Form 51–102F3

Material Change Report

CONTENT OF MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Network Exploration Ltd. (the "Company")
1880-505 Burrard Street
Vancouver, B.C. V7X 1M6

Telephone: (604) 681-3864

Item 2 Date of Material Change

August 31, 2004

Item 3 News Release

News Release dated September 2, 2004 was filed on SEDAR and disseminated via Stockwatch, Vancouver, British Columbia and Market News Publishing Inc. on September 2, 2004.

Item 4 Summary of Material Change

Network Exploration Ltd. announced that the Company has now closed its private placement of 1,500,000 Units at a price of $0.12 per Unit.

Item 5 Full Description of Material Change

The Company has now closed its private placement of 1,500,000 Units at a price of $0.12 per Unit. Each Unit consists of one post-consolidated Class A Common share and one share purchase warrant. Each share purchase warrant exercisable to acquire one additional post-consolidated Class A Common share at the price of $0.12 per share up to and including August 31, 2005. All Class A Common shares issued under this private placement together with any Class A Common shares issuable on the exercise of the share purchase warrants have a hold period expiring January 1, 2005. The proceeds from the placement will be allocated to general working capital.

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

Not applicable

Item 7 Omitted Information

None

Item 8 **Executive Officer**

David Allen, President and CEO of the Company
Telephone: (604) 681-3864

Item 9 **Date of Report**

DATED at Vancouver, British Columbia, this 2nd day of September, 2004.

"**David Allen"**

David Allen, President and CEO