MINERA IRL LIMITED
Interim Financial Accounts
For the Third Quarter ended 30 September 2011

HIGHLIGHTS

Financial

- Gold production ahead of budget at 9,718 ounces and up 11% from 8,748 ounces in the same period in 2010 ("Q3 2010")
- Corihuarmi site cash operating costs reduced by 5.8% to US$356 per ounce, (Q3 2010: $378 per ounce)
- Gold sales up 7.6% to 9,740 ounces (Q3 2010: 9,053 ounces). Realised gold price of $1,683 per ounce, up 36.1% from $1,236 per ounce in the same period in 2010
- Sales revenue up over 47% to $16.4 million (Q3 2010: $11.2 million)
- Significant increase in EBITDA of 368% to $8.6 million (Q3 2010: $1.8 million)
- Profit after tax $3.6 million, up $5.3 million from $(1.7) million in the same period in 2010
- Strong cash balance of $21.0 million at end of quarter (Q3 2010: $5.4 million)

Operational

- The Pre-feasibility Study at Ollachea completed and indicates a robust project that will produce over 1 million ounces over a 9 year mine life. Using a gold price assumption of $1,100 per ounce, the project generates an after tax NPV (7%) of $133 million, an IRR of 20.5% and a payback period of 3.8 years
- Board approval to construct 1.2km exploration tunnel at the Ollachea Project
- Upgraded resource at Don Nicolas of 382,000 ounces in the Measured and Indicated category (5.6mt at 2.1g/t gold) plus 145,000 ounces in the Inferred category (3.1mt at 1.5g/t gold), with a Measured and Indicated high grade component of 1.5mt at 6.0g/t containing 280,000 ounces which forms the basis for the Don Nicolas Feasibility Study
- Maiden Inferred Mineral Resource at the Ollachea Project's Concurayoc Zone of 10.4 million tonnes at 2.8g/t for 0.9 million ounces of gold

Note: $ = United States dollars

CHAIRMAN'S STATEMENT

The September 2011 quarter again provided solid results for Minera IRL Ltd with significant progress achieved on all fronts. Our Corihuarmi Gold Mine continued to out-perform with sales benefiting from record gold prices. The pre-feasibility study on the Ollachea Project was completed and announced demonstrating highly encouraging projections for a future mine. Good progress was made with the feasibility study on the Don Nicolas Project in Patagonia including the release of an updated and much enhanced resource estimate. And finally, exploration, particularly in the Deseado Massif in Argentina, also made excellent progress during the quarter.

The financial performance for the three months to 30 September 2011 was above expectations. Gold sales were a solid $16.4 million on the back of a surging gold price, with spot sales averaging $1,683 per ounce. Gross profit was $9.1 million and EBITDA US$8.6 million. Profit before tax was $6.2 million giving a profit after tax of US$3.6 million. The cash balance at the end of the quarter was $21.0 million.

Our Corihuarmi Gold Mine continues to perform strongly with gold production of 9,718 ounces, approximately 32% above the Company's budget. The move to owner mining activities in January 2011 has proven highly successful and resulted in a significant reduction in the operating cost per tonne. Mining continued to largely focus on the Susan outcrop. Site cash operating costs averaged US$356 per ounce for the quarter.

We are very pleased with the results of the Pre-feasibility Study from our flagship Ollachea Project in southern Peru. This was predicated upon an updated Indicated Resource, which was announced during the second quarter of 10.7 million tonnes grading 4.0g/t containing 1.4 million ounces of gold at the Minapampa and Minapampa East zones.

The Pre-feasibility envisages a fully integrated underground mine and conventional treatment plant with a capacity of 1.1 million tonnes per annum. The production schedule indicates an average annual gold output of 117,000 ounces for a total gold output of over 1 million ounces during the 9 year mine life. Capital cost is estimated at US$170 million with a life-of-mine cash operating cost of US$436 per ounce. Using an assumed gold price of US$1,100 per ounce, now well below the current 3 year running average, the net present value (NPV) after tax at a 7% discount rate, is US$133 million and the internal rate of return (IRR) a very healthy 20.5%.

With the solid results from the Pre-feasibility study, the Company has commenced a full Bankable Feasibility Study and this is expected to be completed in the third quarter of 2012. During the September quarter a contract was awarded and mobilization commenced to drive a 1.2km long exploration access drive from an adjoining valley. This will allow for more detailed underground mining and geotechnical studies as well as exploration by underground drilling of approximately 1km of projected mineralized strike to the east of the Minapampa zones.

A maiden Inferred Resource, which was well beyond our expectations, was announced at Concurayoc, located approximately 400 meters west of Minapampa. This totalled 10.8 million tonnes grading 2.8g/t for 0.9 million ounces of gold. Total resource at Ollachea now stands at 1.4 million ounces in the Indicted category plus 1.2 million ounces in the Inferred category. The deposit remains open ended along strike in both directions as well as down-dip.

In recognition of the significance of the deposit, NewGenGold has included Ollachea amongst the top international gold discoveries made during the past 2 years. This is a very prestigious recognition and we have submitted a technical paper for publication and will also be presenting at the NewGenGold conference in Perth, Australia during November.

Minera IRL has also received another prestigious award as "Exploration Company of the Year" in Argentina, an annual selection and presentation by Panorama Minera. Minera IRL was given special recognition for our progress in Patagonia and, in particular for advancing the global resource at the Don Nicolas Project to over half a million ounces. The resource has been increased to 382,000 ounces in the Measured and Indicated category (5.6mt at 2.1g/t gold) plus 145,000 ounces in the Inferred category (3.1mt at 1.5g/t gold) and represents an 89% increase in the Measured and Indicated category compared to the previous resource published by Hidefield Gold Plc. The high grade component with 1.5mt at 6.0g/t containing 280,000 ounces forms the basis for the Don Nicolas Feasibility Study. This study advanced on all fronts under the overall management of international engineering company Tetra Tech. Of particular note is that the hydrology program was successful in identifying sufficient ground water to sustain a future mine. The metallurgical test program was successfully completed and demonstrated that good extractions can be achieved using conventional precious metal treatment technology. Environmental work was advanced as was engineering work. The study is scheduled for completion during the fourth quarter, 2011.

On the exploration front, a high level of activity continued on the Company's extensive 2,700km^2 exploration license holding in the Deseado Massif in southern Argentina. There are many prospects within our license area, but we are giving particular attention to three priority projects. Results reported from the third round of drilling at Escondido, the new discovery made in 2010 with bulk tonnage potential, has now also demonstrated high grade intersections and these have yet to be followed up. Surface sampling at the Michelle Project have demonstrated highly anomalous gold values in veins along strike from AngloGold Ashanti's multi-million ounce Cerro Vanguardia Mine. A first pass drilling program commenced during the quarter. Extensive new exploration has been carried out on the Chispas vein field where some 12km of veins have now been mapped. The untested Veta Sur Vein, which outcrops over some 4km was being prepared for drilling during the fourth quarter.

In Peru, following his success in the national elections on 6 June, President Ollanta Humala took office in late July. After much speculation, the new administration introduced a new operating profit based taxation system for the mining industry which replaces the previous royalty system based on revenue. There was widespread relief that the new tax formula will not detract from the planned foreign mining investment nor slow the strong economic growth experienced in Peru in recent years. From Minera IRL's perspective, the new mining tax regime has minimal impact on the projected Ollachea prefeasibility economics using the base gold price of $1,100/oz. In Argentina, Cristina Fernandez was re-elected as President in a land-slide victory on 26 October. The new government immediately amended certain regulations concerning foreign exchange rules applicable to the repatriation of direct investments by foreign investors. Whilst this sparked immediate concern in the international press, after close review it appears that this will have little effect on the project economics of projects such as Don Nicolas.

In spite of much progress and a number of positive press releases during the quarter, as well as increasing comfort in the investment community with the new Peruvian government, our share price continued to drift. However, disappointing share price performance is not limited to Minera IRL and reflects the general malaise in the international equity markets. Whist we continue to promote the merits of the Company, management's focus is, and must be, on growing the company. We are confident that, at some stage, the Minera IRL share price will reflect the Company's asset value.

In closing, I would like to extend my appreciation to our outstanding team whose efforts have resulted in virtually every target being exceeded. I also thank our loyal shareholders for their ongoing patience and support as we build the Company.

Courtney Chamberlain
Executive Chairman
Minera IRL Limited 11 November 2011

Minera IRL Limited

Consolidated Statement of Comprehensive Income

	3 months ended 30 September 2011 (unaudited) US$'000	3 months ended 30 September 2010 (unaudited) US$'000	9 months ended 30 September 2011 (unaudited) US$'000	9 months ended 30 September 2010 (unaudited) US$'000	Year ended 31 December 2010 (audited) US$'000
Revenue	16,436	11,176	40,526	29,495	41,082
Cost of sales	(7,341)	(6,449)	(20,460)	(16,841)	(23,302)
Gross profit	9,095	4,727	20,066	12,654	17,780
Administration expenses	(2,685)	(2,531)	(6,483)	(6,349)	(7,755)
Exploration costs	(128)	(3,002)	(531)	(3,369)	(3,321)
Gain on disposal of available for sale investments	-	-	401	-	468
Operating profit	6,282	(806)	13,453	2,936	7,172
Finance income	12	11	48	49	95
Finance expenses	(97)	(90)	(285)	(260)	(731)
Net finance expense	(85)	(79)	(237)	(211)	(636)
Profit (loss) before tax	6,197	(885)	13,216	2,725	6,536
Income tax	(2,612)	(834)	(5,643)	(2,631)	(4,287)
Profit for the period attributable to the equity shareholders of the parent	3,585	(1,719)	7,573	94	2,249
(Loss)Gain on valuation of available for sale investments	(55)	-	(61)	-	598
Movement on Revaluation Reserve	-	-	(277)	-	-
Total Comprehensive Income	**3,530**	**(1,719)**	**7,235**	**94**	**2,847**
Earnings per ordinary share(US cents)					
Basic	3.0	(2.0)	6.3	0.1	2.5
Diluted	2.9	(2.0)	6.2	0.1	2.4

Minera IRL Limited

Consolidated Balance Sheet

	As at 30 September 2011 (unaudited) US$'000	As at 30 September 2010 (unaudited) US$'000	As at 31 December 2010 (audited) US$'000
Assets			
Property, plant and equipment	20,710	22,971	24,443
Intangible assets	76,963	46,986	53,746
Available for sale investments	412	887	1,014
Deferred tax asset	-	504	77
Other receivables	11,500	2,145	4,735
Total non-current assets	109,585	73,493	84,015
Inventory	2,433	2,224	2,508
Other receivables and prepayments	2,207	6,815	3,345
Cash and cash equivalents	20,973	5,371	34,648
	25,613	14,410	40,501
Non-current assets held for sale	-	470	-
Total current assets	25,613	14,880	40,501
Total assets	135,198	88,373	124,516
Equity			
Share capital	100,751	66,856	100,707
Foreign currency reserve	129	129	129
Share option reserve	1,918	2,018	1,938
Revaluation reserve	260	-	598
Accumulated profits (losses)	6,564	(3,306)	(1,029)
Total equity attributable to the equity shareholders of the parent	109,622	65,697	102,343
Liabilities			
Interest bearing loans	10,000	10,000	10,000
Provisions	2,506	1,634	1,639
Other long term liabilities	-	1,921	-
Total non-current liabilities	12,506	13,595	11,639
Interest bearing loans	-	-	-
Current tax	5,765	2,764	1,737
Trade and other payables	7,305	6,317	8,797
Total current liabilities	13,070	9,081	10,534
Total liabilities	25,576	22,676	22,173
Total equity and liabilities	135,198	88,373	124,516

Minera IRL Limited

Consolidated Statement of Changes in Equity

	Share capital US$'000	Foreign currency reserve US$'000	Share Option reserve US$'000	Reval-uation reserve US$'000	Profit and loss account US$'000	Total US$'000
Balance 1 January 2010	**65,784**	**129**	**1,363**	**-**	**(3,400)**	**63,876**
Profit for the period to 30 September 2010	-	-	-	-	94	94
Issue of share capital	1,072	-	-	-	-	1,072
Reserve for share option costs	-	-	655	-	-	655
Balance 30 September 2010	**66,856**	**129**	**2,018**	**-**	**(3,306)**	**65,697**
Balance 1 October 2010	**66,856**	**129**	**2,018**	**-**	**(3,306)**	**65,697**
Profit for the period to 31 December 2010	-	-	-	-	2,155	2,155
Gain on valuation of available for sale investments	-	-	-	598	-	598
Total comprehensive income	**-**	**-**	**-**	**598**	**2,155**	**1,034**
New share capital subscribed	36,915	-	-	-	-	36,915
Cost of raising share capital	(3,064)	-	-	-	-	(3,064)
Reserve for share option costs	-	-	42	-	-	42
Exercise of share options	-	-	(122)	-	122	-
Balance 31 December 2010	**100,707**	**129**	**1,938**	**598**	**(1,029)**	**102,343**
Balance 1 January 2011	**100,707**	**129**	**1,938**	**598**	**(1,029)**	**102,343**
Profit for the period to 30 September 2011	**-**	**-**	**-**	**-**	7,573	7,573
Gain (Loss) on valuation of available for sale investments	**-**	**-**	**-**	(61)	-	(61)
Realised gain on available for sale investments	**-**	**-**	**-**	(277)	-	**(277)**
Total comprehensive income				**(338)**	**7,573**	**7,235**
Issue of share capital	44	**-**	**-**	**-**	**-**	**44**
Exercise of share options	**-**	**-**	(20)	**-**	20	-
Balance 30 September 2011	**100,751**	**129**	**1,918**	**260**	**6,564**	**109,622**

Minera IRL Limited

Consolidated Cash Flow Statement

	3 months ended 30 September 2011 (unaudited) US$'000	3 months ended 30 September 2010 (unaudited) US$'000	9 months ended 30 September 2011 (unaudited) US$'000	9 months ended 30 September 2010 (unaudited) US$'000	Year ended 31 December 2010 (audited) US$'000
Cash flows from operating activities					
Operating profit	6,282	(806)	13,453	2,936	7,172
Depreciation	2,279	2,634	6,562	5,055	6,689
Impairment of exploration assets	-	2,864	-	2,864	2,766
Provision against non-current assets	-	-	-	-	600
Share option costs	-	282	-	655	697
Provision for mine closure costs	57	57	867	171	176
Profit on disposal of available for sale investments	-	-	(401)	-	(468)
(Gain)/loss on disposal of assets	(17)	64	(17)	239	101
Foreign exchange (gains) losses relating to non-operating items	(51)	146	(520)	451	147
Increase in inventory	(188)	277	75	(698)	(982)
(Increase)/decrease in other receivables and prepayments	(822)	(1,237)	(5,550)	(4,516)	(3,558)
Increase/(Decrease) in trade and other payables	(143)	(4,793)	(1,493)	(4,367)	(4,005)
Corporation tax paid	(160)	(7)	(1,852)	(818)	(3,152)
Net cash flow from operations	7,237	(519)	11,124	1,972	6,183
Interest received	11	11	48	49	95
Interest paid	(97)	(90)	(285)	(260)	(574)
Net cash flow from operating activities	**7,151**	**6598**	**10,887**	**1,761**	**5,704**
Cash flows from investing activities					
Sale of available for sale investments	-	100	664	571	1,619
Acquisition of property, plant and equipment	(646)	(1,609)	(2,672)	(2,636)	(5,843)
Acquisition of intangible assets (exploration expenditure)	(10,166)	(6,450)	(23,117)	(15,653)	(22,315)
Net cash outflow from investing activities	**(10,812)**	**(7,959)**	**(25,125)**	**(17,718)**	**(26,539)**
Cash flows from financing activities					
Proceeds from the issue of ordinary share capital	-	-	44	72	36,987
Cost of raising share capital	-	-	-	-	(3,064)
Receipt of Loans	-	10,000	-	10,000	10,000
Repayment of loans	-	(2,500)	-	(2,511)	(2,511)
Net cash inflow from financing activities	**-**	**7,500**	**44**	**7,561**	**41,412**
Net (decrease)/increase in cash and cash equivalents	**(3,661)**	**(1,057)**	**(14,193)**	**(8,396)**	**20,577**
Cash and cash equivalents at beginning of the period	24,583	6,674	34,648	14,218	14,218
Exchange rate movements	51	(146)	520	(451)	(147)
Cash and cash equivalents at end of the period	**20,973**	**5,371**	**20,973**	**5,371**	**34,648**

Minera IRL Limited

Notes to the Interim Report

The financial information contained in this Interim Report does not constitute statutory accounts as defined by the Companies (Jersey) Law 1991. No statutory accounts for the period have been delivered to the Jersey Registrar of Companies. The financial information contained in this Interim Report has neither been audited nor reviewed by the auditors.

The statutory accounts for the year ended 31 December 2010 have been filed with the Jersey Registrar of Companies. The auditors' report on these accounts was unqualified. The consolidated financial information contained in this Interim Report has been presented and prepared in accordance with interim reporting standards, in a form consistent with the annual accounts and in accordance with accounting policies and standards applicable to those annual accounts. However, these interim accounts do not include all the disclosures required for those annual accounts. Both the annual accounts and these interim accounts have been prepared in accordance with International Financial Reporting Standards. There have been no changes in the company's accounting policies since 31 December 2010.

This Interim Report has been approved for issue by the Board of Directors on 11 November 2011.

Going Concern
Having taken into account the balance of cash at 30 September 2011 and the fact that the Corihuarmi mine has a positive cash flow, the Directors of the Company consider that it will have sufficient funds to continue as a going concern for the foreseeable future.

Earnings per share
The earnings per share for the third quarter has been calculated using the profit attributable to ordinary shareholders of US$3,585,000 (third quarter 2010: US$1,719,000) and the weighted average number of ordinary shares in issue during the three months to 30 September 2011 of 119,582,884 (third quarter 2010: 86,786,284).

The earnings per share for the nine months to 30 September 2011 has been calculated using the profit attributable to ordinary shareholders of US$7,235,000 (nine months 2010: US$94,000) and the weighted average number of ordinary shares in issue during the nine months to 30 September 2011 of 119,577,111 (9 months 2010: 86,064,181).

Issue of shares
On 20 January 2011 the Company issued 30,000 ordinary shares at a price of GBP0.45 per share as a result of the exercise of incentive share options.

On 20 January 2011 the Company issued 25,000 ordinary shares at a price of GBP0.62 per share as a result of the exercise of incentive share options.

Transactions of an unusual nature
There were no transactions of an unusual nature during the nine months to 30 September 2011.

Seasonal Influences
The business of the Company is not generally subject to seasonal influences.

Related parties
During the third quarter ended 30 September 2011 the Company had no related party transactions.

Subsequent events
No material subsequent events.

The Directors of Minera IRL are listed in the Group's Annual report for the year ended 31 December 2010.

By order of the board

C Chamberlain
Executive Chairman