



52-wk Range: £0.62-0.86
12 month target £0.94

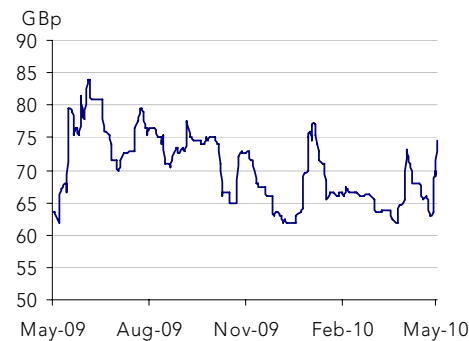
Market Cap (M): £64.3
EV (M): £57.4

Mining

Short form prospectus for listing in Toronto

Summary

AIM-listed Minera IRL Limited is a mining group focused on precious metals mining, development and exploration in the Andean cordillera of South America. The company's flagship, Corihuarmi, is an operating gold mine and is complimented by the Ollachea project and two exploration projects situated in Chile and Peru. Minera are also listed on the Lima stock exchange. Minera recently took over Hidefield and acquired the Don Nicolas project in Argentina.



Key Metrics

EV/EBITDA: 8.54
Shares Outstanding (M): 85.6
Current Price (GBP): £0.75
Fully Diluted Shares (M): 97.8

Event

Following the announcement made at the time of the 2009 financials release, Minera has this morning announced that it has filed and obtained a receipt for a preliminary short form prospectus with the securities regulatory authorities in each of the Provinces of Canada, other than Quebec, in connection with a best efforts offering of ordinary shares of the Company for gross proceeds of up to \$C25M. The Company has granted the Agents an over-allotment option to purchase such number of additional Shares equal to 5% of the number of Shares sold under the Offering, exercisable by the Agents in whole or in part for a period of 30 days from the closing date of the Offering.

Comment

The Offering will be completed by a syndicate of investment dealers led by Cormark Securities Inc. Final pricing and determination of the number of Shares to be sold pursuant to the Offering will be determined in the context of the market immediately prior to the filing of the final short form prospectus in respect of the Offering.

Any money raised in this listing will be welcome. Although Minera had \$13m cash on hand in the last release, it has a massive drilling programme underway. Whilst this is being hugely successful, it does consume funds and there is also the prefeasibility study for Ollachea to fund.

Our model will be updated once the outcome of the listing and its consequences are known.

Recommendation

We retain our buy recommendation with an unchanged target price of £0.94/share.

Contact

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FYE Dec	2008	2009	2010E	2011E	2012E
Revenue (US\$M):	43.6	31.9	36.9	35.4	46.9
EBITDA (US\$M):	21.0	11.3	16.7	15.8	25.2
NPAT (inc significant items):	12.5	3.0	8.3	7.1	10.2
EPS (USc):	20.2	4.2	9.7	8.3	11.9
Cash Flow/Share (USc):	35.7	13.0	15.7	16.8	24.5
Gold Price (US\$/oz):	872.6	973.7	1179.7	1325.0	1100.0
Ozs production/'000 shares	0.72	0.34	0.31	0.27	0.44
Ozs resources/'000 shares	2.1	13.3	16.7	16.3	15.8

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Peter Rose

Peter Rose has 20 years experience in equities as a resources analyst, most recently having spent 11 years with Deutsche Bank in Australia. Prior to this he spent three years with Prudential Bache and five years with James Capel. Peter's industry experience includes 16 years as a metallurgist, three years with De Beers in South Africa and eight years in the uranium industry, five of which were spent at the Ranger Uranium mine. Peter holds a BSc degree in Applied Mineral Science from Leeds University UK and a Bachelor of Commerce from the University of South Africa. Peter is also a member of the Institute of Mining & Metallurgy and a chartered engineer.

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Research disclosure as of 14 May 2010

Company Name	Disclosure
Minera IRL (MIRL)	1, 2, 7, 8

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Fox-Davies Capital Coverage

Fox-Davies corporate client & coverage universe as of 14 May 2010:

Company	Ticker	Recommendation	Date	Target Price	Last Price
Mining					
African Barrick Gold	ABG LN Equity	SELL	27.04.10	£4.26	£6.01
Angel Mining	ANGM LN Equity	BUY	03.03.10	£0.16	£0.07
Antofagasta	ANTO LN Equity	HOLD	06.05.10	£9.90	£9.34
Atlantic Coal	ATC LN equity	BUY	21.01.10	£0.025	£0.005
Discovery Metals	DME LN Equity	BUY	09.04.10	£0.65	£0.53
EMED Mining	EMED LN Equity	BUY	12.04.10	£0.62	£0.10
Exco Resources	EXS AU Equity	BUY	09.04.10	A\$0.67	A\$0.25
Gippsland Limited	GIP LN Equity	BUY	06.10.09	£0.02	NA
Hambledon Mining	HMB LN Equity	HOLD	14.05.10	£0.13	£0.05
Highland Gold	HGM LN Equity	BUY	05.05.10	£1.46	£1.32
Hochschild Mining	HOC LN Equity	HOLD	21.04.10	£3.11	£2.88
KEFI Minerals	KEFI LN Equity	Spec. BUY	06.10.09	NA	£0.01
Kryso Resources	KYS LN Equity	BUY	21.04.10	£0.14	£0.12
Lydian International	LYD CN Equity	BUY	18.03.10	C\$1.22	C\$1.18
Minera IRL	MIRL LN Equity	BUY	14.05.10	£0.94	£0.75
Oxus Gold	OXS LN Equity	BUY	21.04.10	£0.30	£0.08
Stratex International	STI LN Equity	BUY	03.03.10	£0.07	£0.04

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