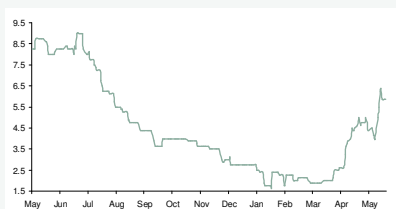


27 May 2009

<b>Code</b>	MARL
<b>Price</b>	6p
<b>Market Cap</b>	£5.5m
<b>Year End</b>	31 December
<b>Cash</b>	£1m
<b>Shares in Issue</b>	90m
<b>Next Results</b>	H1 results - September

## Share price Performance



Source: Datastream

## Company Description

Precious and base metal explorer in Latin America

## Institutional Contacts

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## Final results

**Despite the loss of 4.2 pence per share being slightly higher than the 3.1 pence we had envisaged, we think the market is starting to wake up to the potential of Mariana's early stage exploration projects in Latin America. Importantly, the company's 2009 exploration programme is now fully funded.**

► **Second Hochschild investment will boost cash reserves.** We expect the second \$750,000 tranche to be drawn down towards the end of H2 but before 23 December when the agreement expires. The Hochschild agreement gives Mariana credibility as it effectively outsources exploration in return for first right of offer should an economic discovery be made.

► **Drilling at Tongoril scheduled for the end of Q3.** The company anticipates that scout drilling at Tongoril, one of the Argentine properties included in the Hochschild agreement, will now start at the end of Q3. The company previously reported pathfinder minerals from Tongoril, suggesting the presence of epithermal gold silver mineralisation.

► **Buenaventura drilling to start in September.** The target is a large 3km square anomaly identified last year from a geophysical survey. The company is negotiating the drilling contract and plans to start when drill rigs are available in Chile at a lower price.

► **Exploration projects in Ecuador now fully impaired.** The decision to impair this project was taken because the current political climate in Ecuador does not make exploration feasible. But this is not material to our valuation of Mariana as we assigned no value to these projects in the first place.

► **Shares still attractive at current levels.** The increased trading activity following the recent share placement has helped to lift the share price threefold since its low of 1.9 pence during mid-November 2008. But we still think that Mariana's current valuation is still a fraction of what it could potentially be should one or more of its early stage exploration projects yield a discovery of economic value.

## Forecasts (£000s)

Year end 31 Dec	2007A	2008A	2009E
<b>Data</b>			
Revenue	--	--	--
EBITDA	(1,571)	(2,220)	(1,489)
PTL	(1,495)	(2,163)	(1,489)
Tax Rate	--	--	--
LPS	(4.1)	(4.2)	(1.3)
<b>Ratios</b>			
EV/revenue	--	--	--
EV/EBITDA	(3.51)	(2.48)	(3.70)

## Financials

### Income statement

<b>Table 1: Income statement</b>			
December £000s	2007A	2008A	2009E
<b>Revenue</b>	--	--	--
<b>Operating expenses</b>			
Admin	(876)	(871)	(979)
Impairments	(670)	(1,333)	(500)
<b>Net operating expenses</b>	<b>(1,546)</b>	<b>(2,204)</b>	<b>(1,479)</b>
<b>EBITDA</b>	<b>(1,571)</b>	<b>(2,220)</b>	<b>(1,489)</b>
Net interest	76	57	--
<b>Loss before tax</b>	<b>(1,495)</b>	<b>(2,163)</b>	<b>(1,489)</b>
Tax	--	--	--
<b>Loss after tax</b>	<b>(1,495)</b>	<b>(2,163)</b>	<b>(1,489)</b>
Loss per share (pence)	(4.1)	(4.2)	(1.3)
No of shares in issue	36,643,901	51,512,821	115,000,000

Source: FinnCap

### Balance sheet

<b>Table 2: Balance sheet</b>			
December £000s	2007A	2008A	2009E
<b>Non-current assets</b>			
Deferred exploration costs	1,478	2,067	2,707
PPE	102	101	101
	<b>1,579</b>	<b>2,168</b>	<b>2,808</b>
<b>Current assets</b>			
Debtors and prepayments	52	294	294
Cash and cash equivalents	1,501	748	219
	<b>1,553</b>	<b>1,042</b>	<b>514</b>
<b>Current liabilities</b>			
Creditors	6	95	95
Provisions	--	34	34
<b>Net current assets</b>	<b>1,547</b>	<b>913</b>	<b>385</b>
<b>Net assets</b>	<b>3,127</b>	<b>3,082</b>	<b>3,193</b>
<b>Equity</b>			
Share capital	5	7	7
Share premium	4,936	6,404	7,994
Other reserves	92	739	739
Loss from income statement	(1,906)	(4,069)	(5,548)
<b>Total Equity</b>	<b>3,127</b>	<b>3,082</b>	<b>3,193</b>

Source: FinnCap

Cash flow

<b>Table 3: Cash flow</b>			
December £000s	2007A	2008A	2009E
<b>Loss after tax</b>	<b>(1,495)</b>	<b>(2,163)</b>	<b>(1,479)</b>
Non cash items			
Depreciation	25	16	10
Share based payments	72	263	--
Impairments	924	1,333	500
Increase/(decrease) in creditors	(121)	123	--
Increase in debtors	(28)	(243)	--
<b>Net operating cash flow</b>	<b>(623)</b>	<b>(671)</b>	<b>(969)</b>
PPE additions and disposals	(29)	(18)	--
Exploration expenditure	(1,407)	(1,655)	(1,150)
<b>Net cash flow from investments</b>	<b>(1,436)</b>	<b>(1,673)</b>	<b>(1,150)</b>
Financing	1,040	1,471	1,590
<b>Net decrease in cash in the year</b>	<b>(1,019)</b>	<b>(873)</b>	<b>(529)</b>
FX fluctuation	29	120	--
<b>Cash at beginning of year</b>	<b>2,491</b>	<b>1,501</b>	<b>748</b>
<b>Cash at end of year</b>	<b>1,501</b>	<b>748</b>	<b>219</b>

Source: FinnCap

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