

July 28, 2008
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Cash flow from operations of US\$8.1M in Q2-2008

Earnings of US\$6.2M in Q2-2008

Dividend of Cdn6.5¢ per share declared

Significant reduction in power costs in Q2-2008

Environmental permits for power plant received, commissioning expected in Q4-2008

VANCOUVER, BRITISH COLUMBIA – July 28/Amerigo Resources Ltd. (TSX:ARG) (“Amerigo” or the “Company”) reported today results for the quarter ended June 30, 2008. Significant events are as follows:

- **Net earnings after tax in Q2-2008** were **\$6,218,444** compared to \$10,332,687 in Q2-2007. Earnings were affected by lower production mainly due to interruptions to the supply of fresh tailings and by high power costs.
- **Net earnings** in the **six months ended June 30, 2008** were **\$12,601,456**, compared to \$15,883,969 in the comparative period, notwithstanding unprecedented power costs in the current year.
- **Earnings per share** for the quarter were **7¢**, compared to earnings per share of 11¢ in Q2-2007.
- **Cash flow from operating activities** was **\$8,136,753** or 9¢ per share in Q2-2008, compared to \$12,409,777 or 13¢ per share in Q2-2007.
- **Production** in Q2-2008 was **7.08 million pounds of copper** and **147,508 pounds of molybdenum**, a decrease of 24% in copper production and 28% in molybdenum production from Q2-2007 due mainly to interruptions to the supply of fresh tailings to MVC as a result of strike actions of workers of El Teniente subcontractors during the quarter.
- The Company's **copper selling price** before smelter, refinery and other charges in Q2-2008 was **\$3.80/lb**; in addition, quarterly revenue included **\$1,945,866** of **positive settlement adjustments** to prior quarters' sales, mainly quantity adjustments.
- Power costs in Q2-2008 were **\$9,002,362**, compared to \$7,821,020 in Q2-2007. Power costs represented 60% of cash costs in Q2-2008, a significantly higher percentage of total costs than for copper producers with traditional mine operating costs, including mining and other costs not related to power supply.



- **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 **\$2.11/lb** in Q2-2008, compared to \$1.19/lb in Q2-2007. Power costs are the single most important component of the increase in cash cost.
- **Total cost** (the aggregate of cash cost, El Teniente royalty, MVC stock-based compensation, depreciation and accretion) for the quarter ended June 30, 2008 was **\$3.02/lb** compared to \$1.85/lb in Q2-2007. The increase in total cost was driven fundamentally by higher cash costs and affected to a lesser degree by higher royalties to El Teniente and higher amortization charges.
- In Q2-2008 the Company **obtained environmental approvals** in Chile to operate two **10 megawatt generators**. The project's estimated capital cost is \$19 million; the units are expected to be operational in Q4-2008.
- Cash payments for capital expenditures in Q2-2008 were **\$5,672,077**, funded from operating cash flow.
- **Cash balance** was **\$11,192,995** at June 30, 2008 after \$12,542,672 of cash payments for capital expenditures, \$6,018,524 in dividend payments and further investment of \$2,129,981 in a TSX issuer in the six months ended June 30, 2008.
- The Company recorded **\$875,419** as **other comprehensive loss** in Q2-2008 from the **fair value adjustments of two strategic investments** during the quarter. Other comprehensive loss is not a component of net earnings.
- **Dividends** – Subsequent to quarter end, the Company's board of directors declared a dividend of Cdn 6.5¢ per share, payable on September 5, 2008 to shareholders of record as of August 22, 2008.

The information in this news release and the Selected Financial Information contained in the following page should be read in conjunction with the Unaudited Consolidated Financial Statements and Management Discussion and Analysis for quarter ended June 30, 2008, which will be available at the Company's website at www.amerigoresources.com and at www.sedar.com.

Amerigo Resources Ltd. is a Canadian junior company producing copper and molybdenum from its MVC operations near Santiago, Chile. Tel: (604) 681-2802; Fax: (604) 682-2802; Web: www.amerigoresources.com; Listing: ARG:TSX

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The Toronto Stock Exchange has not reviewed nor accepted responsibility for the adequacy or accuracy of the contents of this news release, which has been prepared by management. Statements contained in this news release that are not historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties which could cause actual results to differ materially from estimated results. Such risks and uncertainties are detailed in the Company's filings with the TSX and on SEDAR. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements if management's beliefs, estimates or opinions, or other factors, should change.



**AMERIGO RESOURCES LTD.
SELECTED FINANCIAL INFORMATION**

QUARTERS ENDED JUNE 30, 2008 AND 2007

All figures expressed in US Dollars

Consolidated Balance Sheets

	June 30, 2008 \$	December 31, 2007 \$
Cash and cash equivalents	11,192,995	16,712,630
Mineral property, plant and equipment	106,861,832	98,136,625
Other assets	47,944,050	49,889,686
Total assets	165,998,877	164,738,941
Total liabilities	34,987,040	34,412,446
Shareholders' equity	131,101,837	130,326,495
Total liabilities and shareholders' equity	165,998,877	164,738,941

Consolidated Statements of Operations and Comprehensive Income

	Quarter ended June 30, 2008 \$	Quarter ended June 30, 2007 \$
Total revenue, net of smelter and refinery charges	31,164,236	32,011,648
Cost of sales	(23,555,279)	(20,092,722)
Other expenses	(861,489)	(825,764)
Non-operating income, net	503,280	1,371,157
Income tax expense	(906,973)	(1,967,709)
Minority Interest	(125,331)	(163,923)
Net earnings	6,218,444	10,332,687
Other comprehensive income (loss)	(875,419)	964,175
Comprehensive income	5,343,025	11,296,862
EPS – Basic	0.07	0.11
EPS – Diluted	0.07	0.11

Consolidated Statements of Cash Flows

	Quarter ended June 30, 2008 \$	Quarter ended June 30, 2007 \$
Net cash provided by operating activities	8,136,753	12,409,777
Net cash used in investing activities	(7,648,878)	(8,324,912)
Net cash used in financing activities	(254,597)	(4,260,151)
Net cash inflow/(outflow) during the quarter	233,278	(175,286)



AMERIGO RESOURCES LTD. **SELECTED TRAILING DATA**

All figures expressed in US Dollars

	Q2-2008	Q1-2008	Q4-2007	Q3-2007	Q2-2007
Copper production (tonnes)	3,212	3,538	4,318	3,653	4,224
Copper sales (tonnes)	3,234	3,540	4,477	3,601	4,051
Molybdenum production (lbs)	147,508	148,670	157,630	153,295	204,647
Molybdenum sales (lbs)	143,048	157,739	172,374	131,575	203,383
Copper selling price (\$/lb) *	3.80	3.56	3.00	3.48	3.29
<i>*Before smelter and refinery costs and settlement adjustments to prior quarters' sales</i>					
Revenue	\$ 31,164,236	\$ 35,933,465	\$ 26,974,854	\$28,536,864	\$32,011,648
Power costs	9,002,362	13,903,331	8,288,847	7,781,476	7,821,020
El Teniente royalty	5,319,664	5,146,561	5,836,784	4,654,187	5,291,091
All other cost of sales	9,233,253	8,035,829	9,979,043	7,592,407	6,980,611
Gross profit	7,608,957	8,847,744	2,870,180	8,508,794	11,918,926
All other expenses, including taxes	1,390,513	2,464,732	1,053,682	1,926,907	1,586,239
Net earnings	\$ 6,218,444	\$ 6,383,012	\$ 1,816,498	\$ 6,581,887	\$10,332,687
Earnings per share (basic)	0.07	0.07	0.03	0.07	0.11
Other comprehensive income/(loss)	\$ (875,419)	\$ (4,505,662)	\$ 37,734	\$ 3,393,858	\$ 964,175
Cash cost (\$/lb)	2.11	2.51	1.60	1.78	1.19
Total cost (\$/lb)	3.02	3.34	2.40	2.49	1.85
Cash flow from operations	\$ 8,136,753	\$ 2,197,096	\$ 6,793,697	\$ 4,797,409	\$12,409,777
Dividend per share declared	-	Cdn\$0.065	-	Cdn\$0.065	-
Total dividends paid	\$ -	\$ 6,018,524	-	\$ 5,802,371	\$ 5,286,918
Cash flow for capital expenditures	\$ 5,672,077	\$ 6,870,595	\$ 8,905,305	\$ 1,184,716	\$ 1,684,323
Closing cash position	\$ 11,192,995	\$ 10,959,717	\$ 16,712,630	\$26,378,172	\$28,567,850
Working capital	11,852,658	11,693,685	15,512,204	27,093,319	28,845,201