

MATERIAL CHANGE REPORT

Section 118(1) of the *Securities Act* (Alberta)

Section 67(1) *Securities Act* (B.C.)

Section 75(2) *Securities Act* (Ontario)

1. Reporting Issuer:

Cathedral Gold Corporation ("CAT")

2. Material Change occurred on:

June 16, 2000

3. News Release:

June 19, 2000

4. Summary of Material Change:

CAT has acquired all of the issued and outstanding shares and special warrants of Directional Plus Ltd. ("DPL").

5. Full Description of Material Change:

CAT has acquired all the issued and outstanding shares and special warrants of DPL in consideration of 15,973,359 common shares and 66,158,747 Special Shares Series 1 in the capital of the Corporation.

DPL provides directional and horizontal drilling services to major, intermediate and junior oil and natural gas companies in Western Canada. Revenues have increased from \$1.56 million for the first eight months of operations ending December 31, 1998 to \$5.80 million for the twelve months ending December 31, 1999. Revenues for the first quarter of 2000 totalled \$4.41 million as compared to \$1.22 million for the three months ending March 31, 1999. The outlook for fiscal 2000 continues to be strong.

DPL was founded by six key individuals with over 100 years of experience in the horizontal and directional drilling industry as follows:

Mark Bentsen, President and interim Chief Financial Officer

Mr. Bentsen has over 14 years experience in the oil and gas drilling industry and is a co-founder of DPL. Prior to that he was employed with Akita Drilling Ltd. most recently as Vice-President, Corporate Development and prior to that as Contracts Manager and Contracts Administrator.

Graham Challand, Operations Co-ordinator

Mr. Challand has over 38 years experience in the oil and gas drilling industry and is a co-founder of DPL. Prior to joining DPL, Mr. Challand spent 14 years with Sperry Sun Drilling Services most recently as Directional Co-ordinator/Manager. Prior to that, he spent 3 years with Whipstock Systems Ltd. as Directional Driller, 5 years with S&S Consultants and American Coldset Corp. as a Wellsite Consultant, 4 years with Eastman Whipstock Ltd. as a Directional Driller, and 10 years with Southeastern & Sante Fe Drilling Co. Ltd. as a Driller.

Aurele Maurice, Vice-President Sales and Marketing

Mr. Maurice has over 23 years experience in the oil and natural gas drilling industry and is a co-founder of DPL. Prior to joining DPL, Mr. Maurice spent 8 years with Sperry Sun Drilling Services most recently as Senior Technical Sales Representative/Directional Drilling Supervisor. Prior to that, he spent 13 years with Nabors Drilling.

Jeff Morden, Vice-President Business Development

Mr. Morden has over 27 years experience in the domestic and international oil and natural gas drilling industry and is a co-founder of DPL. Prior to joining DPL, Mr. Morden spent 20 years with Sperry Sun Drilling Services Canada most recently as Senior Technical Advisor in Calgary, Alberta. Previous positions at Sperry Sun included Product Development Manager (England), Technical Services Manager (Edmonton), MWD Field Test Manager (Houston), District Representative (St. John's) and Senior Survey Engineer (Edmonton). Prior to that Mr. Morden worked for Underwater Gas Developers as a Derrickman/Assistant Driller.

Randy Pustanyk, Vice-President Operations

Mr. Pustanyk is a Professional Engineer with over 18 years experience in the Directional Drilling Industry and is a co-founder of DPL. Prior to joining DPL, Mr. Pustanyk spent 13 years with Sperry Sun Drilling Services Canada in various roles including Senior Drilling Engineer Specialist Applications, Engineering Manager Tool Development Group, World Wide Manager Downhole Motors and Senior Measurement While Drilling Systems (MWD) Surveyor. Prior to that he spent 4 years at Computalog Gearhart (Canada) Ltd. as a Senior MWD Surveyor.

Paul Thebeau, Operations Manager

Mr. Thebeau has over 27 years experience in the oil and natural gas drilling industry and is a co-founder of DPL. Prior to joining DPL, Mr. Thebeau spent 6 years with Sperry Sun Drilling Services Canada in various roles most recently as Senior Directional Drilling Coordinator. Prior to that Mr. Thebeau spent 20 years with Cactus Drilling most recently as Rig Manager.

Financial Highlights

Directional Plus Ltd.

(\$ thousands, except per share amounts)

	Three Months Ending March 31	
	2000	1999
	<u>Unaudited</u>	<u>Unaudited</u>
Revenue	\$ 4,410	\$ 1,226
Gross Profit	1,919	485
General and administrative	581	166
Depreciation	185	63
Net earnings	630	185
Per share **	\$ 0.01	\$ 0.00
EBITDA	1,343	323
Per share **	\$ 0.02	\$ 0.00

** Per share data has been calculated based upon the combined 82,132,106 common shares and special shares series 1 issued by Cathedral Gold Corporation upon the acquisition of Directional Plus Ltd.

6. Reliance on Section 118(2) (confidentiality provisions) of the *Securities Act*:

N/A

7. Omitted Information:

None

8. Senior Officers:

Mark L. Bentsen
430, 715 - 5 Avenue S.W.
Calgary, Alberta T2P 2X6
(403) 265-2560

9. Statement of Senior Officer:

The foregoing accurately discloses the material change referred to herein.

DATED at Calgary, Alberta as of the 23rd day of June, 2000.

CATHEDRAL GOLD CORPORATION

(signed)

Mark L. Bentsen
President and Interim Chief
Financial Officer