

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1. Name and Address of Company**

Mustang Resources Inc.  
101 - 10th Street N.W.  
Calgary, AB T2N 1V4

**Item 2. Date of Material Change**

July 22, 2004

**Item 3. News Release**

A press release was disseminated through Canada NewsWire on July 22, 2004.

**Item 4. Summary of Material Change**

Mustang Resources Inc. announced a \$10.5 million equity bought deal financing.

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

Mustang Resources Inc. ("Mustang") entered into an equity financing agreement, on a "bought deal" basis, with a group of underwriters, co-led by GMP Securities Ltd. and FirstEnergy Capital Corp. and also including Tristone Capital Inc., to issue by way of a private placement, 1.64 million Class A shares of the Company at a price of \$6.40 per share. Gross proceeds to Mustang will be \$10,500,000.

This equity issue is subject to regulatory approval and closing is expected to take place on or about August 11, 2004. The shares will be subject to a four-month hold period.

Proceeds from this offering will be used to finance Mustang's on-going development and exploration activity and for general corporate purposes. Mustang also advises that the Toronto Stock Exchange has approved the listing of its Class A and Class B shares for trading effective July 23.

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

Not applicable.

**Item 7. Omitted Information**

No information has been omitted.

**Item 8. Executive Officer**

For further information contact Richard Todd, President and Chief Executive Officer, or Darcy Anderson, Chief Financial Officer, at (403) 521-5284.

**Item 9. Date of Report**

July 28, 2004