

**BC FORM 53-901F  
(Previously Form 27)**

**SECURITIES ACT (BRITISH COLUMBIA)**

**MATERIAL CHANGE REPORT UNDER SECTION 85(1)  
OF THE SECURITIES ACT AND SECTION 151 OF THE SECURITIES RULES**

**1. Reporting Issuer**

RED EMERALD RESOURCE CORP.  
Suite 300 – 570 Granville Street  
Vancouver, B.C. V6C 3P1  
(the “Company”)

**2. Date of Material Change**

July 5, 2002

**3. Press Release**

Date of Issuance: July 5, 2002

Place of Issuance: Vancouver, British Columbia

**4. Summary of Material Change**

Red Emerald Resource Corp. is pleased to announce results from a further four core holes and one reverse circulation drill hole completed to date on the Midway Gold Prospect, Nye County, Nevada. Two core rigs are currently drilling HQ size core on the property for resource definition of the Discovery Zone. A reverse circulation rig has recently completed broad spaced exploration drilling peripheral to the Discovery and 121 Zones.

**5. Full Description of Material Change**

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As shown in the accompanying table, results from the most recent core drilling indicate the Discovery Zone remains open to the north. Diamond drill hole MW224, the most northern core hole to date in the Discovery Zone, returned 20 feet with a weighted average of .568 ounces gold per ton (opt), including a five foot interval of 1.79 opt. A second five foot mineralized interval returned 1.466 opt gold. An updated drill plan map is available on the Company’s website at [www.midwaygold.com](http://www.midwaygold.com).

## DISCOVERY ZONE

HOLE NUMBER	Sample Type	From (feet)	To (feet)	Interval (feet)	Gold (grams/tonne)	Gold (ounces/ton)
<b>MW209</b>	Core	104.0	173.0	69.0	1.008	<b>0.032</b>
including		109.0	114.0	5.0	4.870	0.157
and		129.0	137.5	8.5	2.055	0.066
<b>MW220</b>	Core	168.5	196.0	27.5	5.583	0.179
including		186.0	188.5	2.5	14.84	0.477
<b>MW222</b>	Core	177.0	227.0	50.0	2.708	<b>0.087</b>
		292.0	309.5	<b>17.5</b>	23.056	<b>0.741</b>
<b>MW224</b>	Core	192.0	230.0	38.0	1.919	0.062
		267.0	287.0	<b>20.0</b>	17.660	<b>0.568</b>
including		272.0	277.0	5.0	55.67	1.790
		322.0	327.0	5.0	45.59	1.466

Drill hole MW209 is a vertical hole located on section 5000NW and drilled to a depth of 252 feet. Hole MW220 is located on section 5160NW and drilled vertically to a depth of 247 feet. Core hole MW222 is located further northwest on section 5185NW and was drilled to a vertical depth of 319 feet. Hole MW224 is the most northern most hole of the long section through the Discovery Zone. This hole is located on section 5210NW and was drilled vertically to a depth of 347 feet. Drill testing of the northwest extension of the zone will commence shortly.

## **121 ZONE**

Final sample results from the Phase One reverse circulation drill holes in the 121 Zone have been received. Drill hole MW217 is located 75 feet northwest of RC hole MW120 and was drilled vertically to a depth of 630 feet. The hole encountered weakly mineralized intervals of moderately altered rhyolite tuff as indicated in the table below. Additional results from the recently completed 5,570 foot Phase Two reverse circulation drill program will be reported when received.

HOLE NUMBER	Sample Type	From (feet)	To (feet)	Interval (feet)	Gold (gpt)	Gold (ounces/ton)
<b>MW217</b>	RC	525.0	550.0	25.0	0.246	0.008

## INDEPENDENT VERIFICATION OF RESULTS

At the request of the Company, Mine Development Associates (MDA) of Reno, Nevada reviewed the sampling procedures and protocols being practiced at Midway. MDA collected several check samples that confirmed the general concentration and distribution of gold mineralization being reported from the Midway property. MDA conclude in their technical report that the results verify the gold mineralization at Midway and the data generally and fairly represents the deposit.

MDA is an independent consulting firm with a team of professional geologists and mining engineers providing mining engineering services to clients throughout the world. They have extensive experience in the resource definition and development of low sulphidation epithermal gold systems such as Midway.

MDA will continue to monitor the progress of the Midway exploration program from time to time throughout the Phase Two exploration program. The MDA report, dated June 21, 2002, may be viewed under the Company's name, at [www.sedar.com](http://www.sedar.com) and on the Company's website.

### **\$1.4 MILLION PRIVATE PLACEMENT**

The Company is also pleased to announce that it has closed its private placement announced on June 5, 2002. The private placement was over-subscribed. The Company has issued a total of 1,134,500 special warrants (the "Special Warrants") at \$1.25 each for total proceeds of \$1,418,125.

The Company also announces the extension, from August 15, 2002 to October 28, 2002 of the Company's next Midway property option instalment payment, in the amount of US\$100,000.

Red Emerald Resource Corp. is a publicly traded Canadian company involved in the exploration and development of mineral resource properties. Red Emerald's current activities are focused on its Midway Prospect property in the State of Nevada. The exploration program is being carried out under the supervision of Geoffrey Goodall, P.Geo. of Global Geological Services Inc.

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

Not applicable.

#### **7. Omitted Information**

Not applicable.

#### **8. Senior Officers**

For further information contact:

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Telephone: 604-408-7553  
Facsimile: 604-408-7568

#### **9. Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

DATED at Vancouver, British Columbia, this 5<sup>th</sup> day of July 2002.

**RED EMERALD RESOURC CORP.**

Per: "Sandra Lee"  
(Authorized Signatory)

Sandra Lee, Corporate Secretary  
(Print Name and Title)

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