



Minera IRL Announces Approval of EIA and Granting of Development Permit for Don Nicolas Gold Project, Argentina

London and Toronto, 17 October 2012: Minera IRL Limited (“Minera IRL” or the “Company”), (TSX:IRL) (AIM:MIRL) (BVL:MIRL) the Latin America gold mining company, is pleased to announce the approval of the Environmental Impact Assessment (EIA) and the granting of the Development Permit for the Don Nicolas Gold Project by the Santa Cruz, Argentina, provincial authorities.

Highlights:

- **Don Nicolas Project Environmental Impact Assessment (EIA) approved**
- **Development permit granted**
- **Project financing options being advanced**
- **Intention to develop the project during 2013**

“The EIA approval and granting of the development permit for our Don Nicolas Gold Project, Patagonia, is a significant step towards bringing the mine on-stream.” said Courtney Chamberlain, Executive Chairman of Minera IRL. “We have received outstanding support from the authorities in Santa Cruz with the permitting process taking only five months. Don Nicolas is a very attractive, conventional open pit, carbon-in-leach gold project with a high IRR with much additional upside potential. We continue to advance financing options to allow project development during 2013.”

The EIA was submitted to the Santa Cruz provincial authorities in May and after a comprehensive review formal approval of the EIA was granted on 16 October, providing the permit to develop the project.

The EIA was based upon the Don Nicolas Feasibility Study, completed in February 2012. The feasibility study demonstrated a robust project based on the open pit mining of high grade epithermal gold deposits in the La Paloma and Martinetas vein fields. The conventional crush, grind and carbon-in-leach (CIL) treatment plant at Martinetas will have a processing rate of 350,000 tonnes per annum, providing an initial mine life of 3.6 years. Average annual steady-state gold and silver production will be 52,400 ounces and 56,000 ounces respectively. Capital cost is projected at US\$56 million and the cash operating cost is estimated at US\$528 per ounce, after silver credits. Post tax internal rate of return using a base case gold price of US\$1,250 per ounce is 22.8% rising to 38.1% if a gold price of US\$1,500 per ounce is assumed. Payback period is projected to be 2 years or less.



The Company has completed a further 18,000 meter extension and in-fill drilling program at the Martinetas vein field and an updated resource estimate is expected to be announced during November. The objective is to build upon the resource base and extend the mine life. Completion of a study, scheduled for 2013, into treating low grade material by heap leaching procedures provides further upside potential at Don Nicolas.

The Company has been considering a range of project financing options for the Don Nicolas Project. The objective is to have financing in place to allow development to commence in 2013 with commissioning expected in late 2013 or early 2014.

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Minera IRL Limited is the AIM traded, 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 operating in South America. The Group operates the Corihuarmi Gold Mine and the advanced gold projects Ollachea in Peru and Don Nicolas in Argentina. For more information, please visit



www.minera-irl.com.

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 and maintains a Minera IRL quality assurance/quality control (QA/QC) protocol on the Ollachea Project to ensure best industry practice in sampling and analysis of exploration and resource drill core samples. 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 contamination, precision and accuracy in the analytical laboratory).

Assay results are reported once rigorous QA/QC procedures have been approved.

Independent Audit Programs

Towards maintaining compliancy with international standards as they pertain to the minerals industry resource evaluation and estimation procedure, MIRC regularly contracts the services of industry experts to conduct detailed audits of established QA/QC procedures.