

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

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

Item 2 Date of Material Change

December 9, 2015

Item 3 News Release

A news release was issued by Phoenix Gold Resources Corp. (the “**Company**”) on December 9, 2015 and distributed through Newsfile and filed on SEDAR.

Item 4 Summary of Material Change

The Company announces that it has entered into a letter agreement (the “**Letter Agreement**”) signed yesterday dated effective December 4, 2015 with Blue Creek Forest Products Ltd. (“**Blue Creek**”) and its major shareholder, Four Rivers Resources Inc. (“**FRRRI**”), which contemplates a transaction that will result in a reverse takeover and change of business of the Company by Blue Creek (the “**Transaction**”).

Pursuant to the terms of the Letter Agreement, it is currently contemplated that the Transaction will be effected by way of an amalgamation (the “**Amalgamation**”) under a plan of arrangement or similar business combination, whereby a wholly-owned subsidiary of the Company incorporated under the *British Columbia Business Corporations Act* (“**Phoenix Subco**”) will amalgamate with Blue Creek to form an amalgamated company called “Blue Creek Forest Products Ltd.” (“**Amalco**”). Under the amalgamation, the Company will acquire all of the then issued and outstanding securities of Blue Creek, not exceeding 25,000,000 common shares (on a diluted basis) in addition to a further 15,000,000 common share purchase warrants, all of which will be exchanged for like securities of the Company on a 1-for-1 (the “**Exchange Ratio**”) basis following: (a) a share consolidation(s) of the Company having a cumulative effect of consolidation on a 20-to-1 basis (the “**Consolidation**”); and (b) debt settlements with the Company’s creditors to reduce the current liabilities to no more than \$50,000 (the “**Debt Settlements**”); provided that following the Consolidation and Debt Settlements and immediately prior to the Amalgamation, there will be no more than 6,000,000 common shares of the Company issued and outstanding and there will be no outstanding stock options. The common shares issued to investors under the Private Placement (as described below) will be exchanged for common shares of the Resulting Issuer and therefore will not be subject to a four month hold.

Item 5 Full Description of Material Change

Please see the Company's new release dated December 9, 2015, attached hereto as Schedule A which is also available at www.sedar.com.

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

Glenn Laing: President, Chief Executive Officer and Director
Telephone: (416) 227-3402

Item 9 Date of Report

December 9, 2015

SCHEDULE "A"

PHOENIX GOLD RESOURCES CORP.

Suite 1901 – 5000 Yonge Street
Toronto, Ontario
M2N 7E9

NEWS RELEASE

Phoenix Gold Resources Announces Signing of Agreement for Reverse Takeover and Change of Business with Blue Creek Forest Products Ltd.

Toronto, Ontario, December 9, 2015 – Phoenix Gold Resources Corp. (the “**Company**”), a company listed on the TSX Venture Exchange (the “**Exchange**”) (symbol: PXA), is pleased to announce that it has entered into a letter agreement (the “**Letter Agreement**”) signed yesterday dated effective December 4, 2015 with Blue Creek Forest Products Ltd. (“**Blue Creek**”) and its major shareholder, Four Rivers Resources Inc. (“**FRRI**”), which contemplates a transaction that will result in a reverse takeover and change of business of the Company by Blue Creek (the “**Transaction**”).

As required under the policies of the Exchange, the Transaction will be subject to approval of the shareholders of the Company and approval of the Exchange.

The Letter Agreement will be followed by the negotiation of a definitive agreement (the “**Definitive Agreement**”) setting forth the detailed terms of the Transaction and containing the terms and conditions set out in the Letter Agreement and such other terms and conditions as are customary for transactions of the nature and magnitude contemplated in the Letter Agreement.

Proposed Transaction

Pursuant to the terms of the Letter Agreement, it is currently contemplated that the Transaction will be effected by way of an amalgamation (the “**Amalgamation**”) under a plan of arrangement or similar business combination, whereby a wholly-owned subsidiary of the Company incorporated under the *British Columbia Business Corporations Act* (“**Phoenix Subco**”) will amalgamate with Blue Creek to form an amalgamated company called “Blue Creek Forest Products Ltd.” (“**Amalco**”). Under the amalgamation, the Company will acquire all of the then issued and outstanding securities of Blue Creek, not exceeding 25,000,000 common shares (on a diluted basis) in addition to a further 15,000,000 common share purchase warrants, all of which will be exchanged for like securities of the Company on a 1-for-1 (the “**Exchange Ratio**”) basis following: (a) a share consolidation(s) of the Company having a cumulative effect of consolidation on a 20-to-1 basis (the “**Consolidation**”); and (b) debt settlements with the Company’s creditors to reduce the current liabilities to no more than \$50,000 (the “**Debt Settlements**”); provided that following the Consolidation and Debt Settlements and immediately prior to the Amalgamation, there will be no more than 6,000,000 common shares of the Company issued and outstanding and there will be no outstanding stock options. The common shares issued to investors under the Private Placement (as described below) will be exchanged for common shares of the Resulting Issuer and therefore will not be subject to a four month hold.

As a result of the Transaction, Amalco will become a wholly-owned subsidiary of the Company, which will have indirectly acquired Blue Creek and the business of Blue Creek will become the business of the Company (the “**Resulting Issuer**”). Upon completion of the Transaction, the Company expects to change its name to “Blue Creek Forest Products Inc.” or such other name acceptable to Blue Creek and the applicable regulatory authorities (the “**Name Change**”).

In addition, although no loan or deposit has been made by Blue Creek to the Company, under the Letter Agreement, Blue Creek will be responsible for the costs and expenses of the Company incurred in respect of the Transaction. On closing of the Transaction, the Resulting Issuer will reimburse Blue Creek for all such costs and expenses paid.

Proposed Private Placement

The parties intend that Blue Creek will, prior to the Transaction and subject to Exchange approval, complete a private placement for gross proceeds of up to \$500,000 (the “**Private Placement**”) of debt or equity securities entitling the holder to acquire a common share of Blue Creek for \$0.20 per share. Upon closing of the Transaction, all securities of Blue Creek issued in connection with the Private Placement will automatically be exchanged for like securities of the Company in accordance with the Exchange Ratio. Blue Creek expects to pay the finder or broker, as the case may be, under the Private Placement (the “**Agent**”) a commission of up to 10% cash plus up to 10% broker’s warrants exercisable at \$0.20 per broker warrant for a period of 24 months. The parties are currently involved in discussions with a prospective agent in connection with the Private Placement and sponsorship, and additional disclosure will be provided upon settling the terms of an engagement letter.

The proceeds of the Private Placement will be used to fund the business plan of the Resulting Issuer on closing of the Transaction and for general working capital purposes.

Following completion of the Private Placement and the Transaction, the Resulting Issuer is expected to have not more than a total of 31,000,000 common shares issued and outstanding (on a diluted basis) and an additional 15,000,000 common share purchase warrants, and there will be no outstanding stock options.

Conditions to Closing the Transaction

The closing of the Transaction will be subject to several conditions, including, but not limited to the following:

1. the execution of the Definitive Agreement;
2. the receipt of all regulatory, corporate and third party approvals, including the approval of the shareholders of the Company, the Exchange and compliance with all applicable regulatory requirements and conditions necessary to complete the Transaction;
3. the Company having not more than \$50,000 in current liabilities and no more than 6,000,000 common shares of the Company issued and outstanding and no outstanding stock options immediately prior to the Amalgamation;
4. the completion of the Private Placement at a minimum offering price of \$0.20;
5. the maintenance of the Company’s listing on the Exchange;

6. the confirmation of the representations and warranties of each party to the Definitive Agreement as set out in such agreement;
7. the absence of any material adverse effect on the financial and operational condition of the assets of each of the parties to the Definitive Agreement;
8. the delivery of standard completion documentation including, but not limited to legal opinions, officers' certificates and certificates of good standing or compliance; and
9. other conditions precedent customary for a transaction such as the Transaction.

The closing of the Transaction is intended to occur upon finalization and execution of the Definitive Agreement, which is intended to occur by March 31, 2016, but in no event any later than June 30, 2016, at which time the Letter Agreement is then terminated.

About Blue Creek

Blue Creek is a private corporation existing under the laws of British Columbia and carries on business in British Columbia. Blue Creek is 92.3% owned and controlled by FRRI, which is also a private corporation existing under the laws of British Columbia carrying on business in British Columbia. Blue Creek is engaged in the forest products manufacturing business in British Columbia, with scalable low volume sawmill operations for niche high margin products destined for the under-supplied, growing US market. Blue Creek is currently acquiring land and equipment to commence sawmill operations in the vicinity of Barriere, British Columbia and expects operations to commence in January 2016. Blue Creek was incorporated on September 30, 2015 for the purpose of acquiring the land, equipment and other assets necessary to commence sawmill operations and carry on its niche sawmill business. Blue Creek intends to have audited financial statements prepared for the year ended December 31, 2015, details of which will be included in subsequent disclosure for the Transaction. Accordingly, Blue Creek has no significant financial information to disclose at this time, but such information will be disclosed in summary format in a subsequent news release as well as in much greater detail in other disclosure. Therefore, additional information about Blue Creek and the proposed Transaction will be provided in separate subsequent news releases, as well as in an information circular that will be prepared and sent to shareholders of the Company in connection with the Transaction.

Andrew Lee is the sole individual who indirectly beneficially holds a controlling interest in Blue Creek, which he has direction and control over, through his direct controlling interest in FRRI, which owns over 92.3% of Blue Creek. Mr. Lee is the Chief Executive Officer and director of Blue Creek and is Chief Executive Officer and director of FRRI. Mr. Lee is a resident of Vancouver, British Columbia.

Related Parties

Andrew Lee is currently a director of the Company and is also the Chief Executive Officer and director of each of Blue Creek and FRRI. Mr. Lee is also the controlling shareholder of FRRI, which owns and controls Blue Creek. Accordingly, Mr. Lee is a related party to the Transaction.

Directors, Officers and Other Insiders of the Resulting Issuer

On completion of the Transaction it is anticipated that the board of the Resulting Issuer will consist of a minimum of four members and that the directors, senior officers and insiders of the Resulting Issuer will be:

Andrew Lee – *President, Chief Executive Officer and Director*

Mr. Lee is currently Chief Executive Officer and a director of Four Rivers Resources Inc., a private Canadian forestry company since March 2012. Recently, Mr. Lee served as a director and a member of the audit committee for the mining exploration company, Ecuador Gold and Copper Corp (TSXV: EGX) and has been an independent director of it from August 2014 to June 2015. He also served as a director of a junior mining company, Megastar Development Corp. (TSXV: MDV) from March 2011 to November 2012 and as its Vice-President from June to November 2010 and from September 2011 to November 2012. Previously, Mr. Lee served as a director of Plains Creeks Mining Limited, a private company that went public through a reverse takeover of Resource Hunter Capital Corp. (now named GB Minerals Ltd.) (TSXV: GBL) in February 2011. Mr. Lee holds a Bachelor of Science degree from the University of British Columbia and has been working as a self-employed consultant to mineral exploration companies for the past six years, assisting with financings and corporate development.

Keith Margetson, CA, CPA (Illinois) – *Chief Financial Officer, Corporate Secretary and Director.*

Mr. Margetson is currently the Chief Financial Officer of four public companies: Meadow Bay Gold Corporation (TSX: MAY) since March 2011, Simba Energy Inc. (TSXV: SMB) since January 2011, Hi Ho Silver Resources Inc. (CSE: HHS) since April 2014, and Brandenburg Energy Corp. (TSXV: BBM) since February 2013, and was CFO of Dolly Varden Silver Corp. (TSXV: DV) from June 2013 to July 2015. Mr. Margetson is the principal of K.R. Margetson Ltd., a professional accounting corporation specializing in accounting for public companies. He has over 25 years of experience in public accounting with international, regional and local accounting firms, and has over 10 years of experience in industry as the CFO and CEO of manufacturing companies. He is a member of the British Columbia Institute of Chartered Accountants and a member of the Illinois CPA Society.

Walter Davidson – *Non-executive Director.*

Mr. Davidson is a director of GB Minerals Ltd. (TSXV: GBL), a Canadian mining exploration and development company focusing on development of its phosphate mineral project in Guinea-Bissau, West Africa since May 2012. In addition to serving as a Member of the Legislative Assembly of British Columbia, Canada for 16 years (1975 to 1991), Mr. Davidson was twice elected Speaker of the British Columbia Legislature over the period from 1982 to 1986. He has served on numerous Legislative Committees for the Province of British Columbia and was appointed as chairman to many of them. Mr. Davidson held office in the National Commonwealth Association which was a Canadian association of elected Canadian Provincial legislators. Between 1987 and 1988, he was appointed as chairman of Hazardous Waste Management Corporation, a British Columbia Crown Corporation. Prior to becoming a Member of the Legislative Assembly of British Columbia, Mr. Davidson graduated from the University of British Columbia with a Bachelor of Arts degree and was a City Planning Board Member for the City of Vancouver and director of the Vancouver Public Library. After leaving government, Mr. Davidson was, from 1995 to 1996, elected Chairman of Pine Valley Mining Corporation (formally Globaltex Industries Inc.), a publicly trading energy company at the time listed on the Vancouver Stock Exchange (as it then was). Mr. Davidson also served as a consultant to Accelerate Power Systems Inc., a public technology company (from 2001 to 2003) and as an advisor to Noble Metal Group Inc., a public mining exploration company (from 2003 to 2004), which were both listed on the TSX Venture Exchange. Mr. Davidson is currently semi-retired

but provides business and corporate governance consulting services for mineral exploration and development companies and other business ventures. In 2002, Mr. Davidson was awarded the Queens Jubilee Medal for outstanding service to Canada.

Henry Yong – *Non-executive Director.*

Since 1993, Henry has been active in residential and commercial real estate and is Vice President of Isle of Mann Construction Ltd., a residential real estate development and construction company with significant projects in British Columbia and Alberta. Mr. Yong is also the Vice-President and director of Vanguard Asset Management Corporation and Vanguard Mortgage Investment Corporation. Mr. Yong was co-founder of Currencia Mortgage Investment Corp. since September 2007 prior to Currencia combining with Vanguard in March 2011. Mr. Yong was previously a director of Resource Hunter Capital Corp., which is now GB Minerals Ltd. (TSXV: GBL) from 2008 to 2011.

Sponsorship

Sponsorship of a reverse takeover transaction is required by the Exchange unless an exemption from the sponsorship requirement is available. The Company may apply for an exemption from the sponsorship requirement. There is no assurance that the Company would be able to obtain such an exemption.

General

On closing of the Transaction, the Resulting Issuer will be listed as a “Tier 2” industrial issuer on the Exchange. In accordance with Exchange policies, the Company’s common shares have been halted from trading and will remain so until the documentation required by the Exchange for the Transaction can be provided to the Exchange. The Company’s common shares may remain halted until completion of the Transaction. The completion of the Transaction is subject to the approval of the Exchange.

For further information concerning the Transaction and this press release, please contact:

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and Director
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Completion of the transaction is subject to a number of conditions, including Exchange acceptance and disinterested Shareholder approval. The transaction cannot close until the required Shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Phoenix Gold Resources Corp. should be considered highly speculative.

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

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

Except for statements of historical fact, this news release contains certain “forward-looking information” within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate” and other similar words, or statements that certain events or conditions “may” or “will” occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements. The Company undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change except as required by law. The reader is cautioned not to place undue reliance on forward-looking statements. More detailed information about potential factors that could affect financial results is included in the documents filed from time to time with the Canadian securities regulatory authorities by the Company.

(Not for dissemination in the United States of America.)