

FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Company:

MacDonald Mines Exploration Ltd.
141 Adelaide Street
Suite 901
Toronto, ON
M5H 3L5

(hereinafter referred to as the "Corporation")

2. Date of Material Changes:

June 16, 2004

3. News Releases

A press release in respect of the transaction described in items 4 and 5 hereof has been issued at Toronto, Ontario on June 22, 2004 and has been filed with the TSX Venture Exchange and the applicable securities regulatory authorities in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia and Newfoundland.

4. Summary of Material Changes:

The Corporation announced that it has completed the private placement financing more particularly described in item 5 below.

5. Full Description of Material Changes:

The Corporation has closed a brokered private placement financing of 7,500,000 flow-through common shares at a price of \$0.20 per flow-through common share, for aggregate gross proceeds of \$1,500,000. Dundee Securities Corporation ("Dundee") acted as agent in respect of the private placement financing, and has received compensation and commission of \$10,675 in cash, 471,625 common shares in the capital of the Corporation and 525,000 compensation unit warrants (the "Compensation Warrants"). Each Compensation Warrant is exercisable for a period of 24 months at an exercise price of \$0.20 per Compensation Warrant, and entitles Dundee to acquire one common share in the capital of the Corporation and one warrant (an "Underlying Warrant"). Each Underlying Warrant is exercisable for a period of 24 months at an exercise price of \$0.25, and entitles Dundee to acquire one common share in the capital of the Corporation.

6. Reliance on subsection 7.1(2) or (3) of NI 51-102:

N/A

7. Omitted Information:

N/A

8. Executive Officer:

For further information concerning the material change described herein, please contact:

Richard Schler
Chief Financial Officer
MacDonald Mines Exploration Ltd.
(416) 364-4986

DATED at Toronto, Ontario, the 24th day of June, 2004