



Minera IRL Provides Ollachea Update and Reports Year-End 2020 Financial Results

LIMA, PERU – (March 30, 2021) – Minera IRL Limited (“**Minera**” or the “**Company**”) (BVL:MIRL) (CSE:MIRL) is pleased to provide an update on the steps taken to develop its flagship Ollachea gold project (“**Ollachea**”), and to announce highlights from its annual consolidated audited financial statements for the year ended December 31, 2020, which have been filed on its SEDAR profile and in the Lima Stock Exchange.

Corporate Update

After settling with Corporación Financiera de Desarrollo (“**COFIDE**”) in November 2020, the Company’s efforts have focused largely on three critical activities: (1) completing a National Instrument 43-101 (“**NI 43-101**”) compliant Preliminary Economic Analysis (“**PEA**”), for Ollachea; (2) developing the project execution plan for the construction of Ollachea; and (3) securing the funds needed for project execution.

(1) NI 43-101 Compliant PEA Report

On December 19, 2012, we filed a National Instrument 43-101 (“**NI 43-101**”) compliant feasibility study titled Ollachea Gold Project, Ollachea, Peru prepared by AMEC Australia Pty Ltd (“**AMEC**”) and Coffey Mining Pty Ltd. with an effective date of November 29, 2012 (the “**Feasibility Study**”).

Since the 2012 Feasibility Study was published, there have been significant advances in orebody knowledge and the technologies available for mining and processing, as well as changes to the price of gold. These changes have allowed us to identify opportunities to streamline and simplify the project and to consider building it in stages. Although it may seem counter intuitive to complete a PEA at this point, the ultimate goal by formalising the PEA is to get the project into production as soon as possible with a simplified staged approach, rather than using the design contemplated in 2012 and presented in the Feasibility Study. We believe that the design presented in the Feasibility Study no longer offers an optimal outcome for our corporate community, and we have decided to proceed with an effort to formalise an alternate scenario, and build the right project for the deposit, simply and quickly.

We have retained Mining Plus, an Australia-based mining consulting firm that provides geology, geotechnical and mining services, to prepare a new NI 43-101 compliant PEA considering a low capex start-up for the Ollachea project. Mining Plus advised that it could provide a PEA that would consider the viability of gravity-only processing initially, with an option for lixiviation (leaching) processing at a later date. We are confident that a PEA to consider this option should take less than half the time and cost less than half the cost of updating the Feasibility Study, moving up the timeline for project commencement by a few months.

Mining Plus' scope of work includes:

- Review of the Minapampa Far East exploration target identified during our 2016 drill campaign, which was comprised of more than 5,000 meters of drilling.
- Definition of recovery from gravity-only processing based on both historic and new metallurgical testwork conducted in recent years.
- Review of alternatives for reduction of mine start-up CAPEX. This includes a review of gravity processing initially at 1,500 tonnes per day (“**tpd**”) with a ramp up to 3,000 tpd, and the option of future installation of a leaching plant.
- Review and optimization of tailings storage and management, considering its intended use for paste backfilling during mining operations, and possible future leach reprocessing (dependent on residual gold content).
- Review cost-effective options for earthworks and construction start up, focusing on staged development and optimizing pad dimensions to limit cut and fill requirements.

Mining Plus has advanced work on the PEA and we understand that it will be completed in summer 2021. The relevant studies in support of the PEA are on track and involve a number of professionals with a proven track record in the industry, including Dave Hornick (Sepro Mineral Systems Corp.), John A. Thomas (Jat Metconsult), Donald Hickson (Envis), and Edgard Vilela (Mining Plus), with Mining Plus acting as Minera's single point of contact.

(2) *Ollachea Construction Approach*

We are beginning to assemble the Ollachea construction team and we are preparing the Project Execution Plan and a master schedule that should serve as a guideline throughout construction and development.

We are actively considering the optimization and streamlining of the construction process around the main project components and studying the ground characteristics and topography in order to avoid unnecessary earthworks and reduce the construction timeframe. This would be followed by execution planning and contractor selection, as well as putting experienced staff 'on the ground' to oversee the work.

This phase is being undertaken in parallel with preparation of the PEA in an effort to align final results prior to the commencement of construction and to optimize the timeline. We have already conducted site visits and we are collating and analyzing historic data in order to start preparing preliminary documents and designs for the main infrastructure of the mine, including surveying and test pit work as part of construction studies and early works.

(3) *Financing Plans*

Now that we have settled with COFIDE, we have refocused our efforts on securing the financing needed to fund our planned development of Ollachea. As previously announced, we engaged Haywood Securities Inc. (“**Haywood**”) as our financial advisor. Haywood is now supporting our efforts both to finance the development and

construction of Ollachea and to repay the COFIDE bridge loan. Haywood has been engaging with potential investors and finance partners through its initial due diligence on Minera and Ollachea and has been identifying opportunities to finance the project. We will provide more details on our efforts to secure financing as we progress.

Diego Benavides, Minera's Chief Executive Officer, said: "The last quarter has been truly exciting for us as we were finally able to turn our energy back to build Ollachea. We have been actively collaborating and exchanging information with Mining Plus and our consultants to expedite results and are confident that this momentum can be sustained in the coming months."

Financial Results for the Year Ended December 31, 2020

A summary of the Company's financial results for the year ended December 31, 2020 are as follows:

	Year ended 31 December	
	2020	2019
Revenue (\$'000)	39,082	31,754
Gold sold (ounces)	22,195	22,975
Realized gold price (\$ per ounce)	1,761	1,382
Gross profit (\$'000)	14,616	6,868
After-tax gross profit (\$'000)	22,250	(11,487)
Loss per share (cents)	9.6	(5.0)

Note - All of the results presented are prepared under IFRS and are in United States dollars.

During the fourth quarter of 2020, the Company reported sales revenue of \$11,865,000 compared with sales revenue of \$8,656,000 during the fourth quarter of 2019, an increase of \$3,209,000. This 37% increase was due to the combined effect of a 26% increase in the average price per ounce of gold sold and a 9% increase in the number of gold ounces sold. During the year ended December 31, 2020, sales revenue was \$39,082,000 compared with sales revenue of \$31,754,000 during the previous year, an increase of \$7,328,000.00.

During the fourth quarter of 2020, the Company reported an after-tax gain of \$29,918,000 compared with an after-tax loss of \$6,241,000 during the fourth quarter of 2019. The \$36,159,000 higher profit was mainly the result of the settlement agreement reached with COFIDE resulting in the recognition of the Arbitration Award of \$34,213,000. This amount was partly offset by \$7,963,000 in higher finance expenses in relation to this

settlement. Other key factors were lower tax expenses of \$6,111,000 and an increase of \$3,920,000 in gross profit.

Cost of sales during the fourth quarter of 2020 was \$5,984,000, compared with cost of sales of \$6,695,000 during the fourth quarter of 2019, a decrease of \$711,000. The most significant change between the two periods was a decrease of \$708,000 in other costs. During the year ended December 31, 2020, the cost of sales was \$24,466,000 compared with cost of sales of \$24,886,000 during the previous year, a decrease of \$420,000. The most significant changes between the two periods were decreases of \$843,000 in depreciation and \$242,000 in other costs partly offset by an increase of \$645,000 in site operating costs.

Commenting on the annual financial results, Gerardo Perez, Chairman of Minera IRL Limited, said: "The end of calendar year 2020 was a significant turning point for Minera. We are excited to be refocusing our energies on securing the financing to fund our planned expansion at Ollachea and bringing value to our shareholders"

For full details on the financial results of the Company for the year ended December 31, 2020, see the Company's audited annual consolidated financial statements and MD&A that have been filed on the Company's SEDAR profile at www.sedar.com and in the Lima Stock Exchange.

Qualified Persons

This press release was reviewed by Mr. John Thomas, P.Eng. of JAT Metconsult Ltd. He is a Qualified Person as defined by National Instrument 43-101 and has reviewed the technical contents of this press release with respect to the processing and infrastructure aspects of the NI 43-101 Compliant PEA Report section.

This press release was reviewed by Mr. Edgard Vilela, MAusIMM (CP), of Mining Plus Peru S.A.C. He is a Qualified Person as defined by National Instrument 43-101 and has reviewed the technical contents of this press release with respect to the geology and mining aspects of the NI 43-101 Compliant PEA Report section.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained in this news release.

Cautionary Statement on Forward-Looking Information

Certain information in this news release, including information about our expectation that Mining Plus can complete the proposed PEA for Ollachea, the timing and completion of the PEA, that we can optimize and streamline the design and construction of the main infrastructure of Ollachea, and our expectation that we can finance and develop the Ollachea project, constitute “forward-looking statements”. Forward looking statements are based on assumptions. While management believes these assumptions and statements are reasonable in context, forward-looking statements are inherently subject to political, legal, regulatory, business 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, Peru’s ability to contain the COVID-19 crisis, changes in the capital markets, the studies to be conducted by Mining Plus, Sepro Mineral Systems Corp. and others in order to produce a PEA, and changes to legislative, political, social, health or economic developments both within Peru and in general.