FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

State the full name of your company and the address of its principal office in Canada.

1641 Lonsdale Ave, Suite 869
North Vancouver, B.C. V7M 2J5

Item 2 Date of Material Change

State the date of the material change.

13-May-2011

Item 3 News Release

State the date and method(s) of dissemination of the news release issued under section 7.1 of National Instrument 51-102.

16-May-2011

The Press Release was disseminated to the TSX Venture Exchange and through various other approved public media and filed on SEDAR with the securities commissions of British Columbia and Alberta.

Item 4 Summary of Material Change(s)

Further to the Company's press release dated April 11, 2011 the Company has closed a brokered private placement (the "**Private Placement**") raising gross proceeds of $4,000,000 led by PowerOne Capital Markets Limited (the "**Agent**").

Pursuant to the Private Placement the Company issued:

- 20,000,000 units (the "**Units**") at a price of $0.20 per Unit. Each Unit is comprised of one common share of the Company (a "**Common Share**") and one-half of one common share purchase warrant (a "**Warrant**"). Each whole Warrant is exercisable until May 13, 2013 at an exercise price of $0.30 per Common Share; and
- broker warrants to the Agent exercisable to acquire 2,000,000 Units **("Broker Units")** at an exercise price of $0.20 per Broker Unit at any time on or before May 13, 2013.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

Further to the Company's press release dated April 11, 2011 the Company has closed the Private Placement raising gross proceeds of $4,000,000, led by the Agent.

The Private Placement consisted of 20,000,000 Units at a price of $0.20 per Unit for aggregate gross proceeds of $4,000,000 (which included the exercise in full of the Agent's option to arrange for the purchase and sale of an additional 5,000,000 Units). Each Unit is comprised of one Common Share of the Company and one-half of one Warrant. Each whole Warrant is exercisable until May 13, 2013 at an exercise price of $0.30 per Common Share, provided that if the closing price of the Common Shares on the TSX Venture Exchange is equal to or greater than $0.75 per Common Share for a period of 20 consecutive trading days at any time after four months and one day after May 13, 2011, the Company may accelerate the expiry date of the Warrants by giving notice to the holders of Warrants to the 30th day after the date on which such notice is given by the Company.

The Agent received a cash fee equal to 8% of the gross proceeds raised in respect of the Private Placement and the Company issued to the Agent broker warrants exercisable to acquire 2,000,000 Broker Units at an exercise price of $0.20 per Broker Unit at any time on or before May 13, 2013.

All securities issued pursuant to the Private Placement are subject to a four-month hold period expiring on September 14, 2011. The net proceeds of the Private Placement will be used for the exploration on its gold and iron ore projects located in Western Australia and for working capital purposes.

5.2 Disclosure for Restructuring Transactions

N/A

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

N/A

Item 7 Omitted Information

State whether any information has been omitted on the basis that it is confidential information.

N/A

Item 8 Executive Officer

Give the name and business telephone number of an executive officer of your company who is knowledgeable about the material change and the Report, or the name of an officer through whom such executive officer may be contacted.

Brett Hodgins, President & Chief Executive Officer
Tel: +61 2 9397 7555

Item 9 Date of Report

18-May-2011