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*With respect to the United Kingdom, this offering of securities is only being, and may only be, made to, and this short form prospectus is only being, and may only be, distributed to and is directed at persons in the United Kingdom who are both (a) a "Qualified Investor" within the meaning of Section 86(7) of the Financial Services and Markets Act 2000 ("FSMA") and (b) within the categories of persons referred to in Article 19(5) (Investment professionals) or Article 49(2)(a) to (d) (High net worth companies, unincorporated associations etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Financial Promotion Order"), or persons in the United Kingdom to whom the offering of securities may otherwise be made or to whom the offering of securities may otherwise be directed in the United Kingdom without an approved prospectus having been made available to the public in the United Kingdom before the offering of securities is made, and without making an unlawful financial promotion, all such persons together being referred to as "relevant persons". The securities being offered hereunder are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this short form prospectus or any of its contents. This short form prospectus is not an "approved prospectus" within the meaning of Section 85(7) of FSMA, has not been prepared in accordance with the prospectus rules contained in the Financial Services Authority ("FSA") handbook published and updated from time to time by the FSA (acting in its capacity as the United Kingdom Listing Authority of the FSA), and its contents have not been examined or approved by the FSA or London Stock Exchange plc, nor has it been approved by an "authorised person" for the purposes of Section 21 of FSMA.*

*Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Company Secretary of Minera IRL Limited at Av. Santa Cruz 830, Of. 401, Miraflores, Lima 18, Peru, Telephone +51 1 418 1230 and are also available electronically at [www.sedar.com](http://www.sedar.com).*

## SHORT FORM PROSPECTUS

New Issue

October 28, 2010



## MINERA IRL LIMITED

UP TO \$32,650,000  
28,391,304 ORDINARY SHARES

This short form prospectus qualifies the distribution (the "**Offering**") of up to 28,391,304 ordinary shares (the "**Offered Shares**", each an "**Offered Share**") of Minera IRL Limited ("**Minera**" or the "**Company**") at a price of \$1.15 per Offered Share (the "**Offering Price**"). The Offered Shares are offered on a best efforts agency basis, pursuant to an agency agreement dated 28 October 2010 (the "**Agency Agreement**") between the Company and Jennings Capital Inc ("**Jennings**") and National Bank Financial Inc. (collectively, the "**Agents**"). The Company has engaged Collins Stewart Europe Limited ("**Collins Stewart**" the "**Special Selling Agent**") to act as the Company's special selling agent solely in connection with the Offering in the United Kingdom. There is no minimum subscription amount for the Offering. The Offering Price was determined by negotiation between the Company and Jennings, on behalf of the Agents and the Special Selling Agent. **Collins Stewart is not registered to sell securities**

**in any Canadian jurisdiction and, accordingly, will only sell ordinary shares of the Company in the United Kingdom and other foreign jurisdictions where it is permitted to do so. This Prospectus does not qualify the distribution of the ordinary shares of the Company sold by Collins Stewart pursuant to the Offering.**

The Company's outstanding ordinary shares (the "**Ordinary Shares**", each an "**Ordinary Share**") are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "IRL" and are also listed for trading on the AIM market of the London Stock Exchange plc ("**AIM**") and the Lima Stock Exchange ("**BVL**") under the symbol "MIRL". The TSX has conditionally approved the listing of the Offered Shares and the Over-Allotment Shares (as defined herein) on the TSX. Listing will be subject to the Company fulfilling all of the requirements of the TSX, on or before 13 January 2011. The Company will make an application to London Stock Exchange plc for the Offered Shares and the Over-Allotment Shares to be admitted to trading on AIM and listing will be subject to the Company fulfilling all of the requirements for admission to trading on AIM. The closing price of the Ordinary Shares on 27 October 2010 on the TSX was \$1.45, on AIM was £0.775 and on the BVL was US\$1.24, respectively.

**Price: \$1.15 per Offered Share**

	Price to the Public	Agents' Fee <sup>(1)</sup>	Net Proceeds to the Company <sup>(2)(3)</sup>
Per Offered Share .....	\$1.15	\$0.069	\$1,081
Total Offering .....	Up to \$32,650,000	Up to \$1,959,000	Up to \$30,691,000

Notes:

- (1) In consideration of the services rendered by the Agents in connection with the Offering, the Company has agreed to pay a cash commission (the "**Agents' Fee**") to the Agents representing 6.0% of the gross proceeds received by the Company in respect of the Offering (including any Offered Shares sold as a result of the exercise of the Over-Allotment Option (as defined herein)), such Agents' Fee to be payable in full on the Closing Date (as defined herein). See "Plan of Distribution".
- (2) After deducting the Agents' Fee but before deducting the expenses of the Offering, estimated to be \$390,000, which will be paid out of the gross proceeds of the Offering.
- (3) In addition, the Company has agreed to grant to the Agents an option (the "**Over-Allotment Option**"), exercisable by the Agents in whole or in part in the sole discretion of the Agents, upon giving notice to the Company at any time until 5:00 p.m. (Toronto time) on the date that is 30 days from (and including) the Closing Date to purchase up to an additional 4,250,296 Ordinary Shares (the "**Over-Allotment Shares**") at the Offering Price set out above to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the Price to the Public, Agents' Fee and Net Proceeds to the Company will be up to \$37,537,840, \$2,252,270 and \$35,285,570, respectively, before deducting the expenses of the Offering. This short form prospectus also qualifies the grant of the Over-Allotment Option and the distribution of any Over-Allotment Shares issuable upon the exercise of the Over-Allotment Option. A purchaser who acquires securities forming part of the agents' over-allocation position acquires these securities under this short form prospectus regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".

**An investment in the Offered Shares should be considered speculative due to various factors, including the nature of the Company's business. The risk factors outlined or incorporated by reference in this short form prospectus should be carefully reviewed and considered by prospective purchasers in connection with their investment in the Offered Shares. See "Forward Looking Information" and "Risk Factors".**

The Company is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction and the Chief Executive Officer, Chief Financial Officer and directors of the Company reside outside of Canada. Although each of the Company and the persons described above has appointed FMD Service (Ontario) Inc. at 333 Bay Street, Suite 2400, Bay Adelaide Centre, Box 20, Toronto, Ontario M5H 2T6, as their agent for service of process in Canada, it may not be possible for investors to enforce judgments obtained in Canada against the Company or persons described above.

The following table sets forth the number of Over-Allotment Shares that have been issued or may be issued by the Company to the Agents:

<b>Agents' Position</b>	<b>Number of Over-Allotment Shares Available</b>	<b>Exercise Period</b>	<b>Exercise Price</b>
Over-Allotment Option	4,250,296 Over-Allotment Shares	30 days from (and including) the Closing Date	\$1.15 per Over-Allotment Share

Unless the context otherwise requires, all references to “Offered Shares” in this short form prospectus include the Over-Allotment Shares.

The Agents, as agents, conditionally offer the Offered Shares, on a best efforts agency basis, if, as and when issued by the Company and accepted by the Agents in accordance with the conditions contained in the Agency Agreement referred to under “Plan of Distribution” and subject to the approval of certain legal matters on behalf of the Company by Fasken Martineau DuMoulin LLP and on behalf of the Agents by Cassels Brock & Blackwell LLP. See “Plan of Distribution”.

Subject to applicable laws and in connection with the Offering, the Agents may over-allot or effect transactions which stabilize or maintain the market price of the Ordinary Shares of the Company at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. **The Agents may also offer the Offered Shares at a price lower than the Offering Price.** See “Plan of Distribution”.

The issuance of Ordinary Shares is subject to approval of certain resolutions by the shareholders of the Company, which approval was obtained at the Annual General Meeting held on 12 August 2010. See “Plan of Distribution”.

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. It is expected that certificates evidencing the Offered Shares will be available for delivery at closing, which will occur on a single date and is expected to take place on or about 10 November 2010 or such later date as may be agreed between the Company and the Agents, but in any event not later than 30 November 2010 (the “**Closing Date**”). The Agents will collect funds from subscribers and hold such funds for the benefit of the subscribers pending closing. Subscribers may submit funds to the Agents at any time prior to the Closing Date. Notwithstanding the foregoing, the Company has agreed to grant to the Agents the Over-Allotment Option exercisable by the Agents to purchase the Over-Allotment Shares upon notice to the Company at any time prior to the date that is 30 days from (and including) the Closing Date.

The Company is relying on the exemptions in Part 5 – Designated Foreign Issuers of National Instrument 71-102 – *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*.

The head office of the Company is located at Av Santa Cruz 830, Of. 401, Miraflores, Lima 18, Peru and the registered office of the Company is located at Ordnance House, 31 Pier Road, St. Helier, Jersey, JE4 8PW.

## TABLE OF CONTENTS

	Page
DOCUMENTS INCORPORATED BY REFERENCE.....	1
ELIGIBILITY FOR INVESTMENT.....	1
FORWARD LOOKING INFORMATION .....	2
FINANCIAL INFORMATION AND ACCOUNTING PRINCIPLES.....	3
CURRENCY AND EXCHANGE RATE INFORMATION .....	3
NON-GAAP PERFORMANCE MEASURES .....	4
THE COMPANY .....	5
SUMMARY DESCRIPTION OF THE BUSINESS .....	6
RECENT DEVELOPMENTS .....	6
USE OF PROCEEDS .....	10
CONSOLIDATED CAPITALIZATION.....	11
PLAN OF DISTRIBUTION .....	11
DESCRIPTION OF SECURITIES BEING DISTRIBUTED.....	13
SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS.....	14
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS .....	14
STATEMENT OF CORPORATE GOVERNANCE PRACTICES.....	14
PRIOR SALES .....	18
TRADING PRICE AND VOLUME .....	19
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS.....	20
INTERESTS OF EXPERTS.....	23
RISK FACTORS .....	23
AUDITOR, TRANSFER AGENT AND REGISTRAR.....	24
LEGAL MATTERS .....	24
PURCHASERS' STATUTORY RIGHTS.....	24
ADDITIONAL INFORMATION.....	25
AUDITORS' CONSENT .....	A-1

**TABLE OF CONTENTS**  
(continued)

**Page**

<b>CERTIFICATE OF THE COMPANY .....</b>	<b>C-1</b>
<b>CERTIFICATE OF THE AGENTS .....</b>	<b>C-2</b>

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed with the securities commission or similar regulatory authority in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador are specifically incorporated by reference into, and form an integral part of, this prospectus:

- the annual information form of the Company dated 28 April 2010 for the year ended 31 December 2009 (the “**AIF**”);
- the annual report of the Company for the year ended 31 December 2009 (the “**Annual Report**”);
- the management information circular dated 28 April 2010 for the extraordinary general meeting of the Company held on 25 May 2010;
- the management information circular dated 19 July 2010 for the annual general meeting of the Company held on 12 August 2010; and
- the unaudited consolidated financial statements for the quarter ended 30 June 2010 and the notes thereto (the “**Interim Financial Statements**”) together with management’s discussion and analysis (the “**MD&A**”) for such Interim Financial Statements. The Interim Financial Statements have not been subject to independent review.

Any document of the type referred to in section 11.1 of Form 44-101F1 – *Short Form Prospectus Distributions* filed by the Company with a securities commission or similar regulatory authority in Canada after the date of this short form prospectus and prior to the completion or withdrawal of this Offering, will be deemed to be incorporated by reference into this short form prospectus.

**Any statement contained in a document incorporated or deemed to be incorporated by reference herein will 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 that is also 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 will not be deemed an admission for any purpose 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 will not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus.**

**Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar regulatory authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the Company Secretary at Av. Santa Cruz 830, Of. 401, Miraflores, Lima 18, Peru, Telephone +51 1 418 1230 and are also available electronically at [www.sedar.com](http://www.sedar.com). The Company’s filings through SEDAR are not incorporated by reference in this prospectus except as specifically set out herein.

## ELIGIBILITY FOR INVESTMENT

In the opinion of Fasken Martineau DuMoulin LLP, counsel to the Company, and Cassels Brock & Blackwell LLP, counsel to the Agents, based on the current provisions of the *Income Tax Act* (Canada) (the “**Tax Act**”), the regulations thereunder and any proposals to amend the Tax Act and the regulations thereunder publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof, the Offered Shares, if issued on the date hereof and listed on a designated stock exchange (which includes the TSX) would be “qualified

investments” under the Tax Act for trusts governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan, a registered disability savings plan, a deferred profit sharing plan or a tax-free savings account (a “TFSA”), each as defined in the Tax Act.

The Offered Shares will not be a “prohibited investment” for a trust governed by a TFSA provided the holder of the TFSA deals at arm’s length with the Company for purposes of the Tax Act and does not have a “significant interest” (as defined in the Tax Act) in the Company or in any corporation, partnership or trust with which the Company does not deal at arm’s length for the purposes of the Tax Act. Prospective investors who intend to hold Offered Shares in a trust governed by a TFSA should consult their own tax advisors regarding the tax rules applicable to a TFSA to ensure the Offered Shares would not be a prohibited investment in their particular circumstances.

## **FORWARD LOOKING INFORMATION**

This short form prospectus, including the documents incorporated by reference, contain “forward-looking information” and “forward-looking statements” as defined under applicable Canadian securities legislation. Such forward-looking statements and information include statements regarding: the future price of gold; targets for gold production; the estimation of mineral resources and reserves; cash operating costs and certain significant expenses; success of exploration activities; the timing and scope of future commencement of mining or production; anticipated grades and recovery rates; asset retirement obligation estimates; the ability to secure financing; title disputes or claims; and potential acquisitions or increases in property interests. Often, but not always, forward-looking statements or information can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate” or “believes” or variations (including grammatical variations) of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. These risks, uncertainties or other factors include, but are not limited to, inherent speculative nature and hazards associated with exploration and development activities; uncertainties related to fluctuation in gold prices; uncertainties related to actual capital costs, operating costs and expenditures, production schedules and economic returns; risks that the Company’s title to its properties could be challenged; risks related to environmental regulations; risks related to legal proceedings; risks related to increased competition; the uncertainties related to surface rights in the countries in which the Company’s material mineral projects are located; uncertainties related to the Company’s resource and reserve estimates, which are based on detailed estimates and assumptions; assumptions regarding the need for financing and uncertainties related to the availability of such financing; uncertainties in government policies and regulations; and risks that the Company’s directors and officers may have conflicts of interest.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements or information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements or information. Also, many of the factors are beyond the control of the Company. Accordingly, readers should not place undue reliance on forward-looking statements or information.

Such information is included, among other places, in this short form prospectus under the headings “Recent Developments”, “Use of Proceeds”, “Risk Factors” and in the AIF under the headings “Description of Business” and “Risk Factors” and in the Annual Report for the year ended 31 December 2009 and in the MD&A for the Interim Financial Statements for the quarter ended 30 June 2010, each of such documents being incorporated by reference in this short form prospectus.

The forward-looking statements contained herein are made as of the date of this prospectus and are expressly qualified in their entirety by this cautionary statement. Readers should not place undue reliance on the

forward-looking statements, which reflect management’s plans, estimates, projections and views only as of the date hereof. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances, except as required by applicable law.

## FINANCIAL INFORMATION AND ACCOUNTING PRINCIPLES

The annual audited financial statements of the Company incorporated by reference herein are reported in U.S. dollars and have been prepared in accordance with International Financial Reporting Standards (“IFRS”) rather than Canadian generally accepted accounting principles (as determined with reference to the Handbook of the Canadian Institute of Chartered Accountants) (“Canadian GAAP”) and may not be comparable to financial statements of Canadian issuers. The Company has not, and is not required to, provide a reconciliation of its financial statements to Canadian GAAP.

## CURRENCY AND EXCHANGE RATE INFORMATION

References to “US\$” in this short form prospectus are to U.S. dollars, references to “\$” in this short form prospectus are to Canadian dollars and references to “£” are to U.K. Pound Sterling.

On 27 October 2010, the Bank of Canada noon rate of exchange was US\$1.00 = \$1.0320 (\$1.00 = US\$0.9690) and the Bank of Canada noon rate of exchange was £1.00 = \$1.6286 (\$1.00 = £0.6140).

The closing, high, low and average exchange rates for the United States dollar in terms of Canadian dollars for each of the years ended 31 December 2009 and 2008, and the six month period ended 30 June 2010 as reported by the Bank of Canada, were as follows:

	<b>Six Month Period Ended</b>	<b>Year Ended 31 December</b>	
	<b>30 June 2010</b>	<b>2009</b>	<b>2008</b>
Closing	\$1.0648	\$1.0466	\$1.2246
High	\$1.0778	\$1.3000	\$1.2969
Low	\$0.9961	\$1.0292	\$0.9719
Average <sup>(1)</sup>	\$1.0338	\$1.1420	\$1.0660

Notes:

(1) Calculated as an average of the daily noon rates for each period.

The closing, high, low and average exchange rates for the U.K. Pound Sterling in terms of Canadian dollars for each of the years ended 31 December 2009 and 2008, and the six month period ended 30 June 2010 as reported by the Bank of Canada, were as follows:

	<b>Six Month Period Ended</b>	<b>Year Ended 31 December</b>	
	<b>30 June 2010</b>	<b>2009</b>	<b>2008</b>
Closing	\$1.5852	\$1.6918	\$1.7896
High	\$1.7268	\$1.9148	\$2.0604
Low	\$1.4876	\$1.6368	\$1.7586
Average <sup>(1)</sup>	\$1.5773	\$1.7804	\$1.9617

Notes:

(1) Calculated as an average of the daily noon rates for each period.

## **NON-GAAP PERFORMANCE MEASURES**

“Cash operating cost” figures are calculated in accordance with standards developed by The Gold Institute, which was a worldwide association of suppliers of gold and gold products and included leading North American gold producers. The Gold Institute ceased operations in 2002, but the standard is the accepted standard of reporting cash costs of production in North America. Adoption of the standard is voluntary and the cost measures presented in this short form prospectus may not be comparable to other similarly titled measures of other companies. Cash operating costs include mine site operating costs such as mining, processing and administration, but are exclusive of depreciation and amortization, reclamation, capital, development, exploration costs, royalties, taxes (including workers profit participation) and regional and environmental community costs. These costs are then divided by ounces sold to arrive at the cash operating cost per ounce. Management believes this information is useful to investors because this measure is considered to be a key indicator of a company’s ability to generate operating earnings and cash flow from its mining operations. Management uses cash operating cost as a key performance indicator to assess the performance of the mine. Management compares the cash operating cost of the mine on a monthly basis. This data is furnished to provide additional information and is a non-GAAP measure which does not have any standardized meaning prescribed by Canadian GAAP and is therefore unlikely to be comparable to similar measures presented by other issuers. It should not be considered in isolation as a substitute for measures of performance prepared in accordance with Canadian GAAP and is not necessarily indicative of operating costs presented under Canadian GAAP. Cost of sales is the most directly comparable Canadian GAAP financial measure to the non-GAAP financial measure of cash operating cost. See the reconciliation table under “Recent Developments — Corihuarmi Gold Mine”

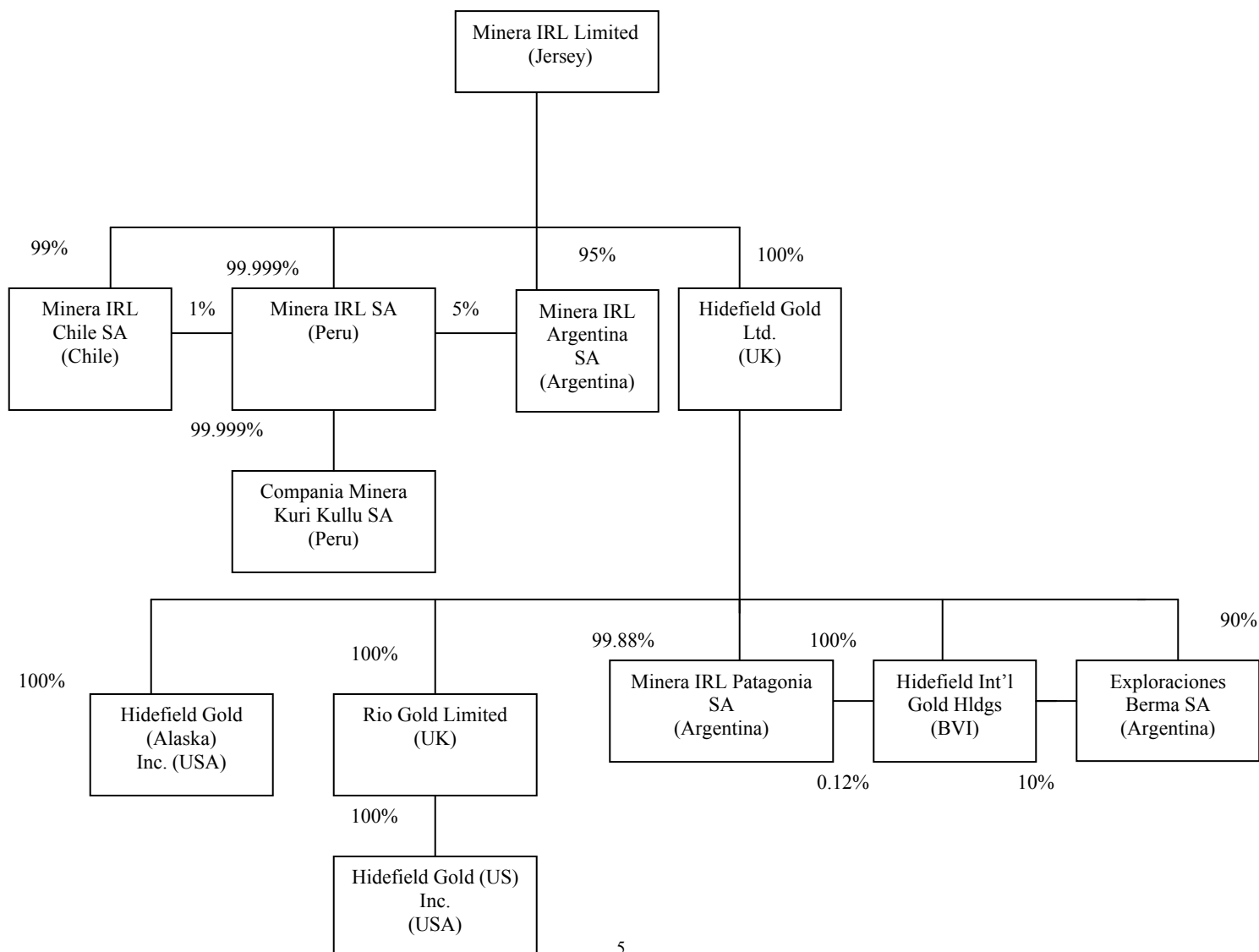
## THE COMPANY

Minera was incorporated in the Cayman Islands on 27 August 2003 as “Goldmin Holdings” under the Cayman Islands Companies Law (2003 Revision) as an exempted company.

On 20 October 2006, the Company applied pursuant to the Jersey Companies Law to the Jersey Registrar of Companies (the “**Jersey Registrar**”) for continuance as a company incorporated under the Jersey Companies Law. On 25 October 2006, the Company applied, pursuant to the Cayman Islands Companies Law (2004 Revision), to the Cayman Islands Registrar of Companies (the “**Cayman Registrar**”) to be de-registered as a Cayman Islands exempted company and to be registered by way of continuation as a company incorporated under the laws of Jersey. On 25 October 2006, the Cayman Registrar issued a certificate that the Company had been de-registered as an exempted company, and as a result the Company ceased to be a “company” for all purposes under the Cayman Islands Companies Law (2004 Revision). Also on 25 October 2006, the Jersey Registrar issued a certificate of continuance as a result of which the Company became a public company incorporated under the Jersey Companies Law, under the name “Minera IRL Limited” registration number 94923. At the Annual General Meeting held on 12 August 2010, shareholders of the Company approved a resolution adopting new Articles of Association compliant with the requirements of the TSX, which new Articles of Association are effective as of such date.

The Company’s registered office is located at Ordnance House, 31 Pier Road, St. Helier, Jersey, JE4 8PW. The Company’s corporate head office is located at Av Santa Cruz 830, Of. 401, Miraflores, Lima 18, Peru.

The following chart sets out the Company’s corporate structure as at the date of this prospectus:



## SUMMARY DESCRIPTION OF THE BUSINESS

The Company is a fully integrated Latin American, publicly listed gold mining company based in Lima, Peru. The Company's principal properties are the Corihuarmi Gold Mine in Peru, the Ollachea Project in Peru and the Don Nicolás Project in Argentina. During 2009, the Corihuarmi Gold Mine produced approximately 33,000 ounces of gold at a cash operating cost of US\$341 per ounce. See "Non-GAAP Performance Measures" and the reconciliation table under "Recent Developments — Corihuarmi Gold Mine". The Ollachea Project and the Don Nicolás Project are the Company's two pre-development projects. The Company is aggressively advancing both of these projects through the stages required to demonstrate a viable mining operation which will be followed by subsequent development. The Company also has active exploration projects in Peru and Argentina.

## RECENT DEVELOPMENTS

### Macquarie Bank Limited Loan Facility

On 7 July 2010, the Company entered into an agreement with Macquarie Bank Limited ("**Macquarie Bank**") for a US\$20 million loan facility (the "**Loan Facility**"). On 9 July 2010, US\$7.5 million of this facility was drawn down of which US\$2.5 million was used to repay an existing loan from Macquarie Bank. In consideration for this draw down and under the terms of the agreement, the Company issued to Macquarie Bank an option to acquire 6,944,444 Ordinary Shares exercisable at a price of US\$1.08 per Ordinary Share at any time up to and including 28 June 2013. Previously issued options to Macquarie Bank exercisable to acquire up to 4,861,048 Ordinary Shares were cancelled. On 30 September 2010, the Company drew down a further US\$2.5 million under the Loan Facility. In consideration for this draw down and under the terms of the agreement, the Company issued to Macquarie Bank an option to acquire an additional 1,633,987 Ordinary Shares, exercisable at a price of US\$1.53 per Ordinary Share at any time up to and including 28 June 2013. The aggregate amount outstanding under the Loan Facility is repayable on 31 December 2012.

### Debt for Equity Swap

On 24 June 2010, the Company entered into an agreement with Resource Capital Fund III LP ("**RCF**") to exchange US\$1 million of its outstanding principal amount under the RCF working capital facility for 1,111,111 Ordinary Shares at a price of US\$0.90 per Ordinary Share. Previously issued options to RCF to acquire a total of 952,400 Ordinary Shares lapsed on 30 June 2010.

### Toronto Stock Exchange Listing

On 29 April 2010, the Ordinary Shares were listed for trading on the TSX under the symbol "IRL".

### Corihuarmi Gold Mine

The Company's only producing mine is the Corihuarmi Gold Mine, located in the high Andes of central Peru. The following information has been derived from and is based on the assumptions, qualifications and procedures set out in the technical report entitled "Corihuarmi Gold Project, National Instrument 43-101 Technical Report" dated 6 April 2010 (the "**Corihuarmi Technical Report**") prepared by Beau Nicholls, Doug Corley, Alex Virisheff, Jean-Francois St-Onge and Barry Cloutt, of Coffey Mining Pty Ltd, each of whom is a "qualified person" and "independent" as those terms are defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"). For full technical details, reference should be made to the complete text of the Corihuarmi Technical Report which has been filed with the various securities regulatory authorities in certain of the Provinces of Canada and is available on SEDAR under the Company's profile at [www.sedar.com](http://www.sedar.com).

The Corihuarmi Gold Mine is located 160km SE of Lima, Peru in the high Andes. An open pit mine and heap leach treatment facility at a rate of 3,000 tonnes of ore per day was brought on line in early 2008. The mine life based on proven reserves is until the second half of 2013.

The tables below outline the Mineral Resource and Mineral Reserves at the Corihuarmi Gold Mine.

<b>Corihuarmi Gold Mine Mineral Resource</b>										
<b>Deposit</b>	<b>Cut-off Grade (g/t)</b>	<b>Measured Resource</b>			<b>Indicated Resource</b>			<b>Inferred Resource</b>		
		<b>Tonnes (Mt)</b>	<b>Au (g/t)</b>	<b>In-Situ Gold (koz)</b>	<b>Tonnes (Mt)</b>	<b>Au (g/t)</b>	<b>In-Situ Gold (koz)</b>	<b>Tonnes (Mt)</b>	<b>Au (g/t)</b>	<b>In-Situ Gold (koz)</b>
<b>Diana</b>	0.3	0.87	0.53	15						
<b>Susan</b>	0.25	4.45	0.62	88	0.01	0.33	0.1			
<b>Scree</b>	0							3.77	0.45	55
<b>Total</b>		<b>5.32</b>	<b>0.60</b>	<b>103</b>	<b>0.01</b>	<b>0.33</b>	<b>0.1</b>	<b>3.77</b>	<b>0.45</b>	<b>55</b>

Notes:  
(1) As at 1 January 2010 for the Measured and Indicated Resources; as at 28 February 2010 for the Inferred Resources.  
(2) For calculation parameters refer to the AIF filed on SEDAR.  
(3) Mineral Reserves are completely included within the Mineral Resource estimates.  
(4) Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

<b>Corihuarmi Gold Mine Mineral Reserves</b>								
<b>Proven Reserve</b>			<b>Probable</b>			<b>Total</b>		
<b>Tonnes (Mt)</b>	<b>Au (g/t)</b>	<b>In-Situ Gold (koz)</b>	<b>Tonnes (Mt)</b>	<b>Grade (g/t)</b>	<b>In-Situ Gold (koz)</b>	<b>Tonnes (Mt)</b>	<b>Au (g/t)</b>	<b>In-Situ Gold (koz)</b>
5.1	0.65	106	-	-	-	5.1	0.65	106

Notes:  
(1) As at 31 December 2009.  
(2) For calculation parameters refer to the AIF filed on SEDAR.

Following is a table reconciling the 2009 GAAP financial results for cost of sales to the non-GAAP measure of cash operating costs for the Corihuarmi Gold Mine:

Corihuarmi Gold Mine		<i>US\$000</i>
Cash operating costs for the year ending December 31, 2009		
Cost of sales (per financial statements)		18,804
Less:		
Depreciation of mine construction and plant costs and amortisation of deferred development costs	(5,174)	
Workers participation	(286)	
Royalties	(1,273)	
Community costs	(661)	
Environment costs	(448)	
	—————	(7,842)
Adjusted cash operating costs		10,962
		=====
Ounces of gold sold*		32,147
		=====
Cash operating cost per ounce sold (\$)		341
		=====
* The Chairman's Statement in the Annual Report refers to mine production of 33,012 ounces. The amount sold was 32,147 ounces. The calculation is based on the amount sold.		

No adjustments have been made in calculating cash operating costs in respect of non-recurring or one time charges. The above reconciliation of cash operation costs has been consistently applied since the Company brought the Corihuarmi Gold Mine into production.

### **Ollachea Project**

The Ollachea Project is a recent gold discovery made by the Company's subsidiary, Compania Minera Kuri Kullu SA ("**MKK**"). The Ollachea Project is in a pre-feasibility study stage and an extensive exploration program will be completed. The following information has been derived from and is based on the assumptions, qualifications and procedures set out in the technical report entitled "Ollachea Gold Project, National Instrument 43-101 Technical Report" dated 6 April 2010 (the "**Ollachea Technical Report**") prepared by Beau Nicholls, Bernardo Viani, Jean-Francois St-Onge and Barry Cloutt, of Coffey Mining Pty Ltd, each of whom is a "qualified person" and "independent" as those terms are defined in NI 43-101. For full technical details, reference should be made to the complete text of the Ollachea Technical Report which has been filed with the various securities regulatory authorities in certain of the Provinces of Canada and is available on SEDAR under the Company's profile at [www.sedar.com](http://www.sedar.com).

The Ollachea Project is located in southern Peru. A scoping study (the "**Scoping Study**") has been completed based upon an Inferred Resource of 1.3 million ounces of gold. A pre-feasibility study is in progress which includes an in-fill drilling program designed to elevate the Inferred Resource to Measured and Indicated Resource categories. The objective is to develop an integrated underground gold mine and treatment facility before the end of 2014.

The table below outlines the Inferred Resources at the Ollachea Project obtained in the Scoping Study.

<b>Ollachea Project Inferred Resource</b>		
Tonnes (Mt)	Grade (g/t)	Contained Gold (koz)
8.91	4.50	1,277
Notes: (1) As at 6 October 2009. (2) For calculation parameters refer to the AIF filed on SEDAR. (3) Using a cut-off grade of 2.5 g/t Au. (4) The Scoping Study is preliminary in nature, it includes solely Inferred Mineral Resources that are considered too speculative geographically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves. There can be no certainty that the preliminary assessment as estimated in the Scoping Study will be realized. (5) Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.		

On 13 July 2010, pursuant to MKK's option agreement with Rio Tinto Mining & Exploration SAC ("Rio Tinto"), MKK completed a US\$3,807,300 payment to Rio Tinto. This complied with the contained gold payment obligation to Rio Tinto as a significant component in perfecting the Company's 100% acquisition of the Ollachea Project.

#### **Don Nicolàs Project**

The Don Nicolàs Project is located in the Santa Cruz Province of Argentina. The Company acquired the Don Nicolàs Project in December 2009 as part of the Company's acquisition of Hidefield Gold Plc (as Hidefield Gold Ltd. was then known) pursuant to a take-over bid, completed via a scheme of arrangement. The following information has been derived from and is based on the assumptions, qualifications and procedures set out in the technical report entitled "Technical Report Don Nicolàs Gold Project, Santa Cruz Province, Argentina" dated 1 April 2010 (the "**Don Nicolàs Technical Report**") prepared by Paul Payne of Runge Limited, who is a "qualified person" and "independent" as those terms are defined in NI 43-101. For full technical details, reference should be made to the complete text of the Don Nicolàs Technical Report which has been filed with the various securities regulatory authorities in certain of the Provinces of Canada and is available on SEDAR under the Company's profile at [www.sedar.com](http://www.sedar.com).

The Don Nicolàs Project area consists of 186,501 Ha of mineral rights in 30 separate exploration concessions. A feasibility study is in progress with the objective of developing an integrated open pit and underground gold mine and treatment plant during 2012.

The table below outlines the Mineral Resources at the Don Nicolàs Project.

<b>Don Nicolàs Project Mineral Resource</b>					
<b>Indicated Resource</b>			<b>Inferred Resource</b>		
Tonnes (Mt)	Grade (g/t)	Contained Gold (koz)	Tonnes (Mt)	Grade (g/t)	Contained Gold (koz)
1.08	5.8	201	1.08	4.6	158
Notes: (1) As at December 2008. (2) For calculation parameters refer to the AIF filed on SEDAR. (3) Using a cut-off grade of 1.0 g/t Au. (4) Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.					

## USE OF PROCEEDS

The estimated gross proceeds received by the Company from the Offering will be up to \$32,650,000 (not including the exercise of the Over-Allotment Option). The estimated net proceeds of the Offering, after deducting the Agents' Fee of \$1,959,000 and estimated expenses of the Offering of \$390,000 will be up to approximately \$30,301,000 (or \$34,895,570 if the Over-Allotment Option is exercised in full).

The net proceeds from the sale of the Offered Shares (including any net proceeds from the exercise of the Over-Allotment Option) will be used to assist the Company in funding the exploration and development costs for the next approximately 20 months on its portfolio of properties and in particular, the Ollachea Project and the Don Nicolás Project, as set out in the table below. The balance of the net proceeds from the sale of the Offered Shares (including any net proceeds from the exercise of the Over-Allotment Option), if any, will be used for other general corporate purposes and working capital. In the event that the net proceeds received are less than approximately \$30,000,000, the Company will fund the exploration and development programs at the Ollachea Project, the Don Nicolás Project and other exploration programs over a shorter time period. In addition, the Company will consider raising additional equity capital, or accessing debt facilities to undertake the balance of these expenditures.

<b>Use of Net Proceeds</b>	<b>Assuming \$32,650,000 Offering Size</b>
	<b>(Amounts in \$ thousands)</b>
Ollachea Project	
Pre-feasibility Study	2,050
Feasibility Study	4,090
Exploration Access Drive	7,740
Other Costs	1,430
Don Nicolás Project	
Feasibility Study	2,700
Other Costs	710
Exploration	
Ollachea	3,060
Patagonia (including Don Nicolás Project)	3,060
Other	2,040
Working Capital and General Corporate Purposes	3,421
<b>TOTAL</b>	<b>30,301</b>

The uses of the net proceeds from the fund raising are to complete a pre-feasibility study on the Ollachea Project by the end of 2011, a feasibility study on the Ollachea Project by mid-2012 and a feasibility study on the Don Nicolás Project by the end of 2011 whilst, during this period, sustaining active programs of exploration at each project aimed at discovering new gold deposits. Key to the exploration programs is to further explore at the Ollachea and Patagonia tenements, including the Don Nicolás Project. In addition, at the Ollachea Project, a 1.3 km long exploration tunnel will access the deposit allowing detailed evaluation of key technical aspects including geotechnical and mine design information. The permitting for the construction of the exploration access drive has commenced. It is expected that the construction of the exploration access drive will commence in second quarter of 2011 for a period of approximately 15 months. The estimated cost of the access drive is based on indicative cost provided by contractors of approximately US\$6.0 million plus 15% contingency and owner's costs of 10%.

Any additional funds raised pursuant to the exercise of the Over-Allotment Option will be put toward working capital and general corporate purposes. The proceeds from the Offering will be invested in government guaranteed short-term investments, pending their allocation to the uses set out above. The deposits will be made with the Company's bankers, Royal Bank of Scotland International Ltd. or Macquarie Bank Ltd.

While the Company intends to spend the net proceeds as stated above, there may be circumstances where, for sound business reasons, a re-allocation of funds may be necessary or desirable.

### **CONSOLIDATED CAPITALIZATION**

Except as described herein, there have been no material changes in the Company's share and loan capital on a consolidated basis since 31 December 2009.

On 3 February 2010, 100,000 Ordinary Shares were issued pursuant to the exercise of options.

On 9 July 2010, as a result of a US\$7.5 million draw down under the Loan Facility, the Company issued an option to acquire 6,944,444 Ordinary Shares to Macquarie Bank, exercisable at a price of US\$1.08 per Ordinary Share at any time up to and including 28 June 2013. Of this draw down, US\$2.5 million was used to repay an existing loan from Macquarie Bank. Previously issued options to Macquarie Bank exercisable to acquire up to 4,861,048 Ordinary Shares were cancelled. On 30 September 2010, the Company drew down a further US\$2.5 million under the Loan Facility. In consideration for this draw down and under the terms of the agreement, the Company issued to Macquarie Bank an option to acquire an additional 1,633,987 Ordinary Shares, exercisable at a price of US\$1.53 per Ordinary Share at any time up to and including 28 June 2013. See "Recent Developments — Macquarie Bank Limited Loan Facility".

On 24 June 2010, the Company issued 1,111,111 Ordinary Shares at a price of US\$0.90 per share as a result of the conversion of a US\$1 million loan to RCF. See "Recent Developments — Debt for Equity Swap".

On 6 October 2010, 50,000 Ordinary Shares were issued pursuant to the exercise of options.

As of the date hereof, the Company has 86,836,284 Ordinary Shares outstanding. Upon completion of the Offering, there will be an aggregate of 115,227,588 Ordinary Shares issued and outstanding (or 119,477,884 Ordinary Shares if the Over-Allotment Option is exercised in full).

### **PLAN OF DISTRIBUTION**

Pursuant to the Agency Agreement, the Company has appointed the Agents as its agents to offer the Offered Shares for sale to the public, either directly or through authorized sub-agents, on a best efforts agency basis in each of the provinces of Canada, except Québec, subject to compliance with all necessary legal requirements and the terms and conditions of the Agency Agreement.

The Offered Shares are being sold at an Offering Price of \$1.15 per Offered Share. The Offering Price was negotiated among the Company and Jennings on behalf of the Agents in the context of prevailing market conditions. The Agency Agreement provides that the closing of this Offering will occur on 10 November 2010 or such later date as the Company and the Agents may agree, but in any event not later than 30 November 2010.

As required by the Company's Articles of Association, the shareholders of the Company must approve, by way of an ordinary resolution (requiring simple majority approval), the issuance of the Offered Shares. The Company's Articles of Association provide the shareholders of the Company with a pre-emptive right in respect of the issuance of any Ordinary Shares. Shareholder approval by way of a special resolution of shareholders will also be sought for the waiver of the application of such pre-emptive rights in connection with the issuance of the Offered Shares. The approvals described above were sought at an Annual General Meeting of the shareholders of the Company to held on 12 August 2010, where such approvals were obtained.

The Agency Agreement provides for payment by the Company of the Agents' Fee equal to 6.0% of the gross proceeds received by the Company in respect of the Offering (including any Offered Shares sold as a result of the exercise of the Over-Allotment Option), such Agents' Fee to be payable in full on the Closing Date. The Company has also agreed to grant to the Agents an Over-Allotment Option, exercisable by the Agents in whole or in part in the sole discretion of the Agents, upon giving notice to the Company at any time until 5:00 p.m. (Toronto time) on the date that is 30 days from (and including) the Closing Date to purchase up to 4,250,296 Over-Allotment Shares, at the Offering Price to cover over-allotments, if any, and for market stabilization purposes. This short form prospectus also qualifies the grant of the Over-Allotment Option, and the distribution of any Over-Allotment Shares issuable upon the exercise of the Over-Allotment Option. A purchaser who acquires securities forming part of the Agents' over-allocation position acquires these securities under this short form prospectus regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-Allotment Option is exercised in full, the Price to the Public, Agents' Fee and Net Proceeds to the Company will be \$37,537,840, \$2,252,270 and \$35,285,570, respectively, before deducting the expenses of the Offering.

While the Agents have agreed to use their best efforts to sell the Offered Shares, the Agents are not obliged to purchase any Offered Shares which are not sold. After the Agents have made reasonable efforts to sell all of the Offered Shares offered under this short form prospectus at the Offering Price, the Offering Price may be decreased, and further changed from time to time to an amount not greater than the Offering Price. The compensation realized by the Agents will be decreased by the amount that the aggregate price paid by the purchasers for the Offered Shares is less than the gross proceeds paid by the Agents to the Company. A decrease in the Offering price will not decrease the amount of the net proceeds of the Offering to be received by the Company. The obligations of the Agents under the Agency Agreement are several and not joint and may be terminated at their discretion on the basis of their assessment of the state of the financial markets and upon the occurrence of certain stated events.

Pursuant to the policies of certain Canadian securities regulatory authorities, the Agents may not, throughout the period of distribution under the Offering, bid for or purchase Ordinary Shares for their own account or for accounts over which they exercise control or discretion. The foregoing restriction is subject to certain 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 Ordinary Shares. These 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 or on behalf of a customer where the order was not solicited during the period of distribution. Subject to the foregoing, the Agents may over-allot or effect transactions which stabilize or maintain the market price of the Ordinary Shares at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

The Offered Shares (including any Over-Allotment Shares) have not been and will not be registered under the U.S. Securities Act or any state securities laws, and may not be offered or sold within the United States, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. Each Agent has agreed that it (and the U.S. broker-dealer affiliate of the Agent which conducts offers and sales in the United States) will not offer or sell the Offered Shares within the United States except in accordance with exemptions from the registration requirements under the U.S. Securities Act and applicable state securities laws. The Agency Agreement will provide that certain of the Agents, through their respective U.S. broker-dealer affiliates, may offer and sell the Offered Shares purchased by them pursuant thereto in the United States to "qualified institutional buyers", as defined in Rule 144A under the U.S. Securities Act, in accordance with Rule 144A under the U.S. Securities Act and applicable state securities laws. In addition, the Agency Agreement will provide that certain of the Agents, through their respective U.S. broker-dealer affiliates, may offer the Offered Shares for sale by the Company to institutional "accredited investors", that satisfy one or more of the requirements of Rule 501(a)(1), (2), (3) and (7) of Regulation D under the U.S. Securities Act, provided such offers and sales are made in accordance with Rule 506 of Regulation D under the U.S. Securities Act and applicable state securities laws. Moreover, the Agency Agreement will provide that the Agents will offer and sell the Offered Shares outside the United States only in accordance with Regulation S under the U.S. Securities Act.

Until 40 days after the commencement of this Offering, an offer or sale of the Offered Shares in the United States by any dealer (whether or not participating in this Offering) may violate the registration requirements of the

U.S. Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from such registration requirements.

With respect to the United Kingdom, the Offering is only being, and may only be, made to, and this short form prospectus is only being, and may only be, distributed to and is directed at persons in the United Kingdom who are both (a) a “Qualified Investor” within the meaning of Section 86(7) of the FSMA and (b) within the categories of persons referred to in Article 19(5) (Investment professionals) or Article 49(2)(a) to (d) (High net worth companies, unincorporated associations etc.) of the Financial Promotion Order, or persons in the United Kingdom to whom the offering of securities may otherwise be made or to whom the offering of securities may otherwise be directed in the United Kingdom without an approved prospectus having been made available to the public in the United Kingdom before the Offering is made, and without making an unlawful financial promotion, all such persons together being referred to as “relevant persons”. The Offered Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Offered Shares will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this short form prospectus or any of its contents. This short form prospectus is not an “approved prospectus” within the meaning of Section 85(7) of FSMA, has not been prepared in accordance with the prospectus rules contained in the FSA handbook published and updated from time to time by the FSA (acting in its capacity as the United Kingdom Listing Authority of the FSA), and its contents have not been examined or approved by the FSA or London Stock Exchange plc, nor has it been approved by an “authorised person” for the purposes of Section 21 of FSMA.

No representation or warranty, express or implied, is made by Collins Stewart as to any of the contents of this short form prospectus. **Collins Stewart is not registered to sell securities in any Canadian jurisdiction and, accordingly, will only sell ordinary shares of the Company in the United Kingdom and other foreign jurisdictions where it is permitted to do so. This prospectus does not qualify the distribution of the ordinary shares of the Company sold by Collins Stewart pursuant to the Offering.**

Subscriptions for Offered Shares 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.

The TSX has conditionally approved the listing of the Offered Shares and the Over-Allotment Shares on the TSX and will apply for admission of such shares to trading on AIM. Listing will be subject to the Company fulfilling all listing requirements of the TSX on or before January 13, 2011 and requirements for admission to trading on AIM.

Pursuant to the Agency Agreement, the Company agreed that, during the period ending 90 days following the Closing Date, the Company will not, without the prior consent of Jennings on behalf of the Agents, such consent not to be unreasonably withheld, authorize, sell or issue or announce its intention to authorize, sell, issue or negotiate or enter into an agreement to sell or issue any Ordinary Shares securities convertible or exchangeable into Ordinary Shares except (i) upon the exercise of convertible securities, options or warrants of the Company outstanding as the date hereof; (ii) pursuant to the Company’s stock option plan; or (iii) options issued under the Loan Facility.

The Agency Agreement also provides that the Company will indemnify the Agents against certain liabilities and expenses, including liabilities under applicable securities legislation in certain circumstances, or to contribute to payments the Agents may have to make in respect thereof.

## **DESCRIPTION OF SECURITIES BEING DISTRIBUTED**

The authorized share capital of the Company consists of an unlimited number of Ordinary Shares of no par value, of which, as at the date hereof, there are 86,836,284 Ordinary Shares issued and outstanding.

All of the issued Ordinary Shares are fully paid and are not subject to any future call or assessment. The Ordinary Shares are without par value and entitle the holders thereof to receive notice of, attend and vote at all meetings of shareholders of the Company. Each Ordinary Share carries one vote at such meetings. All Ordinary

Shares rank equally as to dividends, voting powers and participation in assets upon a dissolution or winding up of the Company.

While there is no pre-emptive right pursuant to the Jersey Companies Law, the Company's Articles of Association provide for pre-emptive rights on the issuance of relevant securities, including Ordinary Shares. Apart from certain exceptions for the issuance of relevant securities for consideration other than cash and relevant securities issued pursuant to an employee share scheme, if the Company proposes to allot relevant securities or rights thereto, the Company must first make an offer to each shareholder of the Company to allot to them, on the same or more favourable terms, a proportion of those securities in proportion to their respective shareholding. A shareholder shall have at least 21 days to accept or reject such offer. Shareholders may, by special resolution, resolve to dis-apply the pre-emption rights in respect of certain allotments of relevant securities or otherwise apply the right to an allotment with such modifications as may be specified in the resolution. At the Company's Annual General Meeting held on 12 August 2010, the Company's shareholders authorized the issuance of 34,325,625 Ordinary Shares. With respect to these 34,325,625 Ordinary Shares, the shareholders of the Company have waived their pre-emptive rights. If the Company intends to issue Ordinary Shares in excess of 34,325,625, it will require an additional waiver of the pre-emptive right by shareholders or it will have to comply with the pre-emptive right.

As of the date hereof, options to acquire 15,158,431 Ordinary Shares at an average exercise price of approximately \$1.11 are outstanding.

#### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

Set forth below is a summary of securities issued and issuable under all equity compensation plans of the Company as at 31 December 2009.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans</b>
Equity compensation plans approved by securityholders	6,305,000	£0.6407	N/A
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	6,305,000	£0.6407	N/A

#### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

There is currently no outstanding indebtedness owing to either the Company or any of its subsidiaries, or to any other entity which is the subject of a guarantee, support agreement, letter of credit or similar arrangement provided by the Company or any of its subsidiaries, of (i) any director, executive officer or employee; (ii) any former director, executive officer or employee; or (iii) any associate of any current or former director or executive officer of the Company.

#### **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

National Policy 58-201 – *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators has set out a series of guidelines for effective corporate governance (the “**Guidelines**”). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) of the Canadian Securities Administrators requires the disclosure by each listed corporation of its approach to corporate governance with

reference to the Guidelines as it is recognized that the unique characteristics of individual corporations will result in varying degrees of compliance.

Set out below is a description of the Company's approach to corporate governance in relation to the Guidelines.

### **Board of Directors**

NI 58-101 defines an "independent director" as a director who has no direct or indirect material relationship with the Company. A "material relationship" is in turn defined as a relationship which could, in the view of the board of directors (the "**Board**"), be reasonably expected to interfere with such member's independent judgment. The Board is currently comprised of five members. The Board has determined that four of such members are "independent directors" within the meaning of NI 58-101, and one such member is a "non-independent director".

Mr. Chamberlain is a non-independent director by reason of his position as Chief Executive Officer and duties with Minera.

Messrs. Jones, Ross, Judge and Valdez are considered independent directors since they are independent of management and free from any material relationship with the Company. The basis for this determination is that none of the independent directors have worked for the Company, received remuneration from the Company (over and above their directors entitlements) or had material contracts with or material interests in the Company which could interfere with their ability to act with a view to the best interests of the Company.

The Board has a majority of independent directors as noted above.

The Board considers that its current composition is appropriate given the size and operations of the Company. The Board believes its current structure includes an appropriate mix of skills and expertise relevant to the Company's business.

Members of the Board also sit on the boards of other reporting issuer corporations as follows:

- Douglas Jones sits on the board of directors' of the following other corporations:
  - ASX listed, Chalice Gold Mines Limited;
  - ASX listed, Liontown Resources Limited;
- Graeme Ross sits on the board of directors of the following other corporations:
  - CISX listed, Geiger Counter Limited;
  - CISX listed, New City Energy Limited;
  - CISX listed, Global Media Rights Limited;
  - CISX listed, BDP Limited;
  - CISX listed, Invesco PIT Limited;
  - Ireland listed, Personal Choice Portfolios Limited;
  - LSE listed, New City High Yield Fund Limited;
  - LSE listed, ETFS Commodity Securities Limited;
  - LSE listed, ETFS Oil Securities Limited;
  - LSE listed, ETFS Foreign Exchange Limited;
  - LSE listed, ETFS Metal Securities Limited;
  - LSE listed, Gold Bullion Securities Limited;
  - Malta listed, BDP Limited;
- Kenneth Judge sits on the board of directors of the following other corporations:
  - TSX-V listed, Alto Ventures Ltd;
  - TSX-V listed, Brazilian Diamonds Limited; and

- LSE (AIM) listed, Gulfsands Petroleum Plc.

In carrying out its mandate, the Board met 13 times during the fiscal year ended 31 December 2009. The following table sets out attendance by the directors at meetings of the Board during this period.

<b>Name of the Director</b>	<b>Number of Meetings Attended</b>
Courtney Chamberlain	13
Douglas Jones	11
Graeme Ross	13
Terrence Streeter <sup>(1)</sup>	3
Kenneth Judge <sup>(2)</sup>	—
Napoleon Valdez <sup>(3)</sup>	—

Notes:

- (1) Terrence Streeter resigned from the Board on 15 July 2009.  
(2) Kenneth Judge was appointed to the Board on 21 December 2009.  
(3) Napoleon Valdez was appointed to the Board on 1 March 2010.

The Chairman of the Board is not an independent director. However, the Board believes that it functions independently of management. To enhance its ability to act independently of management, if and when necessary, the Board may meet in the absence of members of management and the non-independent directors, may excuse such persons from all or a portion of any meeting where a potential conflict of interest arises or where otherwise appropriate.

The Board continues to consider its structure and composition with regard to the Company's future direction. Given the size and constitution of the Board, and current stage of development of the Company, the Board believes that the mandate of the Board will be sufficient to adequately facilitate open and candid discussion amongst the independent directors during the current year.

### **Board Mandate**

The Board's responsibility is to supervise the executive managers of the business and affairs of the Company and to act with a view to the best interests of the Company and its shareholders. In the discharge of this responsibility, the Board oversees and reviews directly or through its various committees, the Company's results of operations, significant corporate plans and business initiatives, including the development and implementation of the annual business plan, strategic plans, major acquisitions and divestitures, public communications policies, the Company's senior management recruitment, assessment and succession processes and the Company's internal control and management information systems to identify and manage principal business risks. The Board is also responsible for reviewing its size and the compensation paid to its members, to ensure that the Board can fulfill its duties effectively and that its members are adequately compensated for assuming the risks and carrying out the responsibilities of their positions. The Board considers, as a general rule, that management should speak for the Company in its communications with shareholders and the investment community, in the context of shareholder and investor relations programs reviewed and approved periodically by the Board.

### **Position Description**

Given the small size of the Company's infrastructure, the Board does not feel that it is necessary at this time to formalize position descriptions or corporate objectives for any of the Executive Chairman of the Board, the Chairman of each committee of the Board or the Chief Executive Officer in order to delineate their respective responsibilities. Accordingly, the roles of the executive officers of the Company are delineated on the basis of the customary practice.

## **Orientation and Continuing Education**

While the Company currently has no formal orientation and education program for new Board members, sufficient information (such as recent annual reports, prospectuses, proxy solicitation materials, technical reports and various other operating, property and budget reports) is provided to any new Board member to ensure that new directors are familiarized with the Company's business and the procedures of the Board. In addition, new directors are encouraged to visit and meet with management on a regular basis. The Company also encourages continuing education of its directors and officers where appropriate in order to ensure that they have the necessary skills and knowledge to meet their respective obligations to the Company.

## **Ethical Business Conduct**

The Board has not adopted a written code of ethical business conduct. However, a director, in the exercise of his or her functions and responsibilities, must act with complete honesty and good faith in the best interests of the corporation. He or she must also act in accordance with the applicable laws, regulations and policies. In the event of a conflict of interest, a director is required to declare the nature and extent of any material interest he or she has in any important contract or proposed contract of Minera, as soon as he or she has knowledge of the agreement or of Minera's intention to consider or enter into the proposed contract. In such circumstances, the director in question shall abstain from voting on the subject.

## **Nomination of Directors**

The full Board has assumed responsibility for the recommendation for appointment and assessment of directors. While there are no specific criteria for Board membership, the Company attempts to attract and maintain directors with business knowledge and a particular knowledge of mineral exploration and development or other areas (such as accounting, legal, finance or business) which provide knowledge which would assist in providing guidance to the officers of the Company. As such, nominations tend to be the result of recruitment efforts and discussions amongst the directors, prior to the consideration of the Board as a whole.

The Board is comprised of a majority of independent directors. The Board deals with any conflicts of interest that may occur when convening by ensuring the director with conflicting interests is not party to the relevant discussions.

## **Compensation/Remuneration**

The members of the Compensation/Remuneration Committee are as follows:

- Mr Douglas Jones – Independent non-executive director (Chair)
- Mr Napoleon Valdez – Independent non-executive director
- Mr Courtney Chamberlain – Executive Chairman

The Board considers that the composition of the Compensation/Remuneration Committee is, and continues to be, appropriate given the current size and operations of the Company. The Board continues to regularly review its composition in light of the Company's circumstances and future direction and will appoint additional independent directors if considered appropriate.

The Compensation/Remuneration Committee is comprised of a majority of independent directors. The Compensation/Remuneration Committee deals with any conflicts of interest that may occur when convening by ensuring the director with conflicting interests is not party to the relevant discussions.

The Company believes that effective compensation strategies are critically important to driving the Company's success, and improving shareholder value. Compensation programs are structured to provide a strong positive correlation between the compensation of the Company's leaders, its corporate results and financial return to the shareholders. The programs support and enable the corporate vision, strategic priorities and the development of

talent. They reflect the Company's performance overall, embed ownership in the Company and encourage executives to take significant personal financial interest in the long-term health and growth of the organization.

The Company's approach to compensation is based on a "pay for performance" philosophy and practices are designed to provide an effective balance. The responsibilities of the Compensation/Remuneration Committee include:

1. Conduct a periodic review, not less than annually, and report to the Board for approval of any recommended changes of the following:
  - (a) the Chief Executive Officer's salary and the general salary structure of the Company and its subsidiaries, and salary administration procedures;
  - (b) employee pension plans and trends and developments in the pension area; and
  - (c) employee benefits generally, including the Company's stock option plans and stock purchase plans.
2. Review incentive bonus arrangements for senior officers and, if and when approved by the Board, oversee the implementation and administration thereof.
3. Ensure compliance with compensation disclosure requirements and approve the report on executive compensation for the Company's Annual Information Circular.
4. Annually review the adequacy and form of compensation of the directors to ensure the compensation realistically reflects the responsibilities and risk involved in being an effective director and make appropriate recommendations to the Board for approval.
5. At the request of the Board, consider any other matters which would assist the directors to meet their responsibilities regarding compensation matters.
6. Report to the Board as required.

#### **Other Board Committees**

The Audit Committee is the only other committee that has been formed.

#### **Assessments**

The Chair is responsible for evaluation of the Board and, when deemed appropriate, Board committees and individual directors. The independent directors are responsible for evaluating the Chief Executive Officer. During the reporting period to 31 December 2009 an evaluation of the Board, its committees and individual directors was not formally carried out as it was not considered to be a beneficial procedure given the size and composition of the Board. However, informal discussions were held regarding overall Board performance and its compositional suitability to carry out its role in the Company's present circumstances. The Board continues to consider its structure and composition, with reference to the Company's future direction and the performance of its directors.

#### **PRIOR SALES**

For the twelve-month period before the date of this prospectus the Company issued the following Ordinary Shares, and securities exercisable into Ordinary Shares:

<b>Date</b>	<b>Number of Ordinary Shares Issued</b>	<b>Price</b>
22 December 2009	9,767,291	£0.625

<b>Date</b>	<b>Number of Ordinary Shares Issued</b>	<b>Price</b>
3 April 2010	100,000	£0.45
24 June 2010	1,111,111	US\$0.90
6 October 2010	50,000	£0.45

<b>Date</b>	<b>Number of Options Issued</b>	<b>Exercise Price</b>
17 November 2009	2,300,000	£0.9125
25 January 2010	275,000	£0.8875
2 July 2010	50,000	£0.7250
7 July 2010	6,944,444	US\$1.08
30 September 2010	1,633,987	US\$1.53

### **TRADING PRICE AND VOLUME**

The following table shows the high and low sales prices and volume of the Ordinary Shares traded on the TSX since the Ordinary Shares were listed on the TSX.

<b>Date</b>	<b>High</b>	<b>Low</b>	<b>Volume</b>
29 – 30 April 2010	\$1.050	\$1.050	1,000
May 2010	\$1.290	\$0.800	150,773
June 2010	\$0.820	\$0.810	3,200
July 2010	\$0.990	\$0.900	10,500
August 2010	\$1.200	\$1.020	61,977
September 2010	\$1.550	\$1.080	246,626
1 – 27 October 2010	\$1.48	\$1.200	346,012

The following table shows the high and low sales prices and volume of the Ordinary Shares traded on AIM during the past 12 months displayed.

<b>Date</b>	<b>High</b>	<b>Low</b>	<b>Volume</b>
October 2009	£0.750	£0.650	234,985
November 2009	£0.730	£0.645	395,127
December 2009	£0.675	£0.620	1,209,598
January 2010	£0.785	£0.630	2,903,785
February 2010	£0.675	£0.655	810,721
March 2010	£0.663	£0.625	756,503
April 2010	£0.735	£0.620	1,420,132
May 2010	£0.750	£0.610	1,614,473

June 2010	£0.610	£0.565	801,409
July 2010	£0.635	£0.565	1,065,779
August 2010	£0.635	£0.605	537,674
September 2010	£0.820	£0.610	5,487,757
1 – 27 October 2010	£0.815	£0.765	3,845,284

The following table shows the high and low sales prices and volume of the Ordinary Shares traded on the BVL during the past 12 months displayed.

Date	High	Low	Volume
October 2009	US\$1.180	US\$1.050	1,791,821
November 2009	US\$1.300	US\$1.060	4,648,258
December 2009	US\$1.080	US\$0.840	2,126,023
January 2010	US\$1.200	US\$0.890	1,406,800
February 2010	US\$1.050	US\$0.900	758,412
March 2010	US\$1.020	US\$0.900	1,928,491
April 2010	US\$1.080	US\$0.930	1,432,092
May 2010	US\$1.000	US\$0.820	2,007,588
June 2010	US\$0.850	US\$0.780	870,257
July 2010	US\$0.900	US\$0.780	545,806
August 2010	US\$0.980	US\$0.890	450,637
September 2010	US\$1.250	US\$0.900	3,151,793
1 – 27 October 2010	US\$1.330	US\$1.140	3,184,834

## CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Fasken Martineau DuMoulin LLP, counsel to the Company, and Cassels Brock & Blackwell LLP, counsel to the Agents, the following is, as of the date of this prospectus, a summary of the principal Canadian federal income tax considerations under the Tax Act that generally apply to holders who acquire beneficial ownership of Offered Shares under the Offering. This summary assumes that the Company is not resident in Canada for the purposes of the Tax Act. This summary applies to holders who, for the purposes of the Tax Act and at all relevant times: (i) deal at arm’s length and are not affiliated with the Company; (ii) are not “financial institutions” as defined in the Tax Act for purposes of the mark-to-market rules; (iii) are not “specified financial institutions” as defined in the Tax Act; (iv) an interest in which is not, or for whom an Offered Share would not be, a “tax shelter investment” for the purposes of the Tax Act; (v) in respect of whom the Company is not a “foreign affiliate” for the purposes of the Tax Act; (vi) are resident in Canada for the purposes of the Tax Act; (vii) to whom subsection 261(5) of the Tax Act does not apply; and (viii) hold their Offered Shares as capital property (“**Canadian Holders**”). The Offered Shares will generally be “capital property” to a Canadian Holder unless such shares are held in the course of carrying on a business of trading or dealing in securities or have been acquired in a transaction or transactions considered to be an adventure or concern in the nature of trade.

This summary is based upon the current provisions of the Tax Act and regulations thereunder in force as of the date hereof, all specific proposals (the “**Proposed Amendments**”) to amend the Tax Act that have been publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof and counsel’s understanding of the current published administrative policies and assessing practices of the Canada Revenue

Agency (“CRA”) that are publicly available. No assurance can be given that any Proposed Amendments will be enacted in their current proposed form, or at all. This summary does not take into account or anticipate any other changes to the law, whether by legislative, governmental or judicial decision or action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the Canadian federal income tax considerations. Generally, for the purposes of the Tax Act, all amounts relating to the acquisition, holding and disposition of Offered Shares (including dividends, adjusted cost base and proceeds of disposition) must be expressed in Canadian dollars. Amounts denominated in a foreign currency must be converted into Canadian dollars based on the exchange rates as determined in accordance with the Tax Act.

**This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Canadian Holder. Therefore, prospective holders should consult their own tax advisors with respect to their particular circumstances.**

### **Dividends**

Dividends received on the Offered Shares will be included in computing the Canadian Holder’s income. In the case of a Canadian Holder that is an individual such dividends will not be subject to the gross-up and dividend tax credit rules that apply to taxable dividends received from taxable Canadian corporations (as defined in the Tax Act). In the case of a Canadian Holder that is a corporation, such dividends will not be deductible in computing the taxable income of the holder under the rules that generally apply to dividends received from taxable Canadian corporations.

Subject to the detailed rules in the Tax Act, a Canadian Holder may be entitled to a foreign tax credit or deduction for any foreign withholding tax paid with respect to dividends that the Canadian Holder receives on Offered Shares.

### **Disposition of Offered Shares**

A disposition or deemed disposition by a Canadian Holder of Offered Shares will generally give rise to a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or less) than such Canadian Holder’s adjusted cost base of such shares. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading “Capital Gains and Capital Losses”.

### **Capital Gains and Capital Losses**

One-half of any capital gain will be included in income as a taxable capital gain and one-half of any capital loss may normally be deducted as an allowable capital loss against taxable capital gains realized in the year of disposition. Any unused allowable capital losses may be applied to reduce net taxable capital gains realized in the three preceding taxation years or any subsequent taxation year, subject to the detailed provisions of the Tax Act in that regard. Subject to the detailed rules in the Tax Act, a Canadian Holder may be entitled to a foreign tax credit or deduction for any foreign tax paid with respect to gains that the Canadian Holder realizes on a disposition of Offered Shares. Prospective Canadian Holders should consult their own tax advisors with respect to the availability of a foreign tax credit or deduction, having regard to their own particular circumstances.

### **Other Taxes**

A Canadian Holder that is throughout the relevant taxation year a “Canadian-controlled private corporation” (as defined in the Tax Act) also may be liable to pay an additional refundable tax of 6 2/3% on its “aggregate investment income” for the year, including: (i) dividends received on Offered Shares; and (ii) taxable capital gains realized on a disposition (or deemed disposition) of Offered Shares. This refundable tax generally will be refunded to a corporate holder at the rate of \$1 for every \$3 of taxable dividends paid by such Canadian Holder while it is a private corporation.

Individuals and certain trusts may be subject to alternative minimum tax in respect of realized capital gains as calculated in accordance with the detailed rules set out in the Tax Act.

### **Foreign Property Information Reporting**

A Canadian Holder that is a “specified Canadian entity” for a taxation year or a fiscal period and whose total “cost amount” of “specified foreign property” (as such terms are defined in the Tax Act), including Offered Shares, at any time in the year or fiscal period exceeds \$100,000 will be required to file an information return for the year or period disclosing prescribed information. Subject to certain exceptions, a Canadian Holder will generally be a specified Canadian entity.

In the 4 March 2010 federal budget (the “**2010 Federal Budget**”), the Minister of Finance (Canada) proposed that the existing reporting requirements with respect to “specified foreign property” be expanded so that more detailed information is available for audit use. Revised legislation reflecting such proposal has not yet been released.

**The reporting rules in the Tax Act are complex and this summary does not purport to explain all circumstances in which reporting may be required. Canadian Holders should consult their own tax advisors regarding whether they must comply with these reporting requirements including any expansion of these rules pursuant to the 2010 Federal Budget proposal.**

### **Offshore Investment Fund Property Rules**

In the 2010 Federal Budget, the Minister of Finance (Canada) announced that certain previously announced Proposed Amendments to the Tax Act relating to the taxation of Canadian residents investing in certain non-resident entities will not be implemented. Proposed Amendments released for consultation on 27 August 2010 contained a slightly revised version of the current offshore investment fund property rules. There can be no assurance that these Proposed Amendments will be enacted as proposed, or at all.

The existing rules with respect to offshore investment fund property may, in certain circumstances, require a Canadian Holder to include an amount in income in each taxation year in respect of the acquisition and holding of Offered Shares, if:

1. the value of such shares may reasonably be considered to be derived, directly or indirectly, primarily from portfolio investments in: (i) shares of one or more corporations, (ii) indebtedness or annuities, (iii) interests in one or more corporations, trusts, partnerships, organizations, funds or entities, (iv) commodities, (v) real estate, (vi) Canadian or foreign resource properties, (vii) currency of a country other than Canada, (viii) rights or options to acquire or dispose of any of the foregoing, or (ix) any combination of the foregoing (“**Investment Assets**”); and
2. it may reasonably be concluded that one of the main reasons for the Canadian Holder acquiring or holding Offered Shares was to derive a benefit from portfolio investments in Investment Assets in such a manner that the taxes, if any, on the income, profits and gains from such Investment Assets for any particular year are significantly less than the tax that would have been applicable under Part I of the Tax Act if the income, profits and gains had been earned directly by the holder.

If applicable, these rules would generally require a Canadian Holder to include in income for each taxation year in which such holder holds the Offered Shares, an imputed amount determined by applying a prescribed rate of interest to the “designated cost” (as defined for purposes of the offshore investment fund property rules) to the holder of the Offered Shares at the end of each month in the year, less the amount of income for the year (other than a capital gain) of the holder from the Offered Shares. Any amount required to be included in computing a Canadian Holder’s income in respect of an Offered Share under these rules would be added to the adjusted cost base to the holder of such Offered Share.

**These rules are complex and their application depends, in part, on the reasons for a Canadian Holder acquiring or holding Offered Shares. Canadian Holders are urged to consult their own tax advisors regarding the application and consequences of these rules in their own particular circumstances.**

### **INTERESTS OF EXPERTS**

The following is a list of the persons or companies named as having prepared or certified a statement, report or valuation, in this short form prospectus, either directly or in a document incorporated by reference and whose profession or business gives authority to the statement, report or valuation made by the person or company.

Beau Nicholls, BSc (Geo), MAIG, Geology Manager - Brazil; Doug Corley, BAppSc (Geo), BSc(Hons),MAIG, Associate Resource Geologist; Jean-Francois St Onge eng., B.Sc.A. (Mining), MAusIMM, Mining Engineer; Barry Cloutt, BAppSc (Eng Met), MAusIMM, Chief Metallurgist; and Alex Virisheff BSc (Hons) (Geo), MAusIMM, MGSA, Principal Consultant – Resources; of Coffey Mining Pty Ltd are the authors of the Corihuarmi Report dated 6 April 2010.

Beau Nicholls, BSc (Geo), MAIG, Geology Manager - Brazil; Bernardo Viana, Resource Geologist, BSc (Geo), MAIG; Jean-Francois St Onge eng., B.Sc.A. (Mining), MAusIMM, Mining Engineer; and Barry Cloutt, BAppSc (Eng Met), MAusIMM, Chief Metallurgist; of Coffey Mining Pty Ltd are the authors of the Ollachea Report dated 6 April 2010.

Paul Payne, BAppSc, Grad Dip, Grad Cert, MAusIMM, Manager Mining Consulting WA of Runge Limited is the author of the Don Nicolás Report dated 1 April 2010.

None of the aforementioned firms or persons, or any director, officer, employee or partner thereof, as applicable, received or has received a direct or indirect interest in any securities or other property of the Company or of any associate or affiliate of the Company in connection with the preparation of such reports. As at the date hereof, the aforementioned persons, and the directors, officers, employees and partners, as applicable, of each of the aforementioned firms, beneficially own, directly or indirectly, less than one percent of the Ordinary Shares of the Company. None of the aforementioned persons are currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

### **RISK FACTORS**

A purchaser of the Offered Shares should be aware that there are various risks, including those described below, that could have a material adverse effect upon, among other things, the operating results, earnings, properties, business, business prospects and condition (financial or otherwise) of the Company. Purchasers of the Offered Shares should carefully consider all information contained elsewhere in this short form prospectus including under the heading “Forward Looking Information” or incorporated by reference in this short form prospectus, including, without limitation, the information in the AIF under the heading “Risk Factors”, as well as the additional risk factors set out below before deciding to purchase the Offered Shares.

#### **Title to Mineral Properties**

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral concessions may be disputed. Although the Company believes it has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of its properties will not be challenged or impaired. Third parties may have valid claims underlying portions of the Company’s interests, including prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties. Also, the Company is in the process of negotiating surface rights to certain of its mineral properties.

The Company's mining concessions may be terminated in certain circumstances. Under the laws of the jurisdictions where the Company's operations, development projects and prospects are located, mineral resources belong to the state and governmental concessions are required to explore for, and exploit, mineral reserves. The Company holds mining, exploration and other related concessions in each of the jurisdictions where it is operating and where it is carrying on development projects and prospects. While the Company has not been advised of any proposed termination of any of its concession, the concessions held by the Company in respect of its operations, development projects and prospects may be terminated under certain circumstances, including if certain fees are not paid, certain terms of the concessions or mining legislation governing such concessions are not complied with, or if environmental requirements are not met. Termination of any one or more of the Company's mining, exploration or other concessions could have a material adverse effect on the Company's financial condition or results of operations.

## **Liquidity**

There can be no assurance that an active market for the Offered Shares will develop or be sustained following the Closing Date. The market price of publicly traded stock is affected by many variables not all of which are directly related to the success of the issuer. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of the Company's securities.

## **Effecting Service of Process and Enforcement of Judgments**

The majority of the Company's directors reside outside of Canada and a majority of the assets of these persons are located outside of Canada. It may not be possible for investors to effect service of process within Canada upon the directors, officers and experts named in this short form prospectus. It may also not be possible to enforce against certain of the Company's directors and officers, and certain experts named herein, judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

## **AUDITOR, TRANSFER AGENT AND REGISTRAR**

The Company's auditors are PKF (UK) LLP, Chartered Accountants located at Farringdon Place, 20 Farringdon Road, London, United Kingdom EC1M 3AP.

The transfer agent and branch registrar for the Ordinary Shares in Canada is Computershare Investor Services Inc. at its principal office located at 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, in the United Kingdom the principal registrar is Computershare Investor Services (Jersey) Limited at its principal office located at Queensway House, Hilgrove Street, St Helier, Jersey JE1 1ES and in Peru the transfer agent is Registro Central de Valores y Liquidaciones (CAVALI), Avenida Santo Toribio 143, oficina 501, San Isidro, Lima 27, Peru.

## **LEGAL MATTERS**

Certain Canadian legal matters in connection with this Offering will be passed upon on behalf of the Company by Fasken Martineau DuMoulin LLP and on behalf of the Agents by Cassels Brock & Blackwell LLP. The respective partners and associates of each firm will own, directly or indirectly, less than one percent of the issued and outstanding Ordinary Shares following the completion of the distribution of the Offered Shares.

## **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, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the purchase price 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 any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

### **ADDITIONAL INFORMATION**

The following cautionary language is required under Jersey corporate law.

The Company's registered office address is Ordnance House, 31 Pier Road, St Helier, Jersey and its public company registration number is 94923.

1. If you are in any doubt as to the content of this short form prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.
2. A copy of this short form prospectus has been delivered to the registrar of companies in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, and the registrar has given, and has not withdrawn, consent to its circulation.
3. The Jersey Financial Services Commission has given, and has not withdrawn, its consent under Article 2 of the Control of Borrowing (Jersey) Order 1958 to the issue of the Ordinary Shares. The Jersey Financial Services Commission is protected by the Control of Borrowing (Jersey) Law 1947 from any liability arising from the discharge of its functions under that law.
4. It must be distinctly understood that, in giving these consents, neither the registrar of companies nor the Jersey Financial Services Commission takes any responsibility for the financial soundness of the company or for the correctness of any statements made, or opinions expressed, with regard to it.
5. Minera has taken all reasonable care to ensure that the facts stated in this short form prospectus are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the short form prospectus, whether of facts or of opinion. Minera accepts responsibility accordingly.
6. It should be remembered that the price of Ordinary Shares and the income from them can go down as well as up.

## **AUDITORS' CONSENT**

We have read the short form prospectus of Minera IRL Limited (the "Company") dated October 28, 2010 qualifying the distribution of 28,391,304 ordinary 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 prospectus of our report to the shareholders of the Company on the consolidated and company balance sheets of the Company as at 31 December 2009; and the consolidated and company statements of comprehensive income, cash flows and statements of changes in equity for each of the years then ended. Our report is dated 28 April 2010.

(Signed) PKF (UK) LLP

Chartered Accountants  
London, United Kingdom  
October 28, 2010

**CERTIFICATE OF THE COMPANY**

Dated: October 28, 2010

This short form prospectus, together with the documents incorporated 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 British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

(Signed) Courtney Chamberlain  
Chief Executive Officer

(Signed) Richard Michell  
Chief Financial Officer

On Behalf of the Board of Directors

(Signed) Douglas Jones  
Director

(Signed) Graeme Ross  
Director

## **CERTIFICATE OF THE AGENTS**

Dated: October 28, 2010

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated 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 British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

Jennings Capital Inc.  
By: (Signed) Daryl Hodges  
President & CEO

National Bank Financial Inc.  
By: (Signed) Steve Farber  
Managing Director