

*A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of British Columbia, Alberta, Manitoba, Ontario and Québec but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.*

*This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. The securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws. Accordingly, these securities may not be offered or sold in the United States of America or to or for the account or benefit of a U.S. Person as defined in Regulation S under the U.S. Securities Act unless registered under the U.S. Securities Act and applicable state laws or an exemption from such registration is available. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See “Plan of Distribution”.*

*Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of documents incorporated herein by reference may be obtained on request without charge from the Secretary of Amerigo Resources Ltd. at Suite 3083, 595 Burrard Street, Vancouver, British Columbia, V7X 1L3, telephone (604) 681-2802 and are also available electronically at [www.sedar.com](http://www.sedar.com). For the purposes of the Province of Québec, this simplified prospectus contains information to be completed by consulting the permanent information record. A copy of the permanent information record can be obtained from the Secretary of Amerigo Resources Ltd. at the above mentioned address and telephone number.*

## PRELIMINARY SHORT FORM PROSPECTUS



New Issue

February 27, 2006

**\$15,600,000**  
**6,000,000 Common Shares**

This short form prospectus qualifies the distribution (the “**Offering**”) of an aggregate of 6,000,000 common shares (the “**Shares**”) of Amerigo Resources Ltd. (the “**Company**” or “**Amerigo**”) of Suite 3083, 595 Burrard Street, Vancouver, British Columbia, V7X 1L3 at a price of \$2.60 per Share (the “**Offering Price**”) pursuant to an underwriting agreement (the “**Underwriting Agreement**”) dated as of February 27, 2006 between the Company and Raymond James Ltd., MGI Securities Inc. and Salman Partners Inc. (collectively, the “**Underwriters**”). The Offering Price was determined by negotiation between the Company and the Underwriters. The Company has also granted to the Underwriters an option (the “**Option**”), exercisable in whole or in part until 48 hours prior to closing of the Offering, to purchase up to an additional 1,000,000 common shares of the Company (the “**Additional Shares**”) at the Offering Price for gross proceeds of up to \$2,600,000. The outstanding common shares of the Company are listed for trading on the Toronto Stock Exchange (the “**TSX**”). On February 24, 2006, the last trading day before the announcement of the Offering, the closing price of the Company’s common shares on the TSX was \$2.70.

**Price: \$2.60 Common Share**

	<u>Price to Public</u>	<u>Underwriters' Fee</u> <sup>(1)</sup>	<u>Proceeds to the Company</u> <sup>(2)</sup>
Per Share	\$2.60	\$0.156	\$2.444
Total <sup>(3)</sup>	\$15,600,000	\$936,000	\$14,664,000
Total if Option fully exercised <sup>(3)</sup>	\$18,200,000	\$1,092,000	\$17,108,000

- (1) The Company has agreed to pay to the Underwriters a cash commission equal to 6% of the gross proceeds realized from the sale of Shares and any Additional Shares.
- (2) After deducting the Underwriters' fee, but before deducting expenses of the Offering, estimated to be \$400,000.
- (3) The Company has granted to the Underwriters an Option exercisable, in whole or in part, until 48 hours prior to the closing of the Offering, to purchase and resell up to an additional 1,000,000 Additional Shares of the Company.

The Underwriters, as principals, conditionally offer the Shares and Additional Shares, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution" and subject to approval of certain legal matters by Gowling Lafleur Henderson LLP, counsel for the Company, and by Farris, Vaughan, Wills & Murphy LLP, counsel for the Underwriters.

This short form prospectus qualifies the distribution of the Shares, as well as the distribution to the Underwriters of the Option and any Additional Shares issued upon exercise, in whole or in part, of the Option (See "Plan of Distribution").

**Ruston Goepel, a director of the Company, is also an officer of Raymond James Ltd. As a result, the Company may be considered to be a "connected issuer" of Raymond James Ltd. under applicable Canadian securities legislation. See "Plan of Distribution – Connected Issuer".**

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Definitive certificates representing the Shares are expected to be available for delivery at closing of the Offering which will take place on or about March 14, 2006 or such other date as may be agreed between the Company and the Underwriters but in any event no later than 42 days following the date of a final receipt for this short form prospectus.

Subject to applicable laws in connection with the Offering, the Underwriters may effect transactions intended to stabilize or maintain the market price for the common shares of the Company at a level above that which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time (see "Plan of Distribution").

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## CURRENCY AND EXCHANGE RATE INFORMATION

Unless otherwise indicated, all references to “\$” or “dollars” in this short form prospectus refer to Canadian dollars and references to “US\$” or “US dollars” in this short form prospectus refer to United States dollars.

The Company’s accounts are maintained in United States dollars.

The following table sets forth the exchange rate for one US dollar expressed in Canadian dollars, for each period indicated, the average of such exchange rates, and the exchange rate at the end of such period, based upon the noon buying rates provided by the Bank of Canada:

	Year Ended December 31				
	2005	2004	2003	2002	2001
Average rate for period	\$1.2116	\$1.3015	\$1.4015	\$1.5704	\$1.5484
Rate at end of period	\$1.1659	\$1.2036	\$1.2924	\$1.5796	\$1.5926

The noon rate of exchange on February 24, 2006 as reported by the Bank of Canada for the conversion of Canadian dollars into United States dollars was \$1.00 equals US\$0.8682.

## ELIGIBILITY FOR INVESTMENT

In the opinion of Gowling Lafleur Henderson LLP, counsel for the Company, and Farris, Vaughan, Wills & Murphy LLP, counsel for the Underwriters, in accordance with legislation in effect at the date hereof and subject to compliance with the prudent investment standards or criteria and general investment provisions, limitations, requirements (including, without limitation, the requirement that in certain cases investments be made in the best financial interests of plan members, former plan members and other beneficiaries and without undue risk of loss and with a reasonable expectation of a return thereon commensurate with the risk) and restrictions (including, without limitation, quantitative restrictions, portfolio ownership restrictions and investment and lending limits and restrictions on investments in related parties) of the statutes referred to below (and, where applicable, the regulations, guidelines and prescribed criteria thereunder) and, in certain cases, subject to the satisfaction of additional requirements relating to investment or lending policies, standards, procedures, statements, guidelines or goals (and compliance therewith) and, in certain cases, the filing of such policies, standards, procedures, statements, guidelines or goals, the securities offered by this short form prospectus, if issued on the date hereof, would not be precluded as investments under the following statutes:

*Insurance Companies Act* (Canada)  
*Pension Benefits Standards Act, 1985* (Canada)  
*Trust and Loan Companies Act* (Canada)  
*Cooperative Credit Associations Act* (Canada)  
*Financial Institutions Act* (British Columbia)  
*Pension Benefits Standards Act* (British Columbia)  
*Employment Pension Plans Act* (Alberta)  
*Insurance Act* (Alberta)  
*Loan and Trust Corporations Act* (Alberta)  
*Alberta Heritage Savings Trust Fund Act* (Alberta)  
*The Insurance Act* (Manitoba)  
*The Pension Benefits Act* (Manitoba)  
*The Trustee Act* (Manitoba)

*Loan and Trust Corporations Act* (Ontario)  
*Pension Benefits Act* (Ontario)  
*Trustee Act* (Ontario)  
*Supplemental Pension Plans Act* (Québec)  
*An Act respecting insurance* (Québec) for an insurer as defined therein and other than guarantee fund corporations  
*An Act respecting trust companies and savings companies* (Québec) for a trust company as defined therein investing its own funds and funds received as deposits and a savings company as defined therein investing its own funds

In addition, in the opinion of Gowling Lafleur Henderson LLP, counsel for the Company, and Farris, Vaughan, Wills & Murphy LLP, counsel for the Underwriters, based on the provisions of the *Income Tax Act* (Canada) (the “**Tax Act**”), the regulations thereunder and the proposals to amend the Tax Act, the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and a certificate of an officer

of the Company relating to certain factual matters, the Shares, if issued on the date hereof, would be qualified investments under the Tax Act and the regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans and registered education savings plans.

#### DOCUMENTS INCORPORATED BY REFERENCE

**Information has been incorporated by reference in this short form prospectus from documents filed with the securities commissions or similar authorities in British Columbia, Alberta, Manitoba, Ontario and Québec (collectively, the “Commissions”).** *Copies of documents incorporated herein by reference may be obtained on request without charge from the Secretary of Amerigo Resources Ltd. at Suite 3083, 595 Burrard Street, Vancouver, British Columbia, V7X 1L3, telephone (604) 681-2802.* Copies of the documents are also available through the Internet on the Canadian System for Electronic Document and Retrieval (SEDAR) under the Company’s name which can be accessed at [www.sedar.com](http://www.sedar.com).

The following documents filed with the Commissions are specifically incorporated by reference into, and form an integral part of, this short form prospectus:

- (a) the annual information form of the Company dated March 28, 2005 (the “**Annual Information Form**”);
- (b) the consolidated audited financial statements of the Company and notes for the financial years ended December 31, 2005 and December 31, 2004 and the auditors’ report thereon;
- (c) management’s discussion and analysis of the Company for the financial year ended December 31, 2005;
- (d) the management proxy circular of the Company dated May 6, 2005 prepared in connection with the annual and special general meeting of the Company held on June 22, 2005;
- (e) the material change report of the Company dated February 21, 2006, with respect to this Offering;
- (f) the material change report of the Company dated February 16, 2006, regarding the Company’s financial performance for the year ended December 31, 2005;
- (g) the material change report of the Company dated February 14, 2006 regarding the Company’s acquisition of common shares and share purchase warrants of Chariot Resources Limited;
- (h) the material change report of the Company dated November 1, 2005, regarding the Company’s financial performance for the nine month period ended September 30, 2005;
- (i) the material change report of the Company dated August 5, 2005, regarding the Company’s adoption of a dividend policy and the declaration of a dividend thereunder;
- (j) the material change report of the Company dated August 5, 2005, regarding the Company’s financial performance for the six month period ended June 30, 2005;
- (k) the material change report of the Company dated May 6, 2005, regarding the Company’s financial performance for the three month period ended March 31, 2005; and
- (l) the material change report of the Company dated February 18, 2005, regarding the Company’s financial performance for the year ended December 31, 2004.

Any document of the type referred to above (other than confidential material change reports) filed by the Company with the Commissions or similar authorities in Canada after the date of this short form prospectus and prior to the completion or termination of the Offering, shall be deemed to be incorporated by reference into and form an integral

part of this short form prospectus. The documents incorporated or deemed incorporated by reference herein contain meaningful and material information relating to the Company and prospective investors of Shares should review all information contained in this short form prospectus and the documents incorporated by reference before making an investment decision.

**Any statement contained in a document incorporated or deemed to be incorporated by reference herein or in any subsequently filed document which also is or is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this short form prospectus to the extent that a statement contained herein, or in any other subsequently filed document which also is incorporated or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed in its unmodified or superseded form to constitute a part of this short form prospectus.**

The statements contained in this short form prospectus are not necessarily complete and reference is made to the documents incorporated by reference herein.

#### **SPECIAL NOTICE REGARDING FORWARD-LOOKING STATEMENTS**

Certain of the statements made and information contained herein and in the documents incorporated by reference may contain “forward-looking statements”, including statements concerning the copper and molybdenum production through the facilities of its wholly-owned subsidiary, Minera Valle Central, S.A. (“MVC”), 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 statements. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks related to international operations; risks related to joint venture operations; actual results of planned expansion activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, and other risks and uncertainties, including those described under Risk Factors Relating to the Company’s Business in this short form prospectus as well as in the Annual Information Form and in the management’s discussion and analysis, all incorporated by reference into this short form prospectus. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements. Forward-looking statements include statements with respect to the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. Forward-looking statements made in a document incorporated by reference in this short form prospectus are made as at the date of the original document, and have not been updated by the Company except as expressly provided for in this short form prospectus. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise.

#### **THE COMPANY**

##### **Name and Incorporation**

The Company was incorporated on January 23, 1984 under the *Company Act* (British Columbia) and was transitioned on June 29, 2004 under the *Business Corporations Act* (British Columbia). On June 17, 2004, the

shareholders of the Company passed a special resolution to remove the pre-existing company provisions and to adopt new articles.

The head office and principal address of the Company is Suite 3083, 595 Burrard Street, Vancouver, British Columbia V7X 1L3, Canada. The Company maintains its registered office at Suite 2300, 1055 Dunsmuir Street, Vancouver, British Columbia, V7X 1J1, Canada.

## **Summary Description of the Business of the Company**

### *General*

Since July 3, 2003, the Company, through its wholly-owned Chilean subsidiary MVC, has been in the business of processing copper tailings for the production of copper in Chile. In May of 2005 the Company completed the construction of a molybdenum plant in Chile and has also produced molybdenum since then.

### *Minera Valle Central, S.A.*

MVC, with its production facilities located 8 kilometres east of Rancagua, Chile and 90 kilometres south of Santiago, Chile, has a tailings supply contract with Chile's state-owned copper producer, Corporación Nacional del Cobre de Chile ("**Codelco**") to process copper tailings discharged from the concentrators used in connection with the El Teniente mine in Chile through at least 2021. The Company also has an agreement with Codelco to process a supplementary source of tailings from the Colihues tailing impoundment located adjacent to MVC's facilities.

MVC's copper production facility commenced operations in 1992 and is currently treating approximately 135,000 tonnes per day of fresh tailings.

Throughout 2005, the Company undertook significant plant expansions in MVC without relying on additional equity or debt funding. Capital expenditures were US\$26,682,309 during 2005. In addition to expanding its copper plant during 2005, the Company completed its molybdenum production plant in the second quarter of 2005. The capital cost for the molybdenum plant was repaid from less than 3 months of operating profit from the molybdenum plant.

In 2006 the Company intends to invest a further amount of approximately US\$9,000,000 for two thickeners and an industrial water recovery system in order to satisfy Chilean environmental regulations, which will come into effect in September 2006. Other capital items totaling approximately US\$5,000,000, including equipment for the extraction of tailings from Colihues, are also under consideration.

### *Production*

During 2005, MVC produced 29.88 million pounds of copper and 631,843 pounds of molybdenum from its processing facility generating revenues, net of smelter and refinery charges, of US\$52,910,575 for the fiscal year. Copper produced by MVC was sold under a sales agreement with Chile's Empresa Nacional de Minería for a price equal to the market price at the end of the third month after delivery of the copper concentrate to the smelter. Molybdenum produced by MVC was sold under a sales agreement with Chile's Molibdenos y Metales S.A. ("**Molymet**") which provides that the sales price is the market price at the end of the first, second or third month after delivery of the concentrate, as determined by Molymet. During fiscal 2005, the sale price as determined by Molymet was the market price at the end of the third month after delivery.

During fiscal 2005 the Company signed a tolling agreement with Codelco's Chuquicamata division to process certain of Codelco's molybdenum-copper bulk concentrates at MVC's plant. This revenue is recognized when the processing is completed, the amounts to be received are known and collection is reasonably assured. In 2005, revenue for the tolling arrangement was US\$5,417,507.

### *Cash Cost and Total Cost*

For the purpose of determining cash and total costs, which are conventions used in the mining industry, the Company considers the effect of smelter, refinery and other charges and the effect of molybdenum by-product and tolling credits in its cost structure. Accordingly cash cost is defined by the Company as the aggregate of smelter, refinery and other charges, production costs net of molybdenum-related net benefits (molybdenum sales and tolling fees minus their associated production costs), administration and transportation costs.

Smelter and refinery costs in 2005 were US\$11,286,250. Since MVC does not ship concentrate overseas, smelter and refinery charges include the participation by the smelter in MVC's cost savings for shipping.

Cash costs were US\$17,878,647 or US\$0.60 per pound in fiscal 2005. On a quarterly basis, cash costs per pound were US\$0.91 during the first quarter of 2005; US\$0.59 during the second quarter of 2005; US\$0.22 during the third quarter of 2005; and US\$0.67 during the fourth quarter of 2005. The variance in cash costs results mainly from the impact of the value of the molybdenum-by product credits on a quarterly basis.

Given that the Company considers molybdenum to be a by-product of its copper production for the purpose of calculating cash and total costs, the net benefit derived from molybdenum is factored as a credit to cash costs. Accordingly costs are impacted by settlement adjustments to the molybdenum net benefit. In periods of rising molybdenum prices, there will be positive settlement adjustments resulting in higher molybdenum by-product credits to production and lower costs, while the opposite will occur in periods of declining molybdenum prices.

Molybdenum sales were priced at a gross price of US\$35.80/lb at the end of the second quarter of 2005, a gross price US\$32.40/lb at the end of the third quarter of 2005 and a gross price of US\$25.95/lb at the end of the fourth quarter of 2005. Molybdenum production was 155,726 lbs during the second quarter of 2005, 230,167 lbs in the third quarter of 2005 and 245,950 lbs during the fourth quarter of 2005. Despite the increase in molybdenum production during the fourth quarter of 2005, the published price of molybdenum of US\$25.95/lb in December, the lowest in 2005, required that all production during the fourth quarter of 2005 be adjusted to that provisional price. Sales during the third quarter of 2005 had been booked at US\$32.40/lb at September 30, 2005 and were settled at lower prices in the fourth quarter of 2005. These negative adjustments of approximately US\$1.7 million during the fourth quarter of 2005 further reduced the molybdenum-by product credits and increased cash and total costs.

Total costs are defined by the Company as the aggregate of cash costs (which includes smelter, refinery and other charges, production costs net of molybdenum-related net benefits, administration and transportation costs), Codelco royalty, depreciation and amortization and asset retirement accretion costs. In fiscal 2005, total costs were US\$27,798,195 or US\$0.93/lb.

### *Royalties*

MVC pays Codelco a royalty on copper production under a formula that considers both the price of copper and the copper content in the tailings. No royalties are payable if the copper price is below US\$0.80 per pound (for copper content in tailings between 0.09% and 0.1499%); if the copper price is between US\$0.80 and US\$0.95 the royalty varies on a sliding scale from 0 to 10%; if the copper price is between US\$0.95 and US\$1.30 the royalty is 10%; and if the copper price is US\$1.30 or higher, the maximum royalty of 13.5% is payable. MVC pays a royalty for production from Colihues on a similar basis to the existing royalty arrangement for fresh tailings material, with the exception that a 3% royalty is payable at copper prices below US\$0.80 per pound, and increasing on a sliding scale, capped at 15% if the copper price is US\$1.35 per pound or higher. The Colihues royalty is calculated using half the volume of tailings extracted from Colihues, at an assumed copper grade of 0.32% and an assumed recovery rate of 40%. MVC pays Codelco a flat 10% royalty of MVC's net revenue received from the sale of molybdenum concentrates.

In addition, the Company's subsidiary, Amerigo International Holdings Corp. ("**Amerigo International**"), pays a monthly royalty dividend to the holders of Class A shares of Amerigo International equal to the following:

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

The Class A shares of Amerigo International are owned indirectly by associates of Steven Dean and by Klaus Zeitler and an associate of Mr. Zeitler. Messrs. Dean and Zeitler are directors and officers of the Company, and such shares were issued in 2003 in consideration for their sale to the Company of the option to purchase MVC.

## RECENT DEVELOPMENTS

### *Normal Course Issuer Bid*

On November 10, 2005, the Company announced its intention to effect a normal course issuer bid through the facilities of the TSX. Under the issuer bid, the Company is entitled to purchase up to 7,845,154 common shares during the one year period commencing on November 14, 2005 and ending on November 13, 2006. As of the date hereof, the Company has not acquired any of its common shares pursuant to this issuer bid.

### *Acquisition of Common Shares and Warrants of Chariot Resources Limited (“Chariot”)*

On February 10, 2006, the Company acquired 25.6 million common shares of Chariot, an issuer listed on the TSX, along with 11,532,000 share purchase warrants (the “**Chariot Warrants**”) of Chariot for investment purposes. Each Chariot Warrant entitles the Company to purchase an additional common share of Chariot at a price of \$0.35 per share until December 22, 2006. The Company currently holds 26,863,000 common shares of Chariot and 11,532,000 Chariot Warrants, which collectively represents approximately 19.8% of Chariot’s issued and outstanding share capital (including the common shares issuable on the exercise of the Chariot Warrants).

### *Grant of Incentive Stock Options*

On February 21, 2006, the Company granted a total of 1,335,000 incentive stock options under its stock option plan. Each option entitles the holder to purchase a common share of the Company at an exercise price of \$2.71 share. The options were granted to directors, officers and employees of the Company as well as to certain employees of MVC, have a five-year term and are subject to a vesting schedule that permits 25% of these options to be exercised at the end of each quarter beginning March 31, 2006.

## RISK FACTORS RELATING TO THE COMPANY’S BUSINESS

An investment in the Shares involves significant risks and must be considered speculative due to the nature of the Company’s business.

Prospective purchasers of Shares offered hereby should carefully consider the information included or incorporated by reference in this short form prospectus and the Company’s historical consolidated financial statements and related notes before making an investment decision to purchase Shares. The risk factors contained in the Annual Information Form are incorporated herein by reference. These risk factors include the risks associated with MVC’s operations being substantially dependent upon fresh tailings supplied under an agreement with El Teniente, a division of Codelco; the interruption of the supply of tailings 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; fluctuating copper prices; risks related to the Company’s short history of profitability; financing risks; risks related to the Company’s operations including liability for pollution, other accidents, environmental hazards, the discharge of toxic chemicals and other hazards; risks related to the Company’s foreign operations in Chile; risks of changes to applicable government regulations relating to the mining industry; risks of changes to environmental legislation; risks associated with non-compliance with environmental and regulatory requirements; risks associated with the significant and increasing compensation existing for a limited number of mineral

acquisition opportunities; risks associated with the repatriation of earnings from Chile; risks associated with currency fluctuations; risks associated with foreign exchange controls in Chile; risks related to exploration, development and production of mineral projects; risks associated with the press volatility of publicly quoted securities; and risks associated with the retention of key personnel. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations.

### USE OF PROCEEDS

The gross proceeds to be received by the Company from the sale of the Shares will be \$15,600,000, or \$18,200,000 if the Option is fully exercised. The net proceeds to be received by the Company after payment of the Underwriters' fee of \$936,000 (\$1,092,000 if the Option is fully exercised) and after deducting the estimated expenses of the Offering, including expenses related to the preparation and filing of this short form prospectus, of \$400,000, will be \$14,264,000, or \$16,708,000 if the Option is fully exercised. The Company proposes to use the net proceeds from the Offering primarily to fund ongoing corporate development and for general corporate purposes (see "The Company – Summary Description of the Business of the Company").

### CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at the dates indicated, adjusted to give effect to the material changes in the share and loan capital of the Company since December 31, 2005. The table should be read in conjunction with the audited consolidated financial statements of the Company for the financial year ended December 31, 2005, including the notes thereto and the management's discussion and analysis of results of operations and financial conditions for such periods, each incorporated by reference in this short form prospectus.

<u>Capital</u>	<u>Amount Authorized</u>	<u>As at December 31, 2005</u>	<u>As at December 31, 2005 after giving effect to the Offering<sup>(1)</sup></u>
Long Term Debt	N/A	Nil	Nil
Short Term Debt	N/A	Nil	Nil
Common Shares	unlimited	US\$39,451,043 (86,225,844 common shares)	US\$51,835,047 <sup>(2)</sup> (92,225,844 common shares) <sup>(2)(3)</sup>

- (1) After deducting the Underwriters' fees of \$936,000 (\$1,092,000 if the Option is fully exercised) and expenses of the Offering, estimated at \$400,000.
- (2) The issued and outstanding common shares as at December 31, 2005 after giving effect to the Offering would be 93,225,844 common shares (US\$53,956,928) if the Option was fully exercised.
- (3) See "Description of Share Capital".

### DESCRIPTION OF SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares without par value of which 87,025,844 common shares were issued and outstanding at February 24, 2006. Shareholders are entitled to receive notice of and attend all meetings of shareholders with each common share held entitling the holder to one vote on any resolution to be passed at such shareholder meetings. Shareholders are entitled to dividends if, as and when declared by the board of directors of the Company. Shareholders are entitled upon liquidation, dissolution or winding up of the Company to receive the remaining assets of the Company available for distribution to shareholders.

## **DESCRIPTION OF THE SECURITIES BEING DISTRIBUTED**

The Offering consists of 6,000,000 Shares. In addition, the Underwriters have the Option to purchase up to a maximum of 1,000,000 Additional Shares (see "Plan of Distribution").

### **Common Shares**

Refer to "Description of Share Capital" for a description of the authorized share capital of the Company.

## **PLAN OF DISTRIBUTION**

### **The Offering**

Pursuant to the Underwriting Agreement, the Company has agreed to sell, and the Underwriters have severally agreed to purchase, as principal, an aggregate of 6,000,000 Shares at the Offering Price, payable in cash to the Company, on the terms and subject to the conditions contained therein, against delivery of certificates representing the Shares. The Company has also granted to the Underwriters the Option, exercisable in whole or in part at the sole discretion of the Underwriters until 48 hours prior to the closing of the Offering, to purchase up to 1,000,000 Additional Shares at the Offering Price.

The closing of the Offering will take place on or about March 14, 2006, or such other date as may be agreed upon by the Company and the Underwriters but in any event no later than 42 days following the date of a final receipt for this short form prospectus.

The Offering Price of the Shares was determined by negotiation between the Company and the Underwriters.

### **Qualification of Securities for Distribution**

This short form prospectus qualifies the distribution of the Shares, the Option and the Additional Shares.

### **Appointment of Underwriters**

In consideration for the services to be performed by the Underwriters, the Company has agreed to pay to the Underwriters a commission equal to 6% of the gross proceeds of the Offering.

The obligations of the Underwriters under the Underwriting Agreement are several and may be terminated at their discretion upon the occurrence of certain stated events. The Underwriters are, however, obligated to purchase all of the 6,000,000 Shares if any of the Shares are purchased under the Underwriting Agreement.

The Company has agreed with the Underwriters not to issue or agree to issue (or announce any intention to issue) any common shares of the Company or financial instruments convertible or exercisable into common shares of the Company other than for the purposes of stock options or other share plans or other outstanding rights, for a period of 90 days following the closing of the Offering without the prior written consent of Raymond James Ltd., on behalf of the Underwriters.

Pursuant to the terms of the Underwriting Agreement, the Company has agreed to indemnify the Underwriters and their directors, officers, employees and agents against certain liabilities and expenses or will contribute to payments that the Underwriters may be required to make in respect thereof.

Pursuant to policy statements of the Ontario Securities Commission, the Underwriters may not, throughout the period of distribution, bid for or purchase common shares of the Company. The foregoing restriction is subject to exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the common shares. Such exceptions include a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces administered by Market Regulation Services Inc. relating to market stabilization and passive market making activities and a bid or purchase made for and on

behalf of a customer where the order was not solicited during the period of distribution. Subject to applicable laws, pursuant to the first-mentioned exception, in connection with this Offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the common shares of the Company at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

### **Connected Issuer**

The Company may be considered under applicable Canadian securities legislation to be a connected issuer of Raymond James Ltd., one of the Underwriters participating in the Offering, as Ruston Goepel, a director of the Company, is also an officer of Raymond James Ltd. The decision to distribute the Shares and the determination of the terms of the distribution were made through negotiations between the Underwriters and the Company. Raymond James played a principal role in the structuring and pricing of the Offering and in due diligence performed by the Underwriters in connection with the Offering. Raymond James Ltd. will not receive any benefit in connection with the Offering other than its respective portion of the commission referred to herein payable by the Company to the Underwriters.

### **Offering in the United States**

This short form prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Shares herein offered in the United States. The Shares have not been and will not be registered under the U.S. Securities Act, or any state securities laws, and subject to certain exceptions, may not be offered, sold or delivered directly or indirectly in the United States, its territories or possessions or to or for the account or benefit of a U.S. Person as defined in Regulation S under the U.S. Securities Act. Offers and sales of such securities within the United States or its territories or possessions or to or for the account or benefit of a U.S. Person would constitute a violation of the U.S. Securities Act unless made in compliance with the registration requirements of the U.S. Securities Act or an exemption therefrom. The Underwriters have agreed that they will not offer or sell the Shares within the United States or to or for the account or benefit of U.S. Persons, except pursuant to an exemption from registration under the U.S. Securities Act. In addition, until 40 days after the closing date of the Offering, an offer or sale of Shares within the United States by any dealer (whether or not participating in this Offering) may violate the registration requirements of the U.S. Securities Act.

Certificates representing any Shares which are sold in the United States or to, or for the account or benefit of, a U.S. Person will bear a legend to the effect that the securities represented thereby are not registered under the U.S. Securities Act and may only be offered or sold pursuant to certain exemptions from the registration requirements of the U.S. Securities Act.

## **LEGAL MATTERS**

Certain legal matters relating to the Offering and to the Shares to be distributed pursuant to this short form prospectus will be reviewed by Gowling Lafleur Henderson LLP on behalf of the Company and by Farris, Vaughan, Wills & Murphy LLP on behalf of the Underwriters. As of the date hereof, the partners and associates of Gowling Lafleur Henderson LLP and Farris, Vaughan, Wills & Murphy LLP as a group beneficially own, directly or indirectly, less than 1% of the issued and outstanding common shares of the Company.

## **AUDITORS, TRANSFER AGENT AND REGISTRAR**

The auditors of the Company are PricewaterhouseCoopers LLP, Chartered Accountants, of 250 Howe Street, Suite 700, Vancouver, British Columbia V6C 3S7 who advise that they are independent of the Company within the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

The transfer agent and registrar for the common shares of the Company is Pacific Corporate Trust Company at its principal office in the city of Vancouver, British Columbia.

### **PURCHASERS' STATUTORY RIGHTS**

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to applicable provisions of the securities legislation of such purchaser's province for the particulars of these rights or consult with a legal adviser.

### AUDITORS' CONSENT

We have read the short form prospectus of Amerigo Resources Ltd. (the "**Company**") dated February 27, 2006 relating to the qualification for distribution of up to 7,000,000 common shares of the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the shareholders of the Company on the consolidated balance sheets of the Company as at December 31, 2005 and 2004 and the consolidated statements of operations, cash flows and shareholders' equity for each of the years in the two-year period ended December 31, 2005. Our report is dated January 27, 2006, except for note 18, which is as of February 16, 2006.

Vancouver, British Columbia  
February ●, 2006

Chartered Accountants

**CERTIFICATE OF THE COMPANY**

February 27, 2006

This short form prospectus together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of British Columbia, Alberta, Manitoba, Ontario and Québec. For the purpose of the Province of Québec, this simplified prospectus, together with the documents herein incorporated by reference and as supplemented by the permanent information record, contains no misrepresentation that is likely to affect the value of the market price of the securities to be distributed.

(Signed) STEVEN G. DEAN  
Chairman and chief executive officer

(Signed) AURORA DAVIDSON  
Chief Financial Officer

On Behalf of the Board of Directors  
of the Company

(Signed) SIDNEY ROBINSON  
Director

(Signed) ROBERT J. GAYTON  
Director

**CERTIFICATE OF THE UNDERWRITERS**

February 27, 2006

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus, as required by the securities legislation of each of British Columbia, Alberta, Manitoba, Ontario and Québec. For the purpose of the Province of Québec, this simplified prospectus, together with the documents herein incorporated by reference and as supplemented by the permanent information record, contains no misrepresentation that is likely to affect the value of the market price of the securities to be distributed.

RAYMOND JAMES LTD.

By: (Signed) JOHN M. MURPHY

MGI SECURITIES INC.

By: (Signed) DAVID GREIFENBERGER

SALMAN PARTNERS INC.

By: (Signed) TERRANCE K. SALMAN