

## FORM 7

### MONTHLY PROGRESS REPORT

Name of Listed Issuer: Minera IRL Limited (the "Issuer").

Trading Symbol: MIRL

Number of Outstanding Listed Securities: 231,135,028

Date: 4<sup>th</sup> Aug. 2021

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

#### **General Instructions**

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

## Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

### Corihuarmi mine

	Jul 2021	Jun 2021	YTD 2021	YTD 2020
Ore Mined-T	417,619	412,625	2,561,247	2,412,473
Grade- g/t	0.245	0.277	0.242	0.235
Contained Au-g	102,128	114,158	619,554	566,813
Contained Au-oz	3,283	3,670	19,919	18,223
Waste Mined - T	264,381	300,713	1,711,448	1,688,674
Ore +Waste - T	682,000	713,338	4,272,695	4,101,147

Ore mined increased only 1% during July compared to previous month but ore grade decreased 11%. The combined effect was a 10% decrease in contained ounces of gold mined during July 2021 compared to the previous month. There was also a 12% decrease in tonnes of waste mined.

During July 2021, the Company's Corihuarmi mine shipped 2,428 ounces of gold, 889 ounces more than the previous month (1,539 ounces). To date, 14,316 ounces has been shipped. During the same period of the previous year 12,331 ounces were shipped.

2. Provide a general overview and discussion of the activities of management.

On 19 July 2021 the Company announced that Mining Plus ("Mining Plus") was completing a Preliminary Economic Assessment ("PEA") detailing the Company's revised plans for its flagship Ollachea Gold Project. In December of 2012, AMEC Peru and Coffey Mining Pty Ltd. produced a Feasibility Study on the viability of mining the Ollachea deposit from underground and processing mineralized material in a 1.1 million t/a facility. Minera has modified the original project design in an effort to reduce upfront CAPEX and improve project economics, and therefore the 2012 Feasibility Study is no longer current. For this reason, Minera retained Mining Plus to consider the viability of a low-CAPEX start-up for Ollachea with an underground mine, gravity concentration and carbon in leach ("CIL") plant designed to treat 1,500 tonnes per day ("tpd") over the first three years (targeting a defined and remodelled high-grade area), ramping up to 3,000 tpd during the fourth year.

## **Project Highlights**

### **Strong Project Economics with low CAPEX.**

- At a base case gold price of \$1,600/oz: Pre-Tax Net Present Value discounted at 7% (“NPV7%”) of \$327 million and 54% Internal Rate of Return (“IRR”), and aftertax NPV7% of \$189 million and 38% IRR.
- At a gold price of \$1,800/oz: Pre-Tax NPV7% of \$430 million and 68% IRR, and after-tax NPV7% of \$253 million and 47% IRR.
- Start-up CAPEX estimated at \$89 million (including 25% contingency), with an after-tax payback period of 2.5 years.

### **Updated Mineral Resource Estimate.**

- Indicated Mineral Resource Estimate of 10.7 million tonnes at 3.28 grams per tonne (“g/t”) containing 1.13 million ounces of gold.
- Inferred Mineral Resource Estimate of 7.3 million tonnes at 2.7 g/t containing 0.6 million ounces of gold.
- Total Mineral Resource Estimate includes results from the Minapampa Far East drilling program completed in 2016, which demonstrates that the mineralization remains open to the east and at depth.

### **11-year life of mine (“LOM”) projecting 876,200 recovered ounces.**

- Average annual production over a four-year ramp-up period of approximately 66,000 ounces of gold at 1,500 tpd, with an estimated peak of 111,000 ounces in year five following an expansion to 3,000 tpd.
- Average recovery of 90.3% during the first three years, with average recovery of 86.2% over the remaining LOM.
- Simplified process flowsheet demonstrating improved gold extraction through gravity concentration and carbon rejection, and high gold recoveries from leaching of gravity concentrate through a CIL plant.
- Efficient use of available space with the inclusion of co-disposal of tailings and waste rock

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

Not applicable

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

Not applicable

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

Not applicable

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

In June 2015, the Company announced that it had arranged a \$70,000,000 secured finance facility (the "Bridge Loan") structured by the Peruvian state-owned development and promotion bank, Corporación Financiera de Desarrollo S.A. ("COFIDE") and syndicated through Goldman Sachs Bank USA. The Bridge Loan was part of a senior project credit facility of up to \$240,000,000 described in a letter of mandate signed by COFIDE and Minera IRL. This senior project credit facility was to be structured by COFIDE, in conjunction with Minera IRL, to build the Ollachea Gold Project (the "Ollachea Project").

In March 2017 COFIDE terminated the letter of mandate without providing any reason for their decision. The Bridge Loan was due for repayment in June 2017.

On 20 June 2017 the Company announced it had filed a request for an arbitration against COFIDE with the Arbitration Centre of the Lima Chamber of Commerce.

On 16 September 2019 the Company announced that the Court of Arbitration had issued its Arbitration Award. The Award provided that COFIDE must pay an aggregate amount of \$34.2 million for damages. The Court of Arbitration declared that it did not have jurisdiction to require repayment of the Bridge Loan because the Bridge Loan facility expressly provides that it is subject to the jurisdiction of the courts of New York. Subsequently, COFIDE filed a lawsuit for annulment of the Arbitration Award

On 31 December 2019 the Company signed a Memorandum of Understanding ("MOU") with COFIDE which was extended several times until 7 November 2020. During this period both the collection of damages by the Company and the collection of the debt and/or interests by COFIDE remained suspended. The objective of the MOU was to allow both parties to reach an agreement in settlement of the obligations imposed by the Arbitration Award as well as related matters, including repayment of the Bridge Loan.

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) and COFIDE owes the Company US\$34.2

million in principal pursuant to the September 2019 Arbitration Award, plus interest from 17 July 2017 to 10 November 2020. The amounts due and receivable will be offset and the Company will pay the net balance to COFIDE within 36 months.. To guarantee the full repayment of the balance owed to COFIDE Corporate Trusts contracts will be subscribed over the Ollachea Project's mineral concessions, over the shares of the Peruvian subsidiary Compañía Minera Kuri Kullu S.A. and over future cash flows from the same Project. COFIDE will withdraw its legal claim for annulment of the Arbitration Award once the Trust contracts are registered at the public registry.

On 24 June 2021 the Company announced that formalizing the terms agreed on 12 November, 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 own 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

If the Company is not able to secure an alternative source of funds to repay the debt with COFIDE, the Company will have to relinquish its ownership of the subsidiary, Campaña Minera Kuri Kullu S.A. and therefore the Ollachea Project. All net assets associated with the Ollachea Project would be fully impaired as a result.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from, or the disposition was to a Related Person of the Issuer, and provide details of the relationship.  
**Not applicable**

8. Describe the acquisition of new customers or loss of customers.  
**Not applicable**
9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.  
**Not applicable**
10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.  
**Not applicable**
11. Report on any labour disputes and resolutions of those disputes if applicable.  
**Not applicable**
12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.  
**Please see item 6 above.**
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.  
**The Company has fully paid the Loans obtained last year.**
14. Provide details of any securities issued and options or warrants granted.  
**Not applicable**
15. Provide details of any loans to or by Related Persons.  
**Not applicable**
16. Provide details of any changes in directors, officers or committee members.  
**Not applicable**
17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

The Company's profitability is highly dependent on the price of gold. As at August 3<sup>rd</sup>. 2021, gold price, according the London Fix (PM) was 1,812. Gold price fluctuations during the 6 and 12 previous months are shown in the following charts:



Based on the charts prepared by Kitco, gold price was ranging between US\$1,683 to US\$1,908 per ounce of gold during the last 6 months and between US\$1,683 to US\$2,063 per ounce of gold during the last 12 months

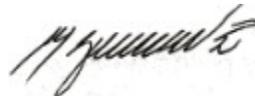
## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there was no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: **August 4<sup>th</sup> 2021**

**Carlos Ruiz de Castilla**



**Chief Financial Officer**

<b>Issuer Details</b> Name of Issuer <b>Minera IRL Limited</b>	For Month End <b>31/07/2021</b>	Date of Report <b>04/08/2021</b>
Issuer Address <b>Av. Santa Cruz 830 piso 4</b>		
City/Province/Postal Code <b>Lima 18 - Peru</b>	Issuer Fax No. <b>(511-4181270)</b>	Issuer Telephone No. <b>(511-4181230)</b>
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