

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

Item 1 Name and Address of Company

Denroy Resources Corporation
Suite 2500
120 Adelaide Street West
Toronto, Ontario
M5H 1T1

Item 2 Date of Material Change

February 9, 2007

Item 3 News Release

The press release attached as Schedule A was released over CCN Matthews on February 9, 2007.

Item 4 Summary of Material Change

The material change is described in the press release attached as Schedule A.

Item 5 Full Description of Material Change

The material change is described in the press release attached as Schedule A.

Item 6 Reliance of subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Victor H. Bradley, President
Denroy Resources Corporation
416-363-8238

Item 9 Date of Report

February 9, 2007

SCHEDULE A

DENROY RESOURCES COMPLETES PRIVATE PLACEMENTS, APPOINTS A NEW MANAGEMENT TEAM AND PROPOSAL TO ACQUIRE NEVADA GOLD PROJECTS

February 9, 2007

Denroy Resources Corporation ("Denroy" or "the Company") is pleased to announce a series of steps which have been taken to focus on the natural resource sector and reorganize as a junior resource exploration company.

Completion of Private Placements

Denroy announces that it has completed four non-brokered private placement financings for total gross proceeds of US\$4,600,750. The proceeds of these private placements will be used to explore and develop gold and precious metal exploration properties in Nevada and for working capital. All securities issued pursuant to these private placements are subject to resale restrictions expiring on June 6, 2007. After these private placements, Denroy has 32,377,485 common shares issued and outstanding on a non-diluted basis with 3,536,000 shares subject to issuance, for a total of 35,913,485 shares on a fully diluted basis.

The first private placement consisted of the sale of 2,000,000 common shares at US\$0.001 per share for total gross proceeds of US\$2,000 pursuant to a non-brokered arm's length private placement. The private placement was sold to certain members of the new management team for Denroy announced below.

The second private placement consisted of the sale of 2,500,000 common shares at US\$0.025 per share for total gross proceeds of US\$62,500 pursuant to a non-brokered arm's length private placement. The private placement was sold to a founding investor group, which included certain members of the new management team of Denroy.

The third private placement consisted of the sale of 11,025,000 common shares at US\$0.05 per share for total gross proceeds of US\$551,250 pursuant to a non-brokered arm's length private placement. The private placement was sold to private and institutional investors and members of the new the Board of Directors and the new management team of Denroy.

The fourth private placement consisted of the sale of 15,940,000 common shares at US\$0.25 per share for total gross proceeds of US\$3,985,000 pursuant to a non-brokered arm's length private placement. The private placement was sold to a group of private and institutional investors. Westwind Partners Inc. was paid a finder's fee consisting of 1,686,000 common share purchase warrants. Each whole warrant entitles the holder to acquire one common share for US\$0.25 until February 5, 2009. An overallotment option was also issued to acquire 1,850,000 common shares at U.S. \$0.25 per common share until June 30, 2007.

Appointment of New Management Team

Denroy Resources is pleased to announce the following new management team who joined the Company immediately following the closing of the private placements.

Victor H. Bradley Ontario, Canada	President, Chief Executive Officer & Director	Mr. Bradley has been the Chairman of Yamana Gold Inc. since 2003. From 1994 to 2003, Mr. Bradley was the Founder, President and Chief Executive Officer of Yamana Resources Inc., renamed Yamana Gold Inc. in 2003. Mr. Bradley is currently the President, Chief Executive Officer and Director of Aura Gold Inc. and sits on the boards of Frontier Pacific Mining Corporation, Osisko Exploration Ltd., where he is Chairman, and Castillian
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Resources Corporation. Mr. Bradley is a Chartered Accountant with over 40 years experience in the minerals industry, holding senior financial and executive positions with a wide range of mining and exploration companies.

Tim Read* London, England	Director	Mr. Read was President, Chief Executive Officer and Director of Adastra Minerals from 1999 to 2006. Previously, Mr. Read was the Managing Director of Investment Banking for Merrill Lynch (UK) and the Head Investment Banking of the Mining Group at London-based Smith New Court.
Sean Roosen Quebec, Canada	Director	Mr. Roosen is President, Chief Executive Officer and a director of Osisko Exploration Ltd. During his more than 20 year career in the mineral exploration industry, Mr. Roosen has acquired extensive international exploration and development experience with Etruscan, Echo Bay and Placer Dome.
James Ladner* Zurich, Switzerland	Director	Mr. Ladner is an independent financial consultant with extensive European experience. Mr. Ladner was the Managing Director of RP&C from 1992 to 2002 as well as the Chairman of the Bank of Austria (Switzerland) Ltd. from 1992 to 2001. Previously, Mr. Ladner was an Executive Vice President of Coutts Bank (Switzerland) Ltd. from 1975 to 1992. Mr. Ladner is a director of StrataGold Corporation, Colombia Gold PLC and Pan Pacific Aggregates PLC as well as a director of several other companies mainly in the financial and exploration industries.
Philip S. Martin Ontario, Canada	Director	Mr. Martin is an independent consultant and a director of Aura Gold Inc., SouthernEra Diamonds Inc., Maximus Ventures Ltd., Rubicon Minerals Corporation and Beta Minerals Inc. Mr. Martin holds a Bachelor of Science degree in mining engineering and a Masters of Business Administration degree. He has a broad range of experience in the mining industry as well as in mining finance and research. From 1986 to 1998, he worked with Gordon Capital Corporation in Toronto in research and investment banking specializing in the mining sector.
Mel Klohn, L.P. Geol. Washington, USA.	Director	Mr. Klohn, L.P.Geol., is Vice President, Exploration for Aura Gold Inc. and holds a Masters of Science degree, Geology. He is a Qualified Person as defined by Canadian National Instrument 43-101. His work experience includes 10 years as Project Manager and Exploration Vice President for Yamana Resources Inc., 25 years for Exxon in various exploration, research and staff positions, and several years as an independent, senior-level exploration consultant. His activities have been directed toward a variety of commodities including gold, uranium, polymetallic minerals, industrial minerals, coal, and petroleum, with experience throughout the world including North, Central, and South America and Asia.

Ken Brook, RPG Nevada, USA	VP Exploration	Mr. Brook holds a Masters of Science degree, Geology. He is a Qualified Person as defined by Canadian National Instrument 43-101. His work experience includes in excess of 35 years in the discovery, evaluation and subsequent development of mineral deposits, primarily in the state of Nevada.
Steven Dawson Ontario, Canada	VP Corporate Development	Mr. Dawson is VP Corporate Development for Aura Gold Inc. and holds a Bachelor of Science degree, Geology. He has in excess of 20 years experience in the mineral exploration and corporate communications industries.
Ross McDonald, C.A. British Columbia, Canada	Chief Financial Officer	Mr. McDonald is a Chartered Accountant and is experienced in the financial management of public companies. He is also an audit practitioner.
Rimma Tumarkin, C.A. Ontario, Canada	Controller	Ms. Tumarkin is a Chartered Accountant with in excess of 7 years experience in accounting and auditing focused on the mineral exploration industry. Currently, Ms. Tumarkin is Controller for Aura Gold Inc.

* These individuals will be nominated as directors at the upcoming annual meeting noted below where the board size will be increased to accommodate all of the nominees.

The former directors and officers, Dennis H. Peterson, Ian A. Shaw and Robert L. Gordon have resigned and the Company thanks them for their efforts in sourcing a new opportunity for Denroy.

Proposed Acquisition of Nevada Precious Metal Exploration Projects

The Company is also pleased to announce that it has entered into an agreement with the shareholders of Goodsprings Development Corporation ("Goodsprings") to acquire 100% of the issued and outstanding shares of Goodsprings, a private mineral exploration company incorporated in the Nevada, USA. Goodsprings has a portfolio of 10 wholly owned or optioned precious metal exploration projects located in Nevada, USA. Pursuant to an agreement of purchase and sale dated February 5, 2007, Denroy has agreed to acquire all of the issued and outstanding shares of Goodsprings in consideration for the issuance of 24.4 million shares and the payment of \$US150,000 in cash to fund current liabilities. This acquisition is expected to close in the next 30 days. A further announcement will be made upon closing.

Ken Brook, founder and 45% shareholder of Goodsprings, will serve as Vice President, Exploration of Denroy as announced above. As a condition of that employment, Goodsprings has the right to acquire any Nevada mineral property interest Mr. Brook acquires at his cost until December 31, 2008, and thereafter until December 31, 2009, Goodsprings has the right to acquire any Nevada mineral property interest owned by Mr. Brook on any terms that such interest is offered to a third party.

Project Portfolio

Goodsprings holds 10 projects in Nevada, all of which are wholly owned or optioned and four are currently leased for annual cash payments and 3% net smelter royalty ("NSR"). St. Elmo, Silver King and Cross are the prime projects and are described below, these properties are not leased to third parties..

St. Elmo Project

Located in northeastern Nevada, the St. Elmo Project (see Figure 1) is at the intersection of the northeast-trending Midas Trough structural zone and a zone of northwest-trending faults. The Midas Trough hosts several major gold deposits including Ivanhoe (>1.5 million ounces gold; Great Basin/Hecla), Midas-Ken Snyder (6 million ounces gold;

Newmont), Tuscarora, Jerritt Canyon (>6 million ounces gold; Queenstake), and the old mines of the Island Mountain district and the Jarbidge district.

The project includes most of the historic Island Mountain mining district and consists of 425 contiguous claims totalling approximately 8,500 acres (13.2 square miles). Included within this large claim block are all or parts of five formerly productive mining areas: the St. Elmo, Rosebud, Diamond Jim, Gribble and Wildhorse mines.

The claim block consists of 355 claims located by Goodsprings and 70 leased claims, including 32 Cora Alice and 5 Rosebud claims leased from Happy Tracks Mining Co. and 33 Diamond Jim claims leased from Joseph Cirincione. The initial lease payment to Happy Tracks Mining Co. has been made. Future payments are US\$30,000 in 2007, US\$35,000 in 2008, US\$40,000 in 2009, US\$45,000 in 2010 and a final buy-out of US\$1,075,000 in 2011. There is a 2.5% NSR on any production prior to the final buy-out. After the buy-out there is no royalty. Similarly, the initial lease payment to Joseph Cirincione has been made, with nominal cash payments over 5 years, a US\$400,000 buy-out and a 3% NSR which can be reduced to 2% upon payment of US\$1 million.

St. Elmo Mine

The St. Elmo mine is an epithermal vein system hosted in a 2.9 kilometre long, fault zone. There are two historic adits that demonstrate the vein's continuity from surface to a depth of at least 137 metres below surface. Hazen Research of Denver, Colorado, analyzed a 360 kilogram bulk sample taken from 1,500 tons of material recovered from the upper 90 metres of the underground workings. This sample averaged 2.36 ounces/ton gold and preliminary metallurgical testing indicated that 95% of the gold was recoverable using standard gravity and flotation processing methods.

In 1999, reconnaissance drilling (3 diamond drill holes) under the St. Elmo workings intersected values of up to 16 grams per tonne gold (0.466 ounces/ton gold) over 2 metres within a 16 metre wide zone of quartz breccia.

St. Elmo Area – New Veins

Two newly discovered parallel vein systems have been found east of the St. Elmo vein. The first structure is at least 500 metres long and the second vein is at least 300 metres long. Each structure is associated with a siliceous alteration zones within limestone and locally contain barite. Mapping and sampling are underway and evidence suggests these vein structures could represent a possible hot spring gold system, the model for which would be the McLaughlin mine in California with reserves of 2.5 million ounces gold and the Ivanhoe project with reserves and resources of 1.5 million ounces gold.

Rosebud Mine

This past-producing mine is hosted within a series of imbricate thrust faults. Silver-lead-zinc mineralization occurs in a series of shallow-dipping silicified zones with quartz veins extending up to 45 metres into the overlying sedimentary rocks. Values of up to 5 grams per tonne gold have been recovered in the overlying rocks.

In 1962, 11 holes, each approximately 100 metres in length, were drilled to test the down-dip extension of the Rosebud mine. Each hole reportedly intersected an average of 12 to 150 ounces/ton silver over widths of 2.5 to 3.0 metres. These drill intersections apparently never received further follow-up investigation. Additionally, three holes drilled east of the Rosebud mine reportedly to have intersected from 30 to 50 ounces/ton silver; there was no further investigation.

Diamond Jim Mine

The Diamond Jim mine property is located at the intersection of the St. Elmo and Rosebud structural trends. The operation produced silver, lead and zinc from 1934 until the 1950s. In addition to having potential for a large, low-

grade, silver-base metal resource, there is also the potential for structural and stratigraphically controlled gold deposits. Outcrop within steeply dipping structures east of the Diamond Jim assayed 0.4 ounces/ton gold and jasperoid outcrops associated with low angle structures assayed 7 grams per tonne gold (0.2 ounces/ton gold) — the area remains unexplored.

Tennessee Mountain-Wildhorse Mine Area

Located in the north part of the claim block, this formerly productive area is underlain by a granitic intrusive stock with mineralization in veins, breccias, stockworks and skarns in the surrounding sedimentary rocks. The property includes a number of old mines with high-grade values of up to 3 ounces/ton gold, 30 to 50 ounces/ton silver as well as significant tungsten, antimony and molybdenum occurrences. This is a large under-explored area with considerable upside for epithermal gold-silver, antimony-tungsten-molybdenum±gold-silver skarn, or large tonnage disseminated precious metal deposits.

Silver King and Cross

These two adjacent projects, located at the intersection of the southern part of the northwest-trending Cortez trend and the west-trending Midway-Warm Springs fault zone (see Figure 1), combine to make a district-scale play. This area is just 65 miles south of Quadra Mining Ltd.'s currently operating open-pit, copper-gold mine in Ely. Both projects are underlain by thick sections of favourable, carbonate host-rock including the Pogonip Formation which hosts the ore zone at the Archimedes mine in Eureka. The projects also host a striking, 7-mile long zone of strong magnetic highs, which have a northwest (Cortez trend) alignment. These magnetic highs are mineralized granodiorite porphyry intrusives, dated at 28 MA, which is very similar in age to the intrusives hosting the Battle Mountain deposits. These granodiorite porphyries are documented in outcrop and drill holes, and are associated with at least four types of base and precious metal mineralization:

- siliceous veins and jasperoids in carbonate sediments;
- stockworks in altered porphyries;
- garnet-pyroxene-chalcopyrite skarns in carbonate sediments;
- disseminated sulphides in altered porphyries.

Surface geology and drill hole assay data confirm the potential for multiple, large zones of both Carlin-style, sediment-hosted precious metal mineralization and intrusive-hosted copper-gold mineralization.

Silver King

Goodsprings leased a core block of 10 claims under very favourable terms and has staked an additional 65 claims. The lease is for a 10-year term with annual payments of US\$6,000, US\$12,000, US\$18,000 and US\$24,000 annually thereafter. The lease can be extended for another 10 years. The buy-out price is US\$300,000 with a 3% NSR which can be reduced to 2% upon payment of US\$1 million.

Anaconda drilled two well-mineralized holes on the property in the 1980s and their drill logs describe multiple phases of intrusive activity, which generated the mineralization styles described above. There has been no follow-up drilling to expand the Anaconda discovery.

Hole SK1 was mineralized from 469 to 1853 feet, with one 91-foot interval averaging 0.38% copper, 0.24% zinc, and 6.2 grams per tonne silver. One 70-foot interval averaged 136 parts per billion gold. Hole SK2 was mineralized from 494 to 1661 feet with one 362-foot interval averaging 0.17% copper, 0.13% zinc and 11.0 grams per tonne silver. One 16-foot interval averaged 361 parts per billion gold. These are significant zones of mineralization, which are interpreted to be part of a much larger porphyry copper-gold system similar to other intrusive-related gold deposits found on the Cortez trend.

Cross

This 82 claim, leased project, is two miles southeast along the trend from Silver King and hosts the largest and most complex of the northwest-trending magnetic anomalies. The lease terms for Cross are identical to the Silver King project above. Magnetically anomalous “fingers” extend southwest from the main, one mile-wide, magnetic anomaly on the pediment, and can be traced as altered granodiorite dikes into the calcareous siltstones of the Pogonip Formation. Gold-bearing jasperoid breccias are associated with these altered dikes and there are large, bleached, iron oxide-stained zones of Pogonip Formation containing up to 5 grams per tonne gold. Gold mineralization has been found along the pediment-outcrop interface for more than two miles. The northern end of the main magnetic anomaly also has an intriguing, horseshoe-shaped high surrounding a magnetic low embayment. Limited reverse circulation drilling has found gold mineralization associated with jasperoids and altered rhyolite dikes along with large zones of pyrite, remobilized carbon, clay-hematite alteration and secondary dolomite, all of which are commonly associated with Carlin-style gold deposits.

Nevada Opportunity

Nevada is a long-established and world-renowned region for gold production. Based on historic production and current reserves, Nevada ranks as the 2nd largest gold-endowed region and the 3rd largest producing region in the world. For the past six years, Nevada has ranked 1st for mineral policy potential and 2nd for mineral potential, according to the *Frazer Institute Annual Survey of Mining Companies 2005-2006*.

With its long history of mining, the government and citizens of Nevada understand the industry and have developed a mining infrastructure that is unsurpassed and a world-class geological database.

Qualified person

The qualified person under National Instrument 43-101 responsible for all technical data reported in this news release is Mr. Ken Brook, R.P.G.

Annual General Meeting

Denroy Resources will call an annual and special shareholder meeting early in 2007 with respect to its financial year ended December 31, 2006. At that time, Denroy Resources will seek shareholder approval for a change of its name to, “Nevero Inc.”.

For more information, please contact:

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CAUTIONARY STATEMENT: No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. This News Release includes certain “forward-looking statements”. All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding future plans and objectives of Denroy Resources, are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Denroy Resources’s expectations are the risks detailed herein and from time to time in the filings made by Denroy Resources with securities regulators.

Figure 1. Mineral Deposits of Nevada and Location of Denroy Resources Properties

