Form 51-102F3
Material Change Report

Item 1 **<u>Name and Address of Company</u>**

Northern Orion Resources Inc.
1075 West Georgia Street
Suite 250
Vancouver, BC V6E 3C9

(the "Company")

Telephone: (604) 689-9663

Item 2. **<u>Date of Material Change</u>**

September 27, 2004.

Item 3. **<u>News Release</u>**

The press release was issued on September 29, 2004 via news wire services.

Item 4. **<u>Summary of Material Change</u>**

See attached press release.

Item 5. **<u>Full Description of Material Change</u>**

See attached press release.

Item 6. **<u>Reliance on Section 7.1(2) or (3) of NI 51-102</u>**

N/A

Item 7. **<u>Omitted Information</u>**

N/A

Item 8. **<u>Executive Officers</u>**

The following executive officer of the Issuer is knowledgeable about the material change and may be contacted by the Commission at the address and telephone number:

Horng Dih Lee
VP Finance & CFO
1075 West Georgia Street
Suite 250
Vancouver, BC V6E 3C9

Telephone: (604) 689-9663

Item 9. **<u>Date of Report</u>**

September 30, 2004.

Suite 250, 1075 West Georgia Street
Vancouver, BC, Canada V6E 3C9
www.northernorion.com

NEWS RELEASE

SEPTEMBER 29, 2004 **NNO – TSX**
NTO – AMEX

NORTHERN ORION RECEIVES ALUMBRERA CASH DISTRIBUTION OF U.S.$28.8 MILLION

Northern Orion Resources Inc. ("Northern Orion") is pleased to announce that it has received a cash distribution of U.S.$28.8 million from its 12.5% owned Alumbrera operations. Northern Orion now has a cash position of over U.S.$41 million.

In May 2004, the Alumbrera Mine repaid all of its external project debt of U.S.$154 million from internally generated profits and is now debt free, thereby increasing the flexibility for the distribution of the mine's existing and future cash resources. This cash distribution primarily represents a repayment of previous loans made by Alumbrera's existing shareholders and reduces the balance of the cash on deposit at Alumbrera by approximately 60%.

"Northern Orion has received cash distributions totalling approximately $40 million in the 15 months since our acquisition of 12.5% of Alumbrera in June 2003, representing a 66% return on our initial cash acquisition cost. With the current strength in metal prices and the budgeted increase in grade at the mine, we anticipate strong cash flows in the next few quarters." commented David Cohen, President and CEO of Northern Orion.

Northern Orion is a mid-tier copper and gold producer generating significant present and projected cash flow from its 12.5 % ownership interest in Alumbrera. With its low operating costs and mature operation, Alumbrera should provide cash flow to the Company over the next eight years which, together with project debt, could be applied to developing Northern Orion's second mine, the 100%-owned Agua Rica deposit into production without further significant equity dilution at current commodity prices. The Agua Rica deposit contains over 18 billion pounds of copper and 10 million ounces of gold and could generate over $200 million cash flow annually for more than 25 years when it starts production.

"David Cohen"
David Cohen, President and CEO

For further information, please contact:
Investor Relations, 1-866-608-9970
Email: info@northernorion.com

Safe Harbor Statement under the United States Private Securities Litigation Reform Act of 1995: Except for the statements of historical fact contained herein, the information presented constitutes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements, including but not limited to those with respect to the price of gold, silver and copper, the timing and amount of estimated future production, costs of production, reserve determination and reserve conversion rates involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement of Northern Orion to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, risks related to the integration of acquisitions, risks related to international operations, risks related to joint venture operations, the actual results of current exploration activities, actual results of current reclamation activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, future prices of gold, silver and copper, as well as those factors discussed in the section entitled "Risk Factors" in the Form 40-F as on file with the Securities and Exchange Commission in Washington, D.C. Although Northern Orion has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.