

**FORM 51-102F3  
Material Change Report**

**MATERIAL CHANGE REPORT UNDER SECTION 7.1(2) OR (3) OF  
NATIONAL INSTRUMENT NO. 51-102**

**Item 1.                    Reporting Issuer**

Ventures Resource Corporation  
131 Bloor Street West  
Commercial Suite 505  
Toronto, Ontario M5W 1R1

**Item 2.                    Date of Material Change**

A material change took place on March 4, 2005.

**Item 3.                    Press Release**

On March 4, 2004, a news release in respect of the material change was disseminated through CCN Matthews.

**Item 4.                    Summary of Material Change**

The material change is described in the Company's press release attached hereto as Schedule "A", which press release is incorporated herein.

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

No information other than that provided in Item 4 above is presently available.

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

The report is not being filed on a confidential basis.

**Item 7.                    Omitted Information**

No information has been omitted.

**Item 8.                    Executive Officer**

Frank J. Crothers, Chairman

**Item 9.                    Date of Report**

DATED at Toronto, in the Province of Ontario, this 7<sup>th</sup> day of March, 2005.

For Immediate Release

**PRE-MERGER AGREEMENT SIGNED BY  
VENTURES RESOURCE CORPORATION AND  
RESOURCE HOLDINGS & INVESTMENTS INC.**

**March 4, 2005**

TORONTO, ONTARIO – Ventures Resource Corporation (TSX-V: VRC) ("VRC") and Resource Holdings & Investments Inc. ("RHI") announced that they have entered into a pre-merger agreement dated March 4, 2005 (the "Pre-Merger Agreement") under which they will merge the companies under the laws of the British Virgin Islands pursuant to a Plan of Consolidation (the "Merger"). The name of the merged company will be BrazMin Corp. ("MergeCo"). The closing of the Merger is expected to occur on or about April 5, 2005 (the "Merger Closing Date").

**RHI**

RHI is a corporation incorporated in the British Virgin Islands and owns a number of mineral resource properties in Brazil, including, the São Jorge Project. The 10,000 hectare São Jorge exploration permit is located in western Pará State, approximately 250 km south of Itaituba, within the eastern part of the Tapajos Gold Camp. This gold camp has a history of both garimpo and conventional mining and on-going exploration by international mining companies. It is also one of the richest grade gold camps in Brazil. Original mining activity in the region started in the 1960s and continues at approximately 300,000 ounces (9.5 tonnes) annually, with an estimated total production of 64 million ounces (2,000 tonnes) since 1960 from all sources. The São Jorge Project is described in detail in a technical report dated September 1, 2004 prepared by MPH Consulting Limited (the "Technical Report") and is summarized in the management proxy circular (the "Circular") of VRC to be mailed to shareholders of VRC in connection with the annual and special meeting of shareholders (the "Meeting") called to, among other things, consider the proposed transactions, to be held on April 5, 2005. A copy of the Technical Report will be made available on SEDAR following completion of the Merger.

RHI was established to engage in the acquisition, exploration, development and operation of mineral properties in Brazil. Upon the Merger, the properties and assets of RHI will become those of BrazMin Corp., which will carry on the business of RHI. Given that RHI was recently incorporated, RHI has a limited operating history from which its business and prospects can be evaluated. Unaudited interim financial statements of RHI for the period from its incorporation (July 8, 2004) to November 30, 2004 as well as unaudited pro-forma financial statements of MergeCo dated as at November 30, 2004 will be included in the Circular.

RHI currently has over 75 shareholders and no person, as of the date of this release, beneficially owns, directly or indirectly, or exercises control or direction over shares of RHI (the "RHI Shares") carrying more than 10% of the voting rights attached to all RHI Shares.

## Conditions to Merger

The Pre-Merger Agreement provides that the completion of the Merger is subject to a number of conditions. The material conditions in favour of RHI include: (i) the Merger will have been approved by the shareholders of VRC; (ii) the Toronto Stock Exchange (“TSX”) or the TSX Ventures Exchange (“TSX-V”) will have conditionally approved the listing of the common shares of MergeCo (“MergeCo Shares”), subject only to the ordinary requirements of such exchange; (iii) all of the consents and approvals required for the completion of the Merger, including the consent of the TSX, will have been obtained; (iv) the conversion of all of the debt of VRC (the “Debt Conversion”) (as described below) will have been completed; (v) the Private Placement (as defined below) will have been completed; (vi) the continuance of VRC into the British Virgin Islands (the “Continuance”) shall have been completed; (vii) all options to purchase common shares of VRC (“VRC Shares”) shall have been terminated; (viii) the dissolution of VRC’s subsidiary, Ventures Resource Alaska Corporation (“VRAC”), including the termination of all agreements to which VRC and VRAC are a party to or otherwise bound shall have been completed; (ix) holders of VRC Shares representing in excess of 7.5% of the number of VRC Shares issued and outstanding prior to date of the Meeting will not have exercised any applicable rights of dissent with respect to the Continuance and the Merger; (x) VRC shall have no material assets other than cash and no liabilities other than liabilities approved by RHI at the time of the Merger Closing Date; and (xi) there will not have been any material adverse change in the business, operations, properties, assets or conditions, financial or otherwise, of VRC.

The material conditions in favour of VRC include: (i) the Merger will have been approved by the shareholders of RHI; (ii) the TSX or the TSX-V will have conditionally approved the listing of the MergeCo Shares, subject only to the ordinary requirements of such exchange; (iii) all of the consents and approvals required for the completion of the Merger, including the consent of the TSX, will have been obtained; (iv) the Private Placement will have been completed; and (v) there will not have been any material adverse change in the business, operations, properties, assets or conditions, financial or otherwise, of RHI.

On March 2, 2005, the TSX conditionally approved the listing of the MergeCo Shares, subject to MergeCo meeting certain conditions by May 31, 2005.

## Exchange Ratios

Upon the Merger, the holders of the VRC Shares and the holders of securities of RHI will receive securities of MergeCo in the following proportions:

- (i) all outstanding VRC Shares (including the VRC Shares to be issued in connection with the Debt Conversion) will be converted into MergeCo Shares on the basis that each VRC Share will be converted into 0.020 of a MergeCo Share;
- (ii) all outstanding common shares in the capital of RHI (the “RHI Shares”) (including the RHI Shares to be issued in connection with the Private Placement) will be converted into MergeCo Shares on the basis that each RHI Share will be converted into one (1) MergeCo Share;

- (iii) each Warrant (as defined below) issued in connection with the Private Placement will be converted into one (1) purchase warrant of MergeCo entitling the holder thereof to purchase one (1) MergeCo Share at an exercise price of \$1.35 expiring on the same date as the Warrants; and
- (iv) each Compensation Warrant (as defined below) issued in connection with the Private Placement will be converted into one (1) compensation warrant of MergeCo, which will expire on the same date as the Compensation Warrants and will be exercisable at a price of \$1.25 and will entitle the holder thereof to acquire, upon exercise, one (1) MergeCo Share and one-half (1/2) of one warrant of MergeCo having the same attributes as the Warrants described in (iii) above.

As a result, upon the completion of the Debt Conversion and the Merger, VRC shareholders will hold approximately 7% of the outstanding MergeCo Shares and RHI shareholders will hold approximately 93% of the outstanding MergeCo Shares. These percentages will decrease as a result of a proposed private placement by RHI (the "Private Placement") (as described below).

Pending the completion of the Private Placement, it is not possible to precisely calculate the relative portions of MergeCo which will be received by shareholders of VRC and RHI after completion of the Private Placement. However, taking into account the completion of the Debt Conversion and assuming that a total of \$7,000,000 in gross proceeds is raised from the Private Placement (assuming the exercise of the Greenshoe (as defined below)), resulting in the issuance of 5,600,000 RHI Shares, shareholders of VRC would receive 882,150 MergeCo Shares, representing approximately 4.85% of the outstanding MergeCo Shares and shareholders of RHI (other than holders of shares issued in connection with the Private Placement) would receive 11,720,000 MergeCo Shares, representing approximately 64.38% of the outstanding MergeCo Shares. The balance of the MergeCo Shares will be held by the subscribers under the Private Placement, representing approximately 30.77% of the outstanding MergeCo Shares.

### **Sponsorship**

Haywood Securities Inc. ("Haywood Securities") has agreed, subject to the terms of an engagement agreement with RHI, to act as sponsor with respect to the listing of the MergeCo Shares.

### **Private Placement**

In addition to serving as sponsor, Haywood, along with Loewen, Ondaatje, McCutcheon Limited, have agreed to act as placement agents (the "Agents") in connection with the Private Placement. Pursuant to the terms of the Private Placement, RHI will issue up to 4,000,000 subscription receipts (each, a "Receipt") at a price of \$1.25 per Receipt for gross proceeds of up to \$5 million. Each Receipt will entitle the holder thereof to receive upon exchange, without payment of additional consideration, one (1) RHI Share and one-half (1/2) of one RHI Share purchase warrant (each whole purchase warrant, a "Warrant"), each Warrant entitling the holder thereof to purchase one (1) RHI Share at an exercise price of \$1.35 for a period of 18 months commencing on the date of issuance of the Receipts. The Receipts will be automatically exchanged immediately prior to the effective time of the Merger.

RHI also agreed to grant to the Agents an over-allotment option (“Greenshoe”) for the purpose of covering over-allotments, if any. The Greenshoe will entitle the Agents to sell up to an additional 1,600,000 Receipts for gross proceeds of up to \$2 million. The Greenshoe will be exercisable at any time up to 24 hours prior to the Private Placement Closing Date at the offering price.

In consideration for their services, the Agents will receive 8% of the gross proceeds from the Private Placement and will be granted that number of compensation warrants (the “Compensation Warrants”) equal to 7% of the number of Receipts sold pursuant to the Private Placement. The Compensation Warrants will be exercisable for a period of 18 months following the Private Placement Closing Date at a price of \$1.25 per Compensation Warrant. Each Compensation Warrant will entitle the Agents to acquire, upon exercise, one (1) RHI Share and one-half (1/2) of one Warrant.

RHI raised gross proceeds of \$5,357,500 by the sale of 4,286,000 Receipts pursuant to the initial closing of the Private Placement on March 3, 2005. RHI expects to close the second tranche (of up to an additional 1,314,000 Receipts) on or about March 8, 2005.

The net proceeds of the Private Placement will be used to fund the recommended exploration program relating to the São Jorge Project, option payments and government fees, fixed overheads and working capital as well as for general corporate purposes.

The Receipts issued pursuant to the Private Placement will be subject to an indefinite hold period. The MergeCo Shares and warrants of MergeCo issued upon conversion of the RHI Shares and Warrants underlying the Receipts pursuant to the Merger will not be subject to any statutory hold period in Canada upon completion of the Merger.

### **Debt Conversion**

Sea Shell Limited (“Sea Shell”), the controlling shareholder of VRC, has been the primary source of financing to VRC since 1999. Sea Shell, which is controlled by Frank J. Crothers, a director of VRC, is not prepared to continue funding VRC. The ability of VRC to continue as a going concern is dependent upon the management of VRC finding strategic options available to VRC and arranging for their implementation. Following discussions with RHI with regards to the possibility of entering into a reverse take-over transaction, VRC entered into the Pre-Merger Agreement.

VRC’s total debt as of February 28, 2005 was US\$2,761,954.60. The debt includes: (i) promissory notes in the aggregate amount of US\$2,495,721.99, bearing interest at 10% per annum, and pursuant to which US\$218,951.50 of interest has accrued as at February 25, 2005 (the “Promissory Notes”); and (ii) other debt amounting to approximately US\$47,281.11 owing to certain shareholders (the “Other Debt”), bearing interest at 10% per annum.

As at April 5, 2005, the amounts outstanding under the Promissory Notes and the Other Debt are expected to be approximately US\$2,787,028.85, with interest accrued to that date.

In order to fulfil one of the conditions to the completion of the Merger, VRC has entered into debt settlement agreements with its creditors dated March 4, 2005, pursuant to which it has

agreed to settle US\$2,787,028.85 of outstanding debt, with interest accruing to April 5, 2005, in consideration of the issuance of 29,843,011 VRC Shares at a deemed price of \$0.115 per share. The dollar amounts of the Promissory Notes and the Other Debt have been converted at a rate of US\$1 = \$1.2314. The debt settlement is subject to the acceptance of the TSX-V and approval of disinterested shareholders of VRC. Pursuant to Policy 4.3 – Shares for Debt of the TSX-V, VRC must not issue, as part of a debt settlement plan, more than 100% of the number of outstanding VRC Shares unless the plan is approved by disinterested shareholders of VRC. Accordingly, each of Sea Shell, Peter N. Thomson and Power Corporation of Cayman Limited will not be entitled to vote in respect of the Debt Conversion if, on the date of the Meeting, such person owns Promissory Notes or Other Debt and owns, directly or indirectly, or exercises control or direction over VRC Shares.

Additional information regarding the Debt Conversion is set out below:

Name of Debtholder	Amount of Debt At at April 5, 2005 (Including Accrued Interest) (US\$)	VRC Shares to Be Received on Conversion	Percentage Ownership of VRC Following the Conversion <sup>(1)</sup>
Sea Shell Limited	US\$2,637,875.37	28,245,902	82.8%
Peter N. Thomson	US\$74,756.16	800,476	4.9%
Power Corporation of Cayman Limited <sup>(2)</sup>	US\$74,397.32	796,633	3.27%

Notes:

- (1) The information as to voting securities beneficially owned, controlled or directed, not being within the knowledge of VRC, has been furnished by the respective nominees individually.
- (2) Power Corporation of Cayman Limited is a company controlled by Peter A. Thomson, a director of VRC. Peter A. Thomson will beneficially own, directly or indirectly, or exercise control or direction over 6.3% of the Common Shares following the Debt Conversion.

The VRC Shares issued pursuant to the Debt Conversion will be subject to a four month hold period. However, the MergeCo Shares issued upon conversion of the VRC Shares will not be subject to any statutory hold period in Canada upon completion of the Merger.

### Officers and Directors of MergeCo

The board of directors of MergeCo (the “Board of Directors”) will initially consist of the following five individuals: Luis Mauricio F. de Azevedo, Sandra S. Cowan, Gregory S. Kinross, Donald W. T. Lewis and Warren Newfield. Sandra S. Cowan will initially serve as non-management Chair of the Board of Directors. Senior management of MergeCo will include: Anthony H. Ransom as Chief Executive Officer, Nelson F.M. Pfaltzgraff as Chief Financial Officer, Luis Mauricio F. de Azevedo as Chief Operating Officer and Secretary and Paulo Ildio de Brito as Vice President Exploration. A profile of each of the proposed directors and officers of MergeCo (including their occupations for the previous five years) is set out below:

*Luis Mauricio F. de Azevedo* is a lawyer and geologist in Brazil with over 20 years of experience in the mining industry, dealing primarily with gold, industrial minerals, copper and nickel.

*Paulo Ilidio de Brito* is a geologist and has been Consultant Geologist of BRASGEO Mineração Ltda. since 2002. From 1986 to 2001, he was Senior Geologist of WMC Mineração Ltda.

*Sandra S. Cowan* has been Executive Vice President, Partner and General Counsel of EdgeStone Capital Partners since 2002 and prior thereto was a partner in a Toronto based law firm.

*Gregory S. Kinross* has been a self-employed chartered accountant since 1998. Prior to 1998, he spent three years at PricewaterhouseCoopers in South Africa as a Manager.

*Donald W. T. Lewis* is a geologist and has been the Assistant Director, Geologic Survey at the State of Oregon since October 2004. He was the Vice President of Homestake Mining Co. from 1997 to 2002 as well as its Director, Exploration from 1992 to 1997.

*Warren Newfield* is the President and CEO of Tau Capital Corp. since 2000. Prior to 2000, he was a director and VP Corporate Development of Platexco Inc. from 1997 to 2000.

*Nelson F.M. Pfaltzgraff* is an accountant and has been a partner with PS Contax & Associados Auditores e Consultores S/C Ltda. since 1995 and with PS Contax & Associados Auditores Independentes S/C since 1998. He has over 35 years of experience as an auditor. Mr. Pfaltzgraff is also currently the President of the Instituto dos Auditores Independentes do Brasil (Institute of Independent Auditors of Brazil).

*Anthony H. Ransom* is a retired geologist with more than 30 years experience in several countries dealing with corporate financing and mineral exploration from grassroots projects to discovery of several deposits and reserve additions at producing mines, including employment with Anglo American Corporation, Falconbridge Group, Pamour Group, International Corona Corporation, Homestake Mining Company and AfriOre Limited.

## **Share Option Plan**

Conditional on the approval of the Merger by shareholders of VRC and RHI, such shareholders will be asked to adopt a share option plan of MergeCo (the "Share Option Plan"). Pursuant to the Share Option Plan, options to purchase MergeCo Shares may be granted to certain directors, senior officers, employees and consultants of MergeCo. Subject to the provisions thereof, the aggregate number of MergeCo Shares that may be issued under the Share Option Plan will not exceed 10% of the aggregate number of MergeCo Shares issued and outstanding from time to time. The exercise price of options granted under the Share Option Plan will not be lower than the closing market price of MergeCo Shares on the stock exchange where the majority of the trading volume and value of the MergeCo Shares occurs, on the trading day immediately preceding the date of the grant. Options will not be granted for a term exceeding eight years.

Further information concerning RHI and the proposed transactions will be provided to VRC shareholders in the Circular.

**For further information please contact:**

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*Completion of the transactions is subject to a number of conditions, including but not limited to, Exchange acceptance and Shareholder approval. The transactions cannot close until the required Shareholder approval is obtained. There can be no assurance that the transactions will be completed as proposed or at all.*

*Investors are cautioned that, except as disclosed in the Management Proxy Circular to be prepared in connection with the transactions, any information released or received with respect to the transactions may not be accurate or complete and should not be relied upon. Trading in the securities of VRC should be considered highly speculative.*

*The TSX-V has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.*

*Haywood Securities, subject to completion of satisfactory due diligence, has agreed to act as sponsor to RHI in connection with the transaction. An agreement to sponsor should not be construed as any assurance with respect to the merits of the transaction or the likelihood of completion.*