FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Corporation

Carpathian Gold Inc. ("**Carpathian**" or the "**Corporation**")

365 Bay Street, Suite 300
Toronto, Ontario M5H 2V1

2. Date of Material Change

January 24, 2014 and January 27, 2014.

3. News Release

The news releases with respect to the material changes referred to in this report were released through Marketwired on January 24, 2014 and January 27, 2014. Copies of the news releases are filed on the system for electronic document analysis and retrieval (SEDAR).

4. Summary of Material Change

On January 24, 2014, the Corporation provided an operations update, as well as an update of its corporate activities, including negotiations with Macquarie Bank Limited ("**Macquarie**"), management changes, the appointment of a Chief Restructuring Officer and other corporate initiatives.

On January 27, 2014, the Corporation announced an extended forbearance and amendment agreement with Macquarie.

5. Full Description of Material Change

On January 24, 2014, the Corporation provided the following update on its operations and corporate activities:

Operations

On January 24, 2014, the Corporation announced that, its wholly-owned subsidiary, Mineração Riacho dos Machados Ltda. ("**MRDM**"), had received from SUPRAM, the state environmental agency, a temporary suspension of the Autorização Provisória de Operação ("**APO**") for the RDM Gold Project, Brazil. Representatives of MRDM and SUPRAM have met to discuss the remedial work required in order to resume operations. Works have begun at the mine site to address SUPRAM's requirements, primarily consisting of:

- Reinstating and completing the drainage systems around the plant site area and earthworks to repair erosion in run-off areas in various places which were damaged as a result of the heavy rains in December and early January, and to install new retention dykes;

- Reducing the volume of water within the tailings impoundment to below the current level of the impervious plastic liner, which involves the pumping of approximately 500,000 to 700,000 cubic metres of water to the mining pits; and

- Removal of material from the CIL leach area containment bund.

It is currently estimated that, in the absence of a material impact of further heavy rains, these works may be completed by the end of February 2014. SUPRAM will then make inspection in order to determine if the remedial work satisfies the conditions required to lift the current suspension of the APO. If this is the case, SUPRAM has agreed that it can lift the suspension shortly thereafter. The cost of the remedial works is estimated at approximately US$500,000 to US$700,000. SUPRAM has agreed that the processing of in-circuit material at the date of the suspension may continue for an orderly run-down of the processing plant while the remedial work is progressing. Approximately 1,000 ounces of gold are expected to be produced from this material.

Lost production from the suspension of the APO is estimated at approximately 7,000 to 9,000 ounces of gold per month, or approximately US$8.75 million to US$11.25 million of revenue per month at current gold prices, an overall impact of approximately US$26 million to US$34 million, should gold production not resume until March 31, 2014.

The Corporation also wishes to announce that, effective immediately, its Chief Operating Officer, Mr. Daniel Kivari has stepped down from that position and as an Administrator under Brazilian corporate law of MRDM.

Mr. Vito Hugo Belo has been appointed to replace Mr. Kivari as COO of MRDM on a full-time contract basis. Mr. Belo is a mechanical engineer with a long history in mining, including approximately 20 years with Rio Tinto. He led a number of departments of Rio Tinto's Paracatu Gold Mine, Brazil's largest gold mine, culminating in three years as General Manager and Vice President of the operation.

Mr. Kivari has agreed to remain available on a consulting basis to provide assistance to MRDM's new management. The Board of Directors thanks Mr. Kivari for his efforts and welcomes Mr. Belo to the Carpathian team.

Corporate

Macquarie Bank Forbearance

The suspension of MRDM's operations has increased the Corporation's working capital deficit. A further forbearance agreement is being negotiated with Macquarie, pursuant to which the Corporation has requested that Macquarie agree to defer debt repayment and provide up to an additional US$10 million of bridge financing (in addition to the previous US$30 million of bridge financing that was announced by the Corporation on January 7, 2014 and which has been fully drawn down). These negotiations are ongoing.

Management Changes

Effective immediately, Mr. Dino Titaro has stepped down as Chief Executive Officer of the Corporation. Mr. Titaro will remain as a non-executive director of the Corporation. Mr. Guy Charette will be stepping down as Executive Vice President of the Corporation, and Mr. Charette will serve as Interim Chief Executive Officer. He will also remain as a director of the Corporation.

Appointment of Chief Restructuring Officer

In agreement with Macquarie, the Corporation has engaged FTI Consulting to provide the services of Mr. Andrew Bantock to act as Chief Restructuring Officer, supported by fellow FTI Consulting professionals, as required, in Canada and Brazil.

Other Corporate Initiatives

Meanwhile, and as previously announced, the Corporation continues to pursue strategic alternative options. Several parties have conducted due diligence reviews and negotiations are on-going. However, no firm offers have been received, and there can be no assurance that any transaction will result. The Corporation is also considering potential new equity capital raising initiatives.

On January 27, 2014, the Corporation announced that it has concluded an extended forbearance and amendment agreement (the "**Agreement**") with Macquarie. The Agreement provides for a US$10 million increase in the amount of funds made available under Tranche 3 of a project finance facility entered into between Macquarie and the Corporation's wholly-owned subsidiary, MRDM. Under the terms of the Agreement, the forbearance expires on January 31st with repayment of any funds drawn down to be effected by February 28th of this year. Carpathian's representatives plan to meet with representatives of Macquarie later this week in order to discuss further extensions to the forbearance. There is no assurance that any or all of the funds to be provided to MRDM under the terms of the Agreement will actually be made available to it as any disbursements thereof remain solely at Macquarie's discretion, nor is there any assurance that Macquarie will agree to any extension of the forbearance.

For additional details concerning the material changes, please refer to the news releases dated January 24, 2014 and January 27, 2014, which are filed on SEDAR.

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

Not applicable.

7. Omitted Information

None.

8. Executive Officer

For further information, please contact:

Guy Charette
Interim Chief Executive Officer
(416) 368-7744

9. Date of Report

January 28, 2014.