HEDMAN RESOURCES LIMITED
MATERIAL CHANGE REPORT

1. REPORTING ISSUER

Principal Address:

Hedman Resources Limited
400-3875 Keele Street
North York, Ontario
M3J 1N6

2. DATE OF MATERIAL CHANGE

December 17, 2002

3. PUBLICATION OF MATERIAL CHANGE

The press release attached as Schedule "A" was released through CCN Matthews on December 18, 2002.

4. SUMMARY OF MATERIAL CHANGE

Hedman Resources Limited. ("Hedman") announced that it has completed its previously announced financings to raise gross proceeds of $2,400,000.

5. FULL DESCRIPTION OF MATERIAL CHANGE

Hedman announced that it has completed its previously announced financings involving the issuance of 5,312,500 units at a price of $0.32 per unit to raise gross proceeds of $1,700,000 and 2,187,500 flow through shares at a price of $0.32 per share to raise gross proceeds of $700,000. Each unit (a "Unit") is comprised of one common share and one share purchase warrant. Each whole purchase warrant entitles the holder to acquire one additional common share of Hedman at a price of $0.38 for a period of 18 months from closing..

Hedman also announced that it has completed a previously announced settlement of an aggregate of $945,041 in debt for the issuance of 2,953,293 Units at a deemed price of $0.32 per Unit.

6. RELIANCE ON APPLICABLE PROVISIONS PERMITTING NON-DISCLOSURE OF MATERIAL CHANGE

Not applicable.

7. OMITTED INFORMATION

Not applicable.

8. SENIOR OFFICERS

The following senior officer of Hedman may be contacted for information:

Claude Taillefer, President and Chief Executive Officer
400-3875 Keele Street
North York, Ontario
M3J 1N6

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9. STATEMENT OF SENIOR OFFICER

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto, this 17th day of December, 2002.

"signed"
Claude Taillefer, President and
Chief Executive Officer

Schedule "A"

HEDMAN COMPLETES FINANCING

- *Gross proceeds total $2.4 million*
- *Financings strengthen Balance Sheet, provide working capital, and enable Hedman to proceed with work to quantify proven and probable reserves of its asbestos-free serpentine deposits*
- *Hedman also converts debt owed to Enviro Industrial Technologies into units*

Toronto, December 17, 2002: Hedman Resources Limited (TSXV: HDM) today announced that it has completed two previously announced private-placement financings to raise aggregate proceeds of $2.4 million. The financings consisted of a private placement of 2,817,500 flow-through common shares at a price of $0.32 per share to raise gross proceeds of $700,000 (the Flow-Through Offering) and a private placement of 5,312,500 units at a price of $0.32 per unit to raise gross proceeds of $1.7 million (the Unit Offering). Each unit comprises one common share and one share purchase warrant. Each share purchase warrant entitles the holder to acquire one additional common share at an exercise price of $0.38 until June 13, 2004.

David Danziger, a director of Hedman, purchased 336,281 units pursuant to the Unit Offering.

Dundee Securities Corporation acted as agent in connection with the Flow-Through Offering and received as its fee, 175,000 common shares, representing 8% of the gross proceeds raised in the Flow-Through Offering at a deemed price of $0.32 per share. In addition, Dundee received a broker warrant entitling it to acquire 281,750 common shares at a price of $0.32 per common share until June 13, 2004.

Standard Securities Capital Corp. acted as agent in connection with the Unit Offering and received as its fee, 425,000 common shares, representing 8% of the gross proceeds raised in the Unit Offering at a deemed price of $0.32 per share. In addition, Standard received broker warrants entitling it to acquire an aggregate of 531,250 common shares at a price of $0.32 per common share until June 13, 2004.

Hedman and Enviro Industrial Technologies Inc. (Enviro) also announced that they have completed a settlement agreement to convert $945,041 of debt owed by Hedman to Enviro into 2,953,253 units of Hedman at a deemed price of $0.32 per unit, each unit consisting of one common share and one share purchase warrant exercisable on the same terms as the share purchase warrants issued in the Unit Offering.

After completion of the foregoing financings and the issuance of shares for debt, Hedman has 54,973,094 common shares issued and outstanding. Assuming the exercise of the share purchase warrants, Enviro would own 5,906,506 common shares of Hedman, representing 10.2% of the issued and outstanding common shares of Hedman on a partially diluted basis. Enviro does not presently have any intention of acquiring additional common shares of Hedman.

"We are pleased that our progress has attracted investors to Hedman, enabling us to improve the Balance Sheet and add working capital. This new capital will allow us to continue executing our strategic plans going forward," said Claude Taillefer, President and Chief Executive Officer. "The flow-through funding will be of immediate benefit as the company is set to proceed with work on specific resource estimates to determine the proven and probable reserves of our asbestos-free serpentine deposits, as per requirements of National Instrument 43-101."

About Hedman
Hedman Resources Limited, based in Toronto, Ontario, produces a unique asbestos-free line of industrial mineral products for the global automotive (brakes, gaskets), plastics, and building industries. The company's main product is Northfil(TM); a non-toxic, environmentally safe, heat-and abrasion-resistant industrial filler, whose properties make it an attractively priced alternative to asbestos and other less-durable mineral fillers.

Hedman is developing and marketing products derived from Northfil, such as Firefelt(TM), which is designed for the building products industry. Hedman processes Northfil, using a proprietary technology, at its Matheson, Ontario facility, near its asbestos-free ore bodies, the only known such deposits in North America.

This document may contain certain forward-looking information and statements concerning the company's operations, performance, and financial condition, including, in particular, the likelihood of the company's success in developing and expanding its business and obtaining significant contracts. These statements are based upon a number of assumptions and estimates that are inherently subject to significant uncertainties and contingencies, many of which are beyond the control of the company. Actual results may differ materially from those expressed or implied by such forward-looking statements.

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The TSX Venture Exchange has not reviewed and does not accept, responsibility for the adequacy or accuracy of this release.