

## Minera IRL Announces Significant Resource Upgrade, Don Nicolas Project, Patagonia, Argentina

London and Toronto, 17 August 2011: Minera IRL Limited ("Minera IRL" or the "Company"), (TSX:IRL) (AIM:MIRL) (BVL:MIRL) the Latin American focused gold mining company, is pleased to announce a significant resource upgrade at the Don Nicolas Project, Santa Cruz Province, Argentina.

### Highlights:

- **Measured and Indicated Resource in the combined High and Low Grade category is 381,000 ounces gold representing an 89% increase in these categories compared to the Hidefield Gold Plc (Hidefield) resource published in 2009**
- **An additional 149,000 ounces is contained in the Inferred Resource category (0.3g/t gold lower cut-off grade)**
- **Measured and Indicated Resource in the High Grade category (above 1.6g/t gold lower cut-off grade) is 1,461,000 tonnes grading 6.0g/t gold and 13.4g/t silver for 280,000 ounces gold and 630,000 ounces silver. High Grade represents 74% of the total Measured and Indicated Resource. This is the basis for the Don Nicolas Feasibility Study due for completion later in 2011**
- **Measured and Indicated Resource in the Low Grade category (material with grades between 0.3g/t and 1.6g/t gold) is an additional 4,178,000 tonnes grading 0.8g/t gold and 3.9g/t silver for 102,000 ounces gold and 516,000 ounces silver. This will form the basis for potential future low grade treatment methods**

"We are extremely pleased with the results of our first resource estimate on the Don Nicolas Project since we acquired Hidefield in late 2009." said Courtney Chamberlain, Executive Chairman of Minera IRL. "This is the culmination of a major program of infill and extension drilling of almost 23,000 meters over the past year and a half. The plus 1.6g/t gold high grade resource is of particular importance and now contains 280,000 ounces at a grade of 6g/t gold. This forms the resource base for the Don Nicolas Feasibility Study which we expect to complete before the end of the year."

"The epithermal veins that make up the resource have only been drilled to a fairly shallow depth and most of the mineralization can be mined by open pit methods. Most of the precious metal veins remain open and untested down-dip and thus offer excellent future upside potential. We have also identified a number of new outcropping veins very close to the defined resources that will form the basis for ongoing Brownfields exploration."

This resource estimate supersedes the resource inventory inherited with the Hidefield transaction in late 2009. That estimate was based upon a 1g/t gold lower cut-off grade so the new Minera IRL estimate is not directly comparable. However, a relatively small portion of the 89% increase in gold in the overall Measured and Indicated category is related to reducing the gold lower cut-off grade to 0.3g/t.

There are two vein field districts that make up the Don Nicolas Project, La Paloma and Martinetas. The reported resource is made up of nine vein systems (refer to the table

below). At La Paloma, resources have been defined at the Sulfuro, Arco Iris, Ramal Sulfuro and Rocio Veins. Martinetas consists of five vein swarms contained in the Coyote, Cerro Oro, Armadillo, Lucia and Calafate deposits. The resource estimation methodology that was applied to each system was appropriate for the particular mineralized deposit. For Sulfuro, Arco Iris, Ramal Sulfuro, Rocio, Armadillo and Calafate the Ordinary Kriging (OK) technique was used and, using this method, no mine dilution was included in the resource estimate for these deposits. For Coyote, Cerro Oro and Lucia, the Multiple Indicator Kriging (MIK) method was considered more appropriate and this method includes dilution for an assumed mining scenario and Selective Mining Unit (SMU).

District	Deposit	Lower Au Cutoff (g/t)	Measured + Indicated Resource					Inferred Resource				
			Tonnes (kT)	Au (g/t)	Au (kOz)	Ag (g/t)	Ag (kOz)	Tonnes (kT)	Au (g/t)	Au (kOz)	Ag (g/t)	Ag (kOz)
La Paloma	Sulfuro <sup>1</sup>	0.3	1,192.3	4.5	171.9	16.1	617.3	535.0	1.2	20.6	5.4	92.5
		1.6	498.4	9.2	147.2	28.1	450.2	47.3	7.0	10.7	18.7	28.4
	Ramal Sulfuro <sup>3</sup>	0.3						134.8	2.3	8.3		
		1.6						58.5	3.0	5.1		
	Rocio <sup>3</sup>	0.3						89.2	4.1	11.9		
		1.6						89.2	4.1	11.9		
	Arco Iris <sup>1</sup>	0.3	36.8	1.7	2.1	2.2	2.6	262.4	2.4	19.4	2.1	17.5
		1.6	18.0	2.4	1.4	2.8	1.6	164.0	3.0	15.7	2.5	13.2
Martinetas	Cerro Oro <sup>2</sup>	0.3	2,528.5	1.1	85.6	3.9	316.5	995.8	1.0	32.9	4.1	130.7
		1.6	378.3	3.3	39.9	6.1	73.8	144.4	3.4	15.9	7.0	32.7
	Lucia <sup>2</sup>	0.3	94.1	1.3	4.1	0.8	2.3	225.5	1.1	7.9	2.1	15.3
		1.6	18.3	3.9	2.3	0.7	0.4	38.1	3.4	4.1	4.4	5.4
	Coyote <sup>2</sup>	0.3	1,603.4	1.9	99.7	3.5	179.5	612.6	1.6	30.5	3.1	60.9
		1.6	440.8	5.1	72.4	5.8	82.5	132.6	4.7	20.2	5.6	23.8
	Calafate <sup>1</sup>	0.3	4.0	3.2	0.4	10.8	1.4	3.4	5.8	0.6	11.7	1.3
		1.6	4.0	3.2	0.4	10.8	1.4	3.4	5.8	0.6	11.7	1.3
	Armadillo <sup>1</sup>	0.3	179.0	3.1	17.6	4.7	27.0	209.7	1.9	12.6	4.2	28.4
		1.6	102.7	4.9	16.1	6.2	20.5	66.0	5.0	10.6	6.9	14.6
<b>TOTAL</b>	<b>All Resource</b>	<b>0.3</b>	<b>5,638.1</b>	<b>2.1</b>	<b>381.4</b>	<b>6.3</b>	<b>1,146.5</b>	<b>3,068.5</b>	<b>1.5</b>	<b>144.8</b>	<b>3.5</b>	<b>346.6</b>
	<b>High Grade</b>	<b>1.6</b>	<b>1,460.5</b>	<b>6.0</b>	<b>279.8</b>	<b>13.4</b>	<b>630.3</b>	<b>743.5</b>	<b>4.0</b>	<b>94.9</b>	<b>5.0</b>	<b>119.4</b>

1 - Ordinary Kriged Estimate

2 - Multiple Indicator Kriged Estimate -with a Change of Support to an SMU block (5mE x 2mN x 2.5mRL)

3 - Rocio and Ramal were not estimated by Coffey Mining. This Inferred Resource (gold only) is as previously reported by Hidefield in 2009 as estimated by Runge. Ramal was estimated by Runge but not included in the Hidefield estimate.

Note: Arco Iris and Calafate estimates were based within a notional 1 g/t Au mineralised envelope - Therefore resources between 0.3g/t Au and 1.0g/t Au have not been estimated or included

The high grade mineralization will form the basis for the Don Nicolas Feasibility Study, currently in progress. However, the low grade resource, now estimated at 4.2 million tonnes grading 0.8g/t gold containing 102,000 ounces, is also an important resource which will be subject to future metallurgical testwork to develop a low grade treatment process

such as heap leaching.

Minera IRL is also pleased to announce that a recent water exploration program has proven highly successful in discovering and defining adequate reservoirs of ground water for envisaged operations on the Company's freehold land. This has been carried out as part of the Don Nicolas feasibility and the water bores are located nearby the anticipated mining and treatment locations.

### **Resource Estimate Authorship and Methodology**

The resource estimate was prepared by Mr Doug Corley, Member of the Australian Institute of Geoscientists, Associate Resource Geologist in Resource Modelling with Coffey Mining Pty Ltd. Doug Corley is recognized as a Qualified Person for the purposes of National Instrument 43-101.

On the basis of the confidence levels of the key criteria that were considered during the resource estimation, the mineral resource estimates provided in this press release have been classified and reported in accordance with CIM guidelines and National Instrument NI.43-101.

The upgraded Don Nicolas resource estimate was based upon 323 diamond drill holes for 37,316 meters and 234 reverse circulation (RC) holes for 12,604 meters. In addition, extensive surface trenching was used. The resource estimates apply a 0.3g/t gold bottom cut for the global resource and a 1.6g/t bottom cut to provide the high grade component. Top cutting was applied as appropriate for each of the vein systems.

Mr Doug Corley conducted two field visits to the project site where he had the opportunity to interact with project geologists and related staff and to study the geology and associated mineralization in order to become familiar with the geological demeanour as well as continuity of grade distribution inherent to the Don Nicolas deposits.

Resource estimation methodology included completion using Ordinary Kriging or the Multiple Indicator Kriging method, whichever was the most appropriate.

### **Competent Persons Statement**

The preparation of the technical 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 (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.

### **Conference Call**

*Following the release, Minera IRL plans to host a conference call at 10:00 am Lima time, 11:00 am Toronto time and 4:00pm London time on August 17, 2011. To participate in the call please dial:*

*Toll Free (North America): 866-696-5910*

*Canada/International: 416-340-2217*

*Global: 800-8989-6336*

Passcode: 4109669

A live webcast and archive will be available at <http://www.gowebcasting.com/2804>

REPLAY: Toll Free Replay Call (North America): 800-4083053

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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.*

### ***Quality Assurance and Quality Control Procedures Disclosure***

*The Company has implemented and maintains a Minera IRL quality assurance/quality control (QA/QC) protocol on the Don Nicolas Project to ensure best industry practice in sampling and analysis of exploration and resource drill core samples. The insertion of field duplicates, certified standards and blank samples into the sample stream form part of the MIRL 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, MIRL regularly contracts the services of industry experts to conduct detailed audits of established QAQC procedures.*