Form 51-102F3

Material Change Report

Item 1: Name and Address of Company

PEDIMENT EXPLORATION LTD.
Suite 720-789 West Pender Street
Vancouver, British Columbia V6C 1L6

(“Pediment” or the “Company”)

Item 2 Date of Material Change

October 18, 2007.

Item 3 News Release

The news release was disseminated on October 18, 2007 by way of Stockwatch.

Item 4 Summary of Material Change

The Company reports that a 2,000 metre, HQ-diameter, core drilling program has begun at the Caborca project.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

Pediment Exploration is pleased to report that a 2,000-metre, HQ-diameter, core drilling program has begun at its Caborca project in the Sonora-Mojave Megashear mineral belt in Sonora, Mexico. The program is funded by Inmet Mining (IMN-T) which can earn a 70% interest in the Caborca project by funding $5 million in exploration over four years. The drill program is designed to test copper-gold porphyry targets defined by IP geophysical surveys in conjunction with geological mapping and interpretation of surrounding, nearby outcrops which are indicative of porphyry mineralization. Pediment has contracted Layne de Mexico to carry out the drilling program in the Caborca project.

The drill program will consist of six holes, divided between the northern (Lista Blanca) and southern (San Juan) anomalies, respectively. Both anomalies are typified by high-chargeability-, and low-magnetic responses, as defined by Pediment’s geophysical programs and available government data.

Project Background
The 14,000-hectare Caborca project is located south of the town of Caborca, which is the regional business and population centre for northwest Sonora State. Highways, electrical power

and waterlines all cross through Pediment's holdings and railhead is within 10 km of the concessions.

During the summer of 2006, Pediment carried out a program of reconnaissance Induced Polarization (RIP) at the Caborca project, which identified two large chargeability anomalies under the valley floor to the east and south east of Lista Blanca ridge. During the summer of 2007 Inmet funded two follow up dipoledipole IP surveys totalling 40 line kilometres conducted by Gradient Geophysics of Missoula, Montana. These programs were designed to further define the RIP anomalies and were recently completed with encouraging results. The dipole-dipole surveys confirmed the earlier RIP anomalies, indicating several large areas of high chargeability/low resistivity characteristic of buried porphyry mineralization. Pediment and Inmet have received initial interpretations from Gradient and will add this information to Pediment's website once the final report is received.

The targets are located in a broad pediment covered valley. Pediment investigated the area after the discovery that surrounding outcropping areas contained quartz-tourmaline copper veins and Pediment drilling at Lista Blanca ridge (see Pediment's news release, October 18, 2006) indicated the Lista Blanca copper-gold occurrences were hosted by a large hydrothermal breccia or elongated "breccia pipe". Quartz-tourmaline veins and large hydrothermal breccia zones are commonly found proximal to known copper-gold porphyry systems. Pediment's VP Exploration Mel Herdrick noted "these are large anomalies and it will require a number of holes to properly investigate them. Nonetheless, there is clear potential for the project to host one or more substantial copper-gold porphyry bodies. We're gratified that our partner, Inmet Mining, concurs with our interpretation and is prepared to aggressively test it."

Drilling at Caborca will continue for the next several weeks and results will be reported once they have been received, compiled and interpreted by Pediment and Inmet.

Agreement with Inmet Mining Corp.

Pediment has an agreement with **Inmet Mining Corp.** to explore the Caborca project in which Pediment is the initial operator. The agreement grants Inmet an option to earn up to 70% of the Caborca copper project in return for payments of $250,000 and exploration expenditures of $5,000,000 over four years. Upon earning its 70% interest, a Joint Venture between Pediment and Inmet will be formed, with each party paying their pro rata share of ongoing expenses. Pediment may elect not to contribute and have its interest ultimately reduce to sliding scale copper and gold Net Smelter Return royalties. At current copper and gold prices the copper royalty would be 3% and the gold royalty 2%. The agreement with Inmet allows Pediment to continue to focus on project acquisition and development of its extensive gold and silver holdings while Inmet funds work towards the discovery of porphyry mineralization at Caborca. The agreement excludes the adjacent 100% owned Lista Blanca zone which was drilled by Pediment last year.

This material change report contains forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 27E of the U.S. Securities Exchange Act of 1934, as amended, and within the meaning of Canadian securities legislation, relating to a core drilling program has begun at its Caborca project in the Sonora-Mojave Megashear mineral belt in Sonora, Mexico, and an agreement with Inmet Mining Corp. to explore the Caborca project. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or are those, which, by their nature, refer to future events. The Company cautions that any forward-looking statements by the Company are not guarantees of future results or performance, and that actual results may differ materially from those in forward-looking statements as a result of various factors, including, but not limited to, variations in the nature, quality and quantity of any mineral deposits that may be located, the Company's inability to obtain any necessary permits, consents or authorizations required for its activities, the Company's inability to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies. The reader is referred to the Company's reports, publicly available through the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com, and the U.S. Securities and Exchange Commission's Electronic Data Gathering and Retrieval (EDGAR) System at www.sec.gov, for a more complete discussion of such risk factors and their potential effects.

This material change report contains information with respect to adjacent or similar mineral properties in respect of which the Company has no interest or rights to explore or mine. The Company advises that the U.S. Securities and Exchange Commission's mining guidelines prohibit information of this type in reports filed with the SEC. Readers are cautioned that the Company has no interest in or right to acquire any interest in any such adjacent or similar properties, and that mineral deposits on adjacent or similar properties are not indicative of mineral deposits on the Company's properties .

All of the Company's public disclosure filings may be accessed via www.sedar.com and www.sec.gov, and readers are urged to review these materials, including any technical reports filed with respect to the Company's mineral properties.

This material change report is not, and is not to be construed in any way as, an offer to buy or sell securities.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Gary Freeman, President & Chief Executive Officer

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Item 9 Date of Report

October 18, 2007.