FORM 27 (British Columbia)

SECURITIES ACT

MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE 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 Act shall be sent to 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 EVERYTHING THAT IS REQUIRED TO BE FILED SHALL BE PLACED IN AN ENVELOPE ADDRESSED TO THE SECRETARY OF THE COMMISSION MARKED "CONFIDENTIAL".

Item 1. Reporting Issuer

State the full name and address of the principal office in Canada of the reporting issuer.

NEARY RESOURCES CORPORATION (the "Company")
Suite 850, 1095 West Pender Street
Vancouver, B.C.
V6E 2M6

Item 2. Date of Material Change

August 7, 1998

Item 3. Press Release

State the date and place(s) of issuance of the press release issued pursuant to Section 85(1) of the Act.

August 7, 1998, Vancouver, B.C.

Item 4. Summary of Material Change

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

Neary Resources Corporation ("Neary") announced the settlement by its Utah affiliate, Gemstone Mining, Inc. ("GMI") of a previously announced adverse title claim made by Kildonan Corporation. Kildonan has accepted a comprehensive settlement payment of US $100,000 and agreed to abandon absolutely its claim to an interest in the Ruby Violet red beryl property located in Beaver County, Utah. Under the terms of the settlement, Kildonan has agreed never to dispute the property owners' title to the Ruby Violet property. As a consequence of this settlement, GMI will now be free to develop the interest held by GMI in the Ruby Violet property under the Option Agreement GMI has with the property owners.

Neary also announces that the Ruby Violet property owners have recently agreed to extend the expiry date of the current option term from September 24, 1998 to December 11, 1998 and to extend the time for delivery of 2,000 carats of red beryl gemstones to the property owners until December 11, 2000.

In June 1998, GMI completed a feasibility study for the Ruby Violet red beryl mine consisting of an infill diamond drill hole program (results of which were reported in Neary's December 11, 1997 news release), a bulk sampling program (results of which were reported April 24, 1998) a cutting program, and a strategic marketing study. The feasibility study concludes US $15,000,000 is required for the project, of which US $10,000,000 will be required to exercise the option to acquire the Ruby Violet property, US $3,500,000 for capital costs and a further US $1,500,000 for working capital. GMI is currently examining funding opportunities for the Ruby Violet project.

Item 5. Full Description of Material Change

Supplement the summary required under Item 4 with the disclosure which should be sufficiently complete to enable a reader to appreciate the significance of the material change without reference to other material. Management is in the best position to determine what facts are significant and must disclose those facts in a meaningful manner. See also Item 7.

This description of the significant facts relating to the material change will therefore include some or all of the following: dates, parties, terms and conditions, description of any assets, liabilities or capital affected, purpose, financial or dollar values, reasons for the change, and a general comment on the probable impact on the reporting Issuer or its subsidiaries. Specific financial forecasts would not normally be required to comply with this form.

The above list merely describes examples of some of the facts which may be significant. The list is not intended to be inclusive or exhaustive of the information required in any particular situation.

Refer to attached Press Release.

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

If the report is being filed on a confidential basis in reliance on Section 67(2) of the Act, state the reasons for such reliance.

INSTRUCTION:

Refer to Section 85(3) of the Act concerning continuing obligations in respect of reports filed pursuant to this subsection.

N/A.

Item 7. Omitted Information:

In certain circumstances where a material change has occurred and a material change report has been or is about to be filed by Section 85(3) of the Act will no longer or will not be relied upon, a reporting Issuer may nevertheless believe one or more significant facts otherwise required to be disclosed in the material change report should remain confidential and not be disclosed or not be disclosed in full detail in the material change report.

State whether any information has been omitted on this basis and provided the reasons for any such omission in sufficient detail to permit the Commission to exercise its discretion pursuant to Section 169(4) of the Act.

The reasons for the omission may be contained in a separate letter filed as provided in Section 146 of the Regulation.

N/A.

Item 8. Senior Officers

To facilitate any necessary follow-up by the Commission, give the name and business telephone number of a senior officer of the reporting issuer who is knowledgeable about the material change and the report or an officer through whom such senior officer may be contacted by the Commission.

Brian McAlister - (604) 684-1474

Item 9. Statement of Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Vancouver this 14th day of August, 1998.

"Brian E. Bayley"
Director

NEARY RESOURCES CORPORATION
Suite 850, 1095 West Pender Street, Vancouver, British Columbia V6E 2M6

August 7, 1998

News Release

Neary Resources Corporation ("Neary") is pleased to announce the settlement by its Utah affiliate, Gemstone Mining, Inc. ("GMI") of a previously announced adverse title claim made by Kildonan Corporation. Kildonan has accepted a comprehensive settlement payment of US $100,000 and agreed to abandon absolutely its claim to an interest in the Ruby Violet red beryl property located in Beaver County, Utah. Under the terms of the settlement, Kildonan has agreed never to dispute the property owners' title to the Ruby Violet property. As a consequence of this settlement, GMI will now be free to develop the interest held by GMI in the Ruby Violet property under the Option Agreement GMI has with the property owners.

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BY ORDER OF THE BOARD

Neary Resources Corporation

By:

Brian McAlister, President

For further information, please contact:

Huitt Tracey (604) 684-4414 Investor Relations	Lisa Zumpano (604) 684-4414 Chief Operating Officer

The Vancouver Stock Exchange has neither approved nor disapproved the information contained herein.