



Minera IRL Reports First Quarter 2014 Results

Lima, 14 May 2014: Minera IRL Limited (“Minera IRL” or the “Company”), (TSX:IRL) (AIM:MIRL) (BVL:MIRL), the Latin America gold mining company, is announcing that it has reported its financial and operating results for the quarter ended 31 March 2014.

The Company is also providing a reminder that senior management will host an analyst and investor conference call on Thursday, 15 May 2014, at 9am PET (Lima), 10am EST (Toronto) and 3pm BST (London). All amounts are in United States dollars (“\$”), unless stated otherwise.

HIGHLIGHTS

Financial

- Gold sales of 5,885 ounces for revenues of \$7.6 million
- Gross profit of \$2.1 million
- Loss after tax of \$1.5 million (0.7 cents per share)
- Drew down on the final \$5 million tranche of the Macquarie Bank Finance Facility
- Cash balance of \$6.4 million as at 31 March 2014

Operational Performance

- **Corihuarmi, Peru**
 - Produced 5,834 ounces of gold, 10% above budget
 - Site cash operating costs of \$737 per ounce of gold produced, 17% below 2014 guidance of \$885 per ounce
 - Total cash costs of \$831 per ounce of gold sold, 21% below 2014 guidance of \$1,050 per ounce
- **Ollachea, Peru**
 - Construction Permit is expected to be granted in June of 2014
 - Technical due diligence and financing negotiations for the Macquarie Bank Project Loan Facility are nearing completion
 - Production continues to be targeted for the first quarter of 2016
- **Don Nicolás, Argentina**
 - Commenced construction of the Don Nicolás Project
 - Production now expected in the second quarter of 2015

A summary of the key operating and financial measures for the three-month periods ended 31 March 2014 and 2013 is provided in Table 1 near the end of this press release.

Commenting on the quarterly results, Courtney Chamberlain, Minera IRL Limited’s Executive Chairman, stated:

“The Corihuarmi Gold Mine continues to exceed expectations, as evidenced by better than forecasted



production in the first quarter of 2014. Total cash costs were significantly lower than budgeted, which is a result of our operations realizing the benefits of the cost reduction measures we undertook in 2013. We are well on-track to achieve our full-year production and operating cost guidance.

At our flagship Ollachea Project, technical due diligence for the Project Loan Facility that is being negotiated with Macquarie Bank is nearly complete and we expect to conclude negotiations in June. Discussions are also underway to secure the additional sources of project financing needed for the construction of the mine. In parallel, much effort was put into obtaining the Construction Permit, the final cornerstone permit required to commence construction. We have completed the final submissions, which included considerable detailed engineering, and are confident that the Construction Permit will be granted in June. Once the financing is in place and the Construction Permit is granted, we plan to commence development shortly thereafter. Our target remains to commence commissioning near the end of 2015 with gold production in the first quarter of 2016.

At our Don Nicolás joint venture, site preparation has commenced and initial site infrastructure has been established. Basic engineering for the processing plant has been substantially completed by Kappes Cassiday & Associates. Argentine engineering firm INFA is gearing up for the detailed design. A revision of the development schedule forecasts that commissioning will now occur during the first quarter of 2015. I am pleased with the progress the joint venture has made and look forward to the commencement of production at Don Nicolás in the second quarter of 2015.

We thank our employees for their hard work, and our investors for their faith and patience. We are anticipating an exciting year for shareholders as we continue to advance our next generation of gold mines towards production."

This press release should be read in conjunction with the Company's full [Report & Accounts](#), including the [Management's Discussion and Analysis](#) ("MD&A") for the quarter ended 31 March 2014, which are available from the Company's website (www.minera-irl.com) and SEDAR (www.sedar.com).

Outlook

Gold production of 5,834 ounces in the first quarter of 2014 is 10% ahead of budget, which is attributed to higher than expected tonnage and metallurgical recovery at the Corihuarmi Mine. The Company is re-iterating its full year production guidance from Corihuarmi of 21,000 ounces and 15,000 ounces for 2014 and 2015, respectively. The lower gold production planned for 2014 and 2015, relative to prior years, is attributable to the anticipated falling head grade as the mine matures.

In 2014, the Company continues to forecast site operating cash costs of \$885 per ounce of gold produced. Based on a budgeted gold price of \$1,300 per ounce, the Company continues to forecast total cash costs of \$1,050 per ounce sold in 2014.



At Corihuarmi, there are new targets that will be subject to exploration activities in 2014 that have the potential to result in further extensions to the life of the mine. In pursuit of this objective, the Company will soon commence a 26-hole, 1,600-metre drill program on the Ely and Cayhua Ridge prospects. The drill program is to be completed mid-year at an expected cost of between \$250,000 and \$300,000, which the Company expects to capitalize.

The 2014 Corihuarmi capital budget is \$1.9 million, including \$1.5 million for a heap leach pad expansion that will commence in the third quarter of 2014. This expansion is to accommodate all of the material that is scheduled to be mined and stacked until late-2015, when the currently known areas of gold mineralization are scheduled to be depleted.

At the Company's flagship Ollachea Gold Project in Peru, the Company continues to expedite the Construction Permit, which is the final significant permit required to build the mine. The Company continues to work closely with the government and expects to receive the Construction Permit in June of 2014.

In parallel with permitting activities, Minera IRL continues to advance financing negotiations for the Ollachea Project, which are expected to be concluded in June of 2014. These negotiations continue to include, amongst other considerations, the consolidation of the Company's existing Macquarie Bank Finance Facility into a larger senior Project Loan Facility for Ollachea. Based upon discussions with Macquarie Bank, the Project Loan Facility is expected to be up to \$120 million. After the consolidation of the existing \$30 million Finance Facility, this would equate to up to \$90 million of cornerstone financing for the development of the Ollachea Mine.

In the 2012 Ollachea Definitive Feasibility Study, the capital cost to construct the mine was estimated at \$178 million. Accordingly, the Company will require additional financing beyond what is expected from the Project Loan Facility to fully fund construction. A condition precedent to the Company drawing down on any funds provided under the Project Loan Facility will be that all of the sources of financing necessary to complete the construction of the mine are in place. The Company is in active discussions with third parties for the additional financing required.

Under the assumption that the Construction Permit and the requisite project financing is obtained during the second quarter of 2014, commissioning at the Ollachea Mine is expected to commence near the end of 2015. Production continues to be forecast for the first quarter of 2016.

Should the Company be unable to consolidate its existing \$30 million Finance Facility into a larger Project Loan Facility, it will need to repay, refinance or extend the terms of the Finance Facility. The Company currently does not have the capability to repay this loan, but is in negotiations with Macquarie Bank to extend the terms of the Finance Facility should the Project Loan Facility negotiations not be completed during the second quarter of 2014.

Based on a budgeted gold price of \$1,300 per ounce, and assuming that the existing Finance Facility is either refinanced or extended, the Company estimates that it has sufficient cash on hand and expected cash flow from operations to meet its requirements to the end of the third



quarter of 2014. In the event that the requisite financing for the Ollachea Project is not secured on a timely basis, the Company will require additional financing prior to the end of the third quarter of 2014.

In the first half of 2014, the Company continues to budget \$4.2 million towards permitting, exploration, community and government relations, administration, and maintaining the Ollachea Tunnel. As at 31 March 2014, the Company had spent approximately \$1.8 million in 2014 towards these expenditures, which were capitalized.

At the Don Nicolás joint venture in Santa Cruz Province, Argentina, the development team has been assembled and the detailed engineering and procurement process has commenced. Site mobilization, civil engineering works and construction of infrastructure began in the first quarter of 2014. There have been some unexpected delays associated with finalizing contracts, the change in the Argentine engineering firm and unseasonably wet weather. As a result production is now forecasted for the second quarter of 2015 (from the first quarter of 2015).

There is also a feasibility study underway for a heap leach facility at Don Nicolás to operate in parallel to the milling operation to treat a significant resource of lower grade mineralization that is in addition to the existing reserve base. This represents a meaningful opportunity to potentially increase annual gold production, extend the mine life and enhance the project's overall economics. This study is expected to be completed near the end of 2014.

The Company continues to undertake initiatives to reduce expenditures to conserve cash. The priority use of funds continues to be obtaining the Construction Permit, arranging project financing, as well as maintaining community programs and other commitments at Ollachea.

Analyst and Investor Conference Call

Minera IRL's senior management will host a conference call with investors at 9am PET (Lima), 10am EST (Toronto) and 3pm BST (London) on Thursday, 15 May 2014.

To participate in the conference call, please dial:

Toll Free North America:	+1 (877) 223-4471
Toll Free United Kingdom:	+44 0 (800) 051-7107
Toll Free Peru:	+51 0 (800) 53-840
Toll Free Chile:	+56 (123) 0020-9709
Other International Locations:	+1 (647) 788-4922

A live webcast may be accessed at <http://www.gowebcasting.com/5536>

The webcast will be archived on the Mineral IRL website (www.minera-irl.com) and a playback of the conference call may be accessed until 30 May 2014 by dialing:

Toll Free North America:	+1 (800) 585-8367
--------------------------	-------------------



Other International Locations: +1 (416) 621-4642

The passcode to access the playback of the conference call is 43010440#.

For more information please contact:

Minera IRL +1 (416) 907 7363
Jeremy Link, Business Development

Canaccord Genuity Limited (Nominated Adviser & Broker, London) + 44 (0)20 7523 8000
Neil Elliot
Emma Gabriel

finnCap (Co-broker, London) + 44 (0)20 7600 1658
Geoff Nash (Corporate Finance)
Matthew Robinson (Corporate Finance)
Elizabeth Johnson (Corporate Broking)

Buchanan (Financial PR, London) +44 (0)20 7466 5000
Bobby Morse
Gordon Poole
Louise Mason

Minera IRL Limited is a AIM, TSX and BVL listed precious metals mining and exploration company with operations in Latin America. Minera IRL is led by a management team with extensive operating experience in South America. In Peru, the Company operates the Corihuarmi Gold Mine and the advanced Ollachea Gold Project. The Company also has a 51% interest in the Don Nicolás joint venture in Argentina with CIMINAS. For more information, please visit www.minera-irl.com.

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained in this news release.

Cautionary Statement on Forward-Looking Information

Certain information in this news release, including information about the Company's financial or operating performance and other statements expressing management's expectations or estimates of future events, performance and exploration and development programs or plans constitute "forward-looking statements". Forward-looking statements often, but not always, are identified by words such as "seek", "believe", "expect", "do not expect", "will", "will not", "intend", "estimate", "anticipate", "plan", "schedule" and similar expressions of a conditional or future oriented nature identify forward-looking statements. Forward-looking statements are, necessarily, based upon a number of estimates and assumptions. While considered, by management, to be reasonable in the context in which they are made 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 financial results, future performance and results of exploration and development programs and plans 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.

Forward-looking statements are made as of the date of this news release and 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, changes in the price of precious metals and commodities, changes in the relative exchange rates of the US dollar against the Peruvian nuevo sol and the Argentinean peso, interest rates, legislative, political, social or economic developments both within the countries in which the Company operates and in general, contests over title to property, the speculative nature of mineral exploration and development, operating or technical difficulties in connection with the Company's development or exploration programs, increasing costs as a result of inflation or scarcity of human resources and input materials or equipment. Known and unknown risks inherent in the mining business include potential uncertainties related to the title of mineral claims, the accuracy of mineral reserve and resource estimates, metallurgical recoveries, capital and operating costs and the future demand for minerals. For additional information, please consult the Company's most recently filed MD&A and Annual Information Form.

Qualified Person

Pursuant to National Instrument 43-101, Courtney Chamberlain, Executive Chairman of the Company, BSc and MSc Metallurgical Engineering, a Fellow of the Australian Institute of Mining and Metallurgy (AUSIMM) is responsible for the technical disclosure in this news release.

Non-GAAP and Non-IFRS Measures

"Site operating cash costs" and "total cash costs" are non-GAAP or non-IFRS measures that do not have a standardized meaning prescribed by GAAP or IFRS and may not be comparable to other similarly titled measures of other gold mining companies.

"Site operating cash costs" include costs such as mining, processing and administration, but are exclusive of royalties, workers' profit participation cost, depreciation, amortization, reclamation, capital, development, exploration and other non-site costs (transport and refining of metals, and community and environmental). These costs are then divided by ounces produced to arrive at "site cash operating cost per ounce". This measure is reconciled to the Company's full Accounts & Reports in Table 2 below.



“Total cash costs” includes “site operating cash costs” and reflects the cash operating costs allocated from in-process and doré inventory associated with ounce of gold in the period, plus applicable royalties, workers’ profit participation cost, and other non-site costs (transport and refining of metals, and community and environmental). These costs are then divided by the ounces sold to arrive at “total cash costs per ounce sold”. This measure is reconciled to the Company’s full Accounts & Reports in Table 2 below.

Both of these measures may vary from one period to another due to operating efficiencies, waste-to-ore ratios, grade of ore processed and gold recovery rates in the period. “Total cash costs” is also influenced by the realized gold price in the period.

Management believes this information is useful to investors because this measure is considered to be a key indicator of a company’s ability to generate operating earnings and cash flow from its mining operations. This data is furnished to provide additional information and is a non-GAAP and non-IFRS measure that does not have any standardized meaning prescribed by GAAP or IFRS. It should not be considered in isolation as a substitute for measures of performance prepared in accordance with IFRS, and is not necessarily indicative of operating costs presented under IFRS.

Table 1: Summary of Key Operational and Financial Measures

	Three Month Period Ended 31 March	
	2014	2013
Corihuarmi		
Waste (tonnes)	135,212	51,242
Ore mined & stacked on heaps (tonnes)	654,195	568,539
Ore grade, mined and stacked (g/t gold)	0.30	0.45
Gold produced (ounces)	5,834	5,848
Gold sold (ounces)	5,885	5,660
Realized gold price (\$ per ounce)	1,290	1,631
Site operating cash costs (\$ per ounce produced) ¹	737	726
Total cash costs (\$ per ounce sold) ¹	831	961
Financial		
Revenue (\$'000)	7,592	9,241
Gross profit (\$'000)	2,078	2,496
(Loss) profit before tax (\$'000)	(1,199)	177
Loss after-tax (\$'000)	(1,486)	(1,106)
Comprehensive loss (\$'000)	(1,486)	(1,126)
Loss per share		
Basic (cents)	(0.7)	(0.7)
Diluted (cents)	(0.7)	(0.7)

1 - Refer to the Cautionary Non-GAAP and Non-IFRS Statements at the end of this release

Table 2: Reconciliation of Non-GAAP Measures

	Three Months Ended 31 March	
	2014	2013
Cost of sales	\$5,514	\$6,745
Less:		
Depreciation	621	1,307
Total cash costs	\$4,893	\$5,438
<i>Ounces of gold sold</i>	<i>5,885</i>	<i>5,660</i>
Total cash costs per ounce sold	\$831/oz.	\$961/oz.
Total cash costs	\$4,893	\$5,438
Less:		
Workers' profit participation	10	169
Royalties and Special Mining Tax	262	442
Community and environmental costs	430	629
Other costs – Provisions, transport & refinery, inventory adjustment	(111)	(48)
Adjusted site cash operating costs	\$4,302	\$4,246
<i>Ounces of gold produced</i>	<i>5,834</i>	<i>5,848</i>
Site cash operating costs per ounce	\$737/oz.	\$726/oz.