

BIRCH MOUNTAIN RESOURCES LTD.
300, 250 - Sixth Avenue S.W.
Calgary, Alberta T2P 3H7
Tel: (403) 262-1838
Fax: (403) 263-9888

ALBERTA SECURITIES COMMISSION
4th Floor, 300 - 5th Avenue S.W.
Calgary, Alberta, T2P 3C4

**BRITISH COLUMBIA SECURITIES
COMMISSION**
P.O. Box 10142 Pacific Centre
701 West Georgia Street
Vancouver, British Columbia, V7Y 1L2

TSX VENTURE EXCHANGE INC.
10th Floor, 300 - 5th Avenue S.W.
Calgary, Alberta, T2P 3C4

Dear Sirs:

Re: BIRCH MOUNTAIN RESOURCES LTD.
Material Change Report Under Section 146 of the *Securities Act* (Alberta) and Section 85
of the *Securities Act* (British Columbia)

This letter is intended as a statement setting forth certain matters that may be a material change in the affairs of **BIRCH MOUNTAIN RESOURCES LTD.** (the "Corporation" or "Birch Mountain"). For convenience, this letter is itemized in the same manner as Form 27 of the *Securities Act* (Alberta) and Form 53-901F of the *Securities Act* (British Columbia). Concurrent with this filing, this letter is being filed with the TSX Venture Exchange Inc., being the only Exchange on which the Corporation's shares are currently listed.

Item 1 - Reporting Issuer

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Item 2 - Date of Material Change

The material change occurred on March 22, 2004.

Item 3 - Publication of Material Change/Press Release

A press release was issued on March 22, 2004.

Item 4 - Summary of Material Change

Birch Mountain has filed an application with the Natural Resources Conservation Board and Alberta Environment for regulatory approval to construct, operate and reclaim the Muskeg Valley Quarry. The application and supporting Environmental Impact Assessment ("EIA") is for the development of the first stage (the "northern project") of the quarry and associated infrastructure for the production and sale of aggregate.

Full Description of Material Changes

Birch Mountain has filed an application with the Natural Resources Conservation Board and Alberta Environment for regulatory approval to construct, operate and reclaim the Muskeg Valley Quarry. The application and supporting Environmental Impact Assessment (“EIA”) is for the development of the first stage (the “northern project”) of the quarry and associated infrastructure for the production and sale of aggregate.

The application is a major step that, if approved on a timely basis, will allow Birch Mountain to initiate quarry operations and sale of aggregate later this year. The northern project quarry is where Birch Mountain will initiate aggregate production within an area of 255 hectares or 630 acres. The environmental planning for the project includes a 200 metre set-back to protect the Muskeg River, protection of two significant archaeological sites and a reclamation plan which will, when the project is complete, result in a clearwater quarry lake that will support a diversity of aquatic wildlife and various recreational activities.

The joint application and EIA address the potential environmental and socio-economic impacts associated with the Muskeg Valley Quarry, and meets the requirements set forth in the Natural Resources Conservation Act, the Environmental Protection and Enhancement Act, the Alberta Water Act, and the Alberta Public Lands Act. These requirements were specified in the final Terms of Reference for the EIA issued in 2003 by Alberta Environment.

Birch Mountain has completed the previously announced winter 2004 Muskeg Valley Quarry prefeasibility drill program. Ten holes were drilled, five each in the northern and southern project areas. Nine holes were completed successfully and one was halted above target depth due to drilling difficulties. The nine holes were drilled vertically to the Christina Member of the Waterways Formation and all intersected potentially calcinable limestone of the Middle Quarry Unit (“MQU”). Core from the 2004 drill program was halved by diamond saw in Fort McMurray and is in Birch Mountain’s Calgary core lab undergoing detailed logging and sampling.

Although snow cover limited field sampling, Birch Mountain has confirmed that ridges and knolls that underlie a significant proportion of the area of the southern project area comprise potentially calcinable limestone of the Upper Quarry Unit (“UQU”). The UQU was also intersected near the surface in a number of drill holes, but its recovery in core was low. Six 100 Kg samples of the UQU in the southern project area were collected for testing. Core samples and the surface UQU samples will be submitted for aggregate and calcining tests.

Birch Mountain recently released the results of an independent, NI 43-101 technical report on a preliminary assessment of the Muskeg Valley Quarry. The report confirmed that the project contains a substantial limestone resource capable of meeting projected long-term demand of 350,000 tonnes per year of quicklime and 6,900,000 tonnes per of construction and concrete aggregates. The report concluded that with continuing test work and market development, the Muskeg Valley Quarry has the potential to be developed into a major producer of quicklime and aggregate. If these production rates are realized, the Muskeg Valley Quarry would compare favourably with the number one quarry in Aggregate & Roadbuilding Magazine’s list of “Canada’s 2002 Top 20 Quarries”, which produced 4,820,000 tonnes of limestone in 2002.

Over the next eight months Birch Mountain plans to conduct the required environmental, geological and engineering studies on the southern project area to complete regulatory applications for a larger quarry that will support long-term projected aggregate sales and a quicklime plant.

Item 6 - Reliance on Section 146(2) of the *Securities Act* (Alberta) or Section 85(2) of the *Securities Act* (British Columbia)

Not applicable

Item 7 - Omitted Information

Not applicable

Item 8 - Senior Officer

The name of a Senior Officer of the Corporation who is knowledgeable about the material change and who can be contacted by the Commission is:

Douglas J. Rowe, President and Chief Executive Officer, telephone (403) 262-1838.

Item 9 - Statement of a Senior Officer

The foregoing accurately discloses the material change referred to in this report.

DATED at Calgary, Alberta, this 24th day of March, 2004.

Yours truly,

BIRCH MOUNTAIN RESOURCES LTD.

Per: "Douglas J. Rowe"
Douglas J. Rowe,
President and Chief Executive Officer