

Minera IRL Commences Drilling on the Michelle Exploration Project, Patagonia

London and Toronto, 22 August 2011: Minera IRL Limited ("Minera IRL" or the "Company"), (TSX:IRL) (AIM:MIRL) (BVL:MIRL) the Latin American gold mining company, has commenced a 4,000 meter exploration diamond drilling program at the Michelle Project in Patagonia, Argentina.

Highlights:

- **The Michelle vein field is the northern extension of the world class Cerro Vanguardia vein field**
- **Thus far, 22 km of vein strike has been identified**
- **Of 51 surface samples taken from two primary vein targets, 33 returned values over 1g/t gold with the highest 15.7g/t gold**
- **A 4,000 meter diamond drilling program has commenced**

"This is a very prospective drill target into outcropping epithermal veins located only a few kilometres along strike from the world class Cerro Vanguardia vein field." said Courtney Chamberlain, Executive Chairman of Minera IRL. "Our Patagonia exploration team has done an excellent job of assessing and prioritizing our initial drill targets. We are particularly encouraged following receipt of significantly elevated gold and silver values from surface sampling across the prospective structures."

Assay results have been received from Minera IRL's first surface-sampling program of the Michelle and Jackpot veins both of which outcrop over more than one kilometer of strike. Of the 51 surface rock samples taken from these two veins, 33 returned values above 1 g/t gold. Of these, 16 samples assayed above 5 g/t gold with the highest recorded gold value at 15.7 g/t. Eleven samples assayed above 30 g/t silver including one sample of 1,460 g/t silver.

Minera IRL's exploration team has thus far identified approximately 22 kilometers of cumulative vein strike length on its 143 square kilometer Michelle Project. Many veins can be traced at surface from AngloGold Ashanti Ltd's majority owned multi-million ounce Cerro Vanguardia gold-silver mine into Minera IRL's property which shares a common lease boundary. The closest Cerro Vanguardia open pit operation is only 6.5 kilometers from the Michelle vein field. Numerous vein occurrences on the Minera IRL ground are gold and silver bearing with classic low sulphidation epithermal textures that indicate significant depth potential.

Since early 2011, Minera IRL has conducted a multifaceted exploration program at Michelle consisting of airborne and ground geophysical methods as well as detailed geological mapping and geochemical sampling all with the objective to assist in vectoring the exploration team to the most prospective parts of the project.

Michelle is one of three active greenfields exploration projects the Company is currently advancing within its 2,700 square kilometer land package, one of the largest tenement holdings in the Deseado Massif. This geological setting, located in mining friendly Santa Cruz Province, Argentina, is rapidly emerging as a world class precious metals region which already hosts a number of new mines and discoveries. Other exploration activities being carried out in the district by Minera IRL Patagonia include the Escondido Project, discovered in 2010, and the Chispas Project where scout drilling was carried out on the Pan de Azucar vein in 2010. In addition, the Don Nicolas Feasibility Study, in which an updated resource has recently been announced, is due to be completed by year end.

Additional information on Michelle, including maps and surface sample assay logs, can be found on the Minera IRL website, www.minera-irl.com

Competent Persons Statement

The preparation of the technical information contained herein was supervised by Donald McIver, VP Exploration of the Company, MSc Exploration and Economic Geology, a Fellow of the Australian Institute of Mining and Metallurgy (AUSIMM), who is recognized as a Qualified Person for the purposes of National Instrument 43-101, and who has reviewed and approved the technical information in this press release.

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Minera IRL Limited is the TSX, AIM and BVL, Lima listed holding company of precious metals

mining and exploration companies focused in Latin America. Minera IRL is led by an experienced senior management team with extensive industry experience, particularly in operating in South America. The Group operates the Corihuarmi Gold Mine and the emerging Ollachea Gold Project in Peru as well as the Don Nicolas Project in Argentina.

The Toronto Stock Exchange neither approves nor disapproves the information contained in this News Release.

Some of the statements contained in this release are forward-looking statements, such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties.

While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggestions herein. Except as required by applicable law or regulation, Minera IRL Limited does not intend to update any forward-looking statements to conform these statements to actual results.

Quality Assurance and Quality Control Procedures Disclosure

The Company has implemented and maintains a Minera IRL quality assurance/quality control (QA/QC) protocol on its projects to ensure best industry practice in sampling and analysis of exploration and resource definition samples. The insertion of field duplicates, certified standards and blank samples into the sample stream form part of the MIRC procedure (these act as an independent check on contamination, precision and accuracy in the analytical laboratory).

Assay results are reported once rigorous QAQC procedures have been approved.

Independent Audit Programs

Towards maintaining compliancy with international standards as they pertain to the minerals industry resource evaluation and estimation procedure, MIRC regularly contracts the services of industry experts to conduct detailed audits of established QAQC procedures.