

FORM 27

SECURITIES ACT

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

ITEM 1 REPORTING ISSUER

PAN ASIA MINING CORP.
2656 Finch Hill
West Vancouver, BC
V7S 3H1
Telephone: (604) 608-6686
(the "Company")

ITEM 2 DATE OF MATERIAL CHANGE

October 20, 2000

ITEM 3 PRESS RELEASE

October 20, 2000 - Vancouver, British Columbia

ITEM 4 SUMMARY OF MATERIAL CHANGE

Pan Asia Mining Corp. (CDNX: PAR) is pleased to announce that it has entered into an Agreement with SPARS PLUS GRUPA LTD. ("SPARS") of Riga, Latvia, and its Shareholders, whereby the Company has the option to purchase, in whole or in part, up to a 100% interest in SPARS for a total purchase price of CDN \$7,500,000, payable by cash, or at the Company's discretion, common shares at a deemed price of CDN \$0.75 per share, or by a combination of cash and common shares. The Company will also use its best efforts to arrange for a \$3 Million Revolving Line of Credit with an interest rate of prime plus one per cent. All of the funds will be spent on future expansion of the transit business, and construction of an LPG Plant in Riga, in order to further enhance current cash flow.

The Company has agreed to pay the maximum allowable finder's fee, payable either through the issuance of common shares, at a deemed price of \$0.75, or cash, to Safin Resources Inc., a private Belize company for its efforts in negotiating the agreement. The above-mentioned agreement, finder's fee and issuance of all shares are subject to regulatory approval.

The Company has requested the services of Price WaterHouse in Riga to obtain an independent valuation of SPARS Group of Companies.

SPARS was founded in 1993 as a business dealing with fuel distribution in Latvia. From 1993 till 1998 the company expanded and diversified. As a result, the following affiliates were created with SPARS ownership reflected as:

- 52% of JEKABPILS NAFTA BAZE Eastern Ltd. (in a free trade zone, it directly deals with sub-partners or partners in retail and wholesale of oil products in Latvia, Russia, Ukraine Poland and Europe)
- 51% of SP LEGIONS Ltd. and APSARDZE Ltd. (security services)
- 20% of AUTO SARMA Ltd. (car servicing related to lubricants)
- 33% of PILONS-J Ltd. (construction related activities)
- 50% of TRANSOIL Ltd. (located in Russia)
- 50% of UNITED SOUTH-WEST Ltd. (located in Ukraine production and wholesale distribution of oil products).

In 1998 the total gross sales of the SPARS Group of Companies amounted to about 34 million lats (approximately USD \$56 million) with a gross profit of 11%. The total number of employees is 226. SPARS is presently creating a liquefied petroleum gas (LPG) distribution network in Russia, the Baltic (Latvia, Lithuania and Eastonia) and Europe. Construction has begun on the LPG terminal expansion in Latvia.

Licenses, Certificates, and Permissions (renewable annually & or at the end of the term)

SPARS, for the purposes of the expansion plans, has obtained the following authorized documents:

- A license for the storage and filling of liquefied petroleum gas; valid till September 7, 2018.
- A license for the distribution of liquefied petroleum gas; valid till September 7, 2018.
- A license for realization of liquefied petroleum gas; valid till September 7, 2003.
- A license for fuel import and wholesale distribution; valid till November 25, 2001.
- A license for fuel production and wholesale distribution; valid till March 13, 2001.
- A license for fuel commercial storage; valid till May 31, 2001.
- A license for retailing of fuel; valid till May 31, 2001.

- A certificate for the right to deal with cargo expediting services; valid till August 17, 2002.
- A license for customs warehouse.
- A permission to store oil products without payment of taxes until the products are sold.

Description of services in brief

There are four main directions for the company's future business:

1. LPG wholesaling in Latvia (Baltic)
2. LPG retailing in Latvia (Baltic)
3. LPG Export wholesaling (Baltic & Europe)
4. Gasoline retailing in Latvia (four stations in operation and a fifth under construction).

Strategic Aim

By the end of 2004, SPARS intends to achieve a 35% market share in the market of LPG wholesaling. To achieve this, the company plans to open a modern LPG storage facility. Additionally, it plans to obtain a 25% market share in the retail market by building or converting retail outlets that will offer its customers high-quality products and services at competitive prices. The projected rate of return for the new LPG business is 20% per annum.

Primary Objectives of Business

- During the period of 2000 - 2001, put in operation a LPG storage facility to enable the handle the gas export/import sales volumes. Construction is underway in Latvia.
- By 2002 - increase the company market share up to 30% in the wholesale market, and up to 14% in the retail market share.
- By 2003 - increase its market share up to 35% in the wholesale market and up to 18% in the retail market.
- By 2004 - both maintain the company's share of the wholesale market at the level of 35%, and achieve 25% share of the retail market.

The company has also developed excellent business relationship with its petroleum products major suppliers and buyers including Shell Poland, Shell Latvia, British Petroleum, Texaco Latvia, and NESTE Finland.

TATNEFT is a company in the Republic of Tatarstan, whose depository receipts are listed on the London Stock Exchange and the New York Stock Exchange (Refer to Website:

www.tatneftjsc.ru/produ/index.htm which deals with the extraction of oil products, and which is currently a strategic partner of SPARS. SPARS also have a signed contract with Tatneft, through its subsidiary, Himokam for delivery of LPG (propane-butane gas mix).

In the news release on September 18, 2000 (Refer to Website: www.panasiagroup.com) the diversification of the Pan Asia Group of Companies into the Oil & Gas Industry (upstream and downstream), in partnership with EuroGas, Inc. of London, UK (OTC.BB:EUGS, EUG.F Frankfurt Stock Exchange, EUG.B Berlin Stock Exchange), was announced. The project in Latvia, with its Russian suppliers of LPG and other petroleum products, along with the Sakha project, now enables the Pan Asia Group of Companies to have interests in oil and gas exploration and production, as well as in the distribution of refined products.

About EuroGas, Inc.: (Refer to Website: www.eugs.com) EuroGas, Inc. is an international, independent energy company that controls methane gas concessions in Poland and has oil and gas exploration and development ventures in Canada, Poland, the Slovak Republic, Ukraine and the Republic of Sakha. EuroGas, Inc.'s common stock is traded on the OTC.BB:EUGS and on the Frankfurt Stock Exchange and the Berlin Stock Exchange under the symbols EUG.F and EUG.B, respectively.

About The Republic of Sakha: (Refer to Website: www.russia.com) The Republic of Sakha is located in the eastern part of the Russian Federation, with a population of 1,100,000 and a land area of 3,100,000 sq. km is extremely rich in natural resources (43% of its GDP is derived from the production of natural resources). Formally established according to both the federal and regional laws of the Russian Federation and the Sakha Republic.

About The Republic of Latvia: (Refer to Website: www.latvia-usa.org) The Republic of Latvia is a Baltic country in Northern Europe. About the size of Ireland, it is a regional center of trade, travel and technology. Riga, the capital of Latvia, is 800 years old. Latvia is an entry point to European and Russian markets. Latvia has applied to join both NATO and the European Union.

About Pan Asia Mining Corp.: Refer to Website: www.panasiagroup.com Pan Asia Mining Corp. is a Canadian resource company, which is currently developing four mining projects in the People's Republic of China and one joint venture oil and gas project in the Republic of Sakha.

The Company has recently changed its office to 2656 Finch Hill, West Vancouver, BC, V7S 3H1.

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

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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 24th day of October, 2000.

PAN ASIA MINING CORP.

Per:

“JAMES POE”

JAMES POE,
President and Director