

BC FORM 53-901F

SECURITIES ACT

MATERIAL CHANGE REPORT UNDER SECTION 67(1) OF THE ACT

Item 1. Reporting Issuer

Big Bar Gold Corporation
7542 1ST Street
Burnaby, British Columbia
V3N 3T2

Item 2. Date of Material Change

January 6, 2003

Item 3. Press Release

Press Release dated January 6, 2003 and disseminated to the TSX Venture Exchange, Vancouver Stockwatch Magazine, B.C. Securities Commission and Market News Publishing.

Place of Issuance: Vancouver, British Columbia

Item 4. Summary of Material Change

The Issuer has entered into a licensing agreement with Dalian Xindie Chitin Co Ltd.

Item 5. Full Description of Material Change

The Issuer has entered into a Licensing Agreement dated October 24, 2002 with Dalian Xindie Chitin Co. Ltd. ("Xindie"), a private Chinese company involved in the business of developing and manufacturing chitin products and derivatives. This acquisition constitutes a change of business as defined by TSX Venture Exchange policy.

License Terms

Pursuant to the terms of the Licensing Agreement, Xindie has agreed to grant to the Issuer an exclusive worldwide commercial license to market, distribute and sell all chitin products that Xindie produces and to retain 10% gross proceeds realized from such sales. The Issuer will also receive 10% of the proceeds that Xindie receives from the sale of chitin products to existing customers.

The Issuer shall be responsible for all costs it directly or indirectly incurs in connection with the marketing, sale and use of the chitin products. The license shall be effective for a period of 75 years from closing of the agreement. The Issuer shall have the right to

grant sub-licenses with Xindie's consent.

In consideration of Xindie granting the license, the Issuer has agreed to issue one common share in its capital at a deemed price of \$0.10 each to the shareholders of Xindie for each \$0.10 of revenue that the Issuer earns pursuant to the licensing agreement, to a maximum of 12,000,000 common shares. The licensing agreement is subject to TSX Venture Exchange acceptance occurring by July 2, 2003.

Xindie and Chitin Products

Xindie is involved in the production and sale of chitin and related products. Chitin is a natural polymer extracted from crustacean shells that is used for a variety of commercial applications. Xindie's products include the following:

1. **Chitin (polyacetylamino glucose):** Xindie sells chitin primarily as a heavy metal agent used in environmental protection and wastewater disposal. In recent years, chitin applications have been developed for use in food products, medicines, cosmetics, agriculture and light industry.
2. **Chitosan (polyaminoglucose):** Chitosan is a principal derivative of chitin that is non-toxic, biocompatible and biodegradable. The deacetylated amino groups, when protonized, are responsible for the positive charges that make the chitosan polymer soluble in water systems. The polycationic character of the polymer is also responsible for the charged interactions with anionic surfaces, which are crucial for chitosan's bioadhesive properties and its use in skin and hair care applications. Chitosan not only lacks an allergic effect but also inhibits inflammation processes and promotes regeneration of injured tissues.

High viscosity chitosan is mainly used as a sedimental agent in wastewater disposal and as a concordant agent in collecting metal. Medium viscosity chitosan is widely used in the anti-shrinkage and anti-wrinkle disposal of textile fabric, adhesives in the artificial leather and papermaking industry, medical sutures, artificial blood vessels, artificial kidneys, artificial skin and drug dilutents. Low viscosity chitosan is mainly used as an ingredient in film food packages, oral antacids, hair care products, skin protection cream, dietary supplements and beverages.
3. **N-Acetylamino Glucose:** This substance is used in drug applications for cancer treatment, as well as cholesterol and obesity control.
4. **Amino-Glucose Hydrochloride:** Amino-glucose hydrochloride is used in drug and pharmaceutical applications for cancer treatment, arthritis, gastrointestinal diseases and osteological diseases. It is also used as an ingredient in cosmetics and antioxidants, as well as a growth stimulant for agricultural use.
5. **Amino-Glucose Sulfate Complex:** Amino-glucose sulfate and its compound

salts formed the original drugs for the treatment of rheumatoid arthritis. Research continues on its use for preventing geriatric diseases and obesity, as well as regulating the endocrine system.

6. **N,O Carboxymethyl Chitosan:** This substance is very similar in structure to the natural moisturizing component hyaluronic acid. Its excellent moisturizing function makes it ideal for use in cosmetic products like skin lotion and cream, bath gel and hair mousse. It is also used in the printing, dyeing and papermaking processes.

With a staff of approximately 360 employees and through its wholly-owned 11,800 square metre research and development and manufacturing facility, Xindie produces over 2,000 tons of chitin and related derivative products annually. China's Bank of Communications, Japan's Fuji Bank and the Dalian Credit Rating Commission, a division of the Chinese Ministry of Finance, have all granted the company a Triple A credit rating. As well, Xindie has received ISO certification that its production quality conforms with the ISO 9002:94 Standard.

With its 26-member research and development team, Xindie is committed to funding the research and development of advanced chitin applications and products. To date, Xindie has spent over US\$2,500,000 on the research and development of its chitin series of products, the purchase of research facilities and other research expenditures. Xindie invests 5% of its sales revenue in the research and development of chitin related products. As a result of its continuous research efforts, Xindie has won numerous awards, including a silver medal at the Third International China Science & Technology Fair for its chitin series of products.

Through expansion into new markets and the introduction of new product applications, Xindie has realized more than RMB43 million (approximately CDN\$8.1 million) in annual revenue in each of its past three fiscal years, according to its unaudited figures. In 2001, 93% of Xindie's products were exported, with the United States accounting for approximately 70% of its market.

Xindie's principal shareholder is its President, Mr. Xu Lian Cheng, of Dalian, China. It is anticipated that Mr. Xu will be appointed as a director of Big Bar at closing.

Sponsorship

Kingsdale Capital Markets Inc., subject to its completion of satisfactory due diligence, has agreed to act as sponsor to the Issuer in connection with the transaction. In consideration of acting as sponsor, the Issuer has agreed to pay Kingsdale Capital a sponsorship fee of \$25,000, to issue 10,000 Agent's Warrants exercisable at a price of \$0.10 each for a period of two years and to cover Kingsdale Capital's expenses. An agreement to sponsor should not be construed as any assurance with respect to the merits of the transaction or the likelihood of completion.

Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and disinterested shareholder approval. The transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular to be prepared in connection with the transaction, any information released or received with respect to the change of business may not be accurate or complete and should not be relied upon. Trading in the securities of the Issuer should be considered highly speculative.

The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this release.

Item 6. Reliance on Section 67(2) of the Act

The Issuer is not relying on section 67(2) of the Act.

Item 7. Omitted Information

There is no omitted information.

Item 8. Senior Officers

Greg Yanke, Secretary - Telephone (604) 681-7600.

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at the City of Vancouver, in the Province of British Columbia, this 7th day of January, 2003.

“Greg Yanke”
Greg Yanke, Secretary