Minera IRL

LIMITED

Management's Discussion and Analysis
For the three and nine month periods ended
30 September 2021

The following Management's Discussion and Analysis, prepared as of 15 November 2021, should be read together with the consolidated financial statements (unaudited) of Minera IRL Limited (the "Company") for the three and nine month periods ended 30 September 2021 and related notes thereto, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). Additional information about Minera IRL Limited, including the Company's most recently filed Annual Information Form and the risks and uncertainties discussed therein may be found at the Company's website at www.minera-irl.com and within the Company's SEDAR profile at www.sedar.com.

All figures are expressed in United States dollars ("$") unless otherwise noted. References to "C$" are to Canadian dollars.

Highlights
Third Quarter ended
30 September 2021

Financial

- Gold sales of 6,260 ounces (Q3 2020: 5,647 ounces) at an average realized gold price of $1,775 per ounce (Q3 2020: $1,889 per ounce).
- Revenue of $11.1 million, (Q3 2020: $10.7 million)
- Gross profit of $3.3 million (Q3 2020: $4.0 million).
- After tax loss of $2.3 million (Q3 2020: $1.9 million).
- Cash balance of $3.6 million at 30 September 2021 (31 December 2020: $2.9 million).
- Debt of $74.5 million at 30 September 2021 (31 December 2020: 71.1 million).

Operational Performance

- **Corihuarmi, Peru**
  - Gold production from the Corihuarmi Gold Mine of 6,276 ounces (Q3 2020: 5,540 ounces).
  - Ore mined and stacked of 1,202,321 tonnes (Q3 2020: 1,052,058 tonnes).
  - Total cash costs were $1,111 per ounce produced (Q3 2020: $1,101).
  - Total all-in sustaining costs (AISC) were $1,458 per ounce produced (Q3 2020: $1,408).
  - The Company's mining operations have not been materially affected by the COVID-19 pandemic.
  - On 10 August 2021 the Company filed a new NI 43-101 Technical Report for the Corihuarmi Mine confirming the existence of 13.8 million tonnes of measured and indicated resources at an average grade of 0.21 grams per tonne.
- **Ollachea, Peru**
  - The Company continues with its Community programs and maintains an excellent relationship with the Ollachea Community.
  - On 19 July 2021 the Company announced that a Preliminary Economic Assessment ("PEA") detailing the company's revised plans for its flagship Ollachea Gold Project was being completed by Mining Plus. PEA highlights are:
    - A pre-tax NPV of $327 million at a base case gold of $1,600/oz and a 7% discount rate
    - Indicated mineral resource estimate of $10.7 million tonnes at 3.28 grams per tonne containing 1.13 million ounces of gold

Background and Business of the Company

Minera IRL Limited ("Minera IRL" or the "Company") is a Jersey registered company which, together with its subsidiaries, engages in exploration, development and mining of precious metals. Currently, the Company trade its ordinary shares on the Canadian Securities Exchange and on the Bolsa de Valores de Lima.

In Peru, the Company operates the Corihuarmi Gold Mine and has been advancing its flagship project, the Ollachea Gold Project (the "Ollachea Project"), towards production. At Ollachea, the Company has completed a post-definitive feasibility study optimization and received an Environmental and Social Impact Assessment ("ESIA") and construction permit from the Peruvian authorities.

In June 2015, the Company announced that it had arranged a $70,000,000 secured finance facility (the "Bridge Loan") structured by the Peruvian state-owned development and promotion bank, Corporación Financiera de Desarrollo S.A. ("COFIDE") and syndicated through Goldman Sachs Bank USA. The Bridge Loan was part of a senior project credit facility of up to $240,000,000 described in a letter of mandate signed by COFIDE and Minera IRL. This senior project credit facility was to be structured by COFIDE, in conjunction with Minera IRL, to build the Ollachea Gold Project (the "Ollachea Project").

In March 2017 COFIDE terminated the letter of mandate without providing any reason for their decision. The Bridge Loan was due for repayment in June 2017.

On 20 June 2017 the Company announced it had filed a request for an arbitration against COFIDE with the Arbitration Centre of the Lima Chamber of Commerce.

On 16 September 2019 the Company announced that the Court of Arbitration had issued its Arbitration Award. The Award provided that COFIDE must pay an aggregate amount of $34.2 million for damages. The Court of Arbitration declared that it did not have jurisdiction to require repayment of the Bridge Loan because the Bridge Loan facility expressly provides that it is subject to the jurisdiction of the courts of New York, United States. Subsequently, COFIDE filed a lawsuit for annulment of the Arbitration Award. No amount for the damages awarded was recognised in the 2019 financial statements given the uncertainty at that year-end over its recoverability.

On 31 December 2019 the Company signed a Memorandum of Understanding ("MOU") with COFIDE which was extended several times until 7 November 2020. During this period both the collection of damages by the Company and the collection of the debt and/or interests by COFIDE remained suspended. The objective of the MOU was to allow both parties to reach an agreement in settlement of the obligations imposed by the Arbitration Award announced on 16 September 2019 as well as related matters, including repayment of the Bridge Loan.

On 12 November 2020 the Company announced it had settled its dispute with COFIDE. The summary of the settlement agreement is that the Company owes COFIDE US$70 million in principal and US$ 31.9 million of accrued interest (calculated to 10 November 2020) and that COFIDE owes the Company US$34.2 million in principal pursuant to the September 2019 Arbitration Award, plus interest from 17 July 2017 to 10 November 2020. The amounts due and receivable will be offset and the Company will pay the net balance to COFIDE within 36 months. To guarantee the full repayment of the balance owed to COFIDE, Corporate Trusts contracts will be assigned over the Ollachea Project's mineral concessions, the shares of the Peruvian subsidiary Compañía Minera Kuri Kullu S.A. and over future cash flows from the same Project. COFIDE will withdraw its legal claim for annulment of the Arbitration Award once the Trust contracts are registered at the public registry. Also, as per the terms of this agreement certain penalties are applicable while the balance of the debt owed to COFIDE is not fully repaid. These penalties are based on percentages applicable over the amount of the Arbitration Award according the following timetable:

• $2,053,000 (6% on the Arbitration Award amount) if the balance of the debt is not repaid before 15 November 2021. This amount was accrued in the third quarter of 2021.
• An additional penalty of $1,368,000 (4% on the Arbitration Award amount) if the balance of the debt is not repaid before 15 November 2022. These penalties shall be added to the amount owed to COFIDE and will be paid within the 36 months term established for the full payment of any outstanding debt with COFIDE.

On 24 June 2021 the Company announced that through formalizing the terms agreed on 12 November 2020, four inter-related agreements between COFIDE and the Company had been signed:
• A Cash Flow Trust Agreement, which creates a trust over the cash flows generated from the Ollachea Project, to guarantee the payment obligations of the Company to COFIDE by channeling those cash flows through a revenue account to be managed by La Fiduciaria;
• An Asset Trust Agreement, which creates a trust over the shares held by the Company in its Peruvian subsidiary Compañía Minera Kuri Kullu S.A., as well as the Ollachea Project's concessions owned by the subsidiary to guarantee the payment obligations of the Company to COFIDE by transferring ownership of the securities and mortgages to La Fiduciaria in trust;
• A Refinancing of the Credit Agreement, which establishes the terms and conditions for the payment of the principal and accrued and accruing interest on the Company's debt with COFIDE; and
• A Compensation Agreement, which establishes the terms and conditions for the payment of consequential damages to the Company by COFIDE pursuant to the September 2019 Arbitration Award, plus accrued and accruing interest.

Neither the assets of nor the cash flows generated by the Corihuarmi mine are included in these Trust Agreements.

If the Company is not able to secure an alternative source of funds to repay the debt with COFIDE, the Company will have to relinquish its ownership of the subsidiary, Campañia Minera Kuri Kullu S.A. and therefore the Ollachea Project. All net assets associated with the Ollachea Project would be fully impaired as a result.

Notwithstanding that there can be no guarantee that an alternative source of funding will be secured within the required timescale or on acceptable terms, the Directors consider that an alternative funding will be obtained to fully repay the debt with COFIDE plus interest and to develop the Ollachea Project. The cash generated from gold production at the Corihuarmi Mine is required to fund the working capital requirements of the Company in the meantime.

Impact of COVID-19

It is impossible to predict with certainty the final impact of COVID-19 at this stage. According to the opinion of most experts, we believe that the impact of the virus outbreak on the worldwide economy will be material. Accordingly, this might have negative impacts for the operations of the Company in the future. Management is constantly evaluating the impact of COVID-19, however, given the fluidity and volatility of the situation, it is not possible to make predictions on future outcomes.

In early March 2020, the Company reinforced the application of its health and safety protocols, which encapsulated the operations of the Corihuarmi mine and Ollachea project as far as possible against the worldwide crisis caused by COVID-19. To date, no significant disruptions on mining operations, gold production or sales have occurred; and gold prices have increased. The Peruvian government has approved the Corihuarmi mine's COVID-19 surveillance, prevention and control plan which allows the continuation of its mining operations. Although there might be certain difficulties on the supply chain and gold transportation, the Company is confident it will overcome these difficulties. In this sense, the Company considers that it has taken appropriate measures in contemplation of the impact of COVID-19 and, as of the date of filing of these financial statements the Company considers that there are no material impacts that may affect the application of the going concern principle or any item of the financial statements.

The Company's cash flow is sufficient to meet its commitments and to fund its working capital requirements in the face of this crisis. The Company has not made, nor plans to make, any wage or job cuts. Meanwhile, it is constantly re-evaluating mine workers’ mobilization and demobilization plans, prioritizing their health and safety.

Corihuarmi Gold Mine, Peru

The Company's 100% owned Corihuarmi gold mine is located approximately 160 kilometres southeast of Lima, Peru, in the Central Andes at an altitude of almost 5,000 metres. The Company acquired the Corihuarmi leases in 2002 and the mine was brought into production in March 2008. Below is a summary of the key operating statistics for Corihuarmi for the quarters ended 30 September 2021 and 2020:

Operating Parameters	**Three month period ended 30 September**		**Nine month period ended 30 September**	
	2021	2020	**2021**	2020
Waste (tonnes)	**771,421**	1,012,657	**2,218,488**	2,386,751
Ore mined & stacked on heaps (tonnes)	**1,202,321**	1,052,058	**3,345,949**	3,107,221
Ore grade, mined and stacked (g/t)	**0.39**	0.26	**0.24**	0.24
Gold produced (ounces)	**6,276**	5,540	**17,829**	15,516
Gold sold (ounces)	**6,260**	5,647	**18,148**	15,763
Realized gold price ($ per ounce sold)	**$1,775**	$1,889	**$1,778**	$1,727
Total cash costs ($ per ounce produced) [1]	**$1,111**	$1,101	**$1,148**	$1,085
Total all-in sustaining costs ($ per ounce produced) [1]	**$1,458**	$1,408	**$1,441**	$1,343

1. Refer to Non-IFRS Measures at the end of this MD&A.

Ore mined and stacked during the third quarter of 2021 was 1,202,321 tonnes, an increase of 14% compared to the 1,052,058 tonnes mined and stacked during the third quarter of 2020. During the nine month period ended 30 September 2021 ore mined and stacked was 3,345,949 tonnes, an 8% increase compared to the 3,107,221 tonnes mined and stacked during the same period of the prior year.

Gold sold during the third quarter of 2021 was 6,260 ounces, an 11% increase compared to the 5,647 ounces sold during the third quarter of 2020. During the nine month period ended 30 September 2021 gold sold was 18,148 ounces a 15% increase compared to the 15,763 ounces sold during the same period of the prior year.

The average realized gold price during the third quarter of 2021 was $1,775, a 6% decrease compared to the $1,889 average gold price realized during the third quarter of 2020. During the nine month period ended 30 September 2021 the average realized gold price was $1,778, a 3% increase from the average gold price of $1,727 realized during the same period of the prior year.

Total cash costs per ounce of gold produced during the third quarter of 2021 were $1,111, just 1% higher than total cash costs of $1,101 per ounce of gold produced during the third quarter of 2020. The increase was due to the combined effect of an increase of 14% in total cash costs and an increase of 13% in gold ounces produced. During the nine month period ended 30 September 2021 total cash costs were $1,148 per ounce of gold produced, 6% higher than total cash costs of $1,085 per ounce of gold produced during the same period of the prior year. The increase was due to the combined effect of an increase of 22% in total cash costs and a 15% increase in gold ounces produced.

Total all-in sustaining costs ("AISC") per ounce of gold produced during the third quarter of 2021 were $1,458, 4% higher than the AISC costs of $1,408 per ounce of gold produced during the third quarter of 2020. The increase was due to the combined effect of an increase of 17% in AISC costs and an increase of 13% in gold ounces produced. During the nine month period ended 30 September 2021 AISC costs were $1,441 per ounce of gold produced, 7% higher than the AISC costs of $1,343 per ounce produced during the same period of the prior year. The increase was due to the combined effect of increases of 23% in AISC costs and a 15% increase in gold ounces produced.

On 10 August 2021 the Company filed a new NI 43-101 Technical Report for the Corihuarmi Mine confirming the existence of 13.8 million tonnes of measured and indicated resources at an average grade of 0.21 grams per tonne.

The update of the resources has been carried out using the support data generated by the site. Gold grade was estimated into the block model using Reverse Circulation Drill holes (RC), Diamond Drill holes (DDH) and supported with rotary air drilling called long holes drilled in areas with limited assay information, and it was estimated applying industry-standard estimation methodology. Mineral resources are reported above a reasonable cutoff grade based on production costs and metallurgical recovery from the Corihuarmi Gold Mine.

In calculating the mineral resources, Mining Plus used a cut-off grade of 0.1 g/t Au inside the latest pit design for 2021, along with a low strip ratio. Both the pit design and cut-off grade were calculated using a gold price of US $1,500.

The mineral resources have been estimated in accordance with widely accepted CIM Estimation of Mineral Resource and Mineral Reserves Best Practices Guidelines (November 2019) and are reported in accordance with NI 43-101. The mineral resources are summarized as follows at an effective date of February 28, 2021

Resource Category	Tonnes (Mt)	Au (g/t)	Au Ounces (kt)
Measured	8.00	0.20	51.1
Indicated	5.83	0.22	41.2
Measured & Indicated	**13.83**	**0.21**	**92.3**
Inferred	0.2	0.2	1.50

1. Mineral resources are not mineral reserves and have not demonstrated economic viability.
2. All figures are rounded to reflect the relative accuracy of the estimates. Minor discrepancies may occur due to rounding to appropriate significant figures.
3. All tonnages reported are dry metric tonnes and ounces of contained gold are troy ounces.
4. The Mineral Resource was estimated by Ms. Maria Muñoz, MAIG, QP(Geo), Independent Qualified Person under NI 43-101, of Mining Plus Consultants who takes responsibility for it.
5. The Mineral Resource is sub-horizontal, outcropping or close to surface, and has been proven to be mineable by open pit methods with a low strip ratio.
6. The Mineral Resource is reported inside a pit designed with a cut-off grade of 0.1 g/t gold, estimated using a gold price of US $1500; the cut-off assumed is slightly higher than the marginal cut-off.
7. The metal recovery assumed was 70.6% for gold, and total operating costs of US$ 4.51 /t.
8. The resources have been estimated with RC and DDH drillings and supported with rotary air drilling called long holes drilled in areas with limited assay information.
9. Drilling results as of end of February 2021 are included.
10. Mining Plus is not aware of any environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues that could materially affect the potential development of the Mineral Resource Estimate.

Ollachea Project, Peru

Expenditures capitalized during the third quarter of 2021 were $0.5 million ($0.1 million during the third quarter of 2020). These expenditures were related mainly to community development and environmental costs.

No significant exploration activities were carried out during the third quarter of 2021, only operating exploration at Corihuarmi mine. No dignificant exploration activities are planned for 2021.

Preliminary Economic Assessment 2021

On 19 July 2021 the Company announced that a Preliminary Economic Assessment ("PEA") detailing the company's revised plans for its flagship Ollachea Gold Project was being completed by Mining Plus.

Minera has explored the Ollachea deposit since October 2008. In December of 2012, AMEC Peru and Coffey Mining Pty Ltd. produced a Feasibility Study on the viability of mining the Ollachea deposit from underground and processing mineralized material in a 1.1 million t/a facility. Minera has modified the original project design in an effort to reduce upfront CAPEX and improve project economics, and therefore the 2012 Feasibility Study is no longer current. For this reason, Minera retained Mining Plus to consider the viability of a low-CAPEX start-up for Ollachea with an underground mine, gravity concentration and carbon in leach ("CIL") plant designed to treat 1,500 tonnes per day ("tpd") over the first three years (targeting a defined and remodelled high-grade area), ramping up to 3,000 tpd during the fourth year.

PEA highlights

- At a base case gold price of $1,600/oz: Pre-Tax Net Present Value discounted at 7% ("NPV7%") of $327 million and 54% Internal Rate of Return ("IRR"), and after tax NPV7% of $189 million and 38% IRR.
- At a gold price of $1,800/oz: Pre-Tax NPV7% of $430 million and 68% IRR, and after-tax NPV7% of $253 million and 47% IRR.
- Start-up CAPEX estimated at $89 million (including 25% contingency), with an after-tax payback period of 2.5 years.
- Indicated Mineral Resource Estimate of 10.7 million tonnes at 3.28 grams per tonne ("g/t") containing 1.13 million ounces of gold.
- Inferred Mineral Resource Estimate of 7.3 million tonnes at 2.7 g/t containing 0.6 million ounces of gold.
- Total Mineral Resource Estimate includes results from the Minapampa Far East drilling program completed in 2016, which demonstrates that the mineralization remains open to the east and at depth.
- Average annual production over a four-year ramp-up period of approximately 66,000 ounces of gold at 1,500 tpd, with an estimated peak of 111,000 ounces in year five following an expansion to 3,000 tpd.
- Average recovery of 90.3% during the first three years, with average recovery of 86.2% over the remaining LOM.

Summary of Quarterly Results

(tabular data in thousands of US dollars, except per share amounts)

	Q4 Dec. '19	Q1 Mar. '20	Q2 Jun. '20	Q3 Sep. '20	Q4 Dec. '20	Q1 Mar. '21	Q2 Jun. '21	Q3 Sep. '21
Total revenue ($'000)	8,656	8,287	8,265	10,665	11,865	10,378	10,776	11,110
(Loss) Profit after-tax ($'000)	(6,241)	(1,405)	(4,325)	(1,938)	29,918	(1,181)	1,770	(2,286)
Total comprehensive (Loss) Income ($'000)	(6,241)	(1,405)	(4,325)	(1,938)	29,918	(1,181)	1,770	(2,286)
Net (Loss) Earnings per share (US cents)	(2.7)	(0.6)	(1.9)	(0.8)	12.9	(0.5)	0.8	(1.0)

The business of the Company is not generally subject to seasonal influences. The variation in revenue, net profit and loss are due to a number of factors, including the market price of gold, the tonnes of ore and the associated grade of these tonnes of ore extracted from the mine and therefore the cost of production, the level of expenses incurred and the impairment of exploration, development and mining assets.

Overview of Financial Results

Note – All of the results presented are prepared under IFRS and are in United States dollars, which is the Company's functional currency as well.

	Three month period ended 30 September		**Nine month period ended 30 September**	
	2021	2020	**2021**	2020
Revenue ($'000)	**11,110**	10,665	**32,264**	27,217
Gold sold (ounces)	**6,260**	5,647	**18,148**	15,763
Realized gold price ($ per ounce)	**1,775**	1,889	**1,778**	1,727
Gross profit ($'000)	**3,346**	4,004	**9,427**	8,735
Loss after-tax ($'000)	**(2,286)**	(1,938)	**(1,697)**	(7,668)
Loss per share (cents)	**(1.0)**	(0.8)	**(0.7)**	(3.3)

<u>Results of Operations</u>

During the third quarter of 2021, the Company reported sales revenue of $11,110,000 compared with sales revenue of $10,665,000 during the third quarter of 2020, an increase of $445,000. This 4% increase was due to the combined effect of a 6% decrease in the average price per ounce of gold sold and an 11% increase in the number of gold ounces sold. During the nine month period ended 30 September 2021 sales revenue was $32,264,000 compared with sales revenue of 27,217,000 during the same period of the prior year, an increase of $5,047,000. This 18% increase was due to the combined effect of a 3% increase in the average price per ounce of gold sold and a 15% increase in the number of gold ounces sold.

During the third quarter of 2021 the Company reported an after tax loss of $2,286,000 compared with a loss of $1,938,000 during the third quarter of 2020. The $348,000 higher loss was mainly the result of decreases of $1,182,000, $658,000, $620,000 and $596,000 in administration expenses, gross profit, income tax expense and financial expenses, respectively; partially offset by a penalty of $2,053,000 related to the settlement with COFIDE. During the nine month period ended 30 September 2021 after tax loss was $1,697,000 compared with an after-tax loss of $7,668,000 during the same period of the prior year. The $5,971,000 lower loss was mainly the result of decreases of $4,537,000, $2,083,000 and $757,000 in income tax, financial expenses and administration expenses, respectively; partially offset by a penalty of $2,053,000 related to the settlement with COFIDE and increases of $692,000 in gross profit.

Cost of sales during the third quarter of 2021 was $7,764,000, compared with cost of sales of $6,661,000 during the third quarter of 2020, an increase of $1,103,000. The most significant changes between the two periods were increases of $906,000 and $225,000 in mine operating costs and depreciation, respectively. During the nine month period ended 30 September 2021 cost of sales was $22,837,000 compared with cost of sales of $18,482,000 during the same period of the previous year, an increase of $4,355,000. The most significant changes between the two periods were increases of $3,178,000 and $729,000 in mine operating costs and depreciation, respectively. A period-over-period comparison for the cost of sales is provided in the table below.

Breakdown of Cost of Sales

	Three month period ended 30 September		**Nine month period ended 30 September**	
	2021 ($'000s)	2020 ($'000s)	**2021 ($'000s)**	2020 ($'000s)
Mine operating costs	**5,555**	4,649	**16,455**	13,277
Depreciation and amortization	**790**	564	**2,375**	1,646
Community and environmental costs	**737**	655	**2,013**	1,759
Other Costs (royalties and taxes, selling expense, other)	**682**	793	**1,994**	1,800
Total	**7,764**	6,661	**22,837**	18,482

Administration expenses during the third quarter of 2021 were $1,883,000, compared with administration expenses of $3,065,000 during the third quarter of 2020, a decrease of $1,182,000. The most significant changes between the two periods were a decrease of $1,992,000 in arbitration/negotiation costs partially offset by an increase of $462,000 in foreign exchange losses. During the nine month period ended 30 September 2021 administration expenses were $4,721,000 compared with $5,478,000 during the same period of the previous year, a decrease of $757,000. The most significant changes between the two periods were decreases of $1,797,000 in arbitration/negotiation costs, partially offset by an increase of $622,000 in foreign exchange losses. A period-over-period comparison for the administration expenses is provided in the table below.

Breakdown of Administration Expenses

	Three month period ended 30 September		Nine month period ended 30 September	
	2021 ($'000s)	2020 ($'000s)	**2021 ($'000s)**	2020 ($'000s)
Depreciation	**8**	13	**26**	41
Director fees	**30**	30	**90**	90
Foreign exchange (gain) loss	**580**	118	**1,071**	449
Investor relations	**9**	8	**32**	30
Stock exchange fees	**56**	32	**137**	127
Office rent and administration	**108**	77	**261**	239
Professional and consulting fees	**311**	208	**744**	617
Arbitration/negotiation costs	**97**	2,089	**361**	2,158
Salaries and wages	**689**	463	**1,713**	1,397
Telecommunication	**4**	12	**16**	20
Travel	**8**	51	**145**	109
Other	**(17)**	(36)	**125**	201
Total	**1,883**	3,065	**4,721**	5,478

Finance expenses during the third quarter of 2021 were $3,654,000 compared to a finance expense of $2,197,000 during the third quarter of 2020, an increase of $1,457,000. The most significant changes were the accrual of a penalty on the COFIDE Loan of $2,053,0000 and a decrease of $513,000 in interest payable to COFIDE. During the nine month period ended 30 September 2020 finance expenses were $6,315,000 compared with $6,345,000 during the same period of the previous year, a decrease of $30,000. The most significant changes were the accrual of a penalty on the COFIDE Loan of $2,053,0000 and a decrease of $2,204,000 in interest payable to COFIDE. On 24 June 2021 the Company signed a Compensation Agreement with COFIDE, which establishes the terms and conditions for the payment of the net balance owed to COFIDE including accrued interest and damages to the Company. According to this agreement, as of 10 November 2020 the $70,000,000 debt is subject only to the LIBOR rate plus a 6.17% margin. A period-over-period comparison for the finance expenses is provided in the table below.

Breakdown of net finance expenses

	Three month period ended 30 September		Nine month period ended 30 September	
	2021 ($'000s)	2020 ($'000s)	**2021 ($'000s)**	2020 ($'000s)
COFIDE Loan interest	**1,127**	1,640	**2,681**	4,885
COFIDE Loan penalty	**2,053**	-	**2,053**	-
Other loans interest	**12**	170	**236**	314
Other finance expenses	**462**	387	**1,345**	1,146
Total	**3,654**	2,197	**6,315**	6,345

Cash Flow

Cash balance increased $725,000 during the third quarter of 2021, from $2,871,000 to $3,596,000. Operating activities during this quarter generated $4,631,000 whereas investing and financing activities used $1,235,000 and $2,671,000 respectively. During the nine month period ended 30 September 2021 the cash balance increased $664,000 from $2,932,000 to $3,596,000. Operating activities during this nine month period generated $10,529,000 whereas investing and financing activities used $2,743,000 and $7,122,000 respectively.

Investing activities during the third quarter of 2021 used $1,235,000 compared with $793,000 used during the third quarter of 2020, an increase of $442,000. The change was mainly due to increases of $171,000 and $253,000 in acquisitions of property, plant and equipment and deferred development expenditures, respectively. During the nine month period ended 30 September 2021 investing activities used $2,743,000 compared with $1,717,000 used during the same period of the prior year, an increase of $1,026,000. The change was mainly due to increases of $478,000 and $530,000 in acquisitions of property, plant and equipment and deferred development expenditures, respectively. A period-over-period comparison for the investing activities is provided in the table below.

Breakdown of Investment activities

	Three month period ended 30 September		**Nine month period ended 30 September**	
	2021 ($'000s)	2020 ($'000s)	**2021 ($'000s)**	2020 ($'000s)
Acquisition of property, plant and equipment	**736**	565	**1,458**	980
Deferred exploration and development expenditures	**499**	246	**1,285**	755
Disposal of property, plant and equipment	**-**	(18)	**-**	(18)
Total	**1,235**	793	**2,743**	1,717

Financing activities during the third quarter of 2021 used a net of $2,671,000, compared with a net of $480,000 used during the third quarter of 2020, an increase of $2,191,000. The change was due to lower proceeds from loans of $1,400,000, higher repayment of loans of $240,000 and increases in payments of lease liabilities of $1,105,000 offset by increases in payments of finance expenses of $554,000. During the nine month period ended 30 September 2021 net investing activities used a net of $7,122,000 compared with $1,547,000 used during the same period of the prior year, an increase of $5,575,000. The change was due to lower proceeds from loans of $2,680,000, higher repayments of loans of $1,780,000 and increases in payments of lease liabilities of $1,644,000 offset by lower payments of finance expenses of $529,000. A period over period comparison for the financing activities is provided in the table below.

Breakdown of Financing activities

	Three month period ended 30 September		**Nine month period ended 30 September**	
	2021 ($'000s)	2020 ($'000s)	**2021 ($'000s)**	2020 ($'000s)
Net proceeds from loan	**-**	(1,400)	**(700)**	(3,380)
Repayment of loans	**300**	60	**2,200**	420
Payment of lease liabilities	**2,278**	1,173	**5,341**	3,697
Payment of finance expenses	**93**	647	**281**	810
Total	**2,671**	480	**7,122**	1,547

Legal Actions Involving Company

Please refer to section "Background and Business of the Company" on page 3.

The Company is not currently involved in any other legal proceedings nor was it involved in any other legal proceedings during the third quarter ended 30 September 2021 and nor, to the knowledge of management, are there any legal proceedings currently contemplated which may materially affect the business and affairs of the Company or that would likely be considered important to a reasonable investor in making an investment decision.

Outlook

At 30 September 2021, the Company had a working capital deficit of $7,591,000 (defined as current assets less current liabilities).

In 2021, the Company forecasts gold production of 22,500 ounces from its Corihuarmi mine. The capital budget of Corihuarmi for 2021 is $2.2 million to finalize heap leach pad 5D and $1.1 million for other capital expenditures.

Ollachea and the debt with COFIDE

Please refer to section "Background and Business of the Company" on page 3.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration, development and operation of its mining assets. In the management of capital, the Company includes its cash and cash equivalent balances, interest bearing loans and components of shareholders' equity.

The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

The Company is not currently subject to externally imposed capital requirements.

Liquidity and Capital Resources

As at 30 September 2021, the Company had cash of $3,596,000, compared with $2,932,000 as at 31 December 2020.

As at 30 September 2021, the Company had a working capital deficit of $7,591,000. Working capital is defined as current assets less current liabilities.

The above conditions indicate the existence of a material uncertainty which may cast doubt on the Company's ability to continue as a going concern.

<u>Going Concern Basis</u>

This report has been prepared on a going concern basis. The Company's future plans and expectations are based on the assumption that the Company will be able to continue in operation for the foreseeable future and will realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. There can be no assurance that the Company will be able to generate sufficient cash from operations or obtain adequate financing in the future or, if available, that such financing will be on acceptable terms. Despite the settlement agreements signed with COFIDE in November 2020 and June 2021, the Company does not currently have the capital required to repay in full the balance owed to COFIDE. If the Company cannot repay in full the balance owed to COFIDE by November 2023 it could lose the Ollachea Project. Also, the Company may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Company may seek additional financing through debt or equity offerings. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

Commitments and Contingent Liabilities

The Company is subject to various laws and regulations governing its mining, development and exploration activities. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

On 12 November 2020 the Company announced it had settled its dispute with COFIDE. As per the terms of this agreement certain penalties are applicable if the Bridge Loan balance is not repaid. These penalties are based on percentages applicable over the amount of the Arbitration Award according the following timetable:

- $2,053,000 (6% on the Arbitration Award amount) if the balance of the Bridge Loan is not repaid before 15 November 2021. This amount has been accrued in the third quarter of 2021.
- An additional penalty of $1,368,000 (4% on the Arbitration Award amount) if the balance of the Bridge Loan is not repaid before 15 November 2022. These penalties shall be added to the amount owed to COFIDE and will be paid within the 36 months term established for the full payment of any outstanding debt with COFIDE.

During 2019, the Company was issued a tax reassessment by the Peruvian Tax Authority for the year ended 31 December 2017 related to the deductibility of expenses and interest relative to the Bridge Loan. If the Company is unsuccessful in this appeal, an aggregate amount of $5,000,000 would be payable, including tax, penalties and interest.

The Company entered into a contract with Empresa de Generacion Electrica San Gaban S.A. for the supply of power during the construction and operation stages of the Ollachea Project. This contract included certain minimum power usages for each of the construction and operation stages. In March 2017 the Company entered into an amended power contract extending the term to start the construction stage for sixty months from 1 March 2017. If the contract is terminated due to the construction stage not commencing within the sixty months term, the Company would have to pay a penalty for an amount equivalent to approximately $2,400,000. Otherwise, the Company agreed to pay a fixed monthly compensation for an amount equivalent to approximately $11,000 for a period of nine and a half years starting on the seventh month after Ollachea commencing the operation stage.

In June 2015, the Company secured a $70,000,000 Bridge Loan from COFIDE. The financial structuring costs related to the Bridge Loan included a 0.9% net smelter return royalty on gold production from the Ollachea Project granted to Sherpa. The Company has the right to buyback and cancel this royalty from Sherpa by paying a buy-back fee of $5,566,000.

In August 2013, the Macquarie Finance Facility was amended to increase the amount available by $10,000,000. As a condition of drawing down these funds the Company awarded a 1% royalty on gross revenue minus refining costs on gold sales from the Company’s Ollachea Project. The Company has the right to buyback and cancel this royalty from Macquarie Bank by paying a buyback fee of $5,000,000.

Financial Instruments

The Company’s principal financial assets comprise of cash and cash equivalents, and other receivables. The Company’s financial assets are classified as loans and receivables and are measured at amortised cost. The Company’s financial liabilities include trade and other payables, interest bearing loans and other long term liabilities. They are all classified as financial liabilities and measured at amortised cost.

Risks

The Company operates in the resource industry, which is highly speculative, and has certain inherent exploration, development and operating risks which could have a negative effect on the Company's operations.

Significant risk factors for the Company include operating, land title, environmental regulations and compliance, litigation, surface rights, health and safety, the ability to obtain additional financing, metal prices, Mineral Reserves and Resources estimates, insurance coverage, infrastructure, key management and staff, legal climate considerations, changes in government policy, geopolitical climate, government, currency, economic, local community, geological, competition, and general business risk, as well as the risks associated with public health crises, including COVID-19.

Additionally, there are risks specifically related to the COFIDE Bridge Loan. For further information, please refer to paragraph "Background and Business of the Company" on page 4 and section 5 Risk Factors on the Company's 2020 Annual Information Form filed on SEDAR at www.sedar.com.

Risks associated with public health crises, including COVID-19

The Company's business, operations and financial condition could be materially adversely affected by the outbreak of epidemics, pandemics or other health crises, such as the outbreak of COVID-19. The international response to the spread of COVID-19 has led to significant restrictions on travel, business closures, quarantines, global stock market volatility and a general reduction in consumer activity. Such public health crises can result in delays and disruptions on the operating and supply chains, global stock market and financial market volatility, restrictions on movement of people and labour shortages, shipping and travel disruptions; and shutdowns as a result of government regulation and prevention measures, or a fear of any of the foregoing risks, all of which could affect commodity prices, interest rates, credit risk and inflation. In addition to the current COVID-19 pandemic, any future outbreak of similar pathogens could have an adverse impact on global economic conditions which may adversely impact the Company's operations and/or the operations of suppliers and service providers, including refining service providers, and the demand for the Company's production.

As at the date of this report, the duration of COVID-19 cannot be predicted. It is unknown whether and how the Company may be affected if the pandemic persists for an extended period of time. In particular, the region in which we operate may not have sufficient public infrastructure to adequately or efficiently respond to such event, which could have a materially adverse effect on the Company's operations.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent management of liquidity risk implies maintaining sufficient cash and cash equivalents as well as an adequate amount of committed credit facilities. Management of the Company safeguards its cash resources and makes regular forecasts of the requirements to use those resources. If necessary, management adapts its plans to suit the resources available.

Despite the settlement agreements signed with COFIDE in November 2020 and June 2021, the Company does not currently have the capital required to repay in full the balance owed to COFIDE. If the Company cannot repay in full the balance owed to COFIDE by November 2023 it could lose the Ollachea Project.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk in so far as it deposits cash with its banks. However, the banks used are reputable international institutions. In addition the Company is exposed to sovereign risk in so far as it is owed recoverable sales tax by the government of Peru.

Currency risk

Foreign currency risk is the risk that the fair value of assets and future cash flows will fluctuate as a result of changes in foreign currency exchange rates. The Company operates in Peru and is therefore exposed to foreign exchange risk arising from transactions denominated in foreign currencies. The operating results and the financial position of the Company are reported in United States dollars. Fluctuations of local currencies in relation to the US dollar will have an impact upon the reported results of the Company and may also affect the value of the Company's assets and liabilities. The Company has not entered into any agreements or purchased any instruments to hedge any currency exposures.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Debt obligations are exposed to interest rate variations. The Company has debt denominated in US dollars payable to COFIDE and is therefore exposed to movements in US dollar interest rates.

Commodity price risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in gold prices. The price for gold is impacted by world economic events that dictate the levels of supply and demand. The ability of the Company to mine, develop and explore its mineral properties and the future profitability of the Company are directly related to the market price of precious metals, specifically gold. The Company monitors gold prices to determine appropriate actions to be undertaken. The Company has not entered into any agreements or purchased any instruments to hedge possible gold price risk. The Company is also exposed to the risk that the cost of mining, development or construction activities for its planned activities might increase and cause some elements to be uneconomic.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

During the quarter ended 30 September 2021, the Company did not enter into transactions with related parties with the exception of remunerations to directors and key management as disclosed in Note 4 of the consolidated financial statements. As at 30 September 2021, the Company owed $49,000 to directors and key management.

Significant Accounting Policies

The Company follows the accounting policies described in the audited consolidated financial statements for the year ended 31 December 2020, which have been filed on SEDAR www.sedar.com.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Based on historical experience, current market conditions and expert advice, management makes assumptions that are believed to be reasonable under the circumstances. These estimates and assumptions form the basis for judgments about the carrying value of assets and liabilities and reported amounts for revenues and expenses.

Critical Accounting Estimates

The preparation of consolidated financial statements requires the Company to select from possible alternative accounting principles, and to make estimates and assumptions that determine the reported amounts of assets and liabilities at the balance sheet date and reported costs and expenditures during the reporting period. Estimates and assumptions may be revised as new information is obtained, and are subject to change. The Company's accounting policies and estimates used in the preparation of the consolidated financial statements are considered appropriate in the circumstances, but are subject to judgments and uncertainties inherent in the financial reporting process.

Intangible Assets

Property acquisition costs and related direct exploration costs may be deferred until the properties are placed into production, sold, abandoned, or impaired, where appropriate. The Company's accounting policy is to capitalize exploration costs, which is consistent with IFRS, and the policy is consistent with other resource companies which are similar to the Company. An alternative policy would be to expense these costs until a feasible mineral resource has been objectively established. Management is of the view that its current policy is appropriate for the Company at this time. Based on annual impairment reviews made by management, or earlier if circumstances warrant, in the event that the long-term expectation is that the net carrying amount of these capitalized exploration costs will not be recovered, then the carrying amount is written down accordingly and the write-down is charged to operations. A write-down may be warranted in situations where a property is to be sold or abandoned; or exploration activity ceases on a property due to unsatisfactory results or insufficient available funding.

Impairment

In undertaking an impairment review for the operating mine or advanced exploration projects an economic model is prepared which includes full details of the mining and processing schedule, head grade, strip ratios of waste to ore, operating costs and capital costs. From this information the amount of gold production is calculated and revenues estimated. Operating costs, including royalties and refining charges, and capital costs are entered and a cash flow model is produced, which is used to calculate the net present value of the pre-tax cash flow from the operation or project. This net present value is then compared to the carrying value of the operation or project on the balance sheet and an assessment is made regarding impairment.

Should any key parameters differ from the assumptions contained within the technical economic model, such as tonnes of ore mined, grade of ore mined, recovery profile or gold price, the net present value will be affected either positively or negatively. If the impact is negative, an impairment charge may be required that has not been recognized in these financial statements.

Asset Retirement Provisions

Restoration costs will be incurred by the Company at the end of the operating life of the Company's facilities and properties. The ultimate restoration liability is uncertain and can vary in response to many factors including changes to relevant legal requirements, the emergence of new restoration techniques, experience at other production sites, or changes in the risk-free discount rate. The expected timing and amount of expenditure can also change in response to changes in reserves or changes in laws and regulations or their interpretation. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

Depreciation Rate

Mining properties are depreciated on a straight line basis over the expected life of the mine. The calculation of mine life and depreciation could be impacted to the extent that actual production in the future is different from current forecast production based on proven plus probable reserves. This would generally result from significant changes in any of the factors or assumptions used in estimating reserves.

Share Based Payments

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Management's Responsibility for Financial Statements

The information provided in this report, including the consolidated financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying condensed interim consolidated financial statements.

Disclosure Controls and Internal Control over Financial Reporting

Management of the Company is responsible for the design and implementation of disclosure controls and procedures and for internal controls over financial reporting ("ICFR") as required by National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings.

The Company's disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is communicated to senior management to allow timely decisions regarding the required disclosure. Management has evaluated the effectiveness of the Company's disclosure controls and procedures. Based upon the results of that evaluation, the Company has concluded that, the Company's disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by the Company is recorded, processed, summarized and reported, within the appropriate time periods and is accumulated and communicated to management.

The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS as issued by the IASB. The Company's internal control over financial reporting includes policies and procedures that:

- Require maintaining records that accurately and fairly reflect, in reasonable detail, the transactions and dispositions of assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary for preparation of financial statements in accordance with IFRS;
- Provide reasonable assurance that the Company's receipts and expenditures are made only in accordance with authorizations of management and the Company's Directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Company's consolidated financial statements.

The Company's internal control over financial reporting may not prevent or detect all misstatements, whether due to error or fraud, because of inherent limitations. A control system, no matter how well designed or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Additionally, projections of any evaluation of effectiveness for future periods are subject to the risk that controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with the Company's policies and procedures.

There has been no change in the Company's internal control over financial reporting during the quarter ended 30 September 2021 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Outstanding Share Data

The Company has an authorized share capital of an unlimited number of no par Ordinary Shares, of which 231,135,028 are issued as at the date of this report. Each share entitles the holder to one vote. All shares of the Company rank equally as to dividends, voting powers and participation in assets upon a dissolution or winding up of the Company.

As at the date of this report, the Company had no options issued or outstanding for the benefit of directors, employees and consultants of the Company under the Company's Share Option Plan. However, 11,556,751 options were to be issued as part of the fees payable to Sherpa in regards to the COFIDE Bridge Loan financing. The options, which will have an exercise price of C$0.20, are subject to shareholder and regulatory approval.

Changes in Accounting Policies

The Company did not adopt any new accounting policies during the quarter ended 30 September 2021.

Subsequent Events

There have been no subsequent events between the end of the period date and the date of filing of the financial statements.

Management and Board Changes

There were no Management and Board Changes during the quarter ended 30 September 2021.

Additional Information

Additional information regarding Minera IRL, including Minera IRL's Annual Information Form for the year ended 31 December 2020 is available on the Company's website at www.minera-irl.com or on SEDAR at www.sedar.com.

Cautionary Statement on Forward-Looking Information

Certain information in this MD&A, including information about the Company’s financial or operating performance and other statements expressing management’s expectations or estimates of future events, performance and exploration and development programs or plans constitute “forward-looking statements”. Forward-looking statements often, but not always, are identified by words such as “seek”, “believe”, “expect”, “do not expect”, “will”, “will not”, “intend”, “estimate”, “anticipate”, “plan”, “schedule” and similar expressions of a conditional or future oriented nature identify forward-looking statements. Forward-looking statements are, necessarily, based upon a number of estimates and assumptions. While considered, by management, to be reasonable in the context in which they are made forward-looking statements are inherently subject to political, legal, regulatory, business and economic risks and competitive uncertainties and contingencies. The Company cautions readers that forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Minera IRL’s actual financial results, future performance and results of exploration and development programs and plans to be materially different than those expected or estimated future results, performance or achievements and that forward-looking statements are not guarantees of future performance, results or achievements. Forward-looking statements are made as of the date of this MD&A and Minera IRL assumes no obligation, except as may be required by law, to update or revise them to reflect new events or circumstances. Risks, uncertainties and contingencies and other factors that might cause actual performance to differ from forward-looking statements include, but are not limited to, the Company’s ability to refinance the COFIDE Bridge Loan and replace the Senior Project Debt Facility, changes in the price of precious metals and commodities, changes in the relative exchange rates of the US dollar against the Peruvian nuevo sol, interest rates, legislative, political, social or economic developments both within the countries in which the Company operates and in general, contests over title to property, the speculative nature of mineral exploration and development, operating or technical difficulties in connection with the Company’s development or exploration programs, increasing costs as a result of inflation or scarcity of human resources and input materials or equipment. Known and unknown risks inherent in the mining business include potential uncertainties related to the title of mineral claims, the accuracy of mineral reserve and resource estimates, metallurgical recoveries, capital and operating costs and the future demand for minerals. Please see **Risks**, elsewhere herein.

Qualified Person

Pursuant to National Instrument 43-101, Mr. Francis O’Kelly FIMM, CEng. a Fellow of the UK Institute of Mining and Metallurgy, is the Qualified Person (“QP”) responsible for the technical disclosure in this MD&A.

Non-IFRS Measures

"Total cash costs" includes include costs such as mining, processing and administration (excluding depreciation and amortization) plus applicable royalties, workers' profit participation cost, and other non-site costs (transport and refining of metals, community and environmental costs). These costs are then divided by the ounces sold to arrive at "total cash cost per ounce produced".

"Total all-in sustaining costs" includes "Total cash costs" plus administrative expenses, mine closure accretion, exploration expenses and capital expenditure. These costs are then divided by the ounces sold to arrive at "total all-in sustaining cost per ounce produced".

Both of these measures may vary from one period to another due to operating efficiencies, waste-to-ore ratios, grade of ore processed and gold recovery rates in the period.

Management believes this information is useful to investors because this measure is considered to be a key indicator of a company's ability to generate operating earnings and cash flow from its mining operations. This data is furnished to provide additional information and is a non-GAAP and non-IFRS measure that does not have any standardized meaning prescribed by GAAP or IFRS. It should not be considered in isolation as a substitute for measures of performance prepared in accordance with IFRS, and is not necessarily indicative of operating costs presented under IFRS. The following table reconciles these non-GAAP measures to the consolidated financial statements.

	Three month period ended 30 September		**Nine month period ended 30 September**	
	2021	2020	**2021**	2020
Cost of sales	**$7,764**	$6,661	**$22,837**	$18,482
Less:				
Depreciation	**790**	564	**2,375**	1,646
Cash costs	**$6,974**	$6,097	**$20,462**	$16,836
Ounces of gold produced	***6,276***	*5,540*	***17,829***	*15,516*
Total cash costs per ounce produced	**$1,111/oz**	$1,101/oz	**$1,148/oz**	$1,085/oz
Total cash costs plus:				
Administration expenses [1]	**$780**	$533	**$1,979**	$1,553
Mine closure accretion	**126**	107	**378**	319
Right-of-use liabilities accretion	**232**	159	**604**	455
Exploration expenses	**96**	78	**206**	150
Capital Leases payments	**204**	259	**612**	552
Capital expenditure	**736**	565	**1,458**	980
Total all-in sustaining costs (AISC)	**$9,148**	$7,798	**$25,699**	$20,845
Ounces of gold produced	***6,276***	*5,540*	***17,829***	*15,516*
Total all-in sustaining costs per ounce produced	**$1,458/oz**	$1,408/oz	**$1,441/oz**	$1,343/oz

Note: All $ amounts (except $/oz) are in thousands of dollars ($000's)

[1.] Excluding expenses related to the negotiations with COFIDE.