

This is a form of a material change report required under section 85(1) of the *Securities Act* and section 151 of the *Securities Rules*.

**BC FORM 53-901F
(previously Form 27)
Securities Act**

MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE SECURITIES ACT

NOTE: This form is intended as a guideline. A letter or other document may be used if the substantive requirements of this form are complied with.

NOTE: Every report required to be filed under section 85(1) of the *Securities Act* (the "Act") must be sent to the British Columbia Securities Commission (the "Commission") in an envelope addressed to the Commission and marked "Continuous Disclosure".

NOTE: WHERE THIS REPORT IS FILED ON A CONFIDENTIAL BASIS, PUT AT THE BEGINNING OF THE REPORT IN BLOCK CAPITALS "CONFIDENTIAL - SECTION 85", AND PLACE EVERYTHING THAT IS REQUIRED TO BE FILED IN AN ENVELOPE ADDRESSED TO THE SECRETARY OF THE COMMISSION MARKED "CONFIDENTIAL".

Item 1. Reporting Issuer

HABANERO RESOURCES INC. (the "Issuer")
Suite 1205, 789 West Pender Street
Vancouver, BC V6C 1H2

Item 2. Date of Material Change

July 7, 2004

Item 3. Press Release

- A. A press release issued in Vancouver, British Columbia on June 9, 2004.
- B. A press release was issued in Vancouver, British Columbia on June 29, 2004 by the TSX Venture Exchange ("TSX").
- C. An amended press release was issued in Vancouver, British Columbia on July 9, 2004 by the TSX.
- C. A press release was issued in Vancouver, British Columbia on July 15, 2004.

Item 4. Summary of Material Change

1,691,364 Unit Private Placement

The Issuer realized gross proceeds of \$93,025 on the completion of a 1,691,364 Unit private placement at a price of \$0.055 per Unit.

Item 5. Full Description of Material Change

1,691,364 Unit Private Placement

The Issuer has completed a non-brokered private placement of 1,691,364 Units at a price of \$0.055 per Unit for gross proceeds of \$93,025. Each Unit consisted of one common share in the capital of the Issuer (a "Share") and one non-transferable common share purchase warrant (a "Warrant") entitling the holder to purchase one additional common share of the Issuer for two years from the date of issue of the Warrants at a price of \$0.10 per share.

An aggregate 990,000 Units were purchased by three directors of the Issuer and 100,000 Units were purchased by a member of a Pro Group.

Item 6. Reliance on Section 85(2) of the Act

N/A

Item 7. Omitted Information

N/A

Item 8. Senior Officers

The Senior Officer of the Issuer who is knowledgeable about the material change and the report is Negar Towfigh, Director, Tel: (604) 646-6906.

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

Dated at Vancouver, British Columbia, this 15th day of July, 2004.

HABANERO RESOURCES INC.

By: "Negar Towfigh" _____

Director

(Official Capacity)

Negar Towfigh

(Please print here name of individual whose
signature appears above.)