

**BCF 53-901F
Form 27**

Securities Act

**MATERIAL CHANGE REPORT UNDER
SECTION 85(1) OF THE SECURITIES ACT OF BRITISH COLUMBIA (the "Act")**

Item 1. Reporting Issuer

DAREN INDUSTRIES LTD.
611-675 West Hastings Street
Vancouver, British Columbia
V6B 1N2

Item 2. Date of Material Change:

February 20, 2002

Item 3. Press Release

The Issuer issued a press release on February 20, 2002 to the Canadian Venture Exchange.

Item 4. Summary and Full Description of Material Change

The Issuer announced that it is unable to make further payments under existing loans agreements and has received notice of intent to enforce the general security agreement. Further, the Issuer has signed a Memorandum of Understanding with a third party for restructuring. Dennis Milburn resigned as a director of the Issuer.

Item. 5 Full Description of Material Change

The Issuer announced that its wholly owned subsidiary Hanson Lake Sand Corp. is unable to make further payments under existing loans agreements put forth to establish a silica sand operation in central east Saskatchewan or the loan/lease agreements for the associated equipment. All the present property of Hanson Lake Sand Corp. is secured by these loan agreements and guaranteed by the Issuer. The Issuer has received notice of intent to enforce the general security agreements put forth by the Issuer for these loan agreements. This enforcement could take place anytime on or after February 23, 2002.

The Issuer has entered into a Memorandum of Understanding with a third party that continues to provide a possibility of a restructuring, however, negotiations have been delayed a couple of weeks. It is unclear if Hanson Lake Sand Corp.'s debtors will await the outcome of those negotiations, however, the Issuer's major creditors are currently supporting the ongoing efforts to restructure the Issuer's debt.

The Issuer also announced that Mr. Dennis Milburn has resigned as a director of the Issuer.

Item 6. Reliance on Section 85(2) of the Act

Not applicable. This report is not being filed on a confidential basis.

Item 7. Omitted Information

Not applicable.

Item 8. Senior Officers

Stephen Pearce
Director and Corporate Secretary
Telephone: (604) 685-2222

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material changes referred to herein.

Dated at Vancouver, British Columbia this 20th day of February, 2002.

 “Stephen Pearce”
Stephen Pearce, Director and Corporate Secretary