

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:

August 19, 2013

Item 3 – News Release:

The news release attached hereto as Schedule “A” was disseminated over Marketwire on August 19, 2013.

Item 4 – Summary of Material Change:

Minera IRL Limited announced that it entered into a definitive agreement with Compañía Inversora en Minas for 100% of the financing required to develop the Don Nicolas Gold Project in Santa Cruz Province, Argentina.

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
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Item 9 – Date of Report:

August 28, 2013

Schedule "A"

**Minera IRL Announces \$80 Million Financing
for the Don Nicolas Gold Project from Argentina Sources**

London and Toronto, 19 August 2013: Minera IRL Limited ("Minera IRL" or the "Company") (TSX:IRL) (AIM:MIRL) (BVL:MIRL), the Latin American gold mining company, is pleased to announce that it has entered into a definitive agreement (the "Agreement") with Compañía Inversora en Minas ("CIMINAS") for 100% of the financing required to develop the Don Nicolas Gold Project in Santa Cruz Province, Argentina.

All figures are in United States ("US") dollars unless otherwise noted.

Highlights:

- 1. 100% of Don Nicolas Project financing secured from Argentina sources for a total consideration up to \$ 80 million**
- 2. Minera IRL will retain 51% equity in Minera IRL Patagonia S.A. ("MIRL Patagonia" the subsidiary of Minera IRL which holds the Company's Argentinean assets). CIMINAS will invest \$45 million as a capital contribution in exchange for a 45% interest in MIRL Patagonia and 9.1 million ordinary shares in Minera IRL. An additional 4% equity in MIRL Patagonia will be issued to the arrangers of the transaction**
- 3. In addition, CIMINAS has made arrangements to provide a bridge loan facility for up to \$35 million bringing the total funds available to develop Don Nicolas to \$80 million**
- 4. The Don Nicolas Project is fully permitted and project development can commence immediately. An EPCM consortium has been selected to build the mine and infrastructure. Gold production, estimated in excess of 50,000 ounces per annum, is expected to commence in late 2014**
- 5. CIMINAS is a company formed by a group of established Argentine private capital investors with a mission to invest in projects in Argentina with high medium- and long-term growth potential, and with a main focus on creating export revenue**

Mr. Courtney Chamberlain, Executive Chairman of Minera IRL, commented, "We are delighted to have financing in place to develop the Don Nicolas Project. Our resource base, experience and highly prospective land position, augers well for a solid and enduring mining venture."

Dr. Diego Benavides, President of MIRL Patagonia, added, "We have developed excellent relationships with representatives of CIMINAS who complement our mining experience with their business experience in Argentina, long established contacts and knowledge in terms of employment, industry and government regulations. Together, we make a responsible and diverse team committed to growth."

Mr. Fabio Rozenblum, President of CIMINAS, said, "This is an excellent investment opportunity for a productive precious metals project that is fully permitted and ready to develop. We are delighted to have a partnership with this team formed by recognized professionals of the mining industry to manage the creation of direct and indirect employment and services resulting in a benefit for Argentina and the region. We believe the Don Nicolas Project is a solid investment opportunity and is of a size and scope that provides us with an ideal entrance into the mining industry."

The Transaction

CIMINAS has agreed to provide financing for up to a total of \$80 million, to be made up of a combination of equity and debt, for the development of the Don Nicolas Gold Project in Santa Cruz Province, Argentina.

The equity funding package comprises a number of tranches of convertible preferred and common shares in MIRL Patagonia totalling \$42 million to earn an equity position of 45%. The convertible preferred shares have preferential dividend rights until they are redeemed or converted into common shares.

In addition, CIMINAS has subscribed for 9,146,341 ordinary shares of Minera IRL Limited (the "Shares") and as consideration CIMINAS has contributed \$3 million to MIRL Patagonia toward the development of Don Nicolas bringing the total investment to \$45 million. The Shares will be issued pursuant to a prospectus supplement to the Company's base shelf prospectus dated July 12, 2012 and are subject to regulatory approval including, without limitation the approval of the Toronto Stock Exchange.

Application has been made for the 9,146,341 ordinary shares to be admitted to trading on AIM ("Admission"). The new ordinary shares will rank *pari passu* with the existing ordinary shares in the Company and following Admission, it is expected that Minera IRL will have 182,824,225 ordinary shares in issue. This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FSA's Disclosure and Transparency Rules.

An additional 4% equity interest in MIRL Patagonia has been provided to an Argentine based company as compensation for arranging the \$80 million combined equity/debt financing for the development of the Don Nicolas Gold Project.

Appendix I at the end of the press release sets out the details of the various components of the equity investments.

CIMINAS will also provide a bridging debt package of up to \$35 million (the "Credit Facility") while MIRL Patagonia seeks to arrange an Argentina sourced debt facility to replace the Credit Facility. In the event that the Company is unable to obtain a replacement facility, the Credit Facility will be converted to longer term project financing under the terms of the existing agreement.

Appendix II at the end of the press release sets out the terms of the Credit Facility.

Buenos Aires Advisors, an investment banking firm in Buenos Aires, Argentina acted as the Company's financial advisor.

The Project

The Don Nicolas Project is located in the Deseado Massif, a geological formation rich in gold and silver, in Santa Cruz Province, Argentina. Minera IRL completed a definitive feasibility study in February 2012. The results of the study demonstrated an economically robust project based on the open pit mining of open-ended high grade epithermal gold deposits in the La Paloma and Martinetas vein fields. A conventional crush, grind and carbon-in-leach (CIL) treatment plant at Martinetas will have a processing rate of 350,000 tonnes per annum. Average annual steady-state gold and silver production is estimated at 52,400 ounces and 56,000 ounces, respectively, and average cash operating costs are estimated at \$528 per ounce, after silver metal credits. Post-tax internal rate of return using a base case gold price of \$1,250 per ounce is 22.8%. Payback period is projected to be 2 years or less.

The Strategy

The Company is negotiating a contract with a consortium comprised of SAXUM Ingenieria S.A. ("Saxum"), an Argentina engineering firm, and Kappes Cassiday & Associates ("KCA" or jointly "Saxum KCA") to carry out the Engineering, Procurement, Construction & Management ("EPCM") of the Don Nicolas Project.

A development team is in the process of being assembled and the detailed engineering and procurement process will commence shortly hereafter. This will be followed by site mobilization and construction of the infrastructure, mining and processing facilities. The mine management team will be assembled and put in place to coincide with the commissioning of the mine and processing plant.

In parallel, studies will be undertaken to expand production and extend the mine life through a carefully detailed exploration program. There is a pending feasibility study for a parallel heap leach plant to treat a significant resource of low grade mineralization (Measured and Indicated Resource totalling 6.8 million tonnes, at 0.8 g/t Au containing 168,000 ounces). Once into production, MIRL Patagonia will embark on an aggressive exploration and drill-out program to provide the basis for expanding and extending the mine life beyond the current Proven and Probable Reserves of 1.2 million tonnes grading 5.1g/t Au containing 197,000 ounces Au.

Governance and Management

MIRL Patagonia will be governed by a Board of Directors consisting of 3 members from Minera IRL and 2 members from CIMINAS. The development and operation of Don Nicolas, as well as the exploration program, will be managed by Minera IRL.

About CIMINAS

The main shareholders of CIMINAS are part of a consortium of Argentine well established industrial companies.

CIMINAS' shareholders are focused on projects in Argentina with high medium and long-term growth potential, with a main focus on generating export revenue and/or substitution of imports of spare parts, products and services.

Conference Call

Minera IRL plans to host a conference call at 9:00 am Lima time, 10:00 am Toronto time and 3:00 pm London Time on Monday, 19 August 2013. To participate in the call please dial:

Toll Free International: (800) 6578-9898

Toll Free North America: (866) 225-6564

Other International Locations: +1 (416) 340-8427

A live webcast may be accessed at: <http://www.gowebcasting.com/4801>

The webcast will be archived on the Mineral IRL website (www.minera-irl.com) and a playback of the conference call may be accessed until 2 September 2013 by dialing:

Toll Free International: (800) 3366-3052

Toll Free North America: (800) 408-3053

Other International Locations: +1 (905) 694-9451

The passcode is 3158747

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

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 quality assurance/quality control (QA/QC) protocol on all Minera IRL projects to ensure best industry practice in sampling and analysis of exploration and resource samples. The insertion of field duplicates, certified standards and blank samples into the sample stream form part of the Minera IRL procedure (these act as an independent check on contamination, precision and accuracy in the analytical laboratory).

Assay results are reported once the results of 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, Minera IRL regularly contracts the services of industry experts to conduct detailed audits of established QAQC procedures.

Cautionary Non-GAAP and Non-IFRS Statements

The Company believes that investors use certain indicators to assess gold mining companies. They are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared with Generally Accepted Accounting Policies ("GAAP") and International Financial Reporting Standards ("IFRS").

The terms "cash operating costs per ounce" as used in this press release are non-GAAP and non-IFRS terms typically used by gold mining companies to assess the level of gross margin available to the Company by subtracting these costs from the unit price realized during the period. These non-GAAP and non-IFRS terms are also used to assess the ability of a mining company to generate cash flow from operations. These terms do not have any standardized meanings prescribed by GAAP or IFRS and there may be some variation in the method of computation of these terms as determined by the Company compared with other mining companies. In this context, "cash operating costs per ounce" reflects the cash operating costs allocated from in-process and dore inventory associated with ounces of gold sold in the period. Cash operating costs per ounce are exclusive of exploration costs and royalties. These terms should not be considered in isolation as a substitute for measures of performance prepared in accordance with IFRS, and are not necessarily indicative of operating costs presented under IFRS.

APPENDIX I

TERMS OF THE EQUITY INVESTMENT

The **\$45 million** equity investment for **45%** of MIRL Patagonia consists of 4 components ("Tranches") which are described as follows:

1. **Tranche I** (Minera IRL Ordinary Shares) – **\$3 million** - CIMINAS will subscribe for 9,146,341 ordinary shares of the Minera IRL (the "Shares") and as consideration CIMINAS will contribute \$3 million to MIRL Patagonia toward the development of Don Nicolas. The Shares will be issued pursuant to a prospectus supplement to the Company's base shelf prospectus dated July 12, 2012 and are subject to regulatory approval including, without limitation the approval of the Toronto Stock Exchange.
2. **Tranche II** – **\$7.3 million**, representing a **7.8%** interest in MIRL Patagonia. These shares have no preferred rights.
3. **Tranche III** (Accelerated Payback) – **\$15.0 million**, preferred shares representing a **16.1%** interest in MIRL Patagonia. These shares will have preference on dividend payments (doubled to 32.2% based on expected cash flows) until the accumulated dividend paid under Tranche III totals **\$15 million**. At which point the preferred equity held by CIMINAS will be converted to common shares representing a 16.1% interest in MIRL Patagonia. Additionally to receiving double dividends, this Tranche will receive 60% of the escrowed funds set in Tranche IV to further accelerate the pay back of Tranche III, until the accumulated amount paid by dividends and escrowed funds under Tranche III totals \$15 million.
4. **Tranche IV** (Secured) – **\$19.7 million**, preferred shares representing a **21.1%** interest in MIRL Patagonia. These shares will have an annual secured return of 12.5% during the option period. At the end of year 3, 4 and 5 of production, CIMINAS will have the option to request repayment of \$6.7 million (one third of the amount of the Tranche) or convert these preferred shares into common shares that represent 7% of MIRL Patagonia. At each of these option dates CIMINAS can convert all the outstanding preferred shares of Tranche IV into common shares. As guarantee for this Tranche, the Company will pledge in favour of CIMINAS its 51% stake in MIRL Patagonia. Additionally there will be an Escrow account and a Reserve account to guarantee each payment. The Reserve account will be funded from MIRL Patagonia's free cash flow exceeding the dividend distribution capacity. The Escrow account will be funded by 60% of Minera IRL's dividends received from MIRL Patagonia, while the accumulated amount paid by dividends and escrowed funds under Tranche III has not reached \$15 million. Once Tranche III is converted to common shares, the Escrow account will receive 80% of Minera IRL's dividends received from MIRL Patagonia, until the totalling amounts in the Reserve and Escrow accounts reach \$6.7 million. At this point Minera IRL will receive 100% of the dividends corresponding to their 51% stake in MIRL Patagonia.

An additional **4%** equity interest in MIRL Patagonia has been provided to an Argentine based company, as compensation for arranging the combined equity/debt financing for the development of the Don Nicolas Gold Project.

APPENDIX II

TERMS OF THE CREDIT FACILITY

The terms of the Credit Facility are as follows:

Issuer:	Minera IRL Patagonia S.A.
Lender:	Compañía Inversora en Minas S.A.
Amount:	Up to \$35 million
Commitment period:	18 month from closing of Agreement
Commitment Fee:	2.0% per annum on non-disbursed funds
Original Tenor (OT):	1 year from first disbursement
Amortization schedule OT:	Bullet, both interest and principal payments at maturity
Option for Extended Period (EP):	2 years from maturity of Original Tenor
Amortization schedule EP:	3 annual instalments, the first at the beginning of extended period
Interest Rate for Original Tenor:	360-day LIBOR + 8%
Interest Rate for Extended Period:	180-day LIBOR +8.5% with a 0.5% step up of per quarter, (last quarter of loan Libor + 12%)
Interest Payments for Original Tenor:	At maturity
Interest Payments for Extended Period:	Semi annually
Ranking:	Senior debt
Use of Proceeds:	Capital expenditures related to the development of Don Nicolas Project
Security:	First Mortgage on MIRL Patagonia mining rights and properties. Guarantee Trust and share pledge
Covenants:	Customary to similar project financing (restriction on sale of assets, dividends, change of control, debt incurrence, restricted payments among others).
Governing Law:	Argentine law
Jurisdiction:	Arbitration in Argentina