



Minera IRL Announces Positive Prefeasibility Study, Ollachea Project, Peru

London and Toronto, 18 July 2011: Minera IRL Limited ("Minera IRL" or the "Company"), (TSX:IRL) (AIM:MIRL) (BVL:MIRL) the Latin American focused gold mining, development and exploration company, announces the results of its Prefeasibility Study for the Ollachea Project, Peru. The Ollachea Project is 100% owned by Minera IRL SA subsidiary Minera Kuri Kullu SA. The study was carried out by international engineering firm AMEC.

Highlights:

- **Using gold price of US\$1,100 per ounce, NPV @ 7% real of US\$226 million (pre-tax) and US\$133 million (post tax); and IRR of 28.1% (pre tax) and 20.5% (post tax)**
- **Probable Mineral Reserves of 9.5 million tonnes grading 3.65g/t gold containing 1.1 million ounces**
- **NI43-101 compliant Indicated Resource from Minapampa and Minapampa East Zones totalling 10.6 million tonnes, grading 4.0g/t gold and containing 1.4 million ounces**
- **Mining will be by underground methods accessed by a 1.3km tunnel**
- **Amenable to conventional metallurgical processing to extract 91% of the gold**
- **Mining and treatment at a rate of 1.1 million tonnes per annum to produce an average of 117,000 ounces per year over a mine life of nine years**
- **Forecast start of production late 2014**
- **Up-front capital cost estimate US\$170 million**
- **Life-of-mine cash operating cost of US\$436 per ounce**
- **Work commencing on the Bankable Feasibility Study with a targeted completion date of Q3, 2012**
- **Mineralization open along strike and down dip giving excellent exploration potential to expand the resource base**
- **A maiden Inferred Resource estimate for the Concurayoc Zone scheduled for later in the third quarter 2011**
- **Canadian National Instrument 43-101 compliant report will be filed within the ensuing required 45 day period**

"We are delighted with the results of the Prefeasibility Study which gives strong credence to a substantial, economically robust, long-life gold project at Ollachea." said Courtney Chamberlain, Executive Chairman of Minera IRL. "We believe that this Orogenic type system, still open ended along strike in both directions and down dip

after more than 2 ½ years of continuous drilling, offers outstanding exploration potential to extend the mine life. We are now embarking upon a Bankable Feasibility Study and final consideration is underway to commence an exploration drive into the orebody.”

International engineering firm AMEC have managed the Ollachea Prefeasibility Study in conjunction with Coffey Mining who has contributed the resource estimation and underground mining aspects.

The project is based on a Canadian National Instrument 43-101 compliant Indicated Resource of 10.6 million tonnes grading 4.0g/t gold containing 1.4 million ounces. From this mine design and production scheduling has resulted in a Probable Mineral Reserve of 9.5 million tonnes grading 3.65g/t gold containing 1.1 million ounces.

An underground mining and treatment rate of 1.1 million tonnes per annum has been established giving a mine life of nine years. The orebody will be accessed through a 1.3 kilometre slightly inclined tunnel from an adjacent valley. Mining of the steeply dipping lenses will utilize the sub-level open stoping method with cemented paste fill. The ore is metallurgically responsive to standard treatment techniques with a projected extraction of over 90%. Processing will be by way of conventional crush, grind and carbon-in-pulp (CIL) technology.

Key performance and economic indicators are shown in the table below.

Parameter	Units	Key performance indicator	
Mine life	Years	9	
Tonnes	Mt	9.5	
Grade	g/t Au	3.65	
Contained ounces	Moz	1.11	
Metallurgical extraction	%	91.3	
Ounces produced	Moz	1.01	
Pre-production capital cost	\$M	170	
Life-of-Mine cash operating cost	\$/t	46.7	
Life-of-Mine cash operating cost	\$/oz	436	
Gold price assumption	\$/oz	1,100	
		Pre-tax	Post-tax
Project cash flow	\$M	419	280
NPV at 5% real	\$M	271	167
NPV at 7% real	\$M	226	133
NPV at 10% real	\$M	170	91
IRR (real)	%	28.1	20.5
Note: 1. \$ represents US dollars 2. Costs are in 2Q 2011 \$. 3. NPV as at commencement of construction. 4. Post tax is before Workers' Participation Profit of 8% and Corporate Income Tax of 30%.			

The Canadian National Instrument 43-101 documentation will be filed within the 45 day compliance period.

Based upon these positive results, the Company is embarking upon a Bankable Feasibility Study. This is expected to be completed during the second half of 2012. Consideration is currently being given to commencing a 1.3 kilometre long exploration tunnel into the orebody. This will facilitate underground exploration drilling of approximately one kilometre of eastern strike of the mineralization not conducive to drilling from surface due to steep mountain terrain. The most easterly holes drilled from surface intersected high grade gold mineralization giving the Company strong encouragement for drilling success from underground in this eastern zone. A maiden Inferred Resource at the Concurayoc Zone, approximately 500 meters west of Minapampa, is scheduled to be released to the market later in the third quarter.

Competent Persons Statement

The preparation of the technical information contained herein was supervised by Courtney Chamberlain, Executive Chairman, BSc and MSc Metallurgical Engineering, a Fellow of the Australian Institute of Mining and Metallurgy (AUSIMM), 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. Also 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 recognized as a Qualified Person for the purposes of National Instrument 43-101, and who has reviewed and approved the resource information in this press release.

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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 advanced Don Nicolas Project 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 its projects to ensure best industry practice in sampling and analysis of exploration and resource definition 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, MIRC regularly contracts the services of industry experts to conduct detailed audits of established QAQC procedures.