

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

**Item 1      Name and Address of Company**

Whitemud Resources Inc.  
Suite 3030, Bow Valley Square 2  
205 - 5 Avenue S.W.  
Calgary, Alberta  
T2P 2V7

**Item 2      Date of Material Change**

August 26, 2010

**Item 3      News Release**

A press release relating to the material change described herein was released by Whitemud Resources Inc.

**Item 4      Summary of Material Change**

Whitemud Resources Inc. announced that the second amended proposal sponsored by Kasten Energy Inc. pursuant to Part III, Division I of the Bankruptcy and Insolvency Act (Canada) was approved by the various classes of creditors of Whitemud Resources Inc. on July 21, 2011 and was ratified by the Court of Queen's Bench of Alberta, Judicial District of Calgary by a court order issued on August 12, 2011.

**Item 5      Full Description of Material Change**

See attached Press Release for full details.

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

Not applicable.

**Item 7      Omitted Information**

Not applicable.

**Item 8      Executive Officer**

Whitemud Resources Inc., General Inquiries - Telephone: (403) 266-1985;  
Facsimile: (403) 263-5035; E-mail: info@whitemudresources.com.

**Item 9      Date of Report**

September 2, 2011

**WHITEMUD RESOURCES INC.**

**NEWS RELEASE**

**AUGUST 26, 2011**

**WHITEMUD RESOURCES INC. PROVIDES UPDATE ON VARIOUS MATTERS**

(Not for distribution to United States Newswire Services or for dissemination in the United States.)

**Calgary, August 26, 2011** – Whitemud Resources Inc. (“Whitemud”)(NEX - “WMK.H”) is pleased to announce that the second amended proposal (the “Second Amended Proposal”) sponsored by Kasten Energy Inc. (“Kasten”) pursuant to Part III, Division I of the *Bankruptcy and Insolvency Act* (Canada) was approved by the various classes of creditors of Whitemud on July 21, 2011 and was ratified by the Court of Queen’s Bench of Alberta, Judicial District of Calgary by a court order (the “Court Order”) issued on August 12, 2011. (Further information on both the receivership of Whitemud and the Second Amended Proposal can be accessed on the website of Deloitte & Touche Inc. at [www.deloitte.ca](http://www.deloitte.ca) under the Insolvency and Restructuring link.)

Pursuant to the Court Order, the following individuals were named as the interim directors of Whitemud to hold office until the next annual meeting of its shareholders: Al J. Kroontje, Stanley A. Owerko, Barry Lester, Randall J. Findlay and Vince Davoli. As interim directors, they now have control and operation of the property, assets and undertaking of Whitemud. The directors have now appointed the following officers: Stanley A. Owerko (Chief Executive Officer), David Storoshenko (President), Michele Ward (Chief Financial Officer) and Robert J. Iverach, Q.C. (Secretary).

Kasten will carry out the terms of the Second Amended Proposal and Kasten (or its nominee(s)) will receive 16,000,000 Class "A" Common Shares and 326,499,700 Class "B" Non-voting Common Shares from treasury. After the issuance of these new shares, there will be 34,026,300 Class "A" Common Shares and 326,499,700 Class "B" Non-voting Common Shares issued and outstanding.

The new board of directors and management of Whitemud will be taking steps to have the cease trade order that was issued against it by the Alberta Securities Commission on December 3, 2010 and any other cease trade orders issued against Whitemud revoked and will be analyzing Whitemud’s operations and potential markets to determine how and when mining and processing operations can be recommenced at Whitemud’s facilities in southern Saskatchewan.

**About Whitemud Resources Inc.**

Whitemud is a Canadian-based corporation holding mineral rights to exploit a large kaolin deposit in southern Saskatchewan, together with a state of the art, recently constructed processing facility located on the property. Whitemud’s product, Whitemud(MK), is a cement-grade metakaolin that enhances the performance of cement for oil and gas wells and construction applications. The Company uses a patented process that minimizes environmental impact.

On December 3, 2011, trading in the securities of Whitemud was suspended by the TSX Venture Exchange ("TSXV") and on Feb 28, 2011, Whitemud's listing was transferred to the NEX board of the TSXV where it remains suspended.

*Forward Looking Statements: Certain statements contained in this press release constitute forward-looking statements that involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this release should not be unduly relied upon. Actual results could differ materially as a result of changes in Whitemud's plans, legislative and regulatory changes, general economic, market and business conditions as well as other risks associated with anticipated capital requirements, lack of diversification and overall technical and economic feasibility of Whitemud's plans. These statements speak only as of the date of this release or as of the dates specified in the documents referred to in this release, as the case may be.*

*Neither the NEX nor its Regulation Services Provider (as that term is defined in the policies of the NEX) accepts responsibility for the adequacy or accuracy of this release.*

**For further information, please contact:**

**Whitemud Resources Inc.**

**General Inquiries**

Suite 3030, Bow Valley Square 2

205 - 5 Avenue S.W.

Calgary, Alberta T2P 2V7

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Email: [info@whitemudresources.com](mailto:info@whitemudresources.com)

**Financial or Accounting related matters**

Email: [finance@whitemudresources.com](mailto:finance@whitemudresources.com)