

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**

February 3, 2000

3. **Press Release**

Press release 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**

The Issuer announced that it is in negotiations to participate in a US\$5.0M multi-prospect oil and gas exploration/development program with Apache Corporation as a participant and operator.

The Issuer also announced that the #23 Smedes well in St. Martinville Parish, Louisiana was drilled to a depth of 5635 feet and encountered no hydrocarbons and was then plugged and abandoned.

The Issuer also announced that it is in final negotiations to participate in a major gas/oil prospect in Texas.

5. **Full Description of Material Change**

“Pallaum Minerals Ltd. is in negotiations to participate in a US\$5.0M multi-prospect oil and gas exploration/development program with Apache Corporation as a participant and operator. Pallaum and Euro-Asian Capital Management Inc. will release the details of the transaction upon the completion of the negotiations.

The #23 Smedes well in St. Martinville Parish, Louisiana was drilled to a depth of 5635 feet and encountered no hydrocarbons and was then plugged and abandoned.

The Company is in final negotiations to participate in a major gas/oil prospect in Texas. The prospect is located near a productive gas field and is well serviced by roads and gas transmission lines. Details of the prospect and the final agreement will be released shortly.”

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
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Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Vancouver, British Columbia this 3rd day of February, 2000.

(SIGNED)
 “Stanley R. Ford”,
 President