



Minera IRL

Newsletter

FIFTH EDITION
APRIL 2021

Message from the CEO

Dear Friends of Minera IRL,

Our last newsletter provided you, our shareholders, with the story of Ollachea. I hope it provided a useful snapshot of the background to both Minera IRL and our flagship Ollachea gold project. With an understanding of our past, the team has turned its full attention to our future and the road ahead.

As outlined in our corporate update released on March 30, 2021, we are very pleased to be actively undertaking the critical foundational work to create long-term and sustainable value for shareholders by advancing our Ollachea project. To do this, we are continuing to focus on advancing our construction finance efforts with Haywood Securities Inc.; working with Australian-based Mining Plus to prepare an updated National Instrument 43-101 technical report; developing the project execution plan; and assembling our construction and technical team for Ollachea, some of whom you can read about in this newsletter.

While our energy and efforts have primarily been focused on prudently advancing Ollachea, we are also

undertaking additional resource definition work at the Corihuarmi mine, and such work is also being led by Mining Plus. While work has been advancing in this regard, Corihuarmi has continued operations. From November 2020 to March 2021 inclusive, Corihuarmi has produced a total of 10,094 ounces of gold. As production continues, we look forward to providing further details and updates on Corihuarmi in future communications.

We are continuing to focus on advancing our construction finance efforts with Haywood; working with Australian-based Mining Plus; and assembling our construction and technical team for Ollachea.

As we embark on the second quarter of 2021, and while we continue to be steadfast in our approach to building our project and the company, we cannot ignore the events that continue to shape our communities and economy. The struggle to manage the spread and impacts of COVID-19 continues, as it does in many countries worldwide. In addition, we will continue to watch the 2021 Peruvian presidential race progress over the next few months with great anticipation. These events shape everyday life for our people, our company and our economy. We thank you for your continued support, interest and engagement and we look forward to providing further updates and information as it becomes available. As always, we welcome your comments and questions.

Sincerely,

Diego Benavides
CEO



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

Recent additions to the team

As previously mentioned, we have been assembling the team that will complete the technical work to develop Ollachea and we are pleased to introduce them in this issue. All of them are supporting our efforts in the capacity of independent consultants, led by Mining Plus, and have one goal in mind: complete the NI 43-101 compliant Preliminary Economic Analysis (PEA) and kick-off the construction of the mine infrastructure.



MINING & GEOLOGY

PAUL MURPHY | Mining Plus

As Project Manager, Paul leads the team of consultants involved in the technical work as part of the PEA that considers the low CAPEX start-up of Ollachea.

Paul is a Geological Engineer with over 18 years of experience in the mining industry, both in consulting and site-based work. Paul has extensive experience in the areas of geotechnical engineering, hydrogeology, geology and mining engineering, and is particularly interested in studies aimed at reducing costs and maximizing margins.

He serves as Manager of South America at Mining Plus and his role encompasses managing technical teams and studies across Latin America, as well as operational site support, and business improvement.

KIM KIRKLAND | Mining Plus

Kim is a mining and geology professional who brings over 30 years of experience with companies such as MMG, McEwen Mining, AMEC, Rio Tinto, and Barrick, where he developed and implemented major projects, led mine operation optimization projects and strategic management of mineral assets and focused on operational process improvement and operational efficiency.

Kim is overseeing the geology and mining work on the PEA, including the review of the Minapampa Far East exploration target and optimization of the mine design, as well as the schedule for the initial gravity-concentration period and subsequent leaching processing.



CONSTRUCTION

PAOLO HERRERA INDEPENDENT CONSULTANT

Paolo brings construction and mining operations experience to the team. He specializes in assessing project needs and earthworks demands from concept and detailed engineering through ongoing operations.

Paolo's career spans almost 20 years of experience working in Central and South America, holding key operational and management roles in both open pit and underground projects operated by world-class companies such as Newmont, Hudbay Minerals Inc. and Guyana Goldfields.



PROCESSING & INFRASTRUCTURE

JOHN THOMAS | JAT Metconsult

John is the principal of JAT Metconsult and works alongside the team at Sepro. He has over 45 years of experience in the mining industry, a PhD in Chemical Engineering, and has worked in various base metal and precious metal projects around the world, in countries such as Brazil, Venezuela, Costa Rica, Russia, Kazakhstan, Canada and Zambia.

He will be focused on the gravity-concentration and lixiviation aspects of the project, including the surface infrastructure that will support underground mining operations.

DAVID HORNICK | Sepro

David spent 20 years in the mining and construction aggregates industries with ABB, Lafarge Canada and Metso Minerals before joining Sepro in 2008.

He is focused on the gravimetric plant design aspects of the PEA for Ollachea and has worked on a number of large projects involving crushing, screening, milling, and scrubbing, where he held roles in technical service, operations management and sales management.



TAILINGS MANAGEMENT

DONALD HICKSON | ENVIS

Donald leads the team developing the tailings storage and management aspects of Ollachea, from conceptual design through long-term operation and closure. He is an internationally recognized expert in tailings-related subject matter, and an industry leader in integration and optimization of tailings mechanical technologies.

With over 30 years of experience, he has spent the last 15 years in South America holding lead design roles for tailings storage facility projects in a wide range of mining operations, from smaller-tonnage, underground mines to large, open-cut mining operations such as Antamina and Toromocho. Donald previously held lead design and management roles in leading global providers of engineering and management services such as Ausenco, Wood (Amec), and Golder (now WSP).



Corporate Update

We were very pleased to provide an update to shareholders on March 30, 2021 on our activities undertaken through the first quarter of 2021 and planned for the upcoming months. As reported, our efforts have been focused on three key areas:

Completing NI 43-101 Compliant PEA for Ollachea



- Mining Plus retained to prepare new NI 43-101 compliant PEA
- Consider a low capex start-up for Ollachea
- Complete a PEA as soon as possible
- Goal to put Ollachea into production as soon as possible with a staged approach
- Anticipated completion – Summer 2021

Develop Project Execution Plan for Ollachea Construction



- Preparing Project Execution Plan and master schedule to guide construction and development
- Actively considering optimization and streamlining of the construction process
- Focus on contractor and team development
- Done in parallel with preparation of the PEA

Secure Funds for Ollachea Project Execution



- Engaged Haywood Securities Inc.
- Haywood undertook due diligence on the project
- Supporting efforts to finance development of Ollachea and repay the COFIDE bridge loan
- Engaging with potential investors and finance partners
- Updates to be provided as available

2020 Financial Results

Despite the difficulties presented by COVID-19, our 2020 fiscal results demonstrate that our commitment to safe operating practices and perseverance to meet operating targets, coupled with an increase in the price of gold in 2020 resulted in our highest annual sales since 2012. Our financial results for the year ended December 31, 2020 were filed on our profile on the System for Electronic Disclosure and Analysis (SEDAR) on March 30, 2021 and can also be found on our website.



Sales Revenue

US\$ **39 MM** ↑
+23% from 2019



Gross Profit

US\$ **14.6 MM** ↑
+113% from 2019



Cash Generated From Operations

US\$ **14.8 MM** ↑
+55% from 2019

Corihuarmi Update

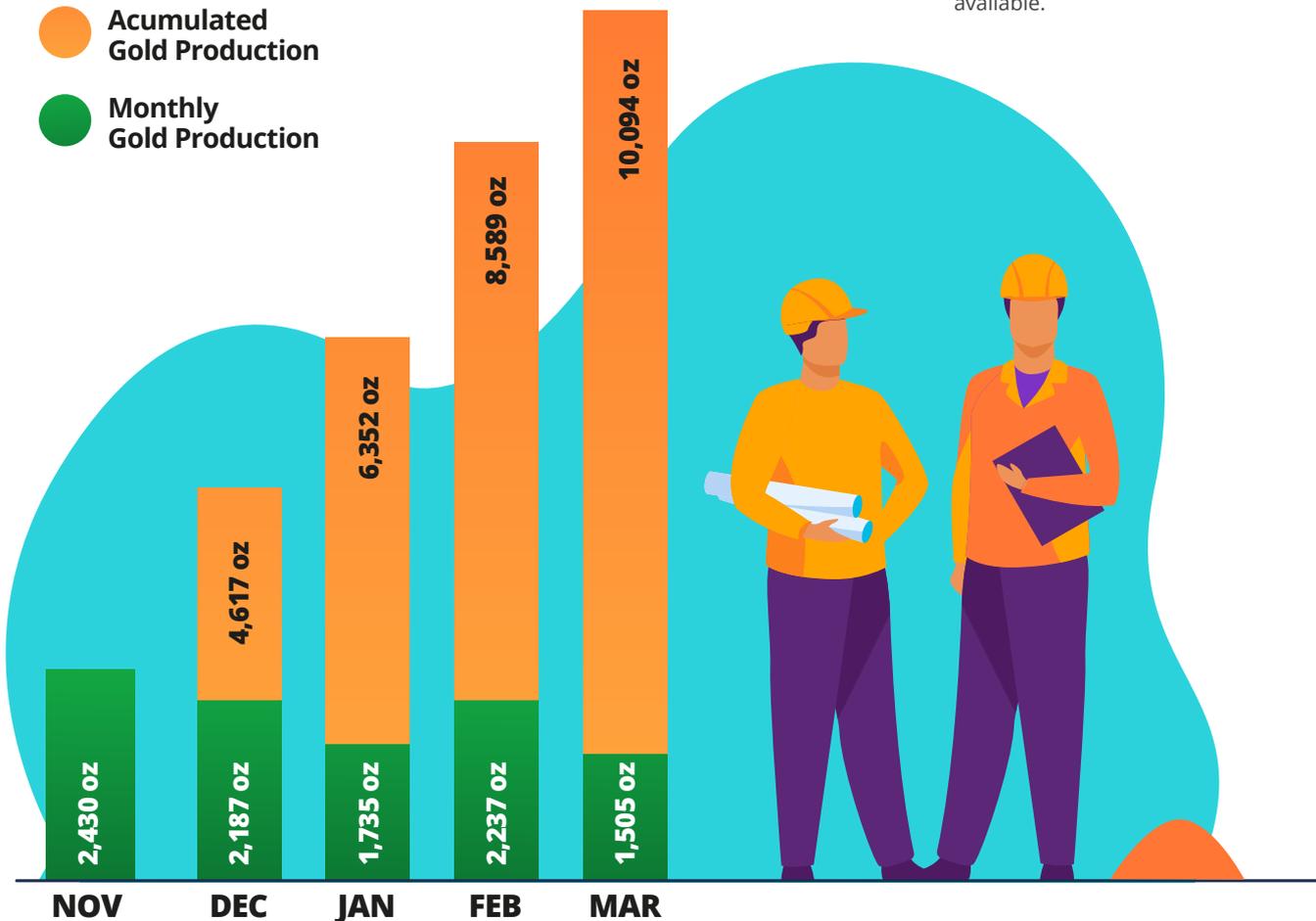
Despite the unprecedented global challenges presented in 2020, our Corihuarmi mine continued to operate safely, achieving a total annual production of 22.5 koz of gold. With the increase in the price of gold during 2020, this resulted in sales of US \$39 million, our highest since 2012.

As previously announced, in addition to completing a PEA for Ollachea, Mining Plus has been retained to update the NI 43-101 compliant technical report for Corihuarmi with the goal of identifying

additional resources to extend the life of the mine (the most recent technical report provided for a life of mine of 2.8 years that expired in October of last year). While this resource definition work is in process, production has continued at Corihuarmi with 10,094 ounces of gold produced between November 2020 and March 2021.

Our Corihuarmi mine continues to generate the capital needed to operate our business and we look forward to providing further details on development of the technical report and Corihuarmi production results as they become available.

- **Acumulated Gold Production**
- **Monthly Gold Production**



Cautionary Statement on Forward-Looking Information

Certain information in this Newsletter, including information about our expectation that Mining Plus and its team of consultants 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.