

## **ASIAN MINERAL RESOURCES LIMITED**

### **INFORMATION CIRCULAR AS AT June 1, 2004 FOR THE MEETING OF SHAREHOLDERS OF ASIAN MINERAL RESOURCES LIMITED TO BE HELD WEDNESDAY, JUNE 30, 2004**

This Information Circular is furnished in connection with the solicitation of proxies by the management of Asian Mineral Resources Limited (the "Company" or "AMR") for use at the annual and extraordinary general meeting of the shareholders of the Company (the "Shareholders") to be held at the time and place and for the purposes set forth in the notice of meeting distributed with this Information Circular (the "Meeting")

#### **PERSONS OR COMPANIES MAKING THE SOLICITATION**

**The enclosed instrument of proxy is solicited by management of the Company ("Management").** Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The Company may reimburse Shareholders' nominees or agents (including brokers holding shares on behalf of clients) for the costs incurred in obtaining authorization from their principals to execute the instrument of proxy. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of this solicitation will be borne by the Company. None of the directors of the Company have advised that they intend to oppose any action intended to be taken by Management as set forth in this Information Circular.

#### **COMPLETION AND VOTING OF PROXIES**

Voting at the Meeting will be by a show of hands, each Shareholder having one vote, unless a poll is requested or required (if the number of shares represented by proxies that are to be voted against a motion are greater than five percent of the votes that could be cast at the Meeting), in which case each Shareholder is entitled to one vote for each share held. In order to approve a motion proposed at the Meeting a majority of greater than 50% of the votes cast will be required unless the motion requires a special resolution in which case a majority of 75% of the votes cast will be required.

The persons named in the accompanying proxy is either a director of the Company or a former administrator of the Company. **A SHAREHOLDER OR AN INTERMEDIARY HOLDING SHARES ON BEHALF OF AN UNREGISTERED SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON, WHO NEED NOT BE A SHAREHOLDER, TO ATTEND AND ACT ON HIS BEHALF AT THE MEETING OTHER THAN THE PERSONS NAMED IN THE PROXY. TO EXERCISE THIS RIGHT, THE SHAREHOLDER OR INTERMEDIARY MUST STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE PROXY AND INSERT THE NAME OF HIS NOMINEE IN THE SPACE PROVIDED OR COMPLETE ANOTHER PROXY.**

A shareholder or intermediary may indicate the manner in which the persons named in the enclosed proxy are to vote with respect to any matter by checking the appropriate space. On any poll those persons will vote or withhold from voting the shares in respect of which they are appointed in accordance with the directions, if any, given in the proxy.

If the shareholder or intermediary wishes to confer a discretionary authority with respect to any matter, the space should be left blank. **IN SUCH INSTANCE, THE NOMINEE, IF ONE IS PROPOSED BY MANAGEMENT, INTENDS TO VOTE THE SHARES REPRESENTED BY THE PROXY IN FAVOUR OF THE MOTION.** The enclosed proxy, when properly signed, also confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may be properly brought before the Meeting. At the time of printing this circular, the Management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. If, however, other matters which are not now known to the Management should properly come before the Meeting, the proxies solicited will be

exercised on such matters in accordance with the best judgement of the nominees.

The proxy must be dated and signed by the shareholder or by his attorney authorized in writing or by the intermediary. In the case of a corporation, the proxy must be executed under its corporate seal, if not signed, or signed by a duly authorized officer or attorney for the corporation with proof of authority accompanying the proxy.

COMPLETED PROXIES TOGETHER WITH THE POWER OF ATTORNEY OR OTHER AUTHORITY, IF ANY, UNDER WHICH IT WAS SIGNED OR A NOTARIALY CERTIFIED COPY THEREOF MUST BE DEPOSITED WITH COMPUTERSHARE TRUST COMPANY, PROXY DEPT. 100 UNIVERSITY AVENUE 9<sup>TH</sup> FLOOR, TORONTO, ONTARIO, M5J 2Y1 OR WITH COMPUTERSHARE INVESTOR SERVICES LIMITED, PRIVATE BAG 92119 AUCKLAND 1020, LEVEL 2 159 HURSTMERE ROAD, TAKAPUNA, NORTH SHORE CITY, NEW ZEALAND AT LEAST 48 HOURS, EXCLUDING SATURDAYS AND HOLIDAYS, BEFORE THE TIME OF THE MEETING OR ADJOURNMENT THEREOF OR DEPOSITED WITH THE CHAIRMAN OF THE MEETING ON THE DAY OF THE MEETING BEFORE THE COMMENCEMENT OF THE MEETING.

### **REVOCATION OF PROXIES**

In addition to revocation in any other manner as permitted by law, a shareholder or intermediary who has given a proxy may revoke it. Revocation may be effected by an instrument in writing signed by the intermediary or shareholder or his attorney authorized in writing, and, in the case of a corporation, executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation and either delivered to the Company's transfer agent Computershare Trust Company at Proxy Dept. 100 University Avenue 9<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1 or at Computershare Investor Services Limited, Private Bag 92119 Auckland 1020, Level 2 159 Hurstmere Road, Takapuna, North Shore City, New Zealand at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, or deposited with the chairman of the Meeting on the day of the Meeting before the commencement of the Meeting.

If a registered shareholder submits a proxy, the shareholder may still attend the Meeting and may vote in person. To do so the shareholder must register their attendance with the scrutineer of the Meeting and revoke, in writing, the proxy.

A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

### **NON-REGISTERED HOLDERS**

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are “non-registered shareholders” because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares.** More particularly, a person is not a registered shareholder in respect of Shares which are held on behalf of that person (the “Non-Registered Holder”) but which are registered either: (a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP's, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“CDS”)) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Information Circular and the Proxy (collectively, the “Meeting Materials”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered

Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deliver it to **the offices of the Company** as provided above; or

- (b) more typically, be given a voting instruction form **which is not signed by the Intermediary**, and which, when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “proxy authorization form”) which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions, which contains a removable label containing a bar code and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Shares, which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the Management Proxyholders and insert the Non-Registered Holder’s name in the blank space provided. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.**

#### **RECORD DATE**

Any shareholder of record at the close of business on June 1, 2004 who either personally attends the Meeting or has completed and delivered a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have his shares voted at the Meeting.

#### **PRINCIPAL HOLDERS OF SHARES AND VOTING RIGHTS**

The Company is authorized to issue an unlimited number of ordinary shares of which 28,925,840 are issued and outstanding as at the date of this Information Circular. Each issued and outstanding share is fully paid and non-assessable, and carries the right to one vote.

To the knowledge of the directors and senior officers of the Company, the following persons beneficially own, directly or indirectly, or exercise control or direction over shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company:

<b>Shareholder</b>	<b>Number of Shares Beneficially Owned, Controlled or Directed</b>	<b>Percentage of Outstanding Shares</b>
Terence Bates	6,629,755 <sup>(1)</sup>	22.92%
Widespread Portfolios Ltd.	6,130,061 <sup>(2)</sup>	21.19%

(1) Held as to 1,527,602 shares directly by Terence Bates, 4,131,651 shares through International Resource Development Limited, 500,000 shares through Resource Services Limited and 29,001 shares through Forbar Custodians Limited, all of which are companies owned or controlled by Terence Bates.

(2) 5,648,061 of these shares are held by Widespread Portfolios Ltd. which is a public company which trades on the New Zealand Stock Exchange and 482,000 of these shares are held by Chris Castle, who has voting control over the entire block of 6,130,061 shares.

## FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended December 31, 2003 and the auditors' report thereon that have previously been mailed to shareholders will be placed before the Meeting for consideration by the Shareholders.

## APPOINTMENT OF AUDITORS

Sherwin Chan & Walshe, Chartered Accountants, Westfield Tower, 45 Knights Road, Lower Hutt, New Zealand, will be nominated at the Meeting for reappointment as auditors of the Company at remuneration to be fixed by the directors. Sherwin Chan & Walshe have been auditors of the Company since 2002.

## STATEMENT OF EXECUTIVE COMPENSATION

The following outlines all executive compensation as required under the British Columbia Securities Act Form 51-904F:

### **SUMMARY COMPENSATION TABLE**

	Year	Annual Compensation			Long Term Compensation			All Other Comp.
		Salary	Bonus	Other Annual Comp.	Awards		Payout	
Name and Principal Position					Securities Under Options/SARs Granted	Restricted Shares or Restricted Share Units	LTIP Payouts	
Terence Bates Director	2003 <sup>(1)</sup>	Cdn\$58,442	Nil	Nil	Nil	Nil	Nil	Nil
	2003	Cdn\$128,642	Nil	Nil	Nil	Nil	Nil	Nil
	2002	Cdn\$265,007	Nil	Nil	1,299,801	Nil	Nil	Nil

(1) Refers to the nine month period ended December 31, 2003 as a result of the Company having changed its year end to December 31 from March 31.

### **Option Grants During the Year Ended December 31, 2003**

During the year ended December 31, 2003, the Company did not grant any options to the Named Executive Officer:

### **Aggregated option/sar exercises during the year ended December 31, 2003 and December 31, 2003 option/sar values**

Information concerning exercise of options during the year ended December 31, 2003, number of options held at December 31, 2003, and the December 31, 2003 value of the options held by the Named Executive Officer is as follows:

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options/SARs at Year End (#) Exercisable/Unexercisable	Value of Unexercised in-the-Money Options/SARs at Year End (\$) Exercisable/Unexercisable
Terence Bates	None	Nil	1,299,801	Nil

### **Retirement plans**

The Company has no retirement plans, pension plans or other forms of retirement compensation for its employees.

**Termination of employment, change in responsibilities and employment contracts**

Pursuant to a management agreement dated January 1, 2003 among the Company, AMR Nickel Limited (“AMRNL”) and Resources Services Limited, (“RSL”), a company owned by Terry Bates, a Director, RSL was paid US \$3,500 per month plus expenses for the provision of managerial, financial, corporate and technical services to AMRNL. Pursuant to a management agreement dated January 1, 2003 (the “AMR Management Contract”) between the Company and R.S.L., RSL was paid US \$1,500 per month plus expenses for provision to the Company of management services, corporate and financial services, technical advice and supervision;

The Company has no plan or arrangement in respect of compensation received or that may be received by executive officers, including the Named Executive Officer, in the financial year ended December 31, 2003 or the current fiscal year with the view to compensating such officers in the event of the termination of employment (resignation, retirement, change of control) or in the event of a change in responsibilities following a change of control, where in respect of an executive officer the value of such compensation, including all periodic payments or installments, exceeds \$100,000 except that the Company has agreed to pay Terence Bates a termination fee of US \$90,000 as part of the agreement for the Company to discontinue consulting services contracts with holding companies owned by Mr. Bates

**Compensation committee and report on executive compensation**

The Company’s Compensation Committee, which is comprised of Chris Castle and Robert Thomson, provides recommendations on matters of compensation to the Board of Directors for consideration. The Board of Directors does not have a set policy in determining the compensation paid to Directors or Officers. Compensation paid to any specific individual is determined on a case to case basis.

**Compensation of Directors**

The Company has no standard arrangements pursuant to which Directors are compensated by the Company for their services in their capacity as Directors. During the financial year ended December 31, 2003, the Company did not pay any compensation to any of its directors for their services in their capacity as directors, except that directors were from time to time eligible to receive incentive stock options. The granting of these options is not solely for compensation to the director in their capacity as directors of the Company for those directors that perform other services on behalf of the Company. During the financial year ended December 31, 2003, the Company did not grant options to any of its Directors.

During the financial year ended December 31, 2003, the Company was charged management fees and consulting fees by its Directors or by companies controlled by the Company’s Directors as follows:

Charged by:	Relationship to the Company	Type of charge	Amount charged
Terence Bates	Director	Consulting Fees	Cdn.\$58,442
Chris Castle	Director	Consulting Fees	Cdn.\$67,585

**Incentive stock options**

The Company may grant incentive stock options from time to time to directors, officers, employees, and consultants of the Company or its affiliates. The Board of Directors may make available for stock options that number of common shares as is permitted by the Policies of the Exchange and as provided for under the Company’s stock option plan.

The Company has previously issued to various consultants, directors and employees 2,411,801 stock options (the “Original Options”) which are exercisable at NZ\$0.75 (approximately Cdn\$0.64) and currently have a term which

expires December 31, 2004. Those stock options were issued prior to the adoption by the Company of a stock plan in accordance with the policies of the TSX Venture Exchange and accordingly do not have a vesting period which would otherwise apply if the stock options had been granted under the Company's stock option plan. In order to give certain option holders a longer period of time in which to exercise their options the Company is proposing to have shareholders pass a resolution to approve an extension of one year to the term of the options. Such extension would also be subject to the approval of the Exchange and there is no assurance that such approval would be provided even if the shareholders pass the required resolution.

Aside from the Original Options, all of the other stock options issued by the Company to date and in the future will, in accordance with the policies of the TSX Venture Exchange, be issued pursuant to a stock option plan which has vesting provisions. The board of directors of the Company has approved the adoption by the Company of a stock option plan (the "Plan") that will comply with the policies of the TSX Venture Exchange regarding share incentive arrangements. Although the Plan has been approved by the board of directors of the Company and 2,753,167 stock options have been issued pursuant to the Plan, the exercise of the stock options remains subject to the Plan being approved by the shareholders of the Company at a properly constituted meeting of the shareholders. Accordingly, holders of stock options issued pursuant to the Plan cannot exercise their options until the Plan is approved by the shareholders of the Company in accordance with the policies of the TSX Venture Exchange.

There are presently a total of 5,164,968 stock options to acquire shares granted to directors, officers, employees or consultants of the Company, 2,753,167 of which have been issued pursuant to the Plan and 2,411,801 of which have been issued as the Original Options

#### **INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS**

None of the current or former directors, executive officers or senior officers of the Company or persons who were directors, executive officers or senior officers of the Company at any time during the Company's last completed financial year, none of the proposed nominees for election as directors of the Company and none of the associates or affiliates of such persons are or have been indebted to the Company (or its subsidiaries) at any time since the beginning of the last completed financial year ending December 31, 2003. Furthermore, none of such persons were indebted to a third party during such period where their indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries.

#### **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

None of the insiders or proposed nominees for election as directors of the Company, nor any associate or affiliate of such person or company, has any material interest, direct or indirect, in any transaction since the commencement of the Company's last financial year, or in any proposed transaction, or in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries, except as disclosed hereunder or elsewhere in this information circular. Pursuant to an employment agreement having an effective date of February 4, 2004 (the Effective Date") between the Company and David Woodhouse the Company has agreed to engage Mr. Woodhouse as Chief Executive Officer and Executive Director of the Company board of directors for an initial term of three years and thereafter on a year to year basis at a minimum initial base salary of Cdn. \$175,000 per annum. The minimum base salary may be increased from time to time by the Board and in addition to a signing bonus of 416,667 Shares, stock options in an amount equal to 5% of the Company's outstanding number of Shares on the date the Company's shares were listed were issued to Mr. Woodhouse, such options to vest as follows with the indicated prices:

- i) one-quarter on the date of listing at an exercise price of Cdn.\$0.15;
- ii) one-quarter upon completion of a secondary financing at an exercise price of Cdn.\$0.20;
- iii) one-quarter on the earlier of the completion of the pre-feasibility study or the second anniversary of the listing date at an exercise price of Cdn.\$0.25; and
- iv) one-quarter on the earlier of the date the Board makes the decision to develop the mine or the third anniversary of the date of listing at an exercise price of Cdn.\$0.30 per Share.

Mr. Woodhouse is also entitled to participate in any executive management performance bonus plan adopted by the Company and in any group issuance benefits plan, savings or retirement plan adopted by the Company.

### MANAGEMENT CONTRACTS

No management functions of the reporting issuer or any subsidiary of the reporting issuer are to any substantial degree performed by a person other than the directors or senior officers of the reporting issuer or subsidiary, except as disclosed herein.

### ELECTION OF DIRECTORS

The size of the board of directors is currently four. Directors of the Company are elected by shareholders at annual general meetings to serve for two years or until they resign or their successors are duly elected or appointed. One third of the directors or, if their number is not a multiple of three, then the number nearest to one third, retire from office at the annual general meeting each year. The directors to retire shall be those who have been longest in office since their last appointment. Terence Bates is retiring from office by rotation this year and accordingly will not be standing for re-election. Chris Castle will continue as a director for another term without re-election. David Woodhouse and Robert Thomson, who were appointed as additional directors by the Board of Directors during the last year, will hold office until the Meeting on June 30, 2004 and are standing for election at the Meeting. In addition, management is proposing that Ian McGregor be elected by the shareholders at the Meeting. The management of the Company will present the persons named below as management's nominees for election as directors of the Company and the persons named in the accompanying form of proxy intend to vote for the election of these nominees. **MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR. THE COMPANY HAS NOT RECEIVED NOTICE OF AND MANAGEMENT IS NOT AWARE OF ANY PROPOSED NOMINEES IN ADDITION TO THOSE NAMED.**

Chris Castle, a current director of the Company, has completed the first year of his two year directorship and accordingly will continue as a director until next year when he will be required to stand for re-election. Following is information concerning Messrs. Woodhouse, Thomson and McGregor who are standing for election as well as information relating to Mr. Castle who continues as a director.

The following persons are proposed to be nominated by management for election as directors at the annual general meeting:

Name and Municipality of Residence <sup>(2)</sup>	Position with the Company	Principal Occupation for the past five years	Number of Shares Beneficially Owned, Controlled or Directed
David F. Woodhouse <sup>(1)</sup> North Sydney, NSW, Australia	CEO and Director	CEO of the Company since January, 2004; and prior to that Division Director-Resource Banking Macquarie Bank, a large commercial bank head quartered in Australia	2,638,887 Shares
Robert Thomson <sup>(1)</sup> Monterey, NSW 2217	Director	Chief Operating Officer of Climax Mining Ltd., Australia (2003-present); Project Director and Resident Manager of Lane Xang Minerals Limited (2002-2003); Project Manager of Kingsgate Consolidated NL. (1998-2000); Principal of Monterey Consolidated Services (1994-2003).	2,122,227 Shares
Ian McGregor Toronto	Proposed Chairman and Director	Lawyer	Nil

Name and Municipality of Residence <sup>(2)</sup>	Position with the Company	Principal Occupation for the past five years	Number of Shares Beneficially Owned, Controlled or Directed
Chris Castle <sup>(1)</sup> Takaka, New Zealand	Director	Consultant providing services directly to AMR since March, 2003; Executive Director of Nevay Holdings Ltd. providing investment and corporate financing advice to that company's client base.	5,648,061 Shares held by Mineral Investments Ltd., a wholly owned subsidiary of Widespread Portfolios Ltd., which is owned as to 13.0% by Sandcastle Trust of which Chris Castle is one of two beneficiaries. In addition Mr. Castle owns directly 0.56% of Widespread Portfolios Ltd. (1) 482,000 Shares

(1) Member of Audit Committee

(2) The information on residence, principal occupation and shares beneficially owned is not within the knowledge of the management of the Company and has been furnished by the respective nominees.

The Company does not have an executive committee of the board of directors.

#### **PARTICULARS OF MATTERS TO BE ACTED UPON**

##### **SHARE INCENTIVE PLAN**

The current policies of the TSX Venture Exchange require all listed companies to establish an incentive stock option plan that has vesting provisions and to have the shareholders approve the plan. The board of directors of the Company has approved the adoption by the Company of a stock option plan (the "Plan") that will comply with the policies of the TSX Venture Exchange regarding share incentive arrangements. Although the Plan has been approved by the board of directors of the Company and stock options have been issued pursuant to the Plan, the exercise of the stock options remains subject to the Plan being approved by the shareholders of the Company at a properly constituted meeting of the shareholders. The purpose of the Plan is to attract, retain and motivate management, staff, consultants and other qualified individuals by providing them with the opportunity, through share options, to acquire a proprietary interest in the Company and benefit from its growth. The options are non-assignable and may be granted for a term not exceeding that permitted by the TSX Venture Exchange, currently five years for Tier 2 companies. Other material aspects of the Plan are as follows:

- a. the Plan will be administered by the Company's Board of Directors or, if the Board so designates, a Committee of the Board appointed in accordance with the Plan to administer the Plan;
- b. the maximum number of shares in respect of which options may be outstanding under the Plan at any given time will be a fixed number and will be otherwise determined as set forth below;
- c. following termination of an optionee's employment, directorship, consulting agreement, or other qualified position, the optionee's option shall terminate upon the expiry of such period of time following termination, not to exceed 90 days (30 days if the optionee is engaged in providing investor relations services), as has been determined by the directors. Also, an option granted under the Plan will terminate one year following the death of the optionee. These provisions do not have the effect of extending the term of an option which would have expired earlier in accordance with its terms, and do not apply to any portion of an option which had not vested at the time of death or other termination;

- d. as long as required by the TSX Venture Exchange policy, no one individual may receive options on more than 5% of the issued and outstanding shares of the Company (the "Outstanding Shares") in any 12 month period, no one consultant may receive options on more than 2% of the Outstanding Shares in any 12 month period, and options granted to persons employed to provide investor relations services may not exceed, in the aggregate, 2% of the Outstanding Shares in any 12 month period;
- e. unless otherwise permitted by the TSX Venture Exchange, options granted under the Plan must contain vesting provisions whereby, at a minimum, 25% of the shares subject to the option vest on the date of grant and 25% vest each six months thereafter;
- f. options may not be granted at prices that are less than the Discounted Market Price as defined in the TSX Venture Exchange policy, which, subject to certain exceptions, generally means the most recent closing price of the Company's shares on the TSX Venture Exchange, less a discount of from 15% to 25% depending on the trading value of the Company's shares;
- g. any amendment of the terms of an option shall be subject to any required regulatory and shareholder approvals; and
- h. in the event of a reorganization of the Company or the amalgamation, merger or consolidation of the shares of the Company, the Board of Directors shall make such appropriate provision for the protection of the rights of optionees as it may deem advisable.

The number of shares on which options may be granted under the Plan will be a fixed number and, subject to the following, will be equivalent to 20% of the issued and outstanding shares of the Company. Accordingly, the Plan will initially permit options to be granted for up to 5,785,168 shares, being 20% of the currently issued 28,925,840 shares.

The TSX Venture Exchange Policies provide that if a stock option plan (an "SOP"), together with any other share compensation arrangements, could result, at any time, in:

- (i) the number of shares reserved for issuance pursuant to stock options granted to insiders exceeding 10% of the issued shares;
- (ii) if the Company becomes listed on Tier 1 of the TSX Venture Exchange, the issuance to any one individual and such individual's associates, within a one-year period, of a number of shares exceeding 5% of the issued shares; or
- (iii) the reduction of the exercise price of options granted to insiders;

then the SOP must be approved by a majority of the votes cast by disinterested shareholders at a shareholders' meeting, that is, votes cast at a meeting other than votes attached to securities beneficially owned by insiders of the Company to whom shares may be issued under the SOP and any associates of such insiders. The approval of disinterested shareholders is requested in order to provide management with the flexibility to grant incentive stock options without any restrictions with respect to issuances to insiders or their associates other than as prescribed by the TSX Venture Exchange.

Accordingly, the disinterested shareholders of the Company will be asked at the Meeting to pass an ordinary resolution, the text of which will be in substantially the form as follows:

"BE IT RESOLVED THAT the form of Stock Option Plan of the Company, as submitted to the meeting of shareholders this 30th day of June, 2004 be and it is hereby approved and that the board of directors of the Company be authorized to establish the Stock Option Plan and administer the Stock Option Plan in accordance with its terms and conditions"

*Shareholders will also be asked to approve a resolution establishing the maximum number of shares which may be granted pursuant to the Stock Option Plan. The following ordinary resolution will be proposed:*

“BE IT RESOLVED THAT until otherwise approved by shareholders, the maximum number of shares issuable under the Stock Option Plan of the Company not exceed 5,785,168.”

#### **EXTENSION TO TERM OF OPTIONS**

The Company has previously issued to various consultants, directors and employees 2,411,801 stock options (the “Original Options”) which are exercisable at NZ\$0.75 (approximately Cdn\$0.64) and which currently have a term which expires December 31, 2004. Of these Original Options 212,000 are held by employees and consultants who continue to provide services in Vietnam and in order to give such option holders a longer period of time in which to exercise their options the Company is proposing to have shareholders pass a resolution to approve an extension of one year to the term of the options so that such options will be exercisable until December 31, 2005. Such extension would also be subject to the approval of the Exchange and there is no assurance that such approval would be provided even if the shareholders pass the required resolution. In addition, 1,299,801 of the Original Options are held by Terence Bates and although his options were issued prior to the listing of the Company’s shares on the TSX Venture Exchange, the TSX Venture Exchange rules concerning options apply to his options including the requirement that options normally terminate within 90 days after a director ceases to be a director. In recognition of Mr. Bates contribution to the Company the Directors are asking shareholders to approve an extension to the term of Mr. Bates’ options to December 31, 2005. Such extension would be subject to the approval of the TSX Venture Exchange and there is no assurance that such approval would be provided even if the shareholders pass the required resolution. Accordingly shareholders will be asked to pass an ordinary resolution to approve an extension to the terms of the above referenced options as follows:

“BE IT RESOLVED by ordinary resolution that the option term for 1,511,801 options previously issued to directors, consultants and employees be extended until December 31, 2005, subject to the approval of the TSX Venture Exchange.”

#### **APPROVAL OF DIRECTOR’S FEES**

In order to attract individuals with the requisite capabilities to act as directors of the Company, Management is of the view that the Company needs to provide such directors with fees commensurate with their responsibilities and expertise. Management is therefore proposing that the Company be in a position to be able to pay directors fees of Cdn. \$60,000 to the Chairman of the Board, Cdn. \$30,000 to each of the non-executive directors and Cdn. \$10,000 for the Chairman of the audit committee. Accordingly, shareholders of the Company will be asked at the Meeting to pass an ordinary resolution in the following form:

“BE IT RESOLVED THAT the Company be authorized to pay up to the total of Cdn. \$160,000 in directors fees to the directors of the Company in the ensuing year.”

#### **AMENDMENT TO CONSTITUTION TO ELIMINATE MINIMUM PARCEL**

Currently, pursuant to section 9.4 of the Company’s Constitution no shareholder may hold less than a Minimum Parcel of shares which is defined as 2,000 shares. Section 9.4 reads as follows:

##### “9.4 Sale of Less than Minimum Parcel

- (a) No shareholder shall hold less than a Minimum Parcel of Shares. Should a shareholder hold less than a Minimum Parcel the shareholder shall:
  - (i) Apply to the Company for the issue of new shares pursuant to clause 4; or
  - (ii) Purchase shares from an existing shareholder;

to increase their shareholding to a Minimum Parcel.

- (b) If at the expiration of one month from the date the shareholder held less than a Minimum Parcel the shareholder still does not hold a Minimum Parcel, the Board may exercise the power of sale of those shares; and
- (i) the Board may arrange for the sale of those shares at such price the Company determines is the market price;
  - (ii) the shareholder shall be deemed to have authorised the Company to act on the shareholder's behalf and to execute all necessary documents for the purpose of that sale;
  - (iii) the Company shall account to the shareholder for the net proceeds of sale of the shares (after deduction of reasonable sale expenses), which shall be held on trust for the shareholder by the Company and paid to the shareholder on surrender of any certificates for the shares sold; and
  - (iv) the title of a purchaser of any shares sold pursuant to this clause shall not be affected by any irregularity or invalidity in the exercise of the power of sale or the sale itself.

Management is of the view that section 9.4 is inappropriate for a publicly traded company in that it places unnecessary restrictions on shareholders. Accordingly shareholders of the Company will be asked at the Meeting to pass a Special Resolution to delete Section 9.4 from the Company's Constitution in the following form:

“BE IT RESOLVED”, as a Special Resolution, that the Constitution of the Company be amended by the deletion of Section 9.4:”

#### **TRANSFER OF REGISTRATION AND DOMICILE OF COMPANY TO ANOTHER JURISDICTION**

The shares of Company have recently been listed on the TSX Venture Exchange in Canada and accordingly Management will be examining financing opportunities in North America in general and in Canada specifically. Various impediments exist to achieving such financing including impediments arising out of listing rules of the TSX Venture Exchange and financier and investor preferences when the Company is not incorporated in the local jurisdiction in which the Company's securities are listed for trading. In addition there are certain aspects of New Zealand corporate law which is difficult to co-ordinate with securities laws in British Columbia. The Directors of the Company have therefore come to the conclusion that to enable financing to be achieved and to facilitate integration of corporate and local securities laws it would be advantageous for the Company to shift its jurisdiction and domicile to British Columbia or such other jurisdiction as the Directors determine to be in the best interests of the Company. Accordingly shareholders will be asked at the Meeting to pass a Special Resolution to approve the transfer of the registration and domicile of the Company to another jurisdiction in the following form:

“BE IT RESOLVED” as a Special Resolution that the Directors be authorized to make application for the Company to become incorporated or domiciled under the laws of British Columbia or under the laws of such other jurisdiction as the Directors deem appropriate and for the Directors to make application for the Company to be removed from the New Zealand register, upon such incorporation or domicile in British Columbia or such other jurisdiction.”

**PARTICULARS OF OTHER MATTERS TO BE ACTED UPON**

The Company will consider and transact such other business as may properly come before the meeting or any adjournment. The management of the Company knows of no other matters to come before the meeting other than those referred to in the notice of meeting. Should any other matters properly come before the meeting the shares represented by the proxy solicited hereby will be voted on such matter in accordance with the best judgement of the persons voting by proxy.

**ADDITIONAL INFORMATION**

Additional information is available concerning the Company and its operations on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information concerning the Company is provided in its comparative financial statements and management's discussion and analysis for the Company's most recently completed financial year. Copies of this information are available on SEDAR or by contacting the Company at its offices located at 1780-400 Burrard St., Vancouver, BC, V6C 3A6; phone (604) 689-1280; fax (604) 689-1288.

**BOARD APPROVAL**

The contents of this information circular have been approved and its mailing has been authorized by the board of directors of the Company.

**ON BEHALF OF THE BOARD OF DIRECTORS**

*"Chris Castle"*  
**Chris Castle,**  
**Director**