

FORM 51-102F1

MANAGEMENT DISCUSSION & ANALYSIS JUNE 30 2004

Description of Business and Report Date

Asian Mineral Resources Limited (“the Company” or “ASN”) is engaged in the feasibility studies prerequisite to the development of a nickel mine in the Son La province in North Vietnam. The Company currently has an interest in one property.

The Company owns 100% of AMR Nickel Limited (“AMR Nickel”) and 100% of Asian Nickel Exploration Limited, both of which are incorporated pursuant to the laws of the Cook Islands.

Pursuant to the Joint Venture Agreement dated January 1993 (the “JVA”) AMR Nickel and Mineral Development Limited (“MIDECO”), an Agency of the Ministry of Heavy Industry of Vietnam, formed Ban Phuc Nickel Mines Limited (“BPNM”), a joint venture company formed pursuant to the laws of Vietnam for the purposes of facilitating a joint venture between the Company and MIDECO (the “Joint Venture”) for jointly exploring and developing certain mineral concessions in Vietnam (the “Ban Phuc Project” or the “Project”). Pursuant to the JVA, ownership of BPNM is held by AMR Nickel as to 70% with the remaining 30% initially held by MIDECO, which subsequently transferred 10% to Son La Mechanical Engineering Company (“Son La”), a company owned by the People’s Committee of the Province of Son La. BPNM has been granted Foreign Investment License 522/GP which gives it certain exploration rights over the Ta Khoa Concession located approximately 160 km west of Hanoi in the Son La Province, which represents the main mineral asset of the Company.

The purpose of BPNM is to carry out mineral exploration, feasibility studies, development, mining, smelting and refining of nickel, copper and associated metals located within the mineral concessions over which it has exploration rights. Pursuant to the JVA, AMR Nickel is required to contribute US\$7.0 million to BPNM for expenditures to be carried out by it on the mineral concessions and is required to fund BPNM at the minimum rate of US\$200,000 per year with any excess funding in any year to be credited to subsequent year’s requirements. AMR Nickel has, as of the date of Listing, funded BPNM with approximately US\$4.8 million and therefore has credit for several years of future funding required pursuant to the JVA.

Pursuant to the terms of the license by which BPNM acquired its exploration rights, BPNM is required to carry out sufficient work on the Ta Khoa Concession in order to enable it to be in a position to apply for a mining license by July 31, 2005. Pursuant to the terms of the JVA, Son La and MIDECO are deemed to have collectively contributed 30% of the funds that AMR Nickel contributes such that by the time AMR Nickel has contributed the required US\$7.0 million Son La and MIDECO will have deemed collective contributions of US\$3 million to BPNM and thereafter the parties will make contributions to BPNM in accordance with their respective participating interest or suffer dilution. Any profit due or losses incurred by the joint venture shall be apportioned in accordance with the then participating interests of the participants.

Asian Nickel Exploration Limited has applied for certain prospecting licenses within the Suoi Can-Dong Nghe region, 200 km² area located directly east of the Ta Khoa Concession.

The Company is a reporting company in British Columbia and trades on the TSX Venture Exchange under the symbol ASN. The following discussion and analysis of the financial position and results of operations for the Company is for the quarter ended June 30, 2004 and

includes relevant information up to August 31, 2004 (the "Report Date"). It should be read in conjunction with the audited financial statements and the notes thereto for the year ended December 31, 2003 and with the quarterly financial statements for the three month period to March 31, 2004 .

Developments during the Second Quarter of Fiscal 2004

During the quarter ended June 30, 2004, the Company made significant progress on the Ban Phuc project. Management attention was also focused on improving the financial position of the company by raising finance and in completing the final stages of the listing process in order to list on the TSX Venture Exchange. These developments included:

- ?? On April 19 the Company's shares were listed on the TSX Venture Exchange with a symbol of ASN.
- ?? After market conditions forced the Company to terminate a previously announced private placement the Company announced on June 22, 2004 a private placement offering of 5,357,143 units of ASN at a price of \$0.56 per unit for gross proceeds of \$3,000,000 (the "Offering"), each unit to consist of one common share and one half of one common share purchase warrant of ASN. Each whole common share purchase warrant entitled the holder to acquire one common share of ASN at an exercise price of \$1.00 during the period ending twenty-four (24) months from the closing of the private placement.
- ?? On June 28, 2004 the Company announced that it had added an over allotment of 3.0 million \$0.56 units to the previously announced \$3.0 million financing to increase the total financing to \$4.68 million, the additional units to be allotted on the same terms as the \$3 million announced June 22, 2004.
- ?? On June 30, 2004, the Company announced that it had added a further over allotment of 571,429 units to its previously announced \$4.68 million financing increasing the total financing to \$5 million with the issue of 8,928,571 units.

Operational Developments included:

Ongoing drilling was undertaken with the aim of proving up reserve definition at Ban Phuc.

The results of the programme's first five holes were announced on May 17 and are shown in the table below. Significant zones of mineralization for the first five holes are as follows:

Stage 1 – Initial Programme Results for First Five Holes

Hole	Grid REF		AZIM	INC	From m Depth	Width m	Assays			Assays ppb	
	East	North					% Ni	%Cu	%Co	Pt	Pd
BP04-02	50150	50035	202	-45			No significant Assays				
BP04-05	50175	49989	22	-45	8.00	4.00	0.91	0.24	0.02	6	5
					24.60	0.90	0.85	0.22	0.03	72	14
					26.20	1.20	0.45	3.69	0.03	3	6
					30.80	1.40	0.48	0.65	0.02	460	27
BP04-06	50175 including	49969	22	-45	58.20	5.70	0.53	0.55	0.02	20	25
					63.60	0.30	5.99	1.86	0.19	128	107
BP04-08	50200	49991	22	-45	14.40	0.50	1.74	0.12	0.05	7	2
					22.00	0.90	1.59	0.87	0.05	368	23
					28.00	2.70	0.68	0.37	0.02	43	17
					30.50	0.20	2.29	1.26	0.07	267	58
BP04-09	50125	49981	22	-50	13.00	8.00	0.35	0.03	0.01	3	5
					24.10	8.90	0.52	0.51	0.02	45	19
					36.80	7.20	2.92	1.04	0.10	68	65
					36.80	3.20	4.76	1.00	0.16	87	100

?? On June 28, the Company announced further results from its stage-1 drilling programme on the Ban Phuc Nickel (sulfide) Project in Vietnam. High grade massive sulphide results included:

Hole BP04-20	38.0 metres at 4.70% Nickel and 1.75% Copper
Hole BP04-09	7.20 metres at 3.20% Nickel and 1.01% Copper
Hole BP04-07	3.04 metres at 2.63% Nickel and 1.25% Copper
Hole BP04-17	2.55 metres at 5.89% Nickel and 0.98% Copper
Hole BP04-10	2.00 metres at 3.16% Nickel and 1.27% Copper

?? The stage-1 drilling programme was designed to test the upper horizons of the Ban Phuc Nickel deposit and provide material for metallurgical test work. Importantly, the stage-1 data indicates that the weathering profile is relatively shallow across the deposit. As well, the geologists are now able to better define the mineralized up-dip extensions of the massive sulphide zone.

?? The programme confirmed that near surface mineralization should be amenable to mining by lower cost open pit methods. It should be noted that the start of the mineralized intercept from BP04-20 is less than 20m vertically from the surface and is in

fresh un-weathered rocks and that BP04-17 is 35.0 metres directly down dip from the structurally thickened BP04-20 intercept and demonstrated firm continuity of the high grade massive sulphide zone. Further 3-dimensional support is evidenced by results collected from an underground adit (No.301) located approximately 25.0 metres to the east of BP04-20 where an interval of 13.3 metres grading 2.46% nickel and 0.82% copper has been channel sampled.

?? The Company also reported that significant mineralized zones of disseminated cumulate material had been intersected (refer to Table 1 for intervals marked by an asterisk). Significant disseminated cumulate results include:

Hole BP04-10	37.05 metres at 0.62% Nickel and 0.15% Copper, and, 16.00 metres at 1.02% Nickel and 0.27% Copper
Hole BP04-11	34.00 metres at 0.85% Nickel and 0.11% Copper
Hole BP04-13	18.00 metres at 1.04% Nickel and 0.18% Copper
Hole BP04-16	21.10 metres at 1.07% Nickel and 0.17% Copper

?? Table 1 below sets out detailed results and hole coordinates. There have now been 18 holes drilled in the stage-1 programme with five drill holes having been previously reported in an earlier TSX release dated May 18, 2004.

Table 1: Significant Stage-1 Diamond Drilling Results

Hole Number	Grid East	Grid North	From Metre	To Metre	Width Metres	Assays			Assays ppb	
						Ni%	Cu%	Co%	Pt	Pd
BP04-01	50025	50070	*88.00	89.94	1.94	0.64	0.10	0.02		
			128.00	136.00	8.00	0.77	0.21	0.01		
			148.30	151.00	2.70	1.07	0.07	0.02		
BP04-01A	50024	50070	*4.50	5.90	1.40	1.28	0.21	0.01		
			*130.0	138.00	8.00	0.62	0.06	0.02		
			157.00	160.20	3.20	0.80	0.41	0.02		
Includes			160.10	160.20	0.10	1.99	5.29	0.06		
BP04-02	50150	50035			No Significant Assays					
BP04-03	50125	50040	35.75	41.00	5.25	0.70	1.41	0.03		
			38.85	39.30	0.45	1.67	1.39	0.09		
			66.00	67.00	1.00	1.03	0.30	0.09		
BP04-04	50100	49992	17.30	18.00	0.70	0.72	0.97	0.07		
BP04-05	50175	49989	8.00	12.00	4.00	0.87	0.26	0.02		
			24.60	25.90	0.90	0.86	0.22	0.03		
			27.60	27.75	0.15	0.45	3.69	0.03		
			30.80	32.15	1.35	0.46	0.64	0.02	663	39
BP04-06	50175	49970	59.10	63.90	4.80	0.76	0.45	0.03		
			63.60	63.90	0.30	5.99	1.86	0.19		
BP04-07	50075	50062	*28.10	31.30	3.20	0.57	Tr	0.10		
			106.56	109.60	3.04	2.63	1.25	0.09		
			106.56	107.70	1.14	4.93	2.14	0.17		
			115.35	115.95	0.60	0.68	3.45	0.02		
			125.25	125.53	0.28	0.94	0.98	0.03		
BP04-08	50200	49991	14.35	14.85	0.50	1.74	0.12	0.05		
			22.00	22.85	0.85	1.57	0.90	0.05	354	23
			28.00	31.70	2.70	0.70	0.49	0.02		
			Includes			30.47	30.74	0.27	2.29	1.26

Hole Number	Grid East	Grid North	From Metre	To Metre	Width Metres	Assays			Assays ppb		
						Ni%	Cu%	Co%	Pt	Pd	
BP04-09	50125	49982	24.12	33.00	8.88	0.53	0.52	0.02			
			36.80	44.00	7.20	3.20	1.01	0.11			
			Includes	36.80	40.50	3.70	4.52	1.07	0.15		
BP04-10	50025	49951	22.00	24.00	2.00	3.16	1.27	0.09			
			*31.95	68.00	37.05	0.62	0.15	0.02			
			*68.00	84.00	16.00	1.02	0.27	0.02	244	314	
BP04-11	49975	50054	*0.00	34.00	34.00	0.85	0.11	0.02			
			116.00	119.26	3.26	1.00	0.59	0.03			
BP04-12	49875	50045	*18.00	19.50	1.50	0.53	0.04	0.02			
			*26.00	30.00	4.00	0.68	0.20	0.02			
			86.65	93.45	6.80	0.80	0.82	0.03			
BP04-13	49975	49951	29.35	30.64	1.29	0.9	1.83	0.03			
			*50.00	68.00	18.00	1.04	0.18	0.02	178	179	
BP04-14	49925	49930	56.00	60.75	4.75	2.83	0.68	0.08			
			Includes	56.00	57.05	1.05	6.75	1.49	0.19		
			*96.00	102.00	6.00	0.64	0.12	0.02			
BP04-15	49875	49960	30.30	36.00	5.70	1.29	0.68	0.04			
			Includes	30.60	31.05	0.45	6.90	0.79	0.20		
			*87.00	92.00	5.00	0.57	0.06	0.02			
BP04-16	49925	50047	*4.90	9.00	4.10	1.83	0.37	0.02	262	292	
			*9.00	16.00	7.00	0.42	0.02	0.01	144	154	
			*16.00	26.00	10.00	1.21	0.19	0.02	164	214	
			*61.00	67.90	6.90	0.62	0.11	0.02			
			92.95	95.00	2.45	0.57	0.58	0.02			
BP04-17	49825	49935	71.75	74.30	2.55	5.89	0.98	0.18			
			101.30	105.70	4.40	0.57	0.57	0.02			
BP04-20	49825	50000	29.90	67.90	38.00	4.70	1.75	0.15			
			Includes	29.90	38.20	7.90	6.20	1.60	0.18		
			Includes	46.50	48.30	1.80	5.96	1.56	0.18		
			Includes	50.50	67.90	17.40	5.63	2.45	0.18		

- Only results above 0.50% Ni and 250ppb Pt+Pd were reported.
- An asterisk (*) signifies an interval of predominantly disseminated cumulate material.
- Where necessary and practical internal waste and/or lower grade mineralized material may be incorporated in reported bulk assayed intervals.
- The assay analysis was completed by Genalysis Laboratory Services Pty Ltd of Perth in Western Australia using a four acid digest technique.
- All results originate from HQ diamond drill core samples that have been saw cut. ASN allocates ½ of the core for metallurgical test work and sends ¼ of the core for assay analyses and retains ¼ of the core in its permanent core storage facilities.

Description of Exploration Work and Results

During the quarter ended June 30, 2004, the Company continued its drilling program on the Ban Phuc deposit for the purpose of confirming that adequate intersections are available to undertake a new and comprehensive resource and reserve evaluation over the Project in the third quarter of 2004. Strike and dip projections of the Ban Phuc zone will also be drill tested to possibly extend the known occurrences of mineralization. Additionally, the mineralised intersections will be used in a comprehensive metallurgical test programme to represent the 3-dimensional deposit geometry for the planning and design of a treatment plant.

The Company has 5 drill rigs working on the property from an experienced Vietnamese drilling contractor drilling HQ sized core. Core recovery is excellent and productivity performance is on target to complete the planned programme before the end of 2004.

Encouraging results during the quarter included a 38.0m interval of massive sulphide grading 4.7% Ni and 1.75% Cu. Independent geologists have confirmed the continuity of this part of the deposit and have noted its proximity to surface and amenability to open-pit mining methods. As well, the Company was pleased to report thick intercepts of lower grade disseminated material that have the potential to contribute large volumes of tonnage in an open-pit approach to mining.

The Hellman & Schofield group, the Company's independent geologists, are moving rapidly towards completing their initial resource review. Work through the quarter included the continuing programme of geological re-logging and testing of density for each assayed interval. As well, the Company is compiling information on the oxidisation profile to ensure resources are properly classified according to their potential economic recovery characteristics.

Future Developments for Ban Phuc

Drilling is on-going at Ban Phuc and results acquired from the recommended programme detailed in the Company's NI 43-101 document support the further work planned by Hellman & Schofield. Resource estimation, mine planning, and metallurgical work will be progressed and reported in the third quarter.

The Company plans to undertake an additional 10,000 metres of drilling before the end of 2004 to underpin its feasibility study. The Company currently has five diamond drill rigs working on the Ban Phuc deposit undertaking a mixture of detailed in-fill drilling and testing for resource extensions. The Ban Phuc deposit is open along strike to the east and west and down plunge with significant potential to increase resources.

Other exploration targets in the immediate Project area are being reviewed and further work is being planned.

Selected Quarterly Information

The following table sets out selected financial information for and as of the end of the periods as shown in the table. The information is derived from the management prepared financial statements of the Company. Comparative information for previous periods is not available as the Company was not then a reporting issuer and did not prepare quarterly financial statements. The financial statements are prepared according to New Zealand GAAP and do not vary materially from Canadian GAAP. A reconciliation can be found in note 17 to the interim financial statements filed in conjunction with this filing.

For the three month period ended June 30, 2004	\$ June 30, 2004	\$ March 31, 2004	\$ 2003
Revenue	Nil	Nil	Not available
Net Loss for the period	309,709	431,105	Not available
Loss per Share	(1.1) cents	(1.5) cents	Not available
Total Assets	4,101,487	4,491,235	Not available
Total Long-term Debt	Nil	Nil	Nil
Cash Dividends per share	Nil	Nil	Nil

Results of Operations

The Company did not receive any revenue in the second quarter of 2004. Revenue from previous periods is solely from interest income. The Company currently has no sales and no material sources of revenue.

General and administrative expenses for the three month period were \$309,709 compared with \$431,105 for the three month period to March 31, 2004 and compared with \$317,763 for the nine month period to December 31, 2003.

These costs were higher due to the provision for termination of the contracts under which the services of a Hanoi based executive director were provided. See note 16 to the unaudited financial statements for the three months ended June 30, 2004.

The main cost components were Hanoi office expenses of \$114,131 (first quarter \$21,496, previous nine months \$42,626) and management fees and salaries \$85,675 (first quarter \$90,657, previous nine months \$67,443).

The Company's loss for the three months is \$309,709 (first quarter \$431,105, 2003 nine months, excluding write-downs of previously capitalized mineral exploration expenditure, \$318,401).

For the last three completed fiscal years, the Company has not paid cash dividends to shareholders. The Company does not anticipate paying a cash dividend during fiscal 2004.

Summary of Quarterly Results

The Company became a reporting issuer in British Columbia and Alberta on April 19, 2004 at the time its shares were listed on the TSX Venture Exchange. Prior to becoming a reporting issuer the Company was not required to prepare and file interim financial statements and accordingly financial information for previous quarters is not available.

Reference is made to "Selected Quarterly Information" above for a summary of the results of the quarters ended March 31, 2004 and June 30, 2004.

Liquidity

At June 30, 2004, the Company had a working capital deficiency of \$129,427 compared with a March 31 surplus of \$977,000 and a December 31, 2003 deficiency of \$192,000. Subsequent to June 30, the Company completed a private placement of \$5 million. The Company presently does not have any operations which generate cash and therefore its only source of cash is through outside financing. The Company may seek additional outside financing during the remainder of the year as required.

The expected costs of the feasibility studies and associated test work including further exploration drilling required prior to any decision to commission the mine and processing plant plus general administrative expenditure are presently forecast at approximately \$7.0 million. These costs are expected to be incurred progressively during the next 12 months. Additional required financing for this purpose and for the MIDEKO purchase will be provided from the proceeds of further private placements subject to such funds being available.

Capital Resources

Apart from the feasibility and related studies discussed above, the Company has not entered into any agreements that will deplete the Company's capital resources except that it has committed to acquire a further 20% shareholding in BPNM from MIDEKO for consideration of USD\$2.5 million on terms yet to be finalised. Since its inception, the Company's capital resources have been limited to amounts raised from the sale of equity. Since the Company does not expect to generate any revenues in the near future, it will have to continue to rely primarily upon sales of equity to raise capital. On July 22, 2004 the Company announced that it had completed a \$5.0 million financing of units priced at \$0.56 per unit, each unit comprised of one share and one-half of a warrant, each whole warrant being exercisable at \$1.00 to acquire a further share up to twenty four months after issuance.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet financing arrangements.

Related Party Transactions

The Company paid or accrued the following amounts to related parties during the periods indicated:

	June 30, 2004 (three months)	March 31, 2004 (three months)	December 31, 2003 (nine months)
Services Provided From:			
Resources Services Limited ⁽¹⁾	111,195	11,481	68,755
Monterey Consolidated Services Limited	20,953	0	0
Sanders Castle Consulting Limited ⁽²⁾	0	18,157	79,512
Peter Bojtos	0	45,000	0
Luca Riccio	0	45,000	0
David Woodhouse ⁽³⁾	43,750	47,916	0
Robert Thomson	5,000	5,000	0
Chris Castle	10,000	0	2,210
Total	190,898	172,554	150,477

- (1) Terry Bates, a former director of the Company, is the sole shareholder/director of Resources Services Limited ("RSL"). RSL was paid US\$3,500 per month plus expenses for provision of managerial, financial, corporate and technical services to AMR Nickel Limited, a subsidiary of the Company. RSL was paid US\$1,500 per month plus expenses for providing the Company with management services, corporate and financial services, technical advice and supervision. Reference is made to note 16 to the unaudited financial statements for the three months ended June 30, 2004.
- (2) Chris Castle, a director of the Company, is a shareholder/director of Sanders Castle Consulting Limited. Pursuant to a verbal agreement between Mr. Castle and the Company Sanders Castle Consulting Limited was, during January 2004, paid Cdn. \$100 per hour to a maximum of Cdn \$800 per day for consulting services rendered and commencing February 1, 2004 the rate changed to Cdn \$3,333 per month assuming forty days per year are required for such services. Commencing April 1, 2004 such consulting fees are paid directly to Mr. Castle.
- (3) Pursuant to an employment agreement dated February 4, 2004 the Company has agreed to engage David 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. In addition to a signing bonus of 416,667 shares, Mr. Woodhouse received 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, such options to vest on the basis of 25% on the achievement of various corporate goals.

Proposed Transactions

The Company is not currently proposing any material asset or business acquisitions or dispositions except that it has committed to acquire a further 20% shareholding in BPNM from MIDECO for the consideration of USD\$2.5 million on terms yet to be finalised.

Changes in Accounting Policies

There have been no changes in accounting policies with respect to the financial statements for the three months ended June 30, 2004:

Financial Instruments

The Company does not engage in investing in non-financial assets and the fair value of the Company's cash, accounts receivable and accounts payable and accrued liabilities approximates their carrying amount due to the immediate or short-term to maturity of these financial instruments.

Subsequent Events

Subsequent to June 30, 2004 the following events occurred:

- ?? The Company announced on July 12, 2004 that it had signed a Memorandum of Understanding with its joint venture partner MIDECO to acquire their 20% equity interest in BPNM. ASN will increase its equity to 90% with the balance of 10% being held for the existing Vietnamese Provincial Government partner, Son La. The transaction is subject to Vietnam Central Government ministerial approvals. Consideration for the acquisition is US\$2.5 million and is expected to be completed before the end of 2004.
- ?? On July 22, 2004 the Company announced that it had completed its previously announced private placement financing whereby it issued a total of 8,932,002 units for gross proceeds of \$5,000,000. The following related parties participated in the financing: David Woodhouse as to 62,500 units, Robert Thomson (through Monterey Consolidated Services Pty) as to 148,214 units, Chris Castle (through Widespread Portfolios Inc.) as to 62,500 units and Ian MacGregor as to 44,643 units.
- ?? The Company announced on 27 July 2004 that Mr Ian MacGregor was elected to the board at the recent annual general meeting of shareholders and has been appointed Chairman of the Board, effective immediately. Mr MacGregor, Toronto based, has over 40 years of experience as a corporate lawyer and counsel with a prominent Canadian law firm and has extensive joint venture and mining law experience. He serves as a director of various public, private and non-profit corporations and as Chairman of the Board of Golden Star Resources Limited, a Denver based gold company listed on the TSX and AMEX with a market capitalization of C\$700.0 million.
- ?? On July 29 the Company reported on results from its Stage-1B drilling programme on the Ban Phuc Project. This programme was designed as the first stage exploration of two previously identified and largely untested anomalies located north and west of the main Ban Phuc mineralized corridor. Nine holes were drilled for a total of 877 metres, refer to table 2 for detailed results.

Significant Results included:

Northern zone:

Hole BP04-19 23.9 metres at 1.49% Nickel

Hole BP04-22 2.84 metres at 0.72% Nickel

Western Zone

Hole BP04-27 6.50 metres at 0.86% Nickel

- ?? Northern 'Cumulate' Target Zone The northern zone is a topographic high which has an old collapsed shaft centered on its crest. Historical records (Vietnamese c.1963; Shaft #G-78) evidence channel sampled assay results over 20.3 metres grading 1.03% Nickel. ASN has drilled four holes to test and verify this disseminated cumulate zone. Results from geological surface mapping and Stage-1B drilling confirmed a thick zone of oxidised UB2 with disseminated mineralization and verifies the historically sampled data. "UB2" is the main serpentinitised-dunite ultramafic unit containing virtually all the

disseminated cumulate mineralization in the Ban Phuc deposit area and is volumetrically very significant. It is notable that sampling in Hole BP04-19 and BP04-22 ended in mineralization grading 0.88% Ni and 0.70% Ni respectively.

- ?? The Company is highly encouraged by these initial northern zone programme results which suggest a new near surface mineralized target area not reflected in any resource estimate at this point in time. Pending further data collation, a follow-up drilling programme will be designed to establish down dip continuity into the primary sulfide zone.
- ?? Western Extension 'Massive Sulfide' Target Zone Five Stage-1B drill holes were designed to test for potential western extensions of the main Ban Phuc massive sulfide corridor. An untested geophysical 'electro-magnetic' ("EM") anomaly and surface geological mapping were utilized to design the drill hole collar positions. Massive sulfide mineralization was not intersected with drilling and the EM anomaly remains empirically unresolved.
- ?? Two of the holes collared in the ultramafic north of the massive sulphide corridor intersected mineralized UB2 over meaningful widths (refer to Table 2). This highlights a western extension of disseminated cumulate mineralization in UB2 near the sediment-ultramafic contact. ASN is encouraged by the overall results from this western zone and, pending further data assessment, will implement a follow-up mapping and drilling programme to further probe the EM anomaly and test the western UB2 zone.

Table 2: Significant Stage-1B Diamond Drilling Results

Hole Number	Grid East	Grid North	From m	To m	Width M	Analytical Results				
						Ni%	Cu%	Co%	Pt ppb	Pd Ppb
NORTHERN ZONE										
BP04-18	49800	50310	*75.60	86.50	10.90	0.37	0.01	0.01	21	34
BP04-19	49825	50340	*0.00	23.90	23.90	1.49	0.23	0.02	259	282
Includes			*0.00	8.60	8.60	1.72	0.25	0.02	318	354
			*8.80	15.60	6.80	1.49	0.25	0.02	247	284
			*17.40	23.90	6.50	1.18	0.18	0.01	189	181
BP04-21	49900	50350	*15.00	18.50	3.50	0.61	0.06	0.01	111	87
BP04-22	49850	50346	*17.16	20.00	2.84	0.72	0.17	0.01	53	65
WESTERN ZONE										
BP04-23	49600	50210	*0.0	10.00	10.00	0.43	0.07	0.01	72	72
BP04-24	49500	50149	No Significant Mineralisation							
BP04-25	49400	50290	No Significant Mineralisation							
BP04-26	49450	50210	No Significant Mineralisation							
BP04-27	49550	50253	*28.50	35.00	6.50	0.86	0.12	0.01	295	344

- Only results above 0.30% Ni or 250ppb Pt+Pd are reported.
- An asterisk (*) signifies an interval of disseminated cumulate material.

- Where necessary and practical internal waste and/or lower grade mineralized material may be incorporated in reported bulk assayed intervals.
- The assay analysis was completed by Genalysis Laboratory Services Pty Ltd of Perth in Western Australia using a four acid digest technique.
- All results originate from HQ diamond drill core samples that have been saw cut. ASN allocates $\frac{1}{2}$ of the core for metallurgical test work and sends $\frac{1}{4}$ of the core for assay analyses and retains $\frac{1}{4}$ of the core in its permanent core storage facilities.

Date: August 31, 2004.

End.