FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Desert Sun Mining Corp.
65 Queen Street West
Suite 810
Toronto, Ontario
M5H 2M5

Item 2 Date of Material Change

October 1, 2004

Item 3 News Release

A Press Release was issued in Toronto, Ontario on October 1, 2004 and subsequently filed on SEDAR.

Item 4 Summary of Material Change

Desert Sun Mining Corp. announced that it has decided not to proceed with the previously announced $15 million credit facility with Quest Capital Corp.

Item 5 Full Description of Material Change

See attached press release

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

N/A

Item 7 Omitted Information

None

Item 8 Executive Officer

Tony Wonnacott, Corporate Secretary (416) 861-5879

Item 9 Date of Report

October 1, 2004

DESERT SUN MINING CORP.

By: *"Tony Wonnacott"*
Name: Tony Wonnacott
Title: Corporate Secretary

DESERT SUN MINING CORP.

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For Further Information Contact:
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Press Release 32 – 2004

TORONTO STOCK EXCHANGE
SYMBOL: DSM
AMERICAN STOCK EXCHANGE
SYMBOL: DEZ

October 1, 2004

DESERT SUN DECIDES NOT TO PROCEED WITH $15 MILLION CREDIT FACILITY WITH QUEST CAPITAL

DESERT SUN MINING CORP. (TSX: DSM; AMEX: DEZ) has decided not to proceed with the previously negotiated $15 million credit facility with Quest Capital Corp. (see Press Release dated June 8, 2004). Following completion of the equity financing announced September 30, 2004, for up to $20 million, Desert Sun will have no immediate requirement for a credit facility to complete project construction at the Jacobina Mine on the Bahia Gold Belt in northeastern Brazil.

Desert Sun Mining is a Canadian gold exploration and development company listed on the Toronto Stock Exchange and the American Stock Exchange. **(www.desertsunmining.com).**

Statements in this release that are not historical facts are "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Readers are cautioned that any such statements are not guarantees of future performance and that actual developments or results may vary materially from those in these "forward-looking statements".

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