FORT KNOX GOLD RESOURCES INC.
MATERIAL CHANGE REPORT

1. **REPORTING ISSUER**

Principal Address:

Fort Knox Gold Resources Inc.
347 Bay Street
3rd Floor
Toronto, Ontario M5H 2R7

2. **DATE OF MATERIAL CHANGE**

May 15, 2001

3. **PUBLICATION OF MATERIAL CHANGE**

The press release attached as Schedule "A" was released through BCE Emergis on May 15, 2001.

4. **SUMMARY OF MATERIAL CHANGE**

Fort Knox Gold Resources Inc. ("Fort Knox") announced that Inco Technical Services Limited ("Inco") has accepted its proposal as the basis for negotiating a commercial agreement whereby Fort Knox can acquire five of Inco's advanced and pre-production base metal-platinum group metal properties located in the Sudbury Basin, Ontario.

5. **FULL DESCRIPTION OF MATERIAL CHANGE**

Fort Knox announced that Inco has accepted its proposal as the basis for negotiating a commercial agreement whereby Fort Knox can acquire five of Inco's advanced and pre-production base metal-platinum group metal properties located in the Sudbury Basin, Ontario. The exclusive negotiations may be cancelled by mutual consent or if, in the judgment of either party, satisfactory progress has not been realized by December 31, 2001.

The Acquisition Proposal was jointly prepared and submitted to Inco by Fort Knox and Dynatec Corporation. Fort Knox and Dynatec, one of Canada's premier mining contracting and service companies, will negotiate and enter into a Fort Knox (75%) and Dynatec (25%) joint venture ("Joint Venture") to explore, develop and mine the properties.

The Fort Knox-Dynatec Joint Venture proposes to acquire a 100% interest in the properties by: funding future exploration and development expenditures, implementing an underground rehabilitation program and an aggressive mine capital expenditure and production schedule, issuing Fort Knox shares to Inco, paying Inco a net smelter royalty, granting Inco a one-time buy-back right to acquire a controlling interest in any ore deposits discovered that meet Inco's size and production criteria, and processing production from the properties at Inco's smelting/refining facilities. The terms of the proposed agreement will be released upon the completion of negotiations.

The Sudbury properties contain the former Inco producing mines: McCreedy West Mine, the Levack Mine, the Victoria Mine, and the Kirkwood Mine as well as the Norman North PGE-Cu-Ni mineralized zones. The 100% Inco-owned properties are inactive and considered non-core to Inco's Sudbury operations but offer exposure to excellent exploration and production potential in the world's largest nickel camp and third most important PGE environment. Further details regarding the properties will be released when Fort Knox and Dynatec have completed their review of the properties

The five properties are situated around the margin of the Sudbury Basin, all within 40 km of Sudbury. They are past producing, brownfield sites with excellent access, readily available power and in the case of the McCreedy West Mine and the Levack Mine, functional accessibility to underground workings. The Kirkwood and Victoria properties are not currently accessible but have extensive underground workings and capped vertical shafts to the 650 m level and 918 m level respectively. All properties contain potential for significant copper (Cu), nickel (Ni) and PGE resources, which will require additional confirmation and further exploration. In addition, there is also the opportunity to generate cash flow by pursuing an early production schedule. Production from these sites will be sent to Inco's milling and smelting/refining facilities for processing, subject to available capacity and suitable metallurgy.

6. RELIANCE ON APPLICABLE PROVISIONS PERMITTING NON-DISCLOSURE OF MATERIAL CHANGE

Not applicable.

7. OMITTED INFORMATION

Not applicable.

8. SENIOR OFFICERS

The following senior officer of Fort Knox may be contacted for information:

A.T. MacGibbon, President and Chief Executive Officer.
Fort Knox Gold Resources Inc.
347 Bay Street
3rd Floor
Toronto, Ontario M5H 2R7

Tel: (416) 628-5929
Fax: (416) 628-5911

9. **STATEMENT OF SENIOR OFFICER**

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto, this 24th day of May, 2001

(signed)
A.T. MacGibbon, President and
Chief Executive Officer

SCHEDULE "A"

PRESS RELEASE

FORT KNOX GOLD RESOURCES INC.

FORT KNOX GOLD RESOURCES INC.

Fort Knox Acquires the Exclusive Right to Negotiate the Acquisition of Five of Inco's Advanced to Pre-Production Sudbury Basin Ni-Cu-PGE Properties

TORONTO---May 15, 2001---**Fort Knox Gold Resources Inc. (FNX-TSE)** is pleased to announce that it has been informed by Inco Technical Services Limited ("Inco") that Inco has accepted the Company's Acquisition Proposal as the basis for negotiating a commercial arrangement whereby Fort Knox can acquire five of Inco's advanced and pre-production base metal-platinum group metal ("PGE") properties located in the Sudbury Basin, Ontario. The exclusive negotiations may be cancelled by mutual consent or if, in the judgment of either party, satisfactory progress has not been realized by December 31, 2001. In addition, implementation of the proposed transactions will be subject to receipt of all necessary regulatory and shareholder approvals.

The Acquisition Proposal was jointly prepared and submitted to Inco by Fort Knox and Dynatec Corporation. Fort Knox and Dynatec, one of Canada's premier mining contracting and service companies, will negotiate and enter into a Fort Knox (75%) and Dynatec (25%) joint venture ("Joint Venture") to explore, develop and mine the properties.

The Fort Knox-Dynatec Joint Venture proposes to acquire a 100% interest in the properties by: funding future exploration and development expenditures, implementing an underground rehabilitation program and an aggressive mine capital expenditure and production schedule, issuing Fort Knox shares to Inco, paying Inco a net smelter royalty, granting Inco a one-time buy-back right to acquire a controlling interest in any ore deposits discovered that meet Inco's size and production criteria, and processing production from the properties at Inco's smelting/refining facilities. The terms of the proposed agreement will be released upon the completion of negotiations.

The Sudbury properties contain the former Inco producing mines: McCreedy West Mine, the Levack Mine, the Victoria Mine, and the Kirkwood Mine as well as the Norman North PGE-Cu-Ni mineralized zones. The 100% Inco-owned properties are inactive and considered non-core to Inco's

Sudbury operations but offer exposure to excellent exploration and production potential in the world's largest nickel camp and third most important PGE environment. Further details regarding the properties will be released when Fort Knox and Dynatec have completed their review of the properties.

The five properties are situated around the margin of the Sudbury Basin, all within 40 km of Sudbury. They are past producing, brownfield sites with excellent access, readily available power and in the case of the McCreedy West Mine and the Levack Mine, functional accessibility to underground workings. The Kirkwood and Victoria properties are not currently accessible but have extensive underground workings and capped vertical shafts to the 650 m level and 918 m level respectively. All properties contain potential for significant copper (Cu), nickel (Ni) and PGE resources, which will require additional confirmation and further exploration. In addition, there is also the opportunity to generate cash flow by pursuing an early production schedule. Production from these sites will be sent to Inco's milling and smelting/refining facilities for processing, subject to available capacity and suitable metallurgy.

Fort Knox entered into a letter of intent with Dundee Securities Corporation to negotiate terms of a financing, the proceeds of which will be used in part, to fund Fort Knox's share of expenditures to further explore and develop the properties. Further details of the financing will be announced when the terms are settled. Dynatec plan to fund their share of expenditures from funds in hand.

Fort Knox has 13,312,966 issued and outstanding common shares and an additional 3,300,000 common shares issuable, for no additional consideration, upon the exercise of special warrants. Inco Limited and its affiliates currently own 2,498,472 common shares of Fort Knox and Inco has two representatives on the seven-person Fort Knox board of directors.

Further details will be released when available.

FOR FURTHER INFORMATION PLEASE CONTACT:

Fort Knox Gold Resources Inc.
Terry MacGibbon, President and CEO
Tel: (416) 628-5929, Fax: (416) 628-5911, Email: fortknox@347bay.com

Dynatec Corporation
W.R. Dengler, President and CEO
Tel: (905) 780-1980, Fax: (905) 780-1990, Email: dengler@groupwise.dynatec.ca