



Minera IRL Announces 2012 Year-End Results

London and Toronto, 28 March 2013: Minera IRL Limited (“Minera IRL” or the “Company”), (TSX:IRL) (AIM:MIRL) (BVL:MIRL) the Latin America gold mining company, is pleased to announce today its audited results for the year ended 31 December 2012 and outline Company developments during the same year.

2012 Highlights (all \$ denominates US\$ unless otherwise stated):

Financial

- Sales revenue of \$46.0 million, down 13% (2011: \$53.0 million)
- Gold sales of 27,462 ounces, down 19% (2011: 33,718 ounces) with realised gold price of \$1,673/ounces, up 6.5% (2011: \$1,570/ounces)
- EBITDA of \$13.4 million, down 46% (2011: \$24.8 million)
- Profit before tax of \$8.5 million, down 47% (2011: \$16.1 million)
- Profit after tax down 66% to \$3.3 million (2011: \$9.8 million)
- Financial results for 2012 reflect anticipated lower gold production from the Corihuarmi Gold Mine, which was in line with Company guidance
- Cash balance of \$6.2 million as at 31 December 2012 (December 2011: \$11.1 million)

Operations and Development

- **Corihuarmi, Peru**
 - Gold production above expectations at 27,321 ounces, down 18% (2011: 33,255 ounces)
 - Site operating costs \$581/ounces, up 42% (2011: \$410/ounces) due mainly to less ounces produced
- **Ollachea, Peru**
 - June 2012 - 30 year extension of the surface rights agreement for the development and production of Ollachea signed with the local community
 - November 2012 - Positive Feasibility Study (“FS”) indicated a long life, robust project. Based upon a gold price of \$1,300/oz, NPV (at 7% real) of \$256 million (pre-tax) and \$155 million (post-tax), an IRR (real) of 29.2% (pre-tax) and 22.1% (post-tax) and a payback period of 3.7 years (post-tax)
 - December 2012 - Environmental Impact Assessment (“EIA”) submitted thereby commencing permitting process. Completion is expected in H2 2013
 - Subsequent to year end, the Company completed exploration drive, ahead of schedule and below budget, to 1,234 meters



- **Don Nicolas, Argentina**

- February 2012 - Completion of a positive Don Nicolas FS in Patagonia. Based on a gold price of US\$1,250/oz, NPV (at 7% real) of US\$40 million (pre-tax) and US\$22 million (post-tax); an IRR (real) of 34.6% (pre-tax) and 22.8% (post-tax) and a payback period of 2.0 years (post-tax)
- October 2012 - EIA approved and Development Permit granted
- November 2012 -a 23% increase in Measured and Indicated Resources to 468,000 ounces of gold and a 14% increase in Inferred Resource to 165,000 ounces of gold

Other

- Subsequent to the year end on 7 February 2013, the Company successfully completed an equity raising for gross proceeds of approximately C\$15.5 million by issuing 21,775,000 ordinary shares at a price of C\$0.71 per share (equivalent to £0.45 based on the exchange rate at the time)

“2012 was an outstanding year for the Company in which all of our major goals were achieved,” said Courtney Chamberlain, Executive Chairman of Minera IRL. “Whilst now mature, Corihuarmi continues to produce at above expectations providing important cash flow. The robust feasibility studies at both Ollachea and Don Nicolas have paved the way for rapidly moving both projects toward production.”

The full [Report & Accounts](#), including the notes, and [Management’s Discussion and Analysis](#) for the year ended December 31, 2012 are available from the Company’s website www.minera-irl.com and from SEDAR and will be posted to shareholders.

Following the release, Minera IRL plans to host a conference call at 9:00 am Lima time, 10:00 am Toronto time and 2:00 pm London Time on April 2, 2013. To participate in the call please dial:

*Toll Free (North America): 866-226-1792
Local Toronto and International: 416-340-8530
Global: 800-9559-6849*

A live webcast and archive will be available at: <http://www.gowebcasting.com/4243>

*REPLAY: Toll Free Replay call (North America): 800-408-3053
International / Toronto Replay Call: 905-694-9451
The replay is available till April 9th, 2013*

Passcode: 8433307

Financial Results

Production from the Corihuarmi Gold Mine was, as expected, lower than 2011 but yielded an impressive revenue stream of \$46.0 million (2011: \$53.0 million). The decrease in revenue compared to 2011 was due to lower gold production, although this was partially

offset by the gold price from spot sales increasing from an average of \$1,570 per ounce to \$1,673 per ounce in 2012. A 60.2% increase in waste mined in 2012 contributed to a higher cost per ounce produced despite an overall decrease in the cost of sales to \$27.1 million (2011: \$28.0 million). The combined effect was a decreased gross profit of \$18.9 million (2011: \$25.0 million). Administration expenses of \$9.2 million were approximately 12% higher than the prior year (2011: \$8.2 million). This combined effect resulted in a decreased operating profit of \$8.8 million (2011: \$16.4 million). The income tax expense, which arises largely in Peru, decreased to \$5.2 million (2011: \$6.3 million) with the decrease in profit before tax in Peru. The Company's profit after tax decreased to \$3.3 million (2011: \$9.8 million).

The group spent a total of \$50.0 million in cash (2011: \$44.7 million) on development and exploration during the year of which \$49.7 million (2011: \$34.7 million) was added to the intangible assets of the group (\$35.3 million for the Ollachea project) and \$0.3 million (2011: \$1.0 million) was recognised as an exploration expense in the consolidated statement of total comprehensive income.

At the end of 2012, the Group had a cash balance of \$6.2 million. In March 2012, the Company raised gross proceeds of C\$33.1 million which was largely depleted during the year due to the Company's extensive exploration and development programs. This project advancement also necessitated the drawdown of the second \$10 million tranche of the Macquarie Bank \$20 million debt facility late in the year. In February 2013, post year end, the Company successfully completed a further \$15.5 million financing through the international equity markets.

Projects

Corihuarmi Gold Mine

The Corihuarmi Gold Mine, located in the Peruvian high Andes, continued to perform well throughout the year. In line with expectations, grade continues to decrease as the mine matures, resulting in lower production than previous years. Nevertheless, the 27,321 ounces produced was 30% higher than budget and the site cash operating cost was a respectable \$581 per ounce. The average gold price received was \$1,673 per ounce, \$103 per ounce higher than the previous year.

Corihuarmi has now been in production for five years and produced over 180,000 ounces of gold. This is well in excess of the feasibility study projections of a four-year mine life to produce 112,000 ounces. The current mine life now extends until 2015, but a study is in progress to mine and treat a low grade resource from Cayhua, very close to the existing heap leach pads. If successful, this could extend the mine life for at least another year.

Ollachea

Excellent progress was made in advancing Ollachea, Minera IRL's flagship project in southern Peru.

A 31 hole, 12,840 meter, in-fill diamond drilling program was completed into the core Minapampa Zone bringing the total drilled since 2008 to 208 holes for over 81,000 meters. The in-fill program, designed to further validate the Minapampa resource and confirm predictability and continuity of the gold bearing lenses, was highly successful in closely replicating the earlier estimate. The Indicated Resource, all in the Minapampa zone, totals 10.7 million tonnes grading 4.0 g/t containing 1.4 million ounces of gold. The Inferred Resource, which includes over 0.9 million ounces at Concurayoc only 400 meters to the west of Minapampa, now stands at 13.7 million tonnes grading 2.9 g/t containing 1.2 million ounces of gold. The Ollachea deposits remains open and untested along strike in both directions as well as down-dip.

Intensive work continued throughout the year on the Ollachea FS and was completed and announced to the market at year end. This study on the Minapampa Zone, supported by much new information from test work and design, correlated well with the Pre-feasibility Study completed approximately 16 months earlier. The FS provides more detailed confirmation of an economically robust project with production of over 920,000 ounces. Capital cost has been estimated at \$177.5 million and an average cash operating cost of \$499 per ounce. The base case financial model assumed a gold price of \$1,300 per ounce; on that basis the life-of-mine post-tax cash flow was estimated at \$325 million, the after-tax NPV (at 7% real) was \$155 million, an IRR of 22.1% and a pay-back period of 3.7 years. The Environmental Impact Assessment (“EIA”) has been submitted and, assuming timely completion of the permitting process and arrangement of project finance, gold production is scheduled to commence in early 2015. There is potential for a significant addition to the initial nine-year mine life through the upgrading and conversion of the resource at the Concurayoc Zone and extensions to the mineralized horizons along strike and down dip.

The 1,234 meter long, 5 meter high by 5 meter wide exploration drive, which will serve as the production access for the future underground mine, was completed in January 2013. This project was completed ahead of schedule and under budget. Ground conditions were better than expected in the slate country-rock, host to the gold mineralization, resulting in a more rapid advance rate than expected and requiring less ground support. Water inflow was far lower than predicted in the geo-hydrology model which has significant positive implications on both capital and operating costs. Diamond drill exploration of the eastern strike extent of the Minapampa Zone, too steep to drill from surface, commenced from underground in early January 2013.

Community relations at Ollachea remain excellent, and a 30-year development and production agreement was signed. The Company supports important programs in health and welfare, nutrition, education and sustainable development. The Project already provides considerable employment to members of the community which, in turn, is making a significant contribution to the local economy.

Don Nicolas and Patagonia

The Minera IRL Patagonia business unit is located in the mining friendly province of Santa

Cruz, Argentina, which is home to a world class, epithermal gold/silver geological district known as the Deseado Massif.

The Don Nicolas FS was completed early in the year predicated upon two principal epithermal vein fields, La Paloma and Martinetas, located approximately 50 kilometers apart. The strategy has been to focus the FS on high-grade, open pittable mineralization where a starter project can be developed rapidly and with low technical risk. The high grade Proven and Probable Reserves in the FS totalled 1.2 million tonnes grading 5.1 g/t gold and 10.4 g/t silver containing 197,000 ounces of gold and 401,000 ounces of silver, respectively.

The results of the FS have indicated an economically robust project. Metallurgical testing has confirmed high gold recoveries using a conventional carbon-in-leach ("CIL") plant with average annual production of 52,000 ounces of gold and 56,000 ounces of silver. Capital cost was projected to be \$56 million with a cash operating cost, after silver credits, of \$528 per ounce. Using a base case gold price of \$1,250 per ounce, the post-tax cash flow was projected to be \$36 million, the NPV (at 7% real) was \$22 million, an IRR of 23% and a payback period of 2.0 years. A compelling feature of Don Nicolas is the high potential to increase the initial 3.6 year mine life through open-ended vein extensions and further brown-fields and near-by green-fields exploration.

Following the completion of the Don Nicolas FS, the EIA was submitted to the Santa Cruz authorities and the Development Permit was granted only five months later. A 10-year Social License Agreement was signed with the nearest communities where strong relationships are being forged.

At the time of writing, the Company was pursuing financing options to develop the project. Once project funding is in place, it is anticipated that production can commence approximately 12 months later.

The Company drilled 173 new extension and in-fill holes totalling 18,640 meters at Martinetas during 2012, which resulted in a significant increase in the resource base. The Measured and Indicated Resource has been increased to 8.6 million tonnes grading 1.7 g/t gold and 5.5 g/t silver for 469,000 ounces of gold and 1,515,000 ounces of silver, respectively. An additional 4.0 million tonnes grading 1.3 g/t gold and 3.9 g/t silver containing 165,000 ounces of gold and 505,000 ounces of silver are in the Inferred Resource category. All of the above is based on a lower cut-off grade of 0.3 g/t gold.

There are important implications in the above resource upgrade at Don Nicolas. The higher grade Measured and Indicated above 1.6 g/t gold now stands at 1.8 million tonnes grading 5.3 g/t gold and 12.3 g/t silver for 300,000 ounces of gold and 699,000 ounces of silver, respectively, providing tangible evidence for extending the Don Nicolas mine life. Low-grade Measured and Indicated Resource between 0.3 g/t and 1.6 g/t gold has increased to 6.8 million tonnes grading 0.8 g/t gold and 3.7 g/t silver for 168,000 ounces gold and 816,000 ounces of silver, respectively. Encouraging initial metallurgical testing of the low-grade mineralization is being followed up during 2013 to support a feasibility



study on a heap leach circuit to run in parallel with the high grade CIL plant. Success from such a study could provide a significantly increased gold stream in future years in addition to extended mine life.

The Company's tenement holding of some 2,600 square kilometers, amongst the largest in this volcanic window, provides excellent discovery potential. In addition to the large drilling program at Martinetas, the exploration team continued to explore epithermal vein systems within the Company's large lease package. During the year, a further drilling program was carried out on the Michelle tenements in the vein field along strike from AngloGold Ashanti's Cerro Vanguardia Mine. Whilst no discovery was made, the results were of interest and further exploration is required on that property. Further work is also required on the Escondido leases as a number of new drill targets have been identified following field work, including mapping and sampling of outcropping veins. Several other highly prospective areas demanding geological exploration advance, including Microondas and Cecilia, have been included in the 2013 exploration budget.

For more information please contact:

Minera IRL Trish Kent, Vice President, Corporate Relations	+511 418 1230
Canaccord Genuity Limited (Nominated Adviser & Broker, London) Andrew Chubb Sebastian Jones	+ 44 (0)20 7523 8000
finnCap (Co-broker, London) Geoff Nash (Corporate Finance) Matthew Robinson (Corporate Finance) Joanna Weaving (Corporate Broking) Elizabeth Johnson	+ 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 Gordon Poole Louise Mason	+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 the Ollachea 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 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 Programmes

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.