MINORCA RESOURCES INC.

MATERIAL CHANGE REPORT

Form 27 - *Securities Act* (Ontario)

Form 27 - *Securities Act* (British Columbia)

Form 27 - *Securities Act* (Nova Scotia)

***Securities Act* (Quebec), section 73**

Form 25 - *Securities Act , 1988* (Saskatchewan)

Form 26 - *Securities Act* (Newfoundland)

1. Reporting Issuer

Minorca Resources Inc. (the "Company")

Suite 1320

4 King Street West

Toronto, Ontario

M5H 1B6

2. Date of Material Change

June 26, 1997

3. Press Release

A press release (a copy of which is attached hereto) was distributed through Canadian Corporate News on June 26, 1997.

4. Summary of Material Change

At the annual general and special meeting (the "Meeting") of Minorca Resources Inc. ("Minorca" or the "Company") held on June 26, 1997, shareholders of the Company approved the restructuring proposal relating to the special warrants issued by the Company in March 1997. Shareholders also confirmed the shareholder rights plan adopted by the board in February 1997 and approved a consolidation of the Company's issued and outstanding common shares on a one for two basis.

5. Full Description of Material Change

At the annual general and special meeting (the "Meeting") of Minorca Resources Inc. ("Minorca" or the "Company") held on June 26, 1997, shareholders of the Company approved the restructuring proposal relating to the special warrants issued by the Company in March 1997. Approval was obtained by both a majority of the votes cast by all shareholders at the Meeting and a majority of the votes cast by shareholders without giving effect to votes cast by persons who, directly or indirectly, hold or exercise control over special warrants and by associates, affiliates and insiders of such persons.

The restructuring proposal will result in those warrant holders who accept the proposal receiving, on the conversion of each special warrant held by them, two common shares and one-half of one common share purchase warrant and $1.00 in cash from the Company. Each whole purchase warrant may be exercised on or prior to March 13, 1999 at a price of $1.50 per share. Special warrants issued under the original transaction entitle the holders thereof to receive, for each special warrant 1.1 common shares and one-half of one common share purchase warrant, each whole purchase warrant being exercisable on or prior to March 13, 1998 at a price of $7.15 per share. As of June 26, 1997, approximately 82% of the warrantholders have approved the restructuring proposal. Warrantholders may elect to participate in the restructured transaction up to the earlier of (i) the fifth business day after receipt has been issued for the final prospectus qualifying the common shares and common share purchase warrants issuable upon the exercise of the special warrants; and (ii) August 15, 1997.

The implementation of the restructuring proposal will result in the Company having about $68 million in cash to selectively pursue the extensive opportunities available to buy or joint venture quality gold assets.

As a condition of agreeing to participate in the restructuring, each warrantholder approving the proposal executed and delivered to the Company a release in favour of the Company and the underwriters in respect of matters relating to the special warrant transaction which will become effective upon closing of the restructuring.

Under the restructuring proposal, the Company will be required to provide an undertaking to those warrantholders who accept the proposal that the Company will not at any time extend any offer having economic value in excess of the economic value provided by the proposal to any holder or former holder of the original special warrants to settle any claim that any such holder has or may have against the Company relating to the original transaction unless the incremental value of such offer is extended to all holders who have accepted the proposal.

In addition to the receipt of shareholder approval, the other conditions for implementation of the restructuring proposal, being the receipt of all necessary stock exchange and regulatory approvals and the delivery to the Company of a release by the underwriters of any claims they may have relating to the original special warrant transaction, have been fulfilled. The Company has already filed a preliminary prospectus on June 19, 1997 with the relevant securities authorities in respect of the restructured transaction and is awaiting their comments. Once comments are received, responded to and settled, a final prospectus will be filed and the restructuring will close shortly thereafter. The Company expects that this process will be completed by the end of July.

The Company also announced that at the Meeting, shareholders confirmed the shareholder rights plan adopted by the board of directors in February 1997 and approved a consolidation of the Company's issued and outstanding common shares on a one for two basis. In order to effect the consolidation, the Company will file articles of amendment and will proceed to satisfy the requirements of the Toronto and Montreal stock exchanges. Once all requirements have been satisfied, the Company will send out letters of transmittal to shareholders which will enable shareholders to exchange their current share certificates for new share certificates representing their shareholdings on a consolidated basis. The Company anticipates that the consolidation process will be completed by the end of July, at which time the Company's common shares will begin trading on a consolidated basis.

6. Reliance on Confidentiality Provisions of Securities Legislation

Not applicable.

7. Omitted Information

Not applicable.

8. Senior Officers

For further information please contact Roland Horst, Chief Executive Officer or Danielle Goldberg, Director, Investor Relations at (416) 362-2838.

9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto, Ontario this 2nd day of July, 1997.

(Signed) "*Joseph DelCampo*"
Joseph Del Campo
Chief Financial Officer and
Secretary

NEWS RELEASE

(TSE/ME: MAR)

FOR IMMEDIATE RELEASE

June 26, 1997 -- Toronto, Canada: **Minorca Resources Inc.** ("Minorca" or the "Company") announced that shareholders, at the Company's annual meeting held earlier today, have approved the restructuring proposal relating to the special warrants issued by the Company in March of this year. Approval was obtained by both a majority of the votes cast by all shareholders at the meeting and a majority of the votes cast by shareholders without giving effect to votes cast by persons who, directly or indirectly, hold or exercise control over special warrants and by associates, affiliates and insiders of such persons.

The restructuring proposal will result in those warrant holders who accept the proposal receiving, on the conversion of each special warrant held by them, two common shares and one-half of one common share purchase warrant and $1.00 in cash from the Company. Each whole purchase warrant may be exercised on or prior to March 13, 1999 at a price of $1.50 per share. Special warrants issued under the original transaction entitle the holders thereof to receive, for each special warrant 1.1 common shares and one-half of one common share purchase warrant, each whole purchase warrant being exercisable on or prior to March 13, 1998 at a price of $7.15 per share. As of today, approximately 82% of the warrantholders have approved the restructuring proposal. Warrantholders may elect to participate in the restructured transaction up to the earlier of (i) the fifth business day after receipt has been issued for the final prospectus qualifying the common shares exercisable on exercise of the special warrants and (ii) August 15, 1997.

"With the implementation of the restructuring proposal, Minorca will have about $68 million in cash to selectively pursue the extensive opportunities available to buy or joint venture quality gold assets thus creating shareholder value" said Roland Horst, President and Chief Executive Officer. "We believe that these assets are available at substantially reduced prices because of the limited access to capital that many junior and intermediate gold mining companies currently face."

As a condition of agreeing to participate in the restructuring, each warrantholder approving the proposal executed and delivered to the Company a release in favour of the Company and the underwriters in respect of matters relating to the special warrant transaction which will become effective upon closing of the restructuring.

Under the restructuring proposal, the Company will be required to provide an undertaking to those warrantholders who accept the proposal that the Company will not at any time extend any offer having economic value in excess of the economic value provided by the proposal to any holder or former holder of the original special warrants to settle any claim that any such holder has or may have against the Company relating to the original transaction unless the incremental value of such offer is extended to all holders who have accepted the proposal.

In addition to the receipt of shareholder approval, the other conditions for implementation of the restructuring proposal, being the receipt of all necessary stock exchange and regulatory approvals and the delivery to the Company of a release by the underwriters of any claims they may have relating to the original special warrant transaction, have been fulfilled. The Company has already filed a preliminary prospectus on June 19, 1997 with the relevant securities authorities in respect of the restructured transaction and is awaiting their comments. Once comments are received, responded to and settled, a final prospectus will be filed and the restructuring will close shortly thereafter. The Company expects that this process will be completed by the end of July.

The Company also announced that at the shareholders' meeting, shareholders confirmed the shareholder rights plan adopted by the board of directors in February of this year and approved a consolidation of the Company's issued and outstanding common shares on a one for two basis. In order to effect the consolidation, the Company will file articles of amendment and will proceed to satisfy the requirements of the Toronto and Montreal stock exchanges. Once all requirements have been satisfied, the Company will send out letters of transmittal to shareholders which will enable shareholders to exchange their current share certificates for new share certificates representing their shareholdings on a consolidated basis. The Company anticipates that the consolidation process will be completed by the end of July, at which time the Company's common shares will begin trading on a consolidated basis.

-30-

For further information please contact:

Roland Horst
President and CEO

Danielle Goldberg
Director of Investor Relations

tel (416) 362-2838
fax (416) 362-1616