ONTARIO
BRITISH COLUMBIA
ALBERTA

CONFIDENTIAL

FORM 27

SECURITIES ACT

MATERIAL CHANGE REPORT UNDER SECTION 75(2) OF THE SECURITIES ACT (ONTARIO), SECTION 85(1) OF THE SECURITIES ACT (BRITISH COLUMBIA), SECTION 118(1) OF THE SECURITIES ACT (ALBERTA)

NOTE: *This form is intended as a guideline. A letter or other document may be used if the substantive requirements of this form are complied with.*

NOTE: *WHERE THIS REPORT IS FILED ON A CONFIDENTIAL BASIS, PUT AT THE BEGINNING OF THE REPORT IN BLOCK CAPITAL "CONFIDENTIAL". CONFIDENTIAL REPORTS SHOULD BE FILED IN PAPER FORMAT. UPON GENERAL DISCLOSURE BEING MADE, THE FORM 27 SHOULD BE FILED THROUGH SEDAR WITHIN 10 DAYS FOLLOWING SUCH GENERAL DISCLOSURE.*

NOTE ALSO THAT FOR A SEDAR FILING, THE PRESS RELEASE SHOULD BE FILED AS A SEPARATE DOCUMENT FROM THE FORM 27.

Item 1. Reporting Issuer

State the full name and address of the principal office in Canada of the reporting issuer:

America Mineral Fields, Inc.
c/o Campney & Murphy
2100-1111 West Georgia Street
Vancouver, BC V7X 1K9

Item 2. Date of Material Change

May 1, 1998

Item 3. **Press Release**

State the date and place(s) of issuance of the press release.

Not Applicable

Item 4. **Summary of Material Change**

Provide a brief but accurate summary of the nature and substance of the material change.

America Mineral Fields, Inc. (the "Company") entered into a non-binding Heads of Agreement with Anglo American Corporation of South Africa Limited whereby the parties will negotiate with a view to entering into a formal joint venture agreement relating to the Kolwezi tailings project in the Democratic Republic of Congo.

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

Supplement the summary required under item 4 with the disclosure which should be sufficiently complete to enable a reader to appreciate the significance of the material change without reference to other material. Management is in the best position to determine what facts are significant and must disclose those facts in a meaningful manner. See also item 7.

The description of the significant facts relating to the material change will therefore include some or all of the following: dates, parties, terms and conditions, description of any assets, liabilities or capital affected, purpose, financial or dollar values, reasons for the change, and a general comment on the probable impact on the reporting issuer or its subsidiaries. Specific financial forecasts would not normally be required to comply with this form.

The above list merely described examples of some of the facts which may be significant. The list is not intended to be inclusive or exhaustive of the information required in any particular situation.

For a full description of the material change, see Schedule "A".

Item 6. **Reliance on Section 75(3) of the Securities Act (Ontario) and equivalent sections of other jurisdictions**

If the report is being filed on a confidential basis, state the reasons for such reliance.

Instruction: Refer to section 75 of the Act and to the Regulation concerning continuing obligations in respect of reports filed pursuant to section 75(3) of the Act.

This report is being filed on a confidential basis. The transaction disclosed in this report relates to the Kolwezi Tailings Project. It is imperative that the relevant government officials in Congo and the principals of Gecamines, a Congolese State corporation, be advised of the terms of the Agreement in person before the matter is made public through a conventional news release. There is a great deal of political sensitivity in light of a long standing dispute and the resultant delay in the final ratification of the Mining Convention relating to the Project. Management of the Company is very much concerned that premature disclosure of the relevant information would jeopardise the entire Project. The Heads of Agreement are not binding on the Company or AAC save as specified in Schedule "A" and are intended to be succeeded by a legally binding joint venture agreement with respect to the Project by May 31, 1998 or such later date as may be agreed by the parties.

Item 7. <u>Omitted Information</u>

In certain circumstances where a material change has occurred and a material change report has been or is about to be filed but s. 75(3) of the Act will no longer be relied upon, a reporting issuer may nevertheless believe one or more significant facts otherwise required to be disclosed in the material change report should remain confidential and not be disclosed or not be disclosed in full detail in the material change report.

State whether any information has been omitted on this basis and provide the reasons for any such omission in sufficient detail to permit the Commission to exercise its discretion pursuant to s. 140(2) of the Act.

The reasons for the omission may be contained in a separate letter filed as provided in section 4 of the Regulation.

Not Applicable.

Item 8. <u>Senior Officer</u>

To facilitate any necessary follow-up by the Commission, give the name and business telephone number of a senior officer of the reporting issuer who is knowledgeable about the material change and the report or an officer through whom such senior officer may be contacted by the Commission.

Mr. Bernard Vavala
Chairman
(803)768-2411

Item 9. <u>Statement of Senior Officer</u>

The foregoing accurately discloses the material change referred to herein.

Dated at Vancouver, B.C., this 11th day of May, 1998.

AMERICA MINERAL FIELDS, INC.

Per:

<u>"Bernard Vavala"</u>

Bernard Vavala,
Director and Chairman

IT IS AN OFFENCE FOR A PERSON TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT OR THIS REGULATION THAT, AT THE TIME AND IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.

SCHEDULE "A"

America Mineral Fields, Inc. ("AMF") has entered into a Heads of Agreement dated May 1, 1998 (the "Agreement") with its wholly-owned subsidiary, America Mineral Fields International Limited, and Anglo American Corporation of South Africa Limited ("AAC") relating to the Kolwezi tailings project (the "Project") in the Democratic Republic of Congo. The Agreement is non-binding on the parties except as relates to governing law (England), press releases and confidentiality.

The Agreement specifically provides that it is not otherwise legally binding on the parties unless they enter into a formal joint venture agreement (the "Joint Venture Agreement") with respect to the Project on or before May 31, 1998 or such later date as may be agreed by the parties. The litigation between AMF and AAC has been dismissed and it is intended upon execution of the Joint Venture that the parties agree not to revive or pursue their respective claims.

The structure of the proposed formal joint venture will be to form a new corporation ("Newco") as the joint venture vehicle. 50% of the shares of Newco will be held by each of AMF and AAC (or their respective nominees). AMF and AAC will be entitled to appoint an equal number of directors of Newco. Newco will in turn hold shares of an operating Congolese corporation ("Opco") which will become vested with the assets of the Project upon final ratification of the Kolwezi Tailings Convention (the "Convention"), a formal agreement among the parties, the government of Congo and la General des Carrieres et des Mines ("Gecamines"). Gecamines may also hold shares of Opco.

Upon signature of the Joint Venture Agreement, AAC will pay US$16,000,000 to Newco in exchange for its shares of Newco. These funds will be utilized to defray administrative costs, the costs of a feasibility study with respect to the Project and all ancillary expenditures. AMF's shares of Newco will be issued in consideration of its assignment of its existing interest in the Project to Newco.

It is intended that Opco will acquire the Project assets from Gecamines. Newco will engage in negotiations with the Congolese government and Gecamines concerning the granting of the Convention, including the vesting of the Project assets, which may include payment to the government in respect of the acquisition of Project assets. AAC will meet, on behalf of AMF, AMF's share of such payments required prior to initial production up to a maximum of US$37,500,000. To the extent not otherwise reimbursable from some other source, such advances by AAC will be repaid (with interest thereon), in whole or in part, by AMF out of monies raised by it from the capital markets or out of 75% of AMF's share of free cashflow from Newco.

The Agreement provides that neither AAC nor AMF will implement the Project with any other party for a period of 15 years from the date of signature of the Joint Venture Agreement without offering one-half of its interest to the other party.