

FORM 51-102F3

**MATERIAL CHANGE REPORT
PURSUANT TO SECTION 7 OF NATIONAL INSTRUMENT 51-102**

ITEM 1 **REPORTING ISSUER**
MUSGROVE MINERALS CORP.
8338-120th Street
Surrey, BC V3W 3N4

ITEM 2 **DATE OF MATERIAL CHANGE**

May 9th, 2012

ITEM 3 **NEWS RELEASE**

News Release was filed on SEDAR on May 10th, 2012 and disseminated over Filing Service Canada Inc.

ITEM 4 **SUMMARY OF MATERIAL CHANGE**

Konnex Resources Inc. (“Konnex”) has been granted an option to acquire Musgrove Mineral Corp.’s interest in its Empire Mine located in Idaho, USA.

ITEM 5 **FULL DESCRIPTION OF MATERIAL CHANGE**

Konnex has the exclusive right and option to acquire the Company’s rights to the Empire Mine project by:

(i) paying to the company a total of \$1,490,000 (Cdn) cash plus (ii) \$350,000 of Konnex stock. Production from the Empire Mine project will remain subject to a 2.5% net smelter return royalty (“NSR”) to the underlying owners as well as a 2% NSR to the Company.
Certain other specific terms of the Agreement include:

- 1) To earn an initial 95% :
- \$40,000 (Cdn) deposit payable on signing of Letter of Intent (Paid).
 - \$200,000.00 (Cdn) payable upon exchange approval of definitive agreement (“Effective Date”);
 - \$50,000 payable 60 days after the Effective Date;
 - \$250,000 payable on the earlier of the date that Konnex completes an initial public offering or 6 months after the Effective Date;
 - \$725,000 payable on the earlier of the date Konnex completes an initial public offering or 12 months after the Effective Date;
- 2) Having earned the initial 95% interest, Konnex can earn the Company’s remaining 5% carried interest by paying \$225,000 to the Company on or before 18 months after the Effective Date.

Konnex will have the right at any time up to 60 months from the Effective Date to purchase the 2 per-cent NSR from the Company for a single \$5-million (Cdn) lump sum payment.

Under the terms of the Agreement, Konnex has also agreed to complete a work program of not less than \$1,000,000 within 12 months of completing its initial public offering date and to assume all property payments and commitments of the Company to the underlying owners commencing May 1, 2012.

ITEM 6 **RELIANCE ON SUBSECTION 7.1(2) OR (3) OF NATIONAL INSTRUMENT 51-102**

N/A

ITEM 7 **OMITTED INFORMATION**

N/A

ITEM 8 **EXECUTIVE OFFICER**

Rana Vig, President & CEO, Tel: 604 633 2442

ITEM 9 **DATE OF REPORT**

Dated at Surrey, B.C. this 14th day of May, 2012.