

This is the form of a material change report required under Section 85(1) of the *Securities Act* and section 151 of the *Securities Rules*.

FORM 53-901F

SECURITIES ACT

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

NOTE: This form is intended as a guideline. A letter or other document may be used if the substantive requirements of this form are complied with.

NOTE: Every report required to be filed under section 85(1) of the *Securities Act* (the "Act") must be sent to the British Columbia Securities Commission (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 PLACE EVERYTHING THAT IS REQUIRED TO BE FILED IN AN ENVELOPE ADDRESSED TO THE SECRETARY OF THE COMMISSION MARKED "CONFIDENTIAL."

Item 1. Reporting Issuer

State the full name and address of the principal office in Canada of the reporting issuer.

Sourcesmith Industries Inc.
Suite 314 - 255 West First Street
North Vancouver, BC
V7M 3G8

Item 2. Date of Material Change

September 18, 2001

Item 3. Press Release

State the date and place(s) of issuance of the press release issued under Section 85(1) of the Act.

A News Release dated and issued September 18, 2001 at Vancouver, BC, through Canada Stockwatch, Market News, Canadian News Wire (CNW), and the Canadian Venture Exchange.

Item 4. Summary of Material Change

Provide a brief but accurate summary of the nature and substance of the material change.

See news release, a copy of which is attached hereto.

Item 5. Full Description of Material Change

Supplement the summary required under Item 4 with the disclosure that should be sufficiently complete to enable a reader to appreciate the significance of the material change without reference to other materials. Management is in the best position to determine what facts are significant and must disclose those facts in a meaningful manner. See also Item 7.

This description of the significant facts relating to the material change will therefore include some or all of the following: dates, parties, terms and conditions, description of any assets, liabilities or capital affected, purpose, financial or dollar values, reasons for the change, and a general comment on the probable impact on the reporting issuer or its subsidiaries. Specific financial forecasts would not normally be required to comply with this form.

The above list merely describes examples of some of the facts which may be significant. The list is not intended to be inclusive or exhaustive of the information required in any particular situation.

See news release, a copy of which is attached hereto.

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

If the report is being filed on a confidential basis in reliance on Section 85(2) of the Act, state the reasons for such reliance.

INSTRUCTIONS:

Refer to Section 85(3) of the Act concerning continuing obligations regarding reports filed under this subsection.

Not applicable.

Item 7. Omitted Information

In certain circumstances where a material change has occurred and a material change report has been or is about to be filed but Section 85(3) of the Act will no longer or will not be relied upon, a reporting issuer may nevertheless believe one or more significant facts otherwise required to be disclosed in the material change report should remain confidential and not be disclosed or not be disclosed in full detail in the material change report.

State whether any information has been omitted on this basis and provide the reasons for any such omission in sufficient detail to permit the Commission to exercise its discretion pursuant to Section 169(4) of the Act.

The reasons for the omission may be contained in a separate letter filed as provided in Section 151 of the Rules.

Not applicable.

Item 8. Senior Officers

Give the name and business telephone number of a senior officer of the reporting issuer who is knowledgeable about the material change and the report or an officer through whom the Commission may contact that senior officer.

Barry Swanson, President. Telephone: (604) 988-6370.

Item 9. Statement of Senior Officer

Include a statement in the following form signed by a senior officer of the reporting issuer:

"The foregoing accurately discloses the material change referred to herein".

Also include date and place of making the statement.

I hereby certify the foregoing accurately discloses the material change referred to herein:

SIGNED:	<u>"Barry Swanson"</u> Barry Swanson
OFFICE HELD:	President
DATED:	North Vancouver, British Columbia, on September 18, 2001.



FOR IMMEDIATE RELEASE

September 18, 2001

NEWS RELEASE

NBC Olympics chooses Sourcesmith's Resource Access Module for Security Badge System

North Vancouver, BC – Sourcesmith Industries Inc. (CDNX: SSM), a growing leader in Asset Resource Management, has been chosen by the NBC Olympics IT team to provide a software solution which will print and track security badges for their facilities as part of their overall security system at the upcoming Salt Lake City 2002 Winter Olympic Games.

To broadcast the Olympics, NBC needs a powerful yet flexible system to manage the mammoth tasks of tracking \$45 million of equipment, compiling on-air components such as event results and statistics, paying, housing, and feeding over 2,000 staffers.

NBC Olympics will employ the Resource Framework's Access module to produce identification badges at their facilities. By accepting any digital input (e.g. digital camera, scanner) and applying that picture to a user designed plastic badge, the module provides barcode elements and "smart card" capabilities.

Craig Lau, Director of IT, for NBC Olympics Inc., said "We regard Sourcesmith as an extension of NBC Olympics IT team, so it was a natural choice to bring them our business requirements. Once again they provided us with a solution that we can and will implement immediately."

Barry Swanson President and CEO of Sourcesmith noted, "This is an excellent example of leveraging a partner's need to add value to our core product line. Resource Framework now has the ability to enhance an organization's ability to track people and assets with the addition of the Access module."

Resource Access module is a Microsoft® Windows 2000® based software solution for ID badge design and management as well as a fully featured RFID application. As part of the Resource Framework™ suite, the Access module allows users to create ID badges, capture photographs, signatures, and maintain a secure database of cardholder information. Support for active or passive radio frequency tags enables automatic tracking of employees or assets.

Like the other modules within the Resource Framework portfolio suite, the Resource Access Module ships with Visual Basic® for Applications (VBA) built-in to permit customization and to facilitate communication with third-party products. Utilizing the VBA functionality, the Access Module can be integrated with compatible access control, human resources and time and attendance software.

For more information refer to our website at www.sourcesmith.com or contact:

Marketing Contact:
Stephanie Louie
Marketing Manager
(604) 988-6370 extension 105
stephanie@sourcesmith.com

Investor Relations:
Gordie Campbell
1-800-616-3431 extension 210
Cell: 604-657-6151
gordie@sourcesmith.com