



Minera IRL

Newsletter

SEVENTH EDITION
JUNE 2021

Message from the CEO

Dear Friends of Minera IRL,

As we close out the first half of 2021, I would like to take the opportunity to express my pleasure with the progress we have made on a number of critically important corporate objectives, including our relationship with Corporación Financiera de Desarrollo (“COFIDE”) and our efforts to advance both of our mining projects.

We have just released the results of an updated Mineral Resource Estimate (“2021 MRE”) for our Corihuarmi Gold Mine (“Corihuarmi”) which confirms the existence of sufficient resources to extend the life of mine (“LOM”) at Corihuarmi to August 2024. The 2021 MRE reports measured and indicated resources totalling 13.8 million tonnes at an average grade of 0.21 grams per tonne. As I have often noted, Corihuarmi has historically provided the capital needed to operate our business and the 2021 MRE confirms our expectations that it can continue to do so. Additionally, now that we have concluded the formalities with COFIDE, we expect that revenue from Corihuarmi can help us advance the technical work at our Ollachea Gold Project (“Ollachea”) as we focus on getting that project ready for construction.

On another important front, we have executed formal documentation with respect to our settlement agreement with COFIDE, the terms of which were press released in November 2020. This formal documentation provides us with a structure that we believe will add certainty for our shareholders and for potential investors interested in helping us finance the construction of Ollachea.

We are confident that we are well positioned to continue to create opportunities and value for our company, our communities, and our shareholders.

As discussed in more detail below, we have committed to the repayment of our debt to COFIDE by November 2023, which provides us the time and flexibility we need in order to move Ollachea towards production.

Our progress has been calculated, positive and consistent. We are continuing to put all of the necessary components in place to achieve our goals - maintaining production at Corihuarmi and moving forward at Ollachea - and we are proud of our progress this year. We are confident that we are well positioned to continue to create opportunities and value for our company, our communities, and our shareholders. I look forward to updating you further on our progress in the coming weeks and months.

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

Sincerely

Diego Benavides
CEO

Corihuarmi – 2021 Mineral Resource Estimate

Background

Corihuarmi has been in production since 2008. An initial National Instrument 43-101 (“NI 43-101”) compliant Feasibility Study completed in April 2006 (the “2006 Feasibility Study”) provided for a small mine with a LOM of only four years and total mineral reserves of 144,000 ounces of gold. The LOM has been extended twice since that 2006 Feasibility Study with the last extension completed by Mining Plus in 2018 (“2018 Update”). The 2018 Update provided for a 2.8-year LOM that expired in October 2020.

Some facts about Corihuarmi:

- Between 2008 and November 2020, Corihuarmi produced 366,827 ounces of gold, generating over US\$ 479 MM of sales revenue.
- 14,568 ounces of gold were produced between November 2020 and May 2021.
- Gold mineralization is mined by open pit methods.
- In 2020, average grade produced was 0.25 g/t gold, with 22,593 ounces of gold recovered through a leaching process.
- Despite the end of the LOM identified in the 2018 Technical Report, while the 2021 MRE was being prepared, production continued at Corihuarmi.

Resource Category	Tonnes (Mt)	Au (g/t)	Au Ounces (kt)
Measured	8.00	0.20	51.1
Indicated	5.83	0.22	41.2
Measured & Indicated	13.83	0.21	92.3
Inferred	0.2	0.2	1.50

2021 MRE

In the 2021 MRE, Mining Plus has calculated Measured and Indicated Resources of 13.83 million tonnes at Corihuarmi. We expect to continue producing gold at an average grade of 0.21 g/t to August 2024.

In calculating the mineral resources, Mining Plus used a cut-off grade of 0.1 g/t Au inside the latest pit design for 2021, along with a low strip ratio. Both the pit design and cut-off grade were calculated using a gold price of US \$1500. The full news release from June 28, 2021, can be found [here](#). We intend to file the full technical report on our website and on our SEDAR profile (www.sedar.com) by August 12, 2021.

The results of the 2021 MRE confirm our expectations that Corihuarmi has the resources available to extend the LOM

We expect to continue producing gold at an average grade of 0.21 g/t to August 2024.

and we anticipate production to continue. We have forecast 22,500 ounces of production at Corihuarmi in 2021, similar to our forecast for 2020. While production in individual months may vary depending on a number of conditions, including weather and power availability, such variables have been considered in our estimations. You can read more about our production results at Corihuarmi below.

Corihuarmi Production Update

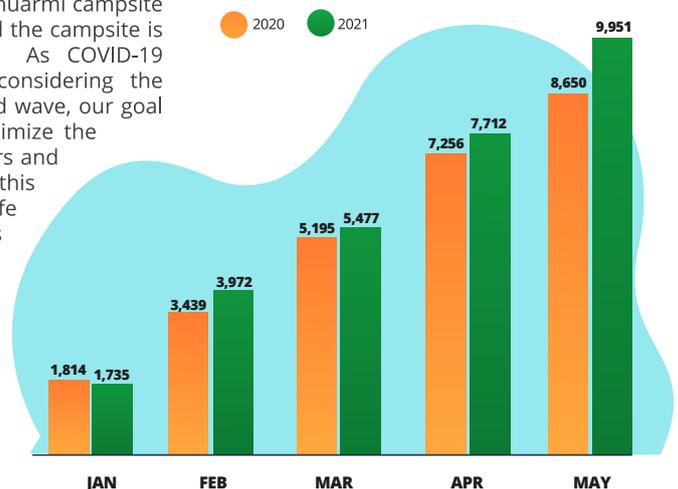
The increase in our monthly and accumulated production is once again the result of our efforts to optimize and streamline operations

In May 2021, the Corihuarmi mine produced and sold 2,239 ounces of gold, an increase of 61% from May 2020 (1,394 ounces of gold). Accumulated gold production at the mine between January and May 2021 totaled 9,951 ounces of gold, up 15% as compared to the 8650 ounces of gold produced in the same period in 2020. Both the increase in our monthly and accumulated production is once again the result of our efforts to

optimize and streamline operations at the mine and processing plant.

In addition, our project to upgrade and expand the current Corihuarmi campsite has been completed and the campsite is now fully operational. As COVID-19 evolves in Peru and considering the potential onset of a third wave, our goal continues to be to maximize the protection of our workers and their families from this pandemic and ensure safe social distancing is maintained at all times within our camp. To our knowledge, there have been zero confirmed cases of COVID-19 at our operations.

Monthly Accumulated Gold Production (oz Au)



Formalization of Credit and Compensation Agreements with COFIDE and Trust over Securities and Mortgages

Background

Our settlement agreement with COFIDE in November 2020 was a significant milestone in our effort to develop Ollachea. Under this agreement, we committed to repay our debt to COFIDE by November 2023 and COFIDE undertook to pay the consequential damages we suffered as a result of COFIDE's decision to abandon its mandate to finance Ollachea.

With the settlement agreement in place, we shifted our focus to three critical targets:

- Formalize the credit and compensation agreements with COFIDE, including the trusts to secure our obligations while protecting our assets.
- Update the Mineral Resource Estimate for Corihuarmi and extend its Life of Mine.
- Complete a NI 43-101 compliant Preliminary Economic Assessment for the Ollachea Project.

Two out of the above three targets are now checked off our list. Once we accomplish the third core target, we believe that we will be in a position to seek and secure the financing needed to build Ollachea.

Agreement Formalization

While we continue to make progress on advancing Ollachea, we needed to formalize the covenants made in the COFIDE settlement agreement. On June 24, 2021, we announced the completion of four inter-related agreements between our subsidiary companies - Minera IRL S.A and Minera Kuri Kullu S.A. ("MKK") - and COFIDE and La Fiduciaria (a well-established Peruvian trust administration company). We are pleased to provide further details of those agreements and to expand upon our expectations following their execution.

The four inter-related agreements are described further below:

Refinancing Agreement	Compensation Agreement	Cash Flow Agreement	Asset Trust Agreement
This establishes the terms and conditions for the payment of the principal and interest accrued and accruing on the Company's debt with COFIDE.	This agreement establishes the terms and conditions for the payment of consequential damages to the Company by COFIDE pursuant to the September 2019 Arbitration Award, plus accrued and accruing interest.	Under this agreement, a trust is created over the cash flows generated from Ollachea to guarantee the payment obligations of the Company to COFIDE by channeling those cash flows through a revenue account to be managed by La Fiduciaria.	This agreement creates a trust over the shares held by the Company in MKK, as well as the Ollachea concessions owned by MKK (hereinafter together referred to as the "securities and mortgages"), to guarantee the Company's payment obligations to COFIDE by transferring ownership of the securities and mortgages to La Fiduciaria in trust.

Our payment obligations are now clearly defined and guaranteed under these four agreements. What's more, the participation of La Fiduciaria as an independent trust company provides additional certainty to current and potential investors, including any potential Ollachea financiers.

This is a significant and positive step in our strategy to develop Ollachea. We look forward to providing information on the NI 43-101 compliant Preliminary Economic Assessment currently being prepared by Mining Plus for Ollachea in the near term and providing additional updates on our path to construction and anticipated production at Ollachea in due course.

Cautionary Statement on Forward-Looking Information

Certain information in this newsletter, including information about our efforts to maintain the current level of production at Corihuarmi until August 2024 and that we can continue producing gold at Corihuarmi at an average grade of 0.21 g/t until then, our expectation that we can advance Ollachea and that some of the revenue from production at Corihuarmi will be available to fund that effort, our expectation that Mining Plus will complete a Preliminary Economic Assessment for Ollachea and the timing of that study, and our expectation that we will be in a position to seek and secure financing for Ollachea once we have the Preliminary Economic Assessment in hand, 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, 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.