



Minera IRL Receives Construction Permit to Build the Ollachea Gold Mine

Lima, 30 June 2014: Minera IRL Limited (“Minera IRL” or the “Company”) (TSX:IRL) (AIM:MIRL) (BVL:MIRL), the Latin America gold mining company, is pleased to announce that the Peruvian Ministry of Mines and Energy has granted the Construction Permit to build the Ollachea Gold Mine. Following the approval of the Environmental and Social Impact Assessment in 2013, the Construction Permit was the final major government approval required to commence construction.

“We are delighted to have received approval of the Construction Permit for Ollachea and are looking forward to commencing development as soon as project financing is arranged, which we expect to conclude during the third quarter of 2014,” said Courtney Chamberlain, Executive Chairman of Minera IRL.

“We wish to acknowledge the government authorities’ outstanding attention to rapidly facilitating the permitting process,” said Diego Benavides, President of Minera IRL S.A. *“We also thank the Community of Ollachea, our true partners in the project, for their unwavering support.”*

The Ollachea Gold Project

The Ollachea orogenic gold deposit, located in southern Peru, was discovered by Minera IRL in late 2008 after acquiring the property from Rio Tinto in 2006. Since that time, the Company has completed more than 81,000 metres of surface diamond drilling in 208 holes, resulting in the delineation of significant gold mineral resources and reserves at Ollachea. The project has strong community support, as evidenced by a 30-year surface rights agreement.

In November 2012, the Company completed a Definitive Feasibility Study on the Minapampa deposit. The results of a subsequent optimization process were announced on 4 June 2014. These studies reported the details of a robust underground mining operation with Probable Mineral Reserves of 9.2 million tonnes grading 3.4 grams of gold per tonne of material (“g/t Au”) containing 1.0 million ounces.

The Ollachea Gold Mine has scheduled production of 930,000 ounces over an initial nine-year mine life at an average site cash operating cost of \$507 per ounce of gold produced.

The up-front capital cost is estimated at \$177 million (including IGV, which is recoverable) with a total life-of-mine capital cost estimate of \$220.0 million.

The table below indicates the key performance measures of the Ollachea Project utilizing a \$1,300 per ounce gold price on a total project basis that is equity financed:

Parameter	Units	Financial Results	
		2014 DFS Optimization	
		Pre-tax	Post-tax
Project cash flow	\$M	492	344
NPV at 5% real	\$M	326	218
NPV at 7% real	\$M	277	181
NPV at 10% real	\$M	217	135
IRR (real)	%	37.1	28.2
Payback	years	2.4	3.1
Notes:			
<ol style="list-style-type: none"> 1. NPVs as at commencement of construction 2. NPVs are based on mid-period discounting 3. Before tax is before Special Mining Tax, Workers' Participation Profit of 8% and Income Taxes of 30% 4. Payback starts from the commencement of production 5. The financial results are on 100% Project basis and exclude the agreement with the community for a 5% participation in Minera Kuri Kullu SA ("MKK") on commencement of production and the \$14.2 million remainder of the Second Additional Payment payable by MKK due to Rio Tinto in June 2016. 6. Excludes the 1% gross smelter royalty granted to Macquarie Bank. 7. Tax losses and capitalized expenditures available to offset taxes payable include balances as of 31 December 2013 in the 2014 Update. 			

Exploration and resource infill drilling has defined Indicated Mineral Resources of 10.1 million tonnes grading 4.0 g/t Au containing 1.3 million ounces at a 2.0 g/t Au cut-off, plus Inferred Mineral Resources totalling 12.1 million tonnes grading 3.0 g/t Au containing 1.1 million ounces at a 2.0 g/t Au cut-off. Significant open-ended potential exists to increase mineral resources both along strike and at depth as evidenced by underground drilling results along the eastern extension of the Minapampa deposit (reported in the Press Release dated 2 April 2013).

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Minera IRL Limited is a AIM, TSX and BVL listed precious metals mining, development and exploration company with operations in Latin America. Minera IRL is led by a management team with extensive operating experience in South America. In Peru, the Company operates the Corihuarmi Gold Mine and the advanced Ollachea Gold Project. The Company also has a 51% interest in the Don Nicolás joint venture in Argentina with CIMINAS. For more information, please visit www.minera-irl.com.

Qualified Persons

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 (FAusIMM), 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.

The preparation of geological and resource 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 resource information in this press release.

Non-IFRS Measures

"Site operating cash costs" and "total cash costs" are non-IFRS measures that do not have a standardized meaning prescribed by GAAP or IFRS and may not be comparable to other similarly titled measures of other gold mining companies.

"Site operating cash costs" include costs such as mining, processing and administration, but are exclusive of royalties, workers' profit participation cost, depreciation, amortization, reclamation, capital, development, exploration and other non-site costs (transport and refining of metals, and community and environmental). These costs are then divided by ounces produced to arrive at "site cash operating costs per ounce".

This measure may vary from one period to another due to operating efficiencies, waste-to-ore ratios, grade of ore processed and gold recovery rates in the period.

Management believes this information is useful to investors because this measure is considered to be a key indicator of a company's ability to generate operating earnings and cash flow from its mining operations. This data is furnished to provide additional information and is a non-GAAP and non-IFRS measure that does not have any standardized meaning prescribed by GAAP or IFRS. It should not be considered in



isolation as a substitute for measures of performance prepared in accordance with IFRS, and is not necessarily indicative of operating costs presented under IFRS.