MATERIAL CHANGE REPORT

1. Name and Address of Reporting Issuer:

Canoro Resources Ltd. ("**Canoro**")
2810, 715 - 5th Avenue S.W.
Calgary, Alberta
T2P 2X6

2. Date of Material Change:

July 25, 2006.

3. News Release:

A press release disclosing the details discussed in this Material Change Report was issued by Canoro on July 25, 2006 and disseminated through the facilities of a recognized news wire service.

4. Summary of Material Change:

Canoro completed a private placement (the "Offering") of 24,300,000 units ("Units") plus an over-allotment option of 4,860,000 Units, totaling 29,160,000 Units at $1.03 per Unit for combined gross proceeds of $30,034,800. Each Unit consists of one common share of Canoro and a half warrant. Each full warrant is exercisable to purchase one common share of Canoro at $1.30 until July 25, 2007.

Jennings Capital Inc., as lead agent, Canaccord Capital Corporation, Sprott Securities Inc., and Fraser MacKenzie Limited acted as agents for the financing (collectively, the "Agents"). Canoro paid the Agents a cash commission of $1,952,262 equal to 6.5% of the gross proceeds of the Offering, and issued 1,895,400 Agents' warrants, each warrant entitling the holder to acquire one common share at a price of $1.30 per common share until July 25, 2007.

The offering was made by way of applicable prospectus exemptions as provided for in the *Securities Act* (Alberta) and comparable provisions in other provinces and jurisdictions, as agreed to by Canoro and the Agents. The common shares and warrants issued are subject to a four month hold period.

Gross proceeds from the Offering are planned to fund the exploration and development of Canoro's exisiting properties in northeast India and acquire new exploration and development opportunities in India, as well as contribute to general corporate purposes.

5. Full Description of Material Change:

See item 4, above.

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

Not applicable.

7. Omitted Information:

Not applicable.

8. Executive Officer:

The name and business numbers of the executive officer of Canoro who is knowledgeable of the material change and this report is:

Dinesh Dattani, Vice President, Finance, Chief Financial Officer and Corporate Secretary

Telephone: (403) 543-5747
Facsimile: (403) 543-5740

9. Date of Report:

This report is dated July 27, 2006.