FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

Pinecrest Resources Ltd. (the "Company")
Suite 1820, 999 West Hastings Street
Vancouver, BC V6C 2W2
Fax: 604.628.1011

Item 2: Date of Material Change

February 28, 2011.

Item 3: News Release

The news release was disseminated on February 28, 2011 through Baystreet and Stockwatch and filed on SEDAR.

Item 4: Summary of Material Change

The Company has entered into an option agreement dated February 28, 2011 with Kootenay Gold Inc. ("Kootenay"), a Tier 1 TSX Venture Exchange (the "Exchange") listed issuer continued under *Business Corporations Act* (British Columbia), pursuant to which Kootenay has granted to Pinecrest an option to acquire up to an undivided 50% interest in the two mineral concessions comprising the Espiritu property located in Sahuaripa, Sonora Mexico.

Item 5: Full Description of Material Change

The Company has entered into an option agreement (the "Option Agreement") dated February 28, 2011 with Kootenay Gold Inc. ("Kootenay"), a Tier 1 TSX Venture Exchange (the "Exchange") listed issuer continued under *Business Corporations Act* (British Columbia), pursuant to which Kootenay has granted to Pinecrest an option to acquire up to an undivided 50% interest in the two mineral concessions comprising the Espiritu property (the "Property") located in Sahuaripa, Sonora Mexico.

Pinecrest is a "capital pool company" under the rules and policies of the Exchange. The transaction contemplated by the Option Agreement will represent Pinecrest's qualifying transaction (the "QT") and is subject to the acceptance of the Exchange. The QT is not a related party transaction under the rules and policies of the Exchange and the QT does not constitute a non-arm's length QT. Approval of the shareholders of Pinecrest to the QT will not be required by the Exchange. Upon completion of the QT, Pinecrest will become a Tier 2 mining issuer on the Exchange. Pinecrest will apply to the Exchange for a waiver of the requirement to engage a sponsor with respect to the QT. There is no assurance that a waiver will be granted.

Pursuant to the terms of the Option Agreement, to earn a 50% in the Espiritu Property Pinecrest must spend $1.0 million on exploration expenditures over a period of four years ($200,000 in first year) and issue up to 750,000 common shares over a three year period, of which 200,000 common shares of Pinecrest will be issued to Kootenay on the fifth business day following the receipt of the Exchange's final bulletin providing acceptance to the QT. Pinecrest will be the operator of the project during the term of the Option. Upon exercise of the Option, a joint venture between Pinecrest and Kootenay will be formed to further explore and, if deemed warranted to develop the Property and equip all or a part thereof for commercial production, and to operate the Property or any portion thereof as a mine. Pinecrest and Kootenay will in good faith negotiate and settle the terms of a joint venture agreement within a period of 30 days of the exercise of the Option. Funding of further work on the Property will be on a proportional basis in proportion to ownership percentage. Either party may be diluted on the basis of a standard formula if they do not contribute to the planned program.

Financing

There are currently 7,400,000 common shares of Pinecrest issued and outstanding. In conjunction with the QT, Pinecrest also announces a non-brokered private placement to raise gross proceeds of $550,000 by the issuance of 2,500,000 units (the “Units”) at a purchase price of $0.22 per Unit. Each Unit will consist of one common share and one non-transferable common share purchase warrant (a “Warrant”). Each Warrant will entitle the holder to acquire an additional common share of Pinecrest at an exercise price of $0.30 per common share exercisable at any time until three years from the date of the closing of the QT. The proceeds of the private placement together with Pinecrest’s current working capital will be used to fund the first year’s work program on the Property and for general working capital purposes. Insiders of the Company will be participating in the private placement financing

Upon completion of the QT, including completion of the private placement, Pinecrest will have 9,900,000 common shares issued and outstanding. Assuming that the Option is exercised in full whereby Pinecrest acquires a 50% interest in the Property, Kootenay will hold an aggregate of 750,000 common shares of Pinecrest representing approximately 7.6% of the Company's issued and outstanding shares on a non-diluted basis.

Directors, Officers and Insiders of Pinecrest Following the QT

It is anticipated that upon completion of the QT, the directors, officers and insiders of Pinecrest will be the following:

Edward Farrauto, CGA, Director and Chief Executive Officer
Kristian Dagsaan, CA, Chief Financial Officer
Ryan King, Director and Corporate Secretary
Douglas Forster, M.Sc., P.Geo., Director
Kimberly Williams, B.A.Sc. Director
Blayne Johnson, Insider

Options

Concurrent with the completion of the QT, Pinecrest intends to grant incentive stock options to directors and officers of the Company that will entitle the holders to purchase up to 190,000 common shares in the capital of the Company. The exercise price of the stock options will be $0.30 per common share and the options will have a term of five years from the completion of the QT. The grant of the stock options is subject to regulatory and Exchange acceptance.

Significant Conditions to Closing

Completion of the QT is subject to certain conditions including, without limitation, approval of the QT by the Exchange, waiver of the requirement to engage a sponsor or the engagement of a sponsor, and completion by Pinecrest of an equity financing of $550,000. There can be no assurance that the QT will be completed as proposed or at all.

Trading Halt

In accordance with Exchange policy, the shares of Pinecrest will remain halted from trading on the Exchange until such time as the Exchange reinstates the shares for trading, which, depending on the policies of the Exchange, may not occur until the completion of the QT.

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

N/A.

Item 7: Omitted Information

N/A.

Item 8: Executive Officer

The following executive officer of the Company is knowledgeable about the material change disclosed in this report and may be contacted as follows:

Edward Farrauto, Chief Executive Officer
Telephone: 604.687.3992

Item 9: Date of Report

March 3, 2011.