



Corporate Update from MIRL

LIMA, PERU – (September 24, 2020) - Minera IRL Limited (the "**Company**"), (BVL:MIRL) (CSE:MIRL) reports that it has secured an additional 30 day extension of its Memorandum of Understanding (MOU) with Corporacion Financiera de Desarrollo (COFIDE). While the Company is pleased to report substantial progress in its discussions with COFIDE, it believes it is unlikely to have a signed agreement in place by September 28, 2020.

About the MOU

In 2015, COFIDE undertook to structure a US\$240 million senior debt facility for the development of the Company's Ollachea project, and it made a US\$70 million bridge loan secured by the Company's Ollachea project. In March, 2017, COFIDE unilaterally revoked this mandate and demanded repayment of the bridge loan. In June, 2017, the Company filed an arbitration action against COFIDE and arranged for a judicial stay of any effort to enforce COFIDE's security for the bridge loan. COFIDE counterclaimed for repayment of the bridge loan, plus interest.

In September, 2019, the arbitrators awarded the Company damages of US\$34.2 million, but declined to rule on COFIDE's counterclaim for the bridge loan because the bridge loan was subject to the exclusive jurisdiction of the courts of the state of New York. In the result, COFIDE still holds the bridge loan and security over the Ollachea project, and the Company holds an arbitration award for the harm caused by COFIDE's termination of the mandate, with interest accruing on both obligations.

On December 31, 2019, the Company entered into the MOU with COFIDE to set the stage for settling this stand-off but the rapid onset of COVID-19 has had a profound impact on Peru. That impact locked down the Country's government and paralyzed commerce, and the settlement discussion pursuant to the MOU was one of the first casualties. Nevertheless, the parties have made a great deal of progress on the basic issues and the Company anticipates that a written settlement can be formalized before the end of October.

The basic issues include not only time to retire the principal amounts (the \$70 million bridge and the \$32.4 million damage award), but also the amount of interest to be paid, the term of the remaining obligation and the termination of hostilities to allow the Company to refinance Ollachea (which has been complicated by the pledge securing repayment of the bridge loan). The Company believes that the parties have reached common ground on all of these points, and is now attempting to formalize an agreement that would give the Company the time that it needs to put all of this in the rear view mirror. Both parties have expressed a desire to sign a formal agreement in the next 30 days that would give the Company the time to reset.

In addition to its settlement efforts with COFIDE, the Company has continued to seek financing for its Ollachea project, but this effort remains complicated by the lack of a formal settlement agreement with COFIDE and COVID-19. A formal agreement with COFIDE is a key foundation for any financier, as they will be looking for certainty in any financing, and as long as Peru suffers from the restrictions caused by COVID-19, it will be very difficult to conduct any 'on-the-ground' due diligence. Notwithstanding

these handicaps, however, the Company is actively working on alternatives with a number of interested parties.

Despite gentle pressure from shareholders, management has been reluctant to publicly disclose details about the progress – or the lack of progress – with COFIDE since it announced the MOU because those details have been evolving. Now that those details are coming into focus and the possibility of a signed agreement seems within reach, the Company anticipates that both activity and disclosure about COFIDE and Ollachea will be ramping up over the next month. In addition, management intends to begin providing a steady stream of information about the Company and its operations in a digital bi-monthly newsletter that will be posted on its website and emailed to any person that expresses an interest in receiving an electronic copy. Management invites anyone interested in receiving a copy of this newsletter to send their name and email address to minera@irl.com.pe and the Company will happily add them to its distribution list.

While it pursues settlement discussions with COFIDE, the Company has continued to enjoy enthusiastic support from the community at Ollachea and it has maintained its health and safety protocols with the Ministry of Energy and Mining in Peru that have allowed it to safely and profitably continue operating its Corihuarmi gold mine, with cash flow sufficient to meet commitments and generate reserve funds for contingencies.

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 expectation that it can finalize negotiations with COFIDE over the next 30 days and what that agreement might include, constitute "forward-looking statements". Forward-looking statements are based upon assumptions. While management believes these assumptions and statements are reasonable in context, 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 results and future performance 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, Peru's ability to contain the COVID-19 crisis and to legislative, political, social health or economic developments both within Peru and in general.