

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

Valencia Ventures Inc.  
65 Queen Street West  
Suite 815  
Toronto, Ontario  
M5H 2M5

**Item 2 Date of Material Change**

July 16, 2012

**Item 3 News Release**

A news release was issued by Valencia Ventures Inc. ("**Valencia**") on July 16, 2012 and subsequently filed on SEDAR.

**Item 4 Summary of Material Change**

On July 16, 2012, Valencia announced that Mr. Brett New has been appointed President, Chief Executive Officer and a Director effective July 17, 2012.

**Item 5 Full Description of Material Change**

On July 16, 2012, Valencia announced that Mr. Brett New has been appointed President, Chief Executive Officer and a Director effective July 17, 2012. Mr. Leigh has resigned as President and Chief Executive Officer but will remain actively involved with the Company as a Director.

The Board of Directors is now comprised of Mr. New, Mr. Leigh, Mr. Bernie Wilson, and Mr. Benoit Moreau, who joined the board following the Company's recent annual and special meeting of its shareholders.

In addition, as approved by shareholders at the annual and special meeting of shareholders held on June 11, 2012, the common shares of the Company have been consolidated such that one new common share was issued for every ten old common shares. A letter of transmittal will be sent by mail to shareholders advising that the share consolidation has taken effect and instructing shareholders to surrender the certificates evidencing their common shares for replacement certificates representing the number of common shares to which they are entitled as a result of the consolidation. Until surrendered, each certificate representing common shares prior to the consolidation will be deemed for all purposes to represent the number of common shares to which the holder thereof is entitled as a result of the consolidation.

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

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

Brett New  
President & Chief Executive Officer  
(416) 861-5933

bnew@forbesmanhattan.com

**Item 9 Date of Report**

July 30, 2012

*Certain information set forth in this document contains "forward-looking information" under applicable securities laws. Except for statements of historical fact, certain information contained herein constitutes forward-looking information, including statements with respect to management's assessment of Valencia future plans and operations, which statements are based on Valencia's current internal expectations, estimates, projections, assumptions and beliefs, which may prove to be incorrect. Some of the forward-looking information may be identified by words such as "expects" "anticipates", "believes", "projects", "plans", and similar expressions. These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking information necessarily involve known and unknown risks and uncertainties, which may cause Valencia's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking information. These risks and uncertainties include, but are not limited to: liabilities inherent in mine development and production; geological, mining and processing technical problems; Valencia's inability to obtain required mine licenses, mine permits and regulatory approvals required in connection with mining and mineral processing operations; title matters; foreign operations issues; local community issues; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; incorrect assessments of the value of acquisitions; changes in commodity prices and exchange rates; currency and interest rate fluctuations; various events which could disrupt operations and/or the transportation of mineral products, including labour stoppages and severe weather conditions; the demand for and availability of rail, port and other transportation services; and management's ability to anticipate and manage the foregoing factors and risks. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Valencia undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking information.*