MATERIAL CHANGE REPORT

Section 118(1) of the *Securities Act* (Alberta)
Section 67(1) of the *Securities Act* (British Columbia)
Section 76(2) of the *Securities Act* (Newfoundland)
Section 81(2) of the *Securities Act* (Nova Scotia)
Section 75(2) of the *Securities Act* (Ontario)
Section 84(1) of *The Securities Act, 1988* (Saskatchewan)

1. Reporting Issuer:

    Scaffold Connection Corporation
    11237 – 87 Avenue
    Fort Saskatchewan, Alberta
    T8L 3S3

2. Date of Material Change:

    May 30, 2001

3. News Release:

    A Press Release dated May 30, 2001 issued to the financial press in Canada.

4. Summary of Material Change:

Scaffold Connection Corporation wishes to report its first quarter results for the three months ended March 31, 2001.

Financial Summary (in thousands)

	2001	2000	% change
Revenue	$ 4,944	$19,572	(75%)
Gross margin	1,656	4,725	(65%)
Gross margin %	34%	24%	42%
General and administrative costs	3,204	2,109	52%
Earnings before unusual items	(2,755)	1,392	-
Net earnings (loss)	(1,337)	1,392	-
Earnings (loss) per share - basic	(0.03)	0.06	-
Earnings (loss) per share - diluted	(0.03)	0.06	-

Scaffold Connection has restructured and on January 30, 2001, implemented its *Plan of Arrangement and Compromise* (the “Plan”). The Company is no longer operating under the constraints imposed by CCAA.

5. Full Description of Material Change:

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Scaffold Connection has restructured and on January 30, 2001, implemented its *Plan of Arrangement and Compromise* (the “Plan”). The Company is no longer operating under the constraints imposed by CCAA.

Upon Plan implementation, the Company issued 26,527,643 treasury shares at an average price of $0.56 per share. Creditor liabilities of approximately $13.4 million and accrued interest of $0.5 million were discharged by the issue of stock. Long-term debt increased by $2.9 million when currently due, accrued interest costs were converted to term facilities. Debt forgiveness of $2.9 million was attributed to certain creditors’ inability to accept stock in settlement of their claims. Equipment buy-back obligations expired and as a consequence, approximately $9.4 million of equipment assets and deferred revenues were removed from the balance sheet. Subordinated loans totalling $1.5 million were made to the Company.

This period of our cyclical fiscal year is at the low end of our activity pendulum. Scaffold Connection has intensified its efforts to attract clients. In February the Laval, Quebec branch was down-sized and other under performing branches are under close operational scrutiny.

Revenue

In the first quarter of 2001, the Company generated revenues of $4.9 million as compared to $19.6 million in 2000, a decrease of $14.7 million or 75%. Revenue from the scaffolding segment decreased approximately $14.1 million or 75%, to $4.8 million, from the previous year’s $18.9 million. This significant reduction is the result of two extraordinary contracts in effect during 2000 that ended during that year. Record snowfalls in Eastern Canada also hampered revenue during 2001 as work could not occur when it was anticipated.

Revenue from the Company's seating and special events segment decreased by approximately $471k or 75%, to $161k, from $632k in 2000. The decrease is attributable to the cancellation of the Indy 200/Walt Disney World Speedway in Florida. Our joint venture with United Scaffolding Inc. of Houston will produce gross revenues in excess of $12 million (US), over the next twelve months. Subsequent to the end of March, work has begun on the Texaco Grand Prix, Memorial Cup, Formula One Grand Prix, 2001 Molson Indy and the Edmonton 2001 World Championships.

General and Administrative Costs

General and administrative costs in 2001 were $3.2 million as compared to $2.1 million in 2000, which is an increase of $1.1 million or 52%. The Corporation has altered the presentation of direct expenses and general and administrative expenses to effectively track and control fixed costs and better manage its business. During 2001, approximately $500k of charges included in general and administrative expenses would not have been included in 2000 as general and administrative expenses, but as direct expenses. A further significant one-time contribution to this increase is legal and CCAA costs of $215k. Provisions not recognized in 2000, but recognized in 2001, for equipment write-offs, large corporations tax and sales commissions totaling $155k further increased costs. During 2001, the Laval, Quebec branch was down-sized from a full service location to a sales only office.

Permanent employees have been reduced to 55 in 2001 from 64 in 2000 and associated wage, vehicle and communication costs have been eliminated.

Gross Margin

Gross margin for the first three months of 2001 was $1.7 million or 34% of revenue, as compared to $4.7 million or 24% of revenue in the comparable period of 2000. Using the historical direct expense/general and administrative expense allocation, gross margin in 2001 would have been $1.3 million, or 24% of revenue, as opposed to $4.7 million and 24% of revenue in 2000.

Net Earnings

The first quarter of 2001 produced a loss of $2.8 million before unusual items as compared to net income of $1.4 million in 2000. Unusual items included $1.3 million for restructuring costs, $246k from loss on disposal of assets and $2.9 million of debt forgiveness, resulting in a net loss of $1.3 million in 2001.

Outlook

The Company believes that the implementation of the Plan of Arrangement and Compromise, has provided the resources necessary to return to profitable operations. Due to the seasonal nature of the Company's operations, the first quarter results are not indicative of operations on an annual basis.

Subject to approval at the Annual General Meeting on June 21, 2001, Scaffold Connection has appointed Ernst & Young, Chartered Accountants, as its new auditors for the 2001 fiscal year.

6. Reliance on section 118(2) of the Securities Act:

   Not applicable.

7. Omitted Information:

   Not applicable.

8. Senior Officers:

   Scobey Hartley, President and CEO

9. Statement of Senior Officer:

   The foregoing accurately discloses the material change referred to in this report.

DATED at Calgary, Alberta this 31st day of May, 2001.

SCAFFOLD CONNECTION CORPORATION

Per: ______________________________

(signed) Scobey Hartley,
President and CEO