

EXP RESOURCES LTD.
Suite 1200, 1130 West Pender Street
Vancouver, British Columbia
V6E 4A4

May 2, 2001

ALBERTA SECURITIES COMMISSION
19th Flr., 10025 Jasper Avenue
Edmonton, Alberta
T5J 3Z5

BRITISH COLUMBIA SECURITIES COMMISSION
701 West Georgia Street
Vancouver, British Columbia
V7Y 1L2

Dear Sirs:

Re: EXP Resources Ltd.
MATERIAL CHANGE REPORT UNDER SECTION 118 OF THE *SECURITIES*
***ACT* (ALBERTA)**

This letter is intended as a statements setting forth certain matters that may be a material change in the affairs of EXP Resources Inc. (the "Corporation"). For convenience, this letter is itemized in the same manner as Form 27 of the *Securities Act* (Alberta). Concurrent with this filing, this letter is being filed with the Canadian Venture Exchange Inc.

Item 1 – Reporting Issuer

EXP Resources Ltd.
Suite 1200, 1130 West Pender Street
Vancouver, British Columbia
V6E 4A4

Item 2 – Dates of Material Changes

The material change occurred on May 1, 2001.

Item 3 – Publication of Material Changes

A press release was issued on May 2, 2001.

Item 4 – Summary of Material Changes

The Corporation announced that a junior oil and gas exploration company, is furthering research of alternatives to fossilized fuels.

Item 5 – Full Description of Material Changes

The Corporation announced that it is furthering research of alternatives to fossilized fuels.

The Company has negotiated an exclusive 25 year Canadian licensing arrangement for a magnetic generator developed by the Mueller Group of Vancouver, B.C. Under the terms of the proposed agreement EXP will charge 1.5 cents per kilowatt to customers with 50% of the revenue shared by each of EXP and the Mueller Group. The magnetic generator has been developed to commercial prototype but is not yet in commercial production, expected to be achieved by September 2001. It is expected to provide emission free and efficient generation of power for oilrigs, oil exploration and other oil field related applications.

The magnetic generator (“Green Machine”) benefits are:

1. Low Energy input with a high output.
2. Brushless
3. Light-weight, simple construction
4. One moving part, the rotor
5. Cool application and smaller size.

Commencement of the licensing arrangement and sales of the product is subject to completion of formal documentation, obtaining production financing and entering into commercial production.

Item 6 – Reliance on Section 118(2) of the Securities Act (Alberta)

N/A

Item 7 – Senior Officer

The name of a Senior Officer of the Corporation who is knowledgeable about the material changes and who can be contacted by Commission is:

Art Brown, Director, (604) 642-6435

The foregoing accurately discloses the material changes referred to herein.

DATED this 2nd day of May, 2001.

Yours truly,

EXP RESOURCES LTD.

Per: “Art Brown”
Art Brown, Director

cc Canadian Venture Exchange