This is the form of a material change report required under section 85(1) of the British Columbia *Securities Act* (the "B.C. Act") and section 151 of the British Columbia *Securities Rules* AND under section 118(1) of the Alberta *Securities Act* (the "Alberta Act").

FORM 27
SECURITIES ACT

MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE ACT AND SECTION 118(1) OF THE ALBERTA ACT

1. **Reporting Issuer**

PALLAUM MINERALS LTD.
1000 – 355 Burrard Street
Vancouver, B.C., V6C 2G8
(604) 687-5257
(604) 687-0384 (facsimile)

2. **Date of the Material Change**

December 6, 1999 and December 15, 1999

3. **Press Release**

Press releases disseminated through Canada Stockwatch, Vancouver Market News, George Cross News Letter, Canadian Venture Exchange – Alberta, British Columbia Securities Commission, Alberta Securities Commission and U.S. Securities and Exchange Commission.

4. **Summary of Material Change**

December 61, 1999 - The Issuer announced that it has entered into an agreement with Euro Asian Capital Management Inc. to acquire a 15% interest in the St. Martinville Field Louisiana prospects.

December 15, 1999 – The Issuer announced a private placement of CDN$300,000.

5. **Full Description of Material Change**

December 6, 1999

“Pallaum Minerals Ltd. (the “Company”) has entered into an agreement with Euro Asian Capital Management Inc. to acquire a 15% interest in the St. Martinville Field Louisiana prospect. The 282 acre prospect is located in western Louisiana in a field that has produced 17.1 MMB of oil and 110 BCF of natural gas since 1966.

Mr. William Clay, Geologist/Geophysicist estimates the upside potential of the property to be 2,200,000 barrels of oil and has a mean potential of 634,000 barrels of oil.

The operator of the well is the Apache Corporation (listed on the New York Stock Exchange) who will pay for 50% of the drilling and completion costs and is contracted to commence drilling the 5,700 foot well before December 31, 1999.

The estimated dry hole cost is $219,800, the completion cost is $198,500 and the total cost including insurance is $425,800.

The Company will advise when the operator advises it has commenced drilling.

December 15, 1999

"Pallaum Minerals Ltd. (the "Company") is pleased to announce the arrangement of a private placement of CDN$300,000. The Company will issue 3,000,000 units at $0.10 per unit. Each unit will consist of one common share and a two year share purchase warrant that enables the investors to purchase an additional share at a price of $0.10 per share if exercised in the first year and $0.15 per share if exercised in the second year. A finder's fee of 220,000 shares is payable to the finders at a deemed price of $0.10 per share. The private placement and finder's fees are subject to approval of the regulatory authorities. The President and a Director of the Company will be taking down 800,000 units of the private placement."

6. **Reliance on Section 85(2) of the B.C. Act and Section 118(2) of the Alberta Act**

Not Applicable

7. **Omitted Information**

No information has been omitted from this form.

8. **Senior Officers**

The following senior officers of the Issuer may be contacted about the material change:

Stanley R. Ford	President	(604) 687-5357

Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Vancouver, British Columbia this 15th day of December, 1999.

Stanley R. Ford,
President