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:

May 16, 2003

ITEM 3 Press Release:

Press Release issued over CCNMatthews on May 16, 2003.

ITEM 4 Summary of Material Change:

The Corporation announced material third quarter financial results. The Corporation's third quarter is the strongest on record, with third quarter earnings of $2.1 million dollars as compared to its third quarter earnings of $261,000 for fiscal 2002. These strong third quarter results have boosted the Corporation's year-to-date earnings for fiscal 2003 to $3.3 million, more than five times the $628,000 posted for the same period for fiscal 2002.

ITEM 5 Full Description of Material Change:

The Corporation announced its strongest third quarter on record for the period ending March 31, 2003. The Corporation's total revenues for fiscal 2003 are now $52.1 million compared to $23.5 million for fiscal 2002. This resulted in net earnings per share for both basic and fully diluted at $0.42 per share compared to $0.08 per share for fiscal 2002.

Ross attributed this increase to improved operational efficiency and a strategic human resources development program that in turn led to a major plant maintenance and expansion contracts. “We have to keep in mind that this year's big jump was mainly a result of two large one-time contracts, so it would be unrealistic to expect similar increases for next year. However we've done solid groundwork so our growth should continue at the same steady rate we've seen over the past year or two."

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 March 31, 2003)

- Revenues of $52.1 million (compared to $23.5 million for fiscal 2002)
- Net earnings of $3.3 million (compared to $628,227 for fiscal 2002)
- Net earnings per share, both basic and fully diluted, were $0.42 (compared to $0.08 for fiscal 2002)
- EBITDA (earnings before interest, taxes, depreciation, amortization, write down of equipment, and gains/losses on sale of assets) of $6.5 million (compared to $1.8 million for fiscal 2002)
- EBITDA per share of $0.84 (compared to $0.22 for fiscal 2002)

Third quarter results for fiscal 2003 (for the three-month period ending March 31, 2003):

- Revenues of $28.0 million (compared to $8.4 million for fiscal 2002)
- Net earnings of $2.1 million (compared to $261,328 for fiscal 2002)
- Net earnings per share, both basic and fully diluted, were $0.27 (compared to $0.03 for fiscal 2002)
- EBITDA (earnings before interest, taxes, depreciation, amortization, write down of equipment, and gains/losses on sale of assets) of $3.9 million (compared to $657,090 for fiscal 2002)
- EBITDA per share of $0.50 (compared to $0.08 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 16th day of May, 2003.

STEEPLEJACK INDUSTRIAL GROUP INC.

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

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