

*A copy of this preliminary short form base shelf prospectus has been filed with the securities regulatory authorities in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form base shelf prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.*

*This preliminary short form base shelf prospectus has been filed under legislation in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. This legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.*

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

*With respect to the United Kingdom, any offering of securities pursuant to this Prospectus (as defined below) together with a Prospectus Supplement (as defined below) will only be, and may only be, made to, and any Prospectus Supplement (together with this Prospectus) will only be, and may only be, distributed to and be directed at (i) persons outside the United Kingdom; or (ii) 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 (iii) 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". Unless otherwise stated in any Prospectus Supplement, any securities being offered under this Prospectus together with any Prospectus Supplement will only be available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Unless otherwise stated in any Prospectus Supplement, any person who is not a relevant person should not act or rely on this Prospectus or any Prospectus Supplement or any of their respective contents. Unless otherwise stated in any Prospectus Supplement, this Prospectus and any Prospectus Supplement is not and will not be an "approved prospectus" within the meaning of Section 85(7) of FSMA, has not been and will not be 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 nor will be examined or approved by the FSA or London Stock Exchange plc, nor has it been nor will it be approved by an "authorised person" for the purposes of Section 21 of FSMA.*

*Information has been incorporated by reference in this preliminary short form base shelf 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).*

## **PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS**

New Issue

May 25, 2012



**MINERA IRL LIMITED**

**\$80,000,000**  
**ORDINARY SHARES**  
**DEBT SECURITIES**  
**WARRANTS TO PURCHASE ORDINARY SHARES**  
**WARRANTS TO PURCHASE DEBT SECURITIES**  
**CONVERTIBLE SECURITIES**

Minera IRL Limited (“**Minera**” or the “**Company**”) may offer and issue from time to time, ordinary shares (the “**Ordinary Shares**”), debt securities (the “**Debt Securities**”), warrants to purchase Ordinary Shares and warrants to purchase Debt Securities (the “**Warrants**”) and securities convertible into or exchangeable for Ordinary Shares (the “**Convertible Securities**” and, together with the Ordinary Shares, Debt Securities and Warrants, the “**Securities**”) or any combination thereof up to an aggregate initial offering price of \$80,000,000 during the 25-month period that this preliminary short form base shelf prospectus (the “**Prospectus**”), including any amendments hereto, remains effective. The Securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of sale and set forth in an accompanying shelf prospectus supplement (a “**Prospectus Supplement**”).

The specific terms of the Securities with respect to a particular offering will be set out in the applicable Prospectus Supplement and may include, where applicable: (i) in the case of Ordinary Shares, the number of Ordinary Shares offered, the issue price and any other terms specific to the Ordinary Shares being offered; (ii) in the case of Debt Securities, the specific designation, aggregate principal amount, the currency or the currency unit for which the Debt Securities may be purchased, the maturity, interest provisions, authorized denominations, offering price, covenants, events of default, any terms for redemption or retraction, any exchange or conversion terms, whether the debt is senior or subordinated and any other terms specific to the Debt Securities being offered; (iii) in the case of Warrants, the designation, number and terms of the Ordinary Shares or Debt Securities issuable upon exercise of the Warrants, any procedures that will result in the adjustment of these numbers, the exercise price, dates and periods of exercise, the currency in which the Warrants are issued and any other specific terms; and (iv) in the case of Convertible Securities, the number of Convertible Securities offered, the offering price, the procedures for the conversion or exchange of such Convertible Securities into or for Ordinary Shares and any other specific terms. The Canadian federal income tax considerations applicable to an offering of Convertible Securities will be disclosed in the applicable Prospectus Supplement. Where required by statute, regulation or policy, and where Securities are offered in currencies other than Canadian dollars, appropriate disclosure of the foreign exchange rates applicable to such Securities will be included in the Prospectus Supplement describing such Securities.

All shelf information permitted under applicable law to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains.

This Prospectus constitutes a public offering of those Securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such Securities. The Company may offer and sell Securities to or through underwriters or dealers and may also offer and sell certain Securities directly to purchasers or through agents pursuant to exemptions from registration or qualification under applicable securities laws. A Prospectus Supplement relating to each issue of Securities offered thereby will set forth the names of any underwriters, dealers or agents involved in the offering and sale of such Securities and will set forth the terms of the offering of such Securities, the method of distribution of Securities including, to the extent applicable, the proceeds to the Company and any fees, discounts or any other compensation payable to underwriters, dealers or agents and any other material terms of the plan of distribution.

The Ordinary Shares 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**”. Unless otherwise specified in the applicable Prospectus Supplement, Securities other than the Ordinary Shares will not be listed on any securities exchange. The closing price of the Ordinary Shares on May 24, 2012 on the TSX was \$0.78, on AIM was £0.4625 and on the BVL was US\$0.77, respectively. **There is currently no market through which securities, other than the Ordinary**

**Shares, may be sold and purchasers may not be able to resell such Securities purchased under this Prospectus. This may affect the pricing of the Securities, other than the Ordinary Shares, in the secondary market, the transparency and availability of trading prices, the liquidity of these Securities and the extent of issuer regulation. See “Risk Factors”.**

**An investment in the Securities 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 Prospectus should be carefully reviewed and considered by prospective purchasers in connection with their investment in the Securities. See “Forward Looking Information” and “Risk Factors”.**

The offering of Securities hereunder is subject to the approval of certain legal matters on behalf of Minera by Fasken Martineau DuMoulin LLP.

Subject to applicable laws, in connection with any offering of the Securities (unless otherwise specified in a Prospectus Supplement), other than an “at-the-market distribution”, the underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See “Plan of Distribution”.

The Company is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction and the Chief Executive Officer, the Chief Financial Officer and the directors 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 its agent for service of process in Canada, it may not be possible for investors to enforce judgments obtained in Canada against the Company or person described above.

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 Ordinance House, 31 Pier Road, St. Helier, Jersey, JE4 8PW.

**No underwriter has been involved in the preparation of this Prospectus or performed any review of the contents of this Prospectus.**

## TABLE OF CONTENTS

	Page
DOCUMENTS INCORPORATED BY REFERENCE.....	1
FORWARD LOOKING INFORMATION .....	2
CURRENCY AND EXCHANGE RATE INFORMATION .....	3
NON-GAAP PERFORMANCE MEASURES .....	3
THE COMPANY.....	5
SUMMARY DESCRIPTION OF BUSINESS.....	5
RECENT DEVELOPMENTS .....	6
USE OF PROCEEDS .....	8
CONSOLIDATED CAPITALIZATION.....	9
PLAN OF DISTRIBUTION .....	9
EARNINGS COVERAGE RATIO .....	10
DESCRIPTION OF ORDINARY SHARES .....	10
DESCRIPTION OF DEBT SECURITIES .....	11
DESCRIPTION OF WARRANTS.....	17
DESCRIPTION OF CONVERTIBLE SECURITIES.....	19
SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS.....	19
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS .....	20
PRIOR SALES.....	20
TRADING PRICE AND VOLUME .....	20
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS.....	22
INTERESTS OF EXPERTS .....	22
RISK FACTORS .....	22
AUDITOR, TRANSFER AGENT AND REGISTRAR.....	24
LEGAL MATTERS .....	25
PURCHASERS' STATUTORY RIGHTS.....	25
ADDITIONAL INFORMATION.....	25

**TABLE OF CONTENTS**  
(continued)

	<b>Page</b>
<b>AUDITORS' CONSENT .....</b>	<b>A-1</b>
<b>CERTIFICATE OF THE COMPANY .....</b>	<b>C-1</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 29 March 2012 for the year ended 31 December 2011 (the “**AIF**”);
- the management information circular dated 12 August 2011 for the annual general meeting held on 14 September 2011;
- the audited consolidated financial statements of the Company for the financial year ending 31 December 2011, together with the notes thereto and the auditors’ reports thereon (the “**Annual Financial Statements**”);
- management’s discussion and analysis of the Company for the financial year ending 31 December 2011 (the “**Annual MD&A**”);
- the material change report dated February 14, 2012 in respect of the Don Nicolás Feasibility Study;
- the material change report dated March 6, 2012 in respect of the prospectus offering of 29,260,000 ordinary shares; and
- the unaudited consolidated financial statements for the quarter ended 31 March 2012 and the notes thereto (the “**Interim Financial Statements**”) together with management’s discussion and analysis (the “**Interim 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* filed by the Company with a securities commission or similar regulatory authority in Canada after the date of this Prospectus and prior to the completion or withdrawal of this Offering, will be deemed to be incorporated by reference into this Prospectus and the current document of the same type incorporated by reference herein shall be deemed no longer to be incorporated into this Prospectus for purposes of further offers and sales of Securities hereunder.

A Prospectus Supplement containing the specific terms of an offering of Securities, and other information relating to the Securities, will be delivered to prospective purchasers of such Securities together with this Prospectus and the applicable Prospectus Supplement and will be deemed to be incorporated into this Prospectus as of the date of such Prospectus Supplement only for the purpose of the offering of the Securities covered by that Prospectus Supplement.

**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 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 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.

## **FORWARD LOOKING INFORMATION**

This 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 Prospectus under the headings "Recent Developments", "Use of Proceeds", "Risk Factors" and in the AIF under the headings "Description of Business" and "Risk Factors", in the Annual Report for the year ended 31 December 2011, in the Annual MD&A for the Annual Financial Statements for the year ended 31 December 2011, in the Interim Financial Statements for the quarter ended 31 March 2012 and in the Interim MD&A for the Interim Statements for the quarter ended 31 March 2012, each of such documents being incorporated by reference in this 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.

## CURRENCY AND EXCHANGE RATE INFORMATION

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

On May 24, 2012 the Bank of Canada noon rate of exchange was US\$1.00 = \$1.0275 (\$1.00 = US\$0.9732) and the Bank of Canada noon rate of exchange was £1.00 = \$1.6128 (\$1.00 = £0.6200).

The closing, high, low and average exchange rates for the United States dollar in terms of Canadian dollars for each of the years ended December 31, 2011 and 2010, and for the three month period ended 31 March 2012 as reported by the Bank of Canada, were as follows:

	<b>Year Ended 31 December</b>		
	<b>2011</b>	<b>2010</b>	<b>2009</b>
Closing	\$1.0170	\$0.9946	\$1.0466
High	\$1.0604	\$1.0778	\$1.3000
Low	\$0.9449	\$0.9946	\$1.0292
Average <sup>(1)</sup>	\$0.9891	\$1.0290	\$1.1420

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 December 31, 2011 and 2010, and for the three month period ended 31 March 2012 as reported by the Bank of Canada, were as follows:

	<b>Year Ended 31 December</b>		
	<b>2011</b>	<b>2010</b>	<b>2009</b>
Closing	\$1.5799	\$1.5513	£1.6918
High	\$1.6332	\$1.7268	£1.9148
Low	\$1.5297	\$1.4876	£1.6368
Average <sup>(1)</sup>	\$1.5861	\$1.5918	£1.7804

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 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 mining operations. Management compares the cash operating cost of mining operations on a monthly basis. This data is furnished to provide additional information and is a non-GAAP and non-IFRS measure which does not have any standardized meaning prescribed by GAAP or IFRS 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 or IFRS and is not necessarily indicative of operating costs presented under Canadian GAAP or IFRS. Costs of Sales is the most directly comparable GAAP financial measure to the non-GAAP financial measure of cash operating cost. See the reconciliation table under “Recent Developments – Corihuarmi Gold Mine”.

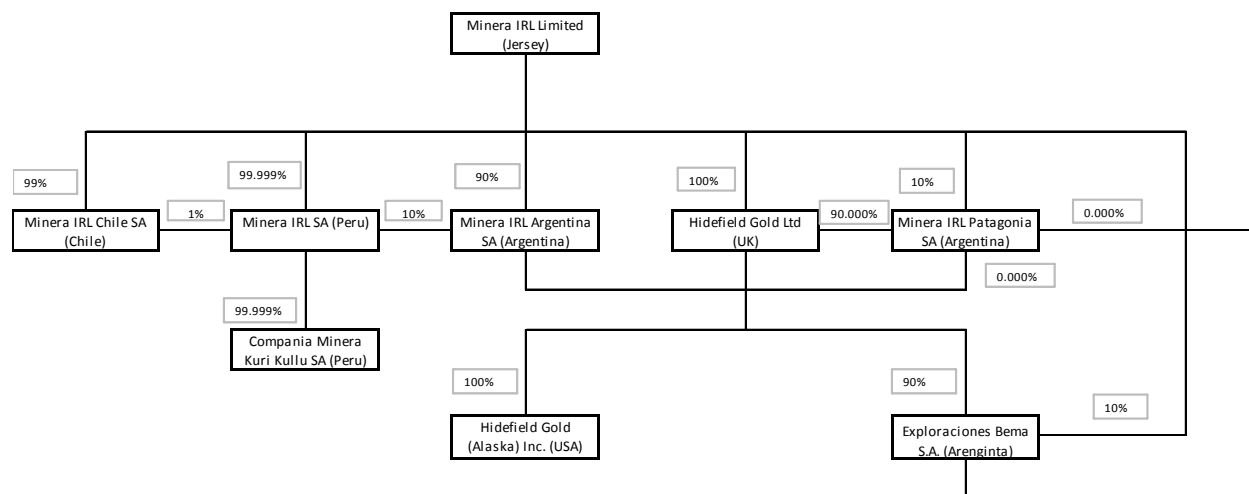
## THE COMPANY

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:



Notes:

- (1) Minera IRL SA is the owner of the Corihuarmi Project
- (2) Compania Minera Kuri Kulla SA is the owner of the Ollachea Project
- (3) Minera IRL Patagonia SA is the owner of the Don Nicolás Project

## SUMMARY DESCRIPTION OF BUSINESS

The Company is a 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 2011, the Corihuarmi Gold Mine produced approximately 33,255 ounces of gold at a cash operating cost of US\$410 per ounce. See “Non GAAP Performance Measures.” 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

On 10 May 2012, the Company announced its first quarter results, including operating statistics for Corihuarmi. Below is a summary of the key operating statistics for Corihuarmi for 2011 and the three month period ending 31 March 2012:

Operating Parameter	For the three month period ending March 2012	2011
Waste (tonnes)	162,599	320,475
Ore mined & stacked on heaps (tonnes)	502,919	2,000,733
Ore grade, mined and stacked (g/t)	0.61	0.68
Gold produced (ounces)	6,747	33,255
Gold sold (ounces )	6,515	33,718
Realised Gold Price (\$ per ounce)	1,699	1,570
Site operating cash costs (\$ per ounce)	502	410

### Corihuarmi Gold Mine

Following is a table reconciling the 2011 GAAP financial results for cost of sales to the non-GAAP measure of cash operating costs for the Corihuarmi Gold Mine:

Corihuarmi Gold Mine		<b>US\$000</b>
Cash operating costs for the year ending December 31, 2011		
Cost of sales (per financial statements)		27,955
Less:		
Depreciation of mine construction and plant costs and amortisation of deferred development costs	(7,661)	
Workers participation	(1,377)	
Royalties & Special Mining Tax	(2,276)	
Community costs	(2,099)	
Environment costs	(353)	
Other costs – Provisions, Transport & Refinery, Inventory adj.	(553)	
	<hr/>	(14,319)
Adjusted site cash operating costs		<hr/> 13,636 <hr/>
Ounces of gold produced		<hr/> 33,255 <hr/>
Cash operating cost per ounce production (\$)		<hr/> 410 <hr/>

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.

## Don Nicolás Project

The Don Nicolás Project is located in the Santa Cruz Province of Argentina. The Company acquired the Don Nicolás 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 Feasibility Study Don Nicolás Gold Project, Santa Cruz Province, Argentina" dated 14 February 2012 (the "**Don Nicolás Technical Report**") prepared by Callum Grant, P.Eng., Hassan Ghaffari, P.Eng., André DeRuijter, Pr. Eng (RSA), P.Eng., and Steven Osterberg, P.Geo. (USA), of Wardrop (a Tetra Tech Company); Doug Corley, MAIG R.P. Geo. of Coffey Mining Pty Ltd (Australia); Carlos Guzmán, Registered Member Chilean Mining Commission (Chile), of NCL Ingeniería y Construcción Ltda; Alistair Cadden, C.Eng. (UK), of Golder Associates Argentina SA; and Tony Sanford, Pr. Sci. Nat. (South Africa), of Ausenco Vector, 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 Don Nicolás 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 Nicolás Project is located in Santa Cruz Province, Argentina. A feasibility study was completed in February 2012 with the objective of developing an open pit gold mine and treatment plant by fourth quarter 2013.

The Don Nicolás feasibility study is based on a NI 43-101 compliant "High Grade" (above a 1.6g/t gold cut-off) Measured and Indicated Resource totalling 1.5 million tonnes, grading 6.0g/t gold and 13g/t silver containing 280,000 ounces gold and 630,000 ounces silver. Mine design and production scheduling on this resource has resulted in Proven and Probable Mineral Reserves of 1.2 million tonnes grading 5.1g/t gold and 10g/t silver containing 197,000 ounces gold and 401,000 ounces silver (contained within the reported Measured and Indicated Resource).

An all open pit mining scenario has been adopted with ore production from two districts, Martinetas and La Paloma (location of the Sulfuro Vein), located approximately 50 km apart. The conventional crush, grind and carbon-in-leach (CIL) treatment plant at Martinetas will be designed to have a rate of 350,000 tonnes per annum providing a mine life of 3.6 years. Average annual steady state gold and silver production will be 52,400 ounces and 56,000 ounces respectively at a cash operating cost of US\$528 per ounce after silver credits. From the reserves outlined to date, peak production is scheduled to occur in Year 2 of operation at 63,800 ounces of gold and 92,200 ounces of silver. Logistics are excellent, with close proximity to a major highway. An adequate supply of ground water has been defined.

Key performance and economic indicators are shown in following table.

Parameter	Units	Key performance indicator
Mine life	Years	3.6
Tonnes	Mt	1.2
Grade – gold	g/t	5.1
Grade – silver	g/t	10
Gold Metallurgical extraction	%	92.1
Silver Metallurgical extraction	%	47.4
Gold produced	koz	181.0
Silver produced	koz	190.2
Pre-production capital cost	US\$M	55.5
Sustaining capital cost	US\$M	7.3
Life-of-Mine cash operating cost	US\$/t	82.5

Parameter	Units	Key performance indicator	
Life-of-Mine total cash operating cost (After silver credit) excluding royalties	US\$/oz	528	
		Base Case Gold Price	Upside Gold Price
Gold price assumption	US\$/oz	1,250	1,500
<b>Pre-tax</b>			
Project cash flow	US\$M	58.7	101.6
NPV at 5% real	US\$M	44.7	82.2
NPV at 7% real	US\$M	39.9	75.6
NPV at 8% real	US\$M	37.6	72.4
IRR (real)	%	34.6	56.3
Payback	Years	1.8	1.5
<b>Post-tax</b>			
Project cash flow	US\$M	36.1	62.2
NPV at 5% real	US\$M	25.1	48.0
NPV at 7% real	US\$M	21.6	43.7
NPV at 10% real	US\$M	19.8	41.4
IRR (real)	%	22.8	38.1
Payback	Years	2.0	1.7

Note:

1. Costs are as at fourth quarter 2011.
2. Silver price of \$25/oz assumed.
3. NPV as at commencement of construction.
4. Initial Capital Cost excludes IGTV (general sales tax), which is recovered once in production.
5. Pre-tax is before other taxes (5% export duty and 0.6% debit & 0.6% credit tax) and Corporate Income Tax of 35%.
6. Post-tax includes tax deduction for prior expenditure and a deduction for allowable prior tax losses.

On 28 March 2012, the Company's wholly owned subsidiary, Minera IRL Patagonia SA, executed a lease agreement (the "**Lease Agreement**") with the owner of surface rights to a property known as La Paloma ranch, a 19,000 hectare parcel which overlaps some of the mineral rights of the Don Nicolás Project. The Lease Agreement provides Minera IRL Patagonia SA access to the La Paloma Ranch for the purpose of exploration, exploitation, production, use of water, line pipes and transmission lines. The Lease Agreement is for a period of 20 years.

On May 16, 2012, the Company announced the commencement of the permitting process for the Don Nicolás Project.

### March 2012 Prospectus Offering

On March 5, 2012, the Company announced it had completed a best efforts offering of ordinary shares (the "Shares") of the Company at a price of \$1.13 per Share. The Company issued 29,260,000 Shares pursuant to this offering (including the over-allotment option) and raised gross proceeds of \$33.1 million. The principal use of the net proceeds of this offering were to assist the Company in funding the exploration and development costs for the next 12 months on its portfolio of properties and in particular, the Ollachea Project and the Don Nicolás Project and for working capital and other general corporate purposes.

### USE OF PROCEEDS

Unless otherwise specified in a Prospectus Supplement, the net proceeds from the sale of the Securities will be used to assist the Company in funding the development costs of the Ollachea Project and the Don Nicolás Project and exploration costs on its portfolio of properties. The balance of the net proceeds from the sale of the Securities, if any, will be used for other general corporate purposes and working capital. Each Prospectus Supplement will contain specific information concerning the use of proceeds from that sale of Securities.

All expenses relating to an offering of Securities and any compensation paid to underwriters, dealers or agents, as the case may be, will be paid out of the Company's general funds, unless otherwise stated in the applicable Prospectus Supplement.

### **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 2011.

On 5 March 2012, 29,260,000 Ordinary Shares were issued pursuant to a prospectus offering.

On 2 April 2012, 2,230,000 Ordinary Shares were issued pursuant to the exercise of options.

On 12 April 2012, 830,000 Ordinary Shares were issued pursuant to the exercise of options.

As of the date hereof, the Company has 151,902,884 Ordinary Shares outstanding.

### **PLAN OF DISTRIBUTION**

The Company may sell the Securities, separately or together, to or through underwriters or dealers purchasing for public offering and sale by them, and may also sell Securities to one or more other purchasers directly or through agents. Each Prospectus Supplement will set forth the terms of the offering, including the name or names of any underwriters, dealers or agents and any fees or compensation payable to them in connection with the offering and sale of a particular series or issue of Securities, the public offering price or prices of the Securities and the proceeds to Minera from any sale of the Securities.

The Securities may be sold, from time to time in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices, including sales in transactions that are deemed to be "at-the-market distributions" as defined in National Instrument 44-102 – *Shelf Distributions*, including sales made directly on the TSX, AIM, BVL or other trading markets for the Securities which may exist from time to time. The prices at which the Securities may be offered may vary as between purchasers and during the period of distribution. If, in connection with the offering of Securities at a fixed price or prices, the underwriters have made a *bona fide* effort to sell all of the Securities at the initial offering price fixed in the applicable Prospectus Supplement, the public offering price may be decreased thereafter, from time to time, to an amount not greater than the initial public offering price fixed in such Prospectus Supplement, in which case the compensation realized by the underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Securities is less than the gross proceeds paid by the underwriters to Minera.

Underwriters, dealers and agents who participate in the distribution of the Securities may be entitled under agreements to be entered into with the Company to indemnification by the Company against certain liabilities, including liabilities under Canadian securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof. Such underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for, the Company in the ordinary course of business.

The Securities 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, or to or for the account or benefit of a U.S. Person or person in the United States, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. Each underwriter, dealer or agent will agree that it (or the U.S. broker-dealer affiliate of such underwriter, dealer or agent which conducts offers and sales in the United States or to or for the account or benefit of a U.S. Person or person in the United States) will not offer or sell the Securities within the United States, or to or for the account or benefit of a U.S. Person or person in the United States, except in accordance with exemptions from the registration requirements under the U.S. Securities Act and applicable state securities laws.

With respect to the United Kingdom, any offering of securities pursuant to this Prospectus together with a Prospectus Supplement will only be, and may only be, made to, and any Prospectus Supplement (together with this Prospectus) will only be, and may only be, distributed to and be directed at (i) persons outside the United Kingdom; or (ii) 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 (iii) 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”. Unless otherwise stated in any Prospectus Supplement, any securities being offered under this Prospectus together with any Prospectus Supplement will only be available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Unless otherwise stated in any Prospectus Supplement, any person who is not a relevant person should not act or rely on this Prospectus or any Prospectus Supplement or any of their respective contents. Unless otherwise stated in any Prospectus Supplement, this Prospectus and any Prospectus Supplement is not and will not be an “approved prospectus” within the meaning of Section 85(7) of FSMA, has not been and will not be 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 nor will be examined or approved by the FSA or London Stock Exchange plc, nor has it been nor will it be approved by an “authorised person” for the purposes of Section 21 of FSMA.

In connection with the offering of any Securities, other than an “at-the-market distribution”, the underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

### **EARNINGS COVERAGE RATIO**

The following consolidated financial earnings coverage ratio is calculated for the year ended 31 December 2011 and gives effect to all long-term financial liabilities of the Company and the repayment, redemption or retirement thereof since that date and all serving costs incurred or expected to be incurred in connection with the same. The earnings coverage ratio, and the amount of earnings and interest expense set forth below do not purport to be indicative of earnings coverage ratios for any future periods. The earnings coverage ratio has been calculated based on IFRS. This coverage ratio, earnings or interest expenses do not give effect to the issuance of any Debt Securities that may be issued pursuant to any Prospectus Supplement, since the aggregate principal amounts and the terms of such Debt Securities are not presently known.

	<b>12 months ended 31 December 2011</b>
<b>Earnings Coverage Ratio</b>	39.4

Minera’s interest expense requirements amounted to U.S.\$418,000 for the year ended 31 December 2011. Minera’s net income before interest expense and income tax for the year ended 31 December 2011 was U.S.\$16,481,000, which is 39.4 times Minera’s interest requirements for this period.

If the Company offers any Debt Securities having a term to maturity in excess of one year under a Prospectus Supplement, the Prospectus Supplement will include earnings coverage ratios giving effect to the issuance of such Debt Securities.

### **DESCRIPTION OF ORDINARY SHARES**

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 151,902,884 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 14 September 2011, the Company's shareholders authorized the issuance of 59,791,442 Ordinary Shares. With respect to these 59,791,442 Ordinary Shares, the shareholders of the Company have waived their pre-emptive rights. If the Company intends to issue Ordinary Shares in excess of 59,791,442, 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 a result the issuance of 29,260,000 Ordinary Shares on 5 March 2012, the remaining Ordinary Shares available for issuance with respect to this authorization is 30,531,422 Ordinary Shares.

As of the date hereof, options to acquire 18,158,431 Ordinary Shares at an average exercise price of approximately US\$1.29 are outstanding.

## **DESCRIPTION OF DEBT SECURITIES**

This description sets forth certain general terms and provisions that could apply to any Debt Securities that Minera may issue pursuant to this Prospectus. Minera will provide particular terms and provisions of a series of Debt Securities, and a description of how the general terms and provisions described below may apply to that series, in a Prospectus Supplement.

Unless the applicable Prospectus Supplement otherwise indicates, the Debt Securities may be issued under an indenture (the “**Indenture**”) to be entered into between Minera as Issuer and one or more trustees (the “**Trustee**”) that will be named in a Prospectus Supplement to this prospectus. The following summary highlights some of the provisions of the Indenture, and may not contain all of the information that is important to you. The applicable Prospectus Supplement will include details of the Indenture, if any, governing the Securities being offered. The specific terms of the Securities, and the extent to which the general terms described in this section apply to those Securities, will be set out in the applicable Prospectus Supplement. The term “Securities” as used under this section “Description of Debt Securities”, refers to all securities issued under the Indenture, including the Debt Securities.

Minera may issue Debt Securities and incur additional indebtedness otherwise than through the offering of any Debt Securities pursuant to this Prospectus.

### **General**

The Indenture does not limit the amount of Debt Securities which Minera may issue under the Indenture, and Minera may issue Securities in one or more series. Securities may be denominated and payable in any currency. Minera may offer no more than \$80,000,000 (or the equivalent in other currencies) aggregate principal amount of Securities pursuant to this Prospectus. Unless otherwise indicated in the applicable Prospectus Supplement, the Indenture permits Minera, without the consent of the holders of any Securities, to increase the principal amount of any series of Debt Securities Minera has previously issued under the Indenture and to issue such increased principal amount.



The applicable Prospectus Supplement will set forth the following terms relating to the Debt Securities offered by such Prospectus Supplement (the “**Offered Securities**”):

- the specific designation of the Offered Securities; any limit on the aggregate principal amount of the Offered Securities; the date or dates, if any, on which the Offered Securities will mature and the portion (if less than all of the principal amount) of the Offered Securities to be payable upon declaration of acceleration of maturity;
- the rate or rates at which the Offered Securities will bear interest, if any, the date or dates from which any such interest will accrue and on which any such interest will be payable and the record dates for any interest payable on the Offered Securities which are in registered form;
- the terms and conditions under which Minera may be obligated to redeem, repay or purchase the Offered Securities pursuant to any sinking fund or analogous provisions or otherwise;
- the terms and conditions upon which Minera may redeem the Offered Securities, in whole or in part, in each case at its option;
- the covenants applicable to the Offered Securities;
- whether the Offered Securities will be issuable in registered form or bearer form or both, and, if issuable in bearer form, the restrictions as to the offer, sale and delivery of the Offered Securities which are in bearer form and as to exchanges between registered form and bearer form;
- whether the Offered Securities will be issuable in the form of registered global securities (“**Global Securities**”), and, if so, the identity of the depositary for such registered Global Securities;
- the denominations in which registered Offered Securities will be issuable, if other than denominations of \$1,000 and any multiple thereof, and the denominations in which bearer Offered Securities will be issuable, if other than \$1,000;
- each office or agency where payments on the Offered Securities will be made (if other than the offices or agencies described under “Payment” below) and each office or agency where the Offered Securities may be presented for registration of transfer or exchange;
- if other than Canadian dollars, the currency in which the Offered Securities are denominated or the currency in which Minera will make payments on the Offered Securities;
- the terms, if any, on which the Offered Securities may be converted or exchanged for other of Minera’s Securities or securities of other entities;
- any index, formula or other method used to determine the amount of payments of principal of (and premium, if any) or interest, if any, on the Offered Securities; and
- any other terms of the Offered Securities which apply solely to the Offered Securities, or terms generally applicable to the Debt Securities which are not to apply to the Offered Securities.

Unless otherwise indicated in the applicable Prospectus Supplement:

- holders may not tender Offered Securities to Minera for repurchase; and
- the rate or rates of interest on the Offered Securities will not increase if Minera becomes involved in a highly leveraged transaction or Minera is acquired by another entity.

Minera may issue Debt Securities and other Securities under the Indenture bearing no interest or interest at a rate below the prevailing market rate at the time of issuance and, in such circumstances, Minera will offer and sell those Debt Securities at a discount below their stated principal amount. Minera will describe in the applicable Prospectus Supplement any Canadian federal income tax consequences and other special considerations applicable to any discounted Debt Securities or other Debt Securities offered and sold at par which are treated as having been issued at a discount for Canadian federal income tax purposes.

Unless otherwise provided in the applicable Prospectus Supplement, any Debt Securities issued by Minera will be direct, unconditional and unsecured obligations of Minera and will rank equally among themselves and with all of Minera's other unsecured, unsubordinated obligations, except to the extent prescribed by law. Debt Securities issued by Minera will be structurally subordinated to all existing and future liabilities, including trade payables and other indebtedness, of Minera's subsidiaries.

### **Form, Denomination, Exchange and Transfer**

Unless otherwise indicated in the applicable Prospectus Supplement, Minera will issue Debt Securities only in fully registered form without coupons, and in denominations of \$1,000 and multiples of \$1,000. Debt Securities may be presented for exchange and registered Debt Securities may be presented for registration of transfer in the manner set forth in the Indenture and in the applicable Prospectus Supplement, without service charges. Minera may, however, require payment sufficient to cover any taxes or other governmental charges due in connection with the exchange or transfer. Minera will appoint the Trustee as security registrar. Bearer Securities and the coupons applicable to bearer Securities thereto will be transferable by delivery.

### **Payment**

Unless otherwise indicated in the applicable Prospectus Supplement, Minera will make payments on registered Debt Securities (other than Global Securities) at the office or agency of the Trustee, except that Minera may choose to pay interest (a) by cheque mailed to the address of the person entitled to such payment as specified in the security registrar or (b) by wire transfer to an account maintained by the person entitled to such payment as specified in the security registrar. Unless otherwise indicated in the applicable Prospectus Supplement, Minera will pay any interest due on registered Debt Securities to the persons in whose name such registered Debt Securities are registered on the day or days specified by Minera.

### **Registered Global Securities**

Registered Debt Securities of a series may be issued in whole or in part in global form that will be deposited with, or on behalf of, a depositary identified in the Prospectus Supplement. Global Securities will be registered in the name of a financial institution that Minera selects, and the Debt Securities in the Global Securities may not be transferred to the name of any other direct holder unless the special circumstances described below occur. The financial institution that acts as the sole direct holder of the Global Securities is called the "Depositary". Any person wishing to own Debt Securities issued in the form of Global Securities must do so indirectly by virtue of an account with a broker, bank or other financial institution that, in turn, has an account with the Depositary.

#### *Special Investor Considerations for Global Securities*

Minera's obligations, as well as the obligations of the Trustee and those of any third parties employed by Minera or the Trustee, run only to persons who are registered as holders of Debt Securities. For example, once Minera makes payment to the registered holder, Minera has no further responsibility for the payment even if that holder is legally required to pass the payment along to an investor but does not do so. As an indirect holder, an investor's rights relating to a Global Security will be governed by the account rules of the investor's financial institution and of the Depositary, as well as general laws relating to Debt Securities transfers.

An investor should be aware that when Debt Securities are issued in the form of Global Securities:

- the investor cannot have Debt Securities registered in his or her own name;

- the investor cannot receive physical certificates for his or her interest in the Debt Securities;
- the investor must look to his or her own bank or brokerage firm for payments on the Debt Securities and protection of his or her legal rights relating to the Debt Securities;
- the investor may not be able to sell interests in the Debt Securities to some insurance companies and other institutions that are required by law to hold the physical certificates of Debt Securities that they own;
- the Depositary's policies will govern payments, transfers, exchange and other matters relating to the investor's interest in the Global Security. Minera and the Trustee will have no responsibility for any aspect of the Depositary's actions or for its record of ownership interests in the Global Security. Minera and the Trustee also do not supervise the Depositary in any way; and
- the Depositary will usually require that interests in a Global Security be purchased or sold within its system using same-day funds.

#### *Special Situations When Global Security Will be Terminated*

In a few special situations described below, a Global Security will terminate and interests in it will be exchanged for physical certificates representing Debt Securities. After that exchange, an investor may choose whether to hold Debt Securities directly or indirectly through an account at its bank or brokerage firm. Investors must consult their own banks or brokers to find out how to have their interests in Debt Securities transferred into their own names, so that they will be direct holders.

The special situations for termination of a Global Security are:

- when the Depositary notifies Minera that it is unwilling, unable or no longer qualified to continue as Depositary (unless a replacement Depositary is named); and
- when and if Minera decides to terminate a Global Security.

The Prospectus Supplement may list situations for terminating a Global Security that would apply only to the particular series of Debt Securities covered by the Prospectus Supplement. When a Global Security terminates, the Depositary (and not Minera or the Trustee) is responsible for deciding the names of the institutions that will be the initial direct holders.

#### **Events of Default**

The term "Events of Default" with respect to Debt Securities of any series means any of the following:

- (a) default in the payment of the principal of (or any premium on) any Debt Security of that series at its maturity;
- (b) default in the payment of any interest on any Debt Security of that series when it becomes due and payable, and continuance of such default for a period of 30 days;
- (c) default in the deposit of any sinking fund payment when the same becomes due by the terms of the Debt Securities of that series;
- (d) default in the performance, or breach, of any other covenant or agreement of Minera in the Indenture in respect of the Debt Securities of that series (other than a covenant or agreement for which default or breach is specifically dealt with elsewhere in that Indenture), where such default or breach continues for a period of 90 days after written notice to Minera by the Trustee or the holders of at least 25% in principal amount of all outstanding Debt Securities affected thereby;

- (e) certain events of bankruptcy, insolvency or reorganization; or
- (f) any other Events of Default provided with respect to the Debt Securities of that series.

If an Event of Default described in clause (a), (b) or (c) above occurs and is continuing with respect to Debt Securities of any series, then the Trustee or the holders of not less than 25% in principal amount of the outstanding Debt Securities of that series may require the principal amount (or, if the Debt Securities of that series are original issue discount securities or indexed securities) such portion of the principal amount as may be specified in the terms of that series) of all of the outstanding Debt Securities of that series and any accrued but unpaid interests on such Debt Securities be paid immediately. If an Event of Default described in clause (d) or (f) above occurs and is continuing with respect to Debt Securities of one or more series, then the Trustee or the holders of not less than 25% in principal amount of the outstanding debt Securities of all series affected thereby (as one class) may require the principal amount (or, if any of the Debt Securities of such affected series are original issue discount securities or indexed securities, such portion of the principal amount as may be specified in the terms of such affected series) of all of the outstanding Debt Securities of such affected series and any accrued but unpaid interests on such Debt Securities be paid immediately. If any Event of Default described in clause (e) above occurs and is continuing, then the Trustee or the holders of not less than 25% in principal amount of all outstanding Debt Securities (as a class) may require the principal amount (or, if the Debt Securities or any series are original discount securities or indexed securities, such portion of the principal amount as may be specified in the terms of that series) of all the outstanding Debt Securities and any accrued but unpaid interest on such Debt Securities be paid immediately. However, at any time after a declaration of acceleration with respect to Debt Securities of any series (or of all series, as the case may be) has been made and before a judgment or decree for payment of the money due has been obtained, the holders of a majority in principal amount of the outstanding Debt Securities of such series (or of all series, as the case may be), by written notice to Minera and the Trustee, may, under certain circumstances, rescind and annul such acceleration. The applicable Prospectus Supplement will contain provisions relating to acceleration of the maturity of a portion of the principal amount of original issue discount securities or indexed securities upon the occurrence of any Event of Default and the continuation thereof.

Except during default, the Trustee is not obligated to exercise any of its rights and powers under the Indenture at the request or direction of any holders, unless the holders have offered to the Trustee reasonable indemnity. If the holders provide reasonable indemnity, the holders of a majority in principal amount of the outstanding Debt Securities of all series affected by an Event of Default may, subject to certain limitations, direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the Debt Securities of all series affected by such Event of Default.

No holder of a Debt Security of any series will have any right to institute any proceedings, unless:

- such holder has previously given the Trustee written notice of a continuing Event of Default with respect to the Debt Securities of that series;
- the holders of at least 25% in principal amount of the outstanding Debt Securities of all series affected by such Event of Default have made a written request and have offered reasonable indemnity to the Trustee to institute such proceedings as trustee; and
- the Trustee has failed to institute such proceedings, and has not received from the holders of a majority in the aggregate principal amount of outstanding Debt Securities of all series affected by such Event of Default a direction inconsistent with such request, within 60 days after such notice, request and offer.

However, these limitations do not apply to a suit instituted by the holder of a Debt Security for the enforcement of payment of principal of or interest on such Debt Security on or after the applicable due date of such payment.

Minera will be required to furnish to the Trustee annually an officers' certificate as to the performance of certain of its obligations under the Indenture and as to any default in such performance.

### **Defeasance**

When Minera uses the term “defeasance”, Minera means discharge from some or all of its obligations under the Indenture with respect to Debt Securities of a particular series. If Minera deposits with the Trustee sufficient cash or government securities to pay the principal, interest, any premium and any other sums due to the stated maturity or a redemption date of the Debt Securities of a particular series, then at its option:

- Minera will be discharged from its obligations with respect to the Debt Securities of such series with certain exceptions, and the holders of the Debt Securities of the affected series will not be entitled to the benefits of the Indenture except for registration of transfer and exchange of Debt Securities and replacement of lost, stolen or mutilated Debt Securities and certain other limited rights. Such holders may look only to such deposited funds or obligations for payment; or
- Minera will no longer be under any obligation to comply with certain covenants under the Indenture, and certain Events of Default will no longer apply to it.

Unless otherwise stated in the applicable Prospectus Supplement, in order to exercise defeasance Minera must also deliver to the Trustee an opinion of Canadian counsel or a ruling from Canada Revenue Agency that there would be no such recognition of income, gain or loss for Canadian federal or provincial tax purposes and that holders of the Debt Securities of such series will be subject to Canadian federal and provincial income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred.

In addition, no Event of Default with respect to the Debt Securities of the applicable series can have occurred and Minera cannot be an insolvent person under the *Bankruptcy and Insolvency Act* (Canada).

### **Modifications and Waivers**

Minera may modify or amend the Indenture with the consent of the holders of a majority in aggregate principal amount of the outstanding Debt Securities of all securities affected by such modification or amendment provided, however, that Minera must receive consent from the holder of each outstanding Debt Security of such affected series to:

- change the stated maturity of the principal or interest on such outstanding Debt Security;
- reduce the principal amount of or interest on such outstanding Debt Security;
- reduce the amount of the principal payable upon the acceleration of the maturity of an outstanding original issue discount security;
- change the place or currency of payments on such outstanding Debt Security;
- impair the right to institute suit for the enforcement of any payment on or with respect to any Debt Security;
- reduce the percentage in principal amount of outstanding Debt Securities of such series from which the consent of holders is required to modify or amend the Indenture or waive compliance with certain provisions of the Indenture or waive certain defaults; or
- modify any provisions of the Indenture relating to modifying or amending the Indenture of waiving past defaults or covenants except as otherwise specified.

The holders of a majority in principal amount of Debt Securities of any series may waive Minera's compliance with certain restrictive provisions of the Indenture with respect to such series. The holders of a majority in principal amount of outstanding Debt Securities of all series with respect to which an Event of Default has occurred may waive any past default under the Indenture, except a default in the payment of the principal of or interest on any Debt Security or in respect of any item listed above.

The Indenture or the Debt Securities may be amended or supplemented, without the consent of any holder of such Debt Securities in order to, amount other things, cure any ambiguity or inconsistency or to make any change, in any case, that does not have a materially adverse effect on the rights of any holder of such Debt Securities.

### **Consent to Jurisdiction and Service**

Under the Indenture, Minera will irrevocably appoint FMD Service (Ontario) Inc. at 333 Bay Street, Suite 2400, Bay Adelaide Centre, Box 20, Toronto, Ontario M5H 2T6 as its agent of service of process in any suit, action or proceeding arising out of or relating to the Indenture and the Debt Securities and for actions brought under federal or provincial securities laws brought in any federal or provincial court located in the city of Toronto (hereinafter referred to as a Toronto Court), and will submit to such non-exclusive jurisdiction.

### **Governing Law**

The Indenture and the Debt Securities will be governed by and construed in accordance with the laws of the Province of Ontario.

### **The Trustee**

The Trustee under the Indenture will be named in the applicable Prospectus Supplement. The Trustee under the Indenture or its affiliates may provide banking and other services to Minera in the ordinary course of their business. The Indenture will contain certain limitations on the rights of the Trustee, as long as it or any of its affiliates remains Minera's creditor, to obtain payment of claims in certain cases or to realize on certain property received on any claim as security or otherwise. The Trustee and its affiliates will be permitted to engage in other transactions with Minera. If the Trustee or any affiliate acquires any conflicting interest and a default occurs with respect to the Debt Securities, the Trustee must eliminate the conflict or resign.

## **DESCRIPTION OF WARRANTS**

This section describes the general terms that will apply to any Warrants for the purchase of Ordinary Shares (the "**Equity Warrants**") or for the purchase of Debt Securities (the "**Debt Warrants**").

Warrants may be offered separately or together with other Securities, as the case may be. Unless the applicable Prospectus Supplement otherwise indicates, each series of Warrants will be issued under a separate Warrant indenture to be entered into between the Company and one or more banks or trust companies acting as Warrant agent. The applicable Prospectus Supplement will include details of the Warrant agreements covering the Warrants being offered. The Warrant agent will act solely as the agent of the Company and will not assume a relationship of agency with any holders of Warrant certificates or beneficial owners of Warrants. The following sets forth certain general terms and provisions of the Warrants offered under this Prospectus. The specific terms of the Warrants, and the extent to which the general terms described in this section apply to those Warrants, will be set forth in the applicable Prospectus Supplement.

### **Equity Warrants**

The particular terms of each issue of Equity Warrants will be described in the related Prospectus Supplement. This description will include, where applicable:

- the designation and aggregate number of Equity Warrants;

- the price at which the Equity Warrants will be offered;
- the currency or currencies in which the Equity Warrants will be offered;
- the designation and terms of the Ordinary Shares purchasable upon exercise of the Equity Warrants;
- the date on which the right to exercise the Equity Warrants will commence and the date on which the right will expire;
- the number of Ordinary Shares that may be purchased upon exercise of each Equity Warrant and the price at which and currency or currencies in which the Ordinary Shares may be purchased upon the exercise of each Equity Warrant and the procedures that will result in the adjustment of those numbers;
- the designation and terms of any Securities in which the Equity Warrants will be offered, if any, and the number of the Equity Warrants that will be offered with each Security;
- any minimum or maximum amount of Equity Warrants that may be exercised at any one time;
- the date or dates, if any, on or after which the Equity Warrants and the related Securities will be transferable separately;
- whether the Equity Warrants will be subject to redemption or call and, if so, the terms of such redemption or call provisions;
- material Canadian tax consequences of owning the Equity Warrants; and
- any other material terms or conditions of the Equity Warrants.

## **Debt Warrants**

The particular terms of each issue of Debt Warrants will be described in the related Prospectus Supplement. This description will include, where applicable:

- the designation and aggregate number of Debt Warrants;
- the price at which the Debt Warrants will be offered;
- the currency or currencies in which the Debt Warrants will be offered;
- the aggregate principal amount, currency or currencies, denominations and terms of the series of Debt Securities that may be purchased upon exercise of the Debt Warrants;
- the designation and terms of any Securities with which the Debt Warrants are being offered, if any, and the number of the Debt Warrants that will be offered with each Security;
- the date or dates if any, on or after which the Debt Warrants and the related Securities will be transferable separately;
- the principal amount of Debt Securities that may be purchased upon exercise of each Debt Warrant and the price at which and currency or currencies in which that principal amount of Securities may be purchased upon exercise of each Debt Warrant;

- the date on which the right to exercise the Debt Warrants will commence and the date on which the right will expire;
- the minimum or maximum amount of Debt Warrants that may be exercised at any one time;
- whether the Debt Warrants will be subject to redemption or call, and, if so, the terms of such redemption or call provisions;
- material Canadian tax consequences of owning the Debt Warrants; and
- any other material terms or conditions of the Debt Warrants.

### **DESCRIPTION OF CONVERTIBLE SECURITIES**

This description sets forth certain general terms and provisions that could apply to any Convertible Securities that Minera may issue pursuant to this Prospectus. Minera will provide particular terms and provisions of a series of Convertible Securities, and a description of how the general terms and provisions described below may apply to that series, in a Prospectus Supplement.

This description sets forth certain general terms and provisions that could apply to any Debt Securities that Minera may issue pursuant to this Prospectus. Minera will provide particular terms and provisions of a series of Debt Securities, and a description of how the general terms and provisions described below may apply to that series, in a Prospectus Supplement.

The Convertible Securities will be convertible or exchangeable into Ordinary Shares. The Convertible Securities convertible or exchangeable into Ordinary Shares may be offered separately or together with other Securities, as the case may be.

The applicable Prospectus Supplement will include details of the agreement, indenture or other instrument to which such Convertible Securities will be created and issued. The following sets forth general terms and provisions of such Convertible Securities under this Prospectus.

The particular terms of each issue of such Convertible Securities will be described in the related Prospectus Supplement. This description will include, where applicable: (i) the number of such Convertible Securities offered; (ii) the price at which such Convertible Securities will be offered; (iii) the procedures for the conversion or exchange of such Convertible Securities into or for Ordinary Shares; (iv) the number of Ordinary Shares that may be issued upon the conversion or exchange of such Convertible Securities; (v) the period or periods during which any conversion or exchange may or must occur; (vi) the designation and terms of any other Convertible Securities with which such Convertible Securities will be offered, if any; (vii) the gross proceeds from the sale of such Convertible Securities; (viii) material Canadian tax consequences of owning such Convertible Securities; and (ix) any other material terms and conditions of such Convertible Securities.

### **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 2011.

<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	8,955,000	£0.7765	N/A



securityholders			
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	8,955,000	£0.7765	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.

### PRIOR SALES

For the twelve-month period before the date of this Prospectus the Company issued the following Ordinary Shares:

Date	Number of Ordinary Shares Issued	Price
March 5, 2012	29,260,000	\$1.13
April 2, 2012	2,230,000	£0.45
April 12, 2012	830,000	£0.45

### TRADING PRICE AND VOLUME

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

Date	High	Low	Volume
April 2011	\$1.52	\$1.28	1,863,393
May 2011	\$1.33	\$1.13	3,472,458
June 2011	\$1.16	\$0.89	2,420,472
July 2011	\$1.32	\$0.98	1,163,301
August 2011	\$1.32	\$1.10	906,280
September 2011	\$1.34	\$1.00	7,95,813
October 2011	\$1.11	\$0.89	366,486
November 2011	\$1.18	\$1.05	578,620
December 2011	\$1.20	\$1.05	178,534
January 2012	\$1.11	\$1.00	755,780
February 2012	\$1.23	\$1.07	220,400
March 2012	\$1.15	\$1.00	500,373
April 2012	\$1.13	\$0.90	549,624
1 - 24 May 2012	\$0.94	\$0.67	92,150

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.

Date	High	Low	Volume
April 2011	£0.940	£0.850	1,671,985
May 2011	£0.855	£0.750	1,261,617
June 2011	£0.764	£0.608	1,951,303
July 2011	£0.850	£0.630	2,220,679
August 2011	£0.850	£0.720	6,397,201
September 2011	£0.820	£0.662	1,703,888
October 2011	£0.699	£0.590	690,368
November 2011	£0.710	£0.640	649,520
December 2011	£0.800	£0.660	1,010,471
January 2012	£0.710	£0.638	1,211,162
February 2012	£0.765	£0.689	1,252,300
March 2012	£0.750	£0.620	1,298,107
April 2012	£0.670	£0.550	5,161,974
1 - 24 May 2012	£0.5750	£0.4188	542,961

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
April 2011	US\$1.50	US\$1.20	2,183,474
May 2011	US\$1.39	US\$1.20	1,033,633
June 2011	US\$1.30	US\$0.99	885,439
July 2011	US\$1.35	US\$1.02	739,577
August 2011	US\$1.35	US\$1.15	487,932
September 2011	US\$1.32	US\$1.13	372,501
October 2011	US\$1.16	US\$0.97	427,841
November 2011	US\$1.15	US\$1.07	340,093
December 2011	US\$1.23	US\$1.05	334,985
January 2012	US\$1.14	US\$1.01	784,240
February 2012	US\$1.27	US\$1.10	751,823
March 2012	US\$1.15	US\$1.10	229,615
April 2012	US\$1.15	US\$1.00	477,182
1 - 24 May 2012	US\$0.99	US\$0.75	109,299

## **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

The applicable Prospectus Supplement will describe certain Canadian federal income tax consequences to investors described therein of acquiring Securities, including, in the case of an investor who is not a resident of Canada (for purposes of the *Income Tax Act* (Canada)), if applicable, whether payment of principal, premium, if any, and interest will be subject to Canadian non-resident withholding tax.

## **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 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 technical report entitled “Corihuarmi Gold Project, National Instrument 43-101 Technical Report” dated 6 April 2010.

Doug Corley, MAIG R.P. Geo., and John Hearne, FAusIMM, of Coffey Mining Pty Ltd; Michael Drozd, SME Registered Member, of AMEC E&C Services Inc; Brett Byler, P.E., and Chris Wright, P.Geo. of AMEC (Peru) SA are the authors of the technical report entitled “Ollachea Gold Project, National Instrument 43-101 Technical Report on Pre-feasibility study” dated 17 July 2011.

Callum Grant, P.Eng., Hassan Ghaffari, P.Eng., André DeRuijter, Pr. Eng (RSA), P.Eng., and Steven Osterberg, P.Geo. (USA), of Wardrop (a Tetra Tech Company); Doug Corley, MAIG R.P. Geo. of Coffey Mining Pty Ltd (Australia); Carlos Guzmán, Registered Member Chilean Mining Commission (Chile), of NCL Ingeniería y Construcción Ltda.; Alistair Cadden, C.Eng. (UK), of Golder Associates Argentina SA; and Tony Sanford, Pr. Sci. Nat. (South Africa), of Ausenco Vector are the authors of the Don Nicolás Technical Report.

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 Securities 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 Securities should carefully consider all information contained elsewhere in this Prospectus including under the heading “Forward Looking Information” or incorporated by reference in this 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 Securities.

### **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 Securities will develop or be sustained following the closing date of an offering of Securities. 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.

### **Recent Regulatory Developments Relating to the Company's Argentinean Operations**

The Government of Argentina recently announced changes to its regulatory regime requiring mining exporters to repatriate all of their export revenue. The Company does not have existing arrangements or plans to export production, however, any future changes to the mining regime in Argentina or to the Company's existing arrangements or plans could have a material adverse effect on the Company.

### **The Debt Securities will be unsecured debt of the Company and will rank equally in right of payment with all other existing and future unsecured debt of the Company**

The Debt Securities will be unsecured debt of the Company and will rank equally in right of payment (except as to sinking funds and as to claims preferred by operation of law) with all other existing and future unsecured debt of the Company. The Debt Securities will be effectively subordinated to all existing and future secured debt of the Company to the extent of the assets securing such debt. If the Company is involved in any bankruptcy, dissolution, liquidation or reorganization, the secured debt holders would, to the extent of the value of the assets securing the secured debt, be paid before the holders of unsecured debt securities, including the Debt Securities. In that event, a holder of Debt Securities may not be able to recover any principal or interest due to it under Debt Securities.

### **Holders of the Debt Securities will effectively be unsubordinated to the claims of the holders of third party indebtedness of the Company's subsidiaries**

The Company conducts its operations through a number of subsidiaries and to the extent any such subsidiary has or incurs such indebtedness with a third party, the holders of the Debt Securities will effectively be

subordinated to the claims of the holders of such third party indebtedness, including in the event of liquidation or upon a realization of the assets of any such subsidiary.

**There is no established trading market for the Securities, other than the Ordinary Shares**

There is no existing trading market for the Debt Securities, Warrants to purchase Ordinary Shares, Warrants to Purchase Debt Securities and Convertible Securities. As a result, there can be no assurance that a liquid market will develop or be maintained for those securities or that investors will be able to sell any of those securities at a particular time (if at all). The Company does not intend to list the Debt Securities, Warrants to purchase Ordinary Shares, Warrants to purchase Debt Securities or Convertible Securities on any national securities exchange. The liquidity of the trading market in those securities, and the market price quoted for those securities, may be adversely affected by, among other things: changes in the overall market for those securities; changes in the Company's financial performance or prospectus; the prospects for companies in the Company's industry generally; the number of holders of those securities; the interest of securities dealers in making a market for those securities; and prevailing market rates.

**Credit ratings may not reflect all risks associated with an investment in the Debt Securities**

Credit ratings may not reflect all risks associated with an investment in the Debt Securities. Any credit ratings applied to the Debt Securities are an assessment of the Company's ability to pay its obligations. Consequently, real or anticipated changes in the credit ratings will generally affect the market value of the Debt Securities. The credit ratings, however, may not reflect the potential impact of risks related to structure, market or other factors discussed in this Prospectus or the documents incorporated herein by reference on the value of the Debt Securities. There is no assurance that any credit rating assigned to the Debt Securities will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by the relevant rating agency.

**Changes in interest rates may cause the value of the Debt Securities to decline**

Prevailing interest rates will affect the market price or value of the Debt Securities. The market price or value of the Debt Securities may decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

**The creditworthiness of the Company may affect the market price or value and the liquidity of the Debt Securities**

Any change or perceived change in the creditworthiness of the Company may affect the market price or value and the liquidity of the Debt 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 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 the Securities offered hereby will be passed upon on behalf of the Company by Fasken Martineau DuMoulin LLP. The respective partners and associates of Fasken Martineau DuMoulin LLP will own, directly or indirectly, less than one percent of the issued and outstanding Ordinary Shares following the completion of the distribution of the Securities.

## **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 Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.
2. A copy of this preliminary 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 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 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 preliminary short form base shelf prospectus of Minera IRL Limited (the "Company") dated May 25, 2012 qualifying the distribution of ordinary shares, debt securities, warrants to purchase ordinary shares, warrants to purchase debt securities or convertible securities of the Company up to an aggregate initial offering price of **\$80,000,000**. 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 2011; 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 30 March 2012.

•

Chartered Accountants  
London, United Kingdom  
May 25, 2012

## CERTIFICATE OF THE COMPANY

Dated: May 25 , 2012

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus and the supplement(s) as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

*“Courtney Chamberlain”*

Courtney Chamberlain  
Chief Executive Officer

*“Tim Miller”*

Tim Miller  
Chief Financial Officer

On Behalf of the Board of Directors

*“Douglas Jones”*

Douglas Jones  
Director

*“Graeme Ross”*

Graeme Ross  
Director