

**FORM 51-102F3**

**MATERIAL CHANGE REPORT  
UNDER SECTION 7(1)(a) OF NATIONAL INSTRUMENT 51-102**

**Item 1.      Reporting Issuer**

Ballad Gold & Silver Ltd. (the "Issuer")  
605 - 889 West Pender Street  
Vancouver, BC V6C 3B2

**Item 2.      Date of Material Change**

February 18, 2008

**Item 3.      News Release**

News Release dated February 18, 2008 and disseminated to the Stockwatch Magazine, British Columbia Securities Commission, Alberta Securities Commission and Market News Publishing.

Place of Issuance: Vancouver, British Columbia.

**Item 4.      Summary of Material Change**

The Issuer gives an update on its Cerro Peñascudo Gold and Silver property in Chubut province, Argentina.

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

As a result of legislation suspending exploration and mining activity in a geographic area that includes the Cerro Peñascudo Gold and Silver property in Chubut province, Argentina and uncertainty regarding if and when this legislation will cease to be in effect, the Issuer wishes to announce that it is returning the Cerro Peñascudo Gold and Silver property back to Golden Arrow Resources Corporation and canceling its option to acquire an interest from Golden Arrow.

The Issuer had worked to gain access for exploration at Peñascudo after two surface right holders challenged the Issuer's rights to explore in November, 2005. After a lengthy process the Issuer received a declaration from the Director of Mines refusing the surface owners' objections and allowing the Issuer access to further explore at Peñascudo in May, 2006. On June 30, 2006 the Chubut government passed legislation that effectively suspended exploration and mining activity for the geographic area covering the Cerro Peñascudo Gold and Silver property.

The Issuer wishes to thank Golden Arrow and especially Mr. Joe Grosso for their support, encouragement and cooperation while it held its option on Cerro Peñascudo and dealt with delays. We consider the property to be prospective but are unable to justify further payments given the uncertainty on access to explore and develop the property.

**Item 6.           Reliance on Section 7(2) of National Instrument 51-102**

The Issuer is not relying on Section 7(2) 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 25<sup>th</sup> day of February, 2008.

"Luis Botto"  
Luis Botto, Director