**MATERIAL CHANGE REPORT**

**PURSUANT TO**

**Section 85(1) of the *Securities Act* (British Columbia)**
**Section 146(1) of the *Securities Act* (Alberta)**
**Section 84(1) of *The Securities Act, 1988* (Saskatchewan)**
**Section 75(2) of the *Securities Act* (Ontario)**
**Section 81(2) of the *Securities Act* (Nova Scotia)**
**Section 112 of the *Securities Act* (Manitoba)**
**Section 76(2) of *The Securities Act, 1990* (Newfoundland and Labrador)**

1. **REPORTING ISSUER**

Geomaque Explorations Ltd./Explorations Géomaque Ltée ("Geomaque" or the "Company").

2. **DATE OF MATERIAL CHANGE**

June 5, 2003.

3. **PRESS RELEASE**

Geomaque filed a press release on June 6, 2003. A copy of the press release is attached hereto as Appendix "A".

4. **SUMMARY OF MATERIAL CHANGE**

Geomaque announced the closing of a brokered private placement of 130,717,579 subscription receipts at CDN$0.055 per subscription receipt and an additional 2,550,000 subscription receipts to insiders of the Company at CDN$0.06 per subscription receipt (collectively the "Subscription Receipts") for gross proceeds of CDN$7,342,467. The closing occurred on June 5, 2003 and the subscription proceeds have been placed in escrow pending satisfaction of certain escrow release conditions specified in the form of certificates evidencing the Subscription Receipts. Those conditions include shareholder approval of the financing and completion by the Company of the acquisition of Midas Gold plc. Upon release of the subscription proceeds from escrow, those proceeds will be principally used to fund the completion of a bankable feasibility study on the Tasiast project and for general working capital purposes.

Each Subscription Receipt entitles the holder thereof, upon exchange for no additional consideration, to receive one Geomaque common share and one-half of one common share purchase warrant. Each whole warrant expires three years from the closing date of the financing and entitles the holder thereof to acquire one Geomaque common share at CDN$0.09 per share.

The directors of the Company purchased varying numbers of Subscription Receipts under the financing and, in compliance with certain rules of the Toronto Stock Exchange, were required to purchase at a price (CDN$0.06 per Subscription Receipt) in excess of the subscription price paid by non-related purchasers (CDN$0.055 per Subscription Receipt). Consequently, while the purchase of Subscription Receipts by directors of the Company qualifies as a related party transaction under Ontario Securities Commission Rule 61-501, none of the directors who purchased Subscription Receipts will receive any benefit not also expected to be received on a pro rata basis by all other purchasers of Subscription Receipts. The directors have subscribed at a relative disadvantage to all other private placement purchasers by virtue of the higher subscription price paid by those directors. The aggregate number of Subscription Receipts purchased by all of the directors of the Company is not material in relation to the total number of issued and outstanding common shares of the Company.

The financing was led by Haywood Securities Inc. and included Griffiths McBurney & Partners and Paradigm Capital Inc.

5. **FULL DESCRIPTION OF MATERIAL CHANGE**

Please see the press release attached hereto as Appendix “A”.

6. **RELIANCE ON CONFIDENTIALITY SECTION OF THE ACT**

This filing is not being made on a confidential basis.

7. **OMITTED INFORMATION**

None.

8. **STATEMENT OF SENIOR OFFICER**

Further information regarding the matters described in this report may be obtained from John W. W. Hick, the President and CEO of Geomaque, who is knowledgeable about the details of the material change and may be contacted at (416) 956-7470.

The foregoing accurately discloses the material change referred to herein.

**DATED** at Toronto, Ontario this 16th day of June, 2003.

**GEOMAQUE EXPLORATIONS LTD.**

By: (signed) “John W. W. Hick”
**Name:** **John W. W. Hick**
**Title:** **President, Chief Executive Officer**

**Appendix “A”**
**Press Release**

# GEOMAQUE

**Not for Release in the United States**

**TSX Symbol: GEO** **For Immediate Release**
(Amounts quoted in US dollars unless otherwise stated) June 6, 2003

## Geomaque Announces

- **Closing of a Cdn$7,342,467 Private Placement of Subscription Receipts**
- **First Quarter Consolidated Financial and Operating Results**

(Toronto, Canada) Geomaque Explorations Ltd. (TSX: GEO) ("Geomaque" or the "Company") is pleased to announce the closing, on June 5, 2003, of a brokered private placement of 130,717,579 subscription receipts at Cdn$0.055 per subscription receipt and an additional 2,550,000 subscription receipts, at Cdn$0.06 per subscription receipt, to insiders of the Company (collectively, the "Subscription Receipts"), to raise total gross proceeds of Cdn$7,342,467.

This financing was led by Haywood Securities Inc. and included Griffiths McBurney & Partners and Paradigm Capital Inc.

Each Subscription Receipt entitles the holder thereof, upon exchange for no additional consideration, to receive one Geomaque common share and one half of one common share purchase warrant. Each whole warrant entitles the holder thereof to acquire one Geomaque common share at Cdn$0.09 per share, and shall expire three years from the closing date. The subscription proceeds have been placed into escrow until the escrow conditions, including the completion of the acquisition of Midas Gold plc ("Midas") (the "Midas Acquisition"), have been met and prior to the completion of the statutory amalgamation of Geomaque into Defiance Mining Corporation (the "Amalgamation"). For further details of the Midas Acquisition and the Amalgamation refer to Geomaque's press release of April 3, 2003.

Proceeds of this offering will be used to fund the completion of a bankable feasibility study at the Tasiast project and for general working capital purposes. The initial results from the on-going in-fill drilling program at Tasiast were announced on May 12, 2003.

Through the Midas Acquisition, Geomaque is currently in the process of acquiring Midas, which holds 100% of the Tasiast project in Mauritania. The management information circular for the Geomaque shareholders' meeting, which is scheduled for June 17, 2003, to approve, among other things, the Midas Acquisition and the Subscription Receipt financing, was mailed to shareholders of the Company on May 20, 2003. The closing of the Midas Acquisition and the Amalgamation are scheduled to occur on or about June 20, 2003. All of the above transactions are subject to shareholder and regulatory approval.

## FIRST QUARTER OPERATING AND FINANCIAL RESULTS

**GEOMAQUE EXPLORATIONS LTD./EXPLORATIONS GÉOMAQUE LTÉE.**
**181 University Ave., Suite 1210, Toronto, Ontario, Canada Phone: (416) 956-7470 Fax: (416) 956-7471**
**www.geomaque.com**

Geomaque is also pleased to announce that consolidated financial and operating results for the first quarter, ended March 31, 2003 were as follows:

The loss for the three months ended March 31, 2003, was $1,331,000, or $0.01 per share, compared to a loss of $1,311,000, or $0.01 per share for the three months ended March 31, 2002.

**Vueltas Mine**

During the three months ended March 31, 2003, the price realized from gold sales was $349 per ounce and cash costs were $314 per ounce. Cash generated from operations totaled $330,000. These figures compare to the three months ended March 31, 2002 when the price realized from gold sales was $290 per ounce, cash cost were $366 per ounce and cash used in operations was $403,000. For the year ended December 31, 2002 the price realized from gold sales was $313 per ounce and cash cost were $270 per ounce.

Vueltas Mine mining activities and gold sales for the quarter ended March 31, 2003 and the year 2002 are summarized as follows:

| | 2003 | 2002 | | | | |
|---|---|---|---|---|---|---|
| | Quarter ended | Quarter ended | | | | Year ended |
| | March 31 | March 31 | June 30 | September 30 | December 31 | December 31, 2002 |
| Tonnes agglomerated | 231,877 | 72,794 | 203,670 | 205,018 | 273,425 | 754,907 |
| Grade (g/t Au) | 1.48 | 1.95 | 1.93 | 1.55 | 1.52 | 1.68 |
| Contained ounces of gold | 11,033 | 4,572 | 12,668 | 10,210 | 13,399 | 40,849 |
| Gold sold - ounces | 9,607 | 5,277 | 9,482 | 7,405 | 8,205 | 30,369 |
| Average price realized per ounce of gold sold | $ 349 | $ 289 | $ 315 | $ 312 | $ 329 | $ 313 |
| Cash costs per ounce of gold sold | $ 314 | $ 366 | $ 273 | $ 313 | $ 166 | $ 270 |

The production at Vueltas during the first quarter was hampered by numerous mechanical breakdowns to the screening and crushing system. In addition, the month of January experienced more rainfall than the average.

The cash costs for the quarter were negatively affected principally due to lower gold production, which resulted from the lower than anticipated grade, and downtime resulting from the mechanical breakdowns and weather referred to above. However, on a unit cost basis, the operating cost were within 10% of the budgeted cost. During the quarter, Pad 1 and 2 were joined as a single pad to increase the stacking capacity in anticipation of the upcoming production for the remainder of the fiscal year.

During the month of March, significant modifications to the material handling system were planned and implemented during the month of April. These changes included the addition of a primary jaw crusher as well as a new inclined screen. The results from these modifications have been significant with the month of May experiencing record production both in terms of tonnes processed and ounces placed on the pad.

**Financial Condition and Liquidity**

The Company’s cash position at March 31, 2003 amounted to $2,415,000 compared to $328,000 at December 31, 2002. Consolidated working capital at March 31, 2003 was $278,000 compared to a working capital deficit of $959,000 at December 31, 2002. Long term debt and other liabilities remain unchanged in total but $2,400,000 is now due within one year and included in the working capital deficit and current liabilities at March 31, 2003.

Cash generated from operations at the Vueltas Mine during the quarter amounted to $332,000 and capital expenditures totaled $114,000 in the same period.

Three brokered private placements of common shares were completed during the quarter.

- On January 31, 2003, the Company completed a brokered private placement of 18,750,000 units at Cdn $0.08 per unit to raise gross proceeds of Cdn $1,500,000 (equivalent to $986,000).

- On February 14, 2003, the Company completed a brokered private placement of 11,562,500 units at Cdn $0.08 per unit to raise gross proceeds of Cdn $925,000 (equivalent to $607,000).

- On March 5, 2003, the Company completed a brokered private placement of 11,562,500 units at Cdn $0.08 per unit to raise Cdn $925,000 (equivalent to $630,000).

In each of these private placements the units consisted of one common share of the Company and one warrant to purchase one additional common share at Cdn $0.10 per share expiring three years from the respective completion dates.

The funds from these issuances have been or will be used for general corporate purposes, to fund the costs incurred in connection with the acquisition of Midas and, in addition, pursuant to the Midas Loan Agreement, to fund $700,000 of the $1.95 million purchase price of the Tasiast gold property in Mauritania, under the terms of an agreement of purchase and sale between Midas and Newmont LaSource. The balance of the purchase price has been paid from the proceeds of a loan from RCF of $1.25 million which is repayable, with interest at 5%, on or before June 30, 2003. This loan is secured by an assignment of Geomaque's interest in the Midas Loan and the security therefor, which includes shares of Ocean Resources Capital Holdings plc (the "Ocean Shares") owned by Midas. Midas acquired 3 million Ocean Shares in consideration of the issuance to Ocean of 15 million ordinary shares of Midas. The Ocean Shares are listed for trading on the Alternative Investment Market (AIM) of the London Stock Exchange and their closing price on March 31, 2003 was £0.55 (or approximately US $0.87) per share.

The Company's First Quarter Report was distributed to shareholders requesting it on May 30, 2003 and is available on the Company's website at www.geomaque.com.

*All statements, other than statements of historical fact, included herein, including without limitation, statements regarding potential mineralization and reserves, exploration results and future plans and objectives of the Company are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements*

**For further information, please visit our website at www.geomaque.com, or contact:**

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