

**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

**Item 1 – Name and Address of Company:**

Minera IRL Limited  
Av Santa Cruz 830, Of. 401  
Miraflores, Lima 18

**Item 2 - Date of Material Change:**

November 29, 2012

**Item 3 – News Release:**

The news release attached hereto as Schedule “A” was disseminated over Marketwire on November 29, 2012.

**Item 4 – Summary of Material Change:**

Minera IRL Limited announced the results of a Definitive Feasibility Study on its Ollachea Project (the “Project”), Peru. The Project is 100% owned by Minera IRL SA subsidiary Minera Kuri Kullu SA.

**Item 5 – Full Description of Material Change:**

**5.1 Full Description of Material Change**

The material change is fully described in the press release attached hereto.

**5.2 Disclosure for Restructuring Transactions**

Not applicable.

**Item 6 – Reliance on subsection 7.1(2) of National Instrument 51-102:**

Not applicable.

**Item 7 - Omitted Information:**

Not applicable.

**Item 8 – Executive Officer:**

Trish Kent, Vice President, Corporate Relations  
Telephone: +511-418-1230  
Fax: +511-712-0099

**Item 9 – Date of Report:**

January 9, 2013



## **Minera IRL Ltd Announces Definitive Feasibility Study, Ollachea Project, Peru**

**London and Toronto, 29 November 2012:** Minera IRL Limited ("Minera IRL" or the "Company") (TSX:IRL) (AIM:MIRL) (BVL:MIRL), the Latin American gold mining company, is pleased to announce the results of a Definitive Feasibility Study ("DFS") on its Ollachea Project (the "Project"), Peru. The Project is 100% owned by Minera IRL SA subsidiary Minera Kuri Kullu SA ("MKK"). The DFS was carried out by international engineering firm AMEC in conjunction with Coffey Mining, who contributed the resource estimation and underground mining aspects of the study.

### **Highlights:**

#### **Project Economic Indicators**

- Using a gold price of \$1,300 per ounce, NPV @ 7% real of \$264 million (pre-tax) and \$155 million (post tax); and IRR of 29.2% (pre tax) and 22.1% (post tax)
- Up-front capital cost estimate of \$177.5 million
- Life-of-mine ("LOM") cash operating cost of \$499 per ounce

#### **Project Physical Indicators**

- Canadian National Instrument 43-101 ("NI 43-101") compliant Indicated Resource of 10.6 million tonnes grading 4.0g/t gold containing 1.4 million ounces gold
- Probable Mineral Reserve of 9.3 million tonnes grading 3.4g/t gold containing 1.0 million ounces
- Rate of 1.1 million tonnes per annum to produce an average of 113,000 ounces gold per year at full capacity
- Nine year initial mine life including ramp-up and down
- Underground mining accessed by a 1.2km tunnel currently over 800 metres advanced
- Conventional metallurgical processing to extract 91% of the gold

#### **Next Steps**

- Environmental Impact Assessment ("EIA") to be submitted before year-end thereby initiating permitting
- Investigating financing and early commencement of detailed engineering
- Production forecast to commence beginning 2015
- Upside potential includes the adjacent Concurayoc Zone with a 0.9 million ounces Inferred Resource which is not included in the DFS. The Minapampa and Concurayoc zones are open ended both along strike and down dip.

*Note: \$ denominates United States ("US") dollars unless otherwise stated.*

“Ollachea’s DFS confirms that Minera IRL has an economically and technically robust, long life project.” said Courtney Chamberlain, Executive Chairman of Minera IRL. “Our team of engineers and consultants have done an excellent job on this comprehensive evaluation. This has been bolstered by the practical underground mining experience being obtained from the ongoing exploration drive, which has now advanced over 800 meters. We are confident of a much longer mine life than the initial nine years defined in this study considering that over one million ounces of Inferred Resource has already been identified and that the gold bearing structures are open ended along strike and down dip.”

“The EIA will be submitted to the Peruvian authorities shortly thus commencing the permitting process. We are investigating financing options and intend to commence detailed engineering early in 2013. Our target is to start ore processing at the beginning of 2015.”

### ***Financial Analysis***

The financial analysis was undertaken in constant US dollars, 100% Project, stand alone in country and 100% equity finance basis. It was undertaken at a base case gold price of \$1,300/oz. However, the analysis was also performed using a gold price of \$1,600/oz to show the impact of a higher gold price. The results of the financial analysis are set out below.

Parameter	Units	Financial Results			
		\$1,300/oz (base case)		\$1,600/oz	
		Pre-tax	Post-tax	Pre-tax	Post-tax
Project cash flow	\$M	489	325	749	486
NPV at 5% real	\$M	316	194	506	310
NPV at 7% real	\$M	264	155	434	258
NPV at 10% real	\$M	199	108	343	194
IRR (real)	%	29.2	22.1	40.2	30.2
Payback	years	3.2	3.7	2.5	3.0
Note: 1. NPVs as at commencement of construction 2. NPVs are based on mid-period discounting 3. Before tax is before Special Mining Tax, Workers’ Participation Profit of 8% and Income Taxes of 30% 4. Payback starts from the commencement of production 5. The financial results are on 100% Project basis and exclude the agreement with the community for a 5% participation in MKK on commencement of production and the Second Additional Payment payable by MKK and due to Rio Tinto in accordance with Mining Claim Transfer Agreement dated 23 February 2007.					

Other assumptions included in the financial analysis are:

- US\$: PEN (Peru Sol) of 2.65
- Third party 1% NSR Royalty
- Peru Royalty based on an operating margin sliding scale

- Peru Special Mining Tax based on a operating margin sliding scale
- Peru Workers' Profit Participation of 8% of pre-tax profits
- Peru Income tax rate of 30%

### *Mineral Resources and Mineral Reserves*

A NI 43-101 compliant Mineral Resource estimate was announced on 18 July 2012. This Mineral Resource estimate was carried out by consulting firm Coffey Mining Pty Ltd.

The Indicated Mineral Resource estimate over the Minapampa Zone totals 10.6 million tonnes averaging 4.0 g/t gold containing 1.4 million ounces. This resource is contained within six discrete horizons over a strike length of approximately 950 meters and down-dip approximately 350 meters. This estimate was based upon 151 diamond drill holes for 59,509 meters. The mineral resource estimate applies a 2g/t gold bottom cut and top cutting as appropriate for each of the six discrete gold-mineralized horizons that have been defined to date. The dry in-situ bulk density within mineralised zones, based upon 103 bulk density determinations, is 2.83 tonnes per cubic meter.

Included within the Indicated Mineral Resource envelope, the higher grade core Indicated Mineral Resource, using a 3.5g/t gold cut-off, totals 5.1 million tonnes grading 5.3g/t gold containing 0.9 million ounces.

In addition, the Inferred Mineral Resource at Minapampa and Concurayoc, approximately 400 meters west of Minapampa, totals 13.7 million tonnes grading 2.9 g/t gold for 1.2 million ounces. With additional future resource definition drilling, this Inferred Mineral Resource offers potential for a significant mine life extension. The deposit remains open along strike and down dip providing significant future exploration potential.

Probable Mineral Reserves at Minapampa, are shown in the following table. The Probable Mineral Reserves are included within the Indicated Mineral Resources and inclusive of mining dilution.

Category	Tonnage Mt	Au Grade g/t	Contained Au koz
Ore (+2g/t Au)	8.7	3.5	983
Low Grade Development Ore (+1g/t to 2g/t Au)	0.6	1.5	28
<b>Probable Mineral Reserves</b>	<b>9.3</b>	<b>3.4</b>	<b>1,011</b>

The low grade development ore is sourced from development drives that traverse through Indicated Mineral Resource but has been diluted below the Project COG of 2.0g/t Au. As the mining cost for this material will have already been expensed, it is economic to treat through the plant. A mill cut-off grade of 1.0g/t Au has been applied to this material.

## *Mining & Processing*

The mining method will be long-hole open stoping with paste backfill. The main access to the orebody will be via a 1.2 km-long exploration access drive from the plant site in the adjacent valley. This drive is currently in progress and has already advanced over 800 meters. The drive will access the orebody near the lower limit of the drill defined deposit so most ore mining will be from the bottom upwards. Extraction will occur along the orebody strike direction on a retreat basis.

Mine development will continue in parallel with the plant and infrastructure construction. Whilst some ore will be mined and stockpiled during the development period, the actual ore stoping production is scheduled to commence in early 2015, ramping up to the full 1.1 million tonnes per annum rate by mid-2016. Development waste of 2.6Mt will be mined over the LOM.

A comprehensive metallurgical testing programme has been completed in Australia and the United States. This demonstrated good metallurgical response to conventional crush, grind, gravity concentration and carbon-in-leach technology. Gold recovery of 91% is projected.

The processing plant will have a capacity of 1.1 million tonnes per annum. Tailings will be filtered and split between underground cemented fill and dry stacking on surface.

The average steady state (~6.6 years) gold production is approximately 113koz per annum. The following table summarises the mine and processing production.

Year	Ore Mined		LG Dev. Ore Mined		Ore Processed		Recovery (%)	Au Production (koz)
	Ore (kt)	Au grade (g/t)	Ore (kt)	Au grade (g/t)	Total Ore (kt)	Au grade (g/t)		
2014	35	3.11	11	1.56	-	-	-	-
2015	586	3.46	110	1.51	680	3.21	90.2%	63
2016	811	3.07	80	1.53	938	2.91	88.8%	78
2017	1,097	3.48	55	1.49	1,117	3.45	90.3%	112
2018	1,095	3.66	99	1.44	1,127	3.60	91.2%	119
2019	1,099	3.63	87	1.47	1,120	3.59	91.2%	118
2020	1,106	3.81	132	1.51	1,132	3.76	92.0%	126
2021	1,099	3.58	16	1.50	1,137	3.51	91.5%	118
2022	862	3.25	-	-	1,128	2.83	91.1%	94
2023	738	3.50	-	-	738	3.50	91.8%	76
2024	203	2.90	-	-	203	2.90	93.1%	18
<b>Total</b>	<b>8,730</b>	<b>3.50</b>	<b>590</b>	<b>1.49</b>	<b>9,320</b>	<b>3.38</b>	<b>91.0%</b>	<b>921</b>

Taking into account the potential to convert the Inferred Mineral Resource at the nearby Concurayoc Zone to the Measured and Indicated categories, as well as the exploration upside, the Company considers that there is an excellent opportunity to extend the full 1.1 million tonnes per annum mining and treatment rate well beyond 2022.

### *Infrastructure*

Ollachea is well served by existing infrastructure and sits astride the new Southern Interoceanic Highway. A high tension power line passes over the project site and a long term contract has been signed with the hydroelectric supplier. There is an abundant source of water and a significant portion of the workforce will be recruited from the local community.

A permanent camp will be developed close to the plant site to accommodate 200 employees.

### *Capital Cost Estimate*

Project development capital cost is estimated to be \$177.5 million with an additional LOM sustaining capital of \$41.6 million and \$4.2 million for closure capital. Capital costs are summarised in the following table.

<b>Item</b>	<b>Cost \$M</b>
<b>Project Capital</b>	
Mining	55.4
Site Development	3.9
Process Plant	58.4
Ancillary Buildings	3.9
Tailings System	5.7
Indirect and Owners Cost	31.4
Contingency	19.0
<b>Total Project Capital</b>	<b>177.5</b>
Sustaining Capital	41.6
Closure Costs (net) - End of LOM	4.2
<b>Total LOM Capital Cost</b>	<b>223.3</b>
Note:	
1. Costs are in 3Q 2012 \$.	

### *Operating Cost Estimate*

Operating costs to mine and treat at a steady state production rate of 1.1 million tonnes per annum were derived from first principles. The LOM average unit operating costs are summarised in the following table.

<b>Item</b>	<b>\$/t ore</b>	<b>\$/oz</b>
Mining	23.4	237
Processing	21.5	218
G&A	4.3	44
<b>Total operating costs</b>	<b>49.2</b>	<b>499</b>
Note:		
1. Costs are in 3Q 2012 \$.		
2. Operating cash costs exclude costs for freight and refining dore, and royalties.		

### *Environmental & Permitting*

Environmental baseline information has been collected over approximately a three year period. This is being used in conjunction with special studies, such as hydrogeology and geotechnical, and DFS design details to produce an EIA which is currently in progress and is expected to be submitted by the end of 2012. The submission of the EIA to the Peruvian government authorities will be the basis for the development permitting process.

### *Community Relations*

MKK has developed excellent relationships with the local community and has a 30 year development and operating permit in place. The community will become a 5% equity participant in MKK upon the commencement of production. A significant portion of the workforce will be local people who will be trained and employed at the operation.

Archaeological clearance has been granted for most of the required plant, tailings and infrastructure locations. Remaining clearance is in progress but no sites of national significance have been identified within the area of planned use.

### *Project Schedule and Moving Forward*

The successful completion of the DFS establishes the basis for moving quickly towards development. The excellent progress on the exploration drive will provide the opportunity for uninterrupted progression toward establishing underground infrastructure and development. The EIA will be completed and submitted in a timely manner. Investigations into project financing will now be accelerated.

The project schedule is predicated upon a rapid move toward development. An engineering company will shortly be appointed to commence detailed design and identify long lead items for placement of early orders. Plant and infrastructure construction is scheduled for completion late in 2014 with first feed to the plant at the beginning of 2015.



Canadian National Instrument 43-101 compliant report will be filed within the ensuing required 45 day period.

### **Competent Persons Statement**

The preparation of the technical information contained herein was supervised by Courtney Chamberlain, Executive Chairman, BSc and MSc Metallurgical Engineering, a Fellow of the Australian Institute of Mining and Metallurgy (FAusIMM), 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. Also by Donald McIver, VP Exploration of the Company, MSc Exploration and Economic Geology, a Fellow of the Australian Institute of Mining and Metallurgy (FAusIMM), as well as the Society of Economic Geologists (FSEG), who is recognized as a Qualified Person for the purposes of National Instrument 43-101, and who has reviewed and approved the resource information in this press release.

The preparation of the Probable Mineral Reserve contained herein was supervised by John Hearne, FAusIMM, of Coffey Mining, 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.

The preparation of the Indicated Mineral Resources contained herein was estimated by Doug Corley, Member of the Australasian Institute of Geoscientists (MAIG), and Registered Professional Geoscientist (RP Geo), of Coffey Mining, 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 Toronto (EDT), 3:00 pm UK (BST), 10:00 am Lima (PET) on November 29, 2012. To participate in the call please dial:*

*Toll Free (North America): 877-240-9772  
Local Toronto and International: 416-340-8527  
Global: 800-2787-2090*

*A live webcast and archive will be available at: <http://www.gowebcasting.com/4028>*

### **REPLAY:**

*Dial-in numbers: 905-694-9451 / 800-408-3053/ 800-3366-3052  
The replay is available till December 6th, 2012  
Passcode: 5695777*

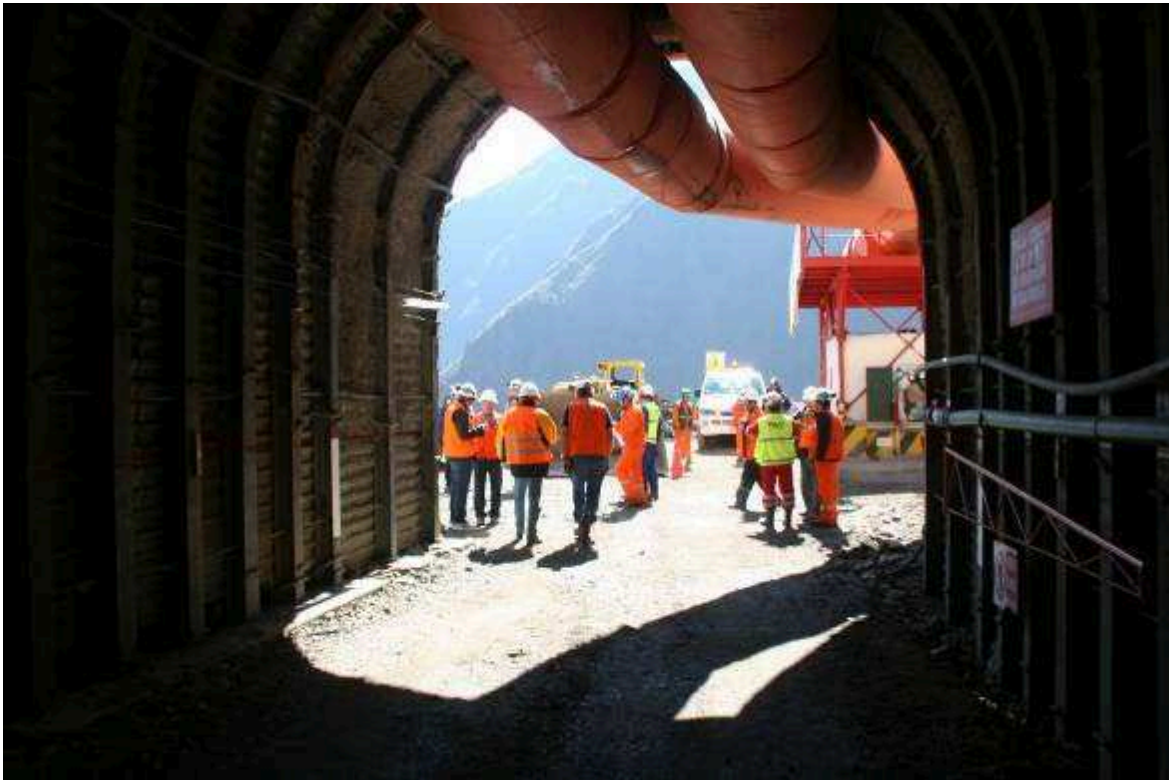


Photo: Ollachea Tunnel



Photo: Ollachea Tunnel



**For more information please contact:**

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**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](http://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.*

### ***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.*