

# PIFHER RESOURCES INC.

150 York Street, Suite 302, Toronto, Ontario, M5H 3S5  
Tel. (416) 360-4031 \* Fax. (416) 360-4034

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October 31, 2001

Ontario Securities Commission  
Suite 800  
20 Queen Street West  
Toronto, Ontario  
M5H 3S8

**Attention: Continuous Disclosure**

Alberta Securities Commission  
4<sup>th</sup> Floor  
300 – 5<sup>th</sup> Avenue S. W.  
Calgary, Alberta  
T2P 3C4

**Attention: Continuous Disclosure**

British Columbia Securities Commission  
Suite 200  
865 Hornby St.  
Vancouver, British Columbia  
V6Z 2H4

**Attention: Continuous Disclosure**

Dear Sirs:

**Re: Material Change Report Under Section 75(2) of the Act**

**Item 1. Reporting Issuer**

The name of the reporting issuer is Pifher Resources Inc. (the "Issuer"). Its registered head office is located at 150 York Street, Suite 302, Toronto, Ontario, M5H 3S5.

**Item 2. Date of Material Change**

The material change occurred on October 26, 2001.

**Item 3.**        **Press Release**

A press release was issued through BCE Emergis in Toronto. A copy of the press release as issued is annexed hereto as Schedule "A".

**Item 4.**        **Summary of Material Change**

The material change is summarized in the press release annexed hereto as Schedule "A".

**Item 5.**        **Full Description of Material Change**

A full description of the material change is provided in Item 4 herein.

**Items 6 and 7.**        **Omitted Information and Reliance on Section 75(3)**

The Issuer is not relying on section 75(3) of the Act for the filing of this report nor is any information being omitted in reliance thereon.

**Item 8.**        **Senior Officers**

For further information, please contact Gary Conn, President and Director of the Issuer, at (519) 455-8127.

**Item 9.**        **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto, Ontario this 31<sup>st</sup> day of October, 2001.

**Pifher Resources Inc.**

Per:                   "Manoj Pundit"                    
Manoj Pundit, Secretary

SCHEDULE "A"

# PIFHER RESOURCES INC.

PRESS RELEASE

October 29, 2001

## **PIFHER COMPLETES \$2.5 MILLION PRIVATE PLACEMENT FINANCING**

**Listing: CDNX, symbol "YFP"**

**Issued Capital: 3,766,307 Common Shares**

Toronto, Ontario: Pifher Resources Inc. announced today that it has closed its previously announced private placement offering of Special Warrants. At closing, Pifher issued a total of 1,203,704 flow-through Special Warrants and 343,750 non-flow-through Special Warrants at prices of \$1.62 and \$1.60 per flow-through Special Warrant and non-flow-through Special Warrant, respectively, for gross proceeds of \$2,500,000.

Upon exercise of a Special Warrant and without payment of any additional consideration, the holder is entitled to acquire, in the case of a flow-through Special Warrant, one flow-through common share and one-half of one flow-through common share purchase warrant and, in the case of a non-flow-through Special Warrant, one non-flow-through common share and one-half of one non-flow-through common share purchase warrant. Each whole flow-through common share purchase warrant and each non-flow-through common share purchase warrant entitles the holder thereof to acquire one additional flow-through common share or one non-flow-through common share, respectively, at an exercise price of \$2.00 for a period of 12 months from the date of issuance of such warrant.

Pifher has undertaken to use its best efforts to file and, obtain a receipt for, a final prospectus from the Ontario Securities Commission within 120 days of the closing of the offering. In the event that a receipt cannot be obtained from the Ontario Securities Commission, the Special Warrants and all underlying securities issued to subscribers resident in Ontario will be subject to a hold period of 12 months from the date of closing of the offering.

The net proceeds of the offering will be used to finance natural gas exploration on various properties leased by Pifher in Southern Ontario, the payment of lease obligations on certain of these leased properties and working capital and general corporate purposes.

Further information can be obtained by contacting Gary Conn, President and Director of Pifher, in Toronto at Tel: (416) 360-4031, and in London, Ontario at: Tel. (519) 455-8127.

Neither the Canadian Venture Exchange, nor any other securities Regulatory Authority has approved or disapproved of the contents of this news release.