

## **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**

September 12, 2000

### **3. Press Release**

The Corporation issued a press release announcing the material change on September 12, 2000 via Canada Newswire.

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

The Corporation announced that it will amalgamate with Titanium Corporation of Canada Limited ("Titanium").

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

The Corporation announced that it is exercising its previously reported option to implement a business combination with Titanium pursuant to its agreement with Titanium dated April 15, 1999, as amended (the "Titanium Agreement"). The business combination will be in the form of an amalgamation.

Shareholders of Titanium will receive two-thirds of the common shares of the amalgamated company and shareholders of the Corporation will receive one-third of the common shares of the amalgamated company. The amalgamated company will have 27,041,091 shares outstanding and 30,166,091 shares on a fully diluted basis. The Corporation has called an annual and special meeting of shareholders to be held on November 8, 2000 to approve, among other items, the amalgamation.

Titanium is a private company with no debt that was incorporated under the laws of the Province of Nova Scotia, Canada. Upon the amalgamation, the amalgamated company will operate under the laws of the Province of Ontario, Canada. Titanium's principal asset is a two-thirds interest in a titanium bearing heavy mineral sand deposit located near Truro, Nova Scotia, Canada. The Corporation holds the other one-third interest.

This property, which comprises a group of contiguous exploration licenses aggregating approximately 70 square kilometers (27 square miles), is located along the Hants/Colchester county line starting at Admiral Rock and follows the Shubenacadie River northward to the eastern reaches of Cobequid Bay. Based on the recently completed seismic survey and drill results, the Corporation and Titanium are satisfied that the tonnage of titanium bearing heavy mineral sands is extensive. To further evaluate the deposit, a deep drill program is expected to begin later this month.

The amalgamation is conditional upon appropriate regulatory approval and shareholder approval of both the Corporation and Titanium.

**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 12th day of September, 2000.

**NAR RESOURCES LTD.**

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