MOVING GLOBAL ENERGY FORWARD

ANNUAL INFORMATION FORM

For the fiscal year ended
December 31, 2012

March 14, 2013

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FORWARD LOOKING INFORMATION AND STATEMENTS

This Annual Information Form ("AIF") contains certain forward-looking statements and forward-looking information (collectively referred to herein as "**forward-looking statements**") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking information is often, but not always, identified by the use of words such as "could", "should", "can", "anticipate", "expect", "objective", "ongoing", "believe", "will", "may", "projected", "plan", "sustain", "continues", "strategy", "potential", "projects", "grow", "take advantage", "estimate", "well positioned" or similar words suggesting future outcomes. In particular, this AIF contains forward-looking statements relating to:

- McCoy's acquisition strategy;
- the future development and growths prospects for the Corporation;
- the business strategy of the Corporation; and
- the competitive advantage of the Corporation.

Forward-looking information respecting

- the business opportunities for the Corporation are based on the views of management of the Corporation and current and anticipated market conditions; and
- the perceived benefits of the growth strategy and operating strategy of the Corporation are based upon the financial and operating attributes of the Corporation as at the date hereof, as well as the anticipated operating and financial results.

Other forward-looking statements regarding the Corporation are located in the documents incorporated by reference in this AIF and are based on certain key expectations and assumptions of the Corporation concerning anticipated financial performance, business prospects, strategies, the sufficiency of budgeted capital expenditures in carrying out planned activities, the availability and cost of labour and services and the ability to obtain financing on acceptable terms, which are subject to change based on market conditions and potential timing delays. Although management of the Corporation consider these assumptions to be reasonable based on information currently available to them, they may prove to be incorrect.

By their very nature, forward-looking statements involve inherent risks and uncertainties (both general and specific) and risks that forward-looking statements will not be achieved. Undue reliance should not be placed on forward-looking statements, as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations and anticipations, estimates and intentions expressed in the forward-looking statements, including those set out below and those detailed elsewhere in this Annual Information Form (and in documents incorporated herein by reference):

- inability to meet current and future obligations;
- inability to complete strategic acquisitions of additional business;
- inability to implement the Corporation's business strategy effectively in Canada and the United States;
- inability of the Corporation to continue to meet the listing requirements of the Toronto Stock Exchange;
- access to capital markets;
- fluctuations in oil and gas prices;
- fluctuations in the level of energy industry capital expenditures;
- competition for, among other things, labour, capital, materials and customers;
- interest and currency exchange rates;
- technological developments;
- political and economic conditions;
- inability to attract and retain key personnel; and
- the risk factors set forth under "Risk Factors".

Readers are cautioned that the foregoing list is not exhaustive.

The reader is further cautioned that the preparation of financial statements in accordance with IFRS requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses.

These estimates may change, having either a negative or positive effect on net earnings as further information becomes available, and as the economic environment changes.

The information contained in this AIF, including the documents incorporated by reference herein, identifies additional factors that could affect the operating results and performance of the Corporation. We urge you to carefully consider those factors.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this AIF are made as of the date of this AIF and the Corporation does not undertake and is not obligated to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.

CORPORATE STRUCTURE

Name & Incorporation

McCoy Corporation, (the "Corporation", or "McCoy") was incorporated under the *Business Corporations Act* (Alberta) ("the Act") on February 29, 1996 as 686124 Alberta Ltd. The Corporation amended its Articles of Incorporation on July 14, 1997, to change its name to McCoy Bros. Inc. The Corporation amalgamated with MBP Holdings Inc. pursuant to Articles of Amalgamation dated December 31, 1997 and it amalgamated with three of its wholly-owned subsidiaries, McCoy Bros. (Red Deer) Ltd., McCoy Bros. Transport Inc., and McCoy Bros. (Calgary) Ltd. pursuant to Articles of Amalgamation dated January 1, 1999. The Corporation amended its Articles effective June 13, 2005 to change its name to McCoy Corporation.

The head office is located at #301, 9618 – 42 Avenue, Edmonton, Alberta T6E 5Y4. The Corporation's registered address is Davis LLP, Livingston Place, 1000 - 250 2nd Street SW, Calgary, Alberta T2P 0C1.

Inter-Corporate Relationships

The following table presents a list of the Corporation's operating subsidiaries as at December 31, 2012, the most recently completed financial year.

CORPORATION	JURISDICTION	% OF VOTING SECURITIES OWNED BY MCCOY CORPORATION
Farr Canada Corp.	Alberta	100
Inotec Coatings and Hydraulics Inc.	Alberta	100
Peerless Limited	Alberta	100
Precision Die Technologies, L.L.C.	Louisiana	100 (beneficially)
Superior Manufacturing & Hydraulics, Inc.	Louisiana	100 (beneficially)

GENERAL DEVELOPMENT OF THE BUSINESS

The general development of McCoy's business during the last three financial years and to the date of this document's filing for 2013, including significant divestitures and other events which have had an influence on the Corporation's development, are described below.

2013

On January 25, 2013, the Corporation entered into a sublease agreement for a new Houston Service Center and subsequently executed a purchase and sales agreement for the sale of its predecessor Houston Service Center for cash consideration of $0.9 million. The transactions were undertaken to increase the available space in Houston to accommodate the Corporation's growth plans.

Effective March 6, 2013, the Corporation announced that it has appointed Jacob Coonan as Interim Chief Financial Officer ("CFO"). Mr. Coonan is a Chartered Accountant and has served as the Corporation's Vice President, Finance since January 2012. Mr. Coonan will serve as interim CFO while McCoy continues its executive search for a permanent CFO.

2012

Key changes in management and Board of Directors during 2012:

- Effective January 2012, David Buck, Senior Vice President, Drilling & Completions retired from McCoy and was replaced by Jim Nowotny. Mr. Nowotny came to McCoy from Atwood Oceanics Inc. ("Atwood"), a company engaged in the business of international offshore drilling. Mr. Nowotny worked in the areas of engineering, operations, marketing and business development and has significant international experience, including leading offshore drilling operations and projects. Mr. Nowotny began with McCoy in February 2012.
- Effective October 11, 2012 Kenny Watt was appointed the Vice President (VP) of Global Services for McCoy's Drillings and Completions division. Based in Aberdeen, Scotland, Mr. Watt has begun to develop McCoy's global service and support organization through various strategic locations worldwide. Mr. Watt has worked in the energy industry for more than 20 years. At Baker Hughes Inc., he was responsible for the global tubular running services division as VP, Tubular Running Services, Integrated Operations. Mr. Watt also served as VP Tubular and Completion Services for BJ Services Company, leading the global operations, safety, quality, strategic growth and financial planning efforts until it was acquired by Baker Hughes, Inc. He has significant experience in the international drilling and completions industry, particularly in Europe, Asia Pacific, North America, Russia and the Middle East.
- On July 1, 2012, John Irwin was appointed to the Corporation's Board of Directors. Mr. Irwin was the President, Chief Executive Officer and a director of Atwood. Mr. Irwin joined Atwood in 1979 and retired form the company in 2010 having served as an officer in various executive positions beginning in 1980. Mr. Irwin served as chairman and a director of the International Association of Drilling Contractors and as a director of the Offshore Technology Conference in Houston, and is currently a director of the University of Melbourne USA Foundation.
- In December of 2012, Mr. Peter Watson was appointed Vice President, Legal & Corporate Secretary, and joined McCoy's executive team. Mr. Watson has significant experience providing in-house legal services in the energy industry and will provide support and leadership to the organization as it continues to grow.
- Effective December 31, 2012 Milica Stolic resigned as the Chief Financial Officer (CFO).

During 2012, the Corporation expanded operational facilities as follows:

- Completed retrofitting a portion of its Edmonton plant, resulting in a premium assembly and test facility that will produce the torque sub (weCATT) and WinCatt torque turn management system;
- Expanded the Drilling and Completions ("D&C") head office and center for continued innovation in Houston, Texas;
- Expanded the Broussard plant, which added 14,000 square feet of dedicated manufacturing space to the bucking unit product line to increase the number of units that can be produced;
- Secured manufacturing space for the new Rig Parts business line;
- Opened a new technical service center in Houston Texas, to better meet the equipment service needs of its customers.

2012 advancements to existing and new product lines:

- "weCATT"- torque sub: The weCATT monitors makeup from a top drive and records torque, turns and hook load. The first weCATT sales were realized in the third quarter, with a total of 19 units shipped in 2012. Initial feedback from customers on the performance of the weCATT has been very positive with near flawless performance.
- "weTORQ85"- iron roughneck: The weTORQ makes up and breaks out tubular. The Corporation is ready to begin field-testing of the weTORQ85 and is set to commence production after this testing is complete.
- McCoy continues to focus on new product development and is advancing three additional projects in the "we" line, including an electric bucking unit ("weBUCK"), a hydraulic catwalk ("weMOVE35") and a casing running tool ("weRUN350"). Along with the third quarter 2012 results, McCoy announced the next project in the "we" development pipeline, the "weHOLD", a casing handling tool system with flush mount spider, conventional spider and elevator configurations. These products are in various phases of design, prototype and testing. Timing for commercial launch of the above mentioned products are anticipated to occur throughout 2013 depending on successful prototyping and field trials. Robust testing requirements will be undertaken to ensure products are ready for commercial production.

Throughout 2012 the Corporation was in the process of implementing a new Enterprise Resource Planning (ERP) system to integrate D&C operations. During the third quarter, Precision Die Technologies, L.L.C. successfully transitioned onto the new ERP system. The transition to the new ERP system for Superior Manufacturing & Hydraulics Inc. and Farr Canada Corp. was in progress as of December 31, 2012. The new ERP system will position D&C operations to realize operational efficiencies and future cost reductions.

In the fourth quarter of 2012, the Corporation entered into a credit agreement with a syndicate of lenders for a $50 million committed senior secured revolving credit facility, maturing in three years with an option to extend annually. Concurrently, McCoy, also entered into a $3 million committed senior letter of credit facility. The facilities are subject to customary conditions, the adherence to certain financial covenants, and are secured by the assets of the Corporation and its subsidiaries. The funds will be used to assist McCoy with achieving its growth strategy, for general corporate purposes, and to replace existing borrowings.

2011

During 2011, the operating assets of Prairie Truck Ltd. ("Prairie"), the Corporation's 50% joint venture interest, were sold. Prairie was previously included in the Mobile Solutions segment.

McCoy sold its wholly-owned subsidiary, Rebel Metal Fabricators Ltd. ("Rebel"), to a third party based in Red Deer, Alberta that has extensive experience in the vac and hydrovac industry. The share purchase transaction closed and was effective June 30, 2011. Although the sale of Rebel does not materially impact McCoy's financial and operating results, it is another important step in focusing the Corporation on providing products and services to the global energy industry. Rebel was part of the Corporation's Mobile Solutions segment and made up the Vac & Hydrovac division. Rebel manufactured and supplied vac and hydrovac systems to customers operating mainly in Western Canada.

McCoy sold its wholly-owned subsidiary, 1527490 Alberta Ltd. (operating as McCoy Parts & Service) to Calgary-based Fleet Brake Parts & Service Limited. The transaction closed on February 1, 2011 and was effective December 31, 2010. This was another strategic divesture for McCoy allowing the Corporation to focus on expansion in the global energy industry. McCoy Parts & Service was part of the Corporation's Mobile Solutions segment and consisted of parts and service centers in Edmonton and Red Deer, Alberta; as well as retail parts operations in Grande Prairie, Alberta and Penticton, British Columbia.

McCoy established a presence in Houston, Texas with the purchase of a new facility that houses office space and a distribution warehouse. Strategically located in the world's energy hub, this office is the headquarters for McCoy's D&C division. It provides a physical presence near our major customers, the vast majority being global companies, and is a focal point for the international sales and marketing team. The locale will also play a significant role in product development programs; the Corporation has been able to attract talented engineers to work within the design team in Houston. In the future, this facility will be a distribution point for drilling equipment parts and consumables and will offer calibration services for Houston based customers.

2010

In March 2010, McCoy unveiled its new brand and simplified its structure from three to two business segments: Energy Products & Services ("EP&S") and Mobile Solutions. Energy Products & Services is engaged in the manufacture of drilling equipment, as well as service and replacement parts for the global energy industry. Mobile Solutions is involved in the manufacture of custom heavy-duty trailers and the manufacture of Vac and Hydrovac systems.

Subsequent to March 2010, McCoy made changes to its business structure. The McCoy Vac and Hydrovac division was moved from the EP&S segment to the Mobile Solutions segment. This was done to ensure like services were aligned in each segment. Also, with the sale of McCoy Parts & Service, this division was eliminated from the Mobile Solutions segment.

DESCRIPTION OF THE BUSINESS

The Corporation carries on business in two operating segments: Energy Products & Services ("EP&S") and Mobile Solutions.

EP&S is engaged in the manufacture of drilling equipment, service and replacement parts for the global energy industry, as well as a range of coatings and hydraulic manufacturing and repair services. It is comprised of two divisions: D&C and Coatings and Hydraulics.

Mobile Solutions manufactures specialized custom heavy-duty trailers primarily used in the energy industry for pressure pumping, coil tubing and rig transport.

The following table outlines the McCoy operating structure.

Segment	Division	Business/Location	Primary Products/Services
ENERGY PRODUCTS & SERVICES	**D&C**	Superior Manufacturing & Hydraulics, Inc. Lafayette, LA & Farr Canada Corp. Edmonton, AB	Design, manufacture, service and sale of drilling and completions equipment including hydraulic power tongs, iron roughnecks, torque-subs, torque turn monitoring software, diesel and electric hydraulic power units, make/break units, pipe handling equipment, replacement parts and bucking units
		Rig Parts, operating as a division of Superior Manufacturing & Hydraulics, Inc.	Manufactures and distributes replacement parts used in power tongs, iron roughnecks and a wide variety of other handling tools
		Precision Die Technologies L.L.C. Lafayette, LA	Manufacture of dies and inserts for oilfield tools
	Coatings and Hydraulics	Inotec Coatings and Hydraulics Inc. Edmonton, AB	Development and application of specialized coatings for downhole and directional drilling tools worldwide, coatings for oil sands related equipment, repairs and maintenance of hydraulic cylinders and coatings for mining related applications
MOBILE SOLUTIONS	**Trailers**	Peerless Ltd. Penticton, BC	Manufacture and sale of custom chassis and heavy-duty trailers for the energy industry both domestically and internationally

Energy Products & Services

EP&S is engaged in the design, manufacture and distribution of drilling and completions equipment, service and replacement parts for the global energy industry, both land and offshore, as well as a range of coatings and hydraulic manufacturing and repair services. It is comprised of two divisions: Drilling and Completions and Coatings and Hydraulics.

The D&C division consists of Farr Canada Corp. ("Farr"), located in Edmonton, Alberta; Superior Manufacturing & Hydraulics, Inc. ("Superior"), Rig Parts (operating as a division of Superior) and Precision Die Technologies, L.L.C. ("PDT") all located in Lafayette, Louisiana. The McCoy Coatings and Hydraulics division consists of Inotec Coatings and Hydraulics Inc. ("Inotec") located in Edmonton, Alberta.

Sales in the EP&S segment accounted for approximately 65% of consolidated revenues in 2012 and 55% in 2011. The EP&S segment uses two channels to sell its products: international and domestic sales force and distributors. The Corporation will continue to pursue growth of this segment, both organically and through strategic acquisitions.

D&C Division

The D&C division manufactures, distributes and services equipment used primarily in handling tubulars and making premium connections for oil and gas drilling and well completions.

McCoy is the leading manufacturer of power casing tongs and other tubular makeup equipment. The competition for the D&C division includes a few select North American manufacturers as well as other internationally based manufacturers. The division also provides replacement parts, dies and inserts for the global energy market. D&C offers the following products and services:

- Tubular make-up and break-out power tongs, for both land and offshore rig applications;
- Computerized torque-turn monitoring software;
- Consumable replacement parts used in rig equipment;
- Bucking units;
- Make/break machines used for assembling or breaking out downhole tools and testing tubular connections;
- Diesel and electric hydraulic power units;
- Torque subs;
- Rig equipment service;
- Tubular handling equipment;
- Iron roughnecks; and
- Other drilling and completions equipment.

These products and services are currently offered through many brands including the following listed below, as well as other "we" products which are currently under development:

FARR®	power tongs, bucking units, power supplies, and pipe handling
CLINCHER®	power tongs, bucking units, power supplies, pipe handling, and make/break units
WinCatt™	torque turn monitoring software
GRITFACE® /PDT	dies and inserts with hardened surface
HYTOPS	automated tong system
CHROMEMASTER	reduced marking power tong system
weCATT	torque sub
weTORQ	iron roughneck

Coatings and Hydraulics Division

The Coatings and Hydraulics division serves the industrial and natural resource sectors by providing large-capacity coating services through nickel and chrome plating, thermal spray coating, and plasma transferred arc welding ("PTA"), in addition to hydraulic cylinder repair services.

Approximately half of this division's business is derived from the Alberta oil sands and the other half from the conventional downhole tool industry. Competition in the Coatings & Hydraulic division includes a number of western Canadian based chrome/thermal spray shops, PTA service shops and hydraulic repair facilities.

Through the Inotec and Inotec Wear Solutions brands, the division develops innovative wear coating applications for downhole tools, oil sands equipment and other industrial equipment, applied through the PTA and thermal spray coating processes. These coatings can be supplied as a service only, to the customers' parts, or this division can also manufacture the complete part. This division also provides repair and maintenance on hydraulic cylinders designed for the world's largest mining shovels and large haul trucks. The balance of the Coatings & Hydraulic division's revenue is generated by hard chrome and nickel plating, honing and shot peening services offered to many industries including conventional oil and gas, mining, pulp and paper and construction.

Mobile Solutions

Mobile Solutions is engaged in the manufacture and sale of custom heavy-duty trailers and custom chassis used in the energy industry for pressure pumping and heavy haul oilfield applications. This segment now only consists of the McCoy Trailers division. Until June 2011, this segment included the McCoy Vac and Hydrovac division and until December 2010, this segment included the McCoy Parts & Service division. Both divisions were sold by McCoy to enhance McCoy's focus on products and services for the global energy industry.

McCoy Trailers consists of Peerless Limited ("Peerless") which is located in Penticton, British Columbia where both the Scona and Peerless branded trailers are manufactured. The Scona brand includes heavy-duty lowbed trailers, oilfield floats and custom oilfield trailers. The Peerless brand includes customized chassis and heavy-haul trailers using high-strength steels ideal for heavy axle loading and rugged operating conditions. In addition to the wholly owned Penticton facility, McCoy Trailers also has subcontract relationships with manufacturing plants in Arkansas and Texas, which allow for the ramp up of production during periods of market peaks and contraction when markets decline. Key competitors for McCoy Trailers include other custom heavy duty trailer manufacturers in North America.

This segment is aggressively pursuing market expansion into the United States through targeted export channels and to overseas energy markets. Engineering expertise is being utilized to develop innovative products for these specialized transportation markets.

McCoy designs and manufactures specialized custom drilling and well servicing chassis trailers used in pressure pumping and stimulation operations, and particularly in shale oil and gas applications.

Custom Trailers for Well Fracturing and Horizontal Drilling

The energy industry trend towards longer horizontal wells and more multi-stage frac jobs means greater horsepower required for conducting oilfield operations. In general terms, this translates into greater demand for custom chassis like those manufactured by McCoy Trailers. A 50,000 horsepower increase in fracturing capacity typically results in an order for 25 custom chassis.

With an adaptive, responsive, and innovative engineering department and a strong customer focus, McCoy Trailers produces class-leading lightweight designs that evolve with the industry's ever-changing requirements. Fully customizable, these trailers are built to meet the unique needs of each customer.

McCoy builds and sells innovative trailers for frac and fluid pumpers, coiled tubing, cementing, nitrogen, and all other stimulation techniques. Capacities range from 20-ton single-axle manifold trailers and 60-ton tridem and quad-axle coiled tubing trailers to 80-ton-plus, 24-wheel reel trailers.

McCoy Trailers is focused on serving energy sector clients operating in the Western Canadian Sedimentary Basin, the United States as well as internationally.

Revenue

The following table sets out the contributions to McCoy's total revenues for 2012 and 2011 from each of McCoy's segments.

McCoy Business Segment	Contribution to Total Revenues (*in thousands of CAD except percentages)*			
	2012		2011	
	$	%	$	%
Energy Products & Services	**116,051**	**65**	84,668	55
Mobile Solutions	**63,321**	**35**	69,129	45
Total	**179,372**		153,797	

Approximately 68% of McCoy's revenues were generated from international sales, outside of Canada. The following chart sets out the geographic distribution of revenue in 2012 and 2011. Revenue is allocated to geographic regions based on the location of the customer invoiced, which may not necessarily reflect the final destination.

Geographic Region	2012	2011
	(in thousands CAD)	
	$	$
United States	**81,518**	56,151
Canada	**57,268**	67,876
Europe	**13,490**	9,947
Middle East	**11,464**	7,967
Asia	**10,561**	3,634
South America	**1,696**	2,176
United Kingdom	**1,579**	4,307
Africa	**1,039**	774
Australasia	**414**	928
Mexico	**343**	37
Total	**179,372**	153,797

Foreign Operations

The Corporation's current foreign operations are located in the United States and are part of the EP&S segment. Approximately 33% of the Corporation's property, plant and equipment are located in the United States; compared to 23% in 2011. Revenue generated from foreign operations was approximately 32% of the Corporation's consolidated revenues in 2012; compared to 28% in 2011.

Environment, Health and Safety

McCoy is committed to protecting its employees, equipment, the public and the environment from harm. The implementation, enforcement and maintenance of McCoy's health, safety and environmental ("HSE") program are the responsibility of everyone within the Corporation. McCoy recognizes that an effective HSE program has a positive impact on long-term business results. Accordingly, management supports the training, equipment and procedures needed to ensure the health and safety of all McCoy employees and guests.

All employees have the responsibility for ensuring relevant legislation, policies, procedures, guidelines and safe work practices are understood and followed and to bring forward any improvements they have to the HSE program.

The Corporation is committed to complying with, or exceeding, all relevant external regulations regarding the environment and health and safety in addition to meeting internal standards. All McCoy business units, regardless of location, are audited annually to the Certificate of Recognition ("COR") safety program standards. McCoy strives to exceed the COR and Occupational Health and Safety standards by setting annual internal HSE goals and objectives that meet or exceed external regulation standards. All McCoy business units have shown continuous improvement in their execution of HSE programs in 2012, as measured by each business unit's performance under the COR audits.

Human Resources

McCoy strives to be an exceptional place to work. McCoy provides employee programs and policies that ensure employees have the necessary tools to be successful.

McCoy values integrity in the organization and expects all employees to maintain the highest standards of conduct. McCoy's Business Code of Conduct is designed to commit the Corporation and all employees, contractors, directors and officers to performing business activities and operations with integrity and due regard to the public interest and the interest of McCoy shareholders. Employees, contractors, directors and officers review and confirm compliance with the Code annually.

As at December 31, 2012, McCoy employed a total of 568 employees. The balance has been further broken down in the table below. Of the total number of employees, 155 are represented by two collective agreements, including 59 employees at the Farr manufacturing plant in Edmonton which are represented by the McCoy Employee Association. The current collective agreement expired March 31, 2012. A new agreement has not been negotiated; consequently the prior agreement is in force until a new agreement has been established. The other 96 employees at the Corporation's trailer manufacturing plant in Penticton, BC are represented by The International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers and Helpers Lodge #359. The current collective agreement expires May 31, 2014.

McCoy Entity	Number of Employees
Corporate	27
Energy Products & Services	403
Mobile Solutions	138
Total	**568**

McCoy employs skilled workers such as welders, millwrights heavy-duty mechanics, and trailer mechanics in the Mobile Solutions segment and machinists, welders, and engineers in the EP&S segment. To assist in recruiting the best qualified employees, McCoy implemented an on-line recruitment screening tool called "Select." The Select system offers the ability to incorporate routine questions for suitability, as well as behavioral based screening criteria.

Intangible Properties

It is the Corporation's practice to protect its intellectual property in several ways, depending on the nature of the property. The Corporation files patent applications on new or improved technology that it develops which it believes has commercial value and represents an advantage over its competitors. Most of the Corporation's patents are filed in Canada and the United States. Applications are filed in other countries when there is a strategic advantage to do so. Access to the Corporation's proprietary information is limited, to the extent possible, through the use of confidentiality and non-disclosure agreements with contractors, employees, consultants, customers and suppliers. The Corporation also has agreements with its employees who may develop intellectual property during the course of their employment requiring such employees to assign such property to the Corporation. The Corporation and its divisions and subsidiaries currently have approximately 80 patents and patent applications filed in a variety of jurisdictions throughout the world. Approximately 60 patents and patent applications were acquired in connection with the acquisition of Superior and PDT in 2007. Trademarks are also used fairly extensively in the Corporation's businesses, with a total of approximately 50 currently registered and active.

RISK FACTORS

Financial Risk Management

As noted in the Corporation's Management's Discussion & Analysis ("MD&A") for the year ended December 31, 2012, McCoy's activities are exposed to a variety of financial risks of varying degrees of significance, which could affect the Corporation's ability to achieve strategic objectives. The Corporation's overall risk management programs focuses on the unpredictability of financial and economic markets and seeks to minimize potential adverse effects on financial performance. Risk management is carried out by financial management in conjunction with overall corporate governance. The principal financial risks to which the Corporation is exposed are described below:

Market risk

Foreign currency risk

The Corporation is exposed to foreign exchange risks arising from fluctuations in exchange rates on its foreign dollar denominated monetary assets and liabilities. Foreign exchange risk is primarily with the United States ("US") dollar. The Corporation attempts to match US dollar cash flows and reported amounts for US dollar revenues and expenditures on a period-to-period basis to mitigate a portion of foreign currency risk.

Based on the Corporation's US dollar denominated monetary assets and liabilities at December 31, 2012, the Corporation estimates that a one-cent change in the value of the US dollar would increase or decrease net earnings, net of tax, by $0.1 million (2011 - $0.1 million).

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Corporation is primarily exposed to interest rate risk on cash and cash equivalents and borrowings, all of which have a component of interest that is variable. The Corporation estimates that a change of 100 basis points in the interest rate on its borrowings as at December 31, 2012, would have increased or decreased net earnings, net of tax, for the year ended December 31, 2012, by $0.1 million (2011 - $nil).

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The Corporation's credit risk exposure is primarily through its cash and cash equivalents and trade receivables.

The credit risk associated with cash and cash equivalents is minimized by ensuring that these financial assets are held primarily with Canadian chartered banks and recognized US financial institutions.

The Corporation manages its trade receivable credit risk by following a program of credit evaluation, obtaining deposits on certain orders and by limiting the amount of customer credit. Further, on international sales, receipt of payment is often required prior to shipping. Impairment provisions are made for potential losses that may be incurred at the balance sheet date.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations with financial liabilities as they become due. The Corporation maintains sufficient cash and cash equivalents and operating line of credit availability to meet financial obligations.

Critical Risks & Uncertainties

As at December 31, 2012, there have been no changes in the Corporation's risks or risk management activities since December 31, 2011. The Corporation's results of operations, business prospects, financial condition, cash distributions to shareholders and the trading price of the Corporation's shares are subject to a number of risks. These risk factors include:

- Oil and natural gas commodity price fluctuations;
- Political unrest;
- Foreign exchange rate fluctuations;
- Technology risks;
- The economy of the energy sector;
- Weather;
- Ability to attract and retain key personnel;
- The competitive environment;
- McCoy's ability to successfully integrate and operate additional businesses; and
- Interest rates.

A discussion of these risks and other risks associated with investment of the Corporation's shares is discussed below and also available in the MD&A available at www.sedar.com.

Commodity Price Risk

The recent downturn in oil and gas prices worldwide has had a direct impact on activities of the Corporation's customers. Low commodity prices for an extended period of time will result in continued reduced demand for many of McCoy's manufactured products. This in turn will result in lowered revenues and earnings. To mitigate some of this risk, management has focused on growing its less volatile recurring revenue businesses such as replacement parts and service related to mobile equipment and drilling equipment as well as new product development. In addition, the Corporation's strategy to increase revenue outside of North America is intended to provide less revenue volatility.

Political Unrest

The Corporation markets its products into certain countries which may experience political unrest from time to time. Political unrest could result in a disruption in revenues generated by those countries and result in reduced revenues potentially short and long term. To mitigate this risk, McCoy ensures it is operating in the global marketplace where reliance on revenues from one country or another is not expected to result in major revenue shortfalls.

Technology Risk

McCoy's ability to meet customer demands in respect of performance and cost will depend upon continuous improvements in products, and there can be no assurance that McCoy will be successful in this regard or that McCoy will have resources available to meet this continuing demand. Failure to meet this demand could have a material adverse effect on McCoy's business, financial condition, results of operations and cash flows. No assurances can be given that McCoy's competitors will not achieve technological advantages.

In the future, McCoy may seek patents or other similar protections in respect of particular products and technology, however, McCoy may not be successful in such efforts. Competitors may also develop similar products and technology thereby adversely affecting McCoy's competitive advantage in one or more of McCoy's businesses. Additionally, there can be no assurance that certain products or technology McCoy develops, may not be the subject of future patent infringement claims or other similar matters which could result in litigation, the requirement to pay licensing fees or other results that could have a material adverse effect on McCoy's business, financial condition, results of operations and cash flows.

Economic Downturns

Economic downturns could have a negative impact on our business since our customers may curtail their capital spending or may experience difficulty in paying for products purchased. By situating the Corporation to adapt to changing market conditions, exposure to such risk may be lessened. This has and will continue to be achieved by cost management strategies and expansion into other sectors through new targeted marketing strategies.

Cyclicality

As a significant percentage of the Corporation's consolidated revenues are tied, directly or indirectly, to the energy industry, both in Western Canada and globally, it's overall financial performance is subject to any cyclicality in this industry sector.

Weather Conditions

An unseasonably warm winter can adversely affect McCoy's operations in two ways. In some areas, drilling activity is dependent upon prolonged periods of cold weather to freeze the ground and allow heavy equipment access to off-road locations. If the equipment is not in active use, it is unlikely to require repair. Also, an unseasonably warm winter in North America reduces the consumption of natural gas which negatively affects drilling activity.

Climate Change Risk

McCoy is unlikely to be affected directly by Climate Change effects. No direct physical risks (i.e. rise of sea level, harsher winter) resulting from Climate Change are foreseeable to affect the continuity of McCoy's business units in the long term.

None of the Alberta or BC regulations on Greenhouse Gases ("GHGs") directly affect any of McCoy's business units, since all McCoy facilities in Alberta emit less than the Alberta regulatory compliance threshold of 100,000 tonnes of carbon dioxide ("CO2") per year and all McCoy facilities in BC emit less than the BC regulatory reporting threshold of 10,000 tonnes of CO2 per year. Both federally in Canada and in the United States, any anticipated effect of GHG emissions legislation will be determined when the proposed regulations are finalized by both the Canadian Government and United States Environmental Protection Agency. Although none of McCoy business units is a large emitter of CO2, the Corporation is taking steps towards assessing the carbon footprint of each one. The Corporation's initial approach consists on monitoring fossil fuel and electric power costs with intention of identifying areas of potential improvement. The Corporation's main customers in the energy industry most probably will face the need for capital investment to comply with impending regulations having the effect of promoting CCS (Carbon Capture and Storage) for reductions in GHGs, besides current expenses (in Alberta and BC, CO2 is currently regulated at $15/ton and $30/ton, respectively). Whether price adjustment, revenue adjustment or revamping will take place in any given facility of McCoy's customers is uncertain. However, the oil and gas extraction activity is reasonably expected to be maintained to cover the growth in energy demand.

In the short term, McCoy will be gradually formalizing current initiatives aimed towards increasing energy efficiency and reducing energy consumption.

Reliance on Key Persons and Labour Shortages

The potential loss of key personnel is another risk area the Corporation faces. While continued productivity improvements have reduced labour requirements and the recent economic downturn has relieved the labour market pressures in the short-term, the Corporation's future and growth is dependent on retaining qualified employees at all levels of the organization. In order to address this risk, the Corporation is proactive in its human resource management with the ultimate goal of providing an attractive work environment for all employees.

Domestic and Foreign Competition

Each segment of the Corporation has competitors. If the Corporation does not respond effectively to its competitors' new products, geographic expansion, pricing and marketing strategies, the Corporation may lose market share. Foreign competition presents a risk for the hydraulic power tong market as China, in particular, is expanding its distribution network in North America. The Corporation invests a significant amount of time and effort on new product development to ensure that this risk is mitigated. Most importantly, the Corporation is a customer focused business and long term, trusted relationships are key to maintaining a competitive edge. Customers are more reluctant to change suppliers if their expectations are met or exceeded.

International Sales

The EP&S segment sells a significant amount of its product to foreign countries. International sales are subject to inherent risks such as changes in regulatory requirements, delays from customs brokers or government agencies, or other trade barriers. Although most sales outside of North America are paid prior to shipping, there is potential risk related to any situation, such as war and civil insurrection that could disrupt the payment of monies owed to the Corporation. Furthermore, a significant amount of products and services may be subject to the export control laws of the United States, Canada or other countries where its products are sold. Failure to comply with the laws and regulations governing exports could result in monetary fines for individuals as well as McCoy, loss of McCoy's export privileges, imprisonment, and other sanctions. The Corporation has established procedures that McCoy personnel must follow to ensure compliance with those laws and regulations.

Business Acquisitions

The Corporation intends to identify, evaluate and acquire new businesses that are complementary to its overall business strategy. If integration of any new businesses does not occur as expected, or their performance is less than expected, the Corporation's revenues may be lower and operational costs higher than expected.

Growth Strategy Risk

The Corporation's Board has approved a robust growth strategy for the Corporation over the next 3 to 5 years. There is a risk that access to capital may be reduced in both the debt and equity markets resulting in delays to the implementation of growth strategy, both organically and by acquisitions. In addition, there is competition for acquiring good companies which can result in unsuccessful acquisition attempts. In order to mitigate this risk, the executive team has a structured and disciplined process for identifying and evaluating opportunities.

Hydrocarbon Demand Risk

Global demand for hydrocarbon related products such as gasoline and natural gas directly impacts the level of worldwide drilling activity. Reduction in drilling activity results in lower demand for many of McCoy's manufactured products. To help alleviate some of this risk, management is continuing to grow its service and replacement parts business for drilling equipment as well as mobile equipment such as trucks and trailers. Growing the Corporation's exposure to the recurring revenue maintenance cycles of existing capital equipment is a key part of the long term business strategy.

Environmental Risk

Inotec, a wholly owned subsidiary of McCoy, conducts certain portions of its industrial coatings business with hazardous substances that are harmful to the environment and personnel should there be a substantial spill or personnel exposure to some or all of these substances. Management has in place mitigating measures and controls which are believed to reduce significantly the opportunity for such an event to take place. The Corporation and Inotec are subject to stringent health, safety and environmental policies and standards and are internally audited on a regular basis. An Environmental Management System based on the Internal Standard ISO 14001:2004 has been implemented at Inotec.

Insurance

Although the Corporation believes its insurance coverage to be appropriate for the nature of the risks relative to the costs of coverage, such coverage may not be adequate.

Steel Supply and Pricing

Both of the Corporation's segments use steel as the major component of their products. Disruption in the supply of steel may affect the Corporation's ability to fill orders in a timely fashion and volatility of steel prices may affect gross margins. The Corporation has many steel suppliers which may assist in the mitigation of disruption of the supply of steel.

Anti-Corruption Risk

The Corporation does business in many countries and its operations are subject to many different laws, customs and cultures. Business is conducted by both McCoy personnel and third party representatives. The Corporation is required to comply with applicable anti-bribery laws, including the Canadian Corruption of Foreign Public Officials Act (the "CFPOA"), the US Foreign Corrupt Practices Act (the "FCPA") and the United Kingdom Bribery Act 2010, as well as local laws in all countries in which the corporation does business. The Corporation has established policies, procedures and a due diligence process that McCoy personnel and/or third party representatives must follow to ensure compliance with those laws.

DIVIDEND RECORD & POLICY

The following table shows the Corporation's dividends declared for the past three financial years, as well as for the first quarter of 2013.

Dividend Declared Date	Amount per common share
March 14, 2013	$0.05
December 12, 2012	$0.05
August 17, 2012	$0.05
May 17, 2012	$0.05
March 22, 2012	$0.03
December 13, 2011	$0.03
September 30, 2011	$0.01
May 19, 2011	$0.01
March 17, 2011	$0.04[1]
March 10, 2011	$0.01
September 17, 2009	$0.01
May 29, 2009	$0.01
February 26, 2009	$0.01

The Corporation's Board of Directors approved an increase in a quarterly dividend from $0.01 to $0.03 per common share effective December 13, 2011 and an additional increase from $0.03 to $0.05 effective May 17, 2012. Any future dividends will be at the discretion of the Board of Directors and will be dependent upon McCoy's earnings, capital requirements, growth opportunities, and financial position, as well as general economic conditions, bank lending requirements and other factors deemed relevant by the Board of Directors.

1 This was a special dividend declared by the Corporation.

DESCRIPTION OF CAPITAL STRUCTURE

The Corporation is authorized to issue an unlimited number of shares designated as Common Shares and an unlimited number of shares designated as Preferred Shares. As of the date of this Annual Information Form there are 26,747,578 Common Shares and nil Preferred Shares issued and outstanding. The Common Shares have attached to them the rights, privileges, restrictions and conditions as set forth below.

(a) Except for meetings at which only holders of another specified class shares of the Corporation are entitled to vote separately as a class, each holder of a Common Share is entitled to receive notice of, to attend and to vote at all meetings of the shareholders of the Corporation.

(b) Subject to the rights, privileges, restrictions and conditions attached to any other class of shares of the Corporation then outstanding, the holders of the Common Shares are entitled to receive dividends if, as and when declared by the directors of the Corporation.

(c) Subject to the rights, privileges, restrictions and conditions attached to any other class of shares of the Corporation then outstanding, the holders of the Common Shares are entitled to share equally in the remaining property of the Corporation upon liquidation, dissolution or winding-up of the Corporation.

MARKET FOR SECURITIES

The Common Shares of the Corporation trade on the Toronto Stock Exchange under the symbol "MCB". The following is the trading data in respect of the Common Shares for 2012 reported by the Toronto Stock Exchange.

Month 2012	Open $	High $	Low $	Close $	Volume Traded
DECEMBER	4.05	4.49	4.00	4.43	408,500
NOVEMBER	3.60	4.14	3.45	4.00	1,197,200
OCTOBER	3.52	3.65	3.23	3.60	272,500
SEPTEMBER	3.60	3.68	3.46	3.52	527,100
AUGUST	3.96	3.96	3.52	3.60	364,700
JULY	3.68	4.01	3.45	3.96	172,400
JUNE	3.79	3.83	3.40	3.60	688,300
MAY	3.90	4.05	3.47	3.84	430,800
APRIL	4.11	4.18	3.40	3.94	425,800
MARCH	3.94	4.42	3.65	4.00	920,800
FEBRUARY	3.14	4.00	3.13	3.88	3,700,100
JANUARY	3.20	3.40	3.02	3.15	519,400

DIRECTORS & OFFICERS

Set forth below are the current directors of the Corporation as at the date of this AIF, together with their municipality of residence, positions and offices held by them with McCoy, their principal occupations for the last five years and the year first elected to the Board of the Corporation . Each director holds office until the next Annual General Meeting or until his or her successor is earlier elected or appointed.

Directors

Name & Municipality of Residence	Position	Principal Occupation Last Five Years	Independent	Director Since
KERRY BROWN, CA(1) St. Albert, Alberta, Canada	Director and Chairperson of the Board	**Current** *President & CEO* CMW Management Inc., a private investment holding company **Past** *CFO* McCoy Corporation (2003 to 2008) *President & CEO* Foundation Equity Corporation, venture capital investment fund (1992 to 2007)	Yes	1995
FRANK BURDZY, MBA Calgary, Alberta, Canada	Director	**Current** *President & CEO* Champion Petfoods LP, manufacturer, distributer and seller of dog and cat food products **Past** *Vice-President, Business Operations* Superior Propane (division of Superior Plus Inc.), a propane and petro fuels distribution company (2006 to 2010)	Yes	2005
TERRY CHALUPA(1) Edmonton, Alberta, Canada	Director	**Current** *President & General Manager* Abalone Construction (Western) Inc., a company serving the heavy construction industry in Alberta *CEO & General Manager* Abalone Construction Services Inc.	Yes	2001
TERRY FREEMAN, FCA, ICD.D Edmonton, Alberta, Canada	Director	**Current** *CEO* Corrosion and Abrasion Services Ltd., a service company in the business of preventing surface wear from corrosion and abrasion. **Past** *Managing Director* Northern Plains Capital Corporation, a private equity firm specializing in oil field services and energy industrial investments (2007 to 2012)	Yes	2009

Name & Municipality of Residence	Position	Principal Occupation Last Five Years	Independent	Director Since
JOHN HOWARD, CA[(1)] Edmonton, Alberta, Canada	Director	**Current** *Managing Partner* Howard Gardiner Associates, an Edmonton-based chartered accounting firm	Yes	1995
CARMEN LOBERG Calgary, Alberta, Canada	Director	**Current** *Corporate Director* **Past** *President* NorTerra Inc., a private investment company with principal investments in transportation, manufacturing, and logistics (2000 to 2010)	Yes	2008
JIM RAKIEVICH, ICD.D Edmonton, Alberta, Canada	Director and President & CEO	**Current** *President & CEO* McCoy Corporation	No	2002
CHRIS SEAVER, MBA, J.D.[(2)] Calgary, Alberta, Canada	Director	**Current** *Corporate Director* **Past** *President & CEO* Hydril Company, a US publicly traded oilfield services company specializing in premium connections casing, tubing, and blowout prevention equipment; and subsequently bought out by Tenaris S.A. in 2007 (1993 to 2007)	Yes	2010
JOHN IRWIN Houston, Texas, U.S.A.	Director	**Current** *Corporate Director* **Past** *President, CEO & Director* Atwood Oceanics Inc., an international off shore drilling contractor. (1979-2010)	Yes	2012

(1) Foundation Equity Corporation (“Foundation”) is a privately-held investment holding company and the Corporation’s largest shareholder. Foundation holds 11,402,727 Common Shares of the Corporation, representing approximately 43% of the issued and outstanding Common Shares. Outstanding shares of Foundation are held by directors of the Corporation as follows: Kerry Brown (17.38%), Terry Chalupa (1.91%) and John Howard (7.62%). Messrs. Brown, Chalupa and Howard are all directors of Foundation, and Mr. Chalupa is also a member of Foundation’s Compensation Committee. Mr. Brown is the Chairperson of the Corporation.

(2) Chris Seaver served as a director of Innovative Wireline Solutions Inc. ("IWS") from June 30, 2010 until October 26, 2011. On December 2, 2011 the Alberta Securities Commission issued a Cease Trade Order (“CTO”) for the ceasing of trading in or purchasing of any securities of IWS; on December 6, 2011, the British Columbia Securities Commission issued a CTO, and on December 19, 2011, the Ontario Securities Commission issued a CTO in respect of IWS. These orders were issued due to the failure of IWS to file interim financial statements and the associated management's discussion and analysis and certificates under National Instrument 52-109 for the interim period ended September 30, 2011. These CTOs have not been revoked.

Board Committees

McCoy has three committees of the Board: the Audit Committee, the Governance Committee, and the Compensation & HR Committee. The voting members of each of these committees, as at December 31, 2012, are identified below:

Audit Committee	Governance Committee	Compensation & HR Committee
Frank Burdzy, Chair Terry Freeman Chris Seaver	Kerry Brown, Chair John Howard Carmen Loberg	Terry Freeman, Chair Kerry Brown Terry Chalupa Carmen Loberg

The charters of the Audit Committee, Governance Committee, and Compensation & HR Committee can be found as Appendices 1, 2 and 3 respectively to this AIF. The charters of the Audit Committee and the Compensation & HR Committee were revised and approved by the Board in September 2011. A name change to the Compensation Committee was also approved to the Compensation & HR Committee. The charter for the Governance Committee was revised and approved by the Board in March 2012. Additional information about the Audit Committee can be found later in this AIF under the heading "Audit Committee Information."

Officers

The following table sets forth the name, municipality of residence and principal occupation during the last five years for executive officers of the Corporation as at the date of this AIF.

Name & Municipality of Residence	Position With the Corporation	Principal Occupation Last Five Years
JIM RAKIEVICH, ICD.D Edmonton, Alberta, Canada	President & Chief Executive Officer	**Current** President & CEO
JACOB COONAN, CA Edmonton, Alberta, Canada	Interim Chief Financial Officer	**Current** Interim CFO **Past** *KPMG LLP* Senior Manager, Audit (2004-2012)
JIM NOWOTNY Houston, Texas, U.S.A.	Senior Vice President, Drilling & Completions	**Current** Senior Vice President, Drilling & Completions **Past** *Atwood Oceanics Inc.* Director, Marketing & Business Development (2010-2012) Senior Manager, Marketing & Contracts (2008-2010) Operations Manager (2005-2008)
ANDY MCEACHERN, P. ENG. Penticton, British Columbia, Canada	Vice President, Trailers	**Current** Vice President, Trailers **Past** *McCoy Corporation* General Manager, Peerless Ltd., a wholly owned subsidiary of McCoy Corporation (2005-2008)
TOM WATTS Sherwood Park, Alberta, Canada	Vice President, Human Resources	**Current** Vice President, Human Resources **Past** *McCoy Corporation* Director, Human Resources (2006-2009)

Name & Municipality of Residence	Position With the Corporation	Principal Occupation Last Five Years
PETER WATSON Houston, Texas, U.S.A.	Vice President, Legal & Corporate Secretary	**Current** Vice President, Legal & Corporate Secretary **Past** *Kenda Capital LLC* Senior Legal Counsel (2009-2012) *SPX Corporation* Assistant Group General Counsel (2005-2009)

Excluding Common Shares held by Foundation and Common Shares that may be issued pursuant to the exercise of stock options, as of March 14, 2013 the directors and officers of the Corporation as a group beneficially owned, directly or indirectly, 750,170 Common Shares representing approximately 2.8% of the issued and outstanding Common Shares. The information as to the beneficial ownership of such shares, not being within the knowledge of the Corporation, has been confirmed by the directors and officers of the Corporation individually.

Conflict of Interest

There is the potential for material conflicts of interest with certain directors of the Corporation who are also directors of Foundation, BBH GP Inc., and MCB LP those being Messrs. Kerry Brown and John Howard. BBH GP Inc. is the general partner of BBH LP, the landlord to three of the Corporation's facilities under two lease agreements. Additionally, the same directors are principals of MCB LP, the landlord to one of the three facilities.

The existence of existing or potential conflicts of interest is required to be disclosed by directors and officers in accordance with McCoy policies governing directors and officers and in accordance with the *Business Corporations Act (Alberta)*. The Governance Committee monitors relationships among directors to ensure that business associations do not affect the Board's performance. In a circumstance where a director declares an interest in any material contract or material transaction being considered at a meeting, the director generally abstains from the discussion and consideration of the matter, and does not vote on the matter.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Management of the Corporation is not aware of any material interest, direct or indirect, of any insider of the Corporation or any associate or affiliate of any insider of the Corporation in any past or proposed transaction which in either case has materially affected or will materially affect the Corporation during the last three completed financial years or during the current financial year.

TRANSFER AGENTS AND REGISTRARS

Valiant Trust Company, Edmonton, Alberta and Toronto, Ontario is the Transfer Agent and Registrar for the Corporation's Common Shares.

INTERESTS OF EXPERTS

The Corporation's auditors, PricewaterhouseCoopers LLP, have confirmed that they are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

ADDITIONAL INFORMATION

Other Information

Detailed segmented revenue information is given in note 22 of the 2012 consolidated audited financial statements herein incorporated by reference. This information, as well as other information relating to the Corporation, has been filed on SEDAR at www.sedar.com as well as on the Corporation's web site at www.mccoyglobal.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities, and options to purchase securities is included in the Management Information Circular prepared by the Corporation and sent to shareholders in connection with the Annual General Meeting scheduled for May 16, 2013.

Additional financial information is provided in the comparative consolidated financial statements for the years ended December 31, 2012 and December 31, 2011 and associated MD&A, which are included in their entirety in the Corporation's Annual Report for 2012. Single copies of the Annual Report, Annual Information Form and Information Circular are available from the Corporation's website, www.mccoyglobal.com, or upon request from the Corporation's Secretary at #301, 9618 – 42 Avenue, Edmonton, Alberta T6E 5Y4 (780) 453-8451, fax (780) 453-8756. Requests for multiple copies may be subject to a nominal fee.

AUDIT COMMITTEE INFORMATION

The Corporation's Audit Committee is a standing committee of the Board and is established to assist the Board in: fulfilling its fiduciary responsibilities in regard to financial reporting, control systems, and ensuring accountability for the use of assets; communicating effectively with the Board, external auditor, internal auditors, and management; promoting the independence of the external and internal auditors; and reporting regularly to the full Board. The Audit Committee's Charter is attached as Appendix 1 to this AIF.

Composition of the Audit Committee

As at March 14, 2013, the Audit Committee is constituted as set out in the following table.

Name	Independent	Financially Literate
Frank Burdzy, MBA (Chair)	Yes	Yes
Terry Freeman, FCA, ICD.D	Yes	Yes
Chris Seaver, MBA, J.D.	Yes	Yes

Relevant Education and Experience

Name	Relevant Education	Relevant Experience
Frank Burdzy, MBA **Chairperson**	Bachelor of Business Administration Master of Business Administration	Currently, President & CEO of Champion Petfoods LP. Formerly, senior executive and officer of a publicly traded company with $4 billion revenue for 5 years. The role involved regular reporting to corporation's audit committee. Formerly, CEO of private company with $500 million revenue for 2.5 years, and an ex-officio member of Audit Committee. Formerly, an executive and officer of wholly owned subsidiary of publicly-traded income trust company with $900 million revenue and an officer of parent income trust.
Terry Freeman, FCA, ICD.D	Fellow of the Institute of Chartered Accountants of Alberta	Currently, CEO of Corrosion and Abrasion Services, Ltd. Formerly, a Board member of Flint Energy Services Ltd. from 2007 to 2012. Formerly, a Board member and Audit Committee Chair of Rentcash, Inc., a TSX listed company from 2005 to 2008. Formerly, Chief Financial Officer of Flint Energy Services Ltd., a TSX listed company from 2001 to 2007 as well as for its private company predecessors from 1992 to 2001.
Chris Seaver, MBA, J.D.	Bachelor of Arts, Economics Doctor of Jurisprudence Master of Business Administration	Currently, retired and serving as a director on two other publicly-traded companies: Oil States International Inc. and Exterran Holdings Inc., both in Texas. Formerly, President & CEO of Hydril Company, a NASDAQ listed company, from 1993-2007 and held various other leadership positions with the company since 1985. Mr. Seaver was the Board Chair of from 2006-07 and was responsible for the sale of the corporation in 2007 for $2.2 billion. Formerly, implemented corporate governance changes required under SOX, including Section 404 internal controls. Formerly, practiced corporate law with emphasis on securities and venture capital from 1980-1985.

Pre-Approval Policies & Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services. See "Appendix 1: Audit Committee Charter – External Auditors."

External Auditor Service Fees

Category	2012	2011
Audit Fees	270,600	266,600
Audit-Related Fees	45,000	72,950
Tax Fees	51,080	-
All Other Fees	12,513	36,214
Total	**379,193**	**375,764**

"Audit Fees" are those fees billed, not accrued, during the fiscal year by the Corporation's external auditor for the audit of the annual consolidated financial statements.

"Audit-related fees" are those fees billed for attendance at quarterly audit committee meetings, review of related documents, and disbursements.

"Tax Fees" relate primarily to the preparation of the Corporation's income tax returns.

In 2012 and 2011 the "All Other Fees" category was comprised of fees related to preparation for IFRS and certain specified procedures. .

APPENDIX 1

Audit Committee Charter

The following is the full text of the Audit Committee's charter adopted by the Audit Committee (the "Committee") and the Board of Directors on November 1, 2002 and amended effective September 30, 2011.

A. Mandate

The primary function of the audit committee (the "Committee") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation's systems of internal controls regarding finance and accounting, and the Corporation's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Corporation's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Corporation's financial reporting and internal control system and review the Corporation's financial statements.
- Review and appraise the performance of the Corporation's external auditors.
- Provide an open avenue of communication among the Corporation's auditors, financial and senior management and the Board of Directors.

B. Composition

1. The Committee shall be comprised of a minimum of three directors as determined by the Board of Directors, all of whom shall be independent directors, pursuant to the policies of the TSX Exchange and National Instrument 52-110.
2. At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Corporation's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Corporation's financial statements.

3. The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Where a vacancy occurs at any time in the membership of the Audit Committee, it may be filled by the Board on the recommendation of the Governance Committee. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

C. Meetings

1. The Committee shall meet at least quarterly, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with management and the external auditors in separate sessions.
2. A quorum for meetings shall be a majority of the Committee members present in person or by telephone or other communication device that permit all persons participating in the meeting to speak and hear each other.
3. Notice of time and place of and an agenda and related materials respecting every meeting shall be given in writing or via electronic communication to each member of the Committee at least 72 hours prior to the time listed for such meeting.
4. The minutes of the Committee meetings shall accurately record the decisions reached and shall be distributed to the Audit Committee members with copies to the Board of Directors, the Chief Financial Officer or such other officer acting in that capacity, and the external auditor. The President & CEO and the Chief Financial Officer shall attend all meetings.

D. Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

1. Documents/Reports Review

a. Review and update this Charter annually.

b. Review the Corporation's financial statements, MD&A and any annual and interim earnings, press releases, and Annual Information Form before the Corporation publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

2. External Auditors

a. Require the external auditors to report directly to the Committee.

b. Review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Corporation.

c. Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Corporation and confirming their independence from the Corporation.

d. Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.

e. Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.

f. Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval and the compensation of the external auditors.

g. Review with management and the external auditors the terms of the external auditors' engagement letter.

h. At each meeting, may consult with the external auditors, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements.

i. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.

j. Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.

k. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Corporation's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:

  i. the aggregate amount of all such non-audit services provided to the Corporation constitutes not more than five percent (5%) of the total amount of revenues paid by the Corporation to its external auditors during the fiscal year in which the non-audit services are provided;

  ii. such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and

  iii. such services are promptly brought to the attention of the Committee by the Corporation and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

3. Financial Reporting Process

a. In consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external.

b. Consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.

c. Consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management.

d. Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.

e. Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

f. Review any significant disagreement among management and the external auditors regarding financial reporting.

g. Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.

h. Review the certification process.

i. Establish procedures for:

  i. the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and

  ii. the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

4. Other

a. Review disclosure of any related-party transactions.

E. Authority

The Committee may:

a. engage independent outside counsel and other advisors as it determines necessary to carry out its duties;

b. set and pay the compensation for any advisors employed by the Committee; and

c. communicate directly with the internal and external auditors.

d. The Committee shall have unrestricted access to the Corporation's personnel and documents and will be provided with the resources necessary to carry out its responsibilities.

APPENDIX 2

Governance Committee Charter

The following is the full text of the Governance Committee's charter adopted by the Governance Committee (the "Committee") and the Board of Directors on December 5, 2001 and amended effective March 4, 2008 and March 22, 2012.

A. Mandate

The primary function of the Governance Committee (the "Committee") is to assist the Board of Directors with all corporate governance related matters that build and enhance the Board's and the Corporation's effectiveness.

B. Composition And Process

1. The Governance Committee (the "**Committee**") shall be composed of a minimum of three members of the Board of Directors of the Corporation (the "**Board**"), a majority of whom shall be independent directors.
2. Members shall serve one year terms and may serve consecutive terms, which are encouraged to ensure continuity of experience.
3. The Chairperson shall be a director appointed by the Board for a one year term and may serve any number of consecutive terms.
4. The Chairperson shall, in consultation with management and the members of the Committee, establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to the members with sufficient time for study prior to the meeting.
5. The minutes of the Committee meetings shall accurately record the decisions reached and shall be distributed to Committee members with copies to the Board and the Chief Executive Officer, or such other officer acting in that capacity ("**CEO**").

C. Meetings

1. The Committee will meet at least twice per year. In addition, the independent directors of the Committee will consider holding regularly scheduled meetings (or holding *in camera* sessions at regular Board meetings) at which non-independent directors and members of management are not in attendance. All meetings will be scheduled to permit timely consideration of topics or responsibilities. Additional meetings may be held as deemed necessary by the Chairperson of the Committee or as requested by any member of the Committee.

2. A quorum at meetings of the Committee shall be a majority of the Committee members present in person or by telephone or other communication device that permit all persons participating in the meeting to speak and hear each other.

3. Notice of time and place of and an agenda and related materials respecting every meeting shall be given in writing or via electronic communication to each member of the Committee at least 72 hours prior to the time listed for such meeting.

D. Responsibilities

In respect of corporate governance matters, to review and provide recommendations to the Board on the following matters:

1. **Board Performance & Effectiveness**

   a. Develop written corporate governance guidelines and mandate for the Board in which it explicitly acknowledges responsibility for the stewardship of the Corporation and considers (i) measures for receiving feedback from stakeholders and (ii) expectations and responsibilities of directors, including basic duties and responsibilities with respect to attendance at Board meetings and advance review of meeting materials.

   b. Develop clear position descriptions for the Chairman of the Board and the Chair of each Board Committee, and together with the CEO, developing a clear position description for the CEO, which includes delineating management's responsibilities and developing the corporate goals and objectives that the CEO is responsible for meeting.

   c. Oversee the assessment of the Board, its committees and each individual director in respect of effectiveness and contribution.

   d. Cause the Board to annually review its definition of an "independent" director.

   e. Develop a comprehensive orientation and continuing education program for all directors.

   f. Review aggregate skills and competencies of the Board.

   g. Ensure that all members of the Board have been informed of and are aware of their duties and responsibilities as a director of the Corporation.

2. **Regulatory Oversight**

   a. Ensuring compliance by the Board and the Corporation with all applicable securities laws and stock exchange rules.

   b. Develop and monitor the Corporation's general approach to corporate governance issues as they may arise.

   c. Propose changes as necessary from time to time to respond to particular governance recommendations or guidelines from regulatory authorities and ensure that all appropriate or necessary governance systems remain in place and are periodically reviewed for effectiveness.

   d. Ensure that the Corporation has in effect adequate policies and procedures to allow the Corporation to meet all of its continuous disclosure requirements.

   e. Develop and monitor the Corporation's policies relating to trading in securities of the Corporation by insiders as well as communication and confidentiality.

3. **Risk Management**

    a. In conjunction with the Audit Committee, ensure that the Corporation has in effect adequate policies and procedures to identify and manage the principal risks of the Corporation's business.

    b. Annually reviewing areas of potential personal liability of directors and ensure reasonable protective measures are in place.

4. **Corporation Effectiveness**

    a. Ensure that the vision, values and strategic direction of the Corporation are reviewed annually including execution by management.

    b. Periodically consider the need for special policies of the Corporation, initiated by the Board, in unique or emerging policy areas such as corporate ethics, gender equality, sexual harassment or environmental practices.

    c. Develop a written code of business conduct and ethics that is applicable to all directors, officers and employees of the Corporation.

5. **Director Succession Planning**

    a. Develop and follow a process for identifying, recruiting and evaluating the potential of new directors.

    b. Nominate, to the Board, directors with the appropriate skills and abilities to enable the Board to carry out its responsibilities.

E. Authority

1. The Committee shall be appointed by and report to the Board.

2. The Committee shall have unrestricted access to the Corporation's personnel and documents and will be provided with the resources necessary, including the engagement and compensation of outside advisors, to carry out its responsibilities.

F. Reporting

1. Report, through the Chairperson of the Committee, to the Board following each meeting on the major discussions and decisions made by the Committee.

2. Review the Committee's Charter annually and propose recommended changes to the Board.

APPENDIX 3

Compensation & HR Committee Charter

The following is the full text of the Compensation & HR Committee's charter adopted by the Compensation & HR Committee (the "Committee") and the Board of Directors on December 5, 2001 and amended effective March 4, 2008 and September 30, 2011. The Compensation & HR Committee also changed its name effective September 30, 2011 from the Compensation Committee to the Compensation & HR Committee with approval received from the Board.

A. Mandate

The primary function of the Compensation & HR Committee (the "Committee) is to assist the Board of Directors in fulfilling its oversight responsibilities in relation to the Corporation's:

- Overall compensation and human resource philosophy
- Appointment, performance and compensation of the Chief Executive Officer
- Compensation structure and succession planning for key executive positions
- Compensation disclosure as per Canadian securities law
- Share ownership guidelines
- Key strategic HR issues

B. Composition And Process

1. The Compensation & HR Committee (the "**Committee**") shall be composed of a minimum of three members of the Board of Directors of the Corporation (the "**Board**"), all of who shall be independent directors.
2. Members shall serve one year terms and may serve consecutive terms, which are encouraged to ensure continuity of experience.
3. The Chairperson shall be a director appointed by the Board for a one year term and may serve any number of consecutive terms.
4. The Chairperson shall, in consultation with management and the members of the Committee, establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to the members with sufficient time for study prior to the meeting.
5. The minutes of the Committee meetings shall accurately record the decisions reached and shall be distributed to Committee members with copies to the Board and the Chief Executive Officer, or such other officer acting in that capacity ("**CEO**").
6. The Committee shall maintain and follow an annual work plan.

C. Meetings

1. The Committee will meet at least twice per year. In addition, the independent directors of the Committee will consider holding regularly scheduled meetings (or holding in camera sessions at regular Board meetings) at which non-independent directors and members of management are not in attendance. All meetings will be scheduled to permit timely consideration of topics or responsibilities. Additional meetings may be held as deemed necessary by the Chairperson of the Committee or as requested by any member of the Committee.
2. A quorum at meetings of the Committee shall be a majority of the Committee members present in person or by telephone or other communication device that permit all persons participating in the meeting to speak and hear each other.

3. Notice of time and place of and an agenda and related materials respecting every meeting shall be given in writing or via electronic communication to each member of the Committee at least 72 hours prior to the time listed for such meeting.

D. Responsibilities

In respect of compensation matters, to review and provide recommendations to the Board on the following matters:

a. Compensation policies and guidelines for supervisory and management personnel of the Corporation and its related entities.

b. Corporate benefits, bonuses and other incentives, including stock options.

c. Reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those corporate goals and objectives and determining the CEO's compensation level based on this evaluation.

d. Non-CEO officer and director compensation, incentive compensation plans and equity based plans.

e. The review of executive compensation disclosure before the Corporation publicly discloses such information.

f. Succession plans for the officers and for key employees of the Corporation.

g. Any material changes or trends in human resources policy, procedure, compensation and benefits.

E. Authority

1. The Committee shall be appointed by and report to the Board.

2. The Committee shall have unrestricted access to the Corporation's personnel and documents and will be provided with the resources necessary, including the engagement and compensation of outside advisors, to carry out its responsibilities.

F. Reporting

1. Report, through the Chairperson of the Committee, to the Board following each meeting on the major discussions and decisions made by the Committee.

2. Review the Committee's Charter annually and propose recommended changes to the Board.