MINERA IRL LIMITED

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

CONTENTS

CHAIRMAN'S STATEMENT

In 2023, the Corihuarmi Gold Mine ("Corihuarmi") shipped a total of 17,346 ounces of gold. Despite disruptions caused by severe El Niño weather events in the first quarter, the mine demonstrated operational resilience, achieving a notable fourth-quarter increase of 29.4% compared to the first quarter. These results emphasize our commitment to optimizing operational efficiency.

Throughout the year, targeted drilling campaigns and operational enhancements led to improved recoveries and increased gold production quarter over quarter. We remained steadfast in our efforts to reduce mine operating costs and mitigate risks from natural phenomena by implementing comprehensive prevention plans and allocating additional resources for safety and stability measures.

Despite these operational achievements, the gold mining industry encountered significant challenges in 2023, particularly due to volatility in gold prices. While downward pressure mid-year led to reduced revenue, the upward trend towards the year's end and increased investment activities suggests a cautiously optimistic outlook for the industry in 2024.

The financial position of the Group has been significantly impacted by the non-repayment of the COFIDE loan and the potential loss of control of the Ollachea Project ("Ollachea"). This, along with the Group's current liabilities and cash generation capabilities, has raised substantial concerns about the Group's ability to continue as a going concern. Consequently, this year our auditors, PKF Littlejohn LLP ("PKF"), have made the decision to issue a disclaimer of opinion on the accompanying financial statements due to pervasive uncertainties in respect of our ability to continue as a going concern.

We acknowledge the going concern issue highlighted by our auditors. However, negotiations and due diligence efforts with three interested parties are progressing positively, and we are confident that any such deal will provide the necessary financial stability and growth opportunities for the company. We expect to make an announcement soon.

Our ongoing relationship with COFIDE plays a critical role in our efforts to obtain the necessary financing. While the loan from COFIDE was due for repayment in November 2023, we continue to control the asset. The Company is at a pivotal moment and has leverage due to Ollachea being one of the few shovel-ready projects in South America, making it a compelling opportunity for any potential investor in a strengthening gold market.

Mining continues to be the driving force of the Peruvian economy, with investment flowing into the sector and a notable increase in exploration and development activities. Peru stands as one of the major producers of mineral commodities globally, accounting for nearly 60% of the country's total exports. Gold remains a crucial mineral export by value, underscoring our commitment to developing our flagship Ollachea Gold Project ("Ollachea").

In conclusion, I want to express my sincere appreciation to our shareholders, directors, and employees for their ongoing support in 2023. As we continue to face challenges and pursue opportunities, I am confident in our collective ability to achieve our goals.

Gerardo Perez
Chairman
Minera IRL Limited
3 June 2024

Cautionary Statement on Forward-Looking Information

Certain information in this Chairman's Letter constitutes "forward-looking statements." Forward looking statements are based on assumptions. Forward-looking statements in this Chairman's Letter include those concerning the Company's optimistic outlook for the industry in 2024, its ability to make an announcement soon regarding a possible deal providing the necessary financial stability and growth opportunities, and its confidence to achieve it's goals. While management believes these assumptions and statements are reasonable in context, forward-looking statements are inherently subject to political, legal, regulatory, business, environmental and economic risks and competitive uncertainties and contingencies. The Company cautions readers that forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Minera IRL's actual results and future performance to be materially different than those expected or estimated future results, performance or achievements and that forward-looking statements are not guarantees of future performance, results, or achievements.

Minera IRL assumes no obligation, except as may be required by law, to update or revise them to reflect new events or circumstances. Risks, uncertainties and contingencies and other factors that might cause actual performance to differ from forward-looking statements include, but are not limited to, changes in and access to the capital or precious metals markets, weather, labor unrest, the uncertainties inherent in mineral exploration and changes to legislative, political, social, health or economic developments both within Peru and in general.

DIRECTORS' REPORT

The directors take pleasure in presenting their report and the audited financial statements for the year ended 31 December 2023.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Minera IRL Group is the development and operation of gold mines in Peru.

The Group operates the Corihuarmi Gold Mine through its subsidiary Minera IRL S.A. and owns a gold project, the Ollachea Gold Project, through Compañía Minera Kuri Kullu S.A., a subsidiary of Minera IRL S.A. Ollachea is shovel-ready, having obtained all the necessary environmental and construction permits. Several technical studies, including a bankable feasibility study, support its viability. The Disclaimer of Opinion issued by PKF Littlejohn is based on pervasive uncertainties in respect of the Group's ability to continue as a going concern. The Group acknowledges the uncertainties and is engaged in due diligence and negotiations with three potential investors to close a transaction that provides the funding required for Ollachea and includes either a repayment, refinance or restructuring of the debt with COFIDE.

A summary of the financial risk management policies and objectives is contained in the notes to the financial statements and the Group's Annual Information Form.

RESULTS AND DIVIDENDS

The total comprehensive loss after tax for the year was $20,505,000 (2022: loss of $15,999,000). No dividend was paid during the year and no final dividend is proposed. A loss of $20,505,000 (2022: loss of $15,999,000) is to be transferred to retained earnings.

DIRECTORS

The names of the directors who served during the year and their interests in the share capital of the Group at the start and the end of the year are:

Director	Ordinary shares of no par value 31–Dec-2023	31-Dec-2022
G Perez	225,090	225,090
D Benavides	4,228,147	4,228,147
J Lema	100,000	100,000
S Valverde	116,065	116,065
M Mount	-	-

DONATIONS

The Group made no charitable donations outside of the areas in which it operates and hopes to establish mines. However, extensive work is done to help the local communities of Peru where the Group is mining or is intending to establish mines, and where the relationship with the local communities is extremely important. No political donations were made during the past year or the previous year.

SUBSTANTIAL SHAREHOLDERS

As at 3 June 2024, the Group has been notified of the following substantial shareholdings in addition to those of the directors:

	Number of Shares	Percentage of Issued Share Capital
Rio Tinto Mining and Exploration Limited	44,126,780	19.1
Compañía Inversora en Minas S.A.	9,146,341	4.0

GOING CONCERN

The Group reports net current liabilities of US $120,848,000. These consist of COFIDE obligations, along with trade and other receivables, and lease liabilities. The Group requires funding to meet its liabilities as they fall due. While the Group continues to generate cash from gold production at the Corihuarmi Mine, this is not sufficient to meet its working capital requirements.

If the Group is unable to repay, refinance or restructure the debt with COFIDE, it will have to relinquish its ownership of the subsidiary, Compañia Minera Kuri Kullu S.A., and therefore the Ollachea concessions. All net assets associated with Ollachea would be fully impaired as a result. While the loan from COFIDE was due for repayment in November 2023, the Group maintains control of the Peruvian subsidiary, Compañía Minera Kuri Kullu S.A. and the Ollachea concessions owned by the subsidiary. Also, continuing operating losses may impact liquidity and the need to incur in additional debt to meet ongoing costs. While the Group acknowledges that continuing losses may impact liquidity, an increased gold production is anticipated in 2024 coupled with higher gold prices, having a positive impact on the Group's financial position and its ability to meet liabilities.

As at 31 December 2023, the Group is engaged in due diligence and negotiations with three 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 Compañia 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. We note that our auditor's have issued a disclaimer of opinion in respect of the going concern nature of the Group and parent company.

SUBSEQUENT EVENTS

Details of subsequent events between the end of the period date and the date of filing of the Directors' report are disclosed in Note 24 to the consolidated financial statements.

DISCLOSURE OF INFORMATION

So far as each of the directors is aware, there is no information needed by the Group's auditor in connection with the preparation of their report, which they have not been made aware of, and the directors have taken all the steps that they ought to have taken to discover any relevant audit information and to establish that the Group's auditor has been made aware of that information.

By order of the Board

Gerardo Perez
Chairman
Minera IRL Limited
3 June 2024

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law in Jersey requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Under Company Law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRSs as issued by the IASB; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions, to disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in Jersey governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MINERA IRL LIMITED

Disclaimer of opinion

We were engaged to audit the financial statements of Minera IRL Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise of the Consolidated and Parent Company Statements of Total Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board.

We do not express an opinion on the accompanying financial statements of the group and parent company. Because of the significance of the matters described in the Basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

In seeking to form an opinion on the financial statements, we considered the implications of the significant uncertainties disclosed in the financial statements concerning the following matters:

- The group has a secured finance facility with Corporación Financiera de Desarrollo S.A. ("COFIDE") which required full repayment of US $89,559,000 in November 2023. To guarantee the full repayment of the balance owed to COFIDE, Corporate Trust contracts were assigned over the Ollachea Project's mineral concessions, the shares of the Peruvian subsidiary Compañía Minera Kuri Kullu S.A ("Kuri Kullu") and over future cash flows from the same Project in favour of COFIDE.

- Failure to repay the amount owed to COFIDE may result in the group relinquishing control of Kuri Kullu and significant losses may also be realised on the group financial statements as a result of the carrying value of the deferred exploration costs (US $148,307,000) being significantly higher than the value of the secured finance facility (US $89,559,000). Additionally, it should be noted that the carrying value of the investment in the subsidiary (US $66,317,000) and intercompany receivable (US $7,438,000) on the parent company statement of financial position are intrinsically linked to the carrying value of the Ollachea Project.

- Whilst the group has generated cash from gold production at the Corihuarmi Mine, over the last two financial periods this has not been sufficient to meet the working capital requirements of the group.

- As at 31 December 2023, the group reports net current liabilities of US $120,848,000 consisting primarily of balances owed to COFIDE of $89,559,000 along with trade and other payables and lease liabilities. The group requires funding to repay these balances or to obtain agreement to defer the balances owed to COFIDE or to other creditors, or a combination both, to meet its liabilities as they fall due.

- The group does not currently have sufficient funds to pay the balances outstanding, but are in discussions with various parties (including COFIDE) in order to obtain sufficient funding to enable them to settle in part or full the COFIDE loan and to provide sufficient working capital for the ongoing operations and to commence development of the Ollachea Project. As at the date of this report, these discussions are ongoing, and whilst letters of intent have been provided, no binding offer or agreement has been reached in respect of raising finance. Accordingly, there is a pervasive impact on the group and parent company owing to the significant uncertainty over the quantum and timing of raising sufficient funds to enable the group and parent company to continue to meet their liabilities as they fall due. An inability to repay the debts as they fall due would lead to impairments of various assets including the carrying value of the deferred exploration costs (US $148,307,000) and the value of the investments in the subsidiary (US $66,317,000).

Due to the cumulative effect of the uncertainties, on the financial statements, we are unable to form an opinion on the financial statements of the group and parent company.

Other information

The other information comprises the information included in the annual report and accounts, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Because of the significance of the matter described in the basis for disclaimer of opinion section of out report, we are unable to determine whether a material misstatement of other information exists.

Matters on which we are required to report by exception

Notwithstanding our disclaimer of opinion on the financial statements, we have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Law 1991 requires us to report to you, if, in our opinion:

- proper accounting records have not been kept, or proper returns adequate for our audit have not been received from branches not visited by us, or

- the financial statements are not in agreement with the accounting records.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group and parent company financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

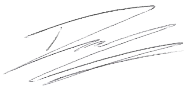
Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the group and the parent company's financial statements in accordance with International Standards on Auditing and to issue and auditor's report.

However, because of the matters described in the Basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The engagement partner on the audit resulting in this independent auditors' report is Daniel Hutson.



Daniel Hutson (Engagement Partner) 15 Westferry Circus
For and on behalf of PKF Littlejohn LLP Canary Wharf
Recognised Auditor London E14 4HD
4 June 2024

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME
For the years ended 31 December 2023 and 2022

	Notes	2023 US$000	2022 US$000
Revenue from contracts with customers	3	33,607	36,993
Cost of sales	4	(31,693)	(36,460)
Gross Profit		1,914	533
Administration expenses	4	(5,840)	(6,546)
Exploration costs		(220)	(409)
Loss on disposal of property, plant and equipment		-	(109)
Write-off of assets	10	-	(15)
Operating (Loss) profit		(4,146)	(6,546)
Finance expense	6	(11,020)	(9,453)
Loss before tax		(15,166)	(15,999)
Income tax expense		(5,041)	-
Loss for the year attributable to the equity shareholders of the parent		(20,207)	(15,999)
Total comprehensive income for the year attributable to the equity shareholders of the parent		(20,207)	(15,999)

Earnings per ordinary share (US cents)			
Basic and diluted	8	(8.7)	(6.9)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2023 and 2022

	Notes	2023 US$000	2022 US$000
Assets			
Property, plant and equipment	**10**	**4,269**	**4,393**
Right-of-use assets	**11**	**11,936**	**10,864**
Intangible assets	**12**	**148,825**	**148,427**
Other receivables and prepayments	**13**	**7,594**	**7,392**
Total non-current assets		**172,624**	**171,076**
Inventory	**14**	**4,436**	**3,906**
Other receivables and prepayments	**13**	**4,034**	**1,851**
Current tax recoverable		**400**	**4,278**
Cash and cash equivalents	**15**	**997**	**2,861**
Total current assets		**9,867**	**12,896**
Total assets		**182,491**	**183,972**
Equity			
Share capital	**16**	**159,012**	**159,012**
Share option reserve	**16**	**543**	**532**
Accumulated losses		**(117,204)**	**(96,997)**
Total equity attributable to the equity shareholders of the parent		**42,351**	**62,547**
Liabilities			
Interest bearing loans	**17**	**-**	**-**
Lease liabilities	**18**	**4,281**	**3,165**
Provisions	**19**	**5,144**	**4,691**
Trade and other payables	**20**	**-**	**-**
Total non-current liabilities		**9,425**	**7,856**
Interest bearing loans	**17**	**94,499**	**84,416**
Lease liabilities	**18**	**15,575**	**14,065**
Trade and other payables	**20**	**20,641**	**15,088**
Total current liabilities		**130,715**	**113,569**
Total liabilities		**140,140**	**121,425**
Total equity and liabilities		**182,491**	**183,972**

The consolidated financial statements were approved and authorised for issue by the Board and were signed on its behalf by:

Gerardo Pérez
Chairman
3 June 2024

Jorge Armas Rodriguez
Interim Chief Financial Officer
3 June 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the years ended 31 December 2023 and 2022

	Note	Share capital US$000	Share option reserve US$000	Accumulated losses US$000	Total US$000
Balance at 1 January 2022	16	159,012	433	(80,998)	78,447
Options granted		-	99	-	99
Loss for the period		-	-	(15,999)	(15,999)
Total comprehensive loss		-	-	(15,999)	(15,999)
Balance 31 December 2022	16	159,012	532	(96,997)	62,547

	Note	**Share capital US$000**	**Share option reserve US$000**	**Accumulated losses US$000**	**Total US$000**
Balance at 1 January 2023	**16**	**159,012**	**532**	**(96,997)**	**62,547**
Options granted		**-**	**11**	**-**	**11**
Loss for the year		**-**	**-**	**(20,207)**	**(20,207)**
Total comprehensive loss		**-**	**-**	**(20,207)**	**(20,207)**
Balance 31 December 2023	**16**	**159,012**	**543**	**(117,204)**	**42,351**

CONSOLIDATED CASH FLOW STATEMENT
For the years ended 31 December 2023 and 2022

	Note	2023 US$000	2022 US$000
Cash flows from operating activities			
Loss before tax		(15,166)	(15,999)
Finance expense	6	11,020	9,453
Depreciation	10,11	9,074	11,736
Share-based payments		11	99
Loss on disposal of property, plant and equipment		-	109
Write-off of assets	10	-	15
Decrease (increase) in inventory		(530)	258
Decrease in other receivables and prepayments		(2,368)	(436)
Increase in trade and other payables		5,550	2,080
Payment of mine closure costs	19	(158)	(667)
Cash generated from operations		7,433	6,648
Income tax paid		(1,180)	(353)
Net cash from operating activities		6,253	6,295
Cash flows from investing activities			
Acquisition of property, plant and equipment	10	(1,370)	(1,609)
Deferred exploration and development expenditures	12	(974)	(2,126)
Disposal of property, plant and equipment		-	935
Net cash outflow from investing activities		(2,344)	(2,800)
Cash flows from financing activities			
Net proceeds from loans	17	1,250	2,000
Repayment of loans	17	(150)	(200)
Payment of lease liabilities	18	(6,365)	(6,241)
Payment of finance expenses		(508)	(676)
Net cash outflow from financing activities		(5,773)	(5,117)
Net (decrease) in cash and cash equivalents		(1,864)	(1,622)
Cash and cash equivalents at beginning of year		2,861	4,483
Cash and cash equivalents at end of year	15	997	2,861

A net debt reconciliation table is included on note 17

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Minera IRL Limited (the "Group") is registered in Jersey and its registered office is at Hawksford House, 15 Esplanade, St. Helier, Jersey, JE1 1RB, Channel Islands.

The principal activity of the Group and its subsidiaries is the exploration, development and operation of mines for the extraction of gold.

The consolidated financial statements of the Group for the year ended 31 December 2023 comprise the Group and its subsidiaries (together referred to as the "Group").

The financial statements were authorised for issue by the directors on 3 June 2024.

Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") in force at the reporting date and their interpretations issued by the International Accounting Standards Board ("IASB").

New and amended standards

The following IFRS or IFRIC interpretations were effective for the first time for the financial year beginning 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in this financial information:

Standards/interpretations	Application	Effective from
IAS 8 amendments	Definition of Accounting Estimates	1 January 2023
IAS 12 amendments	Deferred Tax related to Assets and Liabilities arising from a single Transaction	1 January 2023

Interpretations and amendments to published standards effective in 2023

The following standards are issued but not yet effective. The Group intends to adopt these standards, if applicable, when they become effective. It is not currently expected that these standards will have a material impact on the Group.

Standards/interpretations	Application	Effective from
IAS 1	Classification of Liabilities as Current or Non-current & Disclosures of Accounting Policies	1 January 2024
IAS 7 and IFRS 7 amendments	Supplier Finance Arrangements	1 January 2024

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Preparation and Going Concern

The financial statements are presented in United States dollars, which is the Group's functional currency, rounded to the nearest thousand.

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

At 31 December 2023, the Group had a working capital deficit of $120,848,000 (defined as current assets less current liabilities).

In June 2015, the Group secured a $70 million Bridge Loan (the "Loan") through Peru's development and promotion bank, Corporación Financiera de Desarrollo S.A. ("COFIDE") and Goldman Sachs. The Loan was part of a larger $240 million senior credit facility to fund the Ollachea Gold Project ("Ollachea"), according to a letter of mandate signed by COFIDE and the Group. The Loan facilitated the repayment of a $30 million Macquarie Bank debt and $12 million owed to Rio Tinto, with the remaining $2.19 million converted into an unsecured promissory note due by December 31, 2015. The Group later repaid $700,000 of the principal, the outstanding balance as of December 31, 2023 is $1.516 million (2022: $1,516 million).

COFIDE terminated the letter of mandate in March 2017, leading the Group to seek arbitration in June 2017. The arbitration concluded in September 2019 with a favorable award, ordering COFIDE to pay $34.2 million in damages. However, the award did not mandate the Loan repayment as this was subject to the jurisdiction of the courts of New York, United States of America.

By December 2019, the Group and COFIDE signed a Memorandum of Understanding, extended several times until November 7, 2020, to negotiate settlement terms. On 12 November 2020, COFIDE and the Group entered into a Settlement Agreement offsetting the amounts owed and receivable, leading to the Group agreeing to repay COFIDE the net balance within 36 months. The repayment was secured by trust agreements over the Ollachea concessions and the shares of the subsidiary Compañía Minera Kuri Kullu S.A., as well as future cash flows from Ollachea. Penalties were set for delayed repayment, totaling $2.053 million and $1.368 million if not settled before 15 November 2021 and 2022, respectively.

In June 2021, the Group and COFIDE formalized the Settlement Agreement, signing four key documents to manage and guarantee the repayment terms. 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, Compañia 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 31 December 2023, 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 Compañia 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. We note that our auditor's have issued a disclaimer of opinion in respect of the going concern nature of the Group and parent company. This uncertainty may cast significant doubt on the Group's and parent company's ability to continue as a going concern. These financial statements do not include the adjustments that would result if the group and parent company were unable to continue as a going concern.

Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report. These policies have been applied consistently for all the years presented, unless otherwise stated:

(a) Principles of Consolidation

The consolidated financial statements incorporate the statements of the Group and enterprises controlled by the Group (its subsidiaries) made up to 31 December each year. Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at fair value at the acquisition date. The excess of cost of acquisition over the fair value of the Group's share of identifiable net assets acquired is recognised as separately identifiable intangibles and goodwill.

Any excess of the fair value of assets acquired over the cost of acquisition is recognised directly in the consolidated statement of comprehensive income.

The results of subsidiaries acquired or disposed of are included in the consolidated statement of comprehensive income from the effective date of acquisition, or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group. All intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries
These consolidated financial statements include the financial statements of the Parent and its subsidiaries as follows:

	Location	**Ownership**
Minera IRL Limited	Jersey	-
Minera IRL S.A.	Peru	100%
Compañía Minera Kuri Kullu S.A.	Peru	100%
Minera IRL Argentina S.A.	Argentina	100%
Minera IRL Chile S.A.	Chile	100%

(b) Revenue Recognition

The Group enters into contracts for the sale of gold. Revenue arising from gold sales under these contracts is recognised when the price is determinable, the product has been delivered in accordance with the terms of the contract, the significant risks and rewards of ownership have been transferred to the customer and collection of the sales price is reasonably assured. These criteria are assessed to have occurred once the gold has been despatched to the customer and a sale price has been agreed for the contained gold.

A receivable is recognised when the goods are despatched, since this is the point in time that the consideration is unconditional.

(c) Income Tax

The charge for taxation is based on the profit or loss for the year and takes into account deferred taxation. Deferred tax is expected to be payable or recoverable on differences between the carrying value amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computations, and it is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be realised.

Current tax is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Group operates and generates taxable income. Deferred tax is determined using tax rates that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

(d) Foreign Currency

The Group’s presentation currency is the US Dollar and has been selected based on the currency of the primary economic environment in which the Group as a whole operates. In addition, the significant entities in the Group have a functional currency of the US Dollar.

Transactions in currencies other than the functional currency of a company are recorded at a rate of exchange approximating to that prevailing at the date of the transaction. At each statement of financial position date, monetary assets and liabilities that are denominated in currencies other than the functional currency are translated at the amounts prevailing at the statement of financial position date and any gains or losses arising are recognised in profit or loss.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits and money market investments readily converted to cash and have an insignificant risk of change in value. Bank overdrafts are shown within borrowings in current liabilities. For the purposes of the cash flow statements, cash and cash equivalents includes cash on hand and in banks, and money market investments readily convertible to cash, net of outstanding bank overdrafts.

(f) Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of an entity and a financial liability or equity instrument of another.

(1) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through Other Comprehensive Income ("OCI"), or fair value through profit and loss. The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Interest received is recognised as part of finance income in the statement of profit or loss and other comprehensive income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. IFRS 9.5.4 The Group's financial assets at amortised cost include other receivables and cash and cash equivalents.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For other receivables due in less than 12 months, the Group applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(2) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings and trade and other payables

After initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

This category generally applies to trade and other payables.

Derecognition

A financial liability is derecognised when the associated obligation is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss and other comprehensive income.

(3) Financial liabilities

Liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit and loss or other liabilities, as appropriate.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost.

(g) Intangible Assets

Deferred exploration costs

Once legal title is obtained, exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area. Accumulated costs in relation to an abandoned area are written off in full against the results in the year in which the decision to abandon the area is made. No amortisation is charged during the exploration and evaluation phase. Expenditure is transferred from 'Deferred Exploration Costs' to 'Mining Assets' in property, plant and equipment once the work completed to date supports the technical and commercial feasibility of the project, the appropriate permits have been issued and financing has been secured. Additional exploration and evaluation expenditure subsequent to transfer is capitalised within 'Mining Assets and Deferred Development Costs' within property, plant and equipment.

The recoverability of the deferred exploration cost is dependent upon the discovery of economically recoverable ore reserves, continuing compliance with the terms of relevant agreements, the ability of the Group to obtain the necessary financing to complete the development of ore reserves, and the future profitable production or profitable disposal of the area of interest.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(h) Property, Plant and Equipment

(i) Owned asset

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see accounting policy i below).

(ii) Subsequent costs

The Group recognises in the carrying amount of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the consolidated statement of comprehensive income.

(iii) Depreciation

Depreciation on these assets is calculated by the straight-line method to allocate their cost over their estimated useful lives, as follows:

- vehicles - 5 years;
- computer equipment - 4 years;
- furniture and fixtures, and other equipment - 10 years;
- buildings - 25 years

The residual values and useful economic lives of all assets are reviewed annually. Mining assets are depreciated over the expected life of the mine. The amount of ore remaining and the expected future life of the mine are reviewed each year.

(iv) Mining assets and Deferred development costs

When the technical and commercial feasibility of an area of interest has been demonstrated, financing has been secured and the appropriate permits have been issued, the area of interest enters its development phase. The accumulated costs are transferred from exploration and evaluation expenditure within intangible assets and reclassified as mining assets and deferred development costs. When a mine development project moves into the production phase, the capitalization of certain mine development costs ceases and costs are either recognised as forming part of the cost of inventory or expensed, except for costs that qualify for capitalization relating to mining asset additions or improvements to mineable reserve development.

Once mining commences the asset is amortised on a unit-of-production basis over the expected life of the mine. Provisions are made for impairments to the extent that the asset's carrying value exceeds its net recoverable amount.

(v) Assets derecogniton

The carrying amount of an item of property, plant and equipment shall be derecognized on disposal; or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an item of property, plant and equipment shall be included in profit or loss when the item is derecognized. The gain or loss from derecognition is calculated as the net disposal proceeds, if any, less the carrying amount of the item.

(i) Impairment of property, plant and equipment and intangible assets

At each statement of financial position date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered impairment. Prior to carrying out impairment reviews, the significant cash generating units are assessed to determine whether they should be reviewed under the requirements of IFRS 6 - Exploration for and Evaluation of Mineral Resources or IAS 36 - Impairment of Assets. Such determination is by reference to the stage of development of the project and the level of reliability and surety of information used in calculating value in use or fair value less costs to sell.

Impairment reviews performed under IFRS 6 are carried out on a project by project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise; typically when one of the following circumstances applies:

i. sufficient data exists that render the resource uneconomic and unlikely to be developed
ii. title to the asset is compromised
iii. budgeted or planned expenditure is not expected in the foreseeable future
iv. insufficient discovery of commercially viable resources leading to the discontinuation of activities

Impairment reviews performed under IAS 36 are carried out when there is an indication that the carrying value may be impaired. Such key indicators (though not exhaustive) to the industry include:

i. a significant deterioration in the spot price of gold
ii. a significant increase in production costs
iii. a significant revision to, and reduction in, the life of mine plan

If any indication of impairment exists, the recoverable amount of the asset is estimated, being the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. Such impairment losses are recognised in profit or loss for the year.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss for the year.

(j) Inventory

Inventory of consumables is valued at the lower of cost and net realisable value. The value of metal on the leach pads is calculated by applying the estimated cost of production incurred to place the metal on the leach pads to the number of ounces estimated to remain on the leach pads. The value of metal in process is calculated by applying the total cost of production per ounce to the number of ounces which have been extracted from the ore, but not yet been converted into doré bars.

(k) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, responsible for allocating resources and assessing performance of operating segments, has been identified as the Executive Chairman together with the Board of Directors.

(l) Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events when it is more likely than not that an outflow of resources will be required to settle the obligation and when the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

(m) Share Based Payments

The Group rewards directors, senior executives and certain consultants with share options. These instruments are stated at fair value at the date of grant, using the Black-Scholes valuation model, and are expensed to the consolidated statement of comprehensive income over the vesting period of the options. The valuation model requires assumptions to be made about the future, including the length of time the options will be held before they are exercised, the number of option holders who will leave the Group without exercising their options, the volatility of the share price, the risk-free interest rate and the dividend yield on the Group's shares. The resulting valuation does not necessarily reflect the value attributed to the options by the option holders.

(n) Borrowings and Borrowings Costs

Interest bearing borrowings are recognised initially at fair value, less attributable transactions costs. Subsequent to initial recognition they are stated at amortised cost with any difference between cost and redemption value being recognised as a finance cost over the period of the borrowings on an effective interest basis. Interest expense is capitalized once a development decision on an asset is made. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(o) Lease liabilities

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments, less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate, initially measured using the index or the rate as at the commencement date;
- The exercise price of a purchase option; and
- Payment of penalties for terminating the lease.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(p) Significant Accounting Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Key sources of estimation uncertainty

Impairment

In undertaking an impairment review for the operating mine or advanced exploration projects an economic model is prepared which includes full details of the mining and processing schedule, head grade, strip ratios of waste to ore, operating costs and capital costs. From this information the amount of gold production is calculated and revenues estimated. Operating costs, including royalties and refining charges, and capital costs are entered and a cash flow model is produced, which is used to calculate the net present value of the pre-tax cash flow from the operation or project. This net present value is then compared to the carrying value of the operation or project on the statement of financial position and an assessment is made regarding impairment.

In assessing the carrying amounts of deferred exploration costs/intangible assets related to the Ollachea Project, the Directors have used an updated financial model based upon the Preliminary Economic Assessment, which was announced on 19 July 2021 and is available on the Company´s website, which was prepared in conjunction with a number of independent experts. The study has been approved by the Directors.

Should any key parameters differ from the assumptions contained within the technical economic model, such as tonnes of ore mined, grade of ore mined, recovery profile or gold price, the net present value will be affected either positively or negatively. If the impact is negative, an impairment charge may be required that has not been recognised in these financial statements. Further information on the year end carrying values is disclosed in Note 10, “Property, Plant and Equipment”, and Note 12, “Intangibles”.

If the Group is unable to secure an alternative source of funds to repay the debt with COFIDE, or to complete a transaction that leads to the refinance or restructure of the debt, it will have to relinquish its ownership of the subsidiary, Compañia Minera Kuri Kullu S.A., and therefore fully impair the carrying value of Ollachea.

Depreciation

Mining assets are depreciated on a unit-of-production basis over the expected life of the mine. The amount of ore remaining and the expected future life of the mine are reviewed and estimated each year. Additional information on the depreciation of mining assets and the charge for the year is provided in Note 10, “Property, Plant and Equipment”.

Environmental provisions

Management uses its judgement and experience, together with independently prepared reports by qualified valuers, to provide for and amortise the estimated costs for decommissioning and site rehabilitation over the life of the mine. The ultimate cost of decommissioning and site rehabilitation is uncertain and cost estimates can vary in response to many factors including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other mine sites. The expected timing and extent of expenditure can also change, for example in response to changes in ore reserves or processing levels. As a result, there could be significant adjustments to the provisions estimated which could affect future financial results. Additional information on environmental provisions and the year-end carrying values is provided under “Provisions” in Note 20.

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.

During 2023 the Group had two customers. The following table sets out the income and expenditure of the Group according to these reporting segments:

2023	**Peru US$000**	**Jersey US$000**	**Total US$000**
Mining revenue	**33,607**	**-**	**33,607**
Mining cost of sales	**(29,695)**	**-**	**(29,695)**
Mining gross profit	**3,912**	**-**	**3,912**
Exploration costs expensed	**(220)**	**-**	**(220)**
Administrative expenses	**(3,948)**	**(1,852)**	**(5,800)**
Net income	**(256)**	**(1,852)**	**(2,108)**
Exploration of properties - deferred	**(974)**	**-**	**(974)**
Capital expenditure	**(1,370)**	**-**	**(1,370)**
Reconciliations			
Segmental Revenue			
Customer A	**33,607**	**-**	**33,607**
Group revenues	**33,607**	**-**	**33,607**
Segment Result			
Segmental net income	**(256)**	**(1,852)**	**(2,108)**
Depreciation and amortisation	**(2,038)**	**-**	**(2,038)**
Loss on disposal of PPE	**-**	**-**	**-**
Write-off of assets	**-**	**-**	**-**
Group operating profit	**(2,294)**	**(1,852)**	**(4,146)**
Finance expense, net	**(10,946)**	**(74)**	**(11,020)**
Group profit/(loss) before tax	**(13,240)**	**(1,926)**	**(15,166)**
Group Assets			
(not allocated for internal reporting)			
Non-current assets	**163,273**	**9,351**	**172,624**
Inventory	**4,436**	**-**	**4,436**
Other receivables and prepayments	**4,004**	**30**	**4,034**
Current tax recoverable	**400**	**-**	**400**
Cash and cash equivalents	**997**	**-**	**997**
Group total assets	**173,110**	**9,381**	**182,491**
Group Liabilities			
(not allocated for internal reporting)			
Non-current liabilities	**9,425**	**-**	**9,425**
Interest bearing loans – current	**94,499**	**-**	**94,499**
Lease liabilities – current	**15,575**	**-**	**15,575**
Trade and other payables – current	**19,741**	**900**	**20,641**
Group total liabilities	**139,240**	**900**	**140,140**

NOTE 2 - SEGMENT REPORTING (continued)

2022	Peru US$000	Jersey US$000	Total US$000
Mining revenue	36,993	-	36,993
Mining cost of sales	(33,999)	-	(33,999)
Mining gross profit	2,994	-	2,994
Exploration costs expensed	(409)	-	(409)
Administrative expenses	(4,438)	(2,068)	(6,506)
Net income	(1,853)	(2,068)	(3,921)
Exploration of properties - deferred	(2,126)	-	(2,126)
Capital expenditure	(1,609)	-	(1,609)
Segmental Revenue			
Customer A	36,993	-	36,993
Group revenues	36,993	-	36,993
Segment Result			
Segmental net income	(1,853)	(2,068)	(3,921)
Depreciation and amortisation	(2,501)	-	(2,501)
Loss on disposal of PPE	(15)	-	(15)
Write-off of assets	(109)	-	(109)
Group operating profit	(4,478)	(2,068)	(6,546)
Finance expense, net	(9,453)	-	(9,453)
Group profit/(loss) before tax	(13,931)	(2,068)	(15,999)
Group Assets			
(not allocated for internal reporting)			
Non-current assets	161,725	9,351	171,076
Inventory	3,906	-	3,906
Other receivables and prepayments	1,796	55	1,851
Current tax recoverable	4,278	-	4,278
Cash and cash equivalents	2,861	-	2,861
Group total assets	174,566	9,406	183,972
Group Liabilities			
(not allocated for internal reporting)			
Non-current liabilities	7,856	-	7,856
Interest bearing loans – current	84,416	-	84,416
Lease liabilities – current	14,065	-	14,065
Trade and other payables – current	14,759	329	15,088
Group total liabilities	121,096	329	121,425

NOTE 3 – REVENUE FROM CONTRACTS WITH CUSTOMERS

	2023 US$000	2022 US$000
Type of goods		
Doré gold bars	**33,607**	36,993
Total revenue from contract with customer	**33,607**	36,993

All revenue from Doré gold bars is recognised when the significant risks and rewards of ownership are transferred to the buyer.

NOTE 4 – EXPENSES BY NATURE

	2023 US$000	2022 US$000
Site operating costs	**24,902**	28,355
Community and environmental costs	**2,790**	3,500
Depreciation and amortisation	**1,998**	2,461
Royalties, taxes and selling costs	**2,003**	2,144
Cost of sales for the years	**31,693**	36,460
Depreciation and amortisation	**40**	40
Foreign exchange	**81**	(115)
Public company expenses	**560**	539
Legal, professional and consulting fees	**1,139**	1,388
Remuneration expenses	**2,575**	2,916
Property costs and utilities	**580**	505
Travel costs	**218**	282
Other	**647**	991
Administration expenses for the years	**5,840**	6,546
Total cost of sales and administration expenses for the years	**37,533**	43,006

Auditor's remuneration:

Fees payable to the Group's auditor and its associates for the audit of the consolidated and subsidiaries' financial statements	**102**	87

NOTE 5 - STAFF NUMBERS AND COSTS

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	Number of employees 2023	Number of employees 2022
Corporate finance and administration	**35**	44
Technical	**15**	15
Construction and production	**299**	320
	349	379

The aggregate payroll costs of these persons were as follows:

	2023 US$000	2022 US$000
Wages and salaries	**5,323**	**5,661**
Social security	**820**	**865**
	6,143	**6,526**

NOTE 6 - FINANCE EXPENSE

	2023 US$000	2022 US$000
COFIDE Bridge Loan interest and penalties payable	**8,459**	6,968
Other loans interest	**524**	484
Other finance expenses (includes unwinding of discount on environmental provisions and lease liabilities)	**2,037**	2,001
Finance expenses for the years	**11,020**	9,453

The $6,968,000 of interest expenses payable to COFIDE incurred in 2022 is net of a $688,000 recovery adjustment. As per the terms of the agreement signed on 12 November 2020, certain penalties are applicable while the balance of the debt owed to COFIDE is not fully repaid. These penalties are based on percentages applicable over the amount of the Arbitration Award. Accordingly, the Group has accrued a penalty in 2021 of $2,053,000, 2022 $1,369,000. In 2023 there is no penalty according to the agreement.

On 24 June 2021 the Group announced that a Compensation Agreement with COFIDE had been signed, which establishes the terms and conditions for the payment of the net balance owed to COFIDE, including accrued interest and damages to the Group. For further information, please refer to Note 1 Basis of Preparation and Going Concern on page 16

NOTE 7 - REMUNERATION OF KEY MANAGEMENT PERSONNEL

	Salary & Fees US$000	**Other Benefits US$000**	**Total Remuneration US$000**
Year 2023			
Directors [1]	**870**	**75**	**945**
Non-Directors: [2]	**249**	**173**	**422**
TOTAL[3]	**1,119**	**248**	**1,367**

Notes:

1. Directors include Messrs. Gerardo Perez, Diego Benavides, Jesus Lema, Santiago Valverde and Martin Mount.
2. Non-Directors include the CFO (including the provision for compensation for length of service) and the Corihuarmi Mine Manager.
3. All of the above are short term benefits other than the amount of US$ 173,000 paid to the past CFO which were termination benefits.

	Salary & Fees US$000	Other Benefits US$000	Total Remuneration US$000
Year 2022			
Directors [1]	870	62	932
Non-Directors: [2]	282	-	282
TOTAL	1,152	62	1,214

Notes:

1. Directors include Messrs. Gerardo Perez, Diego Benavides, Michael Iannacone, Martin Mount, Jesus Lema and Santiago Valverde.
2. Non-Directors include the CFO and the Corihuarmi Mine Manager.
3. Please see Note 23 “Related Party Transactions.”

NOTE 8 – EARNINGS PER SHARE

The calculation of the basic earnings or (losses) per share is based on the loss attributable to ordinary shareholders during the year ended 31 December 2023 of $20,207,000 (2022: loss of $15,999,000) and the weighted average number of ordinary shares outstanding during the year ended 31 December 2023 of 231,135,028 (2022: 231,135,028).

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

	2023 Loss US$000	**2023 Number of shares '000**	**2023 Earnings per share US cents**	2022 Loss US$000	2022 Number of shares '000	2022 Earnings per share US cents
Continuing Operation						
Basic earnings (losses)	**(20,207)**	**231,135**	**(8.7)**	(15,999)	231,135	(6.9)
Dilutive effects-options	**-**	**-**	**-**	-	-	-
Diluted profit/(loss)	**(20,207)**	**231,135**	**(8.7)**	(15,999)	231,135	(6.9)

As at 31 December 2023 and 2022, all share options were excluded from the calculation of diluted loss per share because they were non-dilutive.

NOTE 9 - INCOME TAX EXPENSE

During 2019, the Group received a reestimation of income tax from the Peruvian tax authority for the year ended December 31, 2017 in relation to the deduction of expenses and interests linked to the COFIDE Bridge Credit and the registration of certain platforms. leaching. The appeal filed with the tax authority was unsuccessful. The Group subsequently filed appeals with the Tax Court. In September 2023, the Tax Court issued its final ruling and ordered the recalculation of the income tax for the year ended December 31, 2017, adding fines and interest from 2019. The Tax Court authorized the tax authority to collect an aggregate amount of $5,041,000. The Group provisioned this amount in the financial statements and as of December 31, 2023 and to date the amount has been paid in full. The Group continues litigating in the Civil Court.

	2023 US$000	2022 US$000
Current tax	**-**	-
Tax from previous years	**5,041**	-
Income tax expense	**5,041**	-

Tax losses:
According to current legislation, tax losses can be offset against future profits, using one of the procedures regulated by law. In this regard, the Company has chosen the method that allows it to offset tax losses with the profits generated in the following four years:

	2023 US$000	2022 US$000
Tax reconciliation		
Loss before tax	**(15,166)**	(15,999)
Tax at 29.5% (2022: 29.5%)	**(4,474)**	(4,720)
Effects at 29.5% (2022: 29.5%) of:		
Expenses not deductible for tax purposes and losses carried forward on which no deferred tax asset is recognised	**4,474**	4,720
Income tax expense - current	**-**	-

As of December 31,2023 the Group has estimated tax losses of approximately $19,590,000 (2022: $13,043,000) available to carry forward for offset against future profits.

A potential deferred tax asset of $5,779,000 (2022: $3,848,000) has not been recognised because there is insufficient evidence of the timing of future taxable profits against which they can be recovered.

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

Mine assets are depreciated over the estimated useful life of the Corihuarmi mine, without assigning a residual value to them, since it is considered that, except for the transportation units, the remaining mine assets cannot be marketed after Corihuarmi's operations have ended.

	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 2022	45,903	524	2,932	3,894	53,253
Additions	1,352	-	138	119	1,609
Adjustment to mine closure provision (1)	(183)	-	-	-	(183)
Disposals	-	-	(2,109)	-	(2,109)
Write off	-	-	(273)	-	(273)
Reclassifications (2)	240	-	-	-	240
Balance - 31 December 2022	47,312	524	688	4,013	52,537
Balance at 1 January 2023	**47,312**	**524**	**688**	**4,013**	**52,537**
Additions	**1,351**	**-**	**-**	**19**	**1,370**
Adjustment to mine closure provision (3)	**(47)**	**-**	**-**	**-**	**(47)**
Reclassifications from intangibles(4)	**576**	**-**	**-**	**-**	**576**
Balance - 31 December 2023	**49,192**	**524**	**688**	**4,032**	**54,436**
Depreciation					
Balance - 1 January 2022	41,385	454	1,728	3,412	46,979
Depreciation for the year	2,244	23	11	210	2,488
Disposals		-	(1,065)	-	(1,065)
Write off	-	-	(258)	-	(258)
Balance - 31 December 2022	43,629	477	416	3,622	48,144
Balance - 1 January 2023	**43,629**	**477**	**416**	**3,622**	**48,144**
Depreciation for the period	**1,813**	**25**	**56**	**171**	**2,065**
Adjustment to mine closure	**(42)**	**-**	**-**	**-**	**(42)**
Balance - 31 December 2023	**45,400**	**502**	**472**	**3,793**	**50,167**
Carrying amounts					
Balance - 1 January 2022	4,497	70	1,204	503	6,274
Balance - 31 December 2022	3,683	47	272	391	4,393
Balance - 31 December 2023	**3,792**	**22**	**216**	**239**	**4,269**

(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 2022 the Group reclassified $240,000 from intangibles, see note 12.
(3) During 2023 the Group reclassified $576,000 from intangibles, see note 12.

NOTE 11 – 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 2022	9,195	210	3,664	13,069
Additions	6,291	993	14,126	21,410
Adjustments(1)	(9,343)	-	(8,214)	(17,557)
Balance – 31 December 2022	6,143	1,203	9,576	16,922
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**
Accumulated Depreciation				
Balance - 1 January 2022	6,692	106	1,645	8,443
Depreciation for the year	5,297	379	3,572	9,248
Adjustments(1)	(9,233)	-	(2,400)	(11,633)
Balance - 31 December 2022	2,756	485	2,817	6,058
Balance - 1 January 2023	**2,756**	**485**	**2,817**	**6,058**
Depreciation for the period	**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**
Carrying amounts				
Balance - 1 January 2022	2,503	104	2,019	4,626
Balance - 31 December 2022	3,387	718	6,759	10,864
Balance - 31 December 2023	**8,048**	**452**	**3,436**	**11,936**

(1) The adjustments during 2022 and 2023 correspond to terminations and changes in the terms of lease contracts

.

NOTE 12 - INTANGIBLE ASSETS

Deferred Exploration Costs	**Ollachea US$000**	**Other Peru US$000**	**Total US$000**
Balance – 1 January 2022	145,981	560	146,541
Additions	1,536	590	2,126
Reclassifications to property, plant and equipment (see note 10)	-	(240)	(240)
Balance – 31 December 2022	**147,517**	**910**	**148,427**
Additions	**790**	**184**	**974**
Reclassifications to intangibles (see note 10)	**-**	**(576)**	**(576)**
Balance – 31 December 2023	**148,307**	**518**	**148,825**

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 31 December 2023 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 subsidiary Compañía Minera Kuri Kullu S.A., as well as the Ollachea 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 13 - OTHER RECEIVABLES AND PREPAYMENTS

	2023 US$000	2022 US$000
Non-current assets		
Other receivables	**7,594**	7,392
Balance as at 31 December	**7,594**	7,392
Current assets		
Other receivables	**3,893**	1,733
Prepayments	**141**	118
Balance as at 31 December	**4,034**	1,851

Included in other receivables and prepayments is an amount of $8,693,000 (2022: $8,389,000) relating to sales tax paid on the purchase of goods and services in Peru. Of the $8,693,000 sales tax recoverable, $7,594,000 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 14 - INVENTORY

	2023 **US$000**	2022 US$000
Gold in process	**2,769**	2,210
Mining materials	**1,667**	1,696
Balance as at 31 December	**4,436**	3,906

NOTE 15 - CASH AND CASH EQUIVALENTS

	2023 **US$000**	2022 US$000
Bank balances as at 31 December	**997**	2,861

NOTE 16 - CAPITAL AND RESERVES

As at 31 December 2023 and 2022, 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 2022	231,135,028	159,012
Shares in issue 31 December 2023	**231,135,028**	**159,012**

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

Share Options

Share options granted to directors and employees
Minera IRL Limited does not have a share option scheme for the benefit of directors and employees of the Group. All share options granted to directors and employees during the past years have lapsed.

Share Options granted to consultants
On 1 April 2022, Minera IRL Limited granted 4,600,000 stock options to Maxwell Mercantile Inc. at an exercise price of C$0.085 ($0.063). The options vest over a period of 13 months upon being granted. The options were fair valued with a Black-Scholes option pricing model using the following assumptions:

Date of Grant	1 April 2022
Share price on date of grant	C$0.085
Exercise price	C$0.085
Expected volatility	73.1%
Expected option life	1.5 yrs
Risk-free rate of return	0.75%
Expected dividends	Nil
Fair Value	C$0.03

The fair value of this option grant resulted in a total share based payment expense of $110,000 which have been recognized for $99,000 in 2022 and $11,000 in 2023.

	2023	
	Number of share options	**Weighted average exercise price ($)**
Outstanding - beginning of year	**4,600,000**	**0.064**
Outstanding as at 31 December 2023	**4,600,000**	**0.064**
Exercisable as at 31 December 2023	**4,600,000**	**-**

<u>Other Share Options</u>

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

	2023		2022	
	Number of share options	**Weighted average exercise price ($)**	Number of share options	Weighted average exercise price ($)
Outstanding entitlement - beginning of year	**11,556,751**	**0.15**	11,556,751	0.16
Outstanding entitlement - end of the year	**11,556,751**	**0.15**	11,556,751	0.15
Exercisable - end of the year	**-**	**-**	-	-

Share Option Reserve

The share option reserve includes a credit of $543,000 (31 December 2022: $532,000) which includes a credit of $110,000 corresponding to the fair value of the share options granted to Maxwell Mercantile Inc. and a credit of $433,000 corresponding to the fair value of the share options that Sherpa is entitled to.

Accumulated losses

The accumulated losses reserve represents the Group's accumulated losses since incorporation.

Capital Maintenance

The directors manage the capital resources of the Group to ensure that there are sufficient funds available to continue in business. There are no externally imposed capital requirements. No requirements are incorporated into the management of capital.

	2023 US$000	2022 US$000
Total interest-bearing debt	**94,499**	84,416
Total equity	**42,351**	62,547
Debt-to-equity ratio as at 31 December	**223.0%**	135.0%

NOTE 17 – INTEREST BEARING LOANS

	2023 US$000	2022 US$000
Non-Current liabilities		
COFIDE Loan payable	**-**	-
Current liabilities		
COFIDE Loan payable	**89,559**	81,100
Promissory note	**1,516**	1,516
Other loans	**3,424**	1,800
	94,499	84,416

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.

Group – Net debt reconciliation	**Cash US$000**	**Borrowings due within 1 year US$000**	**Borrowings due after 1 year US$000**	**Total US$000**
Net debt as at 1 January 2022	4,483	(1,516)	(74,132)	(71,165)
Net cash flows	(1,622)	(1,696)	-	(3,318)
Accrued interest	-	(104)	(5,599)	(5,703)
Accrued penalty	-	-	(1,369)	(1,369)
Reclassification	-	(81,100)	81,100	-
Net debt as at 31 December 2022	**2,861**	**(84,416)**	**-**	**(81,555)**
Net cash flows	**(1,864)**	**(996)**	**-**	**(2,860)**
Accrued interest	**-**	**(9,087)**	**-**	**(9,087)**
Net debt as at 31 December 2023	**997**	**(94,499)**	**-**	**(93,502)**

NOTE 18 – LEASE LIABILITIES

From 1 January 2019, leases are recognised as a right of use asset (see Note 11) 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	2023 US$000	2022 US$000
Balance - 1 January	**17,230**	6,906
Additions	**16,138**	21,410
Unwinding of the discount	**1,021**	1,065
Paid during the period	**(6,365)**	(6,241)
Adjustments	**(8,168)**	(5,910)
Balance as at 31 December	**19,856**	17,230

The current and non-current portions are as follows:

	2023 US$000	2022 US$000
Current portion	**15,575**	14,065
Non-current portion	**4,281**	3,165
Balance as at 31 December	**19,856**	17,230

NOTE 19 - PROVISIONS

The Group has a provision of $5,144,000 (2022: $4,691,000) 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 31 December 2023 management estimates that the remaining mine life at Corihuarmi was approximately 23 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.

	2023 US$000	2022 US$000
Balance brought forward	**4,691**	4,892
Unwinding of the discount	**658**	649
Provision reduction	**(47)**	(183)
Paid in the year	**(158)**	(667)
Balance as at 31 December	**5,144**	4,691

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.

The Company evaluates its mine closure provisions annually. To determine this provision, it is necessary to make estimates and assumptions, including the estimated costs of the activities necessary for the mine rehabilitation, changes in regulations, laws and technological advances, discount and inflation rates. Estimated changes in the value of the mine closure remediation provisions are recognized as an increase or decrease in the carrying value of the mine closure provision and asset in accordance with IAS 16 Property, plant and equipment.

In accordance with the Company's accounting policies, the provision for remediation and mine closure represent the present value of the costs expected to be incurred during the period of closure of the Company's operating activities.

NOTE 20 – TRADE AND OTHER PAYABLES

	2023 US$000	2022 US$000
Non-current		
Trade payables	**-**	-
Current		
Trade payables	**12,758**	10,189
Other payables	**7,883**	4,899
Balance as at 31 December	**20,641**	15,088

NOTE 21 - 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.

NOTE 21 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

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

	2023 US$000	2022 US$000
Peruvian nuevos soles	**150**	90
United States dollars	**847**	2,771
Balance as at 31 December	**997**	2,861

The exchange as at 31 December 2023 is 3.71 Peruvian nuevos soles per 1 US dollar.

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

	2023 US$000	2022 US$000
Pounds sterling	**(194)**	(96)
Canadian dollars	**(22)**	(6)
Peruvian nuevos soles	**(8,096)**	(3,894)
United States dollars	**(94,336)**	(83,547)
Balance as at 31 December	**(102,648)**	(87,543)

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:

	2023 US$000	2022 US$000
10% weakening of the US dollar	**(831)**	(400)
20% weakening of the US dollar	**(1,662)**	(799)
10% strengthening of the US dollar	**831**	400
20% strengthening of the US dollar	**1,662**	799

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.

NOTE 21 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

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, as disclosed in Accounting Policies, paragraph (n) Borrowings and Borrowing costs, 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.

2023 **Financial assets measured at amortised cost**	**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**
Receivables	**3,893**	**-**	**7,594**	**11,487**
Cash and cash equivalents	**997**	**-**	**-**	**997**
	4,890	**-**	**7,594**	**12,484**

2022 Financial assets measured at amortised cost	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
Receivables	1,733	-	7,392	9,125
Cash and cash equivalents	2,861	-	-	2,861
Total	4,594	-	7,392	11,986

2023 **Financial Liabilities measured at amortised cost**	**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	**12,758**	**-**	**-**	**12,758**
Other payables	**7,883**	**-**	**-**	**7,883**
Interest bearing loan	**94,499**	**-**	**-**	**94,499**
	115,140	**-**	**-**	**115,140**

2022 Financial Liabilities measured at amortised cost	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	10,189	-	-	10,189
Other payables	4,899	-	-	4,899
Interest bearing loan	1,516	82,900	-	84,416
	16,604	82,900	-	99,504

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.

NOTE 21 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

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 14.

NOTE 22 - 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.

On 12 November 2020 the Group announced it had settled its dispute with COFIDE. As per the terms of this settlement the Group owed COFIDE US$31.9 million of accrued interest at that date. However, COFIDE partially delivered the invoices that support the tax deductibility of these interest expenses, coupled with the fact that the description of the operation recorded in them does not make direct reference to the payment of interest, referring only to the agreements entered into. Consequently, the tax authority could object to the deductibility of the interest expense in the eventual framework of an audit procedure.

Also, as per the terms of this agreement certain penalties are applicable while the balance of the debt owed to COFIDE is not fully repaid. These penalties are based on percentages applicable over the amount of the Arbitration Award according to the following timetable:

• $2,053,000 (6% on the Arbitration Award amount) if the balance of the debt is not repaid before 15 November 2021. This amount was accrued in the third quarter of 2021.

• An additional penalty of $1,369,000 (4% on the Arbitration Award amount) if the balance of the debt is not repaid before 15 November 2022. This amount was accrued in the third quarter of 2022. These penalties are added to the amount owed to COFIDE and will be paid within the 36 months term established for the full payment of any outstanding debt with COFIDE. There are no penalties according to the Settlement Agreement signed with COFIDE as it was anticipated that the loan would be settled in November 2023.

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 $5,223,000, 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 $4,505,000, 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 23 - RELATED PARTIES

During the year ended 31 December 2023, the Group entered into transactions with directors and key management as disclosed on Note 7. As at 31 December 2023, the Group owed $509,000 to directors and key management. Also, during the year ended 31 December 2023, certain related parties of directors and key management received $228,000 as salary and professional fees on normal commercial terms.

During the year ended 31 December 2022, the Group entered into transactions with directors and key management as disclosed on Note 7. As at 31 December 2022, the Group owed $169,000 to directors and key management. Also, during the year ended 31 December 2022, certain related parties of directors and key management received $191,000 as salary and professional fees on normal commercial terms.

NOTE 24 - SUBSEQUENT EVENTS

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

STAND ALONE ACCOUNTS OF
MINERA IRL LIMITED

FOR THE YEAR ENDED
31 DECEMBER 2023

COMPANY STATEMENT OF TOTAL COMPREHENSIVE INCOME
For the years ended 31 December 2023 and 2022

	Notes	2023 US$000	2022 US$000
Administration expenses	3	(1,852)	(2,068)
Operating loss		(1,852)	(2,068)
Intercompany interest	4	(435)	(312)
Other financial expenses	4	(74)	-
Loss for the year attributable to the equity shareholders of the parent		(2,361)	(2,380)
Total comprehensive loss for the year attributable to the equity shareholders of the parent		(2,361)	(2,380)

COMPANY STATEMENT OF FINANCIAL POSITION
As at 31 December 2023 and 2022

	Notas	2023 US$000	2022 US$000
Assets			
Other receivables and pre-payments		**30**	55
Intercompany receivables	**5**	**7,438**	7,438
Total current assets		**7,468**	7,493
Intangible assets	**6**	**9,351**	9,351
Investment in Subsidiaries	**7**	**66,317**	66,317
Total non-current assets		**75,668**	75,668
Total assets		**83,136**	83,161
Liabilities			
Trade and other payables	**11**	**900**	329
Total current liabilities		**900**	329
Intercompany liabilities	**10**	**7,598**	5,844
Total non-current liabilities		**7,598**	5,844
Total liabilities		**8,498**	6,173
Equity			
Share Capital	**8**	**159,012**	159,012
Share options reserve	**9**	**543**	532
Accumulated losses		**(84,917)**	(82,556)
Total equity attributable to the equity shareholders of the parent		**74,638**	76,988
Total equity and liabilities		**83,136**	83,161

The stand alone financial statements were approved and authorised for issue by the Board and were signed on its behalf by:

Gerardo Pérez
Chairman
3 June 2024

Jorge Armas Rodríguez
Interim Chief Financial Officer
3 June 2024

COMPANY STATEMENT OF CHANGES IN EQUITY
For the years ended 31 December 2023 and 2022

	Number of shares	Share Capital US$000	Share options reserve US$000	(Acumulated Losses) Retained Earnings US$000	Total US$000
Balance as at 1 January 2022	231,135,028	159,012	433	(80,176)	79,269
Options granted	-	-	99	-	99
Loss for the year	-	-		(2,380)	(2,380)
Total comprehensive loss	-	-	-	(2,380)	(2,380)
Balance as at 31 December 2022	231,135,028	159,012	532	(82,556)	76,988

	Number of shares	Share Capital US$000	Share options reserve US$000	(Acumulated Losses) Retained Earnings US$000	Total US$000
Balance as at 1 January 2023	**231,135,028**	**159,012**	**532**	**(82,556)**	**76,988**
Options granted	-	**-**	**11**	**-**	**11**
Loss for the year	-	-	**-**	**(2,361)**	**(2,361)**
Total comprehensive loss	-	-	**-**	**(2,361)**	**(2,361)**
Balance as at 31 December 2023	**231,135,028**	**159,012**	**543**	**(84,917)**	**74,638**

COMPANY CASH FLOW STATEMENT
For the years ended 31 December 2023 and 2022

	Notas	2023 US$000	2022 US$000
Cash flows from operating activities:			
Loss		**(2,361)**	(2,380)
Intercompany interest	**4**	**435**	312
Increase (reduction) in account receivables		**25**	(25)
Share-based payments		**11**	99
Increase in accounts payable	**11**	**571**	98
Cash used in operating activities		**(1,319)**	(1,896)
Cash flows from financing activities			
Funds transferred from subsidiary	**10**	**1,319**	1,896
Net changes in cash balance		**-**	**-**
Cash balance at beginning of year		**-**	**-**
Cash balance at end of year		**-**	**-**

NOTES TO THE COMPANY FINANCIAL STATEMENTS
For the year ended 31 December 2023

Note 1 – Nature and Continuance of Operations

Minera IRL Limited (the "Company") is registered in Jersey and its registered office is at Hawksford House, 15 Esplanade, St. Helier, Jersey, JE1 1RB, Channel Islands. The principal activity of the Company and its subsidiaries is the exploration for and development of mines for the extraction of gold.

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

At 31 December 2023, the Company had a working capital balance of $6,568,000. Working capital is defined as current assets less current liabilities. The Company has no operations by itself and does not generate revenue, does not have a bank account and carries out its operations through its subsidiaries. All payments are made through Minera IRL SA, one of its Peruvian subsidiaries.

On 12 November 2020 the Company announced it had settled its dispute with COFIDE. The summary of the settlement agreement is that the Company owes COFIDE US$70 million in principal and US$31.9 million of accrued interest (calculated to 10 November 2020). Also, it was agreed that COFIDE owed the Group US$34.2 million pursuant to the September 2019 Arbitration Award, plus interest from 17 July 2017 to 10 November 2020. The amounts due and receivable have been offset and the Group will pay the net balance to COFIDE within 36 months. To guarantee the full repayment of the balance owed to COFIDE, Corporate Trusts contracts have been assigned over the Ollachea Project's mineral concessions, the shares of the Peruvian subsidiary Compañía Minera Kuri Kullu S.A. and over future cash flows from the same Project. COFIDE withdrew its legal claim for annulment of the Arbitration Award once the Trust contracts were registered at the public registry. Also, as per the terms of this agreement certain penalties are applicable while the balance of the debt owed to COFIDE is not fully repaid. These penalties are based on percentages applicable over the amount of the Arbitration Award according to the following timetable:

• $2,053,000 (6% on the Arbitration Award amount) if the balance of the debt is not repaid before 15 November 2021. This amount was accrued in the third quarter of 2021.

• An additional penalty of $1,369,000 (4% on the Arbitration Award amount) if the balance of the debt is not repaid before 15 November 2022. This amount was accrued in the third quarter of 2022. These penalties shall be added to the amount owed to COFIDE and will be paid within the 36 months term established for the full payment of any outstanding debt with COFIDE.

On 24 June 2021 the Company announced that through formalizing the terms agreed on 12 November 2020, four inter-related agreements between COFIDE and the Company had been signed:

• A Cash Flow Trust Agreement, which creates a trust over the cash flows generated from the Ollachea Project, to guarantee the payment obligations of the Company to COFIDE by channeling those cash flows through a revenue account to be managed by La Fiduciaria;

• An Asset Trust Agreement, which creates a trust over the shares held by the Company in its Peruvian subsidiary Compañía Minera Kuri Kullu S.A., as well as the Ollachea Project's concessions owned by the subsidiary to guarantee the payment obligations of the Company to COFIDE by transferring ownership of the securities and mortgages to La Fiduciaria in trust;

• A Refinancing of the Credit Agreement, which establishes the terms and conditions for the payment of the principal and accrued and accruing interest on the Company's debt with COFIDE; and

• A Compensation Agreement, which establishes the terms and conditions for the payment of consequential damages to the Company by COFIDE pursuant to the September 2019 Arbitration Award, plus accrued and accruing interest.

Neither the assets of nor the cash flows generated by the Corihuarmi mine are included in these Trust Agreements.

The Group reports net current liabilities of US $120,848,000. These consist of COFIDE obligations, along with trade and other receivables, and lease liabilities. The Group requires funding to meet its liabilities as they fall due. While the Group continues to generate cash from gold production at the Corihuarmi Mine, this is not sufficient to meet its working capital requirements.

If the Group is unable to repay, refinance or restructure the debt with COFIDE, it will have to relinquish its ownership of the subsidiary, Compañia Minera Kuri Kullu S.A., and therefore the Ollachea concessions. All net assets associated with Ollachea would be fully impaired as a result. While the loan from COFIDE was due for repayment in November 2023, the Group maintains control of the Peruvian subsidiary, Compañía Minera Kuri Kullu S.A. and the Ollachea concessions owned by the subsidiary. Also, continuing operating losses may impact liquidity and the need to incur in additional debt to meet ongoing costs. While the Group acknowledges that continuing losses may impact liquidity, an increased gold production is anticipated in 2024 coupled with higher gold prices, having a positive impact on the Group's financial position and its ability to meet liabilities.

As at 31 December 2023, the Group is engaged in due diligence and negotiations with three 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 Compañia 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. We note that our auditor's have issued a disclaimer of opinion in respect of the going concern nature of the Group and parent company..

Note 2 – Basis of Preparation

These Stand Alone Financial Statements of Minera IRL Limited are presented in United States dollars, rounded to the nearest thousand. This Report has been prepared under the historical cost convention unless otherwise specified.

According the Companies (Jersey) Law of 1991 this report is not mandatory and has not been filed with the Companies Registry in Jersey. This report has been prepared by management at request of the Peruvian securities regulator in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") except for IFRS 10 Consolidated Financial Statements. This standard requires a controlling entity to prepare Consolidated Financial Statements of a Group in which the assets, liabilities, equity, income and cash flows of the parent and its subsidiaries are presented as those of a single economic entity.

Note 3 – Administrative expenses

	2023 US$000	2022 US$000
Non Executives director fees	**115**	115
Executive directors fees	**318**	318
Other key management and benefits	**608**	755
Professional fees	**481**	470
Investor relations	**252**	210
Stock-based payments	**11**	99
Other	**67**	101
Administrative expenses for the years	**1,852**	2,068

Note 4 – Finance expense

	2023 $000	2022 $ 000
Interest payable to Minera IRL S.A.	**435**	312
Other interest payable	**74**	-
	509	312

Note 5 – Intercompany receivables

	2023 US$ 000	2022 US$000
Intercompany receivable from Compañía Minera Kuri Kullu SA	**7,438**	7,438
Balance at 31 December	**7,438**	7,438

All amounts due are interest free and repayable on demand.

Note 6 – Intangible Assets

The balance of intangible assets is the amount invested on the Ollachea Gold Project which is owned by the Company's subsidiary Compañía Minera Kuri Kullu S.A. There were no changes to the amount invested during the years ended 31 December 2023 and 2022.

Note 7 – Investment in Subsidiaries

	2023 US$000	2022 US$000
Investment in Minera IRL S.A.	**66,317**	66,317
Total	**66,317**	66,317

The Company holds investments in the following subsidiaries:

	Location	**Ownership**
Minera IRL S.A. (“MIRLSA”) – MIRLTD’s subsidiary	Peru	100%
Compañía Minera Kuri Kullu S.A. (“MKKSA”) – MIRLSA’s subsidiary	Peru	100%
Minera IRL Argentina S.A. – MIRLTD’s subsidiary	Argentina	100%
Minera IRL Chile S.A. – MIRLTD’s subsidiary	Chile	100%

Note 8 - Share Capital

The Company has an authorized share capital of an unlimited number of Common Shares without par value, of which 231,135,028 have been issued as of the date of this report. Each share grants its holder the right to one vote. All shares of the Company have the same rank in terms of dividends, number of votes and participation in the assets at the time of dissolution or liquidation of the Company.

There was no share capital issuances during the year ended 31 December 2023.

Note 9 – Share options reserve

<u>Share options granted to directors and employees</u>
Minera IRL Limited does not have a share option scheme for the benefit of directors and employees of the Group. All share options granted to directors and employees during the past years have lapsed.

<u>Share Options granted to consultants</u>
On 1 April 2022, Minera IRL Limited granted 4,600,000 stock options to Maxwell Mercantile Inc. at an exercise price of C$0.085 ($0.063). The options vest over a period of thirteen months upon being granted. The options were fair valued with a Black-Scholes option pricing model using the following assumptions:

Date of Grant	1 April 2022
Share price on date of grant	C$0.085
Exercise price	C$0.085
Expected volatility	73.1%
Expected option life	1.5 yrs
Risk-free rate of return	0.75%
Expected dividends	Nil
Fair Value	C$0.03

The fair value of this option grant resulted in a total share based payment expense of $110,000 that have been recognized in the financial statements as at 31 December 2023

	2023	
	Number of share options	**Weighted average exercise price ($)**
Outstanding - beginning of year	**4,600,000**	**0.064**
Outstanding as at 31 December 2023	**4,600,000**	**0.064**
Exercisable as at 31 December 2023	**4,600,000**	**-**

Other Share Options

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

	2023		2022	
	Number of share options	**Weighted average exercise price ($)**	Number of share options	Weighted average exercise price ($)
Outstanding - beginning of year	**11,556,751**	**0.15**	11,556,751	0.16
Outstanding - end of the year	**11,556,751**	**0.15**	11,556,751	0.15
Exercisable - end of the year	**-**	**-**	-	-

The share option reserve includes a credit of $543,000 (31 December 2022: $532,000) which includes a credit of $110,000 corresponding to the fair value of the share options granted to Maxwell Mercantile Inc. and a credit of $433,000 corresponding to the fair value of the share options that Sherpa is entitled to.

Note 10 – Intercompany liabilities

	2023 US$000	2022 US$000
Intercompany payable to Minera IRL S.A.	**7,598**	5,844
Balance as at 31 December	**7,598**	5,844

During the year ended at 31 December 2023 the balance payable by Minera IRL Limited to its subsidiary Minera IRL SA increased by $1,754,000 due to payments of $1,319,000 made by the subsidiary on behalf of the Parent Company, as well as an increase of $435,000 in interest payable to Minera IRL SA.

Note 11 – Trade and other payables

	2023 US$000	2022 US$000
Fees and services	**525**	224
Other	**375**	105
Balance at 31 December	**900**	329

Note 12 – Contingent liabilities

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 Company awarded a 1% royalty on gross revenue minus refining costs on gold production from the Company's Ollachea Project. The Company has the right to buyback and cancel this royalty by paying a buyback fee of $5,000,000.