

FORM 27

Securities Act (Ontario)

MATERIAL CHANGE REPORT UNDER SECTION 75(2) OF THE ACT

1. **Reporting Issuer:**

Exall Resources Limited
8 King Street East
Suite 1700
Toronto, Ontario M5C 1B5

2. **Date of Material Change:**

December 21, 2004

3. **Publication of Material Change:**

Press Release issued December 21, 2004

4. **Summary of Material Change:**

On December 21, 2004 Exall Resources Limited (EXL:TSX) and Southern Star Resources Inc. (SSR:TSX-V) announced the continued exploration drilling and development program at the Gold Eagle Mine Property in Red Lake, Ontario which will commence in mid-January once freeze-up has occurred. To further the expansion and delineation of the current resource hosted at the Gold Eagle Mine Property, the joint venture partners have signed a 25,000 metre diamond drilling contract with Chibougamau Diamond Drilling Ltd., with a minimum of 10,000 metres expected to be completed by March 31, 2005.

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

Please see press release dated December 21, 2004 attached hereto as Schedule "A".

6. **Senior Officer:**

Stephen G. Roman
President and CEO
Telephone: (416) 368-3949

I, Stephen G. Roman, President and CEO, certify that the foregoing accurately discloses the material change referred to herein.

Signed at Toronto, Ontario this 31st day of December, 2004.

“Stephen G. Roman”

Stephen G. Roman, President and CEO
Exall Resources Limited

IT IS AN OFFENCE FOR A PERSON TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT OR THIS REGULATION THAT, AT THE TIME AND IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.



25,000 Metre Drill Contract Signed for Gold Eagle Mine Property

Toronto, Ontario, December 21, 2004: Exall Resources Limited (EXL:TSX) and Southern Star Resources Inc. (SSR:TSXV) are pleased to announce the continued exploration drilling and development program at the Gold Eagle Mine Property in Red Lake, Ontario which will commence in mid-January once freeze-up has occurred. To further the expansion and delineation of the current resource hosted at the Gold Eagle Mine Property, the joint venture partners have signed a 25,000 metre diamond drilling contract with Chibougamau Diamond Drilling Ltd., with a minimum of 10,000 metres expected to be completed by March 31, 2005.

The drill program is intended to further expand the Western Discovery Zone (WDZ) by drilling to the south and east and completing an infill drilling program as recommended by Micon International Limited (Micon) in the recently completed NI 43-101 report. Micon published a resource estimate (uncut) of 309,000 tonnes grading 16.67 grams/tonne (0.52 oz/t) containing 165,700 ounces of gold (see Press Release December 7, 2004).

The Gold Eagle Mine Property drill program is being carried out under the direction of Mr. John Whitton, P.Geol, the qualified person within the meaning of National Instrument 43-101. Mr. Whitton has reviewed the contents of this news release.

Exall Resources Limited is a Toronto Stock Exchange listed company that trades under the symbol EXL (S.E.C. registration #82-3535). Exall is active in its business of gold exploration and development in Red Lake, Ontario, as well as oil and gas exploration, development and production from its properties in Alberta, British Columbia and Texas.

There are currently 53 million common shares issued and outstanding.

FOR FURTHER INFORMATION CONTACT:

Stephen G. Roman, Chairman, President and CEO
Tel: (416) 368-3949

FORWARD LOOKING STATEMENTS:

The statements made in this News Release may contain forward-looking statements that may involve a number of risks and uncertainties. Actual events or results could differ materially from the Company's expectations and projections.