SYSCAN INTERNATIONAL INC.

MATERIAL CHANGE REPORT

THIS MATERIAL CHANGE REPORT IS BEING FILED WITH THE APPROPRIATE SECURITIES REGULATORY AUTHORITIES TO COMPLY WITH THE REQUIREMENTS OF SECURITIES LEGISLATION IN ONTARIO, BRITISH COLUMBIA, ALBERTA AND QUEBEC

Item 1. ***Reporting Issuer***

The name of the reporting issuer is Syscan International Inc. (the "Issuer"). Its principal office in Canada is located at 208 Migneron Street, St-Laurent, Quebec Canada H4T 1Y7.

Item 2. ***Date of Material Change***

The material change occurred on July 13, 2005.

Item 3. ***Press Release***

A press release was issued through **Canadian Corporate News** in Montreal, Quebec on July 14, 2005. A copy of the press release as issued is annexed hereto as Schedule "A".

Item 4. ***Summary of Material Change***

The material change is fully described in the press release annexed hereto as Schedule "A".

Item 5. ***Full Description of Material Change***

The material change is fully described in the press release annexed hereto as Schedule "A".

Item 6. ***Reliance on Provisions Permitting the Filing of the Material Change Report on a Confidential Basis***

Not applicable.

Item 7. ***Omitted Information***

Not applicable.

Item 8. ***Senior Officers***

For further information, please contact Axel Striefler, President and Chief Executive Officer, of the Issuer at (514) 521-0482.

Item 9. ***Statement of Senior Officer***

The foregoing accurately discloses the material change referred to herein.

DATED at Montreal, Quebec this 18th day of July, 2005.

SYSCAN INTERNATIONAL INC.

per: (signed)__________________________
Axel Striefler
President and Chief Executive Officer

Schedule "A"

FOR IMMEDIATE RELEASE

SYMBOL: SYA

SYSCAN CLOSES PRIVATE PLACEMENT TO FINANCE GROWTH

Montréal Canada, July 14, 2005 – Syscan International Inc. (the "Corporation") is pleased to announce that it has closed the first tranche of the private placement previously announced on June 23, 2005.

Mr. Axel Striefler, President of the company said, "We are in the early stages of implementing several million dollars in RFID contracts and the addition of these funds as well as those from the next tranche will be of great assistance as the company moves forward in the execution of its plans for strong growth in RFID."

In this tranche the Corporation sold:

(i) 435,000 units via a brokered private placement at a price of $0.40 per unit; and

(ii) 752,500 units via a non-brokered private placement at a price of $0.40 per unit.

Gross proceeds raised by the Corporation on this tranche totaled $475,000. Each unit consists of one common share and one-half of a common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Corporation at $0.50 until July 13, 2007.

At Closing, the Corporation paid the Agent, Loewen, Ondaatje, McCutcheon Limited, the following:

(i) a cash commission equal to 6% of the proceeds on Units sold by the Agent and a 3% cash commission of the proceeds on Units sold by parties other than the Agent or its subagents; and

(ii) broker's options equal to 6% of the number of units sold under the brokered portion of private placement. Each broker's option entitles the holder to purchase one unit of the Corporation at a price of $0.40 until July 13, 2007.

Any hold periods on the common share purchase warrants or the broker's options or the common shares underlying them will expire on November 13, 2005.

The net proceeds of the placements will be used for general working capital purposes.

The company expects to close an additional tranche shortly.

About Syscan

Syscan is a unique supply chain solution provider delivering integrated real time tracking and tracing systems through radio frequency identification (RFID) that help to improve client's results. Its standardized supply chain solutions include traceability, temperature monitoring and quality control methodologies for the food, pharmaceutical and health care sectors.

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

Syscan International Inc.

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