



Minera IRL

Newsletter

NINTH EDITION
SEPTEMBER 2021

Message from the CEO

My fellow shareholders,

I would like to take the opportunity to discuss the great progress that we have made over the course of the last few months and to apprise you of what to expect in the final quarter of 2021 and beyond.

As you are probably already aware, after reading our recent news releases, newsletters and other communications, we have passed a series of exciting milestones this year. In June, we completed formal documentation of our settlement with Corporación Financiera de Desarrollo (“COFIDE”), providing additional structure and certainty for our current and future shareholders and potential lenders interested in financing the development of Ollachea. We also completed a National Instrument 43-101 (“NI 43-101”) compliant Mineral Resource Estimate (“2021 MRE”) for our Corihuarmi Gold Mine (“Corihuarmi”) and a NI 43-101 compliant Preliminary Economic Assessment (“PEA”) that considers a fresh approach to the development of our flagship Ollachea Gold Project, with a lower start-up CAPEX, an updated mineral resource estimate and strong project economics. Finally, we have begun adding bench strength to our management team as we ramp up our effort to move the Company, and Ollachea, forward.

Looking forward, our primary focus continues to be the advancement of Ollachea. We are assembling an on-site

team at the project that will be responsible for administration, health and safety, maintenance, and environment. As I write this letter to you, our mine tunnel and access roads are undergoing maintenance in preparation for due diligence as we advance our efforts to finance Ollachea’s development.

We continue to work with our financial advisors, while monitoring the changing political and economic climate both locally and globally, to ensure the best possible outcome for all our stakeholders.

In addition to our recent operational and corporate milestones, Minera continues to be a leader in community engagement and local stewardship. As previously reported, we entered into an equity participation agreement with the community of Ollachea, providing that community with a 5% equity participation grant – an historical agreement that was the first of its kind in Peru that has also set a benchmark for other companies regarding corporate social responsibility. Further, in April

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of this year, our Community Relations team engaged with the newly elected leaders of the Ollachea and Corihuarmi communities to review, align and confirm our social program priorities for 2021, including tapping into the local workforces to provide employment at both our sites. This engagement allows Minera to ensure programs are aligned with community interests as well as commitments made in conjunction with our Environmental Impact Assessments. It has been a great pleasure to see these important community initiatives come to fruition.

Our progress on all of these fronts has been consequential and consistent. We continue to push forward to achieve our primary goals of maintaining production at Corihuarmi and moving Ollachea forward to construction. We are committed to advance these projects in a manner that will create value for our shareholders, the communities in which we operate, and all of our other stakeholders. I look forward to updating you further on our progress achieving these goals over the remainder of this year and beyond.

As always, we welcome your feedback, comments, and questions. Transparency and stakeholder communications continue to be central priorities of our entire team, so please feel free to reach out at any time.

Sincerely,

Diego Benavides CEO

Ollachea PEA

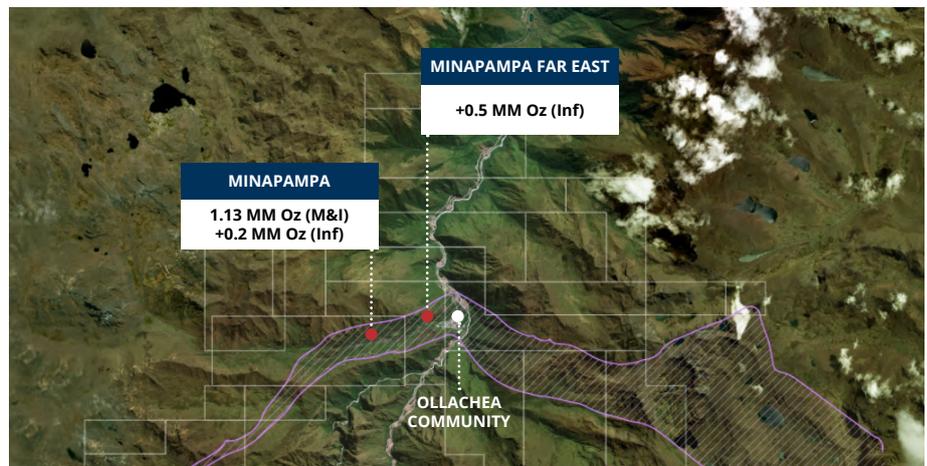
A focus on the Mineral Resource Estimate

We recently published our PEA for Ollachea dated August 27, 2021, titled [Ollachea Gold Project – NI 43-101 Technical Report \(Preliminary Economic Assessment\) Puno Region, Peru](#), which was completed by Mining Plus and a team of renowned consultants who focused on different aspects of the proposed project, including the Mineral Resource Estimate (“MRE”) contained therein. For those of you that have not read the report itself we have provided a link, and the report is also available on SEDAR.

[Ollachea Gold Project – NI 43-101 Technical Report](#)

We are pleased to provide the following highlights of the updated MRE for Ollachea:

- ▶ 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 drilling program completed in 2016, which demonstrates that the mineralization remains open to the east and at depth.



The updated interpretation of the Minapampa zone mineral resource has incorporated a high-grade domain in order to enable the optimization and scheduling of higher-grade material earlier in the proposed life of mine. This high-grade domain is considered as the only portion of the deposit that could support an elevated mining cut-off grade for the first 3 years at an initial mining rate of 1,500 tpd.

All of the above details have been extracted from Section 14 of the PEA Technical Report, and we encourage you to read the entire report for more details on the MRE and our Ollachea Gold Project. The PEA is available on our website at www.minera-irl.com and has been filed on SEDAR under the Company’s profile at www.sedar.com.



Q2 2021 FINANCIAL RESULTS

We finished Q2 2021 with positive operating results, as we have continued to optimize operational practices at our Corihuarmi mine. Total gold production at Corihuarmi increased from 4,931 ounces in Q2 2020 to 6,066 ounces in Q2 2021.

Gold sales during Q2 2021 were comprised of 6,013 ounces of gold (Q2 2020: 4,921 ounces of gold) at an average realized gold price of \$1,792 per ounce (Q2 2020: \$1,680 per ounce).

Accordingly, gold sales increased by 22% as compared to Q2 2020. These factors have resulted in a 20% increase in gross profit to \$3.0 million in Q2 2021 as compared to \$2.5 million reported for the same period in 2020. Corihuarmi has historically provided the capital required to operate our business and the 2021 MRE has confirmed our expectation that it can continue to do so, while providing further capacity to advance the technical work required to prepare Ollachea for construction.

With our recent milestone achievements, we believe that we are now in a strong position to advance discussions for the financing of Ollachea. As the Peruvian people welcome a new president, the incoming government has indicated a greater focus on state intervention and involvement in the economy. With respect to mining, we understand the government is focused on social profitability and wants to see that every project boosts the economy, increases State Revenue, improves employment and salary levels, ensures technology transfer, improves equality, and preserves culture and environment.

It is worth noting that social responsibility is a key cornerstone of Minera IRL's culture and is reflected in the many social management practices we have implemented over the years. Local populations have been productively engaged and incorporated into our mining activities, and programmes have been implemented to encourage continued engagement and inclusion. The 30-year surface rights agreement (including 5% equity participation granted to the community of Ollachea) is the first of its kind in Peru and is aligned with the current government's requirement for any mining project. We continue to work collaboratively with various stakeholders to advance our projects and efforts in alignment with a dynamic political and economic climate.

Our complete Q2 2021 financial results are available for review on our profile on [SEDAR](#) and on [our website](#).

Our results are attributed to higher gold prices, improved gold production and increased number of gold ounces sold.



Sales Revenue

US\$ **10.8 MM**
+ 30% from Q2 2020



Gross Profit

US\$ **3.0 MM**
+ 20% from Q1 2020



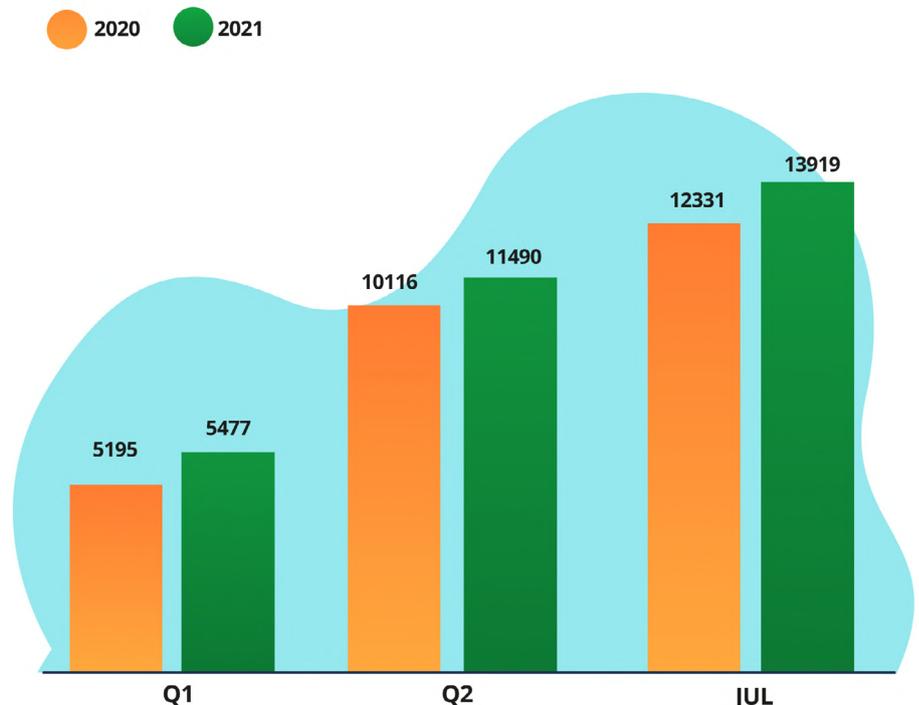
Corihuarmi Production Update

Corihuarmi – which translates from Quechua into English as ‘the Golden Woman’ – continues to yield sustained monthly and accumulated production results, as compared to the same period in 2020.

In July 2021, the Corihuarmi mine produced and sold 2,428 ounces of gold, an increase of 10% from July 2020 (2,215 ounces of gold). Accumulated gold production at the mine between January and July 2021 totaled 13,919 ounces of gold, up 13% as compared to 12,331 ounces of gold produced in the same period of 2020.

These production results are attributable to our efforts to streamline operations at the mine and are expected to continue through the rest of 2021. Our VP of Projects, Steve Ngatai, is leading new optimization targets aimed at improving blasting outcomes and load and haul efficiencies at Corihuarmi, which can only bring further operational cost reductions in the coming months.

Quarterly and Accumulated Gold Production, 2021 vs. 2020 (oz Au)



Ministry of Culture awards Ollachea's new community program

The project “Warmi Kallpasapa, Women of the Bicentennial”, is supported by our Peruvian subsidiary, Minera Kuri Kullu S.A., and has been developed with the goal of preventing violence against women in the Ollachea Rural Community by empowering them through art and the teaching of traditional handicrafts. The social project was the inaugural winner of the Art Projects for Social Transformation and Innovation held in August and organized by the Peruvian Ministry of Culture (“MINCUL”).

Warmi Kallpasapa competed with more than 200 other projects nationwide and was recognised for its individual and collective cultural identity workshops organised for 80 women from Ollachea. The women participate in art therapy sessions and hand knitting classes where they produce dolls representing themselves and inspirational female leaders in the country. The MINCUL award included a prize of US\$ 5,000, along with national recognition of the project's success.



Saving the Vicuña

Our commitment and support of social programmes extends beyond those communities where our projects have a direct influence.

Minera Kuri Kullu has joined efforts with the National Service of Natural Areas Protected by the State (“**SERNANP**”) and the community of Lucanas to support efforts to preserve the vicuña and the pre-Incan ritual “chacchu” where vicuña are captured for shearing within the area of Pampas Galeras National Reserve. Lucanas is the largest province in the Ayacucho Region of Peru extends beyond those communities where our projects have a direct influence.

Minera Kuri Kullu donated US\$ 15,000 and contributed to the construction, by the Lucanas villagers with technical advice from SERNANP, of a medical treatment area to help hundreds of vicuñas infected with mange. This allows for the controlled sale of vicuña wool, considered one of the finest in the world, which continues to support the livelihood of the community. Similarly In the community of Cushuro, we also support a vicuña conservation program which provides income for the community.



Cautionary Statement on Forward-Looking Information

Certain information in this Newsletter, including information about the Company's expectation that it can continue to advance the financing and the development of Ollachea, that it can continue to align its goals with those of the local communities for mutual benefit, as well as the new government in Peru, that it can thereby create value for the shareholders and local communities, and that it can maintain its production results at Corihuarmi through the rest of 2021, 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, and legislative, political, social, health or economic developments both within Peru and in general.