

**Minera IRL Limited**  
("Minera" or "the Company")

Interim Results for the six month period ended 30 June 2008

Minera IRL Ltd (AIM: MIRL), a company focused on the operation and development of gold mines in Latin America, is pleased to announce its interim results for the six months ended 30 June 2008. This is also the first financial report as a profitable mining company with Minera's first gold mine Corihuarmi having begun production in March 2008.

Highlights are as follows

- Gold produced to 30 June 2008 20,987 ounces
- Cash operating cost to 30 June 2008 was US\$159 per ounce
- Sales revenue to 30 June 2008 US\$16.6 million; operating profit US\$7.9 million
- Gold produced to mid September has exceeded the entire 2008 budget of 36,797 ounces
- Cash balance of US\$6.6 million at 30 June 2008; over US\$11 million by mid September 2008

Executive Chairman Courtney Chamberlain said: "We are extremely pleased with the performance of our Corihuarmi Gold Mine. Minera has exceeded all production targets at a low cost per ounce. Our strong cash flow and demonstrated success in developing a gold mine in South America places Minera IRL Ltd in an excellent position to grow. Our mergers and acquisitions team is extremely busy assessing opportunities and our strategy remains to develop additional precious metal mines in Latin America."

The Company is poised to commence drilling at Corihuarmi and in its major Ollachea exploration project in Southern Peru which was acquired from Rio Tinto. In September the company also signed an Option Agreement with the Central Cooperatives of the Rinconada Mine for the 5,400 ha Ananea Project in the emerging gold belt in the Puno District of southern Peru.

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## CHAIRMAN'S STATEMENT

The first half of 2008 has been a momentous period for Minera IRL. With the commissioning of the Corihuarmi Gold Mine your Company has emerged as a profitable gold producer, with increasing cash reserves and a strong shareholder following. We are now well positioned to grow and prosper.

Gold production for the period to 30 June 2008 was 20,987 ounces, of which 18,546 fine ounces of gold were sold. This together with minor silver credits resulted in revenue for the period of US\$16.6 million. After deducting the cash operating costs of the mine of US\$3.3 million, exploration expenses of US\$489,000 and corporate G&A costs of US\$2.3 million, along with company wide depreciation, left an operating profit of US\$7.9 million. The cash balance on 30 June was US\$6.6 million.

The Corihuarmi Gold Mine, located in the Andes Mountains of central Peru, began production on schedule, nine months after the start of construction. The first gold bars were poured on 15 March 2008 and within six months the mine had surpassed the entire 2008 production budget of 36,797 ounces. There have been a number of factors that have influenced this success. The process being applied, heap leaching, and the project design have proved highly successful, and the mine and treatment tonnage have exceeded budget during every operating month. Metallurgical performance has yielded good gold extraction from the heap. The greatest single factor however, has been the performance of the ore body itself, with gold grade from the Diana outcrop, where initial mining has taken place, proving significantly higher than the ore reserves. Ore mined from start-up through the end of June averaged a grade of 2.71 grams per tonne compared to the reserve for that zone of 1.89 grams per tonne, which is 43% above expectations.

Corihuarmi operating costs have also been very gratifying. Below budget cash costs due to lower waste mining requirements and low reagent consumption, coupled with the higher gold production, resulted in a cash operating cost of only US\$159 per ounce through the end of June. This compares to gold sales for the period of US\$896 per ounce giving an excellent margin.

Although, as expected, the grade is reducing as mining progresses deeper at Diana, results for the third quarter remain very positive. By mid-September cash reserves exceeded US\$11 million. The outlook for the Corihuarmi Mine is very good. Assuming that the better than expected grades persist (and there is no reason to believe that they will not), this augurs well for extending the mine life by including mineralization that was originally thought to be sub-economic as well as integrating material in resource that has not been properly quantified into the reserve category. Exploration in the immediate mine area has recommenced with initial positive results. A new life-of-mine plan is in preparation and will be completed later in the year.

Capital cost for Corihuarmi totalled nearly US\$20 million compared to the budget of US\$16.6 million, an over expenditure of approximately 20%. Much of this was the result of the industry wide experience of rapidly escalating costs brought about by higher petroleum prices and escalating costs of mining equipment due to high demand and tight supply.

Exploration at the major Ollachea Project in southern Peru, which was acquired from Rio Tinto, continues to ramp up and drilling has commenced using two rigs. The exploration

portfolio has also been consolidated by dropping less promising projects and replacing them with new exploration opportunities. A very large block of ground, some 15,400 ha, has been acquired from Barrick close to Ollachea. An important deal has also been done on a very interesting new exploration project, known as Ananea, in the emerging gold belt in Puno, southern Peru. This is close to the Rinconada mine where local miners are reported to be producing around 60,000 ounces per year from bedding-parallel shear-hosted quartz vein systems.

There have been great strides in building our shareholder base following the IPO and listing on AIM in April 2007. After a successful listing on the Lima Ventures Exchange in December 2007 we were invited to become a member of the main board of the Lima Stock Exchange in June 2008. Keen interest has been shown by South American investors and the shareholder base has increased to over 1,000 with good liquidity. Our share price has preformed satisfactorily notwithstanding difficult market conditions.

Following the surge in gold price to over \$1,000 per ounce in March 2008 (at which point fortuitously, the first bar was poured at the Corihuarmi Mine), the price has fallen back somewhat, but still remains strong. The past couple of years have once again proved gold to be a safe haven in times of economic uncertainty. Another fundamental reason for a strong gold price relates to problems within the international gold mining industry itself. Many of the great gold mines are maturing and operating costs are escalating rapidly. New mine gold production is falling with few new discoveries and developments to replace them. We expect that these forces of supply and demand will increasingly work in favour of a strong gold price.

Peru remains a very attractive country for mining. The geology is impressive with the potential for many more discoveries. Peru has a well established mining culture and sound mining law. We have received strong support from government authorities in fulfilling the permitting and statutory requirements to bring Corihuarmi on line, and I would like to extend my appreciation to the professional people in all the government departments that have assisted us.

Minera IRL is now in an excellent position to grow. We have a strong cash flow and have demonstrated success in working with local communities, with permitting regulations, and in developing a regional mine under difficult logistical conditions. Our mergers and acquisitions team is extremely busy assessing opportunities and our strategy remains to develop additional precious metal mines in Latin America.

Our success would not have been possible without our experienced Board of Directors and our highly qualified executive management team. We have been most fortunate to assemble an outstanding operating team at Coriharmi with a focus on productivity and efficiency. Our people have done our shareholders proud and I wish to thank them all. I also wish to thank our long standing shareholders for supporting us during the uncertain times of building a mining company, and I am so pleased that they are now sharing in our success. I would also like to extend a warm welcome to our many new shareholders.

Courtney Chamberlain  
Executive Chairman  
Minera IRL Limited

29 September 2008

# Minera IRL Limited

## Consolidated Income Statement

	6 months ended 30 June 2008 (unaudited) US\$'000	6 months ended 30 June 2007 (unaudited) US\$'000	Year ended 31 December 2007 (audited) US\$'000
Revenue	16,625	-	-
Cost of sales	(5,905)	-	-
<b>Gross profit</b>	<u>10,720</u>	<u>-</u>	<u>-</u>
Administration expenses	(2,350)	(3,789)	(6,262)
Exploration costs written off	(489)	(656)	(4,104)
<b>Operating profit/(loss)</b>	<u>7,881</u>	<u>(4,445)</u>	<u>(10,366)</u>
Financial income	29	267	578
Financial expenses	(120)	(88)	(199)
<b>Net financial income/(expense)</b>	<u>(91)</u>	<u>179</u>	<u>379</u>
<b>Profit/(loss) before and after tax</b>	<u>7790</u>	<u>(4,266)</u>	<u>(9,987)</u>
<b>Profit/(loss) for the period</b>	<u>7,790</u>	<u>(4,266)</u>	<u>(9,987)</u>
<b>Profit/(loss) per ordinary share (US cents)</b>			
Basic	<u>12.6</u>	<u>(9.4)</u>	<u>(18.4)</u>
Diluted	<u>10.8</u>	<u>(9.4)</u>	<u>(18.4)</u>

# Minera IRL Limited

## Consolidated Balance Sheet

	As at 30 June 2008 (unaudited) US\$'000	As at 30 June 2007 (unaudited) US\$'000	As at 31 December 2007 (audited) US\$'000
<b>Assets</b>			
Property, plant and equipment	24,761	9,328	19,617
Intangible assets	2,838	3,426	1,654
Trade and other receivables	5	1,767	-
<b>Total non-current assets</b>	<u>27,604</u>	<u>14,521</u>	<u>21,271</u>
Other receivables and prepayments	8,964	590	3,550
Inventory	420	-	28
Cash and cash equivalents	6,590	19,803	5,241
<b>Total current assets</b>	<u>15,974</u>	<u>20,393</u>	<u>8,819</u>
<b>Total assets</b>	<u>43,578</u>	<u>34,914</u>	<u>30,090</u>
<b>Equity</b>			
Share capital	41,458	41,387	41,423
Foreign currency reserve	129	129	129
Share option reserve	971	68	543
Profit and loss account	(10,731)	(12,800)	(18,521)
<b>Total equity</b>	<u>31,827</u>	<u>28,784</u>	<u>23,574</u>
<b>Liabilities</b>			
Interest bearing loans	6,000	3,000	3,000
Provisions	1,700	-	500
Other long term liabilities	19	-	43
<b>Total non-current liabilities</b>	<u>7,719</u>	<u>3,000</u>	<u>3,543</u>
Trade and other payables	4,032	3,130	2,973
<b>Total current liabilities</b>	<u>4,032</u>	<u>3,130</u>	<u>2,973</u>
<b>Total liabilities</b>	11,751	6,130	6,516
<b>Total equity and liabilities</b>	<u>43,578</u>	<u>34,914</u>	<u>30,090</u>

## 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
<b>Balance 1 January 2007</b>	<b>14,363</b>	<b>129</b>	-	<b>(8,534)</b>	<b>5,958</b>
Issue of share capital	28,514	-	-	-	28,514
Cost of raising share capital	(1,490)	-	-	-	(1,490)
Loss for the period to 30 June 2007	-	-	-	(4,266)	(4,266)
Reserve for share option costs	-	-	68	-	68
<b>Balance 30 June 2007</b>	<b>41,387</b>	<b>129</b>	<b>68</b>	<b>(12,800)</b>	<b>28,784</b>
<b>Balance 1 July 2007</b>	<b>41,387</b>	<b>129</b>	<b>68</b>	<b>(12,800)</b>	<b>28,784</b>
Issue of share capital	36	-	-	-	36
Loss for the period to 31 December 2007	-	-	-	(5,721)	(5,721)
Reserve for share option costs	-	-	475	-	475
<b>Balance 31 December 2007</b>	<b>41,423</b>	<b>129</b>	<b>543</b>	<b>(18,521)</b>	<b>23,574</b>
<b>Balance 1 January 2008</b>	<b>41,423</b>	<b>129</b>	<b>543</b>	<b>(18,521)</b>	<b>23,574</b>
Issue of share capital	35	-	-	-	35
Profit for the period to 30 June 2008	-	-	-	7,790	7,790
Reserve for Share Option Costs	-	-	428	-	428
<b>Balance 30 June 2008</b>	<b>41,458</b>	<b>129</b>	<b>971</b>	<b>(10,731)</b>	<b>31,827</b>

## Minera IRL Limited

### Consolidated Statement of Cash Flows

	6 months ended 30 June 2008 (unaudited) US\$'000	6 months ended 30 June 2007 (unaudited) US\$'000	Year Ended 31 December 2007 (audited) US\$'000
<b>Cash flows from operating activities</b>			
Operating profit/(loss)	7,881	(4,445)	(10,366)
Depreciation	2,162	20	53
Impairment of exploration assets	-	-	2,944
Provision for share option costs	428	68	543
Loss on disposals of assets	-	-	31
Increase in inventory	(392)	-	(28)
Increase in other receivables and prepayments	(5,419)	(1,000)	(2,193)
Increase in trade and other payables	1,035	2,245	2,131
<b>Cash flow from operations</b>	<b>5,695</b>	<b>(3,112)</b>	<b>(6,885)</b>
Net interest received/(paid)	(91)	179	379
<b>Net cash flow from operating activities</b>	<b>5,604</b>	<b>(2,933)</b>	<b>(6,506)</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	(6,106)	(3,700)	(13,553)
Acquisition of intangible assets (exploration expenditure)	(1,184)	(1,990)	(3,162)
<b>Net cash outflow from investing activities</b>	<b>(7,290)</b>	<b>(5,690)</b>	<b>(16,715)</b>
<b>Cash flows from financing activities</b>			
Net proceeds from the issue of ordinary share capital	35	27,024	27,060
Receipt of loans	3,000	-	-
<b>Net cash inflow from financing activities</b>	<b>3,035</b>	<b>27,024</b>	<b>27,060</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,349</b>	<b>18,401</b>	<b>3,839</b>
Cash and cash equivalents at beginning of the period	5,241	1,402	1,402
<b>Cash and cash equivalents at end of the period</b>	<b>6,590</b>	<b>19,803</b>	<b>5,241</b>

## **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 2007 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 a form consistent with the annual accounts and in accordance with accounting policies and standards applicable to those annual accounts.

This Interim Report has been approved for issue by the Board of Directors on 29 September 2008

### **Profit per share**

The profit per share has been calculated using the profit attributable to ordinary shareholders of US\$7,790,000 (2007: loss of 4,266,000) and the weighted average number of ordinary shares in issue during the period to 30 June 2008 of 61,857,086 (2007:45,516,661).