McCoy Bros. Inc.
14820 – 112 Avenue
Edmonton, Alberta
T5M 2V2

The Alberta Securities Commission
Market Surveillance – Continuous Disclosure
19th Floor, 10025 Jasper Avenue
Edmonton, Alberta
T5J 3Z5

Attention: Executive Director

The British Columbia Securities Commission
200 – 865 Hornby Street
Vancouver, British Columbia
V6Z 2H4

Attention: Executive Director

Saskatchewan Securities Commission
Suite 800, 1920 Broad Street
Regina, SK
S4P 3V7

Attention: Executive Director

Ontario Securities Commission
18th Floor, 20 Queen Street West
Toronto, Ontario
M5H 3S8

Attention: Executive Director

Dear Sirs:

Re: McCoy Bros. Inc. (the "Corporation") Material Change Report under Section 118 of the *Securities Act* (Alberta)

This letter is intended as a statement setting for certain matters that may be a material change in the affairs of McCoy Bros. Inc. For convenience, this letter is itemized in the same manner as Form 27 of the *Securities Act* (Alberta). Concurrent with this filing, this letter is being filed with The Toronto Stock Exchange, being the only exchange on which the Corporation's shares are listed.

Item 1 – Reporting Issuer

McCoy Bros. Inc.
14820 – 112 Avenue
Edmonton, Alberta
T5M 2V2

Telephone: (780) 454-8661

Item 2 – Date of Material Change

A Press Release was issued on November 5, 2002.

Item 4 – Summary of Material Change

The Corporation announced that it has entered into a lease agreement for a new facility to house its west end service operation. The building, now under construction, is located in Edmonton's west end at 17303 – 114 Avenue and is expected to be ready for occupancy early in 2003.

Item 5 – Full Description of Material Change

The Corporation announced that is has entered into a lease agreement for a new facility to house its west end service operation. The building, now under construction, is located in Edmonton's west end at 17303 – 114 Avenue and is expected to be ready for occupancy early in 2003.

Jim Rakievich, McCoy President and Chief Executive Officer, said that over time, the west end McCoy Service shop had become removed from the major transportation hub and the Company had explored alternative sites for several years. Customers will benefit from vastly improved access, as well as improved service with new investment in equipment upgrades. The location also brings the business closer to major suppliers which will, in turn, reduce turn-around time to the customer. The Company's service customers include truck fleets, construction companies, oil & gas service companies, logging fleets, municipalities, owner operators, recreational vehicle suppliers and owners. McCoy specializes in alignments, frame repair, suspensions, brakes, steering, safety inspections, installation of body attachments and welding.

The lease agreement has a fifteen year term and specifies a minimum annual rent of $232,000 based upon a rate of $14.61 per square foot, payable in monthly installments. The minimum rent may be adjusted upwards at any time during the term if the landlord's financing costs, as defined in the agreement, should exceed $148,000 per annum. Should a dispute arise at any time as to the adjusted minimum rent, the lease provides for resolution by arbitration according to the Arbitration Act (Alberta).

The lease arrangement is a "related party transaction" under OSC Rule 61-501 (the "Rule") as the landlord is a limited partnership that is owned as to 57% by two of the Company's directors, Kerry Brown (14%) and John Howard (21.5%) and Mr. Harry Baur, (21.5%), a director of the Company's controlling shareholder, Foundation Equity Corporation. Messrs. Brown and Howard are also directors of Foundation Equity Corporation. The transaction was approved by the Company's Board of Directors with the interested directors having declared their interest and abstaining from the vote. The transaction is exempt from the minority approval and valuation requirements of the Rule as, in the view of the McCoy Board, the lease represents reasonable commercial terms that are not less advantageous to McCoy than if the landlord was not a related party.

The Company also announced that Jim Rakievich had been appointed to the Board of Directors to hold office until the next annual general meeting of shareholders. In October, Mr. Rakievich accepted the position of President and Chief Executive Officer. Kerry Brown, McCoy Chairman, said that the Board was pleased that Mr. Rakievich had accepted the Board appointment and were looking forward to working with him in his new roles.

The Company's businesses include truck services and sales and the manufacture of springs, axles, trailers and oil field products. It has three facilities in Edmonton as well as operations in Grande Prairie and Red Deer in Alberta and Rancho Cucamonga, California.

The Company's shares are traded on the TSX Exchange under the symbol "MCB". More information about the Company can be found on its web site at www.mccoybros.com.

Item 6 – Reliance on s.118(4) of the *Securities Act* (Alberta)

Not applicable.

Item 7 – Omitted Information

Not applicable.

Item 8 – Senior Officer

The name of the Senior Officer of the Corporation who is knowledgeable about the material change and who can be contacted by the Commission is:

Jim Rakievich
President and Chief Executive Officer
McCoy Bros. Inc.
Edmonton, Alberta Phone (780) 453-8707

Item 9 – Statement of Senior Officer

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

DATED at Edmonton, Alberta, this 6th day of November, 2002.

McCoy Bros. Inc.

Per: "Jim Rakievich"

Jim Rakievich
President and Chief Executive Officer

cc: The Toronto Stock Exchange