

Newsletter

**FIRST EDITION
OCTOBER 2020**

Dear Friends of Minera IRL

I hope this letter finds you well in these difficult times.

I would like to begin this first MIRL Newsletter by extending a warm welcome to all our shareholders, to those who have been with us for a long time, and those who have joined more recently. I also extend this welcome to potential shareholders and anyone who follows our company.

We recently pledged to improve communications with shareholders, and this letter is part of that effort.

Today I'd like to update you on activities at Minera IRL regarding the operations at the Corihuarmi gold mine; on the progress of our negotiations with Peru's National Development Finance Corporation - the Corporación Financiera de Desarrollo (COFIDE); and on our social programs during the COVID-19 pandemic.

The old Board failed to win re-election in 2016, and since then the Corihuarmi gold mine has enjoyed continued success. As you may recall, the mine was scheduled for closure in 2015. Not only have we kept it open, we have improved efficiency, reduced operating

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costs and have maintained production throughout the entire COVID-19 pandemic when other mines in the country were paralysed.

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When Corihuarmi first began producing in March 2008, it had a projected mine life of 4 years. Here we are in 2020 and it is still producing. Our aim is to keep Corihuarmi operating, further extend the mine life, and use its excess cash flow towards maintaining the viability of Ollachea.

As reported in our press release of October 6th, negotiations with COFIDE towards a definitive agreement continue to advance. The deadline was extended to October 28th due to COVID-19. Once the status of the Bridge Loan and Arbitration Award is settled, then we can move on to the financing of Ollachea. We have signed no fewer than 15 confidentiality agreements with interested parties.

For its part, the Ollachea Community understands the various hostile situations that the project has faced and has repeatedly expressed its support to us to advance its development.

We cover all the above in greater detail in the following letter. I hope you enjoy reading it. If you have any questions or comments, please do not hesitate to get in touch.

Finally, I'd like to thank you for your support, interest and contributions to our Company.

Sincerely,
Diego Benavides
CEO

Production Au

Corihuarmi Mine
At 2008 to September 2020



474,902 **Oz/Au**

Sales Revenue

Updated to September 2020



US\$ 467'269 Millions

Ollachea Gold Project

Feasibility Study
Production for year



100,000 **Oz /Au**

CORIHUARMI MINE

The Corihuarmi gold mine is located 5,000 metres above sea level, 160 km southeast of Peru's capital city, Lima.

2020 highlights include:

- △ Our 2020 production target is 22,500 ounces and, as of September 2020, we are 70% of the way there.
- △ In February of this year we began a program to increase gold recovery and reduce costs. We improved the pads and the process plant, we modified the irrigation and transport systems, which carry gold-rich solution to the plant, and we installed other new equipment, including a new carbon desorption circuit.
- △ The average price achieved for the sale of Corihuarmi's production has been US\$1,700 per ounce during 2020. We have had good cash flow to both meet our commitment and generate cash reserves for contingencies.
- △ When Peru declared a National Emergency in March due to COVID-19, we immediately revised our health and safety protocols (more on this below). We are delighted to report that Corihuarmi has operated with zero infections.

The Golden Woman that Keeps on giving – The history of Corihuarmi



In Quechuan Corihuarmi means “the Golden Woman”. Corihuarmi is an open pit, heap leach operation, which began production in March 2008, following a US\$20 million investment to fund its construction. The original feasibility study showed just four years of mine life and 144,000 ounces of gold in reserves.

Even in those first four years, the mine exceeded expectations with over 150,000 ounces of gold production from the mineralized zones of Susan, Diana and Scree Slope.

Between 2009 and 2015 we added five new exploration and exploitation zones: Cayhua, Cayhua North, Laura, Diana Expansion and Scree Slope Expansion, drilling 20,665 meters. The results allowed us to extend the mine life till 2017.

In 2015, however, Corihuarmi faced closure. The Board of Directors felt the low gold price, the lower mineral

grades and the cost of environmental remediation made the mine no longer viable.

At the end of 2016, however we got a new board of directors. They reviewed the both the closure and the production costs, and then decided to initiate an optimization program and an exploration program of 7,451 meters of diamond drilling and reverse circulation drilling. A new NI 43-101 followed in 2018 and the result was that the mine life was extended to 2020.

**First four years,
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In the past two years we have been working hard internally to improve efficiencies and reduce costs wherever possible. We have acquired a fleet of thirteen, 40-tonne haulage trucks. We have new production circuits in the plant and other improvements in the pads.

Also during this time we have taken to opportunity to conduct preliminary site based brownfields exploration. This initiative was taken to understand the potential to extend the mine life of Corihuarmi. In order to act quickly and save costs, we have initially conducted drilling in house with the use of the rigs on site in order to have a “proof of concept” that more mineralised material exists. As we now have the confidence there is a good opportunity to extend the mine life, and the restrictions with respect to COVID-19 are lifting, our priority is now to formalise this in house brownfields exploration initiative into a compliant NI 43-101 report.

OLLACHEA GOLD PROJECT

The Ollachea Gold Project is located in Puno in the south of Peru, about 250 km north of Lake Titicaca, on the eastern slopes of the Andes.

The feasibility study in force shows a mineral reserve of one million ounces of gold, an underground operation of 3,000 tons per day with a CAPEX of US\$178 million to produce 100 thousand ounces per year from the Minapampa zone for an initial period of ten years.

We have also identified a mineralized zone of 550,000 additional ounces of gold in Minapampa East, and 400 meters from there, in Concurayoc, a further 900,000 ounces of NI 43-101 compliant inferred resources certified have been estimated.

Of the 11,000 hectares of concessions that make up the project, only 15% has been explored.

Mineral Reserve

1,000.000 Oz/Au



Underground Operation

3,000 tons per day



Capex

US\$ 170 million

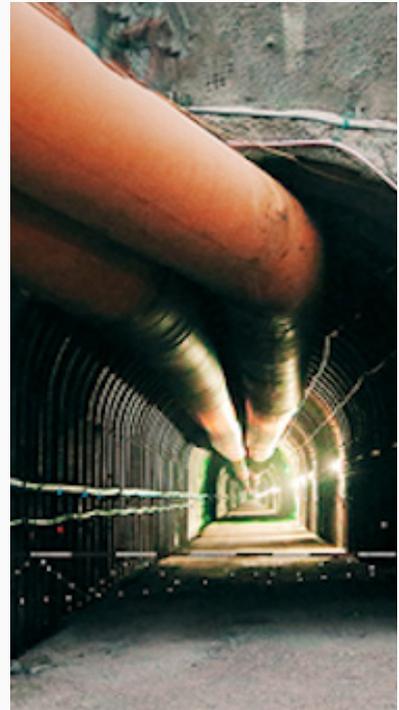


Production Year

100 mil Oz



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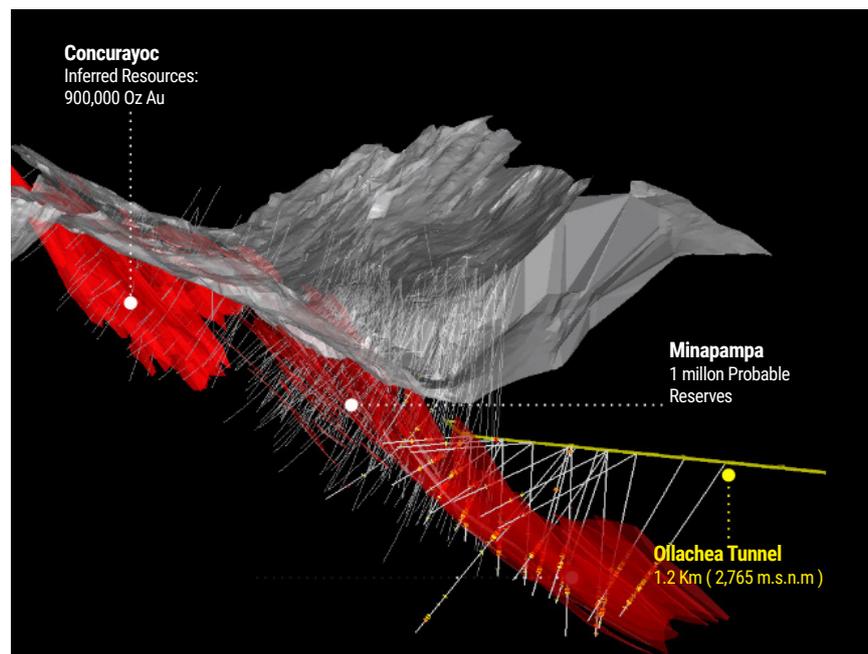
COFIDE AND FINANCING

As we have a compliant NI 43-101 feasibility study for Ollachea, our main goal is to get Ollachea financed and built. Although we have signed no fewer than 15 confidentiality agreements with interested parties, we must first get our US\$70 million Bridge Loan with COFIDE settled.

As reported in our news release of October 6th, we have a deadline of October 28th to come to an agreement with COFIDE. The agreement will provide the framework for the parties to be able to define how we will pay the Bridge Loan for US\$70 million (plus interest), and how COFIDE will pay the arbitration award from September 2019 of US\$ 34.2 million (plus interest).

The agreement has been delayed because of COVID-19, but we have made significant progress towards a final settlement. We will continue to report progress as best we can.

MINERALIZED AREA Ollachea Gold Project



SOCIAL PROGRAMS

CORIHUARMI

With the COVID-19 pandemic, we have focused the budgets for the social programs in Atcas and Huantan, owners of the Corihuarmi surface land, on the following:

Health Care



- Health care, including medicine, specialized staff and preventive training at the Atcas Medical Centre, which we built and donated in 2010.

Delivery of essential food



- Delivery of essential food to the community members (around 400 families in both communities).



Deworming of cattle and goats

- Deworming of cattle and goats. These are the livelihood of a large part of the population.



Maintenance of road



- Maintenance of the 19 km road which connects the mine to Atcas community.



Dialogue with communities

- Coordination and continuous dialogue with the heads of the communities to allow access for the vehicles that transport personnel, mine supplies and so on.

OLLACHEA

Our workers at Ollachea have all received COVID-19 training. We have various initiatives in place with the local community. For example, the Ollachea Music and Dance Centre (CEMDAO) which, after competing with other initiatives from across the country, received the Social Innovation Award in 2014.

CEMDAO aims to preserve the cultural and intangible heritage of the community through the recovery of local dances and music. In the medium term, we will be looking to share these with you via a web platform.

Activities resumed online on October 1st with the participation of 80 children and young members from the community. Our program promotes the development of skills at a personal and intellectual level, reinforces the talent of participants, and reduces the stress and anxiety generated by COVID-19.

Harmony and Project Support. Community and Company work together for the development of Ollachea

Milestones



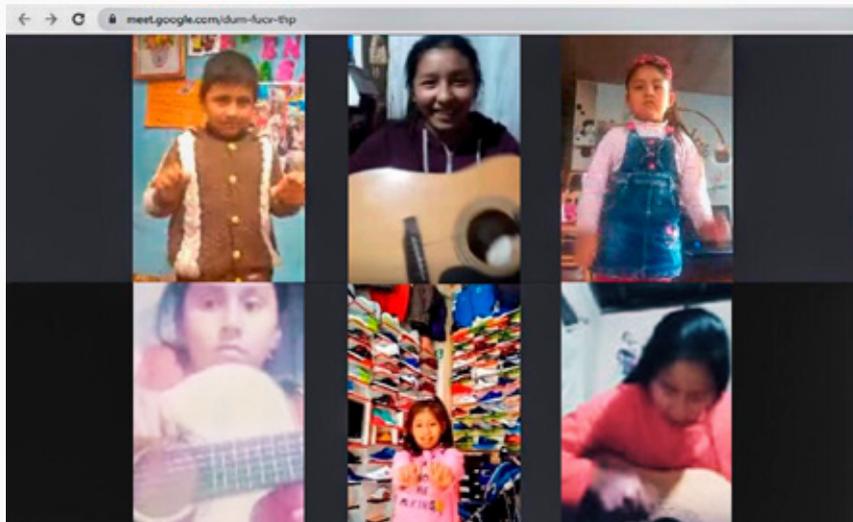
30 years surface land use authorization



5 % Community participation as a project partner when production starts



16 Health, education and sustainable development programs



Conservation of Cultural heritage through dance.



Virtual classes



Conservation of Cultural heritage through music

COVID -19 PANDEMIC

The COVID-19 National Emergency has been extended in Peru until the end of 2020. Mandatory quarantine was lifted after seven months, but, with the exception of four provinces in the central region of the country, the night curfew is still in force nationwide. All economic activities that involve large crowds are indefinitely suspended.

As of October 9th, 2020, Peru has 846,088 infections and 33,223 deaths.

of the Ministry of Health, we have built a 115 square meter isolation and observation module at Corihuarmi for potential COVID-19 cases.

Between May and September 2020, 907 staff members were tested for COVID-19 - Corihuarmi replacement workers, Ollachea project workers,



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With the onset of the COVID-19 pandemic last March, and the Declaration of National Emergency, we immediately revised our health and safety protocols. We isolated Corihuarmi for 70 days to prevent infection and maintain production. Other mines in Peru were paralyzed by COVID-19 infections, but Corihuarmi continued operating. The Ministry of Energy and Mines and the Ministry of Health quickly approved our Surveillance, Prevention and Control Policies, and we were able to rotate personnel.

We established a COVID-19 budget item and logistics system, with the aim of providing protection equipment (masks, glasses, thermometers, etc), training, information material and new areas for hand washing. We decontaminated

Peru Covid -19, As of October 9th, 2020



Infections
846,088



Deaths
33,223

the mine with portable sterilization equipment.

Two certified laboratories in Lima and Huancayo perform serological tests to personnel before changeover. Personnel are transferred to and from the mine in buses at 50% capacity. In addition, in compliance with the recommendations

Lima office staff, contractors and suppliers. 14% tested positive. They self-isolated at home for 14 days, and were monitored by our medical personnel. There were no serious cases requiring hospitalization.

As a result of these preventive measures, Corihuarmi and Ollachea are free of infection. In Lima, due to the high rate of infection there, the company's offices remain closed and staff work from home.

We have also developed a solidarity program - Oxygen for MIRL families. We deliver medicine and oxygen tanks, according to COVID-19 protocol, to take care of our workers' parents, the most vulnerable in the population who receive limited care from Peru's medical centers.

Cautionary Statement on Forward-Looking Information

Certain information in this newsletter, including information about the Company's expectation that it can reach agreement with COFIDE and the terms of that agreement, that it can finance the Ollachea project, and that it can further extend the life of mine at Corihuarmi, keep it operating and use excess cash flow to maintain Ollachea, 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 and to legislative, political, social health or economic developments both within Peru and in general.