



Minera IRL Announces Update on Don Nicolas Project Feasibility Study, Patagonia

London, 6 October 2010: Minera IRL Limited ("Minera IRL" or the "Company"), (IRL:TO) (AIM:MIRL) (BVL:MIRL) the Latin American focused gold mining, development and exploration company, is pleased to announce an update on the Don Nicolas Feasibility Study in Santa Cruz Province, Patagonia.

Highlights

- *Feasibility study on track for completion mid 2011, new mine in 2012*
- *In-fill and step-out drilling complete on principal deposits, Sulfuro Vein and Martinetas*
- *Notable intersections into the Sulfuro Vein include 5.9 meters grading 18.17 g/t gold, 12.85 meters grading 9.98 g/t gold and 6.8 meters grading 15.7 g/t gold*
- *New resource estimation on schedule for completion by year end*
- *Engineering company Ingenieria Penta Sur appointed as lead feasibility consultant*
- *Potential for heap leach to supplement production from high grade plant*
- *New exploration targets identified nearby known resources*

The Don Nicolas Feasibility Study, commenced early in 2010, is predicated on the development of two principal deposits, the Sulfuro Vein and Martinetas. These deposits host the majority of the reported gold resource of 1,078,000 tonnes grading 5.8g/t gold containing 202,700 ounces in the Indicated category and 1,075,000 tonnes grading 4.6g/t gold containing 158,400 ounces in the Inferred category.

"Our dedicated feasibility team is well on track to complete the study on schedule in mid 2011" said Courtney Chamberlain Minera IRL Limited Executive Chairman. "We anticipate bringing the Don Nicolas Mine into production during 2012. Combined with production from our Corihuarmi Gold Mine, Minera IRL's gold production is expected to increase to over 80,000 ounces per annum".

The infill and step-out drilling has now been completed. A total of 96 new diamond drill holes totaling 13,056 meters have been completed into the near-vertical Sulfuro epithermal vein and all validated assay results have been received. This vein is now drill defined over a strike length of some 700 meters to a depth of up to 240 meters.

Notable intersections from this drill program (at approximately 80% true thickness) include:

- S-D10-77 **5.9 meters averaging 18.17 g/t gold and 33.34 g/t silver**, including 3.25 meters grading 30.65 g/t gold and 44.77 g/t silver
- S-D10-85 **12.85 meters averaging 9.98 g/t gold and 130.80 g/t silver**, and 4.40 meters grading 20.80 g/t gold and 306.00 g/t silver
- S-D10-86 **6.8 meters averaging 15.70 g/t gold and 96.13 g/t silver**, including

- S-D10-133 4.62 meters grading 22.95 g/t gold and 140.36 g/t silver
3.35 meters averaging 14.58 g/t gold and 26.76 g/t silver, including
 0.70 meters grading 53.10 g/t gold and 48.40 g/t silver

While infill drilling has also been completed at Martinetas, the assay results are yet to be received. This deposit, oxidized to 80 meters or more below surface, comprises a series of closely spaced, high grade veins and associated lower grade stockworks. The latter is being assessed as a potential heap leachable resource.

Preparation of new resource estimates, which are expected to be classified mostly as Measured and Indicated, are about to be commenced by consultants Coffey Mining and are anticipated to be completed towards the end of 2010.

A metallurgical report has been received from the Perth, Australia based AMMTEC metallurgical laboratory confirming earlier testwork on sulphide samples from the Sulfuro Vein which projected approximately 84% gold recovery using conventional treatment techniques. The earlier scoping study testwork had indicated high gold extractions, above 95%, on oxide mineralization.

Infrastructure studies, which include advanced investigation into water and power supply, are progressing well.

Engineering group Ingenieria Penta Sur has been engaged as independent consultants to overview the study, compile preliminary engineering design and cost estimates and produce the feasibility report. Mining consultancy NCL is advancing rapidly on mining studies for both deposits.

There has also been significant encouragement on the brownfield exploration front to expand the limits of the existing deposits and make associated discoveries. The recently completed 4,400 line-kilometer high resolution airborne magnetic survey has identified a magnetic low geophysical target, characteristic of low sulphidation epithermal vein, south of the Sulfuro Vein. Close to Martinetas, recent and extended surface trench sampling at Choique and Armadillo has produced highly encouraging results including 36 meters grading 1.52 g/t gold and 7.30 g/t silver, including 18 meters at 2.25 g/t gold and 12.50 g/t silver in Trench Tamar-23. Satellite deposits of this nature further enhances the potential for a supplementary heap leach facility. Heap leach metallurgical testing is about to commence.

Additional information, including plans, sections and detailed assay logs, is available from the Company's web site, www.minera-irl.com

For more information please contact:

Minera IRL Limited
 Trish Kent, Vice President, Corporate Relations

+511 4181230

Collins Stewart (Nominated Adviser & Broker, London)
 John Prior
 Adam Miller

+ 44 (0)20 7523 8350

The Equicom Group Inc. (Investor Relations, Canada)

David Feick
Craig MacPhail

+1 403 831 7557

Bankside Consultants (Financial PR, London)

Simon Rothschild
Louise Mason

+ 44 (0)20 7367 8888

Minera IRL Limited is the AIM traded and TSX and BVL listed holding company of precious metals mining and exploration companies focused in Latin America. Minera IRL is led by an experienced senior management team with extensive industry experience, particularly in operating in South America. The Group operates the Corihuarmi Gold Mine and the emerging Ollachea Gold Project in Peru as well as the Don Nicolas Project in Argentina.

This press release was reviewed by Donald McIver, VP Exploration of the Company, MSc Exploration and Economic Geology, a Fellow of the Australian Institute of Mining and Metallurgy (AUSIMM), who is the designated Qualified Person for the purposes of National Instrument 43-101 and has approved the technical information in this press release.

The Toronto Stock Exchange neither approves nor disapproves the information contained in this News Release.

Some of the statements contained in this release are forward-looking statements, such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties.

While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggestions herein. Except as required by applicable law or regulation, Minera IRL Limited does not intend to update any forward-looking statements to conform these statements to actual results.

Quality Assurance and Quality Control Procedures Disclosure

The Company has implemented a MIRC quality assurance/quality control (QA/QC) protocol on the Don Nicolas Project to ensure best industry practice in sampling and analysis of exploration rock-chip, channel and trench samples, as well as all diamond drill core. The insertion of field duplicates, certified standards and blank samples into the sample stream form part of the MIRC procedure (these act as an independent check on precision and accuracy in the analytical laboratory).

Validated assay results are reported once rigorous QAQC procedures have been approved.

Independent Audit Programs

As a means of maintaining compliancy with international standards pertaining to the minerals industry resource evaluation procedure, MIRC regularly contracts the services of industry experts to conduct audits on established QAQC procedures.