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Amerigo Resources Ltd.
Management Discussion and Analysis
For the Year Ended December 31, 2008

All figures expressed in US Dollars except where noted

The following discussion and analysis of the results of operations and financial position of Amerigo Resources Ltd. ("Amerigo") together with its subsidiaries (collectively, the "Company"), is prepared as of March 23, 2009, and should be read in conjunction with the Company's audited consolidated financial statements and the notes thereto for the year ended December 31, 2008.

The Company is a producer of copper and molybdenum concentrates with operations in Chile and holds long-term investments in two corporations with copper and gold resources in Peru, Chile and Mexico. Its operating subsidiary Minera Valle Central S.A. ("MVC") has a contract with Chile's state-owned copper producer Codelco through at least the year 2021 to process the tailings from El Teniente, the world's largest underground copper mine.

The Company's financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles. The Company's reporting currency is the US Dollar.

This document presents certain measures that have no standardized meanings prescribed by Canadian GAAP and are considered non-GAAP measures which may not be comparable to similar measures presented by other issuers. These measures include cash flow from operating activities, operating profit, cash cost and total cost; they are presented in this MD&A as additional information regarding the Company's performance and financial position.

Significant Events

- In **2008** the Company had an **operating loss** of **$1,347,711** and a **net loss** of **$18,986,845,** compared to operating profit of $29,884,273 and net earnings of $24,282,354 in 2007. In 2008, the Company recorded an **$18,855,343** unrealized **write-down of investments** in Candente Resource Corp. ("Candente") and Los Andes Copper Ltd. ("Los Andes") to fair value**.** The Company was severely affected by a sharp decline in copper and molybdenum prices due to the current worldwide economic crisis. In **Q4-2008** alone the Company recorded **$12,463,135** in **negative pricing adjustments** to prior quarters' sales of copper and molybdenum.

- **Cash flow from operating activities** was **$10,609,319** or 11¢ per share in 2008, compared to $31,282,155 or 33¢ per share in 2007.

- **Production** in 2008 was a **record 34.63 million pounds of copper** and **769,142 pounds of molybdenum**, compared to 33.21 million pounds of copper and 639,020 pounds of molybdenum produced in 2007. Production increased due to higher flow and grades of fresh tailings, continued processing of old tailings and more efficient recoveries in the molybdenum plant.

- The Company's **copper selling price** before smelter, refinery and other charges was **$2.77/lb** in **2008** and $**1.31/lb** in **Q4-2008**. Notwithstanding record production levels, revenues were affected by the sharp decline in copper and molybdenum prices during the year, particularly in Q4-2008.

- Throughout 2008 the Company continued to be affected by **high power costs** in Chile. Power costs in 2008 were **$37,945,807 ($0.21/kwh)** compared to $27,501,016 ($0.17/kwh) in 2007. In Q1-2009 power costs have trended lower to average approximately $0.13 - $0.14/kwh; industry experts in Chile expect this trend to continue.

- **Operating costs** such as power, steel and reagents **are expected to decrease** from their high 2008 levels; however the reductions are lagged and were not evident in the operating costs for Q4-2008. Subject to energy, oil prices and molybdenum prices in 2009, the Company believes that **cash costs** will be reduced to **$1.20 to $1.25/lb during the course of 2009.**

- The Company has effectively completed a project that will allow it to substantially **become energy self-sufficient as of Q2-2009.**

- The write-down of investments of $18,855,343 was recorded in earnings due to the material decline in fair value of the Company's long-term investments in Candente and Los Andes at December 31, 2008 and management's assessment that, under current financial market conditions, a recovery in the fair value of these investments may not occur in the short-term. The **write-down of investments** is a **non-cash transaction** as the Company did not sell any of its holdings in Candente or Los Andes.

- **Cash cost** (the aggregate of smelter, refinery and other charges, production costs net of molybdenum-related net benefits, administration and transportation costs) before El Teniente royalty was **$2.01/lb** in 2008, compared to $1.50/lb in 2007. Cash costs increased in 2008 as a result of lower molybdenum by-product credits and higher operating costs overall, particularly power.

- **Total cost** (the aggregate of cash cost, El Teniente royalty, MVC stock-based compensation, depreciation and accretion) in 2008 was **$2.75/lb** compared to $2.20/lb in 2007. The increase in total cost was driven by higher cash costs.

- Payments for **capital expenditures** were **$23,133,008** in 2008. The most significant project in the year was the energy self-generation project. **Capital expenditures will be substantially lower in 2009.**

- In **2008**, the Company made **additional investments** in Candente and Los Andes of $**4,013,581**, paid **dividends** of **$11,802,999** and purchased **$1,589,328** of the Company's **shares for cancellation**. Given current liquidity considerations the Company will be suspending dividends and other discretionary expenditures for the foreseeable future.

- **Cash balance** was **$3,187,084** at December 31, 2008, at which date the Company had a working capital deficiency of $14,116,136. Subsequent to year end, the Company completed a private placement financing for proceeds of Cdn$10,500,000, secured additional bank financing in Chile of approximately $1,100,000 and restructured pricing adjustments due to the smelter into a 2 year loan with payments extending from April 2009 to March 2011.

Overall Performance

The Company posted a net loss in the year ended December 31, 2008 of $18,986,845, compared to net earnings of $24,282,354 in fiscal 2007. The Company's financial performance was significantly affected by a write-down of investments of $18,855,343 in 2008 and the sharp decline in copper and molybdenum prices in the last half of 2008, resulting in negative price adjustments of $12,463,135 being booked in the fourth quarter of the year.

In 2008, financial performance continued to be affected by significantly high power costs in Chile. In 2008 the Company's power costs reached $37,945,807 or $0.21/kwh, compared to $27,501,016 or $0.17/kwh in 2007. In Q1-2009 power costs have trended lower to average approximately $0.13 - $0.14/kwh; industry experts in Chile expect this trend to continue.

In 2008 the Company produced 34.63 million pounds of copper and 769,142 pounds of molybdenum, compared to 33.21 million pounds of copper and 639,020 pounds of molybdenum in 2007.

Revenue of $97,627,482 was derived from the sale of 34.69 million pounds of copper and 778,501 pounds of molybdenum.

In fiscal 2008, the Company's activities resulted in operating cash flow of $10,609,319, including the effect of changes in non-cash working capital accounts. Cash resources of $23,133,008 were allocated in the year for capital expenditures projects, most notably the electrical generators that will allow MVC to be essentially energy self-sufficient starting n 2009.

In fiscal 2008 Amerigo paid two semi-annual dividends in the aggregate amount of $11,802,999 and repurchased shares for cancellation at a cost of $1,589,328. The Company secured $10,507,214 of short-term bank financing in Chile.

At December 31, 2008 the Company had cash and cash equivalents of $3,187,084, and a working capital deficiency of $14,116,136, compared to cash and cash equivalents of $16,712,630 and working capital of $15,512,204 at December 31, 2007.

Selected Annual Information

	12 months ended December 31, 2008	12 months ended December 31, 2007	12 months ended December 31, 2006
Total revenue	$97,627,482	$105,694,549	$84,205,285
Net income (loss)	(18,986,845)	24,282,354	39,283,683
Earnings (loss) per share	(0.20)	0.26	0.42
Diluted earnings (loss) per share	(0.20)	0.26	0.42
Cash dividends paid	11,802,999	11,089,289	7,449,203

	At December 31, 2008	At December 31, 2007	At December 31, 2006
Total assets	$144,258,877	$164,738,941	$134,304,048
Total long-term liabilities	16,981,669	11,972,476	7,204,755

Results of Operations – Year Ended December 31, 2008

Revenue

Total 2008 revenue of $97,627,482 included copper revenue of $82,564,295 and molybdenum revenue of $15,063,187. Copper and molybdenum revenues are net of smelter, refinery and roasting charges.

Copper revenue decreased from 2007 due to significantly lower copper prices in the year. In 2008 the Company sold 15,736 tonnes or 34.69 million pounds of copper, up from 15,038 tonnes or 33.15 million pounds of copper in 2007. However, the Company's copper selling price before smelter, refinery and other charges and settlement adjustments to prior quarters' production was $2.77/lb in 2008 compared to $3.18/lb in 2007. In Q3-2008 and Q4-2008 the decline in copper prices translated into negative pricing adjustments to prior quarters' sales of $3,049,900 and $8,304,114 respectively. These adjustments, along with substantially lower prices for quarterly copper deliveries had a significant negative impact on working capital at MVC. Copper sales pending final price settlement were predominantly priced at the December 31, 2008 spot price of $1.321/lb.

Copper produced by the Company is sold under a sales agreement with Chile's Empresa Nacional de Minería ("Enami" or the "smelter"). The agreement with Enami establishes a delivery schedule of monthly sales quotas and in 2008 set the Company's copper sale price at the average market price for the fourth month after delivery ("M+4"). Accordingly, provided monthly quotas are met, all copper delivered by the Company to the smelter in one quarter is sold at market prices prevailing in the second following quarter. However, where production falls short of the monthly quota for a scheduled month of delivery, the quota is carried forward to a subsequent calendar month and the Company receives a sale price calculated for the originally scheduled month of delivery until the quota is met. The 2008 annual quota was not fully met by December 31, 2008, accordingly copper deliveries in 2009 were allocated to fulfill the 2008 quota. The Company believes that this pricing arrangement is standard in the industry.

Molybdenum revenue decreased slightly in 2008 to $15,063,187 compared to revenue of $15,660,590 in 2007 due to lower molybdenum prices in the year. In 2008 the Company sold 778,501 pounds of molybdenum at a selling price before roasting charges and settlement adjustments to prior quarters' production of $29.05, compared to 611,885 pounds of molybdenum sold in 2007 at a selling price before roasting charges and settlement adjustments to prior quarters' production of $30.06. In 2008 the Company recorded a total of $3,481,487 of negative pricing adjustments to prior quarter's sales, compared to negative pricing adjustments to prior quarters' sales of $576,233 in 2007.

Molybdenum produced by the Company is sold under a sales agreement with Chile's Molibdenos y Metales S.A. ("Molymet"), which provides that the sale price is the average market price for the first ("M+1"), second ("M+2") or third ("M+3") month after delivery, with each delivery period nominated at the election of Molymet in the month preceding the elected month. Throughout 2008 the predominant sale price nominated by Molymet was M+3.

Revenue from the sale of the Company's copper and molybdenum concentrates is recorded net of smelter, refinery and roaster charges when persuasive evidence of a sales arrangement exists, delivery has occurred, the rights and obligations of ownership have passed to the customer and the sale price is determinable.

Sales of copper and molybdenum are provisionally priced at the time of sale based on the prevailing copper forward market price or the current molybdenum market price, as specified in the sales contracts. Variations between the price recorded at the time of sale and the actual final price received from the smelter or the roaster are caused by changes in copper and molybdenum market prices and result in an embedded derivative in the accounts receivable. The embedded derivative is recorded at fair value each period until final settlement occurs, with changes in fair value classified as a component of revenue. The Company's reported revenue is therefore very sensitive to increases and decreases in copper and molybdenum prices. In a period of rising prices, not only will the Company record higher revenue for deliveries in the period, but it will also record favourable adjustments to revenue for copper and molybdenum delivered in prior periods. Similarly, in a period of declining prices, the Company will record lower revenues for current deliveries and negative adjustments to revenue from prior periods' deliveries.

Production

In 2008, the Company produced 15,707 tonnes or 34.63 million pounds of copper compared to 15,065 tonnes or 33.21 million pounds of copper produced in 2007, a 4% increase in production due to higher flow of fresh tailings from El Teniente, higher grades in fresh tailings and continued processing of old tailings.

In 2008 molybdenum production was 769,142 lbs, compared to 639,020 lbs produced in 2007. Molybdenum production was positively affected in 2008 due to the uninterrupted flow of fresh tailings and higher molybdenum plant recoveries.

Cash Cost and Total Cost

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

The Company's cash costs for the last two fiscal years ($/lb of copper produced) were as follows:

	Q1-2008	Q2-2008	Q3-2008	Q4-2008	2008
Cu and Mo production	2.54	2.31	1.90	1.52	2.02
By-product credits	(0.49)	(0.65)	(0.75)	0.10[2]	(0.43)
Smelter & refinery [1]	0.36	0.35	0.33	0.28	0.32
Administration	0.06	0.07	0.09	0.06	0.07
Transportation	0.04	0.03	0.03	0.03	0.03
Cash Cost	**$2.51**	**$2.11**	**$1.60**	**$1.99**	**$2.01**

	Q1-2007	Q2-2007	Q3-2007	Q4-2007	2007
Cu and Mo production	1.19	1.43	1.72	1.63	1.51
By-product credits	(0.41)	(0.59)	(0.38)	(0.47)	(0.47)
Smelter & refinery [1]	0.61	0.29	0.38	0.34	0.39
Administration	0.05	0.03	0.03	0.06	0.04
Transportation	0.03	0.03	0.03	0.04	0.03
Cash Cost	**$1.47**	**$1.19**	**$1.78**	**$1.60**	**$1.50**

[1] Due to an error in the calculation of smelter and refinery costs, these costs were understated in Q2-2007 by $390,985 or 0.05/lb. The correction of this error on a YTD basis resulted in an overstatement of costs in Q3-2007. The correct costs should have been $0.34/lb in Q2-2007 and $0.33/lb in Q3-2007.

[2] Molybdenum by-product credits in Q4-2008 were in fact by-product costs due to the effect of negative pricing adjustments to molybdenum sales in the quarter.

Cash cost is driven mainly by production costs, smelter/refinery costs and molybdenum by-product credits.

In fiscal 2008, cash cost was $2.01/lb, compared to a cash cost of $1.50/lb in the preceding year. The most significant increase in cash cost came from a $0.51/lb increase in production costs, driven mostly by a substantial increase in power costs in the year.

Power, MVC's most significant cost, increased to $0.2103/kWh in 2008, compared to $0.1732/kWh in 2007. Chile's tight energy situation was affected by severe droughts in the first half of 2008, severely affecting MVC's power costs in Q1-2008 and Q2-2008. Signs of improvement were visible as of Q3-2008, as intensive rains during the winter allowed increased access to hydroelectric power supplies.

Other production cost increases in 2008 were with respect to grinding balls as steel prices reached record high prices in the year, and for labour, due to the effect of production incentives at MVC and non-recurring costs associated with the signing of a collective labour agreement with the MVC unionized workers.

Changes in the other components of cash costs offset themselves when 2008 levels are compared with those of 2007.

Copper and molybdenum unit production costs showed a decreasing trend in 2008 from a high of $2.54/lb in Q1-2008 to a low of $1.52/lb in Q4-2008 as shown in the cash cost table above. This trend is expected to continue in 2009 with the exception of Q1-2009 which traditionally is a lower production quarter. Subject to energy, oil and molybdenum prices in 2009, the Company believes that cash costs will be reduced to $1.20 to $1.25/lb during the course of 2009.

The Company's total costs for the last two fiscal years ($/lb of copper produced) were as follows:

	Q1-2008	Q2-2008	Q3-2008	Q4-2008	2008
Cash cost	2.51	2.11	1.60	1.99	2.01
El Teniente royalty	0.66	0.75	0.65	0.27	0.57
Amortization/depreciation/accretion	0.17	0.16	0.15	0.17	0.17
Stock-based compensation	0.00	0.00	0.00	0.00	0.00
Total Cost	**$3.34**	**$3.02**	**$2.40**	**$2.43**	**$2.75**

	Q1-2007	Q2-2007	Q3-2007	Q4-2007	2007
Cash cost	1.47	1.19	1.78	1.60	1.50
El Teniente royalty	0.46	0.57	0.58	0.61	0.56
Amortization/depreciation/accretion	0.09	0.08	0.12	0.19	0.13
Stock-based compensation	0.01	0.01	0.01	0.00	0.01
Total Cost	**$2.03**	**$1.85**	**$2.49**	**$2.40**	**$2.20**

Total cost in 2008 was $2.75/lb, compared to total cost of $2.20/lb in 2007. The most significant impact on total cost is a $0.51/lb increase in cash cost, followed by a $0.01/lb increase from El Teniente royalty and a $.04/lb increase in amortization due to MVC's higher asset base and the effect of stronger annual production.

The El Teniente royalty is based mainly on copper and molybdenum prices making MVC a producer whose costs decrease as copper and molybdenum prices decline and whose costs increase as copper and molybdenum prices increase. This relationship is very evident in the review of quarterly royalty costs in 2008. As copper and molybdenum prices declined in the year, royalty costs went from a high of $0.75/lb in Q2-2008 to a low of $0.27/lb in Q4-2008.

Operating Costs and Expenses

Production costs include copper and molybdenum production costs and maintenance costs. In 2008, production costs were $70,005,003 compared to production costs of $50,214,815 in 2007. The $19,790,188 increase in production costs is due mainly to an increase in power costs of $10,444,791 in 2008. Other production costs increases are for grinding balls, reagents and labour costs. Labour costs were higher in the year due to production incentives and costs associated with the renegotiation of a collective labour agreement for MVC.

In 2008 the El Teniente royalty was $19,712,621 compared to $18,673,900 in 2007. Higher royalties to El Teniente were the result of higher copper and molybdenum sales volume in the year. The sharp effect of the decline in copper prices in the latter part of the year is not fully expressed in lower royalty costs, as royalty costs are based on average monthly copper prices and not subject to the M+4 adjustments affecting copper revenue.

Amortization cost was $5,310,865 in 2008 compared to $4,086,845 in the preceding year due mainly to a higher asset base at MVC and to increased production, as amortization is calculated using the units of production method.

Administration expenses were $2,529,531 in 2008 compared to $1,469,759 in 2007 due to higher labour cost, insurance and general overhead at MVC. Labour increased partially due to signing bonuses paid in the year in connection with a 4-year labour agreement for MVC's workers. Transportation costs increased slightly to $1,082,064 in 2008 from $1,051,392 in 2007; there was no stock-based compensation for options vested to MVC employees in 2008 (2007: $149,276) and asset retirement accretion cost was $335,109 in 2008 compared to $164,289 in 2007.

Costs not related to MVC's production operations are identified as "Other Expenses" and were $3,563,884 in 2008 and $3,334,773 in 2007, an increase of $229,111. These expenses in 2008 were office and general expenses of $1,349,908 (2007: $1,136,365), salaries, management and professional fees of $1,181,253 (2007: $1,429,902), interest expense of $548,564 (2007: $19,100) and stock-based compensation expense of $484,159 (2008: $749,406).

Non-operating items in 2008 included write-down of investments of $18,855,343 (2007: $nil), a foreign exchange gain of $2,210,633 (2007: $1,348,336), interest income of $457,719 (2007: $1,272,014), other income of $236,965 (2007: $297,750) and an equity investment loss of $78,491 (2007: ($224,573)). In 2007 the Company also had a realized gain on sale of financial instruments of $711,591. The write-down of investments of $18,855,343 was recorded in earnings due to the material decline in fair value of the Company's long-term investments at December 31, 2008 and management's assessment that, under current financial market conditions, a recovery in the fair value of these investments may not occur in the short-term. The write-down of investments is a non-cash transaction as the Company did not sell any of its holdings in Candente or Los Andes. Foreign exchange gains increased in 2008 due mainly to the effect of a stronger US dollar with respect to the Chilean peso. Interest income decreased due to lower average cash balances held by the Company through 2008.

The Company recorded income tax recoveries of $2,576,855 in 2008 compared to income tax expense of $5,085,223 in 2007, due to the losses incurred in the year and the application of tax loss carry-backs in Chile.

Operating Cash Flows

In 2008, the Company's activities generated operating cash flow of $10,609,319 (or 11¢ per share), which includes the effect of changes in non-cash working capital items, compared to operating cash flow of $31,282,155 or 33¢ per share in 2007.

The dominant factor affecting operating cash flow in 2008 was the effect of sharp declines in copper and molybdenum prices in the year, including significant negative pricing adjustments particularly in Q3-2008 and Q4-2008. In addition, the Company faced significant operating costs in the year, particularly with respect to power costs.

Summary of Quarterly Financial Results

	QE Dec. 31, 2008	QE Sept. 30, 2008	QE June 30, 2008	QE March 31, 2008
Total revenue	$614,179	$29,915,602	$31,164,236	$35,933,465
Net income (loss)	(21,180,874)	(10,407,427)	6,218,444	6,383,012
Earnings (loss) per share	(0.2268)	(0.1124)	0.0660	0.0677
Diluted earnings (loss) per share	(0.2268)	(0.1124)	0.0660	0.0668

	QE Dec. 31, 2007	QE Sept. 30, 2007	QE June 30, 2007	QE March 31, 2007
Total revenue	$26,974,854	$28,536,864	$32,011,648	$18,171,183
Net income	1,816,498	6,581,887	10,332,687	5,551,282
Earnings per share	0.0122	0.0696	0.1093	0.0593
Diluted earnings per share	0.0122	0.0694	0.1076	0.0583

Liquidity and Capital Resources

The Company's cash and cash equivalents at December 31, 2008 were $3,187,084, compared to $16,712,360 at December 31, 2007. The Company had a working capital deficiency of $14,116,136 at December 31, 2008, compared to working capital of $15,512,204 at December 31, 2007.

In 2008, the Company made $23,133,008 in capital expenditures, mainly in connection with its power self-generating project, paid dividends of $11,802,999, increased its investments in Candente and Los Andes by $4,013,581 and repurchased $1,589,328 of the Company's shares under its normal course issuer bid (“NCIB”). These factors contributed to a substantial decrease in the levels of cash and cash equivalents traditionally held by the Company.

The Company’s cash and working capital as at December 31, 2008 were severely affected by the sharp decline in copper and molybdenum prices that took place in Q4-2008. The depressed prices for its products affected the Company both in terms of significantly reduced revenue and cash inflows and with respect to negative pricing adjustments for sales in prior months, which had been provisionally priced at substantially higher prices. These adjustments became, in effect, amounts immediately due to the smelter and the roaster and at December 31, 2008 were $11,836,724.

The Company also continued to face higher than expected operating costs at MVC, particularly power costs. While operating costs such as power, steel and reagents are expected to decrease from their high 2008 levels, the adjustments are gradual and were not evident in the operating costs for Q4-2008.

The Company’s long-term liabilities (Long Term Enami Loan, Other Payables, Asset Retirement Obligations and Future Income Tax Liabilities) at December 31, 2008 were $16,981,669 compared to $11,972,476 on December 31, 2007.

Faced with a sharp reduction in operating cash flows, substantial negative pricing adjustments and high operating costs, the Company proceeded to secure additional bank financing in Chile and negotiated extended credit terms with its key suppliers and royalty deferrals with El Teniente. The Company also reached agreements with the roaster and the smelter with respect to the payment of negative pricing adjustments.

In December 2008 MVC obtained a $5 million loan from a Chilean bank. This loan bears interest at a monthly rate of 0.78% and has a renewal date of May 12, 2009. Subsequent to year end, the Company also secured an increase of $650,000,000 Chilean pesos (approximately $1,100,000) to an existing bank loan for a total facility of $3,150,000,000 Chilean pesos (approximately $5,330,000). The loan bears interest a monthly rate of 1.09% and has a renewal date of August 10, 2009. The loans are expected to be rolled over on their renewal dates. It is customary in Chile to have short term renewal dates for loans and for loans to be rolled over as long as they remain in good standing. The Company is not subject to debt covenants.

The Company and El Teniente reached an agreement whereby 70% of the royalty invoices for the months from November 2008 to April 2009 would be deferred, and scheduled for repayment from July to December 2009. The Company and El Teniente also initiated discussions with respect to a potential review of the terms of the royalties payable to El Teniente.

At December 31, 2008 MVC owed Enami $9,434,939 in respect of negative pricing adjustments for final settlement of the quotas from June to September 2008 (priced at October 2008 to January 2009 prices). Subsequent to year end, the final settlement on these amounts, subsequent to year end, was determined to be $11,123,735. Enami has provided a loan facility to MVC to repay this amount in twenty four equal installments extending from April 2009 to March 2011. The Enami loan bears interest at a rate of Prime + 2%. A finance structure fee of 2.5% of the loan is payable to Enami.

In addition to the loan described above, in January 2009 Enami provided to MVC a copper price sustainability loan whereby Enami will lend to MVC up to10¢/lb of copper delivered to the smelter (to a maximum of $1.70/lb for the aggregate of the sustainability loan and the provisional copper price paid by the smelter to MVC). The sustainability loan was provided retroactively to November 2008 and will extend to December 2009. The loan bears interest at a rate of Prime + 2%.

With respect to the negative pricing adjustments due to Molymet, MVC and Molymet agreed that these would be settled against physical deliveries of molybdenum in 2009. It is currently expected that the amounts due to Molymet will be fully paid by June 2009.

Further to the steps outlined above, in February 2009 Amerigo completed a non-brokered private placement for gross proceeds of Cdn$10,500,000. In connection with the private placement, Amerigo issued 37,500,000 units at a price of Cdn$0.28 per unit. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional share of Amerigo at a price of Cdn$0.33 per share until February 15, 2010, and thereafter at a price of Cdn$0.40 per share until February 14, 2011. Amerigo also issued a further 1,244,400 units for finders' fees in respect of a portion of the private placement.

The measures described above have had a major positive impact in the Company's working capital. However, based on expected free cash flow in scenarios of continued weak global economic conditions and depressed copper and molybdenum markets, the Company needs to ensure that its two outstanding bank loans will be rolled over at their renewal dates in May and August of 2009. It is customary in Chile to have short term review dates for loans and for loans to be rolled over as long as they remain in good standing. Historically this has been the Company's experience. Notwithstanding, to alleviate the uncertainty introduced from holding short-term debt in current market conditions, MVC is in discussions with its bankers in Chile to restructure the existing facilities into long-term loans. Negotiations with El Teniente are also ongoing with respect to the renegotiation of the basis for calculation of royalties from MVC. The outcome of these negotiations could have a material impact on total costs and operating cash flows.

The Company's ability to fund operations in the short-term depends on a number of factors, some of which are beyond the Company's control such as general global economic, credit and capital market conditions and the selling price of copper and molybdenum. In addition to the steps outlined above, the Company has also reduced capital and discretionary expenditures and will be suspending dividend distributions in the foreseeable future. Notwithstanding the combined positive effect on liquidity of these measures, both the extension at renewal dates or restructuring of bank loans and the outcome of negotiations with El Teniente are critical to the Company's cash flow projections for 2009 at current copper and molybdenum prices.

The Company operates in a cyclical industry where levels of cash flow have historically been correlated to market prices for commodities. Despite these short-term liquidity challenges, MVC remains a valuable long-life asset as it receives the fresh tailings from El Teniente, the world's largest underground copper mine with remaining ore reserves expected to last decades. MVC's current contract with El Teniente runs at least to 2021, and is expected to be renewed before its current expiry date.

In 2008 the Company had in place a NCIB through the facilities of the Toronto Stock Exchange ("TSX"), whereby the Company was entitled to purchase for cancellation up to 2,000,000 of its common shares in the one-year period ending on November 13, 2008. During 2008 the Company 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. The NCIB was not extended on November 13, 2008.

The Company's gross copper sales are dependent on sales volumes and market prices for copper. Average LME cash copper prices in 2007 were the following:

January	$3.2028	April	$3.9394	July	$3.8165	October	$2.2343
February	$3.5778	May	$3.8024	August	$3.4630	November	$1.6860
March	$3.8280	June	$3.7469	September	$3.1710	December	$1.3934

On February 23, 2008 the Board of Directors of 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 July 24, 2008, the Board of Directors of Amerigo declared a semi-annual dividend of Cdn 6.5¢ per share, paid on September 5, 2008 to shareholders of record as of August 22, 2008, for a total of $5,784,475.

As of December 31, 2008 Amerigo had 4,420,000 outstanding share purchase options (with exercise prices ranging from Cdn$1.60 to Cdn$2.71). During the year ended December 31, 2008, 1,055,000 options were granted at an exercise price of Cdn$2.13 per share. No options were exercised during this period.

Stock-based compensation is recognized as options vest. The 1,055,000 options granted in 2008 vested in four equal installments, on March 20, April 1, July 1 and October 1, 2008. Amerigo recorded in aggregate a stock-based compensation expense of $484,159 for the options that vested in the year ended December 31, 2008.

Investing Activities

Capital plant increased by $23,001,946 in 2008; capital expenditures included $13,980,404 on the self-generation power project. Other major capital projects are in connection with old tailings extraction, increase of rougher circuit recovery and pre-classification of fresh tailings. Total cash payments for capital expenditures were $23,133,008.

The generators are expected to be operational in Q2-2009. Approximately $19.9 million has been incurred in capital expenditures for the generation project to December 31, 2008.

The power generation project's cost of $1,000,000/megawatt of installed capacity is less than that of other similar power projects in Chile either currently under construction or in the planning process.

The Company holds a total of 10,788,280 shares and 2,007,500 warrants in Candente, an issuer listed on the Toronto, Lima and Frankfurt Stock Exchanges. Each warrant provides the holder with the right to purchase an additional common share in the capital of Candente at a price of Cdn$2.00 on or before June 26, 2010. The aggregate cost of the investment was $15,861,986.
At December 31, 2008 Candente's closing share price was Cdn$0.16 per share, and the fair value of the Company's approximately 13% investment was $1,412,488. Management determined that the decline in fair value of this investment met the characteristics of an "other than temporary impairment" and adjustments to fair value of $14,449,498 were recorded in earnings.

The Company also holds a total of 8,015,000 shares and 4,000,000 warrants in Los Andes, an issuer listed on the TSX Venture Exchange. The warrants provide the holder with the right to purchase an additional common share in the capital of Los Andes at a price of Cdn$0.70 on or before August 21, 2009. The aggregate cost of the investment was $3,946,908.

At December 31, 2008 Los Andes' closing share price was Cdn$0.055 per share, and the fair value of the Company's approximately 4% investment was $360,727. Management determined that the decline in fair value of this investment met the characteristics of an "other than temporary impairment" and adjustments to fair value of $3,586,181 were recorded in earnings.

Summary of Obligations

	Total	Less than 1 year	1 to 3 years	4 to 5 years	More than 5 years
Accounts payable and accrued liabilities	18,091,337	18,091,337	-	-	-
Enami loans	9,434,939	3,538,102	5,896,837	-	-
ET royalties	2,549,392	2,549,392	-	-	-
Bank loans	9,012,992	9,012,992	-	-	-
Due to non-controlling interests	49,670	49,670	-	-	-
Other payables	1,004,599	-	-	-	1,004,599
Asset retirement obligations[1]	12,344,146	-	-	-	12,344,146
Minimum power payments [2]	13,260,000	2,040,000	4,080,000	3,060,000	4,080,000
Lease of office premises	252,064	144,037	108,027	-	-
Total contractual obligations	65,999,139	35,425,530	10,084,864	3,060,000	17,428,745

[1] The asset retirement obligation's above disclosed value is based on estimates from a 2007 study of what it would cost in 2021 to remove assets and restore the site where MVC's operations are conducted, including a market risk premium of 8%. This liability is being accreted systematically over time until a $12,344,146 value is reached in 2021. At December 31, 2008, the asset retirement obligation is estimated at $5,122,382.

[2] MVC entered into an agreement with its current power provider in order to guarantee power supply to MVC from Chile's central power grid beyond the supply expected to be generated by MVC's own power plant as of April 2009, and to provide MVC with the flexibility to switch from self-generation to grid supply based on comparative costs, The agreement extends from January 1, 2009 to December 31, 2017 and establishes minimum stand-by charges based on peak hour power supply calculations, currently estimated to be approximately $170,000 per month for the period January 1, 2009 to December 31, 2012, and $85,000 per month for the period January 1, 2013 to December 31, 2017. The estimated stand-by charges for 2009 represent approximately 5% of total power costs incurred by the Company in 2008.

Transactions with Related Parties

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.

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 year ended December 31, 2008, royalty dividends totalling $623,588 were paid or accrued to the Amerigo International Class A shareholders on the basis described above (2007: $587,041). Royalty dividends are shown as Non-Controlling Interests in the Consolidated Statement of Operations. At December 31, 2008, $49,670 of this amount remained outstanding (December 31, 2007: $61,735).

b) Directors fees and remuneration to officers

During the year ended December 31, 2008 the Company paid or accrued $635,597 in fees to companies associated with certain directors and officers of Amerigo (2007: $1,001,783). Included in these fees are bonuses of $nil to senior management (2007: $451,662). In the same period, Amerigo paid or accrued $96,468 in directors' fees to independent directors (2007: $91,365). Directors' fees and remuneration to officers are categorized as Salaries, Management and Professional Fees in Amerigo's consolidated financial statements. At December 31, 2008, an aggregate amount of $17,244 was due to directors and officers for bonuses payable, directors' fees and reimbursement of expenses in the ordinary course of business (December 31, 2007: $450,729).

In the year ended December 31, 2008 a total of 985,000 options were granted to directors and officers of the Company (2007: 1,370,000 options).

c) At December 31, 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 December 31, 3008 two of Amerigo's directors acted as directors and one of Amerigo's officers acted as an officer of Candente, a company in which Amerigo holds an investment.

e) At December 31, 2008 two of Amerigo's officers acted as officers and one of Amerigo's directors acted as a director of Los Andes, a company in which Amerigo holds an investment.

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 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, 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 SII for this tax. MVC has also retained legal counsel to prepare a response to 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 December 31, 2008, these contingencies had not been resolved.

Fourth Quarter

In the quarter ended December 31, 2008 ("Q4-2008") the Company reported a net loss of $21,180,874, compared to net earnings of $1,816,498 in the quarter ended December 31, 2007 ("Q4-2007").

The major variance in operating results between the two quarters originates from significantly lower revenues for copper and molybdenum. In Q4-2008 the market prices for these commodities suffered sharp declines, which affected revenue for deliveries made in Q4-2008 and also resulted in significant pricing adjustments to prior quarters' deliveries provisionally priced at significantly higher prices.

Revenue

Total revenue during Q4-2008 was $614,179 after negative copper pricing adjustments of $8,304,114 to prior quarter sales and negative molybdenum pricing adjustments of $4,159,021 during the quarter. In Q4-2007 revenue was $26,974,854. A comparative summary of revenue between the two quarters is presented below.

	Q4-2008	Q4-2007
Copper lbs sold	9,558,527	9,869,488
Copper selling price [1]	1.31	3.00
Molybdenum lbs sold	219,215	172,374
Molybdenum gross selling price [2]	17.76	31.85
Copper sales	12,482,024	29,561,133
Negative adjustments to prior quarter sales	(8,304,114)	(3,810,182)
Smelter, refinery and other charges	(2,597,244)	(3,264,583)
Net copper revenue	1,580,666	22,486,568
Molybdenum sales	3,192,534	4,501,495
Negative adjustments	(4,159,021)	(13,209)
Net molybdenum revenue	(966,487)	4,488,286
Total revenue	614,179	26,974,854

[1] Copper selling price before smelter, refinery and other charges and settlement adjustments to prior quarters' production

[2] Molybdenum selling price before roasting charges and settlement adjustments to prior quarters' production

Production

In Q4-2008, the Company produced 4,323 tonnes or 9.53 million pounds of copper and 211,729 pounds of molybdenum compared to 4,318 tonnes or 9.52 million pounds of copper and 157,630 pounds of molybdenum in Q4-2007. Q4-2008 molybdenum production was higher due to higher content of molybdenum in fresh tailings and higher molybdenum plant recoveries.

Cash Cost and Total Cost

Cash cost in Q4-2004 was $1.99/lb compared to $1.60 in Q4-2007:

	Q4-2008	Q4-2007
Cu and Mo production	1.52	1.63
Smelter & refinery	0.28	0.34
Administration	0.06	0.06
Transportation	0.03	0.04
By-product credits	0.10	(0.47)
Cash Cost	**$1.99**	**$1.60**

The increase in cash cost resulted mainly from a decrease to molybdenum by-product credits of $0.57/lb, due to the effect of lower molybdenum prices in Q4-2008 and to substantial negative pricing adjustments in the quarter to prior quarters' molybdenum sales, which had been provisionally priced in Q3-2008 at substantially higher prices.

The decrease in molybdenum by-product credits was partially offset to a reduction of $0.11/lb in production costs, lower smelter and refinery costs and lower transportation costs. The full effect of lower production costs is however not fully evident in the unit costs for Q4-2008.

The Company's total cost in Q4-2008 was $2.43/lb, compared to $2.32/lb in Q4-2007:

	Q4-2008	Q4-2007
Cash cost	1.99	1.60
El Teniente royalty	0.27	0.61
Amortization/depreciation	0.17	0.19
Total Cost	**$2.43**	**$2.40**

Despite the impact of a higher cash cost in Q4-2008 mainly due to lower by-product credits, the El Teniente royalty cost declined sharply in Q4-2008 due to lower average copper prices and molybdenum net sales in the quarter. In Q4-2008 royalty costs were $0.27/lb compared to $0.61/lb in Q4-2007. Amortization and depreciation costs were lower in Q4-2008 as they included year-end adjustments to MVC's amortization costs.

Operating Costs and Expenses

In Q4-2008, production costs were $14,503,930 (Q4-2007: $15,546,717). The $1,042,787 decrease in production costs came mainly from lower power costs.

In Q4-2008 the El Teniente royalty was $2,615,100 compared to $5,836,784 in Q4-2007. The main factor driving the decrease in royalty costs were significantly lower copper and molybdenum prices in Q4-2008.

Amortization cost was $1,495,679 in Q4-2008 compared to $1,831,045 in Q4-2007 as the latter included $755,139 in year-end adjustments. Administration expenses were $609,343 in Q4-2008 compared to $548,577 in Q4-2007.

Costs not related to MVC's production operations are identified as "Other Expenses" and were $783,419 in Q4-2008 and $856,834 in Q4-2007. The most significant expenses in Q4-2008 were salaries, management and professional fees of $272,088 (Q4-2007: $716,010), interest expense of $210,302 (Q4-2007 $6,257) and office and general expenses of $182,755 (Q4-2007: $268,004). Interest expense increased in Q4-2008 for debt service in Chile; salaries, management and professional fees decreased significantly in Q4-2008 as no bonuses to officers of the Company were accrued due to the Company's working capital deficiency.

Non-operating items in Q4-2008 include a write-down of investments of $6,617,602 (Q4-2007: $nil), a foreign exchange gain of $1,028,620 (Q4-2007: gain of $314,009), interest income of $60,379 (Q4-2007: $249,468), other income of $39,961 (Q4-2007: $211,897) and an equity investment loss of $6,006 (Q4-2007: $14,873).

The Company recorded income tax recoveries of $4,223,538 in Q4-2008 due to the annual tax loss position of the Company and the application of loss carry-backs in Chile. In Q4-2007 the Company posted an income tax expense of $790,681.

Subsequent Events

a) On February 13, 2009 the Company completed a non-brokered private placement for gross proceeds of 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 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 per share until February 14, 2011. The Company also issued a further 1,244,400 units as finders' fees in respect of a portion of the private placement.

b) A Chilean bank 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.

Critical Accounting Estimates

Except for the write-down of investments, there were no changes to the Company's critical accounting estimates during the year ended December 31, 2008. The most significant estimates are related to the physical and economic lives of contractual rights, property, plant and equipment and their recoverability, estimates regarding the future cost of retiring the Company's capital assets and the estimation of cash flow requirements to determine the Company's ability to continue operating as a going concern.

The Company depreciates assets, capitalized acquisition costs and contractual rights based on the units of production method, whereby management has estimated copper units of production to 2021 and proceeds to allocate amortization charges based on actual production on a monthly basis.

Based on undiscounted cash flow projections for the years 2009 to 2021 built from MVC's production model at assumed copper prices of $1.50/lb for 2009, $1.60/lb for 2010, $1.70/lb for 2011 and $1.80/lb thereafter, and molybdenum prices of $10/lb for 2009, $11/lb for 2010 and $12/lb thereafter, management concluded that no impairments to the carrying value of its assets were required as of December 31, 2008.

Amerigo has calculated an asset retirement obligation based on an estimated price of $6,200,000 provided by an independent third party in 2007. Management's current estimates in calculating the asset retirement obligation include projected annual inflation rates in Chile of 4.5% per annum and a market risk premium of 8%. The present value of the asset retirement obligation was revised to $4,787,273 in 2007, which will be systematically accreted to a 2021 value of approximately $12,344,146.

Changes in Accounting Policies, Including Initial Adoption

ACCOUNTING CHANGES

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

Section 1400 - Assessing Going Concern
CICA Handbook Section 1400, as amended, changed the guidance related to management's responsibility to assess the ability of an entity to continue as a going concern. Management is required to make an assessment of the Company's ability to continue as a going concern, taking into account all information available for at least, but not limited to 12 months from the balance sheet date. Disclosure is required of material uncertainties related to events or conditions that cast significant doubt upon the Company's ability to continue as a going concern. Disclosure of management's assessment of going concern uncertainty is included in note 1 to the audited consolidated financial statements.

Section 1535 – Capital Disclosures
This Section establishes standards for disclosing information about an entity's capital and how it is managed. Disclosure is included in note 18 to the audited consolidated financial statements.

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 and Section 3863 – Financial Instruments - Presentation
These Sections require 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 included in note 17 to the audited consolidated financial statements.

FUTURE ACCOUNTING PRONOUNCEMENTS

Goodwill and intangible assets
In February 2008, the CICA issued Handbook section 3064 "Goodwill and intangible assets" which is required to be adopted for fiscal year-ends beginning on or after October 1, 2008. It 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 Company does not expect that the adoption of this new section will have any material impact on its financial statement.

International Financial Reporting Standards ("IFRS")
In 2006, The Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB's strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five-year transitional period. In February 2008, the AcSB announced that 2011 is the change of the date for publicly listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transitional date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. The Company has an IFRS implementation plan in progress described elsewhere in this MD&A.

Disclosure Controls and Procedures

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

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

Internal Controls over Financial Reporting

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian Generally Accepted Accounting Principles. Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Any system of internal controls over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

There were no changes in the Company's internal control over financial reporting during the year ended December 31, 2008 that have materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting.

IFRS Implementation Plan

In February 2008, the Accounting Standards Board ("AcSB") approved a strategic plan which requires public companies to converge with IFRS for fiscal periods beginning on or after January 1, 2011. The Company will therefore be required to have comparative financial information prepared under IFRS as of January 1, 2010.

The Company has initiated its IFRS convergence project and has set the following timing objectives: to be in a position to convert its December 31, 2009 Canadian GAAP Balance Sheet to IFRS on completion of the 2009 external audit in February 2010, to work both under Canadian GAAP and IFRS in 2010 in order for the Company to disclose to users of its financial statements the quantitative differences arising in 2010 under both frameworks, and to produce IFRS financial statements as of January 1, 2011.

In order to meet these objectives the Company's financial staff in Canada and Chile have attended IFRS courses and in-house training sessions in 2008. IFRS introductory training has also been provided to MVC's managers and supervisors as the adoption of IFRS will have an impact on operational areas, particularly in connection with accounting of property, plant and equipment, major equipment overhauls, asset retirement obligations and functional currencies. Actual convergence tasks will take place in 2009. It is currently anticipated that the Company will be able to continue using its current information technology platforms in Chile and in Canada.

Other MD&A Requirements

As of March 23, 2009, Amerigo has 132,115,944 common shares outstanding, 38,744,400 warrants (exercisable at a price of Cdn$0.33 per share until February 15, 2010, and thereafter at a price of Cdn$0.40 per share until February 14, 2011) and 4,420,000 options (exercisable at prices ranging from Cdn$1.60 to Cdn$2.71 per share).

Additional information, including the company's most recent Annual Information Form, is available on SEDAR at www.sedar.com.

Cautionary Statement on Forward Looking Information

This Report contains "forward-looking statements". These forward looking statements include, but are not limited to, statements regarding the Company's strategic plans, future commercial production and the timing for processing additional tailings. Forward-looking statements express, as at the date of this Report, the Company's plans, estimates, forecasts, projections, expectations, or beliefs as to future events or results and the Company does not intend, and does not assume any obligation, to update these forward-looking statements. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects", or "does not expect", "is expected", "budget", "schedule", "estimates" "intends", "anticipates", or "does not anticipate", "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved". We caution that forward-looking statements involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events may differ materially from those anticipated in such statements. Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements include, but are not limited to copper and molybdenum price fluctuations, negotiations with El Teniente, extension of current short term debt facilities, ability to reduce operating costs, currency fluctuations, possible variations in grade or recovery rates, failure of plant, equipment, or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; unexpected regulatory changes, delays in the completion of critical activities and projects, environmental risks and hazards, risks of delays in construction and other risks more fully described in Amerigo's Annual Information Form filed with the Securities Commissions of the provinces of Alberta, British Columbia, Manitoba, Ontario and Quebec which is available on SEDAR at www.sedar.com.