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

November 12, 2002

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 November 12, 2002 at Vancouver, BC, through Canada Stockwatch, Market News and the TSX 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. *<u>Senior Officers</u>*

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.

David Austin, Director. Telephone: (604) 988-6370.

Item 9. *<u>Statement of Senior Officer</u>*

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:	"*David Austin*" ____________________________ David Austin
OFFICE HELD:	Director
DATED:	Vancouver, British Columbia, on November 12, 2002.

sourcesmith
INDUSTRIES INC

News Release

November 12, 2002

North Vancouver, B.C. – Sourcesmith Industries Inc. (SSM:CDNX) wishes to announce that it has entered into an interim letter agreement with BarCode Systems Inc. ("*BarCode*")pursuant to which the parties agree to operate the business of the Company jointly. BarCode Systems Inc. is a distributor of bar code solutions and services throughout North America.

Under the terms of the agreements, the Company will transfer its current assets and business to a wholly-owned subsidiary ("*SubCo*") and the parties will jointly carry on the business of the Company under SubCo. SubCo will enter into a management agreement with BarCode pursuant to which BarCode will agree to assume responsibility for the management and marketing of the business of the Company while at the same time ensuring that it has support for the products it sells on behalf of the Company. In consideration for its services, BarCode will receive a 5% interest in SubCo. As additional consideration, BarCode will have an option to purchase an additional 10% interest in SubCo for $1.00 after two years subject to SubCo having obtained certain milestones and sales levels. The Company will provide a minimum of $100,000 in funding for SubCo by November 30, 2002, and the Company will be responsible for providing additional funds as required and to keep a minimum of two months of working capital on hand at all times. The Company will fund up to $500,000 of the expenses of SubCo, including certain management costs of BarCode. The Board of Directors of SubCo will consist of three directors, two of whom will represent the Company and one of whom will represent BarCode.

The interim letter agreement is subject to execution of a formal agreement, the failure of which will result in the interim letter agreement becoming null and void.

Sourcesmith Industries Inc.
per:

"Barry Swanson"
Director

#314, 255 West 1st Street, North Vancouver, BC V7M 3G8 Phone: 604.988.6370 Fax: 604.988.3972
Email: investor@sourcesmith.com Website: www.sourcesmith.com