

**BC FORM 51-102F3**

**MATERIAL CHANGE REPORT**

(filed, in part, pursuant to Multilateral Instrument 61-101 *Protection Of Minority Security Holders In Special Transactions* “MI 61-101”)

1. **Name and Address of Company**

The full name and address of the principal office in Canada of the Company is:

Caza Gold Corp.  
#301 – 700 West Pender Street  
Vancouver, BC V6C 1G8

2. **Date of Material Change**

The date of the material change is August 8, 2014.

3. **News Release:**

The date and method(s) of dissemination of the News Release issued under section 7.1 of National Instrument 51-102 is/are as follows:

Date of Issuance: August 8, 2014

The news release was disseminated via SEDAR to the securities commissions in British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia as well as to the TSX Venture Exchange and was disseminated via fax and/or e-mail by Marketwire.

4. **Summary of Material Change**

Caza Gold Corp. (the “Company”) announces that the Company has entered into a loan agreement (the “Loan Agreement”) with Polygon Mining Opportunity Master Fund (“Polygon”) which sets out the terms and conditions pursuant to which Polygon will loan the principal amount of US\$600,000 to the Company (the “Loan”) as evidenced by a promissory note. The Loan is for a term of 18 months and is payable on demand after one year. The Loan bears interest at 12% per annum payable quarterly beginning on September 30, 2014. Polygon will also receive common shares of the Company (the “Bonus Shares”) as partial compensation for entering into the Loan Agreement. The number of Bonus Shares will be equal to 18% of the principal amount of the Loan, divided by the market price of the common shares on the date of the notice of the Company’s next shareholders’ meeting, subject to a minimum price of \$0.08 per Bonus Share to the extent required by the TSX Venture Exchange, issuable following approval at such shareholder meeting.

Polygon is a “Control Person” and “related party” of the Company (as defined by securities legislation) and currently owns 21,342,499 common shares of the Company (51.2% of its issued and outstanding share capital).

The proceeds of the Loan will be used to complete current work, and fund further exploration and development work on the Company’s Los Andes High-Sulfidation Gold Project in Nicaragua and for working capital

The Company also entered into shares for debt settlement agreements (the “Shares for Debt Settlement Agreements”) with one or more current or former executives of the Company, to settle a total of up to

Cdn \$160,000 by the issuance of up to 2,000,000 common shares of the Company at a price of \$0.08 per share, the market price as of the date of the settlement.

As announced in the Company's August 6, 2014 News Release, Mr. Greg Myers resigned as President and Chief Executive Officer of the Company, effective August 1, 2014. Mr. Myers also resigned as a director of the Company, effective August 1, 2014.

5. **Full Description of Material Change**

**(a) Description of the Transaction**

See attached News Release dated August 8, 2014 for full details of the Material Change, including additional details relating to the Loan Agreement, the Shares for Debt Settlement Agreements and the related party transactions set out above and more fully described in the August 8 News Release.

**(b) The Purpose and Business Reasons for the Transaction**

The proceeds of the Loan will be used to complete current work, and fund further exploration and development work on the Company's Los Andes High-Sulfidation Gold Project in Nicaragua and for working capital. The Shares for debt transaction settled outstanding debt owed to certain insiders of the Company.

**(c) The Anticipated Effect of the Transaction**

The Company anticipates that the Transaction will improve its financial position, allow it to further develop its Los Andes Gold Project and will provide funds for general corporate working capital. The Transaction may also increase Polygon's interest in the Company, as further described herein.

**(d) Description of :**

**(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:**

See Schedule A

**(ii) the anticipated effect of the transaction on the percentage of securities of the Issuer, or of an affiliated entity of the Issuer, beneficially owned or controlled by each person referred to in subparagraph (i) for which there would be a material change in that percentage:**

If approved by the TSX Venture Exchange and shareholders, as may be required, Polygon would receive up to an additional 1,474,065 shares in the Company (for a total share position of 22,816,564 shares) and (taking into account the shares to be issued under the shares for debt transaction) change its percentage ownership to 50.7 %.

**(e) Review and Approval Process: The review and approval process adopted by the board of directors and the special committee, if any, of the Issuer, including any materially**

**contrary view or abstention by a director and any material disagreement between the board and the special committee is as follows:**

Based on written recommendations set out in a Report prepared by a special committee of the independent directors of Caza, the Board, with the non-independent directors refraining from voting, agreed to the terms of the Transaction, subject to TSXV and shareholder approval, and as may be required. There were no materially contrary views, or abstention by any directors other than as set out above and there were no material disagreements between the Board and the special committee.

**(f) Summary of the Formal Valuation (unless included in its entirety, or set out in another disclosure document)**

Not applicable. No formal valuation was prepared.

**(g) Disclosure of Every Prior Related Valuation**

**(i) that has been made in the 24 months before the date of the material change report:**

N/A.

**(ii) the existence of which is known, after reasonable inquiry, to the Issuer or to any director or senior officer of the Issuer**

N/A.

**(h) General Nature and Material Terms Of Any Agreement Between The Issuer Or A Related Party Of The Issuer, With An Interested Party Or A Joint Actor With An Interested Party, In Connection With The Transaction**

Except as set out in item 5(a) above and herein, and in the public record of the Company, there are no other agreements in connection with the Transaction between the Company and any related party, interested party, or a joint actor with an interested party.

**(i) Disclosure of the formal valuation and minority approval exemptions, if any, on which the Issuer is relying or can rely upon under section 5.5 and 5.7 of Multilateral Instrument 61-101 *Protection Of Minority Security Holders In Special Transactions* (“MI 61-101”), and the facts supporting reliance on the exemptions**

The Formal Valuation exemptions available to the Company include: s.5.5(a) due to the fair market value of the consideration given by the Company to the related party being below 25% of the market capitalization of the Company (post close) and s.5.5(g), due to the current financial situation of the Company. The Minority Approval Requirement exemptions available to the Company include s.5.7(1)(a) and s. 5.7(1)(g) based on, respectively, the same underlying reasons.

Apart from the proposed issuance of the Bonus Shares, the above transactions are expected to be completed less than 21 days after the date of this news release, as several material matters were uncertain and not ascertainable until at, or close to, the date of this release. These matters include the Loan amount, the terms of the Loan Agreement, the use of proceeds, additional matters tied to the execution of the Loan documents, the consent of the debt holders in respect of the Shares for Debt transaction, as well as internal approvals of Polygon. Due to, in part, the foregoing, the Company was unable to issue this release prior to today's date with any certainty, and in the Company's opinion this shorter period was unavoidable and reasonable and necessary in the circumstances.

6. **Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

7. **Omitted Information**

No significant facts remain confidential and no information has been omitted in this report.

8. **Executive Officer**

The name and business telephone number of an executive officer of the Company who is knowledgeable about the material change and the Report or an officer through whom such executive officer may be contacted is as follows:

Name:	Philip Yee
Bus. Tel:	(604) 685-9750

9. **Date of Report**

Dated at Vancouver, BC, this 15<sup>th</sup> day of August, 2014.

"Stewart L. Lockwood"  
Stewart L. Lockwood, Corporate Secretary

**Schedule "A"**  
News Release

**Caza Gold Announces US\$600,000 Secured Loan with Bonus Shares and Shares for Debt**

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Vancouver, Canada – August 8, 2014 – Caza Gold Corp. (the “**Company**”) (CZY: TSX-V and CZ6: FSE) is pleased to announce that it has entered into a loan agreement (the “**Loan Agreement**”) with Polygon Mining Opportunity Master Fund (“**Polygon**”) providing for the terms and conditions pursuant to which Polygon will loan the principal amount of US\$600,000 to the Company (the “**Loan**”), as evidenced by a promissory note. The Loan is for a term of 18 months and is payable on demand after one year. The Loan bears interest at the rate of 12% per annum payable quarterly beginning on September 30, 2014. Polygon will also receive common shares of the Company (the “**Bonus Shares**”) as partial compensation for entering into the Loan Agreement. The number of Bonus Shares will be equal to 18% of the principal amount of the Loan divided by the market price of the common shares on the date of the notice of the Company’s next shareholders’ meeting, subject to a minimum price of \$0.08 per Bonus Share to the extent required by the TSX Venture Exchange, issuable following approval at such shareholders’ meeting. As security for the payment of the Company’s obligations and for the fulfilment and satisfaction of all covenants and agreements made under the Loan Agreement, the Company has, concurrently with the Loan Agreement, entered into a general security agreement with Polygon pursuant to which the Company granted Polygon a security interest in all personal property of the Company, including the property option agreement dated January 31, 2011 between the Company, Inversiones Ecologicas S.A. (“**Inecosa**”) and the shareholders of Inecosa, under which the Company holds rights to acquire certain mining properties located in Nicaragua, including the Los Andes project.

Polygon is a ‘Control Person’ and ‘related party’ of the Company (as defined by securities legislation) and currently owns 21,342,499 common shares of the Company (51.2% of its issued and outstanding share capital). As required by the shareholder rights plan agreement dated June 12, 2012 between the Company and Computershare Investor Services Inc. as rights agent, the Company will seek, at its next Annual General Meeting, or any earlier shareholder meeting, shareholder approval to the issuance of the Bonus Shares to Polygon.

The proceeds of the Loan will be used to complete current work, and fund further exploration and development work on the Company’s Los Andes High-Sulfidation Gold Project in Nicaragua and for working capital.

The Company is also pleased to announce that it has entered into shares for debt settlement agreements with one or more current or former executives of the Company to settle a total of up to Cdn\$160,000 by the issuance of up to 2,000,000 common shares of the Company (the “**Shares for Debt**”) at a price of \$0.08 per share, the market price as of the date of the settlement.

**Related Party Transactions:** The Loan, the Bonus Shares and the Shares for Debt are all subject to the prior approval of the TSX Venture Exchange and are ‘related party’ transactions under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*. Based on written recommendations prepared by a special committee of the independent directors of the Company, the Board, with the non-independent directors refraining from voting, agreed to the terms of the transactions. There were no materially contrary views, or abstention by any directors other than as set out above and there were no material disagreements between the Board and the special committee. The Formal Valuation exemptions available to the Company include: s. 5.5(a) due to the fair market value of both the subject matter of the transaction as well as the consideration given by the Company to the related party not exceeding 25% of the market capitalization of the Company and s. 5.5(g), on the basis that: (i) the Company is in serious financial difficulty, (ii) the Shares for Debt, the Loan and the Bonus Shares are

designed to improve the financial position of the Company, (iii) the Board is comprised of three independent directors and (iv) at least two-thirds of the Company's independent directors, acting in good faith, have determined that items (i) and (ii) above apply, and that the terms of Shares for Debt, the Loan and the Bonus Shares are reasonable in the circumstances for the Company. The Minority Approval Requirement exemptions available to the Company include s. 5.7(1)(a) and s. 5.7(1)(g) based on, respectively, the same underlying reasons. Apart from the proposed issuance of the Bonus Shares, the above transactions are expected to be completed less than 21 days after the date of this news release, as several material matters were uncertain and not ascertainable until at, or close to, the date of this release. These matters include the Loan amount, the terms of the Loan Agreement, the use of proceeds, additional matters tied to the execution of the Loan documents, the consent of the debt holders in respect of the Shares for Debt transaction, as well as internal approvals of Polygon. Due to, in part, the foregoing, the Company was unable to issue this release prior to today's date with any certainty, and in the Company's opinion this shorter period was unavoidable and reasonable and necessary in the circumstances.

In connection with the Company's press release dated August 6, 2014 announcing the departure of Mr. Greg Myers as President and Chief Executive Officer of the Company effective as of August 1, 2014, the Company also wishes to announce that Mr. Myers has resigned as a director of the Company effective the same date.

**Caza Gold Corp.** is a gold and copper exploration company focused on discovering new deposits in Nicaragua. The Company controls the highly prospective but under-explored claims in the high sulfidation gold trend of Nicaragua and a copper-gold-iron porphyry system to the north of the El Limon mine. Caza Gold Corp is dedicated to discovering gold, defining deposits, and developing value.

For more information, please contact Philip Yee at Toll Free: 1-877-684-9700, tel: (604) 685-9750, fax: (604) 685-9744, email: [philip@cazagold.com](mailto:philip@cazagold.com) or visit our website, [www.cazagold.com](http://www.cazagold.com)

"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."

#### CAUTIONARY DISCLAIMER – FORWARD LOOKING STATEMENTS

This news release includes certain statements and information that may contain forward-looking information within the meaning of applicable Canadian securities laws or forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. All statements in this news release, other than statements of historical facts, including statements regarding future estimates, plans, objectives, assumptions or expectations of future performance, the likelihood of commercial mining and financing requirements and the ability to fund future exploration and development are forward-looking statements and contain forward-looking information. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "intends" or "anticipates", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would" or "occur". Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements or forward-looking information. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. The Company does not undertake to update any forward-looking statements or forward-looking information that are incorporated by reference herein, except in accordance with applicable securities laws. We seek safe harbour.