

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 28, 2014

Item 3 News Release

A news release was issued by Phoenix Gold Resources Corp. (the “**Company**”) on August 28, 2014 and distributed through Marketwired and filed on SEDAR.

Item 4 Summary of Material Change

The Company announced that effective August 28, 2014 it completed the second tranche (the “**Second Tranche**”) of the non-brokered private placement (the “**Private Placement**”) raising gross proceeds of \$169,500 as part of the \$374,500 total aggregate gross proceeds to date under the Private Placement with the issuance of 3,745,000 units (the “**Units**”) of the Company at a price of \$0.10 per Unit. 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**”) under the Second Tranche. Kroy is indirectly owned and controlled by Glenn Laing, the President, CEO and a director of the Company. Kroy, together with the other Shares directly or indirectly owned or controlled by Glenn Laing, now owns or controls an aggregate of 21.6% of the issued and outstanding shares of the Company.

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 Second Tranche of the Private Placement were comprised of an aggregate of \$9,400 in cash and a total of 94,000 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. Total aggregate finder’s fees paid under the Private Placement so far are comprised of \$16,200 in cash and a total of 162,000 Brokers’ Warrants. 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

The Company announced that effective August 28, 2013 it completed the second tranche (the “**Second Tranche**”) of the non-brokered private placement (the “**Private Placement**”) raising gross proceeds of \$169,500 as part of the \$374,500 total aggregate gross proceeds to date under the Private Placement with the issuance of 3,745,000 units (the “**Units**”) of the Company at a price of \$0.10 per Unit. 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 Second 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 28, 2014, the Company agreed to the subscription by Kroy of 500,000 Units 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 28, 2014, the Company closed the Second Tranche and issued 500,000 Units to Kroy.

Kroy 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 owns more than 10% of the issued and outstanding Shares of the Company. Accordingly, the subscription by Kroy for Units under the Private Placement is a “related party transaction” under MI 61-101. However, its \$50,000 subscription under the Second Tranche together with its earlier \$50,000 subscription under the first tranche of the Private Placement (collectively, 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)(a), respectively, because prior to the closing of the first tranche and the Second Tranche and the time the Company agreed to the Subscriptions by Kroy 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; and
- (ii) neither the \$100,000 fair market value of the Subscriptions nor the \$100,000 consideration for the Subscriptions exceeds 25% of the Company’s market capitalization, which totals \$839,448 (based on 25% of a share capital of 33,577,900 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 Second 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 Second 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 28, 2014