FORM 27

SECURITIES ACT

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

Item 1. **Reporting Issuer**

First Echelon Ventures Inc.
Suite 1300 - 605 Robson Street
Vancouver, B.C. V6B 5J3

Item 2. **Date of Material Change**

May 7, 1999

Item 3. **Press Release**

News release dated May 7, 1999 was disseminated through Canadian Corporate News, Market News, George Cross Newsletter and Stockwatch.

Item 4. **Summary of Material Change**

Please refer to the attached news release of the Issuer dated May 7, 1999.

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

Please refer to the attached news release of the Issuer dated May 7, 1999.

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.

N/A.

Item 7. **Omitted Information**

N/A.

Item 8. **Senior Officers**

Robert Falls
President and Director

Telephone: (604) 684-6535

Item 9. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

DATED at Vancouver, British Columbia, this 7th day of May, 1999.

FIRST ECHELON VENTURES INC.

Per:

Robert Falls, President and Director

FIRST ECHELON VENTURES INC.

(the "Company")
#1360 - 605 Robson Street
Vancouver, British Columbia, Canada
V6C 1E5
Telephone: (604) 684-6535

NEWS RELEASE

DATE: May 7, 1999 VSE Symbol: FEV

The Company is pleased to announce that it has entered into an agreement with Nazca Gold Corp. ("Nazca") and the shareholders of Nazca, to purchase all the issued and outstanding share capital of Nazca. In consideration, the Company will issue such number of common shares of its capital stock, at a deemed price of $0.15 per share, equal to the approved aggregate mineral property acquisition costs and deferred explorations costs of Nazca pertaining to its Peruvian mineral properties. The shares to be issued by the Company will be subject to a four month hold period.

Nazca was incorporated in 1996 for the purpose of carrying out mineral exploration and development in Peru. Nazca's primary Peru mineral properties are the Huanuco property interests and the As de Oro mineral concession. Nazca's Huanuco interests are located in the Department of Huanuco, central Peru, and comprise several major concessions covering the historic gold mining prospects of Sirabamba, Pishupampa, Cerro Huishcapunta, and importantly, the Seven Caves Mine just outside of Huanuco.

These concessions in the Huanuco area are documented as containing veins, lenses and stratabound manto occurrences, typically hosted by schists and associated rocks of late Precambrian to early Paleozoic age. The gold mineralization is Jurassic or older and is generally associated with pyrite and minor antimony in low-sulphidation quartz veins. Deposits of this type have been historic gold producers in the region and at Pataz, 200 km northwest of Huanuco, productive gold-quartz veins occur in a similar geological setting along a 70 km belt near the contact of granodiorite with Precambrian metasediments. The veins at Pataz range up to 2 metres in width and have extensive depth continuity, and have precious metal grades averaging around 10 grams per tonne gold.

The As de Oro mineral concession is about 11 kilometres east of the town of Nazca, within the Department of Ica, in southern Peru. The Sol de Oro occurrence within the concession contains what is indicated to be a significant low-sulphidation type gold deposit hosted by Jurassic-Cretaceous volcanic and sediments and is spatially associated with gabbro to diorite intrusive of the Coastal Batholith. Initial exploration surveys in the area of the main showing at Sol de Oro have proven the occurrence to contain significant gold values at surface over a strike length of approximately 1.3 kilometres, and within a zone which varies from 4 to 72 metres in horizontal width. Over the entire strike length the gold grades, within the mineralized zone, vary from a low of about 0.5 g/t Au to a high of about 19.25 g/t Au. The western 300 metres of the zone appears to contain gold averaging 1 to 2 g/t across horizontal widths of about 60 to 70 metres. The eastern portion of the zone vary from 4 to 20 metres in width with similar average grades. Although there is significant gold present on down dip extensions, evidenced by the historic mining, recent activity by informalies, and extensive tailings from the occurrence, it is assumed these historic workings focussed on the high grade material in narrow veins. It is therefore undetermined how the extensive lower grade material documented on the surface may extend to depth.

The Sol de Oro occurrence is interpreted as having significant economic potential and a program of advanced work is recommended to verify results and to further delineate the economic potential. Prospecting in the general area of Sol de Oro indicates there are similar occurrences regionally which warrant further exploration.

In addition to these two main target areas, Nazca has participated in regional prospecting and prospect evaluation and has acquired mineral concessions in the area of southern Peru near Arequipa, and in central Peru near Cerro de Pasco. These concessions are believed to contain significant potential for large tonnage, high-sulphidation gold and porphyry copper-gold occurrences respectively, but these prospects need to be further evaluated with ground geological, geochemical and geophysical surveys before their economic potential can be properly ascertained. In addition, Nazca has an ongoing interest in acquiring new properties in Peru with precious and/or base metals potential and as a result has routinely carried out property examinations and actively pursed participation in existing mineral properties of merit owned by other exploration organizations or individuals.

The closing of the share exchange is subject to satisfaction of a number of conditions precedent, including:

(1) completion of due diligence investigations by each of Nazca and the Company with respect to each other's respective business;

(2) execution of a definitive share exchange agreement;

(3) the Company having obtained equity financing, arranged by Nazca, in an amount considered necessary by Nazca for completing the share exchange transaction and undertaking the next phase of work on its Sol de Oro property, but in an amount of not less than $400,000; and

(4) receipt of all necessary shareholder and regulatory (including Vancouver Stock Exchange) approvals.

Change of Board of Directors

Upon closing of the acquisition of Nazca, the present directors of the Company will resign and be replaced by representatives of Nazca. It is expected that upon completion the board of directors will include:

James Tutton -	Mr. Tutton is the Corporate Secretary of Archon Minerals Limited and a director of Cross Lake Minerals Ltd., as well as a number of other public companies.
Da (Samuel) Huang -	Mr. Huang is the General Manager and a director of China Investment Corp. and is also a director of United Trust Investment Co. Ltd.
Marvin Hon Ping Yu -	Mr. Yu is an independent businessman and has been the President of Nazca Gold Corp. for the last three years.

Private Placement

To satisfy the equity financing condition, the Company has negotiated a brokered private placement totalling $500,000, with Canaccord Capital Corporation (the "Agent"). These funds will be raised by the Company issuing 2,500,000 units at a price of $0.20 per unit, each unit to consist of one common share and one-half non-transferable share purchase warrant. each whole warrant entitling the holder thereof to purchase one additional common share for a period of one year at a price of $0.40 per share. The Agent will be entitled to a commission equal to 10% of the total gross proceeds of the private placement. and agent's warrants equal to 25% of the number of units sold.

Exchange approval

Each of the above matters, including the acquisition, change of board of directors and private placement, are all subject to the approval of the Vancouver Stock Exchange.

ON BEHALF OF THE BOARD OF DIRECTORS

Robert Falls
President and Director

The Vancouver Stock Exchange has neither reviewed and does not accept responsibility for the adequacy or accuracy of this release.