NorMexSteel, Inc.
Form 10KSB
November 16, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-KSB

[X] Annual report under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2005

Commission File Number: 000-25947

BioChem Solutions, Inc.
f/k/a North American Liability Group, Inc.

(Name of Small Business Issuer in its Charter)

Florida	65-0386286
(State or Other Jurisdiction of Incorporation or Organization)	(IRS Employer Identification No.)
Bay & Deveax Streets Nassau, Bahamas	PO Box CR-5464
(Address of Principal Executive Offices)	(P.O. Box)

(242) - 328-1110

(Issuer's Telephone Number)

Securities registered under Section 12(b) of the Exchange Act:

NONE

Securities registered under Section 12(g) of the Exchange Act:

Common Stock, no par value

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Check whether the issuer: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past

12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

[ ] YES [X] NO

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements Incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. [ ]

The issuer is a development stage company, and as such has yet to generate substantial revenues.

The aggregate market value of the voting stock held by non-affiliates of the registrant was not determinable due to lack of trading.

As of November 13, 2006, the issuer had approximately 10,029,172 shares of Common Stock outstanding.

Transitional Small Business Disclosure Format: Yes [ ] No [X]

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PART I

This Annual Report on Form 10-KSB contains forward-looking statements that are not statements of historical fact. Forward-looking statements by their nature involve substantial risks and uncertainties, and actual results may differ materially from such statements. These forward-looking statements are based on the Company's expectations and are subject to a number of risks and uncertainties, Including but not limited to, those risks associated with economic conditions generally and the economy in those areas where the Company has or expects to have assets and operations; risks relating to changes in interest rates and in the availability, cost and terms of financing; risks related to the performance of financial markets; risks related to changes in domestic and foreign laws, regulations and taxes; risks associated with future profitability; and other factors discussed elsewhere in this report.

Item 1. Description of Business

Our History

We were Incorporated in the State of Florida on November 13, 1992, under the name Innovative Technology Systems, Inc. On January 12, 2000, we changed our name to Stanfield Educational Alternatives, Inc. (see "Stanfield" below). On November 18, 2003, we changed our name to North American Liability Group, Inc. (See "NALG" below). On April 19, 2005 we changed our name to NorMexSteel, Inc. (see "NorMexSteel" below). On June 20, 2006 we changed our name to BioChem Solutions, Inc.

Stanfield

On December 30, 1999, we purchased intellectual properties and certain fixed assets at fair market value from The National Children's Reading Foundation. Lawrence W. Stanfield, who was then our CEO and President, was the sole shareholder of The National Children's Reading Foundation. On January 12, 2000, we changed our name to Stanfield Educational Alternatives, Inc. On April 24, 2000, we opened our first corporate advancement center, and we had planned to open two additional centers in the fall of 2000. However, as of December 31, 2001, these plans were abandoned and the corporate advancement center was closed. At that time, we were an educational corporation and franchisor of the Stanfield Ed-vancement Centers, a network that provided a comprehensive range of educational and tutorial services to individuals of all ages. We also developed and published a variety of specialized educational programs Including a computer global internet educational campus in various languages. We developed a variety of educational programs for children of all ages for both video and television production.

Since we ultimately were never able to generate sufficient revenues or capital to launch the Stanfield business in a meaningful sense, we abandoned our plans to operate as an educational corporation. As a result, on June 20, 2003, Larry Stanfield entered into an agreement, subject to some conditions, to transfer his holdings in the Company to Bradley W. Wilson, following which Mr. Wilson became our sole officer and director. Those conditions were all met. At that time, due to our lack of business operations, we could be defined as a "shell" company whose sole purpose at the time was to locate and consummate a reverse acquisition with an as yet unidentified private entity.

NALG

On October 2, 2003, we completed a triangular merger with Nor-American Liability Corporation ("Nor-American"). Nor-American was a newly formed Florida corporation that was created to support the development of captive professional and general liability insurance programs. Nor-American is a development stage company that has received no revenues to date. At the closing, the Company acquired all of Nor-American's issued and outstanding shares of common stock in exchange for 160,000,000 "unregistered" and "restricted" shares of our common stock. As a result of the Merger, Nor-American became a wholly-owned subsidiary of us. On November 18, 2003, we changed our name to North American Liability Group, Inc.

Through this new subsidiary, we had intended to provide services to professional groups seeking to obtain affordable professional liability insurance rates through the creation of captive insurance companies. We had anticipated our services to Include evaluation, development and management of captive insurance programs. We have been seeking physicians, attorneys, accountants, engineers, condominium associations and other business and professional groups in similar industries to assist in the creation and management of captive insurance programs. There is no assurance that we will be able to accomplish any of these goals with respect to the captive insurance business.

NorMexSteel
Acquisition of Grupo Industrial N.K.S., S.A., de CV

As of March 15, 2005, the Company has completed a transaction resulting in the acquisition of 75% of all issued and outstanding shares of NKS. The Company and stockholders of NKS have mutually agreed that the Company will acquire 75% of all the shares of NKS in exchange for 250,000,000 of the Company's common restricted shares. NKS, a Mexican corporation, is the owner of a steel mill foundry and other assets in Lazaro Cardenas, Mexico. In addition, the Company issued 30 million shares of common stock to an unrelated party as a finder's fee. No value has been attributed to the finder fee.

The Company does not consolidate the financial position or the statement of operations of its NKS subsidiary.

On June 16, 2006, the Company announced that by Consent to Act in Lieu of a meeting of the shareholders, the majority of the shareholders of record voted and approved to unwind the share exchange with Grupo Industrial NKS SA de CV. The 250,000,000 shares issued to NKS shareholders will be voluntarily returned in exchange for the 75% of the NKS shares held by NorMexSteel and the 250,000,000 NorMexSteel shares will be cancelled and returned to treasury. In conjunction with this the shareholders approved to remove and replace the existing board of directors; to file amendments to the articles of Incorporation of the company that would effect a name change to BioChem Solutions Inc. and a reverse stock split of the Company's common stock of 1 for 10,000. Under the guideline of the regulatory and company act requirements the majority of shareholders agreed to the need and ratio of the reverse stock split and the majority agreed that the restructuring is in the best interest of the company. The net effect of the reverse stock split will reduce the Company's outstanding shares of common stock post split to 29,066 shares (no fractional shares will be issued). The stock split is effective as of June 30, 2006. Shareholders of record will be notified by the Company's transfer agent and may exchange their old shares of common stock for new shares of common stock post reverse.

On June 16, 2006, the Company entered into a contract to acquire an Exclusive Rights and a Master License providing all the rights in a patented biochemical, Trioxolane, and other patents held by the CKD Foundation, the CKD Foundation will appoint five new directors to the board of directors.

BioChem Solutions Inc. under the Master License from the patent holder, the CKD Foundation, will provide funding on a best efforts basis for the further development of the patents and applications and related products. BioChem Solutions Inc. expects to schedule the third stage Clinical trials for treatment HIV / AIDS.

Employees

As of December 31, 2005, we had one employee. This employee is considered full-time and is not represented by a union. We believe our relationship with our employee to be good. Our new subsidiary, NKS, has no current employees, but we intend to re-hire the full slate of former employees at such time that we have secured sufficient capital to recommence operations of the facility.

Item 2. Properties

We currently have no office space. The management of the Company works out of their home offices and do not charge rent to the Company.

Item 3. Legal Proceedings

Due to our financial difficulties, we defaulted on a number of debt and lease obligations. We have several judgments totalling approximately $378,000 that were entered against us. We are currently trying to resolve these obligations through settlements. However, there is no assurance that we will be able to settle on terms favorable to us and if we are unable to do so, this will have a material adverse affect on our ability to operate properly in the future.

On May 3, 2004, we received a letter from Pedro Fenando Arizpe Carreon, a shareholder of Grupo Industrial NKS, S.A. DE C.V. ("NKS"), addressed to Montague Securities International, Ltd., the escrow agent for the transaction by which we acquired 75% of the outstanding shares of capital stock of NKS. Mr. Carreon alleged that we had breached the Purchase Agreement. We have denied any breach of the purchase agreement and have advised Mr. Carreon in writing of this fact. On August 8, 2005, Normexsteel filed a civil complaint, in Broward County, Florida, against Mr. Carreon and Grupo Industrial NKS alleging breach of contract and tortuous interference with a business relationship and requested the court to order temporary and permanent injunctive relief, declaratory judgment and monetary damages for the alleged interferences.

Item 4. Submission of Matters to a Vote of Security Holders

No items were submitted to a vote of security holders during the year ended December 31, 2005.

PART II

Item 5. Market for Common Equity and Related Stockholder Matters

Our common stock is listed for trading on the Over-the-Counter Bulletin Board inter-dealer trading system. The Company's trading symbol is . We declared no dividends on our common stock during the years ended December 31, 2005 and 2004, and we do not anticipate paying dividends in the future. The high and low closing inter-dealer sales prices for each quarter of the last two fiscal years are as follows:

	2005		2004	
	High	Low	High	Low
1st Qtr	3.00	2.15	-	-
2nd Qtr	4.50	4.10	-	-
3rd Qtr	0.39	0.29	7.50	1.60
4th Qtr	5.00	1.75	5.25	0.30

From the first quarter of 2004 through the second quarter of 2004, there was no meaningful trading of the Company's common stock.

Number of Shareholders and Total Outstanding Shares

As of November 13 2006, approximately 10,029,172 shares of our common stock were outstanding and, as far as we can determine, were held by approximately 38 holders of record of our common stock.

Dividends

We have not paid any cash dividends since our Inception and do not anticipate paying cash dividends in the foreseeable future.

Preferred Shares

As of December 31, 2005, the Company had 30,000,000 shares of preferred stock outstanding. The preferred shares are convertible into a like number of shares of common stock.

Common Shares

Our common stock is traded in the over-the-counter market, and the shares are subject to the provisions of Section 15(g) and Rule 15g-9 of the Securities Exchange Act of 1934, commonly referred to as the "penny stock" rule. Section 15(g) sets forth certain requirements for transactions in penny stocks and Rule 15g9(d)(1) Incorporates the definition of penny stock as that term is used in Rule 3a51-1 of the Exchange Act.

The Commission generally defines a penny stock to be any equity security that has a market price less than $5.00 per share, as well as the shares of companies that are considered blind pools or blank check companies, subject to certain exceptions. Rule 3a51-1 provides that any equity security is considered to be a penny stock unless that security is: registered and traded on a national securities exchange meeting specified criteria set by the Commission; authorized for quotation on one of the trading systems (not Including the OTC Bulletin Board) of The NASDAQ Stock Market; issued by a registered investment company; excluded from the definition on the basis of price (at least $5.00 per share) or the issuer's net tangible assets; or exempted from the definition by the Commission. If the Company's shares are deemed to be a penny stock, trading in the shares will be subject to additional sales practice requirements on broker-dealers who sell penny stocks to persons other than established customers and accredited investors, generally persons with assets in excess of $1,000,000 or annual Income exceeding $200,000, or $300,000 together with their spouse. In addition, several states restrict or prohibit trading in penny stocks and shares of blank check and blind pool companies.

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For transactions covered by the penny stock rules, broker-dealers must make a special suitability determination for the purchase of such securities and must have received the purchaser's written consent to the transaction prior to the purchase. Additionally, for any transaction involving a penny stock, unless exempt, the rules require the delivery, prior to the first transaction, of a risk disclosure document relating to the penny stock market. A broker-dealer also must disclose the commissions payable to both the broker-dealer and the registered representative, and current quotations for the securities. Finally, monthly statements must be sent to customers purchasing penny stocks disclosing recent price information for the penny stocks held in their account and information on the limited market in penny stocks. These rules may make it less likely that a broker-dealer will act as a market maker for our shares or agree to engage in transactions for the purchase and sale of our shares.

Item 6. Management's Discussion and Analysis or Plan of Operations

FORWARD LOOKING STATEMENTS

All statements contained herein that are not historical facts, Including but not limited to, statements regarding the anticipated impact of future capital requirements and future development plans are based on current expectations. These statements are forward looking in nature and involve a number of risks and uncertainties. Actual results may differ materially. Among the factors that could cause actual results to differ materially are the following: amount of revenues earned by the Company's operations; the availability of sufficient capital to finance the Company's business plan on terms satisfactory to the Company; general business and economic conditions; and other risk factors described in the Company's reports filed from time to time with the Commission. The Company wishes to caution readers not to place undue reliance on any such forward looking statements, which statements are made pursuant to the Private Securities Litigation Reform Act of 1995 and, as such, speak only as of the date made.

Results of Operations

Year Ended December 31, 2005 Compared to Year Ended December 31, 2004

We had no revenues for the years ended December 31, 2005 and December 31, 2004. Our prior operations failed to generate any revenues and since merging with Nor-American, a newly formed company, we have also had no revenues. There is no assurance that we will have revenues in fiscal 2006.

As we had no sales in either 2005 or 2004, we had no cost of sales for those fiscal years.

Operating expenses for 2005 were $ 894,446 as compared to $1,197,092 for 2004, a decrease of $ 302,646 or 25%. This decrease was due to the Company's reducing its efforts other than closing the Mexican steel transaction.

Other expense for the year ended December 31, 2005 was $ 38,080 as compared to other Income of $15,921 for the year ended December 31, 2004, an Increase in net expenses of $ 54,001. Again, this was due to the cessation of its operations as a management services business and the ongoing acquisition of the Mexican steel business.

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The Company's net loss for the year ended December 31, 2005 was $ 932,525 an decrease of $ 248,646 or 21%. This reduction in net loss was primarily due to the elimination of non critical efforts.

As a result of the foregoing, for the year ended December 31, 2005, the Company had a loss per share of $ 0.00 as compared to a loss per share of $3.11 for the year ended December 31, 2004, on a basic basis and a fully diluted basis. No conversion of common stock equivalents has been assumed as such conversion would have had an anti-dilutive effect on diluted loss per common share amounts.

Liquidity and Capital Resources

On December 31, 2005, the Company had a working capital deficit of approximately $ 1,689,000. Since its Inception, the Company has continued to Incur losses. The Company's operations since Inception have been funded by the sale of common and preferred stock, and proceeds from loans secured by the Company's common stock. These funds have been used for working capital and capital expenditures and other corporate purchases. The Company has had cumulative losses of approximately $ 6,418,000 since Inception. The Company is seeking financing through equity financing. There can be no assurance that the Company will be able to obtain funding at terms acceptable to the Company. These factors indicate that the Company may not be able to continue as a going concern.

Recent Accounting Pronouncements

In December 2004, the Financial Accounting Standard Board ("FASB") issued Statement of Accounting Standards ("SFAS") No. 123 (revised 2004), "Share-Based Payment" ("SFAS No. 123R"). SFAS No. 123R requires the Company to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. The cost of the employee services is recognized as compensation cost over the period that an employee provides service in exchange for the award. SFAS No. 123R will be effective January 1, 2006 for the Company and may be adopted using a modified prospective method or a modified retrospective method. The Company has not yet completed an analysis to quantify the exact impact the new standard will have on its future financial performance. Depending upon the extent to which the Company implements share-based compensation plans, adoption of this statement could have a material impact on the Company's future financial position or results of operations.

In December 2004, the FASB issued SFAS No. 153, "Exchanges of Non-Monetary Assets - an amendment of the Accounting Principles Board (APB) Opinion No. 29" (Statement 153). This statement amends Opinion 29 to eliminate the exception for non-monetary exchanges of similar productive assets and replaces it with a general exception for exchanges of non-monetary assets that do not have commercial substance. A non-monetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. The adoption of this standard is not expected to have a material impact on the Company's results of operations or financial position.

In March 2005, the FASB issued FASB Staff Position ("FSP") No. 46(R)-5, "Implicit Variable Interests under FASB Interpretation No. ("FIN") 46 (revised December 2003), Consolidation of Variable Interest Entities" ("FSP FIN 46R-5"). FSP FIN 46R-5 provides guidance for a reporting enterprise on whether it holds an implicit variable interest in Variable Interest Entities ("VIEs") or potential VIEs when specific conditions exist. This FSP is effective in the first period beginning after March 3, 2005 in accordance with the transition provisions of FIN 46 (Revised 2003), "Consolidation of Variable Interest Entities - an Interpretation of Accounting Research Bulletin No. 51" ("FIN 46R"). The adoption of this standard is not expected to have a material impact on the Company's results of operations and financial position.

In March 2005, the FASB issued Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations" ("FIN 47"), which will result in (a) more consistent recognition of liabilities relating to asset retirement obligations, (b) more information about expected future cash outflows associated with those obligations, and (c) more information about investments in long-lived assets because additional asset retirement costs will be recognized as part of the carrying amounts of the assets. FIN 47 clarifies that the term "conditional asset retirement obligation" as used in

SFAS 143, "Accounting for Asset Retirement Obligations," refers to a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the entity. The obligation to perform the asset retirement activity is unconditional even though uncertainty exists about the timing and/or method of settlement. Uncertainty about the timing and/or method of settlement of a conditional asset retirement obligation should be factored into the measurement of the liability when sufficient information exists. FIN 47 also clarifies when an entity would have sufficient information to reasonably estimate the fair value of an asset retirement obligation. FIN 47 is effective no later than the end of fiscal years ending after December 15, 2005. Retrospective application of interim financial information is permitted but is not required. Early adoption of this interpretation is encouraged. The adoption of this standard is not expected to have a material impact on the Company's results of operations and financial position.

In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections" ("SFAS 154"), which replaces Accounting Principles Board ("APB") Opinion No. 20, "Accounting Changes", and SFAS No. 3, "Reporting Accounting Changes in Interim Financial Statements - An Amendment of APB Opinion No. 28". SFAS No. 154 provides guidance on the accounting for and reporting of changes in accounting principles and error corrections. SFAS No. 154 requires retrospective application to prior period financial statements of voluntary changes in accounting principles and changes required by new accounting standards when the standard does not Include specific transition provisions, unless it is impracticable to do so. SFAS No. 154 also requires certain disclosures for restatements due to correction of an error. SFAS No. 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005, and is required to be adopted by the Company as of January 1, 2006. The impact that the adoption of SFAS No. 154 will have on the Company's results of operations and financial condition will depend on the nature of future accounting changes adopted by the Company and the nature of transitional guidance provided in future accounting pronouncements.

Item 7. Financial Statements

Financial Statements for the fiscal year ended December 31, 2005 appear at the end of this document.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Company had no disagreements with its accountants.

ITEM 8A. CONTROLS AND PROCEDURES

In accordance with Exchange Act Rules 13a-15 and 15d-15, the Company's management carried out an evaluation with the participation of the Company's Chief Executive Officer and Chief Financial Officer, its principal executive officer and principal financial officer, respectively, of the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded as of the end of the period covered by this Form 10-KSB that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company required to be Included in periodic reports filed under the Securities Exchange Act of 1934, as amended. There were no changes in the Company's internal controls over financial reporting identified in connection with the evaluation by the Chief Executive Officer and Chief Financial Officer that occurred during the Company's fourth quarter that have materially affected or are reasonably likely to materially affect the Company's internal controls over financial reporting.

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PART III

Item 9. Directors, Executive Officers Promoters and Control Persons

This table sets forth the name, age and position of each director and executive officer of the Company:

NAME	AGE	POSITION
James Herman	49	President, Chief Executive Officer, Director
Garth Jensen	53	Chief Financial Officer, Director
W. Jean Herman	68	Chairman
Davey Koech	55	Director
John A. Corrie	71	Director

James Herman, President, Chief Executive Officer and Director since June 2006.

Garth Jensen, Chief Financial Officer, Director. Mr. Jensen has served as CFO since November 2004.

W. Jean Herman, Director since June 2006.

Davey Koech, Director since June 2006.

John A. Corrie, Director since June 2006.

Item 10. Executive Compensation

The table below summarizes all compensation awarded to, earned by, or paid to our executive officers for each of the last three completed fiscal years.

			Annual Compensation			Long Term Comp		
Name	Title	Year	Salary $	Bonus $	Annual Compensation ($)	Restricted Stock Awarded ($)	Warrants & Options (#)	P
Jim Wolff	President, CEO	2005	0	0	0	0	500,000	0
		2004	0	0	0	0	0	
		2003	0	0	0	0	0	
Garth Jensen	CFO	2005	30,000	0	0	0	1,000,000	
		2004	0	0	0	0	0	
		2003	0	0	0	0	0	

Compensation to Directors

Our President did not receive any remuneration from us during the fiscal year, but was granted an option to acquire 500,000 shares of our common stock at a price of $1.00 per share. The term of the option is 3 years.

During November 2004, our Chief Financial Officer was granted one million Options to purchase the Company's common stock at an exercise price of $1.00. The options vest immediately and have a life of three years.

During 2005, the Company has granted each director an option to acquire 500,000 shares of our common stock at a price of $1.00 per share. The term of the option is 3 years.

Effective March 15, 2005, new directors were appointed as of the closing of the NKS acquisition.

Item 11. Security Ownership of Certain Beneficial Owners and Management

As of December 31, 2005, there were approximately 290,941,000 shares of our common stock, no par value outstanding, and as of November 13, 2006, there were approximately shares 10,029,172 outstanding. The following tabulates holdings of our shares by each person who, subject to the above, at the date of this annual report, holds of record or is known by our management to own beneficially more than 5% of the common shares and, in addition, by all of our directors and officers individually and as a group. To the best of our knowledge, each named beneficial

owner has sole voting and investment power with respect to the shares set forth opposite his name.

SHAREHOLDER(2)	SHARES HELD	%
Island Rock Investment (1)	10,000,000	99%
All Directors and Executive Officers as a Group (4 persons)		0 0%

(1) This company is controlled by Montague Group, a person not related to the Company.

(2) The addresses for these shareholders is in care of the Company.

Item 12. Certain Relations and Related Transactions

The president, current and former principal stockholders, and certain employees from time to time made advances to us. The advances have been made for financing and working capital purposes. At December 31, 2005 and 2004, respectively, the total of such advances and accrued interest was $ 269,555 and $185,176.

As a result of the closing of the purchase of NKS in 2005, certain former stockholders of NKS received shares of our common stock equal to more than 5% of our total outstanding shares of common stock (see Beneficial Ownership Table above)

Item 13. Exhibits and Reports on Form 8-K

(a)

Exhibit Number	Description
3.1	Articles of Incorporation (1)
3.2	Articles of Amendment to the Articles of Incorporation
3.2	By-Laws (1)
10.1	Plan and Agreement of Merger, dated September 22, 2003, by and between Stanfield Educational Alternatives, Inc., NALG Acquisition, Inc. and North-American Liability Corporation (2)
23.1	Consent of Independent Registered Certified Public Accounting Firm
31.1	Certification of Chief Executive Officer pursuant to Securities Exchange Act Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Securities Exchange Act Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(1) Incorporated by reference to the registrant's registration statement on Form 10-SB, file number 000-25947, as filed with the SEC on May 3, 1999, as amended.

(2) Incorporated by reference to registrant's current report on Form 8-K, file number 000- 25947, as filed with the SEC on October 15, 2003.

(b) Reports on Form 8-K

The following reports were filed on Form 8-K:

September 16, 2004: Entry into a material Definitive Agreement. As of September 10, 2004, the Company has finalized the Letter of Intent to originally acquire 100% of all classes of shares issued and outstanding of Grupo Industrial N.K.S., S.A., de CV ("NKS"). As of this date, the Company and stock holders of NKS have mutually agreed that the Company will acquire 75% of all the shares of NKS in a share exchange agreement, whereby the Company will deliver 250,000,000 common restricted shares in exchange for 75% of all the issued outstanding shares of NKS. NKS, a Mexican corporation, is the owner of a Steel Mill Foundry and other assets in Lazaro Cardenas, Mexico. NKS has represented to the Company that the value of these hard assets has a value in excess of USD$200,000,000.

September 16, 2004: Amendments to Articles of Incorporation or Bylaws; On September 10, 2004, the holders of a majority of the Company' outstanding voting shares executed a written consent, amending the Company's Articles of Incorporation to Increase the total number of authorized shares of the Company's Common Stock from 500,000,000 to 1,000,000,000.

March 15, 2005: As of March 15, 2005, the Company has completed a transaction resulting in the acquisition of 75% of all issued and outstanding shares of Grupo Industrial N.K.S., S.A., de CV ("NKS"). The Company and stockholders of NKS have mutually agreed that the Company will acquire 75% of all the shares of NKS in exchange for 250,000,000 of the Company's common restricted shares. NKS, a Mexican corporation, is the owner of a Steel Mill Foundry and other assets in Lazaro Cardenas, Mexico.
NKS has represented to the Company that the value of these hard assets has a value in excess of USD$200,000,000.

Item 14. Principal Accountant Fees And Services

Audit Fees billed for fiscal 2005 and 2004 for professional services rendered by the principal accountant for the audit of the registrant's annual financial statements and review of financial statements Included in the registrant's Form 10-QSB were $ 7,000 and $25,424, respectively. Audit related fees for fiscal year 2005 and 2004 amounted to $ 0 and $3,500, respectively. These fees relate to the filing of the registrant's Form S-8. There were no other fees billed to us by our principal accountant.

SIGNATURES

In accordance with Section 13 or 15(d) of the Securities Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on November 13, 2006.

BioChem Solutions, Inc, Inc.

By: /s/ James Herman

James Herman
President, Chief
Executive Officer

By: /s/ Garth Jensen

Garth Jensen
Chief Financial Officer

In accordance with the requirements of the Securities Act of 1934, this report has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
By: /s/James Herman James Herman	D/P	November 13, 2006
By: /s/Garth Jensen Garth Jensen	D	November 13, 2006

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BioChem Solutions, Inc.
(A Development Stage Company)
Consolidated Balance Sheets
December 31, 2005 and 2004

	2005	2004
Assets		

Current assets:		
Cash	$ 40	$ 6,329
Prepaid expenses	-	171
Total current assets	40	6,500
Property and equipment, net	2,639	1,805
Other assets:		
Deposits	-	-
Total other assets	-	-
Total assets	$ 2,639	$ 8,305

Liabilities and Stockholders' Deficiency

Current liabilities:		
Accounts payable	$ 186,578	$ 185,561
Accrued expenses	841,707	764,618
Due to related parties	433,968	185,176
Notes payable	226,466	226,466
Total current liabilities	1,688,720	1,361,821
Stockholders' deficiency:		
Series 2001 convertible preferred stock	42,470	42,470
Series 2001A convertible preferred stock	-	-
Series 2001B convertible preferred stock	-	-
Class B preferred stock	-	-
Common stock	5,073,783	4,673,783
Deferred compensation	(3839,333)	(583,333)
Accumulated deficit	(6,418,961)	(5,486,436)
Total stockholders' deficiency	(1,686,041)	(1,353,516)
Total liabilities and stockholders' deficiency	$ 2,639	$ 8,305

See accompanying notes to the consolidated financial statements.

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BioChem Solutions, Inc.
(A Development Stage Company)
Consolidated Statements of Operations

For the year ended

Cumulative for

	December 31 2005	December 31 2004	the period from March 23, 1999 (Inception) to December 31, 2005
Gross revenues	$ -	$ -	$ 45,744
Cost of sales	-	-	264
	-	-	45,480
Operating expenses	894,446	1,197,092	5,644,391
Other Income(expenses):			
Other Income	1,475	159,094	219,657
Interest expense	(39,555)	(143,173)	(499,681)
Impairment of assets	-	-	(315,027)
Provision for loss on non-cancellable leases	-	-	(225,000)
Total other (Income) expense	(38,080)	15,921	(820,051)
Net loss	(932,525)	(1,181,171)	(6,418,961)
Loss per common share:			
Basic	$ (0.00)	$ (3.11)	
Diluted	$ (0.00)	$ (3.11)	
Weighted average common shares outstanding:			
Basic	220,300,097	379,493	
Diluted	220,300,097	379,493	

See accompanying notes to the consolidated financial statements.

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BioChem Solutions, Inc.
(A Development Stage Company)
Consolidated Statements of Shareholders' Equity (Deficiency)

Preferred Stock Shares	Preferred Stock Amount	Common Stock Shares	Common Stock Amount	Deferred Compensati

Balance March 23, 1999 (Inception)	-	$ -	-	$ -	$ -
Issuance of stock	-	-	1,510,000	1,510	-
Shares issued to reflect re-capitalization of reverse acquisition	-	-	5,435,000	241,524	-
Net loss	-	-	-	-	-
Balances at December 31, 1999	-	-	6,855,000	243,034	-
Issuance of common stock	-	-	405,140	403,140	-
Issuance of common stock for services	-	-	2,069,250	2,055,405	-
Net loss	-	-	-	-	-
Balances at December 31, 2000	-	-	9,329,390	2,701,579	-
Reverse stock split	-	-	(9,211,435)	-	-
Issuance of Series 2001 convertible preferred stock	25,500	49,000	-	-	-
Issuance of Series 2001 A convertible preferred stock	5,603,000	-	-	-	-
Issuance of Series 2001 B convertible preferred stock	5,643,175	-	-	-	-
Net loss	-	-	-	-	-
Balances at December 31, 2001	11,271,675	49,000	117,955	2,701,579	-
Conversion of Series 2001 convertible preferred stock to common stock	(600)	(1,153)	2,679	1,153	-
Conversion of Series 2001 A convertible preferred stock to common stock	(4,073,000)	-	4,073,000	-	-
Conversion of Series 2001 B convertible preferred stock to common stock	(2,915,731)	-	2,915,731	-	-
Cancellation of common stock	-	-	(54,051)	-	-
Net loss	-	-	-	-	-

See accompanying notes to the consolidated financial statements.

	Preferred Stock		Common Stock		Deferred
	Shares	Amount	Shares	Amount	Compensati
Balances at December 31, 2002	4,282,344	47,847	7,055,314	2,702,732	-
Conversion of Series 2001 convertible preferred stock to common stock	(2,800)	(5,377)	6,000	5,377	-
Cancellation of common stock in 100 for 1 reverse stock split	-	-	(6,990,424)	-	-
Cancellation of Series 2001 B convertible preferred stock for voidance of series	(2,727,444)	-	-	-	-
Cancellation of Series 2001 A convertible preferred stock of the prior controlling shareholder	(775,000)	-	-	-	-
Issuance of Series 2001 A convertible preferred stock in 125 for 1 forward stock split	94,375,000	-	-	-	-
Conversion of Series 2001 A convertible preferred stock for common stock in 1 for 75 merger agreement	(755,000)	-	56,625,000	-	-
Conversion of Series 2001 A to common stock	(31,125,000)	-	31,125,000	-	-
Issuance of common stock in merger agreement	-	-	160,000,000	-	-
Issuance of common stock for rounding	-	-	8	-	-
Net loss	-	-	-	-	-
Balances at December 31, 2003	63,272,100	42,470	247,820,898	2,708,109	-

	Preferred Stock Shares	Preferred Stock Amount	Common Stock Shares	Common Stock Amount	Deferred Compensati
Issuance of common stock	-	-	660,000	410,000	
Preferred stock converted to common stock	(35,304,000)	-	35,304,000	-	
Common stock converted to preferred stock	50,000,000	-	(158,000,000)		
Cancellation of common shares	-	-	(33,721,200)	-	
1 for 30 reverse split	-	-	(88,994,491)	-	
Issuance of common stock	-	-	341	174	
Forgiveness of debt	-	-	487,500	-	
Preferred stock converted to common stock	(458,000)	-	458,000	-	
Cancellation of common shares	-	-	(497,590)	-	
Cancellation of preferred shares	(20,000,000)	-	-	(32,000)	
Common stock awarded to consultant	-	-	-	600,000	(600,0
Intrinsic value of stock options issued	-	-	-	500,000	-
Amortization of deferred compensation	-	-	-	-	16,6
1 for 10 reverse split			(2,726,962)		
Net loss	-	-	-	-	
Balances at December 31, 2004	57,510,100	$ 42,470	302,996	$4,673,783	$ (583,3
Shares Issued for Acquisition of Mexican Steel Corp	-	$ -	280,678,600	-	-
Amortization of deferred Compensation	-	-	-	-	200,0
Shares cancelled	-	-	(40,596)	-	-
Forgiveness of Debt	-	-	10,000,000	400,000	-
Net Loss	-	-	-	-	-

Balances at December 31, 2005	57,510,000	$ 42,470	290,941,000	$5,073,783	$ (383,0
	===========	========	===========	==========	=========

See accompanying notes to the consolidated financial statements.

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BioChem Solutions, Inc.
(A Development Stage Company)
Consolidated Statements of Cash Flows

	Twelve Months Ended December 31, 2005	Twelve Months Ended December
Cashflows from operating activities		
Net Income(loss)	$ (932,525)	$ (34
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Forgiveness of related party payable	-	
Depreciation and amortization	1,366	
Loss on impairment of assets	-	
Provision for loss on non-cancelable leases	-	
Bad Debt Expense		
Intrinsic Value of Stock Options Granted		
Common stock issued for services	600,000	
Increase(decrease) in cash caused by changes in:		
Other current assets	171	
Other assets	-	8
Accounts payable	1,017	(
Accrued expenses	77,089	15
Due to related parties	84,378	(4
Net cash provided by (used in) operating activities	(168,505)	(16
Cashflows from investing activities:		
Acquisition of property and equipment	(2,200)	(
Cashflows from financing activities		
Repayment of note payable to related party	-	
Proceeds from issuance of preferred stock	-	
Proceeds from issuance of capital stock	-	16
Due to related parties	-	
Issuance of Note Receivable	(42,000)	
Payment for Preferred Stock	(32,000)	
Repayment/proceeds of notes payable from Rel Party	164,415	
Net cash from provided by financing activities	164,415	16
Net Increase(decrease) in cash	(6,289)	(1
Cash at beginning of period	6,329	2
Cash at end of period	$ 40	$ 1

Supplemental disclosure of cash flow information:			
Cash paid for interest	$	-	$
Non-cash activity:			
Purchase of intangible assets from related party	$	-	$
Reduction of capital lease obligation upon abandonment of assets	$	-	$

See accompanying notes to the consolidated financial statements.

BioChem Solutions, INC.
(A Development Stage Company)
Notes to Consolidated Financial Statements

(1) Summary of Significant Business and Accounting Policies

(a) Organization

The Company is in its development stage and needs substantial additional capital to complete its development and to reach an operating stage. The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern, and therefore, will recover the reported amount of its assets and satisfy its liabilities on a timely basis in the normal course of its operations. See note 12 for a discussion of management's plans and intentions.

(b) Principles of Consolidation

The consolidated financial statements Include the accounts of BioChem Solutions, Inc. and its wholly owned subsidiary North-American Liability Corporation, collectively referred to as the "Company". All significant intercompany accounts and transactions have been eliminated in consolidation.

(c) Revenue Recognition

The Company records revenue as earned when goods or services are provided. The Company did not recognize any revenue for the years ended December 31, 2005 and 2004.

(d) Property and Equipment

Property and equipment are stated at cost. Depreciation for financial statement purposes is computed using the straight-line method over the estimated useful lives of the individual assets, which range from 3 to 5 years.

The Company periodically reviews its long-lived assets and intangibles for potential impairment and will record an impairment change whenever events or changes in circumstances indicate the carrying amount of the assets may not be fully recoverable. As of December 31, 2005 and 2004, management does not believe that any assets are impaired.

(e) Fair Value of Financial Instruments

The Company's financial instruments Include cash, accounts payable, and amounts due to related parties. Due to the short-term nature of these instruments, the fair value of these instruments approximate their recorded value. The Company has other liabilities which it believes are stated at estimated fair market value.

BioChem Solutions, Inc.
(A Development Stage Company)
Notes to Consolidated Financial Statements

(1) Summary of Significant Business and Accounting Policies (Contd..)

(f) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(g) Income Taxes

The Company uses the asset and liability method of accounting for Income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable Income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in Income in the period that Includes the enactment date.

(h) Loss Per Share

Basic loss per common share amounts are based on the weighted average shares outstanding of 280,955,009 and 379,493 (adjusted for reverse stock splits) for the years ended December 31, 2005 and 2004, respectively. Diluted loss per common share amounts reflect the potential dilution that could occur if convertible preferred shares are converted into common stock. No conversion is assumed if such conversion would have an anti-dilutive effect on diluted loss per common share amounts.

(i) Stock-based compensation

At December 31, 2005, the Company had a stock option plan, which is described more fully in Note 10. The Company has elected to continue to follow the intrinsic value method in accounting for its stock-based employee compensation arrangements. The following table illustrates the effect on net Income and earnings per share if the Company had applied the fair value recognition provisions of SFAS No. 123 to stock-based employee compensation for the year ended December 31, 2005.

	2005
Reported net loss	$ (932,525)
Stock-based employee compensation Included in reported net loss	
Stock-based employee compensation determined under the fair value based method	(000)
Pro forma net loss	$ (932,525)
Basic and diluted loss per share:	$ (0.0)
As reported	
Pro forma	$ (0.0)

The weighted average fair value of options granted in 2005 was approximately $ using the Black-Scholes option-pricing model with the following assumptions:

Volatility	314%
Risk free interest rate	3.22%
Expected life in years	3 years
Dividend yield	0.00%

No stock options were issued or outstanding prior to January 1, 2004.

(2) Recent Financial Accounting Standards

In December 2004, the Financial Accounting Standard Board ("FASB") issued Statement of Accounting Standards ("SFAS") No. 123 (revised 2004), "Share-Based Payment" ("SFAS No. 123R"). SFAS No. 123R requires the Company to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. The cost of the employee services is recognized as compensation cost over the period that an employee provides service in exchange for the award. SFAS No. 123R will be effective January 1, 2006 for the Company and may be adopted using a modified prospective method or a modified retrospective method. The Company has not yet completed an analysis to quantify the exact impact the new standard will have on its future financial performance. Depending upon the extent to which the Company implements share-based compensation plans, adoption of this statement could have a material impact on the Company's future financial position or results of operations.

In December 2004, the FASB issued SFAS No. 153, "Exchanges of Non-Monetary Assets - an amendment of the Accounting Principles Board (APB) Opinion No. 29" (Statement 153). This statement amends Opinion 29 to eliminate the exception for non-monetary exchanges of similar productive assets and replaces it with a general exception for exchanges of non-monetary assets that do not have commercial substance. A non-monetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. The adoption of this standard is not expected to have a material impact on the Company's results of operations or financial position.

In March 2005, the FASB issued FASB Staff Position ("FSP") No. 46(R)-5, "Implicit Variable Interests under FASB Interpretation No. ("FIN") 46 (revised December 2003), Consolidation of Variable Interest Entities" ("FSP FIN 46R-5"). FSP FIN 46R-5 provides guidance for a reporting enterprise on whether it holds an implicit variable interest in Variable Interest Entities ("VIEs") or potential VIEs when specific conditions exist. This FSP is effective in the first period beginning after March 3, 2005 in accordance with the transition provisions of FIN 46 (Revised 2003), "Consolidation of Variable Interest Entities - an Interpretation of Accounting Research Bulletin No. 51" ("FIN 46R"). The adoption of this standard is not expected to have a material impact on the Company's results of operations and financial position.

In March 2005, the FASB issued Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations" ("FIN 47"), which will result in (a) more consistent recognition of liabilities relating to asset retirement obligations, (b) more information about expected future cash outflows associated with those obligations, and (c) more information about investments in long-lived assets because additional asset retirement costs will be recognized as part of the carrying amounts of the assets. FIN 47 clarifies that the term "conditional asset retirement obligation" as used in SFAS 143, "Accounting for Asset Retirement Obligations," refers to a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the entity. The obligation to perform the asset retirement activity is unconditional even though uncertainty exists about the timing and/or method of settlement. Uncertainty about the timing and/or method of settlement of a conditional asset retirement obligation should be factored into the measurement of the liability when sufficient information exists. FIN 47 also clarifies when an entity would have sufficient information to reasonably estimate the fair value of an asset retirement obligation. FIN 47 is effective no later than the end of fiscal years ending after December 15, 2005. Retrospective application of interim financial information is permitted but is not required. Early adoption of this interpretation is encouraged. The adoption of this standard is not expected to have a material impact on the Company's results of operations and financial position.

In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections" ("SFAS 154"), which replaces Accounting Principles Board ("APB") Opinion No. 20, "Accounting Changes", and SFAS No. 3, "Reporting Accounting Changes in Interim Financial Statements - An Amendment of APB Opinion No. 28". SFAS No. 154 provides guidance on the accounting for and reporting of changes in accounting principles and error corrections. SFAS No. 154 requires retrospective application to prior period financial statements of voluntary changes in accounting principles and changes required by new accounting standards when the standard does not Include specific transition provisions, unless it is impracticable to do so. SFAS No. 154 also requires certain disclosures for restatements due to correction of an error. SFAS No. 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005, and is required to be adopted by the Company as of January 1, 2006. The impact that the adoption of SFAS No. 154 will have on the Company's results of operations and financial condition will depend on the nature of future accounting changes adopted by the Company and the nature of transitional guidance provided in future accounting pronouncements.

BioChem Solutions Inc.
(A Development Stage Company)
Notes to Consolidated Financial Statements

(3) Property and Equipment

At December 31, 2005 and 2004, property and equipment consisted of the following:

	2004	2005
Furniture and equipment	$ 2,546	$ 4,256
Less accumulated depreciation	(741)	(1,617)
Property and equipment, net	$ 1,805	$ 2,639

Depreciation expense for the years ended December 31, 2005 and 2004 was $ 876 and $692, respectively.

(4) Leases

Operating

The Company has no office rents during 2005. Rent expense of $0 was Incurred for the year ended December 31, 2005.

(5) Capitalization

(A) COMMON STOCK

At December 31, 2005 and 2004, the Company had outstanding 290,941,000 and 247,820,898 shares of common stock, respectively.

Effective July 13, 2004, the Company's Board authorized a 1 for 30 reverse stock split. On November 1, 2004, the Company effected an additional 1 for 10 reverse split. On September 1,2005 the Company's Board approved a 1 for 500 reverse stock split and then on September 10, 2005 the Company's Board approved a 500 for 1 stock split, effectively reversing the recent reverse split.

(B) PREFERRED STOCK

Series 2001

As of December 31, 2005, 22,100 shares of Series 2001 Preferred Stock remain outstanding.

Series 2001A

During the first quarter of 2004, the Company cancelled 35,304,000 shares of its Series 2001A Convertible Preferred Stock in voluntary conversions to 35,304,000 shares of its common stock. During the third quarter of 2004, 458,000 shares of Series 2001A Convertible Preferred Stock were converted to 458,000 shares of its common stock. As of December 31, 2005 and 2004, the number of shares outstanding of Series 2001A Convertible Preferred Stock was 27,488,000 and 27,488,000, respectively.

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BioChem Solutions, Inc.
(A Development Stage Company)
Notes to Consolidated Financial Statements

(5) Capitalization (Contd...)

Series 2001B

During February 2004, 526,667 shares (adjusted for stock splits) were converted to 50,000,000 shares of Class B Preferred Stock. In November 2004, the Company repurchased 20,000,000 shares of class B Preferred Stock from the non-related party for $32,000. As a result, 30,000,000 shares of Class B Preferred Stock are outstanding as of December 31, 2005.

(6) Income Tax

The Company has no provision for taxes as they have a net operating loss of approximately $6,400,000 that expires in varying times through the year 2023. The total deferred tax asset associated with the net operating loss has been reduced by a valuation allowance to $0 at December 31, 2005 and 2004, and no net deferred asset has been recorded, as the possibility of utilizing the net operating loss is dependent on the Company achieving profitable operations. U.S. tax rules impose limitations on the use of net operating losses and tax credits following certain defined changes in stock ownership. The Company has not completed the complex analysis required by the Internal Revenue Code to determine if an ownership change has occurred. If such a change were deemed to have occurred, the limitation could reduce or eliminate the amount of these benefits that would be available to offset future taxable Income each year, starting with the year of ownership change.

(7) Related Party Transactions

The former president, current and former principal stockholders, and certain employees from time to time made advances to the Company. The advances have been made for financing and working capital purposes. At December 31, 2005 and 2004 respectively, the total of such advances, Including accrued interest, was $269,554 and $185,176.

During 2003, the Company settled its note payable to the former controlling shareholder. With principal and accumulated interest, the debt amounted to $444,088. In the settlement, the Company paid $200,000, the former president contributed $185,000, and $59,088 was forgiven.

(8) Accrued Expenses

Accrued expenses at December 31, 2005 and 2004, consisted of the following:

	2005	2004
Accrued lease obligations	$395,996	$378,318
Accrued interest	154,793	137,378
Accrued salaries	100,000	170,000
Other	190,919	78,922
	$841,708	$764,618

The accrual for lease obligations resulted from the default on a number of the Company's lease obligations.

BioChem Solutions, INC.

(A Development Stage Company)
Notes to Consolidated Financial Statements

(9) Notes Payable

Notes Payable as of December 31, 2005 and December 31, 2004 is $ 226,466 and $226,466, respectively, plus accrued interest. Interest accrues at various rates between 9 and 12 percent per annum.

During 2004, the Company settled secured notes payable (Including accrued interest) of $487,500 through a third party pledging Company common stock as collateral. As a result, the Company accounted for this transaction as a contribution of capital.

(10) Stock Options

During 2004, the Company established a stock option plan under which options to purchase shares of common stock may be granted to employees, directors, officers, agents, consultants and independent contractors.

During November 2004, the Company granted 1,000,000 stock options to the Company's Chief Financial Officer. The options have an exercise price of $1.00, vest immediately, and have a life of three years. At the grant date, these options had an intrinsic value of $500,000 which has been charged to operating expenses in the accompanying consolidated statements of operations for the year ended December 31, 2005. These options remain outstanding at December 31, 2005, are fully exercisable and have a remaining life of 1.9 years.

(11) Subsequent Events

The Company signed a letter of intent with Global Steel Holdings Ltd. ("GSH"), an Indian company with globally diverse steel interests. This Letter of Intent has lapsed. GSH intended to purchase 50% of NorMexSteel's shares in NKS and in turn provide a line of credit totaling $30 million to settle debt and provide working capital for the facility.

On September 5, 2005, the Company signed a letter of intent with Jamieson Enterprises Inc. ("JEI"), a builder of arenas in North America to acquire 25% of each of ten facilities. The Company has let this Letter of intent lapse as JEI did not provide the necessary financing to complete the acquisition.

In the United States District Court in the Southern District of California in San Diego, California, denied the Company's motion for a preliminary injunction in NorMexSteel, Inc., et al. v. Charles B. Flynn, et al., Case Number 06-CV-0814, filed on April 2, 2006. In the order dated June 6, 2006, the District Court reversed its tentative ruling. The District Court's Findings of Fact and Conclusions of law Denying Plaintiffs' Motion for Preliminary Injunction (the "Order") stated that: "Although in its tentative ruling the Court stated that it would order that Defendants Baiaverde and Taurus place the allegedly stolen shares in the registry of the Court pending resolution of the matter, it has reconsidered. Upon further review, the Court finds that NorMex does not own the stock at issue here." In the Order, the District Court denied the Plaintiffs' requested relief.

On June 16, 2006, the Company announced that by Consent to Act in Lieu of a meeting of the shareholders, the majority of the shareholders of record voted and approved to unwind the share exchange with Grupo Industrial NKS SA de CV. The 250,000,000 shares issued to NKS shareholders will be voluntarily returned in exchange for the 75% of the NKS shares held by NorMexSteel and the 250,000,000 NorMexSteel shares will be cancelled and returned to treasury. In conjunction with this the shareholders approved to remove and replace the existing board of directors; to file amendments to the articles of Incorporation of the company that would effect a name change to BioChem Solutions Inc. and a reverse stock split of the Company's common stock of 1 for 10,000. Under the guideline of the regulatory and company act requirements the majority of shareholders agreed to the need and ratio of the reverse stock split and the majority agreed that the restructuring is in the best interest of the company. The net effect of the reverse stock split will reduce the Company's outstanding shares of common stock post split to 29,066 shares (no fractional shares will be issued). The stock split is effective as of June 30, 2006. Shareholders of record will be notified by the Company's transfer agent and may exchange their old shares of common stock for new shares of common stock post reverse.

On June 16, 2006, the Company entered into a contract to acquire an Exclusive Rights and a Master License providing all the rights in a patented BioChemical, Trioxolane, and other patents held by the CKD Foundation, the CKD Foundation will appoint five new directors to the board of directors.

BioChem Solutions Inc. under the Master License from the patent holder, the CKD Foundation, will provide funding on a best efforts basis for the further development of the patents and applications and related products. BioChem Solutions Inc. expects to schedule the third stage Clinical trials for treatment HIV / AIDS.

BioChem Solutions, INC.
(A Development Stage Company)
Notes to Consolidated Financial Statements

(12) Going Concern Matters

The accompanying condensed financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Due to its past financial difficulties, the Company has accumulated debt, Including judgments and accrued interest, of approximately $ 1,950,000 relating to its current and former lines of business and maintains these on its balance sheet as current liabilities. Interest on these balances is accruing at a rate of approximately $10,000 per quarter as of September 30, 2005. The Company is continuing in its efforts to resolve these obligations and others through settlements. However, there is no assurance that the Company will be able to settle in terms agreeable to the Company and if it does not do so, this will raise substantial doubt as to its ability to continue as a going concern. As shown in the condensed financial statements, the Company has Incurred cumulative losses of approximately $ 6,200,000 during its development stage.

The Company's continuation as a going concern is uncertain and dependent upon obtaining additional sources of financing and achieving future profitable operations, the outcome of which cannot be predicted at this time.

The condensed financial statements do not Include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the possible inability of the Company to continue as a going concern.

(13) Fourth Quarter Adjustments

During the fourth quarter of 2004, the Company recorded certain material adjustments to its financial statements, as follows:

(a) Based on a consulting agreement, the Company recorded $500,000 of expense relating to the intrinsic value of stock options granted to its Chief Financial Officer. In addition, the Company recorded $600,000 of deferred compensation which is being expensed over the term of the agreement.

(b) The Company reversed approximately $100,000 of previously expensed accrued salaries to terminated employees, which has been Included in other Income.