

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 22, 2014 and distributed through Stockwatch and filed on SEDAR.

Item 4 Summary of Material Change

The Company announced that effective August 21, 2013 it closed its shares-for-debt transaction to settle aggregate total debt of \$48,390. Under the debt settlement, the Company issued an aggregate of 483,900 common shares (the “**Shares**”) of the Company at a deemed price of CDN\$0.10 per Share to one creditor, America’s Gold Exploration, Inc. (“**AGEI**”). AGEI is controlled and majority owned by Don McDowell, Vice-President Corporate Development of the Company, and now owns an aggregate of 17.7% of the issued and outstanding common shares of the Company. All Shares issued are subject to a four (4) month hold period.

In addition, the Company wishes to announce the granting of an aggregate of 2,582,000 incentive stock options to directors, officers and consultants of the Company pursuant to the Company's stock option plan subject to the policies of the TSX Venture Exchange. All of the stock options are exercisable at a price of \$0.10 per share for a period of 5 years.

Item 5 Full Description of Material Change

The Company announced that further to its news release dated August 8, 2014, effective August 21, 2013 it has closed its shares-for-debt transaction to settle aggregate total debt of \$48,390 (the “**Debt Settlement**”). Under the Debt Settlement, the Company issued an aggregate of 483,900 common shares (the “**Shares**”) of the Company at a deemed price of CDN\$0.10 per Share to one creditor, America’s Gold Exploration, Inc. (“**AGEI**”). AGEI is controlled and majority owned by Don McDowell, Vice-President Corporate Development of the Company, and now owns an aggregate of 17.7% of the issued and outstanding common shares of the Company. All Shares issued are subject to a four (4) month hold period.

In addition, the Company wishes to announce the granting of an aggregate of 2,582,000 incentive stock options (the “**Options**”) to directors, officers and consultants of the Company pursuant to the Company's stock option plan subject to the policies of the TSX Venture Exchange. All of the stock options are exercisable at a price of \$0.10 per share for a period of 5 years.

The Debt Settlement and grant of Options were approved by the board of directors of the Company during a meeting held on August 6, 2014, during which the Debt Settlement and grant of Options were approved by all of the directors of the Company, with each director abstaining with respect to the grant of options to themselves respectively and with Don McDowell abstaining from the resolution concerning the Debt Settlement as he declared his interest in the transaction as he owns and controls AGEI which was the subject creditor of the Debt Settlement.

On August 12, 2014, the Company and AGEI agreed to the debt settlement agreement wherein it was agreed that the outstanding indebtedness of \$48,390 owing by the Company to AGEI would be settled by way of an issuance of 483,900 common shares of the Company at a deemed price of \$0.10 per share, subject to the policies of the TSX Venture Exchange. Effective August 21, 2014, the Company issued the Shares to AGEI.

AGEI is a “related party” to the Company under Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions (“MI 61-101”) as it beneficially own more than 10% of the issued and outstanding Shares of the Company. Accordingly, the Debt Settlement is a “related party transaction” under MI 61-101. However, the Debt Settlement is 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)(a), respectively, because prior to the closing of the Debt Settlement and the time the Company agreed to the Debt Settlement:

- (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; and
- (ii) neither the fair market value of the Debt Settlement nor the consideration for the Debt Settlement exceeds 25% of the Company’s market capitalization, which totals \$827,350 (based on 25% of a share capital of 33,094,000 shares at the market price of \$0.10 per share).

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 Debt Settlement was closed following conditional approval to the Debt Settlement by the TSX Venture Exchange once the Shares could be issued and delivered under the agreement for the Debt Settlement. Accordingly, it was necessary to follow-up with the filing of this material change report following the closing of the Debt Settlement. 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 22, 2014