

A World Class Zinc Mine in the Making?

A new world class zinc mine may soon be identified in the area around Limerick, southwest Ireland. Adjacent licence blocks are controlled through two AIM-quoted vehicles, Minco plc and the Connemara Mining Company plc, together with their operating JV partners, Xstrata and Teck Resources. Exceptional recent drilling results from both Groups and much anticipated resource estimates are likely to just scratch the surface of prospects still over 60% unexplored. Having both individually committed to completing major drilling programmes this year, which together total 80,000 metres through 180 holes, the true scope of this powerful mineralising system should shortly be recognised. Connemara is now calling for new funding to ensure that its interests are not diluted while also securing excellent prospects elsewhere.

- Connemara Mining's portfolio of 37 licence blocks are ideally located on identified trends that spread right across Ireland's Midland Orefield. Being the region that boasts the largest number of zinc discoveries per sq. km. worldwide, they offer an unparalleled opportunity.
- Limited financial resources have forced Connemara's management, all veteran Irish miners, to concentrate on one project at a time. Since attracting the earn-in participation of mining giant, Teck Resources Ltd., for its two license blocks close to Limerick, a number of significant discoveries have been made without further recourse to shareholders. This 'free carry' has now ended, however, so Connemara will be obliged to finance 25% of ongoing exploration costs for these prospects as they move toward obtaining a formal resource estimate.
- Drilling results confirm a high grade zinc discovery over minable widths with ore-textures typical of the 'Irish-type' deposits seen along the Rathdowney Trend at Minco/Xstrata's Pallas Green (which at its closest point is just 4.5km from Stonepark), Vendanta Resources' Lisheen (23Mt@13.1%Zn, 2.9%Pb) and Lundin's Galmoy. Indeed, we anticipate a new JORC release from Minco plc to provide a resource estimate approaching that of the soon to be commercially exhausted Lisheen. Given that Ireland's south western deposits tend to occur as a 'string of pearls' separated by perhaps 2 to 5 km and that the larger part of both prospects remain unexplored, it is just possible that the two companies are working on the same giant mineralising system. Which one would have the head and which one the tail of this particular 'elephant', however, remains to be seen.
- Connemara is an exploration business. Should the scale and grading of Stonepark's resource be proven and a production decision taken, we would expect the Company to seek an early exit from its JV with Teck Resources. Realistically, such an event could be a year or less away. Based on Connemara sustaining its 25% participation, we have modelled prospective cash flow based on 15Mt with a combined grading of 12%, having assumed a 15 year LOM and prudent forward metal pricing after aggressively discounting the opportunity, to place a value on this asset.
- Connemara has been seen to run an exceptionally 'tight ship' to date, but its cash resources are now exhausted. In order to avoid dilution of its participation, further drilling at Stonepark and Stonepark North in 2011 will require £0.5m. A similar amount would also be needed in order to start prospecting at the Nenagh, Thurles and other blocks as well as a reserve for corporate overheads. The opportunity for a very rapid payback is clear.

Speculative Buy Price Target: 48p

Mid Price on 24/06/2010 26.50p
Quotation AIM:CON
52 week High/Low 38.00p/10.75p
Website connemaramining.com

INVESTMENT SCENARIO

- JV in possible world class zinc mine
- Unparalleled Irish prospecting opportunities
- Recognition of value possible within 2 years
- Management run a very 'tight ship'
- Fund raising offers access to new stock

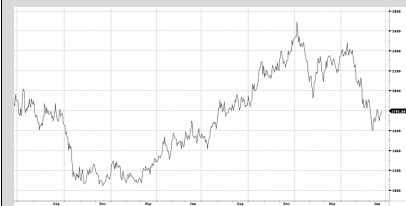
SHARE DATA

Market Cap (GBP) £4.0m
Shares Issued (on 24/06/10) 15.18m
Free Float (on 24/06/10) 57.17%

2-Year price chart of Connemara Mining Company Plc



2-year price chart of Zinc



THIS RESEARCH REPORT IS A
"MARKETING COMMUNICATION"

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Irish Zinc – There’s Lots of It!

Ireland has a significant mining history. It claims the largest number of zinc discoveries per sq. km. worldwide and the number two position for lead. In 2009, Ireland produced 36% of Western Europe’s total zinc output and 28% of its lead. It currently has two operational world class discoveries. These are the Tara mine (operated by Boliden AB, the Swedish mining and smelting group) which is located near Navan, County Meath, with a resource estimate of 70 Mt and once ranked as the world’s largest producers of zinc concentrate and Anglo American’s Lisheen (with a resource estimate of 23Mt) which also ranks amongst the global top-12.

Table 1: Zinc in Ireland

Deposit	Year of Discovery	Tonnage (Mt)	Grade (Zn+Pb) %
* Tynagh	1961	9.2	11.2
Courtbrown	1962	1	5.5
Keel	1962	1.8	8.76
* Silvermines	1963	17.7	8.9
Ballinalack	1969	7.8	7.4
*Navan	1970	69.9	12.7
Tatestown/Scallanstown	1975	3.6	6.9
Harberton Bridge	1975	3.7	9.9
Garrycam	1976	1.4	2.9/36% BaS04
Oldcastle/Drumlerry	1977	1.4	5.2
*Galmoy	1986	6.2	12.43
*Lisheen	1990	18.9	14.95
*Navan SWEX	1999	13.5	9.8
Galmoy (R Zone)	2000	2.3	25.8
*Economic			

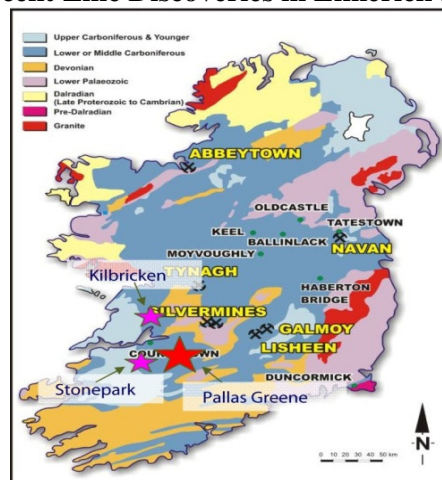
Source: Connemara Mining

* Commercially Viable

Zinc is not a particularly scarce resource. It is extracted in more than 50 countries, including China, Australia and Canada. What distinguishes Ireland for its exploration, however, is the exceptionally large average resource size, the relatively low cost of discovery, consistently high gradings (typically 12% combined zinc and lead), stable fiscal and regulatory regimes of this mining friendly territory, no state participation, its excellent local infrastructure and relatively low strip ratio/extraction cost of its surface/near-surface deposits.

The Irish zinc province stretches north east to south west through an area known as the Midland Orefield that stretches between Limerick and the Northern Irish border. Within this, major discoveries have concentrated in five distinct regional trends which are now being prospected by 26 different companies. Important recent discoveries have all concentrated in the area around Limerick, which mounting geological evidence suggests has the opportunity to host the next world class zinc mine.

Recent Zinc Discoveries in Limerick area



Source: Connemara Mining

Connemara Mining

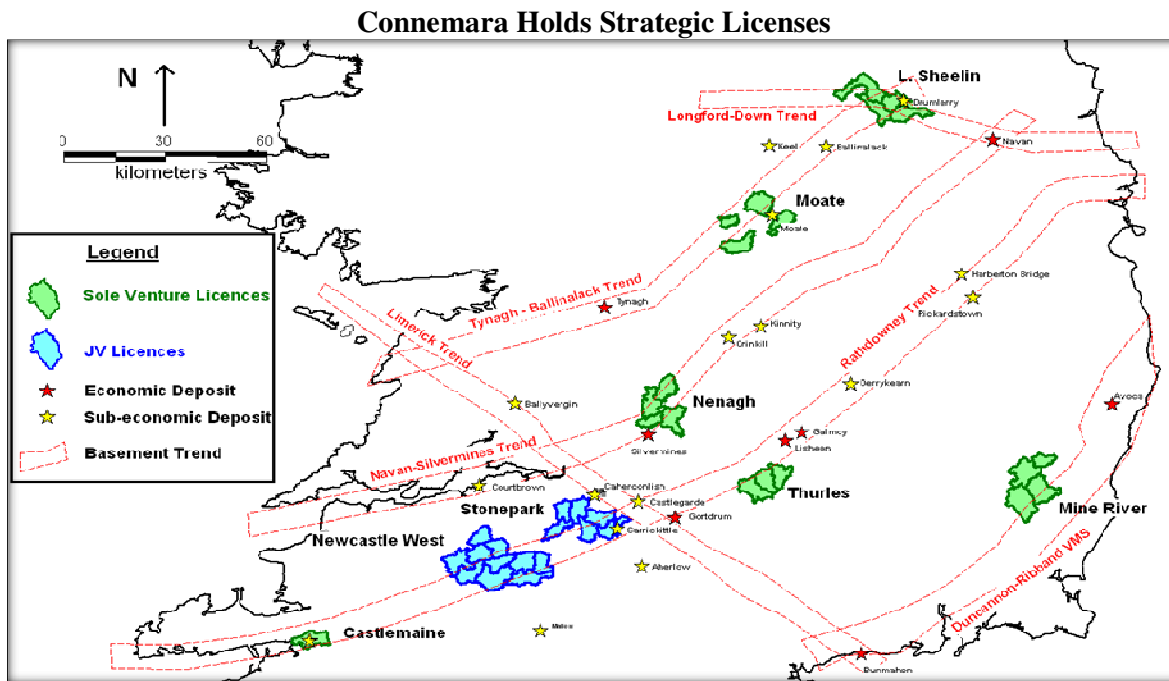
Connemara Mining plc was formed in 2006 by veterans of the Irish zinc industry with a view to creating a portfolio of prospecting licences in the territory. It achieved a quotation on AIM in August 2007, at which time it raised net proceeds of approximately £0.8m through the placement of 18.8% of the enlarged issued share capital at a price of 35p/share.

Connemara's major targets within these licences are zinc-lead deposits hosted by limestone of Lower Carboniferous age, with a threshold of 15 million tonnes ore at grades of 12% zinc (Zn) and 2% lead (Pb). In Ireland, these are seen to fall into two types or 'styles' of deposit:

1. 'Navan Style' deposits in micrite limestones and calcareous clastics of the Navan Beds, which are located in the Lough Sheelin area of north-eastern Eire.
2. 'Silvermines/Lisheen Style' deposits of Waulsortian Reef limestone, stratigraphically higher than the Navan beds and located in the Monaster, Newcastle West and Castlemaine areas of south-western Eire.

By area, Connemara is now the fourth largest licence holder in Ireland, covering over 1000 sq. km and spread across a total of 37 prospecting blocks. All being exploration status, they are spread across base metals (Bm), barite (b), silver (s), gold (g) and platinum group elements (PGE).

Some of these are owned outright and some subject to a joint venture agreement with Teck Ireland Ltd., the wholly owned subsidiary of Canadian giant, Teck Resources Ltd. (formerly Teck Comino Ltd.) <TSX:TCK.B>, which enables it to earn into 75% control of the block which owns 15 licenses in the Limerick area and one in County Cork.



Connemara's management have used their extensive Irish mining experience to cherry pick and target licenses as and when they became available. Adopting the strict science of 'closeology' which in geological parlance is means to locate near to an existing or historic producer, executive chairman, John Teeling, has exclusively sought sites adjacent to or even over former or existing mines. Not surprisingly, these tend to fall directly onto trend lines of the Midland orefield.

Connemara's Licences

Table 2: Connemara Licence Blocks

Block	PL Number	Status	Renewal Date	County
Lough Sheelin	1051	Active	28/01/2011	Cavan
Lough Sheelin	1053	Active	28/01/2011	Meath
Lough Sheelin	1991	Active	28/01/2011	Meath
Lough Sheelin	3925	Active	28/01/2011	Meath
Lough Sheelin	3926	Active	28/01/2011	Meath
Castlemaine	2029	Active	31/01/2011	Kerry
Mine River	2553	Active	16/04/2012	Wicklow
Mine River	2554	Active	16/04/2012	Wexford
Mine River	2555	Active	16/04/2012	Wexford
Mine River	2558	Active	16/04/2012	Wexford
Nenagh	3953	Active	29/09/2010	Tipperary
Nenagh	3425	Active	29/09/2010	Tipperary
Nenagh	3678	Active	29/09/2010	Tipperary
Nenagh	3156	Active	29/09/2010	Tipperary
Thurles	1577	Active	07/07/2010	Tipperary
Thurles	1578	Active	07/07/2010	Tipperary
Thurles	3321	Active	07/07/2010	Tipperary
Moate	3982	Active	26/08/2010	Westmeath
Moate	3983	Active	26/08/2010	Westmeath
Moate	3406	Active	26/08/2010	Westmeath
Moate	3722	Active	26/08/2010	Westmeath
Monaster*	449	J.V. Teck	31/01/2011	Limerick
Monaster*	450	J.V. Teck	31/01/2011	Limerick
Monaster*	2638	J.V. Teck	31/01/2011	Limerick
Monaster*	2927	J.V. Teck	31/01/2011	Limerick
Monaster*	2931	J.V. Teck	18/04/2010	Limerick
Monaster*	3367	J.V. Teck	31/01/2011	Limerick
Newcastle West*	1303	J.V. Teck	13/04/2011	Limerick
Newcastle West*	1940	J.V. Teck	13/04/2011	Limerick
Newcastle West*	1942	J.V. Teck	13/04/2011	Limerick
Newcastle West*	1943	J.V. Teck	13/04/2011	Limerick
Newcastle West*	1946	J.V. Teck	13/04/2011	Limerick
Newcastle West*	1947	J.V. Teck	13/04/2011	Limerick
Newcastle West*	2845	J.V. Teck	13/04/2011	Limerick
Newcastle West*	2594	J.V. Teck	13/04/2011	Limerick
Newcastle West*	3650	J.V. Teck	13/04/2011	Limerick

Source: Connemara Mining

*Joint Venture Ground

Monaster Block – Comprises six contiguous prospecting licences (PLs) in County Limerick, Ireland. The licence block is located in a highly prospective area for base metal mineralisation and is 5km from the Tobermalug and Caherconlish zinc discoveries at Pallas Green that are currently being evaluated by Xstrata/Minco. A large portion of the Monaster Block is underlain by Waulsortian Limestone which is in turn overlain by SupraWaulsortian limestones and volcanic rocks. The Waulsortian Limestone is host to a number large base metal deposits in Ireland including the Lisheen and Galmoy zinc mines located approximately 60km to the Northeast. Teck Cominco commenced drilling on the Monaster licence block in May 2007 and completed a 5-hole (2414m) programme by the end of the year. Drill targets were defined using a combination of soil geochemical, geophysical and geological data. Positive results were collected over the three subsequent years and with two rigs on site, approximately 10,000 metres of diamond drilling is planned through 30 or so holes in the current year.

Newcastle West Block - The Newcastle West block comprises ten contiguous prospecting licences and is located approximately 20km southeast of the Stonepark prospect on the Monaster Block. The area is relatively underexplored when compared to the Pallas Green-Monaster area but is considered to be prospective for base metal mineralisation. The geology of the block is dominated by two roughly east-west trending, large anticlinal folds that are flanked by prospective Waulsortian Limestone. A number of large east-west to northeast trending normal faults have also been mapped on the licence. This is significant as Irish-Type base metal deposits are structurally controlled and occur in the hanging wall rocks of normal faults.

Lough Sheelin - Consists of five contiguous prospecting licences - 1051, 1053, 1991, 3925 & 3926 - covering an area of approximately 170.76 km² of Counties Meath and Cavan in north-central Ireland. The block is located approximately 20km west of the giant Navan zinc/lead mine (c.100 million tonnes grading c.8% zinc / 1% lead) that is currently being operated by New Boliden. The licence block is located along the southern edge of the Longford-Down Massif, where Lower Palaeozoic sediments are uncomfortably overlain by a transgressive sequence of Lower Carboniferous shallow water marine carbonates. The primary target horizon for zinc/lead mineralisation are the Navan Beds succession, which can be up to 140m thick in this area. The structural setting of the Lough Sheelin region is strongly analogous to the Navan area.

Castlemaine Block - L 2029 is located in western Kerry with the village of Castlemaine located at the centre of the licence. The general region, encompassing Castlemaine, Castleisland and Tralee, was considered prospective for Waulsortian Reef hosted Zinc / Lead mineralisation and has not been intensively explored using modern techniques. From the interpretation of regional geophysical data, it is considered to lie on the western extension of the Rathdowney Trend. Historic mining of veins of argentiferous galena had been recorded at Annagh and Meanus townlands approximately 1km north of Castlemaine. The records indicated this mineralisation occurred as steeply dipping lodes of calcite, quartz and galena hosted by Waulsortian Reef.

Mine River Block - The Mine River licence block consists of a group of four contiguous prospecting licences covering an area of approximately 130km² in counties Wicklow and Wexford. The historic Caim Mine, situated on the licence PL 2556 is an epithermal base metal deposit hosted by the Ribband group. The Mine was worked from 1818 to 1836. Although no quantitative estimate of the size of the deposit has been reported, the workings seem to have been extensive with a large open pit and a number of shafts created.

Nenagh Licence Block - Recently awarded to Connemara and consists of four contiguous prospecting licences covering an area of approximately 138.23 km² of County Tipperary in south-central Ireland. The block is located approximately 1.2km north of the worked out Silvermines Mine - a Waulsortian Reef hosted deposit - 17.67 million tonnes, 6.43% zinc / 2.53% lead / 23g/t silver, with an additional 5.5 million tonnes of 84% barite at Macobar.

Thurles Licence Block - Recently awarded to Connemara and consists of three contiguous prospecting licences, covering an area of approximately 101.47km² of County Tipperary.. The block is located approximately 5km south of the Lisheen Mine - a Waulsortian Reef hosted deposit (22.79Mt, 12.04% zinc / 2.05% lead) and 12km southwest of the Galmoy Mine, also hosted by the Waulsortian Reef (9.9Mt, 12.8% zinc / 1.3% lead).

Moate Block – Approximately 137.72km² of County Westmeath close to Athlone. The cluster of licences are located approximately 40km northeast of the worked out Tynagh Deposit - a Waulsortian Reef breccia hosted deposit - 9.2 million tonnes, 5.0% Zinc / 6.2% Lead.

Stonepark

Shortly after achieving its AIM listing in summer of 2007, Connemara announced the discovery of significant zinc lead mineralisation at Stonepark, County Limerick, which falls within its Monaster Block of licences. This was the first drilling completed by the Joint Venture partnership that had recently been agreed with operator Teck Resources Ltd and was quite exceptional considering commercial grading (including a 4 metre intersection at 11.62% zinc plus 3.46% lead) had been established on just the fourth hole of the programme's very first phase. The discovery consisted of massive to disseminated sphalerite, galena and pyrite, hosted in greater than 35 metres of brecciated Waulsortian limestone. A large number of base metal deposits have been found in such limestone, with this particular mineralisation being typical of the 'Irish-type' deposit seen at Anglo American's world class zinc mine at Lisheen some 60 km to the northeast and the Lundin Mining's adjacent site in Galmoy. In 2008, two further drill holes produced additional discoveries and extended the mineralised zone for at least 300 metres.

In early 2009, a second high grade zone, named Stonepark North, was discovered 1.7km northwest from Stonepark. Representing what were then the programme's best results, the first drill hole intersected 7.2 metres grading 13.07% zinc plus 2.23% lead from 216.05 metres depth, again with ore-textures typical of an 'Irish-type' deposit. Toward the end of 2009, further step-out drilling in the zone intersected yet more high grade zinc-lead ore and indicated the presence of a continuous mineralisation of some 200-220 metres in depth. At the same time, a further discovery hole was drilled 2.1 km from the original 2007 find, which was seen to contain 1.7 metres of 3% zinc and 4.78% lead at a depth of 516.8 metres.

Further drilling updates have regularly followed, culminating in April and June of this year. In April, drilling at a depth of just over 200m, another best intersection was recorded. Hole 45 hit 7.45 metres of 19.2% zinc and 8.5% lead and included 4.25 metres of almost 39% combined zinc-lead. Having defined a flat-lying stratisform zone of near surface zinc-lead with such gradings and a strike length of 500 plus metres in a north-south direction this appears to represent the shallower, up-dip portion of a larger mineralising system. In June, what appears to be yet another significant high quality extension 400m to the southwest of Stonepark North was discovered. Consistent results, in terms of depth, gradings and geological character, all point toward a significant orebody capable demonstrating economic viability. The mineralisation remains open in all directions leaving the source yet to be discovered, although clearly the exploration is now closing in. Two rigs are currently drilling on site with a total of approximately 10,000 metres of diamond drilling planned through 30 or so holes for this year. The results should go some way toward outlining the true extent of the current zones, while using a combination of geophysics, drilling and geological modelling to add even more and define the overall size of the mineralised system.

At its closest point, Stonepark North is just 4.5km west of Minco/Xstrata's discovery at Tobermalug, Pallas Green. Operating on the same trend, Minco is expected to independently announce a significant upward revision to its prospect's current 11.3Mt JORC-compliant resource estimate during the third quarter of this year (see Beaufort Research: Minco plc 'Strong Q3'2010 News Flow Anticipated', 3rd June 2010.) Indeed, Beaufort has speculated that the outcome will be a zinc-equivalent resource approaching the size and grading of Vedanta Resources' Lisheen (23Mt at 13.1% zinc and 2.2% lead), which is well in excess of the 15Mt which is generally considered to be the size above which an Irish mine demonstrates economic viability. The research goes further to suggest that Pallas Green has scope to become an 'elephant', possibly with a resource as big as 60Mt on a combined grading of around 12%. The Xstrata Zinc/Minco JV has put an US\$10m drilling programme in place for this year. Being the largest in Irish mining history, and covering 70,000 metres through 150 holes, this is designed to prove the true scope of the opportunity one way or the other.

The Teck Ireland/Connemara JV targets the more modest drilling of 30 holes during 2010. Given the proximity of the two prospects and the fact that Irish zinc deposits have been seen to occur as a 'string-of-pearls', separated by distances of perhaps just three or five kilometres, it seems likely that they are, in fact, working on the same mineralising system covering an area of perhaps 10 sq. km. Even by global standards, this would be a giant. Discovery costs for both companies to date have been particularly low. The remaining capex requirement in order to fully facilitate the mine once a production decision has been taken, however, is estimated to be in the range of US\$200m. This assumes that the bulk of excavation of a near surface resource remains within a depth range of between 200m and 600m. Teck Resources Ltd. and Xstrata plc, who both have operator status and similar participations in their respective JVs, would be keen to avoid duplication of such costs and could decide on a policy of cooperation in order to develop what could become one of Europe's biggest zinc deposits. Before such negotiations commence, however, the Teck/Connemara JV will need to prove its opportunity, probably by publishing its own JORC-compliant resource estimate covering both the Monaster Block and nearby Newcastle West Block blocks positioned on the Rathdowney Trend.

Table 3: Assay Results from the 2009-2010 Stonepark & Stonepark North drilling

Hole ID	Hole Angle (degrees)	From (m)	To (m)	Thickness (m)	Zn (%)	Pb (%)
TC-2638-026	-90	216.05	223.25	7.2	13.07	2.23
<i>Including:</i>						
TC-2638-026	-90	216.05	219.8	3.75	17.06	3.5
TC-2638-030	-90	516.8	518.5	1.7	3	4.78
TC-2638-032	-90	207.6	215.4	7.8	5.18	2.68
<i>Including:</i>						
TC-2638-032	-90	214.05	215.4	1.35	10.4	2.16
TC-2638-036	-90	186.8	208.05	21.25	4.67	1.04
<i>Including:</i>						
TC-2638-036	-90	202.7	208.05	5.35	13.22	3.2
TC-2638-038	-90	236.4	254.6	18.2	2.35	0.28
<i>Including:</i>						
TC-2638-038	-90	251.4	253.2	1.8	5.65	0.91
TC-2638-045	-90	209.1	216.55	7.45	19.24	8.52
<i>Including:</i>						
TC-2638-045	-90	211.85	216.1	4.25	26.64	12.3
TC-2638-049	-90	212.1	213.4	1.3	3.29	0.79
TC-2638-050	-90	307	315.6	8.6	2.02	0.06
TC-2638-051	-90	224.05	225.05	1	21.9	7.26
<i>Including:</i>						
TC-2638-051	-90	221.4	228.95	7.55	4.88	1.49
TC-2638-053	-90	212.8	215.55	2.75	19.76	6.99
<i>Including:</i>						
TC-2638-053	-90	209.4	216.25	6.85	10.47	3.68

Source: Connemara Mining

Structure of the Teck Resources Joint Venture

The Teck Resources Ltd. drilling joint venture was formed with Connemara Mining plc shortly before the Group achieved its AIM quotation in summer 2007. Being headed by an Irish man who is particularly familiar with mining in the territory, their participation lends significant confidence in both Connemara's exploration and its management. The JV agreement commits Teck to spend C\$3m by end-December 2010, which included a minimum annual expenditure, in order for it to exercise its option to acquire a 75% interest in the JV licences. Teck also assumed role of project operator. During this initial spend Connemara had no obligation but has now become liable for 25% of drilling continuing on the two JV blocks.

Lough Sheelin

This is an earlier stage target with good potential on the borders of Cavan/Meath, about 100km from the Limerick find. The Lough Sheelin prospect is situated at the intersection of two major structural trends and has geology analogous to the Tara deposit which is mined by Boliden AB and lies 25km to the east. With a resource estimate of 70Mt Tara was, until the 1990's, the world's largest zinc mine. Lough Sheelin is attempting to replicate Tara's success. In the north east of Eire, Connemara aims to identify a major, single block mineralisation, rather than a string of smaller interconnected ones expected in the south west.

Earlier exploration had discovered widespread low grade mineralisation, including 1.7Mt of 4.5% zinc and 0.7% lead (non-JORC/NI.43-101). Early in 2008, Lough Sheelin positive drilling results saw the programme extended from 5 to 11 holes. Similar results were found in 9 of these and a follow-up programme was planned with the hope that the results represented a

halo around a more substantial orebody. Resources required to complete such a programme, however, necessitated the introduction of a new joint venture partner prepared to operate on a basis similar to that already established with Teck Resources Ltd.

The onset of discussions coincided, however, with the 2008 collapse in financial confidence as the global credit crunch took hold. Fears of a widespread economic slowdown pushed base metal prices down sharply, with zinc tumbling below US\$1200/t level (after having peaked at over US\$4000/t some twelve months previously). At this level, excavation was no longer viable, capacity mothballed across the industry and advanced negotiations with a potential partner broke off. Although there has been a sharp zinc price recovery since then and now appears well supported at levels which would be attractive to numerous JV partners once again, the Company's limited resources mean that its management has tended to concentrate on proving the Stonepark discovery instead. We would expect Connemara to start actively seeking a new JV partner for Lough Sheelin in 2011.

Connemara's Other Licence Blocks

The excitement surrounding the Stonepark activities have tended to overshadow a positive result elsewhere amongst the 100%-owned licences. A small amount of obligatory exploration work needs to be completed in each license block prior to schedule renewal. As part of this, early in 2009, Connemara reported the discovery of large boulders containing high grades of zinc and lead, including an exceptional one at over 50%. Geophysics, mapping and modelling identified anomalies which require further drilling as and when resources become available. Similarly, Connemara has highly prospective ground at Thurles, Moate and Nenagh where prospecting work will commence as management and financial resources become available.

Financials

The Company's decision to concentrate on the activities of its joint venture partnership, while employing only the limited resources required to sustain its portfolio of prospecting licenses, means that it has been able to run a very tight ship. Full year trading losses amounted to just €270k and closed the year with a negligible cash balance. Exploration expenditure on all Connemara's licence blocks to date amounts to just €835k, plus the CAD\$3m contributed by Teck Resources.

Teck Resources' financing commitment of CAD\$3m in the Limerick region, however, has now been reached. Further work at Stonepark will require Connemara to service 25% of the costs or face dilution of its 25% participation. Recent drill results suggest that management would be very reluctant to allow this to happen and so it would be realistic to expect Connemara to seek additional equity funding in the near term. Nevertheless, it is worth noting that should Connemara not be able to participate in future Stonepark exploration, its contractual arrangements with Teck do not allow the Company to be diluted to below a 5% participation.

Connemara Mining Board of Directors

John Teeling – Chairman: John Teeling founded the group of companies comprising the 162Group in 1988. He has been involved in oil and gas and resource projects for more than 30 years. He is the founder and chairman of Petrel Resources, Minco, African Gold, Persian Gold and West African Diamonds all listed in London. He is also the founder and a former director of Kenmare Resources and a former director of Arcon and holds interests in a number of industrial ventures. John Teeling holds degrees in Economics and Business from University College Dublin, an MBA from Wharton and a DBA in Business Administration from Harvard. He lectured for 20 years in business and finance at University College Dublin.

James Finn – Financial Director: James Finn has been the senior financial executive for the group since 1988. Mr. Finn has extensive experience in the administration of oil and gas and minerals companies, and has been responsible for listing several resource sector companies in London. In addition to his duties, Mr Finn is responsible for overseeing Pan Andean's the US GoM business. He holds a degree in Management and an Accounting qualification.

Edward Vivion Byrne – Non-Executive Director: Chairman of CSA Group Limited, 40 years experience of the international minerals industry, former senior executive RTZ European exploration division. Consultant to European and World Bank programmes in Africa, the Caribbean and the Pacific.

Graham Reid – Non-Executive Director: Graham Reid is a geologist with over 30 years experience including extensive international experience in mineral exploration and site investigation fields. Graham is a founder of B.R.G. (Geotechnics) Ltd, a junior exploration company, to whom the Company has contracted its selection of prospecting licences and field exploration.

Valuation

Without a JORC compliant estimate for any individual prospect it is difficult to create a reliable valuation for Connemara Mining. Indeed, with data from only one licence block being sufficient to provide confidence in its ability to move toward securing a compliant resource estimate, we base our assessment solely on this discovery and discount all others down to zero.

Given management's extensive experience, the world class ranking of the Company's JV partner, the consistency of geological and drilling results with other proven reserves on the Rathdowney Trend, together with the Monaster Block's proximity to other recent discoveries/production, there are grounds to believe that the site may comprise part of a powerful mineralising system which itself could possibly be shared with adjacent licence holders. Covering 160 sq. km and remaining open in all directions, we consider it would be realistic to target a resource at Stonepark/Stonepark North of 15Mt on a combined grading of 12%.

Based on this, one might assume a 10 year LOM for Stonepark/Stonepark North whilst borrowing the experience of other regional operators in terms of anticipated recovery and annual maintenance in order to arrive at an average cost of extraction and period of steady state production. Taking this into account and assuming first production not before 2015, after applying a prudent forward metal price scenario (see page 10 of this report) we have created a Net-Present-Value (NPV) assessment which has been aggressively discounted in order to allow for the project's level of uncertainty. Connemara is a 25% minority holding of both the Monaster and Newcastle licence blocks. Being focussed in exploration and lacking the financial resources of a mining giant or the desire to participate in what would become a long term production project, it would be realistic for Connemara to seek an early exit from its JV with Teck Resources. Moreover, we would expect Teck Resources to be keen to remove its minority partner and be prepared to negotiate the purchase based on a similar NPV assessment. This exit would provide shareholders with an opportunity to realise value in their investment and resource the Company's exploration in other areas of its licence portfolio.

Based on these assumptions, we have awarded a value of 48p per share to Connemara, representing 81% upside on the shares, whilst rating the Company as a 'Speculative Buy'.

Table 4: Tabulation of Valuation Assumptions

Variable	Assumption
Production	Zinc, Lead
Life-of-Mine (LOM)	10 years
Steady State Production Achieved	2015
Anticipated JORC Resource	15Mt
Anticipated Grading	
	Zinc 10.50%
	Lead 1.60%
Anticipated Recovery	
	Zinc 75%
	Lead 70%
Forward Metal Price Assumption*	
	Zinc US\$0.95/lb
	Lead US\$1.0/lb
Capex – Remaining Requirement	US\$200m
Annual Maintenance/Support	US\$1.1m
Average Ore Extraction Cost	US\$72/t
Peak Annual Extraction	1.0Mt
Royalty	-
Assumed Discount	30%

Source: Beaufort

Zinc and Lead -Strong Medium Term Price Trends

Gyrations in the zinc price over the past year have made for an uncomfortable time for miners and producers. While touching below US\$0.70/lb during summer 2009, the bulk of western producers were operating below breakeven. Amid talk of a dramatic economic slowdown worldwide, inventory dumping and major shorting of the commodity by City institutions, exploration projects were shelved and capacity mothballed. In the event, global production declined almost 3% during 2009 and prospective capacity planning stalled.

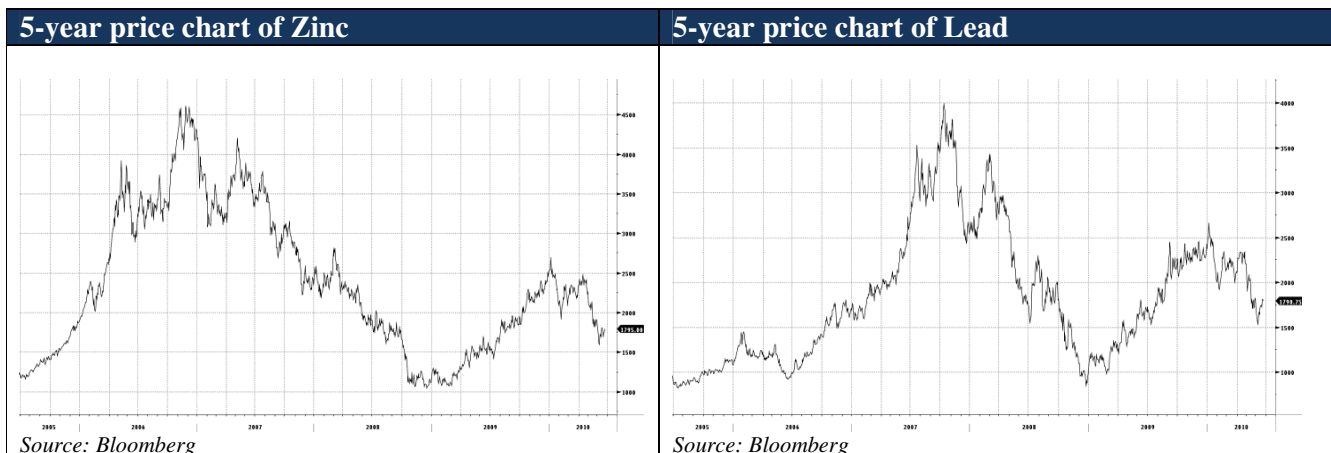
Aggressive government stimulus, however, meant that western demand failed to fall off the cliff very much anticipated by speculator, while net imports of refined metal into China rose by more than 70% (according to the International Lead and Zinc Study Group) during the first half. Moreover, the territory had reverted from its long-term role as a net exporter to become major importer of both metal and concentrate in order to satisfy internal demand. Bearing in mind the fact that the rumoured breakeven level of China's own producers is close to US\$1.2/lb (compared with US\$0.82/lb for western miners), and the scale of the territory's industrial and infrastructural expansion, this is likely to remain the case for the foreseeable future.

We expect zinc and lead to both trend close to US\$1/lb before end-2010, partially aided by opportunistic stockpiling from China. The metal will then range trade between US\$0.9/lb and US\$1.10/lb over the following three years. Beyond this, we anticipate a supply shortfall being felt as a number of major mines become commercially exhausted and a gap in the pipeline of primary sources of zinc/lead becomes apparent. With global zinc mine production expected to fall a net total of 5.5% between 2011 and 2015 which, against expectations of western economic recovery, sustained Asian expansion suggests and widening usage of the metals in general, suggests a fairly vicious upward price squeeze taking hold before 2014. Production will return closer to balance some 4 to 5 years later.

Table 5: Zinc and lead LOM price forecasts

Metal	LOM Price Range Estimate	LOM Average Price Estimate
Zinc (US\$/lb)	0.85 to 1.10	0.95
Copper (US/lb)	1.9 to 3.9	2.9
Lead (US\$/lb)	0.75 to 1.15	1.00
Silver (US\$/oz)	16.00 to 22.00	17

Source: Beaufort



Connemara Mining Company plc - Statistics Page

Price	26.5p
Market Cap	£4m
No. shares outstanding (as of 23/06/2010)	15.18m
Free Float (as of 23/06/2010)	57.17%
Est. cash holding (as of 23/06/2010)	Nil
Long-term debt	Nil
52-week high/low	10.75p-38.00
Market	AIM
Admission to trading	31 st July 2007
Company website	www.connemaramining.com
Company Address	162 Clontarf Road, Clontarf, Dublin, 3, Ireland
FTSE Index	FTSE AIM All-Share, FTSE AIM All-Share – Basic Resources
FTSE sector	Mining
Sedol	B2357X7
ISIN number	IE00B2357X72

Table 6: Major Shareholder list

Shareholders who hold more than 3%	Amount	% Holding
Jack Teeling	1,500,001	9.88
John James Teeling	1,000,001	6.59
James Michael Finn	1,000,001	6.59
David Horgan	1,000,001	6.59
Emma Teeling	1,000,001	6.59
Stephen Teeling	1,000,001	6.59
Citicorp Investment Management	1,000,000	6.59
Catherine Maguire	872,950	5.75
Dipti Mehta	515,001	3.39
Caimin Flannery	500,000	3.29

Source: Connemara Mining, correct at 23-06-2010

5-year price chart of Connemara Mining



Source: Yahoo

Consolidated Balance Sheet as at 31 December 2009

	2009	2008
	€	€
ASSETS		
NON CURRENT ASSETS		
Intangible assets	834,615	564,415
CURRENT ASSETS		
Other receivables	62,357	50,178
Cash and cash equivalents	166,670	472,278
	<u>229,027</u>	<u>522,456</u>
TOTAL ASSETS	1,063,642	1,086,871
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	-307,122	-60,422
NET CURRENT (LIABILITIES)/ASSETS	-78,095	462,034
NET ASSETS	756,520	1,026,449
EQUITY		
Called-up share capital	151,767	151,767
Share premium	1,919,097	1,919,097
Share based payment reserve	55,915	55,915
Retained earnings - (deficit)	-1,370,259	-1,100,330
TOTAL EQUITY	756,520	1,026,449

Source: Connemara Mining

Consolidated Statement of Comprehensive Income for the year ended 31 December 2009

	2009	2008
	€	€
CONTINUING OPERATIONS		
Administrative expenses	-283,271	-504,253
OPERATING LOSS	-283,271	-504,253
Investment revenue	13,342	31,458
LOSS BEFORE TAXATION	-269,929	-472,795
Income tax expense	-	-
LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME	-269,929	-472,795
Loss per share – basic and diluted	(1.78) c	(3.11) c

Source: Connemara Mining

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I, Barry Gibb, Director – Head of Research at Beaufort International Associates Ltd hereby certify that the views expressed in this report accurately reflect my personal views about the subject company and its securities. I also certify that I have not been and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendations in this report.

Disclosures

Company	Code	Relevant Disclosures
Connemara Mining Company Plc	AIM:CON	None
Teck Resources Limited	TSX:TCK.B	None
Xstrata plc	LSE:XTA	None
Lundin Mining Corporation	TSX:LUN	None
Minco plc	AIM:MIO	1,2,3,6

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