



NOTICE OF MEETING
INFORMATION CIRCULAR
FOR THE
ANNUAL GENERAL MEETING
OF
AMERIGO RESOURCES LTD.

to be held on

June 20, 2006



NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the 2006 Annual General Meeting (the "Meeting") of the shareholders of **AMERIGO RESOURCES LTD.** (the "Company") will be held at the Cypress Room, Hyatt Regency Vancouver, 655 Burrard Street, Vancouver, British Columbia, on TUESDAY, JUNE 20, 2006 at 2:30 in the afternoon (Vancouver time) for the following purposes:

1. to receive the Report of the Directors;
2. to receive the financial statements of the Company for the fiscal year ended December 31, 2005 and the report of the auditors thereon;
3. to appoint PricewaterhouseCoopers LLP as auditors of the Company for the ensuing year;
4. to elect Class III directors of the Company;
5. to consider and, if thought fit, to approve an ordinary resolution of the shareholders amending the Company's stock option plan, as more particularly described in the accompanying Information Circular; and
6. to transact any other business that may properly come before the Meeting and any adjournment thereof.

Accompanying this notice is the Company's Annual Report for 2005 which contains the Company's audited consolidated financial statements and the Management's Discussion and Analysis for the fiscal year ended December 31, 2005, an Information Circular, a form of Proxy and a Financial Statement Request Form. The accompanying Information Circular provides information relating to the matters to be addressed at the meeting and is incorporated into this Notice.

A shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxyholder to attend and vote in his stead. If you are unable to attend the Meeting or any adjournment thereof in person, please read the Notes accompanying the form of Proxy enclosed herewith and then complete and return the Proxy within the time set out in the Notes. The enclosed form of Proxy is solicited by Management but, as set out in the Notes, you may amend it if you so desire by striking out the names listed therein and inserting in the space provided the name of the person you wish to represent you at the Meeting.

Please advise the Company of any change in your address.

DATED at Vancouver, British Columbia, this 2nd day of May, 2006.

BY ORDER OF THE BOARD OF DIRECTORS

A handwritten signature in black ink, appearing to read 'Steven G. Dean'.

Steven G. Dean
Chairman



3083 Three Bentall Centre, 595 Burrard Street Box 49298 Vancouver B.C. Canada V7X 1L3 P + 1.604.681.2802 F + 1.604.682.2802

**AMERIGO RESOURCES LTD.
(the "Company")**

**Suite 3083, 595 Burrard Street, Box 49298, Vancouver, B.C., V7X 1L3
Telephone: (604) 681-2802, Facsimile: (604) 682-2802**

**INFORMATION CIRCULAR FOR
ANNUAL GENERAL MEETING**

(As at May 2, 2006, except as indicated)

The Company is providing this Information Circular and a form of proxy in connection with management's solicitation of proxies for use at the Annual General Meeting (the "Meeting") of the Company to be held on June 20, 2006 and at any adjournments. Unless the context otherwise requires, when we refer in this Information Circular to the Company, its subsidiaries are also included. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation.

APPOINTMENT OF PROXYHOLDER

The individuals named in the accompanying form of proxy are directors of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY STRIKING OUT THE NAMES OF THOSE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY AND INSERTING THE DESIRED PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER FORM OF PROXY. A proxy will not be valid unless the completed form of proxy is received by PACIFIC CORPORATE TRUST COMPANY (the "Transfer Agent"), 2nd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9 not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment thereof. Proxies delivered after that time will not be accepted.**

REVOCAION OF PROXIES

A shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by his attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the registered office of the Company, at Suite 2300, 1055 Dunsmuir Street, Vancouver, British Columbia, V7X 1J1 at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or, if adjourned, any reconvening thereof or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

INFORMATION FOR NON-REGISTERED SHAREHOLDERS

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders because the shares they own are not registered in their names but are instead registered in the names of a brokerage firm, bank or other intermediary or in the name of a clearing agency. Shareholders who do not hold their shares in their own name (referred to herein as "Beneficial Shareholders") should note that only registered shareholders may vote at the Meeting. If common shares are listed in an account statement provided to a shareholder by a

broker, then in almost all cases those common shares will not be registered in such shareholder's name on the records of the Company. Such common shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which company acts as nominee for many Canadian brokerage firms). Common shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the brokers' clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by the Company to the registered shareholders. However, its purpose is limited to instructing the registered shareholder (ie. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to ADP Investor Communications Services ("ADP"). ADP typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to ADP, or otherwise communicate voting instructions to ADP (by way of the internet or telephone, for example). ADP then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. A Beneficial Shareholder who receives an ADP voting instruction form cannot use that form to vote common shares directly at the Meeting. The voting instruction form must be returned to ADP (or instructions respecting the voting of common shares must be communicated to ADP) well in advance of the Meeting in order to have the common shares voted.

This Information Circular and accompanying materials are being sent to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own ("Objecting Beneficial Owners", or "OBO's") and those who do not object to their identity being made known to the issuers of the securities they own ("Non-Objecting Beneficial Owners", or "NOBO's"). Subject to the provision of National Instrument 54-101 – Communication with Beneficial Owners of Securities of Reporting Issuers ("NI 54-101") issuers may request and obtain a list of their NOBO's from intermediaries via their transfer agents. Pursuant to NI 54-101, issuers who obtain and use the NOBO list for distribution of proxy-related materials directly (not via ADP) to such NOBO's. If you are a Beneficial Shareholder, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf.

The Company has decided to take advantage of the provisions of NI 54-101 that permit it to deliver proxy-related materials directly to its NOBO's. By choosing to send these materials to you directly, the Company (and not the intermediary holding common shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. As a result if you are a NOBO of the Company, you can expect to receive a scannable Voting Instruction Form ("VIF") from the Transfer Agent. Please complete and return the VIF to the Transfer Agent in the envelope provided or by facsimile. In addition, telephone voting and internet voting can be found in the VIF. The Transfer Agent will tabulate the results of the VIF's received from the Company's NOBO's and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIF's they receive.

The Company's OBO's can expect to be contacted by ADP or their brokers or their broker's agents as set out above.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting common shares registered in the names of their brokers, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. Beneficial shareholders who wish to attend the Meeting and indirectly vote their common shares as proxyholder for the registered shareholder should enter their own names in the blank space on the proxy

provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.

All references to shareholders in this Information Circular and the accompanying form of Proxy and Notice of Meeting are to shareholders of record unless specifically stated otherwise.

VOTING OF PROXIES

The shares represented by a properly executed proxy in favour of persons proposed by Management as proxyholders in the accompanying form of proxy will:

- be voted or withheld from voting in accordance with the instructions of the person appointing the proxyholder on any ballot that may be taken; and
- where a choice with respect to any matter to be acted upon has been specified in the form of proxy, be voted in accordance with the specification made in such proxy.

ON A POLL SUCH SHARES WILL BE VOTED **IN FAVOUR** OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED OR WHERE BOTH CHOICES HAVE BEEN SPECIFIED BY THE SHAREHOLDER.

The enclosed form of proxy when properly completed and delivered and not revoked confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the enclosed form of proxy to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Information Circular, the management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares without par value (the "shares"), of which 94,155,844 shares are issued and outstanding as at the date of this Information Circular. Persons who are registered shareholders at the close of business on May 2, 2006 will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each share held. The Company has only one class of shares.

To the knowledge of the Directors and executive officers of the Company, the following beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of the voting rights attached to any class of voting securities of the Company:

Member	Number of Common Shares	Percentage of Issued Shares
Merrill Lynch Investment Managers	11,655,000	12.38%

ELECTION OF DIRECTORS

Pursuant to the Articles of the Company, Directors are elected for three year terms, and are divided into Class I, Class II, and Class III with terms expiring at the Annual General Meeting in 2007, 2008, and 2006 respectively.

The Directors have set the number of directors of the Company at five (5).

The Company is required to have an audit committee. Members of this committee are as set out below.

ELECTION OF CLASS III DIRECTORS

The term of office of the Class III directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees. Management does not contemplate that the nominees will be unable to serve as directors. Each director elected will hold office for a term of three years, or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company or with the provisions of the *Business Corporations Act* (British Columbia). Each of the directors has been classified by the Board of Directors as a Class I, Class II or Class III director.

The following table sets out the names of the nominees for election as Class III directors, their province and country of residence, their principal occupation, the date of their initial appointment as a director of the Company, and the number of common shares of the Company beneficially owned by them, directly or indirectly, or over which control or direction is exercised, as at the date hereof.

Name, province and country of Residence and Position ⁽¹⁾	Principal occupation or employment and, if not a previously elected director, occupation during the past 5 years ⁽¹⁾	Date of appointment/election as a Director	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed ⁽²⁾
Steven G. Dean British Columbia, Canada Chairman & Class III Director	Chairman of the Company	April 1, 2003	2,788,452 ⁽³⁾
Sidney P.H. Robinson ⁽⁴⁾ Ontario, Canada Class III Director	Corporate Director and Consultant	May 8, 2003	503,000 ⁽⁵⁾

- (1) The information as to country and province of residence, and principal occupation, not being within the knowledge of the Company, has been furnished by the respective nominees.
- (2) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at May 2, 2006, based upon information furnished to the Company by the individual directors. Unless otherwise indicated, such shares are held directly.
- (3) 2,652,252 owned indirectly.
- (4) Member of the Audit and Nominating Committees and Chairman of the Compensation Committee.
- (5) 278,000 owned indirectly.

The following directors are Class I and Class II directors, the terms for which expire after the 2007 and 2008 Annual General Meeting respectively.

Name, province and country of Residence and Position ⁽¹⁾	Principal occupation or employment and, if not a previously elected director, occupation during the past 5 years ⁽¹⁾	Date of appointment/election as a Director	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed ⁽²⁾
Klaus M. Zeitler British Columbia, Canada President & Class II Director	President of the Company	April 1, 2003	3,283,751 ⁽³⁾
Ruston Goepel ⁽⁴⁾ British Columbia, Canada Class II Director	Senior Vice President of Raymond James, Canada, a full service investment dealer	August 5, 2004	100,000
Robert Gayton ⁽⁵⁾ British Columbia, Canada Class I Director	Chartered Accountant; financial consultant to mineral exploration and development companies since 1990	August 5, 2004	10,000

- (1) The information as to country and province of residence, and principal occupation, not being within the knowledge of the Company, has been furnished by the respective nominees.
- (2) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at May 2, 2006, based upon information furnished to the Company by the individual directors. Unless otherwise indicated, such shares are held directly.
- (3) 2,125,001 owned indirectly.
- (4) Member of the Audit and Compensation Committees and Chairman of the Nominating Committee.
- (5) Member of the Compensation and Nominating Committees and Chairman of the Audit Committee.

Robert Gayton was a director and an officer of Newcoast Silver Mines Ltd. at the date of a Cease Trade Order issued by the Alberta Securities Commission on October 31, 2003 for failure to file financial statements. The order was revoked on March 25, 2004.

Other than set out above, to the knowledge of the Company, no proposed director:

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity,
 - (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
 - (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
 - (iii) or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

AUDIT COMMITTEE

Under Multilateral Instrument 52-110 – Audit Committees (“MI 52-110”), companies are required to provide disclosure with respect to their audit committee including the text of the audit committee’s charter, composition of the audit committee and the fees paid to the external auditor. This information is provided in the Company’s annual information form dated March 31, 2006, as amended May 3, 2006 (the “AIF”) with respect to the fiscal year ended December 31, 2005. The AIF is available for review by the public on the SEDAR website located at www.sedar.com “Company Profiles – Amerigo Resources Ltd.”. Management of the Company encourages its shareholders to review the AIF.

EXECUTIVE COMPENSATION

“Named Executive Officers” means the Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”) of the Company, or if the Company does not have a CFO, an individual who acted in a similar capacity, regardless of the amount of compensation of that individual, each of the Company’s three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recent financial year and whose total salary and bonus amounted to \$150,000 or more. In addition, disclosure is also required for any individuals whose total salary and bonus during the most recent financial year was \$150,000 whether or not they are an executive officer at the end of the financial year.

The following table (presented in accordance with National Instrument 51-102 (“NI 51-102”)) sets forth all compensation for services in all capacities to the Company and its subsidiaries for the three most recently completed financial years (to the extent required by the NI 51-102) in respect of each of the individuals serving as the Chief Executive Officer and the Chief Financial Officer as at December 31, 2005 and the other three most highly compensated executive officers of the Company as at December 31, 2005 whose individual total salary and bonus for the most recently completed financial year exceeded \$150,000 and any individual who would have satisfied these criteria but for the fact that individual was not serving as such an officer at the end of the most recently completed financial year (collectively the “Named Executive Officers” or “NEOs”).

The Company currently has three Named Executive Officers, Steven G. Dean, Chairman, Klaus M. Zeitler, President and Aurora Davidson, CFO of the Company. The following table sets forth the compensation awarded, paid to or earned by the Named Executive Officers for the three most recently completed financial years of the Company.

Summary Compensation Table

NEO Name and Principal Position	Year ⁽¹⁾	Annual Compensation			Long-Term Compensation			All Other Compensation (\$)
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards		Payouts	
					Securities Under Option/SAR's Granted ⁽²⁾ (#)	Shares/Units Subject to Resale Restrictions (\$)	LTIP Payouts (\$)	
Steven G. Dean ⁽³⁾ Chairman & Director	2005	Nil	120,000 ⁽⁴⁾⁽¹⁰⁾	150,000 ⁽⁴⁾	300,000	Nil	N/A	Nil
	2004	Nil	120,000 ⁽⁴⁾	120,000 ⁽⁴⁾	Nil	Nil	N/A	Nil
	2003	Nil	Nil	50,000 ⁽⁴⁾	430,000	Nil	N/A	Nil
Klaus M. Zeitler ⁽⁵⁾ President & Director	2005	Nil	120,000 ⁽⁸⁾⁽¹⁰⁾	150,000 ⁽⁸⁾	300,000	Nil	N/A	Nil
	2004	Nil	120,000 ⁽⁸⁾	120,000 ⁽⁶⁾	Nil	Nil	N/A	Nil
	2003	Nil	Nil	50,000 ⁽⁷⁾	430,000	Nil	N/A	Nil
Aurora Davidson CFO	2005	Nil	Nil	54,000 ⁽⁹⁾	75,000	Nil	N/A	Nil
	2004	Nil	Nil	58,700 ⁽⁹⁾	75,000	Nil	N/A	Nil
	2003	Nil	Nil	4,550 ⁽⁹⁾	Nil	Nil	N/A	Nil

- (1) Fiscal years ending December 31, 2004 and 2005, and the ten months ended December 31, 2003.
(2) The Company does not have any Stock Appreciation Rights
(3) Chairman from April 1, 2003 to present

- (4) Paid to Sirocco Advisory Services Limited, a company owned by an associate of Mr. Dean, pursuant to an agreement made as of January 1, 2004
- (5) President from April 1, 2003 to present
- (6) Paid \$60,000 to Klaus Zeitler and \$60,000 to Zeitler Holdings Corp., a company associated with Dr. Zeitler, pursuant to an arrangement effective July 15, 2003
- (7) Paid to Klaus Zeitler
- (8) Paid to Zeitler Holdings Corp.
- (9) Paid to Delphis Financial Strategies Inc. of which Ms. Davidson is the principal, pursuant to a consulting agreement effective December 2003
- (10) Bonus for 2005 related performance approved and paid in 2006.

Long-Term Incentive Plan

A long-term incentive plan ("LTIP") is any plan providing compensation intended to motivate performance over a period greater than one financial year whether performance is measured by reference to financial performance of the Company or any affiliate, or the price of the Company's shares, but does not include option or stock appreciation rights or plans for compensation through shares or units that are subject to resale restrictions. The Company did not have an LTIP during the most recently completed financial year.

The following table sets forth information concerning stock options granted under the Company's Stock Option Plan during the most recently completed financial year to each of the Named Executive Officers.

NEO Name	Securities Under Option/SARs Granted (#)	% of Total Options/SARs Granted in Financial Year	Exercise or Base Price ⁽¹⁾ (\$/Security)	Market Value of Securities Underlying Options/SARs on Date of Grant (\$/Security)	Expiration Date
Steven G. Dean Chairman	300,000	22.47%	\$1.60/share	\$1.60/share	January 7, 2010
Klaus Zeitler President	300,000	22.47%	\$1.60/share	\$1.60/share	January 7, 2010
Aurora Davidson CFO	75,000	5.62%	\$1.60/share	\$1.60/share	January 7, 2010

- (1) The exercise price of stock options was determined by the Board of Directors and is not less than the trading price of the common shares of the Company on the TSX at the time of the grant of the option.

Aggregated Option/SAR Exercises During The Most Recently Completed
Financial Year and Financial Year-End Option/SAR Values

The following table sets forth details of all exercises of stock options during the most recently completed financial year by each of the Named Executive Officers, the number of unexercised options held by the Named Executive Officers and the financial year-end value of unexercised options on an aggregated basis.

NEO Name	Securities Acquired on Exercise (#)	Aggregate Value Realized ⁽¹⁾ (\$)	Unexercised Options/ SARs at Financial Year-End (#) Exercisable/ Unexercisable	Value of Unexercised In-the-Money Options/SARs at Financial Year-End ⁽²⁾ (\$) Exercisable/ Unexercisable
Steven G. Dean Chairman	Nil	Nil	730,000/Nil	\$812,400/Nil
Klaus Zeitler President	Nil	Nil	730,000/Nil	\$812,400/Nil
Aurora Davidson CFO	Nil	Nil	150,000/Nil	\$114,750/Nil

- (1) Dollar value is equal to the number of securities acquired on exercise multiplied by the difference between the market value of the securities underlying the options at exercise and the exercise price of the options.
- (2) Dollar value is equal to the number of unexercised options at year end multiplied by the difference between the market value of the securities underlying the options at financial year-end, which was \$2.34 per share, and the exercise price of the options.

Option and SAR Repricings

The Company did not reprice any stock options during the most recently completed financial year. The Company has not granted any freestanding SARs.

Defined Benefit or Actuarial Plan Disclosure

The Company does not have any defined benefit or actuarial plans under which benefits are determined primarily by final compensation (or average final compensation) and years of service of the Named Executive Officers.

Termination of Employment, Changes in Responsibility and Employment Contracts

During 2005, the Company paid Sirocco Advisory Services Limited, a company owned by an associate of Steven G. Dean, Chairman and Director, and Zeitler Holdings Corp., a company associated with Klaus M. Zeitler, President and Director, \$12,500 per month each in compensation for their ongoing supervision of the operations of Minera Valle Central S.A. ("MVC") and the administration of the Company. In the event of the termination of their respective consulting arrangements upon the change of control of the Company, each will receive a payment equivalent to 2 years of compensation in lieu of notice.

Sirocco Advisory Services Limited and Zeitler Holdings Corp. indirectly receive a royalty on production from MVC, which formed part of the consideration paid by the Company for the acquisition of MVC on July 3, 2003. Particulars of the production royalty paid on MVC's production may be found in the disclosure under the heading "DESCRIPTION OF THE BUSINESS – General – Other Royalties" in the Company's Annual Information Form dated March 31, 2006 and filed on SEDAR at www.sedar.com. The Company incorporates such disclosure by reference into this Information Circular. The Company will promptly provide a copy of the Annual Information Form free of charge to any shareholder of the Company who requests a copy.

Composition of the Compensation Committee

The members of the Company's Compensation Committee are Sidney Robinson (Chairman), Ruston Goepel and Robert Gayton. This committee is responsible for determining the compensation to be paid to the Company's Board of Directors and executive officers and for reviewing the corporate goals and objectives of the executive officers.

Report on Executive Compensation

The Compensation Committee has the responsibility to administer the compensation policies related to the executive management of the Company, being the President and Chairman. Executive compensation is based upon the need to provide a compensation package that will allow the Company to attract and retain qualified and experienced executives, balanced with a pay-for-performance philosophy.

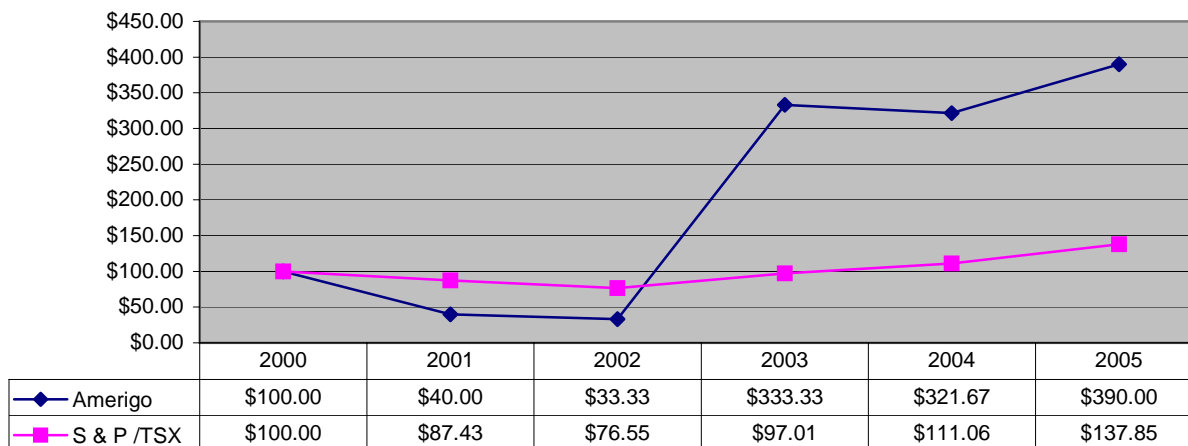
Compensation for the 2005 and prior fiscal years has historically been based upon negotiated consulting rates, with stock options and bonus being issued and paid as an incentive for performance. The shareholders have approved a stock option plan pursuant to which the Board has granted stock options to executive officers. The stock option plan provides compensation to participants and an additional incentive to work toward long-term Company performance.

The stock option plan have been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact and/or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Board takes into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSX, and closely align the interests of the executive officers with the interests of shareholders. The total number of stock options issued by the Company is low compared to many similar companies.

Bonuses paid to senior executives are based on the Compensation Committee's assessment of the Company's financial and operating performance, as compared to the Company's peers and objectives approved by the Board of Directors.

Performance Graph

The following performance graph compares the cumulative total shareholder return on the common shares of the Company (assuming a \$100 investment was made on December 30, 2000 at the closing price of \$0.15) with the cumulative total return of the S&P/TSX composite index during the period commencing on December 31, 2000 and ending on December 31, 2005. The common share trading data is as reported by the TSX. The value for each year represents the closing price as of December 31 on that year.



Compensation of Directors

In 2005 the Company paid each of the independent Directors (Mr. Robinson, Dr. Gayton and Mr. Goepel) \$10,000 per year for their services in their capacity as Directors, an additional \$5,000 per year to each Committee chair, and \$1,000 per day for meetings attended in person and by phone, and for participation in special committees of the board. In 2005, one director received an additional \$15,000 for special committee work. All reasonable expenses incurred by a Director in attending meetings of the Board of Directors, committee meetings or shareholder meetings, together with all expenses properly and reasonably incurred by any Director in the conduct of the Company's business or in the discharge of his duties as a Director are paid by the Company.

Option Grants in Last Fiscal year to Directors Who are Not Named Executive Officers

The following stock options were granted to the Directors of the Company who were not Named Executive Officers, as a group, during the last financial year ended December 31, 2005:

**Option Grants in Last Financial Year to Directors
Who are Not Named Executive Officers
(as a group)**

Name	Securities Under Options Granted	% of Total Options Granted to Employees in Financial Year ⁽¹⁾	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options/SARs on the Date of Grant (\$/Security)	Expiration Date
Directors who are not Named Executive Officers	75,000	5.62%	\$1.60	\$1.60	January 7, 2010

(1) Percentage of all of stock options granted during the last financial year.

The following table sets forth details of all exercises of stock options during the last financial year ended December 31, 2005, by Directors who are not Named Executive Officers of the Company, as a group, and the financial year-end value of unexercised stock options on an aggregated basis:

**Aggregated Option Exercises in Last Financial Year and Financial Year-End Option Values
of Directors Who are Not Named Executive Officers (as a group)**

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options at Financial Year-End (#) Exercisable/ Unexercisable	Value of Unexercised In-the-Money Options at Financial Year-End (\$) ⁽¹⁾ Exercisable/ Unexercisable
Directors who are not Named Executive Officers	Nil	N/A	300,000/Nil	\$189,750/Nil

(1) Value using the closing price of common shares of the Company on the Exchange on December 30, 2005, being the last trading day of the Company's shares for the financial year, of \$2.34 per share, less the exercise price per share.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table summarizes relevant information as of December 31, 2005 with respect to compensation plans under which equity securities are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	2,297,000	\$1.42	1,789,569
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	2,297,000	\$1.42	1,789,569

The Company currently has a “fixed” stock option plan (the “Plan”) which was adopted on April 2, 2003.

The purpose of the Plan is to allow the Company to grant options to directors, officers, employees and consultants, as an incentive to dedicate their efforts to advance the success of the Company. The granting of options is intended to align the interests of such persons with that of the shareholders of the Company. Options will be exercisable over periods up to five years as determined by the Board of the Company and are required to have an exercise price of not less than the closing price of the Company’s shares on the TSX on the trading day immediately preceding the day on which the option is granted. Vesting provisions for all options are at the discretion of the Board. Pursuant to the Plan, the Board may, from time to time, authorize the issue of options to directors, officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries.

The Plan provides that:

- (a) the number of optioned common shares granted to any one person during any 12-month period may not exceed 5% of the issued shares of the Company;
- (b) the number of optioned common shares granted to any one consultant during any 12-month period may not exceed 2% of the issued shares of the Company;
- (c) the number of optioned common shares granted to all persons employed to provide investor relations activities (as a group) may not exceed 2% of the issued shares of the Company during any 12-month period;

in each case calculated as at the date of grant of the option, including all other shares under option to such person at that time.

- (d) subject to section (e) below, upon ceasing to be an eligible optionee for any reason (other than death), such optionee has until the earlier of (i) the original expiry date; and (ii) 30 days from the date that such cessation occurs, to exercise his options;
- (e) if an eligible optionee ceases to be an optionee due to death, the options held by such optionee will be exercisable for a period of 12 months from the date of such death by such optionee’s legal heirs or representatives;
- (f) subject to the policies of the TSX, an option shall vest and may be exercised (in each case to the nearest full share) during the option period in the circumstance where the

number of shares reserved for issuance by the board pursuant to the exercise of options granted is less than or equal to 5,194,569, in such manner as the board may determine;

- (g) the Plan provides that, subject to applicable TSX approval, the board of directors may, at any time, amend or revise the terms of the Plan, provided that such amendment or revision shall not alter the terms of any options theretofore granted under the Plan;
- (h) options may be exercisable for a period of up to 5 years; and
- (i) the options are non-assignable and non-transferable. The options can only be exercised by the optionee as long as the optionee remains an eligible optionee pursuant to the Plan or within one year from the date of the optionee's death.

The Board of Directors has approved, subject to the necessary shareholder approval and regulatory acceptance, an amendment to the Plan to change the Plan from having a fixed maximum number of common shares issuable pursuant to the Plan to having a rolling maximum of 10% of the issued and outstanding common shares at the time of any stock option grant. See "Particulars of Matters to be Acted Upon – Amendment to Stock Option Plan".

INDEBTEDNESS TO COMPANY OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee, proposed nominee for election as a director of the Company nor any associate of such director, executive officer, employee, or proposed nominee for election as a director of the Company or any former director, executive officer, employee of the Company or any of its subsidiaries is or has been indebted to the Company or any of its subsidiaries or is or has been indebted to another entity where such indebtedness or has been subject of a guarantee, support agreement, letter of credit or other similar arrangement or other understanding provided by the Company or any of its subsidiaries, other than routine indebtedness.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein, no informed person of the Company or proposed director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company or any of its subsidiaries.

APPOINTMENT OF AUDITOR

PricewaterhouseCoopers LLP, Chartered Accountants, of Vancouver, British Columbia is the auditor of the Company. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of PricewaterhouseCoopers LLP as the auditor of the Company to hold office for the ensuing year at a remuneration to be fixed by the Directors.

PricewaterhouseCoopers LLP, Chartered Accountants, were first appointed as auditors on July 15, 2003.

MANAGEMENT CONTRACTS

No management functions of the Company are performed to any substantial degree by a person other than the directors or executive officers of the Company. Please see "Interest of Informed Persons in Material Transactions" above for a summary of the management contracts of the Company.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as set out herein, no person who has been a Director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of Directors or the appointment of auditors.

PARTICULARS OF MATTERS TO BE ACTED UPON

Amendment to Stock Option Plan

The Company currently has an incentive stock option plan in place (the "Plan") which provides for the granting of options to purchase common shares based on a maximum fixed number, currently an aggregate of 5,194,569 common shares of the Company (representing 5.5% of the Company's issued and outstanding share capital as at the date of this Information Circular). The Plan was approved by the Shareholders on August 18, 2003. See "Securities Authorized for Issuance Under Equity Compensation Plans" for details of the Plan.

At the Meeting shareholders will be asked to approve a resolution authorizing amendments to the Plan, including an amendment to paragraph 4.2 of the Plan providing that the aggregate number of common shares available for issuance upon the exercise of options granted under such Plan must not exceed 10% of the Company's issued and outstanding common shares at the date of any grant, and the deletion of paragraphs 4.5 and 4.6 of the Plan. Paragraphs 4.2, 4.5 and 4.6 of the Plan currently read as follows:

4.2 The aggregate number of Common Shares issuable under the Plan must not exceed 10% of the number of Common Shares of the Corporation outstanding at the time of any grant, or 5,194,569 Common Shares if the Common Shares are then listed on the Toronto Stock Exchange. 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 the outstanding Common Shares (on a non-diluted basis). The Common Shares in respect of which Options are not terminated, cancelled or otherwise exercised shall be available for subsequent options. No fractional shares may be purchased or issued hereunder.

4.5 The Option Shares shall be subject to a four month hold period from the date of the grant of the Option in accordance with the policies of the Exchange, or such lesser hold period as may be permitted by the Exchange.

4.6 The number of Options issued to a Consultant in any 12 month period must not exceed 2% of the number of outstanding Common Shares of the Corporation. The number of Options issued to persons employed in an investor relations capacity must not exceed 2% of the number of outstanding Common Shares of the Corporation, and shall vest in accordance with the policies of the Exchange.

Shareholders will be asked at the Meeting to ratify these amendments in the form of the resolution set forth below (the "Amendment").

As at the date of this Information Circular, 2,702,000 options (representing 2.87% of the Company's issued and outstanding share capital as at the date of this Information Circular) remain outstanding and unexercised and 454,569 are available for future grants. Following receipt of Shareholder approval to the Amendment, the Company would have an aggregate of 9,415,584 common shares available for issuance upon the exercise of options previously granted and options available for granting. No financial assistance is or will be provided to participants in the Plan by the Company to facilitate the purchase of common shares under the Plan.

A copy of the Plan, as amended by the Amendment, is available for viewing up to the date of the Meeting at the Company's offices at Suite 3083, 595 Burrard Street, Box 49298, Vancouver, B.C., Canada V7X 1L3 and at the Meeting. In accordance with TSX policy, the Plan will require the approval of the Company's shareholders every three years.

The Plan is intended to provide the board of directors with the ability to issue options to provide the employees, consultants, officers and directors of the Company with long-term equity-based performance incentives which are a key component of the Company's executive compensation strategy. The Company believes it is important to align the interests of management and employees with shareholder interests and to link performance compensation to enhancement of shareholder value. This is accomplished through the use of stock options whose value over time is dependent on market value. Accordingly the shareholders of the Company will be asked to approve the following ordinary resolution:

"BE IT RESOLVED as an ordinary resolution of the shareholders, that:

1. The Company is hereby authorized to delete paragraphs 4.5 and 4.6 of the Company's incentive stock option plan (the "Plan") in their entirety, and to amend paragraph 4.2 of the Plan so that an aggregate number of common shares equal to 10% of the Company's issued and outstanding common shares will be available for the issuance of options under the Plan, by deleting paragraph 4.2 in its entirety and replacing it with the following:

"4.2 The aggregate number of Common Shares issuable under the Plan must not exceed 10% of the number of Common Shares of the Corporation outstanding at the time of any grant. In addition:

- a) The aggregate number of Shares reserved for issuance pursuant to the Plan or any other Share Compensation Arrangement (pre-existing or otherwise) to insiders of the Corporation ("Insiders"), as that term is defined in the *Securities Act* (British Columbia), shall not exceed 10% of the Shares outstanding at any time unless the Company has obtained prior approval of the disinterested shareholders of the Corporation to do so.
- b) The aggregate number of Shares issued and Options granted pursuant to the Plan or any other Share Compensation Arrangement (pre-existing or otherwise) to Insiders within any one-year period shall not exceed 10% of the Shares outstanding unless the Company has obtained prior approval of the disinterested shareholders of the Corporation to do so.

No fractional shares may be purchased or issued pursuant to the Plan."

2. Any director or officer of the Company is hereby authorized and directed for and in the name of and on behalf of the Company to execute or cause to be executed, whether under corporate seal of the Company or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in connection with the foregoing."

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Effective June 30, 2005, National Instrument 58-101 Disclosure of Corporate Governance Practices ("NI 58-101") was adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. The corporate governance practices adopted by the Company are set out in the attached Schedule "A".

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at www.sedar.com. Shareholders may contact the Company at Suite 3083, 595 Burrard Street, Vancouver, BC, V7X 1L3 (Telephone: 604-681-2802) to request copies of the Company's financial statements and MD&A.

Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year, which financial statements and MD&A are filed on SEDAR.

OTHER MATTERS

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

SCHEDULE "A"

CORPORATE GOVERNANCE PRACTICES

The following table addresses the disclosure requirements set out in Form 58-101F1 Corporate Governance Disclosure:

<i>Corporate Governance Disclosure Requirement</i>	<i>The Company's Approach</i>
<p>1. Board of Directors –</p> <p>(a) Disclose identity of directors who are independent.</p>	<p>(a) The Company's three independent directors are Robert Gayton, Ruston Goepel and Sidney Robinson.</p>
<p>(b) Disclose identity of directors who are not independent and describe the basis for that determination.</p>	<p>(b) The Company's non-independent directors are Steven Dean and Klaus Zeitler, who are non-independent insofar as they hold senior executive positions with the Company.</p>
<p>(c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the board) does to facilitate its exercise of independent judgment in carrying out its responsibilities.</p>	<p>(c) A majority of the directors are independent.</p>
<p>(d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.</p>	<p>(d) The following directors are presently also directors of the following other reporting issuers:</p> <ul style="list-style-type: none"> • Steven Dean: Spur Ventures Inc. and GRD Limited. • Klaus Zeitler: Western Silver Corporation and Aurea Mining Inc. • Sidney Robinson: Chartwell Seniors Housing Real Estate Investment Trust. • Robert Gayton: Bema Gold Corporation; Bravo Venture Group Inc.; Canadian Zinc Corporation; Doublestar Resources Ltd.; Fortune River Resource Corp.; Intrinsic Software International, Inc.; Minco Mining & Metals Corporation; Newsun Resources Ltd.; Northern Orion Resources Inc.; Quaterra Resources Inc.; Southern Silver Exploration Corp.; and Western Silver Corporation. • Ruston Goepel: Spur Ventures Inc.; TELUS Corporation; Premium Brands Ltd.; and Baytex Energy Trust.
<p>(e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent</p>	<p>(e) The Company holds regular quarterly meetings and other meetings of the full board as required, at which the opinion of the independent directors is sought and duly acted upon for all material matters related to the Company. The independent directors meet after regularly scheduled meetings when non-independent directors and members of management are not in attendance, and also meet regularly as members of the Audit and Compensation Committees, and a portion of those</p>

Corporate Governance Disclosure Requirement	The Company's Approach
<p>directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.</p>	<p>meetings are without non-independent directors and members of management in attendance.</p>
<p>(f) Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.</p>	<p>(f) Steven Dean, the Company's Chairman of the Board, is not an independent director. Mr. Dean chairs the meetings of the board and actively seeks out the views of independent directors on all board matters. In addition, the independent directors know each other well and communicate with each other on a regular basis. Since the board itself and the independent directors are a relatively small group, the formality of appointing a lead director has not been considered necessary.</p>
<p>(g) Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year</p>	<p>(g) The Company has held 14 board meetings (9 in 2005 and 5 in 2006) since the beginning of its most recently completed financial year. The attendance record for its five directors is: Steven Dean (14/14), Klaus Zeitler (12/14), Robert Gayton (14/14), Ruston Goepel (12/14) and Sidney Robinson (13/14).</p>
<p>2. Board Mandate – Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.</p>	<p>The board assumes responsibility for stewardship of the corporation, including overseeing all of the operation of the business, supervising management and setting milestones for the Company. The board reviews the statements of responsibilities for the Company including, but not limited to, the Corporate Governance Charter and the Code of Ethics for Financial Managers.</p> <p>The board approves all significant decisions that affect the Company and its subsidiaries and sets specific milestones towards which management directs their efforts.</p> <p>The board of directors and senior management are responsible for identifying the principal risks of the Company's business and for ensuring these risks are effectively monitored and mitigated to the extent practicable.</p> <p>The Chairman and President are responsible for developing a long-term strategic plan for the Company. The board is responsible for approving the strategic plan and annual operating plans recommended by management. Board consideration and approval is also required for all material contracts and business transactions and all debt and equity financing proposals. The board is responsible for senior executive recruitment and the Compensation Committee for senior executive compensation.</p> <p>The board delegates to management, through the Chairman and President, responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing the Company's cash flow, evaluating new business opportunities,</p>

Corporate Governance Disclosure Requirement	The Company's Approach
	<p>recruiting staff and complying with applicable regulatory requirements. Management also furnishes recommendations to the board respecting corporate objectives, long-term strategic plans and annual operating plans.</p> <p>The board appoints senior management. As the Company has grown it has seen that management has also grown, mitigating risk with respect to succession planning. At this time two executives are in place who together perform the CEO role.</p> <p>The board approves all of the Company's major communications, including annual and quarterly reports and press releases.</p> <p>Project budgets are brought before the board for approval on a regular basis. The board's direction with respect to these budgets is communicated back to project staff.</p> <p>The board as a whole is responsible for developing the Company's approach to corporate governance.</p> <p>The number of scheduled board meetings varies with circumstances but a minimum of four meetings are held annually. In addition, special meetings are called as necessary. The Chairman establishes the agenda at each board meeting and submits a draft to each director for their review and recommendation for items for inclusion on the agenda and each director has the ability to raise subjects that are not on the agenda at any board meeting. Meeting agendas and other materials to be reviewed and/or discussed for action by the board are distributed to directors in time for review prior to each meeting.</p> <p>Board members have full and free access to senior management and employees of the Company.</p>
<p>3. Position Description –</p>	
<p>(a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.</p>	<p>(a) The board has not developed written position descriptions for the chair and the chair of each board committee. The Chairs of the Nominating and Compensation Committees are responsible for calling the meetings of the Committee, establishing meeting agenda with input from management, and supervising the conduct of the meetings. The chair of the Audit Committee has a clear mandate from the board to carry out his responsibilities.</p>
<p>(b) Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.</p>	<p>(b) The board and the Chairman and President have not, to date, developed formal, documented position descriptions for the Board and management defining the limits of management's responsibilities. The board annually approves the operating and capital budgets and strategic plan, and the Chairman and President are required to ensure the Company operates within those guidelines. Material departures must be approved by the board. The board is of the view that the respective corporate governance roles of the board and management, as represented by the Chairman and President, are clear, and that the limits to management's responsibility and authority are well-defined.</p>

Corporate Governance Disclosure Requirement	The Company's Approach
<p>4. Orientation and Continuing Education –</p>	
<p>(a) Briefly describe what measures the board takes to orient new directors regarding</p> <ul style="list-style-type: none"> i. The role of the board, its committees and its directors, and ii. The nature and operation of the issuer's business 	<p>(a) The Company does not have a formal orientation and education program for new directors. However, new directors are provided with relevant materials with respect to the Company, and spend a considerable amount of time being oriented on relevant corporate issues by the Chairman and President. In addition, the directors annually visit the Company's operations in South America, in order to meet with local management and important customers and service providers and to view the Company's plant and capital additions.</p>
<p>(b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.</p>	<p>(b) The board currently does not provide continuing education for its directors. By using a board composed of experienced professionals with a wide range of financial, legal, exploration and mining expertise, the Company ensures that the board operates effectively and efficiently.</p>
<p>5. Ethical Business Conduct –</p>	
<p>(a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:</p> <ul style="list-style-type: none"> i. Disclose how a person or company may obtain a copy of the code; ii. Describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and iii. Provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code. 	<p>(a) The Company has a written Code of Ethical Conduct for Financial Managers and a Whistleblower Policy. Copies may be requested by contacting Amerigo Resources Ltd., at Suite 3083 – 595 Burrard Street, Bentall III, PO Box 49298, Vancouver, BC V7X 1L3, attention Ms. Sarah Drader, (Telephone: (604) 681-2801).</p> <p>The board monitors compliance with the code through the services of WhistleblowerSecurity and management. Toll free numbers to WhistleblowerSecurity are posted at the Company's plant.</p>
<p>(b) Describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.</p>	<p>(b) Directors with an interest in a material transaction are required to declare their interest and abstain from voting on such transactions.</p> <p>A thorough discussion of the documentation related to a material transaction is required for review by the board, particularly independent directors.</p>

Corporate Governance Disclosure Requirement	The Company's Approach
(c) Describe any other steps that board takes to encourage and promote a culture of ethical business conduct.	(c) The board seeks directors who have solid track records in spheres ranging from legal and financial to exploration and mining in order to ensure a culture of ethical business conduct.
6. Nomination of Directors -	
(a) Describe the process by which the board identifies new candidates for board nomination	(a) The Nominating Committee draws on all relevant sources in the search for new directors, and all of the Company's directors are involved in the process.
(b) Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.	(b) The board has a Nominating Committee composed entirely of independent directors. A new director should have direct experience in the mining business and significant public company experience. The nominee must not have a significant conflicting public company association.
(c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.	(c) The duties and responsibilities of the Nominating Committee are as follows: <ul style="list-style-type: none"> • Identify individuals qualified to become Board members • Recommend candidates to fill Board vacancies and newly created Director positions • Assess the effectiveness of the Board as a whole and individual Board members • Provide an internal orientation program for new recruits to the Board, and provide education to all Board members • Recommend the composition of Committees of the Board
7. Compensation -	
(a) Describe the process by which the board determines the compensation for the issuer's directors and officers.	(a) The Compensation Committee reviews the adequacy and form of compensation and compares it to other companies of similar size and stage of development. There is no minimum share ownership requirement of directors. Directors' compensation is a combination of annual retainer, meeting fees and stock options. The Company's compensation committee reviews the amounts and effectiveness of such compensation.
(b) Disclose whether or not the board has a compensation committee composed entirely of independent directors.	(b) The board has a Compensation Committee composed of three independent directors.
(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.	(c) The Compensation Committee's primary responsibility is to make recommendations for approval by the board of directors on an ongoing basis with respect to the appointment and remuneration of directors and officers. The Committee also evaluates the performance of the Company's senior executive officers and reviews the design and competitiveness of the Company's compensation plans. The Compensation Committee meets as required to review and set remuneration.

Corporate Governance Disclosure Requirement	The Company's Approach
<p>(d) If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.</p>	<p>(d) The Company has felt no need to retain any compensation consultants or advisors at any time since the beginning of the Company's most recently completed financial year.</p>
<p>8. Other Board Committees –</p>	
<p>If the board has standing committees other than the audit and compensation committees, identify the committees and describe their function.</p>	<p>In addition to the Audit Committee and the Compensation Committee, the Company has a Nominating Committee, the duties and responsibilities of which are outlined in 6. above. The Company also has a Disclosure Policy Committee that consists of the Company's Chairman, President and Corporate Secretary. The function of the Disclosure Policy Committee is to ensure that communications to the investing public about the Company and its subsidiaries are timely, factual and accurate and broadly disseminated in accordance with all applicable legal and regulatory requirements.</p>
<p>9. Assessments –</p>	
<p>Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees and its individual directors are performing effectively.</p>	<p>The Audit Committee, as part of their annual review, assesses the effectiveness of the board and its independence. The Audit Committee assesses the adequacy of the information provided, the regular nature of the communication between the board and management and reviews whether management is following the mandated strategic direction as set out in the board's direction and management milestones.</p> <p>The board assesses management's effectiveness in attaining the Company's corporate objectives, budgets and milestones.</p>