MATERIAL CHANGE REPORT

PURSUANT TO

NATIONAL INSTRUMENT 51-102

1. **NAME AND ADDRESS OF COMPANY**

Bolivar Gold Corp. ("Bolivar"), 110 Yonge Street, Suite 1502, Toronto, Ontario M5C 1T4.

2. **DATE OF MATERIAL CHANGE**

August 11, 2004

3. **NEWS RELEASE**

A press release disclosing the material change was issued by Bolivar on August 11, 2004. A copy of the press release, which was issued through Canada Newswire, is attached hereto as Appendix "A".

4. **SUMMARY OF MATERIAL CHANGE**

Bolivar announced its results for the fiscal quarter ended June 30, 2004.

5. **FULL DESCRIPTION OF MATERIAL CHANGE**

Please see the press release attached hereto as Appendix "A".

6. **RELIANCE ON SUBSECTION 7.1(2) OR (3) OF NATIONAL INSTRUMENT 51-102**

Not applicable.

7. **OMITTED INFORMATION**

Not applicable.

8. **EXECUTIVE OFFICER**

Peter Volk, Corporate Secretary of Bolivar, is knowledgeable about the material change and this Report and can be reached at 416-360-4653.

9. **DATED** at Toronto, Ontario this 12th day of August, 2004.

Bolivar Gold Corp.

By: "Peter Volk"
Peter Volk
Corporate Secretary

Appendix "A"
Press Release

BOLIVAR GOLD CORP.

NEWS RELEASE

TORONTO, Wednesday, August 11, 2004 – Bolivar Gold Corp. (TSX: BGC) released today its second quarter 2004 financial statements.

For the second quarter and six months ended June 30, 2004, Bolivar Gold reported a loss of US$2.0 million and $4.1 million or US$0.02 and US$ 0.05 per share respectively as compared to a profit of US$50,000 or US$0.00 per share in the second quarter of 2003 and a loss of $304,000 or US$0.01 per share in the first half of 2003. At June 30, 2004, the company had US$35 million in cash and short-term investments, which is more than sufficient to cover the cost of bringing the Choco 10 development project in Venezuela into production.

At the Choco 10 mine site, access roads and site preparation are largely complete, with civil works and plant construction and infrastructure development underway. Essentially all required mining and milling equipment for the project has arrived in Venezuela and is onsite. Work on the tailings and water retention dams has commenced. The project remains on budget at an estimated capital cost of US$38.6 million and is on schedule at this time, with production expected to commence in November of this year.

Bolivar Gold has also planned an aggressive exploration program for its Choco 10 concession, with 35,000 metres of diamond drilling planned. To date, 91 holes totaling over 20,000 metres have been drilled. Results of the first 73 holes have already been released. The company also announced updated resources based on all drill holes up to and including CRO4-148, with measured and indicated gold ounces increasing by 62% to 1.7 million since December 2003, with another 118,000 ounces in the inferred category. The company also announced plans to expand the capacity of the mill currently under construction from its original 5,400 tonnes per day (tpd) to 10,000 tpd. A revised mine plan based on the new resources and basic engineering for the mill expansion are currently under way.

The El Callao Joint Venture with Gold Fields Limited is progressing rapidly, with preliminary screening and target identification complete. Geochemical sampling of primary targets has commenced, with drilling expected to commence shortly.

Bolivar Gold Corp. is a gold exploration and development company with a 70% interest in the Choco 10 property in Venezuela where exploration has confirmed a near-surface Measured & Indicated gold resource containing 1.7 million ounces. Having raised the necessary funding in 2003, development of the Choco 10 property is well advanced, with production scheduled for November of this year. Bolivar Gold intends to exploit this reserve while continuing to pursue the exploration potential at Choco 10, as well as elsewhere in the El Callao district in conjunction with Gold Fields Limited. Additional information on Bolivar Gold can be found by visiting the company's website at www.bolivargold.com.

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BOLIVAR GOLD CORP.

FOR FURTHER INFORMATION

Robert Doyle
Chief Financial Officer
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Some of the statements contained in this release are forward-looking statements, such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated in such statements.

(Financial Statements and Management Discussion and Analysis follow)

Bolivar Gold Corp.

(A DEVELOPMENT STAGE ENTERPRISE)

Consolidated Balance Sheets
(unaudited, expressed in U.S. dollars)

	June 30, 2004 (unaudited)	December 31, 2003
Assets		
Current assets		
Cash and cash equivalents	$ 28,926,581	$ 1,705,556
Short term investments	6,428,602	35,205,660
Loan receivable	-	15,426,148
Cash held in escrow	1,493,128	1,234,092
Accounts receivable	243,481	841,843
Other current assets	6,086,224	1,256,953
	43,178,016	55,670,252
Mineral properties	11,710,755	9,211,899
Property, plant and equipment	10,610,327	4,116,736
Cash held in escrow	1,493,128	2,468,183
Deferred financing costs	1,191,599	1,324,169
	$ 68,183,825	$ 72,791,239
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	$ 911,819	$ 1,048,817
Convertible debentures	17,276,739	17,590,978
Minority interest	36,446	36,446
Shareholders' Equity		
Share capital	57,339,993	56,091,032
Warrants	6,195,798	6,281,709
Equity portion of convertible debentures	2,500,000	2,500,000
Contributed surplus	1,522,568	743,921
Cumulative translation adjustment	(2,484,784)	(438,429)
Deficit	(15,114,754)	(11,063,235)
	49,958,821	54,114,998
	$ 68,183,825	$ 72,791,239

These unaudited consolidated interim financial statements have not been reviewed by the Company's auditor.

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Bolivar Gold Corp.

(A DEVELOPMENT STAGE ENTERPRISE)

Consolidated Statements of Operations and Deficit
(unaudited, expressed in U.S. dollars)

	Three Months ended June 30, 2004	Three Months ended June 30, 2003 (restated - Note 3)	Six Months ended June 30, 2004	Six Months ended June 30, 2003 (restated - Note 3)
Revenue				
Interest and other income	$ 131,429	$ 48,522	$ 468,129	$ 51,451
Expenses				
General and administrative	728,431	789,355	1,713,858	1,201,018
Stock option expense (note 3)	388,376	155,304	778,647	195,413
Depreciation and amortization	80,055	3,404	153,996	8,634
	1,196,862	948,063	2,646,501	1,405,065
Operating income (loss)	(1,065,433)	(899,541)	(2,178,372)	(1,353,614)
Interest expense, net	407,910	-	826,619	-
Foreign exchange loss (gain)	525,026	(949,446)	1,046,528	(1,049,979)
	932,936	(949,446)	1,873,147	(1,049,979)
Income (loss) for the period	(1,998,369)	49,905	(4,051,519)	(303,635)
Deficit, beginning of period	(13,116,385)	(11,966,209)	(11,063,235)	(11,612,669)
Deficit, end of period	$ (15,114,754)	$ (11,916,304)	$ (15,114,754)	$ (11,916,304)
Basic and diluted income (loss) per share	$ (0.02)	$ 0.00	$ (0.05)	$ (0.01)
Weighted average number of shares	88,843,285	41,058,847	87,811,645	30,003,024

Bolivar Gold Corp.

(A DEVELOPMENT STAGE ENTERPRISE)

Consolidated Statements of Cash Flows
(unaudited, expressed in U.S. dollars)

	Three Months ended June 30, 2004	Three Months ended June 30, 2003	Six Months ended June 30, 2004	Six Months ended June 30, 2003
Cash provided by (used in) operating activities				
Net income (loss) for period	$ (1,998,369)	$ 49,905	$ (4,051,519)	$ (303,635)
Items not affecting cash				
- Depreciation and amortization	80,055	3,404	153,996	8,634
- Accretion interest on convertible debt	123,288	-	246,575	-
- Stock option expense	388,376	155,304	778,647	195,413
- Foreign exchange loss (gain)	525,026	(949,446)	1,046,528	(1,049,979)
Changes in non-cash working capital				
Accounts receivable and other current assets	(215,727)	(184,503)	677,382	(340,078)
Accounts payable and accrued liabilities	(156,643)	13,072	(136,998)	32,604
	(1,253,994)	(912,264)	(1,285,389)	(1,457,041)
Cash provided by financing activities				
Issuance of common shares	212,010	9,562,821	1,163,050	12,099,091
Cash held in escrow	674,233	-	716,019	-
	886,243	9,562,821	1,879,069	12,099,091
Cash provided by (used in) investing activities				
Short-term investments	(3,665,653)	-	28,224,923	-
Decrease in loan receivable	-	-	15,426,148	-
Acquisition of Carisma-net of acquired cash	-	(2,950,000)	-	(3,248,703)
Mineral property expenditures	-	(1,149,382)	-	(1,335,934)
Mineral exploration and development expenditures	(1,673,797)	-	(2,498,856)	-
Property, plant and equipment expenditures	(5,784,903)	(24,490)	(13,478,342)	(88,262)
	(11,124,353)	(4,123,872)	27,673,873	(4,672,899)
Foreign exchange impact on cash and equivalents	(525,026)	992,793	(1,046,528)	1,087,052
Net increase in cash and cash equivalents	(12,017,130)	5,519,478	27,221,025	7,056,203
Cash and cash equivalents, beginning of period	40,943,711	2,045,686	1,705,556	508,961
Cash and cash equivalents, end of period	$ 28,926,581	$ 7,565,164	$ 28,926,581	$ 7,565,164

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BOLIVAR GOLD CORP.
(A DEVELOPMENT STAGE ENTERPRISE)

Notes to Consolidated Financial Statements
For the periods ended June 30, 2004
(unaudited, in thousands of U.S. dollars)

1. SIGNIFICANT ACCOUNTING POLICIES

The unaudited interim financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP) for interim financial statements. These interim financial statements do not contain all the disclosures required under GAAP but are prepared in accordance with the accounting policies outlined in the Company's audited financial statements for the year ended December 31, 2003. These unaudited interim financial statements and related notes should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2003.

2. SHARE CAPITAL

The following table summarizes information on outstanding common shares, warrants and stock options for the six months ended June 30, 2004:

a) Common shares	Shares	Amount
Balance, January 1, 2004	85,365,477	$ 56,091,032
Exercise of warrants and options	3,960,270	1,248,961
Balance, June 30, 2004	89,325,747	$ 57,339,993

b) Warrants	Shares	Wtd. Avg. Price (C$)
Balance, January 1, 2004	36,716,443	$ 1.37
Exercised	(3,731,105)	0.37
Balance, June 30, 2004	32,985,338	$ 1.48

c) Options	Shares	Wtd. Avg. Price (C$)
Balance, January 1, 2004	7,665,832	$ 0.95
Exercised	(229,165)	0.61
Balance, June 30, 2004	7,436,667	$ 0.96

In the absence of positive earnings per share in the three months ended June 30, 2004 and 2003 and the six months ended June 30, 2004 and 2003, the potential effect of exercising stock options has not been included in the calculation of diluted loss per share because to do so would be anti-dilutive.

3. STOCK-BASED COMPENSATION

In the fourth quarter of 2003, the company adopted the recognition of compensation expense for grants of stock, stock options and other equity instruments based on the estimated fair value at the grant date for stock-based compensation awards granted after January 1, 2003. The impact of this was to reduce income in the three months ended June 30, 2003 by $155,304 ($195,413 for the six months ended June 30, 2003).

Had compensation cost for stock option amounts been determined under the fair value method for options granted during 2002, the Company's net loss and loss per share would have increased to the following pro forma amounts:

	Three months ended June 30	
	2004	2003
Net income (loss) – as reported	$ (1,998,369)	$ 49,905
Net income (loss) – pro forma	$ (2,006,809)	$ 28,245
Pro forma basic and diluted income (loss) per share	$ (0.02)	$ 0.00

	Six months ended June 30	
	2004	2003
Net income (loss) – as reported	$ (4,051,519)	$ (303,635)
Net income (loss) – pro forma	$ (4,086,287)	$ (343,425)
Pro forma basic and diluted income (loss) per share	$ (0.05)	$ (0.01)

BOLIVAR GOLD CORP.

Management Discussion and Analysis – August 11, 2004

Overview

The following discussion of the operating results and financial position of Bolivar Gold Corp. should be read in conjunction with the unaudited interim consolidated financial statements and related notes for the three and six month periods ended June 30, 2004; reference should also be made to the company's audited consolidated financial statements and related notes for the fiscal year ended December 31, 2003. Amounts are in United States (U.S.) dollars unless otherwise stated.

Bolivar Gold Corp. strives to enhance shareholder value through the acquisition and development of highly profitable gold resources. While the competition for attractive development properties is intense, and the odds of advancing individual properties to production are long, the company believes that its strategy is achievable and offers an attractive risk-reward ratio. Bolivar Gold focuses on regions where management has long-standing experience. Additionally, the company has taken a portfolio approach to mitigate risk, acquiring multiple properties in prolific areas to improve the odds of success and, wherever possible, joint ventures its higher risk properties with senior partners who provide significant technical and financial resources.

Management believes that the key performance measure that correlates with creating shareholder value is gold reserves and resources. Once these resources are developed, the second key performance measure is cost – both operating and non-operating – as this becomes the critical factor in dictating the level of profitability for the company relative to its peers, given that all competitors sell their product for essentially the same price.

In order to deliver on this strategy, the company also needs to retain and enhance its team of highly-qualified and experienced individuals to identify and acquire properties of merit.

In 2004, the company has completed 91 holes representing 20,485 metres. Most of these results were included in News Releases dated April 19 and June 21, 2004, with the most significant results being hole CRO4-158 which intersected 40.1 metres at a gold grade of 7.7 grams per tonne, including a 14.1 metre interval with an average gold grade of 17.4 grams per tonne.

Following the end of the quarter, the company announced a revised resource estimate, with measured and indicated gold resources increasing by 62% to 1.7 million ounces since December 2003, with another 118,000 ounces in the inferred category. The company also announced its intention to expand the milling facility currently under construction from 5,400 to 10,000 tonnes per day.

At the Choco 10 development project, all environmental permits have now been received and the application for an Exploitation Permit is in the final phase. Essentially all mining and milling equipment is now on-site, construction is progressing and start-up is scheduled for November of this year.

The El Callao Joint Venture with Gold Fields Limited is progressing rapidly, with preliminary screening and initial target identification complete. Geochemical sampling of primary targets has commenced, with drilling expected to commence shortly.

The following narrative identifies the various cost items for the second quarter and first half of 2004 as compared to the same periods in 2003.

Results of Operations

The company generated $131,000 in interest and other income in the second quarter of 2004 as compared to $49,000 in the same period in 2003 as a result of significantly higher cash balances. In the first half of 2004, the higher cash balances resulted in interest and other income of $468,000 as compared to $51,000 in the same period last year. While the company's current cash position remains well above last year's levels, capital investment in the Choco 10 mine will consume a substantial portion of the current cash balance during the remainder of the year, reducing future interest income accordingly.

General and administrative costs amounted to $728,000 in the second quarter of 2004 as compared to $789,000 in the same quarter last year. For the first six months of 2004, this cost amounted to $1.7 million as compared to $1.2 million in the corresponding period last year, with the primary difference being the minor costs incurred in the first quarter of 2003 when the company was just commencing its current business activities.

The company recorded a stock option expense of $388,000 in the second quarter and $779,000 for the first six months of 2004. The corresponding amounts for the same periods in 2003 would have been $155,304 and $195,413 had the company adopted the current accounting policy as of January 1, 2003.

Non-operating items included a foreign exchange loss of $525,000 in the second quarter of 2004 related to the decline in the Canadian dollar, in which surplus funds are held, relative to the U.S. dollar. For the first six months of the current year, a loss of $1.0 million was recorded, as compared to a gain of $1.0 million in the same period in 2003. Subsequent to the end of the second quarter, the Canadian dollar appreciated relative to the U.S. dollar and the company converted the majority of its funds into U.S. dollars. This gain will be reflected in the third quarter, following which only minor gains or losses are likely to be recognized.

Other non-operating items included interest expense related to the 6% convertible debentures issued in December 2003. This cost amounted to $408,000 in the most recent quarter and $827,000 for the first six months, reflecting both the actual interest cost plus interest accreted on the deemed equity component of the debenture.

The net loss in the second quarter of 2004 amounted to $2.0 million or $0.02 per share, as compared to a profit of $50,000 or $0.00 per share in the same period in 2003, with the reversal of a portion of previous foreign exchange gains the most significant factor. On a year-to-date basis, the company recorded a loss of $4.1 million or $0.05 per share, as compared to a loss of $304,000 or $0.01 per share in the same period last year, with the difference due almost entirely to the partial reversal of previous foreign exchange gains.

The following tables summarizes quarterly results for the previous eight quarters:

BOLIVAR GOLD CORP.

	Jun 30 2004	Mar 31 2004*	Dec 31 2003	Sep 30 2003
Revenue	$ 131,429	$ 336,700	$ 402,556	$ 122,598
Net Income	(1,998,369)	(4,051,519)	391,223	506,846
Per share	(0.02)	(0.05)	0.01	0.01

* restated to reflect reclassification of exchange rate adjustment on intercompany debt.

	Jun 30 2003	Mar 31 2003	Dec 31 2002	Sep 30 2002
Revenue	$ 48,522	$ 2,929	$ 3,095	$ 0
Net Income	49,905	(353,540)	(154,327)	128,632
Per share	0.00	(0.02)	(0.02)	0.02

Liquidity and Financial Resources

After adjusting the net loss for non-cash items and changes in working capital, cash consumed by operating activities was $1.3 million in the second quarter and for the first six months of 2004. During the quarter, Bolivar Gold raised $886,000 in net proceeds from financing activities, largely attributable to the release from escrow of funds related to the convertible debentures and the exercise of outstanding warrants and options. In the same period, the company made short-term investments of $3.7 million. A total of $7.5 million was invested in exploration and development of the Choco 10 property in the second quarter of 2004. After reflecting the $0.5 million unfavourable foreign exchange impact on the company's cash balances, unrestricted cash decreased by $12.0 million in the second quarter to $28.9 million at June 30, 2004. In addition, $3.0 million of cash remains escrowed to service interest obligations related to the convertible debentures.

At June 30, 2004, $13.5 million has been spent on the development of the Choco 10 property relative to a total budget of $38.6 million. In addition to estimated general and administrative cost of $1.5 million in the second half of 2004, the company plans to spend a further $2.2 million on exploration at the Choco 10 in the current year. Management believes that sufficient cash resources exist to meet the remaining development costs for Choco 10, as well as estimated exploration and corporate costs in 2004 and that no additional financing will be required to meet its objectives in 2004.

The company currently has 89.4 million issued and outstanding common shares, 32.9 million common share purchase warrants and 7.4 share purchase options that would result, if exercised, in the issuance of an additional 40.4 common shares and additional proceeds of $42.4 million. Additionally, the company has outstanding a C$26 million 6% convertible debenture which, if converted, would result in the issuance of an additional 9.1 million common shares.

Additional information relating to Bolivar Gold Corp., including the company's Annual Information Form, is available on SEDAR at www.sedar.com.