

FORM 27

**SECURITIES ACT
British Columbia**

MATERIAL CHANGE REPORTS UNDER SECTION 85(1) OF THE ACT

[NOTE: Every report required to be filed under Section 85(1) of the Act shall be sent to the Commission in an envelope addressed to the Commission and marked "Continuous Disclosure".]

[NOTE: Where this report is filed on a confidential basis, put at the beginning of the report in block capitals "CONFIDENTIAL - SECTION 85", and everything that is required to be filed shall be placed in an envelope addressed to the Secretary of the Commission marked "CONFIDENTIAL".]

1. REPORTING ISSUER

Full Name of the Issuer:

DAREN INDUSTRIES LTD.

The address of the principal office in Canada of the reporting issuer is as follows:

701 - 675 West Hastings Street
Vancouver, BC V6B 1N2
PHONE: (604) 0755

2. DATE OF MATERIAL CHANGE

February 29, 2000; June 15, 2000; July 19, 2000; July 26, 2000.

3. PRESS RELEASE

The date and place(s) of issuance of the press release issued pursuant to Section 85(1) of the Act are as follows:

August 4, 2000

The Press Release was released to the Canadian Venture Exchange, being the only exchange upon which the shares of the Issuer are listed, and through various other approved public media.

4. SUMMARY OF MATERIAL CHANGE(s)

A summary of the nature and substance of the material changes are as follows:

The Company completed its previously announced private placement of 1,055,000 special warrants.

An Alberta corporation ("AC"), agreed to lend to Hanson Lake Sand Corp. ("HLSC"), a Saskatchewan corporation and a wholly owned subsidiary of Daren Industries Ltd. which owns the Hanson Lake Silica project in Saskatchewan (the "Project"), the sum of \$1,350,000.

Daren is desirous of selling, assigning and transferring to Hanson Lake Sand Corp. (HLSC) all of the assets comprising the Hanson Lake Silica Project.

5. FULL DESCRIPTION OF MATERIAL CHANGE

CLOSE PRIVATE PLACEMENT 1,055,000 @ \$0.15 SPECIAL WARRANTS

On July 31, 2000 the Company closed the private placement of 1,055,000 special warrants ("the special warrants") at \$0.15 per Special Warrant announced on February 29, 2000. Each Special Warrant is convertible, without payment of any additional consideration, into one unit of the Company (a "Unit"), each unit being comprised of one common share (a "Share") and one common share purchase warrant (a "Warrant"). Each Warrant is exercisable to acquire one further common share (a "Warrant Share") at a price of \$0.25 per Warrant Share until July 31, 2001. The gross proceeds of \$158,250 from the sale of the Special Warrants will be used to enable the Company to fund ongoing development of the Hanson Lake Silica Project, Saskatchewan and for general working capital.

GUARANTEE OF THE OBLIGATIONS OF HANSON LAKE SAND CORP. TO AN ALBERTA CORPORATION

An agreement dated for reference July 19, 2000 (the "Loan Agreement"), an Alberta corporation ("AC"), agreed to lend to Hanson Lake Sand Corp. ("HLSC"), a Saskatchewan corporation and a wholly owned subsidiary of Daren Industries Ltd. which owns the Hanson Lake Silica project in Saskatchewan (the "Project"), the sum of \$1,350,000 to be used by HLSC in connection with the construction and operation of a pilot plant to produce and market sand from the Project;

One of the conditions precedent to the advance of funds by the Alberta corporation to HLSC under the Loan Agreement is the delivery by Daren of an unlimited guarantee by the Company (the "Guarantee") to AC of the obligations of HLSC to AC pursuant to the Loan Agreement;

TRANSFER OF HANSON LAKE SILICA PROJECT TO HANSON LAKE SAND CORP.

The Company holds certain rights, permits, agreements and authorizations to explore for, develop, extract and market silica sand from certain lands in the Province of Saskatchewan (collectively referred to as the “Hanson Lake Silica Project”), and has incurred certain liabilities and obligations with respect to the Hanson Lake Silica Project with respect to, *inter alia*, reclamation obligations, the building of an access road and the procuring of equipment to process sand;

The Company is desirous of raising funds to construct and operate a pilot plant at the Hanson Lake Silica Project and to sell and market the sand produced thereby and, after consultations with its advisors, considers that the optimum approach to securing such funding is to operate the Hanson Lake Silica Project as a stand-alone project through a Saskatchewan corporation;

Daren has caused to be incorporated a Saskatchewan corporation under the name “Hanson Lake Sand Corp.” (“HLSC”) as a wholly owned subsidiary, and is desirous of selling, assigning and transferring to HLSC all of the assets comprising the Hanson Lake Silica Project in consideration HLSC issuing additional common shares in its capital to the Company and assuming all of the obligations and liabilities associated with the Hanson Lake Silica Project, as well as acknowledging itself indebted to the Company as and by way of a shareholder’s loan in an amount representing expenditures made by the Company in connection with the Hanson Lake Silica Project, the benefits of which will be enjoyed by HLSC.

6. RELIANCE ON SECTION 85(2) OF THE ACT

Not Applicable

7. OMITTED INFORMATION

Not Applicable

8. SENIOR OFFICER

The following senior officer of the Issuer is knowledgeable about the material change and may be contacted by the Commission at the following telephone number:

Joseph Montgomery
PHONE: (604) 684-0755

9. STATEMENT OF SENIOR OFFICER

The foregoing accurately discloses the material change(s) referred to herein.

DATED at Vancouver, British Columbia, this 9th day of August, 2000.

“Joseph H. Montgomery”
Dr. Joseph Montgomery, President
and Director

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