BC FORM 53-901F
(Previously Form 27)

MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE SECURITIES ACT (BRITISH COLUMBIA) AND SECTION 118(2) OF THE SECURITIES ACT (ALBERTA)

1. REPORTING ISSUER

Zarcan International Resources Inc. (the "Company")
Suite #908, 1100 Melville Street
Vancouver, British Columbia V6E 4A6

2. DATE OF MATERIAL CHANGE

May 13, 2003

3. NEWS RELEASE

May 16, 2003

4. SUMMARY OF MATERIAL CHANGE

The Company receives extension for Exploration Licenses in Iran and Updates on Shurchah, Bidester & Kharestan Mineral Concessions and amendment of Loan Agreement previously announced.

5. FULL DESCRIPTION OF MATERIAL CHANGE

The Company) has received the extension of exploration licenses 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. And the Company has entered into a loan agreement with a company which is controlled by one of its Directors for the principal amount of $135,000 on October 25, 2002. On December 10, 2002 the Company amended the Loan Agreement increasing the amount of the loan from $135,000 to $300,000. On May 13, 2003 the Loan was again amended from $300,000 to $450,000. All other terms and conditions of the loan remain unchanged. The proceeds of the loan will be used by the Company to fund the continued development of its mineral projects in Iran and for working capital.

A copy of the News Release is annexed hereto as Exhibit "A".

6. RELIANCE ON CONFIDENTIALITY SECTION OF THE ACT

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 OFFICER

Inquiries in respect of the material change referred to herein may be made to:

Farrokh Elmieh
President & CEO
Telephone: (604) 683-7837

9. STATEMENT OF SENIOR OFFICER

The foregoing accurately discloses the material change referred to herein.

DATED at Vancouver, British Columbia, this 16th day of May, 2003.

"Farrokh Elmieh"
Farrokh Elmieh
President & CEO

EXHIBIT "A"

ZARCAN INTERNATIONAL RESOURCES INC.
TRADING SYMBOL TSX VENTURE EXCHANGE – ZRI
Last Trade Today: $0.075

PRESS RELEASE

FOR IMMEDIATE RELEASE **May 16, 2003**

Zarcan Receives Extension for Exploration Licenses in Iran and Updates on Shurchah, Bidester & Kharestan Mineral Concessions And Zarcan Amends Loan of $300,000 to $450,000

Vancouver, British Columbia, Canada – The management of Zarcan International Resources Inc. (the Company) is pleased to announce the extension of exploration licenses 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 four years of regional mapping by geologists of Madani Zarcan Taftan Co., 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, February 28, 2001 and June, 28, 2002 at* www.zarcan.com].

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

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

Following are updates on 3 of the above concessions: Shurchah, Kharestan and Bidester.

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 gold reported earlier [*see News Release dated March 14, 2001 and June 28.2002 at* www.zarcan.com. Antimony mineralization occurs in narrow quartz veins in 3 visible shear zones covering an area 750 x 200m along the contact of a granodiorite intrusion intruded into a greenschist facies.

Chip samples (1m wide) from trenches ranged to 10.57 gpt averaging 2.07 gpt gold. MaxMin geophysics demonstrated that strong electrical conductors were present between the surface outcrops and beyond. Follow up drilling with 6 shallow inclined RC holes(each 50m long) resulted in the discovery that mineralization widened up to 6m at depth carrying 2.9 gpt gold.

Mapping of the boundaries of the intrusion has lead to the discovery of a much larger area of quartz and stibnite(antimony veins 900 m to the south. In this area mineralized veins outcrop over an area 5 times larger (500 x 1600m) than the first discovery but are largely covered by colluvial sediments. The veins vary to 150 cm wide. We are now awaiting the results of chip samples from this area.

Kharestan and **Bidester:** This high relief rugged mountainous area approximately 120 km south of Zahedan near the Taftan volcano complex comprises 2 concessions totaling 76.5 sq km. Each concession contains an intense zone of iron oxide alteration readily visible on processed conventional Landsat TM imagery that is several kilometers in area: 5 km by 2 km for Kharestan, and 6km by 3km for Bidester. In both cases, alteration is a light yellow color, silicified, with a strong clay alteration and associated pyrite invasion. Soil and rock samples collected across several drainage basins contain anomalous values in lead, silver, zinc, copper and gold.

The Landsat TM iron oxide alterations overlie areas where reconnaissance sampling by Zarcan (1998-2001) gave anomalous values in gold, zinc, lead, copper and silver.

In an effort to explore the vast rugged area cost effectively, Zarcan Minerals Inc. was able to acquire digital data from the Experimental Satellite HYPERION, launched November 2001 . Hyperspectral data for mineral chemistry identification was acquired in June 2002 by joining in the 'Group Shoot' with the Division of Exploration and Mining (CSIRO Earth Observation Centre, Australia), NASA and USGS over this area of Baluchestan.

HYPERION High quality hyperspectral data, allows the mapping of molecular-level spectral properties of rocks and minerals, permitting the identification of specific mineral groups, mineral species, and sometimes their mineral chemistry. The Hyperion space data has certainly been successful in identifying various mineral species within the Landsat TM broad band iron oxide alterations Mineral distribution maps were created in early 2003 for the following:

- Alunite
- Kaolinite
- Short wavelength white mica
- Long wavelength white mica
- Chlorite
- Opaline silica

Ground geological mapping to a scale of 1:5,000 has now occurred. 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. Follow up chip sampling revealed anomalous results in gold within the iron oxides. The iron oxide group represents "potential" mineral (~haematite, goethite, and jarosite) occurrences. A separation of the iron oxides into haematite and goethite has not yet been successful due to space data noise. Field work to try a separation of these mineral species is planned.

The contents of this news release are based on information prepared by respectively and 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.*

On October 25, 2002 the Directors of Zarcan approved a loan (the "Loan") offered by a company under the control of one of its Directors to Zarcan for a principal amount of $135,000. On December 10, 2002 the Directors of Zarcan approved the amendment of the Loan from the principal amount of $135,000 to $300,000. On May 13, 2003 the Loan was again amended from $300,000 to $450,000. All other terms and conditions of the loan remain unchanged. The proceeds of the loan will be used by Zarcan to fund the continued development of its mineral projects in Iran and for working capital. The Loan is subject to TSX Venture Exchange approval.

Zarcan International Resources Inc. is a Canadian mineral exploration company incorporated in British Columbia, Canada with its head office in Vancouver, British Columbia, with interests in properties located primarily in Iran and Brazil. The Company's common shares trade on the TSX Venture Exchange under trading 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.

"Farrokh Elmieh"
Farrokh Elmieh
President & CEO

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NOTE: If you prefer to receive Zarcan's news through e-mail, please e-mail us at info@zarcan.com