

51-102F3  
MATERIAL CHANGE REPORT

**Item 1 Name and Address of Company**

Minera IRL Limited (the “**Company**”)  
Av. Santa Cruz 830, Of. 401  
Miraflores, Lima 18  
Peru

**Item 2 Date of Material Change**

September 13, 2019

**Item 3 News Release**

The news release dated September 16, 2019 was disseminated through GlobeNewswire.

**Item 4 Summary of Material Change**

On September 13, 2019, the Court of Arbitration from the Arbitration Center of the Chamber of Commerce of Lima, Peru (CCL) ruled in favor of the Company on five of seven claims made by the Company in a Complaint originally filed in June 2017 against Corporación Financiera de Desarrollo S.A. Of the two remaining claims, one was rejected and the other was determined to be outside of the Arbitrators’ jurisdiction.

**Item 5 Full Description of Material Change.**

*5.1 Full Description of Material Change*

On 8 June 2015, the Company announced that it had arranged a \$70 million secured finance facility (the “**Bridge Loan**”) structured by the Peruvian state-owned development and promotion bank, Corporación Financiera de Desarrollo S.A. (“**COFIDE**”) and syndicated through Goldman Sachs Bank USA. This Bridge Loan was to be the first component of a project debt facility of up to \$240 million to build the Company’s Ollachea gold project but in March of 2017, COFIDE revoked the mandate to structure the \$240 million loan facility and subsequently demanded repayment of the Bridge Loan.

In June of 2017, the Company filed a seven-count claim against COFIDE with the Arbitration Center of the Chamber of Commerce of Lima, Peru (CCL) (the “**Arbitration Panel**”) in respect of the Bridge Loan and COFIDE’s revocation of the mandate to structure the \$240 million project debt facility. On September 13, 2019, the Arbitration Panel found in favour of the Company on five of the seven counts of the claim against COFIDE, and awarded the Company an aggregate amount of US \$34,213,091, broken down as follows: US \$18,750,234 for consequential damages; US \$13,962,857 for lost profit and US \$1,500,000 for damage to the Company's reputation, plus statutory interest in favor of the Company accrued at the rate of the Central Reserve Bank of Peru (BCRP) from July 17, 2017 to the effective date of such payment.

Specifically, the Arbitration Panel found that:

- COFIDE is the creditor under the \$70,000,000 Bridge Loan to the Company pursuant to a written mandate;
- COFIDE agreed to assist the Company in creating a long term credit facility that would be used for, among other things, a source of funds to repay the Bridge Loan;
- COFIDE did not comply with its obligation to assist the Company in structuring a long term credit facility and this failure constituted gross negligence;
- the Company suffered damage as a result of COFIDE's gross negligence;
- the termination of the long term credit mandate by COFIDE was valid and fully effective;
- the costs and fees of the arbitration are to be paid 75% by COFIDE and 25% by the Company;
- it is not necessary to order COFIDE to publicly retract the statements made against IRL or the Ollachea mining project because the Panel believes that the Final Arbitration Award, fulfills this objective of the Company.
- the arbitration panel does not have jurisdiction to enter an order requiring repayment of the Bridge Loan because the Bridge Loan facility expressly provides that it is subject to the jurisdiction of the courts of New York.

In the Award, the Arbitration Panel expressly stated that the Ollachea Gold Project is viable, that it could be financed by means of a long term credit facility such as the parties contemplated in the Bridge Loan mandate, and that COFIDE had failed to make the necessary efforts to obtain such a long term credit facility.

The Final Award is not subject to appeal, but COFIDE can apply for an annulment based on due process and formality grounds within 20 business days.

#### *5.2 Disclosure for Restructuring Transactions*

N/A

#### **Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

N/A

#### **Item 7 Omitted Information**

None

#### **Item 8 Executive Officer**

Carlos Ruiz de Castilla, Chief Financial Officer, (778) 387-5434

#### **Item 9 Date of Report**

September 23, 2019