FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 REPORTING ISSUER

Medallion Resources Ltd. ("Scorpio" or "the Company")
#511 – 475 Howe Street
Vancouver, B.C. V6C 2B3

Item 2 DATE OF MATERIAL CHANGE

July 5, 2006

Item 3 NEWS RELEASE

Pursuant to Section 7.1 of National Instrument 51-102 a news release was issued on July 5, 2006 and distributed through Canada Stockwatch, Market News, CCN Matthews and Canada Newswire. The news release was filed with the TSX Venture Exchange, the British Columbia Securities Commission and the Alberta Securities Commission via SEDAR.

Item 4 SUMMARY OF MATERIAL CHANGE

The Company announces closing a private placement financing for gross proceeds of $510,000 to fund a phase 1 work program on the Ocelot Property, Nevada, USA and general working capital.

Item 5 FULL DESCRIPTION OF MATERIAL CHANGE

The Company has closed a non-brokered private-placement and issued to qualified investors and Company directors 1,700,002 Units (the "Units") at a price of $0.30 per Unit for gross proceeds totaling $510,000.60. Each Unit consists of one common share and one non-transferable share-purchase warrant (the "Warrants"). Each Warrant allows the subscriber to purchase one additional common share, at a purchase price of $0.40 per share, for a period of two years from the placement-closing date. The Units issued are subject to a hold period of four months from the date of the placement closing.

For selling 63,000 Units, the Company paid to Pacific International Securities Inc a cash finder's fee of $5,040.00 and a grant of 6,300 finder's warrants ("Finder's Warrants"). Each Finder's Warrant may be exercised for one additional common share of the Company at an exercise price of $0.30 per share for a period of one year from the placement-closing date. Shares purchased with Finder's Warrants are subject to a hold period of four months from the placement-closing date.

The net proceeds of the private placement provide funding for the Ocelot, Nevada, Gold Project Phase 1 work program and for general Company working capital. The net proceeds supplement the Company's treasury holdings of 600,000 common shares of American Bonanza Gold Corp (TSX: BZA).

Further, Medallion is pleased to report that it now has satisfied the two listing requirements that were requested of the Company by the TSX Venture Exchange ("Exchange") in 2005. These requirements were to acquire a mining property of merit and to raise sufficient capital to complete the acquired property's Phase 1 exploration program. The Exchange has approved both the acquisition and the financing; therefore, Medallion continues to list in good standing as an active Tier 2 Mining Issuer.

The Ocelot Gold project is operated by Medallion's wholly owned USA subsidiary, Medallion Resources (USA) Inc. Exploration is under the guidance of J David Miller, PhD, PGeo. Medallion has an option with the vendors to acquire 100% of the Ocelot property, subject to a 3% NSR royalty.

Item 6 **<u>RELIANCE ON CONFIDENTIAL FILING PROVISIONS</u>**

N/A

Item 7 **<u>OMITTED INFORMATION</u>**

There has been no information omitted.

Item 8 **<u>EXECUTIVE OFFICER</u>**

The Following Executive Officer is knowledgeable about the material change and this report and may be contacted regarding the change:

William Bird
President

Telephone: (604) 681-9558

Item 9 **<u>DATE OF REPORT</u>**

July 11, 2006