



Newsletter

**THIRD EDITION
FEBRUARY 2021**

Message from the CEO

Dear Friend of Minera IRL

While Covid-19 remains part of our world as we begin 2021, our Board of Directors and our employees wish all of our shareholders good health and continued safety during this unusual time. Despite Covid-19, we maintained 2020 production targets at the Corihuarmi Mine and we are finally getting a bit of traction on our efforts to finance and develop our Ollachea gold project.

As previously announced, we have engaged Haywood Securities Inc. as our financial advisor. Haywood is a well-established Canadian investment bank that manages assets of more than US\$9 billion. We look forward to their assistance in identifying,

assessing and executing on financing alternatives for Ollachea and, of course, to keeping our shareholders up to date on our progress.

At the Corihuarmi Mine, we have completed a pad extension program, installed new pumping equipment and a third gold recovery column, and completed improvements in the laboratories and the smelter.

We were very pleased that Corihuarmi not only managed to stay operational through the pandemic with no known cases of Covid-19 infections, but it also produced 22,593 ounces of gold, marginally exceeding its target of 22,500 ounces. In addition, the increase

in the price of gold during 2020 resulted in annual sales of US \$39 million, the highest since 2012.

Despite nearly closing in 2015, Corihuarmi continues to generate sufficient revenue to meet our operating needs. While there have been challenging times, we have achieved favourable results and are very pleased with our positive contributions to the local community.

Sincerely,

**Diego Benavides
CEO**

For more information please write to me at diego.benavides@irl.com.pe





CORIHUARMI MINE

During 2020, we improved the metallurgical recovery processes and marginally exceeded our 2020 gold production targets as noted above.

2020 Improvements

Recent improvements at Corihuarmi included the following:

1. Increasing the cyanide solution irrigation flow to the main dynamic pad by installing a 400 HP pump with a capacity of 400 m³/h, thus expanding the leaching area by 1.6 hectares.
2. Installing the third adsorption circuit at the entrance to the smelting plant. This made it possible to increase the adsorption capacity by 50% (from 500 m³/h to 750 m³/h) and increase production by 175 ounces per month.
3. Improving the desorption capacity through the installation of a two-ton coal reactor to add 40 ounces of gold per month.
4. Eliminating the gold-rich solution dilution and installing a 10 m³ buffer tank to save energy. This allows the collection of the gold-rich solution directly from the dynamic pads, eliminating the need of storage and pumping from a dam, to take it to the adsorption process.
5. Chemical cleaning of auriferous cement to remove copper, iron and other contaminants prior to the smelting process in order to improve the quality of the bars and the gold grade.
6. Increasing the leaching capacity by 70,000 tons of ore with the construction of 0.67 hectares of dynamic pads.
7. Annual savings of US\$ 1.1 million generated by the reduction program cost in heavy equipment, transportation and stocks management.

These improvements cost a total of US\$356,000 and were financed through revenues generated from mine production.

Closure Guarantees

Every year we are required to guarantee the estimated costs associated with eventual closure of the mine. This guarantee provides assurances that funds associated with work outlined under the Corihuarmi Mine Closure Plan will be available when required.

For the fifth consecutive year, we have successfully renewed the bond (in the face amount of US \$6,067,797) that guarantees the Corihuarmi Mine. Closure Plan, which is required by the Ministry of Energy and Mines. The cost of this year's renewal is comparable to the cost last year, and totals US\$ 207,461.



Renewal amounts to
US\$ 6,067,797 million



SOCIAL PROGRAMS

Minera IRL is committed to engagement and inclusion of the local communities near our projects and operations. We are pleased to provide an update on some of the local news and socio-economic programs and developments.



Supporting the Local Economy

Local businesses within the community of Atcas provide passenger transportation and laundry services to the Corihuarmi mine.

In 2020, revenue from the provision of these services contributed US\$ 128,495 to the local economy in Atcas.

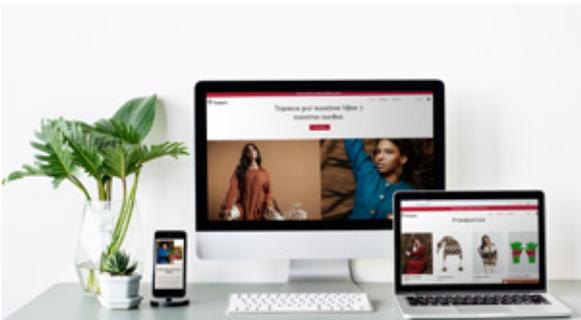
2021 Planning

The Company is committed to working collaboratively with local elected officials and community leaders. In the coming year, we expect to work together with these parties to re-allocate funds budgeted in 2020 for programs unable to move forward due to Covid-19 restrictions. We look forward to updating our shareholders on these programs in due course.



Organic Horticulture - Ollachea

Minera IRL supports the Ollachea Organic Horticulture project. In 2020, this project produced 1.63 tons of chard, lettuce and cabbage. This food was distributed to 130 low-income families in coordination with the local community authorities. Despite restrictions in place because of Covid-19, the project also harvested the seeds of 31 native potato varieties. These seeds will be sown in 2021 by community farmers in the high area of Huancayoc.



AMARE Collection 2021

The Association of Artisan Women of Ollachea AMARE relaunched its website www.amare.pe to promote the sale of its knitted garments. AMARE has also established a working partnership with the renowned Toulouse Lautrec Institute, through which fashion design students provided design options for the new collection that AMARE intends to produce in 2021.



Ollachea's Music and Dance Center (CEMDAO) Graduation

The first online class of 80 youths graduated from CEMDAO in December 2020. The graduation celebration included individual presentations to showcase these talented individuals and the skills they learned in the last quarter of 2020. The presentations were carried out in person and in compliance with COVID-19 safety protocols. The presentations included costumes and local instruments and were recorded for a promotional video that will be published on CEMDAO's social media profile.

COVID-19



Covid-19 continues to be prevalent in our community and in communities around the world. In response to an increasing number of Covid-19 cases, the Peruvian Government declared a general 15-day quarantine, from January 31-February 14, 2021 in eight regions of Peru, including the capital city of Lima and Junín, where the Corihuarmi Mine is located.

Despite Covid-19, we expect mining activities at Corihuarmi to continue normally as they have through 2020, though with additional safety protocols in place including new rotational timelines to ensure workers and their families are kept safe. We are maintaining Covid-19 screening for all mine workers and our mine medical team has increased its monitoring of respiratory problems.

Our executive offices in Lima will remain closed until further notice to ensure the safety of our staff.

We will continue to follow strict Covid-19 protocols and review the instructions of the Peruvian Government on an ongoing basis to ensure we are maintaining best practices when it comes to the fight against Covid-19.

New Website

In response to shareholder feedback, we are in the process of creating a new company website. The new website will provide new tools for quick and easy communication with our shareholders (i.e., WhatsApp, newsletter) as well as more visual content related to our projects, operations and community initiatives.



We look forward to announcing the launch of our new website soon!

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.