

FORM 27

SECURITIES ACT

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

ITEM 1 REPORTING ISSUER

PAN ASIA MINING CORP.
P.O. Box 48404
595 Burrard Street
Vancouver, BC.
Telephone: (604) 608-6686
(the "Company")

ITEM 2 DATE OF MATERIAL CHANGE

July 7, 2000

ITEM 3 PRESS RELEASE

July 7, 2000 - Vancouver, British Columbia

ITEM 4 SUMMARY OF MATERIAL CHANGE

Private Placement

The Company wishes to announce that, subject to regulatory approval, it has arranged a financing to raise \$3,000,000 by way of private placement. The financing will consist of the issuance of an aggregate of 30,000,000 units at the price of \$0.10 per unit. Each unit will consist of one (1) common share and one warrant exercisable for one year at the price of \$0.14 per share.

The proceeds from this private placement will be used for general working capital and Phase 2 development of the 701 Diamond Mine, which will further increase diamond production currently from 100,000–150,000 Carats to 250,000–275,000 Carats per year independent. This will enable the Company to change its balance sheets to reflect the evaluation of the mine.

701 Project– Update

The construction of the 701 Underground Mine has been progressing smoothly. As of June 30, the contractor has developed 172 or 43% of main decline, 320 m or 94% of ventilation decline and 78 m or 100% of temporary shaft to access to 110 m level. The main and ventilation declines will be continuously developed to –40 m level to access 300 m depth. The drifts on 140

m sub-level have been completed for 40 m. The drifts will prepare for underground mining the ores between 160 m and 140 m level. The underground mining activity is planned to start the end of July, 2000.

Since the upgrade of the 701 Plant, the mine has produced 14,989.32 Carats of diamonds from processing 12,999 tonnes. Prior to completion of the first stage underground mine, the plant will process ores from the open-pit and underground mining and development. It is estimated that the production of diamonds in the year 2000 will be approximately 40,000 to 50,000 Carats.

About Pan Asia Mining Corp.

Pan Asia Mining Corp. is a Canadian Mining Company, which is currently developing four (4) mining projects in Shandong Province of the People's Republic of China. Three of these projects are for the exploration and mining of diamonds, the fourth project is for the exploration and development of copper/gold properties.

The Company has currently changed its office to P.O. Box 48404, 595 Burrard Street, Vancouver, BC., V7X 1L7.

For more information please contact the head office of Pan Asia Mining Corp. Tel: (604) 608-6686, Facsimile: (604) 608-6687, Email: panasiamining@attcanada.net or Website: www.panasiagroup.com

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

James Poe, President 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 17th day of July, 2000.

PAN ASIA MINING CORP.

Per:

“James Poe”

JAMES POE,
President and Director