

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

Item 1. Name and Address of Company

State the full name of your company and the address of its principal office in Canada:

Palladon Ventures Ltd. (the "Company")
554 South 300 East, Suite 250
Salt Lake City, Utah
84111

Item 2. Date of Material Change

January 8, 2010

Item 3. News Release

The Company's news release was disseminated by Marketwire on January 8, 2010.

Item 4. Summary of Material Change

The Company announced that its wholly owned subsidiary Palladon Iron Corporation has submitted a Request for Arbitration with respect to the termination of the Sales Agreement for the Purchase of Iron Ore dated March 31, 2008 between Palladon Iron Corporation as seller and China Kingdom International (Australia) PTY Ltd., CKI Minerals & Metals as buyer.

Full Description of Material Change

See attached News Release.

Item 5. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

If this report is being filed on a confidential basis in reliance of subsection 7.1(2) or (3) of National Instrument 51-102, state the reasons for such reliance.

Not Applicable.

Item 6. Omitted Information

Not Applicable.

Item 7. Executive Officer

Give the name and business telephone number of an executive officer of your company who is knowledgeable about the material change and the Report, or the name of an officer through whom such executive officer may be contacted.

Please contact John W. Cutler, President and Chief Executive Officer of the Company, at 801-521-5252

Item 8. Date of Report

DATED January 8, 2010.



PALLADON VENTURES FILES ARBITRATION REGARDING ITS SALES AGREEMENT FOR THE PURCHASE OF IRON ORE.

Salt Lake City, UT, January 8, 2010. Palladon Ventures Ltd. (“Palladon” or the “Company”) (CDNX: PLL.V) (Frankfurt: PV-1) announces that its wholly owned subsidiary Palladon Iron Corporation (“PIC”) has submitted a Request for Arbitration with respect to the termination of the Sales Agreement for the Purchase of Iron Ore (the “Agreement”) dated March 31, 2008 between PIC as seller and China Kingdom International (Australia) PTY Ltd., CKI Minerals & Metals (“CKI”) as buyer.

On September 15, 2009, the Company announced that PIC had notified CKI of the termination of the Agreement, subject to the dispute resolution mechanisms as set out in the Agreement. When the Agreement was negotiated and entered into, both parties understood that the iron ore would be delivered to CKI at the Port of Long Beach. This understanding is set forth in the Agreement. At that time, both parties knew that PIC had not yet entered into a signed agreement for the storage of the iron ore at the Port of Long Beach, and both parties knew that the performance of the Agreement would be dependent upon PIC successfully obtaining such a signed storage agreement. Subsequent to the signing of the Agreement, and despite its best efforts, PIC was unable to secure a signed agreement for a storage facility at the Port of Long Beach. This made it commercially impracticable or impossible for either party to perform its obligations under the Agreement.

On January 4, 2010, over four months after PIC had notified CKI that the Agreement was terminated, CKI first notified PIC that it did not agree with PIC’s assertion that the Agreement was terminated.

Pursuant to the Agreement, all disputes between the parties are to be resolved by arbitration in Salt Lake City, Utah under the Rules of Arbitration of the International Chamber of Commerce. Accordingly, PIC has submitted a request for arbitration to the International Chamber of Commerce, seeking a determination of the issue of whether the Agreement is terminated due to the commercial impracticability or impossibility of either party to perform its obligations under the Agreement.

Palladon CEO John Cutler stated: “We continue to be very optimistic with respect to the potential development of the Iron Mountain Project. The Company continues to work on a plan to repay its Luxor debt and to finance both current operations and further development of the Iron Mountain Project.”

On Behalf of the Board of Directors,
John W. Cutler
President and Chief Executive Officer

About Palladon

Palladon Ventures Ltd. is a junior resource company focused on advancing the Iron Mountain Project, an iron ore mine located west of Cedar City, Utah.

For Further Information Please Contact:

John W. Cutler

President & CEO

Palladon Ventures Ltd.

801.521.5252 Tel

801.521.5454 Fax

Email: info@palladonventures.com

Website: www.palladonventures.com

Disclaimer for Forward-Looking Information

Certain statements in this release are forward-looking statements, which reflect the expectations of management. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future, which include the Company continuing to work on a plan to repay its Luxor debt and to finance current operations and further development of the Iron Mountain Project. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. These forward-looking statements reflect management's current views and are based on certain expectations, estimates and assumptions which may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions in North America and internationally, (2) the inherent uncertainties and speculative nature associated with mineral exploration and production, (3) a decreased demand for minerals, (4) any number of events or causes which may delay or cease exploration and development of the Company's property interests, such as environmental liabilities, weather, mechanical failures, safety concerns and labor problems; (5) the risk that the Company does not execute its business plan, (6) inability to retain key employees, (7) inability to finance operations and growth, (8) other factors beyond the Company's control; and (9) the risk that the Company will not be able to raise funds due to Luxor Capital Group. These forward-looking statements are made as of the date of this news release and, except as required by law, the Company assumes no obligation to update these forward-looking statements, or to update the reasons why actual results differed from those projected in the forward-looking statements.

Neither 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 release.