

This is the form of a material change report required under Section 85(1) of the Securities Act and Section 151 of the Securities Rules.

BC FORM 53-901F

SECURITIES ACT

MATERIAL CHANGE REPORT

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: If this report is filed on a confidential basis, put at the beginning of the reporting block capitals "CONFIDENTIAL - SECTION 85", and file in an envelope marked "Confidential - Attention: Supervisor, Financial Reporting".

Item 1: Reporting Issuer

SAN TELMO RESOURCES LTD., 430 - 580 Hornby Street, Vancouver, British Columbia, V6C 3B6

Item 2: Date of Material Change

December 20, 2001

Item 3: Press Release

December 20, 2001, Vancouver, B.C.

Item 4: Summary of Material Change

The Company announces a private placement.

Item 5: Full Description of Material Change

San Telmo Resources Ltd. (STA-CDNX) announces a private placement for proceeds of \$225,000. The

placement is for 1,000,000 flow-through units at a price of \$0.225, with each unit consisting of a common share and a common share purchase warrant. The warrants are exercisable for a period

of two years at a price of \$0.28. There is a finder's fee payable in connection with this placement of 10% of the proceeds payable in cash in connection with this placement.

The private placement is subject to approval of the CDNX.

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

N/A

Item 7: Omitted Information

N/A

Item 8: Senior Officers

Christopher I. Dyakowski - Telephone: 604-250-2844 / Fax: 604-687-0586

Item 9: Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Vancouver, B.C. this 20th day of December, A.D. 2001.

SAN TELMO RESOURCES LTD.

Per: "C.I. Dyakowski"

CHRISTOPHER I. DYAKOWSKI, President