BC FORM 53-901F (Previously Form 27)

Securities Act

Material Change Report Under Section 85(1) of the Act

ITEM 1 REPORTING ISSUER

PAN ASIA MINING CORP.
Suite 3502 – 1128 Alberni Street
Vancouver, British Columbia
V6E 4R6

ITEM 2 DATE OF MATERIAL CHANGE

June 26, 2003

ITEM 3 PRESS RELEASE

Issued June 26, 2003 at Vancouver, BC

ITEM 4 SUMMARY OF MATERIAL CHANGE

1. Qualified person to travel to China to complete required technical report
2. Company to complete due diligence process
3. Resignation of treasurer and corporate secretary

ITEM 5 FULL DESCRIPTION OF MATERIAL CHANGE

Please see Schedule "A" attached.

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

This report is not being filed on a confidential basis.

ITEM 7 OMITTED INFORMATION

There are no significant facts required to be disclosed herein which have been omitted.

ITEM 8 DIRECTOR/SENIOR OFFICER

Contact: Philip N. Cassis
Telephone: (604) 608-6686

ITEM 9 STATEMENT OF SENIOR OFFICER/DIRECTOR

The foregoing accurately discloses the material change referred to herein.

DATED at Vancouver, BC this 26th day of June 2003.

"Philip N. Cassis"

Philip N. Cassis
Director and President

SCHEDULE "A"

QUALIFIED PERSON TO TRAVEL TO CHINA TO COMPLETE REQUIRED TECHNICAL REPORT

COMPANY TO COMPLETE DUE DILIGENCE PROCESS

RESIGNATION OF TREASURER AND CORPORATE SECRETARY

The Company wishes to inform the shareholders that the British Columbia Securities Commission (BCSC) has agreed to an extension beyond June 30, 2003 of the BCSC requirement under the Partial Revocation Order, that the Company provide a NI 43-101 compliant technical report for the 701 Changma Diamond Mine run by the Mengyin VVS1 Diamond Co., Ltd. ("the Cooperative Enterprise"). Delay in preparing the report has been caused by travel restrictions in China as a result of SARS.

As the travel ban imposed by the China government has been partially lifted, the Qualified Person from SRK Consulting is currently scheduled to travel to China on July 8, 2003, to complete his report. The further extension provides the Company reasonable time to comply with the BCSC requirement under the Partial Revocation Order, that the company provide a NI 43-101 compliant technical report for the 701 Changma Diamond Mine.

The Company also wishes to inform the shareholders that senior company representatives recently travelled to China and are currently working closely with the Chinese authorities to complete the due diligence process contemplated in the Cooperative Contract between the Company and its China Partner. This will complete the transition for the Company to take operational control of the Cooperative Enterprise and its mining assets.

The Company has engaged Nizam Peters, a qualified gemologist, of the American Institute of Diamonds. Mr. Peters will be returning to China on July 04, 2003 to sort, grade and value the diamond inventory from 2003 daily production to date at the 701 Changma Diamond Mine.

The Company wishes to inform the shareholders that the Company's 2002 audited consolidated financial statements will be issued by June 30, 2003. The quarterly financial statements for the quarter ended March 31, 2003 will be issued shortly thereafter.

With respect to the Company's investment in the Cooperative Enterprise, the Company has chosen to record its investment in the Cooperative Enterprise on a non-consolidated basis. The Company's decision is based on the fact that to date the Company has not taken operational control, nor does its interest accrue to it from the Cooperative Enterprise until the due diligence process is completed by the Company and certain conditions set out in the Cooperative Contract are waived by the Company.

The Company is currently in the process of completing the due diligence process. However, efforts have been hampered by the outbreak of SARS in China and the travel ban imposed by the China government. Consequently, our China Partner remains in control of the joint venture operations.

Under the terms of the Cooperative Contract, the China Partner is responsible for all expenses and liabilities to the date the Company completes the due diligence process. Once the Company waives any outstanding completion conditions, the Company will then have legal and operational control of the Cooperative Enterprise. Property of the Cooperative Enterprise includes all the property transferred in accordance with the Cooperative Contract. Property of the Cooperative Enterprise also includes the land use rights, mineral rights and diamond inventory on hand at the date the Company completed its capital contributions and subsequently produced.

The Cooperative Contract provides that the Cooperative Enterprise will be free from any liabilities incurred up to the time that the due diligence process is completed and the conditions are waived. Once these conditions are waived and the Company takes operational control, the Company will report Cooperative Enterprise financial information on a proportionate consolidation basis. The Company currently expects to waive the Cooperative Contract conditions during the third quarter of 2003 and take operational control.

To date, the Company has not waived the Cooperative Contract conditions as a result of preliminary accounting and legal investigations conducted by the Company. These preliminary findings have determined that the China Partner has not completed its obligations under the Cooperative Contract to register the land use rights with the relevant

China government authorities. Legal counsel advised that this is an administrative procedural issue, which does not affect the Cooperative Enterprise's ability to mine diamonds as the mineral rights have been registered properly under the name of the Cooperative Enterprise with the Chinese government authorities. Legal counsel also advised that despite lack of registration to date, the Cooperative Enterprise owns the mining right which is properly registered under the name of the Cooperative Enterprise.

The China Partner informed the Company it will complete registration of the land use rights under the name of the Cooperative Enterprise. As a result of this issue and others noted in the preliminary investigation, the China Partner has not completed its capital contributions in the registered capital of the Cooperative Enterprise. The Company is currently working with its China Partner to determine whether the China Partner has a shortfall in capital contributions and if so, the means of remedy. The Company will consider requesting a further amendment to the Cooperative Contract to increase its equity in the Cooperative Enterprise should there be a shortfall in the capital contributions by the China Partner.

In connection with this due diligence process, the Company needs to complete its investigations to ensure that the assets transferred and to be transferred and the Joint Venture Company are free of any debts or liabilities from any individual, company or government institution as contemplated in the Cooperative Contract. The Company is working closely with its China Partner to ensure that the Cooperative Enterprise and its assets are free from debts or liabilities.

The Company is also working closely with its China Partner and government authorities to ensure that any other issues that might arise during the transitional period are readily resolved. It is expected that all issues will be resolved during current discussions between the senior Company representatives, our China Partner and government authorities.

The Company reports that Albert Wu, Treasurer and Corporate Secretary submitted his resignation. In the interim, Philip N Cassis, the Company President, has assumed the duties and responsibilities pending appointment of a new Treasurer and Corporate Secretary.

ON BEHALF OF THE BOARD

"Philip N. Cassis"

PHILIP N. CASSIS
President and Director

For further information, please contact Donald Johnson @ (604) 608-6686 or visit our website:
www.panasiagroup.com