

**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](http://www.zarcan.com)].

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

	<b>Concession Area</b>	<b>Extension</b>	<b>Mineralization</b>
1	Assagie	(N 30° 36’ and E 60° 12’)	Lead, zinc, copper
2	Seyasteragi	(N 30° 35’ and E 60° 27’)	Copper, lead, gold
3	Kuh-e Malusan	(N 30° 00’ and E 60° 04’)	Copper, lead
4	Shoveyn Valley	(N 29° 40’ and E 60° 07’)	Copper, gold
5	Chah Brish	(N 29° 43’ and E 60° 07’)	Copper, gold
6	Shurchah	(N 29° 12’ and E 60° 52’)	Antimony, gold
7	Kharestan	(N 28° 42’ and E 60° 54’)	Copper, zinc, lead
8	Bidester	(N 28° 40’ and E 61° 00’)	Copper, lead
9	Eskalabad	(N 28° 34’ and E 60° 45’)	Gold, lead, zinc
10	Kuten	(N 28° 25’ and E 61° 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](http://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 Zarcán (1998-2001) gave anomalous values in gold, zinc, lead, copper and silver.

In an effort to explore the vast rugged area cost effectively, Zarcán 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 Zarcán approved a loan (the “Loan”) offered by a company under the control of one of its Directors to Zarcán for a principal amount of \$135,000. On December 10, 2002 the Directors of Zarcán 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 Zarcán to fund the continued development of its mineral projects in Iran and for working capital. The Loan is subject to TSX Venture Exchange approval.

Zarcán 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”*

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