

SECURITIES AND EXCHANGE COMMISSION

FORM SB-2/A

Optional form for registration of securities to be sold to the public by small business issuers
[amend]

Filing Date: **2001-02-02**
SEC Accession No. **0000950134-01-000677**

([HTML Version](#) on secdatabase.com)

FILER

INDUSTRIALEX MANUFACTURING CORP

CIK: **1114627** | State of Incorporation: **CO** | Fiscal Year End: **1231**
Type: **SB-2/A** | Act: **33** | File No.: **333-43732** | Film No.: **1523923**
SIC: **3470** Coating, engraving & allied services

Mailing Address
63-A SOUTH PRATT PKWY
LONGMONT CO 80501

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3036516672

SUBJECT TO COMPLETION, DATED FEBRUARY 2, 2001

REGISTRATION NO. 333-43732

U.S. SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

AMENDMENT NO. 4 TO

FORM SB-2

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

INDUSTRIALEX MANUFACTURING CORP.

(Exact name of small business issuer as specified in its charter)

<TABLE>		
<S>	<C>	<C>
COLORADO	3479	84-145-4260
(State or jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)
63-A S. PRATT PARKWAY	63-A S. PRATT PARKWAY	AHMAD AKRAMI
LONGMONT, COLORADO 80501	LONGMONT, COLORADO 80501	63-A S. PRATT PARKWAY
(303) 651-6672	(303) 651-6672	LONGMONT, COLORADO 80501
(Address and telephone number of principal executive offices)	(Address of principal place of business)	(303) 651-6672
		(Name, address and telephone number of agent for service)
</TABLE>		

Copies to:

LESTER R. WOODWARD, ESQ.
 ROBERT P. ATTAI, ESQ.
 DAVIS, GRAHAM & STUBBS LLP
 370 SEVENTEENTH STREET, SUITE 4700
 DENVER, COLORADO 80202
 (303) 892-9400

APPROXIMATE DATE OF PROPOSED SALE TO PUBLIC:

As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. [X]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration for the same offering. []

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. []

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER SHARE (3)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE (3)	AMOUNT OF REGISTRATION FEE
Common Stock, par value \$.01 per share...	6,428,667 (1)	\$0.75	\$4,821,500	\$1,205*
Common Stock, par value \$.01 per share...	3,321,667 (2)	\$1.25	\$4,152,084	\$1,038*

- (1) 3,321,667 of the securities registered hereunder are to be offered in the form of Units consisting of one share of common stock and one common stock purchase warrant.
- (2) Includes 3,321,667 shares issuable as part of the Units.
- (3) Estimated solely for the purpose of calculating the registration fee, based upon the expected price at which the shares of common stock, \$.01 par value, are to be offered.

* previously paid

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

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EXPLANATORY NOTE

This registration statement covers (a) the primary public offering by Industrialex of 2,966,667 units, including 300,000 units issuable pursuant to an over-allotment option, consisting of one share of common stock, \$.01 par value and one share purchase warrant exercisable for one share of common stock for two years from the date of the initial public offering at a price of \$1.00 in the first year and \$1.25 in the second year; (b) 125,000 units paid to the placement agent in Canada, Thomson Kernaghan & Co. Limited, as a corporate fee for acting as lead agent in the offering in Canada; (c) 230,000 units underlying warrants to be issued to Thomson Kernaghan & Co. Limited in consideration of Thomson Kernaghan & Co. Limited's best efforts to sell up to 2,300,000 of the units, including the over-allotment units, in the offering in Canada; and (d) the concurrent offering on a delayed basis by certain selling stockholders of Industrialex of 3,107,000 shares of common stock issuable upon exercise of warrants and special warrants. The initial public offering prospectus covers the shares being offered by Industrialex. A separate selling stockholders prospectus will be used by the selling stockholders in connection with an offering by them for their accounts of up to 3,107,000 shares of common stock. The selling stockholders prospectus is identical to the initial public offering prospectus, except for (1) alternate front and back cover pages, which alternate cover pages are noted in the registration statement, (2) the sections entitled "Summary," "Use of Proceeds," "Plan of Distribution" and "Risk Factors" which alternate sections are indicated in the registration statement, and (3) the sections entitled "Determination of Offering Price" and "Dilution" which sections shall appear only in the initial public offering prospectus.

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THIS INFORMATION IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT DELIVER THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION, DATED FEBRUARY 2, 2001

INITIAL PUBLIC OFFERING PROSPECTUS

2,666,667 Units

[INDUSTRIALEX MANUFACTURING LOGO]

Each unit consists of one share of common stock, \$.01 par value and one common stock purchase warrant. Each warrant entitles the holder to purchase one share of common stock for two years from the close of the initial public offering at a price of \$1.00 in the first year and \$1.25 in the second year.

OFFERING CONTINGENT UPON LISTING ON CANADIAN VENTURE EXCHANGE

Prior to this offering there has been no market for the common stock, the units or the warrants. Before offers to sell units are made in Canada or the United States, the shares of Industrialex common stock must have been approved for listing on the facilities of the Canadian Venture Exchange. Industrialex common stock has never been listed on any national securities exchange, and there is no present intention to list on any exchange other than the Canadian Venture Exchange.

PARTIALLY SOLD BY THOMSON KERNAGHAN & CO. LIMITED IN CANADA ONLY

Thomson Kernaghan & Co. Limited, Industrialex's agent, has entered into a best efforts commitment agreement to sell up to 2,000,000 of the units in this public offering to investors in Canada only at a price of \$0.75 per unit. There is no minimum amount that is required to be sold in this offering. As partial consideration for acting as underwriter for the offering of units to investors in Canada, Industrialex will issue to Thomson Kernaghan & Co. Limited 125,000 units and issue a warrant to purchase up to 200,000 units. All 325,000 units are being registered pursuant to the registration statement. The offering in Canada will close no later than March 14, 2001.

SALES IN THE UNITED STATES BY INDUSTRIALEX

Industrialex will sell up to 666,667 of the units in this public offering directly to investors in the United States at a price of \$.75 per unit. There is no minimum amount that is required to be sold in this offering. The offering of these 666,667 units will terminate no later than March 14, 2001. Thomson Kernaghan & Co. Limited is not licensed to sell securities in the United States and is not involved in the offering of the units in the United States.

SALES BY SELLING STOCKHOLDERS

Industrialex is concurrently registering 3,107,000 shares of its common stock on behalf of selling stockholders.

<TABLE>
<CAPTION>

	TOTAL	PER UNIT
	-----	-----
<S>	<C>	<C>
Public offering price (aggregate proceeds)	\$2,000,000	\$0.75
Underwriter commissions*	\$ 150,000	\$0.10
Proceeds	\$1,850,000	\$0.65

</TABLE>

* assuming the over-allotment option is not exercised.

THE UNITS OFFERED HEREBY INVOLVE A HIGH DEGREE OF RISK. SEE "RISK FACTORS" LOCATED AT PAGES 2 TO 4.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is o, 2001

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SUMMARY

BUSINESS OF INDUSTRIALEX:

Industrialex is a provider of protective coating services to various manufacturing industries. Our services include the application of chemical adhesions to four categories of products: metal, plastic, glass and printed circuit board assemblies. The chemical process that we use provides many benefits such as enhanced aesthetics and protection from hostile environments, corrosion and electrostatic discharge.

Our principal office is located at 63-A S. Pratt Parkway; Longmont, Colorado 80501. The telephone number is (303) 651-6672.

OFFERING:

The registration statement covers the following securities:

- o Up to 2,000,000 units to be sold to investors in Canada pursuant to a best efforts commitment by Thomson Kernaghan &

Co. Limited. Each unit consists of one share of common stock and one common stock purchase warrant that entitles the holder to purchase one share of common stock for two years from the close of the initial public offering at a price of \$1.00 for the first year and \$1.25 for the second year.

- o Up to 666,667 units to be sold directly to investors in the United States by Industrialex.

- o 325,000 units, 200,000 of which are issuable pursuant to warrants to be issued to Thomson Kernaghan & Co. Limited as partial consideration for acting as underwriter for the offering of up to 2,000,000 units to investors in Canada.

- o 3,107,000 shares of common stock underlying warrants and special warrants to be offered and sold by selling securityholders identified in a separate prospectus.

Upon completion of the offering, there will be approximately 9,888,667 shares of common stock issued and outstanding. In addition, Industrialex has issued warrants pursuant to which up to 3,856,667 shares may be issued in the future.

USE OF PROCEEDS:

If all of the units offered are sold, then the gross proceeds from this offering will be \$2,000,000. The gross proceeds from the offering will be used to pay the costs of this offering, establish new manufacturing facilities, and pay off continuing payment obligations from previous acquisitions.

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RISK FACTORS

An investment in Industrialex involves certain risks. Prospective investors should carefully consider the following risk factors, in addition to all of the other information in this prospectus, in determining whether to purchase shares of Industrialex stock.

OUR BUSINESS MODEL IS BASED ON ACQUIRING EXISTING COATING COMPANIES AND CONSOLIDATING, AND WE MAY FAIL TO ACHIEVE THE BENEFITS OF INTEGRATING OPERATIONS FROM ACQUIRED COMPANIES.

Industrialex's success depends upon our ability to successfully integrate the operations of Industrialex, Broomfield Industrial Painting, Inc., Decorative & Coating Systems, Inc., Screen Tech Graphics, Inc. and future acquisitions. There can be no assurance that past or future acquisitions will increase production capacity, provide for improved economies of scale, improve gross profit margins or reduce consolidated expenses as anticipated. In addition, there can be no assurance that we will create a common interface for the overall support of the several production lines, or that we will be able to market previously separate product lines. Acquisitions also require increased capacity through installation of new automated equipment. Failure to increase capacity could inhibit our ability to grow as planned.

THE LOSS OF KEY PERSONNEL, ESPECIALLY IF WITHOUT ADVANCE NOTICE, OR THE INABILITY TO HIRE OR RETAIN QUALIFIED PERSONNEL, COULD HAVE A MATERIAL ADVERSE EFFECT UPON OUR BUSINESS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Our future success depends in significant part upon the continued

service of certain key management personnel. Key personnel of Industrialex include Ahmad Akrami, Michael Scott Robidart, Gary Landgren, Joseph Triolo, Jr., Stephen King, Vincent DiNapoli and Mark Trawinski. Industrialex has entered into employment agreements with all key personnel. All of the agreements contain confidentiality provisions that are unrestricted as to time, and non-competition and non-solicitation provisions.

Competition for such personnel is particularly intense in the coating industry, and there can be no assurance that Industrialex can retain its key personnel or that it can attract, assimilate or retain other highly qualified personnel in the future.

WE RELY ON SALES TO A SMALL NUMBER OF CUSTOMERS, THE LOSS OF ANY ONE OF WHICH COULD HAVE AN ADVERSE IMPACT ON REVENUES.

We derive a substantial portion of our revenue from a limited number of customers, the loss of any one of which could adversely impact our operations. For the nine months ended September 30, 2000, the five largest customers of Industrialex and its subsidiaries represented 31% of total revenues. We anticipate that our operating results will continue to depend on sales to a relatively small number of customers. None of our current customers has any minimum purchase obligations, and they may stop placing orders with us at any time, regardless of any forecast they may have previously provided.

EVEN WITH THE PROCEEDS FROM THIS OFFERING, WE MAY NOT HAVE SUFFICIENT FUNDS TO COVER NECESSARY EXPENSES.

There can be no assurance that cash flow from operations together with working capital and net proceeds from this offering will be sufficient to fully fund the planned expansion of our operations. If necessary, we may seek additional funds through equity or debt financing. There can be no assurance that

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additional financing will be available when needed or on terms acceptable to us. If adequate funds are not available, we may need to delay or cancel planned acquisitions or expansion of operations.

THE POTENTIAL SUPPLY OF MARKETABLE SHARES FOR IMMEDIATE SALE MAY ADVERSELY IMPACT THE MARKET PRICE OF THE SHARES.

Concurrently with the registration of the units and shares offered under this prospectus, Industrialex has registered under the U.S. securities laws 3,107,000 shares of its common stock that are presently owned by our stockholders, or that underlie special warrants. If a significant portion of those shares are offered for sale within a short period of time, the price of the shares in the market would likely decline. As of the date of this prospectus, we have not yet issued any of the shares underlying special warrants. If the supply substantially exceeds the demand, it might become impossible to find buyers for all the units that are being offered, which would likely further depress the price and, perhaps, make it impossible for you to sell all of your shares as quickly as you may desire. In addition, the Selling Securityholders are offering almost as many shares at the market price as we are trying to sell at a fixed price. As a result, we may have difficulty selling the units, because the Selling Securityholders may sell shares at a price that is below the unit price.

DILUTION

The following sets forth the dilution per share as of December 31, 2000 after giving effect to this offering.

<TABLE>	<C>	<C>
<S>		\$
Effective price of shares of common stock offered hereunder:		0.75
Pro forma combined net tangible book value per share before the offering:	(0.016)	
Increase in pro forma combined net tangible book value per share attributable to the offering:	0.165	
Pro forma combined net tangible book value after the offering:		0.149
Dilution to investor:		0.601
Dilution to investor (as a percentage):		60.10%
</TABLE>		

The following sets forth the dilution per share as of December 31, 2000 after giving effect to this offering and the exercise of all special warrants that have been issued in the private placement and business acquisitions.

<TABLE>		
<S>	<C>	<C>
Effective price of common stock offered hereunder:		\$ 0.75
Pro forma combined net tangible book value per share assuming exercise of all special warrants prior to the offering:	(\$ 0.008)	
Increase in pro forma net tangible book value per share attributable to the offering:	\$ 0.100	
Pro forma combined net tangible book value after the offering:	\$ 0.092	\$ 0.092

Dilution to investor:		\$ 0.658
Dilution to investor (as a percentage):		65.8%
</TABLE>		

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USE OF PROCEEDS

The gross proceeds from this offering in both Canada and the United States will be up to \$2,000,000, assuming the over-allotment option is not exercised. From these proceeds, Industrialex will pay an aggregate commission of \$150,000 to Thomson Kernaghan for sales of units in Canada. After deducting the commission and prior to expenses of the offering, the net proceeds from this offering will be \$1,850,000. The gross proceeds from the offering will be used as follows if 100%, 75% or 50% of the maximum offering is sold:

<TABLE>			
<CAPTION>			
	100%	75%	50%
	-----	-----	-----
<S>	<C>	<C>	<C>
Funds available:	\$2,000,000	\$1,500,000	\$1,000,000
	=====	=====	=====
Proposed uses:			
Additional costs of this offering:			
Legal fees	\$ 162,000	\$ 162,000	\$ 162,000
Accounting fees	150,000	150,000	150,000
Printing	10,000	10,000	10,000
Other	28,000	28,000	28,000
Agent's work fee	18,000	18,000	18,000
Agent's commission	150,000	100,000	50,000
Agent's special warrant fee	50,000	50,000	50,000
Cost of setting up new facility	122,000		
Note Payable for Decorative acquisition	700,000	524,733	284,275
Note Payable for Screen Tech acquisition	610,000	457,267	247,725
	-----	-----	-----
	\$2,000,000	\$1,500,000	\$1,000,000
	=====	=====	=====
</TABLE>			

If Thomson Kernaghan exercises its option to solicit and accept subscriptions for up to 300,000 additional units at a price of \$0.75 per unit, we will receive additional gross proceeds of up to \$225,000 and pay an aggregate commission of up to \$22,500. The net proceeds from any exercise of the over-allotment exercise will be applied pro rata to repayment of Notes Payable for the Decorative and Screen Tech acquisitions.

If Thomson Kernaghan exercises its warrant to purchase up to 200,000 units at a price of \$0.75 per unit, Industrialex will receive additional proceeds of up to \$150,000. In addition, if Thomson Kernaghan exercises the warrants included in each unit issued as the corporate finance fee and the lead agent warrant, then we will receive additional proceeds of up to \$325,000 if the warrants are exercised during the first year following the date of this offering and up to \$406,250 if the warrants are exercised during the second year following the date of this offering. If Thomson Kernaghan exercises these warrants, the proceeds will also be added to Industrialex's working capital. Management intends to invest the net proceeds in money market funds until such time as those proceeds are required for the uses discussed above.

If the holders of the warrants included in each unit sold in this offering exercise the warrants, Industrialex will receive additional proceeds of up to \$2,666,667 if the warrants are exercised during the first year following the date of this offering and \$3,333,334 if the warrants are exercised during the second year following the date of this offering which will also be added to Industrialex's working capital.

DESCRIPTION OF INDUSTRIALEX

Industrial Services LLC was formed under the laws of the State of Colorado on September 23, 1994. In 1997 it changed its name to Industrialex Manufacturing LLC. On December 30, 1999, New Industrial Manufacturing Corp. was formed under the laws of the State of Colorado for the purpose of acquiring Industrial Manufacturing LLC. On January 19, 2000 Industrial Manufacturing LLC was merged into New Industrial Manufacturing Corp. and New Industrial Manufacturing Corp. changed its name to Industrialex Manufacturing Corp.

Our principal office is located at 63-A S. Pratt Parkway, Longmont, Colorado 80501. The telephone number is (303) 651-6672.

DESCRIPTION OF BUSINESS

INTRODUCTION

In recent years, the outsourced manufacturing or contract manufacturing industry has witnessed tremendous growth as product manufacturers move to transfer their manufacturing requirements to outside companies in order to concentrate their efforts on their core business. Technology companies are focusing their efforts on developing and marketing their products and contract with other companies to manufacture their products. This trend has created a multi-billion dollar a year market opportunity. Several major telecommunications companies, including Lucent Technologies Inc., Motorola Inc. and Nortel Networks Corp. have recently announced dramatic increases in outsourcing their manufacturing process. These telecom companies join the ranks of other big electronics and computer system and component makers that have already realized that letting another company assemble their products is an excellent way to keep costs under control and margins high.

Products with protective coated materials have become commonplace and range from metal lawn furniture to computers to cell phones. Major markets for coatings include motor vehicles, appliances, furniture, industrial equipment, consumer goods and electronics.

Protective coating is one step in the manufacturing of components in the contract manufacturing industry, all of which require 24 hour to 48 hour turn-around. In describing the electronics manufacturing services industry in the October 25, 1999 issue of Fortune Magazine, Jim Savage, an analyst at Thomas Weisel, stated that "what was a \$90 billion industry in 1998 will be a \$200 billion by 2001." Based on management's estimate that 1% of the cost of manufacturing of a product is the cost of protective coating, we estimate that the market for protective coating services could grow from \$900 million in 1998 to \$2.0 billion by 2001. Industrialex already provides protective coating services of conformal coating, shielding, powder coating, liquid painting and is planning to combine these operations under one automated plant in order to avoid capacity restraints of the various existing smaller facilities.

Indrialex is a provider of protective coating services to a broad range of companies in the manufacturing industry. Our services include conformal coating, shielding, powder coating, liquid painting and screen printing. The specific markets served by Industrialex include the following:

- o high technology,
- o medical,
- o aerospace,
- o defense,
- o consumer electronics,
- o data storage,
- o semiconductor
- o transportation, and

- o general manufactured goods.

Our services include the application of chemical adhesions to four categories of general products:

- o metal,
- o plastic,
- o glass, and
- o printed circuit board assemblies.

These various adhesion processes provide many benefits including enhanced general aesthetics and protection from a hostile environment, corrosion, and electrostatic discharge. Management believes there are approximately 14 private companies in the coating sector comparable to Industrialex in Colorado, ranging in size up to \$2,000,000 in annual gross sales.

Industrialex began operations in Longmont, Colorado, initially focusing on the provision of conformal coating applications, primarily using silicon, for painted circuit board assemblies. These services were subsequently expanded to provide potting and electro-magnetic interference/radio frequency interference shielding applications of painted circuit board assemblies. Electro-magnetic interference/radio frequency interference shieldings are designed to be conductive and maintain conductivity and to protect internal and external sources from the emissions of electromagnetic interference and radio frequency interference. In 1997, Industrialex expanded its conformal coating applications to include using urethane and acrylic by opening a facility in Mead, Colorado. In addition to providing a full spectrum of coating applications for painted circuit board assembly products, the Mead facility was equipped to provide powder coating services for metal products.

On April 4, 2000, Industrialex acquired Broomfield Industrial Painting, Inc., located in Westminster, Colorado. Founded in 1983, Broomfield has been in the business of providing industrial finishing to metal products for the high technology, medical and aerospace industries, utilizing liquid paint and powder coating applications. As a result of this acquisition, our service offering expanded into liquid painting of metal and plastic products. In 1999, Broomfield generated sales of approximately \$993,000.

On May 1, 2000, Industrialex acquired Decorative & Coating Systems, Inc., located in Denver, Colorado. Founded in 1976, Decorative was the first company to provide powder coating services in the State of Colorado. As a result of this acquisition, Industrialex's service offering of powder coating applications for metal products were significantly enhanced. In 1999, Decorative generated sales of approximately \$1,353,000.

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On July 17, 2000, Industrialex acquired Screen Tech Graphics, Inc., located in Colorado Springs. Founded in 1976, management believes that Screen Tech is one of the largest providers of powder coating, liquid painting and screen printing services in southern Colorado. As a result of this acquisition, Industrialex expanded its services into the southern region of Colorado. In 1999, Screen Tech generated sales of approximately \$1,899,000.

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OVERVIEW OF OPERATIONS

The specific coating services required by our customers will vary depending upon the nature of the product to be coated and the environment within which that product will be used. The following table demonstrates the specific application for each segment provided by Industrialex and each of its subsidiaries:

<TABLE>
<CAPTION>

	Metal and Plastic Products			Painted Circuit Board Assembly Products			
	Screen Printing	Powder	Paint	Urethane	Potting	Silicon	Shielding
	-----	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Industrialex				X	X	X	X

Broomfield		X	X
Decorative		X	X
Screen Tech	X	X	X

We currently operate out of four facilities, all located in Colorado. These facilities are equipped with a total of 15 coating chambers. Three of the facilities are located in northern Colorado and one facility is located in southern Colorado. These facilities range in size from 6,500 square feet to 16,000 square feet of production space. Currently, the combined facilities employ 106 personnel. Each facility is managed by a general manager who oversees day-to-day operations.

Our operations must comply with federal, state and local environmental controls on the storage, handling, discharge and disposal of chemicals and gases used in the manufacturing process. Industrialex holds permits from the Colorado State Air Pollution Control Division and various wastewater treatment entities. All of our facilities meet electro static discharge and United States Occupational Safety and Health Administration requirements and their personnel have been internally certified for operational procedures, quality standards, document control and safety.

One of the key factors in our success is that our operations have the ability to provide 24 hour to 48 hour turn-around with high quality and customer service while maintaining competitive pricing. To maintain such quality and customer service, we have refined our processes, requiring three coating chambers dedicated to conformal coating, seven coating chambers dedicated to powder coating and five chambers dedicated to liquid paint. This allows for reduction of cross contamination among different coating applications.

The general process that each facility undergoes in the application of its coating process for metal and plastic products is as follows:

1. Products are received at the facilities where they are prepared for placement into the specialized chemical washing equipment.
2. After drying, critical areas that do not require coating are masked, and the part is placed on specially designed fixtures for entry into the coating chambers.
3. Custom designed spray guns apply the coating material to the surface of the part.
4. Once the parts are coated, they are placed into a heating oven. Heat ensures proper adhesion of chemicals onto the surface of the part and promotes drying.

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5. At the final stage of the process, the masking is removed and coated parts are inspected for quality purposes. All inspected parts are packaged and shipped to the customer.

We plan to capitalize on the well-recognized names of acquired subsidiaries and on the brand recognition that each subsidiary has developed. We propose to utilize that brand recognition to establish a "brands and standards" for the coating industry as part of its overall strategy to roll up several of its local competitors. The first phase of the strategy started with the acquisitions of Broomfield, Decorative and Screen Tech. We plan to consolidate the operations of Broomfield, Decorative and Screen Tech into two facilities. One facility, with approximately 70,000 square feet, will be based in northern Colorado. The second facility, previously operated by Screen Tech, has approximately 16,000 square feet and is based in southern Colorado. These facilities will be equipped with state-of-the-art automation technologies to provide highly efficient processes with flexibility to switch among product lines while providing cost effective high volume throughout production capabilities. Management anticipates that these automated facilities, together with economies of scale, will provide savings in usage of chemicals and manpower.

[FLOWCHART]

THE COATING PROCESSES

CONFORMAL COATING:

Conformal coatings of printed circuit board assemblies function as a dielectric insulator, providing a durable barrier against environmental contaminants and moisture over a wide temperature and humidity range. Conformal coatings also act as shock and vibration absorbers, thus protecting the final product from possible damage. Coating types include silicone, acrylic, epoxy

resin and urethane.

The process of conformal coating normally begins with masking of critical areas of the board. Circuit boards are carefully masked, leaving only the desired coating area exposed. Coatings are then applied either by spraying the board surface, brushing, or by dipping the boards directly into the coating material. Each process offers a system for precisely coating the boards to the exact specifications.

ACRYLIC COATING

Acrylic coating is a clear, tough coating that protects printed circuit boards against moisture, corrosion, thermal shock and static discharge. It also protects and insulates electrical and electronic components and assemblies, including generators, motors, transformers, relays, and solenoid coils.

EPOXY COATING

Epoxy coating is a non-porous, water and chemical resistant material that contains a form of nylon material. It is normally black in color, is non-conductive and is therefore suitable for electrical insulation.

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URETHANE COATINGS

Urethane provides excellent dielectric properties. It is also used to protect coated parts from moisture and other harsh environmental elements.

SILICONE COATING

Silicone is a clear, durable material that protects printed circuit boards against moisture, corrosion, thermal shock and static discharge. Silicone becomes flexible at temperatures ranging from -65C to +200C. Silicone dries within minutes and cures at room temperature in 4 to 12 hours. Silicone illumines under ultra violet light source which makes it an ideal agent for quality control inspection because one can then determine proper application to the product.

ENCAPSULATION/POTTING:

The encapsulation process, also known as "potting," involves submerging an assembly into resin and allowing the resin to harden. Encapsulation provides effective resistance and environmental protection against humidity, while acting as an insulator against shock and vibration. It also works effectively in maintaining the security of the printed circuit board assembly design by preventing third parties from accessing the printed circuit board assembly without destroying the encapsulated technology. Encapsulation is used in a variety of electro-mechanical applications including automotive, ballasts, relays, mold making, high voltage power supplies, solenoids, batteries, switches, circuit breakers, transformers, medical equipment and other devices.

POWDER COATING:

Powder coating has become the fastest growing finishing technology and according to a U.S. Department of Commerce report released in February 2000 currently represents over 10 percent of the total industrial finishing market. Powder coating is a dry finishing process, using finely ground particles of pigment and resin that are electrostatically charged and sprayed onto the part to be coated. The parts to be coated are electrically grounded so that the charged powder particles projected at them adhere to the parts and are held there until melted and fused into a smooth coating in the curing oven. The result is a uniform, durable, high quality finish. Because of the unique process of powder coating, many problems and issues inherent in liquid finishing are eliminated or minimized.

Powder coating contains no solvents and emits negligible, if any, polluting volatile organic compounds into the atmosphere. Exhaust air from the coating booth can be safely returned to the coating room, and less oven air is exhausted to the outside, making the powder coating process a safer and cleaner finishing alternative. In addition, since powder coating uses a dry powder, up to 98% of powder coating over spray can be retrieved and reused with proper recycling units. The unused powder is reclaimed by a recovery unit and recirculated through the system. The waste that results is negligible, and can be disposed of easily and economically with United States Environmental Protection Agency certified disposal facilities.

There are two basic types of powder, indoor and outdoor. Most outdoor powders are polyester and most indoor powders are epoxy. Powders come in a rainbow of colors, glosses and textures. Powder coatings provide a wide range of performance properties, offering excellent resistance to heat, corrosion, impact, abrasion, fading from sunlight, and extreme weather.

LIQUID PAINTING:

Liquid painting, also known as liquid coating, uses polyurethane, bake enamels, water based paints, and conductive coatings. These environmentally compliant coating materials were developed in response to limitations recently placed on the emission of volatile organic compounds in certain areas of the United States. Volatile organic compounds are toxic gases that are harmful to the environment.

Even as the demand for powder coatings increases, there exists a need for liquid coatings. Certain cosmetic requirements can only be achieved through the application of liquid coatings as well as the application of conductive coatings on plastics requiring electro-magnetic interference/radio frequency interference. Most government and military specifications refer to liquid coatings. Even though powder coating is superior to most liquids, industrial coating manufacturers have produced materials that stand up to highly abrasive chemicals and solvents, making them a continued desirable coating in many original equipment manufacturer product lines.

ELECTRO-MAGNETIC INTERFERENCE/RADIO FREQUENCY INTERFERENCE SHIELDING:

This process involves the application of conductive shielding materials. Through reflection and/or absorption, these materials effectively reduce electro-magnetic interference/radio frequency interference emitted by certain printed circuit board assembly based products used primarily in the telecommunications industry. We supply several chemical materials that meet a wide range of specifications.

SCREEN PRINTING:

Our screen printing capability includes in-house screen fabrications, computerized art department and darkrooms. These capacities allow us to manufacture custom labeling and to print directly onto customer-supplied substrates. Applications include polycarbonate overlays, foil labels, aluminum nameplates, decals/bumper stickers, panels, chassis, die cutting and art and screen fabrication.

All of our coating processes must comply with federal, state and local regulations that impose various environmental controls on the storage, handling, discharge and disposal of chemicals and gases. There can be no guarantee that new environmental laws will not be imposed which will have an adverse impact on our manufacturing process and ability to compete effectively.

THE MARKET FOR THE PRODUCTS

Protective coating is one step in the manufacturing of components in the outsourced manufacturing services industry. In describing the electronics manufacturing services industry in an article in Fortune Magazine published October 25, 1999, Jim Savage, an analyst at Thomas Weisel, suggested that "what was a \$90 billion industry in 1998 will be a \$200 billion industry by 2001." Based on management's estimate that 1% of the cost of manufacturing a product is the cost of protective coating, the Company estimates that the market for its protective coating services could grow from \$900 million in 1998 to \$2.0 billion by 2001. According to a U.S. Department of Commerce report released in February 2000, "In 1998, total manufacturers' shipments of paint and allied products amounted to \$17.2 billion, an increase of 4.2% from 1997 shipments of \$16.5 billion." The fastest growing segment of this market is powder coatings. The same report states that "shipments of powder coatings increased 13.4% to \$669.7 million in 1998 from \$590.5 million in 1997."

THE COATING INDUSTRY

The coating industry in the United States is divided into several major categories including product coating for original equipment manufacturers, architectural coatings, special purpose coatings and miscellaneous allied paint products. The segment of the market that applies to our business is the product coatings market. All paint and coatings that are designed for use by the original equipment manufacturers of industrial and consumer goods are called OEM product coatings. According to reports published in the December 1998 issue of Paint & Powder Magazine, "OEM's and their custom coater suppliers represent one of the largest customer groups for the paint and coating industry, consuming 37% of all coatings shipped in 1998." According to another published report by Frost & Sullivan in the October 1999 issue of World Powder Coating Markets, "In 1998, the world powder coating markets reached \$3.76 billion in revenues and is

expected to continue growing." One universal possibility is expansion into new end-user markets such as engineered wood furniture. The growing need for environmental compliance, combined with proven lower application costs, will help forge new powder coating markets, such as wood substrates coating, according to reports in the October 1999 issue of World Powder Coating Markets.

Liquid and powder coatings are frequently positioned as competitive products. Like their liquid counterparts, powder coatings can serve both protective and decorative functions. They are applied to many types of manufactured goods, furniture, appliances, automotive parts and electronic components. According to an August 1995 report published by National Paint & Coatings Association, "Liquid technologies will continue to dominate in areas where the coating is field-applied and heat curing is not feasible. Areas where powder technology may increase its presence are those where the coating process can be very tightly controlled." We provide both powder and liquid paint applications. The following tables demonstrate the usage of OEM product coatings by type of coating and by industry.

OEM Product Coatings Usage by Type of Coating

[PIE CHART]

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THE MARKET FOR OEM PRODUCT COATINGS

[PIE CHART]

PARTNERSHIPS

Partnerships amongst coating companies are becoming more common and demonstrate a growing effort in the industry to form teams to solve customer problems. Although we have no immediate plans or agreements to do so, management will consider developing partnership arrangements, where appropriate, provided that the focus is on establishing cooperative efforts with our equipment suppliers. Pittsburg Paint and Glass, for example, recently formed an alliance with Advanced Robotic Technologies, Inc. to integrate coatings and application technology. Similarly, DuPont Powder Coatings is working with Thermal Innovations Ltd. and TRI Innovations, AB, a Swedish manufacturer of a UV-curing system, to develop a new powder coating line for MDF Systems, Ltd. in the United Kingdom for wood finishing applications.

In order to capitalize on what management estimates to be a \$2.0 billion market opportunity in the United States, we will position our marketing efforts as a provider of a full range of coating offerings. Specifically these offerings include conformal coating of printed circuit board assemblies, powder coating of metal, plastic and glass products, and liquid painting of metal based products.

MARKETS

The industrial coating market is defined by the categories of products it services. The major product categories include metal, plastic, glass and printed circuit board assemblies, which are manufactured by companies in the following industries: electronic manufacturing, general manufactured goods, aerospace, transportation and medical devices. We are able to provide a full range of coating services. These services are defined as:

- o conformal coating utilizing silicone or arethane,
- o potting/encapsulation and electro-magnetic interference/radio frequency interference shielding for printed circuit board assemblies,
- o powder coating and liquid painting of metal, plastic and glass, and
- o screen printing of metal and plastic products.

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Our business is currently divided into two major categories: short production runs and long production runs. A short production run is characterized by 24 - 48 hour turnaround of unique production runs to the customer. A long production run is characterized by repetitive production runs of the same product based on prescheduled time of receiving the orders and delivery. Short production runs provide approximately 70% of total revenue whereas long production runs provide approximately 20%.

The requirements of our customers are generally met either through short-term purchase orders or long-term contracts. The short-term purchase orders are serviced in an efficient and cost effective manner because of our ability to perform on a short runs basis where providing 24 to 48 hour turnaround is essential. Industrialex's operating subsidiaries are set up with the facilities, tooling and processes that provide such turnaround. Our powder coating and liquid paint service offerings are primarily provided in such business setting and operations.

Long-term contracts are typically established with original equipment manufacturers where production runs are predictable and can be designed with production control systems. The Longmont facility is equipped with class A chambers, where we can provide clean, dust free isolated coating environments which are the prime requirements of printed circuit board assemblies products. Conformal coating, potting/encapsulation and shielding of printed circuit boards are primarily coated in this type of facility.

The business strategy calls for changing the current ratio between short runs business and long runs business so as to establish long runs as the primary revenue generator. To achieve this goal, we plan to establish an integrated, state-of-the-art automated factory. This facility will consolidate the operations of current subsidiaries and is being designed to provide maximum efficiency in the coating processes.

In Colorado, we have over 180 customers. Major customers include SMTC Manufacturing Corp., EPOCS Corp., CEH Corp. and Cobe Laboratories, Inc.

THE MARKETING PLAN

Our goal is to become a leading provider of a full spectrum of coating applications for the manufacturing industry. We will grow the business regionally in two phases. Phase one will be in the Colorado region and phase two will encompass all of North America. During phase one, we will establish three facilities in the Colorado region. These facilities will integrate the operations of the acquired companies and will be replicated and rolled out throughout the subsequent phases. Management expects to begin phase two in the year 2001.

To accomplish these goals, our sales and marketing plans will focus on establishing two areas that management believes are lacking in today's protective coating services industry. One is the establishment of a brand and the second is the establishment of a standard. To achieve this, we will attempt to leverage relationships with customers to secure long-term contracts for our base business. We also plan to utilize the internet in establishing a direct line of communication and commerce with the original manufacturers. Such tools will be utilized to provide proposals and quotes directly to the customers.

Our base business has traditionally been established through long-term relationships and our reputation in the region. We plan to utilize a direct sales approach to grow its business by developing new customers and finding new opportunities. Currently, there are two full time sales persons covering customers in the Colorado region. In order to develop new business, we plan to utilize additional sales personnel. Sales strategy will be based on developing key account relationships where Industrialex is

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involved at the very early part of the customers' product design so that coating specifications are established at the beginning of the product cycle. In the process of establishing such key accounts, we plan to establish high executive level relationships with the customers' management.

Once phase 1 of the roll-up has been completed, management expects that our state-of-the-art Colorado facility will be among the largest, most advanced and efficient protective coating operation in the region. By utilizing a direct sales force and leveraging its operational efficiencies, combined with the creation of a strong brand identity program, management expects to establish long-term contracts with ongoing long-term revenue streams.

THE RESEARCH AND DEVELOPMENT PLAN

Industrialex utilizes advanced technologies in two primary areas; the application of chemicals on product and the utilization of advanced process equipment in its coating operations. Our longstanding relationships with the manufacturers of chemicals allow for access to the latest advancements in chemical materials. We do not expend any capital in research and development activities. We will work with customers who wish to experiment with the application of specific chemical materials on unique products, however, this type of research and development on new products is customer driven and is funded by the customer. Industrialex is working with its customers in experimenting with applying powder coating chemicals on glass, wood and different grade steel products. Effective utilization of these applications may

create a growth opportunity in segments that can use such coatings.

Industrialex experiments with advanced equipment for use in its coating operations. Such equipment coupled with internally engineered fixtures and mechanization improves efficiency, reduction of chemical usage and overall cost effectiveness of its processes.

THE SYNERGIES

The synergies among Industrialex and each of its subsidiaries can be demonstrated in four categories, as follows:

PRODUCT OFFERINGS

With the combined entities, we expect to offer a full spectrum of coating applications to customers in Colorado. Our primary expertise is in conformal coating, potting and electro-magnetic interference/radio frequency interference shielding of printed circuit board assemblies. Broomfield's primary offering is liquid paint for industrial applications of metal products. Decorative's primary expertise is powder coating of metal and plastic products. Screen Tech offers liquid paint, powder coating and screen printing for customers in the southern region of Colorado area.

The coating industry is characterized by a consistent flow of new, improved chemical applications that render existing coating products obsolete. There can be no assurance that we will be able to convert our processes quickly enough to take advantage of such new chemical applications and market these products.

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ECONOMIES OF SCALE

Management expects that the combined entities will be able to generate larger purchasing power in materials procurement, thus being able to gain favorable pricing from materials suppliers. The gross profit margin can also increase as a result of sharing of personnel. Each acquired company currently utilizes separate accounting systems, purchasing, and human resource and benefits functions. The expenses can be minimized by combining administration, accounting and general management.

MARKET EXPANSION

The combined companies will utilize a common marketing and sales organization with the goal of expanding the base business and growing the new business. The key account sales process will attempt to establish new customers with long-term relationships. The cohesive marketing plan will focus heavily on the creation of a brand and standard for our products and services. As a result, management believes we can grow the sales more effectively as a combined entity.

OPERATIONS

Currently, Industrialex operates out of four facilities located in Longmont, Denver, Westminster and Colorado Springs. We propose to integrate operations into three facilities by April 2001 when we will occupy a new facility of approximately 70,000 square feet in the Denver Metro Area. This new facility will utilize advanced automated production systems and will also serve as the Company's new headquarters. The current businesses of Decorative and Broomfield will be moved and integrated into this new facility. The Screen Tech facility in Colorado Springs, which is approximately 16,000 square feet, will remain as the major base in southern Colorado region. The Longmont facility, which is approximately 6,500 square feet, will remain in place to focus on providing silicone based conformal coating. Prior to the integration of operations, we will continue to service customers from the four existing facilities. This approach will allow us to maximize plant capacity, which is restricted by the amount of oven capacity of the combined entities. The goal of the integration is to increase economies of scale and to garner additional sales as a result of an expansion of services not possible by the current facilities, operating separately.

BUSINESS OBJECTIVES AND MILESTONES

Management plans to focus on Colorado as a model for a national roll-up plan. The market size for protective coating services in Colorado is estimated by management to be approximately \$40 million annually. Management believes there are approximately 14 private companies providing protective coating service to manufacturing industries in Colorado. Industrialex's plans call for a consolidation of five coating service companies, of which three have already been acquired, during the first phase of its 18 month roll-up in Colorado. Management estimates that once the consolidation is completed it will have captured a significant share of the market in Colorado.

With funds from this offering and cash on hand, if any, management hopes to accomplish the following business objectives within the 12-month period following the completion of this offering:

1. Integrate the operations of Industrialex and the following acquired companies:
 - (a) Broomfield (which was acquired on April 4, 2000);
 - (b) Decorative (which was acquired on May 1, 2000); and
 - (c) Screen Tech (which was acquired on July 17, 2000).

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and complete all matters associated with the acquisitions, including payment of any amounts owing pursuant to the acquisitions

2. Acquire two additional coating companies by the end of the first quarter of 2001. We have been approached by coating companies but have deferred further discussions until this offering is complete.
3. Open a new 70,000 square foot facility for the integration of Broomfield and Decorative and future acquisitions.

During the 12-month period following the completion of the offering, management would like to complete the consolidation of the coating services industry in Colorado. We have allocated \$1.37 million to pursue this objective. In order to attain this objective, we would have to meet the following milestones:

- o Pay off \$700,000 of acquisition debt for the Decorative acquisition by December 31, 2000.
- o Pay off \$610,000 of acquisition debt for the Screen Tech acquisition by December 31, 2000.
- o Have \$122,000 to be spent between December 2000 and April 2001 for the establishment of the new facility.

COMPETITION

There are both competing technologies and competing companies in the protective coating services industry. Our strategy calls for being an effective consolidator in the industry. To be an effective consolidator, we must strive to be the first to identify and use new materials in chemicals and advanced application techniques.

We do not propose to engage in research and development or to incur expenses associated with new product development. Instead, we will focus on developing and strengthening our current competitive advantage, which is breadth of knowledge in the coating process. Because management believes we have better knowledge of the coating process than our competitors and can use that knowledge to generate economies of scale and shorter turn around times, Industrialex can compete with other companies on the basis of price and customer services.

Our competition within the Colorado market consists of companies that compete in our business segment or that provide the same full complement of services. Management believes these companies range in size up to \$2.0 million in annual revenues and include the following:

- o Ameratech, Inc.
- o A & T Powder Coating
- o Applied Plastic Coatings Inc.

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- o Denver Bumper Works, Inc.

- o Environmental Powder Coatings
- o Foothills Powder Coating, Inc.
- o Lincoln Plating Co.
- o Powder Coating Specialities Inc.
- o Sons' Powdercoating Inc.
- o Associated Finishers
- o Powder Pro Inc.
- o Rainbow Cycle Craft Inc.
- o Front Range Powder

Management believes Ameratech, Inc. and Foothills Powder Coating, Inc. represent the largest potential competition in the region. Ameratech is a provider of powder coating services in the Colorado Springs region. Ameratech's production facility is believed to utilize semi-automated coating lines which should provide efficient, cost effective processes. Located in Golden, Colorado, Foothills has captured a significant share of the protective coating market in the western metro-Denver area.

PATENTS, TRADEMARKS AND COPYRIGHTS

We rely solely on general trademark and copyright law to protect our products and have neither formally registered trademarks or copyrights nor obtained any patent protection for any products.

PERSONNEL

Industrialex currently has a total of 106 full and part-time employees, 11 of which work on a part-time basis and 95 of which work on a full-time basis. Of these, 14 employees serve in a management and administration capacity, two employees serve in a sales and marketing capacity, 11 employees serve in a manufacturing management capacity and 79 employees serve in production. These employees operate out of the following offices of the Company:

<TABLE>
<CAPTION>

OFFICE LOCATION -----	MANAGEMENT & ADMINISTRATION -----	SALES & MARKETING -----	MANUFACTURING -----	PRODUCTION -----	TOTAL -----
<S>	<C>	<C>	<C>	<C>	<C>
Longmont, CO	5	1	1	11	18
Westminster, CO	2	0	3	14	19
Denver, CO	2	0	3	26	31
Colorado Springs, CO	5	1	4	28	38
Totals:	14	2	11	79	106

</TABLE>

The foregoing full and part-time personnel are sufficient to meet our stated business objectives. Additional personnel will be added, mainly in production, as and when circumstances warrant and profits or additional funding permits. None of our employees are subject to collective bargaining agreements. Management believes relations with employees are good.

DESCRIPTION OF OFFICES

The Longmont facility occupies approximately 6,500 square feet of leased space at 63-A S. Pratt Parkway, Longmont, CO, U.S.A., under a lease expiring May 1, 2001. A total of 18 employees operate out of this office and manufacturing facility.

The Westminster facility occupies approximately 7,500 square feet of leased space at 3220 West 71st Avenue, Unit 9, Longmont, Colorado, under a lease expiring May 31, 2001. A total of 19 employees operate out of this manufacturing facility.

The Denver facility occupies approximately 10,000 square feet of leased space at 4355 Monaco Parkway, Denver, Colorado under a lease expiring May 31, 2001. A total of 31 employees operate out of this office and manufacturing facility.

The Colorado Springs facility occupies approximately 16,000 square feet of leased space at 171 Talamine Court, Colorado Springs, Colorado, under a lease

expiring May 31, 2005. A total of 38 employees operate out of this office and manufacturing facility.

ACQUISITIONS

The following is a description of the acquisitions made by Industrialex during the past five fiscal years and during the period since the completion of the most recently completed fiscal year.

ACQUISITION OF BROOMFIELD INDUSTRIAL PAINTING INC.

Under a stock purchase agreement dated March 22, 2000 between Industrialex, Mark S. Trawinski, Donald R. Lauer and Angela Bennet Lauer, Industrialex purchased all of the issued and outstanding shares of Broomfield.

The purchase price for the Broomfield shares was \$925,000 comprised as follows:

(a) a closing payment of \$425,000 delivered to the Broomfield stockholders at closing; and

(b) an aggregate of 500,000 special warrants, valued at \$1.00 each, delivered to the Broomfield stockholders at closing.

The acquisition of Broomfield shares by Industrialex closed on April 4, 2000.

Each special warrant is convertible, for no additional consideration, into one share of Industrialex common stock at the option of the holder with no expiration. Under the terms of the stock purchase agreement, Industrialex agreed that in the event a public offering of its common stock had not been completed within one year of the closing, Industrialex would, within six months of a request by any Broomfield stockholder, repurchase the special warrants held by the Broomfield stockholder at a price of \$1.00 per special warrant.

Each Broomfield stockholder agreed, in the event of an initial public offering of Industrialex common stock within one year of the closing, to enter into a lock-up agreement, pursuant to which each Broomfield stockholder agreed not to sell or transfer 70% of their Industrialex shares for a period of nine months following the closing.

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Founded in 1983, Broomfield has been in the business of providing industrial finishing, utilizing liquid paint of metal and plastic products for the high technology manufacturing, and medical and aerospace industries. Broomfield primarily utilized liquid paint and powder coating applications to service its customers. Broomfield has 19 employees and occupies 7,500 square feet of facility.

As a result of this acquisition, Industrialex's service offering expanded into liquid painting of metal and plastic products.

ACQUISITION OF DECORATIVE & COATING SYSTEMS, INC.

Under a stock purchase agreement dated May 1, 2000 between Decorative & Coating Systems, Inc., Joseph Triolo, Jr., Joseph Triolo, Sr., Gary Triolo and John Triolo and Industrialex, Industrialex purchased all the issued and outstanding shares of Decorative from the Decorative stockholders.

The purchase price for the Decorative Shares was \$1,200,000 paid as follows:

(a) A closing payment of \$300,000 delivered to the Decorative stockholders at closing;

(b) a promissory note in the principal amount of \$700,000 bearing interest at a rate of 12% per annum and originally due on or before October 1, 2000, but extended to be due on December 31, 2000, delivered to the Decorative stockholders on closing; and

(c) an aggregate of 200,000 special warrants, valued at \$1.00 each, delivered to the Decorative stockholders at closing.

The acquisition of the Decorative shares by Industrialex closed on May 1, 2000.

Each special warrant is convertible, for no additional consideration, into one share of Industrialex common stock at the option of the holder with no expiration. Under the terms of the stock purchase agreement, Industrialex agreed that in the event a public offering of its common stock had not been completed

within one year of the closing, Industrialex would, within six months of a request by any Decorative stockholder, repurchase the special warrants held by the Decorative stockholder at a price of \$1.00 per special warrant.

Each Decorative stockholder agreed, in the event of an initial public offering of Industrialex common stock within one year of the closing, to enter into a lock-up agreement pursuant to which each Decorative stockholder agreed not to sell or transfer 70% of their Industrialex shares for a period of nine months following the closing.

Founded in 1976, Decorative was the first company to provide powder coating services in the State of Colorado for metal and plastics products for high technology manufacturing, transportation, defense and general manufactured goods industries. Decorative utilizes primarily powder coating applications to service its customers. Decorative has 31 employees and occupies 10,000 square feet of facility.

As a result of this acquisition, Industrialex's service offering expanded to include powder coating applications for metal and plastic products.

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ACQUISITION OF SCREEN TECH GRAPHICS, INC.

Under a stock purchase agreement dated June 7, 2000 between Industrialex and Susan Elizabeth DiNapoli and Vincent DiNapoli, Industrialex purchased all of the issued and outstanding shares of Screen Tech from the Screen Tech stockholders.

The purchase price for the Screen Tech shares was \$1,000,000, comprised as follows:

- (a) a closing payment of \$300,000 delivered to the Screen Tech stockholders at closing;
- (b) a promissory note in the principal amount of \$610,000, bearing interest at 12% per annum and due on or before December 31, 2000, delivered to the Screen Tech stockholders at closing; and
- (c) an aggregate of 90,000 special warrants, valued at \$1.00 each, delivered to the Screen Tech stockholders at closing.

In addition to the Screen Tech Purchase Price, Industrialex will be obligated to issue and deliver to the Screen Tech stockholders an additional \$300,000 worth of shares of common stock, if Screen Tech meets or exceeds the performance requirements that, for the 12 month period ended December 31, 2000, net sales revenue are equal to or greater than \$1,750,000 and pre-tax profit exceeds 10% of net revenues.

The acquisition of the Screen Tech shares by Industrialex closed on July 5, 2000.

Each Screen Tech special warrant is convertible, for no additional consideration, into one share of Industrialex common stock at the option of the holder with no expiration. Under the terms of the stock purchase agreement, Industrialex agreed that in the event a public offering of its common stock had not been completed within one year of the closing, Industrialex would, within six months of a request by any Screen Tech stockholder, repurchase the special warrants held by the Screen Tech stockholder at a price of \$1.00 per special warrant.

Each Screen Tech stockholder agreed, in the event of an initial public offering of Industrialex common stock within one year of the closing, to enter into a lock-up agreement pursuant to which each Screen Tech stockholder agreed not to sell or transfer 90% of their Industrialex shares for a period of nine months following the closing.

Founded in 1976, Screen Tech is the largest provider of powder coating, liquid painting and screen printing services in Colorado Springs, Colorado. Screen Tech utilizes both powder coating and liquid paint applications for metal and plastic products for high technology manufacturing, electronics, fabricated metal manufacturers and transportation industries. Screen Tech has 38 employees and occupies 16,000 square feet of facility.

As a result of this acquisition, Industrialex's services expanded into the southern region of Colorado.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read together with Industrialex's financial statements and accompanying notes included elsewhere in this prospectus.

This information should be read in conjunction with the financial statements of Industrialex and related notes thereto included elsewhere in this prospectus. Financial information for each of the two years in the period ended December 31, 1999 has been derived from audited financial statements. Financial information for the year ended December 31, 1997 and the nine months ended September 30, 2000 and 1999 has been derived from unaudited financial statements.

<TABLE> <CAPTION>	9 MONTHS ENDED SEPTEMBER 30		YEARS ENDED DECEMBER 31	
<S>	2000	1999	1999	1998
<C>	<C>	<C>	<C>	<C>
INCOME STATEMENT INFORMATION:				
Revenues	\$ 2,295,046	\$ 791,815	\$ 1,113,685	\$ 810,821
Cost of sales	1,820,942	533,426	783,746	473,723
General and administrative expenses	775,482	177,875	270,119	163,667
Net income (loss)	(358,256)	80,533	59,088	173,336
BALANCE SHEET INFORMATION:				
Total assets	4,436,521	N/A	454,154	416,421
Total current liabilities	2,307,282	N/A	70,071	89,437
Working capital	(1,319,871)	N/A	226,719	243,395
Equity	1,308,897	N/A	343,380	326,984
</TABLE>				

RESULT OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2000

Revenues

Revenues increased from \$792,000 in 1999 to \$2,295,000 for the nine months ended September 30, 2000. This resulted in an increase of \$1,503,000, or 190% over the same period in 1999. Industrialex acquired Broomfield, Decorative and Screen Tech in April, May and July of 2000, respectively. These acquisition represented an increase in revenues of \$1,750,000 during the period ended September 30, 2000. This increase was offset by a decrease in revenues at Industrialex, due primarily to the transfer of powder coating customers from Industrialex to Broomfield and Decorative. Redundant facilities at Industrialex were eliminated, subsequent to the acquisitions noted above, primarily in favor of the facilities at Broomfield and Decorative.

Gross margins

Gross margins for the nine months ended September 30, 2000 was \$474,000, or 20.7% based on sales. This compares with a gross profit of 32.6%, based on sales, for the same period in 1999. The acquisitions of Broomfield, Decorative and Screen Tech noted above contributed gross margins of 27.0%, 19.0% and 22.3%, respectively, whereas Industrialex's gross margin decreased to 14.7%. The decline at Industrialex is related to costs associated with the operation of the powder coating facility to ensure

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customer satisfaction as customers were transferred to Broomfield and Decorative. During this period, labor costs were above the normal range, as a percentage of sales. Management anticipates that this decline in gross margins will be temporary. Additionally, management plans to add and/or expand 2nd shift operations which should result in higher gross margins as more revenue can be produced without a prorata increase in certain fixed expenses such as rent, insurance and utilities.

General and administrative ("G&A")

G&A expenses increased \$597,000, or 335%, from \$178,000 for the nine months ended September 30, 1999 to \$775,000 for the same period in 2000. The acquisition of Broomfield, Decorative and Screen Tech noted above increased G&A by approximately \$250,000. The remaining increase is comprised primarily of: a) \$70,000 in amortization of goodwill related to the acquisitions noted above; b) an increase in auditing and accounting fees of approximately \$54,000 related to the preparation for and reviews and audits of Industrialex accounts for the years of 1997, 1998, 1999 and nine months ended September 30, 2000; c) an

increase in salary expense of approximately \$100,000 due to the addition of two executive officers during May of 2000 to lead the expansion of the company and; d) an increase in salary expense of approximately \$75,000 due to Industrialex LLC becoming a C corporation and member draws subsequently recorded as salary expense.

Net loss

Net loss for the nine months ended September 30, 2000 was \$358,000 compared to net income of \$81,000 during the same period in 1999. This is attributed to a decline in gross margin as noted above and the addition of certain executive officers to the management team to lead the growth of the company through customer-base growth, the acquisition of additional companies and the consolidation and improvement of facilities to realize economies of scale.

RESULT OF OPERATIONS FOR YEAR ENDED DECEMBER 31, 1999

Revenues

Revenues increased from \$811,000 in 1998 to \$1,114,000 for the fiscal year ended December 31, 1999. This resulted in an increase of \$303,000 or 37% over fiscal 1998. This increase in sales is due to Industrialex expanding its original sales in the silicone applications in the conformal coating industry. Additionally, in 1999 Industrialex expanded into the powder coating segment of the industrial coating industry. Industrialex opened its Mead facility, which is solely dedicated to powder coating. With the addition of the Mead facility Industrialex was able to generate \$108,000 in additional powder coating encapsulation sales. The silicone portion of the business grew by 24% or \$195,000 over 1998 revenues.

Gross margins

Industrialex's gross profit margin in 1999 was \$330,000 or 30% based on sales. This compares with a margin of 42% in fiscal 1998. The margin reduction is attributed to Industrialex's decision to proceed with the acquisition of other powder coating entities and to end the lease of its Mead facility, resulting in a \$25,000 impaired asset charge to gross margins. Without this impaired asset charge Industrialex would have reported a 32% gross profit margin for fiscal 1999. The margin decreased due to the expansion in 1999 into the powder coating business. The new business line resulted in lower margin due to the operational start-up of acquiring the knowledge of the powder coating process. Material costs increased from 15% to 22% of sales in 1999 with the addition of the powder coating product line.

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General and administrative ("G&A")

G&A expenses increased from \$164,000 in 1998 to \$270,000 in 1999, a 65% increase. The majority of the increase is attributed to the expansion of the business into the powder coating facility in Mead. Industrialex added additional administrative personnel to handle the administrative requirements of its expansion in the powder coating segment of the business and its increased sales. \$4,000 of the increase is associated with asset impairment associated with the closing of the Mead facility in June 2000.

Net income

Net Income decreased from \$173,000 in 1998 to \$59,000 in 1999 or from 21% to 5% of sales. This is attributed to Industrialex's expansion into the powder coating arena and the additional costs incurred in starting a new powder coating product line. Additionally, Industrialex will be terminating the lease of the Mead facility, set to expire in June of 2000. This resulted in the impairment of leasehold improvements and equipment installed in the facility, resulting in a \$29,000 reduction of income from the facility being vacated. Without this charge Industrialex would have reported \$88,000 in net income or 8% of sales. Any powder coating business from this facility will be transferred to the acquired production facilities during the year 2000. Management does not anticipate that there will be any material additional costs in 2000 relating to the closing of the Mead facility.

Income taxes

As discussed in Note 2 to the accompanying financial statements, in 1999 Industrialex was treated as a limited liability corporation ("LLC"). As such the income taxes related to Industrialex's operations are the responsibility of the LLC members and no tax liabilities were recognized. On a pro forma basis, assuming we have had always been subject to taxes, the income tax provision would have been \$22,000 for 1999 compared to \$65,000 during 1998. This reduction in pro forma tax expense is due to the reduced income as discussed above.

In the course of implementing its business strategy Industrialex has acquired three conformal coating companies in the Denver Metro area. These acquisitions have increased revenues and gross profit of the combined entity. With this consolidation Industrialex has begun a process of reducing overall cost. The lease for the Mead facility expired in June of 2000. The Mead facility has been closed and production is being transferred to the Broomfield and Decorative facilities. Industrialex plans to utilize in the short term the synergies of Industrialex, Decorative and Broomfield to maximize the production capacity of these facilities to grow revenues. Additionally, Industrialex will begin a consolidation plan to lease a combined facility for the consolidation of the production of Decorative and Broomfield. The consolidation of these operations will assist Industrialex in leveraging the manufacturing reputation of these separate entities with a combined accounting, human resource, labour, and equipment automation program to improve profits over the long term. The consolidation plan is dependent upon Industrialex having access to sufficient working capital through either equity financing, bank debit and equipment leasing to execute the consolidation plan.

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CAPITAL RESOURCES AND LIQUIDITY

Equity and debt financing

In March 2000, Industrialex undertook a private placement of 2,357,000 special warrants at \$0.50 per special warrant. The net proceeds from this private placement were \$1,149,037. Each special warrant can be converted into one share of common stock for no additional consideration.

Working capital at December 31, 1999 decreased to approximately \$227,000 from \$243,000 at December 31, 1998. The decrease in working capital is associated with Industrialex's utilization of internally generated funds to open the Mead powder coating facility. Working capital at March 31, 2000 increased to approximately \$1,113,000 from \$227,000 at December 31, 1999. The increase in working capital is associated with Industrialex's private placement fund raising activities to embark on the acquisition of other industrial painting companies in Colorado.

Cash flow

December 31, 1999

During the year ended December 31, 1999, Industrialex generated cash from operations in the amount of \$162,000 compared to \$92,000 in the prior year. This is a result of the collection of accounts receivable.

Cash used in investing activities totaled \$62,000 during the year ended December 31, 1999 compared to \$67,000 in the prior year.

Cash used by financing activities was \$61,000 for year ended December 31, 1999 compared to \$24,000 in the previous year. Industrialex distributed \$43,000 to shareholders and loaned shareholders \$11,000. Industrialex also incurred debt to purchase equipment for the Mead facility.

Industrialex generated a net increase of \$40,000 in cash. Management believes the generation of cash flow will continue during 2000 due to Industrialex's focus on optimizing the expansion of its conformal coating business and through the acquisition of other entities in Colorado.

September 30, 2000

During the nine months ended September 30, 2000, Industrialex generated cash from operations in the amount of \$6,000 compared to \$256,000 for the same period in 1999. This is a result primarily of a net loss of \$358,000 during the nine months ended September 2000, compared to a net income of \$81,000 during the same period in 1999, partially offset by a net increase of operating liabilities.

Cash used in investing activities totaled \$1,176,000 during the nine months ended September 30, 2000 compared to \$59,000 for the same period in 1999, due primarily to the acquisitions of Broomfield, Decorative and Screen Tech.

Cash generated by financing activities was \$1,199,000 for the nine months ended September 30, 2000, compared to cash used in financing activities of \$55,000 during the same period in 1999. Industrialex issued a total of \$1,229,000 in common stock warrants and drew \$376,000 on a line of credit

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to finance acquisitions and operations, paid \$263,000 on a note payable and loaned \$130,000 to an officer of Industrialex.

Industrialex generated a net increase of \$29,000 in cash for the nine months ended September 30, 2000. Management believes Industrialex will require additional funding during 2000 due to acquisitions and a need to repay acquisition debts.

Capital resources

Industrialex's cash flow increased for the 12 months ended December 31, 1999, over the same period in 1998, due to improved management of the collection of accounts receivables and the decrease in expenditures for capital equipment. Accounts receivable decreased from \$324,000 at the end of 1998 to \$251,000 at the end of 1999 and capital expenditures decreased by \$5,000.

Industrialex's cash flow increased from December 31, 1999 to September 30, 2000. Cash and cash equivalents increased to \$69,000 at September 30, 2000 from \$40,000 at December 31, 1999, with the increase associated with the private placement that began in March 2000 to fund consolidation activities, offset by the acquisitions of Broomfield, Decorative and Screen Tech, costs related to preparation for this offering and costs associated with the strengthening of the management team to accomplish consolidation activities. Accounts receivable increased from \$252,000 at December 31, 1999 to \$764,000 at September 30, 2000. The acquisition of Broomfield, Decorative and Screen Tech resulted in an increase of approximately \$645,000, offset by collections of \$133,000. This compares with a decrease in accounts receivable from \$324,000 at December 31, 1998 to \$227,000 at September 30, 1999 contributing to cash provided by operating activities of \$97,000.

Industrialex will be required to raise additional funding capital through external equity financing activities to fund the Company's obligations to pay the Broomfield shareholders, the Decorative shareholders and the Screen Tech shareholders the remaining purchase price due post-closing. Management anticipates that Industrialex will continue to invest significant resources in completing the roll-up of other industrial coating companies in 2000 and 2001 and may require additional funds to support the expansion and consolidation of these entities.

In the event that cash flow from operations, if any, together with the proceeds of any future financings, are insufficient to meet the expenditures for acquisition debt and facility expansion, Industrialex will be required to re-evaluate its planned expenditures and allocate its total resources in such manner as the board of directors and management deems to be in Industrialex's best interests.

Industrialex, as part of this offering, intends to expend \$800,000 on equipment and facility enhancements to consolidate Broomfield and Decorative facilities into a new 70,000 square foot leased facility equipped with automated manufacturing lines. These expenditures are contemplated as part of Industrialex's consolidation of the conformal coating companies in Colorado.

Industrialex currently has 687,000 stock options outstanding which are exercisable at between \$0.50 and \$1.00 per share, and 760,000 share purchase options that are exercisable at prices between \$0.25 and \$1.00 per share. If all of the stock options and warrants are exercised, Industrialex would receive proceeds of \$1,247,000. All of these funds would be available to Industrialex as working capital.

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NEW ACCOUNTING PRONOUNCEMENTS

In June 1998, the Financial Accounting Standards Board ("FASB") issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" which requires companies to record derivatives on the balance sheet as assets or liabilities, measured at fair market value. Gains or losses resulting from changes in the value of those derivatives are accounted for depending on the use of the derivative and whether it qualifies for hedge accounting. The key criterion for hedge accounting is that the hedging relationship must be highly effective in achieving offsetting changes in fair value or cash flows. SFAS No. 133 as amended by SFAS No. 138, will be adopted by Industrialex on January 1, 2001. Management believes that the adoption of SFAS No. 133 will have no material effect on its financial statements.

In March 2000, the FASB issued FIN 44, "Accounting for Certain Transactions Involving Stock Compensation, an interpretation of APB Opinion No. 25." FIN 44 clarifies the application of APB Opinion No. 25 to issuances of equity instruments to employees and non-employees and was effective July 1, 2000. Management believes that the adoption of FIN 44 will have no material

effect on its financial statements.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101 "Revenue Recognition in Financial Statements" (SAB No. 101). SAB No. 101, which is effective in the fourth quarter of 2000, provides guidance on the recognition, presentation, and disclosure of revenue in financial statements of all public companies. Management believes that the adoption of SAB No. 101 will have no material effect on its financial statements.

DESCRIPTION OF SECURITIES

CAPITAL STOCK

The authorized capital stock of Industrialex consists of 50,000,000 shares of common stock with a par value of \$0.01 per share. There are five holders of Industrialex common stock and as of the date of this prospectus Industrialex has a total of 3,950,000 shares issued and outstanding plus an additional 3,147,000 shares issuable upon conversion of special warrants. All of the issued shares of Industrialex common stock are fully paid and not subject to any future call or assessment. Industrialex has filed an application to list its common stock on the facilities of the Canadian Venture Exchange, and before offers to sell any shares are made, such application will have been approved.

Under Industrialex's articles of incorporation, all of the common shares rank equally as to voting rights, participation in a distribution of the assets of Industrialex on a liquidation, dissolution or winding-up of Industrialex and the entitlement to dividends. The holders of the common shares are entitled to receive notice of all meetings of shareholders and to attend and vote the shares at the meetings. Each share of common stock carries with it the right to one vote.

In the event of the liquidation, dissolution or winding-up of Industrialex or other distribution of its assets, the holders of the shares of common stock will be entitled to receive, on a pro rata basis, all of the assets remaining after Industrialex has paid out its liabilities. Distribution in the form of dividends, if any, will be set by the board of directors.

Provision as to the modification, amendment or variation of the rights attached to the capital of Industrialex are contained in Industrialex's articles of incorporation and the Colorado Business Corporation Act.

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RESALE RESTRICTIONS ON COMMON STOCK

Under lock-up agreements to be effective as of the date of the initial public offering, each of Ahmad Akrami, Mansour Akrami, Gary E. Landgren, Afshin K. Sarvestani and Bolder Venture Partners LLC agree to the following resale restrictions:

- (a) Such shareholder will not sell or transfer any shares for a period of 12 months following completion of the initial public offering.
- (b) 50% of the aggregate 3,750,000 shares and 665,000 warrants held by the five signatories, on a pro-rata basis, will be free from any resale restriction on the date that is 12 months from the date of the initial public offering.
- (c) The balance of the shares held by the five signatories will be free from any resale restriction on the date that is 15 months after the date of the initial public offering.

The securities regulatory authorities in the Canadian provinces of British Columbia, Alberta and Ontario have advised us that the shares owned by Mr. Akrami will be subject to escrow requirements of those provinces. Specifically, all but 10% of the shares held by Mr. Akrami will be held in escrow, to be released in equal tranches at six month intervals.

HOLDER	TOTAL NUMBER OF SHARES OWNED	TOTAL NUMBER OF SHARES SUBJECT TO ESCROW	RELEASED FROM ESCROW EVERY 6 MONTHS
Ahmad Akrami	3,500,000	3,150,000	525,000

In addition, all previously issued shares of common stock are subject to the resale rules of the Securities Act of British Columbia which provide, among other things, that the shares cannot be traded in British Columbia until Industrialex has been a reporting issuer in British Columbia for at least 12 months before the trade.

OPTIONS TO PURCHASE SECURITIES

Industrialex's stock option plan was approved by Industrialex's board of directors on June 15, 2000.

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The stock option plan reserves a maximum of 1,200,000 shares for issuance. Industrialex has granted stock options pursuant to which up to 687,000 shares may be issued in the future with exercise prices ranging from \$.50 to \$1.00. Options granted pursuant to the plan shall vest in accordance with the terms set forth in each particular grant, but no option shall vest 100% before the recipient has at least two years of continuous service to Industrialex. No option granted shall be for a term in excess of five years, and the exercise price per share shall not be less than the fair market value on the date of grant.

SPECIAL WARRANTS AND SHARE PURCHASE WARRANTS

Industrialex has issued an aggregate 3,147,000 warrants described under Canadian law as "special warrants." 790,000 of the special warrants were issued to the former shareholders of Broomfield, Decorative and Screen Tech as partial consideration for each acquisition. Each special warrant becomes exercisable on the earlier of seven business days after a receipt for a final prospectus is issued in the Provinces of Alberta and British Columbia with respect to the distribution of the shares underlying the special warrants or 12 months following the closing date of the applicable acquisition. Each special warrant is convertible, for no additional consideration, into one share of common stock. In addition, Industrialex will pay an additional \$300,000 worth of common stock to the former Screen Tech shareholders if certain performance criteria are met. Those performance criteria are set forth in the stock purchase agreement pursuant to which we acquired Screen Tech.

Of the 500,000 shares issuable upon conversion of the special warrants issued in the Broomfield acquisition, 349,500 of the shares may not be sold or disposed of until nine months after the completion of our initial public offering on the facilities of the Canadian Venture Exchange.

All 200,000 shares issuable upon conversion of the special warrants issued in the Decorative acquisition may not be sold until nine months after the completion of our initial public offering on the Canadian Venture Exchange.

All 90,000 shares issuable upon conversion of the special warrants issued in the Screen Tech acquisition may not be sold until nine months after the completion of our initial public offering on the Canadian Venture Exchange.

Industrialex has also issued 2,357,000 special warrants at \$.50 per warrant. These special warrants, like those issued in the acquisitions, are convertible, for no additional consideration, into one share of common stock.

WARRANTS ISSUED AS PART OF THE UNITS OFFERED IN THE INITIAL PUBLIC OFFERING

Each unit offered in the initial public offering consists of one share of common stock and one common stock purchase warrant. Each warrant entitles the holder to purchase one share of common stock for a period of two years from the closing date of the initial public offering on the Canadian Venture Exchange at a price of \$1.00 per share for the first year and \$1.25 for the second year. These warrants will not be listed on the Canadian Venture Exchange or any other securities market.

If during the term of the warrants, the closing price of Industrialex's

common stock on the Canadian Venture Exchange, or any other exchange on which our common stock is traded, is not less than two times the exercise price of the warrant for 20 consecutive trading days, then we will send out a written notice of such fact to all holders of unexercised warrants. If the warrants are not exercised within 30 days after

receipt of such notice, then the warrants remaining unexercised will expire on the 30th day after receipt of notice. The notice will be deemed to have been received on the eighth calendar day after we mail the notice by ordinary mail, postage prepaid, addressed to the holder.

STOCK OWNERSHIP

The following are the holdings of the directors, senior officers and promoters of Industrialex and of any other shareholder who, to the knowledge of Industrialex, beneficially owns, directly or indirectly, more than five percent of the issued common stock of Industrialex. Mr. Akrami and Bolder Venture Partners LLC are the only persons in the table who own common stock. Bolder Venture Partners is owned 60% by Daryl Yurek and 10% by each of Thomas Tennesen, Ahmad Akrami, Cliff Main and Kent Nuzum. The remaining individuals are deemed to be beneficial owners based on their holding options, warrants or special warrants that are convertible into shares of common stock. All of the shares beneficially owned by Payam Zamani, Mark Trawinski, Bolder Venture Partners L.L.C. and Daryl Yurek are issuable, for no additional consideration, upon exercise of common stock purchase warrants designated as special warrants under Canadian law. The special warrants are convertible, for no additional consideration, into one share of common stock. 665,000 of the shares beneficially owned by Bolder Venture Partners L.L.C. are issuable upon exercise of common stock purchase warrants at exercise prices ranging from \$.25 to \$1.00 per share. The details of each person's holding are described in the notes below the table.

<TABLE>
<CAPTION>

NAME AND MUNICIPALITY OF RESIDENCE OF SHAREHOLDER	NUMBER OF SHARES OF COMMON STOCK BENEFICIALLY OWNED	PERCENTAGE OF OUTSTANDING SHARES	PERCENTAGE OF OUTSTANDING SHARES AFTER THE COMPLETION OF THIS OFFERING
<S>	<C>	<C>	<C>
Ahmad Akrami c/o Industrialex Manufacturing Corp. 63-A South Pratt Parkway Longmont, Colorado 80501	3,626,000 (1)	50.62%	36.43%
Thomas Tennesen c/o Industrialex Manufacturing Corp. 63-A South Pratt Parkway Longmont, Colorado 80501	106,500	1.48%	0.87%
Thomas Plunkett 9641 N. 63rd Street Longmont, Colorado 80503	50,000	0.70%	0.5%
Scott Robidart c/o Industrialex Manufacturing Corp. 63-A South Pratt Parkway Longmont, Colorado 80501	87,500 (2)	1.22%	0.88%
[DIRECTORS AND OFFICERS]	3,870,500	52.89%	36.73%
Bolder Venture Partners L.L.C. 1327 Spruce Street, Suite 300 Boulder, Colorado 80302	865,000	11.85%	8.20%

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<CAPTION>

NAME AND MUNICIPALITY OF RESIDENCE OF SHAREHOLDER	NUMBER OF SHARES OF COMMON STOCK BENEFICIALLY OWNED	PERCENTAGE OF OUTSTANDING SHARES	PERCENTAGE OF OUTSTANDING SHARES AFTER THE COMPLETION OF THIS OFFERING
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<S>	<C>	<C>	<C>
Daryl Yurek 1327 Spruce Street, Suite 300 Boulder, Colorado 80302	719,000	9.85%	5.04%

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- (1) Includes 40,000 shares issuable, for no additional consideration, upon exercise of common stock purchase warrants designated as "special warrants" under Canadian law. Also includes 300,000 shares owned by Mr. Akrami that Scott Robidart has an option to purchase pursuant to a Stock Option Agreement dated May 8, 2000 between Mr. Akrami and Mr. Robidart.
 - (2) Mr. Robidart has an option to purchase these shares from Ahmad Akrami pursuant to a Stock Option Agreement dated May 8, 2000.

PLAN OF DISTRIBUTION

Industrialex will offer to sell up to 2,666,667 units in this offering. Up to 2,000,000 of the units in the public offering will be sold to investors in Canada through a best efforts underwriting by Thomson Kernaghan & Co. Limited. Industrialex will sell up to 666,667 of the units in this public offering directly to investors in the United States.

Sales In The United States By Industrialex

Officers and directors of Industrialex will sell the 666,667 units to be offered for sale in the United States. These individuals will be acting solely on behalf of Industrialex to sell the units, and neither the officers and directors nor Industrialex will charge any fee or receive any commissions for the sales. Based on these facts the officers and directors will not register as brokers or dealers.

OFFERING AND APPOINTMENT OF AGENT

By an agency agreement dated for reference o, Industrialex appointed Thomson Kernaghan & Co. Limited as its agent to offer a total of up to 2,000,000 units in Canada through the facilities of the Canadian Venture Exchange. The units will be offered at a price of \$0.75 per unit on a day, as determined by Thomson Kernaghan and Industrialex, with the consent of the Canadian Venture Exchange, that is not more than 90 days following the date of the receipt issued by the British Columbia Securities Commission for the prospectus filed in connection with the Industrialex's application for listing on the Canadian Venture Exchange. In accordance with Canadian Venture Exchange rules, Industrialex will receive the net proceeds of the offering within ten business days of the date the units are first offered to the public.

Under the terms of the agency agreement, Industrialex has agreed to pay to Thomson Kernaghan a commission of \$0.10 per unit for each unit sold in Canada from this offering, including units sold by Thomson Kernaghan, if any, pursuant to the over-allotment option described below. Thomson Kernaghan will also receive \$50,086 representing 4.25% of the net proceeds received by Industrialex as consideration for the sale of 2,357,000 special warrants previously issued by Industrialex in a private placement conducted in February 2000.

Before offers to sell units are made, the shares of Industrialex common stock must have been approved for listing on the facilities of the Canadian Venture Exchange.

Thomson Kernaghan has reserved the right to offer selling group participation in the normal course of the brokerage business to selling groups of other licensed broker-dealers, brokers and investment dealers

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in Canada who may or may not be offered part of the commissions or warrants offered to Thomson Kernaghan as consideration for sale of the units in Canada.

We have granted Thomson Kernaghan a right of first refusal to provide further public equity financing for a period of 18 months from May 15, 2000, the

date of the engagement letter that preceded the agency agreement.

The obligations of Thomson Kernaghan under the agency agreement may be terminated prior to the opening of the market on the day Industrialex's shares are to commence trading on the Canadian Venture Exchange at the discretion of Thomson Kernaghan on the basis of its assessment of the state of the financial markets. The agency agreement may also be terminated at any time upon the occurrence of certain stated events, including any of the following:

- o If any event occurs that Thomson Kernaghan reasonably believes materially and adversely affects the financial markets, business or operations of Industrialex or profitable marketing of the units.
- o If any change in the business, assets, or prospects of Industrialex occurs that Thomson Kernaghan reasonably believes will have a material adverse effect on the market price of the units or that could lead purchasers of a material number of units to exercise their right under the Canadian Securities Laws to withdraw from their purchase of units.
- o If any suit is filed or investigation instituted by any government agency, the Canadian Venture Exchange or any securities commission that, in the reasonable opinion of Thomson Kernaghan, prevents or restricts the trading or distribution of the units.
- o If any change occurs in the financial markets that Thomson Kernaghan reasonably believes could adversely affect the ability to market profitably the units.

For a more thorough presentation of the conditions that would allow Thomson Kernaghan to terminate the agency agreement, please refer to the agency agreement which is filed as an exhibit to the registration statement.

For further clarification, Thomas Kernaghan & Co. Limited is not registered or licensed to sell securities in the United States or to U.S. subscribers. Therefore, Thomson Kernaghan & Co. Limited is not involved with the sale of any units in the United States or to U.S. subscribers.

SALES OF SHARES IN THE UNITED STATES BY SELLING STOCKHOLDERS

The common stock registered on behalf of current Industrialex stockholders may be sold from time to time to purchasers directly by the selling stockholders. Alternatively, the selling stockholders may from time to time offer the shares through underwriters, dealers or agents, who may receive compensation in the form of underwriting discounts, concessions or commissions from the selling stockholders and/or the purchasers of the shares for whom they may act as agent. At the time a particular offer of shares is made, to the extent required, a prospectus supplement will be distributed that will set forth the specific shares to be sold and the terms of the offering, including the name or names of any underwriters or dealer agents, any discounts, commissions and other items constituting compensation from the selling stockholders and any discounts, commissions or concessions allowed or reallocated or paid to dealers. The shares may be sold

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from time to time in one or more transactions at a fixed offering price that may be changed or at varying prices determined at the time of sale or negotiated prices.

AGENT'S WARRANT

Thomson Kernaghan has agreed to use its best efforts to sell 2,000,000 of the units in this offering to investors in Canada at a price of \$0.75 per unit. In consideration of its best efforts, Thomson Kernaghan has been granted a warrant. The warrant entitles Thomson Kernaghan to purchase up to 200,000 units at a price of \$0.75 per unit at any time up to 5:00 p.m. on the second anniversary of the date shares of Industrialex common stock are first listed for trading on the Canadian Venture Exchange.

Additionally, as consideration for services provided to Industrialex by Thomson Kernaghan, including providing advice with respect to the structure, timing and price of the offering in Canada, Industrialex paid Thomson Kernaghan a work fee of \$18,000 and a corporate finance fee of 125,000 units.

The units comprising the corporate finance fee and the units underlying the warrant granted to Thomson Kernaghan are being registered pursuant to this registration statement.

Industrialex has granted Thomson Kernaghan an over allotment option that will permit Thomson Kernaghan to solicit and accept subscriptions for up to 300,000 additional units at a price of \$0.75 per unit. The number of units subject to the over-allotment option will be determined on or before the day our common stock commences trading on the Canadian Venture Exchange and will be the lesser of 300,000 units or the actual number of units subscribed for by way of oversubscription. Thomson Kernaghan is not required to cover the over-allotment of this offering by exercising the over-allotment option. Thomson Kernaghan may, in its discretion, cover the over-allotment by purchasing shares in the open market.

THE PUBLIC OFFERING PRICE WAS DETERMINED THROUGH NEGOTIATIONS AND MAY NOT BE RELATED TO THE VALUE OF THE STOCK.

The public offering price of the units of \$0.75 per unit was arrived at by negotiation between Industrialex and Thomson Kernaghan, and represents their independent assessment of the value of the units being offered. As such, the initial public offering price is not necessarily related to Industrialex's net worth or any other established criteria of value and may not bear any relationship to the market price following the completion of the offering.

THE UNITED STATES PENNY STOCK RULES MAY MAKE IT MORE DIFFICULT FOR INVESTORS TO SELL THEIR SHARES.

Because shares of Industrialex common stock will not be quoted on a national securities exchange in the United States, the shares will be subject to rules adopted by the U.S. Securities and Exchange Commission regulating broker-dealer practices in connection with transactions in "penny stocks." Such rules require that prior to effecting any transaction in a penny stock, a broker or dealer must give the customer a risk disclosure document that describes various risks associated with an investment in penny stocks, as well as various costs and fees associated with such an investment. It is possible that some brokers may be unwilling to engage in transactions of shares of Industrialex common stock because of these added disclosure requirements, which would make it more difficult for a purchaser in this offering to sell his shares.

LISTING THE STOCK ON THE CANADIAN VENTURE EXCHANGE DOES NOT ASSURE A MARKET FOR THE SHARES AT ALL TIMES.

The shares of Industrialex common stock will be approved for listing on the Canadian Venture Exchange and will be primarily traded on that exchange. The rules of the Canadian Venture Exchange do not require any market maker or specialist to maintain a market for the listed shares at all times. Therefore, the Canadian Venture Exchange listing does not assure a stockholder that there will be a purchaser for the shares when the stockholder wishes to sell.

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THE PURPOSE OF THIS PROSPECTUS

This prospectus has been included in a registration statement filed under the U.S. Securities Act of 1933 in order to permit the units to be legally sold to the United States purchasers. Copies of this prospectus are being furnished to each purchaser of the shares, whether in the United States, Canada, or elsewhere. In addition, the United States securities laws require that the prospectus be furnished to all subsequent purchasers of the units for a period of 90 days from the date of the U.S. registration statement. Copies of the prospectus will therefore be made available to any securities broker-dealer who proposes to sell any of the units for a customer to a U.S. purchaser.

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DIRECTORS, SENIOR OFFICERS AND MANAGEMENT

The following is a list of our current directors and senior officers, and their municipalities of residence, current positions with Industrialex, and principal occupations during the past five years. The list also includes information on our management team.

<TABLE>
<CAPTION>
NAME AND MUNICIPALITY OF RESIDENCE PRINCIPAL OCCUPATION FOR PREVIOUS FIVE YEARS

<S>
Ahmad Akrami
Superior, CO, USA
Chief Executive Officer and Chairman
and Director
Age 41

<C>
Mr. Akrami founded Industrialex Manufacturing Corp. in 1994 and has provided strategic direction and business guidance continuously in the capacity of founding member and chief executive officer. Industrialex has hired a professional management team to perform day-to-day operational activities on site, allowing Mr. Akrami to engage in other business activities. Other activities of Mr. Akrami have included acting as President & CEO of NexStar Automation, Inc. from December 1992 through September 1996, Vice President of Zygo Corp. from September 1996 through September 1999, interim-CEO of Panoramic Care Systems, Inc. from October 1999 through February 2000 and Partner at Bolder Venture Partners from September 1999 through the present. Currently Mr. Akrami is Chairman of the Board and Chief Executive Officer of Industrialex in addition to being a Partner at Bolder Venture Partners.

From August 1987 through October 1992, Mr. Akrami was the Chairman, President and Chief Executive Officer of TechniStar Corporation of Longmont, Colorado.

Mr. Akrami attended the University of California at Los Angeles from 1977 to 1981 in the School of Engineering and Applied Science and obtained a Bachelors degree in Applied Science from Western Illinois University in December 1995.

Mr. Akrami has entered into a non-competition and non-disclosure agreement with Industrialex.

Michael Scott Robidart
Boulder, CO, USA
Chief Operating Officer and President
Age 45

President and Chief Operating Officer of the Company since May 2000. Prior to that he was Executive Director at Seagate Technology, a data storage products manufacturer located in Scotts Valley, California, from March 1997 to May 2000. Prior to that he was a Vice President of Maxtor Corporation, a data storage products manufacturer, located in Longmont, California, from February 1996 to August 1996.

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<C>
From June 1990 to January 1996 Mr. Robidart was Vice President of Syquest Technology, a hard disc drive manufacturing company, where he was responsible for new product development.

Mr. Robidart obtained a Bachelor of Science Mechanical Engineering degree from California Polytechnical University, San Luis Obispo, California in December 1977.

Mr. Robidart has entered into a contractual arrangement with Industrialex that includes employment terms and non-competition and non-disclosure provisions.

Stephen J. King
Superior, CO, USA
Chief Financial Officer

Chief Financial Officer of the Company since May 2000. Prior to that he was a self-employed business consultant from

Age 49

March 1999 to May 2000. Mr. King was Chief Financial Officer of Back Yard Burgers, Inc. an operator and franchisor of restaurants located in Memphis, Tennessee, from June 1993 to March 1999.

Mr. King obtained a Masters of Business Administration degree from the University of Memphis, Memphis, Tennessee in May 1982, a Masters of Education degree from the University of Memphis, Memphis, Tennessee in May 1974 and a Bachelor of Science Education degree from the University of Arkansas, Fayetteville, Arkansas in May 1973.

Mr. King has entered into a letter agreement with Industrialex setting out the terms of his employment and has entered into a non-competition and non-disclosure agreement with Industrialex.

Thomas Stephen Plunkett
Longmont, CO, USA
Director
Age 45

Director of the Company since May 2000; Chief Financial Officer and Chief Operating Officer of RT One Inc., a communications company in Boulder, Colorado, since August 1999; prior to that he was Chief Financial Officer of Webb Interactive, an internet communications company in Denver, Colorado, from October 1996 to April 1999; prior to that he was Vice President of Business Planning of Maxtor Corp., a data storage products manufacturer located in Longmont, Colorado, from December 1995 to September 1996.

Francis Lundy
Mill Valley, CA, USA
Director
Age 63

Director of the Company since June 2000; Chairman of TISF, a precision optical and metrology company located in San Francisco, California, since 1996. Prior to that he was a Vice President of Zygo Corporation, a precision optics and

</TABLE>

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metrology equipment company located in Middlefield, Connecticut, from August 1996 to December 1999.

Thomas Tennesen, Director
c/o Industrialex Manufacturing Corp.
63-A S. Pratt Parkway
Longmont, CO 80501
Age 41

Director of the Company since June 2000; partner at Bolder Venture Partners LLC, a venture capital company based in Boulder, Colorado, since August 1999. Prior to that Mr. Tennesen was Chief Financial Officer of eSoft, Inc., an internet appliance company located in Broomfield, Colorado, from February 1998 to March 1999. From March 1997 to January 1998 he was self-employed as a financial consultant. From September 1994 to March 1997 he was Principal Accounting Officer and controller of Topro, Inc. a NASDAQ Small Cap Market listed, system integration company based in Denver, Colorado.

Mark S. Trawinski, General Manager,
Broomfield
Age 41

Mr. Trawinski, is the General Manager of Broomfield, located in Westminster, Colorado and is employed on a full-time basis. Mr. Trawinski has served in this capacity since the acquisition of Broomfield by Industrialex in April 2000. Prior to joining Industrialex, Mr. Trawinski was a co-founder of Broomfield and served as its President since inception.

Mr. Trawinski has entered into a contractual arrangement with Industrialex that includes employment terms and non-competition and non-disclosure terms.

Joseph P. Triolo, Jr., General Manager, Decorative
Age 40

Mr. Triolo, is the General Manager of Decorative, located in Denver, Colorado and is employed on a full-time basis. Mr. Triolo has served in this capacity since the

</TABLE>

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<TABLE>
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<C>
acquisition of Decorative by Industrialex in May 2000. Prior to joining Industrialex, Mr. Triolo was a co-founder of Decorative and served as its President since its inception.

Mr. Triolo has entered into a contractual arrangement with Industrialex that includes employment terms and non-competition and non-disclosure terms.

Vincent DiNapoli, General Manager, Screen Tech
Age 58

Mr. DiNapoli, is the General Manager of Screen Tech, located in Colorado Springs, Colorado and is employed on a full-time basis. Mr. DiNapoli was the founder of Screen Tech and has served as its President since inception.

Mr. DiNapoli has entered into a contractual arrangement with Industrialex that includes employment terms and non-competition and non-disclosure terms.

</TABLE>

Other than receiving stock options from time to time, the directors of Industrialex are not compensated for serving as directors.

OTHER ASSOCIATIONS

During the past five years, the principals of Industrialex have served as principals of the following reporting issuers during the periods and in the capacities noted below:

PRINCIPAL	REPORTING ISSUER	CAPACITY	PERIOD
Ahmad Akrami	Panoramic Care Systems Inc.	Chief Executive Officer (Interim) Director	10/99 - 05/00 10/99 - 05/00
	Zygo Corporation	Vice President	09/96 - 09/99
	NexStar Automation Inc.	President Chief Executive Officer Director	12/92 - 09/96 12/92 - 09/96 12/92 - 09/96
Michael Robidart	Maxtor Corporation Syquest Technology	Vice President Vice President	02/96 - 08/96 06/90 - 01/96
Stephen King	Back Yard Burgers Inc.	Chief Financial Officer Director	06/93 - 03/99 05/95 - 09/00
Francis Lundy	Dresdner RCM Zygo Corporation	Director Vice President	06/96 - 05/00 08/96 - 12/99
Thomas Stephen Plunkett	Webb Interactive	Chief Financial Officer	10/96 - 04/99
Thomas Tennesen	eSoft Inc.	Chief Financial Officer	02/98 - 03/99

</TABLE>

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CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Michael Scott Robidart, President and Chief Operating Officer of Industrialex, is indebted to Industrialex in the principal amount of \$130,000, secured by a promissory note made May 8, 2000. The promissory note is due April 30, 2003, or immediately if Mr. Robidart ceases to be employed by Industrialex, and bears interest at the rate of 7% per annum until paid. On April 30, 2003, provided Mr. Robidart is still employed by Industrialex, the amount due under the promissory note will be paid to Mr. Robidart as a bonus.

Ahmad Akrami, Chief Executive Officer and a director of Industrialex, was indebted to Industrialex in the principal amount of \$11,149, secured by a loan agreement made January 12, 1999. The debt, which was paid in full by Mr. Akrami in June 2000, bore interest, at the rate of 8% per annum.

On July 5, 2000, Mr. Akrami loaned Industrialex \$83,100 to be used in connection with the acquisition of Screen Tech. The debt, which was repaid in full by Industrialex on July 13, 2000, bore interest at the rate of 10.5%.

On July 13, 2000, Mr. Akrami guaranteed a line of credit issued to Industrialex by FirstBank of Longmont. The line of credit was in the amount of \$400,000 and has a maturity date of January 19, 2001.

Any future loan transactions or advances to officers, directors or 5% shareholders will be for a bona fide business purpose, approved by a majority of the disinterested directors and will be on terms no less favorable to Industrialex than could be obtained from third parties.

Bolder Venture Partners L.L.C.

Industrialex is party to a consulting agreement with Bolder Venture Partners L.L.C. dated January, 2000 (as amended June 28, 2000). Bolder Venture Partners is a limited liability company incorporated under the laws of the State of Colorado and is owned 60% by Daryl Yurek, and 10% by each of Cliff Mah, Ahmad Akrami (the Chief Executive Officer and a director of Industrialex), Kent Nuzum and Tom Tennesen (a director of Industrialex).

Under the terms of the consulting agreement, Bolder agrees to provide consulting services to the officers of Industrialex relating to matters of corporate development, strategic planning, raising of capital and other financial matters, and to assist with certain private placements and public offerings of Industrialex's securities, including this offering.

In consideration of these services, Industrialex agreed to pay Bolder Venture Partners a monthly fee of \$4,500, \$50,000 upon closing of the private placement of special warrants, and granted warrants to acquire up to 960,000 shares of Industrialex for a period of five years from January, 2000. On January 26, 2001, Bolder Venture Partners agreed to a reduction in the number of warrants granted pursuant to the consulting agreement from 960,000 to 865,000. The warrants become exercisable as follows:

- o 375,000 at \$0.25 per share as of January, 2000 of which 200,000 were exercised in September 2000;
- o 315,000 at \$1.00 per share as of May, 2000; and
- o 175,000 at \$1.00 per share upon completion of this offering.

The term of the consulting agreement ended on November 30, 2000. Mr. Akrami did not receive any compensation for services rendered to Industrialex through our consulting agreement with Bolder Venture Partners L.L.C.

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EXECUTIVE COMPENSATION

The following table is a summary of the compensation paid to the most highly paid executive officer of Industrialex during the most recently completed financial year for services rendered to Industrialex:

<TABLE>
<CAPTION>

NAME AND PRINCIPLE POSITION	PERIOD	ANNUAL COMPENSATION			LONG TERM COMPENSATION		
		SALARY	BONUS	OTHER ANNUAL COMPENSATION	AWARDS OPTIONS/SARS GRANTED (#)	PAYOUTS LTIP PAYOUTS	ALL OTHER COMPENSATION
<S> Ahmad Akrami, President and CEO	<C> Year ended Dec. 31, 2000	<C> \$94,364.97	<C> N/a	<C> \$12,000	<C> N/a	<C> N/a	<C> N/a

Directors of Industrialex are not paid for their service on the board of directors other than receiving an option grant for their service. Each Director was granted 25,000 options, which vest in 24 equal, monthly installments. Prior to January 2000 Industrialex was organized as an LLC and no salary was drawn by Ahmad Akrami. The other annual compensation referred to above in the table represents distributions from member's equity paid by Industrialex to Ahmad Akrami in lieu of salary. Ahmad Akrami drew no salary for his services as President and CEO through December 31, 2000.

CAUTIONARY STATEMENT CONCERNING
FORWARD-LOOKING STATEMENTS

We have made certain forward-looking statements in this document and in the documents referred to in this document which are subject to risks and uncertainties. These statements are based on the beliefs and assumptions of the management of the companies and on the information currently available to such management. Forward-looking statements include information concerning possible or assumed future results of Industrialex. These statements may be preceded by, followed by, or otherwise include the words "believes," "expects," "anticipates," "intends," "plans," "estimates" or similar expressions.

Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. The future results and stockholder values of Industrialex may differ materially from those expressed in these forward-looking statements. Many of the factors that will determine these results and values are beyond our ability to control or predict. Investors are cautioned not to put undue reliance on any forward-looking statements. Except for their ongoing obligations to disclose material information as required by the federal securities law, we do not have any intention or obligation to update forward-looking statements after this Prospectus is delivered, even if new information, future events or other circumstances have made them incorrect or misleading.

You should understand that various factors, in addition to those discussed elsewhere in this document and in the documents referred to in this document, could affect the future results of the combined company following the merger and could cause results to differ materially from those expressed in such forward-looking statements.

DIVIDEND RECORD AND POLICY

Other than distributions to members made by Industrialex Manufacturing LLC, Industrialex has not paid any dividends since incorporation and it has no plans to pay dividends in the immediate future. Industrialex expects to retain its earnings to finance further growth and, when appropriate, retire debt. The

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directors of Industrialex will determine if and when dividends should be declared and paid in the future based on Industrialex's financial position at the relevant time. All of the shares of Industrialex are entitled to an equal share in any dividends declared and paid.

EXPERTS

The financial statements of Industrialex Manufacturing Corp. and Decorative & Coating Systems, Inc. as of and for the years ended December 31, 1999 and 1998 included in this prospectus have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports appearing herein and are included in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The financial statements of Broomfield as of June 30, 1999 and 1998 and for the years ended June 30, 1999 and 1998 and the financial statements of Screen Tech as of December 31, 1999 and 1998, and for the years ended December

31, 1999 and 1998 included in this prospectus have been audited by Hein & Associates LLP, independent auditors, as stated in their reports appearing herein, and are included in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

LEGAL MATTERS

The Company knows of no material pending legal proceedings to which the Company is or is likely to be a party or to which any of its properties are or are likely to be the subject.

Campney & Murphy, Barristers and Solicitors, 2100-1111 West Georgia Street, Vancouver, British Columbia, Canada, V7X 1K9 has served as legal counsel of Industrialex in connection with the offering of the securities in Canada on the Canadian Venture Exchange.

The validity of the securities offered will be passed upon for Industrialex by Davis Graham & Stubbs LLP, Denver, Colorado. Lester Woodward, a partner of Davis Graham & Stubbs LLP has indicated his intention to acquire units in this offering.

WHERE YOU CAN FIND MORE INFORMATION

You may read and copy any reports, statements or other information that we file with the Securities and Exchange Commission at the SEC's public reference rooms in Washington, D.C.; New York, New York; and Chicago, Illinois. Please call the Securities and Exchange Commission at 1 (800) SEC-0330 for further information on the public reference rooms. Our SEC filings are also available to the public from commercial document retrieval services and at the web site maintained by the Securities and Exchange Commission at "http://www.sec.gov."

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INDUSTRIALEX MANUFACTURING CORP.
UNAUDITED PRO FORMA COMBINED STATEMENTS OF OPERATIONS
BASIS OF PRESENTATION

The following unaudited pro forma combined statements of operations give effect to the acquisitions by Industrialex Manufacturing Corp. ("IMC") (the "Combination"), of the outstanding capital stock of Broomfield Industrial Painting Inc. ("BIP"), Decorative & Coating Systems, Inc. ("DACS"), and Screen Tech. Graphics Inc. ("STG") (collectively the "Acquired Companies"). IMC acquired BIP on April 4, 2000, DACS on May 1, 2000 and STG on July 17, 2000. The Combination will be accounted for using the purchase method of accounting.

The unaudited pro forma combined statements of operation for the nine-months ended September 30, 2000 give effect to these transactions as if they had occurred on January 1, 2000. The unaudited pro forma combined statements of operations for the twelve months ended December 31, 1999 give effect to these transactions as if they had occurred on January 1, 1999.

The excess costs of acquisition of BIP, DACS and STG over the sum of fair values of tangible and identifiable intangible assets less liabilities assumed (goodwill) resulted in a total of \$2,733,390 of goodwill being recorded.

The pro forma adjustments are based on preliminary estimates, available information and certain assumptions that IMC management deems appropriate and may be revised as additional information becomes available. The pro forma financial data do not purport to represent what IMC's combined results of operations would actually have been if such transactions in fact had occurred on those dates and are not necessarily representative of IMC's combined results of operations for any future period. The unaudited pro forma combined statements of operations should be read in conjunction with the historical financial statements and notes thereto included elsewhere in this Prospectus.

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INDUSTRIALEX MANUFACTURING CORP.
UNAUDITED PRO FORMA CONSOLIDATED COMBINED STATEMENTS OF OPERATIONS
NINE MONTHS ENDED SEPTEMBER 30, 2000

<TABLE>
<CAPTION>

	CONSOLIDATED IMC NINE MONTHS ENDED SEPTEMBER 30, 2000	BIP THREE MONTHS ENDED MARCH 31, 2000	DACS THREE MONTHS ENDED MARCH 31, 2000	DACS ONE MONTH ENDED APRIL 30, 2000	STG SIX MONTHS ENDED JUNE 30, 2000
<S>	<C>	<C>	<C>	<C>	<C>
SALES	\$ 2,295,046	\$ 242,019	\$380,944	\$ 127,648	\$ 1,083,619
COST OF SALES	1,820,942	143,390	217,712	58,607	639,863
Gross profit	474,104	98,629	163,232	69,041	443,756
OPERATING EXPENSES					
Selling, general and administrative	705,102	79,900	119,377	48,135	320,356
Goodwill amortization	70,380	--	--	--	--
Total Operating expenses	775,482	79,900	119,377	48,135	320,356

INCOME (LOSS) FROM OPERATIONS	(301,378)	18,729	43,855	20,906	123,400
OTHER EXPENSE	(56,878)	(2,265)	212	(294)	(11,294)
NET INCOME (LOSS)	\$ (358,256)	\$ 16,464	\$ 44,067	\$ 20,612	\$ 112,106

BASIC AND DILUTED LOSS PER SHARE

SHARES USED IN COMPUTING PRO
FORMA LOSS PER SHARE

<CAPTION>

	COMBINED	PRO FORMA ADJUSTMENTS (NOTE 3)	PRO FORMA COMBINED
<S>	<C>	<C>	<C>
SALES	\$ 4,129,276	\$ --	\$ 4,129,276
COST OF SALES	2,880,514	--	2,880,514
Gross profit	1,248,762	--	1,248,762
OPERATING EXPENSES			
Selling, general and administrative	1,272,870	--	1,272,870
Goodwill amortization	70,380	66,290	136,670
Total Operating expenses	1,343,250	66,290	1,409,540
INCOME (LOSS) FROM OPERATIONS	(94,488)	(66,290)	(160,778)
OTHER EXPENSE	(70,519)	(64,600)	(135,119)
NET INCOME (LOSS)	\$ (165,007)	\$ (130,890)	\$ (295,897)
BASIC AND DILUTED LOSS PER SHARE			\$ (0.04)
SHARES USED IN COMPUTING PRO FORMA LOSS PER SHARE			7,597,000

</TABLE>

See notes to unaudited pro forma combined financial statements.

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INDUSTRIALEX MANUFACTURING CORP.

UNAUDITED PRO FORMA COMBINED STATEMENTS OF OPERATIONS
YEAR ENDED DECEMBER 31, 1999

<TABLE>

<CAPTION>

	IMC	BIP	DACS	STG	COMBINED	PRO FORMA ADJUSTMENTS (NOTE 4)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
SALES	\$ 1,113,685	\$ 974,153	\$ 1,353,373	\$ 1,898,720	\$ 5,339,931	\$ --
COST OF SALES	783,746	687,223	831,166	1,186,562	3,488,697	--
Gross profit	329,939	286,930	522,207	712,158	1,851,234	--
OPERATING EXPENSES:						
Selling, general and administrative	270,119	334,341	468,149	580,907	1,653,516	--
Goodwill amortization	--	--	--	--	--	182,226
Total operating expenses	270,119	334,341	468,149	580,907	1,653,516	182,226

INCOME (LOSS) FROM OPERATIONS	59,820	(47,411)	54,058	131,251	197,718	(182,226)
OTHER INCOME (EXPENSE)	(732)	868	(1,077)	(19,314)	(20,255)	(157,200)
	-----	-----	-----	-----	-----	-----
NET INCOME (LOSS)	\$ 59,088	\$ (46,543)	\$ 52,981	\$ 111,937	\$ 177,463	\$ (339,426)
	=====	=====	=====	=====	=====	=====

BASIC AND DILUTED LOSS PER SHARE

SHARES USED IN COMPUTING PRO
FORMA LOSS PER SHARE

<CAPTION>

	PRO FORMA COMBINED -----
<S>	<C>
SALES	\$ 5,339,931
COST OF SALES	3,488,697 -----
Gross profit	1,851,234
OPERATING EXPENSES:	
Selling, general and administrative	1,653,516
Goodwill amortization	182,226 -----
Total operating expenses	1,835,742 -----
INCOME (LOSS) FROM OPERATIONS	15,492
OTHER INCOME (EXPENSE)	(177,455) -----
NET INCOME (LOSS)	\$ (161,963) =====
BASIC AND DILUTED LOSS PER SHARE	\$ (0.03) =====
SHARES USED IN COMPUTING PRO FORMA LOSS PER SHARE	5,040,000 =====

</TABLE>

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INDUSTRIALEX MANUFACTURING CORP.

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

1. GENERAL

The historical financial statements reflect the results of operations of IMC and the Acquired Companies and were derived from IMC's and the respective Acquired Companies' financial statements. The consolidated statement of operations includes the actual results of operations for of IMC and its three wholly owned subsidiaries (BIP acquired on April 4, 2000, DACS acquired on May 1, 2000, and STG acquired on July 17, 2000). The historical financial statements for BIP, DACS and STG to give effect to these transaction as if they had occurred on January 1, 2000. The periods included in the historical financial statements for IMC and the individual Acquired Companies are for the year ended December 31, 1999.

2. ACQUISITIONS

IMC has acquired all of the outstanding common stock of the Acquired Companies. The Combination will be accounted for using the purchase method of accounting.

The following table sets forth the consideration paid or to be paid in (a) cash, (b) notes and (c) in special warrants to the common shareholders of each of the acquired Companies. Each special warrant can be converted into

one share of IMC common stock at no cost. For purposes of computing the estimated purchase price for accounting purposes, the value of the special warrants was determined using an estimated fair value of \$1 per warrant.

<TABLE>
<CAPTION>

	CASH	NOTES	SPECIAL WARRANTS	TOTAL
<S>	<C>	<C>	<C>	<C>
BIP	\$ 425,000	\$ --	\$500,000	\$ 925,000
DACS	300,000	700,000	200,000	1,200,000
STG	300,000	610,000	90,000	1,000,000
Total	\$1,025,000	\$1,310,000	\$790,000	\$3,125,000

</TABLE>

Additional consideration of 300,000 shares of common stock will be issued to the shareholders of STG if certain earn-out provisions are attained.

3. UNAUDITED PRO FORMA CONSOLIDATED COMBINED STATEMENTS OF OPERATIONS
ADJUSTMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2000

- (A) Records amortization of goodwill for Acquired Companies as a result of the Combination over an estimated life of 15 years, less amount of amortization already included in the consolidated results of operations for the nine-months ended September 30, 2000.
- (B) Records interest expense incurred on notes payable issued in relation to acquisitions of the Acquired Companies, less amount of interest expense already included in the consolidated results of operations for the nine months ended September 30, 2000.

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The following table summarizes unaudited pro forma consolidated combined statement of operations adjustments at September 30, 2000:

<TABLE>
<CAPTION>

	PRO FORMA ADJUSTMENTS		TOTAL PRO FORMA ADJUSTMENTS
<S>	(A)	(B)	<C>
OPERATING EXPENSES:			
Goodwill amortization	\$ 66,290	\$ --	\$ 66,290
Income (loss) from operations	(66,290)	--	(66,290)
Other expense	--	(64,600)	(64,600)
Net income	\$ (66,290)	\$ (64,600)	\$ (130,890)

</TABLE>

4. UNAUDITED PRO FORMA COMBINED STATEMENTS OF OPERATIONS ADJUSTMENTS FOR THE
TWELVE MONTHS ENDED DECEMBER 31, 1999

- (A) Records amortization of goodwill for acquired companies as a result of the Combination over an estimated life of 15 years.
- (B) Records interest expense incurred on notes payable issued in relation to acquisitions of the Acquired Companies.

The following tables summarize unaudited pro forma combined statements of operations adjustments at December 31, 1999:

<TABLE>
<CAPTION>

	PRO FORMA ADJUSTMENTS		TOTAL PRO FORMA ADJUSTMENTS
<S>	(A)	(B)	<C>
OPERATING EXPENSES:			
Goodwill amortization	\$ 182,226	\$ --	\$ 182,226

Income (loss) from operations	(182,226)	--	(182,226)
Other income (expense)	--	(157,200)	(157,200)
Net income	\$ (182,226)	\$ (157,200)	\$ (339,426)

</TABLE>

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5. EARNINGS PER SHARE

The pro forma share outstanding were computed as follows:

<TABLE>

<CAPTION>

	NINE MONTHS ENDED SEPTEMBER 30, 2000	YEAR ENDED DECEMBER 31, 1999
<S>	<C>	<C>
Shares issued upon merger of LLC and the Company	4,250,000	4,250,000
Special warrants issued in the private placement	2,357,000	--
Special warrants exercised by BVP	200,000	--
Special warrants to be issued in acquisitions	790,000	790,000
	7,597,000	5,040,000

</TABLE>

The computation above excludes 665,000 warrants issued or to be issued to BVP as well as options to purchase 687,000 shares of common stock the Company will grant to employees and directors of the Company immediately following the offering.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders
of Industrialex Manufacturing Corp.
Longmont, Colorado

We have audited the accompanying consolidated balance sheets of Industrialex Manufacturing Corp. (the Company) as of December 31, 1998 and 1999, and the related consolidated statements of operations, shareholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of Industrialex Manufacturing Corp. as of December 31, 1998 and 1999, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

April 7, 2000
(January 31, 2001 as to Notes 3 and 10)

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INDUSTRIALEX MANUFACTURING CORP.

CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

ASSETS	DECEMBER 31,		SEPTEMBER 30,
	1998	1999	2000
			(UNAUDITED)
<S>	<C>	<C>	<C>
CURRENT ASSETS:			
Cash and cash equivalents	\$ 849	\$ 39,930	\$ 69,219
Accounts receivable:			
Trade, net of allowance for doubtful accounts of \$0 in 1999 and 1998	323,701	250,532	764,440
Other	1,150	1,300	--
Inventories	--	--	151,078
Other current assets	7,132	5,028	2,674
Total current assets	332,832	296,790	987,411
PROPERTY, PLANT AND EQUIPMENT, net	78,884	137,685	408,378
OTHER ASSETS:			
Note receivable from related parties	--	11,449	111,910
Deferred initial public offering expense	--	--	256,038
Deferred acquisition expenses	--	1,098	--
Security deposits	4,705	7,132	9,760
Goodwill	--	--	2,663,024
Other assets	4,705	19,679	3,040,732
TOTAL	\$ 416,421	\$ 454,154	\$ 4,436,521
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Bank overdrafts	\$ 40,717	\$ --	\$ --
Bank line of credit	--	--	376,398
Notes payable	--	--	1,310,000
Accounts payable	19,823	34,706	478,412
Accrued liabilities:			
Payroll	17,329	20,204	61,790
Other	11,568	6,398	46,935
Deferred income taxes	--	--	23,000
Current portion of capital lease obligations	--	8,763	10,747
Total current liabilities	89,437	70,071	2,307,282
CAPITAL LEASE OBLIGATIONS, less current maturities	--	40,703	30,342
COMMITMENT AND CONTINGENCIES (Note 6)			
COMMON STOCK WARRANTS	--	--	790,000
EQUITY:			
Common stock, \$.01 par value - 50,000,000 authorized, 4,250,000 issued and outstanding	--	--	44,500
Additional paid-in capital	--	--	1,667,373
Accumulated deficit	--	--	(358,256)
Deferred compensation	--	--	(44,720)
Member's equity	326,984	343,380	--
Total equity	326,984	343,380	1,308,897
TOTAL LIABILITIES AND EQUITY	\$ 416,421	\$ 454,154	\$ 4,436,521

</TABLE>

See notes to financial statements.

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INDUSTRIALEX MANUFACTURING CORP.

CONSOLIDATED STATEMENTS OF OPERATIONS

	YEARS ENDED DECEMBER 31,		NINE MONTHS ENDED SEPTEMBER 30,	
	1998	1999	1999	2000
<TABLE> <CAPTION>				
			(UNAUDITED)	
<S>	<C>	<C>	<C>	<C>
SALES	\$ 810,821	\$ 1,113,685	\$ 791,815	\$ 2,295,046
COST OF SALES:				
Cost of sales	473,723	758,787	533,426	1,820,942
Asset impairment	--	24,959	--	--
Total cost of sales	473,723	783,746	533,426	1,820,942
Gross profit	337,098	329,939	258,389	474,104
GENERAL AND ADMINISTRATIVE EXPENSES:				
General and administrative	163,667	265,686	177,875	775,482
Asset impairment	--	4,433	--	--
Total general and administrative expenses	163,667	270,119	177,875	775,482
INCOME (LOSS) FROM OPERATIONS	173,431	59,820	80,514	(301,378)
OTHER INCOME (EXPENSE), net	(95)	(732)	19	(56,878)
NET INCOME (LOSS)	173,336	59,088	80,533	(358,256)
PRO FORMA INCOME TAX EXPENSE	64,654	22,040	30,038	--
PRO FORMA NET INCOME (LOSS)	\$ 108,682	\$ 37,048	\$ 50,495	\$ (358,256)
EARNINGS (LOSS) PER SHARE - BASIC AND DILUTED	\$ 0.03	\$ 0.01	\$ 0.01	\$ (0.05)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED	4,250,000	4,250,000	4,250,000	6,568,777
</TABLE>				

See notes to financial statements.

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INDUSTRIALEX MANUFACTURING CORP.

CONSOLIDATED STATEMENTS OF EQUITY

<S>	COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	MEMBER'S EQUITY	ACCUMULATED DEFICIT	DEFERRED COMPENSATION	TOTAL
	SHARES	AMOUNT					
<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
BALANCE, JANUARY 1, 1998	--	\$ --	\$ --	\$ 177,869	\$ --	\$ --	\$ 177,869
Distributions	--	--	--	(24,221)	--	--	(24,221)
Net income	--	--	--	173,336	--	--	173,336
BALANCE, DECEMBER 31, 1998	--	--	--	326,984	--	--	326,984
Distributions	--	--	--	(42,692)	--	--	(42,692)
Net income	--	--	--	59,088	--	--	59,088
BALANCE, DECEMBER 31, 1999	--	--	--	343,380	--	--	343,380
Distributions (unaudited)	--	--	--	(16,034)	--	--	(16,034)
Merger with Industrialex Manufacturing Corp. (unaudited)	4,250,000	42,500	284,846	(327,346)	--	--	--
Exercise of common stock warrants (unaudited)	200,000	2,000	48,000	--	--	--	50,000
Issuance of common stock warrants (unaudited)	--	--	1,284,527	--	--	--	1,284,527
Deferred employee stock compensation (unaudited)	--	--	50,000	--	--	(50,000)	--
Amortization of deferred employee stock compensation (unaudited)	--	--	--	--	--	5,280	5,280
Net loss (unaudited)	--	--	--	--	(358,256)	--	(358,256)
BALANCE, SEPTEMBER 30, 2000 (unaudited)	4,450,000	\$ 44,500	\$ 1,667,373	\$ --	\$ (358,256)	\$ (44,720)	\$ 1,308,897

</TABLE>

See notes to the financial statements.

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INDUSTRIALEX MANUFACTURING CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS

<S>	YEARS ENDED DECEMBER 31,		NINE MONTHS ENDED SEPTEMBER 30,	
	1998	1999	1999	2000
<C>	<C>	<C>	(UNAUDITED)	
<C>	<C>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income (loss)	\$ 173,336	\$ 59,088	\$ 80,533	\$ (358,256)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operations:				
Depreciation	10,668	29,856	21,594	113,527
Asset impairment	--	29,392	--	--
Non-cash stock and deferred compensation	--	--	--	23,370

Changes in operating assets and liabilities, excluding effects of acquisitions:				
Accounts receivable	(129,091)	73,019	96,887	46,441
Inventory	--	--	--	(6,286)
Other current assets	(4,735)	2,104	(7,136)	7,604
Other assets	(1,783)	(3,525)	--	(218,940)
Bank overdrafts	21,001	(40,717)	(40,717)	--
Accounts payable	11,568	14,883	66,332	331,198
Accrued liabilities	11,376	(2,295)	38,707	67,700
	-----	-----	-----	-----
Net cash provided by (used in) operating activities	92,340	161,805	256,200	6,358
	-----	-----	-----	-----
CASH FLOWS USED IN INVESTING ACTIVITIES -				
Payments for acquisitions, net of cash acquired	--	--	--	(1,113,036)
Capital expenditures	(67,270)	(62,099)	(59,498)	(63,118)
	-----	-----	-----	-----
Net cash used in investing activities	(67,270)	(62,099)	(59,498)	(1,176,154)
	-----	-----	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:				
Issuance of common stock and common stock warrants	--	--	--	1,228,500
Amounts collected from related parties	--	--	--	11,449
Amounts loaned to member under note receivable	--	(11,449)	(26,997)	(130,000)
Borrowings under bank line of credit	--	--	--	376,398
Payments on notes payable	--	--	--	(262,851)
Distribution to member	(24,221)	(42,692)	(28,451)	(16,034)
Payments on capital lease obligations	--	(6,484)	--	(8,377)
	-----	-----	-----	-----
Net cash provided by (used in) financing activities	(24,221)	(60,625)	(55,448)	1,199,085
	-----	-----	-----	-----
NET INCREASE IN CASH AND CASH EQUIVALENTS				
	849	39,081	141,254	29,289
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR				
	--	849	849	39,930
	-----	-----	-----	-----
CASH AND CASH EQUIVALENTS, END OF YEAR				
	\$ 849	\$ 39,930	\$ 142,103	\$ 69,219
	=====	=====	=====	=====
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION - Cash paid for interest				
	\$ 98	\$ 3,554	\$ --	\$ 66,240
	=====	=====	=====	=====
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING TRANSACTIONS - Assets acquired under capitalized leases				
	\$ --	\$ 55,950	\$ --	\$ --
	=====	=====	=====	=====

</TABLE>

See notes to financial statements.

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INDUSTRIALEX MANUFACTURING CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1999 AND 1998

1. ORGANIZATION

The accompanying financial statements present the financial position and results of operations of Industrialex Manufacturing LLC ("LLC"), a limited liability company organized under the laws of the state of Colorado in 1994. Ahmad Akrami and The Rudder Group, LLC were the original members of the Company. On May 10, 1997, The Rudder Group, LLC sold its 50% interest to Ahmad Akrami. As discussed in Note 10, in January 2000 LLC merged with Industrialex Manufacturing Corp. (the "Company") and the Company became the surviving entity. Because the Company and LLC are entities under common control, the financial statements of LLC represent the historical

financial statements of the Company.

The Company operates in one segment and provides specialized protective coating services to the high technology manufacturing industry located along the front range of Colorado.

As further discussed in Notes 3 and 10, the Company has completed the acquisition of certain businesses during the period subsequent to December 31, 1999. All references to the Company in these financial statements include all acquired subsidiaries.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INTERIM FINANCIAL INFORMATION - The interim financial statements as of September 30, 2000 and for the nine months ended September 30, 2000 and 1999 are unaudited, and certain information and footnote disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been omitted. In the opinion of management, all adjustments, consisting only of normal recurring items, necessary to fairly present the financial position, results of operations and cash flows with respect to the interim financial statements have been included. The results of operations for the interim period are not necessarily indicative of the results for an entire fiscal year.

CASH AND CASH EQUIVALENTS - The Company considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

PROPERTY, PLANT AND EQUIPMENT - The Company records property, plant and equipment at cost. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

<TABLE>	
<S>	<C>
Machinery and equipment	7 years
Furniture and fixtures	3 years
</TABLE>	

Improvements on leased property are amortized on the straight-line method over the life of the lease. Expenditures for repairs and maintenance are charged to operations as incurred.

Upon retirement or disposition of property, plant or equipment, the related cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in income or loss for the period.

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IMPAIRMENTS OF ASSETS - Long-lived assets are reviewed for impairment if events or circumstances indicate the carrying amount of these assets may not be recoverable. If this review indicates that these assets will not be recoverable, based on the forecasted undiscounted future operating cash flows expected to result from the use of these assets and their eventual disposition, the Company's carrying value of these assets is reduced to fair value. The Company has recorded impairment losses in the accompanying statements of operations of \$29,392 during 1999.

REVENUE RECOGNITION - The Company recognizes revenue upon completion of conformal coating and shipment of product to customer.

ESTIMATES - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses. Actual results could differ materially from those estimates.

INCOME TAXES - Through December 1999, the Company elected to be treated as a limited liability corporation (LLC) as provided by the Internal Revenue Code; accordingly, income taxes related to the Company's operations were the responsibility of the LLC member.

The Company has elected to be treated as a "C" corporation as provided for by the Internal Revenue Code, and accordingly, income taxes related to the Company's operations will become the responsibility of the Company. As of January 1, 2000, the Company will account for income taxes in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (SFAS No. 109). SFAS No. 109 requires the recognition of

deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the financial reporting basis and income tax basis of assets and liabilities, based on enacted tax rates.

Pro forma income tax expense is computed in accordance with the Securities and Exchange Commission Staff Accounting Bulletin No. 55, "Pro Forma Financial Statements and Earnings per Share" (SAB 55). In accordance with SAB 55, pro forma financial information and earnings per share is required when the historical financial statements are not indicative of the on-going entity. As a result of the Company's change to a "C" corporation during 2000, the historical statements of operations have been adjusted to reflect a pro forma tax provision as if the Company had always been a taxable entity. Also, in accordance with SAB 55, historical earnings (loss) per share has not been reflected because it is not relevant and pro forma earnings (loss) per share have been presented (see Note 8).

COMPREHENSIVE INCOME - In 1998, the Company adopted Statement of Financial Accounting Standard No. 130, "Reporting Comprehensive Income" (SFAS No. 130). SFAS No. 130 established standards for reporting and display of comprehensive income and its components (revenues, expenses, gains, and losses) in a full set of general-purpose financial statements. The Company had no items of other comprehensive income in 1998 or 1999.

NEW ACCOUNTING PRONOUNCEMENTS - In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133 "Accounting for Derivative Instruments and Hedging Activities" (SFAS No. 133). The standard, which is effective for fiscal years beginning after June 15, 2000, sets forth guidelines and requirements for measuring derivative instruments at fair value as assets and liabilities to be reported in the financial statements and that the changes in the fair value of the instruments shall be recognized in the results of operations. The Company has not completed the process of evaluating the impact that will result from adopting this pronouncement.

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3. ACQUISITIONS SUBSEQUENT TO DECEMBER 31, 1999 (UNAUDITED)

On April 4, 2000, the Company acquired all of the outstanding stock of Broomfield Industrial Painting, Inc. (BIP). The purchase price, net of cash acquired, amounted to approximately \$965,000 and consisted of the following:

<TABLE>	<C>
<S>	
Cash	\$430,000
500,000 special warrants to BIP shareholders	500,000
Warrants to third party for acquisition services	35,000

Total	\$965,000
	=====

</TABLE>

The fair value of the assets acquired, excluding cash acquired, amounted to \$220,000 and liabilities assumed were \$36,000. The cost in excess of net assets acquired amounted to \$781,000 and has been recorded as goodwill in the accompanying consolidated balance sheet as of September 30, 2000.

On May 1, 2000, the Company acquired all of the outstanding stock of Decorative & Coating Systems, Inc. (DACs). The purchase price, net of cash acquired, amounted to approximately \$1,233,000 and consisted of the following:

<TABLE>	<C>
<S>	
Cash	\$ 298,000
Note payable to DACs	700,000
200,000 special warrants to DACs shareholders	200,000
Warrants to third party for acquisition services	35,000

Total	\$1,233,000
	=====

</TABLE>

The fair value of the assets acquired, excluding cash acquired, amounted to \$229,000 and liabilities assumed were \$57,000. The cost in excess of net assets acquired amounted to \$1,061,000 and has been recorded as goodwill in the accompanying consolidated balance sheet as of September

30, 2000.

On July 17, 2000, the Company acquired all of the outstanding stock of Screen Tech Graphics, Inc. (STG). The purchase price, net of cash acquired, amounted to approximately \$1,011,000 and consisted of the following:

<TABLE>	
<S>	<C>
Cash	\$ 275,000
Notes payable to former STG shareholders	610,000
90,000 special warrants to former STG shareholders	90,000
Warrants to third party for acquisition services	36,000

Total	\$1,011,000
	=====
</TABLE>	

Subject to earn-out provisions, additional consideration of 300,000 shares of common stock will be paid to the former STG shareholders.

The fair value of the assets acquired, excluding cash, amounted to \$527,000 and liabilities assumed were \$320,000. The cost in excess of net assets acquired amounted to \$804,000 and has been recorded as goodwill in the accompanying consolidated balance sheet as of September 30, 2000.

Each special warrant issued to the former BIP, DACS and STG shareholders can be converted into one share of Company common stock at no additional cost at the option of the holder, with no expiration.

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The BIP, DACS and STG purchase agreements also include provisions whereby the former shareholders of BIP, DACS and STG can require the Company to buy the special warrants back at \$1 per special warrant if a public offering of the Company's common stock has not been effected within one year of each respective closing date. As a result, these warrants are excluded from equity in the accompanying consolidated balance sheet.

The acquisitions were accounted for by the purchase method of accounting for business combinations. Accordingly, the accompanying consolidated statements of income do not include any revenue or expenses related to these acquisitions prior to their respective closing dates.

The following unaudited pro forma consolidated statement of operations data for the nine months ended September 30, 2000 and the year ended December 31, 1999 give effect to the acquisitions of BIP, DACS and STG as if each of these acquisitions had occurred on January 1, 1999. All of the following unaudited pro forma consolidated results give effect to purchase accounting adjustments. These pro forma results have been prepared for comparative purposes only and do not purport to be indicative of what operating results would have been had the acquisitions actually taken place on January 1, 1999 and may not be indicative of future operating results.

<TABLE>		
<CAPTION>		
	NINE MONTHS	YEAR ENDED
	ENDED	ENDED
	SEPTEMBER 30,	DECEMBER 31,
	2000	1999
	-----	-----
<S>	<C>	<C>
Pro forma: Sales	\$ 4,129,276	\$ 5,339,931
	=====	=====
Net loss	\$ (295,897)	\$ (161,963)
	=====	=====
Basic and diluted		
Net loss per share	\$ (0.04)	\$ (0.03)
	=====	=====
</TABLE>		

4. NOTE RECEIVABLE FROM RELATED PARTY

In 1999, the Company entered into an agreement and signed a note with its majority shareholder that allows the shareholder to borrow amounts up to \$33,000. The note accrues interest at 8%. Principal and accrued interest are due on the maturity date of December 30, 2002. The balance outstanding on the note at December 31, 1999 was \$11,449.

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following as of December 31:

	1998	1999
<S>	<C>	<C>
Machinery and equipment	\$ 99,232	\$ 170,829
Furniture and fixtures	11,652	24,709
Leasehold improvements	2,747	2,747
	-----	-----
	113,631	198,285
Less accumulated depreciation	(34,747)	(60,600)
	-----	-----
Total	\$ 78,884	\$ 137,685
	=====	=====

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6. LINE OF CREDIT

The Company had a line of credit with FirstBank of Longmont (the Bank) which expired on July 25, 1999. The line of credit had a limit of \$20,000 and was secured by the Company's cash accounts at the Bank. Interest accrued at the Bank's commercial base rate plus 1%. There were no amounts outstanding on the line of credit at December 31, 1998.

7. COMMITMENTS

The Company has various noncancelable capital and operating leases for office and operating space and equipment which expire at various times from the year 2002 to 2004. Aggregate minimum annual rentals under such leases are as follows:

YEAR ENDING DECEMBER 31:	CAPITAL LEASES	OPERATING LEASES
<S>	<C>	<C>
2000	\$ 13,384	\$ 58,376
2001	13,384	23,426
2002	13,384	9,274
2003	13,384	--
2004	8,644	--
	-----	-----
Total minimum lease payments	62,180	\$ 91,076
	-----	=====
Less amount representing interest	(12,714)	

Present value of minimum lease payments	49,466	
Less current portion	(8,763)	

Long-term portion of capital lease obligations	\$ 40,703	
	=====	

The obligations under capital leases are collateralized by equipment with a cost of \$55,950 and associated accumulated amortization of \$8,393.

During 1998 and 1999, rental expense under operating leases amounted to \$43,393 and \$59,867, respectively.

In January 2000, the Company entered into an agreement with Bolder Venture Partners ("BVP"). BVP has agreed to provide the Company with certain corporate development and financial advisor services through November 2000. In consideration of these advisory services, the Company will pay BVP a monthly fee of \$4,500 through November 2000.

8. CONCENTRATIONS OF CREDIT AND OTHER RISKS

CONCENTRATION OF CREDIT RISK - The Company's financial instruments that

potentially subject the Company to significant concentration of credit risk consist of accounts receivable. The Company manages credit risk with respect to accounts receivable through a credit evaluation process. Historically, the Company has not incurred any significant credit related losses.

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SIGNIFICANT CUSTOMERS - The Company had one customer which represented 83% and 82% of total 1998 and 1999 revenues, respectively, and 89% and 67% of total accounts receivable in 1998 and 1999, respectively.

9. EARNINGS PER SHARE

The weighted average shares outstanding for the years ended December 31, 1999 and 1998 and for the nine months ended September 30, 1999 was 4,250,000, which represents the shares issued upon the merger of LLC and the Company. There were no potentially dilutive securities outstanding during any of these periods. The weighted average shares outstanding for the nine months ended September 30, 2000 is calculated as follows:

<TABLE>	<C>
<S>	
Shares issued upon merger of LLC and the Company	4,250,000
Shares issued upon exercise of BVP warrants	11,111
Special warrants issued in private placement	1,833,222
Special warrants issued in acquisitions	474,444

	6,568,777
	=====

</TABLE>

In January 2000, the Company issued 400,000 warrants to acquire shares of common stock with an exercise price of \$0.25 per share (see Note 11). 200,000 of these warrants were converted into common stock in September 2000 and are included in the computation above. The remaining 200,000 warrants were excluded from the computation of diluted earnings per share as their effect would have been anti-dilutive. Had the effect of these warrants been dilutive, the Company would have included an additional 355,555 shares in diluted earnings per share.

10. SUBSEQUENT EVENTS

In January 2000, the Company entered into an agreement with Bolder Venture Partners (BVP) to assist in making acquisitions and raising capital. One of the minority shareholders of BVP is the Company's majority shareholder. The Company granted BVP 400,000 warrants to acquire Company common stock at \$.25 per share upon execution of the agreement in consideration for assistance in acquisitions. The Company will issue to BVP an additional 560,000 warrants upon completion of the Company's initial public offering. The exercise price of these warrants will be equal to the price in the public offering. The issuance of these warrants will be accounted for in accordance with SFAS No. 123. Any value assigned to the warrants will be allocated to the purchase price of the businesses acquired or as a cost of the offerings. In January 2001, Bolder Venture Partners agreed to a reduction in the number of warrants granted pursuant to its consulting agreement from 960,000 to 865,000. As part of this agreement Bolder Venture Partners agreed to a twelve month lockup of all shares owned by Bolder Venture Partners. The warrant becomes exercisable as follows: 375,000 at \$.25 per share as of January, 2000 of which 200,000 shares were exercised in September 2000, 315,000 at \$1.00 per share as of May, 2000 and 175,000 at \$1.00 upon the completion of the IPO.

In February 2000, LLC was merged into the Company, with the Company becoming the surviving entity. Ahmad Akrami is a 89.9% shareholder in the Company. In January 2001, Ahmad Akrami agreed to cancel 500,000 shares of Common Stock from his total ownership of 4,000,000 shares of common stock.

In March 2000, the Company raised \$1,018,500 in a private placement of 2,037,000 special warrants to the Company officers and other individuals. Each special warrant can be converted into one share of the Company common stock at no additional cost.

In May 2000, the Company entered into an agreement and signed a note with an officer in the amount of \$130,000. The note is due April 30, 2003, or immediately if the officer ceases to be employed by Industrialex, and bears interest at a rate of 7% per annum until paid. On April 30, 2003, provided the officer is still employed by Industrialex, the amount due under the promissory note will be paid to the officer as a bonus.

In June 2000, the Company's board of directors approved a stock option (the Plan). The Plan provides that a maximum number of common shares issued or covered by outstanding stock options granted under the Plan shall not, in the aggregate, exceed 1,200,000, that the exercise price of each stock option granted shall not be less than the fair market value as defined in the Plan, and that the term of a stock option shall not exceed five years. Through November 14, 2000, 687,000 shares have been granted at strike prices ranging from \$0.50 to \$1.00. Because the public offering price of the Company's common stock is expected to be \$1.00 per share, all options issued with a strike price less than \$1.00 have been deemed to be compensatory and, accordingly, compensation expense has been recorded.

In July 2000, the Company entered into a line of credit agreement with FirstBank of Longmont. The line of credit has a maximum limit of \$400,000 and is secured by substantially all assets of the Company. As of November 14, 2000, the line of credit had an outstanding balance of \$381,000. Interest accrues at Prime plus 1% and is payable monthly. All outstanding principal and accrued interest is due on the maturity date of January 19, 2001.

* * * * *

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of
Decorative & Coating Systems, Inc.
Denver, Colorado

We have audited the accompanying balance sheets of Decorative & Coating Systems, Inc. (the Company) as of December 31, 1998 and 1999, and the related statements of operations, shareholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 1998 and 1999, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP

Denver, Colorado

April 7, 2000
(August 10, 2000 as to Note 8)

DECORATIVE & COATING SYSTEMS, INC.

BALANCE SHEETS

	DECEMBER 31,		MARCH 31,
	1998	1999	2000
ASSETS			(UNAUDITED)
<S>	<C>	<C>	<C>
CURRENT ASSETS:			
Cash and cash equivalents	\$ 39,353	\$ 34,194	\$ 91,039
Trade accounts receivable, net of allowance for doubtful accounts of \$0 in 1999 and 1998	112,081	139,075	159,593
Notes receivable from related parties (Note 7)	--	3,729	4,668
Inventories	30,496	36,468	34,782
Prepaid expenses	4,829	3,103	3,132
Total current assets	186,759	216,569	293,214
PROPERTY, PLANT AND EQUIPMENT, net	10,281	30,215	29,625
TOTAL ASSETS	\$ 197,040	\$ 246,784	\$ 322,839
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Accounts payable	\$ 27,542	\$ 43,933	\$ 85,922
Accrued liabilities:			
Payroll	18,769	12,144	--
Other	2,321	3,156	6,225
Current maturities of long-term debt	2,081	3,798	3,867
Total current liabilities	50,713	63,031	96,014
LONG-TERM DEBT, less current maturities	--	14,445	13,450
COMMITMENTS AND CONTINGENCIES (Note 5)			
SHAREHOLDERS' EQUITY:			
Common stock, \$1 par value, 200,000 shares authorized, 50,930 shares issued and outstanding	50,930	50,930	50,930
Additional paid-in capital	7,769	7,769	7,769
Retained earnings	87,628	110,609	154,676
Total shareholders' equity	146,327	169,308	213,375
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 197,040	\$ 246,784	\$ 322,839

</TABLE>

See notes to the financial statements.

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DECORATIVE & COATING SYSTEMS, INC.

STATEMENTS OF OPERATIONS

	YEARS ENDED DECEMBER 31,		THREE MONTHS ENDED MARCH 31,	
	1998	1999	1999	2000
				(UNAUDITED)
<S>	<C>	<C>	<C>	<C>
NET SALES	\$ 1,220,667	\$ 1,353,373	\$ 301,564	\$ 380,944
COST OF SALES	789,124	831,166	174,071	217,712
GROSS PROFIT	431,543	522,207	127,493	163,232

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	440,623	468,149	112,341	119,377
INCOME (LOSS) FROM OPERATIONS	(9,080)	54,058	15,152	43,855
OTHER INCOME (EXPENSE)	(773)	(1,077)	248	212
NET INCOME (LOSS)	\$ (9,853)	\$ 52,981	\$ 15,400	\$ 44,067

</TABLE>

See notes to the financial statements.

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DECORATIVE & COATING SYSTEMS, INC.

STATEMENTS OF SHAREHOLDERS' EQUITY

<TABLE>
<CAPTION>

	COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	TOTAL
	SHARES	AMOUNT			
BALANCE, JANUARY 1, 1998	50,930	\$ 50,930	\$ 7,769	\$ 124,358	\$ 183,057
Distributions	--	--	--	(26,877)	(26,877)
Net loss	--	--	--	(9,853)	(9,853)
BALANCE, JANUARY 1, 1998	50,930	50,930	7,769	87,628	146,327
Distributions	--	--	--	(30,000)	(30,000)
Net income	--	--	--	52,981	52,981
BALANCE, DECEMBER 31, 1999	50,930	50,930	7,769	110,609	169,038
Distributions (unaudited)	--	--	--	--	--
Net income (unaudited)	--	--	--	44,067	44,067
BALANCE, MARCH 31, 2000 (unaudited)	50,930	\$ 50,930	\$ 7,769	\$ 154,676	\$ 213,375

</TABLE>

See notes to the financial statements.

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DECORATIVE & COATING SYSTEMS, INC.

STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

YEARS ENDED DECEMBER 31,		THREE MONTHS ENDED MARCH 31,	
1998	1999	1999	2000
(UNAUDITED)			

<S>	<C>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income (loss)	\$ (9,853)	\$ 52,981	\$ 15,400	\$ 44,067
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation	4,752	8,883	1,035	2,688
Changes in operating assets and liabilities:				
Accounts receivable	24,712	(26,994)	(8,151)	(21,457)
Inventories	1,834	(5,972)	(1,681)	1,686
Prepaid expenses	(806)	1,726	4,769	(29)
Accounts payable and accrued liabilities	(5,550)	10,601	25,726	32,914
	-----	-----	-----	-----
Net cash provided by operating activities	15,089	41,225	37,098	59,869
	-----	-----	-----	-----
CASH FLOWS USED IN INVESTING ACTIVITIES - Purchases of fixed assets				
	(3,754)	(28,817)	(7,897)	(2,098)
	-----	-----	-----	-----
CASH FLOWS USED IN FINANCING ACTIVITIES:				
Amounts loaned to related party under note receivable	--	(3,729)	--	--
Proceeds from long-term debt	--	20,915	--	--
Repayment of long-term debt	(9,616)	(4,753)	(2,081)	(926)
Distributions to shareholders	(26,877)	(30,000)	--	--
	-----	-----	-----	-----
Net cash used in financing activities	(36,493)	(17,567)	(2,081)	(926)
	-----	-----	-----	-----
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(25,158)	(5,159)	27,120	56,845
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	64,511	39,353	39,353	34,194
	-----	-----	-----	-----
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 39,353	\$ 34,194	\$ 66,473	\$ 91,039
	=====	=====	=====	=====
SUPPLEMENTAL CASH FLOW INFORMATION -				
Cash paid for interest	\$ 773	\$ 1,077	\$ 324	\$ 773
	=====	=====	=====	=====

</TABLE>

See notes to the financial statements.

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DECORATIVE & COATING SYSTEMS, INC.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1998 AND 1999

1. ORGANIZATION

Decorative & Coating Systems, Inc. (the Company), was incorporated on June 8, 1976 in the State of Colorado. The Company commenced operations with its liquid coating lines in 1976, expanding into Powder Coating in 1986.

The Company operates in a single business segment, powder coating of metal products. The Company's operations are concentrated in Denver, Colorado.

2. SIGNIFICANT ACCOUNTING POLICIES

INTERIM FINANCIAL INFORMATION - The interim financial statements as of March 31, 2000 and for the three months ended March 31, 2000 and 1999 are unaudited, and certain information and footnote disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been omitted. In the opinion of management, all adjustments, consisting only of normal recurring items, necessary to fairly present the financial position, results of operations and cash flows with respect to the interim financial statements have been included. The results of operations for the interim period are not necessarily indicative of the results for an entire fiscal year.

CASH AND CASH EQUIVALENTS - The Company considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

INVENTORIES - Inventories are valued at the lower of average cost or market value.

PROPERTY, PLANT AND EQUIPMENT - The Company records property, plant and equipment at cost. Depreciation is being computed using accelerated methods over the estimated useful lives as follows:

<TABLE>	
<S>	<C>
Machinery, furniture and equipment	3-5 years
Vehicles	3 years
</TABLE>	

Improvements on leased property are amortized on the straight line method over the life of the lease. Expenditures for repairs and maintenance are charged to operations as incurred.

Upon retirement or disposition of property, plant or equipment, the related cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in income or loss for the period.

IMPAIRMENT OF ASSETS - Long-lived assets are reviewed for impairment if events or circumstances indicate the carrying amount of these assets may not be recoverable. If this review indicates that these assets will not be recoverable, based on the estimated undiscounted future operating cash flows expected to result from the use of these assets and their eventual disposition, the Company's carrying value of these assets is reduced to fair value. As of December 31, 1998 and 1999, management determined that there was no impairment of the Company's long-lived assets.

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COMMON STOCK - The Company has reacquired shares of its common stock which have been presented as constructively retired to reflect present Colorado Revised Statutes which provide that all shares of a company which have been reacquired are considered authorized but unissued shares.

REVENUE RECOGNITION - The Company recognizes revenue upon completion of its powder/liquid coating process and shipment of the product to the customer.

INCOME TAXES - The Company has elected a Subchapter S Corporation status, as defined by the Internal Revenue Code, which provides that shareholders are taxed on their proportionate share of a company's taxable income. Therefore, no provision for federal or state income taxes has been presented in the accompanying financial statements.

ESTIMATES - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses. Actual results could differ materially from those estimates.

COMPREHENSIVE INCOME - In 1998, the Company adopted Statement of Financial Accounting Standard No. 130, "Reporting Comprehensive Income" (SFAS No. 130). SFAS No. 130 established standards for reporting and display of comprehensive income and its components (revenues, expenses, gains, and losses) in a full set of general-purpose financial statements. The Company had no items of other comprehensive income in 1998 or 1999.

NEW ACCOUNTING PRONOUNCEMENTS - In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133 "Accounting for Derivative Instruments and Hedging Activities" (SFAS No. 133). The standard, which is effective for fiscal years beginning after June 15, 2000, sets forth guidelines and requirements for measuring derivative instruments at fair value as assets and liabilities to be reported in the financial statements and that the changes in the fair value of the instruments shall be recognized in the results of operations. The Company has not completed the process of evaluating the impact that will result from adopting this pronouncement.

3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following as of December 31:

	1998	1999
Machinery, furniture and equipment	\$ 122,528	\$ 130,431
Vehicles	51,191	72,105
Leasehold improvements	48,224	48,224
	-----	-----
	221,943	250,760
Less: Accumulated depreciation	(211,662)	(220,545)
	-----	-----
Total property, plant and equipment	\$ 10,281	\$ 30,215
	=====	=====

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4. LONG-TERM DEBT

Long-term debt consists of the following at December 31:

	1998	1999
Note payable; payments of \$417 including principal and interest at 7.25% per annum due monthly through March 22, 2004; secured by Company automobile	\$ --	\$ 18,243
Note payable	2,081	--
	-----	-----
	2,081	18,243
Less current portion	2,081	3,798
	-----	-----
Long-term debt	\$ --	\$ 14,445
	=====	=====

Future maturities of long-term debt as of December 31, 1999 are as follows:

	<C>
2000	\$ 3,798
2001	4,086
2002	4,392
2003	4,722
2004	1,245

Total	\$ 18,243

5. COMMITMENTS AND CONTINGENCIES

The Company leases its office and production facility under an operating lease which expires in January 2002. Aggregate minimum annual rentals under this operating lease are as follows:

YEAR ENDING DECEMBER 31:	<C>
2000	\$ 53,256
2001	53,256
2002	4,438

Total	\$110,950

Rent expense under this lease was \$66,312 and \$64,788 for 1999 and 1998, respectively.

6. CONCENTRATION OF CREDIT AND OTHER RISKS

CONCENTRATION OF CREDIT RISK - The Company's financial instruments that potentially subject the Company to significant concentration of credit risk consist of accounts receivable. The Company manages credit risk with respect to accounts receivable through maintaining long-term relationships

with its customers. Historically, the Company has not incurred any significant credit related losses.

SIGNIFICANT CUSTOMERS - The Company had two customers which represented 20% and 14% of total 1998 and 1999 revenues, individually in each year.

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7. RELATED PARTY TRANSACTIONS

During 1999 the Company entered into a lending agreement and accepted a note receivable from an entity controlled by the directors of the Company. The note is interest free, and payable on demand. The balance outstanding on the note at December 31, 1999 was \$3,729.

8. SUBSEQUENT EVENT

In March 2000, the Company signed a letter of intent with Industrialex Manufacturing, Inc. (IMC) whereby IMC would acquire all of the outstanding stock of the Company for \$1,200,000. The consideration for the acquisition will be paid in cash, a note payable to the Company and special warrants. The purchase closed in May 2000.

* * * *

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INDEPENDENT AUDITOR'S REPORT

March 28, 2000

Board of Directors
Broomfield Industrial Painting, Inc.
Westminster, Colorado

We have audited the accompanying balance sheets of Broomfield Industrial Painting, Inc. as of June 30, 1999 and 1998, and the related statements of operations and retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Broomfield Industrial Painting, Inc. as of June 30, 1999 and 1998, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ HEIN & ASSOCIATES LLP
HEIN & ASSOCIATES LLP

Denver, Colorado

Certified Public Accountants

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ACCOUNTANT'S REVIEW REPORT

March 28, 2000

Board of Directors
Broomfield Industrial Painting, Inc.
Westminster, Colorado

We have reviewed the accompanying balance sheet of Broomfield Industrial Painting, Inc. as of June 30, 1997, and the related statements of operations and retained earnings, and cash flows for the year then ended, respectively, in accordance with standards established by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Broomfield Industrial Painting, Inc.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

/s/ HEIN & ASSOCIATES LLP
HEIN & ASSOCIATES LLP

Denver, Colorado

Certified Public Accountants

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BROOMFIELD INDUSTRIAL PAINTING, INC.

BALANCE SHEETS

<TABLE>
<CAPTION>

	March 31,	JUNE 30,		
	2000	1999	1998	1997
	(Unaudited)			(Unaudited)
<S>	<C>	<C>	<C>	<C>
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 35,353	\$ 72,648	\$ 33,249	\$ 25,455
Accounts receivable	90,814	91,120	105,250	88,161
Prepaid taxes	1,800	--	3,257	--
Other prepaids	3,450	3,188	3,188	2,708
Inventory, less allowance of \$3,800 in 1999, 1998, and 1997 (Note 1)	48,402	49,816	49,843	49,886
Total current assets	179,819	216,772	194,787	166,210
PROPERTY AND EQUIPMENT, at cost, less accumulated depreciation of \$205,913, \$198,037, \$168,971, and \$143,481, respectively (Note 3)	59,252	65,045	63,568	62,658
OTHER ASSETS:				
Deposits	2,629	2,629	2,629	2,629
TOTAL ASSETS	\$ 241,700	\$ 284,446	\$ 260,984	\$ 231,497

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:				
Accounts payable and accrued expenses	\$ 13,179	\$ 24,692	\$ 8,975	\$ 5,787
Income taxes payable	--	1,798	--	2,406
Deferred tax liability (Note 6)	23,000		29,000	26,000
Line-of-credit (Note 5)	--	35,772	20,000	9,500
Total current liabilities	36,179	85,262	57,975	43,693

STOCKHOLDERS' EQUITY:

Common stock, voting \$.0001 par value; 100,000 shares authorized and issued	10	10	10	10
Additional paid-in capital	2,399	2,399	2,399	2,399
Retained earnings	203,112	196,775	200,600	185,395
	-----	-----	-----	-----
Total stockholders' equity	205,521	199,184	203,009	187,804
	-----	-----	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 241,700	\$ 284,446	\$ 260,984	\$ 231,497
	=====	=====	=====	=====

</TABLE>

SEE ACCOMPANYING NOTES TO THESE FINANCIAL STATEMENTS AND
ACCOUNTANT'S REVIEW REPORT.

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BROOMFIELD INDUSTRIAL PAINTING, INC.

STATEMENTS OF OPERATIONS AND RETAINED EARNINGS

<TABLE>
<CAPTION>

	FOR THE NINE MONTHS ENDED MARCH 31,		FOR THE YEARS ENDED JUNE 30,		
	2000	1999	1999	1998	1997
	(Unaudited)				(Unaudited)
<S>	<C>	<C>	<C>	<C>	<C>
NET REVENUES:					
Sales	\$ 701,091	\$ 742,481	\$ 1,000,547	\$ 1,032,388	\$ 964,730
Less: sales discounts, credits and refunds	(4,526)	(5,014)	(7,521)	(2,786)	--
	-----	-----	-----	-----	-----
Net revenues	696,565	737,467	993,026	1,029,602	964,730
OPERATING EXPENSES:					
General and administrative	226,862	225,613	308,425	306,068	289,970
Cost of goods sold	453,594	461,602	658,996	680,013	656,105
Depreciation and amortization	7,875	13,524	29,066	25,490	10,081
	-----	-----	-----	-----	-----
Total expenses	688,331	700,739	996,487	1,011,571	956,156
	-----	-----	-----	-----	-----
OPERATING INCOME (LOSS)	8,234	36,728	(3,461)	18,031	8,574
OTHER INCOME (EXPENSE):					
Interest income	501	--	695	1,299	776
Interest expense	(2,527)	(1,471)	(2,031)	(332)	(2,182)
Loss on sale of assets	--	--	--	--	(171)
Other	1,629	27	27	350	(500)
	-----	-----	-----	-----	-----
Total other income (expense)	(397)	(1,444)	(1,309)	1,317	(2,077)
INCOME (LOSS) BEFORE INCOME TAXES	7,837	35,284	(4,770)	19,348	6,497
INCOME TAX (EXPENSE) BENEFIT (Note 6)	(1,500)	(7,100)	945	(4,143)	(1,787)
	-----	-----	-----	-----	-----
NET INCOME (LOSS)	6,337	28,184	(3,825)	15,205	4,710
RETAINED EARNINGS, beginning of period	196,775	200,600	200,600	185,395	180,685
	-----	-----	-----	-----	-----
RETAINED EARNINGS, end of period	\$ 203,112	\$ 228,784	\$ 196,775	\$ 200,600	\$ 185,395
	=====	=====	=====	=====	=====

</TABLE>

1. SEE ACCOMPANYING NOTES TO THESE FINANCIAL STATEMENTS AND
ACCOUNTANT'S REVIEW REPORT

BROOMFIELD INDUSTRIAL PAINTING, INC.

STATEMENTS OF CASH FLOWS

<TABLE> <CAPTION>	FOR THE NINE MONTHS ENDED MARCH 31,		FOR THE YEARS ENDED JUNE 30,		
	2000	1999	1999	1998	1997
	(Unaudited)				(Unaudited)
<S>	<C>	<C>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net income (loss)	\$ 6,337	\$ 28,184	\$ (3,825)	\$ 15,205	\$ 4,710
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Loss on sale of fixed assets	--	--	--	--	171
Depreciation and amortization	7,875	13,524	29,066	25,490	10,081
Changes in operating assets and liabilities:					
Accounts receivable	306	(32,366)	14,130	(17,089)	21,423
Prepaid income taxes	(1,800)	3,257	3,257	(3,257)	3,381
Other prepaids	(262)	--	--	(480)	968
Inventory	1,414	(1,225)	27	43	27
Accounts payable and accrued expenses	(11,513)	19,214	15,717	3,188	(10,827)
Income taxes payable	(1,798)	3,843	1,798	(2,406)	1,593
Deferred taxes	--	--	(6,000)	3,000	(4,000)
Net cash provided by operating activities	559	34,431	54,170	23,694	27,527
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sale of property and equipment	--	--	--	--	300
Purchase of property and equipment	(2,082)	(18,704)	(30,543)	(26,400)	(2,148)
Net cash used in investing activities	(2,082)	(18,704)	(30,543)	(26,400)	(1,848)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from line-of-credit	--	7,349	20,505	20,000	--
Payments on line-of-credit	(35,772)	--	(4,733)	(9,500)	(21,590)
Net cash provided by (used in) financing activities	(35,772)	7,349	15,772	10,500	(21,590)
INCREASE IN CASH	(37,295)	23,076	39,399	7,794	4,089
CASH, at beginning of period	72,648	33,249	33,249	25,455	21,366
CASH, at end of period	\$ 35,353	\$ 56,325	\$ 72,648	\$ 33,249	\$ 25,455
SUPPLEMENTAL CASH FLOW INFORMATION:					
Cash payments for:					
Interest	\$ 2,527	\$ 1,471	\$ 2,031	\$ 332	\$ 2,182
Income taxes	\$ 5,098	\$ --	\$ --	\$ 6,806	\$ 813

</TABLE>

1.1 SEE ACCOMPANYING NOTES TO THESE FINANCIAL STATEMENTS AND ACCOUNTANT'S REVIEW REPORT

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES:

Organization - Broomfield Industrial Painting, Inc. (the "Company") was incorporated in Colorado in 1990 to perform industrial painting services. The Company provides most of these services to companies in the Denver metropolitan area.

Cash and Cash Equivalents - The Company considers all highly liquid debt instruments purchased with an original maturity of three months or

less to be cash equivalents.

Income Taxes - The Company accounts for income taxes under the liability method, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statements and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

Revenue Recognition - Revenue is recognized upon completion of the services and shipment of the product to the customer.

Property and Equipment - Property and equipment are stated at cost. Depreciation of property and equipment is calculated using the straight-line method over the estimated useful lives (ranging from 3 to 15 years) of the respective assets. Leasehold improvements are amortized over the lesser of the estimated useful life or the remaining lease term. The cost of normal maintenance and repairs is charged to operating expenses as incurred. Material expenditures which increase the life of an asset are capitalized and depreciated over the estimated remaining useful life of the asset. The cost of properties sold, or otherwise disposed of, and the related accumulated depreciation or amortization are removed from the accounts, and any gains or losses are reflected in current operations.

Unaudited Information - The balance sheets as of March 31, 2000 and June 30, 1997 and the statements of operations for the 9-month periods ended March 31, 2000 and 1999 and the 12-month period ended June 30, 1997 were taken from the Company's books and records without audit. The balance sheet as of June 30, 1997 and the statement of operations for the year ended June 30, 1997 were reviewed. However, in the opinion of management, such information includes all adjustments (consisting only of normal recurring accruals) which are necessary to properly reflect the financial position of the Company as of March 31, 2000 and June 30, 1997 and the results of operations for the 9-month periods ended March 31, 2000 and 1999, and the 12-month period ended June 30, 1997. The results of operations for the interim periods are not necessarily indicative of those to be expected for the year.

Use of Estimates - The preparation of the financial statements in conformity with generally accepted accounting principles requires the Company's management to make estimates and assumptions that affect the amounts reported in these financial statements and accompanying notes. Actual results could differ from those estimates.

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Inventories - Inventories are stated at the lower of cost or market, determined by the first-in, first-out method and consist primarily of the following:

<TABLE>
<CAPTION>

	June 30,		
	1999	1998	1997
			(Unaudited)
<S>	<C>	<C>	<C>
Inventories	\$ 53,616	\$ 53,643	\$ 53,686
Less allowance for obsolete inventory	(3,800)	(3,800)	(3,800)
Total	\$ 49,816	\$ 49,843	\$ 49,886

</TABLE>

1. SIMPLE IRA:

The Company has a simple IRA plan (the Plan) which was adopted in July 1998. Eligible employees may make voluntary contributions to the Plan, which are matched by the Company up to 3% of the employee's compensation. The amount of employee contributions is limited as specified in the Plan. The Company may, at its discretion, make additional contributions to the Plan. The Company made contributions of \$12,439, \$-0-, and \$-0- at June 30, 1999, 1998, and 1997, respectively.

2. PROPERTY AND EQUIPMENT:

Property and equipment consist of the following:

		June 30,		
		1999	1998	1997
		(Unaudited)		
<S>	<C>	<C>	<C>	<C>
	Furniture and fixtures	\$ 17,460	\$ 7,120	\$ 7,120
	Machinery and equipment	183,036	162,833	136,433
	Vehicles	31,787	31,787	31,787
	Leasehold improvements	30,799	30,799	30,799
		263,082	232,539	206,139
	Less accumulated depreciation	(198,037)	(168,971)	(143,481)
		\$ 65,045	\$ 63,568	\$ 62,658

</TABLE>

Related depreciation expense for the years ended June 1999, 1998, and 1997 was \$29,066, \$25,490, and \$10,081, respectively.

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1. COMMITMENTS:

The Company rents office space and equipment under various lease agreements. The future minimum rental commitments of the Company for office space and equipment as of June 30, 1999, are as follows:

Years Ending June 30	Amount
<S>	<C>
2000	\$ 41,473
2001	40,517
2002	--
2003	--
2004	--
	\$ 81,990

</TABLE>

Rent expense for office space and equipment was \$38,250, \$33,790, and \$31,289 for the years ended June 30, 1999, 1998, and 1997, respectively.

1. LINE-OF-CREDIT:

The Company has a \$50,000 line-of-credit pursuant to a loan agreement. Borrowing under this line-of-credit bears interest at the prime rate (totalling 8.0% as of June 30, 1999), payable monthly with outstanding principal due March 15, 2001. The amounts available to be borrowed under the agreement are based on a borrowing base as defined in the agreement relating to allowable inventory and accounts receivable. The note is collateralized by substantially all of the Company's assets. The principal balance was \$35,772, \$20,000, and \$9,500 at June 30, 1999, 1998, and 1997, respectively. This line-of-credit was cancelled by the Company in May 2000.

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2. INCOME TAXES:

The components of the provision for income taxes for the years ended June 30, 1999, 1998, and 1997 are as follows:

<TABLE>

<CAPTION>

		June 30,					
		1999	1998	1997			
				(Unaudited)			
<S>	<C>	<C>	<C>	<C>			
Current:							
Federal	\$	4,350	\$	1,143	\$	4,329	
State		705		--		1,458	
		-----		-----		-----	
		5,055		1,143		5,787	
Deferred:							
Federal		(4,440)		2,220		(2,960)	
State		(1,560)		780		(1,040)	
		-----		-----		-----	
		(6,000)		3,000		(4,000)	
		-----		-----		-----	
	Total tax expense (benefit)	\$	(945)	\$	4,143	\$	1,787
		=====		=====		=====	

</TABLE>

The Company prepares its income taxes on a cash basis. Differences between the carrying value of accounts receivable, inventory, and accounts payable under GAAP and the carrying value for income tax purposes created the cumulative temporary differences that give rise to a significant portion of the deferred tax liability at June 30, 1999, 1998, and 1997.

1. SUBSEQUENT EVENTS:

In April 2000, the Company's stock was acquired by Industrialex Manufacturing, Inc. (Industrialex) for approximately \$925,000, of which \$425,000 was paid in cash and the remainder in 500,000 special warrants convertible, for no additional consideration, into one share each of Industrialex common stock.

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INDEPENDENT AUDITOR'S REPORT

April 28, 2000

Board of Directors
Screen Tech Graphics, Inc.
Colorado Springs, Colorado

We have audited the accompanying balance sheets of Screen Tech Graphics, Inc. as of December 31, 1999 and 1998, and the related statements of operations and retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Screen Tech Graphics, Inc. as of December 31, 1999 and 1998, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ HEIN & ASSOCIATES LLP
HEIN & ASSOCIATES LLP

Denver, Colorado

ACCOUNTANT'S REVIEW REPORT

April 28, 2000

Board of Directors
Screen Tech Graphics, Inc.
Colorado Springs, Colorado

We have reviewed the accompanying balance sheet of Screen Tech Graphics, Inc. as of December 31, 1997, and the related statements of operations and retained earnings, and cash flows for the year then ended, in accordance with standards established by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Screen Tech Graphics, Inc.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

/s/ HEIN & ASSOCIATES LLP
HEIN & ASSOCIATES LLP

Denver, Colorado

Certified Public Accountants

September 12, 2000

Board of Directors
ScreenTech Graphics, Inc.
Colorado Springs, Colorado

We have reviewed the accompanying balance sheet of ScreenTech Graphics, Inc. as of June 30, 2000, and the related statements of operations and retained earnings, and cash flows for the six months ended June 30, 2000 and 1999, in accordance with Statements on Standards for Accounting and Review Services by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of ScreenTech Graphics, Inc.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based upon our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

/s/ HEIN & ASSOCIATES LLP
HEIN & ASSOCIATES LLP

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SCREEN TECH GRAPHICS, INC.

BALANCE SHEET

<TABLE>
<CAPTION>

	JUNE 30, 2000 (Unaudited) <C>	DECEMBER 31,		
		1999 <C>	1998 <C>	1997 (Unaudited) <C>
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 29,892	\$ 64,166	\$ 44,136	\$ 38,351
Accounts receivable, with no allowance for doubtful accounts deemed necessary	283,471	251,313	121,547	180,015
Inventory	60,668	60,668	63,328	61,009
Total current assets	374,031	376,147	229,011	279,375
PROPERTY AND EQUIPMENT, at cost	183,017	206,523	259,534	315,235
TOTAL ASSETS	\$ 557,048 =====	\$ 582,670 =====	\$ 488,545 =====	\$ 594,610 =====

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:				
Accounts payable	\$ 53,338	\$ 63,826	\$ 67,616	\$ 216,496
Line-of-credit	--	63,509	29,065	62,000
Current portion of long-term debt	22,354	46,707	62,446	60,233
Other accrued expenses	3,919	8,802	5,179	4,176
Total current liabilities	79,611	182,844	164,306	342,905
LONG-TERM DEBT	240,434	178,407	187,060	57,978
COMMITMENTS (Notes 2 and 4)				
STOCKHOLDERS' EQUITY:				
Common stock, no par value; 50,000 shares authorized; 1,000 shares issued and outstanding	5,000	5,000	5,000	5,000
Retained earnings	232,003	216,419	132,182	188,727
Total stockholders' equity	237,003	221,419	137,182	193,727
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 557,048 =====	\$ 582,670 =====	\$ 488,548 =====	\$ 594,610 =====

</TABLE>

SEE ACCOMPANYING NOTES TO THESE FINANCIAL STATEMENTS AND
ACCOUNTANT'S REVIEW REPORT.

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SCREEN TECH GRAPHICS, INC.

STATEMENTS OF OPERATIONS AND RETAINED EARNINGS

<TABLE>
<CAPTION>

FOR THE SIX

	MONTHS ENDED JUNE 30,		FOR THE YEARS ENDED DECEMBER 31,		
	2000	1999	1999	1998	1997
	(Unaudited)				(Unaudited)
<S>	<C>	<C>	<C>	<C>	<C>
NET REVENUES:	\$ 1,083,619	\$ 885,567	\$ 1,898,720	\$ 1,645,900	\$ 1,430,570
Cost of goods sold	639,863	622,860	1,186,562	1,017,764	831,485
GROSS MARGIN	443,756	262,707	712,158	628,136	599,085
OPERATING EXPENSES:					
General and administrative	286,382	155,212	488,321	534,219	420,769
Depreciation	33,974	38,947	92,586	95,259	67,323
Total expenses	320,356	194,159	580,907	629,478	488,092
OPERATING INCOME (LOSS)	123,400	68,548	131,251	(1,342)	110,993
OTHER INCOME (EXPENSE):					
Interest income			701	587	683
Interest expense	(12,061)	(12,130)	(21,902)	(25,334)	(6,876)
Gain (loss) on sale of assets	--	--	(796)	950	950
Other income	767	578	2,683	2,734	3,022
Total other income (expense)	(11,294)	(11,552)	(19,314)	(21,063)	(2,221)
NET INCOME (LOSS)	112,106	56,996	111,937	(22,405)	108,772
DISTRIBUTIONS	(96,522)	(5,880)	(27,700)	(34,140)	(357,290)
RETAINED EARNINGS, beginning of period	216,419	132,182	132,182	188,727	437,245
RETAINED EARNINGS, end of period	\$ 232,003	\$ 183,298	\$ 216,419	\$ 132,182	\$ 188,727

SEE ACCOMPANYING NOTES TO THESE FINANCIAL STATEMENTS AND
ACCOUNTANT'S REVIEW REPORT.

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SCREEN TECH GRAPHICS, INC.

STATEMENTS OF CASH FLOWS

	FOR THE SIX MONTHS ENDED JUNE 30,		FOR THE YEARS ENDED DECEMBER 31		
	2000	1999	1999	1998	1997
	(Unaudited)				(Unaudited)
<S>	<C>	<C>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net income (loss)	\$ 112,106	\$ 56,996	\$ 111,937	\$ (22,405)	\$ 108,772
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	33,974	38,947	92,586	95,259	67,323
Changes in operating assets and liabilities:					
Accounts receivable	(32,158)	(95,079)	(129,766)	58,468	8,253
Inventory	--	--	2,660	(2,319)	(61,009)
Accounts payable and accrued expenses	(15,373)	27,241	373	(143,752)	171,798
Net cash provided by (used in) operating activities	98,549	28,105	77,790	(14,749)	295,137
CASH FLOWS FROM INVESTING ACTIVITY:					
(Purchase) proceeds of property and equipment	(10,468)	3,184	(39,551)	(43,093)	(308,002)

CASH FLOWS FROM FINANCING ACTIVITIES:					
Distributions	(96,522)	(5,880)	(27,700)	(34,140)	(357,290)
Proceeds from debt	--	25,000	100,999	220,000	164,572
Payments on debt	(25,833)	(21,684)	(91,508)	(122,233)	(49,398)
Net cash provided by (used in) financing activities	(122,355)	(2,564)	(18,209)	63,627	(242,116)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
	(34,274)	28,725	20,030	5,785	(254,981)
CASH AND CASH EQUIVALENTS, at beginning of period	64,166	44,136	44,136	38,351	293,332
CASH AND CASH EQUIVALENTS, at end of period	\$ 29,892	\$ 72,861	\$ 64,166	\$ 44,136	\$ 38,351
SUPPLEMENTAL CASH FLOW INFORMATION:					
Cash payments for interest	\$ 12,061	\$ 12,130	\$ 21,902	\$ 25,334	\$ 6,876

</TABLE>

SEE ACCOMPANYING NOTES TO THESE FINANCIAL STATEMENTS AND ACCOUNTANT'S REVIEW REPORT.

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SCREEN TECH GRAPHICS, INC.

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES:

Organization - Screen Tech Graphics, Inc. (the "Company") was incorporated in Colorado in 1980 to perform industrial painting services. The Company provides most of these services to companies in the Colorado Springs metropolitan area.

Cash and Cash Equivalents - The Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Income Taxes - No provision has been made for income taxes since the Company has elected to be taxed as an "S Corporation" as defined by the Internal Revenue Code. The Company's sole stockholder will report the Company's taxable income or loss on his individual income tax return.

Revenue Recognition - Revenue is recognized upon completion of the services and shipment of the product to the customer.

Property and Equipment - Property and equipment are stated at cost. Depreciation of property and equipment is calculated using the straight-line method over the estimated useful lives (ranging from 5 to 15 years) of the respective assets. Leasehold improvements are amortized over the lesser of the estimated useful life or the remaining lease term. The cost of normal maintenance and repairs is charged to operating expenses as incurred. Material expenditures which increase the life of an asset are capitalized and depreciated over the estimated remaining useful life of the asset. The cost of properties sold, or otherwise disposed of, and the related accumulated depreciation or amortization are removed from the accounts, and any gains or losses are reflected in current operations.

Unaudited Information - The balance sheet as of June 30, 2000 and December 31, 1997 and the statements of operations for the six months ended June 30, 2000 and 1999, and the year ended December 31, 1997 were taken from the Company's books and records without audit. The balance sheet as of December 31, 1997 and the statement of operations for the year ended December 31, 1997 were reviewed. However, in the opinion of management, such information includes all adjustments (consisting only of normal recurring accruals) which are necessary to properly reflect the financial position of the Company as of June 30, 2000 and December 31, 1997 and the results of operations for the Six months ended June 30, 2000 and 1999, and the year ended December 31, 1997. The results of operations for the interim periods presented are not necessarily indicative of those to be expected for the year.

Use of Estimates - The preparation of the financial statements in conformity with generally accepted accounting principles requires the Company's management to make estimates and assumptions that affect the amounts reported in these financial statements and accompanying notes. Actual results could differ from those estimates.

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SCREEN TECH GRAPHICS, INC.

NOTES TO FINANCIAL STATEMENTS

Inventories - Inventories are stated at the lower of cost or market, determined by the first-in, first-out method and consist primarily of the following:

<TABLE>
<CAPTION>

		December 31,		
		1999	1998	1997
		(Unaudited)		
<S>		<C>	<C>	<C>
	Inventory - paint	\$ 38,808	\$ 38,204	\$ 35,886
	Inventory - magnisight	21,860	25,124	25,123
		-----	-----	-----
	Total	\$ 60,668	\$ 63,328	\$ 61,009
		=====	=====	=====

</TABLE>

2. 401(K) SAVINGS:

The Company has a 401(k) profit sharing plan (the Plan). Eligible employees may make voluntary contributions to the Plan, which are matched by the Company up to 3% of the employee's compensation. The amount of employee contributions is limited as specified in the Plan. The Company may, at its discretion, make additional contributions to the Plan. The Company made contributions of \$14,814, \$11,837, and \$11,923, at December 31, 1999, 1998, and 1997, respectively.

3. PROPERTY AND EQUIPMENT:

Property and equipment consist of the following:

<TABLE>
<CAPTION>

		December 31,		
		1999	1998	1997
		(Unaudited)		
<S>		<C>	<C>	<C>
	Machinery and equipment	\$ 581,905	\$ 576,416	\$ 543,013
	Vehicles	86,252	60,858	60,858
	Leasehold improvements	--	6,000	--
		-----	-----	-----
		668,157	643,274	603,871
	Less accumulated depreciation	(461,634)	(383,740)	(288,636)
		-----	-----	-----
		\$ 206,523	\$ 259,534	\$ 315,235
		=====	=====	=====

</TABLE>

Related depreciation expense for the years ended December 31, 1999, 1998, and 1997 was \$92,586, \$95,259, and \$67,323, respectively.

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SCREEN TECH GRAPHICS, INC.

4. COMMITMENTS:

The Company rents office space from the owner under a lease agreement. The future minimum rental commitments of the Company for office space as of December 31, 1999, are as follows:

Years Ending December 31, -----	Amount -----
<S>	<C>
2000	\$ 46,398
Thereafter	--

	\$ 46,398
	=====

</TABLE>

Rent expense for office space and equipment was \$85,900, \$82,500, and \$79,100 for the years ended December 31, 1999, 1998, and 1997, respectively.

5. LINE-OF-CREDIT:

The Company has a line-of-credit pursuant to a loan agreement. Borrowing under this line-of-credit bears interest at the prime rate (totaling 8.0% as of December 31, 1999), payable in full on August 1, 2000. The note is collateralized by substantially all of the Company's assets. The principal balance was \$63,509, \$29,065, and \$62,000 (unaudited) at December 31, 1999, 1998, and 1997, respectively.

6. LONG-TERM DEBT:

The Company has a revolving loan personally guaranteed by the owners and collateralized by the Company's assets. Payments of principal and interest totaling \$4,352 are due each month with the outstanding balance due November 20, 2004.

The Company also had an outstanding loan on a vehicle which is collateralized by the vehicle. Principal and interest payments are due monthly in the amount of \$477 and all outstanding balances are due December 2003.

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SCREEN TECH GRAPHICS, INC.

NOTES TO FINANCIAL STATEMENTS

The future minimum loan principal payments are as follows:

Years Ending December 31, -----	Amount -----
<S>	<C>
2000	\$ 46,707
2001	46,707
2002	46,707
2003	46,707
Thereafter	38,286

Short-term portion	225,114
	(46,707)

Total long-term debt	\$ 178,407
	=====

</TABLE>

7. SUBSEQUENT EVENT (UNAUDITED):

On July 17, 2000, the Company was acquired by Industrialex Manufacturing Corp. (IMC) for cash of \$300,000, notes of \$610,000, and 90,000 special warrants. Each special warrant can be converted into one share of IMC common stock for no additional cost.

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OUTSIDE BACK COVER

Until _____, 2001, all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealer's obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

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THIS INFORMATION IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT DELIVER THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION, DATED FEBRUARY 2, 2001

SELLING STOCKHOLDER
PROSPECTUS

3,107,000 Shares

[INDUSTRIALEX MANUFACTURING LOGO]

INDUSTRIALEX MANUFACTURING CORP.

Common Stock, \$.01 par value

The shares of common stock may be offered and sold from time to time by the selling stockholders through underwriters, dealers, agents, or directly to one or more purchasers in fixed price offerings, in negotiated transactions, at market prices prevailing at the time of sale or at prices related to such market prices.

All 3,107,000 shares of common stock of Industrialex Manufacturing Corp. are being offered for sale by the selling stockholders identified in this prospectus. Industrialex will not receive any proceeds from the sale of the common stock by the selling stockholders.

THE SHARES OF COMMON STOCK OFFERED HEREBY INVOLVE A HIGH DEGREE OF RISK. SEE "RISK FACTORS" LOCATED AT ALTERNATE PAGES 4 TO 6.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is o, 2001

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Alternate 2

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SUMMARY

BUSINESS OF INDUSTRIALEX:

Industrialex is a provider of protective coating services to various manufacturing industries. Our services include the application of chemical adhesions to four categories of products: metal, plastic, glass and printed circuit board assemblies. The chemical process that we use provides many benefits such as enhanced aesthetics and protection from hostile environments, corrosion and electrostatic discharge.

Our principal office is located at 63-A S. Pratt Parkway; Longmont, Colorado 80501. The telephone number is (303) 651-6672.

THE OFFERING:

Common stock
offered by the
selling stockholders: 3,107,000 shares

USE OF PROCEEDS:

All proceeds from the offering will be received by the selling stockholders.

SELLING STOCKHOLDERS:

The selling stockholders are founders of Industrialex or purchased their shares in a private placement pursuant to an exemption provided by Regulation D or Regulation S under the Securities Act of 1933, as amended.

Alternate 3

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RISK FACTORS

An investment in Industrialex common stock involves certain risks. Prospective investors should carefully consider the following risk factors, in addition to all of the other information in this prospectus, in determining whether to purchase shares of Industrialex stock.

OUR BUSINESS MODEL IS BASED ON ACQUIRING EXISTING COATING COMPANIES AND CONSOLIDATING, AND WE MAY FAIL TO ACHIEVE THE BENEFITS OF INTEGRATING OPERATIONS FROM ACQUIRED COMPANIES.

Industrialex's success depends upon our ability to successfully integrate the operations of Industrialex, Broomfield Industrial Painting, Inc., Decorative & Coating Systems, Inc., Screen Tech Graphics, Inc. and future acquisitions. There can be no assurance that past or future acquisitions will increase production capacity, provide for improved economies of scale, improve gross profit margins or reduce consolidated expenses as anticipated. In addition, there can be no assurance that we will create a common interface for the overall support of the several production lines, or that we will be able to market previously separate product lines. Acquisitions also require increased capacity through installation of new automated equipment. Failure to increase capacity could inhibit our ability to grow as planned.

THE LOSS OF KEY PERSONNEL, ESPECIALLY IF WITHOUT ADVANCE NOTICE, OR THE INABILITY TO HIRE OR RETAIN QUALIFIED PERSONNEL, COULD HAVE A MATERIAL ADVERSE EFFECT UPON OUR BUSINESS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Our future success depends in significant part upon the continued service of certain key management personnel. Key personnel of Industrialex include Ahmad Akrami, Michael Scott Robidart, Gary Landgren, Joseph Triolo, Jr., Stephen King, Vincent DiNapoli and Mark Trawinski. Industrialex has entered into employment agreements with all key personnel. All of the agreements contain confidentiality provisions that are unrestricted as to time, and non-competition and non-solicitation provisions.

Competition for such personnel is particularly intense in the coating industry, and there can be no assurance that Industrialex can retain its key personnel or that it can attract, assimilate or retain other highly qualified personnel in the future.

WE RELY ON SALES TO A SMALL NUMBER OF CUSTOMERS, THE LOSS OF ANY ONE OF WHICH COULD HAVE AN ADVERSE IMPACT ON REVENUES.

We derive a substantial portion of our revenue from a limited number of customers, the loss of any one of which could adversely impact our operations. For the nine months ended September 30, 2000, the five largest customers of Industrialex and its subsidiaries represented 31% of total revenues. We anticipate that our operating results will continue to depend on sales to a relatively small number of customers. None of our current customers has any minimum purchase obligations, and they may stop placing orders with us at any time, regardless of any forecast they may have previously provided.

EVEN WITH THE PROCEEDS FROM THIS OFFERING, WE MAY NOT HAVE SUFFICIENT FUNDS TO COVER NECESSARY EXPENSES.

There can be no assurance that cash flow from operations together with working capital and net proceeds from this offering will be sufficient to fully fund the planned expansion of our operations. If necessary, we may seek additional funds through equity or debt financing. There can be no assurance that

Alternate 4

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additional financing will be available when needed or on terms acceptable to us. If adequate funds are not available, we may need to delay or cancel planned acquisitions or expansion of operations.

SELLING STOCKHOLDERS

The following table sets forth certain information with respect to the beneficial ownership of Industrialex's common stock as of September 30, 2000, and as adjusted to reflect the sale of shares being offered hereby, for each of the selling stockholders. Except as otherwise noted, the persons or entities in this table have sole voting and investing power with respect to all of the shares owned by them.

SHARES ISSUED IN CONNECTION WITH A PRIVATE PLACEMENT COMMENCING MARCH, 2000 AND CLOSING MAY, 2000

All of the shares beneficially owned pre-offering, except those beneficially owned by Bolder Venture Partners LLC, are issuable upon the exercise of share purchase warrants, some of which are designated under Canadian law as "special warrants." 665,000 of the shares beneficially owned by Bolder Venture Partners LLC are issuable upon exercise of common stock purchase warrants at exercise prices ranging from \$.25 to \$1.00 per share. Each special warrant is convertible, for no additional consideration, into one share of Industrialex common stock.

In the following table, the shares beneficially owned by Ahmad Akrami, Cliff Mah, Kent Nuzum, Tom Tennessen and Daryl Yurek includes shares

beneficially owned by each of them through their ownership of a percentage of Bolder Venture Partners L.L.C. Shares offered in the offering, however, does not include those shares. Bolder Venture Partners L.L.C. is owned 60% by Daryl Yurek and 10% by each of Cliff Mah, Ahmad Akrami, Kent Nuzum and Thomas Tennesen, is the only person in the table whose shares are issuable upon exercise of a share purchase warrant as opposed to a special warrant.

<TABLE>
<CAPTION>

NAME AND ADDRESS -----	SHARES BENEFICIALLY OWNED PRE- OFFERING -----	SHARES OFFERED IN THE OFFERING -----	SHARES BENEFICIALLY OWNED POST-OFFERING -----	POST- OFFERING % OWNERSHIP -----
<S>	<C>	<C>	<C>	<C>
Ahmad Akrami c/o Industrialex Manufacturing Corp. 63-A S. Pratt Parkway Longmont, CO 80501 Chief executive officer and director of Industrialex	3,626,500	-0-	3,626,500	36.43%
Richard Anderson 5820 Cantrell Rd. Richmond, B.C. V7C 3H1 Canada	20,000	20,000	-0-	-0-
Melanie Baranec 856 Riverland Dr. S.E. Calgary, A.B. T2C 3N5 Canada	10,000	10,000	-0-	-0-
Craig Colin 3920 - 23rd Ave. S.W. Calgary, A.B. T3E 0J8 Canada	10,000	10,000	-0-	-0-

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<TABLE>
<CAPTION>

NAME AND ADDRESS -----	SHARES BENEFICIALLY OWNED PRE- OFFERING -----	SHARES OFFERED IN THE OFFERING -----	SHARES BENEFICIALLY OWNED POST-OFFERING -----	POST- OFFERING % OWNERSHIP -----
<S>	<C>	<C>	<C>	<C>
Bolder Venture Partners L.L.C. 1327 Spruce Street, Suite 300 Boulder, Colorado 80302	865,000	-0-	865,000	8.2%
Claudia DiMaio 2300 Oakmoor Dr. S.W. Calgary, A.B. T2V 4N7 Canada	20,000	20,000	-0-	-0-
Salvatore DiMaio 51 Patterson Blvd. S.W. Calgary, A.B. T3H 2C9 Canada	20,000	20,000	-0-	-0-
Far Behrooz 7521 La Quinta Cove Lone Tree, CO 80124	60,000	60,000	-0-	-0-
Massimo M. Geremia 3962 Edenstone Rd. N.W. Calgary, A.B. T3A 3Y9 Canada	100,000	100,000	-0-	-0-
Randall Harrison 35 Edgerridge Court N.W. Calgary, A.B. T3A 4N Canada	20,000	20,000	-0-	-0-
Doug Hicks 307 2250 W. 3rd Ave. Vancouver, B.C. V1K 1L4 Canada	9,000	9,000	-0-	-0-

Bill Hodal P.O. Box 10337 Pacific Centre 2200-609 Granville St. Vancouver, B.C. V7Y 1H2	20,000	20,000	-0-	-0-
Laura Hubenig 221 Sandpiper Circle N.W. Calgary, A.B. T3K 3T Canada	20,000	20,000	-0-	-0-
Geoffrey D. Hunter 4704 Capel Road N.W. Calgary, A.B. T2L 1A6 Canada	100,000	100,000	-0-	-0-
Ivanhoe Holdings, Inc. P.O. Box 1561 Zephyr House Mary St., Grand Cayman British West Indies </TABLE>	50,000	50,000	-0-	-0-

Alternate 6

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<TABLE>
<CAPTION>

NAME AND ADDRESS -----	SHARES BENEFICIALLY OWNED PRE- OFFERING -----	SHARES OFFERED IN THE OFFERING -----	SHARES BENEFICIALLY OWNED POST-OFFERING -----	POST- OFFERING % OWNERSHIP -----
<S>	<C>	<C>	<C>	<C>
George Jackson 535 10th Ave. S.W. Suite 107 Calgary, A.B. T2R 0A8 Canada	100,000	100,000	-0-	-0-
Pamela Wendy Johnston 248 Point McKay Terrace N.W. Calgary, A.B. T3B 4V6 Canada	10,000	10,000	-0-	-0-
Daniel LaPlante 423 Brookpark Dr. S.W. Calgary, A.B. T2W 2W8 Canada	70,000	70,000	-0-	-0-
Barry Mackie 16680 85A Ave. Surrey, B.C. V4N 5A7 Canada	20,000	20,000	-0-	-0-
Paul MacNeill 2100-1111 West Georgia St. Vancouver, B.C. V7X 1K9 Canada	100,000	100,000	-0-	-0-
Cliff Mah 1450 Creekside Drive 800 Vancouver, B.C. V6J 5B3 Canada	186,500	100,000	86,500	0.87%
Dwayne Nuzum 4330 Sage Court Boulder, CO 80301	10,000	10,000	-0-	-0-
Kent Nuzum 1829 Mapleton Boulder, CO 80304	126,500	40,000	86,500	0.87%
Larry O'Brien 1826 13th Ave. W. Vancouver, B.C. V6J 2H3 Canada	20,000	20,000	-0-	-0-
James Oleynick 136 Glynde Ave. Burnaby, B.C.	31,000	31,000	-0-	-0-

John Pietrovito 7539 Huntervalley Rd. N.W. Calgary, A.B. T2K 4K Canada	14,000	14,000	-0-	-0-
---	--------	--------	-----	-----

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<TABLE>
<CAPTION>

NAME AND ADDRESS -----	SHARES BENEFICIALLY OWNED PRE- OFFERING -----	SHARES OFFERED IN THE OFFERING -----	SHARES BENEFICIALLY OWNED POST-OFFERING -----	POST- OFFERING % OWNERSHIP -----
<S> Thomas Plunkett 9641 N. 63rd St. Longmont, CO 80503 Director of Industrialex	<C> 50,000	<C> 50,000	<C> -0-	<C> -0-
Precept Capital Corp 205-700 West Pender St. Vancouver, B.C. V6C 1 Canada	80,000	80,000	-0-	-0-
James Prier 3441 Dundas St. Vancouver, B.C. V5K 1R9 Canada	20,000	20,000	-0-	-0-
Rich Rice 1750-701 W. Georgia Vancouver, B.C. V6C 3E8 Canada	40,000	40,000	-0-	-0-
John Rose 13826 Vintage Centre Ave. Houston, TX 77069	200,000	200,000	-0-	-0-
Glen Stevens 38411 Boulder Canyon Dr. Boulder, CO 80302	10,000	10,000	-0-	-0-
Bill Stankovic 5790 Patina Drive S.W. Unit #24 Calgary, A.B. T3H 2Y5 Canada	68,000	68,000	-0-	-0-
Sutton Group Financial Services Ltd. 1628-555 West Hastings St. Vancouver, B.C. V6B HN6 Canada	200,000	200,000	-0-	-0-
Thomas Tennesen c/o Industrialex Manufacturing Corp. 63-A S. Pratt Parkway Longmont, CO 80501 Director of Industrialex	106,500	20,000	86,500	0.87%
Greg Tyszko 3815 Parkhill Pl. S.W. Calgary, A.B. T2S 2W6 Canada	20,000	20,000	-0-	-0-
Sylvia E. Williams 5728-125 A Street Surrey, B.C. V3X 3G8 Canada	20,000	20,000	-0-	-0-

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<TABLE>
<CAPTION>

NAME AND ADDRESS -----	SHARES BENEFICIALLY OWNED PRE- OFFERING -----	SHARES OFFERED IN THE OFFERING -----	SHARES BENEFICIALLY OWNED POST-OFFERING -----	POST- OFFERING % OWNERSHIP -----
<S>	<C>	<C>	<C>	<C>
Lily Wong 307 Edelweiss Pl. N.W. Calgary, A.B. T3A 3R2 Canada	10,000	10,000	-0-	-0-
Walter Wong 2919 S. Lakeridge Trail Boulder, CO 80302	20,000	20,000	-0-	-0-
Nancy Yee 13293 Amble Greene Crt. Surrey, B.C. V4A 6H1 Canada	15,000	15,000	-0-	-0-
Daryl Yurek 1327 Spruce Street Boulder, CO 80302	719,000	200,000	519,000	5.04%
Jeff Yurek 44 Rhonda Ct. St. Thomas, Ontario N5R 4X1 Canada	20,000	20,000	-0-	-0-
Mike Yurek RR #4 Iona Station, Ontario N0I 1P0 Canada	20,000	20,000	-0-	-0-
Peter Yurek 46 Pearl St. St. Thomas, Ontario N5P 2P4 Canada	20,000	20,000	-0-	-0-
Fred Sam Zaitsoff 8080 197 St. Langley, B.C. V2Y 1Y4 Canada	10,000	10,000	-0-	-0-
Payam Zamani 900 Pepper Tree Lane 1125 Santa Clara, CA 95051	300,000	300,000	-0-	-0-
TOTAL	7,762,000	2,317,000	5,270,000	-0-

</TABLE>

SHARES ISSUED TO VARIOUS STOCKHOLDERS IN CONNECTION WITH THE ACQUISITION OF BROOMFIELD ON APRIL 4, 2000

All of the shares beneficially owned pre-offering are issuable upon the exercise of share purchase warrants designated under Canadian law as "special warrants." Each special warrant is convertible, for no additional consideration, into one share of Industrialex common stock.

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<TABLE>
<CAPTION>

NAME AND ADDRESS -----	SHARES BENEFICIALLY OWNED PRE- OFFERING -----	SHARES OFFERED IN THE OFFERING -----	SHARES BENEFICIALLY OWNED POST-OFFERING -----	POST- OFFERING % OWNERSHIP -----
<S>	<C>	<C>	<C>	<C>
Dan Almadova 15899 E. 13th Pl., #123 Aurora, CO	4,000	4,000	-0-	-0-
Cathy Brown 10211 Ura Ln Northglenn, CO 80221	1,500	1,500	-0-	-0-
Dennis Jamison 4434 Zenobia St.	4,000	4,000	-0-	-0-

Denver, CO 80212				
Angela Bennett Lauer 3168 W. 100th Ave. Westminster, CO 80031	50,000	50,000	-0-	-0-
Donald J. Lauer 3168 W. 100th Ave. Westminster, CO 80031	50,000	50,000	-0-	-0-
Greg Lauer 8332 Yarrow Ct. Arvada, CO 80005	65,000	65,000	-0-	-0-
Jeff Lauer 5731 W. 92nd Ave., #129 Westminster, CO 80030	65,000	65,000	-0-	-0-
Jim Pasko 7340 W. 23rd Ave. Lakewood, CO 80215	4,000	4,000	-0-	-0-
Cheryl Riser 11522 Garfield Way Thornton, CO 80233	5,000	5,000	-0-	-0-
Janice Trawinski 10944 Alcott Dr. Westminster, CO 80234	5,000	5,000	-0-	-0-
Mark S. Trawinski 10944 Alcott Dr. Westminster, CO 80234	245,000	245,500	-0-	-0-
Marilyn K. Walker 4440 Eliot St. Denver, CO 80211	1,500	1,500	-0-	-0-
TOTAL	500,000	500,000	-0-	-0-

</TABLE>

SHARES ISSUED TO VARIOUS STOCKHOLDERS IN CONNECTION WITH THE ACQUISITION OF DECORATIVE ON MAY 1, 2000

All of the shares beneficially owned pre-offering are issuable upon the exercise of share purchase warrants designated under Canadian law as "special warrants." Each special warrant is convertible, for no additional consideration, into one share of Industrialex common stock.

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<TABLE>
<CAPTION>

NAME AND ADDRESS -----	SHARES BENEFICIALLY OWNED PRE- OFFERING -----	SHARES OFFERED IN THE OFFERING -----	SHARES BENEFICIALLY OWNED POST-OFFERING -----	POST- OFFERING % OWNERSHIP -----
<S>	<C>	<C>	<C>	<C>
Gary M. Triolo 8344 Allison Court Arvada, CO 80005	50,000	50,000	-0-	-0-
John A. Triolo 13665 W. 71st Place Arvada, CO 80004	50,000	50,000	-0-	-0-
Joseph P. Triolo, Jr 5721 Estes St. Arvada, CO 80002	50,000	50,000	-0-	-0-
Joseph P. Triolo, Sr. 1200 East 3rd Ave. Broomfield, CO 80020	50,000	50,000	-0-	-0-
TOTAL	200,000	200,000		

</TABLE>

SHARES ISSUED TO VARIOUS STOCKHOLDERS IN CONNECTION WITH THE ACQUISITION OF SCREEN TECH ON JULY 5, 2000

All of the shares beneficially owned pre-offering are issuable upon the exercise of share purchase warrants designated under Canadian law as "special warrants." Each special warrant is convertible, for no additional consideration, into one share of Industrialex common stock.

<TABLE>
<CAPTION>

NAME AND ADDRESS -----	SHARES BENEFICIALLY OWNED PRE- OFFERING -----	SHARES OFFERED IN THE OFFERING -----	SHARES BENEFICIALLY OWNED POST-OFFERING -----	POST- OFFERING % OWNERSHIP -----
<S>	<C>	<C>	<C>	<C>
Susan Elizabeth DiNapoli 135 Pinewood Loop Monument, CO 80132	45,000	45,000	-0-	-0-
Vincent DiNapoli 135 Pinewood Loop Monument, CO 80132	45,000	45,000	-0-	-0-
TOTAL	90,000	90,000		

</TABLE>

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PLAN OF DISTRIBUTION

The common stock offered hereby may be sold from time to time to purchasers directly by the selling stockholders. Alternatively, the selling stockholders may from time to time offer the shares through underwriters, dealers or agents, who may receive compensation in the form of underwriting discounts, concessions or commissions from the selling stockholders and/or the purchasers of the shares for whom they may act as agent, in which case a post effective amendment to the registration statement will be filed identifying any changes to the plan of distribution. The selling stockholders and any underwriters, dealers or agents that participate in the distribution of the shares may be deemed to be underwriters and any profit on the sale of the shares by them and any discounts, commissions or concessions received by any such underwriters, dealers or agents might be deemed to be underwriting discounts and commissions under the Securities Act. At the time a particular offer of shares is made, to the extent required, a prospectus supplement will be distributed that will set forth the specific shares to be sold and the terms of the offering, including the name or names of any underwriters or dealer agents, any discounts, commissions and other items constituting compensation from the selling stockholders and any discounts, commissions or concessions allowed or reallocated or paid to dealers.

The shares may be sold from time to time in one or more transactions at varying prices determined at the time of sale or negotiated prices.

Industrialex has paid substantially all of the expenses incident to the offering of the shares, other than commissions and discounts of underwriters, dealers or agents and the fees and expenses of counsel to the selling stockholders.

Rule 102 of Regulation M under the Securities Exchange Act of 1934 prohibits certain activity by a distribution participant when a distribution of securities is being made. Specifically, it is unlawful for a distribution participant, or any person affiliated with a distribution participant, to bid for, purchase or attempt to induce any person to bid for or purchase a covered security during the applicable restricted period. A distribution means an offering of securities that is distinguished from ordinary trading transactions by the magnitude of the offering and the presence of special selling efforts and selling methods.

The purpose of Regulation M is to prevent participants in an offering from purchasing shares in an attempt to manipulate the price of the shares that they are simultaneously selling. With respect to our initial public offering, Regulation M would prohibit a selling stockholder from bidding, purchasing or attempting to induce any person to bid for or purchase Industrialex securities for a period beginning five days prior to our listing on the Canadian Venture Exchange and ending on the date of such listing. After the shares are listed, selling stockholders may sell their securities without violating Regulation M so long as their activities do not constitute a distribution.

USE OF PROCEEDS

Industrialex will not receive any of the proceeds from the offering. All of such proceeds will be received by the selling stockholders.

As partial consideration for acting as underwriter for our initial public offering in Canada only, Industrialex will issue to Thomson Kernaghan & Co. Limited 125,000 units and issue a warrant to purchase up to 200,000 units at an exercise price of \$0.75 per share. If Thomson Kernaghan exercises this warrant, then Industrialex will receive additional proceeds of up to \$150,000. In addition, if Thomson Kernaghan exercises the warrants included in each unit, then Industrialex will receive additional proceeds of up to \$325,000 if the warrants are exercised during the first year following the date of this offering and up to \$406,250 if the warrants are exercised during the second year following the date of this offering. If Thomson Kernaghan exercises the warrants, the proceeds will be added to Industrialex's working capital. Management intends to invest the net proceeds in money market funds until such time as those proceeds are required.

If the holders of the warrants included in each unit sold in the initial public offering exercise the warrants, Industrialex will receive proceeds of up to \$2,666,667 if the warrants are exercised during the first year following the initial public offering and up to \$3,333,334 if the warrants are exercised during the second year following the initial public offering which will also be added to Industrialex's working capital. If Bolder Venture Partners LLC exercises all 665,000 of its stock purchase warrants, we will receive proceeds of up to \$533,750, which will also be added to Industrialex's working capital.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

We have made certain forward-looking statements in this document and in the documents referred to in this document which are subject to risks and uncertainties. These statements are based on the beliefs and assumptions of the management of the companies and on the information currently available to such management. Forward-looking statements include information concerning possible or assumed future results of Industrialex. These statements may be preceded by, followed by, or otherwise include the words "believes," "expects," "anticipates," "intends," "plans," "estimates" or similar expressions.

Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. The future results and stockholder values of Industrialex may differ materially from those expressed in these forward-looking statements. Many of the factors that will determine these results and values are beyond our ability to control or predict. Investors are cautioned not to put undue reliance on any forward-looking statements. Except for their ongoing obligations to disclose material information as required by the federal securities law, we do not have any intention or obligation to update forward-looking statements after this prospectus is delivered, even if new information, future events or other circumstances have made them incorrect or misleading.

You should understand that various factors, in addition to those discussed elsewhere in this document and in the documents referred to in this document, could affect the future results of the combined company following the merger and could cause results to differ materially from those expressed in such forward-looking statements.

DIVIDEND RECORD AND POLICY

Other than distributions to members made by Industrialex Manufacturing LLC, Industrialex has not paid any dividends since incorporation and it has no plans to pay dividends in the immediate future. Industrialex expects to retain its earnings to finance further growth and, when appropriate, retire debt. The directors of Industrialex will determine if and when dividends should be declared and paid in the future based on Industrialex's financial position at the relevant time. All of the shares of Industrialex are entitled to an equal share in any dividends declared and paid.

EXPERTS

The financial statements of Industrialex Manufacturing Corp. and Decorative & Coating Systems, Inc. as of and for the years ended December 31, 1999 and 1998, included in this prospectus have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports appearing herein, and are included in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The financial statements of Broomfield as of June 30, 1999 and 1998 and for the years ended June 30, 1999 and 1998 and the financial statements of Screen Tech as of December 31, 1999 and 1998, and for the years ended December 31, 1999 and 1998 included in this prospectus have been audited by

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Hein & Associates LLP, independent auditors, as stated in their reports appearing herein, and are included in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

LEGAL MATTERS

The Company knows of no material pending legal proceedings to which the Company is or is likely to be a party or to which any of its properties are or are likely to be the subject.

Campney & Murphy, Barristers and Solicitors, 2100-1111 West Georgia Street, Vancouver, British Columbia, Canada, V7X 1K9 has served as legal counsel of Industrialex in connection with the offering of the securities in Canada on the Canadian Venture Exchange.

The validity of the securities offered will be passed upon for Industrialex by Davis, Graham & Stubbs LLP, Denver, Colorado.

WHERE YOU CAN FIND MORE INFORMATION

You may read and copy any reports, statements or other information that we file with the Securities and Exchange Commission at the SEC's public reference rooms in Washington, D.C.; New York, New York; and Chicago, Illinois. Please call the Securities and Exchange Commission at 1 (800) SEC-0330 for further information on the public reference rooms. Our SEC filings are also available to the public from commercial document retrieval services and at the web site maintained by the Securities and Exchange Commission at "<http://www.sec.gov>."

OUTSIDE BACK COVER

Until _____, 2001, all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealer's obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 24. INDEMNIFICATION OF OFFICERS AND DIRECTORS

INDEMNIFICATION OF DIRECTORS AND OFFICERS

(a) As permitted by the Colorado Business Corporation Law, the articles of incorporation of Industrialex eliminate the liability of directors to Industrialex or its shareholders for monetary damages for breach of fiduciary duty as a director, except to the extent otherwise required by the Colorado Business Corporation Act.

(b) The articles of incorporation provide that Industrialex will indemnify each person who was or is made a party to any proceeding by reason of the fact that such person is or was a director or officer of Industrialex against all expense, liability and loss reasonably incurred or suffered by such person in connection therewith to the fullest extent authorized by the Colorado Business Corporation Law. Industrialex's bylaws provide for a similar indemnity

to directors and officers of Industrialex to the fullest extent authorized by the Colorado Business Corporation Law.

(c) The articles of incorporation also give Industrialex the ability to enter into indemnification agreements with each of its directors and officers.

ITEM 25. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

<TABLE>	<S>	<C>
Consultants	\$	21,500
Legal fees		162,000
Accounting fees		150,000
Registration fees		2,500
Listing fees		2,000
Transfer agent fees		2,000
Printing		10,000

		\$350,000
		=====

</TABLE>

ITEM 26. RECENT SALES OF UNREGISTERED SECURITIES

During the period from Industrialex's incorporation through to the date of this prospectus, Industrialex has issued the following shares:

- o Upon incorporation, Industrialex issued 4,250,000 shares to the sole member of Industrial Manufacturing LLC in exchange for 100% of his member interest valued at \$327,346.
- o During February 2000, Industrialex initiated a private placement of special warrants under which 950,000 special warrants were subscribed to by a total of 11 sophisticated investors at a price of \$0.50 per warrant, or total consideration of \$475,000. Each investor had access to the same type of information about Industrialex that is typically available in a registration

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statement. Each special warrant is convertible, for no additional consideration, into one share of common stock, at the option of the holder with no expiration. These special warrants were issued in reliance upon an exemption from registration under the Securities Act of 1933 pursuant to Section 4(2) in a transaction not involving a public offering. During March, April and May of 2000, the warrants were issued as the cash consideration was received.

- o During February 2000, Industrialex initiated a private placement of special warrants under which 1,407,000 special warrants were subscribed to by a total of 35 non-U.S. persons in jurisdictions outside of the United States at a price of \$0.50 per warrant, or total consideration of \$703,500. These special warrants were issued in reliance on Regulation S under the Securities Act of 1933. Each special warrant is convertible, for no additional consideration, into one share of common stock, at the option of the holder with no expiration. During March, April and May of 2000, the warrants were issued as the cash consideration was received.
- o On May 1, 2000, Industrialex issued 200,000 special warrants, with a deemed value of \$1 per special warrant, to a total of 4 sophisticated investors in connection with the acquisition of Decorative & Coating Systems, Inc. The warrants were issued in reliance upon an exemption from registration under Section 4(2) of the Securities Act of 1933 in a transaction not involving a public offering. Each investor had access to the same type of information about Industrialex that is typically available in a registration statement. Each special warrant is convertible, for no additional consideration, into one share of common stock, at the option of the holder with no expiration.
- o On April 14, 2000, Industrialex issued 500,000 special warrants, with a deemed value of \$1 per special warrant, to a total of 12 sophisticated investors in connection with the acquisition of Broomfield Industrial Painting, Inc. The warrants were issued in reliance upon an exemption from registration under Section 4(2) of the Securities Act of 1933 in a transaction not involving a public offering. Each

investor had access to the same type of information about Industrialex that is typically available in a registration statement. Each special warrant is convertible, for no additional consideration, into one share of common stock, at the option of the holder with no expiration.

- o On July 5, 2000, Industrialex issued 90,000 special warrants, with a deemed value of \$1 per special warrant, to a total of two sophisticated purchasers in connection with the acquisition of Screen Tech Graphics, Inc. The warrants were issued in reliance upon an exemption from registration under Section 4(2) of the Securities Act of 1933 in a transaction not involving a public offering. Each purchaser had access to the same type of information about Industrialex that is typically available in a registration statement. Each special warrant is convertible, for no additional consideration, into one share of common stock, at the option of the holder with no expiration.
- o In June of 2000, the board of directors of Industrialex authorized the grant of options to purchase up to an aggregate of 687,000 shares of Industrialex common stock to 19 individuals who are directors, officers, or employees of the Company. The number of options granted to any one person ranges from 7,000 shares to 300,000 shares. All of these options are exercisable between \$.50 and \$1.00 per share and vest over a 48-month period. None of the options have been exercised. The options were granted in reliance upon the exemption from registration under the Securities Act of 1933 provided for in Rule 701.

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- o Pursuant to a consulting agreement entered into in January, 2000 (as amended June 28, 2000), Industrialex granted Bolder Venture Partners a warrant to purchase up to 960,000 shares of Industrialex common stock for a period of five years from December 28, 2000. On January 26, 2001, Bolder Venture Partners agreed to a reduction in the number of warrants granted pursuant to the consulting agreement from 960,000 to 865,000. The warrants become exercisable as follows:
 - o 375,000 at \$0.25 per share as of January, 2000 (200,000 of which were exercised in September, 2000)
 - o 315,000 at \$1.00 per share as of May, 2000.
 - o 175,000 at \$1.00 per share upon completion of this offering.

The warrants were issued in reliance upon an exemption from registration under the Securities Act of 1933 pursuant to Section 4(2). Bolder Venture Partners had access to the same type of information about Industrialex that is typically available in a registration statement.

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ITEM 27. EXHIBITS

<TABLE>
<CAPTION>
EXHIBIT
NUMBER

DESCRIPTION OF EXHIBIT

<S>	<C>
1	Amended and Restated Agency Agreement dated February 1, 2001 between Industrialex Manufacturing Corp. and Thomson Kernaghan & Co. Limited**
3.1	Restated Articles of Incorporation of Industrialex Manufacturing Corp.*
3.2	Bylaws of Industrialex Manufacturing Corp.*

5.1	Legal Opinion of Davis, Graham & Stubbs LLP**
10.1	Incentive Compensation Plan*
10.2	Letter Agreement dated December 28, 1999 between Industrialex Manufacturing Corp. and Bolder Venture Partners L.L.C.*
10.3	Letter Agreement dated June 28, 2000 between Industrialex Manufacturing Corp. and Bolder Venture Partners L.L.C. amending letter dated December 28, 1999*
10.4	Form of Special Warrant*
10.5	Stock Purchase Agreement dated March 22, 2000, between Industrialex Manufacturing Corp., Mark S. Trawinski, Donald R. Lauer and Angela Bennet Lauer*
10.6	Stock Purchase Agreement dated May 1, 2000, between Industrialex Manufacturing Corp., Decorative & Coating Systems, Inc., Joseph Triolo, Jr., Joseph Triolo, Sr., Gary Triolo and John Triolo*
10.7	Stock Purchase Agreement dated June 7, 2000, between Industrialex Manufacturing Corp., Screen Tech Graphics, Inc. and Susan Elizabeth DiNapoli and Vincent DiNapoli*
10.8	Employment Agreement dated May 1, 2000 between Industrialex Manufacturing Corp. and Scott Robidart*
10.9	Secured Promissory Note dated May 8, 2000 in the principal amount of \$130,000*
10.10	Stock Option Agreement dated May 8, 2000 between Ahmad Akrami and Scott Robidart*
10.11	Form of employee/consultant/confidentiality agreement*
10.12	Form of Unit Warrant*
10.13	Form of Lock-up Agreement to be entered into by Ahmad Akrami and Industrialex Manufacturing Corp.*
10.14	Form of Lock-up Agreement to be entered into by Mansour Akrami and Industrialex Manufacturing Corp.*
10.15	Form of Lock-up Agreement to be entered into by Gary E. Landgren and Industrialex Manufacturing Corp.*

</TABLE>

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<TABLE>

<S>	<C>
10.16	Form of Lock-up Agreement to be entered into by Afshin K. Sarvestani and Industrialex Manufacturing Corp.*
10.17	Lock-up Agreement dated February 1, 2001 entered into by Bolder Venture Partners LLC and Industrialex Manufacturing Corp.**
21	List of Subsidiaries*
23.1	Consent of Deloitte & Touche LLP**
23.2	Consent of Deloitte & Touche LLP**
23.3	Consent of Hein & Associates LLP**
24	Power of Attorney (included on signature page)
27	Financial Data Schedule*

</TABLE>

* Previously filed

** Filed herewith

*** Final form to be filed via amendment

UNDERTAKINGS

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended (the "Act") may be permitted to directors, officers and controlling persons of Industrialex pursuant to Industrialex's Bylaws or Certificate of Incorporation, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is therefore unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned hereby undertakes that:

(1) It will file, during any period in which it offers or sells securities, a post-effective amendment to this registration statement to:

(i) Include any prospectus required by section 10(a)(3) of the Securities Act;

(ii) Reflect in the prospectus any facts or events which, individually or together, represent a fundamental change in the information in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

(iii) Include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

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(2) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(3) For the purpose of determining any liability under the Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(4) Remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(5) To file a post-effective amendment to include any financial statements required to be filed pursuant to section 210.3-19 at the start of any delayed offering or throughout a continuous offering.

(6) To provide to the underwriter at the closing specified in the underwriting agreements certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements of filing on Form SB-2 and authorized this registration statement to be signed on its behalf by the undersigned, in the City of

INDUSTRIALEX MANUFACTURING CORP.

By: /s/ Ahmad Akrami

 Name: Ahmad Akrami
 Title: Chief Executive Officer

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Ahmad Akrami and Thomas Tennesen, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution for him and his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits and schedules thereto, including any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, together with all schedules and exhibits thereto and other certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as they might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

<TABLE> <CAPTION>	SIGNATURES -----	TITLE -----	DATE ----
<S>	/s/ Ahmad Akrami ----- Ahmad Akrami	<C> Chief Executive Officer	<C> February 2, 2001
	/s/ Thomas Tennesen ----- Thomas Tennesen	Director	February 2, 2001
	/s/ Ahmad Akrami Attorney in fact ----- Francis Lundy	Director	February 2, 2001
	/s/ Ahmad Akrami Attorney in fact ----- Thomas Stephen Plunkett	Director	February 2, 2001
	/s/ Ahmad Akrami Attorney in fact ----- Stephen J. King	Chief Financial Officer	February 2, 2001

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EXHIBIT INDEX

<TABLE> <CAPTION>	EXHIBIT NUMBER	DESCRIPTION OF EXHIBIT -----
<S>	<C>	
1		Amended and Restated Agency Agreement dated February 1, 2001 between Industrialex Manufacturing Corp. and Thomson Kernaghan & Co. Limited**
3.1		Restated Articles of Incorporation of Industrialex Manufacturing Corp.*
3.2		Bylaws of Industrialex Manufacturing Corp.*
5.1		Legal Opinion of Davis, Graham & Stubbs LLP**

10.1	Incentive Compensation Plan*
10.2	Letter Agreement dated December 28, 1999 between Industrialex Manufacturing Corp. and Bolder Venture Partners L.L.C.*
10.3	Letter Agreement dated June 28, 2000 between Industrialex Manufacturing Corp. and Bolder Venture Partners L.L.C. amending letter dated December 28, 1999*
10.4	Form of Special Warrant*
10.5	Stock Purchase Agreement dated March 22, 2000, between Industrialex Manufacturing Corp., Mark S. Trawinski, Donald R. Lauer and Angela Bennet Lauer*
10.6	Stock Purchase Agreement dated May 1, 2000, between Industrialex Manufacturing Corp., Decorative & Coating Systems, Inc., Joseph Triolo, Jr., Joseph Triolo, Sr., Gary Triolo and John Triolo*
10.7	Stock Purchase Agreement dated June 7, 2000, between Industrialex Manufacturing Corp., Screen Tech Graphics, Inc. and Susan Elizabeth DiNapoli and Vincent DiNapoli*
10.8	Employment Agreement dated May 1, 2000 between Industrialex Manufacturing Corp. and Scott Robidart*
10.9	Secured Promissory Note dated May 8, 2000 in the principal amount of \$130,000*
10.10	Stock Option Agreement dated May 8, 2000 between Ahmad Akrami and Scott Robidart*
10.11	Form of employee/consultant/confidentiality agreement*
10.12	Form of Unit Warrant*
10.13	Form of Lock-up Agreement to be entered into by Ahmad Akrami and Industrialex Manufacturing Corp.*
10.14	Form of Lock-up Agreement to be entered into by Mansour Akrami and Industrialex Manufacturing Corp.*
10.15	Form of Lock-up Agreement to be entered into by Gary E. Landgren and Industrialex Manufacturing Corp.*

</TABLE>

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<TABLE>

<S>	<C>
10.16	Form of Lock-up Agreement to be entered into by Afshin K. Sarvestani and Industrialex Manufacturing Corp.*
10.17	Lock-up Agreement dated February 1, 2001 entered into by Bolder Venture Partners LLC and Industrialex Manufacturing Corp.**
21	List of Subsidiaries*
23.1	Consent of Deloitte & Touche LLP**
23.2	Consent of Deloitte & Touche LLP**
23.3	Consent of Hein & Associates LLP**
24	Power of Attorney (included on signature page)
27	Financial Data Schedule*

</TABLE>

* Previously filed

** Filed herewith

*** Final form to be filed via amendment

AMENDED AND RESTATED
AGENCY AGREEMENT

February 1, 2001

Industrialex Manufacturing Corp.
63 - A.S. Pratt Parkway
Longmont, CO
U.S.A. 80501

Attention: Mr. Ahmad Akrami

Dear Sirs:

We understand that:

1. Industrialex Manufacturing Corp. (the "Company") is a corporation formed under the laws of the State of Colorado and Broomfield Industrial Painting, Inc., Screen Tech Graphics, Inc. and Decorative & Coating Systems, Inc. are wholly owned subsidiaries of the Company, all incorporated under the laws of Colorado;
2. as of the date hereof the authorized and issued capital of the Company is as described in the Prospectus (as hereinafter defined) executed concurrently with the execution and delivery of this Agreement; and
3. the Company proposes to issue up to 2,000,000 units (the "Units"), and up to 300,000 Units pursuant to an over-allotment described in paragraph 4 below (the "Optioned Units"), all at a purchase price of \$0.75 USD per Unit. Each Unit will consist of one common share of the Company (a "Common Share") and a warrant to purchase one common share (a "Purchase Warrant") at the following price:

(a) \$1.00USD in the first year (365 days) following the Closing Time (as hereinafter defined); or

(b) \$1.25USD in the second year following the Closing Time;

(collectively, the "Warrant Price"). However, if during the term of the Purchase Warrants, the closing price of the Common Shares on the Exchange (as hereinafter defined), or any other exchange on which the Common Shares are traded, is not less than two times the exercise price of the Purchase Warrant then in effect for each of 20 consecutive trading dates, any Purchase Warrant not exercised within 30 days of deemed receipt by the holders of the Purchase

Warrants of written notice from the Company will expire on the 30th day after the deemed receipt of such notice. Such notice will be deemed to have been received by the holder of the Purchase Warrants eight calendar days after the date on which it is mailed by ordinary post, postage prepaid, addressed to the holders of the Purchase Warrants at their respective addresses appearing on any of the registers of holders of Purchase Warrants maintained by the Company or its transfer agent.

4. The Company (on the basis of the third paragraph above) hereby grants to the Agent an option (the "Over-Allotment Option") to use their reasonable best efforts to offer for sale in the aggregate up to 300,000 Optioned Units (15% of the Units offered by the Company pursuant to the terms of this Agreement) at a purchase price of \$0.75 per Optioned Unit all upon the terms and conditions set forth herein for the purchase and sale of the Offered Securities. The Company shall pay the Agent a fee of \$0.75 per Optioned Unit in respect of any Optioned Units sold by the Agent (the "Agent's Optioned Unit Fee").

The Over-Allotment Option shall be exercisable at any time during the period commencing on the date hereof and ending on the date which is 60 days after the Closing Date (defined below) (the "Over-Allotment Option Expiry Date").

The Over-Allotment Option shall be exercisable in whole or in part by the Agent by giving notice to the Company not later than 5:00pm (Calgary Time) on the Over-Allotment Option Expiry Date, specifying the number of Optioned Units to be purchased by subscribers on the date and time of the completion of the sale of the Optioned Units (which shall not be less than three (3) Business Days (defined below) after the date of such notice and not more than five (5) Business Days after the Over-Allotment Option Expiry Date). Upon furnishing such notice, the Agent shall sell and the Company shall issue, in accordance and subject to the provisions hereof, the number of Optioned Units indicated in such notice.

The Over-Allotment Option is solely to cover over-allotment, if any, and for market stabilization.

The Company understands that:

1. the Agent proposes to distribute the Units and any Optioned Units in certain jurisdictions in Canada pursuant to a Preliminary Prospectus (as hereinafter defined) and a Prospectus;
2. the purchase price of the Units and any Optioned Units has been determined jointly by the Company and the Agent; and

3. the Units and any Optioned Units shall have the material attributes described in the Preliminary Prospectus.

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Based upon the foregoing and on the terms and conditions herein contained, the Agent hereby agrees to act as Agent and offer for sale on a "best efforts" basis, in the manner described herein, up to 2,000,000 Units, and up to 300,000 Optioned Units of the Company. It is expressly agreed and understood that the Agent shall have no obligation to purchase securities pursuant to this offering on its own behalf.

In consideration of the agreement of the Agent to market and distribute the Offered Securities and any Optioned Units which will result from the acceptance of this offer, the Company shall pay to the Agent at the Closing Time a fee of 10% of the purchase price of each Unit, including any Optioned Units, against delivery by the Agent to the Company of a receipt therefor (the "Agency Fee").

In addition to the foregoing commission, the Company shall pay or issue to the Agent:

- (i) a work fee (the "Work Fee") of \$18,000 USD, which fee shall be payable at Closing in cash;
- (ii) an investment banking fee (the "Investment Banking Fee") equal to \$93,750 (U.S.), which fee shall be payable in Units (the "Lead Agent's Units") of the Company priced at the same price as Units issued pursuant to the Prospectus;
- (iii) that number of brokers warrants (the "Agent's Warrants") equal to 10% of the aggregate number of securities offered, including Optioned Units, pursuant to the Prospectus, which brokers warrants shall entitle the Agent to acquire an equivalent number of Units (the "Agent's Units") at \$0.75 USD per Unit at any time up to two (2) years from the Closing Time. The Agent's Units shall be exercisable by the Agent for a period of two years from Closing on the same terms as Units pursuant to the Prospectus;
- (iv) the Company shall issue to the Agent that number of Agent's Warrants equal to 10% of the aggregate number of Optioned Units sold pursuant to the Over-Allotment Option (the "Agent's Over-Allotment Warrants"), which Agent's Over-Allotment Warrants will entitle the Agent to acquire an equivalent number of Units at \$0.75USD per Unit (the "Agent's Over-Allotment Units") at any time up to two (2) years from the Over-Allotment Expiry Date; and

- (v) a fee (the "Special Warrant Fee") of \$50,086.00 USD, which fee shall be payable at Closing in cash.

Where the foregoing compensation contemplates the issuance of securities, the Company shall qualify such securities under the Preliminary Prospectus and the

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Prospectus. The Company also agrees that it shall pay any eligible GST on any of the foregoing fees.

TERMS AND CONDITIONS

1. DEFINITIONS

In this agreement:

- (a) "AGENCY FEE" means the fees payable by the Company to the Agent as more fully set out in the introductory paragraphs to this Agreement;
- (b) "AGENT" means Thomson Kernaghan & Co. Limited;
- (c) "AGREEMENT" means the agreement resulting from the acceptance of the offer made by the Agent in this letter;
- (d) "BIP" means Broomfield Industrial Printing, Inc.;
- (e) "BUSINESS DAY" means a day on which The Canadian Venture Exchange is open for trading and banks are open for business in the cities of Calgary, Vancouver and Toronto;
- (f) "CANADIAN SECURITIES LAWS" means, collectively, the applicable securities laws of each of the provinces of Canada and the respective regulations and rules made thereunder together with all applicable published policy statements, blanket orders and rulings of the Securities Commissions and all discretionary orders or rulings, if any, of the Securities Commissions made in connection with the transactions contemplated hereunder;
- (g) "CLOSING(s)" means the completion of the purchase and sale of the Units and any Optioned Units which may take place more than once;
- (h) "CLOSING DATE" means a date that is 90 days from the date of issuance of a receipt for the Prospectus by the Commission or such earlier date as the parties may agree upon;

- (i) "CLOSING TIME" means 10:00 a.m. (Calgary time) on the Closing Date, or such other time on the Closing Date as the parties may agree upon;
- (j) "COMMON SHARES" means common shares in the capital of the Company;
- (k) "COMPANY" means Industrialex Manufacturing, Corp. and includes its subsidiaries, BIP, DACS and STG, where the context allows;

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- (l) "COMPANY'S KNOWLEDGE" or "KNOWLEDGE OF THE COMPANY" means the knowledge of the directors and officers of the Company, including those of any of its subsidiaries and affiliates, after making reasonable inquiry of employees of the Company and/or any of its subsidiaries or affiliates, who are, or may be, possessed of knowledge on a particular matter in question;
- (m) "DACS" means Decorative & Coating Systems, Inc.;
- (n) "DISTRIBUTION" means distribution, distribution to the public or primary distribution to the public, as the case may be, under relevant securities legislation in any province of Canada, and "distribute" has a corresponding meaning;
- (o) "DISTRIBUTION PERIOD" means the period commencing on the date of this Agreement and ending on the earlier of:
 - (i) the date on which all of the Offered Securities and any Optioned Units have been distributed by the Agent pursuant to the Prospectus; and
 - (ii) 30 days after the Closing Date;
- (p) "ENGAGEMENT LETTER" has the meaning attributed thereto in paragraph 18 hereof;
- (q) "ENVIRONMENTAL CLAIM" means any and all administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of non-compliance or violation, investigations or proceedings relating in any way to any Environmental Law;
- (r) "ENVIRONMENTAL LAW" means, with respect to the Company, any federal, provincial, local or municipal or other governmental statute, law, rule, regulation and any published judicial or administrative interpretation thereof including any judicial or administrative order, consent, decree or judgment binding on or applicable to the Company or

any of its subsidiaries, relating to the environment, health, safety or any chemical material or substance, exposure to which is prohibited, limited or regulated by any such governmental authority;

- (s) "EXCHANGE" means the Canadian Venture Exchange;
- (t) "INDEMNIFIED PARTIES" has the meaning attributed thereto in paragraph 11 hereof;

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- (u) unless the context otherwise requires, the terms "MATERIAL CHANGE", "MATERIAL FACT" and "MISREPRESENTATION" shall have the respective meanings given thereto by the Canadian Securities Laws or any of them;
- (v) "OFFERED SECURITIES" means the Units, the Agent's Warrants and the Lead Agent's Units, as well as any Optioned Units and Agent's Over-Allotment Warrants distributed pursuant to the Prospectus;
- (w) "OFFERING DOCUMENTS" means, collectively, the Prospectus and any Supplementary Material and any amendments thereto;
- (x) "OPTIONED UNITS" has the meaning ascribed thereto in the first paragraph of the Agreement;
- (y) "PERSONNEL" has the meaning attributed thereto in paragraph 11 hereof;
- (z) "PRELIMINARY PROSPECTUS" means the preliminary prospectus of the Company in the English language dated July 7, 2000 which has been approved, signed and certified in accordance with the Canadian Securities Laws, relating to the distribution of the Offered Securities in the Qualifying Jurisdictions;
- (aa) "PROSPECTUS" means the final prospectus of the Company in the English language to be approved, signed and certified in accordance with the Canadian Securities Laws relating to the distribution of the Offered Securities and Optioned Units in the Qualifying Jurisdictions, and any amendments thereto;
- (bb) "QUALIFYING JURISDICTIONS" or "QUALIFYING PROVINCES" means the provinces of British Columbia, Alberta and Ontario;
- (cc) "SECURITIES COMMISSIONS" means, collectively, the securities commission or other securities regulatory authority of each of the Qualifying Jurisdictions;
- (dd) "SELLING FIRMS" has the meaning attributed thereto in paragraph 4(a)

hereof;

- (ee) "STG" means Screen Tech Graphics, Inc.;
- (ff) "SUBSIDIARY" means a subsidiary for purposes of the Business Corporations Act (Alberta) and includes BIP, DACS and STG;
- (gg) "SUPPLEMENTARY MATERIAL" means, collectively, any amendment to the Prospectus and amended or supplemental Preliminary Prospectus or

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Prospectus which may be filed with the Securities Commissions by or on behalf of the Company under the Canadian Securities Laws in connection with the distribution of the Offered Securities and Optioned Units;

- (hh) "UNITED STATES SECURITIES LAWS" means the United States Securities Act of 1933, as amended, the United States Securities Exchange Act of 1934, as amended, the applicable securities laws of each of the states, territories and/or possessions of the United States of America, and the rules, regulations, policies, orders and rulings made thereunder, including discretionary orders or rulings of the United States Securities and Exchange Commission, or any securities regulator of any of the states, territories or possessions of the United States of America, made in connection with the transactions contemplated herein;
- (ii) "USD" means United States Dollars; and
- (jj) "WARRANT INDENTURE" means the share purchase warrant indenture providing for the issue of up to 2,300,000 Purchase Warrants among the Company and Montreal Trust Company of Canada dated February , 2001.

2. INTERPRETATION

Unless otherwise expressly provided in this Agreement, words importing the singular number include the plural and vice versa and words importing gender include all genders. References to sections, paragraphs and subparagraphs are to the appropriate sections, paragraphs and subparagraphs of this Agreement.

3. COMPLIANCE WITH SECURITIES LAWS: DUE DILIGENCE

The Company shall, as soon as possible, fulfil and comply with, to the satisfaction of the Agent, the Canadian Securities Laws required to be fulfilled or complied with by the Company to enable the Offered Securities and any Optioned Units to be lawfully distributed in the Qualifying Provinces through the Agent. Prior to the filing of the Prospectus, the Company shall have allowed the Agent to participate fully in the preparation of such documents and shall

have allowed the Agent to conduct all due diligence investigations which it reasonably requires in order to fulfil their obligations as Agent and in order to enable them to execute the certificate required to be executed by them on such documents.

4. DISTRIBUTION AND CERTAIN OBLIGATIONS OF THE AGENT

- (a) The Agent shall, and shall require any investment dealer or broker, other than the Agent, with which the Agent may have a contractual relationship in respect of the distribution of the Offered Securities and any Optioned

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Units (a "Selling Firm"), to comply with the Canadian Securities Laws in connection with the distribution thereof and shall offer the Offered Securities and any Optioned Units for sale to the public directly and through Selling Firms upon the terms and conditions set out in the Prospectus and this Agreement. The Agent shall offer, and shall require any Selling Firm to offer for sale to the public and sell the Offered Securities and any Optioned Units only in those jurisdictions where they may be lawfully offered for sale or sold.

- (b) The Agent shall, and shall require any Selling Firm to agree to, distribute the Offered Securities and any Optioned Units in a manner which complies with and observes all applicable laws and regulations in each jurisdiction into and from which they may offer to sell the Offered Securities and any Optioned Units or distribute the Prospectus or any Supplementary Material in connection with the distribution of the Offered Securities and any Optioned Units and will not, directly or indirectly, offer, sell or deliver any Offered Securities or the Optioned Units or deliver the Prospectus or any Supplementary Material to any person in any jurisdiction other than in the Qualifying Provinces except in a manner which will not require the Company to comply with the registration, prospectus, filing or other similar requirements under the applicable securities laws of such other jurisdictions. The Agent shall notify the Corporation, in advance, of any distribution that is intended to be made outside the Qualifying Provinces in reliance upon any prospectus, registration or other exemption, provided that the Agent is aware that the Company intends to concurrently conduct a United States public offering pursuant to a registration statement prepared by the Company. The Agent has no responsibility for such registration statement or United States public offering and the Company agrees that it will not distribute the Prospectus in the United States as part of, or separate from, such

- (c) For the purposes of this Section 4, the Agent shall be entitled to assume that the Offered Securities and any Optioned Units are qualified for distribution in any Qualifying Province where a receipt or similar document for the Prospectus shall have been obtained from the applicable securities commission following the filing of the Prospectus.

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5. DELIVERIES ON FILING

- (a) Concurrently with filing the Prospectus as required pursuant to Section 5 hereof, the Company shall deliver to the Agent:
- (i) a copy of the Preliminary Prospectus and the Prospectus in the English language signed and certified as required by the Canadian Securities Laws;
 - (ii) a copy of any other document required to be filed by the Company under the laws of each of the Qualifying Provinces in compliance with the Canadian Securities Laws;
 - (iii) a comfort letter dated the date of the Prospectus, in form and substance satisfactory to the Agent, addressed to the Agent from the auditors of the Company, with respect to certain financial and accounting information relating to the Company in the Prospectus, which letter shall be in addition to the auditors' report contained in the Prospectus and the auditors' comfort letter addressed to the securities regulatory authorities in the Qualifying Provinces.

(b) SUPPLEMENTARY MATERIAL

The Company shall also prepare and deliver promptly to the Agent signed and certified copies of all Supplementary Material. Concurrent with the delivery of any Supplementary Material, the Company shall deliver to the Agent, with respect to such Supplementary Material, documents similar to those referred to in Section 5(a).

(c) REPRESENTATIONS AS TO PROSPECTUS AND PROSPECTUS AMENDMENTS

Delivery of the Preliminary Prospectus, the Prospectus and any Supplementary Material shall constitute a representation and warranty by the Company to the Agent that (i) all information and statements

(except information and statements relating solely to the Agent and provided by the Agent) contained in the Preliminary Prospectus or the Prospectus or any Supplementary Material, as the case may be, are true and correct and contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Company, the Offered Securities and any Optioned Units; (ii) no material fact or information has been omitted from such disclosure (except facts or information relating solely to the Agent and provided by the Agent) which is required to be stated in such disclosure or is necessary to make the statements or information contained in such disclosure not misleading in light of the circumstances under which they were made; and (iii) such documents comply fully with the

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requirements of the Canadian Securities Laws. Such deliveries shall also constitute the Company's consent to the Agent's use of the Preliminary Prospectus, the Prospectus and any Prospectus Amendments in connection with the distribution of the Offered Securities and any Optioned Units in compliance with this Agreement.

(d) COMMERCIAL COPIES

The Company shall cause commercial copies of the Prospectus and any Supplementary Material to be delivered to the Agent without charge, in such numbers and in such cities as the Agent may reasonably request by oral instructions to the printer of the Prospectus given forthwith after the Agent has been advised that the Company has complied with the Canadian Securities Laws in the Qualifying Provinces pursuant to Section 3.

6. MATERIAL CHANGE DURING DISTRIBUTION

(a) During the Distribution Period, the Company shall promptly notify the Agent in writing of:

(i) any material change (actual, anticipated, contemplated or threatened, financial or otherwise) in or affecting the business, affairs, prospects, operations, management, ownership, assets, liabilities (contingent or otherwise) or capital of the Company and its subsidiaries taken as a whole;

(ii) any material fact which has arisen or has been discovered and would have been required to have been stated in the Prospectus had the fact arisen or been discovered on, or prior to, the date of the Prospectus; and

(iii) any change in any material fact contained in the Prospectus or any Supplementary Material which change is, or may be, of such a nature as to render any statement in the Prospectus or any Supplementary Material misleading or untrue or which would result in a misrepresentation in the Prospectus or any Supplementary Material or which would result in the Prospectus or any Supplementary Material not complying (to the extent that such compliance is required) with the Canadian Securities Laws.

The Company shall promptly, and in any event within any applicable time limitation, comply, to the reasonable satisfaction of the Agent, with all applicable filings and other requirements under the Canadian Securities Laws as a result of such fact or change; provided that

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the Company shall not file any Supplementary Material or other document without first obtaining from the Agent the approval of the Agent, after consultation with the Agent with respect to the form and content thereof, which approval will not be unreasonably withheld. The Company shall in good faith discuss with the Agent any fact or change in circumstances (actual, anticipated, contemplated or threatened, financial or otherwise) which is of such a nature that there is reasonable doubt whether written notice need be given under this paragraph.

(b) CHANGE IN THE CANADIAN SECURITIES LAWS

If during the Distribution Period there shall be any change in the Canadian Securities Laws which, in the reasonable opinion of the Agent requires the filing of Supplementary Material, the Company shall, to the reasonable satisfaction of the Agent, promptly prepare and file such Supplementary Material with the appropriate securities regulatory authority in each of the Qualifying Provinces where such filing is required.

(c) CEASE TRADE NOTIFICATION

The Company shall advise the Agent, promptly after it receives notice thereof, of the issuance by any federal, provincial or other governmental authority of any cease trade order or of any order preventing or suspending the use of any Preliminary Prospectus or Prospectus, of the suspension of the qualification of the Offered Securities and any Optioned Units or any of them for offering or sale in any of the Qualifying Provinces, of the initiation or threatening of any proceeding for any such purpose, or of any request by any federal,

provincial or other governmental authority for the amending or supplementing of the Prospectus or for additional information and, in the event of issuance of any cease trade order or of any order preventing or suspending the use of any Preliminary Prospectus or Prospectus or suspending any such qualification, to promptly use its best efforts to obtain the withdrawal of such order.

7. CHANGE OF CLOSING DATE

Subject to Section 14, if a material change or a change in a material fact occurs prior to the Closing Date, the Closing Date shall be, unless the Company and the Agent otherwise agree in writing, the tenth Business Day following the later of:

- (a) the date on which all applicable filing or other requirements of the Canadian Securities Laws with respect to such material change or change

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in a material fact have been complied with in all applicable Qualifying Provinces and any appropriate receipts obtained for such filings and notice of such filings from the Company or its counsel has been received by the Agent; and

- (b) the date upon which the commercial copies of any Supplementary Material have been delivered in accordance with paragraph 5(d).

8. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE COMPANY

The Company represents, warrants and covenants to the Agent and acknowledges that the Agent is relying upon such representations, warranties and covenants in offering for sale the Units and any Optioned Units, that:

- (a) the Company and each of its subsidiaries, whether direct or indirect, have been duly incorporated and organized and are validly existing under the laws of their respective jurisdictions of incorporation, have all requisite power and authority to carry on their business as now conducted and as contemplated by the Prospectus and to own, lease and operate their properties and assets, and the Company and each of its subsidiaries, whether direct or indirect, are current with all material filings required to be made in all jurisdictions in which they carry on any material business, and the Company has all requisite power and authority to carry out its obligations under this Agreement;
- (b) the Company has an authorized capitalization as set forth in the Prospectus, and all of the issued and outstanding shares of the Company

have been duly and validly authorized and issued and are fully paid and non-assessable, and no person, firm or corporation has any agreement or option, or right or privilege capable of becoming an agreement, for the purchase, subscription or issuance of any of the unissued Common Shares of the Company except as described in the Prospectus; all of the issued and outstanding shares of the subsidiaries of the Company have been duly and validly authorized and issued and are fully paid and non-assessable; all of the shares of the subsidiaries held by the Company or by the Company's subsidiaries are held in each case free and clear of any pledge, lien, security interest, charge, claim or encumbrance except as disclosed in the Prospectus;

- (c) this Agreement has been, and prior to Closing, all material contracts, (as that term is defined in the Prospectus), will be, duly authorized, executed and delivered by the Company and each of such agreements constitutes or, at the Closing Time, will constitute a legal, valid and binding obligation of the Company enforceable against the Company in

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accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the rights of creditors generally and the qualifications that (i) equitable remedies may be granted only in the discretion of a court of competent jurisdiction and (ii) rights to indemnity and contribution may be limited by applicable law;

- (d) the Units, the Lead Agent's Units, the Agent's Warrants and any Optioned Units and Agent's Over-Allotment Warrants to be issued by the Company and sold pursuant to this Agreement will be duly authorized for such issuance and sale by all necessary action on the part of the Company and, in the case of the Units, the Lead Agent's Units, the Offered Securities and any Optioned Units, when issued and delivered by the Company against payment of the consideration therefor pursuant to this Agreement, will have been duly and validly issued, will be fully paid and non-assessable and will not have been issued in violation of or subject to any pre-emptive rights or other contractual rights to purchase securities issued by the Company. The certificates used to evidence the Offered Securities and any Optioned Units will, where applicable, comply with the requirements of The Canadian Venture Exchange and all applicable laws;
- (e) the Units, Lead Agent's Units, Agent's Warrants, Optioned Units and the Agent's Over-Allotment Warrants will conform to the description thereof in the Prospectus;
- (f) no consent, approval, permit, authorization, order or filing of or with any court or governmental agency or body of Canada or any Qualifying

Province is required by the Company for the issue, offer and sale of the Offered Securities and any Optioned Units in Canada, or the execution and delivery of and the performance by the Company of its obligations under this Agreement except as may be required under Canadian Securities Laws or the United States Securities Laws;

- (g) the execution and delivery of this Agreement by the Company, the fulfilment of the terms thereof and the consummation of the transaction contemplated thereby, and the issuance and sale by the Company of the Units, the Lead Agent's Units, the Agent's Warrants and any Optioned Units and Agent's Over-Allotment Warrants pursuant to the terms thereof do not and will not conflict with or result in a breach of or require any consent, approval, permit, order or filing under (i) any statute, rule or regulation applicable to the Company including, without limitation, applicable Canadian Securities Laws or United States Securities Laws and the by-laws, rules and regulations of The Canadian Venture Exchange, except any consent, approval, permit, authorization, order or filing required under Canadian Securities Laws or United States Securities Laws

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and the by-laws, rules and regulations of The Canadian Venture Exchange which shall have been obtained on or before the Closing Date; (ii) the constating documents or by-laws of the Company or resolutions of the directors or shareholders of the Company which are in effect at the date hereof; (iii) any mortgage, note, indenture, contract, agreement, instrument, lease or other document to which the Company or any of its subsidiaries is a party or by which they or any of their property or assets are bound; or (iv) any judgement, decree or order binding the Company or the property or assets of the Company;

- (h) at the date hereof, the Company is in compliance with its timely disclosure obligations under Canadian Securities Laws and, without limiting the generality of the foregoing, except as described in the Prospectus, there has not occurred any material adverse change, financial or otherwise, in the assets, liabilities (contingent or otherwise), business, financial condition, ownership, capital or prospects of the Company and its subsidiaries, taken as a whole, since December 31, 2000;
- (i) since December 31, 2000 there have not been any material changes in the capital or long-term debt of the Company otherwise than as set forth or contemplated in the Prospectus;
- (j) other than as disclosed in the Prospectus, the Company is not aware of

any legal or governmental proceedings pending to which the Company or any of the Company's subsidiaries is a party or of which any property of the Company or any of the Company's subsidiaries is the subject which, if determined adversely to the Company or any of such subsidiaries, would individually or in the aggregate have a material adverse effect on the assets, liabilities (contingent or otherwise), business, financial condition, capital or prospects of the Company and its subsidiaries taken as a whole, or the ability of the Company or its subsidiaries to perform their obligations under this Agreement or the Warrant Indenture, as applicable, and to the best of the Company's knowledge, no such proceedings are threatened or contemplated by governmental authorities or others;

- (k) no order preventing or suspending the use of the Preliminary Prospectus or the Prospectus has been issued by any securities regulatory authority in a Qualifying Province;
- (l) prior to the Closing, all of the Common Shares and Purchase Warrants issuable pursuant to the Offered Securities and any Optioned Units, as well as Common Shares issuable pursuant to the Lead Agent's Units, Agent's Warrants and Agent's Over-Allotment Warrants, will have been conditionally approved for listing on the Exchange and, as at the Closing

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Time, the Company will have complied with all of the conditions within its control required by the Exchange to be complied with prior to the Closing Date to have the Common Shares and Purchase Warrants issuable pursuant to the Offered Securities and any Optioned Units, as well as Common Shares and Purchase Warrants issuable pursuant to the Lead Agent's Units, Agent's Warrants and Agent's Over-Allotment Warrants, listed and posted for trading on the Exchange as of the opening of trading on the Closing Date;

- (m) except with respect to information and statements relating solely to the Agent and provided by the Agent, at the date hereof, each of the Offering Documents fully complies with the requirements of applicable Canadian Securities Laws and all information and statements therein are true and accurate in all material respects, contain no misrepresentation, and constitute full, true and plain disclosure of all material facts relating to the Company and its subsidiaries, taken as a whole, and to the securities being offered thereby;
- (n) the financial statements included in the Offering Documents present fairly the consolidated financial position of the Company as at the

dates indicated and the results of its operations for the periods specified and, except as otherwise stated in such documents, the said financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP") pursuant to the requirements of Canada or the United States applied on a consistent basis and, where such statements have been prepared based on U.S. GAAP, appropriate reconciliation to Canadian GAAP is provided;

- (o) no default exists, and no event has occurred which with notice or lapse of time, or both would constitute a default, in the due performance and observance of any term, covenant or condition of any material contract, indenture, mortgage, deed of trust, bank loan, credit agreement, evidence of indebtedness or other agreement, understanding or instrument to which any of the Company and its subsidiaries is a party or by which any of them or any of their respective properties is bound or affected, which default would have a material adverse effect on the Company and its subsidiaries, taken as a whole;
- (p) the Company is aware and understands that the Agent is not registered to sell any securities in any jurisdiction of the United States, its states, territories or other possessions, and that the Agent is not involved in the distribution of any of the Company's securities to purchasers in the United States or any of its states, territories or other possessions, including, but not limited to, the public offering of up to 500,000 Units in the United

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States, which the Agent understands will be distributed concurrently with the offering of Units and any Optioned Units in Canada contemplated herein;

- (q) the Company has good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by it, in each case free and clear of all liens, encumbrances and defects except such as are described in the Prospectus or such as do not materially interfere with the use made and proposed to be made of such property by the Company; and any real properties and buildings held under lease by the Company are held by it under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such properties and buildings by the Company;
- (r) the Company and its subsidiaries have filed all federal, provincial, state, local and foreign tax returns that are required to be filed or have requested extensions thereof (except in any case in which the

failure so to file would not have a material adverse effect on the assets and properties, business, results of operations, prospects or condition (financial or otherwise) of the Company and its subsidiaries, taken as a whole,) and have paid all taxes required to be paid by them and any assessment, fine or penalty levied against them, to the extent that any of the foregoing is due and payable, except for any such assessment, fine or penalty that is currently being contested in good faith and, except for taxes, the failure to so pay would not have a material adverse affect on the business of the Company;

- (s) none of the Canada Customs and Revenue Agency, any of its predecessors, the United States Internal Revenue Service or any foreign taxation authority has asserted or, to the best of the Company's knowledge, threatened to assert any reassessment, claim or liability for taxes due or to become due in connection with any review or examination of the tax returns of the Company or its subsidiaries filed for any year which would have a material adverse effect on the assets or properties, business, results of operations, prospects or condition (financial or otherwise) of the Company or its subsidiaries;
- (t) neither the Company nor any of its subsidiaries is subject to any material liabilities or obligations, direct or indirect, absolute or contingent, other than the liabilities or obligations set forth in the Prospectus and those arising thereafter in the ordinary course of business. Without limiting the generality of the foregoing, neither the Company nor any of its subsidiaries has any material obligation or liability for the debts or

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obligations of others or any material exposure or liability as a result of hedging transactions, the purchase of derivative securities and the like except as set forth in the Prospectus or those arising in the ordinary course of business;

- (u) (1) the Company and its subsidiaries are in compliance in all material respects with all applicable Environmental Laws; (2) the Company and its subsidiaries have all permits, authorizations and approvals required under any applicable Environmental Laws and are in compliance with their requirements except to the extent that non-compliance or failure to hold such permits, authorizations and approvals would not have a material adverse impact on the Company and its subsidiaries, taken as a whole; (3) there are no pending or, to the knowledge of the Company or its subsidiaries, threatened Environmental Claims against the Company or its subsidiaries; and (4) neither the Company nor its subsidiaries have any knowledge of any circumstances that could

reasonably be anticipated to form the basis of an Environmental Claim against the Company or its subsidiaries or any of their respective properties or operations and the business operations relating thereto which Environmental Claims, individually or in the aggregate, would have a material adverse affect on the business or operations of the Company and its subsidiaries considered as a whole;

- (v) neither the Company nor its subsidiaries are in violation of their respective Articles, By-Laws or other constating documents, or in default in the performance or observance of any material obligation, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which they are a party or by which they or any of their properties may be bound except as disclosed in the Prospectus; and
- (w) the Company shall use the net proceeds received by it from the sale of the Offered Securities and any Optioned Units pursuant to this Agreement in the manner specified in the Prospectus under the caption "Use of Proceeds".

9. CLOSING

- (a) The purchase of the Offered Securities shall be completed at the Closing Time on the Closing Date at such place as the Agent and the Company may agree. If the Agent exercises the Over-Allotment Option, in whole or in part, in accordance with the provisions hereof, the purchase and sale of the Optioned Units shall be completed in the same manner as the Closing (the "Additional Closing") but at the time and on the date (the "Additional

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Closing Time" and "Additional Closing Date") set for such purchase in the notice provided to the Company by the Agent. All provisions of this Agreement with respect to the sale of the Offered Securities shall apply, *mutatis mutandis*, to the sale of the Optioned Units at the Additional Closing, with the Additional Closing Time being substituted for the Closing Time, the Additional Closing Date being substituted for the Closing Date, the Optioned Units being substituted for the Offered Securities, and any other required substitutions being made. If the Over-Allotment Option is exercised at least 48 hours prior to the Closing Time, the sale of the Optioned Units shall be made contemporaneously with the sale of the Offered Securities.

- (b) The Agent's sale of the Offered Securities shall be completed by the Company issuing and delivering to the Agent one certificate

representing the Offered Securities to be issued and sold by it, duly registered in the name of the Agent, or in such other name or names as the Agent shall notify the Company in writing not less than two business days prior to the Closing Time. Contemporaneously therewith: (i) the Agent shall pay to the Company, or as it may direct, the purchase price for the Offered Securities by certified cheque or bank draft; and (ii) the Company shall pay to the Agent the Agency Fee, including any Agent's Optioned Unit Fee.

- (c) The Company shall make all necessary arrangements for the exchange of the certificates representing the Offered Securities delivered at the Closing Time at the principal offices of Montreal Trust Company of Canada in the city of Vancouver for certificates representing the aggregate number of Offered Securities in such denominations and registered in such names as shall be designated by or behalf of the Agent not less than two (2) Business Days prior to the Closing Time. All such exchanges are to be made without cost to the Agent.

10. CLOSING CONDITIONS

The obligations of the Agent under this Agreement are conditional upon and subject to the Agent receiving, at the Closing Time:

- (a) evidence satisfactory to the Agent that the Company has obtained all necessary approvals for the Common Shares and Purchase Warrants issuable on Exercise of the Units, the Offered Securities and any Optioned Units to be listed on The Canadian Venture Exchange subject to satisfaction only of the usual conditions;

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- (b) one definitive certificate representing the Units and any Optioned Units registered in the name of the Agent (or in such other name or names as the Agent may notify the Company of in writing not less than 24 hours prior to the Closing Time) against payment to the Company (or as the Company may direct to the Agent in writing not less than 24 hours prior to the Closing Time) of the aggregate purchase price for the Units and any Optioned Units by certified cheque or bank draft payable immediately at par in Calgary;
- (c) the Agency Fee, Work Fee, Special Warrants Fee and any Agent's Optioned Units Fee, together with all expenses of the Agent, and expenses of the Agent's counsel, to the extent the Agent has been provided proper invoices therefor at least 24 hours prior to the Closing Time, shall be payable by the Company by bank draft or certified cheque payable immediately at par in Calgary and made payable to the Agent (or as the Agent may direct by notice given to the Company in writing not less

than 24 hours prior to the Closing Time);

- (d) agreements between the Company, the Agent and certain registered holders namely, Ahmad Akrami and Bolder Venture Partners LLC (the "Registered Holders"), of the Common Shares and rights to purchase Common Shares (the "Issued Shares") issued and outstanding prior to the sale of the Offered Securities and any Optioned Units which prevent the sale by the Registered Holders of any of the Issued Shares legally or beneficially owned by them in accordance with the guidelines and time periods imposed by applicable Canadian Securities Laws and the policies, orders and rules of the Securities Commissions and the Exchange, specifically, but not limited to, Canadian Securities Administrators Notice 46-301-"Proposal for Uniform Terms of Escrow Applicable to Initial Public Distributions";
 - (e) agreements between the Company, the Agent and Ahmad Akrami, Gary Landgren, Afshin Sarvestani, Mansour Akrami and Bolder Venture Partners LLC (the "Seed Investors") which prevent the sale by the Seed Investors of their Common Shares and any warrants to purchase Common Shares (the "Seed Investors' Issued Shares") except in accordance with the following terms:
 - (i) none of the Seed Investors' Issued Shares shall be sold or transferred for a period of 12 months following the Closing Date;
 - (ii) 50% of the Seed Investors' Issued Shares shall become available to the Seed Investors, on a pro rata basis, free from any restrictions on resale imposed by the terms of the Lock-Up Agreements only, on that date which is 12 months following the Closing Date; and
 - (iii) the balance of the Seed Investors' Issued Shares shall become available to the Seed Investors free from any resale restrictions imposed by the terms of the Lock-Up Agreements only on that date which is 15 months after the Closing Date;
- provided that at the end of the 15 months following the Closing Date, 60% of the Seed Investors' Issued Shares registered in the name of Ahmad Akrami and Bolder Venture Partners LLC will be subject to the resale restrictions described in subparagraph (d) above.
- (f) a certificate dated as of the Closing Date signed by the Chief Executive Officer of the Company or such other persons as may be agreed upon by the Agent, acting reasonably, certifying, for and on behalf of the Company and without personal liability, to the best of the

knowledge, information and belief of the persons signing such certificate, after having made due inquiry, that:

- (i) no order ceasing or suspending trading in the Offered Securities and any Optioned Units or prohibiting the sale of the Offered Securities and any Optioned Units has been issued and, to the best of the knowledge of such person, no proceedings for such purposes are pending or threatened;
- (ii) since the later of the date of the Prospectus or the date of any Supplementary Material, (A) there has been no material adverse change, (actual, contemplated or threatened) in the business, affairs, operations, management, assets, liabilities (contingent or otherwise) or capital of the Company and its subsidiaries, taken as a whole, and (B) there have been no dividends (other than as disclosed in the Prospectus as being payable) or other distribution of any kind declared, paid or made by the Company on or in respect of its equity capital;
- (iv) since the later of the date of the Prospectus or the date of any Supplementary Material, no transaction material to the Company and its subsidiaries, taken as a whole, has been entered into by the Company or any of its subsidiaries, except in the normal course of its business;
- (v) except as disclosed in the Prospectus, none of the Company and its subsidiaries has any contingent liability arising out of the ordinary course of business which is material to the Company and its subsidiaries, taken as a whole;

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- (vi) except as disclosed in the Prospectus, there are no actions, suits, proceedings or inquiries in existence or, to the knowledge of such officers, pending or threatened against or affecting the Company or any of its subsidiaries at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality which may materially adversely affect the Company and its subsidiaries, taken as a whole;
- (vii) the representations and warranties of the Company set out in Section 8 hereof are true and correct in all material respects at the Closing Time as if made at such time; and
- (viii) the Company has complied with all covenants and satisfied all terms and conditions hereof to be complied with and satisfied by

it, except to the extent that the same have been waived by the Agent in writing.

- (g) an opinion addressed to each of the Agent and to its counsel from counsel for the Company with respect to:
- (i) the Company, and all of its subsidiaries, are validly subsisting under the laws of Colorado and have all requisite corporate power and authority to carry on their business and the Company has the authority to issue and sell the Units and other Offered Securities and any Optioned Units in the manner provided for in this Agreement and to carry out its obligations hereunder;
 - (ii) the authorized capital of the Company;
 - (iii) this Agreement to which the Company is a party has been duly authorized, executed and delivered by the Company, is legally binding upon the Company, and enforceable in accordance with its terms, except as enforcement of rights and indemnity and contribution under this Agreement may be limited by applicable law and except as enforcement may be limited by bankruptcy, insolvency and other laws of general application affecting the enforcement of creditors' rights and except that equitable remedies, such as specific performance and injunction, may only be granted in the discretion of a court of competent jurisdiction;

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- (iv) the fulfilment of the terms of this Agreement by the Company and the issue and sale of the Units and the issuance of the other Offered Securities and any Optioned Units by the Company do not and will not result in a breach of, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of, any applicable laws, and do not and will not conflict with any of the terms, conditions or provisions of the articles or by-laws of the Company;
- (v) the Offered Securities and Optioned Units have been duly qualified for distribution (or distribution to the public, as the case may be) in the manner contemplated by the Prospectus in all of the Qualifying Provinces through registered dealers;
- (vi) the attributes of the Units, including the Optioned Units, Agent's Units, Lead Agent's Units and Agent's Over-Allotment Units, are as described in the Prospectus;

- (vii) the Common Shares underlying the Units, Optioned Units, Lead Agent's Units, Agent's Warrants and the Agent's Over-Allotment Warrants have been validly issued by the Company and are outstanding as fully paid and non-assessable shares;
- (viii) the Common Shares underlying the Purchase Warrants, including the Purchase Warrants that comprise part of the Optioned Units, Lead Agent's Units, Agent's Over-Allotment Warrants and the Agent's Warrants, have been validly reserved for issuance as fully paid and non-assessable Common Shares;
- (ix) the form and terms of the certificates representing the Units, Optioned Units, Lead Agent's Units, Agent's Warrants and Agent's Over-Allotment Warrants meet all legal requirements and have been duly approved by the Company;
- (x) Montreal Trust Company of Canada, at its offices in Vancouver, has been duly appointed as the transfer agent and registrar for the Common Shares; and
- (xi) the Common Shares and Purchase Warrants issuable on the exercise of the Units, Optioned Units, Lead Agent's Units, Agent's Warrants and Agent's Over-Allotment Warrants have been conditionally approved for listing on The Canadian Venture Exchange subject to compliance with the requirements of such exchange.

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- (h) a comfort letter from the Company's auditors dated the Closing Date to the same effect as the comfort letter referred to in paragraph 5(a)(iii) hereof bringing the information contained in the comfort letter referred to in paragraph 5(a)(iii) forward to the Closing Date, provided that such comfort letter shall be based on a review by the auditors having a cut-off date not more than two Business Days prior to the Closing Date;

all of which opinions shall be in form and substance reasonably satisfactory to the Agent and their counsel.

Campney & Murphy and Stikeman Elliott may rely on the opinions of local counsel acceptable to them as to matters governed by the laws of jurisdictions other than the Province of British Columbia, in the case of Campney & Murphy, and Alberta, in the case of Stikeman Elliott. Stikeman Elliott may rely on the opinion of Campney & Murphy as to matters which relate specifically to the Company. Campney & Murphy and Stikeman Elliott may rely, to the extent

appropriate in the circumstances, as to matters of fact, on certificates of the Company executed on its behalf under corporate seal by any officer of the Company;

- (i) a certificate dated as of the Closing Date of Montreal Trust Company of Canada, the registrar and transfer agent for the Common Shares, as to the issued capital of the Company; and
- (j) such other certificates, statutory declarations, opinions, agreements or materials in form and substance satisfactory to the Agent as the Agent may reasonably request, including such as may be required as the basis for the opinions referred to in this Section 10.

11. INDEMNITIES OF THE COMPANY

- (a) The Company hereby agrees to indemnify and hold the Agent and/or any of their subsidiary companies and/or divisions and professional advisors (hereinafter collectively referred to as the "INDEMNIFIED PARTIES") and each and every one of the directors, officers, employees and shareholders of the Indemnified Parties (hereinafter referred to as the "PERSONNEL") harmless from and against any and all expenses, losses, claims, actions, damages, or liabilities, whether joint or several (including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings or claims), and the reasonable fees and expenses of their counsel that may be incurred in advising with respect to and/or defending any claim that may be brought against any one or more of the Indemnified Parties and/or their Personnel or to which they may become subject or otherwise involved in any capacity under any statute or common law insofar as such expenses,

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losses, claims, damages, liabilities or actions arise out of or are based, directly or indirectly, upon:

- (i) any information or statement contained in the Preliminary Prospectus or in any of the Offering Documents being or being alleged to be a misrepresentation or untrue or any omission or alleged omission to state therein any material fact required to be stated therein or necessary to make any of the statements therein not misleading in light of the circumstances in which they were made, except for information contained in the Prospectus supplied solely by the Agent;
- (ii) any order made or any inquiry, investigation or proceeding

instituted, threatened or announced by any court, securities regulatory authority, stock exchange or by any other competent authority, based upon any untrue statement, omission or misrepresentation or alleged untrue statement, omission or misrepresentation in the Preliminary Prospectus or in any of the Offering Documents preventing or restricting the trading in or the sale or distribution of the Offered Securities and any Optioned Units in any Qualifying Jurisdiction;

- (iii) the Company not complying with any requirement of any applicable Canadian Securities Laws to make any document available for inspection, or any breach or violation or alleged breach or violation of any applicable Canadian Securities Laws or other applicable securities legislation of any jurisdiction resulting from any action taken or omitted to be taken by the Company in connection with the transactions contemplated herein;
- (iv) the breach of any representation, warranty or covenant of the Company contained herein; or
- (v) any claim, demand or action arising from the exempt distribution concurrently conducted by the Company in the United States.

provided, however, that this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgement that has become non-appealable shall determine that any one or more of the Indemnified Parties or their Personnel have been negligent or dishonest or have committed any fraudulent act in the course of their duties and the expenses, losses, claims, damages or liabilities, as to which indemnification is claimed, were directly caused by the negligence, dishonesty or fraud therein.

- (b) If for any reason (other than the negligence or fraud of any one or more of the Indemnified Parties or their Personnel as referred to above) the foregoing indemnification is unavailable to an Indemnified Party or insufficient to hold it harmless, then the Company shall contribute to the amount paid or payable by the Indemnified Party as a result of such expense, loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Company on the one hand and the Indemnified Party on the other hand but also the relative fault of the Company and the Indemnified Party, as well as any relevant equitable considerations provided that the Company shall in any event contribute to the amount paid or payable by the Indemnified Party as a result of such expense,

loss, claim, damage or liability any excess of such amount over the amount of the fees received by such Indemnified Party hereunder.

- (c) The Company agrees that in case any legal proceeding shall be brought against the Company and/or any or all of the Indemnified Parties by any governmental commission or regulatory authority, or in case any stock exchange or other entity having regulatory authority, either domestic or foreign, shall investigate the Company and/or any or all of the Indemnified Parties, in either case in connection with matters pursuant to which an indemnity is being provided herein as described in paragraph 11(a), and in case the Personnel of such Indemnified Party(s) shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information in connection with the performance of professional services rendered to the Company by the Indemnified Party(s), the Indemnified Party(s) shall have the right to employ its/their own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs and out-of-pocket expenses incurred by the Indemnified Party(s) and their Personnel in connection therewith shall be paid by the Company as they occur.
- (d) Promptly after receipt of notice of the commencement of any legal proceeding against the Indemnified Party(s) or any of its/their Personnel or after receipt of notice of the commencement of any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Company, the Indemnified Party(s) will notify the Company in writing of the commencement thereof and, throughout the course thereof, will provide copies of all relevant documentation to the Company, will keep the Company advised of the progress thereof and will discuss with the Company all significant actions proposed.

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- (e) Contribution obligations of the Company shall be in addition to any liability which the Company may otherwise have, shall extend upon the same terms and conditions to the Personnel of the Indemnified Party(s) and shall be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Company, the Indemnified Party(s) and any of the Personnel of the Indemnified Party(s).

12. INDEMNITY QUALIFICATIONS

Notwithstanding the provisions of Section 11 hereof the foregoing rights of indemnity shall not enure to any Indemnified Party if the Company has

complied with the provisions of Section 5 hereof and the claim for indemnification relates to a person asserting a claim in respect of an alleged untrue statement in or alleged omission from any document, including the Preliminary Prospectus or the Prospectus, and such person was not provided with a copy of the Prospectus or Supplementary Material which corrects such alleged untrue statement or alleged omission and which is required, under applicable law, to be delivered to such person by such Indemnified Party.

13. EXPENSES

- (a) Whether or not the transactions herein contemplated shall be completed, all expenses of or incidental to the delivery and sale of the Offered Securities and any Optioned Units, and of or incidental to all other matters in connection with the transactions herein set out (other than expenses of the Agent as hereinafter provided, except to the extent hereinafter provided in this Section 13) shall be borne by the Company including, without limitation, (i) expenses payable in connection with the qualification of the Offered Securities and any Optioned Units for distribution (including filing fees payable to Securities Commissions); (ii) the fees and expenses of the Company's counsel and the Company's auditors; (iii) expenses of the information meetings relating to the transactions herein set out; (iv) all costs incurred in connection with the preparation, printing and delivery of the Preliminary Prospectus, the Prospectus and any Supplementary Material, including commercial copies thereof; (v) all costs of the certificates representing the Units, Optioned Units, Agent's Warrants, Lead Agent's Units and Agent's Over-Allotment Warrants; (vi) all costs incurred in connection with the listing of the Common Shares and Purchase Warrants issuable in the exercise of the Units, Optioned Units, Agent's Warrants, Lead Agent's Units and Agent's Over-Allotment Warrants on The Canadian Venture Exchange; and (vii) the fees and disbursements of the Agent's counsel and the Agent's "out-of-pocket" expenses, including, without limitation, advertising, travel, courier, background searches and communication expenses.

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- (b) The Company hereby acknowledges that legal fees and disbursements of the Agent's counsel shall be payable by the Company on the Closing Date.

14. EARLY TERMINATION

- (a) In addition to any other remedies which may be available to the Agent, the Agent shall be entitled to terminate and cancel, without any liability on the Agent's part, the Agent's obligations under this Agreement if at any time prior to the Closing Time, or if there is more

than one Closing, any time prior to the Closing Time associated with the first Closing:

- (i) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence or any law or regulation which, in the Agent's reasonable opinion, materially and adversely affects, or will materially and adversely affect, the financial markets, the business, operations or affairs of the Company and its subsidiaries, taken as a whole, or the profitable marketing or distribution of the Offered Securities and Optioned Units;
- (ii) there shall occur any material change, or change in a material fact, as described or contemplated in Section 6 hereof which, in the Agent's reasonable opinion, has or will have a material adverse effect on the market price or value of the Units or which results or, in the Agent's opinion, would reasonably be expected to result in, the purchasers of a material number of the Offered Securities or Optioned Units exercising their right under Canadian Securities Laws to withdraw from their purchase of the Offered Securities and any Optioned Units;
- (iii) if any inquiry, action, suit, proceeding or investigation (whether formal or informal) is instituted or any order made by any federal, provincial, state, municipal, or other governmental department, commission, board, bureau, agency or instrumentality, including without limitation, any of The Canadian Venture Exchange or any of the Securities Commissions (other than an inquiry, action, suit, proceeding, investigation or order based solely on the activities or alleged activities of the Agent) or any law or regulation is promulgated or changed which, in the Agent's reasonable opinion, operates to prevent or restrict the trading or distribution of the Offered Securities, Optioned Units or any of them; or
- (iv) there should occur or come into effect any change in the financial markets which, in the Agent's reasonable opinion, is material and adverse and such that the Offered Securities or Optioned Units cannot be profitably marketed;

by giving written notice to the Company to that effect as soon as practicable in the circumstances and in any event prior to the Closing Time.

- (b) If the obligations of the Agent are terminated under this Section 14 there shall be no further liability on the part of the Agent to the Company and the liability of the Company hereunder to the Agent shall be limited to their respective obligations under Sections 11, 12 and 13 hereof.

15. RESTRICTIONS ON SALES

Unless the Closing does not occur, the Company agrees that it will not, without the prior consent of the Agent, which consent shall not be unreasonably withheld, offer, sell or otherwise dispose of any Common Shares or any securities convertible into or exchangeable or exercisable for Common Shares or agree to do so or publicly announce any intention to do so (except Common Shares required to be issued pursuant to stock options or other awards now outstanding or hereafter issued in the ordinary course under the Company's equity incentive plan, or pursuant to convertible instruments currently outstanding) for a period of 180 days from the Closing Date.

16. TERMS AND CONDITIONS

All material terms and conditions of this Agreement shall be construed as conditions. Any breach or failure to comply with any of such terms or conditions (i) by the Company shall entitle the Agent, without limitation of its other remedies, to terminate its obligations pursuant to this Agreement or (ii) by the Agent shall entitle the Company, without limitation of any of its other remedies, to terminate its obligations pursuant to this Agreement, in any such case by giving written notice to that effect to the Company or to the Agent prior to the Closing Time. It is understood that the Agent, on the one hand, or the Company, on the other hand, may waive, in whole or in part, or extend the time for compliance with, any of such terms and conditions without prejudice to its or their rights in respect of any other of such terms and conditions or any other or subsequent breach or non-compliance, provided that to be binding on the Agent or the Company, as the case may be, any such waiver or extension must be in writing.

17. SURVIVAL

The representations, warranties, covenants and agreements of the Company and the Agent contained in this Agreement or delivered pursuant hereto shall survive the period of distribution and shall continue in full force and effect for a period of three years from the Closing Date or the Over-Allotment Expiry Date,

Attention: Ms. Claudia Di Maio
Fax: (403) 206-3093

with a copy to:

Stikeman Elliott
4300, 888 - 3rd Street S.W.
Calgary, Alberta
T2P 5C5

Attention: Stuart M. Olley
Fax: (403) 266-9034

Any such notice or other communication shall be in writing and, unless delivered personally to a responsible officer of the addressee, shall be given by courier service or facsimile transmission and shall be deemed to have been received, if given by facsimile transmission, on the date of sending (or if such day is not a Business Day, the next Business Day) and, if given by courier service, when received. The Company or the Agent may change their respective addresses for notice by notice given in the manner aforesaid.

20. RIGHT OF FIRST REFUSAL

Provided the offering contemplated by this Agreement is completed, the Agent shall have the right of first refusal to lead all subsequent public financings contemplated by the Company, whether debt or equity, for a period of eighteen (18) months from May 15, 2000. In the event that the Company receives any proposal from any party to assist, broker or conduct such offering on behalf of the Company, the Company shall immediately deliver a copy of such proposal (the "Term Sheet") to the Agent who shall have ten (10) business days to determine if they are prepared to conduct such offering on behalf of the Company on such terms. In the event that the Agent elects not to conduct such offering, the Company may proceed to complete such offering with another party on terms no less favourable than those set out in the Term Sheet and such offering must be completed within 140 days of the delivery of the Term Sheet to the Agent.

This right of first refusal shall be recurring and the failure of the Agent to exercise such right of first refusal with respect to any one financing shall not affect the Company's obligation to provide such right to the Agent on subsequent financings.

In the circumstances where such offering is to be conducted in the United States, the Company acknowledges that the Agent shall still be entitled to such right of first refusal but may involve one or more associated or affiliated entities to comply with United States Securities Laws and other legal requirements.

21. SPONSORSHIP

- (a) Subject to paragraph (b) below, the Agent agrees that it shall act as the Company's sponsor for listing of the Common Shares and Purchase Warrants on the Exchange and, in connection therewith, shall prepare and file with the Exchange in accordance with the rules, regulations and policies of the Exchange:
- (i) a Sponsorship Acknowledgement Form concurrently with the Company's application to list the Common Shares and Purchase Warrants on the Exchange;
 - (ii) a Preliminary Sponsor Report concurrently with the Company's application to list the Common Shares and Purchase Warrants on the Exchange; and
 - (iii) a Final Sponsor Report concurrently with the filing of the final Prospectus with the Exchange

(collectively, the "Sponsorship Documents") or at such other times as determined by the Exchange, but only after the Agent conducts the necessary Review Procedures and Due Diligence.

"Sponsorship Acknowledgement Form", "Sponsor Report", "Due Diligence" and "Review Procedures" all have the meaning prescribed in the policies of the Exchange.

The Company agrees that it shall provide the Agent with the opportunity to conduct all necessary Due Diligence and Review Procedures to prepare such Sponsorship Documents.

- (b) The parties acknowledge that the Agent has agreed to act as the Company's sponsor for listing of the Common Shares and Purchase Warrants on the Exchange relying on its own Due Diligence and Review Procedures and on the good faith of the representations made, and materials provided, by the Company and its directors, officers, promoters, agents and employees. The parties hereby agree that the Agent may unilaterally cease to act as the Company's sponsor for listing the Common Shares and Purchase Warrants on the Exchange, without penalty or deduction of the Work Fee, Investment Banking Fee, Special Warrant Fee, Agent's Optioned Unit Fee or the amounts prescribed by Sections 13, if, at any time following preparation and filing of any of the Sponsorship Documents with the Exchange:

- (i) there shall have occurred any material adverse change or any adverse change of a material fact or a development that could reasonably result in a material adverse change or adverse change in a material fact in respect of the business, operations, capital, condition (financial or otherwise), properties, assets, liabilities, obligations or affairs of the Company;
- (ii) the Company shall be in breach of or default under or non-compliance with any material representation, warranty, term, condition or covenant of this Agreement, its application to the Exchange to list the Common Shares and Purchase Warrants, the Prospectus or any other material contract listed in the Prospectus.;
- (iii) any inquiry, investigation (whether formal or informal) or other proceeding is announced or commenced by any court, securities commission or other regulatory authority, or any order is issued in relation to the Company, any of its affiliates, or any of its directors or officers or any of the Company's securities;

which, in the sole discretion of the Agent, prevents or restricts trading in or the distribution of the Common Shares or Purchase Warrants, or has or would have a material adverse affect on the business of the Company or on the value of, or market price, or the investment quality or marketability of the Common Shares or Purchase Warrants;

- (iv) if there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence or any law or regulation which, in the opinion of the Agent, materially adversely affects or involves, or will materially adversely affect or involve, the financial markets or the business, operations or affairs of the Company or the marketability of the Common Shares or Purchase Warrants; or
- (v) an order to cease or suspend trading is made by any securities commission, stock exchange or other competent authority by reason of the fault of the Company or its directors, officers and agents and such order is not rescinded within two Business Days; or
- (vi) the Agent receives or becomes aware of any information which, in the sole opinion of the Agent, acting reasonably, may result in the purchasers of a material number of the Units or Optioned Units exercising their rights under applicable legislation to withdraw or rescind their purchase thereof at any time

- (vii) the Agent shall become aware, as a result of its Due Diligence, Review Procedures or otherwise, of any adverse material change or adverse material fact (financial or otherwise) with respect to the Company, its subsidiaries, affiliates or their directors, officers or promoters, which had not been publicly disclosed or disclosed to the Agent in writing by the Company, prior to the preparation or filing of the Sponsorship Documents with the Exchange; or
- (viii) the Company has not obtained all necessary regulatory approvals and filed all necessary documentation under applicable Canadian Securities Laws or the rules, regulations and policies of the Exchange in connection with the listing of the Common Shares and Purchase Warrants on the Exchange or the distribution of the Offered Securities or Optioned Units; or
- (ix) if there is an event or occurrence of any nature in the business or other affairs of the Company, its subsidiaries and affiliates, or their directors, officers or promoters, which, in the sole discretion of the Agent, would seriously effect the ability of the Agent to perform its obligations as sponsor for listing of the Common Shares and Purchase Warrants on the Exchange; or
- (x) if any of the representations made by the Company, its affiliates or subsidiaries, or their directors, officers or promoters in the course of the Agent's Due Diligence, Review Procedures or otherwise are, in the sole opinion of the Agent, false or have become false in any material respect since the preparation and/or filing of the Sponsorship Documents with the Exchange; or
- (xi) if the Agent becomes aware of any past conduct of the directors, officers, promoters or Insiders (as that term is defined in the policies of the Exchange) of the Company or any of its subsidiaries or affiliates which, in the sole discretion of the Agent, shows that one or more of them do not possess the industry and securities experience, as well as integrity, required by the Exchange for publicly listed companies, or that one or more of them has displayed a history of regulatory non-compliance or lack of corporate or financial success; or

- (xii) if the Agent becomes aware that the Insiders and Control Persons (as that term is defined in the policies of the Exchange) of the Company or any of its subsidiaries or affiliates do not, to the sole satisfaction of the Agent, understand their statutory trading and reporting obligations as prescribed by applicable Canadian Securities Laws; or
- (xiii) if the Agent becomes aware that, in its sole opinion, the directors and officers of the Company or any of its affiliates or subsidiaries do not possess the business acumen, history of responsible business conduct and success, or educational and professional qualities required by the policies of the Exchange; or
- (xiv) if the Agent becomes aware that internal controls do not exist in the Company requiring the signatures of two authorized persons on all cheques or other instruments binding the Company; or
- (xv) if the Agent becomes aware that the proceeds from the sale of the Offered Securities and any Optioned Units are not being used as disclosed in the Prospectus; or
- (xvi) if the Agent becomes aware that the directors and officers are not, in its sole opinion, devoting sufficient time to properly manage the business and corporate affairs of the Company; or
- (xvii) if the Agent becomes aware that the officers and/or directors of the Company have failed to prepare or disclose all information required by applicable Canadian Securities Laws and the rules, regulations and policies of the Exchange; or
- (xviii) if the Agent becomes aware that the directors and officers of the Company, in the Agent's sole opinion, do not appreciate the nature of their responsibilities as management of the Company; or
- (xix) if the Agent becomes aware, in its sole opinion, that the Company does not meet minimum listing or other requirements, as defined in the rules, regulations and policies of the Exchange.

22. STABILIZATION

In connection with the distribution of the Offered Securities and any Optioned Units, the Agent may, for its own account, over-allot or effect transactions which stabilize or maintain the market price of the Offered Securities and Optioned Units at levels other than those which might otherwise prevail in the open markets but in each case only as permitted by applicable law. Such stabilizing transactions, if any, may be discontinued at any time.

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23. SEVERABILITY

If any provision of this Agreement is determined to be void or unenforceable in whole or in part, it shall be deemed not to affect or impair the validity of any other provision of this Agreement and such void or unenforceable provision shall be severable from this Agreement.

24. TIME OF ESSENCE

Time shall be of the essence of this Agreement.

25. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta.

26. COUNTERPARTS

This offer and the agreement resulting from the acceptance of this offer may be executed by manual or facsimile signature in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

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27. ATTORNMENT

The Company and the Agent hereby attorn to the non-exclusive jurisdiction of the courts of the Province of Alberta.

If the foregoing is in accordance with your understanding and is agreed to by you, will you please confirm your acceptance by signing the enclosed copies of this Agreement and returning the same to the Agent.

Yours truly,

THOMSON KERNAGHAN & CO. LIMITED

/s/ Lionel F. Conacher

Lionel F. Conacher

Accepted and agreed to this
1st day of February, 2001.

INDUSTRIALEX MANUFACTURING CORP.

/s/ Ahmad Akrami

Ahmad Akrami

/s/ Tom Tennessen

Tom Tennessen

[LETTERHEAD]

EXHIBIT 5.1

February 2, 2001

Industrialex Manufacturing Corp.
63-A S. Pratt Parkway
Longmont, Colorado 80501

Re: Registration Statement on Form SB-2
Relating to 3,321,667 units and 3,107,000 shares of common stock

Dear Ladies and Gentlemen:

We have acted as counsel for Industrialex Manufacturing Corp., a Colorado corporation (the "Company"), in connection with the preparation of a Registration Statement on Form SB-2 (the "Registration Statement") filed by the Company with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "1933 Act"). The Registration Statement relates to (a) 3,321,667 units offered for sale by the Company (the "Securities") consisting of one share of common stock ("Unit Shares") and one share purchase warrant ("Unit Warrant"), and (b) 3,107,000 shares of Common Stock ("Selling Shareholders Common Stock") offered for sale by the holders thereof (the "Selling Shareholders") which are issuable upon exercise of warrants or special warrants.

This opinion is delivered pursuant to the requirements of Item 601(b)(5) of Regulation S-B under the 1933 Act.

We have examined and relied on originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records and other instruments, have made such inquiries as the questions of fact of officers and representatives of the Company and have made such examinations of law as we have deemed necessary or appropriate for purposes of giving the opinion expressed below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with the originals of all documents submitted to us as copies.

The following opinions are limited solely to the law of the state of Colorado.

Based upon and subject to the foregoing, we are of the opinion that:

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1. The issuance and sale by the Company of up to 3,500,000 Securities, as provided in the Registration Statement, have been duly and validly authorized by all necessary corporate action by the Company.

2. The Unit Shares have been duly and validly authorized by all necessary corporate action by the Company, and when issued upon payment therefore in accordance with the Registration Statement, will be duly issued, fully paid and non-assessable.

3. The shares of common stock issuable upon exercise of the Unit Warrants have been duly and validly authorized by all necessary corporate action by the Company, and when issued upon proper exercise and payment as set forth in such Unit Warrants duly issued, fully paid and non-assessable.

4. The shares of Selling Shareholders Common Stock have been duly and validly authorized by all necessary corporate action by the Company and are, or will be when issued, duly issued, fully paid and non-assessable.

We hereby consent to the filing of this opinion with the Commission as Exhibit 5.1 to the Registration Statement. We also consent to the reference to this firm under the heading "Legal Matters" in the prospectus included in the Registration Statement as the counsel who will pass upon the validity of the securities being registered.

Very truly yours,

DAVIS GRAHAM & STUBBS LLP

/s/ DAVIS GRAHAM & STUBBS LLP

LOCK-UP AGREEMENT

February 1, 2001

Industrialex Manufacturing Corp.
63 South Pratt Parkway
Longmont, Colorado
80501

Thomson Kernaghan & Co.
365 Bay Street
9th Floor
Toronto, Ontario M5H 2V2

Attn: Ahmad Akrami

Dear Sirs:

Re: Industrialex Manufacturing Corp.

The undersigned (the "Undersigned") acknowledges that it is the registered owner of 665,000 share purchase warrants (the "Bolder Share Purchase Warrants") entitling it to acquire 665,000 common shares (the "Shares") in the share capital of Industrialex Manufacturing Corp. (the "Company"), 175,000 of which are exercisable at \$0.25 per share and 490,000 of which are exercisable at \$1.00 per share.

The Company has represented that it intends to make an initial public offering (the "IPO") of its common stock on the Canadian Venture Exchange ("CDNX") through Thomson, Kernaghan & Co. Limited (the "Agent"). Further to negotiations among the Company, the Agent and the Undersigned, the Undersigned has agreed to enter into a lock-up agreement with respect to the Shares, to be effective as at the effective date of the IPO.

In that regard, the Undersigned hereby represents and agrees as follows:

1. That

- (a) with respect to 332,500 of the Shares (the "First Lock-up Shares") acquired on the exercise of the Bolder Share Purchase Warrants, it will not, except as provided below, directly or indirectly sell, offer to sell, contract to sell, pledge or otherwise dispose of any of the First Lock-up Shares until that date which is twelve months after the completion of the IPO; and

(b) with respect to the remaining 332,500 Shares (the "Second Lock-up Shares") acquired on the exercise of the Bolder Share Purchase Warrants, it will not, except as provided below, directly or indirectly sell, offer to sell, contract to sell, pledge

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or otherwise dispose of any of the Second Lock-up Shares until that date which is fifteen months after the completion of the IPO.

2. Notwithstanding any restriction contained in this agreement to the contrary, the Undersigned may sell or otherwise transfer the Shares by gift to a donee who agrees in writing to hold the transferred securities subject to the restrictions contained in this agreement.
3. The Undersigned confirms that this agreement is irrevocable and shall be binding upon the Undersigned's successors and assigns. The Undersigned also hereby agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the Shares, except in compliance with the restrictions described in Sections 1 and 2 hereof, and the placement of a legend describing the foregoing instructions on the certificates representing the Shares.

The Undersigned understands that the Company and the Agent will proceed with the IPO in reliance upon the Undersigned's agreements contained herein.

Yours very truly,
Bolder Venture Partners LLC
per:

/s/ Daryl Yurek

Authorized Signatory

ACKNOWLEDGED AND AGREED:

By: /s/ Ahmad Akrami

Name: Ahmad Akrami
Title: President

INDEPENDENT AUDITORS' CONSENT

We consent to the use in this Amendment No. 4 to Registration Statement No. 333-43732 of Industrialex Manufacturing Corp. ("IMC") of our report dated April 7, 2000 (January 31, 2001 as to Notes 3 and 10) on the financial statement of IMC appearing in the Prospectus, which is part of such Registration Statement, and to the reference to us under the heading "Experts" in such Prospectus.

DELOITTE & TOUCHE LLP
Denver, Colorado

February 1, 2001

INDEPENDENT AUDITOR'S CONSENT

We consent to the use in this Agreement No. 4 to Registration Statement No. 333-43732 of Industrialex Manufacturing Corp. of our report dated April 7, 2000 (August 10, 2000 as to Note 8) on the financial statement of Decorative & Coating Services, Inc. appearing in the Prospectus, which is part of such Registration Statement, and to the reference to us under the heading "Experts" in such Prospectus.

DELOITTE & TOUCHE LLP
Denver, Colorado

February 1, 2001

[HEIN + Associates LLP LOGO]

HEIN + Associates LLP

Certified Public Accountants and Consultants
Denver o Houston o Dallas o Southern California

INDEPENDENT AUDITOR'S CONSENT

We consent to the use in the Registration Statement and Prospectus of Industrialex Manufacturing Corp. of our report dated March 28, 2000, accompanying the financial statements of Broomfield Industrial Painting, Inc. and our report dated April 28, 2000, accompanying the financial statements of Screen Tech Graphics, Inc. contained in such Registration Statement, and to the use of our name and the statements with respect to us, as appearing under the heading "Experts" in the Prospectus.

/s/ HEIN + ASSOCIATES LLP
HEIN + ASSOCIATES LLP

Denver, Colorado
February 1, 2001