



Minera IRL

Newsletter

EIGHTH EDITION
AUGUST 2021

Message from the CEO

Dear Friends of Minera IRL,

Momentum has continued from the first half of 2021, and I am pleased to report to our shareholders that we continue to make progress on advancing the Company and our projects. In mid-July, following closely on the heels of our announcement of an updated Mineral Resource Estimate (the "2021 MRE") for Corihuarmi, which extends the life of mine to August 2024, and the execution of formal documentation with Corporación Financiera de Desarrollo ("COFIDE") that added certainty and structure to our settlement agreement, we announced positive Preliminary Economic Assessment ("PEA") results for our flagship project at Ollachea. The PEA highlights strong project economics with a low start-up CAPEX and robust base case that offers sustained production over an 11-year life of mine with an after-tax Net Present Value ("NPV") of \$189 million and Internal Rate of Return ("IRR") of 38%. You can read more about our Ollachea PEA results below and in our July 19, 2021 press release.

As we announced earlier this week, we have recently welcomed Steven Ngatai as Vice President of Projects, Susan Gabbie as Chief Communications Officer and Pedro Valdez as Vice President Investor Relations, all effective August 1, 2021. These knowledgeable professionals come to our team with proven experience in the

mining industry in general, and in project development and execution in particular. These important first appointments kickstart the assembly of our larger team that will oversee Project development, and we are eagerly anticipating their leadership and contributions as we dig into the task of advancing Ollachea, and engage with contractors and additional parties to develop the Project.

Our recent milestone achievements form part of a larger picture focused on refining, financing, and building Ollachea.

Our recent milestone achievements form part of a larger picture focused on refining, financing, and building Ollachea. We look forward to further updating you on our progress in the coming weeks and months as we continue to progress our plans. As always, we welcome your feedback, comments, and questions. Please feel free to reach out at any time

Sincerely,

Diego Benavides



PEA Highlights Ollachea

We retained Mining Plus to consider the viability of a low CAPEX start-up for Ollachea with an underground mine, gravity concentration and CIL plant designed to treat 1,500 tonnes per day over the first three years (targeting a defined and remodelled high-grade area), ramping up to 3,000 tpd during the fourth year.

We released the results of our Ollachea PEA on July 19, 2021, and are pleased to provide some of the highlights here:



Strong Project Economics with low CAPEX (estimated at \$89 million, including a 25% contingency) and an after-tax payback period of 2.5 years.

At a base case gold price of \$1,600/oz: Pre-Tax NPV discounted at 7% ("NPV_{7%}") of \$327 million and 54% IRR, and after tax NPV_{7%} of \$189 million and 38% IRR.

	Gold Price (\$/oz)	\$1400	\$1600	\$1800
PRE-TAX	NPV _{7%}	\$223 million	\$327 million	\$430 million
	IRR	40%	54%	68%
	Payback	2.5 years	2 years	1.7 years
AFTER-TAX	NPV _{7%}	\$125 million	\$189 million	\$253 million
	IRR	28%	38%	47%
	Payback	3 years	2.5 years	2.2 years

Updated Mineral Resource Estimate that highlights significant potential for resource expansion.

- ▶ Indicated Mineral Resource Estimate of 10.7 million tonnes at 3.28 grams per tonne ("g/t") containing 1.13 million ounces of gold.
- ▶ Inferred Mineral Resource Estimate of 7.3 million tonnes at 2.7 g/t containing 0.6 million ounces of gold.
- ▶ Total Mineral Resource Estimate includes results from the Minapampa Far East ("MFE") drilling program completed in 2016, which demonstrates that the mineralization remains open to the east and at depth.

The details of the Mineral Resource Estimate are shown in the following table:

Zone	INDICATED			INFERRED		
	Tonnes (Mt)	Au g/t	Au Ounces (Moz)	Tonnes (Mt)	Au g/t	Au Ounces (Moz)
Minapampa	10.7	3.28	1.13	1.8	3.0	0.2
Minapampa Far East	-	-	-	5.5	2.6	0.5
Total	10.7	3.28	1.13	7.3	2.7	0.6

11-year life of mine ("LOM") projecting 876,200 recovered ounces.

- ▶ Average annual production over a four-year ramp-up period of approximately 66,000 ounces of gold, with an estimated peak of 111,000 ounces in year five.
- ▶ Average recovery of 90.3% during the first three years, with average recovery of 86.2% over the remaining LOM.
- ▶ Simplified process flowsheet demonstrating improved gold extraction through gravity concentration and carbon rejection, and high gold recoveries from leaching of gravity concentrate through a CIL plant.
- ▶ Efficient use of available space with the inclusion of co-disposal of tailings and waste rock.

The main parameters and economics of the PEA are summarized in the following tables :

MAIN PARAMETERS OF THE PEA

Key Assumptions		
Base Case Gold Price	per ounce	\$1,600
Mining and Processing		
LOM	years	11
Total Mineralised Material Mined	million tonnes	9.6
LOM Gold Production	ounces	876,200
Average Annual Gold Production, Years 1 to 4	ounces	66,000
Peak Gold Production in year 5	ounces	111,000
Head Grade, Years 1 to 4	g/t Au	4.0
Head Grade, over remaining LOM	g/t Au	3.0
Gold Recovery, Years 1 to 3	%	90.3
Gold Recovery, over remaining LOM	%	86.2
Operating Costs		
LOM Average Operating Cost	per ounce	\$688
LOM Average Cash Cost	per ounce	\$792
LOM All-in Sustaining Cost ("AISC")	per ounce	\$794
Capital Costs		
Start-up CAPEX	\$ millions	\$89
Expansion CAPEX	\$ millions	\$37

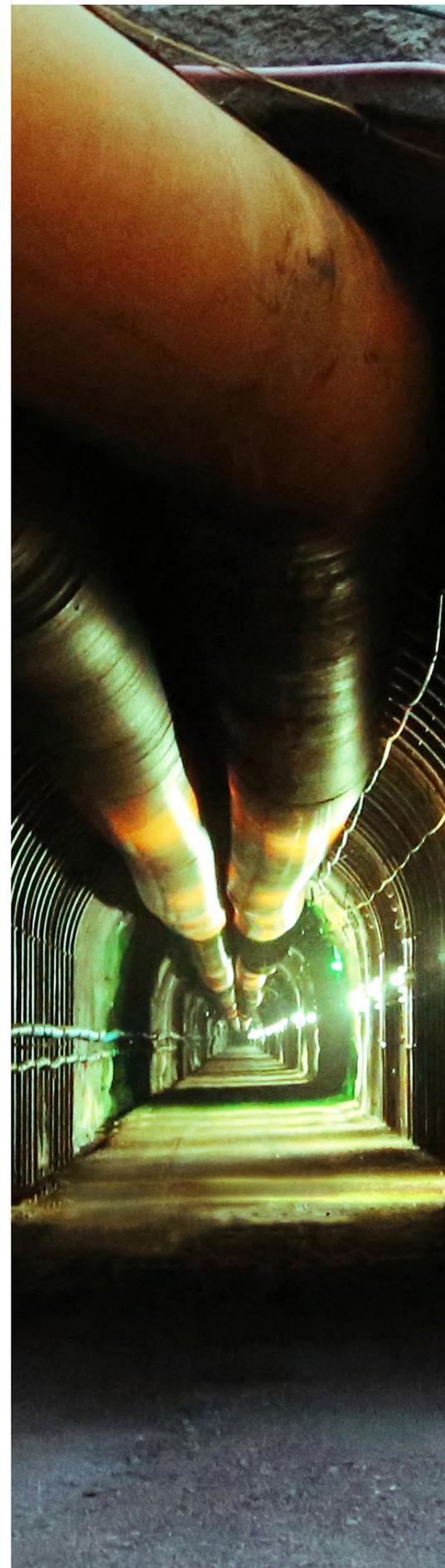
PROJECT ECONOMICS SUMMARY

@ \$1,600/oz Gold Price	Pre-Tax	After-Tax
NPV _{7%}	\$327 million	\$189 million
IRR	54%	38%
Payback	2 years	2.5 years
LOM Cash Flow	\$580 million	\$353 million

In addition to the positive PEA results, critical path milestones that have already been accomplished position Minera well to further our financing efforts and advance development of the Project. These include:

- ▶ 30-year surface rights agreement from 2012 creates strong local ties and grants a five percent (5%) interest in Minera's operating subsidiary to the community of Ollachea upon commencement of commercial production.
- ▶ Long-lead and key construction permits and mining approvals already in hand, including an Environmental and Social Impact Assessment.
- ▶ Mine tunnel extending 1.2 kilometers and project site access roads completed in 2013 that compress development timeframe.
- ▶ Formal documentation in place that provides structure and certainty to Minera's settlement agreement with COFIDE, thereby providing additional certainty for shareholders and potential lenders.

Please see our [press release](#) dated July 19, 2021, for the complete highlights of the PEA. The PEA is being prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects. We anticipate filing the final PEA on Minera's profile on SEDAR (www.sedar.com) within 45 days of the press release.

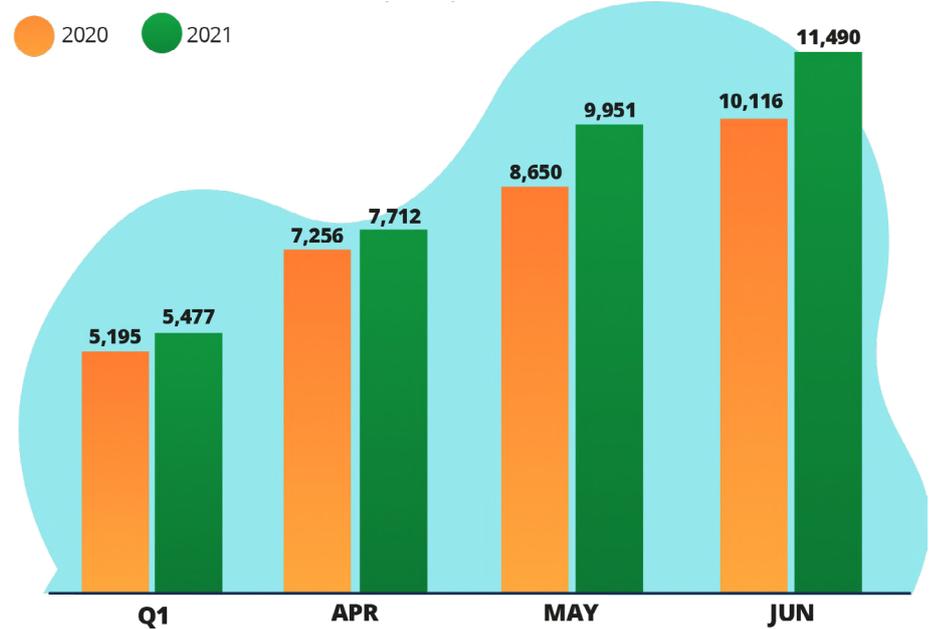


Corihuarmi Production Update

The first half of 2021 has seen increased monthly and accumulated production results for Corihuarmi, compared to the same period in 2020.

In June 2021, Corihuarmi produced and sold 1,539 ounces of gold, an increase of 5% as compared to June 2020 (1,465 ounces of gold). Accumulated gold production at the mine between January and June 2021 totaled 11,490 ounces of gold, up 14% from the 10,116 ounces of gold produced in the same period in 2020. These sustained results go hand in hand with our efforts to streamline operations at the mine and processing plant. We therefore expect Corihuarmi to achieve its 2021 production targets.

Accumulated Gold Production, 2021 vs. 2020



World-class additions to the team

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As previously announced, we are assembling a team of industry experts that we expect to support this critically important stage in our Company's growth, including through any financing and due diligence efforts, contractor engagement, infrastructure engineering and development or other activities that may be undertaken to drive the Company and the Project forward.

These newly appointed leaders have worked extensively in Engineering, Procurement, Construction and Management ("EPCM") delivery of major projects and as part of owner's project development teams. Effective August 1, 2021, we are pleased to welcome the following individuals to our leadership team:

PROJECT MANAGEMENT

Steve Ngatai, Vice President of Projects

Steve has been employed in a series of progressively senior technical and project management roles, leading both Owners and EPCM teams, having overall responsibility for the development of multimillion projects operated by some of the largest metal producers including First Quantum Minerals Ltd., and Hudbay Minerals Inc. As Vice President of Projects, he will manage the technical and contractual requirements of Ollachea having one goal in mind: optimizing and streamlining the development process, with an emphasis on ensuring overall performance and safety to achieve all critical targets.

COMMUNICATIONS

Susan Gabbie, Chief Communications Officer

Susan has been appointed as Chief Communications Officer and will have a vital leadership role in implementing and managing the communication strategy across our projects. She understands the importance of diversity, particularly in the context of interacting with specific audiences and stakeholders, and will work towards expanding the profile of the Company nationally, and globally. Susan holds a Graduate Certificate of Global Business Practice and a Bachelor of Arts and brings her valuable experience within the mining and construction industries, both in Central and South America.

INVESTOR RELATIONS

Pedro Valdez, Vice President Investor Relations

Since joining Minera in early 2021, Pedro has been actively involved in the preparation of the Preliminary Economic Assessment for Ollachea. He has been appointed Vice President Investor Relations and will lead and enhance shareholder and investor engagement as Minera advances Ollachea. Pedro has extensive experience in mining and construction and has held various senior planning and leadership positions at large-scale open cut and underground mining projects operated by top producers such as Aluminum Corporation of China Limited (CHALCO) and First Quantum Minerals Ltd.

Special Recognitions

We are very pleased to be able to share that our CEO, Diego Benavides, was recently honored by the Peruvian Congress to mark the occasion of the Bicentennial of the Independence of Peru.

Mr. Benavides received an award of recognition for his contributions to the economic and social development of the Puno region, which is home to Ollachea and where the Company signed an agreement with the community that allows them a precedent-setting 5% shareholding in the Company when production at Ollachea begins.

In addition to this, we are pleased to advise that the Chairman of the Board of Puno's Regional Government has granted an award of recognition to Mr. Benavides for his contributions to the development of the Puno region. In bestowing such recognition, the Chairman also expressed gratitude to Minera and Mr. Benavides for the establishment of the Project in Ollachea and the expected positive impact for the region.

We are very proud of the collaborative and respectful relationships we work hard to cultivate and maintain with the people of local communities in and around our projects and operations. While unnecessary, both recognitions are a testament to the strong relationship we have with our local communities. We continue to work towards achieving economic success for our shareholders and our Company, while also being a responsible corporate neighbour.



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Cautionary Statement on Forward-Looking Information

Certain information in this newsletter, including information about the new life of mine at Corihuarmi, the Company's expectation that it will be able to proceed with the development of Ollachea as outlined in the PEA or otherwise and that it can assemble a larger team to oversee that development, the results of the PEA itself as reproduced in this newsletter and the Company's plan to file the PEA within 45 days of the press release, all 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.