

Amerigo Announces Q2-2013 Financial Results

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- Revenues of \$31.4 million

- Operating cash flow of \$4.1 million

- Net loss of \$837,000

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Aug 6, 2013) - [Amerigo Resources Ltd. \(TSX:ARG\)](#) ("Amerigo" or the "Company") reported today results for the quarter ended June 30, 2013.

Amerigo's President and CEO, Dr. Klaus Zeitler, stated "Revenues were lower due to lower metal prices and reduced production levels caused by the April slide in a Colihues working area and the resulting change in mine plan. The Company generated \$4.1 million in cash flow and paid off its remaining bank debt in the quarter. In addition, as announced in our July 22, 2013 press release, the Codelco board approved the major terms of an agreement granting Amerigo the rights to process tailings from the Cauquenes tailings deposit and extending the fresh tailings contract from 2021 to 2037. On completion of the Cauquenes expansion the Company's annual copper production is expected to double to 90 million pounds with cash costs reduced by more than 20% from current levels. Being debt-free helps clear the way for the debt financing the Company is seeking for the project."

Rob Henderson, Chief Operating Officer, added, "Despite continuing challenging mining conditions in Colihues, copper production levels have risen each month since April through to the end of July. Our guidance for the year remains unchanged with copper production to be at the lower end of a range from 45 to 50 million pounds and molybdenum production of approximately 700,000 pounds. The Company has also implemented cost savings measures at MVC, including a reduction in the number of subcontractors, which are expected to have a positive impact on the Company's financial results starting in Q3-2013."

Comparative Quarterly Overview

	Three months ended June 30,			
	2013	2012	Change	
			\$	%
Copper produced, million pounds	9.55	11.57	(2.02)	(17 %)
Copper sold, million pounds	9.44	10.76	(1.32)	(12 %)
Molybdenum produced, pounds	176,155	228,932	(52,777)	(23 %)
Molybdenum sold, pounds	177,845	243,263	(65,418)	(27 %)
Percentage of copper production from old tailings	37 %	42 %		(5 %)
Revenue (\$ thousands)	31,446	40,013	(8,567)	(21 %)
Cost of sales ⁽¹⁾ (\$ thousands)	31,203	40,092	(8,889)	(22 %)
El Teniente royalty costs (\$ thousands)	7,317	9,589	(2,272)	(24 %)
Gross profit (loss) (\$ thousands)	243	(79)	322	
Net (loss) profit (\$ thousands)	(837)	(1,002)	165	(16 %)
Operating cash flow (\$ thousands)	4,142	3,643	499	14 %
Cash flow paid for plant expansion (\$ thousands)	(3,676)	(7,663)	3,987	(52 %)

Cash and cash equivalents (\$ thousands)	3,881	7,592	(3,711)	(49 %)
Bank debt (\$ thousands)	-	3,366	(3,366)	(100 %)
Average realized copper price per pound	3.40	3.74	(0.34)	(9 %)
Cash cost per pound ⁽²⁾	2.24	2.61	(0.37)	(14 %)
Total cost per pound ⁽³⁾	3.48	3.77	(0.29)	(8 %)

⁽¹⁾ Includes El Teniente royalty costs

^{(2), (3)} Cash cost and total cost per pound are non-GAAP measures. Refer to the Company's June 30, 2013 Management's Discussion and Analysis for a reconciliation of these measures to GAAP.

Financial results

- Revenue was \$31.4 million, compared to \$40 million in Q2-2012. Revenues decreased 21% due to lower copper and molybdenum sales volume and lower average metal prices.
- Cost of sales was \$31.2 million, compared to \$40.1 million in Q2-2012, a decrease of 22% driven by lower production levels and substantially reduced power costs mainly as a result of the change in the Company's power contract from a variable to a lower fixed rate.
- Gross profit was \$243,000, compared to a gross loss of \$79,000 in Q2-2012.
- Net loss was \$837,000, compared to a net loss of \$1 million in Q2-2012.

Production

- The Company produced 9.6 million pounds of copper, 17% lower than the 11.6 million pounds produced in Q2-2012.
- Molybdenum production was 176,155 pounds, 23% lower than the 228,932 pounds produced in Q2-2012.

Revenue

- Revenue decreased to \$31.4 million, compared to \$40 million in Q2-2012, due to lower production levels and lower metal prices. The Company's copper selling price before smelting, refining and other charges was \$3.40/lb compared to \$3.74/lb in Q2-2012, and the Company's molybdenum selling price was \$11.00/lb compared to \$14.02/lb in Q2-2012.

Costs

- Cash cost (the aggregate of smelting, refining and other charges, production costs net of inventory adjustments and molybdenum-related net benefits, administration and transportation costs) before El Teniente royalty was \$2.24/lb, compared to \$2.61/lb in Q2-2012. Cash costs decreased in Q2-2013 mostly as a result of a \$0.56/lb reduction in power costs.
- Total cost (the aggregate of cash cost, El Teniente royalty, depreciation and accretion) was \$3.48/lb compared to \$3.77/lb in Q2-2012.
- Power costs in Q2-2013 were \$5.1 million (\$0.0858/kwh) compared to \$12.7 million (\$0.1947/kwh) in Q2-2012. Similar lower power cost levels are expected to December 31, 2017, the end of the term of MVC's current power contract.
- Total El Teniente royalties were \$7.3 million in Q2-2013, compared to \$9.6 million in Q2-2012, due to lower production and metal prices.

Cash and Financing Activities

- Cash balance was \$3.9 million at June 30, 2013 compared to \$9.3 million at December 31, 2012.

Investments

- Cash payments for capital expenditures ("Capex") were \$3.7 million, compared to \$7.7 million in Q2-2012, and were funded from operating cash flow and cash at hand. YTD cash payments for Capex were \$7.3 million, compared to \$16.3 million in 2012.
- Capex incurred in Q2-2013 totaled \$3 million (Q2-2012: \$8.4 million) and included project investments in connection with the Cauquenes expansion and sustaining Capex projects. YTD-2013 incurred Capex totaled \$5 million (YTD-2012: \$15.8 million).
- The Company's investments in [Candente Copper Corp.](#) and [Los Andes Copper Ltd.](#) had an aggregate fair value of \$2.9 million at June 30, 2013 (December 31, 2012: \$4.1 million).

Outlook

- Management guidance for 2013 production remains at the lower end of the range of 45 to 50 million pounds of copper and 700,000 pounds of molybdenum. As a result of a slide in a Colihues working area and consequent change in mine plan, Colihues extraction rates and grades have been negatively affected but are expected to improve in the second half of the year.
- Projected cash cost for 2013 continues to be between \$1.95/lb and \$2.15/lb Cu.
- Excluding the Cauquenes project, 2013 estimated Capex at MVC continues to be approximately \$7.2 million, with \$2.4 million for Cauquenes engineering and permitting.

The information in this news release and the Selected Financial Information contained in the following page should be read in conjunction with the Unaudited Condensed Consolidated Interim Financial Statements and Management's Discussion and Analysis for the three and six months ended June 30, 2013 and the Audited Consolidated Financial Statements and Management's Discussion and Analysis for the year ended December 31, 2012, which will be available at the Company's website at www.amerigoresources.com and at www.sedar.com.

[Amerigo Resources Ltd.](#) produces copper and molybdenum under a long term partnership with the world's largest copper producer, Codelco, by means of processing fresh and old tailings from the world's largest underground copper mine, El Teniente near Santiago, Chile. Tel: (604) 681-2802; Fax: (604) 682-2802; Web: www.amerigoresources.com; Listing: TSX:ARG.

Certain of the information and statements contained herein that are not historical facts, constitute "forward-looking information" within the meaning of the Securities Act (British Columbia), Securities Act (Ontario) and the Securities Act (Alberta) ("Forward-Looking Information"). Forward-Looking Information is often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend"; statements that an event or result is "due" on or "may", "will", "should", "could", or "might" occur or be achieved; and, other similar expressions. More specifically, Forward-Looking Information contained herein includes, without limitation, information concerning future tailings production volumes and the Company's copper and molybdenum production, all of which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such Forward-Looking Information; including, without limitation, material factors and assumptions relating to, and risks and uncertainties associated with, the supply of tailings from El Teniente and extraction of tailings from the Colihues tailings impoundment, the achievement and maintenance of planned production rates, the evolving legal and political policies of Chile, the volatility in the Chilean economy, military unrest or terrorist actions, metal price fluctuations, favourable governmental relations, the availability of financing for activities when required and on acceptable terms, the estimation of mineral resources and reserves, current and future environmental and regulatory requirements, the availability and timely receipt of permits, approvals and licenses, industrial or environmental accidents, equipment breakdowns, availability of and competition for future mineral acquisition opportunities, availability and cost of insurance, labour disputes, land claims, the inherent uncertainty of production and cost estimates, currency fluctuations, expectations and beliefs of management and other risks and uncertainties, including those described under Risk Factors in the Company's Annual Information Form and in Management's Discussion and Analysis in the Company's financial statements.

Such Forward-Looking Information is based upon the Company's assumptions regarding global and Chilean economic, political and market conditions and the price of metals, including copper and molybdenum, and future tailings production volumes and the Company's copper and molybdenum production. Among the factors that have a direct bearing on the Company's future results of operations and financial conditions are changes in project parameters as plans continue to be refined, interruptions in the supply of fresh tailings

from El Teniente, further delays in the extraction of tailings from the Colihues tailings impoundment, a change in government policies, competition, currency fluctuations and restrictions and technological changes, among other things. Should one or more of any of the aforementioned risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from any conclusions, forecasts or projections described in the Forward-Looking Information. Accordingly, readers are advised not to place undue reliance on Forward-Looking Information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise Forward-Looking Information, whether as a result of new information, future events or otherwise.

AMERIGO RESOURCES LTD.
SELECTED FINANCIAL INFORMATION

QUARTERS ENDED JUNE, 2013 AND 2012

All figures expressed in US Dollars and presented under IFRS

Consolidated Statements of Financial Position

	June 30, December 31,	
	2013	2012
	\$	\$
Cash and cash equivalents	3,881	9,250
Property, plant and equipment	126,054	138,337
Other assets	55,553	56,829
Total assets	185,488	204,416
Total liabilities	58,539	72,218
Shareholders' equity	126,949	132,198
Total liabilities and shareholders' equity	185,488	204,416

Consolidated Statements of Comprehensive Loss

	Quarter ended	Quarter ended
	June 30,	June 30,
	2013	2012
	\$	\$
Revenue	31,446	40,013
Cost of sales	(31,203)	(40,092)
Other expenses	(1,176)	(1,194)
Finance expense	(114)	(177)
Income tax recoveries	210	448
Loss for the period	(837)	(1,002)
Other comprehensive loss	(10,610)	(6,056)
Comprehensive loss	(11,447)	(7,058)
LPS- Basic and Diluted	(0.01)	(0.01)

Consolidated Statements of Cash Flows

	Quarter ended	Quarter ended
	June 30,	June 30,
	2013	2012
	\$	\$
Net cash (used in) provided by operating activities	(4,764)	270
Net cash used in investing activities	(3,676)	(7,663)
Net cash used in financing activities	(993)	(4,227)
Net cash outflow during the period	(9,433)	(11,620)

Contact

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