MINERA IRL LIMITED
Interim Accounts
For the First Quarter ended 31 March 2011

HIGHLIGHTS

Financial

- **First quarter gold sales of 7,883 ounces, up 4.5% from 7,541 ounces in the same period in 2010, and realised gold price of $1,389 per ounce, up 25.2% from $1,110 per ounce in the same period in 2010**
- **Sales revenue of $10.9 million, up 30.8% from $8.4 million in the same period in 2010**
- **Gross profit of $4.5 million in 2010, up 71.9% from $2.6 million in the same period in 2010**
- **EBITDA of $4.7 million in 2010, up 106% from $2.3 million in the same period in 2010**
- **Profit before tax of $2.5 million, up 340% from $0.6 million in the same period in 2010**
- **Profit after tax $1.3 million, up 418% from $0.2 million in the same period in 2010**

Operational

- **Corihuarmi first quarter gold production of 7,952 ounces, up 12.5% from 7,071 ounces in the same period in 2010**
- **Corihuarmi site cash operating cost of $401 per ounce, down 7.2% from $432 per ounce in the same period in 2010**
- **The Pre-feasibility Study at Ollachea continues to progress toward a mid-2011 completion with, the Feasibility Study on the Don Nicolas Project in Patagonia also on track for completion in late 2011**
- **Also in Patagonia, further encouraging drill assay results were announced at the Escondido bulk tonnage project**
- **Cash held of $30.7 million as at 31 March 2011**

CHAIRMAN'S STATEMENT

The March 2011 quarter heralded in the start of an important year for Minera IRL Limited ("Minera IRL"). Our Corihuarmi Gold Mine continues to perform well on the back of a strong gold price, good progress was made on the pre-feasibility study on the Ollachea Project and the feasibility study on the Don Nicolas Project and the 2011 exploration program is well underway in Peru and Argentina.

The financial performance for the three months to 31 March 2011 was above our expectations. Gold sales were a solid US$10.9 million on the back of a continuing strong gold price, with spot sales averaging US$1,389 per ounce. Gross profit was US$4.5 million and EBITDA US$6.6 million. Profit before tax was US$2.5 million giving a profit after tax of US$1.3 million. The cash balance at the end of the quarter was US$30.7 million.

Our Corihuarmi Gold Mine continues to perform very well with gold production of 7,952 ounces, approximately 4% above budget. Minera IRL took over the mining activities, previously performed by a contractor, and this has already resulted in a meaningful reduction in the operating cost per tonne. Mining continued to largely focus on the Susan outcrop. Site cash operating costs averaged US$401 per ounce for the quarter. A permitting application has been lodged to increase the production rate from 1.5 million tonnes per annum to 2 million tonnes per annum to provide the economies of scale for the treatment of low grade scree mineralization.

At the Ollachea Project in southern Peru, the Pre-feasibility Study continues to make excellent progress and this is expected to be completed mid-year. In-fill drilling in the Minapampa East Zone continued throughout the period with very encouraging intersections released to the market. A new resource estimate is scheduled for the second quarter in which much of the previously reported Inferred Resource at Minapampa East is expected to be upgraded to the Indicated category. Good progress was also made on other aspects of the pre-feasibility including the underground mine design and production schedule by Coffey Mining Pty Ltd; flowsheet, process and plant design by study managers AMEC; more metallurgical test-work; geotechnical evaluations and information gathering for the environmental baseline report. Permitting of the exploration drive into the main mineralized zone is almost in place and this will provide a rapid start to this project once the Pre-feasibility Study is completed. Drilling at Concurayoc, approximately 500 meters west of Minapampa, continued with the objective of reporting a maiden Inferred Resource later in the year.

In Patagonia, good progress has been made on the Don Nicolas Feasibility Study and is due for completion toward the end of 2011. Whilst in-fill drilling was completed on the Sulfuro Vein in 2010, it was found that the other deposit which makes up the Don Nicolas Project, Martinetas, requires one final round of in-fill drilling and this is in progress at the time of writing. Other aspects of the study, such as more metallurgical testing, geotechnical studies, hydrology program, process plant design and environmental data gathering are in progress.

On the exploration front, a high level of activity continued on the Company's extensive 2,700 square kilometer exploration license holding. Encouraging results were announced to the market from the second round of drilling on the bulk tonnage Escondido project as well as drill results from the Pan de Azucar epithermal vein in the Chispas exploration block. A third phase 6,800 meter diamond drilling program is in progress at Escondido which includes following a new geophysical anomaly to the east and south east. Additional geophysical programs are about to get underway in the lead up to drilling at a number of high quality exploration projects.

In Peru, a second phase of drilling has commenced at the Bethania gold porphyry system, which is located only 10 kilometers from Corihuarmi. In-fill drilling will also take place in the second quarter on some of the smaller deposits at Corihuarmi with the objective of further extending the mine life.

Liquidity has been sound in the first quarter with approximately half the volume being traded on the London AIM market with the remainder split between the TSX and the Lima Stock Exchange. RBC was appointed as the Company's joint and global broker in a further attempt to gain market recognition and support.

In closing, I would like to extend my appreciation to our outstanding team and to our loyal shareholders. I feel that the Company is making good progress in our quest to become a mid-tier gold producer.

Courtney Chamberlain
Executive Chairman
Minera IRL Limited 12 May 2011

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Consolidated Statement of Comprehensive Income

	3 months ended 31 March 2011 (unaudited) US$'000	3 months ended 31 March 2010 (unaudited) US$'000	Year ended 31 December 2010 (audited) US$'000
Revenue	10,929	8,356	41,082
Cost of sales	(6,459)	(5,756)	(23,302)
Gross profit	4,470	2,600	17,780
Administration expenses	(2,071)	(1,853)	(7,755)
Exploration costs	(222)	(153)	(3,321)
Gain on Disposal of Available for Sale Investments	386	-	468
Operating profit	2,563	594	7,172
Finance income	19	37	95
Finance expenses	(94)	(65)	(731)
Net finance expense	(75)	(28)	(636)
Profit before tax	2,488	566	6,536
Income tax	(1,234)	(324)	(4,287)
Profit for the period attributable to the equity shareholders of the parent	1,253	242	2,249
Gain on valuation of available for sale investments	119	-	598
Movement on revaluation reserve for shares sold	(260)	-	-
Total Comprehensive Income	1,113	242	2,847
Earnings per ordinary share (US cents)			
Basic	1.0	0.3	2.5
Diluted	1.0	0.3	2.4

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Consolidated Balance Sheet

	As at 31 March 2011 (unaudited) US$'000	As at 31 March 2010 (unaudited) US$'000	As at 31 December 2010 (audited) US$'000
Assets			
Property, plant and equipment	23,303	24,437	24,443
Intangible assets	57,726	38,386	53,746
Investment	100	0	0
Available for sale investments	617	1,171	1,014
Deferred tax asset	0	426	77
Other receivables	5,518	1,454	4,735
Total non-current assets	87,264	65,874	84,015
Inventory	2,263	1,075	2,508
Other receivables and prepayments	3,824	3,405	3,345
Cash and cash equivalents	30,734	10,911	34,648
	36,821	15,391	40,501
Non-current assets held for sale	0	0	0
Total current assets	36,821	15,391	40,501
Total assets	124,085	81,265	124,516
Equity			
Share capital	100,751	65,856	100,707
Foreign currency reserve	129	129	129
Share option reserve	1,918	1,476	1,938
Revaluation reserve	457	0	598
Accumulated(losses) profit	245	(3,158)	(1,029)
Total equity attributable to the equity shareholders of the parent	103,500	64,303	102,343
Liabilities			
Interest bearing loans	10,000	0	10,000
Provisions	2,391	1,520	1,639
Other long term liabilities	0	1,882	0
Total non-current liabilities	12,391	3,402	11,639
Interest bearing loans	0	3,500	0
Current tax	1,250	464	1,737
Trade and other payables	6,944	9,596	8,797
Total current liabilities	8,194	13,560	10,534
Total liabilities	20,585	16,962	22,173
Total equity and liabilities	124,085	81,265	124,516

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Consolidated Statement of Changes in Equity

	Share capital US$'000	Foreign currency reserve US$'000	Share Option reserve US$'000	Reval-uation reserve US$'000	Profit and loss account US$'000	Total US$'000
Balance 1 January 2010	**65,784**	**129**	**1,363**	**-**	**(3,400)**	**63,876**
Profit for the period to 31 March 2009	-	-	-	-	242	242
New share capital subscribed	72	-	-	-	-	72
Cost of raising share capital	-	-	-	-	-	-
Reserve for share option costs	-	-	113	-	-	113
Balance 31 March 2010	**65,784**	**129**	**1,363**	**-**	**(3,158)**	**64,303**
Balance 1 April 2010	**65,784**	**129**	**1,363**	**-**	**(3,158)**	**64,303**
Profit for the period to 31 December 2010	-	-	-	-	2,007	2,007
Gain on Available for Sale Assets	-	-	-	598	-	
New share capital subscribed	37,897	-	-	-	-	37,897
Cost of raising share capital	(3,064)	-	-	-	-	(3,064)
Reserve for share option costs	-		697	-	-	697
Exercise of share options	-	-	(122)	-	122	-
Balance 31 December 2010	**100,707**	**129**	**1,938**	**598**	**(1,029)**	**102,343**
Balance 1 January 2011	**100,707**	**129**	**1,938**	**598**	**(1,029)**	**102,343**
Profit for the period to 31 March 2011	-	-	-		1,254	1,254
Gain on available for sale financial assets	-	-	-	119	-	119
Realised gain on available for sale shares	-	-	-	(260)	-	(260)
Total comprehensive income	-	-	-	(141)	1254	1113
New share capital subscribed	44	-	-	-	-	44
Reserve for share option costs	-	-	-	-	-	0
Exercise of share options	-	-	(20)	-	20	0
Balance 31 March 2011	**100,751**	**129**	**1,918**	**457**	**245**	**103,500**

Minera IRL Limited

Consolidated Cash Flow Statement

	3 months ended 31 March 2011 (unaudited) US$'000	3 months ended 31 March 2010 (unaudited) US$'000	Year ended 31 December 2010 (audited) US$'000
Cash flows from operating activities			
Operating profit	2,563	594	7,172
Depreciation	2,145	1,686	6,689
Impairment of exploration assets	0	-	2,766
Share option costs	0	113	697
Provision for mine closure costs	752	57	176
Profit on disposal of available for sale investments	(386)	-	(468)
Loss on disposal of assets	0	288	101
Excess of fair value of assets acquired over consideration	-	-	-
Foreign exchange losses relating to non-operating items	(313)	305	147
Decrease/(increase) in inventory	245	451	(982)
(Increase)/decrease in other receivables and prepayments	(1,262)	(337)	(3,558)
(Decrease)/increase in trade and other payables	(1,853)	(1,167)	(4,005)
Corporation tax paid	(1,644)	(811)	(3,152)
Net cash flow from operations	247	1,179	6,183
Interest received	19	37	95
Interest paid	(94)	(65)	(574)
Net cash flow from operating activities	172	1,151	5,704
Cash flows from investing activities			
Sale of available for sale investments	642	708	1,619
Acquisition of property, plant and equipment	(1005)	(733)	(5,843)
Acquisition of intangible assets (exploration expenditure)	(4,080)	(4,189)	(22,315)
Net cash outflow from investing activities	(4,443)	(4,212)	(26,539)
Cash flows from financing activities			
Proceeds from the issue of ordinary share capital	44	72	36,987
Cost of raising share capital	0	-	(3,064)
Receipt of loans			10,000
Repayment of loans	0	(11)	(2,511)
Net cash inflow from financing activities	44	61	41,412
Net (decrease)/increase in cash and cash equivalents	(4,227)	(3,002)	20,577
Cash and cash equivalents at beginning of the period	34,648	14,218	14,218
Exchange rate movements	313	(305)	(147)
Cash and cash equivalents at end of the period	30,734	10,911	34,648

Minera IRL Limited

Notes to the Quarterly Report

The financial information contained in this Quarterly Report does not constitute statutory accounts as defined by the Companies (Jersey) Law 1991. No statutory accounts for the period have been delivered to the Jersey Registrar of Companies. The financial information contained in this Quarterly Report has neither been audited nor reviewed by the auditors.

The statutory accounts for the year ended 31 December 2010 will be filed with the Jersey Registrar of Companies. The auditors' report on these accounts was unqualified. The consolidated financial information contained in this Quarterly Report has been presented and prepared in a form consistent with the annual accounts and in accordance with accounting policies and standards applicable to those annual accounts. However, these interim accounts contained in the Quarterly Report do not include all the disclosures required for those annual accounts. Both the annual accounts and these interim accounts have been prepared in accordance with International Financial Reporting Standards. There have been no changes in the company's accounting policies since 31 December 2010.

This Interim Report has been approved for issue by the Board of Directors on 12 May 2011.

Going Concern
Having taken into account the balance of cash at 31 March 2011 and the fact that the Corihuarmi mine has a positive cash flow, the Directors of the Company consider that it will have sufficient funds to continue as a going concern for the foreseeable future.

Earnings per share
The earnings per share has been calculated using the profit attributable to ordinary shareholders of US$1,253,000 (first quarter 2010: US$242,000) and the weighted average number of ordinary shares in issue during the three months to 31 March 2011 of 119,571,273 (first quarter 2010: 85,632,949).

Issue of Shares
On 20 January 2011 the Company issued 30,000 ordinary shares at a price of GBP0.45 per share as a result of the exercise of incentive share options.

On 20 January 2011 the Company issued 25,000 ordinary shares at a price of GBP0.62 per share as a result of the exercise of incentive share options.

Transactions of an unusual nature
There were no transactions of an unusual nature during the three months to 31 March 2011.

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

Related parties
During the period the Company has received registrar services from Computershare Investor Services (Jersey) Limited, a company related through a common director. The contract for these services provides for a minimum annual charge of GBP3,000 to be paid by the Company.

The Directors of Minera IRL Limited are listed in the Group's Annual report for the year ended 31 December 2010
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By order of the board

C Chamberlain
Executive Chairman