

Form 51-102F3

Material Change Report

Item 1: Name and Address of Company

AMATO EXPLORATION LTD.
430 – 890 West Pender Street
Vancouver, British Columbia V6C 1J9
(“Amato”)

Item 2 Date of Material Change

October 19, 2009

Item 3 News Release

The news release was disseminated on October 20, 2009 by way of Canada NewsWire.

Item 4 Summary of Material Change

Amato has entered into a binding letter agreement with Minera Copper Canyon de Mexico SA de CV (the “Optionor”) and its beneficial holder, Fierce Investments Ltd., to acquire up to a 50% interest in the El Creston property and has obtained a right of first refusal to acquire three adjacent properties known as Huites, Boleo and Mazomique.

The letter agreement further provides that the Optionor has the right to representation by one director on Amato’s Board of Directors and, in this regard, Robert Biagioni has been appointed as an additional director to Amato’s Board of Directors.

Amato will compensate WestCorp Financial Inc., a company wholly owned by Robert Biagioni, subject to Exchange approval, by payment of a finder’s fee equal to 5% of the cash payments and share consideration made to the Optionor under the letter agreement, as such payments are made.

Amato will conduct a brokered private placement of up to 4,000,000 units (the “Units”) at a price per Unit of CND\$0.50 for aggregate proceeds of up to CND\$2,000,000 pursuant to a letter of engagement with Wolverton Securities Ltd. Each Unit will consist of one common share in the capital of Amato and one-half of one non-transferable share purchase warrant, each whole warrant entitling the holder to purchase an additional common share in the capital of Amato at a per share price of CND\$0.75 for a period of 24 months from the completion of the offering, subject to accelerated expiry in certain circumstances.

Isadore (Izzie) Reisler and Daniele (Danny) Bresciani, both directors of Amato since its incorporation, have resigned for personal reasons. Amato welcomes as newly appointed directors, Jack Fugman and Ioannis (Yannis) Tsitos.

Amato’s Board of Directors has granted options to Robert Biagioni and Yannis Tsitos entitling each to purchase 50,000 common shares in the capital of Amato at a per share price of \$0.61 until October 19, 2014.

In connection with the newly constituted Board of Directors, the Amato Advisory Board has been dissolved.

Agreements have been entered into such that an aggregate 1,382,500 common shares in the capital of Amato owned by Messrs. Reisler and Bresciani, among others, and subject to escrow pursuant to the terms of a National Instrument 46-201 Escrow Agreement entered into at the time of completion of Amato's initial public offering, have been purchased by Messrs. Biagioni, Fugman and Tsitos as well as Melvin Reeves, the President and CEO of Amato, and are to be transferred within (and to remain subject to) escrow pursuant to the terms of the Escrow Agreement and the policies of the TSX Venture Exchange.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

Amato has entered into a binding letter agreement with Minera Copper Canyon de Mexico SA de CV (the "Optionor") and its beneficial holder, Fierce Investments Ltd., to acquire up to a 50% interest in the El Creston property as described below (the "Property") and has obtained a right of first refusal to acquire three adjacent properties known as Huites, Boleo and Mazomique as described below. Pursuant to the terms of the letter agreement, in order to acquire the 50% interest in the Property over a period of three years, Amato has agreed to fund an aggregate of US\$11,176,000 toward exploration of the property and to make an aggregate of US\$1,100,000 in cash payments and issue to the Optionor up to 7,000,000 of its common shares (which shares will be subject to a voluntary pooling agreement and will be released to the Optionor over a period ranging from one year to three years).

The letter agreement further provides that the Optionor has the right to representation by one director on Amato's Board of Directors and, in this regard, Robert Biagioni has been appointed as an additional director to Amato's Board of Directors. Mr. Biagioni is the President and Chief Executive Officer of the Corus Financial Group that provides financial and operational management consulting services and corporate finance and merger and acquisition advisory services in the United States and Canada, primarily in real estate, technology and manufacturing. Prior to forming the Corus Financial Group, Mr. Biagioni was a senior manager with Peat, Marwick, Mitchell & Co. (now KPMG) in the firm's Vancouver office. Mr. Biagioni has held senior financial roles with the HTM Group, the First Merchant Group, CoreQuest Exploration Group, Canadian Bioenergy Corporation, Katie Gold Corp., MDU Communications International, Inc., TelSoft Mobile Data Inc. (now MDSI Mobile Data Solutions Inc.) and Sand River Resources Ltd. (now Fortune River Resource Corp.). Mr. Biagioni received a BComm from the University of British Columbia in accounting and management information systems in 1979 and was admitted to the Institute of Chartered Accountants of British Columbia in 1981. He is also a member of the Institute of Corporate Directors, focusing on corporate governance education and issues.

On September 28, 2009, Amato entered into an engagement for financial advisory services (the "WestCorp. Agreement") with WestCorp Financial Inc. ("WestCorp"), a company wholly-owned by Robert Biagioni, pursuant to which Amato agreed to pay to WestCorp, subject to Exchange approval, a completion fee of 5% of the "gross transaction price" (as that term is

defined in the WestCorp. Agreement) of any transaction for which WestCorp. identifies and obtains information on, and with which Amato completes the successful acquisition of, a target property or company. As such and pursuant to the WestCorp. Agreement, Amato will pay WestCorp. a completion fee equal to 5% of the cash payments and share consideration made to the Optionor under the letter agreement, as such payments are made.

Private Placement

In order to advance Amato's portion of the proposed exploration program on the Property and to meet its obligations under the letter agreement, Amato will conduct a brokered private placement of up to 4,000,000 units (the "Units") at a price per Unit of CND\$0.50 for aggregate proceeds of up to CND\$2,000,000 pursuant to a letter of engagement with Wolverton Securities Ltd. (the "Agent"). Each Unit will consist of one common share in the capital of Amato and one-half of one non-transferable share purchase warrant, each whole warrant entitling the holder to purchase an additional common share in the capital of Amato at a per share price of CND\$0.75 for a period of 24 months from the completion of the offering, subject to accelerated expiry in certain circumstances. A commission of 8% of the proceeds of the financing shall be paid to the Agent in cash, Units, or a combination thereof at the Agent's election. In addition, the Agent will receive a corporate finance fee of \$20,000 plus GST, payable in cash, Units, or a combination thereof at the Agent's election, and will receive an option to acquire such number of shares as is equal to 8% of the Units sold under the offering. Shares acquired by the placees, and shares which may be acquired upon the exercise of the share purchase warrants, will be subject to a hold period of four months plus one day from the date of completion of the financing in accordance with applicable securities legislation.

Property Information

The El Creston property is located in the Mexican State of Sinaloa, 30 km from the city of Choix and is centered at latitude 26° 52'N and longitude: 108° 15' W. The Creston is a 500 hectare property that is located within a larger mineral concession controlled by the Optionor, that totals 17,300 ha. This larger concession contains three additional areas of known massive magnetite mineralization that crop out on surface and for which Amato has the right of first refusal to acquire. These three additional areas have the potential to share infrastructure and operational efficiencies with any El Creston mining plan, contingent on success of the current exploration programs.

El Creston iron deposit is a magnetite-skarn that formed within re-crystallized limestone host rock at the contact with a Late Cretaceous – Early Tertiary age intrusion. The skarn deposit is comprised of almost 100% magnetite formed as replacements of limestone beds. Minor showings of sulphide/oxide mineralization, with copper, zinc and silver are reported in historical work. A composite sample of outcroppings and boulders of magnetite skarn on in the center of the Vente / El Creston deposit area was assayed and contained 91.97% Fe₂O₃, 4.06 SiO₂ with low aluminum, phosphorus, manganese, calcium and titanium. The iron in this composite sample was 64.3% Fe.

Amato is planning a program of geological mapping, geophysical surveys and diamond drilling to quantify the dimensions of the massive magnetite bodies that crop out extensively on the El

Creston property. Based on the results of the delineation drilling of the El Creston, Amato will conduct a detailed scoping study and/or full feasibility study to demonstrate the potential for full commercial production.

Direct-shipping magnetite ore is currently being produced by a small operator who controls a 40 hectare parcel that is completely surrounded by concessions for which Amato has a right of first refusal.

The Choix area is serviced by paved highways and the Chihuahua Pacific railway, both connecting to the nearby Pacific port of Topolobampo, located 130 km from Choix. The property has existing electrical power supply and road access. Paul McGuigan, P. Geo., Director, is a Qualified Person and has approved the technical content of this news release.

Change to the Board of Directors

Isadore (Izzie) Reisler and Daniele (Danny) Bresciani, both directors of Amato since its incorporation, have resigned for personal reasons. Amato's Board of Directors extend thanks to both Messrs. Reisler and Bresciani for their contributions to Amato over the past 2½ years. Amato welcomes as newly appointed directors, Jack Fugman and Ioannis (Yannis) Tsitos.

Yannis Tsitos is the President and a director of First Bauxite Corporation (TSX-V:FBX) and the President, CEO and a director of Carat Exploration Inc. (TSX-V:CRZ). He worked with the BHP Billiton group for 18 years. He holds a Master's degree in Applied Geophysics and Geology from the University of Birmingham and a Bachelor's degree in Physics from the University of Athens. In addition, Mr. Tsitos has completed management and finance studies as part of an MBA program in Herriot Watt University, Edinburgh. Mr. Tsitos is experienced in the mining sector focused on exploration for a wide spectrum of commodities, from gold, base metals, nickel and diamonds to bulk minerals such as bauxite, coal and iron ore.

Jack Fugman has been a self-employed sales and marketing consultant since 1970. He worked with Gaults Hospitality for nine years, a hospitality and foodservice provisioning company that was acquired by Transworld Imports in July 2009. Mr. Fugman is a Board member of the Louis Brier Home and Hospital in Vancouver. He is a past-President (1995 to 1997) and Board member (1986 to 1995) of Western Apparel Markets and a past-Board member (1993 to 1997) of the Canadian Association Wholesales Salespersons.

Amato's Board of Directors has granted options to Robert Biagioni and Yannis Tsitos entitling each to purchase 50,000 common shares in the capital of Amato at a per share price of \$0.61 until October 19, 2014.

In connection with the newly constituted Board of Directors, the Amato Advisory Board has been dissolved as the new Board brings a wide range of experience to fulfill the needs of Amato. Amato's Board of Directors extend thanks to both Messrs. Kostiuk and Henning for their contributions to Amato over the past six months.

Also, in connection with the newly constituted Board of Directors, agreements have been entered into such that an aggregate 1,382,500 common shares in the capital of Amato owned by Messrs. Reisler and Bresciani, among others, and subject to escrow pursuant to the terms of a National Instrument 46-201 Escrow Agreement entered into at the time of completion of Amato's initial

public offering, have been purchased by Messrs. Biagioni, Fugman and Tsitos as well as Melvin Reeves, the President and CEO of Amato, and are to be transferred within (and to remain subject to) escrow pursuant to the terms of the Escrow Agreement and the policies of the TSX Venture Exchange. These transfers of shares within escrow are subject to acceptance by the TSX Venture Exchange. The shares subject to escrow will be released as to 15% on each of October 27, 2009, April 27, 2010, October 27, 2010, April 27, 2011, October 27, 2011, with the balance released on April 27, 2012.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

The executive officer who is knowledgeable about the material change and this Report is:

Melvin Reeves, President and Chief Executive Officer

Business Telephone: (604) 315-2559

Facsimile: (604) 684-1376

Item 9 Date of Report

October 20, 2009