Toronto Stock Exchange: ARG

ANNUAL INFORMATION FORM

For year ended December 31, 2003

Dated: May 17, 2004

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ITEM 1: COVER PAGE

ITEM 1.1

Date: May 17, 2004

Incorporation of Technical Reports, Financial Statements, and Proxy Circular

All information from the following documents is incorporated by reference into this Annual Information Form:

1. Audited consolidated financial statements for the Issuer for the periods ended December 31, 2003, February 28, 2003 and February 28, 2002, together with the auditor's reports thereon;

2. Technical Report entitled "Technical Review Of Operations At Minera Valle Central" dated May, 2003 (SEDAR filed on June 12, 2003).

All financial information in this Annual Information Form is prepared in accordance with accounting principles generally accepted in Canada ("Canadian GAAP"). All financial information is presented in Canadian dollars except where otherwise indicated.

All share issuances described in this Annual Information Form are stated in the number of shares of the Issuer at the time of issuance, as the share capital of the Issuer was then constituted.

Special note regarding forward-looking statements

This Annual Information Form may contain forward-looking statements that involve risks and uncertainties. When used in this Annual Information Form, the words "believe," "anticipates," "expects" and similar expressions are intended to identify such forward-looking statements. The Issuer's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in "Item 4 - Narrative Description of the Business" and Item 6 - Management's Discussion and Analysis". Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Issuer undertakes no obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

ITEM 2: CORPORATE STRUCTURE

Corporate History

Amerigo Resources Ltd. (the "Issuer") was incorporated by registration of its memorandum and articles under the laws of the Province of British Columbia on January 23, 1984 under the name "Silent Canyon Resources Ltd." Effective April 27, 1988 the Issuer changed its name from "Silent Canyon Resources Ltd." to "Golden Adit Resources Ltd.", consolidated its share capital on a 2:1 basis and subsequently increased its authorized capital to 20,000,000 common shares without par value. The Issuer then changed its name effective as of June 8, 1990 from "Golden Adit Resources Ltd." to "First Northern Developments Inc." Effective September 20, 1993, the Issuer then changed its name from "First Northern Developments Inc." to "Consolidated First Northern Developments Inc.", consolidated its share capital on a 2.65:1 basis and increased its authorized capital to 25,000,000 common shares without par value. Effective March 15, 1996 the Issuer then changed its name from "Consolidated First Northern Developments Inc." to "Golden Temple Mining Corp.", consolidated its share capital on a 5:1 basis and increased its authorized capital to 25,000,000 common shares without par value. The Issuer increased its authorized capital to 100,000,000 common shares without par value effective August 5, 1997. Effective March 8, 2002 the Issuer then changed its name from "Golden Temple Mining Corp." to "Amerigo Resources Ltd." and consolidated its share capital on a 4:1 basis. Effective September 11, 2002, the Issuer increased its authorized capital to 100,000,000 common shares without par value. Effective March 16, 2004, the Issuer increased its authorized capital to 200,000,000 common shares without par value. Also effective March 16, 2004, the Issuer amended its articles to provide for a rotating board of directors, divided into Class I, II and III, each class having a three year term.

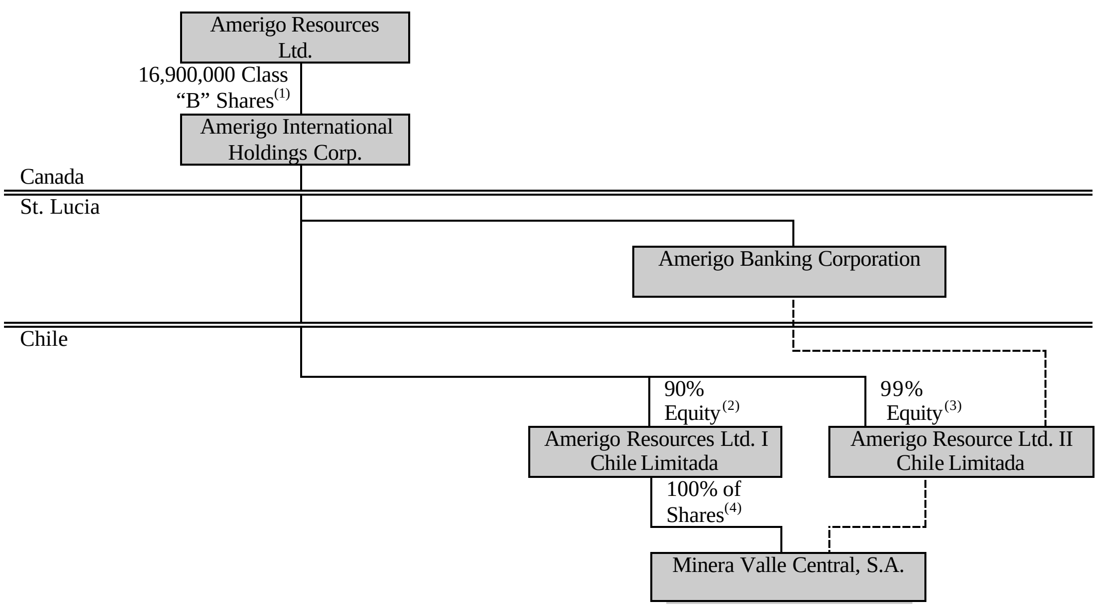
On December 19, 2003, the Issuer listed 21,146,819 warrants (the "Warrants") on the TSX Venture Exchange under the symbol ARG.WT. The Warrants are exercisable at $0.70 until June 20, 2005. On March 23, 2004 the Issuer's common shares and Warrants became listed on the Toronto Stock Exchange and the Issuer voluntarily delisted from the TSX Venture Exchange.

Corporate Structure

The Issuer's head and principal office is located at Suite 2684 – 1055 Dunsmuir Street, P.O. Box 49298, Vancouver, B.C. V7X 1L3. The Issuer's registered and records office is located at Suite 2300 – 1055 Dunsmuir Street, P.O. Box 49122, Vancouver, B.C. V7X 1J1.

The Issuer has six wholly owned subsidiaries. Templo Dorado S.A. de C.V. is an inactive company which was incorporated in Mexico City, D.F., Mexico on December 6, 1996. The Issuer has also incorporated subsidiaries in Canada (Amerigo International Holdings Corporation, incorporated on June 20, 2003), Chile (Amerigo Resources Ltd. I Chile Limitada and Amerigo Resources Ltd. II Chile Limitada, both incorporated on June 20, 2003) and in St. Lucia (Amerigo Banking Corporation, incorporated on February 27, 2004). These latter subsidiaries were created for the purpose of acquiring and operating Minera Valle Central, S.A. ("MVC"), a Chilean copper producer, in a tax effective manner. Amerigo Banking Corporation is licensed as a Bank under the laws of St. Lucia. See Section 4.3, "Acquisition of Minera Valle Central S.A.".

The following chart sets forth the name of the current active subsidiaries of the Issuer, its jurisdiction of incorporation and the Issuer's current voting and equity interest therein. Unless otherwise indicated herein, the term the "Issuer" means collectively the Issuer and its subsidiaries.



(1) These represent 100% of the Class B Common Shares. Directors of Amerigo Resources Ltd. indirectly hold 1,900,000 Class A Common Shares of Amerigo International Holdings Corp. See "Acquisition of Minera Valle Central S.A.".
(2) The other equity owner (10%) is Amerigo Resources Ltd.
(3) The other equity owner (1%) is Amerigo Resources Ltd.
(4) Amerigo International Holdings Corp. holds the minimum number of shares of Minera Valle Central S.A. required by Chilean law.

ITEM 3: GENERAL DEVELOPMENT OF THE BUSINESS

The Issuer is in the business of processing copper tailings for the production of copper and locating other mineral-related development opportunities. Effective July 3, 2003, the Issuer acquired 100% of the outstanding shares and debt of Minera Valle Central S.A ("MVC"). MVC, a private Chilean company with a copper production facility near Santiago, Chile, has a contract with Corporacion Nacional del Cobre de Chile, Chile's state-owned copper producer, to process copper tailings from the El Teniente mine in Chile through at least 2021. See Section 4.3 – Acquisition of Minera Valle Central S.A.

In order to make the acquisition of MVC, the Issuer undertook a series of equity placements in 2003. The resulting changes in the business of the Issuer, its capital structure and capitalization all changed substantially in 2003.

The Issuer's common shares are listed for trading on the Toronto Stock Exchange (the "TSX").

Year Ended February 28, 2002

At the Annual General Meeting held on August 31, 2001, the shareholders elected a board comprised of three new directors: Roger Moss, Ian Gallie and Irene Wilson. After the meeting, the board elected Roger Moss as President and Julie Lee as secretary. In October 2001, the Issuer settled an outstanding claim by issuing 200,000 common shares of the Issuer at a deemed price of $0.60 per share as settlement of the debt.

The Issuer entered into an Option and Joint Venture Agreement dated January 22, 2002, in which the Issuer has the option to acquire from Falconbridge Limited an undivided 55% interest in the Island Copper Property, Sault Ste. Marie Mining Division, Ontario, Canada. The Issuer undertook a four-hole diamond drill program on the Island Copper Property during November and December of 2002. A total of 992 meters was drilled.

The Issuer held an extraordinary general meeting on January 30, 2002 at which the Issuer's shareholders approved a share consolidation on a 4:1 basis and a name change to the Issuer's current name.

In February 2002, the Issuer staked three claim blocks totaling 27,362 hectares in the Caniapiscau region of Quebec. This area lies in the Wemindji-Caniapiscau structural corridor, approximately 275 kilometers north of the Otish Mountains. Title to the claims was granted in May 2002.

In late February 2002, the Issuer staked the Bellevue property totaling 704 hectares in the Sault Ste. Marie Mining Division, Ontario, Canada.

Year Ended February 28, 2003

Under an Option Agreement dated March 8, 2002, the Issuer obtained an option to acquire from George Luciuk an undivided 100% interest in the Deroche property, Sault Ste. Marie Mining Division, Ontario, Canada.

The Issuer commenced trading as Amerigo Resources Ltd. on March 8, 2002.

On March 13, 2002, the Issuer completed a private placement of 500,000 units at a price of $0.20 per unit (post-consolidated) for proceeds of $100,000. Each unit consisted of one common share of the Issuer and one share purchase warrant exercisable to purchase an additional common share of the Issuer at a price of $0.40 per share for a period of one year from the date of issuance.

The terms of a Purchase and Sale Agreement dated February 2, 2002 with International Croesus Ventures Inc. ("Croesus") pursuant to which the Issuer agreed to sell its seven Mexican mineral properties to Croesus for $100,000, were amended by a new agreement dated May 27, 2002. Under the new agreement, the purchase price of the properties was changed to 300,000 common shares of Croesus. The transaction was completed on September 16, 2002.

On August 21, 2002, the Issuer completed a private placement of 2,125,000 units at a price of $0.20 per unit for proceeds of $425,000. Each unit consists of one common share of the Issuer and one share purchase warrant exercisable into an additional common share of the Issuer at a price of $0.20 per share for a period of two years from the date of issuance.

Under an agreement dated September 11, 2002 the Issuer obtained from a group of three prospectors an option to acquire a 100% interest in the 3,232 hectare Coppercorp Property located approximately 85 kilometres north of Sault Ste. Marie, Ontario.

During the year ended February 28, 2003, the Issuer completed a 992 metre-drilling program of four holes to test the depth extent and continuity of previously outlined copper and gold mineralization as well as coincident chargeability and residual gravity anomalies on the Island Copper Property, Ontario. Limited sampling and mapping was carried out on the Coppercorp, Deroche and Bellevue Properties in Ontario in 2002. A detailed aeromagnetic survey (825 line kilometres) was flown over the four Issuer owned properties in early 2003. On the Coppercorp Property, several anomalies have been indicated and the Issuer intends to carry out a program of prospecting, mapping and sampling to follow up these anomalies in order to define first stage drill targets. Geological mapping and sampling will be undertaken on the Deroche and Bellevue Properties.

The Issuer completed an offering of flow through units at a price of $0.23 per unit on December 31, 2002 for gross proceeds of $163,500. Each flow-through unit consisted of one flow-through share of the Issuer and one half of a non-flow through share purchase warrant. Each full warrant is exercisable into one common share of the Issuer at a price of $0.25 per share for a period of two years from the date of issuance.

Year Ended December 31, 2003

In March 2003, the Issuer entered into a letter of intent with Steven G. Dean and Klaus M. Zeitler to acquire, by way of assignment, an option to purchase 100% of the outstanding shares and debt of MVC. MVC, a private Chilean company with a copper production facility near Santiago, Chile, has a contract with Codelco, Chile's state-owned copper producer, to process copper tailings from the El Teniente mine in Chile through 2021. Mr. Dean and Dr. Zeitler acquired the option to purchase the shares and debt of MVC from a number of MVC's shareholders in Chile, and were entitled to exercise the option until June 30, 2003 by payment of US$16,600,000.

Irene Wilson resigned from the Board of Directors on April 1, 2003. Klaus M. Zeitler and Steven G. Dean were appointed to the board the same day.

In April 2003, the Issuer completed a $250,000 private placement consisting of units at a price of $0.16 per unit. Each unit consists of one common share of the Issuer and one-half of one warrant, with each full warrant entitling the holder to purchase an additional common share of the Issuer for two years at a price of $0.32 per share.

On May 8, 2003, Roger Moss resigned from the Board of Directors, and Sidney Robinson was appointed to the Board in his place. Steven G. Dean was appointed Chairman of the Board, Klaus M. Zeitler was appointed President of the Issuer, and Roger Moss was appointed V.P. Exploration.

On June 24, 2003, the Issuer announced the closing of a private placement with total proceeds of $25,979,100. 43,298,501 deposit receipts were issued at a price of $0.60 each, convertible on or before July 15, 2003 into a unit consisting of one share and one-half of one warrant, with each full warrant exercisable until June 20, 2005 at $0.70.

Effective July 3, 2003, the Issuer acquired 100% of the outstanding shares and debt of MVC. See Section 4.3 – Acquisition of Minera Valle Central S.A.

On July 18, 2003, the Issuer announced the issuance of an additional 4,459,333 units, each consisting of one share and one-half of one warrant, with 1,650,000 of the warrants exercisable until June 20, 2005 at $0.70 and 579,667 warrants exercisable until June 18, 2005 at $0.70. The units were issued at $0.60, for gross proceeds of $2,675,600.

On December 19, 2003, 21,146,819 warrants were listed on the TSX Venture Exchange. Each warrant is exercisable into a common share of the Issuer until June 20, 2005 at an exercise price of CDN$0.70. The warrants trade under the symbol ARG.WT.

For the year ended December 31, 2003:

- The Issuer's Net Earnings after tax for the ten months ended December 31, 2003 were US$1,881,013 up from a loss of US$62,334 in the previous year.

- In the six months after the acquisition of MVC (July – December, 2003), the Issuer sold 14.42 million pounds of copper for a cash cost before Codelco royalty of US56.7¢ per pound, and a total cost after royalty and depreciation of US62.6¢ per pound. The average copper price received during the six-month period was US84.9¢ per pound.

- Operating profit before depreciation from MVC for the 10 months ended December 31, 2003 was US$2,713,252.

- The copper price has increased by 42% from $0.776 (July 2003 average) to $1.10 (January 2004 average) since the acquisition of MVC. Strong operating cashflows during the period have funded capital expansion plans and have substantially repaid the Enami Loans: only US$749,183 of the original US$2,471,124 loan amount remains owed by MVC as of January 31, 2004.

- During December, 2003, Amerigo entered into a new concentrate sales contract with ENAMI, the state-owned Chilean smelting and refining company. This contract will result in savings to MVC of more than 2 ¢/lb of refined copper in the coming year compared to the 2003 smelting and refining terms.

- Earnings per share were US5¢ for the ten months ended December 31, 2003.

During the year, the Issuer changed its year-end from February 28 to December 31.

On its exploration properties, a soil sampling program was carried out in 2003 to define drill targets on the Island Copper Property. On the Coppercorp Property, geophysical anomalies were followed up by a program of prospecting, mapping and sampling. Geological mapping and sampling was also carried out on the Deroche and Bellevue Properties.

Subsequent Events

Pursuant to an agreement with Nikos Explorations Ltd. ("Nikos") dated January 15, 2004, the Issuer has agreed to transfer its interest in the Coppercorp Property, the Island Copper property and the Bellevue Property. The Issuer will receive 5,000,000 common shares of Nikos upon TSX Venture Exchange acceptance of the transaction, and will receive 5,000,000 additional common shares at the option of Nikos on or before June 30, 2005 if Nikos retains an interest in any of the properties. See Section 4.5 - Agreement for Disposition of Ontario Mineral Properties.

On March 23, 2004, the Issuer's common shares and warrants became listed on the Toronto Stock Exchange, and were voluntarily delisted from the TSX Venture Exchange.

For the three months ended March 31, 2004:

- The Issuer's net earnings after tax for the three months ended March 31, 2004 were US$3,776,182, up 271% from earnings of US$1,017,089 in the quarter ended November 30, 2003 (which was the prior full three-month quarter). The increase in earnings primarily resulted from higher copper prices.

- MVC's cashflow from operations for the 3 months ended March 31, 2004 was US$4,974,058.

- Earnings per share were US6¢ for the three months ended March 31, 2004.

- In the first three months of 2004 Amerigo sold 6.61 million pounds of copper for a cash cost before Codelco royalty of US64¢ per pound, and a total cost after royalty, depreciation and asset retirement accretion cost of US80¢ per pound. Production costs were higher than normal due to plant interruptions in connection with commissioning of MVC's expansion project as well as scheduled and unscheduled maintenance at El Teniente.

- The copper price increased by 76% from $0.776 (July 2003 average) to $1.365 (March 2004 average) since the acquisition of MVC. Strong operating cashflows during the period have funded capital expansion plans and have fully repaid the Enami loans.

- Production expansion plans are on track. Phase 1, the installation and commissioning of additional classification and flotation equipment, was completed on time and under budget on April 7, 2004, which will allow for budgeted 2004 production of 16,000 tonnes of refined copper.

- Further production increases – Planning is well underway for Stage 2 of the expansion which will increase copper production further in 2005 to an annual level of approximately 20,000 tonnes. This Stage 2 production increase will be generated from the higher rate of extraction from the Colihues tailings project from the present 2,000 tonnes of plant feed per day trial operation to a fully commercial rate of 10,000 tonnes per day. Further studies to examine the potential to increase production from Colihues beyond this rate are being conducted.

The following table summarizes share issuances by the Issuer over the last three fiscal years, up to December 31, 2003. There were no special warrant issuances in the period.

Share Issuance Table (All amounts in US Dollars)

Issued and outstanding	Shares	For Cash ($)	For Property ($)	Finder's Fee ($)	Issuing Costs ($)	Total (1) ($)
- At February 28, 2001	10,475,276					2,898,785
Securities issued during the year	200,000(2)	4,015				2,902,801
	(8,006,457)(3)					2,902,801
-At February 28, 2002	2,668,819					2,902,801
Securities issued during the year	3,335,869	460,751			(23,514)	3,340,037
	330,000		44,168			3,384,205
	50,000			6,692		3,390,897
- At February 28, 2003	6,384,688					3,390,897
Securities issued during the year	53,763,188	22,562,959			(1,147,671)	24,806,185
	50,000		7,000			24,813,185
- At December 31, 2003	60,197,876					24,813,185

Notes

(1) Amounts reported in Canadian Dollars prior to the company's change in reporting currency to the U. S. Dollar (July 2003) are translated at the historical rate of $1.4943. All dollar amounts in this table are in U.S. Dollars.

(2) Conversion of Debt

(3) Four to one share consolidation (January 30, 2002)

ITEM 4: NARRATIVE DESCRIPTION OF THE BUSINESS

4.1 GENERAL

The Issuer is in the business of processing copper tailings for the production of copper and locating other mineral-related development opportunities. Effective July 3, 2003, the Issuer acquired 100% of the outstanding shares and debt of Minera Valle Central S.A ("MVC"). MVC, a private Chilean company with a copper production facility near Santiago, Chile, has a contract with Corporacion Nacional del Cobre de Chile ("Codelco"), Chile's state-owned copper producer, to process copper tailings from the El Teniente mine in Chile through at least 2021. See Section 4.3 – Acquisition of Minera Valle Central S.A.

The Issuer also has three exploration properties located in Canada. The Issuer entered into an Option and Joint Venture Agreement dated January 22, 2002, pursuant to which the Issuer could acquire from Falconbridge Limited an undivided 55% interest in the Island Copper Property, Sault Ste. Marie Mining Division, Ontario, Canada. In addition, the Issuer acquired an option to acquire two other properties and staked a third property in the Sault Ste. Marie region of Ontario during 2002. Funding of work on the Issuer's properties has, in the past, been through a combination of equity placements and joint venture agreements with other exploration companies. The Issuer has reached an agreement with Nikos Explorations Ltd. for the sale of three Canadian properties, subject to the approval of the TSX Venture Exchange. See Section 4.4 - Agreement for Disposition of Ontario Mineral Properties.

The Issuer has one employee at its head office in Vancouver. MVC has approximately 70 employees at its operation in Rancagua, Chile. The balance of the Issuer's personnel are contractors, both at its head office and in Chile.

4.2 RISK FACTORS

An investment in the securities of the Issuer should be considered speculative due to the nature of the business of the Issuer. In evaluating the securities of the Issuer, the following factors should be considered:

Minera Valle Central S.A Revenue is subject to supply of tailings from El Teniente.

The Issuer's operations at Minera Valle Central S.A. are substantially dependent upon fresh tailings supplied under an agreement with El Teniente division of Codelco. The supply of tailings may be interrupted by mining events such as cave-ins, fires or natural disasters, or non-mining events such as falling commodity prices, changing environmental regulations, taxes or labour disputes. The El Teniente mine has operated almost continuously for 100 years and has advised the Issuer that it has sufficient reserves for several decades at present production rates. However, there is no guarantee that El Teniente operations will continue uninterrupted in the future. The Issuer does not have business interruption insurance.

Commodity Prices

The price of the Issuer's common shares and the Issuer's financial results may in the future be significantly adversely affected by declines in the price of copper. Copper prices fluctuate widely and are affected by numerous factors beyond the Issuer's control such as interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major copper-producing and consuming countries throughout the world. The price of copper has fluctuated widely in recent years, and future serious price declines could cause continued development of and commercial production from the Issuer's projects to be impracticable.

Depending on the price of copper, cash flow from operations may not be sufficient and the Issuer could be forced to discontinue plans for expansion or discontinue production altogether. Future expansion of the Issuer's projects is dependent on commodity prices that are adequate to make the expansion economic.

History of Profits or Dividends

The Issuer has had a history of profitability only since the acquisition of MVC in July, 2003. The Issuer has paid no dividends on its shares since incorporation and payment of dividends in the future is uncertain. The Issuer has positive working capital generated through MVC, and has utilized this working capital to expand the facility. However, there is no guarantee that the working capital generated will be sufficient to undertake all of the Issuer's expansion plans or be sufficient for future acquisitions. In that circumstance, the only additional sources of funds available to the Issuer are from the exercise of outstanding share purchase warrants and share purchase options, the sale of equity capital of the Issuer, or the sale by the Issuer of an interest in any of its projects in whole or in part. There can be no assurance that any outstanding warrants or options will be exercised, or that the Issuer will be able to sell further equity capital or interests in its projects, on favourable terms or at all.

Mineral Exploration And Development Risks

The Issuer's operations involve a degree of risk. The Issuer may become subject to liability for pollution, other accidents, environmental hazards, the discharge of toxic chemicals and other hazards. Such occurrences, against which it cannot insure, or may elect not to insure, may delay production, increase production costs or result in liability. The payment of such liabilities may have a material, adverse effect on the Issuer's financial position.

There is a degree of uncertainty attributable to the calculation of volume and grade of Colihues tailings being processed . The Issuer's estimates of volume and grade are based on the historic records of Codelco. Until the tailings are actually processed, the tonnage and grades must be considered as estimates only.

Foreign Operations

A majority of the Issuer's operations are currently conducted in Chile, and as such the Issuer's operations are exposed to economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, terrorism; hostage taking; military repression; expropriation; extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing leases, licenses, permits and contracts; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in Chile may adversely affect the Issuer's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Environmental and Other Regulatory Requirements

The current or future operations of the Issuer, including development activities and expansion of production on its projects, may require permits from various federal and local governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters.

Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. The Issuer believes it is in substantial compliance with all material laws and regulations that currently apply to its activities. There can be no assurance, however, that all permits which the Issuer may require for construction of facilities and conduct of operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any project which the Issuer might undertake. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in such operations may be required to compensate those suffering loss or damage by reason of the activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Regulatory requirements and environmental standards are subject to constant evaluation and may be significantly increased, which could significantly adversely affect the business of the Issuer. Any operations involving the Issuer may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation often include provisions relating to restrictions and prohibitions on spills, releases or emissions of various substances produced in association with operations, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that requires stricter standards and enforcement, and fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with environmental legislation and changes in such legislation has a potential to reduce the profitability of operations below an acceptable level. Stricter standards in environmental legislation may be imposed on the industry or the Issuer in the future, which could materially and adversely affect the business of the Issuer or its ability to develop its projects on an economic basis.

Competition for Acquisitions

Significant and increasing competition exists for the limited number of mineral acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and far greater financial and technical resources than the Issuer, the Issuer may be unable to acquire additional attractive resource projects on terms it considers acceptable.

Repatriation Of Earnings

There is no assurance that Chile or any of the countries in which the Issuer may operate in the future will not impose restrictions on the repatriation of earnings to foreign entities.

Currency Fluctuations

The operations of the Issuer in Chile or any of the countries in which the Issuer may operate are subject to currency fluctuations and such fluctuations may materially affect the financial position and results of the Issuer.

Foreign Exchange Controls

The Issuer may be subject from time to time to foreign exchange controls in Chile and in other countries in which it may operate outside of Canada.

Uninsurable Risks

In the course of exploration, development and production of mineral projects, certain risks, and in particular, unexpected or unusual operating conditions including, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Issuer may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Issuer.

Price Volatility Of Public Stock

Publicly quoted securities are subject to a relatively high degree of price volatility. It may be anticipated that the quoted market for the common shares of the Issuer will be subject to market trends generally, notwithstanding any potential success of the Issuer’s projects.

Shares Reserved For Future Issuance

The Issuer has reserved shares for issuance. The Issuer may also enter into commitments in the future which would require the issuance of additional common shares and the Issuer may grant additional share purchase warrants and stock options. Any issue of shares currently reserved for future issuance may result in dilution to the existing shareholdings of investors.

Management

The business of the Issuer is highly dependent on the technical and financial ability of the management of the Issuer. Any change in management of the Issuer could therefore have a negative effect on the business of the Issuer. The Issuer does not have key person insurance in place.

Conflicts of Interest

Some of the directors and officers of the Issuer are, or may be, on the board of directors of other natural resource companies from time to time resulting in conflicts of interests. In addition, Steven G. Dean and Klaus M. Zeitler are directors of the Issuer and receive a royalty dividend on all production by MVC. There is the potential for a conflict of interest between the interest of Mr. Dean and Dr. Zeitler and the interest of the Issuer. These conflicts will be resolved in accordance with the governing legislation regarding conflicts of interests.

4.3 ACQUISITION OF MINERA VALLE CENTRAL S.A.

General

Effective July 3, 2003, the Issuer acquired 100% of the outstanding shares and debt of Minera Valle Central S.A ("MVC"). MVC, a private Chilean company with a copper production facility near Santiago, Chile, has a contract with Corporacion Nacional del Cobre de Chile ("Codelco"), Chile's state-owned copper producer, to process copper tailings from the El Teniente mine in Chile through at least 2021.

Consideration for this acquisition was $1,854,559 and the assumption of loans of $18,145,411 due to former shareholders, of which $16,600,000 was repaid at the time of the acquisition. The remaining loan balance of $1,545,411 together with the acquisition price, totalling $3,400,000, plus accrued interest, will be paid in cash or shares of Amerigo, three years after the acquisition if the average copper price is over $0.82 per pound. Payment in cash or shares is at the option of the Issuer; however, if Amerigo elects to pay in shares, the vendor has the right to either receive the payment in shares at the then current market price or receive payment in cash within two years counted from the end of the three-year period plus interest at an annual rate of 5%. If the copper price is below $0.82 per pound, the payment period will be extended to five years. Payment will be made in cash only plus interest at an annual rate of 5%.

The option to purchase MVC was originally acquired by Steven Dean and Klaus Zeitler and subsequently assigned to the Issuer. As consideration for the assignment of the option to the Issuer, Mr. Dean and Dr. Zeitler receive a royalty dividend on production paid through Amerigo International Holdings Corp. ("AIHC"). The share capital of AIHC is composed of Class A and Class B common shares. The company owns all of the issued and outstanding Class B shares of AIHC. The holders of Class A shares are not entitled to any dividend or to other participation in the profits of AIHC, except for a total royalty dividend calculated as follows:

- US$0.01 for each pound of copper produced by MVC or any successor entity to MVC if the price of copper is under US$0.80 per pound, or
- US$0.015 for each pound of copper produced by MVC or any successor entity to MVC if the price of copper is US$0.80 or more.

In the event of the liquidation, dissolution or winding-up of the Issuer, or other distribution of the assets of the Issuer among the members for the purpose of winding-up its affairs, each holder of Class A common shares will be entited to received in preference to and priority over any distribution to the Class B shareholders, a pro rata portion of the net present value of the royalty set out above. In all other respects, Amerigo International is controlled by the company and is a wholly-owned subsidiary for accounting purposes.

On a consolidated basis, the Issuer has long term debt owed to the vendors of MVC as set out above (US$3.4 million) and had long-term debt owed to a company with which the Issuer has a long-term smelting contract (US$1.40 million as of December 31, 2003, and repaid fully in April, 2004) as set out below. The Issuer has no other debt, other than current debt incurred in the ordinary course of business.

Underlying Contracts with Codelco El Teniente and Empresa Nacional de Mineria

The El Teniente concentrator tailings are currently processed by MVC pursuant to a contract originally completed in 1991 and amended in 1996 and 2002. The tailings supply contract with Codelco El Teniente runs until at least 2021. Pursuant to the amendment made in 2002, MVC negotiated a supplementary source of higher grade tailings from the Colihues tailings impoundment which could be treated at up to 10,000 tonnes per day ("tpd"). The contract with Codelco sets out that the supply of fresh El Teniente tailings is scheduled to increase to over 121,000 tpd in 2004, as set out in the following schedule, although the engineering estimates received are somewhat higher:

FUTURE FRESH TAILINGS PROJECTION TABLE

Year	Tons of Tailings (TPD)	Copper Grade (% Cu T)	Tons of Copper (fmt)	Year	Tons of Tailings (TPD)	Copper Grade (% Cu T)	Tons of Copper (fmt)
2001	94,207	0.15	52,632	2014	121,685	0.11	48,759
2002	95,129	0.15	52,827	2015	121,724	0.11	50,140
2003	110,664	0.15	58,982	2016	121,878	0.11	47,219
2004	121,677	0.12	52,668	2017	122,020	0.11	47,858
2005	121,694	0.11	50,289	2018	122,049	0.11	46,900
2006	121,709	0.12	52,504	2019	122,122	0.10	45,922
2007	121,591	0.12	51,123	2020	122,122	0.10	44,862
2008	121,539	0.12	52,572	2021	122,338	0.10	45,679
2009	121,454	0.13	55,113	2022	122,338	0.10	44,449
2010	121,468	0.13	55,637	2023	122,179	0.11	47,794
2011	121,477	0.12	53,746	2024	122,157	0.11	50,913
2012	121,617	0.11	49,667	2025	111,574	0.11	43,068
2013	121,606	0.11	48,381				

Codelco El Teniente has agreed to provide a total of 1,063,480 tonnes of fine copper for the period from January 1, 2001 to December 31, 2021. If the total copper content during the period falls below that amount by more than 10%, the term of the contract shall be extended by the proportion corresponding to the fine copper deficit exceeding such 10%. Otherwise, the contract terminates on December 31, 2021.

A royalty is payable to Codelco under a formula that considers both the price of copper and the copper content found in the tailings processed in each given month, on a sliding scale ranging from 0 if the copper price is below $0.80 per pound, to a maximum of 13.5% if the copper price is $1.30 or higher. No royalties are payable if:

- the copper content in tailings is below 0.0899% of copper or
- the copper price is below $0.80 per pound (for copper content in tailings between 0.09% and 0.1499%) or
- the copper price is below $0.75 per pound (for copper content in tailings reaching or exceeding 0.15% of copper).

The concentrate produced by the MVC operation is processed under a smelting contract with Empresa Nacional de Mineria ("Enami") dated December, 2003. With respect to the first 33,600 tonnes of concentrate production per year, the contract with Enami provides for customary terms and conditions with a current treatment charge of US$78 per tonne of concentrate and a refining charge of US$0.078 per pound of contained copper, and an increase in refining charges equal to 10% of the copper price over US$1.00 per pound The balance of production is sold on the basis of a spot contract that has lower refining and treatment charges. The treatment and refining charges are adjusted annually based on prevailing market terms. Under price support agreements made between 1998 and 2002, Enami provided loans to MVC, of which approximately US$2.36 million was outstanding at the time of acquisition and of which $1.40 million was outstanding at December 31, 2003. The loan was repaid in April, 2004.

Minera Valle Central Operations

The following is the summary of a technical report prepared by AMEC International (Chile) S.A. dated May, 2003. The full report may be found with the Issuer's filings at www.sedar.com and is incorporated by reference. Amerigo Resources Ltd. (Amerigo) is arranging to purchase Minera Valle Central S.A. (MVC). MVC is a private Chilean company that extracts copper from tailings discharged from CODELCO's El Teniente concentrators. The tailings are then returned to El Teniente's tailings disposal system. AMEC International (Chile) S.A. (AMEC) was contracted by Amerigo to provide a review of the past and future operation of MVC.

MVC currently has 19 years remaining on its tailings supply contract with El Teniente. It has also negotiated a supplementary source of higher grade tailings from the Colihues tailings impoundment. MVC plans to treat 10,000 tpd of tailings from Colihues, mixed with the fresh tailings from El Teniente. El Teniente currently supplies approximately 90,000 tpd of fresh tailings and this is scheduled to increase to 126,000 tpd in 2004 and to 130,000 tpd from 2005 on completion of its expansion program.

AMEC's scope and hence also this report covers the technical and production aspects of the present and potential future operation. Legal, specific tax issues and economic analysis are not covered.

MVC's operation is located in Region VI in central Chile, approximately 8 km east of the city of Rancagua. The site is 36 km west of the El Teniente mine and adjacent to the Colihues tailings impoundment. The Colihues impoundment was used from 1977 to 1987, El Teniente now deposits its tailings in the Carén impoundment that is 50 km east of the MVC site.

MVC first started recovering copper by reprocessing El Teniente tailings in 1992. The plant was expanded in 1997 and the current design capacity is 100,000 tpd.

El Teniente has been in operation since 1904 and is the world's largest underground copper mine. Current production is around 90,000 tpd of ore (although it has been as high as 100,000 tpd) at an average grade of 1.16 %Cu. El Teniente has reported more than 3 billion tonnes in reserves and at the expanded production rate of 130,000 tpd of ore has more than 60 years life remaining. El Teniente has provided its production plan that shows it will produce 1,139 million tonnes of tailings over the next 25 years at an average grade of 0.112 %CuT (Total Copper) and 0.03 % Soluble Cu. AMEC recommends that the tonnage forecast be discounted by 3.5%. This will not significantly affect MVC's production.

Production records from El Teniente indicate that there are 213 million tonnes of tailings in the Colihues impoundment at an average grade 0.26 %CuT. This represents a potentially significant additional supply of high grade tailings for MVC.

MVC plans to extract the tailings from the Colihues impoundment using a dredge pump on a floating platform. Pilot dredging trials have been carried out where up to 4,000 tpd of tailings were extracted at a sulphide copper grade of 0.2% Cu.

The existing MVC process plant is well designed and maintained and is in good condition. In 2002 it produced 10,650 tonnes of copper in concentrate. AMEC has estimated that the plant could produce 12,160 tonnes per annum of copper in concentrate from the expanded El Teniente production (122,000 tpd at 0.12% total copper). No plant modifications would be required.

AMEC has estimated (at rough order of magnitude level) that improvements to the primary classification and flotation sections of the plant plus the installation of a circuit to reprocess rougher tailings could potentially increase production to 15,490 tpa of copper in concentrate at a capital cost of US$3 million. The treatment of 10,000 tpd of Colihues tailings would increase production to an estimated 19,470 tpa of copper in concentrate at an additional cost of US$4.7 million.

MVC reported total cash operating costs to cathode of cUS62.7 per pound for 2002. AMEC reviewed these costs and considers them reasonable. At the expanded production levels indicated above, AMEC has estimated the following operating costs.

- 12,160 tpa Cu in concentrate, cUS58.2/lb.
- 15,490 tpa Cu in concentrate, cUS53.4/lb.
- 19,470 tpa Cu in concentrate, cUS52,2/lb.

An environmental review was carried out. The MVC plant was put into operation before the current environmental regulations were enacted. It was not required to obtain an environmental permit at that time. However, for any planned expansion the entire plant must be submitted for approval. AMEC held discussions with the local environmental authority. The required permits can be obtained through the submission of an Environmental Impact Statement. This is a less exacting document than an Environmental Impact Assessment. Approval has already been received from the environmental authority (CONAMA) to treat Colihues tailings, however, approval will also be required from the National Service for Geology and Mining (SERNAGEOMIN) regarding stability aspects of the dam.

MVC is still awaiting receipt of its official operating permit from SERNAGEOMIN. All documentation has been submitted and no issues are expected.

4.4 MINERAL EXPLORATION PROPERTIES

Coppercorp Property, Sault Ste. Marie, Ontario

Description and Location

The Coppercorp Property is located in Ryan Township, Sault Ste. Marie Mining Division, Sault Ste. Marie, Ontario. Access to the property is by paved Highway 17 (The Trans-Canada Highway) to the Mamainse Point area, approximately 90 kilometres north of Sault Ste. Marie. A system of logging roads provides further access to the interior of the property. The property consists of 23 unpatented, contiguous claims in 203 claim units. Many of these claims (16) occur within the Montreal Mining I Sand Bay Location, ground that was closed for staking until June 1, 2002.

Acquisition

The Issuer acquired an option to earn a 100% interest in the property from Terrence Stanley Nicholson, Domenic William Pipoli and William Edward Gibb, a group of three prospectors, by way of an option agreement dated 11th September 2002.

In order to earn the 100% interest, the Issuer has agreed to:

(1) Pay $30,000 cash and issue 200,000 common shares on approval of an option agreement (done),
(2) Issue a further 400,000 common shares and pay a further $70,000 cash over 4 years, provided that the Issuer may, at its option, issue shares of equivalent value in lieu of cash for all but the initial cash payment, and pay cash in lieu of issuing shares,
(3) Spend $200,000 on exploration on the property over 4 years, and
(4) Provide the optionors with a net smelter return royalty of 3% from any future production from the property. The Issuer has retained an option to buy back 1.5% of the royalty for $1,500,000.

On May 9, 2003, the Issuer negotiated for an amendment to the payment terms on the Coppercorp Property. Remaining share payments are reduced from 400,000 common shares to 300,000 common shares, of which 50,000 have been issued, while the cash payments increase to $75,000 ($15,000 paid) and the exploration commitment increases to $400,000 over four years.

The Issuer has entered into an agreement dated January 15, 2004 for the disposition of this property, subject to TSX-V approval, to Nikos Explorations Ltd. See “Agreement for Disposition of Ontario Mineral Properties”.

Geology and Exploration

The target of exploration on the Coppercorp Property is iron oxide-copper-gold (IOCG) mineralization of the Olympic Dam-type. The property covers the past producing Coppercorp Mine that produced 1.02 million tons of chalcocite-rich ore at an average grade of 1.16% Cu along with 1,964 oz gold and 237,603 oz silver from 1965 until closing in 1972.

The mining lease covering the property was only opened for staking in 2002, and has remained largely unexplored over the intervening 30 years.

At the Coppercorp mine site, mineralization is hosted by quartz veins that occur in fault-related breccias commonly cemented by iron oxide. Chlorite and sericite alteration occurs in the wallrock to the veins. Copper sulphides, dominantly chalcocite with lesser chalcopyrite and bornite, are usually accompanied by specular hematite. Numerous other copper occurrences occur on the Coppercorp property, and a sampling program in the fall of 2002 obtained values up to 10.71% copper over 0.6 meters, 3.34% copper and 3.3 grams/tonne gold over 0.45 meters from occurrences along strike to the north of the mine site. In addition, a value of 41.75% Cu was obtained from a chalcocite-rich boulder, the source of which has not been found.

Although copper is the main commodity of interest at Coppercorp some of the occurrences are also enriched in silver and gold. Values up to 121-grams/tonne silver were found in the recent sampling program, and values up to 19.5 grams/tonne gold have been reported from historical sampling. During 2003, the Issuer undertook an exploration program consisting of geological mapping, sampling and airborne geophysics to define targets for a first-stage drill program.

Island Copper Property, Sault Ste. Marie, Ontario,

Description and Location

The Island Copper Property consists of four claims totaling 23 units and five surface and mining leasehold patents. The property is located approximately 19 kilometres northeast of Sault Ste. Marie, Ontario. Access to the property is by means of paved Highway 556 that runs east of Highway 17 through the south of the property.

Acquisition

Under the terms of a November 15, 2001 letter of intent and subsequent option and joint venture agreement dated January 22, 2002 (the "Falconbridge Agreement"), the Issuer has the option to acquire from Falconbridge Limited ("Falconbridge") an undivided 55% interest in the Island Copper property, Sault Ste. Marie Mining Division, Ontario. To earn the interest, the Issuer must make the following expenditures over a 3 year time frame:

(1) C$100,000 during the first year for an aggregate total of C$100,000;
(2) C$100,000 during the second year for an aggregate total of C$200,000; and
(3) C$50,000 during the third year for an aggregate total of C$250,000.

Only the first expenditure amount of C$100,000 is considered a firm commitment. In addition, the Issuer must issue to Falconbridge common shares of the Issuer in the following tranches:

(1) 50,000 common shares within 90 days of signing the Falconbridge Agreement (issued);
(2) 50,000 common shares upon the first anniversary of Falconbridge Agreement for an aggregate total of 100,000 common shares (issued);
(3) 50,000 common shares upon the second anniversary of Falconbridge Agreement for an aggregate total of 150,000 common shares; and
(4) 50,000 common shares upon the third anniversary of Falconbridge Agreement for an aggregate total of 200,000 common shares.

Upon the Issuer earning an undivided 55% interest in the Island Copper Property, a 55%: 45% venture will be formed with industry standard joint venture terms governing the joint venture. Alternatively Falconbridge may exercise a one-time option to increase its interest in the property to 65% by electing, within 90 days of the Issuer having earned its 55% interest, to complete a bankable feasibility study on the property. If, based upon the outcome of the bankable feasibility study a production decision is made, Falconbridge shall have 90 days to exercise a one-time option to increase its interest further to 75% by arranging for mine financing. Falconbridge will become operator during the aforementioned 90 day periods. Should Falconbridge not exercise its right to increase its interest above 45%, the 55:45 joint venture relationship between the Issuer and Falconbridge will continue to operate with the Issuer as operator under the formal joint venture agreement. The joint venture partners will contribute, on a pro-rata basis, to exploration expenditures agreed upon by both companies. Failure by either party to contribute its share to agreed-upon exploration expenditures on the property will result in dilution of such defaulting party's interest. Should either party's interest in the property be diluted to 10% or less, that party's interest in the property will automatically revert to a 2% NSR. In the event that either party's interest reverts to a 2% NSR, the other party shall have the option to purchase 1% of the NSR for CDN$1,000,000.

The Issuer has entered into an agreement dated January 15, 2004 for the disposition of this property, subject to TSX-V approval, to Nikos Explorations Ltd. See "Agreement for Disposition of Ontario Mineral Properties".

Geology and Exploration

The target of mineral exploration on this property is an iron oxide copper-gold deposit. Previous work on the property has outlined copper-rich mineralization contained in albite-rich granite that crops out intermittently over an areal extent of 430 metres by 290 metres. Drilling performed in the mid 1960s and early 1970s in the immediate vicinity of the mineralized outcrop produced intersections of 0.83% Cu over 15.98 metres and 4.02% Cu over 9.5m, 6.22% Cu that included 1.7 g/tonne Au over 3.05 metres.

The albite granite appears to be related to Keweenawan-aged rifting, and has intruded Archean–aged rocks of the Gros Cap batholith along two intersecting faults. Both the intrusion and the Archean country rock are brecciated in places, with the albite granite containing chalcopyrite and specular hematite veinlets. It appears that the intrusion did not break through to surface, but was capped by the gneiss of the Gros Cap Batholith. This implies that the gneiss would have contained the hydrothermal system responsible for the mineralization in the granite.

Prior to the Issuer's involvement in the property, work by Falconbridge outlined a zone of coincident high gravity and chargeability that covers an area of gneiss outcrop. A recent detailed aeromagnetic survey flown for the Issuer also indicated a linear east-west anomaly offset to the south of the gravity and chargeability anomalies. Together these anomalies may indicate the presence of mineralization either within or below the gneiss. In addition, discoveries of iron-oxide copper gold deposits elsewhere in the world have been made by drilling such anomalies.

The Issuer completed a first stage-drilling program on the Island Copper Project. A total of 992 metres of drilling in four holes tested the depth extent and continuity of previously outlined copper and gold mineralization as well as coincident chargeability and residual gravity anomalies. Drilling intersected sulfide mineralization in all four holes, with chalcopyrite, commonly accompanied by hematite, present in three of the four holes. Well-developed potassic and iron-oxide alteration, as well as localized albitic (sodium-rich) alteration was observed in the drill holes. This style of alteration and mineralization is consistent with that associated with Iron Oxide Copper Gold (IOCG) deposits elsewhere in the world. The best intersection of the program was an eight metre intersection that averaged 1.5% copper and 0.2 grams/tonne gold, that included 4.44% copper and 0.5 grams/tonne gold over two meters.

Bellevue Property, Sault Ste. Marie, Ontario

Description and Location

The Bellevue property, staked during February 2002 in Aweres and Van Koughnet Townships, consists of 44 units (approximately 704 hectares) adjoining the Island Copper property to the east and south. It is located approximately 18 kilometres northeast of Sault Ste. Marie. The infrastructure is excellent, as both paved highway 556 and the Algoma Central Railway line run through the property.

The Issuer has entered into an agreement dated January 15, 2004 for the disposition of this property, subject to TSX-V approval, to Nikos Explorations Ltd. See "Agreement for Disposition of Ontario Mineral Properties".

Geology and Exploration

The claims cover the eastward extension of the contact between the Archean and Proterozoic rocks that occurs on the Island Copper property. The Proterozoic rocks consist of clastic sedimentary rocks of the Aweres Formation and volcanic rocks of the Elliot Lake Formation. Several faults occur in the area, including the highway fault that separates the Archean from the Proterozoic rocks. This fault is truncated and cross cut by a regional scale north-northwest trending fault immediately north of Upper Island Lake.

Several mineral occurrences are covered by the claims, including hematite associated with faulted Huronian rocks immediately east of Highway 556, a copper occurrence at the north end of Upper Island Lake and an unidentified radioactive occurrence, reported south of Highway 556 in the vicinity of Aweres Lake. A positive 440 gamma aeromagnetic anomaly occurs in the northeast portion of the property.

A recent Ontario Geological Survey report on exploration opportunities in Jarvis and Aweres Townships cites the area covered by the Bellevue property as being prospective for iron oxide copper-gold deposits. The presence of intersecting faults, hematite (in part after magnetite) in the Huronian sedimentary rocks and aeromagnetic anomalies all contribute to the prospectivity of the area.

Although work on the property has been limited since it was staked, an airborne survey, flown for the Issuer early in 2003, indicates a large (approximately 3km by 3km) magnetic anomaly in the northeastern portion of the property. The source of the anomaly is unknown. The Issuer has completed a first stage exploration program consisting of geological mapping and sampling following up on this anomaly.

4.5 Agreement for Disposition of Ontario Mineral Properties

Pursuant to an agreement with Nikos Explorations Ltd. ("Nikos") dated January 15, 2004, the Issuer has agreed to transfer its interest in the Coppercorp Property, the Island Copper Property and the Bellevue Property. The Issuer will receive 5,000,000 common shares of Nikos upon TSX Venture Exchange acceptance of the transaction, and will receive 5,000,000 additional common shares at the option of Nikos on or before June 30, 2005 if Nikos retains an interest in any of the properties. The acquisition of these properties will form part of the application for the reactivation of Nikos from NEX to the TSX Venture Exchange.

ITEM 5: SELECTED CONSOLIDATED FINANCIAL INFORMATION

The Issuer's accounting policy with respect to deferred exploration costs is to capitalize expenditures incurred and charge the amounts to income when properties are developed to a stage of commercial production, through unit of production depletion. If an area of interest is abandoned or if it is determined that its value is less than book value, the related costs are charged against income in the year of abandonment or determination of value.

The following table illustrates selected consolidated financial information of the Issuer for, and as at the end of, each of its last three fiscal years up to and including December 31, 2003. This financial information is derived from the audited consolidated financial statements of the Issuer for the ten months ended December 31, 2003 and the years ended February 2003 and, 2002.

Amounts reported in Canadian Dollars prior to the company's change in reporting currency to the U. S. Dollar (July 2003) are translated at the historical rate of $1.4943. All dollar amounts in this table are in U.S. Dollars.

	10 months ended Dec. 31, 2003	**12 months ended Feb. 28, 2003**	**12 months ended Feb. 28, 2002**
Revenue	$12,243,150	$85,492	$4,013
Write-off of Resource properties	-	-	47,669
Cost of sales	9,920,615	-	-
Other income and expenses	252,783	147,826	141,098
Net earnings (loss)	1,881,013	(62,334)	(194,853)
	At Dec. 31, 2003	**At Feb. 28, 2003**	**At Feb. 28, 2002**
Assets			
Cash and cash equivalents	$4,366,419	$91,654	$2,601
Working capital (deficiency)	4,321,297	91,647	(80,452)
Mineral property, plant and equipment	23,528,632	254,498	59,317
Other Assets	1,226,123	-	-
Liabilities			
Notes payable	3,400,000	-	-

	10 months ended Dec. 31, 2003	12 months ended Feb. 28, 2003	12 months ended Feb. 28, 2002
Enami loans	1,397,166(1)	-	-
Other long-term liabilities and minority interest	357,488	-	33,460(2)
Shareholders' Equity			
Capital Stock	24,813,185	3,390,897	2,902,801
Other capital accounts	273,699	1,747	60,229
Deficit	(1,165,486)	(3,046,499)	(2,984,164)
Number of Securities	60,197,876	6,384,688	2,668,819

(1) The issuer repaid these loans in full in March 2004.

(2) Unsecured loan from Welcome Opportunities Ltd. (now Endeavour Mining Capital Corp.) The Issuer repaid the loan in February 2003 with $2,500 of interest.

Ten months ended December 31, 2003	1 month ended	3 months ended	3 months ended	3 months ended
	Dec. 31, 2003	Nov. 30, 2003	August 31, 2003	May 31, 2003
Revenue	$2,837,890	$5,869,049	$3,536,211	-
Cost of sales	2,299,513	4,704,089	2,917,013	-
Other income and expenses	129,446	40,879	36,448	46,010
Net earnings (loss) for the period	372,621	1,017,089	537,313	(46,010)
Earnings (loss) per share, basic	0.0062	0.0177	0.0125	(0.01)
Earnings (loss) per share, diluted	0.0043	0.0120	0.0114	(0.01)

Twelve months ended Feb. 28, 2003	3 months ended	3 months ended	3 months ended	3 months ended
	Feb. 28, 2003	Nov. 30, 2002	August 31, 2002	May 31, 2002
Revenue	$14,047	$71,445	-	
Cost of sales	-	-	-	-
Other income and expenses	50,977	21,343	45,384	30,122
Net earnings (loss) for the period	(36,930)	50,102	(45,384)	(30,122)
Earnings (loss) per share, basic	(0.01)	-	-	(0.01)
Earnings (loss) per share, diluted	(0.01)	-	-	antidilutive

Twelve months ended Feb. 28, 2002	3 months ended	3 months ended	3 months ended	3 months ended
	Feb. 28, 2002	Nov. 30, 2001	August 31, 2001	May 31, 2001
Revenue	-	-	-	-
Cost of sales	-	-	-	-
Other income and expenses	61,506	26,913	34,666	18,013
Net earnings (loss) for the period	(69,257)	(72,917)	(34,666)	(18,013)
Earnings (loss) per share, basic	(0.01)	(0.01)	-	-
Earnings (loss) per share, diluted	antidilutive	antidilutive	-	-

Dividend Policy

The Issuer has not paid any dividends on its common shares. The Board of Directors of the Issuer has not yet determined a dividend policy but consideration for such a policy will be given during 2004.

ITEM 6: MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion of the financial condition, changes in financial condition and results of operations of the Issuer for the ten months ended December 31, 2003 and the years ended February 28, 2003, and February 28, 2002 should be read in conjunction with the audited consolidated financial statements of the Issuer and the related notes. Unless expressly stated otherwise, all references to dollar amounts in this section are to U.S. Dollars.

Overview

The Issuer was a development stage company with mineral properties located in Canada and no source of revenue other than that derived from the sale of certain mineral properties up to July 3, 2003, when it acquired, through a subsidiary, all of the issued and outstanding shares of Minera Valle Central S.A. (MVC). MVC is a Chilean copper producer with a contract with Chile's state-owned copper producer Codelco through at least 2021 to process the tailings from the El Teniente mine in Chile.

As a result of this acquisition the overall performance of the Issuer during the ten months ended December 31, 2003 substantially differs from performance in prior periods.

The Issuer's head office is located in Vancouver, British Columbia.

RESULTS OF OPERATIONS

Ten months ended December 31, 2003 Compared to Year Ended February 28, 2003

In 2003 the Issuer changed its fiscal year end to December 31. Accordingly, fiscal 2003 was comprised of a ten-month period (from March 1 to December 31). In 2003, the Issuer reported net earnings of $1,881,013, compared to a loss of $62,334 in the year ended February 28, 2003, with revenues of $12,243,150 (fiscal 2002: $85,492), cost of sales of $9,920,615 (nil in fiscal 2002) and other income and expenses of $252,783 (fiscal 2002: $147,826).

Year Ended February 28, 2003 Compared to Year Ended February 28, 2002

For the fiscal year ended February 28, 2003, the Issuer had a loss of $62,334 compared with a loss of $194,853 for the same period in 2002. Other income and expenses increased slightly to $147,826 for the year ended February 28, 2003 from $141,098 for 2002.

Investment income decreased to $1,024 in the year ended February 28, 2003 as compared to $4,013 in 2002. There was a loss of $353 on foreign exchange in the year ended February 28, 2003 as compared with no gain or loss in 2002.

Year Ended February 28, 2002 Compared to Year Ended February 28, 2001

For the fiscal year ended February 28, 2002, the Issuer had a loss of $194,853 compared with a loss of $340,742 for the same period in 2001. General and administrative expenses varied slightly to $141,098 for the year ended February 28, 2002 from $142,804 for 2001.

During the period, the Issuer elected to write-off the acquisition and exploration costs, net of recoveries, incurred on its Mexican properties in the aggregate of $46,005.

Investment income decreased to $4,013 for the year ended February 28, 2002 as compared to $4,402 for 2001. There was no gain or loss on foreign exchange in the year ended February 28, 2002 as compared with a gain of $128 in 2000.

FINANCIAL CONDITION AND LIQUIDITY

Following the acquisition of MVC in July 2003, the Issuer's revenue is derived from the sale of copper concentrate produced by MVC in Chile. The Issuer has been and expects to continue to be able to generate sufficient cash resources, both in the short and long-term, to maintain existing operations and fund projected plant expansions at MVC. The Issuer's financial performance is dependent on many external factors. As stated above, the Issuer's revenue is fundamentally derived from the sale of copper concentrate. Although copper prices have increased substantially since the acquisition of MVC, both prices and markets for metals and minerals are cyclical, difficult to predict, volatile, subject to government price fixing and controls and availability and cost of funds for exploration, development and production costs are difficult to predict. These changes and events could materially affect the financial performance of the Issuer. The Issuer through MVC's operations, has limited exposure to changes of the Chilean Peso with respect to the US Dollar, as MVC's revenue is quoted in US Dollars and the majority of its costs are either quoted in US Dollars or quoted in Chilean Pesos indexed to the US Dollar. The Issuer receives interest income that fluctuates depending on the level of the Issuer's balances in interest bearing accounts

On December 31, 2003, the Issuer held $4,366,419 in cash and cash equivalents, compared to cash balances of $91,654 and $2,601 on February 28 2003 and 2002, respectively. On December 31, 2003 the Issuer had working capital of $4,321,297 compared to working capital at February 28, 2003 of $91,647 and a working capital deficiency of ($80,452) as at February 28, 2002.

The Issuer had mineral property, plant and equipment of $23,528,632 as at December 31, 2003, compared to $254,498 of these assets held on February 28, 2003 and $59,317 as at February 28, 2002.

In connection with the acquisition of MVC, the Issuer holds a note payable for $3,400,000, plus accrued interest, which will be paid in cash or shares of the Issuer, three years after the acquisition if the average copper price is over $0.82 per pound. Payment in cash or shares is at the option of the Issuer; however, if the Issuer elects to pay in shares, the note holder has the right to either receive the payment in shares at the then current market price or receive payment in cash within two years counted from the end of the three-year period plus interest at an annual rate of 5%. If the copper price is below $0.82 per pound, the payment period will be extended to five years. Payment will be made in cash only plus interest at an annual rate of 5%.

During fiscal 2003, the Issuer made substantial progress in repaying existing working capital loans in MVC. Principal payments of $1,073,958 took place, reducing outstanding loans to Empresa Nacional de Minería (Enami) to $1,397,166 at December 31, 2003. The loans were paid in full subsequent to December 31, 2003.

The Issuer's share capital at December 31, 2003 was $24,813,185 compared to $3,390,897 at February 28, 2003 and $2,902,801 at February 28, 2002. The Issuer's deficit was ($1,165,486) at December 31, 2003, ($3,046,499) at February 28, 2003 and ($2,984,164) as at February 28, 2002.

As at December 31, 2003, the Issuer had pledged $12,600,000 as collateral for a demand loan of $12,600,000 advanced by a Canadian owned bank. The deposit was restricted under the terms and conditions of the demand loan and may have been applied at any time at the option of the Issuer to settle the demand loan. The interest rate on the demand loan was 90 days LIBOR plus 0.5%. The cash deposit and demand loan were part of an interim financing structure, which was replaced subsequent to year end by a structure involving the registration of a subsidiary that has applied for a banking licence in an offshore jurisdiction. For accounting purposes, the cash deposit was netted against the demand loan. As at February 28, 2003, the Issuer had no bank loans or other long-term debt outstanding. As at February 28, 2002, the Issuer had a $33,460 loan outstanding which was repaid in February 2003.

In fiscal 2003, the Issuer raised $20,851,590 in the capital markets for the acquisition of MVC and for working capital purposes, and secured an additional $1,711,369 through the exercise of stock purchase options and stock purchase warrants. During the fiscal year ended February 28, 2003, the Issuer completed three private placement financings, for aggregate proceeds of $460,751 No financings were completed during the fiscal year ended February 28, 2002.

During the ten months ended December 31, 2003, the Issuer invested $870,574 of cash resources into MVC's plant expansion and procurement of new equipment. In the year ended February 28, 2003, the Issuer spent a net aggregate of $151,013 on investing activities, comprised of mineral interest acquisitions and exploration costs on its Canadian properties. For the fiscal year ended February 28, 2002, the Issuer spent a net aggregate of $59,317 on investing activities, also related to mineral interest acquisitions and exploration costs in Canada.

ITEM 7: TRADING INFORMATION

The common shares of the Issuer are listed and posted for trading on the TSX under the symbol ARG. Certain warrants exercisable into common shares of the Issuer are posted for trading on the TSX under the symbol ARG.WT.

ITEM 8: DIRECTORS AND OFFICERS

8.1 NAME, ADDRESS, OCCUPATION AND SECURITY HOLDING

The name, municipality of residence, positions held with the Issuer, and principal occupation of each director, officer and executive officer of the Issuer within the five preceding years as at the date of this Annual Information Form, is as follows:

Name, Municipality of Residence, and Position with the Issuer	Principal Occupation within the five preceding years	Period of Service as a Director or Officer
Steven G. Dean West Vancouver, B.C. Chairman & Director	Chairman of the Issuer, formerly President and a Director of Teck Cominco Limited (1999-July 2002), Founder and Chief Executive Officer of PacMin Mining Corporation Limited (1995-1999)	April 2003 to Present Class III Director(3)
Klaus M. Zeitler West Vancouver, B.C. President & Director	President of the Issuer and formerly Senior Vice President of Teck Cominco Limited (1997–2002), Director of Teck Corp. (1981–1997) and Cominco Limited (1986-1996)	April 2003 to Present Class II Director(2)
Sidney Robinson Toronto, Ontario Independent Director	Corporate Director and Consultant; until January 1, 2004, Senior Partner of Torys LLP, Toronto.	May 2003 to Present Class III Director(3)
Ian E. Gallie Victoria, B.C. Independent Director	Petroleum Geologist & Business Consultant; President & Director, Catalina Energy Corp. (July 2002 – present); Director, Bonanza Resources Corporation (March 2003 – present); Director, President, Arbroath Energy Ltd. (April 1991 – present)	August 2001 to Present Class I Director(1)
Roger Moss Toronto, Ontario Vice President of Exploration	Professional Geologist; President of Issuer (August 2001-May 8, 2003); Vice President Exploration of Issuer (April 2000 – August 2001); President Moss Exploration Services (1997 to present); Ph.D. Degree University of Toronto (2000).	August, 2001 to Present
Jeffrey Giesbrecht Vancouver, B.C. Corporate Secretary	Corporate and mining lawyer, General Counsel to Western Silver Corporation from 1998 to present.	March 2003 to Present
Aurora Davidson Vancouver, B.C. Chief Financial Officer	Certified General Accountant (2003); BSc in Business Administration from Alliant International University in San Diego, California (1990).	December 2003 to Present

(1) Class I directors have been elected to a term expiring after the Issuer's annual general meeting to be held in 2004.
(2) Class II directors have been elected to a term expiring after the Issuer's annual general meeting to be held in 2005.
(3) Class III directors have been elected to a term expiring after the Issuer's annual general meeting to be held in 2006.

Steven G. Dean is a Fellow of the Institute of Chartered Accountants of Australia, a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Canadian Institute of Mining, Metallurgy and Petroleum. He has extensive experience in mining, most recently as President of Teck Cominco Limited to July, 2002. He has also been Executive Director and Chief Financial Officer of Normandy Mining Ltd. from 1987 to 1994, and Chairman and Chief Executive Officer of PacMin Mining Corporation from 1995 to 1999. Both of these latter companies traded on the Australian Stock Exchange.

Klaus M. Zeitler received a Ph.D. in Economic Planning in Germany in 1967, and has been active in the mining industry ever since, most recently as Senior Vice President of Teck Cominco Limited from March, 1997 to November,

2002. He was also President and CEO of Inmet Mining Corp. from 1986 to 1996, and has been a director of Western Silver Corporation (TSX-WTC) since September, 2000. In addition to the above, Dr. Zeitler was Chairman and a director of Minnova from 1992 to 1993, and a director of Mount Isa Mining from 1992 to 1993.

Sidney Robinson was a partner with Torys LLP until December 31, 2003 and has been a member of the Law Society of Upper Canada since 1968. He received his Ll.M. from Osgoode Hall in 1977. He has practiced mining and corporate law since being called to the bar, and was a director of Inmet Mining Corp. from 1987 to 1996.

Ian Gallie received his degree in Geology in 1976, and has been active in mining and petroleum exploration since then and active in public companies as a director and/or officer since 1985. He is on the Board of Directors of Catalina Energy Corp. (since July 2002), Bonanza Resources Corporation (since March 2003), and has been on the board of Doreal Energy (1996 – 2002), Titan Pacific Resources Ltd. (1988 to 1995).

Roger Moss is a professional geologist with thirteen years experience in the exploration industry. Dr. Moss was instrumental in the discovery of the Navachab gold deposit in Namibia, which, after 12 years of operation, still contains reserves and resources of 3.7 million oz gold. He has conducted extensive research on hydrothermal ore deposits, culminating with a Ph.D. in geology at the University of Toronto in 2000.

Jeffrey Giesbrecht is a member of the Law Society of British Columbia. He received a degree in Geological Engineering (Geophysics) in 1989, and has practiced corporate, mining and securities law since 1994. Mr. Giesbrecht is Secretary of Quaterra Resources Inc. (since June, 1999), and Radiant Resources Inc. (since January, 1999). He is also Vice-president, Legal to Western Silver Corporation (TSX –WTC).

Aurora Davidson holds a Certified General Accountant designation from the Certified General Accountants Association of British Columbia (2003) and a BSc in Business Administration from Alliant International University in San Diego, California (1990). Ms. Davidson has over 14 years of experience in financial and general business management having assisted private and public companies in the roles of Chief Financial Officer, Vice-president, Finance and Corporate Controller within the mineral exploration and high technology sectors.

The Issuer does not have an Executive Committee. The Issuer is required to have an audit committee, which committee is comprised of Steven G. Dean, Ian Gallie and Sidney Robinson. The Directors are elected or appointed to office until the third successive next Annual General Meeting or their successors are duly elected or appointed. The Issuer is required to hold an Annual General Meeting not more than thirteen months after the date that the last Annual General Meeting was held. The Issuer held its last Annual General Meeting on August 21, 2003, and has scheduled its next Annual and Extraordinary General Meeting for June 17, 2004. The Issuer has proposed amendments to the Articles that would allow the Annual General Meeting to be held up to fifteen months after the date that the last Annual General Meeting was held as permitted by the Business Corporations Act (British Columbia) which was recently enacted. The Issuer has a Nominating Committee that is comprised of Steven G. Dean, Ian Gallie and Sidney Robinson.

Aggregate Ownership of Securities

The securities of the Issuer held by the directors and officers of the Issuer as a group as of the date of this Annual Information Form are as follows:

Name	Position	Number of Shares*	Percentage of Issued and Outstanding Common Shares
Steven G. Dean	Director and Chairman	2,930,167	4.6
Klaus M. Zeitler	Director and President	2,189,167	3.5
Sidney Robinson	Director	400,000	0.6
Roger Moss	Vice-President, Exploration	65,484	0.1
Jeffrey Giesbrecht	Secretary	25,000	0.1
Total		**5,609,818**	**8.9**

* This information is provided by the Directors and Officers themselves.

8.2 CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES

Except as provided below, no directors and officers of the Issuer have within the past ten years, been a director or officer of an issuer that, while that person was acting in that capacity: (a) was the subject of a cease trade order or similar order, or an order that denied the other issuer access to any exemptions under Canadian securities legislation, for a period of more that thirty consecutive days, or (b) 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.

Ian E. Gallie was a director of Doreal Energy Corporation. a TSX Venture Exchange reporting Issuer that was subject of a cease trade order issued by the British Columbia Securities Commission from May 29, 2002 to November 14, 2002 for failure to file annual financial statements. On November 14, 2002, the common shares of Doreal Energy Corporation were delisted from the TSX Venture Exchange.

8.3 PENALTIES OR SANCTIONS

No director, officer or promoter of the Issuer has been the subject of any penalties or sanctions imposed by court or a securities regulatory authority relating to trading in securities, the promotion, formation or management of a publicly traded issuer or involving theft or fraud, other than penalties for late filing of insider reports. The foregoing information, not being within the knowledge of the Issuer, has been furnished by the respective directors, officers and promoters of the Issuer individually.

8.4 PERSONAL BANKRUPTCIES

During the ten years preceding the date of this Annual Information Form, no director, officer or promoter of the Issuer has been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets. The foregoing information, not being within the knowledge of the Issuer, has been furnished by the respective directors, officers and promoters of the Issuer individually.

8.5 CONFLICTS OF INTEREST

Some of the directors and officers of the Issuer are, or may be, on the board of directors of other natural resource companies from time to time resulting in conflicts of interests. In addition, Steven G. Dean and Klaus M. Zeitler are directors of the Issuer and indirectly hold Class A common shares of Amerigo International Holdings Corp., through which they receive a dividend royalty on all copper produced by MVC. There is the potential for a conflict of interest between the interest of Mr. Dean and Dr. Zeitler and the interest of the Issuer. These conflicts will be resolved in accordance with the governing legislation regarding conflicts of interests.

ITEM 9: ADDITIONAL INFORMATION

Additional information relating to the Issuer may be found on SEDAR at www.sedar.com.

The Issuer shall provide to any person, upon request to the Secretary of the Issuer:

1. one copy of the Annual Information Form of the Issuer, together with one copy of any document, or the pertinent pages of any document, incorporated by reference in the Annual Information Form,

2. one copy of the comparative financial statements of the Issuer for its most recently completed financial year together with the accompanying reports of the auditor and one copy of any interim financial statements of the Issuer subsequent to the financial statements for its most recently completed financial year, and

3. one copy of the information circular of the Issuer in respect of its most recent annual meeting of shareholders that involved the election of directors or one copy of any annual filing prepared in lieu of that information circular, as appropriate.

The Issuer may require the payment of a reasonable charge if the request is made by a person who is not a security holder of the Issuer.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Issuer's securities, options to purchase securities, interests of insiders in material transactions, where applicable, is contained in the Issuer's Information Circular dated May 7, 2004, for the Issuer's annual general and extraordinary meeting to be held on June 17, 2004. Additional financial information is available in the Issuer's comparative audited consolidated financial statements for the years ended December 31, 2003. February 28, 2003, and February 28, 2002, as well as unaudited quarterly financial statements for the quarter ended March 31, 2004. A copy of these documents may be obtained from the Secretary of the Issuer at its corporate office upon request, and are available at www.sedar.com.