MATERIAL CHANGE REPORT UNDER SECTION 118(1) OF THE SECURITIES ACT (ALBERTA)

REPORTING ISSUER: Nugget Resources Inc.

DATE OF MATERIAL CHANGE: August 13, 1999

NEWS RELEASE: August 13, 1999

SUMMARY OF MATERIAL CHANGE: Agreement for the sale of a minimum of 2,340,000 common shares and a maximum of 5,850,000 common shares of Nugget held by majority shareholder, Robert W. McRae to a group of Australian investors at a price of $0.034 per share and the transfer of a minimum of 506,667 warrants and a maximum of 1,166,667 warrants for no further consideration.

FULL DESCRIPTION: By an agreement dated August 13, 1999 Robert W. McRae agreed to sell a minimum of 2,340,000 common shares and a maximum of 5,850,000 common shares at a price of $0.034 per share.

The purchase price for the minimum number of shares will be $79,560. The remaining shares can be drawn down in units of 292,500 shares each. The purchaser has 60 days following the “closing day” to draw down the shares in excess of the minimum number. “Closing day” is defined as the third business day following the day on which all requirements of applicable regulatory authorities have been complied with.

The purchaser will be entitled to a transfer of a pro rata number of warrants for no further consideration. A minimum of 506,667 warrants will be transferred. The warrants entitle the holder to purchase on or before 4:30 p.m. Eastern Standard Time on January 22, 2000 one common share of Nugget for each warrant held at a price of $0.20 per share.

The purchasers are a group of Australian investors. There will be a minimum of 8 and a maximum of 20. These investors are represented in Canada by Mr. R. P. K. Cousland, Q.C. as their agent acting under power of attorney.

None of the investors will hold more than 10% of the issued shares of Nugget.

The investors have agreed to exercise the warrants.

Robert W. McRae presently holds 6,500,000 common shares (56% of the issued and outstanding shares of Nugget) and 1,166,667 warrants of Nugget. He will resign as a Director. The sale is being made by Mr. McRae for estate planning purposes.

The transaction will result in a wider distribution to the public of Nugget’s shares.

There will be no significant change in management.

The assets of the company will remain the same. No property will be disposed of or acquired and the company will continue to carry on its same business.

The transaction will benefit the company because of the purchasers' intention to exercise the warrants at $0.20 when the present trading price is significantly lower. This will provide money to Nugget to fund the next phase of its exploration of its gold property.

SENIOR OFFICERS:

R. Paul Middleton
President
or
George Brown
Assistant Treasurer

Nugget Resources Inc.
365 Bay Street, 11th Floor
Toronto, Ontario
M5H 2V1

Tel: (416) 363 -1124 Fax: (416) 360-0728

STATEMENT OF SENIOR OFFICER: The foregoing accurately discloses the material change referred to in this report.

Made at Toronto, Ontario this 25th day of August, 1999.

"George Brown"

George Brown

IT IS AN OFFENCE UNDER THE SECURITIES ACT AND THE SECURITIES REGULATION FOR A PERSON OR COMPANY TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT OR THE REGULATION THAT AT THE TIME AND IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.

NUGGET RESOURCES INC.

Listed : NUG.A - Alberta Stock Exchange **AUGUST 19, 1999**

NEWS RELEASE

Nugget Resources Inc. announces that its major shareholder, Mr. Robert McRae who holds 6.5 million common shares (56% of the issued and outstanding shares), has entered into an agreement to sell the majority of his shareholding to a group of Australian investors. The agreement calls for the sale of a minimum of 2,340,000 and a maximum of 5,850,000 shares to be sold. In addition, Mr. McRae holds 1,166,667 warrants, each of which entitles the holder to purchase one share at $0.20 expiring on January 22, 2000. These warrants are also included in the transaction with a minimum of 506,667 up to a maximum of 1,166,667. The group of investors has agreed to exercising their warrants upon closing. This will provide funds for the Company to keep its property in good standing and to do further exploration work at Hill End, New South Wales, Australia.

Upon closing Mr. McRae will resign as a Director of the Company.

This agreement is subject to regulatory approval.

FOR FURTHER INFORMATION, PLEASE CONTACT:

R. Paul Middleton, President or George Brown, Assistant Treasurer
365 Bay Street, 11th Floor, Toronto, Ontario M5H 2V1
Tel (416) 363-1124 Fax (416) 360-0728