

FORM 51-102F3
MATERIAL CHANGE REPORT

ITEM 1 — Name and Address of Company

Cadman Resources Inc. (the “**Company**”)
336, #1 Queen Street S.
Mississauga, Ontario
L5M 1M2

ITEM 2 — Date of Material Change

May 20, 2011

ITEM 3 — News Release

A press release was disseminated on May 20, 2011 through CNW Group Ltd.

ITEM 4 — Summary of Material Change

On May 20, 2011, the Company issued a press release announcing the entering into of an arm’s-length non-binding letter of intent (the “**LOI**”) with Q-Gold Resources Ltd. (“**Q-Gold**”) (QGR:TSX-V) dated as of May 4, 2011, whereby the Company will, subject to a number of conditions, acquire a fifty-five percent (55%) interest (the “**Interest**”) in Q-Gold’s Golden Star and Baseline Nugget Claims Project (the “**Project**”).

ITEM 5 — Full Description of Material Change

On May 20, 2011, the Company issued a press release announcing the entering into of the LOI with Q-Gold dated as of May 4, 2011, whereby the Company will, subject to a number of conditions, acquire the Interest in the Project.

The transaction will constitute the Company's qualifying transaction (“**QT**”) under the policies of the TSX Venture Exchange (the “**Exchange**”). The Company has agreed to work towards a definitive agreement with Q-Gold which agreement will include the following terms and conditions:

- (a) the Company will pay Q-Gold \$275,000 and issue Q-Gold 1,000,000 common shares in the capital of the Company (each a “**Common Share**”) on the closing date in exchange for the Interest;
- (b) the Company will also commit to expend \$600,000 on the Project; a minimum of \$250,000 to be expended within the first 12 months after the closing date and the balance prior to that date which is 24 months after the closing date, such expenditures to be made in accordance with a National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* compliant technical report; and
- (c) final agreement is conditional on completion of satisfactory due diligence by the Company and receipt of all other necessary corporate, regulatory and securities law approvals, including Exchange approval to the listing of the Common Shares on the Exchange.

Concurrent with the proposed QT, the Company intends to complete a non-brokered private placement for gross proceeds of up to \$1,500,000 through the sale of units and flow-through units. The Company will issue up to 3,200,000 units for \$0.25 each, each unit comprised of one Common Share and one-half of one Common Share purchase warrant, each full warrant exercisable at a price of \$0.35 for one Common Share within 18 months from the date of issuance. The Company will also issue up to 2,121,213 flow-through units for a price of \$0.33 each, each flow-through unit exercisable for one flow-through Common Share and one half of one Common Share purchase warrant, each full warrant exercisable at a price of \$0.35 for one Common Share within 18 months from the date of issuance. The proceeds will be used to finance acquisition costs and exploration work in connection the Project, and for general working capital purposes. A finders fee, in accordance with the policies of the Exchange, may be payable in cash and/or securities of the Company with respect to the QT.

The closing of the QT is subject to a number of conditions, including, but not limited to, the following:

- completing a private placement that raises gross proceeds of a maximum of \$1,500,000;
- completion or waiver of sponsorship;
- receipt of all required corporate, regulatory and securities law approvals;
- the Company meeting Exchange Tier 2 listing requirements for a mining issuer; and
- completion of the Company's due diligence review.

A full description of the material changes are contained in the press release dated May 20, 2011, a copy of which is attached hereto as Schedule "A".

ITEM 6 — Reliance on Section 7.1(2) of National Instrument 51-102

N/A

ITEM 7 — Omitted Information

N/A

ITEM 8 — Executive Officer

For further information, please contact:
Derek Bartlett, Chief Executive Officer
Telephone: 905-542-4990
E-mail: backup4derek@gmail.com

ITEM 9 — Date of Report

May 26, 2011

SCHEDULE "A"

Cadman Resources Inc.
Unit 9, 336 Queen Street S.
Mississauga, ON L5M 1M2

NEWS RELEASE 05/20/2011

NEX Exchange
Trading Symbol: **CUZ.H**

Cadman Announces Ontario Gold Project Potential Qualifying Transaction

May 20, 2011 – Toronto, Ontario – Cadman Resources Inc. (CUZ.P:TSX-V) (the “**Company**” or “**Cadman**”) is pleased to announce that the Company has entered into an arm’s-length non-binding letter of intent (the “**LOI**”) with Q-Gold Resources Ltd. (“**Q-Gold**”) (QGR:TSX-V) dated as of May 4, 2011, whereby Cadman will, subject to a number of conditions, acquire a fifty-five percent (55%) interest (the “**Interest**”) in Q-Gold’s Golden Star and Baseline Nugget Claims Project (the “**Project**”). The transaction will constitute the Company’s qualifying transaction (“**QT**”) under the policies of the TSX Venture Exchange (the “**Exchange**”). The Golden Star and Baseline Nugget Claims Project is a gold exploration project located in the historic gold camp of Mine Centre in Northwestern Ontario. The Company has received and reviewed a NI 43-101 compliant technical report prepared by Independent Qualified Person, Richard Beard, P.Eng. on the Golden Star project located in the historic gold camp of Mine Centre in north-western Ontario dated May 13, 2011 (the “**Report**”).

Terms of the Agreement

Cadman has agreed to work towards a definitive agreement with Q-Gold which agreement will include the following terms and conditions:

- (a) Cadman will pay Q-Gold \$275,000 and issue Q-Gold 1,000,000 common shares in the capital of Cadman (each a “**Common Share**”) on the closing date in exchange for the Interest;
- (b) Cadman will also commit to expend \$600,000 on the Project; a minimum of \$250,000 to be expended within the first 12 months after the closing date and the balance prior to that date which is 24 months after the closing date, such expenditures to be made in accordance with a National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* compliant technical report; and
- (c) Final agreement is conditional on completion of satisfactory due diligence by Cadman and receipt of all other necessary corporate, regulatory and securities law approvals, including Exchange approval to the listing of the Common Shares on the Exchange.

Property Description and Exploration Highlights

The following information has been obtained from the Report.

The Project consists of two blocks of mining claims, leases and patents that are 1.5 kilometers apart: the Golden Star Block and the Baseline/Nugget Block. The Project is located near Mine Centre in Northwestern Ontario, 65 km east of Fort Frances, Ontario. The Golden Star Block consists of three mining leases and several mining patents. A total of 36 claim units comprise an area of 535.91 Ha (1324.3 acres). The Baseline/Nugget Vein block consists of 10 un-patented mining claims comprising an area of approximately 160 Ha (400 acres). Total area of the two blocks is 695.91 Ha. All the claims, leases and patents are subject to a 2% NSR, payable to previous owners.

The **Golden Star Block** hosts the former Golden Star Mine, a past producing mine that was developed on seven levels to a depth of 547 feet (167 m) during the period 1898-1901. During the periods 1898-1901, 1934, 1938, and 1941, **10,758 ounces of gold** and 34 ounces of silver were recovered from 19,345 tons of ore, for an **average grade of 0.56 ounces per ton milled**.

The Baseline/Nugget Block is situated 1.5 kilometres south of the Golden Star Block and 2 kilometres north of the past producing Foley Mine Property.

The **Baseline Vein**, on surface, varies in width from less than 0.5 metres up to 2.5 metres, averaging about 1 metre and extends over 110 metres to the east-southeast. Historic grid sampling of the blasted rock from the Baseline Vein in 2008 resulted in a weighted average grade of 8.4 grams/tonne Au from 105 samples (424 Kg) obtained over a 50-metre length of the central portion of the vein. Weighted average grade for silver assays returned 9.66 g/T from 90 samples (367 Kg).

The **Nugget Vein** is located approximately 500 metres northeast of the Baseline Vein and consists of a north-northwest (335 deg.) trending steeply dipping vein that extends for over 100 metres. Previous sampling results include a small 160 tonne bulk sample that showed results of 3.8 g/tonne gold and a 70-kilogram sample that showed 8.99 g/tonne gold. Recent work carried out on the Golden Star Block by Q-Gold since 2006 includes airborne geophysics, ground geophysics, limited surface sampling, and diamond drilling. Recent work by Q-Gold on the Baseline/Nugget Block includes airborne geophysics, ground geophysics, extensive trenching, drilling, blasting and sampling, bulk sampling, and diamond drilling.

There are also a number of gold-bearing quartz and quartz-carbonate veins on the Project that have not been explored in detail.

Concurrent Non-Brokered Private Placement

Concurrent with the proposed QT, Cadman intends to complete a non-brokered private placement for gross proceeds of up to \$1,500,000 through the sale of units and Flow-through units. The Flow through units include common shares for which the Company has renounced certain expenditures and thus allow the investor to write off the entire amount of the investment as an income tax deduction.

Cadman will issue up to 3,200,000 units for \$0.25 each, each unit comprised of one Common Share and one half of one Common Share purchase warrant, each full warrant exercisable at a price of \$0.35 for one Common Share within 18 months from the date of issuance. Cadman will also issue up to 2,121,213 Flow-through units for a price of \$0.33 each, each Flow-through unit exercisable for one Flow-through Common Share and one half of one Common Share purchase warrant, each full warrant exercisable at a price of \$0.35 for one Common Share within 18 months from the date of issuance. The proceeds will be used to finance acquisition costs and exploration work in connection the Project, and for general working capital purposes. A finder's fee, in accordance with the policies of the Exchange, may be payable in cash and/or securities of Cadman with respect to the QT.

Conditions to Closing of QT

The closing of the QT is subject to a number of conditions, including, but not limited to, the following:

- Completing a private placement that raises gross proceeds of a maximum of \$1,500,000;
- Completion or waiver of sponsorship;
- Receipt of all required corporate, regulatory and securities law approvals;
- Cadman meeting Exchange Tier 2 listing requirements for a mining issuer; and
- Completion of Cadman's due diligence review.

Cadman intends to apply for an exemption from Exchange sponsorship requirements.

Trading in the common shares of Cadman will remain halted pending the release of further disclosure regarding this QT and the satisfaction of the initial filing requirements of the Exchange and a preliminary review by the Exchange. If the Exchange conditions to the closing of the QT are not been satisfied, the QT will be abandoned. The QT is not a Non-Arm's Length QT and is not subject to shareholder approval.

Resulting Issuer

Following completion of the QT it is anticipated that the directors and officers of Cadman will remain unchanged: Derek Bartlett (Director and CEO), Alex Johnston (Director and CFO), Andrew Mah (Director and Chairman of the Board) and Patrick Brandreth (Director). It is not anticipated that any 10% shareholders will be created.

About Q-Gold Resources Ltd.

Q-Gold is a Canadian-based mineral exploration company currently exploring for precious and base metals in Ontario and Arizona. It is listed on the Exchange with the symbol QGR. Further information on Q-Gold is available at <http://www.qgoldresources.com/> and on its profile at www.sedar.com.

For further information, please contact Derek Bartlett, Chief Executive Officer, at:
Telephone: 905-542-4990
E-mail: info@cadmanresources.com

Certain information in this press release may constitute forward-looking information. This information is based on current expectations that are subject to significant risks and uncertainties that are difficult to predict. Actual results might differ materially from results suggested in any forward-looking statements. The Corporation assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward looking-statements unless and until required by securities laws applicable to the Corporation. Additional information identifying risks and uncertainties is contained in the Corporation's filings with the Canadian securities regulators, which filings are available at www.sedar.com.

Investors are cautioned that, except as disclosed in the filing statement to be prepared in connection with the QT, any information released or received with respect to this QT may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

All information contained in this news release with respect to Q-Gold was supplied entirely by Q-Gold for inclusion herein. Richard Beard is the qualified person who supervised the preparation of the information that forms the basis for this written disclosure.

The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction described herein and has neither approved nor disapproved the contents of this news release.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.