

FORM 27

SECURITIES ACT

**MATERIAL CHANGE REPORT UNDER SECTION 146(1)
OF THE ACT**

ITEM 1 Reporting Issuer:

Steeplejack Industrial Group Inc.

(hereinafter referred to as "Steeplejack" or the "Corporation").

Principal Office: 8925 – 62 Avenue
Edmonton, Alberta T6E 5L2

ITEM 2 Date of Material Change:

February 12, 2003

ITEM 3 Press Release:

Press Release issued over CCMatthews on February 12, 2003.

ITEM 4 Summary of Material Change:

The Corporation announced material second quarter financial results. The Corporation's second quarter is the strongest on record, with second quarter figures of \$895,000 as compared to its second quarter figures of \$67,000 for fiscal 2002. These strong second quarter results have boosted the Corporation's year-to-date earnings for fiscal 2003 to \$1.2 million, more than three times the \$367,000 posted for the first half of fiscal 2002.

ITEM 5 Full Description of Material Change:

The Corporation announced its strongest second quarter on record for the period ending December 31, 2002. CEO and President Jim Ross suggested that figures at the mid-point of fiscal 2003 point to a potential breakthrough year for the Corporation.

"Net earnings for the quarter have grown significantly," said Ross, noting a jump to \$895,000 from second quarter figures of \$67,000 in fiscal 2002. Coming on the heels of a strong first quarter, this boosted year-to-date earnings for fiscal 2003 to \$1.2 million, more than three times the \$367,000 posted for the first half of fiscal 2002. Net earnings for the entire fiscal year 2002 were \$1.3 million.

Ross attributed this spectacular growth to Steeplejack's long-term strategy of investing in qualified personnel and infrastructure. "We have developed professionals in field management roles and acquired the equipment to position us for bigger projects; now it's paying off with major plant maintenance and expansion contracts in Western Canada. We expect the third and fourth quarters to be just as strong."

Steeplejack is a multi-service provider of manpower, scaffolding and specialty equipment for insulation work, mechanical trades, civil trades, asbestos abatement and general maintenance. The Corporation's ten strategically located branches and advanced job-site tracking methods serve a diverse group of large industrial companies in Western Canada. It also provides scaffolding and manpower for commercial contracts. The Corporation continues to increase its Canadian market share. An industry leader in safety, Steeplejack was the first Canadian scaffolding company to achieve ISO certification. Its shares trade on The Toronto Stock Exchange under the symbol SID.

Year-to-date results for fiscal 2003 (July 1, 2002 to December 31, 2002)

- Revenues of \$24.2 million (compared to \$15.1 million for fiscal 2002)
- Net earnings of \$1.2 million (compared to \$367,000 for fiscal 2002)
- Net earnings per share, both basic and fully diluted, were \$0.15 (compared to \$0.05 for fiscal 2002)
- EBITDA (earnings before interest, taxes, depreciation, amortization, write down of equipment, and gains/losses on sale of assets) of \$2.6 million (compared to \$1.1 million for fiscal 2002)
- EBITDA per share of \$0.33 (compared to \$0.14 for fiscal 2002)

Second quarter results for fiscal 2003 (for the three-month period ending December 31, 2002):

- Revenues of \$15.5 million (compared to \$7.2 million for fiscal 2002)
- Net earnings of \$895,000 (compared to \$67,000 for fiscal 2002)
- Net earnings per share, both basic and fully diluted, were \$0.12 (compared to \$0.01 for fiscal 2002)
- EBITDA (earnings before interest, taxes, depreciation, amortization, write down of equipment, and gains/losses on sale of assets) of \$1.8 million (compared to \$317,000 for fiscal 2002)
- EBITDA per share of \$0.23 (compared to \$0.04 for fiscal 2002)

ITEM 6 Reliance on Section 146 (2) of the Act:

Not applicable.

ITEM 7 Omitted Information:

Not applicable.

ITEM 8 Senior Officers:

For further information please contact:

Jim Ross
President and CEO
Telephone: (780) 465-9016
Telefax: (780) 466-8584

ITEM 9 Statement of Senior Officer:

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

DATED at the City of Edmonton, in the Province of Alberta, this 20th day of February, 2003.

**STEEPLEJACK INDUSTRIAL GROUP
INC.**

Per: (signed) Douglas O. Goss, Q.C.
DOUGLAS O. GOSS, Q.C.
Director

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