery of concentrates to the time of final price settlement. The Company has elected not to actively manage this exposure at this time.

Interest Rate Risk

Included in the results of operation of the Company are interest income on US Dollar, Canadian Dollar and Chilean Peso cash and cash equivalents. The Company also has an outstanding short-term bank loan in Chilean Pesos. The Company's interest rate risk mainly arises from the interest rate impact on its cash and cash equivalents, and to a lesser degree, the interest rate impact on current debt. The Company's preference is to borrow at fixed rates. Cash and cash equivalents receive interest based on market interest rates. As at June 30, 2008, with other variables unchanged, a 1% change in Prime rates would have had an insignificant impact on net earnings, and no effect on Comprehensive Income.

11 Capital Risk Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, to provide an adequate return on investment to shareholders and to maintain a flexible capital structure which optimizes the cost of capital at acceptable risk.

Under normal operating conditions, the Company maintains a limited amount of debt, if any, on its Balance Sheet. Debt will usually be of a short-term nature, obtained from commercial banks to cover working capital timing differences.

12 Supplemental Disclosure with Respect to Cash Flows

	Six months ended June 30, 2008 (\$)	Six months ended June 30, 2007 (\$)
Cash paid during the period for interest	58,860	7,848
Cash paid during the period for income taxes	2,938,636	3,298,493
Change in accounts payable related to the acquisition of plant and equipment	(1,654,637)	4,033,768
	June 30, 2008 (\$)	December 31, 2007 (\$)
Cash	820,536	2,553,334
Cash equivalents	10,372,459	14,159,296
	<u>11,192,995</u>	<u>16,712,630</u>

Amerigo Resources Ltd.

Notes to Consolidated Financial Statements

June 30, 2008

(expressed in U.S. dollars)

13 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. The Company's legal counsel has confirmed that, in their opinion, 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 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, 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.

14 Subsequent events

On July 24, 2008, the Board of Directors of Amerigo declared a semi-annual dividend of Cdn 6.5¢ per share payable on September 5, 2008 to shareholders of record as of August 22, 2008.