Management's Discussion and Analysis
For the three and nine month periods ended
30 September 2023

The following Management's Discussion and Analysis, prepared as of 15 November 2023, 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 2023 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.

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 mining of precious metals. Currently, the Company trade its ordinary shares on the Canadian Securities Exchange ("CSE") and on the Bolsa de Valores de Lima ("BVL"), the Fankfurt Stock Exchange ("FWB") and the OTCQB Venture Market in the United States.

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 an NI 43-101 compliant Preliminary Economic Assessment and has received the approval of its Environmental and Social Impact Assessment ("ESIA") and construction permit from the Peruvian authorities.

Current Situation

In the third quarter of 2023, the Company continued implementing various strategic initiatives aimed at enhancing gold production, refining operational processes, upgrading critical components both at the plant and heap leach pads, and optimizing efficiencies to reduce production costs. Although the most severe impacts of the El Niño climate phenomenon have subsided, our proactive approach to managing the potential impact of heavy rainfalls remains imperative. Recognizing the potential operational risks, we continue to view our ongoing prevention plans as a critical investment.

The third quarter of 2023 has seen a notable decrease in our mine operating costs by 9% compared to the first quarter of 2023, and by 21% compared to the second quarter of 2023. A comparative table is presented below:

	Q3 2023 ($'000s)	Q2 2023 ($'000s)	Q1 2023 ($'000s)
Mine operating costs	**5,462**	6,934	6,009

This reduction in costs reflects our concerted efforts to streamline operations and achieve greater cost efficiencies.

Between January and September 2023, we shipped a total of 12,219 ounces of gold. Although our production in 2023 has been lower than in previous years, we have witnessed a steady improvement in the number of gold ounces sold in the third quarter of 2023, as shown in the table below.

	Q3 2023	Q2 2023	Q1 2023
Gold sold (ounces)	**4,482**	3,775	3,962

This increase is attributed to enhanced gold recoveries resulting from the implementation of improved blending practices and parameters in both the leach pads and the processing plant. We expect these initiatives to continue exerting a positive influence on both our current and projected monthly gold production.

The commencement of Phase II of the LH Drilling Campaign began in the final week of June 2023, targeting specific production areas. Once completed, the new information generated from the drill campaigns will be incorporated in an updated mineral resource estimate to be developed by the Australian engineering firm Mining Plus. Completion of this report is expected by the first quarter of 2024.

Our objective is to sustain the recent production levels achieved at Corihuarmi while simultaneously reducing operational costs and identifying further areas for streamlined mining operations. As we continue to augment our gold production and ensure a safe operational environment at Corihuarmi, we maintain an optimistic outlook regarding the ongoing rise in gold prices. We believe this trend will positively impact our financial standing as we advance into 2024.

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 2023 and 2022:

Operating Parameters	**Three month period ended 30 September**		**Nine month period ended 30 September**	
	2023	2022	**2023**	2022
Waste (tonnes)	**568,750**	1,078,496	**1,610,381**	2,681,988
Ore mined & stacked on heaps (tonnes)	**1,262,720**	1,165,968	**3,516,175**	3,222,250
Ore grade, mined and stacked (g/t)	**0.17**	0.24	**0.18**	0.21
Gold produced (ounces)	**4,372**	4,975	**12,072**	15,149
Gold sold (ounces)	**4,482**	5,206	**12,219**	15,522
Realized gold price ($ per ounce sold)	**$1,907**	1,633	**$1,919**	1,778
Total cash costs ($ per ounce produced) [1]	**$1,536**	1,802	**$1,808**	1,632

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

Ore mined and stacked during the third quarter of 2023 was 1,262,720 tonnes, an increase of 8% compared to the 1,165,968 tonnes mined and stacked during the third quarter of 2022. During the nine month period ended 30 September 2023 ore mined and stacked was 3,516,175 tonnes, an increase of 9% compared to the 3,222,250 tonnes mined and stacked during the same period of the prior year.

Gold production during the third quarter of 2023 decreased 12% compared to gold production during the third quarter of 2022. However, from a yearly perspective, gold production has increased quarter-on-quarter as compared to the ounces reported in the first and second quarter of 2023, by 9.7% and 17.7%, respectively. Processing operations were mainly impacted by a plant maintenance shutdown that took place in September 2023. This also provided the opportunity to upgrade certain components of the plant and the drip irrigation systems of the leach pads aimed to improve gold recoveries. During the nine-month period ended 30 September 2023, gold production decreased 20% compared to gold production during the same period last year. This decrease is explained above this paragraph.

Gold sold during the third quarter of 2023 was 4,482 ounces, a 14% decrease compared to the 5,206 ounces sold during the third quarter of 2022. However, from a yearly perspective, gold sales have increased quarter-on-quarter as compared to the ounces reported in the first and second quarter of 2023, by 13.1% and 18.7%, respectively. During the nine month period ended 30 September 2023, gold sold was 12,219 ounces a 21% decrease compared to the 15,522 ounces sold during the same period of the prior year.

The average realized gold price during the third quarter of 2023 was $1,907, a 17% increase compared to the $1,633 average gold price realized during the third quarter of 2022. During the nine month period ended 30 September 2023 the average realized gold price was $1,919, a 8% increase from the average gold price of $1,778 realized during the same period of the prior year.

Total cash costs per ounce of gold produced during the third quarter of 2023 were $1,536, 15% decrease compared to total cash costs of $1,802 per ounce of gold produced during the third quarter of 2022. During the nine month period ended 30 September 2023, total cash costs were $1,808 per ounce of gold produced, 10% higher than total cash costs of $1,632 per ounce of gold produced during the same period of the prior year.

Ollachea Project, Peru

Expenditures capitalized during the third quarter of 2023 were $0.1 million ($0.3 million during the third quarter of 2022). These expenditures were related mainly to community development and environmental costs.

No exploration activities were carried out during the third quarter of 2023. No exploration activities are planned for 2023.

The Company is currently engaged in advanced due diligence and discussions with potential parties that have expressed an interest in participating in the construction of Ollachea. The ongoing negotiations with these parties consider both traditional and alternative financing options or a strategic alliance that creates value for all stakeholders.

Summary of Quarterly Results

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

	Q4 Dec. '21	**Q1 Mar. '22**	**Q2 Jun. '22**	**Q3 Sep. '22**	**Q4 Dec. '22**	**Q1 Mar. '23**	**Q2 Jun. '23**	**Q3 Sep. '23**
Total revenue ($'000)	12,170	9,425	9,675	8,501	9,392	7,484	7,421	8,547
(Loss) Profit after-tax ($'000)	1,313	(1,082)	(3,044)	(6,762)	(5,111)	(4,198)	(4,894)	(7,775)
Total comprehensive (Loss) Income ($'000)	1,313	(1,082)	(3,044)	(6,762)	(5,111)	(4,198)	(4,894)	(7,775)
Net (Loss) Earnings per share (US cents)	0.6	(0.5)	(1.3)	(2.9)	(2.2)	(1.8)	(2.1)	(3.4)

The business of the Company is not generally subject to seasonal influences. However, our performance in 2023 was affected by the unprecedented climate phenomenon known as El Niño and the associated heavy rainfalls and flooding throughout Peru. This has led to a series of efforts focused on risk prevention in operations to avert any harmful impact on infrastructure and safety during the first and second quarters, while implementing various initiatives to optimize mining operations and boost gold production. In addition, the variation in revenue, net profit and loss are generally 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**	
	2023	2022	**2023**	2022
Revenue ($'000)	**8,547**	8,501	**23,452**	27,601
Gold sold (ounces)	**4,482**	5,206	**12,219**	15,522
Realized gold price ($ per ounce)	**$1,907**	1,633	**$1,919**	1,778
Gross (Loss) profit ($'000)	**(1,293)**	(1,186)	**101**	1,087
Loss after-tax ($'000)	**(7,775)**	(6,762)	**(16,867)**	(10,888)
Profit (Loss) per share (cents)	**(3.4)**	(2.9)	**(7.3)**	(4.7)

Results of Operations

During the third quarter of 2023, the Company reported sales revenue of $8,547,000 compared with sales revenue of $8,501,000 during the third quarter of 2022, an increase of $46,000. This 1% increase was due to the combined effect of a 17% the average price per ounce of gold sold and a 14% decrease in the number of gold ounces sold. During the nine month period ended 30 September 2023, sales revenue was $23,452,000 compared with sales revenue of $27,601,000 during the same period of the prior year, a decrease of $4,149,000. This 15% decrease was due to the combined effect of an 8% increase in the average price per ounce of gold sold and a 21% decrease in the number of gold ounces sold.

During the third quarter of 2023, the Company reported an after-tax loss of $7,775,000 compared with an after-tax loss of $6,762,000 during the third quarter of 2022. The $1,013,000 increase in losses was mainly due to a $2,479,000 decrease in gross profit, in addition to a decrease of $1,183,000 in financial expenses and an increase of $4,664,000 in income tax adjustment from previous years. During the nine month period ended September 2023, the after-tax loss was $16,867,000 compared to an after-tax loss of $10,888,000 during the same period of the prior year. The increase in losses of $5,979,000 was mainly due to a decrease of $986,000 in gross profit, an increase of $908,000 in financial expenses and an increase of $4,664,000 in income tax adjustment from previous years.

Cost of sales during the third quarter of 2023 was $7,254,000, compared with cost of sales of $9,687,000 during the third quarter of 2022, a decrease of $2,433,000. The changes between the two periods were a decrease of $2,259,000 in mine operating costs, and a decrease of $185,000 in depreciation and amortization. During the nine month period ended 30 September 2023, cost of sales was $23,351,000 compared to cost of sales of $26,514,000 during the same period last year, a decrease of $3,163,000. The changes between the two periods were a decrease of $2,336,000 in mine operating costs, in addition to a decrease of $279,000 in community and environmental costs, a $258,000 decrease in depreciation and amortization, and a $238,000 decrease in other costs. The Company plans to implement additional measures to continue optimizing operations and further reduce operating costs so far this year. Below is a period-by-period comparison of cost of sales.

Breakdown of Cost of Sales

	Three month period ended 30 September		**Nine month period ended 30 September**	
	2023 ($'000s)	2022 ($'000s)	**2023 ($'000s)**	2022 ($'000s)
Mine operating costs	**5,462**	7,721	**18,405**	20,741
Depreciation and amortization	**537**	722	**1,526**	1,784
Community and environmental costs	**745**	740	**2,098**	2,377
Other Costs (royalties and taxes, selling expense, other)	**510**	504	**1,322**	1,612
Total	**7,254**	9,687	**23,351**	26,514

Breakdown of Administration Expenses

Administration expenses during the third quarter of 2023 were $1,955,000, compared with administration expenses of $1,800,000 during the third quarter of 2022, an increase of $155,000. There were no significant changes between the two periods. During the nine month period ended 30 September 2023, administration expenses were $4,329,000 compared with $4,637,000 during the same period of the previous year, a decrease of $308,000. There were no significant changes between the two periods. A period-over-period comparison for the administration expenses is provided in the table below.

	Three month period ended 30 September		**Nine month period ended 30 September**	
	2023 ($'000s)	2022 ($'000s)	**2023 ($'000s)**	2022 ($'000s)
Depreciation	**10**	10	**30**	30
Director fees	**30**	27	**85**	88
Foreign exchange (gain) loss	**334**	361	**103**	162
Investor relations	**-**	67	**250**	204
Public company expenses	**52**	94	**249**	220
Office rent and administration	**262**	103	**433**	351
Professional and consulting fees	**289**	229	**692**	946
Salaries and wages	**505**	705	**1,910**	2,112
Telecommunication	**7**	7	**22**	19
Travel	**37**	62	**130**	190
Stock-based payments	**-**	38	**-**	77
Other expenses	**429**	97	**425**	238
Total	**1,955**	1,800	**4,329**	4,637

Finance expenses during the third quarter of 2023 were $2,421,000 compared to $3,604,000 during the third quarter of 2022, a decrease of $1,183,000. The most significant change was a decrease of $1,369,000 in penalties on COFIDE's credit partially offset by an increase of $711,000 in interest related to the COFIDE loan. During the nine month period ended 30 September 2023, finance expenses were $7,821,000 compared with $6,913,000 during the same period of the previous year, an increase of $908,000. The most significant change was an increase of $2,234,000 in interest related to the COFIDE loan partially offset by a decrease of $1,369,000 in penalties on COFIDE's credit. A period-over-period comparison for the finance expenses is provided in the table below.

Breakdown of finance expenses

	Three month period ended 30 September		Nine month period ended 30 September	
	2023 ($'000s)	2022 ($'000s)	**2023 ($'000s)**	2022 ($'000s)
COFIDE Loan interest	**2,180**	1,469	**6,084**	3,850
Penalty on COFIDE Loan	**-**	1,369	**-**	1,369
Other loans interest	**6**	168	**435**	268
Other finance expenses	**235**	598	**1,302**	1,426
Total	**2,421**	3,604	**7,821**	6,913

Cash Flow

Cash balance decreased $148,000 during the third quarter of 2023, from $1,566,000 to $1,418,000. Operating activities during this quarter generated $2,255,000 whereas investment activities and finance activities used $649,000 and $1,754,000, respectively. During the nine month period ended 30 September 2023, the cash balance decreased $1,443,000, from $2,861,000 to $1,418,000. Operating activities during this nine month period generated $4,869,000 whereas investing and financing activities used $1,800,000 and $4,512,000, respectively.

Investing activities during the third quarter of 2023 used $649,000, compared with $65,000 used during the third quarter of 2022, a decrease of $584,000. The change was mainly due to increase of $120,000 and $452,000 in acquisitions of property, plant, and equipment, as well as deferred development expenditures, respectively. During the nine month period ended 30 September 2023, investing activities used $1,800,000 compared with $1,976,000 used during the same period of the prior year, a decrease of $176,000. The change was mainly due to decreases of $309,000 and $803,000 in acquisitions of property, plant, and equipment, as well as 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	
	2023 ($'000s)	2022 ($'000s)	**2023 ($'000s)**	2022 ($'000s)
Acquisition of property, plant and equipment	**438**	318	**1,048**	1,357
Deferred exploration and development expenditures	**211**	663	**752**	1,555
Proceeds from sale of property, plant and equipment	**-**	(916)	**-**	(936)
Total	**649**	65	**1,800**	1,976

Financing activities during the third quarter of 2023 compared to the third quarter of 2022 show an increase of $600,000 in funds from credits, a decrease of $200,000 in loan payment, an increase of $151,000 in payment of financial lease liabilities and a decrease of $122,000 in payment of financial expenses. Financing activities during the nine month period ended 30 September 2023 compared to the same period of the prior year show a decrease of $1,150,000 in proceeds from loans, an increase of $166,000 in payment of finance expenses and a decrease of $564,000 in payment of lease liabilities. 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	
	2023 ($'000s)	2022 ($'000s)	**2023 ($'000s)**	2022 ($'000s)
Net proceeds from loans	**(600)**	-	**(850)**	(2,000)
Repayment of loans	**-**	200	**-**	200
Payment of lease liabilities	**2,271**	2,120	**4,796**	5,360
Payment of finance expenses	**83**	205	**566**	400

Legal Actions Involving the Company

The Company is not currently involved in any legal proceedings nor was it involved in any legal proceedings during the quarter ended 30 September 2023 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 2023, the Company had a working capital deficit of $116,862,000 (defined as current assets less current liabilities).

In 2023, the Company forecasts gold production of 20,000 ounces from the Corihuarmi mine. The capital budget for Corihuarmi in 2023 includes $0.3 million to complete heap leach pad 5E, $0.8 million to build heap leach pad 5F, and $0.8 million for other capital expenditures. Following the increase in gold production observed in the third quarter of 2023, the Company anticipates maintaining positive production levels in the fourth quarter. This is supported by the recent maintenance shutdown and upgrades completed both at the plant and leach pad irrigation system, which are expected to yield enhanced gold recoveries in the coming months.

Ollachea and the COFIDE Bridge Loan

Please refer to Note 1 "Basis of preparation and going concern" on page 6 of the Interim Consolidated Financial Statements (Unaudited) for the three and nine month periods ended 30 September 2023 filed on SEDAR together with this report.

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 2023, the Company had cash of $1,418,000, compared with $2,861,000 as at 31 December 2022.

As at 30 September 2023, the Company had a working capital deficit of $116,862,000. 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. The Company is committed to sustaining the positive production levels recently reached at Corihuarmi, while continuing to lower operational costs and streamline mining and processing operations. In addition, the Company aims to confirm the continuity of gold mineralization and to further extend the estimated life of Corihuarmi through an updated Mineral Resource Estimate, in accordance with Canadian National Instrument 43-101. Advanced due diligence and discussions with interested parties are currently underway, with the goal of completing a transaction that enables the development of the Ollachea Gold Project and repayment of the debt with COFIDE. Although there can be no assurance that these parties will continue to be interested upon completion of their due diligence, the Management and Board are optimistic about closing a transaction in the short term.

Commitments and Contingent Liabilities

The Company is subject to various laws and regulations governing its mining 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.

During 2021, the Company was issued a tax reassessment by the Peruvian Tax Authority for the year ended 31 December 2015 related to the deductibility of expenses and interest relative to the COFIDE Bridge Loan and the write off of intangible assets. If the Company is unsuccessful in this appeal, an aggregate amount of $5,223,000 would be payable including tax, penalties and interest.

During 2023, the Company was issued a tax reassessment by the Peruvian Tax Authority for the year ended 31 December 2016 related to the deductibility of expenses and interest relative to the COFIDE Bridge Loan. If the Company is unsuccessful in this appeal, an aggregate amount of $4,435,000 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. The Company is currently renegotiating this contract.

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 2022 Annual Information Form filed on SEDAR at www.sedar.com.

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 agreement signed with COFIDE in November 2020, 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.

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 2023, the Company entered into transactions with directors and key management as disclosed on Note 4 of the consolidated financial statements (unaudited) for the quarter ended 30 September 2023. As at 30 September 2023, the Company owed $460,000 to directors and key management. Also, during the quarter ended 30 September 2023,certain parties related to directors and key management personnel received $71,000 ($183,000 during the nine month period ended September 2023) as salaries and professional fees on normal market terms

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Significant Accounting Policies

The Company follows the accounting policies described in the audited consolidated financial statements for the year ended 31 December 2022 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 2023 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 and employees of the Company under a Company's Share Option Plan. However, 11,556,751 options with an exercise price of C$0.20 (US$0.15) were to be issued as part of the fees payable to Sherpa in regards to the COFIDE Bridge Loan financing. These options have not yet been granted however the entitlement remains. Also, on 1 April 2022 the Company granted 4,600,000 stock options to Maxwell Mercantile Inc. at an exercise price of C$0.085 (US$0.062). These options vest over a period of thirteen months upon being granted. None of these options have vested at the date of this report.

Changes in Accounting Policies

The Company did not adopt any new accounting policies during the quarter ended 30 September 2023.

Subsequent Events

There have been no subsequent events between the end of the period and the date of filing of this report.

Management and Board Changes

There were no Management and Board Changes during the quarter ended 30 September 2023.

Additional Information

Additional information regarding Minera IRL, including Minera IRL's Annual Information Form for the year ended 31 December 2022 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. Martin Mount FGS CGeol – Fellow No.16658 of the Geological Society of London, and FIMMM CEng – Fellow No.47566 of the Institute of Materials, Minerals and Mining, is the Qualified Person ("QP") responsible for the technical disclosure in this MD&A.

Non-IFRS Measures

"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 like transport and refining of metals, community and environmental costs. These costs are then divided by the ounces sold to arrive at "cash costs per ounce produced".

This measure is a non-GAAP or non-IFRS measure that do not have a standardized meaning prescribed by GAAP or IFRS and may not be comparable to other similarly titled measures of other gold mining companies. It may vary from one period to another due to changes 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 not a substitute for measures of performance prepared in accordance with IFRS. The following table reconciles cash costs to the consolidated financial statements.

	Three month period ended 30 September		**Nine month period ended 30 September**	
	2023	2022	**2023**	2022
Cost of sales	**$7,254**	$9,687	**$23,351**	$26,514
Less:				
Depreciation	**537**	722	**1,526**	1,784
Cash costs	**$6,717**	$8,965	**$21,825**	$24,730
Ounces of gold produced	***4,372***	*4,975*	***12,072***	*15,149*
Total cash costs per ounce produced	**$1,536/oz**	$1,802/oz	**$1,808/oz**	$1,632/oz

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

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