

FORM 51-102F3

MATERIAL CHANGE REPORT

Name and Address of Company

1.

Prize Mining Corporation (“Prize”)
3004 Ogden Road S.E.
Calgary, Alberta
T2G 4N5

2.

Date of Material Change

October 17, 2007 and October 18, 2007

3.

News Release

A press release was disseminated on October 17, 2007 and on October 19, 2007 both via Marketwire.

4.

Summary of Material Change

On October 17, 2007, Prize issued a total of 250,000 common shares (“Common Shares”) as initial consideration under option agreements with Larry Bratvold and Brian Scott (collectively referred to as the “Optionor”) which provide Prize with the right to acquire a 100% interest in the Optionor’s Primrose Molybdenum Project (“Primrose”) and Red Ridge Gold Project (“Red Ridge”).

On October 18, 2007, Prize closed the fourth tranche of its private placement of Common Shares issued on a flow-through basis (“Flow-Through Shares”). A total of 1,111,110 Flow-Through Shares at a price of \$0.27 per Flow-Through Share were issued for gross proceeds of \$300,000.

5.

Full Description of Material Change

On October 17, 2007, Prize issued a total of 250,000 Common Shares as initial consideration under option agreements with the Optionor which provide Prize with the right to acquire a 100% interest in Primrose and Red Ridge.

Primrose consists of 11 mineral claims (4,450 hectares) located in the Atlin mining district, south of Whitehorse, Yukon, near the British Columbia/Yukon border. Under the option agreement, Prize has the right to purchase a 100% interest in Primrose by (a) paying the Optionor a total of \$350,000 and (b) issuing to the Optionor 550,000 Common Shares, in tranches over the course of the period ending December 31, 2010. Of these amounts, 50,000 Common Shares have been issued to the Optionor. The first cash payment, being \$50,000, is due to the Optionor on December 31, 2008. In addition, Prize is obliged to incur expenditures on Primrose totalling \$380,000 over the course of the period ending December 31, 2010 in order to maintain its right to purchase Primrose, of which \$30,000 must be incurred by December 31, 2008. The Optionor has been granted a royalty in an amount equal to 3% of net smelter returns in all minerals produced from Primrose. Prize has the option to purchase one-half of such royalty for \$2,000,000.

Red Ridge is comprised of approximately 1,400 acres and is located in the Whitehorse mining district of Yukon Territory. Under the option agreement, Prize has the right to purchase a

100% interest in Red Ridge by (a) paying the Optionor a total of \$350,000 and (b) issuing to the Optionor 700,000 Common Shares, in tranches over the course of the period ending December 31, 2010. Of these amounts, 200,000 Common Shares have been issued to the Optionor. The first cash payment, being \$50,000, is due to the Optionor on December 31, 2008. In addition, Prize is obliged to incur expenditures on Red Ridge totalling \$380,000 over the course of the period ending December 31, 2010 in order to maintain its right to purchase Red Ridge, of which \$30,000 must be incurred by December 31, 2008. The Optionor has been granted a royalty in an amount equal to 3% of net smelter returns in all minerals produced from Red Ridge. Prize has the option to purchase one-half of such royalty for \$2,000,000.

On October 18, 2007, Prize closed the fourth tranche of its private placement of Flow-Through Shares. A total of 1,111,110 Flow-Through Shares at a price of \$0.27 per Flow-Through Share were issued for gross proceeds of \$300,000. The Flow-Through Shares issued pursuant to this tranche of the private placement are subject to a statutory resale restriction period of four months, which expires on February 19, 2008. The completion of this private placement is subject to regulatory approval.

Finders acting in connection with the fourth tranche of the private placement received a finder's fee in the total amount of \$21,000 and options to acquire a total of 77,777 Common Shares at a price of \$0.27 per Common Share for a period of twenty-four months from the date of closing.

Proceeds of the private placement will be used for the bulk sample (trial mining) processing on the Yellowjacket Zone of Prize's Atlin Gold Property and exploration activities on Prize's LD claims and the recently acquired Primrose and Red Ridge properties.

Following the issuance of the 250,000 Common Shares to the Optionor and the completion of the fourth tranche of the private placement, Prize has 56,898,845 Common Shares issued and outstanding.

6. **Reliance on Section 7.1(2) or (3) of National Instrument 51-102**

Not Applicable

7. **Omitted Information**

Not Applicable

8. **Executive Officer**

The name and business number of the executive officer of Prize Mining Corporation who is knowledgeable about the material change and this report is:

Harry McGucken
President and Chief Executive Officer
Telephone: (403) 236-2222

9. **Date of Report**

October 22, 2007