FORM 27

SECURITIES ACT

MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE ACT

ITEM 1 REPORTING ISSUER

PAN ASIA MINING CORP.
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1111 West Georgia Street
Vancouver, BC
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Telephone: (604) 608-6686
(the "Company")

ITEM 2 DATE OF MATERIAL CHANGE

June 1, 2000

ITEM 3 PRESS RELEASE

June 1, 2000 - Vancouver, British Columbia

ITEM 4 SUMMARY OF MATERIAL CHANGE

Pan Asia Mining Corp. (Pan Asia) is pleased to announce the progress of their 701 diamond project in China.

1. **Underground Mine Construction**
   The construction of the first stage underground mine with a minimum production capacity of 100,000 carats/year started on December 28, 1999. The development of three entries to the mine, i.e. a main decline, a ventilation decline and a temporary vertical ventilation shaft is progressing well. Up to May 31, 2000, the contractor, Yanzhou Mine Engineering Company, has developed 125 meters or 32% of the main decline, 310 meters or 91% of the ventilation decline and 75 meters or 96% of the temporary shaft. The lay-out of tracks and compressed air pipes on the surface of, and within, the ventilation decline has also been completed. Drifting on the 140 m level has been developed for 27 meters from the temporary shaft, and 200 cubic meters have been removed to provide for a car station off the ventilation decline. The drifts from the temporary shaft and the ventilation decline on the 140 m level will enable mining the ore between the 140 and 160 m levels. Currently, full scale mining is planned to start in July 2000. The construction of the first stage underground mine development is scheduled for completion in early 2001.

2. Upgrade of the 701 Plant

The upgrade of the 701 Plant to restore its capacity to 100,000 carats per year, to minimize the damage of diamonds, and to increase recovery rate was completed on March 26, 2000. Major necessary adjustments have also been made during the commissioning of the plant. The Company is preparing for further improvement to the plant, including an X-ray sorter to increase recovery of large diamonds.

3. Diamond Production

Though some fine-tuning of the upgraded plant is still being performed, regular diamond production began in early May. Including the commissioning period, during which low grade ore was processed, as of May 31, 2000 the mine produced 8112.89 carats of diamonds from 8587.2 tonnes of ore. During the interim period, the mine will continuously produce diamonds from processing the stockpiled ore, as well as ore from the open-pit and the underground mine. The current production forecast is that 40,000 to 50,000 carats of diamonds will be produced in 2000.

About Pan Asia Mining Corp.

Pan Asia Mining Corp. is a Canadian Mining Company based in Vancouver, which is currently developing four mining projects in the Shandong Province of the People's Republic of China. Three of these projects are for the production and development of diamonds, the fourth is for the exploration and development of copper/gold prospects.

Stock Options

The Company announces, subject to regulatory approval, that it will grant to its directors, officers and employees stock options for the right to purchase up to an aggregate of 3,800,000 common shares at the minimum price allowable by the Canadian Venture Exchange exercisable for five years. The stock options to be granted will be legended with the required four (4) month hold as required by the Canadian Venture Exchange.

ITEM 5 FULL DESCRIPTION OF MATERIAL CHANGE

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ITEM 6 RELIANCE ON SECTION 85(2) OF THE ACT

N/A

ITEM 7 OMITTED INFORMATION

N/A

ITEM 8 **SENIOR OFFICERS**

Paula Poe, Corporate Secretary and Director
Telephone: (604) 608-6686

ITEM 9 **STATEMENT OF SENIOR OFFICER**

The foregoing accurately discloses the material change referred to herein.

DATED at Vancouver, British Columbia, this 1st day of June, 2000.

PAN ASIA MINING CORP.

Per:

"*Paula Poe*"

PAULA POE,
Corporate Secretary and Director