

Minefinders loses \$6.15-million (U.S.) in Q1 2009

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Mr. Mark Bailey reports

MINEFINDERS PROVIDES 2009 FIRST QUARTER RESULTS AND DETAILS OF CONFERENCE CALL

Minefinders Corp. Ltd. has released highlights of the company's financial and operating results for the first quarter ended March 31, 2009 (all amounts in U.S. dollars).

Highlights include the following:

- Successful commissioning of the Dolores mine in Mexico, with commercial production achieved effective May 1, 2009;
- First-quarter production of 14,169 ounces of gold and 282,429 ounces of silver dore;
- Commencement of positive cash flow from operations at Dolores in February, 2009. First-quarter proceeds were \$16,098,000 from the sale of 13,313 ounces of gold at a realized price of \$939 per ounce and 273,381 ounces of silver at a realized price of \$13.18 per ounce;
- Total cash cost of ounces sold in the first quarter of \$490 per gold-equivalent ounce on a gold-equivalent basis using a ratio of 71 ounces of silver to one ounce of gold;
- Reduction of revolving credit facility by \$2-million;
- Net working capital of \$25,797,000 as at March 31, 2009, up 4 per cent from \$24,831,000 as at Dec. 31, 2008.

"Our strong output and relatively low cash costs for the first quarter were very encouraging given we were in precommercial operations at the Dolores mine," said Mark Bailey, president and chief executive officer. "Having recently reached the important milestone of commercial production at Dolores, we expect that production will continue to increase and cash costs will continue to decrease as the year progresses."

Financial and operating results

Gold and silver production from the Dolores mine commenced on a precommercial basis in November, 2008. From first production of gold and silver in late November, 2008, through April 30, 2009, a total of 24,480 ounces of gold and 479,372 ounces of silver were produced. As the Dolores mine was not commercially producing during the first quarter of 2009, operating costs and proceeds from the sale of gold and silver have been capitalized to mineral property, plant and equipment.

The company recorded a net loss for the first quarter of 2009 of \$6,151,000, up from a net loss of \$5,621,000 for the first quarter of 2008. The increased loss for the first quarter

of 2009 is primarily due to interest expense of \$1,547,000 for the quarter, up from \$927,000 in the first quarter of 2008. The increase in interest expense is due to a higher average balance outstanding on the revolving credit facility in the first quarter of 2009 as compared with the first quarter of 2008.

Office and administration expense was \$2,308,000 in the first quarter of 2009, up from \$2,027,000 in the first quarter of 2008 due to the increase in activity as the Dolores mine moved toward commercial production. The company recorded a foreign exchange loss of \$307,000 in the first quarter of 2009 compared with a foreign exchange gain of \$531,000 in 2008. The foreign exchange loss in the first quarter resulted from the decreasing value of the Canadian dollar and Mexican peso against the U.S. dollar applicable to the company's Canadian-dollar- and Mexican-peso-denominated cash balances and receivables. Exploration expense was \$569,000 in the first quarter of 2009, down from \$1,536,000 in the first quarter of 2008.

During the first quarter of 2009, the company spent \$9,723,000 on mineral property, plant and equipment primarily in the commissioning of the Dolores mine and in precommercial production operating activities, down from \$15,341,000 a year earlier. Precommercial production sales proceeds for the first quarter of 2009 were \$16,098,000, resulting in net cash flow of \$6,375,000 received from investing activities at the Dolores mine. The decrease in expenditures is due to the winding down and completion of construction activities at the Dolores mine during 2008 and 2009 and the continuing transition to commercial operations throughout the first quarter of 2009.

At March 31, 2009, the company had \$21,189,000 in cash and cash equivalents, net working capital of \$25,797,000 and \$2-million available on the \$60-million revolving credit facility with Scotia Capital after paying down \$2-million on the facility during the quarter. The net proceeds from the production and sale of gold and silver, working capital on hand and funds available through its revolving credit facilities will allow the company to finance its current and projected cash requirements.

The complete unaudited first quarter 2009 financial statements, and accompanying management's discussion and analysis are available on SEDAR or on the company's website.

Conference call

The company has scheduled an investor conference call for 1 p.m. Pacific Time (4 p.m. Eastern Time) on Thursday, May 14, 2009, to discuss its financial and operating results for the first quarter ended March 31, 2009.

To access the conference call by telephone, please call 416-340-8018 from overseas or the Greater Toronto Area, or dial toll-free 1-866-223-7781 from elsewhere in North America. An audio replay will be available until May 21, 2009, by calling toll-free in North America at 1-800-408-3053 or 416-695-5800 for Toronto-based or overseas callers. Please enter passcode 8036085.

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