

**Form 51-102F3**  
**Material Change Report**

**Item 1 Name and Address of Company**

Phoenix Gold Resources Corp.  
1901 – 5000 Yonge Street  
Ontario, Canada, M2N 7E9

**Item 2 Date of Material Change**

August 21, 2014

**Item 3 News Release**

A news release was issued by Phoenix Gold Resources Corp. (the “**Company**”) on August 21, 2014 and distributed through Marketwired and filed on SEDAR.

**Item 4 Summary of Material Change**

The Company announced that effective August 21, 2013 it closed the first tranche (the “**First Tranche**”) of its non-brokered private placement of up to 7,500,000 units (the “**Units**”) of the Company at a price of \$0.10 per Unit for gross proceeds of up to \$750,000 (the “**Private Placement**”). Under the First Tranche, the Company raised gross proceeds of \$205,000 and issued 2,050,000 Units. Each Unit is comprised of one common share (a “**Share**”) and one-half common share purchase warrant (each whole warrant, a “**Warrant**”), and each Warrant is exercisable at a price of \$0.20 per Share for a period of 3 years from the date of issuance.

A total of 500,000 Units were acquired by Kroy Holdings Limited (“**Kroy**”) and 500,000 Units were acquired by America’s Gold Exploration, Inc. (“**AGEI**”) under the First Tranche. Kroy is owned and controlled by Glenn Laing, the President, CEO and a director of the Company. AGEI is controlled and majority owned by Don McDowell, Vice-President Corporate Development of the Company. Kroy, together with the other Shares owned or controlled by Glenn Laing, now owns or controls an aggregate of 23.0% of the issued and outstanding shares of the Company (an increase from 22.9%). AGEI now owns an aggregate of 16.5% of the issued and outstanding shares of the Company (an increase from 16.0%).

The proceeds of the Private Placement will be used for the advancement of the exploration and development expenses of the Company’s properties and for additional working capital. Finders’ fees paid under the First Tranche of the Private Placement were comprised of an aggregate of \$6,800 in cash and a total of 68,000 brokers’ warrants (the “**Brokers’ Warrants**”). Each Brokers’ Warrant entitles the holder to acquire a Share at an exercise price of \$0.10 per Share for 12 months from the date of issuance. The Shares issued under the Private Placement are subject to a four-month hold period from the date of issuance.

## Item 5 Full Description of Material Change

Effective August 21, 2014, the Company completed the first tranche (the “**First Tranche**”) of its non-brokered private placement of up to 7,500,000 units (the “**Units**”) of the Company at a price of \$0.10 per Unit for gross proceeds of up to \$750,000 (the “**Private Placement**”). Under the First Tranche, the Company raised gross proceeds of \$205,000 and issued 2,050,000 Units. Each Unit is comprised of one common share (a “**Share**”) and one-half common share purchase warrant (each whole warrant, a “**Warrant**”), and each Warrant is exercisable at a price of \$0.20 per Share for a period of 3 years from the date of issuance.

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The Private Placement, of which the First Tranche is a part thereof, was approved by the board of directors of the Company during a meeting held on April 30, 2014, during which the Private Placement was unanimously approved by the directors of the Company.

On August 21, 2014, the Company agreed to the subscriptions by Kroy and AGEI of 500,000 Units each pursuant to a subscription agreement containing customary provisions for the subscription of such units of a reporting issuer with common shares posted and listed for trading on the TSX Venture Exchange. Effective August 21, 2014, the Company closed the First Tranche and issued 500,000 Units to each of Kroy and AGEI.

Each of Kroy and AGEI are “related parties” to the Company under Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”) as each of them beneficially own more than 10% of the issued and outstanding Shares of the Company. Accordingly, the subscription by each of Kroy and AGEI for Units under the Private Placement are “related party transactions” under MI 61-101. However, their subscriptions under the First Tranche of the Private Placement (the “**Subscriptions**”) are exempt from the formal valuation requirements under Section 5.4 of MI 61-101 and the minority approval requirements under Section 5.6 of MI 61-101 pursuant to Section 5.5(b) and 5.7(1)(b), respectively, because prior to the closing of the First Tranche and the time the Company agreed to the Subscriptions by Kroy and AGEI for the Units:

- (i) no securities of the Company are listed or quoted on the Toronto Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Market or a stock exchange outside of Canada and the United States;
- (ii) neither the fair market value nor the consideration to be received by the Company for the Units under the Subscriptions exceeds \$2,500,000; and

- (iii) the Company has two independent directors, who are independent of the Private Placement and both of who approved of the Private Placement.

To the knowledge of the Company, there are no prior valuations (within the meaning of such term in MI 61-101) in respect of the Company that have been made in the 24 months prior to the date of this material change report that is relevant to the subject matter of this report.

The First Tranche was closed immediately upon receipt of subscription proceeds and the completed subscription agreement so that funds could be utilized right away for the Company's purposes. Accordingly, it was necessary to follow-up with the filing of this material change report following the closing of the First Tranche of the Private Placement. A copy of this material change report is available to any shareholder upon request without charge.

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

Not Applicable.

**Item 7 Omitted Information**

Not Applicable.

**Item 8 Executive Officer**

Contact: Glenn Laing, President and Chief Executive Officer  
Telephone: (647) 865-3101

**Item 9 Date of Report**

August 21, 2014