

RECOMMENDED ALL SHARE OFFER for Hidefield Gold plc ("Hidefield") by Minera IRL Limited ("Minera")

Oct 20, 2009 - 12:00 ET LONDON, UNITED KINGDOM--(Marketwire - Oct. 20, 2009) - Minera IRL Limited (AIM:MIRL) (BVLAC:MIRL) -

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Highlights

- On 20 October 2009, Minera and Hidefield executed an Implementation Agreement for a recommended all share offer by Minera for the entire issued share capital of Hidefield at an exchange ratio of 1 Minera Share for every 42 Hidefield Shares in issue to be effected by means of a scheme of arrangement⁽¹⁾.
- The terms of the Acquisition value each Hidefield Share at an implied price of 1.76 pence and Hidefield's present issued share capital at approximately Pounds Sterling 7.23 million (based on 74.0 pence per Minera Share, being the Closing Price on the Last Practicable Date, and a total number of Hidefield Shares in issue of 410,235,511).
- The Price represents a premium of approximately 88 per cent. to the average volume weighted price of approximately 0.94 pence per Hidefield Share for the three months to 16 September 2009, being the last business day before the announcement by Hidefield that it was in discussions regarding a possible offer for the Company.
- Compelling strategic and commercial rationale for a combination of Minera and Hidefield.
- Minera has received irrevocable undertakings to vote in favour of the Acquisition and the Scheme in respect of, in aggregate, approximately 55.3 per cent. of Hidefield's issued ordinary share capital from the Hidefield Directors, Hamilton Capital Limited, George Robinson, Abdul Rahman Kayed, and Anglo Pacific Group Plc.
- In addition, Minera has entered into an agreement with Hidefield to provide a convertible loan financing facility of up to Pounds Sterling 750,000. The use of funds will enable Hidefield to progress the exploration programme for the Don Nicolas Project in Argentina immediately, to settle outstanding trade creditor accounts and to cover working capital requirements during the period of the Acquisition.
- The Scheme Document will be posted to Hidefield Shareholders within 21 days of this announcement and the Scheme Document will contain a detailed timetable.

(1) Exchange ratio based on the current number of shares outstanding in Hidefield of 410,235,511 and in Minera of 75,498,978 shares in issue.

Commenting on the proposed transaction, Courtney Chamberlain, Executive Chairman of Minera, said:

"The acquisition of Hidefield offers Minera the opportunity to establish an advanced position in the Santa Cruz gold region of Argentina and to diversify its project portfolio further within Latin America.

"Hidefield's Don Nicolas Project in Argentina is an exciting advanced exploration project which is expected to bridge the production profile between our Corihuarmi Gold Mine operation and our Ollachea Project.

"The financing that Minera is providing to Hidefield will enable the Don Nicolas Project to be advanced immediately with the aim of bringing the project into production in the shortest possible timeframe."

Ken Judge, Chairman of Hidefield, added:

"The combination of Hidefield's Argentina exploration team, together with the strong project development and operations team of Minera and its financial resources, will see activity at the Don Nicolas Project accelerate.

"Minera's commitment to developing the Don Nicolas Project is demonstrated by the finance that is being provided by Minera to ensure that we have the funds in place to progress the next stage of exploration immediately."

Summary

A recommended all share offer by Minera for the entire issued and to be issued share capital of Hidefield is now being announced at an exchange ratio of 1 Minera Share for every 42 Hidefield Shares, valuing Hidefield's present issued share capital at approximately Pounds Sterling 7.23 million, based on the Closing Price of 74.0 pence per Minera Share on, the Last Practicable Date, and a total number of Hidefield Shares in issue of 410,235,511.

Strategic and commercial rationale

Minera believes that there is a compelling strategic and commercial rationale for a combination with Hidefield:

- the addition of the advanced Don Nicolas Project will provide diversification of the Minera portfolio to the emerging Santa Cruz gold producing region of Argentina;
- Hidefield shareholders will gain exposure to Minera's operating Corihuarmi Gold Mine and its Ollachea Project;
- significant expansion of reserve and resource base;
- enhanced Minera mine-life profile through the development of the Don Nicolas Project; and
- opportunities to reduce overhead costs with combined administrative and technical functions.

Transaction pricing, terms and conditions and Scheme of Arrangement

At an exchange ratio of 1 Minera Share for every 42 Hidefield Shares the implied price of 1.76 pence per Hidefield Share (based on 74.0 pence per Minera Share, being the Closing Price on the Last Practicable Date) represents:

- a premium of approximately 17 per cent. to the Closing Price of 1.50 pence per Hidefield Share on the Last Practicable Date;
- a premium of approximately 43 per cent. to the Closing Price of 1.23 pence per Hidefield Share on 16 September 2009, being the last business day before the announcement by Hidefield that it was in discussions regarding a possible offer for Hidefield; and
- a premium of approximately 88 per cent. to the volume weighted average price of approximately 0.94 pence per Hidefield Share for the three months to and including 16 September 2009, being the last business day before the announcement by Hidefield that it was in discussions regarding a possible offer for the Company.

The Acquisition is proposed to be implemented by way of a Scheme of Arrangement under Part 26 of the Act. The Scheme will be put to Hidefield Shareholders at the Court Meeting and at the General Meeting, which will be convened in due course. The Scheme Document will be posted to Hidefield Shareholders within 21 days of this announcement.

The Acquisition is subject to, inter alia, the approval of the Scheme by a majority in number

representing not less than 75 per cent. in value of the votes exercisable by Scheme Shareholders present and voting either in person or by proxy at a meeting of Scheme Shareholders to be convened pursuant to an order of the Court or at any adjournment thereof. If the Scheme becomes effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting.

The Independent Hidefield Directors, who have been so advised by Hanson Westhouse, consider the terms of the Acquisition to be fair and reasonable, so far as Hidefield Shareholders are concerned. The Panel has ruled that Kenneth Judge is not deemed to be independent of Minera as he will become a director of Minera on the Effective Date.

In providing their advice, Hanson Westhouse has taken into account the commercial assessments of the Independent Hidefield Directors. Accordingly, the Independent Hidefield Directors have unanimously agreed to recommend that Hidefield Shareholders vote in favour of the Scheme at the Court Meeting and the General Meeting to be convened in relation to the Acquisition.

This summary should be read in conjunction with, and is subject to, the full text of this announcement and the Appendices hereto. Appendix I sets out the terms and conditions of the Scheme. Appendix II contains further details of the bases and sources of certain of the information contained in this announcement. Appendix III contains the definitions of certain terms used in this summary and in this announcement.

Fox Davies Capital is acting as sole financial adviser and corporate broker to Minera. Hanson Westhouse is acting as sole financial adviser and corporate broker to Hidefield.

A copy of this announcement will be available on Minera's website (www.minerairl.com) and Hidefield's website (www.hidefieldgold.com).

The securities mentioned herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"). The securities may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the Securities Act. There will be no public offer of securities in the United States.

It is expected that the New Minera Shares will be issued in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10) thereof. This transaction has not been approved or disapproved by the US Securities and Exchange Commission (the "Commission"), nor has the Commission or any US state securities commission passed upon the merits or fairness of the transaction nor upon the adequacy or accuracy of the information contained in this document. Any representation to the contrary is a criminal offence in the United States. The announcement has been prepared in accordance with English law and the Code and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England.

Fox Davies Capital is acting exclusively for Minera and no one else in connection with the matters referred to in this announcement and will not be responsible to any other person for providing the protections afforded to clients of Fox Davies Capital or providing advice in relation to the matters referred to in this announcement.

Arbuthnot Securities is acting exclusively for Minera and no one else in connection with the matters referred to in this announcement and will not be responsible to any other person for providing the protections afforded to clients of Arbuthnot or providing advice in relation to the matters referred to in this announcement.

Hanson Westhouse is acting exclusively for Hidefield and no one else in connection with the matters referred to in this announcement and will not be responsible to any other person for providing the protections afforded to clients of Hanson Westhouse or providing advice in relation to the matters referred to in this announcement.

Dealing disclosure requirements

Under the provisions of Rule 8.3 of the UK Takeover Code, if any person is, or becomes, "interested" (directly or indirectly) in 1 per cent. or more of any class of "relevant securities"

of Minera or of Hidefield, all "dealings" in any "relevant securities" of that company (including by means of an option in respect of, or a derivative referenced to, any such "relevant securities") must be publicly disclosed by no later than 3.30 p.m. (GMT) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the "offer period" otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an "interest" in "relevant securities" of Minera or Hidefield, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the UK Takeover Code, all "dealings" in "relevant securities" of Minera or of Hidefield by Minera or Hidefield or by any of their respective "associates", must be disclosed by no later than 12.00 noon (GMT) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose "relevant securities" "dealings" should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel's website at www.thetakeoverpanel.org.uk.

"Interests in securities" arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an "interest" by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the UK Takeover Code, which can also be found on the Panel's website. If you are in any doubt as to whether or not you are required to disclose a "dealing" under Rule 8, you should consult the Panel.

Forward looking statements

This announcement contains certain "forward-looking statements" with respect to the parties' objectives and future performance, including statements relating to expected benefits associated with the transaction contemplated herein. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as "anticipates", "aims", "due", "could", "may", "should", "will", "expects / expected", "believes", "intends", "plans", "targets", "goal" or "estimates".

By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future.

There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to: regulatory approvals required for the consummation of the transaction that may require acceptance of conditions with potential adverse impacts; risk involving the parties' ability to realise expected benefits associated with the transaction; and macroeconomic conditions generally affecting the Argentina and Peru mining industry.

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