

This is the form of a material change report required under Section 85(1) of the *Securities Act* and Section 151 of the *Securities Rules*.

BC FORM 53-901F

Securities Act

MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE ACT

Item 1. Reporting Issuer

Playfair Mining Ltd.
520 - 470 Granville Street
Vancouver, B.C. V6C 1V5

Item 2. Date of Material Change

July 16, 2001

Item 3. Press Release

News Release dated July 16, 2001 was disseminated by Stockwatch and Market News.

Item 4. Summary of Material Change

Playfair Mining Ltd., as part of its investigation into the very large and high magnitude San Miguel geochemical anomalies, commissioned an independent report on the Company's findings by an arms length industry expert, Mr. Greg Z. Mosher, P. Geo.

Item 5. Full Description of Material Change

Playfair Mining Ltd., as part of its investigation into the very large and high magnitude San Miguel geochemical anomalies, commissioned an independent report on the Company's findings by an arms length industry expert, Mr. Greg Z. Mosher, P. Geo.

The report is now complete and Mr. Mosher's conclusions, in part, are:

"The most recent soil sampling program convincingly demonstrates the bedrock-related nature of the E-1 geochemical anomalies.

The geometry of the anomalies is highly consistent with bedrock fracture patterns recorded on the geological map of the Charcas mining district. The predominant trend, 145 degrees is also reflected in the orientation of drainages in the area as well as that of a number of the vein - type deposits within the Charcas mining district.

The close spatial and quantitative relationship in the E-1 anomalies among zinc, lead, silver, copper, iron, arsenic and sulphur, favours the interpretation that these elements were

transported and deposited simultaneously and by the same process.

The spatially consistent and quantitatively negative relationship within the E-1 anomalies between metallic elements and the rock-forming elements calcium, magnesium, potassium and aluminum, suggests a pattern of bedrock alteration that is interpreted to be possibly reflective of hydrothermal activity associated with the process of mineral deposition."

"The most appropriate means of assessing the significance of the E-1 anomalies is a drill program."

Playfair is progressing towards an early drill test of the E-1 anomalies.

Item 6. Reliance on Section 85(2) of the Act

If the report is being filed on a confidential basis in reliance on Section 85(2) of the Act, state the reasons for such reliance.

N/A

Item 7. Omitted Information

N/A

Item 8. Senior Officers

Kathleen Mitchell
Chief Financial Officer and Secretary

Telephone: 687-7178

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Vancouver, British Columbia this 16th day of July, 2001.

KERMODE RESOURCES LTD.

Per: "*Kathleen Mitchell*"

Kathleen Mitchell
Chief Financial Officer and Secretary