This is the form of a material change report required under Section 85(1) of the Securities Act.

BC FORM 53-901F

SECURITIES ACT

MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE ACT

NOTE: This form is intended as a guideline. A letter or other document may be used if the substantive requirements of this form are complied with.

NOTE: Every report required to be filed under section 85(1) of the Act shall be sent to the Commission in an envelope addressed to the Commission and marked "Continuous Disclosure".

NOTE: WHERE THIS REPORT IS FILED ON A CONFIDENTIAL BASIS, PUT AT THE BEGINNING OF THE REPORT IN BLOCK CAPITALS "CONFIDENTIAL – SECTION 85", AND PLACE EVERYTHING THAT IS REQUIRED TO BE FILED IN AN ENVELOPE ADDRESSED TO THE SECRETARY OF THE COMMISSION MARKED "CONFIDENTIAL".

Item 1. **Reporting Issuer**

State the full name and address of the principal office in Canada of the reporting issuer.

Newport Exploration Ltd.
Suite 408 – 837 West Hastings St.
Vancouver, B.C., V6C 3N6
Telephone: 604-685-6851

Item 2. **Date of Material Change**

September 2, 2004

Item 3. **Press Release**

State the date and place(s) of issuance of the press release issued pursuant to Section 85(1) of the Act.

The press release was released on September 2, 2004 to the TSX Venture Exchange, on which the Issuer's shares are listed and through various other approved public media.

Copy of the Press Release is attached as Schedule "A"

Item 4. **Summary of Material Change**

Provide a brief but accurate summary of the nature and substance of the material change.

TSX VENTURE EXCHANGE ACCEPTED FOR FILING 80% INTEREST IN MULGA TANK NICKEL PROJECT, WESTERN AUSTRALIA

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

Mr. Ian Rozier, President of Newport Exploration Ltd. (the "Company") is please to announce that the TSX Venture Exchange (the "TSX") has accepted for filing an Agreement dated May 25, 2004 pursuant to which the Company may acquire an 80% interest in an Exploration License covering 210 sq km, and a 75% interest in an Application License covering 153 sq km, in Western Australia, together known as the Mulga Tank Nickel Project ("Mulga Tank") from King Eagle Resources Pty. Limited of Western Australia, see news release dated May 25th, 2004.

In consideration, the Company will pay a total of CDN$600,000 in stages over a 3 year period ($30,000 (paid), $30,000 upon closing, $60,000 within 12 months) and issue a total of 2,250,000 shares in stages over a 3 year period, 150,000 shares upon closing (these shares have a 4 month hold period expiring on January 2, 2005) and a further 300,000 shares within 12 months, and undertake $2,500,000 in exploration expenditures within 3 years (CDN$250,000 within 12 months). There were no finders' fees or commissions paid in connection with this transaction.

Mulga Tank is a significant target for the large dunite hosted nickel sulphide deposit located approximately 250km northeast of Kalgoorlie in the Northeast Goldfields of Western Australia, an area that contains some of the world's largest nickel deposits. The Mulga Tank tenements overlay portions of an extensive greenstone belt which includes the Minigwal dunite, a large, intense, circular, magnetic anomaly with an area of approximately 4 km in diameter. This anomaly has the characteristics for a major dunite hosted nickel sulphide deposit such as Mt. Keith which is also located in the Northeast Goldfields area of Western Australia. Technical work undertaken by BHP at Mulga Tank in the early 1980s reported assay results of up to 2% nickel and defined an extensive zone of 0.2% - 0.5% Ni, which included 2261m of shallow RC drilling, that remains open at depth in all directions.

"By virtue of its size, anomalism and the exploration results to date, the Mulga Tank prospect has the potential to host a major nickel sulphide deposit and as such represents an excellent acquisition for Newport", stated Ian Rozier.

The Company is well funded to meet its obligations on the property for the first two years and the Mulga Tank nickel project will be the major focus of the Company going forward.

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

If the report is being filed on a confidential basis in reliance on Section 85(2) of the Act, state the reasons for such reliance.

INSTRUCTION

Refer to Section 85(3) of the Act concerning continuing obligations regarding reports filed under this subsection.

Not Applicable

Item 7. **Omitted Information:**

In certain circumstances where a material change has occurred and a material change report has been or is about to be filed but Section 85(3) of the Act will no longer or will not be relied upon, a reporting Issuer may nevertheless believe one or more significant facts otherwise required to be disclosed in the material change report should remain confidential and not be disclosed or not be disclosed in full detail in the material change report.

State whether any information has been omitted on this basis and provide the reasons for any omission in sufficient detail to permit the Commission to exercise its discretion under Section 169(4) of the Act.

The reasons for the omission may be contained in a separate letter filed as provided in Section 151 of the Rules.
Not Applicable

Item 8. **Senior Officers**

Give the name and business number of a senior officer of the reporting issuer who is knowledgeable about the material change and the report or an officer through whom the Commission may contact that senior officer.

Barbara Dunfield, Director
Telephone: (604) 685-6851

Item 9. **Statement of Director**

The foregoing accurately discloses the material change referred to herein.
DATED at Vancouver, this 02nd day of September, 2004.

NEWPORT EXPLORATION LTD
Per:
"Barbara Dunfield"

BARBARA DUNFIELD, DIRECTOR

SCHEDULE "A"
NEWPORT EXPLORATION LTD.
#408 – 837 W. Hastings Street
Vancouver, BC V6C 3N6
Tel: 604-685-6851 Fax: 604-685-6493
www.newport-exploration.com

September 2, 2004
Trading Symbol: NWX – TSX Venture Exchange

TSX VENTURE EXCHANGE ACCEPTED FOR FILING 80% INTEREST IN MULGA TANK NICKEL PROJECT, WESTERN AUSTRALIA

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For further information contact:
Barbara Dunfield
604-685-6851
info@newport-exploration.com