



## **Minera IRL Limited**

### ***Placing and Ollachea Project Update Notice of General Meeting***

Minera IRL Limited ("Minera" or the "Company") is pleased to announce that it has conditionally raised approximately US\$15.0 million before expenses through the placing (the "Placing") of 13,615,556 ordinary shares of the Company (the "Placing Shares") at a price of 67p per share. The proceeds will enable Minera to accelerate its exploration activities in Peru and Chile, particularly on its Ollachea licence, where the Company recently announced drilling results confirming a significant gold discovery and has provided a further update below.

The Placing is conditional, *inter alia*, on the resolutions being duly passed by the Shareholders at the General Meeting scheduled for 6 July 2009, with admission to trading on the AIM market of the London Stock Exchange plc ("AIM") expected to take place on 7 July 2009. The Placing Shares will rank *pari passu* in all respects with the Company's existing ordinary shares in issue. Following admission to trading on AIM, Minera's total issued share capital will be 75,498,978 ordinary shares.

#### **Funding and use of proceeds**

Minera has consolidated its financial position since its admission to AIM, primarily from gold production at its Corihuarmi Gold Mine which came on line in March 2008. This has allowed the Company to fund corporate overheads, community activities and environmental commitments as well as an exploration program.

Given the significant progress made by the Company since its admission to AIM, the funds raised through the placing will enable Minera to accelerate its strategy. The proceeds of the Placing are expected to be applied as follows:

- approximately US\$7 million to expedite resource definition and explore for new discoveries at the Ollachea Project in Peru. The objective will be to complete an Inferred Resource estimate and a scoping study by the end of 2009;
- approximately US\$1 million to continue exploration on La Falda Project in Chile and (assuming the Letter of Intent with Catalina Resources has been upgraded to a formal agreement as is anticipated by the Company) the Company expects to commence a drilling program in the fourth quarter of this year;
- approximately US\$1 million to further follow up prospective zones within the Corihuarmi mine area and outlying prospects within the Corihuarmi licences, which exceed 9,000ha in area; and

- the balance of the funds, which is expected to exceed US\$5 million after placement expenses, will be used to strengthen the Company's balance sheet and for other opportunities under evaluation.

As part of the Placing, the Minera Directors have undertaken to subscribe for 72,468 Placing Shares in aggregate at the Placing Price. These represent approximately 0.5 per cent of the Placing Shares comprising:

Director	Number of Placing Shares	Resultant Shareholding following Admission	% Shareholding following Admission
Courtney Chamberlain	22,692	3,452,692	4.57%
Douglas Jones	44,776	204,936	0.27%
Graeme Ross	5,000	5,000	0.01%

### **Ollachea Project**

Minera also confirms that drilling results thus far at the Ollachea Project in the Puno district of southern Peru continue to be very positive. Between October 2008 and the end of May 2009, 41 diamond drill holes have been completed for a total of approximately 14,280 meters of drilling.

Recent drilling has continued to focus in the newly named Minapampa Zone (formerly known as the Central Zone). Five vertical holes have probed the mineralization at depth, some 300 meters down dip from the surface outcrop. These drilling results appear to confirm the concept of a plunge in the mineralization towards the north-west where the most westerly vertical hole, DDH09-31 intersected 36 meters grading 3.55 g/t gold. Close spaced drilling is in progress to determine the appropriate drill density required to obtain the progressive confidence levels of resource estimation. These holes continued to confirm the broad zone of gold mineralization with hole DDH09-32 intersecting 94 meters grading 2.67g/t and hole DDH09-33 intersecting 100 meters grading 2.53g/t.

Minera IRL Limited Executive Chairman, Courtney Chamberlain, commented

“We are delighted with the success of the placing and it demonstrates the confidence of our investors in our strategy to move the Company through its next stage of growth. The main reason for the raising is to increase the tempo at Ollachea. We have recently completed a comprehensive on-site review and planning meeting assisted by specialists from consultants Coffey Mining. In order to expedite the resource definition, we plan to commit a third drill rig to this work and to be in a position to report an Inferred Resource by September. Work has also started on supporting studies, such as metallurgy and geotechnical with the objective of producing a scoping study before the end of the year. In parallel, we will be mobilizing additional drill rigs to continue exploring the system and following up encouraging early intersections well beyond the Minapampa Zone.”

Geological plans and sections as well as full assay logs for the Ollachea project can be found on the Company website, [www.minera-irl.com](http://www.minera-irl.com).

Donald McIver, Vice President Exploration of Minera IRL Limited and a qualified person as defined in the Guidance Note for Mining, Oil and Gas Companies, June 2009, of the London Stock Exchange, has reviewed and approved the technical information contained in this announcement.

### **Notice of General Meeting**

A circular (the "Circular") containing details of the Placing and convening a General Meeting of the Company to be held at 11.00 a.m. on 6 July 2009 at Ordnance House, 31 Pier Road, St Helier, Jersey JE4 8PW, Channel Islands will be despatched today to Shareholders and will be available to view at [www.minera-irl.com](http://www.minera-irl.com)

For more information contact:

<b>Minera IRL</b> Courtney Chamberlain, Executive Chairman Trish Kent, Vice President, Corporate Relations	+511 4181230
<b>Arbutnot Securities (Nominated Adviser &amp; Broker, London)</b> John Prior Edward Burbidge	+ 44 (0)20 7012 2000
<b>Fox-Davies Capital</b> David Poraj-Wilczynski Jason Bahnsen	+ 44 (0)20 7936 5200
<b>Bankside Consultants (Financial PR, London)</b> Simon Rothschild Louise Mason	+ 44 (0)20 7367 8888
<b>Synergy Asociados (Public Relations, Lima)</b> Magaly Villena	+ 511 446 2055/446 1832 + 511 9400 8101

*Minera IRL Limited ("MIRL") is the AIM and Lima, Peru listed holding company of precious metals mining and exploration companies focused in Latin America. MIRL 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.*

### **Background to and reasons for the placing**

Since being admitted to trading on AIM in April 2007, Minera has fulfilled its then primary objective of bringing its Corihuarmi gold mine into production on schedule, achieving its first gold pour in March 2008. For the year ended December 2008, Corihuarmi exceeded its forecast production for the year by 40 per cent, with a final production figure of 51,691 ounces at a cash cost of \$161/ounce.

On 26 May 2009, the Company announced a new life-of-mine plan for Corihuarmi, extending the mine life to mid 2013 and increasing its Proven and Probable Reserves to 148,600 ounces as of 1 January 2009. This compares with the ore reserve of 144,600 ounces for the 2006 Feasibility Study. After taking into account the depletion of 69,000 ounces for 2008, the new reserves represent an increase of 73,000 ounces. The new life of mine plan anticipates production of approximately 31,000

ounces in 2009, with an average of over 28,000 ounces per annum for the three years from 2009 to 2011. Below the cliff faces of the Susan and Diana ore zones 84 reverse circulation holes have also quantified broken mineralization, known as scree. This Inferred Resource of 3,174,200 tonnes grading 0.39 g/t Au containing 40,200 ounces, has not yet been included in the mine plan. A pilot scale test program is planned this year to beneficiate, or upgrade this resource.

Concurrently to announcing the new life of mine plan, the Company announced the first quarter 2009 production results for Corihuarmi of 7,150 ounces at a cash operating cost of \$364 per ounce, which was in line with management expectations. A total of 7,388 ounces of gold was shipped and sold for an average price of \$906 per ounce. Corihuarmi continues to perform in line with management expectations and produce positive cash flows to fund corporate overheads, community activities, and a basic exploration program.

The Company has also witnessed increasingly positive results at its primary exploration project, Ollachea, culminating in a significant gold discovery announced in April 2009. Drilling results indicate an open ended depth extension (plunge) in the mineralized zone to the north-west. Since October 2008 to end of May 2009, 41 diamond drill holes have been completed for a total of approximately 14,280 metres of drilling.

Recent drilling has continued to focus in the Minapampa Zone, a 450 metres strike length down dip from the zone where the local miners are currently active. Five vertical holes have probed the mineralization at depth, some 300 meters down dip from the outcrop. This appears to confirm the concept of a plunge in the mineralization to the north-west where the most westerly vertical hole, DDH09-31, intersected 36 metres grading 3.55 g/t gold. Close spaced drilling is in progress to determine the drill density needed for in-fill drilling for resource estimation. These holes continued to confirm the broad zone of mineralization with hole DDH09-32 intersecting 94 meters grading 2.67g/t and hole DDH09-33 intersecting 100 metres grading 2.53g/t.

Following the positive drilling results and a comprehensive site review conducted recently with consultants Coffey Mining, the Company has decided to commence an extended drilling program at Ollachea and to start a project scoping study. The Company plans to commit a third drill rig to Ollachea and is preparing to be in a position to report an Inferred Resource later in the 2009 year.

Work has started on supporting studies, such as metallurgy and geotechnical with the objective of producing a scoping study before the end of 2009. In parallel, the Company intends to mobilise additional drill rigs to continue exploring the system and follow up early encouraging intersections from scout drilling and exploration targets in the magnetic anomaly, which extends well beyond the Minapampa Zone.

Geological plans and sections, as well as full assay logs for the Ollachea project, can be found on the Company website: [www.minera-irl.com](http://www.minera-irl.com).

In accordance with its corporate strategy, Minera has also continued to search for further exploration assets. Accordingly, in March 2009 the Company announced that it had signed a letter of intent ("LOI") with Catalina Resources Plc to acquire a 75 per cent interest in its La Falda porphyry gold prospect located in the Maricunga gold belt of Northern Chile.

The La Falda Project represents an undrilled Maricunga-style gold-porphyry intrusive from which previous surface sampling has returned anomalous gold values. A ground magnetic survey by Catalina Resource Plc also revealed responses similar to other large gold deposits in the Maricunga district. Since signing the LOI, the Company has conducted an IP survey which has identified a large chargeability anomaly within the porphyry system and measuring approximately 2 km by 2 km in size. The anomaly is considered indicative of the presence of disseminated sulphides. The Company is aiming to enter into a full agreement with Catalina Resources Plc by 31 August 2009.

Donald McIver, Vice President Exploration of Minera IRL Limited and a qualified person as defined in the Guidance Note for Mining, Oil and Gas Companies, March 2006, of the London Stock Exchange, has reviewed and approved the technical information contained in this letter.

## **The Placing Agreement**

Pursuant to the terms of the Placing Agreement, Arbuthnot and Fox-Davies have agreed to use their reasonable endeavours, as agents for the Company, to conditionally place the Placing Shares at the Placing Price with certain institutional and other investors. The Placing Agreement is conditional upon, *inter alia*, the Placing Resolutions being duly passed at the GM and Admission becoming effective no later than 8.00 a.m. on Tuesday, 7 July 2009 (or such later time and/or date as Arbuthnot may decide, but in any event by no later than 4.30 p.m. on Friday, 17 July 2009).

The Placing Agreement contains warranties from the Company in favour of Arbuthnot and Fox-Davies in relation to, *inter alia*, the accuracy of the information contained in this announcement and the Circular and certain other matters relating to Minera and its subsidiaries. In addition, the Company has agreed to indemnify Arbuthnot and Fox-Davies in relation to liabilities they may incur in respect of the Placing. Arbuthnot or Fox-Davies have the right to terminate the Placing Agreement in certain circumstances prior to Admission, including, *inter alia*, for *force majeure* or in the event of a material breach of the Placing Agreement.

## **Admission and dealings**

Application will be made to the London Stock Exchange plc for the Placing Shares to be admitted to trading on AIM. The Placing Shares will, when issued, rank *pari passu* in all respects with the Company's existing ordinary shares, including the right to receive dividends and other distributions declared following Admission. It is expected that such Admission will become effective and that dealings will commence on 7 July 2009.

Although the Company is a Jersey company, the Placing Agreement and each of the placing letters entered into by the placees under the Placing, are governed by the laws of England. The terms and conditions of the Placing and the rights attaching to all Placing Shares shall be the same for all placees, including the Peruvian placee.

## **Directors and Management Participation**

The Directors and management have undertaken to subscribe for 526,961 Placing Shares at the Placing Price of 67p representing approximately 0.85 per cent of the Company's issued share capital.

## **Irrevocable Undertakings**

The Company has received irrevocable undertakings from certain shareholders, representing approximately 15.7 per cent. of the Company's current issued share capital, to vote in favour of the Placing Resolutions.

## **Preliminary Results for the year ended 31 December 2008**

The Company expects to announce its final results for the year ended 31 December 2008 in the week commencing 15 June 2009. Unaudited headline numbers that the Company expects to report are as follows: Gold production totaling 51,691 ounces with sales of 50,301 ounces. Revenue for the period of \$44 million (2007: \$0), with EBITDA of \$20 million (2007: -\$10.3 million) and Profit Before Tax of \$15 million (2007 -\$10 million). Cash balance at the period end totaling approximately \$9 million.