



Minera IRL Announces Commencement of Ollachea Exploration Tunnel

London and Toronto, 17 February 2012: 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 it has commenced the exploration drive at the Ollachea Gold Project in Peru and to give an update on other aspects of the feasibility study.

Highlights:

- **Excavation of the 1.2km exploration drive at Ollachea has commenced following the establishment of access to the portal site**
- **The tunnel will enable underground exploration of the eastern strike extent and the down-dip extension of the Ollachea mineralization, as well as provide access to the Minapampa orebody**
- **Progress is continuing on the Bankable Feasibility Study with study managers AMEC (Peru) SA (“AMEC”) and Coffey Mining Pty Ltd (“Coffey Mining”) having revisited the project site in January 2012**
- **Results from recent in-fill resource drilling continue to confirm excellent gold intersections and reinforce continuity of the Minapampa mineralized horizons including 20 meters grading 10.2 g/t gold in DDH12-190 and 31 meters grading 5.58 g/t gold in DDH12-194**

“The commencement of the 1.2km exploration tunnel marks another important milestone at our flagship Ollachea Project.” said Courtney Chamberlain, Executive Chairman of Minera IRL. “This tunnel will provide access to explore approximately one kilometre of highly prospective strike extent to the east of the deposit defined thus far by drilling from surface. In addition, the drive will access the orebody providing valuable practical mining experience and facilitate our objective of commencing production in 2014.”

As reported during the third quarter of 2011, the Indicated Mineral Resource thus far defined at Ollachea stands at 10.7 million tonnes grading 4.0g/t gold containing 1.4 million ounces plus an Inferred Mineral Resource of 13.7 million tonnes grading 2.8g/t gold containing 1.2 million ounces of gold. The deposit remains open ended along strike in both directions as well as down dip.

A contract was awarded in August 2011 to JJC Contratistas Generales S.A. (JJC), a well established Peruvian underground mining contractor, to drive a 1.2km long tunnel into the defined Ollachea orebody. To date, work has involved mobilization, site access and establishment of the portal site. Driving of the tunnel

is now expected to progress rapidly with completion in approximately 12 months. An important aspect of the project is the exploration of the highly prospective eastern strike extent of the Minapampa orebody as well as the open-ended down-dip extension of the known mineralization by diamond drilling from underground. This drilling is planned to commence when the tunnel, to be developed some 250 meters below the level of surface outcrop, reaches approximately the half way point. Other important objectives of the tunnel are to fine tune underground support and mine design aspects and to position the Company to undertake mine development during the plant construction phase, thereby facilitating the 2014 start-up objectives.

Following the positive results of the pre-feasibility study announced in July 2011, the Bankable Feasibility Study is progressing on schedule with completion scheduled during the second half of 2012. Project managers AMEC and Coffey Mining have again recently visited the site to further study local construction aspects required for detailed engineering and planning.

Part of the feasibility study includes limited final resource in-fill drilling with two diamond rigs which is expected to be complete early in the second quarter. Drill results received thus far continue to be positive and an update of assay logs have today been posted on the Minera IRL website (www.minera-irl.com). An upgraded resource estimate will be completed by resource consultants Coffey Mining during Q212 as part of the feasibility study. Best true width intersections from the latest infill drilling include:

- DDH11-175 - 11 meters grading 9.50 g/t gold
- DDH12-190 - 20 meters grading 10.2 g/t gold and 7 meters grading 3.36 g/t gold, and
- DDH12-194 - 31.0 meters grading 5.58 g/t gold and 11 meters grading 4.71 g/t gold

True widths for all Minapampa intersections range between 68 to 100% of intersected widths. The weighted average for the true widths of mineralized intersections greater than 5 meters is 93%.

Minera IRL continues to have an excellent relationship with the Ollachea community with many health, education and sustainable programs in progress. The first Environmental Impact Assessment (EIA) workshop held February 2012 has received overwhelming support from the community.

More information is available on the Company's website www.minera-irl.com and from SEDAR.



For more information please contact:

Minera IRL Trish Kent, Vice President, Corporate Relations	+511 4181230
Collins Stewart (Nominated Adviser & Broker, London) John Prior Adam Miller	+ 44 (0)20 7523 8350
finnCap (Co-broker, London) Geoff Nash (Corporate Finance) Matthew Robinson (Corporate Finance) Joanna Weaving (Corporate Broking)	+ 44 (0)20 7600 1658
RBC Europe Ltd (Co-broker, London) Stephen Foss Martin Eales	+44 (0)20 7653 4000
Buchanan (Financial PR, London) Bobby Morse James Strong	+44 (0)20 7466 5000

Minera IRL Limited is the AIM traded, 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 operating in South America. The Group operates the Corihuarmi Gold Mine and the advanced gold projects Ollachea in Peru and Don Nicolas 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.

Competent Persons Statement

The preparation of the technical information contained herein was supervised and reviewed by Courtney Chamberlain, Executive Chairman of the Company, BSc and MSc Metallurgical Engineering, a Fellow of the Australian Institute of Mining and Metallurgy (AUSIMM) and Donald McIver, VP Exploration of the Company, MSc Exploration and Economic Geology, a Fellow of the Australian Institute of Mining and Metallurgy (AUSIMM), who are recognized as Qualified Persons for the purposes of National Instrument 43-101, and who have reviewed and approved the technical information in this press release.

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.