

**FORM 27**

**MATERIAL CHANGE REPORT UNDER SECTION 85(1)  
OF THE *SECURITIES ACT* (BRITISH COLUMBIA)  
AND SECTION 118(1) OF *THE SECURITIES ACT* (ALBERTA)**

**1. Reporting Issuer**

Zarcán International Resources Inc.  
Suite #1300, 1100 Melville Street  
Vancouver, British Columbia V6E 4A6

**2. Date of Material Change**

June 28, 2002

**3. News Release**

June 28, 2002

**4. Summary of Material Change**

Exploration licenses granted by the Iranian Ministry of Industries and Mines for 10 out of 15 possible concession areas located in the Province of Sistan va Baluchestan in southeastern Iran.

**5. Full Description of Material Change**

Please refer to the attached News Release for a full description of the material change.

**6. Reliance on Section 85(2) of the *Securities Act* (British Columbia)  
and Section 118(2) of the *Securities Act* (Alberta)**

Not applicable. This report is not being filed on a confidential basis.

**7. Omitted Information**

No information has been omitted in this regard

8. **Senior Officers**

Richard Wenderoth  
President & CEO  
Telephone: (604) 683-7837

9. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to in this report.

DATED at Vancouver, British Columbia, this 28<sup>th</sup> day of June, 2002.

*“Richard Wenderoth”*  
**Richard Wenderoth**  
**President, CEO & Director**

IT IS AN OFFENCE FOR A PERSON TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT OR THIS REGULATION THAT AT THE TIME AND IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.

**ZARCAN INTERNATIONAL RESOURCES INC.**  
**TRADING SYMBOL CDNX – ZRI**  
**Last Trade Today: \$0.15**

**NEWS RELEASE**

**FOR IMMEDIATE RELEASE**

**June 28, 2002**

**Zarcan Receives Exploration Licenses  
for Mineral Concessions in Iran**

**Vancouver, British Columbia, Canada** – The management of Zarcan International Resources Inc. (the Company) is pleased to announce that exploration licenses were granted by the Iranian Ministry of Industries and Mines (the “Ministry”) for 10 concession areas located in the Province of Sistan va Baluchestan in southeastern Iran. The concessions, each about 40 sq km, were selected after three years of regional mapping by geologists of Zarcan Minerals Inc. ("Zarcan"), the Company's wholly owned subsidiary, of 30,800 square kilometers in that province (Phase I program). The concessions contain favorable exploration targets based on regional geological mapping, geochemistry, historical mining and geophysics. [see News Releases dated September 6, 2000 and February 28, 2001 at [www.zarcan.com](http://www.zarcan.com)].

Zarcan initiated a Phase II exploration program in 2001 in several of the concessions which had been pre-selected by Zarcan during the Phase I reconnaissance exploration program (1998 – 2000). During 2001 Zarcan filed applications to receive Exploration Licenses directly from the Ministry without the need to form exploration joint ventures with Iranian partners. In the past this had not been practiced, and it took considerable time and negotiations to convince the Iranian authorities to grant mineral title rights directly to a foreign company.

The concession areas for which Exploration Licenses were granted are described below.

|     | <b>Concession Area</b> | <b>Location</b>           | <b>Mineralization</b> |
|-----|------------------------|---------------------------|-----------------------|
| 1.  | Shurchah               | (N 29° 12' and E 60° 52') | Antimony, gold        |
| 2.  | Shoveyn Valley         | (N 29° 40' and E 60° 07') | Copper, gold          |
| 3.  | Chah Brish             | (N 29° 43' and E 60° 07') | Copper, gold          |
| 4.  | Kharestan              | (N 28° 42' and E 60° 54') | Copper, zinc, lead    |
| 5.  | Bidester               | (N 28° 40' and E 61° 00') | Copper, lead          |
| 6.  | Kuten                  | (N 28° 25' and E 61° 21') | Copper, gold          |
| 7.  | Eskalabad              | (N 28° 34' and E 60° 45') | Gold, lead, zinc      |
| 8.  | Assagie                | (N 30° 36' and E 60° 12') | Lead, zinc, copper    |
| 9.  | Seyasteragi            | (N 30° 35' and E 60° 27') | Copper, lead, gold    |
| 10. | Kuh-e Malusan          | (N 30° 00' and E 60° 04') | Copper, lead          |

**Shurchah** (*Salty Well*) located approximately 35 km south of Zahedan, the capital of that province and a city of some 500,000, contains antimony and recently discovered gold reported earlier [see News Release dated March 14, 2001 at [www.zarcan.com](http://www.zarcan.com)] Antimony mineralization occurs in quartz veins in shear zones along the contact of a granodiorite intrusion with flysch sediments. Mineralization on the surface can be seen outcropping in three near parallel shear zones in an area 750m x 200m.

Zarcan originally located this prospect by following up an anomalous stream sediment sample of stibnite (antimony) collected during the earlier Phase I program. Follow up trenching and channel sampling was accompanied by drilling 2 RC holes in each shear zone 250m apart along the projected trend designed to intersect the veins at depth. Chip samples over 1 meter in trenches range to 10.57 gpt and average 2.07 gpt. Analysis of samples by Acme Laboratories in Vancouver demonstrates that gold occurs not only within the quartz-antimony veins but also extends into adjacent altered zones.

| Drill Hole | Shear Zone | Intersection (m)  | Gold Grade |
|------------|------------|-------------------|------------|
| Shur1      | north      | 14.5 to 15.5      | 6.36gpt    |
| Shur3      | north      | 7.5 to 13.5       | 1.30gpt    |
|            |            | 17.5 to 18.5      | 1.10gpt    |
| Shur2      | middle     | 8.5 to 9.5        | 0.94gpt    |
| Shur4      | middle     | 8.5 to 9.5        | 1.03gpt    |
|            |            | 12.5 to 18.5      | 2.88gpt    |
| Shur5      | south      | 4.5 to 7.5        | 2.43gpt    |
| Shur6      | south      | missed shear zone |            |

Angle RC drilling to 50 m has shown that surface mineralization variable to 35cm in width becomes wider with depth. In addition, drill holes in both the north and middle zones encountered a buried mineralized zone ranging to 6 m width in the middle zone running 2.88gpt.

MaxMin geophysics over this area demonstrated that strong electrical conductors are present between the three surface outcrops as indicated by the drilling. Subsequent geophysics in a 400m x 800m grid (32 hectares) shows that altered zones are much larger and continue to be open on three sides. IP and additional EM geophysics, and diamond drilling is planned.

**Shoveyn Valley:** The concession, approximately 130 km west of Zahedan, contains several historical pits from which copper oxides were extracted. Within the colored mélange are Eocene age sandstone, radiolarion shale, basalts and flysch sediments. Field mapping has revealed vein type copper mineralization with gold. Mineralization of chalcopyrite and malachite has been found exposed in several vein systems covering an area 350m by 200m. Small podiform chromium bodies occur on the surface in selected areas. Rock samples gathered from a shear zone (100m by 2m) in serpentinized ultrabasics showed copper to 1.5%, gold to 2.2 gpt with minor cobalt. A surveyed grid system has now been established in preparation for detailed geochemistry and trenching based on further favorable results obtained from MaxMin geophysics.

**Chah Brish:** The concession is contiguous to Shoveyn Valley. The lithologies of the area comprise a series of ultrabasic rocks and colored mélanges from Upper Cretaceous to Eocene age. In general they include peridotite, pyroxinite, serpentines, gabbro, leuco gabbro and dacite. Flysch is also exposed in the concession.

Copper mineralization has been found in two areas in the form of ancient pits and in the southern part anomalous chromite and platinum has been discovered. Two areas contain a manganese outcrop at the surface. Anomalous ironstone considered by some to be of meteor origin, occurs in the central part of the concession. A highly oxidized zone extending northwest-southeast appears to be a promising target for mineralization. Very little detailed work has occurred in this concession. The platinum bearing chromite is of considerable interest.

Kharestan and Bidester: These contiguous concessions approximately 120 km south of Zahedan near the Taftan volcano complex comprise 76.5 sq km of mountainous land. The concessions contain numerous historical shafts and ancient slag heaps in several valleys. Soil and rock samples upslope of these features collected across several drainage basins contain anomalous values in lead, silver, zinc, copper and gold. Each concession contains an intense zone of alteration several kilometers long and wide: 5 km by 2 km for Kharestan, and 6km by 3km for Bidester. In both cases the alteration is a light yellow color, silicified, with a strong clay alteration and associated pyrite invasion.

In ancient times thick silicified veins exposed near the Kharestan village were mined for lead and silver in the center of the above highly altered area. In the Bidester area deep shafts (>20m) and associated slag heaps occur along a zone more than 2,400m long. Anomalous zinc, copper and gold values have been discovered in exposed rock in this area

Lithologies of the area are mainly determined by the adjacent Taftan volcanism (Cretaceous to Recent), and include Cretaceous ultrabasics to Eocene flyshes and altered dacite partly intersected by silicified veins. These areas have the potential for large scale VMS type deposits based on the work to date. Porphyry textures have also been mapped in Kharestan. Mapping is occurring to a scale of 1:10,000. MaxMin surveys have been obtained from two old historical mine sites in the Bidester area and cover an area of 450m by 500m and 350m by 400m. 115 samples are awaiting analysis at Acme Analytical Laboratories in Vancouver. Detailed geological mapping continues in several of the mineralized areas in these contiguous concessions.

**Kuten:** The concession is located approximately 160 km south of Zahedan and 40 km northeast of Khash. Extensive piles of slag with malachite fragments cover an area 1,000m by 500m. Assays of mineralized gossans nearby demonstrate that copper occurs over several drainage basins. with preliminary values in surface soil to 0.23 %, associated with gold to 0.28 gpt, lead to 1.29% and mercury (0.50 gpt) The main complex consists of a colored mélange suite of rocks consisting of ultrabasic, sedimentary and intrusive rocks. The most important rock types for ore potential are complexes of igneous, sedimentary and volcanic rocks with oceanic crust that are highly tectonised. The extensive slag piles and widespread anomalous zones suggest that a shallow VMS copper deposit associated with gold is present. The area is awaiting detailed geological mapping.

**Eskalabad:** The property covers an isolated 'island mountain' of about 20 sq. km. and is located about 100 kilometers south of Zahedan. Stream sediment samples from the west and north side of the mountain are anomalous in gold to 1.63 gpt with minor arsenic and lead. A complex of volcano-sedimentary rocks consisting of phyllitic calcareous shale, meta calcareous sandstones and spilitic volcanics, green tuffaceous shale, meta quartz arenite and conglomerate exists. These rocks have been affected by metamorphism and are strongly tectonized. A near zonal and restricted distribution is evident. Mineralized rock samples in this area contain lead to 0.43%, zinc to 0.3%, and minor amounts of arsenic, mercury and gold. The area is favorable for a gold deposit.

**Assagie:** The concession located approximately 140 km northwest of Zahedan is named after the Assagie Mountain, the highest topographic feature in the concession. Field observations show a close similarity between Assagie and the Kharestan / Bidester concessions to the south. In both areas extensive alteration zones in volcanic rocks are exposed. Ten rock samples were assayed. Anomalous lead to 4.1%, zinc to 0.31%, copper to 0.25%, and antimony to 500 gpt occurs. Galena (lead) occurs in quartz veins exposed near the base in several dry creek valleys.

**Seyasteragi:** The Seyasteragi concession located approximately 180 km northwest of Zahedan contains a number of ancient trenches and slag heaps. Assays of rock within these trenches reveals that lead (1.46%), copper (1.72%) and gold (2.4gpt) ores have been extracted by ancient miners. The altered zone

covers an area of 850m by 1,200m. There is an intrusive body in the concession surrounded by a series of Eocene flysch deformed to hornfels at the contact. It is recognized that mineralization of gold is closely related to the arsenic value, e.g. for 2,400 ppb (2.4gpt) gold the corresponding arsenic is 14,724 (ppm) gpt, and in another sample, which contains 1,294 ppb gold (1.29 gpt), the arsenic is 5,712 (ppm) gpt. Molybdenum and tungsten also occur. The extensive alteration zone around this area is undergoing detailed geological mapping. The highly anomalous values spread out over such a large area suggest that this is a good target for a VMS-type copper-lead-gold deposit.

**Kuh-e Malusan** The concession is located about 125 km west-north-west of Zahedan. This area contains igneous and sedimentary rocks and metamorphosed ophiolitic mélange. The biggest gabbroic mass is in the Kuh-e-Malusan (*Malusan mountain*). It is massive and forms the highest point of the area. These coarsely crystalline rocks are mostly composed of plagioclase, hornblende, epidote, muscovite and iron oxides. The main target is a large alteration area along the boundary between the gabbro and sediments containing anomalous values of mercury, arsenic, lead and zinc. Much of the gabbro remains unexplored but the target is a potential sulphide lead-zinc and silver deposit.

The contents of this news release are based on information prepared by respectively under the supervision of Ted H. F. Reimchen, P.Geo., the Company's Chief Geologist and VP Exploration, a qualified person in accordance with *National Instrument NI 43-101*.

Zarcan International Resources Inc. is a Canadian mineral exploration company incorporated in British Columbia, Canada with its head office in Vancouver, British Columbia, and with interests in properties located primarily in Iran and Brazil. The Company's common shares trade on the TSX Venture Exchange (previously the Canadian Venture Exchange) - symbol ZRI. The Company aims to identify low-cost mining projects internationally and acquire advanced stage projects predominantly in the precious and base metal sectors.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

"Richard Wenderoth"

Richard Wenderoth

President

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