

Minera IRL Provides Update on Ollachea Financing Negotiations

Lima, 30 September 2014: Minera IRL Limited (“Minera IRL” or the “Company”) (TSX:IRL) (AIM:MIRL) (BVL:MIRL), the Latin America gold mining company, is providing an update on its activities relating to ongoing financing discussions for the development of the Ollachea Gold Mine in southern Peru.

“We continue to advance financing discussions for our flagship Ollachea Gold Project, which has the key permits in place to commence development,” stated Courtney Chamberlain, Executive Chairman. “As previously reported, we have received a Committed Letter of Offer for a \$100 million Project Loan Facility from Macquarie Bank. Following the consolidation of the existing \$30 million Macquarie Finance Facility, this would provide \$70 million of new funds toward the construction of the Ollachea Gold Mine. The Company has not, as yet, accepted this offer of the Project Loan Facility in order to facilitate ongoing discussions with other parties to complete the project financing. We expect to be in a position to provide an update regarding the terms of the Ollachea financing package near the middle of November when we report our third quarter 2014 results.”

The details of the Macquarie Project Loan Facility are summarized in the Company’s press release dated 30 June 2014.

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 via press release. 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 following table reports 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 an AIM, TSX and BVL listed precious metals mining 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 is advancing its flagship Ollachea Gold Project towards production. For more information, please visit www.minera-irl.com.

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained in this news release.

Cautionary Statement on Forward-Looking Information

Certain information in this news release, including information about the Company's financial or operating performance and other statements expressing management's expectations or estimates of future events, performance and exploration and development programs or plans constitute "forward-looking statements". Forward-looking statements often, but not always, are identified by words such as "seek", "believe", "expect", "do not expect", "will", "will not", "intend", "estimate", "anticipate", "plan", "schedule" and similar expressions of a conditional or future oriented nature identify forward-looking statements. Forward-looking statements are, necessarily, based upon a number of estimates and assumptions. While considered, by management, to be reasonable in the context in which they are made forward-looking statements are inherently subject to political, legal, regulatory, business and economic risks and competitive uncertainties and contingencies.

The Company cautions readers that forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Minera IRL's actual financial results, future performance and results of exploration and development programs and plans to be materially different than those expected or estimated future results, performance or achievements and that forward-looking statements are not guarantees of future performance, results or achievements.

Forward-looking statements are made as of the date of this news release and Minera IRL assumes no obligation, except as may be required by law, to update or revise them to reflect new events or circumstances. Risks, uncertainties and contingencies and other factors that might cause actual performance to differ from forward-looking statements include, but are not limited to, changes in the price of precious metals and commodities, changes in the relative exchange rates of the US dollar against the Peruvian nuevo sol and the Argentinean peso, interest rates, legislative, political, social or economic developments both within the countries in which the Company operates and in general, contests over title to property, the speculative nature of mineral exploration and development, operating or technical difficulties in connection with the Company's development or exploration programs, increasing costs as a result of inflation or scarcity of human resources and input materials or equipment. Known and

unknown risks inherent in the mining business include potential uncertainties related to the title of mineral claims, the accuracy of mineral reserve and resource estimates, metallurgical recoveries, capital and operating costs and the future demand for minerals. For additional information, please consult the Company's most recently filed MD&A and Annual Information Form.

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.