FORM 53-901F
MATERIAL CHANGE REPORT
UNDER SECTION 85(1) OF THE SECURITIES ACT
AND SECTION 151 OF THE SECURITIES RULES

ITEM 1. **REPORTING ISSUER**

SYDNEY RESOURCE CORPORATION
328 – 550 Burrard Street Vancouver BC, V6C 2B5
Telephone: (604) 685-8311 Facsimile: (604) 685-1682

ITEM 2. **Date of Material Change** May 23, 2006

ITEM 3. **PRESS RELEASE**

The Issuer issued a press release at Vancouver, BC dated May 23, 2006 to the TSX-V.

ITEM 4. **SUMMARY OF MATERIAL CHANGE**

The company announced that it closed the non-brokered private placement announced on May 5, 2006 (SYR News Release 06-13). The private placement raised gross proceeds of $4,950,499.26 through the issue of 11,786,903 units (the "units") at a price of $0.42 per unit. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant will be exercisable at a price of $0.50 per share until May 19, 2008. Finder's Fees totalling $345,799.94 in cash were paid in conjunction with this placement.

ITEM 5. **Full Description of Material Change**
See News Release dated May 23, 2006.

ITEM 6. **Reliance on subsection 7.1(2) or (3) of National Instrument 51-102** N/A

ITEM 7. **OMITTED INFORMATION** N/A

ITEM 8. **SENIOR OFFICERS**

The following senior officer of the Issuer is knowledgeable about the material change and may be contacted by the Commission at the following telephone number:

Frank Hallam – CFO & Director Phone: (604) 685-8311

ITEM 9. **STATEMENT OF SENIOR OFFICER**

The foregoing accurately discloses the material change referred to herein. Dated at Vancouver, British Columbia this 23rd day of May 2006.

Sydney Resource Corporation

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Frank R. Hallam,
CFO & Director