



Minera IRL announces Quarterly Report for period ended 30 September 2010

HIGHLIGHTS

- **Corihuarmi third quarter gold production of 8,748 ounces, up 11.4% from 7,850 ounces in the same period in 2009**
- **Third quarter gold sales of 9,053 ounces, up 13.0% from 8,010 ounces in the same period in 2009**
- **Third quarter realised gold price of US\$1,236 per ounce, up 27.2% from US\$972 per ounce in same period in 2009**
- **Sales revenue of US\$11.2 million, up 42.5% from US\$7.8 million in the same period in 2009**
- **Gross profit of US\$4.7 million, up 47.6% from US\$3.2 million in the same period in 2009**
- **Loss before tax of US\$0.9 million due to the previously announced decision to relinquish and write off the exploration expenditure for La Falda and Killincho exploration projects of approximately US\$2.9 million**
- **Loss after tax of US\$1.7 million**
- **The Pre-feasibility Study of the 1.3 million ounce Minapampa Zone gold inferred resource at the Ollachea Project progressed with in-fill drilling over the Minapampa Zone completed**
- **Drilling has reverted back to the new Concurayoc discovery at Ollachea, located 500 metres west of the Minapampa Zone, where the objective is to drill define an inferred resource**
- **The Feasibility Study on the Don Nicolas Project in Patagonia progressed with in-fill drilling substantially completed**
- **Also in Patagonia, scout drilling at Escondido has identified a new discovery with gold mineralization immediately adjacent to the Las Calandrias discovery announced by Mariana Resources Ltd.**
- **Draw down of US\$10 million of the US\$20 million Macquarie Bank Limited facility**

- **Cash held of US\$5.4 million at 30 September 2010**
- **Post third quarter end, Company completed a successful equity raising for gross proceeds of approximately C\$37.5 million or net proceeds of approximately C\$35 million, by issuing 32,641,600 ordinary shares at C\$1.15 per share**

CHAIRMAN'S STATEMENT

Great strides are being made in building Minera IRL. We sense growing market recognition of our asset base underpinned by the cash flow and strong operating performance of our Corihuarmi Gold Mine. The million plus ounce Ollachea gold system in southern Peru remains open ended with ongoing drilling success. The upside on our mining and exploration leases in Patagonia, Argentina, has been accentuated by the announcement of a new gold/silver discovery at Escondido. Indeed, this area of Patagonia, the Deseado Massif, continues to emerge as an outstanding new precious metals district.

Market support has been crystallized in an equity raising of C\$37 million, heavily over-subscribed, which was completed in early November. The new equity raising takes on further significance in that it adds a broad base of North American institutional funds and retail investors, which is expected to provide the exposure needed for a potential increase in liquidity which has been lacking in Canada since the TSX listing in April 2010. These funds place the Company in a sound position to bring two more substantial gold mines to the point of development.

The financial performance for the three months to 30 September 2010 was sound and, from the gross profit perspective of US\$4.7 million, a substantial improvement on the comparative third quarter of 2009. Gold sales were a solid US\$11.2 million on the back of higher gold production and a continuing strong gold price, with spot sales averaging US\$1,236 per ounce. Administration costs increased to US\$2.5 million largely as a result of the expense of the listing in Toronto. During the three months the Company took the decision to terminate two exploration projects, which necessitated a write off of approximately US\$2.9 million. As a consequence a net loss before tax of US\$0.9 million has been incurred. This, together with the tax charge of US\$0.8 million, which arises solely in Peru, gives a loss after tax for the three months of US\$1.7 million. EBITDA was US\$1.0 million, to which can be added the write off charge to give a pre-exploration write off EBITDA of US\$3.9 million. The cash balance at the end of the third quarter was US\$5.4 million with the proceeds of the equity raising yet to come.

Our Corihuarmi Gold Mine continues to perform very well with gold production of 8,748 ounces, approximately 10% above budget, bringing production for the first nine months to 23,918 ounces. Mining activities were largely concentrated on the Susan outcrop. Cash costs averaged US\$378 per ounce for the quarter, reducing the cost for the first nine months to US\$390 per ounce.

The Pre-feasibility Study on the Ollachea Project in southern Peru continues to make excellent progress and remains on schedule for completion during the first half of 2011. The 39 in-fill diamond drill holes in the core Minapampa Zone have been completed bringing the total in this zone to 88 holes for almost 32,000 meters. This database is now with our resource consultants where an upgraded resource is being estimated, previously 8.9 million tonnes grading 4.5g/t gold for 1.3 million ounces in the inferred category, and is expected to be available by the end of 2010. Good progress was also made on other aspects of the pre-feasibility study including finalization of plans and commencement of permitting for a 1.3 kilometre long exploration tunnel into the deposit, metallurgical test-work, geotechnical evaluations and information gathering for the environmental baseline report. Drilling has since been redirected to the new Concurayoc zone, approximately 500 meters west of the Minapampa Zone, with the objective of generating an inferred resource by early 2011. The gold bearing lenses in the Ollachea orogenic, slate-belt hosted deposit remain open along strike in both directions as well as down dip.

In Patagonia, good progress has been made on the Don Nicolas Feasibility Study, due for completion in mid-2011. By the end of the third quarter, in-fill and step-out drilling had been largely completed on the two principal deposits at Don Nicolas with assay information progressively being forwarded to the consultants who are working on a resource upgrade. Other aspects of the study, such as advanced metallurgical testing, geotechnical studies and a hydrology program are in progress. Argentinean engineering company Ingenieria PENTA Sur SA has been engaged to produce the feasibility report.

Exploration continued on a number of fronts on Minera IRL Patagonia's 2,700 square kilometre tenement package in the Deseado Massif. A high-resolution airborne magnetic and radiometric survey was completed over four project areas early during the third quarter. Final processed results received to date are confirming the high prospectivity of the Patagonian tenement package. First pass scout drilling identified gold and silver mineralization in ten of the eleven holes at Escondido, contiguous to and immediately south of Mariana Resource Ltd's Las Calandrias discovery. The significance of this is that the Company is now party to a substantial precious metal mineralized system with bulk tonnage development potential. Further drill testing will commence before the end of 2010 to begin defining the extent of the Escondido discovery. In addition, the new geophysical database has defined numerous new anomalies yet to be explored on that tenement.

Exploration drilling has commenced at the Pan de Azucar exploration project located approximately 65 kilometres south of the Don Nicolas Project. The target is the down dip extension of a 1.3 kilometre outcropping vein with elevated gold content in surface outcrop.

During the third quarter a decision was made to terminate the Company's involvement in two exploration projects. Results from a 5,174 metre drilling program at the La Falda Project in Chile, where a Maricunga-style gold porphyry system was targeted, did not justify continuing to the next stage. At Killincho, in southern Peru, gold mineralization was identified by the exploration team but was not deemed to have sufficient potential

to achieve the Company's target objectives and has thus been relinquished. Expenditure incurred on both projects has been written off in the September quarter.

October 2010 marked the tenth anniversary since the first tentative steps were taken in Peru to establish Minera IRL. Over the past decade, the foundations have been carefully laid with one highly successful gold mine, two advanced precious metal development projects in the pipeline and an outstanding gold exploration portfolio. We now have the projects and the momentum required to consolidate our future and a highly accomplished team to achieve our goals. This is at a time when we have attracted many fine new shareholders. To these I extend my sincere welcome and I thank our long standing shareholders for their continuing support in building our Company.

Courtney Chamberlain
Executive Chairman
Minera IRL Limited

13 November 2010

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Minera IRL Limited

Consolidated Statement of Comprehensive Income

	3 months ended 30 Sept 2010 (unaudited) US\$'000	3 months ended 30 Sept 2009 (unaudited) US\$'000	9 months ended 30 Sept 2010 (unaudited) US\$'000	9 months ended 30 Sept 2009 (unaudited) US\$'000	Year ended 31 December 2009 (audited) US\$'000
Revenue	11,176	7,844	29,495	21,162	31,856
Cost of sales	(6,449)	(4,641)	(16,841)	(13,711)	(18,804)
Gross profit	4,727	3,203	12,654	7,451	13,052
Administration expenses	(2,531)	(1,564)	(6,349)	(3,811)	(6,637)
Exploration costs	(3,002)	(57)	(3,369)	(472)	(1,739)
Excess of fair value of assets acquired over consideration	-	-	-	-	1,134
Operating (loss)/ profit	(806)	1,582	2,936	3,168	5,810
Finance income	11	7	49	26	36
Finance expenses	(90)	(95)	(260)	(510)	(402)
Net finance expense	(79)	(88)	(211)	(484)	(366)
Profit/(loss) before tax	(885)	1,494	2,725	2,684	5,444
Income tax	(834)	(487)	(2,631)	(1,150)	(2,473)
Profit/(loss) for the period attributable to the equity shareholders of the parent	(1,719)	1,007	94	1,534	2,971
Earnings/(loss) per ordinary share (US cents)					
Basic	(2.0)	1.3	0.1	2.3	4.3
Diluted	(2.0)	1.2	0.1	2.1	4.3

Minera IRL Limited

Consolidated Balance Sheet

	As at 30 Sept 2010 (unaudited) US\$'000	As at 30 Sept 2009 (unaudited) US\$'000	As at 31 December 2009 (audited) US\$'000
Assets			
Property, plant and equipment	22,971	24,506	25,390
Intangible assets	46,986	19,260	34,197
Available for sale investments	887	-	1,567
Deferred tax asset	504	-	426
Other receivables	2,145	-	2,808
Total non-current assets	73,493	43,766	64,388
Inventory	2,224	937	1,526
Other receivables and prepayments	6,815	4,374	1,714
Cash and cash equivalents	5,371	18,435	14,218
	14,410	23,746	17,458
Non-current assets held for sale	470	-	600
Total current assets	14,880	23,746	18,058
Total assets	88,373	67,512	82,446
Equity			
Share capital	66,856	55,918	65,784
Foreign currency reserve	129	129	129
Share option reserve	2018	1,313	1,363
Accumulated losses	(3,306)	(4,837)	(3,400)
Total equity attributable to the equity shareholders of the parent	65,697	52,523	63,876
Liabilities			
Interest bearing loans	10,000	-	-
Provisions	1,634	1,406	1,463
Other long term liabilities	1,961	3,278	1,843
Total non-current liabilities	13,595	4,684	3,306
Interest bearing loans	-	3,500	3,511
Current tax	2,764	1,153	951
Trade and other payables	6,317	5,652	10,802
Total current liabilities	9,081	10,305	15,264
Total liabilities	22,676	14,989	18,570
Total equity and liabilities	88,373	67,512	82,446

Minera IRL Limited

Consolidated Statement of Changes in Equity

	Share capital US\$'000	Foreign currency reserve US\$'000	Share Option reserve US\$'000	Profit and loss account US\$'000	Total US\$'000
Balance 1 January 2009	41,459	129	1,173	(6,371)	36,390
Profit for the period to 30 September 2009	-	-	-	1,534	1,534
New share capital subscribed	15,300	-	-	-	15,300
Cost of raising share capital	(841)	-	-	-	(841)
Reserve for share option costs	-	-	140	-	140
Balance 30 September 2009	55,918	129	1,313	(4,837)	52,523
Balance 1 October 2009	55,918	129	1,313	(4,837)	52,523
Profit for the period to 31 December 2009	-	-	-	1,437	1,437
New share capital subscribed	9,866	-	-	-	9,866
Reserve for share option costs	-	-	50	-	50
Balance 31 December 2009	65,784	129	1,363	(3,400)	63,876
Balance 1 January 2010	65,784	129	1,363	(3,400)	63,876
Profit for the period to 30 September 2010	-	-	-	94	94
New share capital subscribed	1,072	-	-	-	1,072
Reserve for share option costs	-	-	655	-	655
Balance 30 September 2010	66,856	129	2,018	(3,306)	65,697

Minera IRL Limited
Consolidated Cash Flow Statement

	3months ended 30 Sept 2010 (unaudited) US\$'000	3months ended 30 Sept 2009 (unaudited) US\$'000	9 months ended 30 Sept 2010 (unaudited) US\$'000	9 months ended 30 Sept 2009 (unaudited) US\$'000	Year ended 31 December 2009 (audited) US\$'000
Cash flows from operating activities					
Operating (loss)/profit	(806)	1,582	2,936	3,168	5,810
Depreciation	2,634	1,671	5,055	4,175	5,509
Impairment of exploration assets	2,864	28	2,864	140	-
Share option costs	282	54	655	140	190
Provision for mine closure costs	57	57	171	171	228
Loss/(gain) on disposal of assets	64	-	239	-	28
Excess of fair value of assets acquired over consideration	-	-	-	-	(1,134)
Foreign exchange losses relating to non-operating items	146	-	451	-	250
Decrease/(increase) in inventory	277	(1)	(698)	(164)	(753)
(Increase)/decrease in other receivables and prepayments	(1,237)	591	(4,516)	3,796	5,097
(Decrease)/increase in trade and other payables	(4,793)	1,289	(4,367)	252	709
Corporation tax paid	(7)	(379)	(818)	(2,579)	(4,473)
Net cash flow from operations	(519)	4,892	1,972	9,099	11,461
Interest received	11	7	49	26	36
Interest paid	(90)	(29)	(260)	(313)	(140)
Net cash flow from operating activities	(598)	4,870	1,761	8,812	11,357
Cash flows from investing activities					
Acquisition of subsidiaries net of cash received	-	-	-	-	(1,843)
Sale of investments	100	-	571	-	-
Acquisition of property, plant and equipment	(1,609)	(1,457)	(2,636)	(2,432)	(3,581)
Acquisition of intangible assets (exploration expenditure)	(6,450)	(4,578)	(15,653)	(8,896)	(12,416)
Net cash outflow from investing activities	(7,959)	(6,035)	(17,718)	(11,328)	(17,840)
Cash flows from financing activities					
Proceeds from the issue of ordinary share capital	-	15,300	72	15,300	15,300
Cost of raising share capital	-	(841)	-	(841)	(841)
Receipt/(repayment) of loans	7,500	-	7,489	(2,500)	(2,500)
Net cash inflow from financing activities	7,500	14,459	7,561	11,959	11,959
Net (decrease)/increase in cash and cash equivalents	(1,057)	13,294	(8,396)	9,443	5,476
Cash and cash equivalents at beginning of the period	6,574	5,141	14,218	8,992	8,992
Exchange rate movements	(146)	-	(451)	-	(250)
Cash and cash equivalents at end of the period	5,371	18,435	5,371	18,435	14,218

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 2009 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 2009.

This Interim Report has been approved for issue by the Board of Directors on 13 November 2010.

Going Concern

Having taken into account the balance of cash at 30 September 2010 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 loss per share for the third quarter has been calculated using the loss attributable to ordinary shareholders of US\$1,719,000 (third quarter 2009: profit US\$1,007,000) and the weighted average number of ordinary shares in issue during the three months to 30 September 2010 of 86,786,284 (third quarter 2009: 75,004,108).

The earnings per share for the nine months to 30 September 2010 has been calculated using the profit attributable to ordinary shareholders of US\$94,000 (nine months 2009: US\$1,534,000) and the weighted average number of ordinary shares in issue during the nine months to 30 September 2010 of 86,064,181 (nine months 2009: 66,305,040).

Issue of shares

There were no shares issued during the quarter to 30 September 2010.

Transactions of an unusual nature

There were no transactions of an unusual nature during the nine months to 30 September 2010.

Seasonal Influences

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

Related parties

During the period the Company has received registrar services from Computershare Investor Services (Jersey) Limited, a company related through a common director. The contract for these services provides for a minimum annual charge of GBP3,000 to be paid by the Company.

In addition the Company has received consultancy services from Hamilton Capital Partners Limited for whom a director acts as a consultant adviser. The contract for these services provides for an annual charge of GBP24,000. The contract ended on 30 September 2010.

Subsequent events

On 10 November 2010 the Company issued 32,641,600 ordinary shares at a price of C\$1.15 per share as a result of a public and private offering. The net proceeds of this offering amounted to approximately C\$35 million.

The Directors of Minera IRL Limited are listed in the Group's Annual report for the year ended 31 December 2009.

By order of the board

C Chamberlain
Executive Chairman