

**FORM 51-102F3**  
**Material Change Report**

**PART 1        GENERAL INSTRUCTIONS AND INTREPRETAION**

**(a)        Confidentiality**

If this Report is filed on a confidential basis, state in block capitals "CONFIDENTIAL" at the beginning of the Report.

**(b)        Use of "Company"**

Wherever this Form uses the word "company" the term includes other types of business organizations such as partnerships, trusts and other unincorporated business entities.

**(c)        Number and Headings**

The numbering, headings and ordering of the items included in this Form are guidelines only. You do not need to include the headings or numbering or follow the order of items in this Form. Disclosure provided in response to any item need not be repeated elsewhere.

**(d)        Defined Terms**

If a term is used but not defined in this Form, refer to Part 1 of National Instrument 51-102 and to National Instrument 14-101 *Definitions*. If a term is used in this Form and is defined in both the securities statute of a local jurisdiction and in National Instrument 51-102, refer to section 1.4 of Companion Policy 51-102CP.

**(e)        Plain Language**

Write the Report so that readers are able to understand it. Consider both the level of detail provided and the language used in the document. Refer to the plain language principles listed in section 1.5 of Companion Policy 51-102CP. If you use technical terms, explain them in a clear and concise manner.

**PART 2        CONTENT OF MATERIAL CHANGE REPORT**

**Item 1.        Name and Address of Company**

Kodiak Exploration Limited

**Item 2.        Date of Material Change**

August 23, 2004

**Item 3. News Release**

The date of the news release is August 23, 2004 and the method of dissemination of the news release under section 7.1 of National Instrument 51-102 was in Vancouver, British Columbia through the facilities of the TSX Venture Exchange and through Canada Stockwatch.

**Item 4. Summary of Material Change**

Private placement announced to raise \$992,000.

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

On August 23, 2004, Kodiak Exploration Limited (the "Company") announced a non-brokered private placement of its securities to raise \$992,985.70 at prices ranging from \$0.32 to \$0.40. The Company will sell 1,500,000 common shares for \$0.32 per share, 1,074,245 Units for \$0.35 per Unit and 342,500 Flow-through Units for \$0.40 per Flow-through Unit.

Each Unit will consist of one common share and one non-transferable share purchase warrant. Each Flow-through Unit will consist of one common share which is a flow-through share for tax purposes and one non-transferable share purchase warrant. Each warrant will be exercisable to acquire one additional common share of the Company (which is not a flow-through share) for \$0.50 for one year after closing; provided that if at any time after four months from the closing date, the Company's shares have a closing price of \$0.75 or more for at least ten (10) consecutive trading days on the TSX Venture Exchange, the Company shall be entitled to give notice to the holders of warrants that the warrants will expire 30 days from the date of such notice if not exercised before then.

No finder's fee is payable in connection with the private placement. One insider is participating in the private placement for \$100,000 worth of non-flow-through Units. No "control persons" (as defined in Policy 4.1 of the TSX Venture Exchange) or new insiders will be created as a result of the private placement. The proceeds from the private placement are intended to be used to pursue further exploration of the Company's Knucklethumb project and for general working capital.

*INSTRUCTION*

*If your company is engaged in oil and gas activities, the disclosure under Item 5 must also satisfy the requirements of Part 6 of National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities.*

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

Not applicable

*INSTRUCTION*

*Refer to subsections 7.1 (4), (5), (6) and (7) of National Instrument 51-102 concerning continuing obligations in respect of reports filed under subsection 7.1(2) or (3) of National Instrument 51-102.*

**Item 7. Omitted Information**

Not applicable

*INSTRUCTIONS*

*In certain circumstances where a material change has occurred and a Report has been or is about to be filed but subsection 71.(2), (3) or (5) of National Instrument 51-102 is not or will no longer be relied upon, your company may nevertheless believe one or more significant facts otherwise required to be disclosed in the Report should remain confidential and not be disclosed or not be disclosed in full detail in the Report.*

**Item 8. Executive Officer**

The following executive officer (or the name of an officer through whom such executive officer may be contacted) of the Company is knowledgeable about the material change disclosed in this report.

William S. Chornobay, President  
Business Telephone No.: 604-688-9006

**Item 9. Date of Report**

DATED THIS 23<sup>rd</sup> day of August, 2004