



Minera IRL Limited Reports Second Quarter 2017 Results

LIMA, PERU - (Marketwired – August 15, 2017): Minera IRL Limited (“Minera IRL” or the “Company”), (CSE:IRL) (BVL:MIRL), the Latin America gold mining company, is announcing that it has reported financial and operating results for the quarter ended 30 June 2017.

HIGHLIGHTS

Financial

- Gold sales of 6,531 ounces (Q2 2016: 5,635 ounces) at an average realized gold price of \$1,253 per ounce (Q2 2016: \$1,263 per ounce).
- Revenue of \$8.2 million, (Q2 2016: \$7.1 million).
- Gross profit of \$2.7 million (Q2 2016: \$2.0 million).
- Administrative expenses of \$0.8 million (Q2 2016: \$1.8 million).
- Loss before tax of \$1.2 million (Q2 2016: 2.1 million).
- Cash balance of \$4.2 million at the end of the second quarter (31 December 2016: \$6.8 million).
- Debt of \$73.1 million at the end of the quarter (31 December 2016: \$69.2 million).

Operational Performance

Corihuarmi

- Increase of 17% in gold production from the Corihuarmi Mine over the second quarter 2016; (Q2 2017: 6,678 ounces, Q2 2016: 5,700 ounces).
- Increase of 15% in tonnes of ore mined and stacked over the second quarter 2016; (Q2 2017: 803,111 tonnes, Q2 2016: 697,213 tonnes).
- Waste of 584,949 tonnes (Q2 2016: 366,141 tonnes).
- The mine renewed its dump truck fleet (10 trucks) through a \$1.5 million lease agreement, reducing operating costs.
- Total cash costs were \$812 per ounce produced (2016: \$784).
- Total all-in sustaining costs (AISC) were \$1,025 per ounce produced (2016: \$1,090).
- Exploration work extends the life of mine through mid-2020.
- Currently updating Corihuarmi’s technical report NI43-101.

Ollachea

- With assistance from Mining Plus and Ernst & Young the mining plans and financial models have been updated in order to optimize the project reducing CAPEX and increase the cut-off grade.



- The Company obtained a precautionary order from the Superior Court of Justice of Lima to protect its assets and investments in the Ollachea Project and initiate an arbitration process to resolve discrepancies regarding the COFIDE Bridge Loan.
- COFIDE and the Company have appointed their arbitrators. These two arbitrators will appoint a third arbitrator to complete the Arbitration Panel.
- Ongoing discussions with potential investors
- The Company continues with its community programs and maintaining a positive relationship with the Ollachea Community.

Commenting on the quarterly results, Gerardo Perez, Minera IRL Limited's Chairman, stated:

"Our Corihuarmi Gold Mine continues to exceed expectations, gold production has increased by 17% and the annual production is now estimated to reach 24,000 ounces compared to a budget of 22,000 ounces at the beginning of the year. The Company has extended the life of mine through mid-2020 and is currently updating Corihuarmi's technical report NI43-101 which is expected to be completed during the next quarter.

In addition, the mine renewed a \$1.5 million lease agreement on 10 trucks and expected to renew the lease on the remaining 5 trucks during the next quarter.

During the second quarter of 2017 with assistance from Mining Plus and Ernst & Young, the Company has made significant efforts to optimize its mining plan and financial model reducing CAPEX and increasing the cut-off grade of our flagship Ollachea Project. We believe that this optimization exercise enhances the attractiveness of the project to potential investors and will facilitate the funding of the project.

The Company plans to upgrade the Minapampa Far East exploration target into its resource estimate and mine plan once additional funds are available to complete an in-fill drill campaign. The drill hole results, announced in February 2017, have been used to outline an exploration target in the Minapampa Far East mineralized zone of 370,000 to 550,000 ounces of gold contained within 3.1 to 4.6 million tonnes, grading 2.9 to 4.3 g/t gold.

Concerning the arbitration in the National and International Arbitration Centre of the Lima Chamber of Commerce, COFIDE and the Company have appointed their arbitrators, who will appoint a third arbitrator to complete the Arbitration Panel. We hope to achieve a reasonable solution for the parties. In the meantime, the Company assets and investments continue to be protected by the order from the Superior Court of Justice of Lima issued on 06 June 2017.

We thank our employees for their hard work, the community for their constant support and our shareholders for their faith and patience. We are anticipating a year of good results, while the Board is focused on improving operating costs and production as well as looking for new opportunities to obtain financing to advance Ollachea's development."



Summary of the key financials for the three and six months ended 30 June 2017.

Summary of Key Financial and Operational Measures

Operating Parameters	Three Month Period Ended 30 June		Six Month Period Ended 30 June	
	2017	2016	2017	2016
Waste (tonnes)	584,949	366,141	1,006,093	679,377
Ore mined & stacked on heaps (tonnes)	803,111	697,213	1,480,712	1,455,035
Ore grade, mined and stacked (g/t gold)	0.34	0.33	0.36	0.32
Gold produced (ounces)	6,678	5,700	13,089	11,469
Gold sold (ounces)	6,531	5,635	12,928	11,267
Realized gold price (\$ per ounce sold)	1,253	1,263	1,238	1,228
Total cash costs (\$ per ounce produced) ¹	812	784	783	776
Total all-in sustaining costs (\$ per ounce)	1,025	1,090	966	998

Financial Results

	Three Months Period Ended 30 June		Six Month Period Ended 30 June	
	2017	2016	2017	2016
Revenue (\$'000)	8,183	7,126	16,001	13,870
Gold sold (ounces)	6,531	5,635	12,928	11,267
Realized gold price (\$ per ounce)	1,253	1,263	1,238	1,228
Gross profit (\$'000)	2,671	1,979	4,838	3,361
Loss after-tax (\$'000)	(1,527)	(2,421)	(3,276)	(5,100)
Comprehensive loss (\$'000)	(1,527)	(2,421)	(3,276)	(5,100)
Loss per share (cents)	(0.7)	(1.0)	(1.4)	(2.2)

¹. Refer to Non-IFRS Measures at the end of the Company's Management's Discussion and Analysis for the quarter ended June 30, 2017.

Outlook

In 2017, the Company is forecasting gold production of 24,000 ounces from Corihuarmi. Production is expected to come mainly from the Cayhua zone, along with continued production from zones Susan, Laura, Tambo Nuevo, Diana extension, plus nearby Scree Slope material.

The 2017 Corihuarmi capital budget is \$2.0 million for the construction of a heap leach pad and a waste dump site. This expansion is to accommodate all of the material that is scheduled to be mined and stacked until the second quarter of 2018.

Between December 2016 and March 2017, the Company completed 7,291 meters of exploration diamond drilling in 86 drill holes at the Corihuarmi mine. The exploration program defined



additional resources at the Cayhua, Tambo Nuevo and Laura zones. As a result of the exploration activities and evaluation, the Corihuarmi mine life has been extended until mid-2020. An updated NI43-101 report on the mine plan is currently being prepared and is expected to be completed in the next quarter.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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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, information about the legislative regime to which the Company is subject, 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 in this press release include that annual production is now estimated to reach 24,000 ounces, that we expected to renew the lease on the remaining 5 trucks during the next quarter, our plans for establishment of updated resource estimates, that our updated mining plans will facilitate the funding of the Project, our plans to upgrade the Minapampa Far East exploration target into our resource estimate and complete an in-fill drill campaign, and the expected timing to accomplish each of them; and that the Minapampa Far East mineralized zone contains 370,000 to 550,000 ounces of gold grading 2.9 to 4.3 g/t gold. 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, legislative environment, 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.



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, any failure to obtain or complete project financing for the Ollachea Gold Project (including the Senior Debt Facility), availability of labour and equipment and financial resources, delays in development or in receiving reports on our development, changes in the price of precious metals and commodities, changes in the relative exchange rates of the US dollar against the Peruvian nuevo sol, 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 Information Form.