

Minera IRL Board Approves Ollachea Exploration Drive

London and Toronto, 31 August 2011: Minera IRL Limited (“Minera IRL” or the “Company”), (TSX:IRL) (AIM:MIRL) (BVL:MIRL) the Latin American gold mining company, announces the approval by the Board of Directors for a 1.2 kilometer long exploration drive at its flagship Ollachea Gold Project in Peru.

Highlights

- **The Board has approved a 1.2 kilometer exploration tunnel which will access the ore body defined in the Ollachea Pre-feasibility study announced in July 2011**
- **The drive will allow exploration drilling from underground along approximately one kilometer of eastern strike extension of the known mineralization which cannot be drilled effectively from surface**
- **A contract has been signed with well known Peruvian underground contractor JJC Contratistas Generales S.A. (JJC) to implement the project**
- **Permitting of the exploration drive is in place for an immediate commencement of the project**

“Completion of the extremely positive Pre-feasibility Study at Ollachea provides the justification to commence the exploration drive into the ore body.” said Courtney Chamberlain, Executive Chairman of Minera IRL. “This will allow drill testing from underground drill caddies as the drive advances parallel to approximately one kilometer of eastward projected gold mineralization which, due to very steep terrain, is impractical to drill from surface. Detailed mining design information will also be gained that will be used in the Bankable Feasibility Study which is now commencing. This tunnel will also assist management’s production schedule objective of late 2014.”

The slightly inclined exploration drive will be from a portal site located in a deeper valley across the ridge from the outcropping mineralization at the Minapampa Zone. The Minapampa orebody will be accessed approximately 350 meters down-dip from the surface outcrop.

Drill exploration targets from underground are compelling. The gold bearing structures outcrop for approximately one kilometer to the east of the Minapampa Zones where 1.4 million ounces of gold (10.7 million tonnes at 4.0g/t Au) in the Indicated Resource category has been drill defined from surface. The most easterly drilling from surface recorded strong gold intersections and supports geological continuity of the open-ended Minapampa mineralization towards the east. Extremely steep terrain precludes further drilling from surface towards the east. The tunnel track has been designed parallel to this eastern strike extension to provide suitable locations for

underground diamond drilling from cuddies, or chambers, at regular intervals as the drive advances.

Following a comprehensive tendering process, a contract has been signed with well known and experienced underground contractor, JJC, to execute the underground project. Consultants TWP Sudamerica S. A. have been engaged to assist Minera IRL to manage the project.

A general assembly of the Ollachea community has also overwhelmingly endorsed the project. The exploration drive has already been permitted by the Peruvian authorities and site access and portal establishment will be commenced shortly. The drive is scheduled to be completed over a 15 month time frame with a budget of US\$14.9 million which includes a contingency of 10%.

Additional information regarding Ollachea can be found on the Minera IRL website www.minera-irl.com

Competent Persons Statement

The preparation of the technical information contained herein was supervised by Courtney Chamberlain, Executive Chairman of the Company, 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.

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Minera IRL Limited is the TSX, AIM and BVL, Lima 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.

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.