

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

March 30, 2015.

3. News Release

The news release with respect to the material change referred to in this report was released through Marketwired on March 30, 2015. A copy of the news release is filed on the system for electronic document analysis and retrieval (SEDAR).

4. Summary of Material Change

The Corporation has determined that it will not be able to file its annual audited financial statements for the year ended December 31, 2014 and its related Management's Discussion and Analysis and Chief Executive Officer and Chief Financial Officer certifications by the prescribed filing deadline of March 31, 2015.

5. Full Description of Material Change

The Corporation has determined that it will not be able to file its annual audited financial statements for the year ended December 31, 2014 and its related Management's Discussion and Analysis and Chief Executive Officer and Chief Financial Officer certifications (the "**Required Filings**") by the prescribed filing deadline of March 31, 2015 (the "**Filing Deadline**").

The Riacho dos Machados Gold Project ("**RDM**") which is owned by Carpathian's wholly-owned subsidiary, Mineração Riacho dos Machados Ltda. ("**MRDM**"), is situated

in a semi-arid region of Brazil and is heavily dependent on the annual rainy season for its supply of water. However, the amount of rain during this season has to date, like in many other parts of Brazil, fallen considerably short of annual averages. Consequently, due to the restriction on the availability of water, which is required for the operations at RDM, management, in consultation with MRDM's lender, Macquarie Bank Limited ("Macquarie"), is assessing a temporary reduction in the levels of mining and processing activities at RDM for the next several months. Any final determination on the extent of such reduction will be dependent on (i) the level of rainfall prior to the onset of the typical dry season, which normally begins in May, as this will have a direct bearing on when such reduction would come into effect and (ii) the level of processing and mining activities maintained up to that time.

As a result of the above, the Company will not be in a position to timely file the Required Filings. The impact of a temporary reduction in mining activities on the carrying value of RDM in Carpathian's annual audited financial statements for the year ended December 31, 2014 is currently being reviewed by management and Carpathian's auditors. As of the date hereof, management is of the view that, after taking into account the impact of a temporary reduction of mining and processing activities, the carrying value of RDM will likely be in the order of US\$55 million; however, the final determination of the actual impairment is subject to continuing analysis by the Company and audit by the Company's auditors in accordance with IFRS standards. This exercise will require additional time, and it is therefore anticipated that such review will not have been completed by the Filing Deadline. The Company's Required Filings will be made as soon as the Board of Directors has approved the financial statements and its auditors have delivered their Audit Report.

The Company has made an application to the Ontario Securities Commission for a management cease trade order ("MCTO"), which would restrict all trading in securities of the Company, whether direct or indirect, by the Interim Chief Executive Officer and Chief Financial Officer of the Company. There is no guarantee that an MCTO will be granted. The issuance of an MCTO does not generally affect the ability of persons who are not directors, officers or other insiders of Carpathian to trade in securities of the Company.

The Company intends to comply with the provisions of the alternative information guidelines as set out in the National Policy 12-203 – *Cease Trade Orders for Continuous Disclosure Defaults* for as long as it remains in default, including the issuance of bi-weekly default status reports, each of which will be issued in the form of a news release.

Meanwhile, and as previously announced, Carpathian continues to pursue strategic alternative options in respect of the Company and/or RDM. 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.

As of the date hereof, Macquarie has advanced a total of approximately US\$207.7 million to MRDM under the project loan facility entered into to fund RDM. There is no assurance that Macquarie will advance any additional funds.

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

March 31, 2015.