



52-wk Range: £0.57-0.86
12 month target £1.28

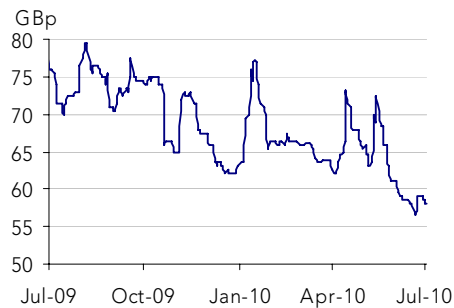
Market Cap (M): £50.3
EV (M): £45.4

Mining

Revised Commodity Forecasts

Summary

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



Event

Fox-Davies has reviewed its commodity and currency forecasts. For full details please see today's daily.

Comment

The higher gold prices now being used have had a material impact on the target price which has increased to £1.28/share. We are also aware that the original base gold price for the Corihuarmi ore reserves was a price of \$600/oz. The reserves have recently been recalculated at \$800/oz. We believe that should our gold price forecasts come to fruition, there will be the opportunity to bring a large amount of low grade material into the ore reserves.

Recommendation

We retain our buy recommendation but with an increased target price of £1.28/share, formerly £0.94/share.

Key Metrics

EV/EBITDA: 6.03
Shares Outstanding (M): 86.8
Current Price (GBP): £0.58
Fully Diluted Shares (M): 99.0

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FYE Dec	2008	2009	2010E	2011E	2012E
Revenue (US\$M):	43.6	31.9	38.1	37.4	65.3
EBITDA (US\$M):	21.0	11.3	16.4	17.5	42.9
NPAT (inc significant items):	12.5	3.0	7.5	9.0	23.6
EPS (USc):	20.2	4.2	8.7	10.4	27.2
Cash Flow/Share (USc):	35.7	11.1	16.9	18.3	40.4
Gold Price (US\$/oz):	872.6	973.7	1217.0	1400.0	1520.0
Ozs production/'000 shares	0.72	0.34	0.31	0.27	0.43
Ozs resources/'000 shares	2.1	13.5	16.5	16.1	15.6

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Peter Rose

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

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Research disclosure as of 05 July 2010

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

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Fox-Davies corporate client & coverage universe as of 05 July 2010:

Company	Ticker	Recommendation	Date	Target Price	Last Price
Mining					
African Barrick Gold	ABG LN Equity	SELL	27.05.10	£5.18	£6.12
Angel Mining	ANGM LN Equity	BUY	03.03.10	£0.16	£0.05
Antofagasta	ANTO LN Equity	BUY	28.05.10	£10.33	£7.77
Atlantic Coal	ATC LN equity	BUY	21.01.10	£0.025	£0.004
Discovery Metals	DME LN Equity	BUY	24.05.10	£0.78	£0.37
EMED Mining	EMED LN Equity	BUY	28.06.10	£0.62	£0.08
Exco Resources	EXS AU Equity	BUY	22.06.10	A\$0.67	A\$0.24
Gippsland Limited	GIP LN Equity	BUY	06.10.09	£0.02	NA
Hambledon Mining	HMB LN Equity	HOLD	20.05.10	£0.13	£0.07
Highland Gold	HGM LN Equity	BUY	20.05.10	£1.46	£1.21
Hochschild Mining	HOC LN Equity	HOLD	21.04.10	£3.11	£3.00
KEFI Minerals	KEFI LN Equity	Spec. BUY	06.10.09	NA	£0.01
Kryso Resources	KYS LN Equity	BUY	21.04.10	£0.14	£0.14
Lydian International	LYD CN Equity	BUY	18.03.10	C\$1.22	C\$1.29
Minera IRL	MIRL LN Equity	BUY	05.07.10	£1.28	£0.58
Oxus Gold	OXS LN Equity	BUY	21.04.10	£0.30	£0.06
Randgold Resources	RRS LN equity	BUY	02.06.10	£67.43	£61.40
Stratex International	STI LN Equity	BUY	03.03.10	£0.07	£0.03

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