

MATERIAL CHANGE REPORT

FORM 51-102F3

1. Name and Address of Company

State the full name or your company and the address of its principal office in Canada.

Grayd Resource Corporation (“Grayd”)
Suite 900, 475 Howe Street
Vancouver, BC
V6C 2B3

2. Date of Material Changes

State the date of the material change. August 17, 2004

3. News Release

The news release dated August 17, 2004 was filed with the TSX Venture Exchange and the British Columbia and Alberta Securities Commissions via SEDAR and disseminated through Canada Stockwatch and Market News and various other approved public media.

4. Summary of Material Change

Provide a brief but accurate summary of the nature and substance of the material change.

Grayd reported on its activities and unaudited interim financial results for the first, second and third quarters ended November 30, 2003, February 29, 2004 and May 31, 2004 respectively.

5. Full Description of Material Change

Reference Grayd Resource’s press release dated August 17, 2004 herein.

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

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

Give the name and business telephone number of an executive officer of your company who is knowledgeable about the material change and the Report, or the name of an officer through whom such executive officer may be contacted.

Marc A. Prefontaine, M.Sc., P.Geo
President and Chief Executive Officer
Telephone: 604-681-7446

9. Date of Report

DATED at Vancouver, B.C., this 17th day of August, 2004.

GRAYD RESOURCE CORPORATION

/s/ Sharon L. Fleming

Sharon L. Fleming
Corporate Secretary



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NEWS RELEASE

Grayd Resource Reports on 1st, 2nd and 3rd Quarter 200 Financial Results

Vancouver, BC, August 17, 2004 . . . Grayd Resource Corporation (TSX Venture: GYD) reports on its activities and unaudited interim financial results for the first, second and third quarters ended November 30, 2003, February 29, 2004 and May 31, 2004 respectively.

First Quarter Highlights

- In November, 2003 the Company was granted an option to acquire a 100% interest in the La India property consisting of 2 mining claims located in Sonora State, Mexico.
- The Company had \$108,837 in cash and cash equivalents as at November 30, 2003 (August 31, 2003 - \$168,833).
- Total assets were \$753,653 (August 31, 2003 - \$809,898).
- Working capital was \$92,501 (August 31, 2003 - \$170,269).
- Loss for the three months ended November 30, 2003 was \$88,281.

Second Quarter Highlights

- In December, 2003 the Company was granted an option to acquire a 100% interest in the Triple A property consisting of one 6,952-hectare mining claim. The Triple A property is located immediately southeast of the La India project.
- A surface exploration program on the La India – Triple A properties commenced in February, 2004.
- In February, 2004 the Company completed a \$676,000 non-brokered private placement consisting of 2,950,000 units at a price of \$0.23 per unit.
- The Company had \$777,467 in cash and cash equivalents as at February 29, 2004 and working capital of \$755,330.
- Total assets were \$1,581,885.
- Loss for the three and six months ended February 29, 2004 was \$156,566 and \$244,847 respectively.

Third Quarter Highlights

- In March and April, 2004, the Company reported on assay results from surface sampling at the La India – Triple A high sulphidation gold project in Mexico. Assay results confirmed the potential at the three drill-ready targets on the La India claim. Preliminary sampling returned high gold and silver values from the three newly discovered early stage zones on the Triple A claim.
- The Company had \$691,236 in cash and cash equivalents as at May 31, 2004 and working capital of \$729,219.
- Total assets were \$1,603,710.
- Loss for the three and nine months ended May 31, 2004 was \$74,437 and \$319,284 respectively.

The above summaries of activities and financial results should be read in conjunction with the Company's unaudited interim financial statements and Management Discussion and Analysis for the periods ended November 30, 2003, February 29, 2004 and May 31, 2004, which are available on SEDAR at www.sedar.com.

Grayd Resource Corporation is a natural resource company engaged in the acquisition, exploration and development of mineral resource properties. It has a gold project in Mexico, a gold enriched base metal project in Alaska and a copper-gold project in British Columbia

For further information, please contact:

Marc A. Prefontaine, M.Sc., P.Geo. – President and CEO (604-681-7446) or
Freeform Communications Inc. (604-682-4029)
www.grayd.com

The TSX Venture Exchange has neither approved nor disapproved of the information contained herein.