FORM 51-102F3
Material Change Report

Item 1 Name and Address of Company

The full name of the Company and the address of its principal office in Canada is:

Pediment Exploration Ltd.
800-850 West Hastings Street
Vancouver, B.C. V6C 1E1

Item 2 Date of Material Change

The date of the material change is July 25, 2005.

Item 3 News Release

The date of issuance of the news release was July 25, 2005.

The news release was disseminated via SEDAR to the securities commissions in British Columbia and Alberta and to the TSX Venture Exchange and via fax and e-mail to Vancouver Stockwatch and Market News.

Item 4 Summary of Material Change

As a follow-up to its News Release issued July 11, 2005, the Company issued a further News Release on July 25, 2005 confirming the status of certain pending matters. The Company confirmed that shareholder approval was obtained at its recently completed Annual and Special General Meeting to, among other matters, the Company's Share Purchase Agreement with Compañia Minera Pitalla, S.A. de C.V., the transition related matters required pursuant to the *British Columbia Business Corporations Act*, the approval of the Company's Rolling 10% Incentive Stock Option Plan, the cancellation of 426,666 common shares of the Company currently subject to escrow, and the private placement of up to 4,400,000 units at a price of $0.45 per unit. Each private placement unit is comprised of one common share and one-half of a non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share for a period of eighteen months, at $0.60 per common share.

The News Release also confirmed the appointment of director Gary Freeman to the office of President of the Company, effective July 22, 2005.

Item 5 Full Description of Material Change

Effective June 22, 2005, the Company entered into a formal share purchase agreement (the "Agreement") with El Dragon Minerals LLC ("El Dragon") with respect to the purchase of all of the issued and outstanding shares of Compañia Minera Pitalla, S.A. de C.V. ("Pitalla"). Pursuant to the Agreement (which was first disclosed in the Company's News Release dated October 26, 2005, the Company proposes to issue 5,400,000 common shares to the shareholders of El Dragon in exchange for the direct and indirect ownership of all of the issued and outstanding shares of Pitalla. In addition, 2,500,000 common shares are issuable prior to December 31, 2011 if an aggregate of at least one million ounces of gold or gold equivalents are determined to be situated on any three or fewer of the properties (of which 500,000 ounces or equivalent must be in a single property in which Pitalla has an interest).

Pitalla is a private Mexican corporation with its principle place of business in the state of Sonora, Mexico. Pitalla owns or has rights to acquire several mining properties located in the states of Sonora and Baja California Sur, Mexico (the "Properties"). The proposed acquisition (the "Transaction") is subject to the final approval of the TSX Venture Exchange.

Prior to the entering into of the formal share purchase agreement on June 22, 2005 with Pitalla, the Company had entered into a letter of intent dated July 29, 2004 to acquire all of the issued and outstanding shares of Pitalla. The shareholders of El Dragon Minerals LLC, a Nevada registered limited liability corporation are the beneficial owners of all of the issued and outstanding shares of Pitalla.

As set out above, the purchase price for the shares will be paid by the issuance to the shareholders of Pitalla of approximately 5,400,000 common shares (the "**Acquisition Shares"**) of Pediment. In addition, Pediment shall be obligated to issue a further 2,500,000 common shares (the "**Additional Shares**") provided that the conditions set out above are met on or before December 31st 2011.

The Acquisition Shares issuable to the Principals (as defined by Exchange policies) will also be required to be placed in escrow and subject to a "Tier 2 Surplus Security Escrow Agreement" pursuant to the Exchange's policies.

Pitalla is a Mexican company formed during 2002 to acquire and exploit mineral concessions in Mexico. Pitalla has acquired concessions in three regions of northwest Mexico: the Caborca Gold Belt and the Sierra Madre Foothills in Sonora, plus a third area in an active acquisition phase. Pitalla is investigating the acquisition of additional targets within all of these regions. Pitalla is focused on oxidized gold and silver targets with potential for both near-term production and significant exploration upside.

The mandate of Pitalla is to acquire a broad property portfolio, explore the highest impact projects in-house, and sell or option the balance to leverage Pitalla's own exploration spending and to generate multiple opportunities for future revenue. The intent is to ensure a corporate structure is maintained that will provide visibility in the market, superior liquidity, and minimal dilution at low valuations. Pitalla's currently has six significant targets on its Property.

Reference is made to the National Instrument 43-101 compliant technical report entitled "Technical Report on the Pitalla Properties, Mexico" as prepared for the Company by C. Stewart Wallace P.Geo. of Roscoe Postle Associates Inc. dated June 30, 2004 and updated on June 29, 2005 (the "Technical Report"), which report is available for viewing on SEDAR under the Company's name under the heading "Technical Report" posted on July 11, 2005.

At the Annual and Extraordinary General Meeting of the Company completed on March 11, 2005 (the "AGM"), initial information on the proposed transaction was disclosed to the shareholders. At the time of the meeting, the Company was not yet in receipt of a National Instrument 43-101 compliant technical report on the Properties, pro forma financial statements combining the financial information of the Company and Pitalla as at December 31, 2004, audited financial statements for Pitalla dated as of December 31, 2004 and additional financial disclosure on Pitalla and its insiders (the "Additional Information"). As a result, the AGM was adjourned in order to enable the Company to obtain the Additional Information and disclose it to the shareholders of the Company prior to completion of the business of the AGM.

In support of the Transaction, the Additional Information was posted on the SEDAR website under the Company's name under the headings "Technical Report(s") and "Other" on July 11, 2005. The completion of the AGM and the proposed passing of the shareholder resolution approving the Transaction was delayed, with the approval of the TSX Venture Exchange, until the shareholders of record of the Company as at January 11, 2005 were in a position to review the Additional Information and to amend or revoke their proxies, as they see fit, with respect to the approval of the shareholder resolution to approve the Transaction. Following disclosure of the Additional Information, the AGM was reconvened and the business of the AGM completed, with the approval of the shareholders having been obtained to the shareholder resolution approving the Transaction.

The Company will now be proceeding with its application for Exchange acceptance of the transactions summarized under Item 4 hereof. The Company is currently preparing a detailed Filing Statement for filing with the Exchange in support of its application for Exchange acceptance of the aforesaid transactions.

Item 6 **Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable.

Item 7 **Omitted Information**

No information has been omitted in this report.

Item 8 **Executive Officer**

The name and business telephone number of an executive officer of the 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 is as follows:

Name: Gary Freeman, President
Bus. Tel: (604) 685-6465

Item 9 **Date of Report**

Dated at Vancouver, British Columbia, this 3rd day of August, 2005.

"Stewart L. Lockwood"
Stewart L. Lockwood, Director