CONVERTIBLE PROMISSORY NOTE

$5,025,058
Maturity: March 28, 2002

November 1, 2000
Edmonton, Alberta

1. McCoy Bros Inc., a body corporate organized pursuant to the laws of the Province of Alberta (referred to herein as the “Borrower”), for value received, hereby promises to pay to the order of Foundation Equity Corporation at #603, 22 Sir Winston Churchill Avenue, St. Albert, Alberta T8N 1B4 (the “Lender”), the principal sum of FIVE MILLION TWENTY-FIVE THOUSAND FIFTY-EIGHT Dollars (C$5,025,058.00) (the “Principal Amount”) in lawful money of Canada, together with interest calculated daily at the annual lending rate of interest announced from time to time by the Toronto Dominion Bank as their "Prime Rate" plus 1.2% per annum, compounded annually on the anniversary date and payable on the Maturity Date after as well as before maturity, default and judgment with interest payable on the overdue interest at the same rate, not in advance, in Canadian dollars.

2. The entire Principal Amount and all interest accrued thereon (collectively, the "Indebtedness") shall be due and payable on March 28, 2002 (the “Maturity Date”).

3. The Indebtedness is convertible, in whole or in part, at the option of the Lender, from time to time and at any time on or before the Maturity Date, into fully paid, non-assessable common shares (“Common Shares”) in the capital of the Borrower as presently constituted at the Conversion Price, (as hereinafter defined) by delivery of a Notice of Conversion, substantially in the form set forth in Schedule “A” attached hereto, to the head office of the Borrower.

4. The Borrower will, within 10 business days after the delivery of the Notice of Conversion by the Lender to the Borrower, deliver or cause to be delivered to the Lender a certificate or certificates as directed by the Lender representing the number of Common Shares that are properly specified in the Notice of Conversion. The conversion of any portion of the Indebtedness into Common Shares shall not effect the obligations of the Borrower to pay the remaining Indebtedness as evidenced by this Promissory Note.

5. Notwithstanding anything contained herein, the total number of Common Shares that may be issued pursuant to one or more conversions under this Promissory Note may not exceed 10,261,080 Common Shares without the prior express written consent of the Toronto Stock Exchange.

6. The price at which the Indebtedness or a portion thereof may be converted into Common Shares (the “Conversion Price”) is the greater of:

   (a) the volume weighted average closing price of the Common Shares, as quoted on the Toronto Stock Exchange, for the 30 day trading days prior to the Notice of Conversion being given by the Lender to the Borrower; and

(b) the closing price of the Common Shares of the Corporation, as quoted on the Toronto Stock Exchange, on the day prior to the Notice of Conversion being given by the Lender to the Borrower.

The Conversion Price in effect from time to time shall be subject to adjustment from time to time as forth in Schedule "B" attached hereto.

7. At the option of the Borrower, the Borrower may offer to repay in cash without bonus or penalty all or a portion of the Indebtedness by delivery of a Notice of Repayment substantially in the form set forth in Schedule "C" attached hereto, to the Lender, specifying the date and place of such repayment and a statement agreeing to pay the Indebtedness. Within ten business days of receipt of the Notice of Repayment, the Lender shall either:

(1) provide the Borrower with written notice that it accepts the offer of the Borrower to repay the Indebtedness as specified in the Notice of Repayment; or

(2) provide the Borrower with a Notice of Conversion as described in paragraph 3 for fully paid, non-assessable Common Shares in respect of that portion of the Indebtedness specified in the Notice of Repayment.

8. Notwithstanding anything contained herein, the Lender may demand payment of the Indebtedness at any time before or after the Maturity Date.

9. Repayment of the Indebtedness shall be secured by a General Security Agreement, such security interest and repayment of Indebtedness being subordinated to the security interest and indebtedness of the Borrower to its first secured lender.

10. The Borrower hereby covenants and agrees with the Lender that if this note becomes mutilated, lost, destroyed or stolen, the Borrower shall issue and deliver to the Lender a new Promissory Note on the same terms and conditions as the one mutilated, lost, destroyed or stolen, in exchange for and in place of and upon cancellation of the note to be replaced.

11. In the event of demand by the Lender for repayment of the Indebtedness under this note, the Borrower will pay all costs and expenses incurred by the Lender including, without limitation, legal fees and expenses on a solicitor and own client basis, in pursuing the Lender's remedies against the Borrower.

12. If any one or more provisions of this Promissory Note are determined to be unenforceable, in whole or in part, for any reason, the remaining provisions of this Promissory Note shall remain in full force and effect. Irrespective of any remedies specifically granted to the Lender by this Promissory Note, the Lender shall be entitled to exercise all other remedies provided to it under applicable law. All rights to the Lender shall be cumulative and may be exercised

concurrently or consecutively at the Lender's option.

13. The Borrower hereby waives grace, presentments for payment, notice of non-payment and notice of protest. No failure or delay by the Lender in exercising any right under this Promissory Note shall operate as a waiver of such right, nor shall any single or partial exercise of any right exclude the further exercise thereof or exercise of any other right.

14. This Promissory Note shall enure to the benefit of the Lender, its successors, legal representatives and assigns, and shall be binding on the Borrower, its successors and legal representatives.

15. This Promissory Note shall be interpreted, governed by and construed in accordance with, the internal laws (as opposed to the conflict of law provisions) of the Province of Alberta.

McCOY BROS. INC.

Per: David M. Dominy
President and Chief Executive Officer

SCHEDULE "A"
LENDER'S NOTICE OF CONVERSION

WHEREAS McCoy Bros. Inc. (the "Borrower") issued the Convertible Promissory Note (the "Note") to Foundation Equity Corporation (the "Lender") on November 1, 2000; and

WHEREAS the Lender must, pursuant to the terms of the Note, deliver the within Notice to effect conversion of all or part of the indebtedness (the "Indebtedness") evidenced by the Note and obtain common shares in the capital of the Borrower.

NOW THEREFORE TAKE NOTICE:

The Lender hereby requests conversion of $____________ of the Indebtedness into ______ common shares of the Borrower.

This shall also serve as notice of the surrender of all or part of, as the case may be, right, title and interest the Lender has in the Note subject only to the delivery by the Borrower of the share certificate(s) required by the Note and the issuance of a replacement promissory note, having the same terms and conditions as the Note, evidencing the balance of the Indebtedness not converted, if any.

DATED at________________, this _____ day of _________________, 2000.

FOUNDATION EQUITY CORPORATION

Per: ____________________________________
Authorized Signing Officer

SCHEDULE "B"

ADJUSTMENT OF CONVERSION PRICE

1. For the purposes of this Schedule unless defined in the Note, the following terms shall have the following meanings:

"Corporation" shall mean McCoy Bros. Inc.

"Holder" means Foundation Equity Corporation, its successors and assigns.

"Shares" means fully paid and non-assessable common shares in the capital of the Corporation.

"Conversion Period" means the period commencing on November 1, 2000 and ending on the earlier of the Maturity Date and the date on which the Indebtedness is fully repaid or converted into Shares.

2. (a) If and whenever at any time the Corporation shall (i) subdivide or redivide the outstanding Shares into a greater number of Shares, (ii) reduce, combine or consolidate the outstanding Shares into a smaller number of Shares, or (iii) issue Shares, or securities convertible into or exchangeable for Shares, to the holders of all or substantially all of the Shares by way of stock dividend other than a dividend paid in the ordinary course, the Conversion Price in effect on the effective date of such subdivision, redivision, reduction, combination or consolidation or on the record date for such issue of Shares, or securities convertible into or exchangeable for Shares, by way of a stock dividend, as the case may be, shall in the case of the events referred to in clauses (i) and (iii) above, be decreased in proportion to the number of outstanding Shares resulting from such subdivision, redivision or dividend (including, in the case where securities convertible into or exchangeable for Shares are issued, the number of Shares that would have been outstanding had such securities been converted into or exchanged for Shares on such record date) or shall, in the case of the events referred to in clause (iii) above, be increased in proportion to the number of outstanding Shares resulting from such reduction, combination or consolidation, in each such case so that upon a subsequent conversion of the Indebtedness or a portion thereof in accordance with the terms hereof the Holder shall receive the same number of Shares which he would have owned immediately following such event if he had converted the Indebtedness or a portion thereof immediately prior to such event. Such adjustment shall be made successively whenever any event referred to in this subsection (a) shall occur; any such issue of Shares (or securities convertible into or exchangeable for Shares) by way of a stock dividend shall be deemed to have been made on the record date for the stock dividend for the purpose of calculating the number of outstanding Shares under subsections (b) and (c) of this Section 2; to the extent that any such securities convertible into or exchangeable for Shares are not

converted into or exchanged for Shares prior to the expiration of the conversion or exchange right, the Conversion Price shall be readjusted effective as at the date of such expiration to the Conversion Price which would then be in effect based upon the number of Shares actually issued on the exercise of such conversion or exchange right;

(b) If and whenever at any time the Corporation shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of its outstanding Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Shares (or securities convertible into or exchangeable for Shares) at a price per share (or having a conversion or exchange price per share) less than 95% of the simple average of the closing prices of the Shares for the 20 days immediately prior to the record date (the "Current Market Price") on such record date, the Conversion Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the total number of Shares outstanding on such record date plus a number of Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the securities convertible into or exchangeable for Shares so offered) by such Current Market Price, and of which the denominator shall be the total number of Shares outstanding on such record date plus the total number of additional Shares offered for subscription or purchase (or into which the securities convertible into or exchangeable for Shares so offered are convertible or exchangeable); any Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that any such rights, options or warrants are not so issued or any such rights, options or warrants are not exercised prior to the expiration thereof, the Conversion Price shall be readjusted to the Conversion Price which would then be in effect if such record date had not been fixed or, effective as at the date of such expiration, to the Conversion Price which would then be in effect based upon the number of Shares (or securities convertible into or exchangeable for Shares) actually issued upon the exercise of such rights, options, or warrants, as the case may be.

(c) If and whenever at any time prior to the expiry of the Conversion Period, the Corporation shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding Shares of (i) shares of any class other than Shares (or other securities convertible into or exchangeable for Shares) or (ii), rights, options or warrants (other than rights, options or warrants referred to in subsection 2(b), or (iii) evidences of its indebtedness or assets, then, in each such case, the Conversion Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the total number of

Shares outstanding on such record date multiplied by the Current Market Price per share on such record date, less the fair market value (as determined by the auditors of the Corporation, which determination shall be conclusive) of such shares or rights, options or warrants or evidences of indebtedness or assets so distributed, and of which the denominator shall be the total number of Shares outstanding on such record date multiplied by such Current Market Price; any Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that such distribution is not so made, the Conversion Price shall be readjusted to the Conversion Price which would then be in effect if such record date had not been fixed or to the Conversion Price which would then be in effect based upon such shares, rights, options or warrants or evidences of indebtedness or assets actually distributed, as the case may be;

(d) In the case of any reclassification of, or other change in, the outstanding Shares of the Corporation other than subdivision, reduction, combination or consolidation, the Conversion Price shall be adjusted in such manner, if any, and at such time, as the directors determine to be appropriate on a basis consistent with this Section 2;

(e) If and whenever at any time there is a capital reorganization, consolidation, merger, arrangement or amalgamation of the Corporation with or into any other body corporate, trust, partnership or other entity or a sale or conveyance whereby all or substantially all of the Corporation's undertaking and assets would become the property of any body corporate, trust, partnership or other entity, the Holder, if he has not exercised his right of conversion prior to the effective date of such reorganization, consolidation, merger, arrangement or amalgamation upon any such conversion at any time thereafter, shall be entitled to receive and shall accept, in lieu of the number of Shares to which he was theretofore entitled upon conversion, the aggregate number of Shares or other securities or property of the Corporation or of the body corporate, trust, partnership or other entity resulting from the reorganization, consolidation, merger, arrangement or amalgamation or to which such sale may be made, as the case may be, that the Holder would have been entitled to receive as a result of such reorganization, consolidation, merger, arrangement, amalgamation or sale if, on the record date or effective date thereof, as the case may be, the Holder had been the registered holder of the number of Shares to which he was theretofore entitled upon conversion;

(f) In any case in which this Section 2 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the Holder, in the case of the Indebtedness or a portion thereof being converted after such record date and before the occurrence of such event, the additional Shares issuable upon such conversion by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Corporation shall deliver to the Holder an appropriate instrument evidencing the Holder's right to receive such additional Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Shares declared in favour of holders of record of Shares on and after the date of conversion or such later date as the Holder would, but for the provisions of this subsection (f), have become the holders of record of such additional Shares pursuant to subsection 2(b);

(g) The adjustments provided for in this Section 2 are cumulative and shall apply to successive subdivisions, redivisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this Section. No adjustment of the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Conversion Price then in effect; provided however, that any adjustments which by reason of this subsection (g) are not required to be made shall be carried forward and taken into account in any subsequent adjustment;

(h) In the event of any question arising with respect to the adjustments provided in this Section 2, such question shall be conclusively determined by a firm of chartered accountants appointed by the Corporation (who may be the auditors of the Corporation); such accountants shall have access to all necessary records of the Corporation and such determination shall be binding upon the Corporation and the Holder;

(i) No adjustment in the Conversion Price shall be made in respect of any event described in subsections 2(a)(iii), 2(b), and 2(c) if the Holder is entitled by the Corporation to and participates in such event on the same terms *mutatis mutandis* as if he had converted the Indebtedness or a portion thereof prior to the effective date or record date, as the case may be, of such event;

(j) Except as provided in this Schedule, no adjustment in the Conversion Price shall be made as a result of the issuance of Shares at less than the then Current Market Price or Conversion Price, provided however, that in case a state of facts shall exist to which the provisions of Section 2 are not strictly applicable, or if strictly applicable would not fairly adjust the rights of the Holder against dilution in accordance with the intent and purposes hereof, then the Corporation shall execute and deliver to the Holder an amendment hereto providing for an adjustment in the application of such provisions so as to adjust such rights as aforesaid. The Holder shall accept the certificate or opinion of a firm of independent chartered accountants (who may be the Corporation's auditor) with respect to any such adjustment in the application of such provision.

3. The Corporation shall not be required to issue fractional Shares upon the conversion of all or a portion of the Indebtedness pursuant to this Schedule. If any fractional interest in a Share would, except for the provisions of this Section, be deliverable upon the conversion of

the Indebtedness, the Corporation shall, in lieu of delivering any certificate of such fractional interest satisfy such fractional interest by paying to the Holder an amount in lawful money of Canada equal (computed to the nearest cent) to the appropriate fraction of the value (being the last reported sale price, of, if none, the mean between the closing bid and ask quotations on The Toronto Stock Exchange or if the Shares are not then listed on The Toronto Stock Exchange, on such stock exchange on which the Shares are listed as may be selected for such purpose by the directors or, if the Shares are not listed on any stock exchange, a value determined by the directors) of a Share on the business day next preceding the date of conversion.

4. The Corporation covenants with the Holder that it will at all times reserve and keep available out of its authorized Shares, solely for the purpose of issue upon conversion of the Indebtedness as in this Schedule provided, and conditionally allot to the Holder, such number of Shares as shall then be issuable upon the conversion of the Indebtedness. The Corporation covenants with the Holder that all Shares which shall be so issuable shall be duly and validly issued as fully paid and non-assessable.

5. The Corporation will from time to time promptly pay or make provision satisfactory to the Holder for the payment of any and all taxes and charges which may be imposed by the laws of Canada or any province thereof (except income tax or security transfer tax, if any) which shall be payable with respect to the issuance or delivery to the Holder, upon the exercise of his right of conversion, of Shares pursuant to the terms of this Schedule.

SCHEDULE "C"
BORROWER'S NOTICE OF REPAYMENT

McCoy Bros. Inc. (the "Borrower") hereby notifies Foundation Equity Corporation (the "Lender") of its intention to repay the Indebtedness in the amount of ● DOLLARS ($●) in lawful money of Canada owing pursuant to a convertible promissory note (the "Note") dated November 1, 2000 made by the Borrower in favour of the Lender, within ten (10) business days of the date hereof.

DATED at ____________________, this ______ day of ________________, 2000.

McCOY BROS. INC.

Per: ______________________________
Authorized Signing Officer