MINERA IRL LIMITED
Interim Financial Accounts
For the First Quarter ended 31 March 2013

HIGHLIGHTS

Financial

- Gold sales 5,660 ounces (Q1 2012: 6,515 ounces). Average realized gold price $1,631 per ounce (Q1 2012: $1,699 per ounce)
- Revenue $9.2 million (Q1 2012: $11.1 million)
- Gross profit $2.5 million (Q1 2012: $5.4 million)
- EBITDA $1.9 million (Q1 2012: $4.4 million)
- Profit before tax $0.2 million (Q1 2012: $3.1 million)
- Cash balance of $6.5 million at the end of the quarter (Q4 2012: $6.2 million)

Operational

- Gold production from the Corihuarmi Gold Mine met management expectations at 5,848 ounces (Q1 2012: 6,747 ounces). Production declined due to anticipated lower grade ore
- Corihuarmi site cash operating cost increased to $726 per ounce (Q1 2012: $502 per ounce) due to anticipated lower gold production
- Advanced the exploration tunnel at Ollachea to 1,234 metres, completed in January 2013 ahead of schedule and below budget
- Exploration of the eastern strike extent of the Minapampa Zone by diamond drilling commenced and all three completed holes intersected potential ore grade gold mineralization

Other

- Completed a successful equity raise for gross proceeds of approximately C$15.5 million by issuing 21,775,000 ordinary shares at C$0.71 per share (equivalent to £0.45 based on exchange rate at pricing)

Note: $ = United States dollars

C$ = Canadian dollars

£ = British Pound Sterling

CHAIRMAN'S STATEMENT

The operational financial performance for the three months to 31 March 2013 was in line with expectations as was gold production from our Corihuarmi Gold Mine in Peru. The Ollachea exploration drive was completed under budget and ahead of schedule. Exploration of the eastern strike of the Ollachea orebody by underground diamond drilling was highly encouraging with excellent results obtained from each of the three completed holes. Permitting of Ollachea for development progressed on schedule for approval in the second half of 2013. Generative exploration continued on the Company's large tenement holding in Patagonia, Argentina.

Revenue of $9.2 million represents an average gold spot sales price of $1,631 per ounce. Gross profit was $2.5 million and EBITDA was $1.9 million. The Company recorded a profit before tax of $0.2 million and a loss after tax of $1.1 million. Early in the quarter, an equity raise of C$15.5 million was successfully completed. The Company's cash balance at the end of the quarter totalled $6.5 million. Cost cutting and optimization programs have been implemented with the available cash being focused on permitting the Ollachea project.

Gold production at Corihuarmi of 5,848 ounces was slightly above the Company's budget. Nevertheless, this was 13% below production in the first quarter of 2012 which is related to the anticipated falling grade which averaged 0.47g/t gold compared to 0.61g/t gold in the corresponding period of 2012. Mining continued to largely focus on the Susan outcrop and the broken scree material. Site cash operating costs averaged $726 per ounce, 8% below the Company's budgeted site costs.

With the Ollachea definitive Feasibility Study ("FS") completed and the Environmental Impact Assessment ("EIA") lodged with the government in late 2012, the Company is now focusing on the permitting process. Excellent progress was made during the quarter with the EIA approval on track for receipt in the second half of 2013. Archaeological clearance of the plant site was nearing completion at quarter end.

The exploration drive at Ollachea was completed to 1,234 metres at the end of January. This production size tunnel will serve to transport ore from the future mine to the plant site. Mining of the tunnel was highly successful with ground conditions proving better than expected in the slate rock type which hosts the orebody. This allowed for more rapid advance rates and efficient ground support using conventional methods. Additionally, there was much less water seepage than predicted by the hydrology modelling which will make mining operations much easier and also reduce both capital and operating costs compared to projections in the FS. The drive was completed approximately $1 million under budget and one month ahead of schedule.

A modest 1,200 metre diamond drilling program was carried out from underground to probe the open ended eastern strike extension of the Minapampa Zone. This area was too steep to allow drilling from surface. Three drill holes were completed with step outs to 320 metres beyond the eastern most drilling from surface. The underground vantage also allowed the deepest drilling into the system thus far carried out. Results from all three holes were highly encouraging and confirmed the continuation of one wide, well developed gold bearing lens. Hole number DDH13-T01 intersected 20 metres grading 4.48g/t gold, DDH13-T03 obtained 11 metres of 5.47g/t gold and DDH13-T04 intersected 9 metres grading 5.45g/t gold. All three of these intersections were at higher grade than the Indicated Resource for the Minapampa Zone which averaged 4.0g/t gold (10.6 million tonnes containing 1.4 million ounces gold). These early step-out results auger well for a potentially significant increase in the Ollachea resource base with further drilling. This zone could further enhance the mine plan as outlined in the FS, not only due to the width of the gold bearing lens, but also because it is would be closer to the plant and adjacent to the recently completed drive.

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

The Patagonia exploration program is currently directed toward generative work. The program during the quarter was been focused on 3 new epithermal vein systems. At the Goleta Prospect, only 6 kilometres north of the planned plant site at Martinetas, reverse circulation exploration drilling carried out in 1997 was encouraging with the best hole intersecting 6 metres grading 27.7g/t gold. Recent work by Minera IRL obtained up to 5.3g/t gold from diamond saw sampling of the outcrop and up to 24.9g/t gold from rock chip sampling. Goleta represents a potential future source of ore close to the Don Nicolas plant.

The Cecilia Vein, which can be followed on surface for a strike length of over 3 kilometres, is located 20 kilometres south of Martinetas. This system has never been drilled. Diamond saw sampling has been highly encouraging with assays as high as 13.7g/t gold.

The Paula Andrea vein system, also not yet drilled, is less than 4 kilometres south of the Sulfuro Vein, a major contributor of high grade ore to the Don Nicolas Project. Diamond saw channel sampling of the Paula Andrea outcropping vein has been highly encouraging with samples of up to 54.4g/t gold. Both the Cecilia and Paula Andrea systems represent high quality drill targets when funding is available. The recent generative exploration on our large, 2,600 square kilometre tenement holding in Patagonia continues to demonstrate the highly prospective nature of the Deseado Massif volcanic complex.

Like many other gold mining companies, Minera IRL's share price continues to suffer due to the persistent market downturn. This is in spite of excellent progress on all fronts and a growing resource base. The general weakness in the gold equity markets was dealt another blow with the substantial gold price decline in mid-April from $1,565 to an intra-day low of $1,322 per ounce. Whilst there has been much commentary in the press, there is little consensus as to the root cause. At the time of writing, the gold price has recovered approximately $150 per ounce and appears to be receiving increasing support.

I believe that the fundamentals remain favourable for a strong gold price going forward. Factors working in favour of a higher gold price include the continuing weakness in world economies and currencies, reducing mine production and higher operating costs, retail buying support in the Far East, particularly China and India, and continued Central Bank buying. In my view, the current gold price is a good gold price particularly in light of the projected low cost of production projected for both Ollachea and Don Nicolas. At both projects, the project economics demonstrated in the respective feasibility studies are robust using a base case gold price well below that currently prevailing.

Our team continues to do an outstanding job and I thank them for their efforts. I also wish to particularly thank our loyal shareholders for their continuing support and patience during these difficult times. Management remains dedicated to unlocking the very substantial shareholder value contained in our high quality next generation of gold mines and excellent exploration portfolio.

Courtney Chamberlain
Executive Chairman
Minera IRL Limited **14 May 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	
	Notes	March 31, 2013	March 31, 2012
Revenue		$ 9,241	$ 11,073
Cost of sales		(6,745)	(5,710)
Gross profit		2,496	5,363
Administration		(2,004)	(2,090)
Exploration and evaluation		(73)	(95)
Gain on disposal of available-for-sale investments		28	-
Operating profit		447	3,178
Finance income		1	13
Finance expense		(271)	(96)
Profit before tax	4	177	3,095
Income tax expense		(1,283)	(1,399)
(Loss) profit for the period attributable to the equity shareholders of the parent		$ (1,106)	$ 1,696
Retranslation of foreign operations		-	107
Loss on revaluation of available-for-sale investments		-	(111)
Recycled on disposal of available-for-sale investments		(20)	-
Total comprehensive income (loss)		$ (1,126)	$ 1,692
(Loss) earnings per share (US cents)			
Basic	10	(0.7)	1.3
Diluted	10	(0.7)	1.3

Minera IRL Limited

Condensed Interim Consolidated Statements of Financial Position

(Unaudited - Expressed in thousands of United States Dollars)

	Notes	March 31, 2013	December 31, 2012
Assets			
Property, plant and equipment	9	$ 17,357	$ 17,986
Intangible assets	8	165,896	159,359
Available-for-sale investments	5	20	183
Deferred tax assets		654	654
Other receivables and prepayments	6	14,120	13,266
Total non-current assets		198,047	191,448
Inventory	7	4,053	3,486
Other receivables and prepayments	6	3,555	2,917
Cash		6,469	6,246
Total current assets		14,077	12,649
Total assets		$ 212,124	$ 204,097
Equity			
Share capital	12	$ 148,081	$ 134,163
Foreign currency reserve		231	231
Share option reserve	12	1,705	1,705
Revaluation reserve		-	20
Retained earnings		11,775	12,881
Total equity attributable to equity shareholders of the parent		161,792	149,000
Liabilities			
Trade and other payables	11	14,000	14,000
Interest bearing loans	11	20,000	20,000
Provisions	11	3,177	3,178
Total non-current liabilities		37,177	37,178
Trade and other payables	11	13,155	17,755
Current tax		-	164
Total current liabilities		13,155	17,919
Total liabilities		50,332	55,097
Total equity and liabilities		$ 212,124	$ 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)

		Share capital		Reserves				
	Notes	Number of Shares	Amount	Share option	Revaluation	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		-	-	-	-	-	1,696	1,696
Loss on available-for-sale investments		-	-	-	(111)	-	-	(111)
Retranslation of foreign operations		-	-	-	-	107	-	107
Total comprehensive income		-	-	-	(111)	107	1,696	1,692
New share capital subscribed	12	29,260,000	33,363	-	-	-	-	33,363
Cost of raising share capital	12	-	(2,138)	-	-	-	-	(2,138)
Balance at 31 March 2012		**148,842,884**	**$ 131,977**	**$ 1,917**	**$ 217**	**$ 338**	**$ 10,447**	**$ 144,896**
Profit for the period		-	-	-	-	-	1,637	1,637
Loss on available-for-sale investments		-	-	-	(163)	-	-	(163)
Recycled on disposal of available-for-sale		-	-	-	(34)	-	-	(34)
Retranslation of foreign operations		-	-	-	-	(107)	-	(107)
Total comprehensive income		-	-	-	(197)	(107)	1,637	1,333
Cost of raising share capital	12	-	(15)	-	-	-	-	(15)
Issuance of share options		-	-	585	-	-	-	585
Share options exercised	12	3,060,000	2,201	(797)	-	-	797	2,201
Balance at 31 December 2012		**151,902,884**	**$ 134,163**	**$ 1,705**	**$ 20**	**$ 231**	**$ 12,881**	**$ 149,000**
Loss for the period		-	-	-	-	-	(1,106)	(1,106)
Recycled on disposal of available-for-sale		-	-	-	(20)	-	-	(20)
Total comprehensive income		-	-	-	(20)	-	(1,106)	(1,126)
New share capital subscribed	12	21,775,000	15,504	-	-	-	-	15,504
Cost of raising share capital	12	-	(1,586)	-	-	-	-	(1,586)
Balance at 31 March 2013		**173,677,884**	**$ 148,081**	**$ 1,705**	**$ -**	**$ 231**	**$ 11,775**	**$ 161,792**

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	
	March 31, 2013	March 31, 2012
OPERATING ACTIVITIES		
Operating profit	$ 447	$ 3,179
Items not affecting cash:		
Depreciation	1,413	1,155
Provision for mine closure costs	17	21
Profit on disposal of available-for-sale investments	(28)	-
Revaluation of available-for-sale investments	-	10
Foreign exchange losses relating to non-operating items	-	107
Changes in non-cash working capital items:		
(Increase) decrease in inventory	(567)	142
Increase in other receivables and prepayments	(905)	(1,621)
Decrease in trade and other payables	(4,600)	(3,618)
Payment of mine closure costs	(18)	-
Corporation tax paid	(2,034)	(1,808)
	(6,275)	(2,433)
Finance income received	1	13
Finance expense paid	(271)	(96)
Net cash used in operating activities	(6,545)	(2,516)
INVESTING ACTIVITIES		
Disposal of available-for-sale investments	171	-
Acquisition of property, plant and equipment	(819)	(404)
Deferred exploration and development expenditures	(6,502)	(9,154)
Net cash used in investing activities	(7,150)	(9,558)
FINANCING ACTIVITIES		
Proceeds from the issue of ordinary share capital	15,504	33,363
Cost of raising share capital	(1,586)	(2,138)
Net cash from financing activities	13,918	31,225
Change in cash	223	19,151
Cash at beginning of period	6,246	11,134
Cash at end of period	$ 6,469	$ 30,285

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 month period ended 31 March 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.

Having taken into account the balance of cash at 31 March 2013 and the fact that the Corihuarmi mine has positive cash flow and the ability to manage expenditure, the Directors of the Company consider that it will have sufficient funds to continue as a going concern for the foreseeable future. However, there are risks associated with the operation 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 Nicolas Projects, which both have positive feasibility studies completed, will require additional funding to construct. Furthermore, existing loan facilities will need to be refinanced or renegotiated. Should additional capital be required, the Directors consider that further sources of finance could be secured in the required timescale.

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 13 May 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.

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 period ended 31 December 2013.

(Unaudited – Expressed in thousands of United States Dollars)

Note 3 – Key Management Compensation

	Salary & fees ($)	Bonus ($)	Other Benefits ($)	Share Based Payments ($)	Total ($)
31 March 2013					
Directors:					
C Chamberlain	125	-	9	-	**134**
D Jones	6	-	-	-	**6**
K Judge	6	-	-	-	**6**
G Ross	6	-	-	-	**6**
N Valdez Ferrand	6	-	-	-	**6**
Directors total	149	-	9	-	**158**
Non-Directors:	376	-	139	-	**515**
TOTAL	525	-	148	-	**673**

	Salary & fees ($)	Bonus ($)	Other Benefits ($)	Share Based Payments ($)	Total ($)
31 March 2012					
Directors:					
C Chamberlain	110	-	16	-	126
D Jones	11	-	-	-	11
K Judge	11	-	-	-	11
G Ross	11	-	-	-	11
N Valdez Ferrand	11	-	-	-	11
Directors total	154	-	16	-	170
Non-Directors:	427	-	181	-	608
TOTAL	581	-	197	-	778

(Unaudited – Expressed in thousands of United States Dollars)

Note 4 – Profit Before Tax

	31 March 2013 ($)	31 March 2012 ($)
Auditor's remuneration:		
Audit of group financial statements	**34**	20
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	**34**	34
Taxation services	**3**	4
Corporate finance services	**29**	-
Foreign exchange loss	**123**	62

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$0.05 per share as quoted on the TSX Venture Exchange on 31 March 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

	31 March 2013 ($)	31 December 2012 ($)
Non-current assets		
Other receivables	**14,120**	13,266
Current assets		
Other receivables	**3,097**	2,032
Prepayments	**458**	885
	3,555	2,917

Included in other receivables and prepayments is an amount of $14,710,000 (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 within this is a total of $13,395,000 (2012: $13,178,000) relating to purchases for the Ollachea and the Don Nicolas projects, which will not be recovered in the next accounting period and has therefore been included in non-current assets.

(Unaudited – Expressed in thousands of United States Dollars)

Note 7 - Inventory

	31 March 2013 ($)	31 December 2012 ($)
Gold in process	**2,311**	2,117
Mining materials	**1,742**	1,369
	4,053	3,486

Note 8 – Intangible Assets

	Ollachea ($)	**Don Nicolas ($)**	**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	5,207	1,154	61	115	6,537
Balance - 31 March 2013	**112,762**	**34,651**	**7,758**	**10,725**	**165,896**

Note: The Ollachea property includes $21,000,000 provided in respect of further payments to Rio Tinto Plc. See note 11 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 statement of financial position.

Ollachea will require additional permitting and both Ollachea and Don Nicolas 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	790	-	1	34	825
Balance - 31 March 2013	**39,923**	**2,859**	**2,875**	**3,682**	**49,339**
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	1,193	16	116	129	1,454
Balance - 31 March 2013	**28,576**	**105**	**1,169**	**2,132**	**31,982**
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 - 31 March 2013	**11,347**	**2,754**	**1,706**	**1,550**	**17,357**

Note 10 – (Loss) Earnings per Share

The loss per share for the three months ended 31 March 2013 has been calculated at $0.01 (2012: earnings per share of $0.01) using the loss for the period $1,106,000 (2012: profit of $1,696,000) and the weighted average number of ordinary shares in issue during the three month period ended 31 March 2013 of 164,725,940 (2012: 128,264,422).

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

31 March,	**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	**(1,106)**	**164,726**	**(0.7)**	1,696	128,264	1.3
Dilutive effects-options	-	-	-	-	1,184	-
Diluted (loss) earnings	**(1,106)**	**164,726**	**(0.7)**	1,696	129,448	1.3

(Unaudited – Expressed in thousands of United States Dollars)

Note 11 – Liabilities

Interest Bearing Loans

At March 31, 2013, the Group had fully drawn the interest bearing loans provided by Macquarie Bank totalling $20,000,000 (December 31, 2012: $20,000,000). 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%. The loans remain secured against the assets of the Group. In addition, other share options were granted in connection with the loan extension. See note 12 for more details.

Provisions

The Group has made a provision of $3,177,000 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 31 March 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 2.25 years. Further, the directors have currently estimated 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	17
Paid during the period	(18)
Balance - 31 March 2013	**3,177**

	31 March 2013 ($)	31 December 2012 ($)
Trade and other payables		
Non-current		
Other payables [1]	**14,000**	14,000
Current		
Trade payables	**6,155**	8,090
Other payables [1]	**7,000**	9,665
	13,155	17,755

[1] The Group has accrued $21,000,000 in connection with the second and final additional payment to Rio Tinto plc for the Ollachea property acquisition. The payment will be made in three separate instalments which are to occur three months after the reception of notice from an independent appraiser on the valuation of the Ollachea Feasibility Study, 12 months after the appraiser's report and 24 months after the appraiser's report, respectively. The final amount is still subject to the independent third party appraiser's report, and up to 80% of the payment can be settled in ordinary shares of Minera IRL Limited at the Company's election.

(Unaudited – Expressed in thousands of United States Dollars)

Note 12 – Capital and Reserves

As at 31 March 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
Shares in issue 31 March 2012	148,842,884
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 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 31 March 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$15,460,250. A total of $1,585,975 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.

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 $2,153,456 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:

	31 March 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	-	-	3,835,000	0.78
Options exercised	-	-	(3,060,000)	0.45
Options outstanding, end	**9,730,000**	**0.88**	**9,730,000**	**0.88**
Options exercisable, end	**9,730,000**	**0.88**	**9,730,000**	**0.88**

There were no options granted during the three month period ended 31 March 2013.

(Unaudited – Expressed in thousands of United States Dollars)

Note 12 – Capital and Reserves (continued)

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 4 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	03 April 2012	14 May 2012	04 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

The following table details the incentive stock options outstanding as at 31 March 2013:

Number of share options	Exercise price	Expiry date
150,000	£0.53	September 3, 2017
200,000	£0.59	May 14, 2017
3,485,000	£0.81	April 3, 2017
2,630,000	£1.08	November 17, 2015
50,000	£0.73	July 2, 2015
125,000	£0.89	January 26, 2015
2,300,000	£0.91	November 17, 2014
790,000 [1]	£0.62	March 18, 2013

[1] The options granted on 18 March 2008 had an expiry date during a closed/black-out period for the Company. Under the Company's Share Option Plan, the expiry date can be extended up to 10 business days after the cessation of the closed/black-out period, and accordingly these options have not yet expired.

Other Share Options

There were no changes in other share options during the period.

	31 March 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 10)

(Unaudited – Expressed in thousands of United States Dollars)

Note 12 – Capital and Reserves (continued)

The following table details the other share options outstanding as at 31 March 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

Note 13 – Financial Instruments and Financial Risk Management

Financial instruments

The Group's principal financial assets comprise of 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.

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:

	31 March 2013 ($)	31 December 2012 ($)
Pounds sterling	**612**	72
Australian dollars	**9**	242
Canadian dollars	**675**	174
Argentine pesos	**493**	206
Chilean pesos	**22**	22
Peruvian nuevo soles (overdraft)	**(447)**	1,164
United States dollars	**5,105**	4,366
	6,469	6,246

(Unaudited – Expressed in thousands of United States Dollars)

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

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

	31 March 2013 ($)	31 December 2012 ($)
Pounds sterling	**474**	(89)
Australian dollars	**(201)**	(230)
Canadian dollars	**458**	406
Argentine pesos	**6,069**	5,791
Chilean pesos	**5**	(7)
Peruvian nuevo soles	**3,790**	1,605
United States dollars	**(35,934)**	(39,961)
	(25,340)	(32,485)

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:

	31 March 2013 ($)	31 December 2012 ($)
10% weakening of the US dollar	**1,059**	748
20% weakening of the US dollar	**2,119**	1,495
10% strengthening of the US dollar	**(1,059)**	(748)
20% strengthening of the US dollar	**(2,119)**	(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.

An analysis of the financial 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 differ from the amount included in the statement of financial position because the amount in that statement is based on discounted cash flows. 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.

2013

Financial Liabilities	**Due in less than 1 month ($)**	**Due between 3 months to 1 year ($)**	**Due between 1 to 5 years ($)**	**Total ($)**
Trade payables	6,155	-	-	6,155
Other payables	-	-	14,000	14,000
Other payables – Current portion	-	7,000	-	7,000
Interest bearing loan	-	-	20,000	20,000
	6,155	7,000	34,000	47,155

(Unaudited – Expressed in thousands of United States Dollars)

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

2012

Financial Liabilities	Due in less than 1 month ($)	Due between 3 months to 1 year ($)	Due between 1 to 5 years ($)	Total ($)
Trade payables	10,755	-	-	10,755
Other payables	-	-	14,000	14,000
Other payables – Current portion	-	7,000	-	7,000
Interest bearing loan	-	-	20,000	20,000
	10,755	7,000	34,000	51,755

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. However, considering the market prices in the last few years and available projections of future prices, the management believes that changes in market prices of metals will not have a damaging impact on the Group's financial statements.

Credit risk
The Group is exposed to credit risk in so far as it deposits cash with its banks as detailed in note 13. 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, 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.

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 31 March 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 for 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 Three Months Ended 31 March 2013				
Revenue	9,241	-	-	9,241
Administration	(968)	(278)	(759)	(2,005)
Operating profit (loss)	1,455	(250)	(759)	(446)
Profit (loss)	(80)	(276)	(750)	(1,106)
For the Three Months Ended 31 March 2012				
Revenue	11,073	-	-	11,073
Administration	(1,059)	(283)	(748)	(2,090)
Operating profit (loss)	4,212	(263)	(770)	3,179
Profit (loss)	2,593	(293)	(604)	1,696

	Peru ($)	Argentina ($)	Other ($)	Total ($)
As at 31 March 2013				
Non-current assets	142,678	53,577	1,792	198,047
Current	10,423	1,241	2,413	14,077
Total assets	153,101	54,818	4,205	212,124
As at 31 December 2012				
Non-current assets	131,345	59,985	118	191,448
Current	10,367	180	2,102	12,649
Total assets	141,712	60,165	2,220	204,097

Note 16 – Related Party Transactions

During the three month period ended 31 March 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 three month period ended 31 March 2013.

Note 18 – Seasonal Influences

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

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