

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**

March 15, 2000 and March 16, 2000

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**

March 15, 2000

The Issuer announced that it has signed an agreement with International Oil & Gas Inc. (OTC:IOAG) to acquire a 12.8205% leasehold interest in a 5,000-acre gas/oil prospect in Hood County, Texas. The prospect is located on the edge of the Lipann Gas Field, which is approximately 30 miles southwest of Ft. Worth, Texas.

March 16, 2000

The Issuer announced the arrangement of a private placement of CDN\$250,200.

5. **Full Description of Material Change**

March 15, 2000

“Pallaum Minerals Ltd. (the “Company”) has signed an agreement with International Oil & Gas Inc. (OTC:IOAG) to acquire a 12.8205% leasehold interest in a 5,000-acre gas/oil prospect in Hood County, Texas. The prospect is located on the edge of the Lipann Gas Field, which is approximately 30 miles southwest of Ft. Worth, Texas.

The prospect has three new field target zones: a carboniferous age reef; a deep-seated fracture feeder system; and a deeper subthrust of younger carbonates.

The recently complete 3D seismic survey carried out by Michael Hanratty, Geophysicist, has defined and interpreted reefal structures at near the Chappel layer. The size of the reef has been estimated to be 1 mile by 1-1/2 miles. About 40 miles away, the #3 Ora B Jones well was drilled into a reef by Ray Rickey in 1985, and it blew out at 12,460 BOPD plus gas and produced 700,000 barrels of oil and a billion cubic feet of gas in 90 days.

The initial 9,000-foot test well has been positioned to intercept the three main target zones: the upper reef zone, the fracture zone, and the lower subthrust zone. The turnkey dry hole cost of the well is US\$355,000. The drilling, which will be managed by Rodessa Operating Company, is scheduled to commence on or before April 15, 2000.

The property is crossed by two under-utilized gas pipelines, and a producing well could be connected very quickly. The estimated completion costs are US\$247,000. If hydrocarbons are found multiple wells could be drilled to exploit the resources.”

March 16, 2000

“Pallaum Minerals Ltd. (the “Company”) is pleased to announce the arrangement of a private placement of CDN\$250,200. The Company will issue 695,000 units at \$0.36 per unit. Each unit will consist of one common share and a two year share purchase warrant that enables the investor to purchase an additional share at a price of \$0.48 per share. A finder’s fee of 55,611 shares is payable at a deemed price of \$0.36 per share. The President and a Director of the Company will be taking down 138,889 units of the private placement. The private placement and finder’s fees are subject to approval of the regulatory authorities.”

The Company has granted 1,370,000 stock options to seven individuals at an exercise price of \$0.36 per share for a period of 5 years, subject to regulatory approvals.

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 23rd day of March, 2000.

(Signed)
"Stanley R. Ford",
President