

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*.

FORM 53-901F
(Previously Form 27)

BRITISH COLUMBIA SECURITIES ACT

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

Item 1. Reporting Issuer

CANDAO ENTERPRISES INC.
Suite 300 – 541 Howe Street
Vancouver, BC, V6C 2C2

Item 2. Date of Material Change

April 7th, 2004.

Item 3. Press Release

Press release was issued at Vancouver, British Columbia on April 7th, 2004.

Item 4. Summary of Material Change

The Company has appointed a new President and Chairman of its board of directors and has transferred its head office and registered and records office to its newly appointed legal counsel as of April 7th, 2004.

Item 5. Full Description of Material Change

Candao Enterprises Inc. (the “Company”) held a meeting of its board of directors (the “Board”) on April 7th, 2004, via conference call at 8:30 am (PST). In attendance at the meeting were the Company’s directors, Mr. William Jung, Mr. Patrice Denis and Mr. Claude H. Roy. At the meeting the Board resolved that in furtherance of the business objectives of the Company and in the best interests of the Company, Mr. Claude H. Roy shall replace Mr. William Jung as President and Chairman of the Board of Candao Enterprises Inc., effective April 7th, 2004.

During the course of this meeting, the Board appointed Karlsson Law Corporation as the Company’s legal counsel, with the principal of Karlsson Law Corporation, John Karlsson to act as solicitor and Secretary to the Company. Pursuant to this appointment, the head office and registered and records office of the Company shall be transferred to the offices of Karlsson Law Corporation, at Suite 300 – 541 Howe Street, Vancouver, British Columbia, V6C 2C2, effective April 7th, 2004

See attached press release dated April 7th, 2004 for a full description.

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

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Senior Officers

The following Senior Officer of the Company is available to answer questions regarding this report:

Mr. Claude H. Roy
Business Telephone: (514) 499-1268

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 April, 2004.

CANDAO ENTERPRISES INC.

Per:

 "Claude H. Roy"
Claude H. Roy
President

CANDAO ENTERPRISES INC.
Suite 300 – 541 Howe Street
Vancouver, BC, Canada, V6C 2C2
Tel: (604) 801-5995 Fax: (604) 801-5939

Trading Symbol: CDA. H

April 7, 2004

News Release
Appointment of New President and Chairman of the Board

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On behalf of the Board of

CANDAO ENTERPRISES INC.

Per:

”Claude H. Roy”
Claude H. Roy
President

*The TSX Venture Exchange has not reviewed and does not accept responsibility
for the adequacy or accuracy of this release.*