

Minera IRL Provides Corporate Update

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LIMA, Nov. 23, 2020 - [Minera IRL Ltd.](#) (Minera; or the Company;) (BVL:MIRL) (CSE:MIRL) expands upon the path forward following its recent settlement agreement with Corporacion Financiera de Desarrollo (COFIDE).

While the agreement with COFIDE, which was signed at midnight on November 10, 2020, is simple, it took extraordinary effort to complete. Dealing with government bodies is never quick or easy, but dealing with them during COVID-19 and the political roller coaster that has been the Peruvian Government for the past five years has added difficulty and delay to an already unpredictable negotiation. Since COFIDE made the Bridge Loan, Peru has had five new Presidents and these changes at the top have had a profound trickle-down effect on COFIDE's Board of Directors, management and priorities.

Without the settlement agreement, Ollachea could not be financed. It was pledged as security for the Bridge Loan and COFIDE put the Bridge Loan into default status in 2017. The arbitration award did not fix this - when the arbitration panel determined that COFIDE's decision to abandon its mandate to finance Ollachea was wrongful, it expressly declined to make a finding affecting the Bridge Loan because the Bridge Loan could only be adjudicated by the courts of New York State. In addition, COFIDE promptly asked the Peruvian courts to annul the arbitration award, which application is only now being dismissed pursuant to the settlement agreement. So even with the arbitration award in hand, the Bridge Loan remained in default and the request for annulment remained pending, and financing Ollachea was hostage to the potential for years of expensive litigation in New York and Peru. This roadblock has finally been removed and, for the first time in years, Minera IRL can turn its collective energy back to the task of advancing Ollachea.

Advancing Ollachea

The initial effort to advance Ollachea is focusing on two fronts - updating the technical reports, construction plans and budgets and raising money. For the benefit of our newer shareholders, here is a recap of the evolution of the project:

- The Definitive Feasibility Study for Ollachea, based on 86 thousand meters of drilling, was completed in November 2012.
- In 2013, the Company completed a 1,234-meter tunnel to serve as the primary access for the mine and as a platform for further exploration.
- The Environmental Impact Study (EIA) was approved and the Construction Authorization was obtained in 2013 and 2014.
- In 2014, Mining Plus, an international mining consulting firm with extensive experience in the proposed underground mining method, updated the mine design. As a result:
 - Total gold production increased to 930,000 ounces (from 921,000 ounces).
 - Average annual production of 100,000 ounces over the first two years (up from 70,500 ounces).
 - Average annual production unchanged at 100,000 ounces per year over an initial nine year mine life.
 - Initial capital cost of \$164.7 million (down from \$177.5 million).
 - Average total cash cost of \$587 per ounce (slight adjustment from \$583 per ounce).
 - An after-tax NPV, at a 7% discount rate and gold price of \$1,300 per ounce, of \$181 million (up 17% from \$155 million).
 - IRR of 28.2% (up from 22.1%).
 - Pay-back period decreased to 3.1 years (from 3.7 years).

- In 2016, a new 5,421 meter exploration underground program at the eastern end of Minapampa showed that gold mineralization continues 500 meters to the east and remains open to the east and at depth. These drill hole results have been used to outline an exploration target in the Minapampa Far East mineralized zone of 370,000 to 550,000 ounces of gold contained within 3.1 to 4.6 million tonnes, grading 2.9 to 4.3 g/t gold (these potential tonnages and grades are conceptual in nature and are based on drill results that define the approximate length, thickness, depth and grade of mineralization in the Minapampa Far East mineralized zone).
- In 2019, the EIA was renewed indefinitely.
- Despite the considerable financial constraints caused by the dispute with COFIDE, the Company has continued to push forward with the technical work, investigating various options for project execution and a practical and optimized project start up.

The Company estimates that it will cost approximately USD \$800,000 to complete the technical work, including ongoing support for project financing. This will lead into the detailed engineering, execution planning and contractor selection, as well as putting experienced staff on the ground to start the mine. The recent resolution of the COFIDE dispute allows the Company to re-direct cash flow away from legal expense and back to project start up and execution planning and the Company believes that it can fund this work out of ongoing revenue from Corihuarmi.

Financing

During the second half of 2019 and the first few months of 2020, the Company was actively contacting potential financing parties (banks, debt funds and other lenders) in an attempt to resolve both financing and the COFIDE situation in a single sweep. Unfortunately, these markets were closed until the situation with COFIDE was resolved. However, with the COFIDE settlement in the rear-view mirror, the Company has re-opened its stalled dialogue with these parties and it is already seeing progress - two of the fourteen companies that have signed non-disclosure agreements have already begun a due diligence review.

Going forward, in addition to renewing discussions with financing parties from last year, the Company has opened discussions with a North American capital markets specialist firm with a view to executing on a combined public equity and debt transaction.

Diego Benavides, the Company's Chief Executive Officer, said "we have a proven record of accomplishment with Corihuarmi and I have every confidence that we can do it again with Ollachea. We are committed to getting this mine right the first time, using the best international experience available in underground mining for project oversight combined with the practicality and affordability of Peruvian based professionals and the continued support of the Ollachea community";

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 the Company's expectation that it can update its technical reports and further optimize its plans, that it can complete its construction and engineering drawings for Ollachea, that it can pay for these efforts out of revenue from Corihuarmi, and that it can raise the capital that it needs to finish construction at Ollachea, as well as the terms and timing of those efforts, constitute forward-looking statements. Forward-looking statements are based upon 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 and to legislative, political, social health or economic developments both within Peru and in general.

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