

**AMENDED**

**BC FORM 53-901F**

**Securities Act**

**MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE ACT**

**ALBERTA FORM 27**

**MATERIAL CHANGE REPORT UNDER SECTION 118(1)**

**OF THE SECURITIES ACT**

**Item 1. Reporting Issuer**

Thrush Industries Inc.  
Suite 306 – 1140 Homer Street  
Vancouver, B.C.  
V6B 2X6

**Item 2. Date of Material Change**

January 30, 2002

**Item 3. News Release**

February 11, 2002 – Vancouver, B.C.

**Item 4. Summary of Material Change**

The Issuer has entered into six agreements to acquire the option to earn a 100% interest in six properties comprising over 72,000 acres in the Otish Mountains region of Quebec. With the exception of a 1/3 interest in one of the properties, the optionor of all of the properties is Dennis Higgs, the President, CEO and CFO of the Issuer, and/or private companies wholly owned by Mr. Higgs.

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

The Issuer has entered into six agreements covering six property acquisitions which are summarized as follows:

The Lac Leran property totals approximately 15,300 acres (6,200 hectares) and adjoins on the east side of the Ashton Mining of Canada-SOQUEM Inc. discovery property hosting the Renard 1 and Renard 2 kimberlitic rocks. The Issuer has the option to earn a 100% interest in the Lac Leran property, subject to a 2% net smelter return/gross overriding royalty, for a cash payment totalling \$23,000 on or before April 15, 2002 and the issuance of 165,000 common shares. An annual advance royalty payment of \$15,000 is due on or before each anniversary date of the agreement.

The Lac Pigeon property totals approximately 15,400 acres (6,229 hectares) and adjoins on the west side of the Majescor-BHP Portage project approximately 30 kilometres Northwest of the Renard discoveries. Similarly, the Issuer has the

option to earn a 100% interest in the Lac Pigeon property, subject to a 2% net smelter return/gross overriding royalty, for a cash payment of \$23,000 to be made on or before April 15, 2002 and the issuance of 165,000 common shares. An annual advance royalty of \$15,000 is due on or before each anniversary date of the agreement.

The Lac Joubert property totals approximately 4,300 acres (1,757 hectares) and adjoins the Majescor-BHP Portage project to the northeast. The Issuer has the right to acquire a 100% interest in the Lac Joubert property subject to a 2% net smelter return/gross overriding royalty for a cash payment of \$4,341 to be made on or before April 15, 2002.

The Lac Pigeon #2 property totals approximately 5,300 acres (2,133 hectares) and adjoins the Majescor-BHP Portage project to the west approximately 40 kilometres west of the Renard 1 and 2 discoveries. The Issuer has the right to acquire a 100% interest in the Lac Pigeon #2 property subject to a 2% net smelter return/gross overriding royalty, for a cash payment of \$5,271 to be made on or before April 15, 2002.

The Lac Leran #2 property totals approximately 12,900 acres (5,222 hectares) and is located approximately 35 kilometres east-southeast of the Renard 1 and 2 discoveries, adjoining the east-southeast corner of the Majescor-BHP Portage project. The Issuer has the right to acquire a 100% interest in the Lac Leran property subject to a 2% net smelter return/gross overriding royalty, for a cash payment of \$12,904 to be made on or before April 15, 2002.

The Lac Orillat property totals approximately 19,150 acres (7,751 hectares) and adjoins the Majescor-BHP Portage property to the north-northeast approximately 35 kilometres north of the Renard 1 and 2 discoveries, and also adjoins to the west of the Lac Joubert property described above. The Issuer has the right to acquire a 100% interest in the Lac Orillat property subject to a 2% net smelter return/gross overriding royalty for cash payments of \$19,154 to be made on or before April 15, 2002.

Confirmation of title for some of these properties has not yet been received from the government of Quebec. As of February 15, 2002 title for the Lac Leran, Lac Pigeon and Lac Pigeon #2 has been received. The property acquisitions are subject to regulatory and shareholder approvals, and confirmation of title.

Roscoe Postle Associates Inc., Geological and Mining Consultants, has prepared a Technical Report in compliance with National Instrument 43-101 on the properties being acquired.

Dennis Higgs ("Higgs"), the President, CEO, CFO and a director of the Issuer, and/or private companies wholly owned by him, is the optionor of each of the foregoing properties with the exception of a 1/3 interest in the Lac Orillat property. As such, Higgs will receive a total of 330,000 common shares of the

Issuer issued at an aggregate deemed price of \$99,000, cash payments totaling \$80,477 and a 2% net smelter return/gross overriding royalty from each property. Higgs will also receive advance royalty payments totaling \$30,000 per annum, being \$15,000 in respect of each of the Lac Leran and Lac Pigeon properties, until such time as the Issuer terminates its interest in those properties. Higgs' total cost of acquisition of the foregoing properties was \$51,400. Accordingly, Higgs will receive an immediate benefit, in cash and shares, equivalent to \$128,077, and may receive an additional cash benefit arising from the advance royalty payments. The acquisition of 330,000 common shares of the Issuer will increase Higgs' existing shareholding in the Issuer, and the votes attached to such shares will increase his voting influence at shareholders' meetings of the Issuer. Also, if the value of the shares increases Higgs could derive a financial benefit from the sale of the shares.

The Lac Orillat property was acquired jointly by Higgs and Monaco Investment Corp. ("Monaco"), which is wholly owned by Darcy Higgs. Darcy Higgs is an insider of the Issuer by virtue of owning or exercising control or direction over in excess of 10% of the outstanding shares of the Issuer. Monaco will receive \$6,383 from the cash consideration payable by the Issuer for the Lac Orillat property, and is also entitled to a proportionate share of the 2% royalty from the property. Monaco's acquisition cost of the property interest transferred was \$5,000.

The Issuer's business purpose in acquiring the properties is to acquire a stakeholding in an emerging diamond play in the Otish Mountains region of Quebec. Prior to the acquisition, the Issuer was without significant assets, and it is hoped that this acquisition will ultimately improve the Issuer's business prospects and enhance shareholder value. The Issuer intends to raise additional financing hereafter, partially on the strength of having acquired these properties, and to conduct exploration programs on the properties in accordance with the recommendations of qualified personnel.

The proposed acquisition of these properties was fully discussed in informal meetings between Higgs and the independent members of the Issuer's Board of Directors, and the acquisitions were fully endorsed by those independent members. The transactions were formally approved by a resolution of the full Board dated January 30, 2002, with Higgs abstaining from voting.

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

N/A

**Item 7. Omitted Information**

N/A

**Item 8.        Senior Officers**

Dennis L. Higgs (604) 689-1659

**Item 9.        Statement of Senior Officer**

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

**DATED** at Vancouver, B.C., this 19<sup>th</sup> day of February, 2002.

**THRUSH INDUSTRIES INC.**

“Dennis L. Higgs”

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Dennis L. Higgs  
President