Interim Financial Accounts
For the Second Quarter ended 30 June 2013

All figures are in United States ("US") dollars unless otherwise noted.
References to "C$" are to Canadian dollars and to "£" are to British pound sterling.

HIGHLIGHTS

Financial

- Gold sales of 6,949 ounces of gold, up 1% (Q2 2012: 6,889 ounces) at an average realised gold price of $1,447 per ounce (Q2 2012: $1,611 per ounce)
- Revenue of $10.1 million, down 9% (Q2 2012: $11.1 million)
- EBITDA of $2.2 million, down 12% (Q2 2012: $2.5 million)
- Profit before tax of $0.5 million (Q2 2012: $1.2 million)
- Loss after tax of $0.3 million (Q2 2012: After tax profit of $0.1 million)
- Cash balance of $4.9 million at the end of the quarter (Q1 2013: $6.5 million)
- Cash flow from operations before changes in non-cash working capital was $2.0 million (Q2 2012: $3.0 million)

Operational Performance

- **Corihuarmi, Peru**
  - Gold production from the Corihuarmi Gold Mine of 6,633 ounces (Q2 2012: 6,688 ounces). Lower grade was offset by an increase in tonnes mined and treated
  - Site cash operating costs of $653 per ounce, a significant decrease from the $726 per ounce reported in the first quarter of 2013, but an increase from $604 per ounce in the second quarter of 2012
  - H1-2013 gold production of 12,481 ounces is in-line with full year guidance of 24,000 ounces
- **Ollachea, Peru**
  - Final public consultation with the Ollachea community received unanimous endorsement for the Environmental and Social Impact Assessment ("ESIA") and development of the Ollachea Mine. The ESIA approval process is progressing well and is expected to be completed in the second half of 2013
- **Other**
  - Amended the Macquarie Bank Finance Facility to increase the amount available by $10 million, in two separate $5 million tranches, the second tranche conditional upon receiving government approval of the ESIA
  - Agreed to an amount of $21.5 million as the total amount due by the Company to Rio Tinto Plc in connection with the final additional payment under the Mining Right Transfer Contract for Ollachea. The Company had previously estimated the liability at $21.0 million. The payment will be made in separate instalments over the next 24 months with up to 80% payable in ordinary shares at the Company's option

CHAIRMAN'S STATEMENT

Operational performance for the quarter ended 30 June 2013 exceeded management's expectations, despite declining grades at our Corihuarmi Gold Mine and a weaker gold price environment. Excellent progress was made on the permitting of the Ollachea Project, our cornerstone project in Peru.

During the second quarter of 2013, gold production from the Corihuarmi Gold Mine in Peru was 6,633 ounces, 13% higher than production of 5,848 ounces in the previous quarter, and very similar to production in the second quarter of 2012. As forecasted, the average grade of ore treated during the quarter declined to 0.43 grams of gold per tonne of ore ("g/t Au") from 0.51g/t Au a year ago. The decline in grade has been offset by higher throughput allowing us to maintain gold production levels. Gold production in the first half of 2013 was 12,481 ounces, in-line with our full-year guidance of 24,000 ounces.

Site operating cash costs averaged $653 per ounce during the second quarter of 2013, a significant decrease from the $726 per ounce reported in the first quarter of 2013, but an increase from $604 per ounce in the second quarter of 2012. The quarter-over-quarter decrease in unit production costs is a result of higher gold production relative to the prior period.

During the quarter, 6,949 ounces of gold were sold at an average realized price of $1,447 per ounce for revenue of $10.1 million. Cash flow from operations before changes in non-cash working capital was $2.0 million. Earnings before interest, taxes, depreciation and amortization ("EBITDA") were $2.2 million and profit before taxes was $0.5 million. On an after-tax basis, a loss of $0.3 million was recorded, a decline from a profit of $0.1 million in the second quarter of 2012, but an improvement over an after-tax loss of $1.1 million in the first quarter of 2013. The Company's cash and cash equivalents balance was $4.9 million at the end of the quarter.

Efforts continued to restrict discretionary spending programs and further cost reduction programs were implemented.

At our Ollachea Gold Project, excellent progress continues to be made towards receiving government approval of our Environmental and Social Impact Assessment ("ESIA") report. In May 2013, authorities held the final public consultation with the Community of Ollachea and the ESIA and the development of the Ollachea Mine were unanimously endorsed. We continue to expect government approval of the ESIA during the second half of 2013, which is the next major milestone for the project on the path to production. Upon ESIA approval, we plan to immediately move forward with the application for the construction permit, which is also a significant near-term milestone. In parallel with the permitting activities, we continue to advance project financing discussions.

The 1,234 metre production sized exploration drive at Ollachea that was completed during the first quarter of 2013 continues to be maintained and monitored. As reported, mining of the tunnel was highly successful with ground conditions and advance rate proving better than expected. Monitoring since completion has demonstrated very stable rock conditions, negligible deformation and very little water inflow. This tunnel also provided access for exploration of the eastern strike extent of the Minapampa Zone where three diamond drill holes showed that a single, wide, high grade zone extends for at least another 320 metres to the east providing high potential for a significant increase in easily accessible resource with more drilling.

The Patagonia generative exploration program has been focused on three new epithermal vein systems that are all in close proximity to the future Don Nicolás mine infrastructure. Following positive outcrop sampling results on the Paula Andrea, Cecilia and Goleta vein fields, trench sampling has been carried out at Paula Andrea and Goleta. Geological mapping of these trenches has been encouraging and assay results are pending.

In Argentina, negotiations are well advanced to finance the development of Don Nicolás from Argentina-based sources of capital. Don Nicolás is fully permitted and available for immediate development once project financing is in place.

I continue to believe that the fundamentals remain favourable for a recovery from the recent gold price slump leading to a sustainable high gold price environment. Factors working in favour of a higher gold price include the ongoing debasement of global currencies, the continued bulk purchases of gold by central banks and retail buying in the Far East, particularly China and India. In the current gold price environment, only robust projects with low operating costs and manageable capital cost are likely to be developed The projected low cost of production and manageable capital estimates for both Ollachea and Don Nicolás fit these criteria, which continues to underpin the investment thesis for Minera IRL.

Our team continues to do an outstanding job and I thank them for their efforts and contributions. Mr Ken Judge did not stand for re-election as a Director of the Company at our recent Annual General and Special Meeting of Shareholders. Ken, the former CEO of Hidefield Gold, our entrance into Patagonia, made substantial contributions over the years and I wish to express my sincere thanks for his efforts. I also wish to thank our loyal shareholders for their continuing support and patience during these challenging times. Management remains dedicated to unlocking the very substantial shareholder value contained in our portfolio of high quality next generation gold mines and exploration projects.

Courtney Chamberlain
Executive Chairman
Minera IRL Limited August 14, 2013

NOTICE TO READER

The accompanying unaudited interim consolidated financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Minera IRL Limited

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Unaudited - Expressed in thousands of United States Dollars, except per share amounts)

		Three Months Ended		Six Months Ended	
	Notes	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
Revenue		$ 10,073	$ 11,111	$ 19,314	$ 22,184
Cost of sales		(7,449)	(7,052)	(14,194)	(12,762)
Gross profit		2,624	4,059	5,120	9,422
Administration		(1,721)	(2,122)	(3,725)	(4,212)
Exploration and evaluation		(52)	(83)	(125)	(178)
Share based payments	12	(33)	(565)	(33)	(565)
Gain on disposal of available-for-sale investments		(8)	4	20	4
Operating profit		810	1,293	1,257	4,471
Finance income		1	46	2	59
Finance expense		(293)	(97)	(564)	(193)
Profit before tax	4	518	1,242	695	4,337
Income tax expense		(768)	(1,127)	(2,051)	(2,526)
(Loss) profit for the period attributable to the equity equity shareholders of the parent		$ (250)	$ 115	$ (1,356)	$ 1,811
Retranslation of foreign operations		-	(931)	-	(824)
Loss on revaluation of available-for-sale investments		-	(142)	-	(253)
Recycled on disposal of available-for-sale investments		-	(24)	(20)	(24)
Total comprehensive (loss) income		$ (250)	$ (982)	$ (1,376)	$ 710
(Loss) earnings per share (US cents)					
Basic	10	(0.1)	0.1	(0.8)	1.2
Diluted	10	(0.1)	0.1	(0.8)	1.2

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Minera IRL Limited

Condensed Interim Consolidated Statements of Financial Position

(Unaudited - Expressed in thousands of United States Dollars)

	Notes	June 30, 2013	December 31, 2012
Assets			
Property, plant and equipment	9	$ 16,980	$ 17,986
Intangible assets	8	170,292	159,359
Available-for-sale investments	5	11	183
Deferred tax assets		814	654
Other receivables and prepayments	6	13,796	13,266
Total non-current assets		201,893	191,448
Inventory	7	3,412	3,486
Other receivables and prepayments	6	2,649	2,917
Cash		4,925	6,246
Total current assets		10,986	12,649
Total assets		$ 212,879	$ 204,097
Equity			
Share capital	12	$ 148,036	$ 134,163
Foreign currency reserve		231	231
Share option reserve	12	1,738	1,705
Revaluation reserve		-	20
Retained earnings		11,525	12,881
Total equity attributable to equity shareholders of the parent		161,530	149,000
Liabilities			
Trade and other payables	11	14,190	14,000
Interest bearing loans	11	-	20,000
Provisions	11	3,153	3,178
Total non-current liabilities		17,343	37,178
Trade and other payables	11	14,006	17,755
Interest bearing loans	11	20,000	-
Current tax		-	164
Total current liabilities		34,006	17,919
Total liabilities		51,349	55,097
Total equity and liabilities		$ 212,879	$ 204,097

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Minera IRL Limited

Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited - Expressed in thousands of United States Dollars, except share amounts)

	Notes	Share capital: Number of Shares	Share capital: Amount	Reserves: Share option	Reserves: Revaluation	Reserves: Foreign currency	Retained earnings	Total equity
Balance at 1 January 2012		**119,582,884**	**$ 100,752**	**$ 1,917**	**$ 328**	**$ 231**	**$ 8,751**	**$ 111,979**
Profit for the period		-	-	-	-	-	1,811	1,811
Loss on available-for-sale investments		-	-	-	(277)	-	-	(277)
Retranslation of foreign operations		-	-	-	-	(824)	-	(824)
Total comprehensive income		-	-	-	(277)	(824)	1,811	710
New share capital subscribed	12	29,260,000	33,363	-	-	-	-	33,363
Cost of raising share capital	12	-	(2,146)	-	-	-	-	(2,146)
Issuance of share options	12			565				565
Share options exercised	12	3,060,000	2,201	(909)	-	-	909	2,201
Balance at 30 June 2012		**151,902,884**	**$ 134,170**	**$ 1,573**	**$ 51**	**$ (593)**	**$ 11,471**	**$ 146,672**
Profit for the period		-	-	-	-	-	1,522	1,522
Gain on available-for-sale investments		-	-	-	3	-	-	3
Recycled on disposal of available-for-sale investments		-	-	-	(34)	-	-	(34)
Retranslation of foreign operations		-	-	-	-	824	-	824
Total comprehensive income		-	-	-	(31)	824	1,522	2,315
Cost of raising share capital	12	-	(7)	-	-	-	-	(7)
Issuance of share options	12	-	-	20	-	-	-	20
Share options exercised	12	-	-	112	-	-	(112)	-
Balance at 31 December 2012		**151,902,884**	**$ 134,163**	**$ 1,705**	**$ 20**	**$ 231**	**$ 12,881**	**$ 149,000**
Loss for the period		-	-	-	-	-	(1,356)	(1,356)
Recycled on disposal of available-for-sale investments		-	-	-	(20)	-	-	(20)
Total comprehensive income		-	-	-	(20)	-	(1,356)	(1,376)
New share capital subscribed	12	21,775,000	15,504	-	-	-	-	15,504
Cost of raising share capital	12	-	(1,631)	-	-	-	-	(1,631)
Issuance of share options	12	-	-	33	-	-	-	33
Balance at 30 June 2013		**173,677,884**	**$ 148,036**	**$ 1,738**	**$ -**	**$ 231**	**$ 11,525**	**$ 161,530**

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Minera IRL Limited

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited - Expressed in thousands of United States Dollars)

	Three Months Ended		Six Months Ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
OPERATING ACTIVITIES				
Operating profit	$ 810	$ 1,293	$ 1,257	$ 4,471
Items not affecting cash:				
Depreciation	1,418	1,225	2,831	2,380
Share based payments	33	565	33	565
Provision for mine closure costs	(1)	51	16	72
Profit on disposal of available-for-sale investments	-	(22)	(28)	(22)
Revaluation of available-for-sale investments	8	8	8	18
Changes in non-cash working capital items:				
(Increase) decrease in inventory	641	(129)	74	13
(Increase) decrease in other receivables and prepayments	875	1,076	(30)	(543)
Increase (decrease) in trade and other payables	541	2,371	(4,059)	(1,248)
Payment of mine closure costs	(23)	-	(41)	-
Corporation tax paid	(572)	(2,264)	(2,606)	(4,072)
	3,730	4,174	(2,545)	1,634
Finance income received	1	13	2	26
Finance expense paid	(293)	(97)	(564)	(193)
Net cash provided by (used in) operating activities	3,438	4,090	(3,107)	1,467
INVESTING ACTIVITIES				
Disposal of available-for-sale investments	-	39	171	39
Acquisition of property, plant and equipment	(1,065)	(850)	(1,884)	(1,254)
Deferred exploration and development expenditures	(3,872)	(11,883)	(10,374)	(21,037)
Net cash used in investing activities	(4,937)	(12,694)	(12,087)	(22,252)
FINANCING ACTIVITIES				
Proceeds from the issue of ordinary share capital	-	-	15,504	33,363
Cost of raising share capital	(45)	(8)	(1,631)	(2,146)
Share options exercised	-	2,201	-	2,201
Net provided by (used in) financing activities	(45)	2,193	13,873	33,418
Change in cash	(1,544)	(6,411)	(1,321)	12,633
Cash at beginning of period	6,469	30,285	6,246	11,134
Exchange rate movements	-	(931)	-	(824)
Cash at end of period	$ 4,925	$ 22,943	$ 4,925	$ 22,943
Cash and cash equivalents consists of:				
Cash	$ 4,925	$ 22,943	$ 4,925	$ 22,943
Short-term investments	-	-	-	-
	$ 4,925	$ 22,943	$ 4,925	$ 22,943

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Note 1 – Nature and Continuance of Operations

Minera IRL Limited (the "Company") is registered in Jersey and its registered office is at Ordnance House, 31 Pier Road, St. Helier, Jersey.

The principal activity of the Company and its subsidiaries is the exploration for and development of mines for the extraction of metals.

These condensed interim consolidated financial statements of the Company for the three and six month periods ended 30 June 2013 comprise the Company and its subsidiaries (together referred to as the "Group").

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future.

At 30 June 2013, the Company had a working capital deficit of $23,020,000. Current liabilities at 30 June 2013 included a $20,000,000 interest bearing loan provided by Macquarie Bank Limited with a maturity date of 30 June 2014. The current liabilities also included the current portion of the amount due to Rio Tinto Plc under the Mining Right Transfer Contract for the Ollachea property. Under the Mining Right Transfer Contract, $21,500,000 is due to Rio Tinto Plc over a 24 month period, with $7,310,000 due in October 2013. Up to 80% of the payments can be settled in ordinary shares of Minera IRL Limited at the Company's election.

Having taking into account the balance of cash at 30 June 2013, the required payment dates of certain current liabilities, ongoing positive cash flows from the Corihuarmi mine, the additional $10 million secured under its Macquarie Bank Finance Facility and the ability to manage expenditure, the Directors consider that the Company has sufficient financial resources available to allow fundraising initiatives to be progressed for the funding of the Ollachea project and refinancing or renegotiation of the existing Macquarie facilities due for repayment in June 2014. However, there are risks associated with the operation of a mine and the development and financing of new mining operations, which may give rise to the possibility that additional working capital may be required. Specifically, the Ollachea and Don Nicolás Projects, which both have positive feasibility studies completed, will require additional funding to construct. However, the Directors are confident that existing facilities can be renegotiated and such further sources of finance that may be necessary can be secured in the required timescale and on this basis have adopted the going concern basis of preparation.

However, 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. No adjustments that would result from the going concern basis of preparation being inappropriate have been made in the preparation of the financial statements.

These condensed interim consolidated financial statements were approved for issue by the Board of Directors on 14 August 2013.

Note 2 – Basis of Preparation

The financial information contained in these condensed interim consolidated financial statements 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.

Note 2 – Basis of Preparation (continued)

These condensed interim consolidated financial statements have been prepared by management and reported in thousands of United States dollars in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") as adopted for use within the European Union and applicable to the preparation of interim financial statements, including International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") and have been prepared following the same accounting policies and method of computation as the annual Financial Statements for the year ended 31 December 2012. The disclosures provided below are incremental to those included with the annual Financial Statements. Certain information and disclosures normally included in the notes to the annual Financial Statements have been condensed or have been disclosed on an annual basis only. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual Financial Statements for the year ended 31 December 2012, which have been prepared in accordance with IFRS as issued by the IASB.

The accounting policies applied in these condensed interim consolidated financial statements are based on IFRS expected to be effective for the year ended 31 December 2013.

Note 3 – Key Management Compensation

	Salary & fees ($)	Bonus ($)	Other Benefits ($)	Share Based Payments ($)	Total ($)
30 June 2013					
Directors:					
C Chamberlain	250	-	11	-	261
D Jones	12	-	-	-	12
K Judge	12	-	-	-	12
G Ross	12	-	-	-	12
N Valdez Ferrand	12	-	-	-	12
Directors total	298	-	11	-	309
Non-Directors:	740	-	207	24	971
TOTAL	1,038	-	218	24	1,280

	Salary & fees ($)	Bonus ($)	Other Benefits ($)	Share Based Payments ($)	Total ($)
30 June 2012					
Directors:					
C Chamberlain	219	-	21	73	313
D Jones	22	-	-	25	47
K Judge	22	-	-	25	47
G Ross	22	-	-	25	47
N Valdez Ferrand	22	-	-	25	47
Directors total	307	-	21	173	501
Non-Directors:	831	-	186	303	1,320
TOTAL	1,138	-	207	476	1,821

(Unaudited – Expressed in thousands of United States Dollars)

Note 4 – Profit Before Tax

	30 June 2013 ($)	30 June 2012 ($)
Auditor's remuneration:		
Audit of group financial statements	**30**	38
Fees payable to the Company's auditor and its associates in respect of:		
The auditing of accounts of associates of the Company pursuant to legislation	**-**	-
Taxation services	**1**	-
Corporate finance services	**-**	-
Foreign exchange loss (gain)	**185**	(6)

Note 5 – Available-for-Sale Investments

Available-for-sale investments consisted of 398,224 common shares of Alturas Minerals Corp. and have been valued at the market price of C$0.03 per share as quoted on the TSX Venture Exchange on 30 June 2013.

At 31 December 2012, available-for-sale investments consisted of 493,434 common shares of Columbus Gold Corp., 398,224 common shares of Alturas Minerals Corp. and 397,520 common shares of Alix Resources Corp. and have all been valued at their respective market prices as quoted on the TSX Venture Exchange.

Note 6 – Other Receivables and Prepayments

	30 June 2013 ($)	31 December 2012 ($)
Non-current assets		
Other receivables	**13,796**	13,266
Current assets		
Other receivables	**2,152**	2,032
Prepayments	**497**	885
	2,649	2,917

Included in other receivables and prepayments is an amount of $14,767,000 (2012: $14,792,000) relating to sales tax paid on the purchase of goods and services in Peru and Argentina. This balance is expected to be fully recovered in due course against the revenue earned from exploitation of the respective projects. Included in the sales tax recoverable is an amount of $13,796,000 (2012: $13,178,000) relating to purchases for the Ollachea and the Don Nicolás projects, which is not expected to be recovered in the next twelve month period and has therefore been included in non-current assets.

(Unaudited – Expressed in thousands of United States Dollars)

Note 7 - Inventory

	30 June 2013 ($)	31 December 2012 ($)
Gold in process	**1,902**	2,117
Mining materials	**1,510**	1,369
	3,412	3,486

Note 8 – Intangible Assets

	Ollachea ($)	**Don Nicolás ($)**	**Other Peru ($)**	**Other Argentina ($)**	**Total ($)**
Balance – 1 January 2012	51,256	22,957	6,671	7,590	88,474
Additions	56,299	10,540	1,026	3,020	70,885
Balance – 31 December 2012	107,555	33,497	7,697	10,610	159,359
Additions	8,717	1,854	132	230	10,933
Transfers	-	-	(246)	246	-
Balance - 30 June 2013	**116,272**	**35,351**	**7,583**	**11,086**	**170,292**

Note: The Ollachea property includes $21,500,000 provided in respect of further payments to Rio Tinto Plc. See note 11, "Liabilities" for more details.

The carrying values of the remaining deferred exploration costs at the period end have been assessed for indications of impairment and the results of these assessments have been sufficiently encouraging to justify the retention of the deferred exploration assets on the consolidated statements of financial position.

Ollachea will require additional permitting and both Ollachea and Don Nicolás will require significant project financing in order to bring them into production and convert them into mining assets.

(Unaudited – Expressed in thousands of United States Dollars)

Note 9 – Property, Plant and Equipment

	Mining Assets & Deferred Development Costs ($)	Land & Buildings ($)	Motor Vehicles ($)	Computers & Other Equipment ($)	Total ($)
Cost					
Balance - 1 January 2012	37,555	2,085	2,853	3,272	45,765
Additions	1,615	774	85	376	2,850
Disposals	(37)	-	(64)	-	(101)
Balance - 31 December 2012	**39,133**	**2,859**	**2,874**	**3,648**	**48,514**
Additions	1,402	308	1	285	1,996
Disposals	(20)	-	(155)	(6)	(181)
Balance – 30 June 2013	**40,515**	**3,167**	**2,720**	**3,927**	**50,329**
Accumulated Depreciation					
Balance – 1 January 2012	23,624	32	611	1,509	25,776
Depreciation for the year	3,786	57	478	494	4,815
Disposals	(27)	-	(36)	-	(63)
Balance – 31 December 2012	**27,383**	**89**	**1,053**	**2,003**	**30,528**
Depreciation for the period	2,387	20	228	255	2,890
Disposals	-	-	(69)	-	(69)
Balance - 30 June 2013	**29,770**	**109**	**1,212**	**2,258**	**33,349**
Carrying Amounts					
Balance - 1 January 2012	13,931	2,053	2,242	1,763	19,989
Balance - 31 December 2012	**11,750**	**2,770**	**1,821**	**1,645**	**17,986**
Balance – 30 June 2013	**10,745**	**3,058**	**1,508**	**1,669**	**16,980**

Note 10 – (Loss) Earnings per Share

The loss per share for the six month period ended 30 June 2013 has been calculated at $0.008 (2012: earnings per share of $0.012) using the loss for the period $1,356,000 (2012: profit of $1,811,000) and the weighted average number of ordinary shares in issue during the six month period ended 30 June 2013 of 169,226,641 (2012: 140,021,236).

Diluted earnings per share assumes that dilutive options have been converted into ordinary shares. The calculation is as follows:

	2013 Loss ($)	**2013 Number of shares (‘000)**	**2013 Loss per share (cents)**	2012 Profit ($)	2012 Number of shares (‘000)	2012 Earnings per share (cents)
Basic (loss) earnings	**(1,356)**	**169,227**	**(0.8)**	1,811	140,021	1.2
Dilutive effects-options	**-**	**-**	-	-	12	-
Diluted (loss) earnings	**(1,356)**	**169,227**	**(0.8)**	1,811	140,033	1.2

(Unaudited – Expressed in thousands of United States Dollars)

Note 11 – Liabilities

Interest Bearing Loans

At 30 June 2013, the Group had drawn $20,000,000 (31 December 2012: $20,000,000) on the interest bearing loan provided by Macquarie Bank (the “Facility”). In November 2012, the interest bearing loans were amended with the term of the loan being extended from December 31, 2012 to June 30, 2014 and the interest rate increased to LIBOR plus 5% (from LIBOR plus 3.5%). The loan is secured against the assets of the Group. In addition, other share options were granted in connection with the loan extension. See note 12, “Capital and Reserves” for more details on the other share options.

Subsequent to June 30, 2013, the Facility was amended to increase the amount available by $10,000,000, in two separate $5,000,000 tranches (“Tranche 3” and “Tranche 4”), increasing the total amount available under the Facility to $30,000,000. The Facility interest rate remains LIBOR plus a 5.0% margin; however, as a condition of drawing down on each additional $5,000,000 tranche a 0.5% gross revenue royalty on gold production from the Company’s Ollachea gold project for the life of mine will be granted to Macquarie Bank (the “Macquarie Royalty”). Once granted, the Company would have the right to buyback and cancel each tranche of the Macquarie Royalty by paying a buyback fee (the “Buyback Fee”). The Buyback Fee would be calculated as the amount required to generate an internal rate of return (“IRR”) to Macquarie Bank of 25% for each tranche, but shall not be less than $2,500,000 for each tranche. The IRR would be calculated using the actual drawdown and actual repayment of each tranche, the upfront fee paid (1.5% of each tranche, payable on drawdown), the interest payments associated with each tranche paid and any payments made under the Macquarie Royalty.

A condition precedent to Tranche 4 being made available is the government approval of the Environmental and Social Impact Assessment (“ESIA”) required for the development of the Ollachea gold project. Approval of the ESIA is expected during the second half of 2013. The $10,000,000 available under Tranches 3 and 4 is subject to an undrawn line fee of 2% per annum.

Provisions

The Group has made a provision of $3,153,000 against the present value of the cost of restoring the Corihuarmi site and the Ollachea exploration tunnel site to its original condition. This provision is an estimate of the cost of reversing the alterations to the environment which had been made up until 30 June 2013. The timing and cost of this rehabilitation is uncertain and dependent upon the duration of the mine life and the quantity of ore which will be extracted from the mine. At present time, it is estimated that the remaining mine life at Corihuarmi is approximately two years. Further, it is currently estimated that the rehabilitation of the Ollachea exploration tunnel to begin in 11 years based on the time to develop and the projected mine life.

	Environmental Provisions ($)
Balance - 1 January 2012	2,443
Additional provision	789
Paid during the year	(54)
Balance - 31 December 2012	3,178
Accretion expense	16
Paid during the period	(41)
Balance - 30 June 2013	**3,153**

(Unaudited – Expressed in thousands of United States Dollars)

Note 11 – Liabilities (continued)

	30 June 2013 ($)	31 December 2012 ($)
Trade and other payables		
Non-current		
Other payables [1]	**14,190**	14,000
Current		
Trade payables	**6,696**	8,090
Other payables [1]	**7,310**	9,665
	14,006	17,755

[1] Subsequent to 30 June 2013, the Company and Rio Tinto Plc agreed to an amount of $21,500,000 as the amount due by the Company to Rio Tinto Plc in connection with the second and final additional payment under the Mining Right Transfer Contract for the Ollachea property. The payment will be made in three separate instalments. The first instalment, representing 34% of the amount due, $7,310,000, is payable within 90 days of agreeing to the amount due (October 2013); the second instalment, representing 33% of the amount due, $7,095,000, is payable within 12 months of agreeing to the amount due (July 2014); and, the third and final instalment, representing 33% of the amount due, $7,095,000, is payable within 24 months of agreeing to the amount due (July 2015). The second and third instalments accrue interest at an annual rate of 7% and are secured against the Ollachea mining tenements. Under the Ollachea Mining Right Transfer Contract, up to 80% of the payment can be settled in ordinary shares of Minera IRL Limited at the Company's election.

Note 12 – Capital and Reserves

As at 30 June 2013 and 31 December 2012, the Company's share capital is made up of no par shares. There is no upper limit on the value of shares to be issued.

Issued share capital	**Ordinary Shares**
Shares in issue 1 January 2012	119,582,884
Equity offering completed 5 March 2012 for total cash consideration of $33,363,376	29,260,000
Share options exercised on 2 April 2012 for total cash consideration of $1,605,500	2,230,000
Share options exercised on 12 April 2012 for total cash consideration of $595,688	830,000
Shares in issue 30 June 2012 and 1 January 2013	151,902,884
Equity offering completed 7 February 2013 for total cash consideration of $15,504,000	21,775,000
Total Shares in issue 30 June 2013	**173,677,884**

On 7 February 2013, the Company issued 21,775,000 ordinary shares at a price of $0.71 per share (equivalent to £0.45 and C$0.71 based on exchange rate at pricing) as a private placement of common shares to raise gross proceeds of C$15,504,000. A total of $1,631,000 in commissions and professional fees was paid in cash in connection with this placement.

On 2 April and 12 April 2012, the Company issued an aggregate of 3,060,000 ordinary shares at a price of £0.45 for the exercise of incentive stock options.

(Unaudited – Expressed in thousands of United States Dollars)

Note 12 – Capital and Reserves (continued)

On 5 March 2012, the Company issued 29,260,000 ordinary shares at a price of C$1.13 per share (equivalent to £0.72 based on exchange rate at pricing) as a private placement of common shares to raise gross proceeds of C$33,063,800. A total of $2,153,000 in commissions and professional fees was paid in cash in connection with this placement.

Share Options

The changes in options issued under the Share Option Plan are as follows:

	30 June 2013		31 December 2012	
	Number of Options	Weighted Average Exercise Price (£)	Number of Options	Weighted Average Exercise Price (£)
Options outstanding, beginning	**9,730,000**	**0.88**	**8,955,000**	**0.78**
Options granted	425,000	0.25	3,835,000	0.78
Options expired	(790,000)	0.62	-	-
Options exercised	-	-	(3,060,000)	0.45
Options outstanding, end	**9,365,000**	**0.88**	**9,730,000**	**0.88**
Options exercisable, end	**9,365,000**	**0.88**	**9,730,000**	**0.88**

On 17 May 2013, the Company granted a total 425,000 incentive stock options at an exercise price of £0.25 for a period of 5 years. The options vested immediately upon being granted, and they were fair valued with a Black-Scholes option pricing model using the following assumptions:

Date of Grant	17 May 2013
Share price on date of grant	£0.20
Exercise price	£0.25
Expected volatility	46%
Expected option life	3.5 yrs
Risk-free rate of return	0.48%
Expected dividends	Nil
Fair Value	£0.05

On 3 April 2012, the Company granted a total 3,485,000 incentive stock options at an exercise price of £0.81 for a period of 5 years. Additionally, the Company granted 200,000 incentive stock options at £0.59 for a period of 5 years on 14 May 2012. Finally, the Company granted 150,000 incentive stock options at £0.53 for a period of 5 years on 04 September 2012. All of the above options vested immediately upon being granted. These options were fair valued with a Black-Scholes option pricing model using the following assumptions:

Date of Grant	3 April 2012	14 May 2012	4 September 2012
Share price on date of grant	£0.65	£0.47	£0.42
Exercise price	£0.81	£0.59	£0.53
Expected volatility	30%	30%	36%
Expected option life	3.5 yrs	3.5 yrs	3.5 yrs
Risk-free rate of return	0.75%	0.75%	0.75%
Expected dividends	Nil	Nil	nil
Fair Value	£0.10	£0.07	£0.08

(Unaudited – Expressed in thousands of United States Dollars)

Note 12 – Capital and Reserves (continued)

The following table details the incentive stock options outstanding as at 30 June 2013:

Number of share options	Exercise price	Expiry date
425,000	£0.25	17 May 2018
150,000	£0.53	3 September 2017
200,000	£0.59	14 May 2017
3,485,000	£0.81	3 April 2017
2,630,000	£1.08	17 November 2015
50,000	£0.73	2 July 2015
125,000	£0.89	26 January 2015
2,300,000	£0.91	17 November 2014
9,365,000	£0.88	

Other Share Options

There were no changes in other share options during the six month period ending 30 June 2013.

	30 June 2013		31 December 2012	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding, beginning	**18,786,525**	**1.06**	**8,578,431**	**1.17**
Options granted	-	-	10,208,094	1.05
Options outstanding, end	**18,786,525**	**1.06**	**18,786,525**	**1.06**
Options exercisable, end	**18,786,525**	**1.06**	**18,786,525**	**1.06**

These options were issued as additional consideration to Macquarie Bank in connection with the interest bearing loan. (Refer to note 11)

The following table details the other share options outstanding as at 30 June 2013:

Number of share options	Exercise price	Expiry date
6,944,444	$1.08	December 31, 2014
1,633,987	$1.08	December 31, 2014
680,828	$1.08	December 31, 2014
4,672,897	$1.07	December 31, 2014
4,854,369	$1.03	December 31, 2014
18,786,525	$1.06	

Note 13 – Financial Instruments and Financial Risk Management

Financial instruments

The Group's principal financial assets comprise available-for-sale financial assets, cash and other receivables. With the exception of available-for-sale financial assets, which are recorded at fair value, all of the Group's financial assets are classified as loans and receivables and are measured at amortised cost.

The Group'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.

(Unaudited – Expressed in thousands of United States Dollars)

Note 13 – Financial Instruments and Financial Risk Management (continued)

Risk management

The Group is exposed to certain financial risks due to its business activities. The potential adverse effects of these risks are constantly assessed by the management of the Group with a view to minimising them, and the directors consider whether it is appropriate to make use of financial instruments for this purpose. The following are major financial risks which the Group is exposed to:

Exchange rate risk
The functional currency of the significant entities within the Group is deemed to be the US dollar because the revenues from the sale of metals are denominated in US dollars and the costs of the Group are likewise predominantly in US dollars. However, some transactions are denominated in currencies other than US dollars. These transactions comprise operating costs and capital expenditure in the local currencies of the countries in which the Group works.

The balances of cash held in various currencies were:

	30 June 2013 ($)	31 December 2012 ($)
Pounds sterling	**48**	72
Australian dollars	**125**	242
Canadian dollars	**330**	174
Argentine pesos	**264**	206
Chilean pesos	**1**	22
Peruvian nuevo soles	**246**	1,164
United States dollars	**3,911**	4,366
	4,925	6,246

The table below shows an analysis of net financial assets and liabilities:

	30 June 2013 ($)	31 December 2012 ($)
Pounds sterling	**(158)**	(89)
Australian dollars	**(14)**	(230)
Canadian dollars	**237**	406
Argentine pesos	**6,285**	5,791
Chilean pesos	**-**	(7)
Peruvian nuevo soles	**885**	1,605
United States dollars	**(37,203)**	(39,961)
	(29,968)	(32,485)

(Unaudited – Expressed in thousands of United States Dollars)

Note 13 – Financial Instruments and Financial Risk Management (continued)

The table below shows the profit (loss) effect on the Group's results of a 10% and 20% weakening or strengthening of the US dollar against the net monetary liabilities shown in the table above:

	30 June 2013 ($)	31 December 2012 ($)
10% weakening of the US dollar	**724**	748
20% weakening of the US dollar	**1,447**	1,495
10% strengthening of the US dollar	**(724)**	(748)
20% strengthening of the US dollar	**(1,447)**	(1,495)

Liquidity risk
Prudent management of liquidity risk implies maintaining sufficient cash and cash equivalents as well as an adequate amount of committed credit facilities. The management of the Group safeguards its cash resources and makes regular forecasts of the requirements to use those resources. If necessary the management adapt their plans to suit the resources available. As at 30 June 2013, the Company had a working capital deficit of $23,020,000.

Market price of minerals risk
The Group's business exposes it to the effects of changes in the market price of metals. Severe changes in the market price of metals may affect the recoverability of the Group's investments in its mine, exploration assets and mining rights, and of the Company's intercompany receivables.

Credit risk
The Group is exposed to credit risk in so far as it deposits cash with its banks. However, the banks used are international institutions of the highest standing. In addition, the Group is exposed to sovereign risk in so far as it is owed recoverable sales tax, as detailed in note 6, "Other Receivables and Prepayments", by the governments of the Latin American countries in which it works.

Interest rate risk
The Company has debt denominated in US dollars and is therefore exposed to movements in US dollar interest rates. This debt bears interest at 5% over LIBOR and allows for interest periods of between 30 and 180 days. A change in LIBOR of +/- 1% would not have a material effect on the financial results of the Group or the Company. It is the policy of the Group to settle trade payables within the agreed terms and no interest is incurred on those liabilities. In addition, at 30 June 2013, the Company had three annual payments related to the Ollachea gold property totalling $21,500,000 that are due between October 2013 and July 2015. The payments due in July of 2014 and 2015 accrue interest at an annual rate of 7%.

Price risk
Investments by the Group in available-for-sale financial assets expose the Group to price risk. All of the available-for-sale financial assets are valued by reference to quoted market prices. The directors do not consider this risk to be material as the Group does not have a significant portfolio of available-for-sale financial assets.

Fair values of financial assets and liabilities
The Group has performed a review of the financial assets and liabilities as at 30 June 2013 and has concluded that the fair value of those assets and liabilities is not materially different to book value.

Note 14 – Capital Commitments and Contingent Liabilities

The Group has entered into a contract with Generacion Electrica San Gaban SA for the supply of power to the construction and operation of the Ollachea project. In the event that certain minimum power usages are not achieved, then the Group is exposed to a maximum penalty of up to approximately $0.7 million.

(Unaudited – Expressed in thousands of United States Dollars)

Note 15 – Segment Reporting

IFRS 8 requires operating segments to be identified on the basis of internal reports on the performance of the managerial units of the Group to the chief operating decision maker, in this case the Executive Chairman and the Board of Directors. The Group identifies these units primarily according to the country of operations.

The Group has only two customers (2012: two). The following table sets out the income and asset allocation of the Group according to these reporting segments:

	Peru ($)	Argentina ($)	Other ($)	Total ($)
For the Six Months Ended 30 June 2013				
Revenue	19,314	-	-	19,314
Administration	(1,898)	(376)	(1,451)	(3,725)
Operating profit (loss)	3,098	(348)	(1,493)	1,257
Net profit (loss)	450	(370)	(1,436)	(1,356)
For the Six Months Ended 30 June 2012				
Revenue	22,184	-	-	22,184
Administration	(2,216)	(638)	(1,358)	(4,212)
Operating profit (loss)	7,028	(634)	(1,923)	4,471
Net profit (loss)	4,186	(634)	(1,741)	1,811

	Peru ($)	Argentina ($)	Other ($)	Total ($)
As at 30 June 2013				
Non-current assets	147,454	54,402	37	201,893
Current	9,417	983	586	10,986
Total assets	156,871	55,385	623	212,879
As at 31 December 2012				
Non-current assets	138,191	53,119	138	191,448
Current	10,367	180	2,102	12,649
Total assets	148,558	53,299	2,240	204,097

Note 16 – Related Party Transactions

During the six month period ended 30 June 2013, the Company had no related party transactions, with the exception of key management compensation as disclosed in note 3.

Note 17 – Transactions of an Unusual Nature

There were no transactions of an unusual nature during the six month period ended 30 June 2013.

Note 18 – Seasonal Influences

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

Note 19 – Subsequent Events

Payment Due to Rio Tinto Plc under the Ollachea Mining Right Transfer Contract

Subsequent to 30 June 2013, the Company and Rio Tinto Plc agreed to an amount of $21,500,000 as the total due by the Company to Rio Tinto Plc in connection with the second and final additional payment under the Mining Right Transfer Contract for the Ollachea property. The payment will be made in three separate instalments. The first instalment, representing 34% of the amount due, $7,310,000, is payable within 90 days of agreeing to the amount due (October 2013); the second instalment, representing 33% of the amount due, $7,095,000, is payable within 12 months of agreeing to the amount due (July 2014); and, the third and final instalment, representing 33% of the amount due, $7,095,000, is payable within 24 months of agreeing to the amount due (July 2015). The second and third instalments accrue interest at an annual rate of 7% and are secured against the Ollachea mining tenements. Under the Ollachea Mining Right Transfer Contract, up to 80% of the payment can be settled in ordinary shares of Minera IRL Limited at the Company's election.

Increase to Macquarie Bank Finance Facility

Subsequent to June 30, 2013, the Macquarie Bank Finance Facility (the "Facility") was amended to increase the amount available by $10,000,000, in two separate $5,000,000 tranches, increasing the total amount available under the Facility to $30,000,000. The Facility interest rate remains LIBOR plus a 5.0% margin; however, as a condition of drawing down on each $5,000,000 tranche a 0.5% gross revenue royalty on gold production from the Company's Ollachea gold project for the life of mine will be granted to Macquarie Bank (the "Macquarie Royalty"). Once granted, the Company would have the right to buyback and cancel each tranche of the Macquarie Royalty by paying a buyback fee (the "Buyback Fee"). The Buyback Fee would be calculated as the amount required to generate an internal rate of return ("IRR") to Macquarie Bank of 25% for each tranche, but shall not be less than $2,500,000 for each 0.5% gross revenue royalty. The IRR is to be calculated using the actual drawdown and actual repayment of each tranche, the upfront fee paid (1.5% of each tranche, payable on drawdown), the interest payments associated with each tranche paid and any payments made under the Macquarie Royalty.

A condition precedent to Tranche 4 being made available is the government approval of the Environmental and Social Impact Assessment ("ESIA") required for the development of the Ollachea gold project. Approval of the ESIA is expected during the second half of 2013. The $10,000,000 available under Tranches 3 and 4 is subject to an undrawn line fee of 2% per annum.

The Directors of Minera IRL are listed in the Group's Annual report for the year ended 31 December 2012.

By order of the Board

C. Chamberlain
Executive Chairman