Form 27
Material Change Report Under Section 85(1) of the Act
Securities Act
(British Columbia)

1. Reporting Issuer:

Cheni Resources Inc.

The address of the principal office of the reporting issuer in Canada is as follows:

40 University Avenue, Suite 1300,
Toronto, Ontario, M5J 1T1

2. Date of Material Change:

May 6, 1998.

3. Press Release:

The date and place of issuance of the press release issued pursuant to section 85(1) of the Act are as follows:

A press release disclosing the nature and substance of the material change was issued on May 6, 1998 and provided to Canada News-Wire Limited and disseminated through their disclosure network. The press release was electronically filed through the System for Electronic Document Analysis and Retrieval (SEDAR) with The Toronto Stock Exchange, the only stock exchange upon which the shares of the issuer are listed, and the securities commissions in the provinces in Canada in which the issuer is a reporting issuer.

4. Summary of Material Change:

A summary of the nature and substance of the material changes is as follows:

The Issuer completed the sale of 1,900,390 Class A common shares of Meota Resources Corporation ("Meota") for net proceeds of approximately $2,160,000. Subsequent to the sale, the Company will hold no shares in Meota.

5. Full Description of Material Change:

The Issuer has completed the sale of 1,900,390 common shares of Meota Resources Corporation ("Meota"), an oil and gas company listed on the Alberta Stock Exchange. The sales were carried out through the facilities of the Alberta Stock Exchange and was brokered by Golden Capital Securities. The shares had been held for investment purposes but represented a non-core holding as the business of the Issuer is to explore and develop mineral properties. The sales took place over the period April 20 - May 6, 1998, and 1,840,000 shares were sold on May 6, 1998.

Gross proceeds from the sales was $2,189,453 providing net proceeds of $2,162,268. Combined with the Issuers current cash balance of approximately $3.1 million, the Issuers cash balance will increase to approximately $5.3 million. The shares had a book value of $501,000 resulting in a gain on sale of $1,661,268. The investment in the shares had been recorded as a long term asset. Accordingly working capital will be increased by $2.2 million.

The issuer acquired 1,000,000 of the shares of Metoa in December 1994, 1,015,422 shares in April 1996 and 584,968 shares in June 1996 and previously disposed of 200,000 shares in December 1996 pursuant to a private transaction and 500,000 shares in November through the facilities of The Alberta Stock Exchange.

6. Reliance on Section 85(2) of the Act:

Not applicable.

7. Omitted Information:

Not applicable

8. Senior Officers:

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

Gregory P. Martyr
Phone: 416-596-1299

9. Statement of Senior Officer:

The foregoing accurately discloses the material change referred to herein.

Dated at Toronto, Ontario, the _____ day of May, 1998.

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Gregory P. Martyr
President and C.E.O.