



Minera IRL

Newsletter

SIXTH EDITION
MAY 2021

Message from the CEO

Dear Friends of Minera IRL,

As reported on May 14, we were very pleased to be able to deliver solid operating results for our first quarter of fiscal 2021. We reported sales revenue of US\$ 10.4 million, a 25% increase over the same period in 2020 (Q1 2020: US\$ 8.3 million), and gross profit of US\$ 3.1 million, a 41% increase over our Q1 2020 results (Q1 2020: US\$ 2.2 million). Our complete financial statements and associated management's discussion and analysis (MD&A) have been posted on our website (www.minera-irl.com) and under our profile on SEDAR (www.sedar.com). We encourage you to review the financials and MD&A in full for the detailed results of our first quarter performance.

The above results are a reflection of sound operational practices and agile management in the field, but also transparency, engagement and open communication with our neighbours that translates into their continuous support. Those three aspects are of the utmost importance and have been a focus of mine since Minera's early days. In 2007, we signed an initial surface rights agreement with the community of Ollachea, which was extended for an additional 30 years in 2012. This agreement was the first of its kind in Peru

and created a strong partnership between our company and the community that remains to date. As a result, I was granted the title of Honorary Member of the Community of Ollachea due to my efforts to improve the quality of life of community members.

We respect and support our neighbours and continue to identify and then undertake or guide environmental and

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social projects that are of importance to the communities and Minera. Through those projects, community members have access to improved dietary options, children are actively involved in preserving their cultural heritage, women use their traditional textile skills to break into the fashion market, and families in general are connected and engaged with Minera and each other. While the mining industry in Peru has been harshly affected by COVID-19 for over a year, we have maintained our commitments to our communities, our workforce, and their families, all while providing value to our shareholders. We look forward to providing more information on these programs as they progress through the year.

As always, we welcome your feedback, comments, and questions. Please feel free to reach out at any time.

Sincerely

Diego Benavides
CEO



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

Q1 2021 Financial Results

Total gold production at Corihuarmi increased by 9% from 5,045 ounces in Q1 2020 to 5,487 ounces in Q1 2021.

We began the first quarter of fiscal 2021 with solid operating results. Our efforts to optimize the operational practices at our Corihuarmi mine and an increase in the number of gold ounces sold, coupled

with an increase in the average price of gold sold, provided for a 25% increase in sales revenue as compared to the same period in 2020.

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We experienced a 14% increase in mine operating costs in the first quarter of 2021 as compared to the same period in 2020 (Q1 2021: US\$ 5.24 million vs Q1 2020: US\$ 4.59 million). The increase in mine operating costs was attributable to longer haulage distances and time to the pads due to unusually heavy rain caused by the La Niña phenomenon.

Gold sales during the first quarter of 2021 were comprised of 5,875 ounces of gold (Q1 2020: 5,195 ounces of gold) at an average realized gold price of \$1,766 per ounce (Q1 2020: \$1,595 per ounce). Accordingly, gold sales increased by 13% as compared to Q1 2020.

Overall, gross profit increased 41% to \$3.1 million in the first quarter of 2021 as compared to \$2.2 million reported in the same period in 2020.

Our complete financial results for the quarter ended March 31, 2021 are available for review on our profile on SEDAR (at www.SEDAR.com) and on our website (at www.minera-irl.com).



Sales Revenue

US\$ 10.4 MM

+25% from Q1 2020



Gross Profit

US\$ 3.1 MM

+41% from Q1 2020



Cash Generated From Operations

US\$ 4.6 MM

+200% from Q1 2020



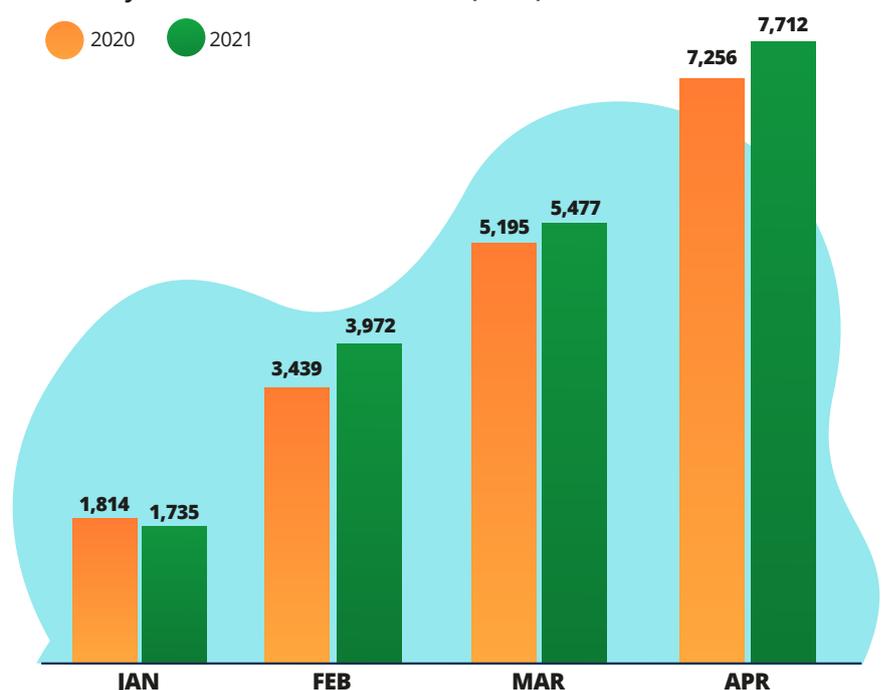
Corihuarmi Production Update

Production has continued at Corihuarmi with 7,712 ounces of gold produced between January and April 2021, a 6% increase as compared to 7,256 ounces of gold produced in the same period of 2020. In the month of April 2021, gold production totaled 2,235 ounces of gold, an increase of 8% from April 2020 (2,061 ounces of gold), attributable primarily to our efforts to optimize our operations at the mine.

In addition to these efforts, we are working to upgrade and expand the current Corihuarmi campsite in order to provide the most effective safeguards, including safe social distancing, against COVID-19. Since the pandemic was declared, there have been no known cases of COVID-19 at our camp and the mine continues to generate the capital needed to operate our business.

Monthly Accumulated Gold Production (oz Au)

● 2020 ● 2021



Commitment to Community

This year we aim to align our social programs to the United Nations' Sustainable Development Goals, particularly in relation to those programs focused on artisanal producers and youth.



Both the 5% equity participation granted to the community and the 30-year agreement term were the first of their kind in Peru and set a benchmark for other companies.

COMMUNITY PARTNERSHIP

Our commitment to community is at the core of the company's culture and has long been a primary focus for our CEO who was instrumental in securing the initial Surface Rights Agreement (the "Agreement") reached with the community of Ollachea in 2007. In 2012, a new 30-year agreement was executed under his direction that ratified the commitment in the original 2007 Agreement to grant the Community of Ollachea a 5% equity participation in the subsidiary company Minera Kuri Kullu S.A., which holds the Ollachea leases, upon the commencement of any commercial production.

Both the 5% equity participation granted to the community and the 30-year agreement term were the first of their kind in Peru and set a benchmark for other companies in regard to their approach to social responsibility. This continues to exemplify our commitment to transparent dialogue with, and social and economic inclusion of, our project communities, and we are proud to play a continuing and critical role in economic growth and poverty reduction.

SOCIAL PROGRAM OVERVIEW 2021

With the challenges posed by the COVID-19 pandemic, our social programs had to adapt to new protocols and safeguards in order to continue offering ongoing support to our communities. In April 2021, our Community Relations team engaged with the newly elected leaders of these Ollachea and Corihuarmi communities to review, align and confirm our social program priorities for 2021. This allows us to ensure programs are aligned with community interests as well as commitments made in conjunction with the Environmental Impact Assessments.

This year we also aim to align our social programs to the United Nations' Sustainable Development Goals, particularly in relation to those programs focused on artisanal producers and youth. We are pleased to provide an update on our community engagement plan for 2021 below and look forward to providing updates on progress as the year progresses.





CEMDAO Music and Dance Students



OLLACHEA SOCIAL PROGRAMS



Our Community Relations team is working collaboratively with artists and other supporting parties to position the AMARE brand in the local market, increase production capabilities, increase the education and training opportunities, standardize production quality, and expand the market for AMARE-brand products.

To see more of the 2022 collection preview please go to www.amare.pe/preview

Association of Artisan Women of Ollachea – AMARE (www.amare.pe)

AMARE promotes women entrepreneurship through regular online training and support in alpaca clothing production. The AMARE Summer 2022 collection is currently in production through a partnership with the renowned Toulouse Lautrec Institute and two grants received by the Ministry of Culture and the Ministry of Foreign Trade and Tourism (MINCETUR).

While AMARE is supported by Minera and government grants, in 2021, it plans to pursue a path toward independence and self-sustainability. Our Community Relations team is working collaboratively with artists and other supporting parties to position the AMARE brand in the local market, increase production capabilities, increase the education and training opportunities, standardize production quality, and expand the market for AMARE-brand products.

Ollachea Music and Dance Centre - CEMDAO

CEMDAO was established in 2011 to promote the preservation of traditional music and dances of Peru and to develop the talent of the children and teens of Ollachea. Students learn to play instruments and are trained in traditional dances from various regions of Peru. With the onset of COVID-19, CEMDAO went virtual in 2020 and its first online class graduated in December 2020 with a closing ceremony that included video presentations where 80 students showcased what they learned during the preceding quarter.

In Q1 2021, CEMDAO's enrollment reached a new all-time peak with more than 100 registered students. The goal in 2021 is to develop a micro-learning platform that enhances their learning experience. We expect that this will lead to participation in the creation of an online repository that seeks to preserve the musical heritage of various regions of Peru.

Seedling production and tree planting

This project was originally initiated to remediate exploration drilling sites. In 2020, we produced more than 11,000 tree seedlings including eucalyptus, pine and cypress used to help reforest a total of 8.2 hectares of local land. Today, in addition to reforestation activities undertaken by our team, community members use our seedlings to fence the perimeter of their land, and to plant species such as avocado, rocoto, sachatomate, and passion fruit for consumption or sale. The 2021 goal is to double the production of seedlings achieved in 2020.

Other social programs

Additional focus areas at Ollachea include nutrition and social well-being. We plan to maintain our organic horticulture project aimed to improve the dietary health of community members by distributing organic fruits and vegetables (more than 1.6 tons in 2020) and providing training on the variety of crops that can be planted and harvested on their own lands. In addition, the Cuy (Guinea Pig) Program is scheduled to continue. This program benefits low-income families of Ollachea (around 90 per year) by delivering guinea pigs and training on hydroponic cultivation of alfalfa to feed this species, thus allowing them to capitalize on the benefits of the low-cost production and high protein value of this important species.

Communities we support within our area of influence:

Community and/or Settlement	Distance from the Project(km)	Population
Ollachea	2	6,090
Asiento	5	62
Camatani	11	260
Chacaneque	20	320
Azaroma	120	1,928
		8,660

CORIHUARMI SOCIAL PROGRAMS

Livestock Breeding and Health Program

Many members of our neighboring communities rely exclusively on wool-producing alpaca and sheep, and livestock farming for their livelihood. Through this program, we plan to donate preferred breeds of alpaca and lamb to community farmers to help them enhance the breed of their wool-producing animals and thereby improve the efficiency and quality of wool while also lowering production and associated costs.

In addition to the above program, we plan to continue offering monthly deworming campaigns focused on beef cattle and sheep, in addition to providing medical care to a variety of livestock to prevent parasitic infections.

CORI MAKI - Association of Artisan Women of Corihuarmi (www.corimaki.com)

In 2020, CORI MAKI was awarded two financial prizes by the Ministry of Foreign Trade and Tourism (MINCETUR) as part of the Tourism Startup competition, which seeks to boost artisanal production both locally and internationally.

This year, our Community Relations team plans to assist CORI MAKI in upgrading its website to include e-commerce capabilities. We also plan to provide guidance in the creation and launch of a CORI MAKI home collection by using the proceeds from the prizes awarded by MINCETUR. With the introduction of the e-commerce platform and the launch of the home collection, CORI MAKI is working towards the goal of being self-sustaining and managing their

supply chain, production, and sales independently. We continue to work with CORI MAKI to make this goal a reality. This important program helps preserve the textile traditions from Inca times, including weaving and embroidery.

Other social programs

Our Community Relations team at Corihuarmi plans to continue managing the programs initiated in previous years, with a primary focus on community and animal health, education, social well-being, and environment. From a health perspective, our programs involve COVID-19 prevention, hygiene, and medical and dental care for community members at the Atcas Medical Centre, which we built and donated in 2010. Educational programs include arts, crafts and computer skills workshops, as well as tutoring for school-aged children. Social and environmental programs address basic grocery delivery and seedling production for both reforestation and consumption purposes.

Communities we support within our area of influence:

Community and/or Settlement	Distance from the Project(km)	Population
Atcas	30	340
Huantán	75	926
Huasicancha	125	1,500
Chongos alto	127	2,415
Palaco - Vista Alegre	120	114
		5,295



In 2020, CORI MAKI was awarded two financial prizes by the Ministry of Foreign Trade and Tourism (MINCETUR) as part of the Tourism Startup.

To know more of their recently released products please go to www.corimaki.com/corazoncorimaki



Cori Maki Artisan





Community of Huantan

Community Relations Organization

We look forward to updating our shareholders on these programs and our 2021 objectives as the year progresses.

Our community engagement teams at both Ollachea and Corihuarmi are focused on the important task of executing on our commitments and creating opportunities for meaningful engagement and social and economic inclusion. Our CEO has ultimate responsibility and oversight of our programs and plays a key role in ensuring we live up to our commitments and encouraging the engagement and support of the communities in our efforts to develop and operate our projects.



Cautionary Statement on Forward-Looking Information

Certain information in this Newsletter, including information about the Company's expectation that it can successfully execute its social programs and objectives for 2021, that Corihuarmi will continue to generate the capital needed to operate the business, that it can align its social programs to the United Nations' Sustainable Development Goals, that it can assist AMARE in increasing production capabilities and educational and training opportunities and expand its markets, its goal to double seedling production at Ollachea and maintain its organic horticulture project and its efforts to assist with animal husbandry at Corihuarmi and upgrading the CORI MAKI website and, in general, its plans to continue or expand its social and economic engagement with the Ollachea and Corihuarmi communities 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 or precious metals markets, and changes to legislative, political, social, health or economic developments both within Peru and in general.