

## **MATERIAL CHANGE REPORT UNDER SECTION 75(2) OF THE *SECURITIES ACT* (ONTARIO)**

### **1. Reporting Issuer**

NAR Resources Ltd. (the "Corporation")  
372 Bay Street, Suite 408  
Toronto, Ontario  
M5H 2W9

### **2. Date of Material Change**

July 17, 2000

### **3. Press Release**

The Corporation issued a press release announcing the material change on July 17, 2000 via Canada Newswire.

### **4. Summary of Material Change**

The Corporation announced that it had completed its previously announced private placement financing of 1,300,000 special units (the "Special Units") at a price of \$1.56 per special unit for aggregate gross proceeds of \$2,028,000 before deduction of commission and expenses.

### **5. Full Description of Material Change**

The Corporation announced that it has completed its previously announced private placement financing whereby the Company issued 1,300,000 Special Units (the "Special Units") at a price of \$1.56 per special unit for aggregate gross proceeds of \$2,028,000 before deduction of commission and expenses. Yorkton Securities Inc. ("Yorkton") acted as agent for the financing.

Each Special Unit is exercisable into one Common Share (the "Common Share"), one-half series A warrant (the "A Warrant") and one-half series B warrant (the "B Warrant") for no additional consideration. Each whole Common Share Purchase A Warrant will be exercisable into one Common Share at a price of \$2.00 for a period of 18 months providing that: (I) the A Warrant cannot be exercised during the first 6 months and (II) the placee still holds the Common Shares at the time of the exercise of the A Warrant. Each whole Common Share purchase B Warrant will be exercisable into one Common Share at a price of \$2.50 for a period of up to 12 months from the date of the exercise of the A Warrant.

The Corporation has undertaken to qualify for distribution the Common Shares and Common Share Purchase Warrants issuable upon exercise of the Special Units through the filing of a prospectus. In the event the Corporation does not obtain a receipt for a (final) prospectus in a province in which a holder of Special Units is resident on or before December 17, 2000, each Special Unit exercised thereafter by such holder will entitle the holder thereof to acquire 1.1 Common Shares, 0.55 A

Warrants, and 0.55 B Warrants in lieu of one Common Share and one Common Share Purchase Warrant. If at any time after the filing of the prospectus, the 30 day average trading price for the Common Shares equals or exceeds \$3.50, each A Warrant is only exercisable for a period of 30 days from the date the Company delivers written notice to the placee to this effect. If at any time after the filing of the prospectus, the 30 day average trading price of the Common Shares equals or exceeds \$4.50, each B Warrant is only exercisable for a period of 30 days from the date the Company delivers written notice to the placee to this effect.

The Corporation owns an undivided one-third interest in an extensive Titanium Mineral Sand deposit located near Truro, Nova Scotia and an undivided 50% interest in the Lochaber Lake Base Metal project located near Antigonish, Nova Scotia. The proceeds from the financing will be used to further develop both projects.

**6. Reliance on Section 75(3) of the Act:**

This report is not being filed on a confidential basis.

**7. Omitted Information**

No information has been omitted from this material change report.

**8. Senior Officers**

George Elliott  
Chairman of the Board  
Telephone: (416) 862-3636

**9. Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

**DATED** at Toronto, Ontario this 27th day of July, 2000.

**NAR RESOURCES LTD.**

By: “George Elliott”  
George Elliott  
Chairman of the Board