



**Interim Consolidated Financial Statements
(Unaudited)**

**For the three and nine month periods ended
30 September 2024**

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

NOTICE TO READER

The accompanying unaudited interim consolidated financial statements have been prepared by and are the responsibility of the management. The Group's independent auditor has not performed a review of these financial statements.


CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME
For the three and nine month periods ended 30 September 2024 and 2023

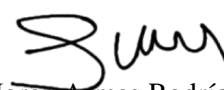
	Notes	Three Months Ended		Nine Months Ended	
		30 September 2024	30 September 2023	30 September 2024	30 September 2023
Revenue from contracts with customers		\$ 8,193	\$ 8,547	\$ 26,356	\$ 23,452
Cost of sales		(8,739)	(7,254)	(26,827)	(23,351)
Gross profit		(546)	1,293	(471)	101
Administrative expenses		(1,316)	(1,955)	(3,636)	(4,329)
Exploration costs		(52)	(28)	(137)	(154)
Gain on disposal of property, plant and equipment		-	-	8	-
Write-off of asset		-	-	-	-
Operating (Loss) profit		(1,914)	(690)	(4,236)	(4,382)
Finance recovery (expense)	3	(3,684)	(2,421)	(10,661)	(7,821)
Income (loss) before tax		(5,598)	(3,111)	(14,897)	(12,203)
Previous years income tax reassessment	6	-	(4,664)	-	(4,664)
Income (loss) for the period attributable to the equity shareholders of the parent		(5,598)	(7,775)	(14,897)	(16,867)
Total comprehensive Income (loss) for the period attributable to the equity shareholders of the parent		\$ (5,598)	\$ (7,775)	\$ (14,897)	\$ (16,867)
Earnings (loss) per ordinary share (US cents)					
Basic and diluted	5	(2.4)	(3.4)	(6.4)	(7.3)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2024 and 31 December 2023

	Notes	30 September 2024 US\$000	31 December 2023 US\$000
Assets			
Property, plant and equipment	6	3,691	4,269
Right-of-use assets	7	8,364	11,936
Intangible assets	8	149,222	148,825
Other receivables and prepayments	9	7,619	7,594
Total non-current assets		168,896	172,624
Inventory	10	3,295	4,436
Other receivables and prepayments	9	4,729	4,034
Current tax recoverable		685	400
Cash and cash equivalents	11	404	997
Total current assets		9,113	9,867
Total assets		178,009	182,491
Equity			
Share capital	12	159,012	159,012
Share option reserve	12	543	543
Accumulated losses		(132,101)	(117,204)
Total equity attributable to the equity shareholders of the parent		27,454	42,351
Liabilities			
Lease liabilities	14	664	4,281
Provisions	15	5,170	5,144
Total non-current liabilities		5,834	9,425
Interest bearing loans	13	103,090	94,499
Lease liabilities	14	9,215	15,575
Trade and other payables	16	32,416	20,641
Total current liabilities		144,721	130,715
Total liabilities		150,555	140,140
Total equity and liabilities		178,009	182,491

The consolidated financial statements were approved and authorised for issue by the Board and were signed on its behalf on 14 November 2024.


Gerardo Pérez
Chairman


Jorge Armas Rodríguez
Interim Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the periods between 1 January 2023 and 30 September 2024

	Share capital		Reserves		Total equity
	Number of Shares	Amount	Share option	Accumulated losses	
Balance at 1 January 2023	231,135,028	\$ 159,012	\$ 532	\$ (96,997)	\$ 62,547
Options granted	-	-	11	-	11
Loss for the period	-	-	-	(16,867)	(16,867)
Total comprehensive Loss	-	-	-	(16,867)	(16,867)
Balance at 30 September 2023	231,135,028	159,012	543	(113,864)	45,691
Options granted	-	-	-	-	-
Loss for the period	-	-	-	(3,340)	(3,340)
Total comprehensive gain	-	-	-	(3,340)	(3,340)
Balance at 31 December 2023	231,135,028	159,012	543	(117,204)	42,351
Options granted	-	-	-	-	-
Loss for the period	-	-	-	(14,897)	(14,897)
Total comprehensive Loss	-	-	-	(14,897)	(14,897)
Balance at 30 September 2024	231,135,028	159,012	543	(132,101)	27,454

CONSOLIDATED CASH FLOW STATEMENT

For the three and nine month periods ended 30 September 2024 and 2023

	Notes	Three months ended		Nine months ended	
		30 September 2024	30 September 2023	30 September 2024	30 September 2023
Cash flows from operating activities					
Income (loss) before tax		\$ (5,598)	\$ (3,111)	\$ (14,897)	\$ (12,203)
Finance expense	3	3,684	2,421	10,661	7,821
Depreciation	7,8	3,156	845	9,509	6,460
Share-based payments	12	-	-	-	11
Gain on sale of property, plant and equipment		-	-	-	-
Write-off of assets		-	-	-	-
(Increase) decrease in inventory	10	(92)	715	1,141	1,072
Decrease (increase) in other receivables and prepayments		(1,108)	833	(1,236)	(990)
Increase (decrease) in trade and other payables		12,278	1,764	11,757	3,401
Payment of mine closure costs		(434)	12	(439)	(131)
Cash generated from operations		11,886	3,479	16,496	5,441
Income tax paid (net)		(161)	(1,224)	232	(572)
Net cash from operating activities		11,725	2,255	16,728	4,869
Cash flows from investing activities					
Acquisition of property, plant and equipment	6	(421)	(438)	(1,270)	(1,048)
Deferred exploration and development expenditures	8	(103)	(211)	(399)	(752)
Proceeds on sale of property, plant and equipment		-	-	-	-
Net cash outflow from investing activities		(524)	(649)	(1,669)	(1,800)
Cash flows from financing activities					
Net proceeds from loan	13	-	600	60	850
Repayment of Loan		-	-	(350)	-
Payment of lease liabilities	14	(1,442)	(2,271)	(5,255)	(4,796)
Liability reclassification for right of use		(9,708)	-	(9,815)	-
Payment of finance expenses		(89)	(83)	(292)	(566)
Net cash inflow (outflow) from financing activities		(11,239)	(1,754)	(15,652)	(4,512)
Net increase (decrease) in cash and cash equivalents		(38)	(148)	(593)	(1,443)
Cash and cash equivalents at beginning of period		442	1,566	997	2,861
Cash and cash equivalents at end of period		\$ 404	\$ 1,418	\$ 404	\$ 1,418

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Basis of preparation and going concern

The financial statements are presented in United States dollars, rounded to the nearest thousand.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies.

At 30 September 2024, the Group had a working capital deficit of \$135,608,000 (defined as current assets less current liabilities).

On 12 November 2020, Corporación Financiera de Desarrollo S.A. (“COFIDE”) and the Group entered into a Settlement Agreement. This agreement was subsequently formalized in June 2021 through the signature of four key documents to manage and guarantee the repayment terms and conditions of the \$70 million Bridge Loan secured by the Group in June 2015. The Corihuarmi Gold Mine (“Corihuarmi”) assets and cash flows were excluded from these agreements. The agreements are detailed below:

- Cash Flow Trust Agreement, creating a trust over the cash flows generated from Ollachea;
- Asset Trust Agreement, creating a trust over the shares held in the subsidiary Compañía Minera Kuri Kullu S.A., as well as Ollachea concessions owned by the subsidiary;
- Credit Agreement Refinancing, establishing the repayment terms and conditions; and
- Compensation Agreement, establishing the terms and conditions for damages payable to the Group by COFIDE pursuant to the Arbitration Award.

If the Group is unable to repay, refinance or restructure the debt with COFIDE, it will have to relinquish its ownership of the subsidiary, Compañía Minera Kuri Kullu S.A., and therefore the Ollachea concessions. All net assets associated with Ollachea would be fully impaired as a result. Also, continuing operating losses may impact liquidity and the need to incur in additional debt to meet ongoing costs.

The credit repayment deadline expired in November 2023. As at 30 September 2024, the Group is engaged in due diligence and negotiations with potential investors, aiming to complete a transaction that either provides the financing required to develop Ollachea and repay the debt with COFIDE, either in full or in part, or a renegotiation of the terms and conditions established in the 2020 Settlement Agreement. These investors have submitted a variety of formal communications detailing terms and conditions that have been modified over time as part of the negotiation process. In some cases, discussions began as early as 2021 with the signature of Non-Disclosure Agreements, granting access to the Company's Data Rooms to initiate a technical due diligence focusing not only on Ollachea but also Corihuarmi.

The Group maintains an open and robust relationship with COFIDE, underpinned by regular and positive dialogue. COFIDE is informed of the Group's progress in these negotiations, in addition to the receipt of proposals from these investors, having expressed their commitment to support a transaction that would advance Ollachea and enable the Group to fulfill its repayment obligations. This has also included an initial approach between COFIDE and some of these investors, where they expressed their intention to transact with the Group, eventually reaching an agreement with COFIDE establishing new repayment terms and conditions. In order to continue negotiations and due diligence with these investors, the Political and Economic Rights over the shares of the subsidiary Compañía Minera Kuri Kullu S.A., and therefore the Ollachea concessions, remain under the Group's responsibility.

Although there is no guarantee that an alternative source of funding will be secured within the required timeframe or on acceptable terms, the Directors believe that either an alternative funding will be obtained to repay the debt with COFIDE, or that a transaction will be completed leading to an agreement with COFIDE to restructure or refinance the debt. While the Directors are aware of the uncertainty in respect of

the going concern status of the Group, we remain confident of being able to raise appropriate finance to continue as a going concern. The cash generated from gold production at the Corihuarmi Mine is required to fund the working capital requirements of the Group in the meantime.

Note 2 – 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 for decision making. The Group identifies these units primarily according to the country of operation. Within the countries of operation the managerial functions are divided into mining operations, the exploration activities related to the individual properties which the Group has the rights to explore, the activities related to the acquisition of properties and the administration of the Group. The assessment of exploration activities is dependent principally on non-financial data.

The following table sets out the income and expenditure, as well as the assets and liabilities of the Group according to these reporting segments:

	Peru US\$000	Jersey US\$000	Total US\$000
For the Nine Months Ended 30 September 2024			
Revenue	26,356	-	26,356
Administration expenses	(2,916)	(720)	(3,636)
Operating profit (loss)	(3,516)	(720)	(4,236)
After tax Loss	(14,138)	(759)	(14,897)
For the Nine Months Ended 30 September 2023			
Revenue	23,452	-	23,452
Administration expenses	(2,899)	(1,430)	(4,329)
Operating profit (loss)	(2,952)	(1,430)	(4,382)
After tax Loss	(15,437)	(1,430)	(16,867)

Group's Assets	Peru US\$000	Jersey US\$000	Total US\$000
As at 30 September 2024			
Non-current assets	159,544	9,352	168,896
Current	9,113	-	9,113
Total assets	168,657	9,352	178,009
As at 31 December 2023			
Non-current assets	163,273	9,351	172,624
Current	9,837	30	9,867
Total assets	173,110	9,381	182,491

Group's Liabilities	Peru US\$000	Jersey US\$000	Total US\$000
As at 30 September 2024			
Non-current liabilities	5,834	-	5,834
Current	143,697	1,024	144,721
Total liabilities	149,531	1,024	150,555
As at 31 December 2023			
Non-current liabilities	9,425	-	9,425
Current	129,815	900	130,715
Total liabilities	139,240	900	140,140

Note 3 – Finance expense

The following table details the finance expenses incurred during the three and nine months ended 30 September 2024 and 2023.

	Three months ended		Nine months ended	
	30 September 2024 (\$'000)	30 September 2023 (\$'000)	30 September 2024 (\$'000)	30 September 2023 (\$'000)
COFIDE Loan interest	3,135	2,180	8,571	6,084
Other loans interest	109	6	354	435
Other finance expenses	440	235	1,736	1,302
	3,684	2,421	10,661	7,821

Note 4 – Remuneration of key management personnel

	Salary & Fees US\$000	Other Benefits US\$000	Total Remuneration US\$000
Cumulative to 30 September 2024			
Directors ⁽¹⁾	644	12	656
Non-Directors ⁽²⁾	161	-	161
TOTAL	805	12	817

⁽¹⁾ Directors include Messrs. Gerardo Perez, Diego Benavides, Jesus Lema, Santiago Valverde and Martin Mount

⁽²⁾ Non-Directors include the Interim CFO and the Corihuarmi Mine Manager.

	Salary & Fees US\$000	Other Benefits US\$000	Total Remuneration US\$000
Cumulative to 30 September 2023			
Directors ⁽¹⁾	623	47	670
Non-Directors ⁽²⁾	178	-	178
TOTAL	801	47	848

⁽¹⁾ Directors include Messrs. Gerardo Perez, Diego Benavides, Jesus Lema, Santiago Valverde and Martin Mount.

⁽²⁾ Non-Directors include the Interim CFO and the Corihuarmi Mine Manager.

Note 5 – Earnings per share

The calculation of the earnings (loss) per share is based on the loss attributable to ordinary shareholders for the nine months ended 30 September 2024 of \$14,897,000 (30 September 2023: loss of \$16,867,000) and the weighted average number of ordinary shares in issue during the nine month period ended 30 September 2024 of 231,135,028 (30 September 2023: 231,135,028).

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

	2024	Number	2024	2023	Number	2023
	Loss	of shares	Earnings	Loss	of shares	Earnings
	US\$000	US\$000	per share	US\$000	US\$000	per share
			(cents)			(cents)
Basic earnings (losses)	(14,897)	231,135	(6.4)	(16,867)	231,135	(7.3)
Dilutive effects-options	-			-		
Diluted earnings (losses)	(14,897)	231,135	(6.4)	(16,867)	231,135	(7.3)

As at 30 September 2024 and 2023, all options were excluded from the calculation of diluted loss per share because they were non-dilutive.

Note 6 – Property, plant and equipment

	Mining assets & deferred development costs US\$000	Land & buildings US\$000	Motor Vehicles US\$000	Computers & other equipment US\$000	Total US\$000
Cost					
Balance at 1 January 2023	47,312	524	688	4,013	52,537
Additions	1,351	-	-	19	1,370
Adjustment to mine closure provision ⁽¹⁾	(47)	-	-	-	(47)
Reclassifications from intangibles ⁽²⁾	576	-	-	-	576
Balance - 31 December 2023	49,192	524	688	4,032	54,436
Balance at 1 January 2024	49,192	524	688	4,032	54,436
Additions	1,199	-	-	71	1,270
Disposals	-	-	(81)	-	(81)
Reclassifications from intangibles	-	-	64	(63)	1
Balance - 30 September 2024	50,391	524	671	4,040	55,626
Depreciation					
Balance - 1 January 2023	43,629	477	416	3,622	48,144
Depreciation for the year	1,813	25	56	171	2,065
Adjustment to mine closure	(42)	-	-	-	(42)
Write off	-	-	-	-	-
Balance - 31 December 2023	45,400	502	472	3,793	50,167
Balance - 1 January 2024	45,400	502	472	3,793	50,167
Depreciation for the period	1,673	18	57	100	1,848
Disposals	-	-	(81)	-	(81)
Write off	-	-	16	(15)	1
Balance - 30 September 2024	47,073	520	464	3,878	51,935
Carrying amounts					
Balance - 1 January 2023	3,683	47	272	391	4,393
Balance - 31 December 2023	3,792	22	216	239	4,269
Balance - 30 September 2024	3,318	4	207	162	3,691

⁽¹⁾ At the end of 2023, the Group reassessed the mine closure provisions of the Corihuarmi Mine and the Ollachea Project. The result of the reassessment was a net reduction of \$47,000 in the carrying value of the corresponding asset account.

⁽²⁾ During 2023, the Group reclassified \$576,000 from intangibles, see note 8.

Note 7 – Right-of-use assets

Right-of-use assets are depreciated over the shorter of the asset’s useful life and the lease term on a straight line basis.

	Mining Assets US\$000	Land & Buildings US\$000	Motor Vehicles US\$000	Total US\$000
Cost				
Balance - 1 January 2023	6,143	1,203	9,576	16,922
Additions	11,093	-	5,046	16,139
Adjustments ⁽¹⁾	(7,437)	57	(9,648)	(17,028)
Balance – 31 December 2023	9,799	1,260	4,974	16,033
Balance - 1 January 2024	9,799	1,260	4,974	16,033
Additions	2,670	126	5,437	8,232
Adjustments⁽¹⁾	(3,963)	(79)	(3,047)	(7,089)
Balance – 30 September 2024	8,505	1,307	7,364	17,176
Accumulated Depreciation				
Balance - 1 January 2023	2,756	485	2,817	6,058
Depreciation for the year	4,021	492	2,497	7,010
Adjustments ⁽¹⁾	(5,026)	(169)	(3,776)	(8,971)
Balance - 31 December 2023	1,751	808	1,538	4,097
Balance - 1 January 2024	1,751	808	1,538	4,097
Depreciation for the period	3,686	361	3,614	5,122
Adjustments⁽¹⁾	(1,806)	(66)	(1,074)	(1,088)
Balance - 30 September 2024	3,631	1,103	4,078	8,811
Carrying amounts				
Balance - 1 January 2023	3,387	718	6,759	10,864
Balance - 31 December 2023	8,048	452	3,436	11,936
Balance – 30 September 2024	4,874	204	3,286	8,364

⁽¹⁾ The adjustments during 2023 and 2024 correspond to terminations and changes in the terms of lease contracts.

Note 8 – Intangible assets

Deferred Exploration Costs	Ollachea US\$000	Other Peru US\$000	Total US\$000
Balance – 1 January 2023	147,517	518	148,427
Additions	790	184	974
Reclassifications to intangibles (see note 6)	-	(576)	(576)
Balance – 31 December 2023	148,307	518	148,825
Additions	328	69	397
Reclassifications to intangibles (see note 6)	-	-	-
Balance - 30 September 2024	148,635	587	149,222

The Ollachea property will require significant project financing in order to bring it into production and convert it into mining assets. The carrying values of the deferred exploration and development costs for the Ollachea property and the Group's other exploration properties in Peru at 30 September 2024 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 and development assets on the consolidated statements of financial position.

As disclosed in Note 1 'Basis of Preparation and Going Concern', the Group has signed an Asset Trust Agreement transferring the ownership in trust over the shares held by the Group in its Peruvian subsidiary Compañía Minera Kuri Kullu S.A., as well as the Ollachea Project's mining concessions owned by the subsidiary. The Political and Economic Rights over the shares and concessions, remain under the Group's responsibility, allowing it to continue financing negotiations with potential investors. For additional information please refer to Note 1.

Note 9 – Other receivables and prepayments

	30 September 2024 US\$000	31 December 2023 US\$000
Non-current assets		
Other receivables	7,619	7,594
	7,619	7,594
Current assets		
Other receivables	3,830	3,893
Prepayments	899	141
Balance as at 30 September	4,729	4,034

Included in other receivables and prepayments is an amount of \$8,629,000 (2023: \$7,868,000) relating to sales tax paid on the purchase of goods and services in Peru. Of the \$8,629,000 sales tax recoverable, \$7,619,000 relates to purchases for the Ollachea project which is only recoverable upon commencement of metal sales from that project. Commercial production is not expected to commence within the next 12 months, therefore this element has been included in non-current assets.

Note 10 - Inventory

	30 September 2024 US\$000	31 December 2023 US\$000
Gold in process	2,363	2,769
Mining materials	932	1,667
Balance as at 30 September	3,295	4,436

Note 11 – Cash and cash equivalents

	30 September 2024 US\$000	31 December 2023 US\$000
Bank balances as at 30 September	404	997

Note 12 – Capital and reserves

As at 30 September 2024 and 31 December 2023, Minera IRL Limited's share capital is made up of shares with no par value. There is no upper limit on the value of shares to be issued.

Issued and fully paid share capital	Ordinary shares	US\$000
Shares in issue 31 December 2023	231,135,028	159,012
Shares in issue 30 September 2024	231,135,028	159,012

All fully paid shares entitle the holder to one vote and equal rights to dividends declared.

Share Options

The stock option reserve includes a credit of \$543,000 (December 31, 2023: \$543,000) which includes a credit of \$110,000 corresponding to the fair value of the options granted to Maxwell Mercantile Inc. and a credit of \$433,000 corresponding to the fair value of the options to which Sherpa is entitled.

Stock options granted to directors and employees

Minera IRL Limited does not have a share option plan for the benefit of the directors and employees of the Group. All stock options granted to directors and employees during prior years have expired.

Stock options granted to consultants

In the first quarter of 2022 Minera IRL Limited granted 4,600,000 stock options to Maxwell Mercantile Inc. at an exercise price of C\$0.085 (\$0.064). Options may be exercised according to a schedule over a period of thirteen months from the date of grant.

Other Stock Options

As part of the fees paid in connection with the Bridge Loan to the structuring agent Inversiones y Asesoría SHERPA S.C.R.L. ("Sherpa"), Minera IRL Limited was to grant 11,556,751 options. Each option would be exercisable to purchase one common share of the Group at a price of C\$0.20 (\$0.15) per share at any time on or before the date that is 360 days after the start of commercial production from the Ollachea Project. These options have not been granted, however the right to these options continues.

Note 13 –Interest bearing loans

	30 September 2024 US\$000	31 December 2023 US\$000
Non-Current liabilities		
COFIDE Loan payable	-	-
Current liabilities		
COFIDE Loan payable	98,130	89,559
Promissory note	3,444	1,516
Other loans	1,516	3,424
	103,090	94,499

COFIDE Loan payable

Please refer to Note 1 – Basis of Preparation and Going Concern on page 6.

Other loans

In May 2022, the Group entered into an unsecured loan arrangement with an unrelated party for \$2,000,000 and a line of credit agreement for up to \$300,000 to afford its working capital needs. The loan is payable within a year after disbursement and includes a \$40,000 structuring commission and interest of 3% monthly applicable to the unpaid balance. During 2022, a total of \$200,000 was repaid from principal. The loan was restructured in September providing for a capitalization of accrued interest and a reduced interest rate of 1.5% monthly as from May 2023. The loan is payable up to June 2025.

In January 2023, the Group entered into an unsecured loan arrangement of \$250,000 to afford its working capital needs. The loan is payable within three months after disbursement and includes a \$20,000 structuring commission and interest of 3% monthly applicable to the unpaid balance. The loan was restructured in September providing for a capitalization of accrued interest and a reduced interest rate of 1.5% monthly as from May 2023. The loan is payable up to March 2024. In March 2024, a new agreement was signed updating the payment date until December 2024.

In September 2023, the Group entered into an unsecured loan arrangement of \$500,000 to afford its working capital needs. The loan is payable up to March 2024 and includes a \$20,000 structuring commission and interest of 1.5% monthly applicable to the unpaid balance. In February 2024, a new agreement was signed updating the payment date until December 2024.

In addition, in September 2023, the Group entered into a new agreement increasing the line of credit to \$500,000 to afford its working capital needs. The loan is payable up to February 2024 and includes a \$20,000 structuring commission and interest of 1.5% monthly applicable to the unpaid balance. In February 2024, a new agreement was signed updating the payment date until December 2024.

Note 14 – Lease liabilities

From 1 January 2019, leases are recognised as a right of use asset (see Note 7) and a corresponding liability at the date at which the leased asset is available for use by the Group. The following is a schedule of future lease payments due under the capital lease contracts.

Lease Obligations	30 September 2024 US\$000	31 December 2023 US\$000
Balance - 1 January	19,856	17,230
Additions	8,231	16,138
Unwinding of the discount	1,023	1,021
Paid during the period	(5,255)	(6,365)
Liability reclassification for right of use Adjustments	(9,815)	-
	(4,161)	(8,168)
Balance as at 30 September	9,879	19,856

The current and non-current portions are as follows:

	30 September 2024 US\$000	31 December 2023 US\$000
Current portion	9,215	15,575
Non-current portion	664	4,281
Balance as at 30 September	9,879	19,856

Note 15 – Provisions

The Group has a provision of \$5,170,000 (2023: \$5,144,000) against the present value of the cost of restoring the Corihuarmi Mine site and Ollachea exploration tunnel site. This provision is an estimate of the cost of reversing the alterations to the environment that have been made to date. The timing and cost of this rehabilitation is uncertain and depends upon the duration of the mine life and the quantity of ore that will be extracted from the mine. At 30 September 2024, management estimates that the remaining mine life at Corihuarmi was approximately 14 months. The directors have currently estimated the rehabilitation of the Ollachea exploration tunnel to begin in 4 years' time on the assumption that commercial production does not proceed.

	30 September 2024 US\$000	31 December 2023 US\$000
Balance brought forward	5,144	4,691
Unwinding of the discount	465	658
Additional provision	-	(47)
Amounts used	(439)	(158)
Balance as at 30 June	5,170	5,144

At the end of 2023, the Group hired an independent consultant to reassess the mine closure provision of the Corihuarmi Mine and the Ollachea Project. The result of the reassessment was a net decrease of \$47,000 in the carrying value of the provision and in the carrying value of the corresponding asset account.

Note 16 – Trade and other payables

	30 September 2024 US\$000	31 December 2023 US\$000
Non-current		
Trade payables	-	-
Current		
Trade payables	24,286	12,758
Other payables	8,130	7,883
Balance as at 30 September	32,416	20,641

Note 17 – Financial instruments and financial risk management

Financial instruments

The Group's principal financial assets comprise of available cash and cash equivalents, and other receivables. The Group's financial assets are classified as loans and receivables and initially recognised at fair value. After initial measurement, such financial assets are measured at amortised cost using the effective interest method, less provision for impairment.

The Group's financial liabilities include trade and other payables, interest bearing loans and other long term liabilities. All financial liabilities are recognised initially at fair value and, in the case of interest bearing loans, net of directly attributable transaction costs. Trade and other payables and interest bearing loans are subsequently measured at amortised cost using the effective interest method.

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 minerals 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 operates.

The balances of cash and cash equivalents held in various currencies were:

	30 September 2024	31 December 2023
	US\$000	US\$000
Peruvian nuevos soles	(99)	150
United States dollars	502	847
Balance as at 30 September	404	997

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

	30 September 2024	31 December 2023
	US\$000	US\$000
Pounds sterling	(133)	(184)
Canadian dollars	(39)	(21)
Peruvian nuevos soles	(20,016)	(8,470)
United States dollars	(103,453)	(93,962)
Balance as at 30 September	(123,642)	(102,637)

Note 17 – 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 assets shown in the table above:

	30 September 2024	31 December 2023
	US\$000	US\$000
10% weakening of the US dollar	(2,019)	(868)
20% weakening of the US dollar	(4,038)	(1,735)
10% strengthening of the US dollar	2,019	868
20% strengthening of the US dollar	4,038	1,735

Liquidity risk

The Company acknowledges the presence of liquidity risk and understands its significance. While management endeavours to maintain sufficient cash reserves and utilize credit facilities responsibly, there may arise circumstances where additional funding becomes imperative. Management diligently assesses liquidity requirements, remaining adaptable and adjusting strategies to align with available resources .

An analysis of the financial assets and liabilities presented by maturity is detailed below. The contractual amounts disclosed in the maturity analysis are the contractual undiscounted cash flows. Such undiscounted cash flows may differ from the amount included in the statement of financial position because the amount in that statement is based on discounted cash flows. Moreover, interest bearing borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition they are stated at amortised cost on an effective interest basis. When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the reporting period.

30 September 2024	Due in less than 3 months	Due between 3 months to 1 year	Due between 1 to 5 years	Total
Financial assets measured at amortised cost	US\$000	US\$000	US\$000	US\$000
Receivables	3,842	-	7,619	11,461
Cash and cash equivalents	404	-	-	404
Total	4,246	-	7,619	11,864

31 December 2023	Due in less than 3 months	Due between 3 months to 1 year	Due between 1 to 5 years	Total
Financial assets measured at amortised cost	US\$000	US\$000	US\$000	US\$000
Receivables	3,901	-	7,594	11,495
Cash and cash equivalents	997	-	-	997
Total	4,898	-	7,594	12,492

Note 17 – Financial instruments and financial risk management (continued)

30 September 2024	Due in less than 3 months US\$000	Due between 3 months to 1 year US\$000	Due between 1 to 5 years US\$000	Total US\$000
Trade payables	24,286	-	-	24,286
Other payables	8,130	-	-	8,130
Interest bearing loan	103,090	-	-	103,090
Total	135,506	-	-	135,506

31 December 2023	Due in less than 3 months US\$000	Due between 3 months to 1 year US\$000	Due between 1 to 5 years US\$000	Total US\$000
Trade payables	12,808	-	-	12,808
Other payables	7,873	-	-	7,873
Interest bearing loan	94,450	-	-	94,450
Total	115,131	-	-	115,131

All financial assets and liabilities are measured at amortized costs. No financial assets or liabilities are measured at fair value therefore no gain or losses have been recorded through other comprehensive income.

Market price of minerals risk

The Group's business exposes it to the effects of changes in the market price of minerals, primarily gold. Severe changes in the market price of gold may affect the recoverability of the Group's investments in its mine, exploration assets and mining rights, and of the Group's intercompany receivables. The supply and demand for gold, the level of interest rates, the rate of inflation, investment decisions by large holders of gold including governmental reserves, and stability of exchange rates can all cause significant fluctuations in the market price of gold. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments.

Credit risk

The Group is exposed to credit risk in so far as it deposits cash with its banks. However, the banks used are institutions of the highest standing. In addition the Group is exposed to sovereign risk in so far as it is owed recoverable sales tax.

Interest rate risk

The Group has debt denominated in US dollars and is therefore exposed to movements in US dollar interest rates.

Additionally, there are risks specifically related to the COFIDE Bridge Loan. For further information, please refer to Note 1 Basis of Preparation and Going Concern on page 6.

Note 18 – Capital commitments and contingent liabilities

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

During 2021, the Group received a tax reassessment from the Peruvian Tax Authority for the year ended 31 December 2015 concerning the deductibility of expenses and interest related to the COFIDE Bridge Loan and the write-off of intangible assets. This reassessment amounts to approximately \$5,471,000, including taxes, penalties, and interest. The Group has challenged the arguments presented by the Tax Authority and has filed an appeal providing the relevant legal proof to support its position.

During 2023, the Group received a tax reassessment from the Peruvian Tax Authority for the year ended 31 December 2016 concerning the deductibility of expenses and interest related to the COFIDE Bridge Loan. This reassessment amounts to approximately \$4,765,000, including taxes, penalties, and interest. The Group has challenged the arguments presented by the Tax Authority and has filed an appeal providing the relevant legal proof to support its position.

The Group 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 Group 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 Group would have to pay a penalty for an amount equivalent to approximately \$2,400,000. Otherwise, the Group 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 renegotiating this contract.

In June 2015, the Group 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 Group 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 Group awarded a 1% royalty on gross revenue minus refining costs on gold sales from the Group's Ollachea Project. The Group has the right to buyback and cancel this royalty from Macquarie Bank by paying a buyback fee of \$5,000,000.

As of 31 December 2023, resolutions have been received by the Environmental Assessment and Supervision Agency (OEFA) and the Supervisory Agency for Investment in Energy and Mining (Osinergmin) imposing fines for alleged non-compliance with environmental obligations at the Corihuarmi Mine. The aggregate amount of these administrative fines totals approximately \$547,000.00. The Company has disputed these fines providing the relevant proof to support its position that the fines are unreasonable.

Note 19 – Related parties

During the quarter ended 30 September 2024, the Group entered into transactions with directors and key management as disclosed on Note 4 of these consolidated financial statements (unaudited) for the quarter ended 30 September 2024. As at 30 September 2024, the Group owed \$621,000 to directors and key management (\$460,000 during the nine month period ended 30 September 2023).

Also, during the quarter ended 30 September 2024, certain related parties of directors and key management received \$134,000 as salary (\$183,000 during the nine month period ended 30 September 2023) and professional fees on normal commercial terms.

Note 20 – Subsequent events

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

By order of the Board



Gerardo Perez
Chairman
Minera IRL Limited
14 November 2024