

**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**

July 31, 2020

**Item 3 News Release**

A news release was disseminated via Stockwatch and filed on SEDAR on July 31, 2020. A copy of the news release is attached as Schedule "A".

**Item 4 Summary of Material Change**

The Company announced that it has completed its previously announced non-brokered private placement offering (the "**Private Placement**") for 4,000,000 common shares ("**Shares**") of the Company at a price of \$0.05 per Share for aggregate gross proceeds of \$200,000.

Under the Private Placement, a company controlled by Andrew Lee, a director of the Company, participated in the Private Placement subscribing for 200,000 Shares for gross proceeds of \$10,000. His participation in the Private Placement is considered a "related party transaction" pursuant to *Multilateral Instrument 61-101—Protection of Minority Security Holders in Special Transaction* ("**MI 61-101**"), but the Company is exempt from the requirements to obtain formal valuation and minority shareholder approval in connection with his participation in reliance, respectively, on Section 5.5(b) of MI 61-101 as the Company is not listed on a "specified market" and on Section 5.7(1)(b) of MI 61-101 as a distribution of securities for cash not exceeding \$2,500,000 which is approved by independent directors. The Private Placement did not result in the creation of a new control person of the Company.

**Item 5 Full Description of Material Change**

The material change is described in the Company's press release attached hereto as Schedule "A", which press release is incorporated by reference herein.

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

The report is not being filed on a confidential basis.

**Item 7 Omitted Information**

No information has been omitted.

**Item 8 Executive Officer**

Contact: Sean Choi, Chief Financial Officer  
Telephone: (778) 302-2257

**Item 9 Date of Report**

July 31, 2020

**Schedule "A"**

See attached.

**PHOENIX GOLD RESOURCES CORP.**  
**Suite 1518 – 800 West Pender Street**  
**Vancouver, British Columbia V6C 2V2**

**NEWS RELEASE**

**Phoenix Gold Announces Closing of Private Placement**

Vancouver, British Columbia--(July 31, 2020) – Phoenix Gold Resources Corp. (the "**Company**") (TSXV: PXA) is pleased to announce that it has completed a non-brokered private placement offering (the "**Private Placement**") raising gross proceeds of \$200,000 through the sale of 4,000,000 common shares ("**Shares**") of the Company at a price of \$0.05 per Share.

The Company intends to use the net proceeds of the Private Placement for working capital and general corporate purposes. No finders fees were paid in respect of the Private Placement.

The Company has received conditional approval for the Private Placement from the TSX Venture Exchange. All Shares issued pursuant to the Private Placement will be subject to a four month hold period from the date of issue.

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

Multilateral Instrument 61-101

Under the Private Placement, a company controlled by Andrew Lee, a director of the Company, participated in the Private Placement subscribing for 200,000 Shares for gross proceeds of \$10,000. His participation in the Private Placement is considered a "related party transaction" pursuant to *Multilateral Instrument 61-101—Protection of Minority Security Holders in Special Transaction* ("**MI 61-101**"), but the Company is exempt from the requirements to obtain formal valuation and minority shareholder approval in connection with his participation in reliance, respectively, on Section 5.5(b) of MI 61-101 as the Company is not listed on a "specified market" and on Section 5.7(1)(b) of MI 61-101 as a distribution of securities for cash not exceeding \$2,500,000 which is approved by independent directors. The Private Placement did not result in the creation of a new control person of the Company. The Company did not file a material change report more than 21 days before the expected closing of the Private Placement as the details of the Private Placement and participation therein by related parties of the Company were not yet settled until shortly before closing and the Company wished to close expeditiously without delay in keeping with best business practices.

Early Warning Disclosure

Mr. Brad Newell acquired 1,000,000 Shares under the Private Placement. Prior to the Private Placement, Mr. Newell held no Shares of the Company, which represented 0% of the issued and outstanding shares of the Company. After giving effect to the Private Placement, Mr. Newell beneficially owns and controls a total of 1,000,000 Shares, which represents 11.06% of the Company's issued and outstanding Shares on a non-diluted and fully diluted basis as there are currently no outstanding convertible securities of the Company. Mr. Newell acquired the Shares for investment purposes. Mr. Newell intends to evaluate his investment in the Company and to increase or decrease his shareholdings from time to time as he may determine appropriate. A copy of the early warning report being filed by Mr. Newell may be obtained by contacting the Company at 778-302-2257.

Canal Front Investments Inc. ("**Canal Front**"), which is owned or controlled by Mr. Blair Naughty, acquired 1,000,000 Shares under the Private Placement. Prior to the Private Placement, Mr. Naughty, directly or indirectly, held 356,000 Shares of the Company, which represented 7.1% of the issued and outstanding shares of the Company. After giving effect to the Private Placement, Mr. Naughty, directly or indirectly, beneficially owns and controls a total of 1,356,000 Shares, which represents 15.0% of the Company's issued and outstanding Shares on a non-diluted and fully diluted basis as there are currently no outstanding convertible securities of the Company. Mr. Naughty, acquired the Shares through Canal Front for investment purposes. Mr. Naughty intends to evaluate his investment in the Company and to increase or decrease his shareholdings from time to time as he may determine appropriate. A copy of the early warning report being filed by Mr. Naughty may be obtained by contacting the Company at 778-302-2257.

***Cautionary Statement Regarding Forward-Looking Information***

*This news release may contain "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian securities legislation. All information contained herein that is not historical in nature may constitute forward-looking information. Forward-looking statements herein include but are not limited to statements relating to the Company's business intentions, and are necessarily based upon a number of assumptions that, while considered reasonable by management, are inherently subject to business, market and economic risks, uncertainties and contingencies that may cause actual results, performance or achievements to be materially different from those expressed or implied by forward-looking statements. Except as required by law, the Company disclaims any obligation to update or revise any forward-looking statements. Readers are cautioned not to put undue reliance on these forward-looking statements.*

**For further information:**

Sean Choi  
Chief Financial Officer  
Telephone: 778-302-2257  
Email: seaninuwo@hotmail.com

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