FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. **Reporting Issuer:**

Sylre Ltd. (the "Sylre" or "Corporation")
43 Crooked Pond Green S.W.
Calgary, Alberta
T3Z 3E7

Item 2. **Date of Material Change:**

October 7, 2004

Item 3. **News Release:**

A press release reporting the material change was issued by the Corporation on October 7, 2004 via CCN Matthews.

Item 4. **Summary of Material Change:**

Northern Financial Corporation ("Northern") and Sylre Ltd. ("Sylre") announced an agreement (Support Agreement) concerning the revised Northern offer providing for an increase in the offer by Northern ("Northern Offer") to acquire all of the issued common shares of Sylre.

Item 5. **Full Description of Material Change:**

Northern and Sylre announced a Support Agreement concerning the revised Northern Offer providing for an increase in the Northern Offer to acquire all of the issued common shares of Sylre not already owned by Northern, from $0.48 per Sylre shares to $0.50 per Sylre share. The revised price is payable as to $0.17 per Sylre share in cash and $0.33 per Sylre share payable in Northern shares.

Under the Support Agreement, Sylvia Remple, Victor Rempel and Angela Grams have agreed to irrevocably tender a total of 3,057,413 Sylre shares into the Northern Offer, which represents approximately 48.3% of the issued Sylre shares. Northern currently owns 913,500 Sylre shares or 14.4% of Sylre.

If all the Sylre shares not owned by Northern are tendered in the Offer, the cash payment under the Offer is $921,315 and the stock portion of the Offer is $1,788,435. Northern is offering 8.8 Northern shares for each Sylre share, representing an issue price of $0.0375 per Northern share. If all the Sylre shares not owned by Northern are tendered to the Offer, Northern will issue 47,691,600 Northern shares, or approximately 7.6% of the currently issued shares of Northern.

The Offer has been extended by Northern to October 19, 2004. The Offer is subject to the condition that Sylre have at least $2,825,000 in cash resources on the expiry date of the Offer. The Offer is not conditional on a minimum number of Sylre shares being deposited in the Offer.

Northern Financial Corporation wholly owns Northern Securities, a full service brokerage firm that provides financial advisory services to retail and institutional clients and investment banking services to small capitalization companies.

Item 6. **Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable.

Item 7. **Omitted Information:**

Not applicable.

Item 8. **Executive Officer:**

Angela Grams, Vice President
Telephone: (403) 277-9900

Item 9. **Date of Report:**

Dated October 12, 2004 at Calgary, Alberta.