

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

**Item 1 Name and Address of Company**

Phoenix Gold Resources Corp. (the "**Company**")  
Suite 210 - 905 Pender Street West  
Vancouver, British Columbia  
V6C 1L6

**Item 2 Date of Material Change**

March 22, 2019

**Item 3 News Release**

A news release was disseminated via Stockwatch and filed on SEDAR on March 22, 2019. A copy of the news release is attached as Schedule "A".

**Item 4 Summary of Material Change**

The Company announced its intention to proceed with a consolidation of its issued and outstanding common shares on the basis of one (1) post-consolidation common share for every seven (7) pre-consolidation common shares (the "**Consolidation**").

The Company also announced a shares-for-debt settlement (the "**Debt Settlement**") of up to \$665,000 at a post-Consolidation price of \$0.053 per share, which would result in the issuance of 12,547,170 common shares (on a post-consolidated basis) (the "**Debt Shares**") to a number of creditors and some related parties.

**Item 5 Full Description of Material Change**

For a full description of the material change, see the news release attached as Schedule "A".

**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: Andrew Lee, Director  
Telephone: (604) 720-2703

**Item 9 Date of Report**

March 22, 2019

**Schedule "A"**

See attached.

**PHOENIX GOLD RESOURCES CORP.**  
**Suite 210 – 905 Pender Street W**  
**Vancouver, BC, V6C 1L6**

**NEWS RELEASE**

**Phoenix Announces the Termination of Change of Business and Reverse Takeover**

**Vancouver, British Columbia, March 22, 2019** – Phoenix Gold Resources Corp. (the “**Company**”), a company listed on the TSX Venture Exchange (the “**Exchange**”) (symbol: PXA), hereby announces that the Company and Blue Creek Forest Products Ltd. have mutually elected to terminate the proposed business combination between the two parties. The Company will continue to pursue all opportunities in the mining industry and other industries to maximize shareholder value.

The Company also announces its intention to proceed with a consolidation of its issued and outstanding common shares on the basis of one (1) post-consolidation common share for every seven (7) pre-consolidated common shares (the "Consolidation"). Currently, a total of 35,272,900 common shares of the Company are issued and outstanding and after the Consolidation, the Company will have approximately 5,038,985 issued and outstanding common shares.

In connection with and as a pre-condition of the contemplated Consolidation, the Company also announces a shares-for-debt settlement (the "Debt Settlement") of up to \$665,000 at a post-Consolidation price of \$0.053 per share, which would result in the issuance of 12,547,170 common shares (on a post-consolidated basis) (the "Debt Shares") to a number of creditors and some related parties. Under the proposed Debt Settlement, \$85,000 in unpaid wages from July 2014 to April 2017 owing to a related party, the Company's CFO, Sean Choi, would be settled by issuance of 1,603,774 Debt Shares and all of his other remaining unpaid wages will be waived. As a result of a proposed assignment of \$70,000 of that debt to arm's length third parties whom will be converting into Debt Shares, Mr. Choi's percentage ownership of the Company will increase from 0.63% to 2.24%. In addition, a debt in the amount of \$232,017 owing to another related party, Andrew Lee, a director of the Company who has paid third party creditors on behalf of the Company, would be settled by issuance of 4,377,679 Debt Shares, which will increase his percentage ownership in the company from 0% to 24.9%. Accordingly, Andrew Lee would become a new control person of the Company and the Company expects to receive approval for creation of a new control person pursuant to the policies of the Exchange. The proposed related party transactions are intended to improve the working capital position of the Company to prepare it for new business opportunities as it seeks to further exploration of its mineral properties and seek out additional business opportunities to maximize shareholder value. The board of directors of the Company believe the proposed Consolidation and Debt Settlement is the best way to position the Company for future business and opportunities, and future potential financings.

Under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"), the parts of the Debt Settlement involving Mr. Choi and Mr. Lee are related party transactions, which are exempt from formal valuation requirements under Section 5.5(b) of MI 61-101 because the Company is not listed on a specified stock exchange. The Company has also not previously completed any other formal valuations. In addition, the related party transactions are exempt from minority shareholder approval

requirements pursuant to Section 5.7(e) to help alleviate the Company from financial hardship and there is no other requirement to hold any other meeting of security holders to approve the transactions.

As required under the policies of the Exchange, the removal of the halt, the Consolidation and the Debt Settlement will all be subject to approval of the Exchange.

For further information concerning this press release, please contact:

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Director  
Phoenix Gold Resources Corp.  
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*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.)