

**GARRISON INTERNATIONAL LTD.**

**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

**GARRISON INTERNATIONAL LTD.**, 130 Adelaide St. West, Suite 2700, Toronto, Ontario, Canada, M5H 3P5.

**Item 2 Date of Material Change**

May 30, 2008.

**Item 3 News Release**

The Press Release was disseminated on June 2, 2008 via CCN Matthews, Toronto, Ontario.

**Item 4 Summary of Material Change**

For further information, attached hereto is a copy of the Press Release.

**Item 5 Full Description of Material Change**

For further information, attached hereto is a copy of the Press Release.

**Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Confidentiality is not requested.

**Item 7 Omitted Information**

No information has been omitted in respect of the material change.

**Item 8 Executive Officer**

Blair Krueger, President (416) 521-8150.

**Item 9 Date of Report**

June 2, 2008.



## NEWS RELEASE

June 2, 2008

GAU – TSX-V

Shares	Outstanding	–
97,738,057		

# Garrison International Ltd. Completes Second Closing of Private Placement, Asia Goldworks Limited Increases Investment

Toronto, Ontario – Monday, June 2, 2008

**Garrison International Ltd.** (GAU: TSX-V) (the "**Company**" or "**Garrison**") and Asia Goldworks Limited ("**AGL**") are pleased to announce that the second tranche of a previously-disclosed financing by AGL was closed on Friday, May 30, 2008 for gross proceeds of \$2,300,000.

The share purchase agreement under which this closing took place provided that AGL would invest an aggregate of \$5,000,000 (including the \$2,300,000 at this second closing) in Garrison by acquiring up to 50,000,000 common shares units ("**Units**") of the Company. The first closing was completed on March 27, 2008 for 7,000,000 Units and gross proceeds of \$700,000. The third closing pursuant to the share purchase agreement is expected to occur shortly. The financing remains subject to final approval by the TSX Venture Exchange (the "**Exchange**").

Each Unit, priced at \$0.10, consists of one common share and one purchase warrant exercisable at a price of \$0.12 for one common share of Garrison for 18 months from the date of issue.

Mr. Georges Haligua-Cohen (formerly a director of Garrison), or an affiliate of his, previously advanced US\$583,900 to Garrison. At the first closing, the Company repaid 40% (US\$233,560) of that advance. The balance of 60% (US\$350,340) of the advance, plus interest at a rate of 9.9% per annum for the period from March 27, 2008 to the date of this closing (US\$5,986.49), for a total payment of US\$356,326.49 is being repaid from the proceeds of the second closing.

Proceeds from this closing will also be used to reduce the Company's current liabilities, to enhance its working capital and otherwise to fund the Company's operations. The closing was completed as a private placement pursuant to the exemptions from the prospectus and dealer exemptions provided in section 2.3 of National Instrument 45-106.

All securities issued in connection with this closing will be subject to a four-month hold period expiring October 1, 2008.

A condition to this closing was that the Company obtain disinterested shareholder approval of various matters related to the financing. At a special meeting of shareholders held on Tuesday, May 20, 2008, Garrison's shareholders approved the financing, the exercise of 7,000,000 warrants issued to AGL in the first closing (in the event that AGL chooses to exercise them), the repayment of Mr. Haligua-Cohen's advance described above, and the creation of new Control Persons, namely, AGL, Danny Sun (a principal shareholder of AGL and a newly-elected director of Garrison), and Anthony Bainbridge (a director of both Garrison and AGL and a principal shareholder of AGL). Details of the special meeting of shareholders may be found in the Company's press release dated May 21, 2008.

## **Details of AGL's Shareholdings**

Prior to this transaction, AGL owned 10,500,000 common shares of Garrison. After giving effect to this second closing, AGL owns 33,500,000 common shares of Garrison (or approximately 34.3% of Garrison's issued and outstanding common shares), and warrants exercisable for an additional 30,000,000 common shares of Garrison (which, if exercised, would result in AGL owning approximately 49.7% of Garrison's issued and outstanding common shares). AGL previously signed an undertaking to the Exchange that it would not exercise the 7,000,000 purchase warrants obtained in the first closing, and it would not purchase additional common shares of Garrison, until the shareholders of Garrison approved the creation of the new Control Persons (as defined in Exchange policies) that would arise as part of the CAD\$5,000,000 financing previously described in this press release, and until Garrison obtained Final Acceptance of the financing by the Exchange. The financing has received disinterested shareholder approval from Garrison's shareholders. Therefore, upon receiving Final Acceptance by the Exchange, the undertaking executed by AGL will no longer be effective, and the 7,000,000 warrants may be exercised at the discretion of AGL.

The shares purchased by AGL are held as to 40% by Mr. Anthony Bainbridge, a director and officer of Garrison, and as to 60% by Mr. Danny Sun, a newly-elected director of Garrison. Mr. Bainbridge independently holds options exercisable for a further 900,000 common shares of Garrison. Mr. Sun independently owns a further 2,715,059 common shares of Garrison. In addition, Mr. Bainbridge (as to 40%) and Mr. Sun (as to 60%) also indirectly own Asia Intercept Mongolia LLC, which in turn owns 2,000,000 common shares of Garrison. Collectively, AGL, Mr. Sun, Mr. Bainbridge, and AIM own and/or control, directly and indirectly, 38,215,059 common shares of Garrison (or approximately 39.1% of Garrison), and if they exercised all convertible securities owned or controlled directly or indirectly by both of them, and individually by either of them, they would collectively own or control, directly and indirectly, 69,115,059 common shares of Garrison (or approximately 53.7% of the common shares of Garrison then issued and outstanding).

AGL's offices are located at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands. Mr. Sun's and Mr. Bainbridge's address is Suite 301, Park View Apartments, 1 khoroo, Chinggis Road, Sükhbaatar district, Ulaanbaatar, Mongolia, CPO. POB-524.

## **About the Company**

Garrison is a junior mineral exploration company focused on acquiring and developing advanced stage gold properties in Mongolia. For complete details on Garrison International Ltd. and its partners, management encourages investors and interested parties to view its public documents filed on SEDAR at [www.sedar.com](http://www.sedar.com).

For all Garrison International Ltd. investor relations needs, investors are asked to visit the Garrison International IR Hub at <http://www.agoracom.com/ir/garrison> where they can post questions and receive answers within the same day, or simply review questions and answers posted by other investors. Alternatively, investors are able to e-mail all questions and correspondence to [gau@agoracom.com](mailto:gau@agoracom.com) where they can also request to be added to the investor e-mail list to receive all future press releases and updates in real time.

## **CAUTIONARY STATEMENT**

**The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.** No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. All statements in this news release, other than statements of historical fact, are forward-looking statements that involve various risks and uncertainties, including, without limitation, statements regarding the future plans and objectives of Garrison International Ltd. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such

statements. These and all subsequent written and oral forward-looking statements are based on the estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. Garrison International Ltd. assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change.

For more information contact:

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