

MATERIAL CHANGE REPORT

Section 67(1) of the *Securities Act* (British Columbia)
Section 118(1) of the *Securities Act* (Alberta)
Section 84(1) of *The Securities Act, 1988* (Saskatchewan)
Section 75(2) of the *Securities Act* (Ontario)
Section 73 of the *Securities Act* (Québec)
Section 81(2) of the *Securities Act* (Nova Scotia)
Section 76(2) of *The Securities Act* (Newfoundland)

- ITEM 1.** **Reporting Issuer:** Haley Industries Limited, 634 Magnesium Road, Haley, Ontario K0J 1Y0.
- ITEM 2.** **Date of Material Change:** February 27, 2001.
- ITEM 3.** **Press Release:** A press release was issued on February 27, 2001 through CCN (copy attached).
- ITEM 4.** **Summary of Material Change:** Haley Industries Limited (the "Company") has decided to focus its efforts on the aerospace business and has adopted a formal plan to dispose of its share of the Trimag limited partnership. The Company has recorded a charge of \$6.1 million against the value of its investment in the limited partnership at December 31, 2000, reducing the value to nil. The Company has also been advised that its majority shareholder is actively reviewing its desire to continue holding its 54% equity interest in the Company.
- ITEM 5.** **Full Description of Material Change:** The Company has decided to focus its efforts on the aerospace business and has adopted a formal plan to dispose of its share of the Trimag limited partnership. The Company has recorded a charge of \$6.1 million against the value of its investment in the limited partnership at December 31, 2000, reducing the value to nil. This is considered appropriate as the terms of the eventual disposal are unknown.
- Concurrent with Haley's decision to focus on the aerospace sector, Amcan Consolidated Technologies Corp. of Hamilton, Ontario, has determined to continue to narrow its focus as a premier automotive producer and is therefore actively reviewing its desire to continue holding its 54% equity interest in the Company. Haley understands that no definitive decision to sell has been made by Amcan in relation to its holdings in Haley.
- See also the attached press release.
- ITEM 6.** **Reliance on Section 75(3) of the Act:** Not applicable.

ITEM 7. **Omitted Information:** Not applicable.

ITEM 8. **Senior Officers:** James C. Lemenchick, Vice President, Finance and Secretary (613) 432-8841.

ITEM 9. **Statement of Senior Officer:** The foregoing accurately discloses the material change referred to herein.

Dated at Haley, Ontario on March 5, 2001.

"James C. Lemenchick"

James C. Lemenchick
Vice President, Finance and
Secretary

NEWS RELEASE TRANSMITTED BY CCN- A NEWSWIRE SERVICE OF ITG

HALEY INDUSTRIES LIMITED

TSE SYMBOL: HLY

February 27, 2001

Haley Industries Limited: 2000 Fourth Quarter Financial Results and Plan to Focus on Aerospace Segment

HALEY, ONTARIO – Haley Industries Limited (HLY - TSE) announces its consolidated financial results for the three month period and year ended December 31, 2000 and plans to focus on its aerospace segment.

The Company has decided to focus its efforts on the aerospace business and has adopted a formal plan to dispose of its share of the Trimag limited partnership and therefore the reported results reflect Trimag as a discontinued business. The Company has recorded a charge of \$6.1 million against the value of its investment in the limited partnership at December 31, 2000, reducing the value to nil. This is considered appropriate as the terms of the eventual disposal are unknown. Haley will work to achieve the most advantageous terms possible.

"I'm pleased to be working to focus the Company on our aerospace operations and satisfied with the progress that these continuing aerospace operations have achieved this year' said Bob Cuff, the Company's President and Chief Executive Officer.

Consolidated sales for continuing operations for the fourth quarter of 2000 were \$16,390,000 compared with \$14,528,000 in 1999. The company has consolidated earnings after tax from continuing operations of \$909,000 (\$0.09 per share) for the quarter compared with a loss of \$34,000 (\$0.00 per share) in the same period a year earlier.

Consolidated sales for the year for continuing operations were \$61,609,000 compared with \$53,893,000 in 1999. The Company has consolidated earnings after tax from continuing operations of \$2,861,000 (\$0.27 per share) for the year compared with \$21,000 (\$0.00 per share) a year earlier.

The increase in sales is attributable to the strength of the commuter and business jet sectors. The pre-tax earnings of the continuing aerospace business increased by \$4.3 million from 1999, due to the sales increase and an improvement in the yield on new complex castings at the Renfrew facility.

The Company's share of the Trimag limited partnership loss was \$1.1 million in 2000 compared to a loss of \$110,000 in 1999 before the charge referred to above.

For the fourth quarter of 2000, after recognizing the charge for discontinued operations, the Company had a consolidated net loss of \$5,523,000 (\$0.53 per share) compared to a consolidated net loss of \$147,000 (\$0.01 per share) in the same period a year earlier. For fiscal 2000, the

Company had a consolidated net loss of \$4,357,000 (\$0.41 per share) compared with a consolidated net loss of \$89,000 (\$0.01 per share) a year earlier.

Concurrent with Haley's decision to focus on the aerospace sector, Amcan Consolidated Technologies Corp. of Hamilton, Ontario, has determined to continue to narrow its focus as a premier automotive producer and is therefore actively reviewing its desire to continue holding its 54% equity interest in the Company. Haley understands that no definitive decision to sell has been made by Amcan in relation its holdings in Haley.

Consolidated Financial Highlights

(\$000s except per share amounts)	Three Months ended December 31		Year ended December 31	
	2000	2001	2000	1999
Sales	\$16,390	\$14,528	\$61,609	\$53,893
Depreciation	441	522	1,904	1,918
Earnings (loss) from continuing operations	909	(34)	2,861	21
Loss from discontinued operation including estimated loss on disposal	(6,432)	(113)	(7,218)	(110)
Net earnings (loss)	(5,523)	(147)	(4,357)	(89)
Earnings (loss) per share from continuing operations	\$0.09	\$0.00	\$0.27	\$0.00
Loss per share from discontinued operations	(0.62)	(0.01)	(0.68)	(0.01)
Net loss per share	\$(0.53)	\$(0.01)	\$(0.41)	\$(0.01)

FOR FURTHER INFORMATION PLEASE CONTACT:

Haley Industries Limited
 Bob Cuff
 President and CEO
 (613) 432-8841

Website: www.haley.on.ca OR

Haley Industries Limited
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 Vice President, Finance and Secretary
 (613) 432-8841