MATERIAL CHANGE REPORT

S.75(2) OF THE SECURITIES ACT (ONTARIO)
S.118(1)(b) OF THE SECURITIES ACT (ALBERTA)
S.67(1)(b) OF THE SECURITIES ACT (BRITISH COLUMBIA)
S.73 OF THE SECURITIES ACT (QUEBEC)
S.84(1)(b) OF THE SECURITIES ACT, 1988 (SASKATCHEWAN)
S.81(2) OF THE SECURITIES ACT (NOVA SCOTIA)
S.76(2) OF THE SECURITIES ACT (NEWFOUNDLAND)

1. Reporting Issuer

Philip Services Corp.
100 King Street West, Suite 2200, P.O. Box 2440, LCD 1, Hamilton, Ontario
L8N 4J6

2. Date of Material Change

April 1, 1999

3. Press Release

A press release a issued by Philip Services Corp. on April 1, 1999. A copy of this press release is attached hereto as Schedule "A".

4. Summary of the Material Change

On April 1, 1999, Philip Services Corp. ("Philip" or the "Company") announced that it has filed a Form 12b-25 (the "Form 12b-25") dated April 1, 1999 with the U.S. Securities and Exchange Commission (the "SEC") for an extension to April 15, 1999 to file its 1998 year end financial results.

In preparing the financial statements for the year ended December 31, 1998, management of the Company is reviewing the Company's long-lived assets and intangibles such as goodwill. It is anticipated that virtually all of the goodwill and intangibles of the Company as well as US$40 million in fixed assets were impaired at December 31, 1998 and will require adjustment in the 1998 fourth quarter results.

5. **Full Description of Material Change**

On April 1, 1999, the Company announced that it filed the Form 12b-25 with the SEC for an extension to April 15, 1999 to file its 1998 year end financial statements. Such financial statements cannot be finalized as the Company's ability to file its consolidated financial statements on a going concern basis is dependent on the conclusion of an agreement with its syndicated lenders.

The Company expects the lock-up agreement to be concluded by April 15, 1999.

In preparing the financial statements for the fiscal year ended December 31, 1998, management of the Company is reviewing the Company's long-lived assets and intangibles such as goodwill, to assess whether the proposed lock-up agreement and prepackaged plan of reorganization indicate that the carrying value of such assets may not be recoverable. Where the proposed reorganization plan or estimates of enterprise value raise doubts as to the recoverability of assets, estimates of future cash flows expected to result from the proposed use of the assets and their eventual disposition are being determined. It is anticipated that virtually all of the goodwill as well as approximately US$40 million of fixed assets were impaired and will require adjustment in the 1998 fourth quarter results. However, final estimation of the impairment amounts is contingent, in part, on the finalization of the lock-up agreement.

6. Reliance on Section 67(2) of the *Securities Act* (British Columbia)
Section 75(3) of the *Securities Act* (Ontario)
Section 118(2) of the *Securities Act* (Alberta)
Section 74 of the *Securities Act* (Quebec)

Not Applicable

7. Omitted Information

Not Applicable

8. Senior Officer

For further information, please contact Colin Soule, Corporate Secretary, of Philip Services Corp. at (905) 540-6618.

9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Hamilton, Ontario, this 13th day of April, 1999.

PHILIP SERVICES CORP.

(Signed) Colin Soule_________________________
Colin Soule
Corporate Secretary

IT IS AN OFFENCE FOR A PERSON TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT OR THIS REGULATION THAT, AT THE TIME AND IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.

SCHEDULE "A"

NEWS RELEASE

Philip Services Files Form 12b-25 with the Securities and Exchange Commission

Hamilton, Ontario, April 1, 1999 - Philip Services Corp. (TSE/ME: PHV) today announced that it has filed a Form 12b-25 with the U.S Securities and Exchange Commission for an extension to April 15, 1999 to file its 1998 year end financial results on Form 10-K.

The results of operations for the fiscal year ended December 31, 1998 cannot be finalized until the previously announced lock-up agreement is approved by lenders holding two-thirds of the Company's outstanding secured syndicated debt, which is expected to occur by April 15, 1999.

In preparing the financial statements for the fiscal year ended December 31, 1998, management is reviewing the Company's assets and intangibles such as goodwill to assess whether the lock-up agreement and the Company's proposed pre-packaged plan of reorganization indicate that the carrying value of these assets may not be recoverable. It is anticipated that virtually all of the goodwill and intangibles of the Company, as well as approximately US$40 million in fixed assets were impaired at December 31, 1998 and will require adjustment in the 1998 fourth quarter results. Final estimation of the impairment amounts is contingent, in part, on the finalization of the lock-up agreement.

Philip Services is an integrated metals recovery and industrial services company with operations throughout the United States, Canada and Europe. Philip provides diversified metals services, together with by-product management, utilities management and industrial outsourcing services, to all major industry sectors.

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