FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

BlackPearl Resources Inc.
Penn West Plaza – West Tower
9th Floor, 215 – 9th Avenue S.W.
Calgary, Alberta T2P 1K3

Item 2 Date of Material Change

October 9, 2018

Item 3 News Release

BlackPearl Resources Inc. ("**BlackPearl**") and International Petroleum Corporation ("**IPC**") issued a joint press release prior to the open of trading on the Toronto Stock Exchange (the "**TSX**") on October 10, 2018, which was disseminated through the facilities of GlobeNewswire and subsequently filed under BlackPearl's corporate profile on SEDAR at www.sedar.com.

Item 4 Summary of Material Change

After the close of trading on the TSX on October 9, 2018, BlackPearl and IPC entered into an arrangement agreement (the "**Arrangement Agreement**"), a copy of which has been filed on SEDAR under BlackPearl's corporate profile.

Pursuant to the terms of the Arrangement Agreement, IPC has agreed to acquire all of the issued and outstanding common shares of BlackPearl ("**BlackPearl Shares**") by way of a plan of arrangement (the "**Arrangement**") under Section 192 of the *Canada Business Corporation Act* (the "**CBCA**").

Item 5.1 Full Description of Material Change

The following is a summary of the Arrangement Agreement and is qualified in its entirety by the full text of the Arrangement Agreement.

The Arrangement

After the close of trading on the TSX on October 9, 2018, BlackPearl and IPC entered into the Arrangement Agreement pursuant to which IPC has agreed to acquire all of the issued and outstanding BlackPearl Shares. Under the terms of the Arrangement, holders of BlackPearl Shares ("**BlackPearl Shareholders**") will be entitled to receive 0.22 of a common share of IPC (each whole share, an "**IPC Share**") for each BlackPearl Share held. Upon completion of the Arrangement, current holders of IPC Shares ("**IPC Shareholders**") are expected to collectively own approximately 54**%,** and former BlackPearl Shareholders are expected to collectively own approximately 46**%,** of the then outstanding IPC Shares calculated on a fully diluted basis.

Interim Order, BlackPearl Shareholders' Meeting and IPC Shareholders' Meeting and Final Order

The Arrangement Agreement provides that the Arrangement will be effected under the CBCA. Pursuant to the Arrangement Agreement, BlackPearl has agreed to make and diligently prosecute an application for an interim order (the "**Interim Order**") of the Court of Queen's Bench of Alberta. The Interim Order is expected to contain declarations and directions with regard to the notice to be given and the conduct of the special meeting of the BlackPearl Shareholders (the "**BlackPearl Shareholders' Meeting**"), at which the BlackPearl Shareholders will be asked to consider and, if deemed advisable, approve a special resolution (the "**BlackPearl Arrangement Resolution**") with respect to the Arrangement.

Pursuant to the Arrangement Agreement, IPC has agreed to call a special meeting of the IPC Shareholders (the "**IPC Shareholders' Meeting**"), at which the IPC Shareholders will be asked to consider and, if deemed advisable, approve an ordinary resolution (the "**IPC Share Issuance Resolution**") authorizing and approving the issuance by IPC of the IPC Shares to the BlackPearl Shareholders pursuant to the Arrangement and in accordance with the requirements of the TSX and the Nasdaq Stockholm Exchange.

The Arrangement Agreement provides that IPC and BlackPearl will cause the IPC Shareholders' Meeting and the BlackPearl Shareholders' Meeting, respectively, to occur not later than December 14, 2018 (subject to any adjournment or postponement required or permitted by the Arrangement Agreement) and that BlackPearl will apply for the final order (the "**Final Order**") of the Court of Queen's Bench of Alberta as soon as reasonably practicable after the date on which the BlackPearl Arrangement Resolution is passed, but in any event not later than the third business day after the later of (i) the date on which the BlackPearl Arrangement Resolution is passed at the BlackPearl Shareholders' Meeting, and (ii) the date on which the IPC Share Issuance Resolution is passed at the IPC Shareholders' Meeting. Pursuant to the terms of the Arrangement Agreement, BlackPearl is required to file the articles of arrangement of BlackPearl with regard to the Arrangement, the Final Order and such other documents as may be required to give effect to the Arrangement no later than the fifth business day following the satisfaction or waiver of the conditions precedent contained in the Arrangement Agreement (other than the conditions precedent that by their terms are to be satisfied as of the effective date of the Arrangement). It is expected that a joint management information circular will be sent to the shareholders of each of BlackPearl and IPC in November 2018. Closing of the Arrangement is expected to occur in December 2018.

Corporate Governance

The Arrangement Agreement provides that IPC will appoint John Festival, currently a director and the President and Chief Executive Officer of BlackPearl, to the board of directors of IPC (the "**IPC Board**") concurrently with the completion of the Arrangement to serve until the next annual meeting of IPC Shareholders or until his successor is duly appointed.

The Arrangement Agreement also provides that IPC will appoint Ed Sobel as Vice-President, Exploration of IPC and Chris Hogue as Senior Vice-President, Canada of IPC concurrently with completion of the Arrangement.

Approvals

The Arrangement Agreement provides that the receipt of all required regulatory approvals is a condition to the completion of the Arrangement. These regulatory approvals include, without limitation: (i) the conditional approval of the TSX of the listing of the IPC Shares issuable pursuant to the Arrangement; (ii) the approval of the listing of the IPC Shares issuable pursuant to the Arrangement on the Nasdaq Stockholm Exchange, as well as the registration with the Swedish Financial Supervisory Authority of the prospectus to be prepared by IPC in connection with the Arrangement; and (iii) approval under the *Competition Act* (Canada).

Subject to the terms of the Interim Order, it is expected that the requisite approval for the BlackPearl Arrangement Resolution will be (i) 66⅔% of the votes cast on the BlackPearl Arrangement Resolution by BlackPearl Shareholders present in person or represented by proxy at the BlackPearl Shareholders' Meeting, and (ii) a majority of the votes cast on the BlackPearl Arrangement Resolution by BlackPearl Shareholders present in person or represented by proxy at the BlackPearl Shareholders' Meeting after excluding the votes of those BlackPearl Shareholders whose votes are required to be excluded under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*. The IPC Share Issuance Resolution will require approval by a majority of the votes cast by IPC Shareholders present in person or represented by proxy at the IPC Shareholders' Meeting.

Approval of the Arrangement is also required from the Court of Queen's Bench of Alberta.

Representations, Warranties and Covenants

BlackPearl and IPC have each given customary representations, warranties and covenants in the Arrangement Agreement including, among others, covenants to conduct its business in the ordinary course of business consistent with past practice between the execution of the Arrangement Agreement and the completion of the Arrangement and covenants not to engage in certain kinds of transactions or take certain actions during that period unless consented to in writing by the other party.

Conditions to the Completion of the Arrangement

The Arrangement Agreement provides that the completion of the Arrangement is subject to customary conditions including, among others, (i) the receipt of all approvals described above under "*Approvals*" above; (ii) holders of not more than 5% of the issued and outstanding BlackPearl Shares shall have validly exercised dissent rights with regard to the Arrangement that have not been withdrawn; (iii) the absence of any material adverse change with respect to IPC and BlackPearl and their respective subsidiaries, taken as a whole, as applicable; and (iv) other customary closing conditions. In addition the completion of the Arrangement is subject to the receipt of all consents, waivers and approvals with respect to the Arrangement by the external lenders of each of IPC and BlackPearl, subject to certain exceptions.

Board Recommendations

Based on the recommendation of a committee of independent directors of BlackPearl formed to consider and evaluate the Arrangement, the BlackPearl Board has unanimously determined that: (i) the Arrangement is fair to the BlackPearl Shareholders; (ii) it will recommend that the BlackPearl Shareholders vote in favour of the BlackPearl Arrangement Resolution; and (iii) the Arrangement and the entry by BlackPearl into the Arrangement Agreement are in the best interests of BlackPearl and the BlackPearl Shareholders. The BlackPearl Board has received a verbal opinion from GMP Securities L.P. that, subject to its review of the final forms of documents effecting the Arrangement, the consideration to be received by BlackPearl Shareholders pursuant to the terms of the Arrangement is fair, from a financial point of view, to the BlackPearl Shareholders.

Based on the recommendation of the committee of directors of IPC formed to consider and evaluate the Arrangement, the IPC Board has unanimously determined that: (i) it will recommend that the IPC Shareholders vote in favour of the IPC Share Issuance Resolution; and (ii) the Arrangement and the entry by IPC into the Arrangement Agreement are in the best interests of IPC. The IPC Board has received a verbal opinion from Paradigm Capital Inc. that the consideration to be paid by IPC to the BlackPearl Shareholders pursuant to the Arrangement is fair, from a financial point of view, to IPC and the IPC Shareholders.

Support Agreements

All of the directors and executive officers of BlackPearl, as well as certain BlackPearl Shareholders, who collectively hold approximately 40% of the outstanding BlackPearl Shares, have entered into voting and support agreements with IPC, pursuant to which they have agreed, subject to the terms and conditions set forth therein, to vote the BlackPearl Shares beneficially owned, directly or indirectly, or controlled or directed by them, or subsequently acquired by them, in favour of the BlackPearl Arrangement Resolution and to otherwise support the Arrangement. In addition, each of the executive officers of BlackPearl has agreed not to, directly or indirectly, sell, transfer, convey, assign or otherwise dispose of any IPC Shares acquired by such executive officer pursuant to the Arrangement for a period of six months from the date of the completion of the Arrangement, subject to certain exceptions.

All of the directors and executive officers of IPC, as well as certain IPC Shareholders, who collectively hold approximately 34% of the outstanding IPC Shares, have entered into voting and support agreements with BlackPearl, pursuant to which they have agreed subject to the terms and conditions set forth therein, to (i) vote the IPC Shares beneficially owned, directly or indirectly, or controlled or directed by them, or subsequently acquired by them, in favour of the IPC Share Issuance Resolution and to otherwise support the Arrangement, and (ii) not, directly or indirectly, sell, transfer, convey, assign or otherwise dispose of any IPC Shares held by them for a period of six months from the date of completion of the Arrangement, subject to certain exceptions.

Non-Solicitation and Termination Fee

Pursuant to the terms of the Arrangement Agreement, BlackPearl has agreed that it will not, directly or indirectly, solicit, assist, initiate, encourage or otherwise facilitate (including by way of furnishing information or entering into any form of agreement, arrangement or understanding) any "acquisition proposal" (e.g., discussions concerning any amalgamation, arrangement, share exchange, merger, business combination, or other similar transaction involving BlackPearl or its subsidiaries). However, the BlackPearl Board may respond to unsolicited "superior proposals" in order to satisfy its fiduciary obligations, subject to certain conditions and notification requirements, which has the right to match any "superior proposals" within a four business day match period.

The Arrangement Agreement may be terminated by mutual written agreement of IPC and BlackPearl and by either party in certain specified circumstances (as more particularly set forth in the Arrangement Agreement). Subject to certain limitations, each party may also terminate the Arrangement Agreement if the Arrangement is not consummated by February 28, 2019.

The Arrangement provides for a termination fee of $20.0 million payable by BlackPearl to IPC if the Arrangement Agreement is terminated in certain specified circumstances, including, among other things, in the event that the BlackPearl Board: (i) fails to unanimously recommend or withdraws, amends, modifies, changes or qualifies its recommendation or determinations with respect to the Arrangement in a manner adverse to IPC; or (ii) accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend a "superior proposal".

Item 5.2 Disclosure of Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

For further information, please contact John Festival, President and Chief Executive Officer of BlackPearl, or Don Cook, Chief Financial Officer of BlackPearl, at (403) 215-8313.

Item 9 Date of Report

October 19, 2018.

Forward-Looking Statements and Information

This document contains statements and information which constitute "forward-looking statements" or "forward-looking information" (within the meaning of applicable securities legislation). Such statements and information (together, "forward-looking statements") relate to future events, including BlackPearl's future performance, business prospects or opportunities. Actual results may differ materially from those expressed or implied by forward-looking statements. The forward-looking statements contained in this document are expressly qualified by this cautionary statement. Forward-looking statements speak only as of the date of this document, unless otherwise indicated. BlackPearl does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable laws.

All statements other than statements of historical fact may be forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, forecasts, guidance, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", “forecast”, "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements include, but are not limited to, statements with respect to: contents of the Interim Order; timing and certainty regarding completion of the Arrangement, including fulfilling the conditions precedent to such completion; the expected composition of the board of directors and management of the combined company; the shareholder approval requirements of the BlackPearl Arrangement Resolution and the IPC Share Issuance Resolution; the expected timing for mailing the joint management information circular of BlackPearl and IPC; the expected timing for holding the IPC Shareholders' Meeting and the BlackPearl Shareholders' Meeting; the expected timing of closing the Arrangement; the process for completing the Arrangement; the ability of the parties to the Arrangement Agreement to obtain necessary approvals and otherwise satisfy the conditions to closing the Arrangement; and the absence of material events which may interfere with the Arrangement being completed.

The forward-looking statements are based on certain key expectations and assumptions made by BlackPearl. Completion of the Arrangement is subject to a number of conditions which are typical for transactions of this nature. Assumptions have been made with respect to the satisfaction of all conditions precedent under the Arrangement Agreement.

Although BlackPearl believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because BlackPearl can give no assurances that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks that the parties will not receive required approvals to complete the Arrangement or may not be able to satisfy the conditions to closing; the emergence of a "superior proposal"; or the failure to obtain approval of the BlackPearl Shareholders or IPC Shareholders may result in the termination of the Arrangement Agreement. Readers are cautioned that the foregoing list of factors is not exhaustive.

Additional information on these and other factors that could affect BlackPearl, or its operations or financial results, are included in BlackPearl's Annual Information Form (AIF) for the year ended December 31, 2017 (See "Cautionary Statement Regarding Forward-Looking Information", "Reserves and Resources Advisory" and "Risk Factors") and other reports on file with applicable securities regulatory authorities, including previous financial reports, management's discussion and analysis and material change reports, which may be accessed through the SEDAR website (www.sedar.com) or BlackPearl's website (www.blackpearlresources.ca).