FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Denroy Manufacturing Corporation
32 Roxborough Street East
Toronto, Ontario
M4W 1V6

Item 2 Date of Material Change

May 19, 2005

Item 3 News Release

The press release attached as Schedule A was released over Filing Services Canada on May 19, 2005.

Item 4 Summary of Material Change

The material change is described in the press release attached as Schedule "A".

Item 5 Full Description of Material Change

The material change is described in the press release attached as Schedule "A".

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

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Dennis H. Peterson
President
Denroy Manufacturing Corporation
416-777-6772

Item 9 Date of Report

May 19, 2005

SCHEDULE A

DENROY MANUFACTURING CORPORATION
PRESS RELEASE

May 19, 2005

Denroy Manufacturing Corporation announces that it has determined to seek opportunities in the resource sector. As earlier announced, Denroy has commenced a process to identify new business opportunities. Management of Denroy believes that the resource sector offers sound opportunities for a junior public company seeking to reactivate. Canadian capital markets are receptive to resource enterprises and commodity prices have improved over the past two years.

Denroy does not currently have an undertaking. Success in identifying a suitable new business for Denroy cannot be assured, and there are no opportunities which have been identified at the present time. Furthermore, Denroy has limited working capital to pursue such opportunities. Further announcements will be made on the status of this process.

Denroy has called an annual and special meeting of shareholders to be held on June 14, 2005 with a record date of April 25, 2005. A formal notice of this shareholder meeting and related management information circular have been mailed to shareholders and filed on www.sedar.com. To implement the new strategic direction of Denroy, two items of special business have been proposed for approval by shareholders at the upcoming annual and special meeting as follows:

a) The consolidation of the issued and outstanding common shares of Denroy on the basis of one (1) common share for every thirty-five (35) common shares currently issued and outstanding. The consolidation is being proposed In order to provide increased flexibility in the capital structure of Denroy and in any future financing of Denroy. If the share consolidation becomes effective, the 31,934,098 issued and outstanding common shares as at May 9, 2005 will represent 912,403 post-consolidation common shares of Denroy.

b) To reflect Denroy's proposed shift in business to the resource sector, shareholders are being asked to approve a change of name of Denroy to DENROY RESOURCES CORPORATION or such other name the Board of Directors of Denroy determines is acceptable to securities regulators having jurisdiction and the Ontario Ministry of Consumer and Business Services.

Further details of the special business for the upcoming shareholder meeting have been filed on www.sedar.com.

For more information, please contact:

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WARNING: No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.