FORM 51-102F3

MATERIAL CHANGE REPORT
UNDER SUBSECTION 7.1 (1) OF NATIONAL INSTRUMENT 51-102

Item 1. **Reporting Issuer**

Ballad Gold & Silver Ltd.
501 - 905 West Pender Street
Vancouver, BC V6C 1L6

Item 2. **Date of Material Change**

July 16, 2004

Item 3. **Press Release**

Press Release dated July 16, 2004 and disseminated to the Vancouver Stockwatch Magazine, B.C. Securities Commission, Alberta Securities Commission and Market News Publishing.

Place of Issuance: Vancouver, British Columbia.

Item 4. **Summary of Material Change**

The Issuer and Auterra Ventures Inc. (TSX.V:AUW) report that porphyry style copper-gold mineralization has been intersected in hole 7 at the Rabbit North Copper and Gold Project.

Item 5. **Full Description of Material Change**

The Issuer and Auterra Ventures Inc. **(TSX.V:AUW)** are pleased to report that porphyry style copper-gold mineralization has been intersected in hole 7 at the Rabbit North Copper and Gold Project near Kamloops, BC, Canada.

Hole No	Core Size	Interval m	length	Au g/t	Cu %

7	NQ2	0-86	86m	0.17	0.18
7	NQ2	Including 26-42	16m	0.30	0.41
7	NQ2	Including18-50	32m	0.20	0.27
7	NQ2	86- 126	Post mineralization dyke		

The mineralization in hole 7 is in highly altered (porphyry copper-style) volcanic rocks of the Nicola Group. The drill hole is situated near the edge of a large geophysical anomaly (IP-chargeability) thought to be caused by disseminated pyrite, magnetite and copper sulphides that extends 1.5 km to the southeast of hole 7 and increases in intensity to the southeast. Any potential mineralization in this area is hidden under a uniform cover of overburden. Although numerous holes were drilled to the north and west and east of hole 7 by previous operators, only one hole, situated 1.2 km from hole 7, was drilled to the southeast within the main geophysical anomaly, leaving excellent potential to extend the porphyry style copper-gold mineralization intersected in hole 7.

The June drill program consisted of seven drill holes (811 m). The program was completed successfully on time and within the budget. Two holes were cut short because of drilling difficulties and five were completed to target depth. Hole 7, as reported above, was aimed at porphyry copper-gold mineralization. Holes 2, 3 and 4 were aimed at high grade gold in quartz-pyrite zones that were originally found in 1997 and graded up to 15.5 g/t Au over an 8 m intercept. Drilling holes 3 and 4 has now indicated that this zone has a true width of 2.8 m. The new holes also established that the quartz-pyrite zones strike in a west-northwesterly direction and have a true width of 1.5 to 3 m Medium to lower grade gold values were obtained in the 2004 drill holes.

Hole No	Core Size	Interval m	length	Au g/t
2	NQ2	50-54	4m	2.28
2	NQ2	118-122	4m	5.10
3	NQ2	54.1-56	1.9m	2.39
4	NQ2	72.8-76	3.2m	1.42

Auterra and the Issuer are especially encouraged by the porphyry style copper gold mineralization in hole 7 and the potential for extension to the southeast. A follow up drilling program is being prepared.

The Rabbit North project is situated 12 km southwest of the Afton Mine in an area of excellent infrastructure. The project is considered by our consulting geologists to have prime potential for the discovery of either a vein type gold deposit and/or bulk mineable copper-gold. Afton and Rabbit North have similar geological characteristics. Both properties have a large altered alkaline porphyry system of Upper Triassic Age.

Andre M. Pauwels P.Geo, consultant, acted as the Qualified Person for the project and reviewed this press release. Diamond drilling was done by Connors Drilling Ltd. of Kamloops. Analysis and assays were performed by Eco Tech Laboratory Ltd of Kamloops BC. For full quality control, the analytical process included blanc and standard samples inserted by both Eco Tech Laboratory Ltd and the Issuer and repeat analysis and assays by Eco Tech Laboratory Ltd..

Auterra has an option from the owners to acquire a 100% interest in Rabbit North by issuing shares (300,000 - 200,000 issued), paying cash ($300,000, $35,000 paid) and incurring $1,500,000 in exploration expenditures over 5 years. The property is subject to an NSR Royalty in favor of the vendors: 2% for base metals and 3% for gold. A 1% portion of each royalty can be acquired. The Issuer in turn has an agreement, dating from January 28, 2004, to earn up to 70% of Auterra's interest by paying cash ($ 200,000), incurring work ($1,000,000) and issuing shares (500,000) to Auterra before November 17, 2007. Auterra has the election to limit the Issuer's interest to 50% after the Issuer has incurred $600,000 in exploration expenditures.

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

The Issuer is not relying on Subsection 7.1(2) or (3) of National Instrument 51-102.

Item 7. **Omitted Information**

There is no omitted information.

Item 8. **Senior Officers**

Anthony J. Beruschi, President - (604) 682-7159.

Item 9. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

DATED at the City of Vancouver, in the Province of British Columbia, this 27th day of July, 2004.

"Raymond Roland"
Raymond Roland, Director