

TONKO DEVELOPMENT CORP.

MATERIAL CHANGE REPORT

**Section 118(1) of the *Securities Act* (Alberta)
Section 75(2) of the *Securities Act* (Ontario)
Section 73 of the *Securities Act* (Québec)**

Item 1. Reporting Issuer:

The name and address of the reporting issuer is Tonko Development Corp. ("Tonko"), with its principal and registered offices at 600, 999 - 8th Street S.W., Calgary, Alberta, T2R 1J5.

Item 2. Date of Material Change:

The material change occurred on April 6, 2000.

Item 3. News Release:

A press release reporting the material change was issued on April 6, 2000 through BCE Emergis.

Item 4. Summary of Material Change:

Tonko announced issuer bid for up to 15,555,556 common shares at a price of \$0.45 cash per share.

Item 5. Full Description of Material Change:

Tonko Development Corp. announced that its Board of Directors approved an offer to purchase up to 15,555,556 of its issued and outstanding common shares at a price of \$0.45 per share. The offer, which is anticipated to be sent to holders of the common shares on Tuesday, April 11, 2000, will be open for acceptance for a minimum of 21 days. Information on how shareholders may accept the offer will be included in the offer and the accompanying offering circular. The number of shares and share price in the offer have been based, in part, on discussions held with certain institutional shareholders.

The Board of Directors, following the recommendations of a Special Committee of independent Directors formed to consider the offer, unanimously approved making the offer in order to provide all shareholders with an opportunity for liquidity for their

shares, which is not available under current market conditions. The offer will provide shareholders with an opportunity to dispose of all or a portion of their shares at a price that reflects a 25% premium over the average closing trade price of the shares over the past ten days. However, the offer is being made at a price below the value of \$0.75 to \$0.87 per share as determined by an independent valuation prepared by TD Securities Inc. in connection with the offer.

Tonko's previously announced normal course issuer bid for up to 4,490,000 shares, which commenced on December 7, 1999, has been suspended for the duration of the offer.

Item 6. Reliance on Section 118(2) of the Securities Act:

Not Applicable

Item 7. Omitted Information:

Not Applicable

Item 8. Senior Officers:

Peter P. Cohos, President
Telephone: (403) 245-4447

Item 9. Statement of Senior Officer:

The foregoing accurately discloses the material changes referred to herein.

DATED April 6, 2000 at Calgary, Alberta.

TONKO DEVELOPMENT CORP.

By: “Andrew D. Grasby”
Andrew D. Grasby,
Corporate Secretary

IT IS AN OFFENCE UNDER THE *SECURITIES ACT* AND THE *SECURITIES REGULATION* FOR A PERSON OR COMPANY TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT OR THE REGULATION THAT, AT THE TIME AND IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.