



Minera IRL Ltd Initiates Underground Exploration Drilling at Ollachea

London and Toronto, 3 December 2012: Minera IRL Limited (Minera IRL or the "Company") (TSX:IRL) (AIM:MIRL) (BVL:MIRL), the Latin American gold mining company, is pleased to announce that a diamond drilling contract has been awarded to begin drilling the eastern extensions of the Ollachea ore bodies from underground.

Highlights:

- **Underground diamond drilling contract for a minimum of 4,000m awarded to Ingetrol Peru SAC. Mobilization to site and set up will enable drilling to commence on 2 January 2013**
- **The 1,200m exploration drive is scheduled to reach 1,000m by early January providing excellent positioning for exploration drilling of the eastern extension of the Minapampa ore body**
- **Good progress is being achieved in the drive with ground conditions significantly better than predicted and low water in-flow**

"The coming months will be most interesting as we are now in an ideal position to explore the eastern strike extension of the Minapampa orebody where we have just completed our feasibility study." said Courtney Chamberlain, Executive Chairman of Minera IRL. "The tunnel, which is approximately 250 meters below the outcrop at Minapampa, will also place us in an ideal position to explore the down-dip extension of Minapampa as the tunnel advances. The defined mineralization remains open ended and untested along strike and down-dip."

The portal of the exploration drive was collared earlier in 2012 from an adjacent, deeper valley at the site of the future ore processing plant. The rate of progress by the contractor has increased significantly with 370 meters of advance during October and November. Mining has passed through a major regional lineament, the Ollachea thrust fault, and is now within the slate rock package that hosts the gold mineralization. Ground conditions have been better than expected and much less water is seeping into the tunnel than anticipated.

Exploration diamond drilling operations will take place from bays, or "cuddies" excavated at regular intervals along the sidewalls of the exploration drive. Initially, drilling will be directed towards exploring for gold bearing extensions east of the Minapampa orebody. Deeper, down-dip probing can also take place from these same cuddies. As the tunnel access drive reaches the eastern limits of the Minapampa deposit, drilling of depth extensions will become a major focus.

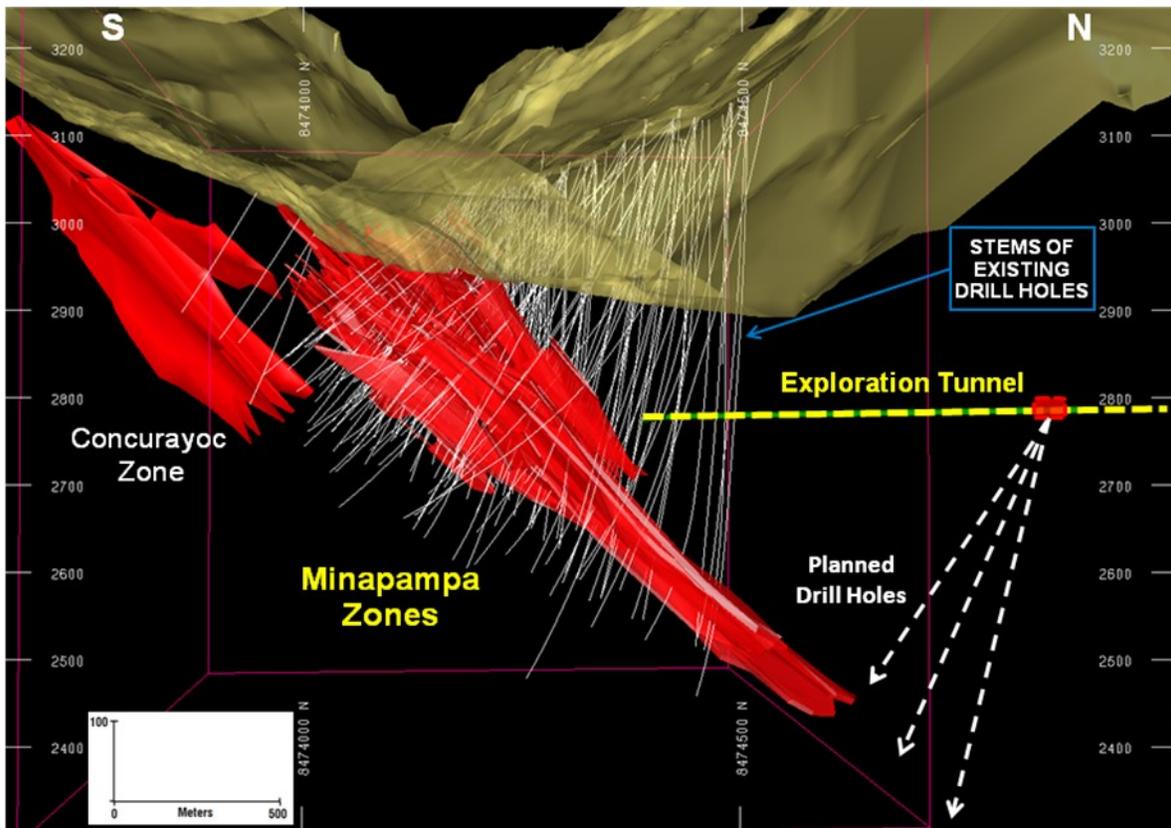


Ingetrol Peru SAC has been selected and is a well established, international drilling company who is also a provider of surface drilling services to Minera IRL. Mobilization to Ollachea will take place during December to enable drilling to commence on 2 January 2013.

At Ollachea, Minera IRL has completed a Definitive Feasibility Study (DFS) which confirmed a robust project. The Company is investigating financing options and detailed engineering is planned to commence in early 2013. The objective is to commence production at the beginning of 2015. The life of the mine as defined in the DFS is nine years. This does not include over 0.9 million ounces of Inferred Mineral Resource (10.4 million tonnes grading 2.8 g/t Au) at the Concurayoc Zone, only 400 meters west of Minapampa. Extensions of the known mineralization have the potential to further extend the mine life.

Competent Persons Statement

The preparation of the technical information contained herein was supervised by Donald McIver, VP Exploration of the Company, MSc Exploration and Economic Geology, a Fellow of the Australian Institute of Mining and Metallurgy (FAusIMM), as well as the Society of Economic Geologists (FSEG), who is recognized as a Qualified Person for the purposes of National Instrument 43-101, and who has reviewed and approved the technical information in this press release.



OLLACHEA PROJECT: 3-D CROSS-SECTION showing the topographic profile, a vertical & horizontal scale bar, the traces of existing drill stems (white), trace of the Challuno Exploration Access Tunnel (yellow), the Concurayoc and Minapampa Ore-bodies (red), and traces of programmed exploration extension drill holes (white)

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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 QAQC 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, MIRL regularly contracts the services of industry experts to conduct detailed audits of established QAQC procedures.