

# **MATERIAL CHANGE REPORT**

## **Item 1: Reporting Issuer**

Chatworth Resources Inc. (formerly GMS Resource Corp.)

4908 Pine Crescent, Vancouver, B. C. V6M 3P6

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

October 18, 2004, 2004

## **Item 3: Press Release**

Date: October 18, 2004

Dissemination: Stockwatch, Marketwatch

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

Royce claims to abandoned as they come due.

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

### **ROYCE PROPERTY**

The Royce Property has been extensively explored by the Corporation and several noteworthy joint venture partners, all without success insofar as no kimberlite has been found and no source of the diamond indicator minerals has been found using conventional geological exploration methods. Hence, the known diamond indicator mineral trains present on the Royce Property remain unexplained. To date, all available assessment work has been filed against the Royce Property mineral claims. Nevertheless, the Corporation has reached the point where certain of the claims must be either taken to lease or abandoned, either now or in the future. Notwithstanding the presence of as yet unexplained diamond indicator mineral trains, the cost of taking the claims to lease and thereafter maintaining those leases is prohibitive unless the Corporation also had the financial ability to resume exploration of the Royce property by more unconventional means. The directors have determined that it is not in the best interests of the Corporation to pursue that course and will therefore allow the Royce Property claims to lapse as they come due. In the meantime, management will continue seek a further joint venture partner.

## **Item 6: Reliance on section 85 (2) of the Act**

Not confidential.

## **Item 7: Omitted Information**

Information not omitted

**Item 8: Senior Officers**

John Cumming Telephone 604-618-4262

**Item 9: Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

John Cumming Vancouver, B. C. Date: October 18, 2004